



ORDINANCE 12-11

**AN ORDINANCE ADOPTING THE AFFORDABLE
HOUSING ELEMENT OF (RE)VISION 2020**

WHEREAS, the Town Council, the Governing Body of the Town of Taos, finds it necessary to adopt an Affordable Housing Plan; and

WHEREAS, the Town has prepared an Affordable Housing Plan, which also serves as the Housing Element to the Town of Taos Comprehensive Plan; and

WHEREAS, the Town of Taos Comprehensive Plan is titled (Re)vision 2020; and

WHEREAS, the Affordable Housing Element of (Re)vision 2020 replaces the Housing Element of Vision 2020; and

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Town of Taos, meeting in Regular Session this 25th day of September, 2012, and after having held a public hearing on the matter that the Affordable Housing Element of (Re)vision 2020 is hereby adopted, approved and ratified:

This ordinance shall become effective as provided by law.

ORDAINED, ADOPTED, AND APPROVED this 25th of September, 2012 by the following vote:

Mayor Pro Tem Michael A. Silva	<u>yes</u>
Councilmember Rudy C. Abeyta	<u>yes</u>
Councilmember Frederick A. Peralta	<u>yes</u>
Councilmember Andrew T. Gonzales	<u>yes</u>

TOWN OF TAOS

A handwritten signature in black ink, appearing to read "Darren M. Cordova", is written over a horizontal line.

Darren M. Cordova, Mayor

ATTEST:



Renee Lucero
Renee Lucero, Town Clerk

APPROVED AS TO FORM



C. Brian James
C. Brian James, Town Attorney

(Re)vision 2020

Affordable Housing Element



**Adopted by Ordinance 12-11
September 25, 2012**

Town of Taos
(Re)vision 2020
Affordable Housing Element

Adopted by the Town of Taos by Ordinance 12-11 on September 25, 2012

Mayor Darren Cordova
Council Member Michael Silva
Council Member Rudy Abeyta
Council Member Frederick Peralta
Council Member Andrew Gonzales

Developed by:
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TABLE OF CONTENTS

EXECUTIVE SUMMARY	i-vi
INTRODUCTION	1
COMMUNITY PROFILE	7
Summary	7
Demographics	8
Economic Profile	13
Housing Profile	17
HOUSING INVENTORY	21
HOUSING NEEDS ANALYSIS	26
Affordability Analysis	26
Projected Housing Needs	35
LAND USE AND DEVELOPMENT	45
Land Use Policy and Affordable Housing	46
Analysis of Constraints	51
Housing Development Feasibility/Density Analysis	56
Sites Inventory	61
IMPLEMENTATION PLAN	70
Implementation Plan Matrix	72
Funding	77
Capacity Building	83
Program Development	88
Real Estate Development	94
Regulatory Environment	100

LIST OF TABLES

Title	Page
Table 1: Taos County and Service Area Population Projections	9
Table 2: Demographic Characteristics	10
Table 3: Employees by Industry Sector, 2009	13
Table 4: Economic Characteristics	15
Table 5: Housing Characteristics	18
Table 6: Vacant Housing Units Comparison	19
Table 7: Town of Taos Housing Inventory	21
Table 8: Public Housing Inventory	23
Table 9: Subsidized Rental Inventory	24
Table 10: Cost Burden in Taos	26
Table 11: HUD Income Guidelines for Taos County Area Median Income	27
Table 12: Affordability Matrix for Taos County	28
Table 13: All Households by Area Median Income	29
Table 14: Survey of Homes for Sale	30
Table 15: Renter Households by Area Median Income	32
Table 16: Survey of Private Market Rentals	33
Table 17: Affordability of Private Market Rentals by AMI	34
Table 18: Town of Taos Projected Housing Needs	35
Table 19: Catch-Up Demand by Income and Tenure	36
Table 20: Projected Needs for Rehabilitation and Weatherization	41
Table 21: NAICS by Income Segment	42
Table 22: Keep Up Demand by Income & Housing Tenure	44
Table 23: Taos Residential Zoning Categories	46
Table 24: TND Residential Transects	48
Table 25: Availability of Town Owned Land	55
Table 26: Town of Taos Affordability Matrix	56
Table 27: Construction Costs for Private Market Development	57
Table 28: Construction Costs on Town-owned Land	58
Table 29: Construction Costs Per Unit for Multi-family	59

LIST OF FIGURES

Figure 1: Spectrum of Housing Need	1
Figure 2: Unemployment Rate, 2000-2010	16
Figure 3: Taxable Gross Receipts from Retail Trade (Taos County)	16
Figure 4: Lodgers Tax Receipts (Taos)	16
Figure 5: Town of Taos Building Permits, 2006-2010	17
Figure 6: Taos Zoning Map	47
Figure 7: Town Property and Undeveloped Land	61
Figure 8: Conceptual Drawing for Phase II of Chamisa Verde	63
Figure 9: Conceptual Drawing for Duplex Housing	64

LIST OF APPENDICES

Appendix A:	Recommendations for Affordable Housing Ordinance
Appendix B:	Development Financing Sources
Appendix C:	Taos Income Guidelines
Appendix D:	Renaissance Model LIHTC Development

LIST OF ATTACHMENTS

Attachment A:	Outreach Materials and Media Coverage
Attachment B:	Focus Group PowerPoint Presentation – November 19, 2010
Attachment C:	Town Council PowerPoint Presentation – March 22, 2011
Attachment D:	Community Survey Results

EXECUTIVE SUMMARY

The Affordable Housing Element is a part of a larger effort to revise and replace the Town of Taos Vision 2020 Master Plan (Vision 2020). Vision 2020 was adopted in 1999 as the Town's comprehensive plan. The effort to revise and replace Vision 2020 is called (Re)vision 2020, paying respect for the work that was completed during the Vision 2020 process while recognizing the need to update Vision 2020 with new data and re-vision how the Town is growing and developing. Unlike Vision 2020 which was adopted as one document with several elements, (Re)vision 2020 is being adopted in phases, with each element being prepared and adopted separately. The Community Economic Development element was adopted on June 11, 2011 but was an interim plan. It needs to be completed and adopted. The Land Use Element is in a final draft as of June 2012 and is under public review. Future elements of (re)vision 2020 will include infrastructure, natural resources conservation, parks and recreation, community services, and historic preservation.

In the Town of Taos and Taos County, a disproportionately high number of vacation and second homes has created a high-priced housing market that few local residents can afford. Two classes of housing have emerged: one for affluent permanent or part-time residents or tourists, and another for individuals who cling to homeownership through family inheritance, family land transfers, and mobile and manufactured homes. In the middle of these two extremes, very few housing options exist, as subsidized rentals, public housing and affordable homeownership units are far and few between.

In this plan, the gap between incomes and housing prices is demonstrated by 1) comparing the percentage of households paying 30% or more of their income in housing costs ("cost burdened households") to state and national averages, and 2) by attempting to match existing home and rent prices to households in various income categories. In both cases, it is apparent that both home sales prices and rental rates are unaffordable for nearly half of Taos households considered low-income, and that even moderate-income households struggle to find housing they can afford.

Summary of Community Profile

Several sources of data were used to understand the housing needs in Taos. By looking at a combination of 2010 US Census data and 2005–2009 American Community Survey *Five-Year Estimates*, the following observations were considered most relevant for the purposes of this plan:

- Over three thousand or 15.6% of Taos County's total housing units are for seasonal, recreational or occasional use. This high number of vacation homes has skewed the housing

market toward affluent, non-local buyers, pushing housing prices out of reach of local residents.

- Nearly five thousand units or 56% of homeownership units in Taos County are not mortgaged. The percentage of non-mortgaged households (48%) is also great in the Town of Taos. Most of these units appear to be inherited properties, since the majority of households without mortgages earn less than \$75,000 per year.
- Taos' housing stock is disproportionately old, with few units constructed in recent years. Sixteen percent housing units in Taos County and the Town of Taos were built prior to 1940, with less than five percent of homes built after 2000.
- The median age of residents in Taos County and the Town of Taos is 45.2 and 44.0 years, respectively, roughly seven years older than the median age in New Mexico and the US.
- Thirty-six and 42% of households in Taos County and the Town of Taos consist of single persons living alone with no children present. This statistic is eight or more percentage points higher than in than in New Mexico and the US.
- At 13–24%, a very high percentage of workers in Taos County are self-employed, with 10–12% working from home.
- A significant percentage of Taos households rely on wood to heat their homes, and solar energy use in Taos is more prevalent than in New Mexico and the US. In Taos County, many households also rely on propane gas as a heating source.
- While consistent with the state average, it is significant to note that seventeen percent of Taos County's housing units are mobile homes, with a lower percentage of 12.7% in the Town of Taos.

Incomes, Cost Burden, and Affordability

Taos County's gap between incomes and home prices has its roots in the area's tourist economy, which attracts thousands of visitors each year. Charmed by Taos' striking landscape, rich history and culture, some visitors relocate to Taos or purchase second homes there, while local and non-local investors alike purchase or convert homes for use as vacation rentals. In all of these cases, these visitors and investors are not reliant on the Taos economy for their incomes and bring much greater buying power to the table. Thus, part-time home purchases drive up all home prices in Taos, creating a market well out of reach of local residents.

The number and percentage of households paying 30% or more of their income in housing expenses illustrates the gap between incomes and housing prices. The table below summarizes the other affordability factors that affect the ability of Taos residents to attain housing.

Affordability Characteristics	United States	New Mexico	Taos County	Town of Taos
Housing units without a mortgage	31.9%	38.9%	56.2%	48.3%
Median monthly owner costs	\$1,486	\$1,158	\$1,198	\$1,572
Cost burdened homeowners	36.9%	32.4%	44.7%	49.4%
Median rent	\$817	\$659	\$711	\$745
Rent burdened	50.1%	47.9%	57.5%	53.3%

Source: 2005-2009 American Community Survey

As determined by the US Department of Housing and Urban Development (HUD), the Area Median Income (AMI) for Taos County is \$44,500. AMI is used to qualify households for various HUD programs and funding sources, such as Section 8 Rent Subsidy Vouchers and Low-Income Housing Tax Credits. Low-income households earn less than 80% of AMI, very low-income households earn less than 50%, and extremely low-income households earn less than 30%. Some HUD programs can be used for moderate-income households, or those between 80% and 100% AMI. Typically, 60% AMI is a threshold for households that can afford to buy a home and those that cannot.

Affordable Rents/Sales Price by Income Category (Town of Taos)

AMI Category	No. of HH(2005-09)	Percent	No. of HH (2010)	Max. Rent	Home Price
30% AMI or below (\$12,100 or less)	473	21%	563	\$282	\$49,725
30-40% AMI (\$12,100-\$16,000)	148	7%	177	\$373	\$65,752
40-60% AMI (\$16,000-\$24,050)	193	9%	230	\$561	\$98,834
60-80% AMI (\$24,050-\$32,350)	233	10%	277	\$755	\$132,943
80-120% AMI (\$32,350-\$48,050)	398	18%	473	\$1,121	\$197,462
120% AMI or above (\$48,050 or more)	799	36%	952		n/a
Totals	2,244	100%	2,672		
<i>Low Income</i>	1,047	47%			
<i>Low and Moderate Income</i>	1,445	64%			

Source: Households for AMI categories estimated by Housing Strategy Partners using 2005-2009 American Community Survey data. To estimate the current number of households in each category, the 2005--09 percentages for each AMI category were applied to the total number of households from the 2010 US Census.

Based on the HUD AMI calculations presented earlier, a home must be priced at or below \$197,462 to be affordable to moderate income households. Low-income households can afford a maximum home price of \$132,943. Of the 90 units on the market during the April 2011 MLS search, only seven (five townhomes and two single-family homes) were affordable to low

income households. An additional 19 units (12 condos and seven single-family homes) were priced between \$132,943 and \$197,462, and would be affordable to moderate-income households. This is a very low number of affordably-priced units, especially when one considers that many of the units are small townhomes which may not be large enough to accommodate many families with children.

Of 58 rental properties listed on the private market, a majority were in fact affordable to moderate-income renters. However, less than half of these units had more than two bedrooms, indicating that larger families are likely to be hard-pressed to find a rental unit that meets their needs. All of Taos’ subsidized rental properties reported 0% vacancy, another indication that Taos’ housing stock is not meeting the needs of its lowest income residents.

Summary of Projected Housing Needs

This plan estimates the number of housing units needed to address housing gaps in Town of Taos for the current population (“Catch Up Demand”) as well as provide housing for future employment growth (“Keep Up Demand”). Housing need projections in this plan estimate that 294 to 389 new housing units are needed to meet the current needs of low to moderate-income households, with only 62 units in the pipeline. An additional 90 units are recommended to accommodate job growth for moderate-income households in the next five years.

Table 19: Town of Taos Projected Housing Needs

Catch-Up Demand	Demand (15-20%)
Emergency/Transitional Housing Units	10-14
Rental Units at 40% AMI or Below	158-211
Rental Units at 40-60% AMI	21-28
Rental Units at 60-80% AMI	32-43
Homeownership Units at 60-80% AMI	4-6
Rental Units at 80-120% AMI	34-45
Homeownership Units at 80-120% AMI	34-45
Subtotal	294-393
Keep-Up Demand	Demand
Rental Units at 80-120% AMI	65
Homeownership Units at 80-120% AMI	25
Subtotal	90
Total	384-483

Summary of Plan Recommendations to Meet Projected Housing Needs

What is clear from Taos' unique demographic and housing needs, its high-cost market, and existing affordable housing strategies, is that there is no single answer to the challenge of providing affordable housing. The proposed recommendations in this plan call for a multi-pronged approach that relies on increased funding, expanded capacity to provide services, innovative real estate development and the adoption of appropriate regulation to make affordable housing a reality in Taos. A summary of recommended actions follows:

Funding. The highest priority for the Town of Taos is to establish an affordable housing trust fund. Coupled with seeking out existing third party funds that are currently not used to their maximum benefit in Taos and creating a new revenue stream for the fund through a real estate transfer tax or other transactional fee, a trust fund will provide the Town with a viable tool for increasing affordable housing production in Taos. A secondary objective is to continue and expand funding administered to nonprofit providers of housing services.

Capacity Building. One of the greatest barriers to increased affordable housing in Taos is a lack of capacity to provide it, from implementation, to funding and physical construction. The single most important way the Town can facilitate capacity is to hire an affordable housing expert, either as staff or under contract, to establish and administer a comprehensive affordable housing program in Taos. This would include facilitating the build-out of Chamisa Verde and other Town-owned parcels; administering funding; and coordinating services to meet the whole spectrum of housing needs.

Program Development. There are some obvious gaps in Taos' current delivery system of housing programs. This plan recommends focusing program development on meeting the needs of Taos' very low-income residents – particularly in regard to providing transitional housing services and increasing the inventory of accessible housing for those with disabilities. Another high priority is to expand weatherization and rehabilitation services to serve Taos' lower-income homeowners and to address the high percentage of older housing stock in likely need of repair or retrofit.

Real Estate Development. The Town has an unparalleled opportunity to directly support the construction of affordably priced homes on the remaining infill lots in Chamisa Verde. This should be the Town's top priority for real estate development activities. Another priority is to establish a pipeline of potential development projects. With approximately 200 developable lots on Town-owned land, the Town's next steps are to determine its affordability criteria, establish a development program, and begin community planning processes for suitable parcels.

Regulatory Environment. The Town's top priorities for its regulatory environment should be to set up the policies and procedures for its future trust fund and to finalize the appropriate affordable housing ordinances to build out the infill lots in Phase I of Chamisa Verde.

Establishing a Priority for the Affordable Housing Program: The fundamental issue concerning the development of the Town-owned parcel designated for affordable housing is about determining a specific priority: Does the Town of Taos want to emphasize the creation of affordable housing units, or give preferences to local builders to provide that housing (versus outside companies). The purpose of determining this priority is important for the future of the affordable housing program because the prevailing priority will determine how housing can be implemented. A review of the issue shows that the need for affordable housing in Taos is enormous and very problematic. This may indicate that the Town's ability to provide that housing should be aligned to whatever strategy can provide the greatest number of units in the shortest amount of time, and at the lowest square foot cost, regardless of where that developer is from. The Town may also determine that the priority for the affordable housing program needs to be based on using local builders because of the economic stress that the local builders have been under.

Regardless of which the Town determines to be in its best interest, the issue needs to be addressed at the beginning of the next major phase of development because each strategy requires its own unique work paths. It will also help provide more certainty to the development community about outcomes related to any project proposal.

INTRODUCTION

For the purposes of this document, affordable housing is defined as a dwelling unit whose monthly cost does not exceed 30% of a family's gross monthly income. As defined by the Town of Taos Affordable Housing Ordinance, this applies to all households earning up to 120% of the Area Median Income (AMI).

Spectrum of Housing Need

Having a roof over one's head is one of our essential needs as human beings, as important as eating, sleeping, and receiving medical care. Yet, too often, the poor, the disabled, the elderly and even many in the workforce are not able to afford a house that meets their needs. A lack of high-quality housing directly affects one's ability to build wealth, participate in civic activities, enjoy leisure time, and most of all, have a decent and safe place to live. The overall health and vitality of a community suffers directly when its residents aren't housed adequately.

In Taos and all communities, choices become most limited when the housing market does not offer a full spectrum of housing choices. These choices include everything from emergency shelter to rental to homeownership, as illustrated below.

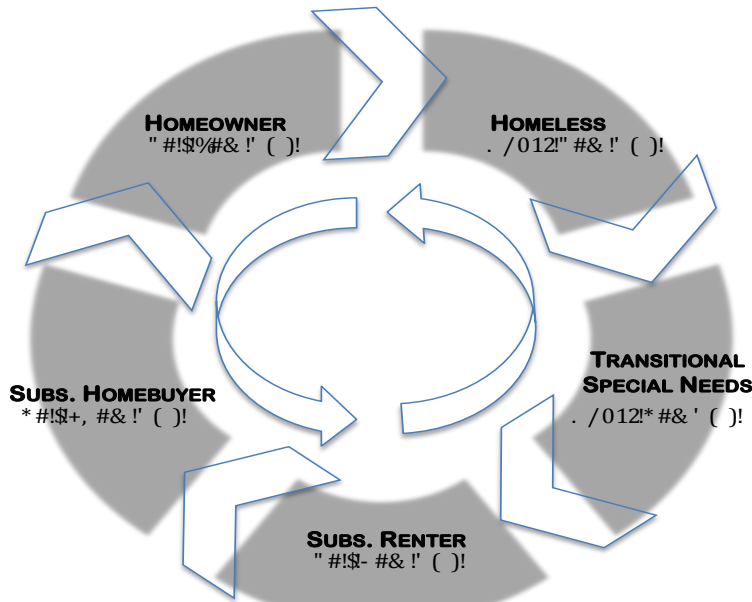


Figure 1: Spectrum of Housing Need

If options are limited in any of the categories of housing, then some residents may become “stuck” and unable to move into a different housing situation as their needs or financial resources change. In turn, once they are unable to move, the next person needing the type of housing currently occupied is not able to move. For instance, an individual or family who can’t find stable, affordable rental housing, may periodically occupy shelter beds that then become unavailable for someone in need of emergency shelter. Or a renter, who may occupy an affordable rental situation but actually may be a good candidate for homeownership is not going to become a homebuyer unless there is an affordably priced home to buy. In the meantime, other renters are unable to access the occupied rental unit.

It is important to note that not only are opportunities for moving up the spectrum important, but that some people, such as seniors or people with special needs, will choose to move “down” into smaller homes or rental homes with associated amenities. In turn, other residents will lose their current housing (as represented by the light blue arrows going counterclockwise), particularly if they don’t have necessary support services – another indication that the spectrum is not solely “one-way.”

Purpose of Plan

This plan is organized to identify needs based on the housing spectrum. The plan evaluates both the existing gaps for the current population, projects needs for the future, and establishes a five-year housing goal. Most important, the plan proposes strategies and recommendations for meeting housing needs and identifies opportunities for increasing and improving the Town’s housing stock to serve a variety of housing situations.

The information in this plan will help the Town of Taos to:

- Establish baseline information for current and future housing needs and evaluate progress in meeting goals.
- Develop and implement strategies to ensure that it offers its residents a full range of housing choices and opportunities.
- Implement specific affordable housing projects and obtain financing from federal, state and local sources, including private lending institutions.
- Update and replace the Housing Element of Vision 2020.

Methodology

This plan was written as 2010 US Census data was released on a rolling basis. For each data point, this plan employs the most recent data available, resulting in a combination of 2010 US Census data and 2005–2009 American Community Survey Five-Year Estimates. In some cases, 2005–2009 American Community Survey data has been extrapolated to provide current estimates.

In 2010, the Town of Taos and UNM–Taos commissioned a study by UNM Bureau of Business & Economic Research entitled *The Market for Affordable Housing in Taos, New Mexico*. This study is used to supplement Census data for the Community and Housing Profiles, particularly with regard to home sales and sales prices.

Service Area

The Town of Taos jurisdictional boundaries capture a relatively small population and number of households in relation to the County. However, more than 76% of the County’s population and households are concentrated within and adjacent to the Town of Taos boundaries, primarily in traditional villages that rely on the Town of Taos for jobs and services. As a result, this plan defines a “service area” that more accurately estimates demand for housing and related services.

The geographies used to define this service area are the Census County Divisions (CCDs) of Taos, Taos Pueblo and Arroyo Hondo. However, because 2010 Census Data has not been released for these geographies, this plan uses 75% of Taos County households from the 2005–2009 American Community Survey as an estimate for the potential households that may rely on the town for housing and housing-related services. This is consistent with 76% of the County’s population and households falling within the Taos, Taos Pueblo and Arroyo Hondo CCDs in the 2005–2009 American Community Survey.

Public Participation

Stakeholder Interviews

Stakeholder interviews were conducted with several groups including: Town staff; providers of affordable housing services (Taos Housing Corporation, Taos County Public Housing Authority, Taos Pueblo Housing Authority, The Men’s Shelter, Community Against Violence, Dreamtree Project, Taos Habitat for Humanity, Anciaños); property managers of private apartment complexes; realtors; builders; lenders; architectural design professionals; and green building specialists.

From these interviews, a picture of the community's needs emerged from the following observations:

- The lack of affordable housing in Taos deeply affects the ability of low- and moderate-income people to thrive in the community.
- Everyone knows friends and family members who have moved from Taos because of the lack of affordable housing and uncertainty of employment.
- There is limited collaboration between the providers of services, but stated willingness to do more.
- There is a high demand for subsidized rental units or private market rentals below \$1,000/month.
- There are virtually no housing units for people with disabilities and/or mobility impairments unless accommodations are made at private expense.
- Taos needs a longer-term transitional housing facility for people graduating from emergency shelter services.
- The ability to buy homes is greatly hampered by low incomes combined with bad credit and outstanding debts.
- The private sector building and sustainable design industries are willing to bring their expertise to affordable housing development, even with limited profit as long as it is financially feasible and the Town provides incentives.

Public Events

Three public outreach events were held as part of the requirements of this planning process. They included a focus group with housing providers; a public information fair; and a presentation to the Taos Town Council. All outreach materials and media related to the events are attached to this document in Attachment A.

Focus Group Meeting. Held on November 19, 2010 at Town Hall, the meeting brought together housing providers to discuss affordable housing in Taos. Staff from the Town, Habitat for Humanity, Taos Housing Corporation and Taos Pueblo Housing Authority attended. After a presentation on the initial findings from the Community Profile of Taos contained within this plan, participants were asked to brainstorm ideas related to five planning principles – Funding, Capacity, Programming, Real Estate Development and Regulatory Environment. In each category, they listed constraints and opportunities

related to the provision of affordable housing and then as a group, discussed the group priorities for the identified needs. The constraints and opportunities analysis presented in the Implementation Plan section of this document reflects the input from the providers. A copy of the PowerPoint presentation used during the meeting is attached as Attachment B.

Housing Fair. On February 26, 2011, a housing fair was held at the Taos Youth and Family Center. Participants included two lenders (King Mortgage and Dimond Mortgage); Taos Housing Corp; Habitat for Humanity; Taos Housing Authority; The Men's Shelter; the Dreamtree Project and a home health care provider. The event was publicized with a news release from the Town of Taos; a small display ad in the Tempo section of the Taos News, an electronic flyer and an article in the Taos News. Turnout from the public was minimal, due in large part to a state hockey tournament happening at the same time in another area of the facility.

Council Presentation. On March 22, 2011, a presentation was made to the Taos Town Council outlining preliminary findings and recommendations outlined in this plan. Comments from the Council were minimal. The mayor was interested by the findings of Taos' high self-employment rate and noted his appreciation for having the Plan done. A copy of the PowerPoint presentation used during the meeting is attached (Attachment C).

Community Survey. A community survey was designed to assess need for affordable housing and related services in Taos, as well as to ascertain the values and perspectives of the community. A "Quick Link" to the survey was posted on the Town's homepage; the link was emailed to all large employers and associations in the area and emailed to their employees and membership (Town of Taos, County of Taos, Holy Cross Hospital, Kit Carson Electric, Taos Public School System, Association of Realtors, Area Homebuilders, and Taos Ski Valley). The link was also provided to all the service providers to distribute among their distribution lists, as well as to survey their clients. Paper surveys were available at Town Hall, the Library and the Youth and Family Center. Public Service Announcements were recorded on local radio stations and aired prominently during the duration of the survey. A copy of the survey results is included in Attachment D.

Preliminary findings from the survey are provided below. In general, the survey results tracked what we know about Taos from Census data and other qualitative sources. A majority of people own their own homes and live in single family homes. There are a significant number of people reporting no rent or mortgage costs and a high percentage of self-employed people.

- One-third of respondents report that their needs are being met in their current housing situation. For those needs are *not* being met, too high housing payments, utility costs and overcrowding are cited with equal frequency as being the reasons.

- Of the non-homeowners, more than 70% would like to buy a house.
- 3.2% cited that their current housing doesn't meet the needs of a household member with a disability.
- 7% have someone staying with them who is otherwise homeless; more than one-third of these people are *not* family members.
- Replacing windows/doors and making energy efficiency upgrades are the top home repair needs.

COMMUNITY PROFILE

Summary

The Community and Housing Profiles conducted for this Plan reveal several statistics that distinguish Taos from New Mexico and the US, and create unique challenges and opportunities for affordable housing:

- More than three thousand or 15.6% of Taos County's total housing units are for seasonal, recreational or occasional use. This high number of vacation homes has skewed the housing market toward affluent, non-local buyers, pushing housing prices out of reach of local residents.
- Nearly five thousand units or 56% of homeownership units in Taos County are not mortgaged. The percentage of non-mortgaged households (48%) is also great in the Town of Taos. Most of these units appear to be inherited properties, since the majority of households without mortgages earn less than \$75,000 per year.
- Taos' housing stock is disproportionately old, with few units constructed in recent years. Sixteen percent of the housing units in Taos County and the Town of Taos were built prior to 1940, with less than five percent of homes built after 2000.
- The median age of residents in Taos County and the Town of Taos is 45.2 and 44.0 years, respectively, roughly seven years older than the median age in New Mexico and the US.
- Thirty-six and 42% of households in Taos County and the Town of Taos consist of single persons living alone with no children present. This statistic is eight or more percentage points higher than that in New Mexico and the US.
- At 13-24%, a very high percentage of workers in Taos County are self-employed, with 10-12% working from home.
- A significant percentage of Taos households rely on wood to heat their homes, and solar energy use in Taos is more prevalent than in New Mexico and the US. In Taos County, many households also rely on propane gas as a heating source.
- While consistent with the state average, it is significant to note that 17% of Taos County's housing units are mobile homes, with a lower percentage of 12.7% in the Town of Taos.

Demographics

Population

According to the 2010 US Census, Taos County has a population of 32,937 residents, spread out over 2,203 square miles. Historically, the County's population was concentrated in Pueblo and early Hispano villages, each of which were strategically located near water, grazing and forest resources to ensure survival.

The Town of Taos is bordered by Taos Pueblo to the northeast and surrounded by many unincorporated traditional villages. Unlike in other areas of the US where development spills over from an urban center to create suburbs, the Town of Taos emerged from the “infill” of development between and among traditional villages. While the incorporated Town of Taos has a population of only 5,716, the Taos Census County Division (CCD), which encompasses the unincorporated areas around the town, has a population of 17,901¹ or roughly half of the County's population, according to the 2005–2009 American Community Survey. Two other CCDs—Arroyo Hondo (population 3,542) and Taos Pueblo (population 2,662)—also lie in close proximity, bringing the population concentration around the Town of Taos to 76% of the County's total population. For purposes of this study, we consider the Taos, Arroyo Hondo and Taos Pueblo CCDs to be the “service area” for housing in the Town of Taos, meaning that residents in this geographic area regularly rely on and seek housing and housing-related services in the Town of Taos.

It should be noted that Taos County residents in other communities such as Penasco, Picuris and Questa commute regularly to Taos for employment, goods and services. These communities are approximately 30 minutes away from the Town of Taos, and also rely on housing opportunities in the town to some degree.

Population Growth. Taos County grew by 9.9% from 29,797 to 32,937 between 2000 and 2010, at a rate of roughly 1% per year. The Town of Taos, however, had a much higher 10-year growth rate of 21.6%, comparable to that of urban municipalities like Albuquerque (21.7%) and Farmington (21.1%). While the highest growth rates in the state are found in Rio Rancho (69.1%), Los Lunas (47.8%) and Las Cruces (31.4%), growth above 20% is much higher than the state average of 13.2% between 2000 and 2010.

In its July 1, 2005 to July 1, 2035 population projections, the Bureau of Business and Economic Research (BBER) at UNM estimates that Taos County will grow at an annual rate

¹ 2010 US Census data for CCDs were not released by the date of this writing, therefore, the most recent US Census data were used.

of 0.92% per year between 2010 and 2035, starting with a baseline of 33,879 in 2010. This is lower than the estimated growth rate for New Mexico of 1.38%, but consistent with population growth rates in the US that average around 1% per year. In Table 1, we have adjusted the baseline to match 2010 Census data, which results in 8,282 new people or 3,768 households in Taos County in 2035. Assuming that the Taos service area will continue to represent at least 76% of the county's population, it will grow by a minimum of 6,271 people by 2035, or roughly 2,864 households.

Age

There are considerable demographic differences between Taos County and New Mexico, the first being age. The median age of residents in Taos County and the Town of Taos is 45.2 and 44.0 years, respectively, roughly eight years older than the median age in New Mexico and the US. For all age cohorts under age 35, there is a lower percentage of children and young people in Taos County and the Town of Taos than in New Mexico or the US. At age 45 and above, the trend reverses itself, showing a higher percentage of middle aged and older people for Taos County and the Town of Taos than in New Mexico and the US.

Table 1: Taos County and Service Area Population Projections

Five-Year Increment	Taos County*	Taos Service Area**	% Change
2010	32,937	25,032	
2015	34,959	26,569	6.14%
2020	36,956	28,086	5.71%
2025	38,637	29,364	4.55%
2030	40,001	30,401	3.53%
2035	41,189	31,304	2.97%
Total Pop. Growth	8,252	6,271	
Additional Households	3,768	2,864	
Average Rate, 5 years			4.58%
Average Rate, 1 year			0.92%

**Source: Bureau of Business and Economic Research, University of New Mexico, New Mexico County Population Projections, 3-Year Estimates July 1, 2005 to July 1, 3025.*

Note: 2010 baseline adjusted to match 2010 Census.

***Source: Housing Strategy Partners. Population projection represents 75% of Taos County figure.*

Table 2: Demographic Characteristics

	United States	New Mexico	Taos County	Town of Taos
Population				
Total population	308,745,538	2,059,179	32,937	5,716
Age				
Under 5 years	6.5%	7.0%	5.5%	6.1%
5 to 9 years	6.6%	7.0%	5.8%	5.9%
10 to 14 years	6.7%	6.9%	5.7%	5.6%
15 to 19 years	7.1%	7.3%	5.7%	6.0%
20 to 24 years	7.0%	6.9%	4.8%	5.4%
25 to 34 years	13.3%	13.0%	10.2%	11.1%
35 to 44 years	13.3%	12.1%	12.1%	11.1%
45 to 54 years	14.6%	14.1%	15.6%	14.0%
55 to 59 years	6.4%	6.6%	9.2%	7.9%
60 to 64 years	5.4%	5.8%	8.5%	8.0%
65 to 74 years	7.0%	7.5%	10.4%	10.3%
75 to 84 years	4.3%	4.2%	4.9%	5.7%
85 years and over	1.8%	1.6%	1.8%	2.6%
Median age	37.2	36.7	45.2	44.0
Households				
Family Households	66.4%	65.5%	57.0%	50.6%
With children under 18 years	29.8%	29.1%	22.6%	23.2%
Husband-wife family	48.4%	45.3%	38.3%	29.2%
With children under 18 years	20.2%	17.9%	12.3%	9.7%
Female householder, no husband	13.1%	14.0%	12.6%	15.5%
With children under 18 years	7.2%	7.8%	6.9%	9.7%
Non-Family Households	33.6%	34.5%	43.0%	49.9%
Householder living alone	26.7%	28.0%	36.0%	42.4%
Householder 65 years and older	9.4%	9.2%	11.8%	15.2%
Average household size	2.58	2.55	2.19	2.07
Average family size	3.14	3.13	2.85	2.82
Race, Ethnicity and Language				
Hispanic or Latino	16.3%	46.3%	55.8%	51.9%
Not Hispanic or Latino	83.7%	53.7%	44.2%	48.1%
White alone	63.7%	40.5%	36.3%	40.1%
Black or African American alone	12.2%	1.7%	0.3%	0.4%
Native American alone	0.7%	8.5%	5.3%	4.5%
Asian Alone	4.7%	1.3%	0.6%	0.9%
Speaks Spanish at Home*	12.1%	28.3%	39.8%	29.5%
Foreign Born*	12.4%	9.5%	3.0%	5.6%
Disabled**				
5-20 years	8.1%	8.1%	6.6%	7.6%
21-64 years	19.2%	21.0%	22.3%	22.0%
65 years and older	41.9%	44.8%	43.0%	51.3%

Source: 2010 US Census unless otherwise indicated.

*Source: 2005–2009 American Community Profile.

**Source: 2010 US Census.

Household Characteristics

Household composition in Taos County breaks significantly with state and national trends, and influences the higher median age and the lower numbers of children and youth in the community. Taos County and the Town of Taos has anywhere between seven and 19 percentage points *fewer* family and married households than New Mexico and the US, and eight to 16 percentage points *more* non-family households and householders living alone. Most of these non-family households consist of singles aged 45–64, with no children present. The percentage of family or married households with children under 18 is roughly six to ten percentage points lower than for New Mexico and the US. There is also a considerably larger percentage of seniors 65 years and older living alone in Taos County (11.8%) and the Town of Taos (15.2%) than in the US (9.4%) and New Mexico (9.2%)

Female-headed Households. While the percentage of female-headed households in Taos County (12.6%) is less than in the US or New Mexico, the rate of 15.5% in the Town of Taos is relatively high, as is the percentage of these households with children under 18 (9.7%).

Household Size. Smaller household sizes in Taos County (2.19 persons) and the Town of Taos (2.07) reflect the large number of single persons living alone. Average family size is also smaller in Taos than in the US and New Mexico.

Race and Ethnicity

Taos County and the Town of Taos have higher percentages of Hispanic and Latino residents than New Mexico as a whole, 55.8% and 51.9% to 46.3%, but do not rank among the New Mexico counties with the highest concentrations of Hispanics. Nearly 40% of Taos County residents older than five years of age speak Spanish at home, but the rate in the Town of Taos is much lower at 29.5%, only slightly higher than in New Mexico overall (28.3%). Some counties in New Mexico have experienced an influx of Mexican and Latin American immigrants in recent years, which influences the number of Spanish-speaking residents in the community. Taos County and the Town of Taos, however, have very low foreign-born populations of 3.0% and 5.6%, four to six percentage points lower than the rate in New Mexico of 9.5%. This indicates that Taos' Spanish-speaking residents are native to the area rather than immigrants from Spanish-speaking countries.

While Taos has been historically Hispanic, population growth has been greater for the non-Hispanic population over the last ten years. From 2000–2010, the Hispanic population in the Town of Taos increased by 16.2%, while non-Hispanics increased by 28.0%. The trend was similar in Taos County, with a 5.8% increase in the Hispanic population and a 15.4% increase in non-Hispanics. The vast majority of non-Hispanics identified themselves as White.

Disability

According to the 2000 Census, the rate of disabled persons in Taos County and the Town of Taos is relatively consistent with rates in New Mexico and the US. Taos has a lower percentage of disabled persons between the ages of five and 20 than in New Mexico or the US. Disability rates for ages 21–64 are slightly higher (22%) in Taos than state and national averages. For seniors, the disability rate is low in Taos County (43.0%), but high in the Town of Taos (51.3%), while state and national averages are 44.8% and 41.9%, respectively. The high senior disability rate in the Town may be attributed to the presence of The Living Center, the only facility in the County providing full-time care for the frail elderly.

Economic Profile

Service Occupations

The Town of Taos is first and foremost a tourist town. This is strongly reflected in the high percentage of workers found in lower-paid industry categories of Accommodation and Food Service and Arts, Entertainment and Recreation. According to the US Census, service occupations make up 22.2% of all jobs in Taos County, compared to 18.4% in New Mexico and 16.8% in the US. Conversely, Taos County has a lower percentage of jobs in management and professional occupations, which tend to be higher paying. Taos County is slightly less dependent on government jobs than New Mexico as a whole, with almost 80% of workers employed in the private sector.

Self-Employment/Work at Home. Beyond the tourist economy, Taos boasts a vibrant core of self-employed individuals at percentages well in excess of the state and the nation. Thirteen and 14% of all workers are classified as self-employed in the Town of Taos and Taos County, compared with 7.6% in New Mexico and 6.6% in the US.

Table 3: Employees by Industry Sector, 2009

Workers by Industry	Taos County Employees	Taos County %	New Mexico Employees	New Mexico %
Agriculture, Forestry, Fishing, Hunting	14	0%	10,616	1
Mining	446	4%	17,544	2
Utilities	145	1%	4,603	1
Construction	598	6%	47,858	6
Manufacturing	127	1%	30,013	4
Wholesale Trade	83	1%	21,766	3
Retail Trade	1344	12%	91,652	12
Transportation & Warehousing	57	1%	16,330	2
Information	124	1%	14,692	2
Finance & Insurance	260	2%	22,190	3
Real Estate & Rental & Leasing	200	2%	9,993	1
Professional & Technical Services	488	5%	55,978	7
Management of Companies/Enterprises	*	*	5,078	1
Administrative & Waste Services	235	2%	41,639	5
Educational Services	96	1%	7,374	1
Health Care & Social Assistance	1533	14%	99,254	13
Arts, Entertainment & Recreation	517	5%	8,599	1
Accommodation & Food Services	1944	18%	75,557	10
Other Services	321	3%	21,432	3
Unclassified			54	0
Total Private	8537	79%	602,221	76%
Total Government	2,234	21%	189,370	24%
Total Workers	10,771	100%	791,591	100%

Source: New Mexico Department of Workforce Solution, Quarterly Census of Employment and Wages, Fourth Quarter 2009.

US Census data on modes of commuting to work finds that 12.0% of Taos County and 9.8% of Town of Taos residents work from home, compared to 5% in New Mexico and 4% in the US. This high rate of entrepreneurship, much of which takes place at home, has implications for housing needs and future construction trends.

Income and Poverty

Taos County has median household incomes and per capita incomes that fall below both state and national levels. Median household income is \$35,800 and \$35,127 in the County and Town, more than \$15,000 less than the national average and \$7,000 less than the state average. According to the New Mexico Department of Workforce Solutions, Taos County ranked 24th of 36 counties for average weekly wages of \$537 in 2009.

Considerably higher percentages of Taos County residents receive social security (SS), supplemental security income (SSI) and food stamp benefits than in New Mexico and the US. While the percentage of residents receiving cash public assistance (1.5%) is lower than average in Taos County, it is very high in the Town of Taos (4.1%).

While Taos County poverty rates outpace those of New Mexico and the US, rates in the Town of Taos are even higher. Overall, 24.9% of town residents fall below the poverty level, compared to 18.5% in the County, 18.1% in the state, and 13.5% in the US. Child poverty is 42.2% in the Town of Taos and 30.4% in the County, well above state and national averages. Senior poverty is also higher, ranging between 18% and 19% in the Town and the County.

Education

Education levels in Taos County and the Town of Taos are higher than in New Mexico and the US. In Taos County, only 11.7% of adults 25 and older have not finished high school, and this drops to 6.3% in the Town of Taos. Residents with a Bachelor's degree or higher represent 29.5% and 38.5% in the County and Town, as compared to 25.1% in New Mexico and 27.1% in the US. Town of Taos educational levels are very high, outpacing national averages significantly.

Table 4: Economic Characteristics

	United States	New Mexico	Taos County	Town of Taos
Class of Worker				
Private wage and salary	78.6%	70.2%	67.4%	78.2%
Government	14.6%	21.9%	17.4%	8.6%
Self-employed	6.6%	7.6%	14.4%	13.2%
Unpaid family	0.2%	0.3%	0.8%	0.0%
Commuting to Work				
No vehicle available	8.8%	5.7%	5.5%	9.8%
Driving alone in car, truck or van	75.9%	77.1%	71.8%	72.5%
Carpooling in car, truck or van	10.5%	12.6%	9.5%	9.8%
Public transportation	5.0%	1.0%	1.0%	0.0%
Walked	2.9%	2.4%	4.3%	6.7%
Other	1.7%	1.9%	1.3%	1.3%
Work at home	4.0%	5.0%	12.0%	9.8%
Travel time to work	25.2 min	21.5 min	19.1 min	13.4 min
Educational Attainment				
Did not complete high school	15.5%	17.9%	11.7%	6.3%
Bachelor's degree or higher	27.5%	25.1%	29.5%	38.5%
Income				
Median household income	\$51,425	\$42,742	\$35,800	\$35,127
Per capita income	\$27,041	\$22,461	\$21,720	\$23,172
Households receiving SS income	27.1%	27.9%	37.0%	31.9%
Retirement income	17.4%	18.8%	18.1%	17.2%
Households receiving SSI	3.8%	4.3%	5.9%	6.2%
Households receiving public assist.	2.4%	2.5%	1.5%	4.1%
Food stamp benefits in the last 12 mo.	8.5%	9.4%	11.5%	13.1%
Poverty				
Individuals below poverty level	13.5%	18.1%	18.5%	24.9%
Children under 18 below poverty level	18.6%	25.2%	30.4%	42.2%
65 years and older below poverty level	9.8%	13.1%	18.3%	18.9%

Source: 2005–2009 American Community Survey

Unemployment

The annual unemployment rate in Taos County is typically one to two percentage points higher than in New Mexico. Between 2000 and 2004, unemployment in Taos County ranged between 6.7 and 7.6%, with rates in New Mexico mirroring those of the US at 4.9 to 5.8%. Between 2005 and 2007, unemployment fell below 5% nationally, and New Mexico followed this downward trend. In 2007, unemployment fell as low as 3.5% in New Mexico and 4.6% in Taos County. Rates began to climb in 2008 in response to the economic downturn. New Mexico and its counties have lagged behind national trends, and felt the full effect of the economic crisis in the past year, when unemployment reached 8.4% in New Mexico and 10% in Taos County.

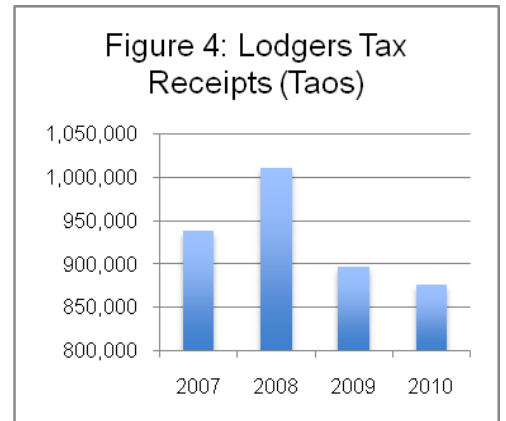
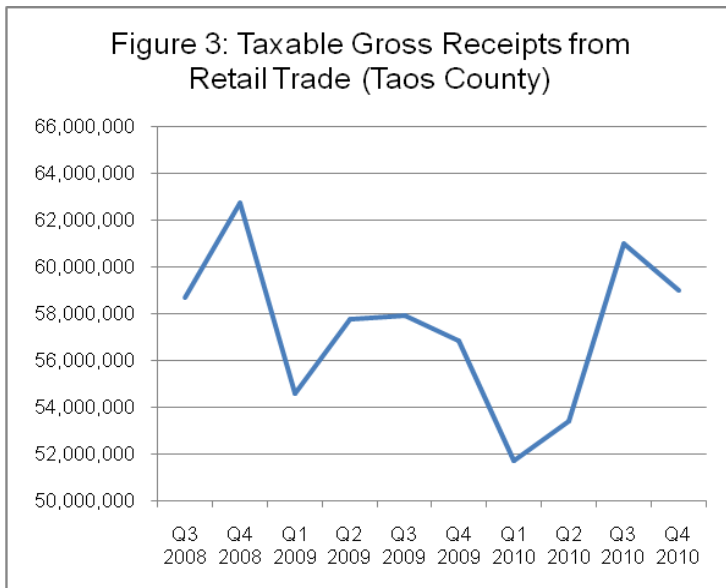
Figure 2: Unemployment Rate, 2000-2010



Source: US Bureau of Labor Statistics.

Lodgers Tax and GRT

Clearly, the economic downturn has affected other areas of Taos County's economy. Lodgers tax receipts fell to a low of \$875,452 in 2010. Taxable gross receipts from retail trade dropped significantly in the first two quarters of 2010, recovered to nearly \$61 million in the third quarter, then fell slightly in the fourth quarter.



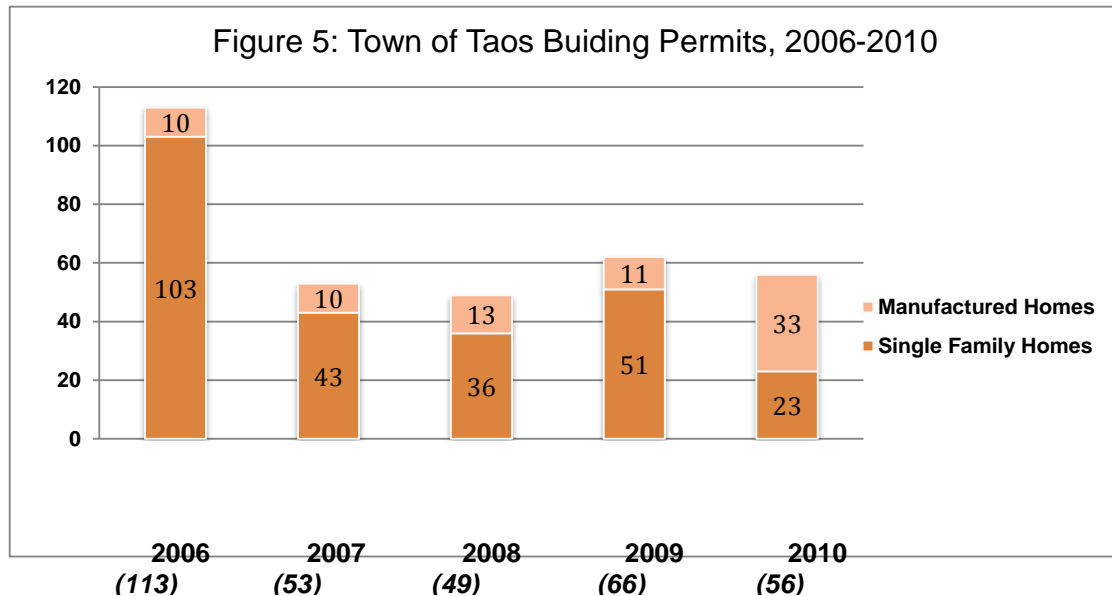
Source: Bureau of Business and Economic Research, University of New Mexico, New Mexico Lodgers Tax Receipts and Taxable Gross Receipts from Retail Trade.

Housing Profile

Housing Units

The US Census reports a respectable amount of new housing development in Taos County, as reflected by housing unit counts. Between 2000 and 2010, the number of housing units in Taos County increased by 16.4%, from 17,404 to 20,265. In the Town of Taos, the increase is 34.5%, from 2,466 to 3,318 units. Both figures are higher than the overall increase in housing units in New Mexico of 15.5%. From the building permit data provided by the Town for 2006 – 2010, 256 permits were issued for residential construction projects. Of these, 14 were located in Chamisa Verde, and two of the Chamisa Verde homes list Habitat for Humanity as the applicant. In 2006, 103 permits were issued, with the rate of permitting falling by more than 50% in the following years, even before the slowdown in the economy. New Mexico Construction Industries Division installation (NMCID) permits for manufactured homes ranged between 10–15 for the same time period, but rose considerably to 23 in 2010, the same year that single-family permits hit a low of 33.

Town of Taos single-family residential permits and NMCID installation permits total 333 for the five-year period of 2006–2010. If this number is doubled to reflect ten years, the total number of units is 666, 186 units less than reported by the 2010 US Census. It is likely that residential development was occurring at a faster pace between 2000 and 2005, thus the difference between local building permit numbers and the US Census.



Sources: Town of Taos (single-family homes), New Mexico Construction Industries online permitting (manufactured homes): <https://kiva.state.nm.us/kivacitizen/index.cfm>.

Table 5: Housing Characteristics

Housing Characteristics	United States	New Mexico	Taos County	Town of Taos
Housing Units*	131,704,730	901,338	20,265	3,318
Occupied housing units	88.6%	87.8%	73.1%	80.5%
Owner-occupied	65.1%	68.5%	71.8%	52.4%
Renter-occupied	34.9%	31.5%	28.2%	47.6%
Average HH size for owner-occupied	2.65	2.60	2.25	2.15
Average HH size for renter-occupied	2.44	2.43	2.05	1.98
Vacant housing units	11.4%	12.2%	26.9%	19.5%
Homeowner vacancy rate	2.4%	2.0%	2.4%	3.0%
Rental vacancy rate	9.2%	8.1%	6.1%	10.4%
Type and Size of Unit				
1, detached	61.6%	63.8%	68.6%	59.8%
1, attached	5.7%	3.9%	2.5%	3.7%
2, attached	3.9%	1.9%	2.0%	3.5%
3-4	4.5%	3.8%	2.8%	6.9%
5-19	9.4%	5.5%	3.9%	10.2%
20 or more	8.1%	4.1%	2.9%	3.1%
Mobile home	6.8%	16.8%	17.2%	12.7%
Boat, RV, van, etc.	0.1%	0.2%	0.0%	0.0%
Number of Bedrooms				
None	1.7%	2.4%	3.2%	3.5%
1	11.5%	10.0%	14.7%	16.0%
2	27.5%	26.3%	34.1%	32.1%
3	39.8%	46.1%	38.4%	40.3%
4	15.6%	13.1%	7.6%	6.7%
5 or more	3.9%	2.1%	2.0%	1.4%
Year Structure Built				
2005 or later	2.9%	3.1%	0.3%	1.5%
2000 to 2004	8.4%	8.9%	3.6%	4.0%
1990 to 1999	14.2%	18.4%	21.6%	19.0%
1980 to 1989	14.4%	18.4%	17.4%	15.3%
1970 to 1979	16.7%	19.3%	21.3%	23.1%
1960 to 1969	11.6%	10.9%	8.8%	8.9%
1950 to 1959	11.5%	10.7%	6.0%	7.5%
1940 to 1949	6.0%	4.7%	5.0%	3.9%
1939 or earlier	14.4%	5.7%	16.0%	16.8%
Housing Condition				
Lacking complete kitchen facilities	0.5%	1.1%	2.7%	0.0%
Lacking complete plumbing facilities	0.7%	1.1%	1.0%	0.0%
No telephone service	4.2%	6.7%	6.5%	7.0%
Home Heating Fuel				
Utility gas	50.1%	67.4%	42.8%	77.5%
Bottled, tank, LP gas	5.6%	11.0%	20.9%	3.7%
Electricity	33.6%	14.1%	5.7%	7.5%
Fuel oil, kerosene, etc.	7.4%	0.1%	0.1%	0.0%
Wood	1.9%	6.1%	26.7%	10.2%
Solar Energy	0.0%	0.3%	3.4%	1.2%
Overcrowded	3.0%	3.2%	2.6%	2.7%

Source: 2005–2009 American Community Survey unless otherwise indicated.

*Source: 2010 US Census.

Tenure and Housing Type

The homeownership rate is higher in Taos County (71.8%) than in New Mexico and the US, but lower in the Town of Taos (52.4%) due to rental units being concentrated in the town limits. Similar to New Mexico and the US, the percentage of single-family detached homes is around 60% for the Town of Taos, but higher at 68.6% for Taos County. Multi-family complexes of 5–19 units make up a large share of the housing inventory in the Town of Taos (10.2%), compared to only 3.9% in the County. In addition to apartments, these include numerous townhomes and condominiums, many of which are used as vacation rentals. The percentage of mobile homes in Taos County (17.2%) is consistent with the state average, although the percentage drops to 12.7% in the town.

Part-Time Households

Only 73.1% of homes in Taos County and 80.5% of homes in the Town of Taos are occupied, resulting in extraordinarily high vacancy rates of 26.9% and 19.5%. Yet homeowner and rental vacancy rates hover near state and national averages. As explored in *The Market for Affordable Housing in Taos, New Mexico* (BBER, 2010), this irregularity is explained by the fact that a very high percentage of Taos housing units are part-time households used for seasonal, recreational and vacation use, and these homes are counted as “vacant” by the US Census Bureau. Some are second homes to people who live in Taos part of the year, and some are leased as vacation rentals. The 2010 US Census indicates that 15.6% of Taos County households and 10.2% of Town of Taos households fall into this category. By comparison, the standard percentage for these homes is 3.5% in the US and 4.1% in New Mexico. As discussed further in this plan, this trend has created severe distortions in the housing market, resulting in a housing supply almost entirely geared toward affluent, non-local buyers.

Table 6: Vacant Housing Units Comparison

Vacancy Type	United States	New Mexico	Taos County (No.)	Taos County (%)	Town of Taos (No.)	Town of Taos (%)
Vacant Housing Units	11.4%	12.2%	5,459	26.9	646	19.5
For rent	3.1%	2.5%	612	3.0	149	4.5
Rented, not occupied	0.2%	0.1%	17	0.1	7	0.2
For sale only	1.4%	1.2%	247	1.2	44	1.3
Sold, not occupied	0.3%	0.2%	48	0.2	1	0.0
For seasonal, recreational, occ. use	3.5%	4.1%	3,164	15.6	339	10.2
Other vacant	2.8%	4.1%	1,371	6.8	106	3.2

Source: 2010 US Census.

Housing Age and Condition

At 16.3% and 16.8%, Taos County and the Town of Taos have a much higher percentage of homes constructed prior to 1940 than New Mexico (5.7%), and a very small percentage (about 4.0%) of homes built after 2000. This clearly has implications for rehabilitation and energy efficiency needs. In addition, Taos County and the Town of Taos have a higher percentage of smaller, 1–2 bedroom homes than the state and the US, and a smaller percentage of homes with 3– 4 bedrooms. While smaller home sizes match up well with Taos County’s higher rate of singles living alone, it may limit the ability for young families to live in Taos, particularly if substantial additions are required in an already expensive housing and construction market.

Taos County has a higher rate of homes lacking complete kitchen facilities (2.7%) and an average rate of homes lacking complete plumbing facilities (1.0%). The Town of Taos reports no homes lacking complete plumbing or kitchen facilities. Finally, households in Taos are slightly less overcrowded (2.6–2.7%) than those in New Mexico (3.2%) or the US (3.0%), due to the greater percentage of singles living alone.

Home Heating Fuel. In Taos County, standard natural gas and electric heating is not as prevalent as in urban areas. Twenty-one percent of households rely on higher-cost propane gas, as opposed to 11.0% and 5.6% in New Mexico and the US. A full 26.7% of homes rely on wood heat, compared to only 6.1% in New Mexico, and 3.4% rely on solar heating even though solar hardly registers as a heating source in New Mexico or the US. In the Town of Taos, 77.5% of homes rely on utility gas, with 10.2% using wood, and 1.2% using solar. In the county and the town, much fewer homes (5.7–7.5%) rely on electric heating than in New Mexico (14.1%) and the US (33.6%). Taos’ reliance on traditional wood heating, coupled with its inclination to adopt new technologies such as solar, provides a basis to incentivize improvements such as new solar systems and energy-efficient wood stoves.

HOUSING INVENTORY

The following housing inventory was conducted through personal interviews, review of third party data sources, online mapping programs and windshield surveys. Table 8 summarizes the housing supply within Taos by type. For more detail, see narrative in following sections.

Special Needs/Shelter Beds

Table 7: Town of Taos Housing Inventory

Housing Type and Project Name	No. of beds/units	Population Served
Emergency Shelter		
Taos Men's Shelter	20	Men
Com. Against Violence	24	Women/children (men housed in motels)
Special Needs/Assisted		
Dreamtree Project	8	Youth not ready for independent living
Ensuenos	7	Developmentally disabled housed in 2 group homes
Taos Living Center	104	Frail elderly
Public Housing		
Housing units	90 (in Town limits)	Income qualified individuals, families; 10 senior units
Section 8 vouchers	430 (County wide)	
Subsidized Rental		
LIHTC projects	240	40, 50, 60% AMI
USDA	74	40, 50, 60% AMI
Subsidized Homeownership		
Habitat homes	27	50 – 60% AMI
Taos Housing Corp	50 homebuyers trained per year	Up to 120% AMI
Taos Pueblo HA	104	Tribal members
Chamisa Verde	29	Not documented, but 2 have Habitat building permit
Home Repair		
Habitat for Humanity	4 per year	Under 60% AMI

Emergency housing. In Taos, several agencies provide shelter to specific populations. The Taos Men's Shelter provides 20 beds for shelter seekers, hot meals and some supportive services. The stay at the shelter is limited to three nights in a row or seven within 30 days, unless the person in need is receiving supportive services from a related program. Women are housed with a voucher at a local motel. To date, the shelter lacks any day services so residents must leave by 9 am every morning and aren't allowed back until evening.

Community Against Violence (CAV) serves domestic violence/sexual assault victims and has 24 emergency beds that can accommodate up to eight families. The average stay is 30 days but in the last 12 months, staff reports that women and their families are staying closer to 90 days. The shelter also offers some supportive services, including legal, medical, counseling and parenting classes. For people who are participating in one of the related services offered at CAV, two rooms are reserved to provide longer-term, transitional housing. Men seeking services are housed at local motels. Staff reported there is a great need for transitional housing for their clients once they leave the shelter. For single women, the wait at the Taos County Housing Authority can be up to one year and a half, during which time many are forced to return to their abusers as they have no other affordable housing options.

The Dreamtree Project serves homeless and abused/neglected youth by providing shelter, counseling, referral, education and other services. The “Casitas” provide eight transitional housing beds for older youth who can no longer live at home but don’t have the skills to live independently. The organization recently opened the “Tree House,” an emergency shelter for younger children in immediate need and is continuing fund-raising to support the expanded service. These beds are available for stays up to 14 days and offer supportive services to meet immediate health concerns, assess crisis situations, referral to other services, family therapy and reunification (when possible).

Special Needs. Housing for people with mobility impairments in Taos is limited to the accessible apartments offered by the Housing Authority, that are occupied by seniors for the most part. A few private market apartment complexes offer ground floor units that can be adapted but in general, there is a real need for affordable, accessible living options. Ensueños, formerly Taos ARC, offers an array of services for people with development disabilities, including day services, job training, a respite program for providers and home support for people living with family or surrogates. The organization also provides a supported living program, in which resident roommates live independently in scattered site rentals. Currently, there are two groups, made up of seven people total. Three of the people are in wheelchairs and staff cited much difficulty in finding them an appropriate apartment.

Options for the frail elderly are limited to the housing authority’s ten senior units and the Taos Living Center, with 104 beds. Currently, the center has approximately ten empty beds and about 97% of its residents are seniors. Non-elderly residents make up the remainder. The Center accepts Medicaid and Medicare, but is not subsidized through any housing programs. Eligibility is determined by a doctor’s orders.

Public Housing

Taos County Housing Authority operates seven sites within the County of Taos, four of which are located within the town limits. Of the 90 units provided at these sites, ten are reserved for seniors, with six units being accessible for people with disabilities. The housing authority also administers 430 Section 8 vouchers countywide. The waiting list for housing currently has 600 names on it, with 40–60 people processed per month. Services provided by the housing authority also include: Family Self-Sufficiency Program; Summer Food Program (delivered at the Ranchitos, Linda Vista and Gusdorf sites) and a Resource Center. Two families participating in the FSS program became homeowners through Taos Habitat for Humanity.

Table 8: Public Housing Inventory

Location	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Linda Vista	31	5	11	7	8	0	0
Zia (senior)	10	0	10	0	0	0	0
Ranchitos	26	0	8	6	15	3	2
Gusdorf	23	0	0	2	20	1	0
Total in Town	90	5	29	15	43	4	2
Taos County	70	1	18	21	25	3	2
TOTAL Units	160	6	47	36	68	7	4

Interviews with housing authority staff indicated that there was the greatest demand for the one-bedroom units. Typically occupied by seniors, there is very little turnover for these smaller units. Three-bedroom units, by contrast, are turned over much more frequently, usually due to noncompliance. Staff spoke to the issue of increasing public safety to assist with stabilizing these larger units and reducing the costs to the authority of eviction, repair and releasing.

There appears to be an opportunity to improve collaboration between the authority and providers of affordable homeownership services. Interviews with the directors of the Taos County Housing Authority and the Taos Pueblo Housing Authority indicated that there was a need to cultivate homeowners from their pool of residents graduating or capable of graduating from public housing. Often, renters aren't able to leave subsidized housing because the gap between subsidized rents and market rents is too prohibitive. They get frustrated and often make financial choices that aren't in line with goals to save money or repair credit, thus inadvertently sabotaging their chances to become sustainable renters or homeowners. Both directors felt there was an opportunity to provide support services to these renters, such as financial fitness, budgeting and homebuyer training to get them "mortgage ready."

Subsidized Rental

Within the town limits, there are seven multi-family rental complexes, providing a total of 314 units. Five complexes are funded through Low Income Housing Tax Credits (LIHTC) and include Apex Apartments; Bella Vista; El Cerrito; Loma Parda and Tierra Montosa. Two are funded through USDA: Cielo Azul and the Mariposa Apartments. Bella Vista serves renters earning 50% and 60% of the Area Median Income and was developed by a nonprofit developer, Sietedel Norte. The other complexes serve renters earning 40%, 50% and 60% AMI and are privately managed.

Other Rental Assistance. According to the MFA website, the Life Link in Santa Fe administers the region’s Homeless Prevention and Rapid Rehousing Program to provide emergency rental assistance. Several calls were placed to the organization and not returned. Other probable sources of rental assistance are faith-based organizations and churches that often offer assistance to members of their congregation on an as-needed basis.

Table 9: Subsidized Rental Inventory

Tax Credit Apartments	Total Units	1 BR	2 BR	3 BR
Apex Apartments	44	8	20	16
(3 sites)	Rents (avg)	\$355	425	495
Bella Vista	40	10	26	4
110 Otono Rd	Rents (avg)	\$373	\$455	\$523
El Cerrito	52			
250 Paseo del Canon	Rents (avg)	\$375	\$455	\$525
Loma Parda*	60	29	31	0
1200 Cam de la Cruz	Rents (avg)	\$352	\$436	n/a
Tierra Montosa	44	8	20	16
750 Gusdorf	Rents (avg)	\$398	\$425	\$495
USDA Apt	Total Units	1 BR	2 BR	3 BR
Cielo Azul	22	0	6	16
400 Weimer Rd	Rents (avg)	n/a	\$543	\$680
Mariposa Apartments	52	0	12	42
201 Mariposa Pl	Rents (avg)	n/a	\$676	\$740
TOTAL UNITS	314	55	115	94
Rent (avg)		\$358	\$461	\$544
Rent (range)		\$268-440	\$324-676	\$379-740
Vacancies	0%	0	0	0

*Loma Parda also offers unsubsidized units at market rents, \$625 for a 1 BR and \$725 for a 2 BR but the manager interviewed did not know the exact number of market units; only that “most” of the units were subsidized. The market rents were not averaged in with the subsidized rents.

Subsidized Owner–Occupied

Nonprofit. While several nonprofit builders have past experience building in Taos, none have significant production capacity to mass–produce homes. The Taos Habitat for Humanity chapter is the only nonprofit builder in Taos. The chapter has been operating in Taos since 1993 and has built 27 homes, usually one per year. Requirements for eligibility include residence in Taos County for at least one year; completion of HUD–approved homebuyer training; good credit and an income less than half of the area median income (about \$22,000). Importantly, the future homeowner must put in 500 hours of sweat equity, work that is supplemented by volunteers. Approximately 19 groups comprised of 300 volunteers work in Taos on an annual basis, and almost all are part of faith–based groups from other places. The director cited a lack of volunteerism on a local level as a limiting factor for production. Additionally, while other Habitat chapters receive support from local industry and retail outlets in the form of material donation and reduced labor costs, Taos’ economy is not able to provide the same kind of support.

Taos Housing Corporation is a 501(c)3 Community Development Housing Corporation (CHDO) set up to provide homebuyer training and counseling. Currently, the organization is unstaffed and unfunded. According to former staff, outreach about the organization’s services – homebuyer training and counseling – was challenging and many people contacting the organization didn’t have good enough credit to become homeowners. Staff cited that many existing landowners called for assistance to build homes on land they already own, rather than for assistance purchasing homes.

Taos Pueblo’s Housing Authority is also providing services on the pueblo through a HUD–financed home rehabilitation program. The Authority owns several homes and runs a “lease to own” program for tribal members. Homeowner education provided by the Authority includes a do–it–yourself home repair and maintenance fair to help low–income homeowners save money and upgrade their homes.

Chamisa Verde. Situated on a Town–owned parcel, Chamisa Verde has 29 homes to date. There are 12 remaining lots to develop in Phase I, eight of which are reserved for the Taos Housing Corp. and four for Habitat for Humanity. Due to poor administration of the first phase of this development, it is not clear how the current homeowners were certified or if the subsidy is secured on their properties. A detailed analysis of this subdivision opportunity is provided in the Land Use section of this plan as well as several recommendations in the Implementation Plan.

HOUSING NEEDS ANALYSIS

Affordability Analysis

The purpose of the Affordability Analysis is to determine the extent to which households at various income levels can afford housing in Taos. This is achieved by analyzing the gap between incomes and housing prices. The analysis focuses on housing affordability for households classified as low and moderate income, defined as earning under 80% Area Median Income, or 80–120% Area Median Income, respectively.

Incomes and Cost Burden

Taos County’s gap between incomes and home prices has its roots in the area’s tourist economy, which attracts thousands of visitors each year. Charmed by Taos’ striking landscape, rich history and culture, some visitors relocate to Taos or purchase second homes there, while local and non-local investors alike purchase or convert homes for use as vacation rentals. In all of these cases, these visitors and investors are not reliant on the Taos economy for their incomes and bring much greater buying power to the table. Thus, part-time home purchases drive up all home prices in Taos, creating a market well out of reach of local residents.

The number and percentage of households paying 30% or more of their income in housing expenses illustrates the gap between incomes and housing prices. In both Taos County and the Town of Taos, cost-burdened households occur at a much higher rate than in New Mexico and the US, for both homeowners and renters. Homeowners paying more than

Table 10: Cost Burden in Taos

Affordability Characteristics	United States	New Mexico	Taos County	Town of Taos
Housing units without a mortgage	31.9%	38.9%	56.2%	48.3%
Median monthly owner costs	\$1,486	\$1,158	\$1,198	\$1,572
Cost-burdened homeowners	36.9%	32.4%	44.7%	49.4%
Median rent	\$817	\$659	\$711	\$745
Rent burdened	50.1%	47.9%	57.5%	53.3%

Source: 2005–2009 American Community Survey

30% of their income on housing expenses² represent 44.7% and 49.4% of homeowners

²The US Census categorizes these as “Selected Monthly Owner Costs,” which include: mortgages, deeds of trust, contracts to purchase, or similar debts on the property; real estate taxes; fire, hazard, and flood insurance; utilities and homeowner and associated fees.

with a mortgage in Taos County and the Town of Taos, respectively. By comparison, homeowner cost burden is only 36.9% in the US and 32.4% in New Mexico. Notably, median monthly owner costs are \$1,572 in the Town of Taos, higher than in New Mexico and even the US.

The situation is similar, although less extreme for renters. More than 50% of renters in Taos County and the Town of Taos pay 30% or more of their income on housing costs, while national and state averages fall at 50% or below. Median rent in Taos County and the Town of Taos is higher than in New Mexico, but lower than in the US.

Due to property inheritance, however, the percentage of homeowners in Taos *without a mortgage* is extremely high. In Taos County more homeowners live in homes without a mortgage (56%) than live in homes with a mortgage (44%). The percentage of homeowners without a mortgage is also high in the Town of Taos, at 48%. These percentages are nine to 17 points higher than the rate of homeowners without a mortgage in New Mexico, and 16 to 24 points higher than the rate homeowners without a mortgage in the US.

Area Median Income (AMI) and Income Distribution

As determined by the US Department of Housing and Urban Development (HUD), the Area Median Income (AMI) for Taos County is \$44,500. AMI is used to qualify households for various HUD programs and funding sources, such as Section 8 Rent Subsidy Vouchers and Low-Income Housing Tax Credits. Low-income households earn less than 80% of AMI, very low-income households earn less than 50%, and extremely low-income households earn less than 30%. Some HUD programs can be used for moderate-income households, or those between 80% and 100% AMI. Typically, 60% AMI is a threshold for households that can afford to buy a home and those that cannot.

Table 11: HUD Income Guidelines for Taos County Area Median Income

HH Size	1	2	3	4	5	6	7	8
30% AMI	\$9,400	\$10,700	\$12,100	\$13,400	\$14,500	\$15,500	\$16,600	\$17,700
40% AMI	\$12,450	\$14,250	\$16,000	\$17,800	\$19,200	\$20,650	\$22,050	\$23,500
50% AMI	\$15,600	\$17,850	\$20,050	\$22,300	\$24,100	\$25,850	\$27,650	\$29,450
60% AMI	\$18,700	\$21,350	\$24,050	\$26,700	\$28,850	\$30,950	\$33,100	\$35,250
70% AMI	\$21,750	\$24,900	\$28,000	\$31,100	\$33,600	\$36,100	\$38,550	\$41,050
80% AMI	\$25,150	\$28,750	\$32,350	\$35,900	\$38,800	\$41,650	\$44,550	\$47,500
90% AMI	\$28,050	\$32,100	\$36,100	\$40,100	\$43,300	\$46,500	\$49,700	\$52,950
100% AMI	\$31,150	\$35,600	\$40,050	\$44,500	\$48,050	\$51,600	\$64,000	\$58,750
110% AMI	\$34,300	\$39,200	\$44,100	\$49,000	\$52,900	\$56,850	\$60,750	\$64,700
120% AMI	\$37,400	\$42,700	\$48,050	\$53,400	\$57,650	\$61,950	\$66,200	\$70,500

Table 12: HUD Income Guidelines for Taos County shows the income limits in Taos County according to AMI for various household sizes. Households with four persons are highlighted, as HUD uses that household size to determine the overall AMI of \$44,500 for the county.

Table 13: Affordability Matrix for Taos County shows how much households at each level of AMI can afford in monthly rental payments (Rent) and can qualify for in terms of a house purchase (Own), assuming a 30% conventional loan at 5.5% interest. All calculations assume 28% housing ratio, meaning that 28% of household income is spent on housing costs.

Based on income categories reported by the US Census 2005–2009 American Community Survey, the approximate number and percentage of households in various AMI categories is estimated below for Taos County and the Town of Taos in Table 13. Please note that

Table 12: Affordability Matrix for Taos County

	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
30% Rent	\$219	\$250	\$282	\$313	\$338	\$362	\$387	\$413
Own	\$38,629	\$43,972	\$49,725	\$55,067	\$59,588	\$63,697	\$68,218	\$72,738
40% Rent	\$291	\$333	\$373	\$415	\$448	\$482	\$515	\$548
Own	\$51,163	\$58,560	\$65,752	\$73,149	\$78,903	\$84,861	\$90,615	\$96,573
50% Rent	\$364	\$417	\$468	\$520	\$562	\$603	\$645	\$687
Own	\$64,108	\$73,355	\$82,396	\$91,642	\$99,039	\$106,231	\$113,628	\$121,025
60% Rent	\$436	\$498	\$561	\$623	\$673	\$722	\$772	\$823
Own	\$76,848	\$87,738	\$98,834	\$109,724	\$118,559	\$127,189	\$136,025	\$144,860
70% Rent	\$508	\$581	\$653	\$726	\$784	\$842	\$900	\$958
Own	\$89,382	\$102,327	\$115,066	\$127,806	\$138,079	\$148,353	\$158,422	\$168,695
80% Rent	\$587	\$671	\$755	\$838	\$905	\$972	\$1,040	\$1,108
Own	\$103,354	\$118,148	\$132,943	\$147,531	\$159,449	\$171,161	\$183,079	\$195,202
90% Rent	\$655	\$749	\$842	\$936	\$1,010	\$1,085	\$1,160	\$1,236
Own	\$115,272	\$131,915	\$148,353	\$164,791	\$177,942	\$191,092	\$204,243	\$217,598
100% Rent	\$727	\$831	\$935	\$1,038	\$1,121	\$1,204	\$1,493	\$1,371
Own	\$128,011	\$146,298	\$164,586	\$182,873	\$197,462	\$212,051	\$263,008	\$241,434
110% Rent	\$800	\$915	\$1,029	\$1,143	\$1,234	\$1,327	\$1,418	\$1,510
Own	\$140,956	\$161,093	\$181,229	\$201,366	\$217,393	\$233,626	\$249,653	\$265,885
120% Rent	\$873	\$996	\$1,121	\$1,246	\$1,345	\$1,446	\$1,545	\$1,645
Own	\$153,696	\$175,476	\$197,462	\$219,448	\$236,913	\$254,584	\$272,049	\$289,720

HUD income ranges for three–person households were used in this analysis, as the median household size in Taos County is 2.65 and 2.37 in the Town of Taos in the 2005–2009 American Community Survey. In Taos County, 45% or 5,424 households are estimated to be low–income, with 64% or 7,644 estimated as low and moderate income. The percentages for low and moderate–income households are almost identical in the Town of Taos, with 1,045 households estimated as low income and 1,429 estimated as low and

moderate income. For both Taos County and the Town of Taos, 36% of households earn above 120% AMI.

Homeownership Affordability

The gap between low household incomes and high home prices demonstrates the substantial barriers to homeownership that exist in Taos. For *The Market for Affordable*

Table 13: All Households by Area Median Income

AMI Category	Taos County		Town of Taos		Max. Rent, Home Price		
	No. of HH (2005-09)	Percent	No. of HH (2010)	No. of HH (2005-09)		Percent	
30% AMI or below (\$12,100 or less)	1,901	16%	2,350	473	21%	563	\$282 \$49,725
30-40% AMI (\$12,100-\$16,000)	748	6%	924	148	7%	177	\$373 \$65,752
40-60% AMI (\$16,000-\$24,050)	1,358	11%	1,679	193	9%	230	\$561 \$98,834
60-80% AMI (\$24,050-\$32,350)	1,417	12%	1,752	233	10%	277	\$755 \$132,943
80-120% AMI (\$32,350-\$48,050)	2,315	19%	2,861	398	18%	473	\$1,121 \$197,462
120% AMI or above (\$48,050 or more)	4,240	35%	5,241	799	36%	952	NA
Totals	11,978	100%	14,806	2,244	100%	2,672	
<i>Low Income</i>	5,424	45%		1,047	47%		
<i>Low and Moderate Income</i>	7,738	65%		1,445	64%		

Source: Households for AMI categories estimated by Housing Strategy Partners using 2005-2009 American Community Survey data. To estimate the current number of households in each category, the 2005-2009 percentages for each AMI category were applied to the total number of households from the 2010 US Census.

Housing in Taos, New Mexico, UNM’s Bureau of Business and Economic Research (BBER) analyzed all home sales data between 2006 and 2010, during which time 1,382 homes were sold. The median sales price for all homes sold during this period was \$278,000—about \$100,000 over what would be affordable for a moderate-income household—with a median price of \$299,900 for single-family home and \$229,500 for condos. Condos made up 36% of all home sales under \$300,000, representing a significant percentage of the real estate market. Based on anecdotal data and on the wording of real estate listings, it is clear that condos are purchased primarily as second homes, vacation homes, and/or investment properties, rather than owner-occupied residences. In many cases, they are studio or one-bedroom units, and not large enough to accommodate families with children.

An April 2011 review of Multiple Listing Service residential listings for the Town of Taos revealed 90 units on the market. Unusual listings that would skew median prices, such as those that included large land holdings, large residential compounds, or commercial properties were excluded, as was one unit with no roof. Of the 90 units, 51 or 56% were single-family homes and 39 or 43% were condos. The median price of all homes on the market in the Town of Taos was \$263,200, with a median price of \$298,000 for single-family units and \$207,500 for condos. This is consistent with Taos County yearly median home sales from the Realtors Association of New Mexico, which reports a median price of \$289,000 in 2007, \$281,000 in 2008, \$250,000 in 2009, and \$264,812 in 2010. While it does appear that home prices have fallen in 2009 and 2010 in response to the economic crisis, they appear to be recovering and still remain out of reach for most Taos County residents.

Table 14: Survey of Homes for Sale

Sales Price	Single-Family	Condos	Total
\$50,000 to \$100,000	2	1	3
\$100,001 to \$150,000	5	8	13
\$150,001 to \$200,000	6	10	16
\$200,001 to \$250,000	3	8	11
\$250,001 to \$300,000	13	4	17
\$300,001 to \$350,000	4	2	6
\$350,001 to \$400,000	9	5	14
\$400,000 and above	9	1	10
Total	51	39	90
Median Price	\$298,000	\$207,500	\$263,200

Source: Online Multiple Listing Service search for residential listings in the Town of Taos conducted by Housing Strategy Partners, April 25, 2011, <http://search.taosmls.net>.

Based on the HUD AMI calculations presented earlier, a home must be priced at or below \$197,462 to be affordable to moderate income households. Low-income households can afford a maximum home price of \$132,943. Of the 90 units on the market during the April 2011 MLS search, only seven (five townhomes and two single-family homes) were affordable to low income households. An additional 19 units (12 condos and seven single-family homes) were priced between \$132,943 and \$197,462, and would be affordable to moderate-income households. This is a very low number of affordably-priced units, especially when one considers that many of the units are small townhomes which may not be large enough to accommodate many families with children.

The Market for Affordable Housing in Taos, New Mexico had similar findings. Of the 1,382 homes to sell during that time period, 64 (or 5%) were priced between \$50,000 and \$100,000, 120 (or 9%) were priced between \$100,000 and \$150,000. Out of these homes, which would be affordable for low-income households, 97 (or more than 50%) were

townhomes or condos, many of which may have been too small to accommodate families with children. An additional 14% or 192 of the home sales were priced between \$150,000 and \$200,000, and would have been affordable for moderate-income households.

While the gap between home prices and incomes is a formidable barrier to homeownership, Taos residents continue to boast a high rate of homeownership due to local property ownership and a strong tradition of family inheritance. As reflected in the high number of owner-occupied households without a mortgage, 70% of whom earn less than \$50,000 per year, many families have willed their homes to future generations. Others have divided land holdings into smaller parcels for family members, allowing future generations to build on the land or move mobile homes onto the property.

In the absence of adequate homeownership choices, Taos residents are using inheritance, family land transfers and mobile and manufactured homes as affordable housing strategies. *The Market for Affordable Housing in Taos* legitimately questions how long such strategies can remain viable, given the finite amount of land available for further subdivision and family transfer.

Foreclosure. While foreclosure remains a pressing problem in many communities in New Mexico and the nation, Taos County, with a 90-day delinquency rate of 4.8%, remains below the national average of 5.3%, according to the New York Federal Reserve Bank statistics³. While aspects of this lower rate can likely be attributed to the high percentage of properties without mortgages, it is still important to note that nearly 3,820 mortgages were originated in Taos County between 2004 and 2007 according Home Mortgage Disclosure Act data. Additionally, the rate of 90-day delinquency has increased 1.1% year over year, according the Federal Reserve Bank of New York data.

Over the last two fiscal quarters, Realtytrac reports a total of 12 notices of repossessions by banks and 12 foreclosure auctions⁴. Despite an increase month to month in bank repossessions and foreclosure auctions, Realtytrac reports that the foreclosure rate in Taos County in October 2010 remains at the rate of 1 in every 2,142 housing units, compared to 1 in 716 in New Mexico and 1 in 389 nationally.

³ <http://data.newyorkfed.org/creditconditions/>

⁴ <http://www.realtytrac.com/trendcenter/nm/taos%20county-trend.html?a=b>

Rental Affordability

Based on income categories reported by the US Census 2005–2009 American Community Survey, the approximate number and percentage of *rental* households in various AMI categories is estimated below for Taos County and the Town of Taos. Please note that HUD income ranges for three–person households were used in this analysis. In Taos County, 61% or 1,912 households are estimated to be low–income, with 79% or 2,466 estimated as low and moderate income. The percentages for low and moderate–income households are slightly lower for renters in the Town of Taos, with 57% or 629 households estimated as low income and 76% or 837 estimated as low and moderate income. Twenty–one percent of homeowner households in Taos County earn more than 120% AMI, compared to 24% in the Town of Taos.

Table 15: Renter Households by Area Median Income

AMI Category	Taos County			Town of Taos			Max. Rent, Home Price
	No. of HH (2005-09)	Percent	No. of HH (2010)	No. of HH(2005-09)	Percent	No. of HH (2010)	
30% AMI or below (\$12,100 or less)	803	26%	1,069	304	28%	353	\$282 \$49,725
30-40% AMI (\$12,100-\$16,000)	342	11%	456	97	9%	112	\$373 \$65,752
40-60% AMI (\$16,000-\$24,050)	459	15%	612	147	13%	170	\$561 \$98,834
60-80% AMI (\$24,050-\$32,350)	308	10%	410	81	7%	94	\$755 \$132,943
80-120% AMI (\$32,350-\$48,050)	554	18%	737	208	19%	241	\$1,121 \$197,462
120% AMI or above (\$48,050 or more)	670	21%	892	260	24%	301	n/a
Totals	3,136	100%	4,176	1,097	100%	1,272	
<i>Low Income</i>	1,570	50%		533	49%		
<i>Low and Moderate Income</i>	2,124	68%		741	68%		

Source: Households for AMI categories estimated by Housing Strategy Partners using 2005-2009 American Community Survey data. To estimate the current number of households in each category, the 2005-2009 percentages for each AMI category were applied to the total number of households from the 2010 US Census.

Subsidized Rental. In the seven subsidized rental complexes in the Town of Taos, rents range from \$268–\$440 (1 BR); \$324 – \$537 (2 BR) and \$379 – \$740 (3 BR). Rents are shown by property and unit size in the Housing Inventory. These prices reflect varying rates of subsidy for households earning 40%, 50% and 60%, and, therefore, are affordable for low and moderate–income households. However, all property managers reported a zero vacancy rate. One interviewee mentioned that she hasn’t had a two–bedroom open for about 18 months. Approximately 50 Section 8 vouchers are used at these facilities.

Private Market Rentals. Housing Strategy Partners conducted a survey of 58 rental listings in the Taos News in December 2010. The rents were averaged and then adjusted if there was a vastly different rent included in the category in order to not skew the average. The survey included six scattered site mobile homes listed for rent. Of these, three were two-bedroom, and three were three-bedroom with an average rent of \$690. Some of these homes seemed to be on larger parcels of land and included outbuildings and barns.

Based on advertised price alone, many units appear to be affordable low and moderate-income renters. However, most rents do not include utilities, which could easily add one to two hundred dollars in extra expense, especially for an older, less energy-efficient home. Other limitations include a high percentage of one-bedroom units, which limits suitability for families, and the reportedly poor condition of many of the lower priced units. According to interviews with local real estate professionals and anecdotal information, long-term, high-quality, affordably priced rental units in the private market are usually difficult to find. One property agent noted that as soon as a property is listed for more than \$1,000 per month, it is notably more difficult to find a renter.

Table 16: Survey of Private Market Rentals

Unit Size	% of Market	Avg Rent	Rental Range	
			Low	High
Efficiency	7%	\$550	\$450	\$650
1 bedroom	45%	\$640	\$475	\$1,200
2 bedroom	24%	\$820	\$600	\$1,500
3 bedroom	21%	\$960	\$750	\$1,600
4 bedroom*	3%	\$1675	\$1,500	\$1,875

*Given the very small sample size in this category, this average is not necessarily indicative of the market.

Housing Strategy Partners also contacted four mobile home parks (El Rellito, La Lomita, Vigil's Trailer Park and Baca Mobile Home Park). Among the four parks, the average rent was \$325 and each park had at least one vacancy. One property owner expressed frustration that his space had been available for close to a year and he had never seen it take so long to rent.

Table 17: Affordability of Private Market Rentals by AMI

AMI Category	Total Affordable Units	Units with 2 BR +
30% AMI or below	0	0
30-40% AMI	1	0
40-60% AMI	7	0
60-80% AMI	26	9
80-120% AMI	20	15
120% AMI and above	7	6
Total Units	61	30

If organized by AMI, it can be seen that very few rental opportunities exist for household earning below 60% AMI. The majority of the private market for rental units is divided between units which households earning 60–80% AMI and 80–120% AMI could afford. Again, the fact that utilities are not typically included in the rental rate should be considered, as heating expenses alone can add \$200 or more to monthly housing costs in the winter.

Projected Housing Needs

This section estimates the number of housing units needed to address housing gaps in Town of Taos for the current population (“Catch Up Demand”) as well as provide housing for future employment growth (“Keep Up Demand”). The analysis is conducted to provide a demand estimate for the Town of Taos and its partners for the next five years. While the demand numbers are based on both quantitative and qualitative data, it is impossible to determine how many of Taos’ residents who fall within a category of having a likely housing need are actually seeking housing and/or do not currently have housing that satisfies their need. For this reason, the analysis considers a two-part scenario: one in which 15% of the documented need is projected and the second in which 20% of the documented need is projected. This range is estimated to be between 384 (15% of need) and 483 (20% of need) units. Specific recommendations for meeting this demand are found in the Implementation Section.

Catch-Up Demand

Table 18: Town of Taos Projected Housing Needs

Catch-Up Demand	Demand (15-20%)	0 BR (5%)	1 BR (40%)	2 BR (30%)	3 BR (20%)	4+ BR (5%)
Emergency/Transitional Housing Units	10-14	10 - 14	N/A	N/A	N/A	N/A
Rental Units at 40% AMI or Below	158-211	8 – 11	63 - 84	47 - 63	32 - 42	8 – 11
Rental Units at 40-60% AMI	21-28	1 - 2	8 - 11	6 - 8	4 - 6	1 – 2
Rental Units at 60-80% AMI	32-43	1 - 2	13 - 17	10 - 13	6 - 9	1 – 2
Homeownership Units at 60-80% AMI	4-6	0	2 - 3	1 - 2	1 – 2	0
Rental Units at 80-120% AMI	34-45	2	14 - 18	10 - 14	7 - 9	2
Homeownership Units at 80-120% AMI	34-45	2	14 – 18	10 - 14	7 - 9	2
Subtotal	294-393	24 - 29	114 - 151	84 - 114	57 - 77	14 - 19
Rehab/Weatherization	690					
Keep-Up Demand	Demand					
Rental Units at 80-120% AMI	65	3	26	20	13	3
Homeownership Units at 80-120% AMI	25	1	10	8	5	1
Subtotal	90	4	36	28	18	4
Total	384-483	28 - 33	150 - 187	112 - 142	75 - 95	18 - 23

The table below provides the number of new housing units needed by income category to meet the needs of current households in the Town of Taos and adjacent areas. The overall demand for new housing is estimated to be between 294 and 393 units for the next five years.

Purpose of the Analysis. Catch-Up Demand looks at the housing needs for the current households that live in the Town of Taos and adjacent areas. The number of households in various income categories is compared to the stock of existing housing that they can afford. If the number of households outweighs the number of housing units priced accordingly, a specific number of new units is recommended to be built to meet the need.

Table 19: Catch-Up Demand by Income and Tenure

Target Population	Potential No. HH	Inventory	Demand (15%)	Demand (20%)	In the Pipeline
Emergency/Transitional Households	Fluctuates	52	10	10	0
Renters at 40% AMI or Below	1,144	90	158*	211	10
Renters at 40-60% AMI	459	319	21	28	35
Renters at 60-80% AMI	246	30	32**	43	0
Homeownership for Renters at 60-80% AMI	62	32	4	6	5
Renters at 80-120% AMI	276	50	34	45	0
Homeownership for Renters at 80-120% AMI	276	49	34	45	12
Totals	2,463	570	294	389	62

*Includes 15 accessible units, 10 of which are in the pipeline, proposed by the Taos County Housing Authority.

**Includes 5 accessible units.

Theoretically, the vast majority of households considered in this analysis are already being housed, and most will not desire or need new housing. This plan indicates, however, that there are significant issues in Taos with renters who are paying more than they can afford, older homes that are in poor condition, and local families that are maximizing the use of family-owned homes and land because they cannot afford to buy or rent in this high-priced market. There are also everyday reasons for existing households needing new or different housing, such as someone becoming disabled, a child being born or a person dying, or a person needing to relocate to a safer living environment. While it is impossible to estimate which Taos households need and desire new housing, for purposes of this analysis, we assume a 15–20% demand for new housing within all income categories analyzed.

Town of Taos Housing Service Area. The Town of Taos jurisdictional boundaries capture a relatively small population and number of households in relation to the County. However, over 76% of the County’s population and households are concentrated within and adjacent to the Town of Taos boundaries, primarily in traditional villages that rely on the Town of Taos for jobs and services. As a result, the demand for housing and supportive services within the town is much greater than the town’s population would suggest.

Defining a relevant “service area” for housing in the Town of Taos is hampered by crudely drawn census tract boundaries that, in many cases, traverse the entire county in large north to south swaths. While the CCDs of Taos, Taos Pueblo and Arroyo Hondo are close match for a relevant service area, 2010 Census Data has not been released for these

geographies, making it difficult to provide a current estimate of the households located there. Given this, this report uses 75% of Taos County households from the 2005–2009 American Community Survey to define the service area for housing and housing–related services in the Town of Taos. This is consistent with 76% of the County’s population and households falling within the Taos, Taos Pueblo and Arroyo Hondo CCDs in the 2005–2009 American Community Survey.

Methodology. Total demand for Catch–Up Housing Need is calculated by using the following methodology. A narrative analysis for each target market and income category is provided below.

- Assume 75% of Taos County renter households for each income category shown in Table 15.
- Subtract current housing inventory for that income category.
- Multiply by 15% and 25% demand, which assumes that 15–20% of renters in each income category need and desire new housing based on factors such as 1) changing household circumstances such as a death, birth or disability, 2) lack of affordability, or 3) poor condition of the existing home. This plan substantiates that lack of affordability and poor housing conditions are prevalent in the Town of Taos and Taos County.

1) Emergency/Transitional Shelter. It is not possible from US Census or other data to estimate the number of households requiring emergency/transitional shelter, as the number of people and families in need fluctuates over time. Instead, we relied on interviews with service providers in Taos County to substantiate the need for a minimum of ten additional housing units dedicated to emergency and transitional households.

The Town of Taos and Taos County have very limited facilities for emergency and transitional shelter. With 24 emergency beds, Community Against Violence (CAV) reports an urgent need for transitional housing once their clients leave the shelter. For single women, the wait at the Taos County Housing Authority can be up to eighteen months. The lack of transitional housing causes women and their families to stay in the shelter for extended periods of time.

Interviews with staff from CAV indicate a great need for transitional housing units to serve its clients, and staff estimated that ten new units would be filled immediately. Some of the units proposed as Income–Restricted Rental for 40% AMI and below can also serve as transitional units, particularly if integrated in a Renaissance Type development where social services are provided.

2) Senior and Accessible Housing. Outside of ten Taos County Housing Authority units currently designated for seniors, there are few to no accessible units in Taos. Ensueños, formerly Taos ARC, reports great difficulty finding units for people with developmental disabilities, and has launched a supportive living program through which it adapts existing rental units for groups of roommates. As discussed under Public Housing below, Taos County Housing Authority is planning to build ten additional accessible units, primarily for seniors, in the next five years.

Due to the extreme lack of accessible housing in the Town of Taos, it is recommended that a total of 20 additional accessible units be built in conjunction with rental housing for various income categories addressed below. Fifteen units are recommended for households below 40% AMI, and five units are recommended for households earning between 60–80% AMI. These units should be flexible to accommodate seniors or the developmentally disabled, regardless of age.

3) Rental Housing at 40% AMI and Below. There are 1,525 renter households in Taos County under 40% AMI, 1,144 of which are within the Town of Taos service area. Currently, the Taos County Housing Authority is the only entity providing subsidized housing in this income range, and 90 of its units are located in and around the Town of Taos. All of these units are older, scattered site homes built before 1975. Only one rental unit in our private market survey was priced in this range. The fact that very few private market rentals are priced at 40% AMI or below is expected given Taos' high-priced vacation and secondary home market. Therefore, we do not assume the existence of market inventory for this income category. Based on 15–20% demand, we estimate a need for 158–211 additional rental units at 40% AMI and below to meet current needs. Affordable rental housing for this income range represents the greatest need of all housing in Taos.

In the next five years, Taos County Housing Authority plans to build ten new public housing units at existing sites within the Town of Taos for this income range. Because existing public housing stock was built before 1975 with no accessibility considerations, all of the new units will be fully accessible. The units are also programmed as one-bedrooms, responding to demand in this area, particularly from seniors living alone. Given these design specifications and demand for accessible and senior housing, it is very likely that these ten units in the pipeline will be quickly absorbed by seniors living alone.

4) Rental Housing at 40–60% AMI. There are 612 renter households in Taos County between 40% and 60% AMI, 459 of which are within the Town of Taos service area. There are currently 314 income-restricted rental units in this category, representing a sizable inventory of affordable housing. Because the private market survey indicated seven 1-bedroom units in this income range, we added five additional private market units to the inventory, resulting in a total of 319 units. These numbers indicate that the 40–60% income range is well served, resulting in demand for only 21–28 additional units at 15–

20% demand. However, interviews with income-restricted property managers revealed zero percent vacancy at all complexes that make up the 314 units.

A third-party developer is presently planning to construct 35 new rental units in this income range, which would fulfill remaining demand. The developer may want to consider a mixed-income development that serves both 40–60% AMI and 60–80% AMI, based on zero percent vacancies for existing 40–60% AMI properties, and to provide options for 60–80% AMI households currently relying solely on private market rentals. If these units in the pipeline are priced between 40% and 80% AMI, this will provide maximum flexibility for a variety of low-income households in Taos.

5) Rental Housing at 60–80% AMI. There are 410 renter households in Taos County between 60% and 80% AMI. For the purposes of this analysis, we assume that 246 or 80% of these households will remain renting and that 20% may be poised to pursue homeownership. Of the 246 renter households, 185 are within the Town of Taos service area. No subsidized rental housing is offered in this income range, although 56% or 34 of the units in our private market survey were affordable for households in this category. We therefore assume an inventory of 30 units priced for 60%–80% AMI households available on the private market. Based on 15–20% demand, we estimate a need for 32–43 additional rental units at 60–80% AMI to meet current needs.

6) Homeownership at 60–80% AMI. We estimate that 62 or 20% of the 410 renter households in this income category may be poised to pursue homeownership. Of the 62 renter households, 46 are within the Town of Taos service area. There are currently 27 Habitat for Humanity units in this income category, and seven units affordable to these households were listed on the private market. Therefore, it is a likely assumption that five units for sale on the private market are priced between 60% and 80% AMI at any given time, for a total inventory of 32 units.

Based on 15–20% demand, we estimate a need for four to six new homeownership units at 60–80% AMI to meet current needs. Five units are currently in the pipeline through Habitat for Humanity at a rate of one unit per year, which should address demand in this category.

7) Rental Housing at 80–120% AMI. There are 737 renter households in Taos County between 80% and 120% AMI. For the purposes of this analysis, we assume that 369 or half of these households will remain renting and that the other half may be poised to pursue homeownership. Of the 369 renter households, 276 are within the Town of Taos service area. No subsidized rental housing is offered in this income range, although 89% or 54 of the units in our private market survey were affordable for households in this category. We have therefore assumed an inventory of 50 units priced for 80–120% AMI households on the private market. Based on 15–20% demand, we estimate a need for 34–45 additional rental units at 80–120% AMI to meet current needs.

8) Homeownership at 80–120% AMI. We estimate that 369 or half of the 737 renter households in this category may be poised to pursue homeownership. Of the 369 renter households, 276 are within the Town of Taos service area. There are 29 income-restricted homeownership units in this income range at Chamisa Verde, and an additional 26 units listed for sale were affordable for households earning up to 120% AMI. Based on this market data, we assume that 20 units on the private market are affordable for this income range at any given time, resulting in a total inventory of 49 units.

Based on 15–20% demand, we estimate a demand for 34–45 new homeownership units at 80–120% AMI to meet current needs. Twelve of these units are currently in the pipeline as infill development for Chamisa Verde, and the Implementation Section of this plan recommends development of additional units to fulfill demand in this category and to maximize economies of scale. Additional lots are available in Phase II of Chamisa Verde (20 acres or 150 lots under current zoning), as well as on an unplanned site adjacent to Fred Baca Park (14 acres or 28 lots under current zoning).

Rehabilitation and Weatherization Needs

There are several factors that indicate a high need for rehabilitation in Taos. First, the town’s housing stock is considerably older than the state’s average, with 60% being constructed before 1980 (when most model building codes were in place) and 16% being built before 1940 (compared to about 6% for the rest of the state). Second, Taos has a high percentage of un-mortgaged properties, the majority of which are owned by residents earning less than \$75,000 per year. Given that lower income homeowners and landlords are often plagued with deferred maintenance issues, it is likely that many of these homes could benefit from repairs. Third, federal weatherization programs use 200% of poverty level as eligibility criteria for funding. In Taos, approximately 1,800 households are classified as living at the poverty level so it’s safe to assume that at least 500 additional households would be eligible for assistance.

Energy Efficiency. Older homes are considerably less energy efficient than newer homes, and high energy costs disproportionately affect lower income homeowners and renters. Taos routinely experiences some of the coldest winter temperatures in the state, resulting in energy costs that easily add \$200 per month to housing costs during the winter months. More Taos residents use wood to heat their homes (27%, compared to 6% in the rest of NM) or rely on propane heat (21%, compared to 11% in the rest of the state) and solar energy is used in over 3% of homes in Taos County, compared to less than 1% in the rest of the state. These factors indicate some likely opportunities to improve heating system efficiencies (wood, propane) and a willingness to implement more sustainable technologies (solar). High energy costs are an increasingly significant challenge to long

term affordability. In fact, Enterprise Green Communities estimates that home energy costs have risen by 33% since 1998, far outpacing the increase in incomes⁵.

Accessibility, “Age in Place.” Other indicators of need for expanded rehabilitation activities in Taos include the lack of newly built accessible housing units, and Taos’ aging population. The preceding section discusses the needs of Taos’ residents with disabilities, especially those who are low-income renters, and recommends creating new units to meet their needs. Rehabilitation and weatherization activities, on the other hand, focus on owner-occupied homes or those owned by low-income landlords.

Many rehabilitation and weatherization programs prioritize seniors and residents with disabilities, and it’s clear there’s a need to focus on this group in Taos as well. While Taos’ rates of disability are comparable to the rest of state for its general population, for those 65 years and older living within the boundaries of the Town, the rate is nearly 10% higher than the rest of the US. This indicates there may be seniors who are either living in housing that no longer meets their needs or having to leave their homes to live with family members or to live in institutional settings. Additionally, 20% of seniors in Taos County lives in poverty, according to the US Census.

Demand for Rehabilitation/Weatherization

As discussed in the following Land Use Section, “Opportunities for Existing Homes,” two types of rehabilitation activities are currently available in Taos. Habitat for Humanity received a HOME-funded rehabilitation block grant from the MFA and completes 4-6 homes per year (focused on very low income seniors) and Los Amigos weatherizes approximately 40 homes per year. The following table provides a reasonable absorption rate for expanded rehabilitation and weatherization activities.

Table 20: Projected Needs for Rehabilitation and Weatherization

	Current Production/Year	TOTAL # of Eligible HH	Annual Goal	Five Year Goal
# of Homes Weatherized	40	1,800*	120	600
# of Homes Rehabilitated	4-6	1,670**	18	90

*Derived from estimating 75% of all households living in poverty in Taos County according to US Census

**Owner households earning less than 60%AMI

⁵Enterprise Community Partners, *Bringing Home the Benefits of Energy Efficiency to Low Income Households*, 2008.

It should be noted that the current production reflects the availability of funding sources and local capacity to carry out the programs. Expansion of these activities would require both additional funding sources and increased capacity.

Keep-Up Demand

New housing required to keep pace with job growth in the workforce is estimated at 65 homeownership units at 80–120% AMI and 25 rental units at 80–120% AMI. The need for these units is demonstrated in Table 22, which shows that slow but positive job growth in Taos County over the past ten years has occurred in the moderate to high-paying sectors of health care and government.

Table 21: NAICS by Income Segment

NAICS by Income Segment	Annual Wages	Employees, 2010	Employees, 2001	Change, Number	Change, Percent
40-60% AMI					
Accommodation & Food Services	\$16,900	1,983	2,031	-48	-2%
60-80% AMI					
Other Services	\$19,916	290	373	-83	-22%
Administrative & Waste Services	\$20,020	349	108	241	223%
Manufacturing	\$20,644	131	192	-61	-32%
Retail Trade	\$23,400	1,297	1,456	-159	-11%
Real Estate & Rental & Leasing	\$24,024	168	228	-60	-26%
Arts, Entertainment & Recreation	\$24,752	329	431	-102	-24%
Subtotal 60-80% AMI		2,564	2,786	-222	-8%
80-120% AMI					
Educational Services	\$27,924	84	59	25	43%
Construction	\$29,900	606	722	-116	-16%
Transportation & Warehousing	\$31,356	67	52	16	30%
Finance & Insurance	\$32,968	227	164	64	39%
Information	\$36,348	121	187	-66	-35%
Professional & Technical Services	\$36,192	316	239	77	32%
Subtotal 80-120% AMI		1,421	1,422	-1	0%
120% AMI and Above					
Wholesale Trade	\$37,648	106	118	-12	-10%
Health Care & Social Assistance	\$37,752	1,522	1,145	378	33%

Purpose of the Analysis. Keep-up demand looks at the housing needed to accommodate future population growth. While the population of the Town of Taos has grown at a fast rate of 21.6% over the past ten years, much of that growth is likely attributable to higher-income retirees moving to the area. These households fall outside of the definition of affordable housing, and typically purchase or build market-rate homes to meet their needs.

For the purpose of affordable housing projections, job growth rather than population growth is typically used to estimate the number and type of housing units needed in the future. This is because job growth is associated with a community's workforce, and workforce households usually fall within the income categories that require affordably priced housing.

Methodology. While specific job growth—such as that estimated by a relocating company—is more commonly used to estimate housing demand, our analysis relies on ten-year trends because there are no plans for major relocations or business openings in Taos County.

This analysis compares the number of jobs for two-digit North American Industrial Classification System (NAICS) codes in Taos County over the ten-year period between 2001 and 2010. We have classified each NAICS industry sector under various AMI categories, by extrapolating average weekly wages reported by the New Mexico Department of Workforce Solutions for each sector into annual salaries. The AMI category is based on a one-person household, since each job represents only one person. This methodology tends to overestimate household income, particularly because many jobs in Taos County are part-time or seasonal and therefore cannot be projected as annual salaries.

Overall, job growth in Taos County over the past ten years has been slow but positive, with 359 new jobs in the past ten years or 36 jobs per year. The good news is that jobs are growing in moderate to higher paying industries, and decreasing in lower paying sectors. While this trend could reverse itself as the economy recovers and tourism regains a steady pace, it is more likely that Taos' tourism market is at or near capacity, and that tourism-related employment will remain flat or decline slightly in the future. Nevertheless, it should be noted that 19% of jobs are still concentrated in the lowest-paying industry sector of Accommodations and Food Service, with an additional 12% in another low-paying sector, Retail Trade. Fortunately, this is offset by substantial and growing employment in Health Care and Social Services (15%) and Government (22%), both of which have annual wages close to \$40,000.

Using this methodology, it can be seen that job loss has occurred over the past ten years in all NAICS codes with estimated annual salaries below 120% AMI. Therefore, no

additional housing units are recommended to accommodate job growth in these categories. Conversely, all job growth in the past ten years has occurred at income levels above 120% AMI, in health care, government and mining. Because the estimated annual salaries for new jobs in health care and government are averages fall below \$40,000, it is likely that some of these households would qualify as moderate-income. While employment in the mining sector increased substantially between 2001 and 2010, we do not count new jobs in this sector because 1) they result in incomes over 120% AMI, and 2) they have been phased out with the closure of the Chevron Mining operation in Questa. There are indications that many mining jobs are absorbed by a new renewable energy utility project in Questa with similar salaries.

Keep-Up Demand for Renters and Homeowners. Keep-Up Demand projections are therefore based on new jobs created in the health care (378) and government (151) sectors, which total 529 jobs over ten years or 53 jobs per year. For the purposes of this analysis, half of these are assumed to be new jobs (26.5 per year) that pay moderate household incomes between 80% and 120% AMI. The remaining jobs are assumed to pay more than 120% AMI, meaning that those households would not qualify for affordable housing and would seek housing on the private market. We estimate 1.5 jobs per household to arrive at a total demand of 18 new housing units per year, which can be divided into rental units (5 or 26%) and homeownership units (13 or 74%).

Table 22: Keep Up Demand by Income & Housing Tenure

# of New Jobs/Year (80-120%AMI)	TOTAL Housing Units Needed/Year	Rental	Home-ownership
26.5	18	5	13
5 Year Goal (80-120%AMI)	TOTAL Housing Units	Rental	Home-ownership
	90	65	25

The percentage of rental vs. homeownership units is derived from the rate at which households currently rent and own homes in the 80%–120% AMI income category. The five-year goal for Keep-Up Demand for workforce housing is therefore 65 homeownership units at 80–120% AMI and 25 rental units at 80–120% AMI.

LAND USE AND DEVELOPMENT

From interviews, data analysis, and review of policy and land use regulations, it is clear that Taos' current housing stock is not adequately meeting the needs of its residents. The affordability gap analysis presented in an earlier section of this plan reveals that the amount of subsidy required for most low- and moderate-income homebuyers is considerably greater than can be provided by the Town or third-party sources. Similarly, subsidized and affordably priced rental housing is in short supply and waiting lists can run longer than one year.

This section provides an overview of housing development and rehabilitation and weatherization opportunities in Taos; presents a review of current land use policy and proposed revisions; analyzes development constraints and presents a sites inventory for future development. Also included is a feasibility analysis to guide the planning process for affordably priced housing. Recommendations from this section are incorporated into the Implementation Plan portion of this document.

Analysis contained in this section indicates that the amount of resources necessary to achieve housing affordability necessitate significant donations of land and infrastructure on the part of the Town. It also must also be recognized that the Town of Taos does not have an endless supply of land to dedicate to future affordable housings efforts. This highlights the need for long-term planning to maximize future land acquisition, as well as ensure the strategic vesting of resources to increase third party development capacity.

Land Use Policy and Affordable Housing

Zoning

The Town of Taos has a well-developed set of zoning regulations that include ten residential zoning categories of varying density and intended uses from 14 units per acre through more traditional Rural Agricultural uses.

Analysis of Zoning Categories. Residential housing is allowed in all three commercial zoning categories either through conditional use permitting or a Planned Unit Development overlay. Table 24 illustrates the breakdown of land area according to percentage zoned in each category.

Table 23: Taos Residential Zoning Categories

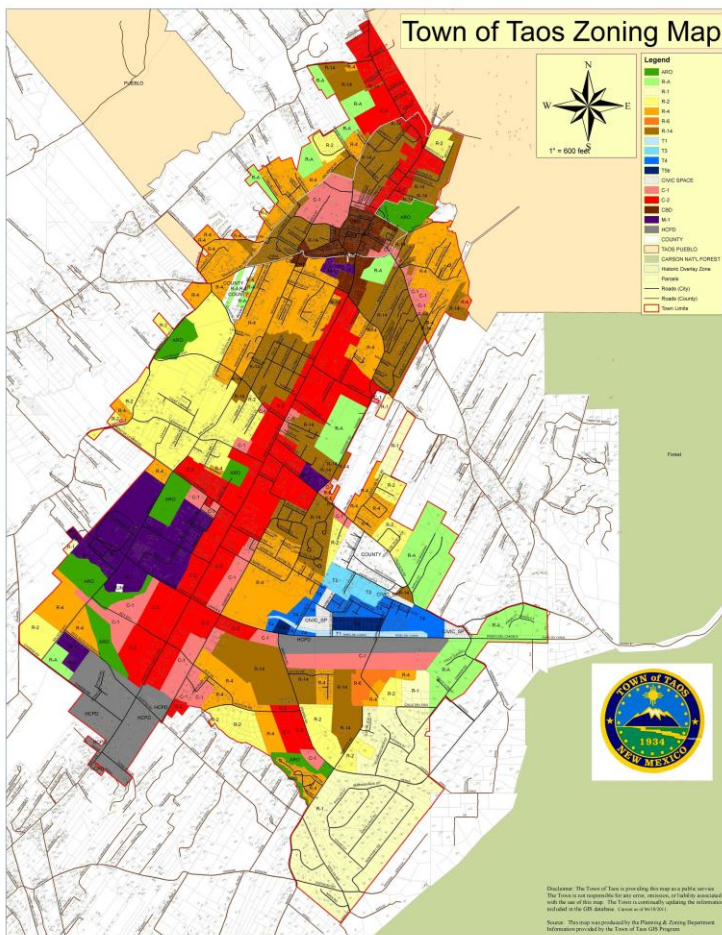
Zoning Category	Density Units/acre	Setbacks Front x Side x Rear	Lot Coverage	% of Land Area
RA-20 Residential Agricultural	.05	30' x 20' x30'	5%	0%
RA-10 Residential Agricultural	.1	30' x 20' x30'	10%	0%
RA-6 Residential Agricultural	.17	30' x 20' x30'	15%	0%
RA Residential Agricultural	.33	30' x 20' x30'	15%	7.3%
R-1 Single Family Residential	1	20' x 10' x 20'	20%	10.3%
R-2 Single Family Residential	2	20' x 10' x 20'	20%	11.7%
R-3 Single Family Residential	3	20' x 10' x 20'	40%	0%
R-4 Single Family Residential	4	20' x 10' x 20'	40%	17.3%
R-6 Single Family Residential	6	30' x 7' x 20'	40%	0.6%
R-14 Multifamily Residential	14	20' x 7' x 15'	40%	14.6%
HCPD Highway Corridor Protection District	14	10' x 15' x 20'	60%	5.1%
C-1 Neighborhood Commercial	14 (Conditional)	R-2 Single Family R-14 Multifamily	40%	6.5%
C-2 General Commercial	14 (Conditional)	10' x 7' x 20'	60%	15.7%
CBD Central Business District	14	R-2 Single Family R-14 Multifamily	60%	1.9%
ARO (Arroyo, undevelopable land)	0	N/A	0%	3.7%
M-1 (Manufacturing)	N/A	N/A	60%	5.4%
T1 (Open Land, like ARO)	0	N/A	0	0.4%
T2	N/A	N/A	N/A	0%
T3	4	24'x12'x12'	60%	0.8%
T4	14	0-24'x0'x3'	80%	1.8%
T5b	24	0-18'x0-18'x3'	95%	0.4%
Civic Space	N/A	Cond. Use Permit	N/A	0.6%

The single largest zoning category in Taos by land area at 17.3%, is R-4 which is a relatively low residential density. Several large areas of land in close proximity to downtown Taos have this low zoning density. The Town should consider developing a density bonus program for these lower density zones specifically to allow for the development of affordable housing. The general intent would be to allow for an

accessory dwelling unit, so long as it is maintained for some portion of time as an affordable unit.

Of the zoning categories, R-14, which is the third largest zoning category in Taos by land area at 14.6%, is the best suited to affordable housing development. This category allows for both dense single family, multi-family as well as shared wall dwelling units. The zoning map indicates that the distribution of this zoning category is in appropriate locations for future development, including access to existing infrastructure and proximity to the center of the community. The R-14 zoning category also includes a significant amount of undeveloped land both privately and publicly owned. The R-14 zone requires a minimum lot size of 6,000 square feet, making it impossible to develop a full 14 lots per acre (e.g. $43,560 \div 6,000 = 7.26$ lots). The Town should amend the LUDC to reduce the minimum lot size in the R-14 zone to allow the full 14 units per acre.

Figure 6: Taos Zoning Map



Land Use Policy

Planned Unit Development (PUD). Town of Taos Planned Unit Development overlays allow for relief from “rigid development standards” provided the proposed project demonstrates innovative land use designs. The overlay is applicable to all zoning categories within Taos with the exception of RAO Rural, Agricultural, Open Space, RA-20 and RA-10 Zones. The overlay aims to promote creative clustering of housing, variety in housing type, and mixed-income communities. Other priorities include pedestrian and bicycle mobility and shared infrastructure systems. All PUDs must meet the density requirement of the underlying zone, although there is a density bonus available for dedicated open space.

Traditional Neighborhood Development District. *Ordinance 09-01* establishes the Traditional Neighborhood Development District, which was the outcome of a SmartCode charette and planning process facilitated by Placemakers in 2007. The purpose of the regulation is to mitigate the loss of character associated with conventional planning code requirements as they relate to subdivision development. The outcome was a form-based code that is intended to incorporate Taos’ multiple cultural traditions and its 400 years of built history and to preserve the truly unique architectural and planning forms found only in Taos. This ordinance provides a sufficient platform (such as mixed housing types, higher densities) for the future development of affordable housing and will hopefully contribute to higher quality subdivision development in the future.

The Ordinance establishes five distinct transect zones, four of which include residential housing, two of which are mixed use. Within these districts, there are specific guidelines for maximum setbacks, frontage types, and road design. The ordinance also creates a Consolidated Review Committee which oversees the review and recommendations for project approval. Within the ordinance, maximum densities are a function of lot coverage and no minimum lot sizes are described currently in the ordinance.

Table 24: TND Residential Transects

Transect	Setbacks Front x side x back	Height	Lot Coverage	Min Lot Width
T-2 Rural	48 x 48 x 24 (max) Variable	28'	15%	150'
T-3 Suburban	24 x 12 x 12	28'	60%	60'
T-4 General Urban	0 x 0 x 3	28'	80%	30'
T-5 Urban Center	0 x 0 x 3	28'	95%	30'

Land Subdivision. The Town of Taos has specific regulations within the Land Use Code that govern subdivisions and are overseen by the Planning and Zoning Commission. There are three types of subdivisions, those with lots smaller than one acre (Type A) and two types for lots larger than one acre, one containing less than 24 lots which can have

on-site water and sewer (Type B) and those greater than 24 lots, which require a community water system (Type C). Because of their higher density, Type A subdivisions are the only type that could be practically implemented as affordable housing. Type A subdivisions also have the most stringent requirements and are required to have Town Sewer and Water, full curb and gutter, paving, sidewalks, drainage and utilities.

Affordable Housing Ordinances

In the past, the Town's affordable housing ordinances have had mixed outcomes. In 2005, Taos adopted a general ordinance for affordable housing, *Ordinance 05-03* and a program specific ordinance for the Chamisa Verde development, *Ordinance 05-04*, which was intended to act as the Town's affordable housing plan. There were significant flaws in both the content and approach of these ordinances, which required amending to come into compliance with the New Mexico Affordable Housing Act. Likewise, *Ordinance 05-04* was not only insufficient as a community plan, but its lack of effectiveness was further exacerbated by poor implementation and administration. For instance, the ordinance did not create detailed pricing models for multiple income levels and utilized a seemingly arbitrary model for lot purchase subsidy.

Chamisa Verde. A draft ordinance has been created that provides a reasonable process for the qualification of grantees and affordability periods for securing assistance. Before it's finalized, the ordinance should be based on an actual development feasibility analysis and include clearer provisions for pricing, recapture and program administration. Likewise, it needs to provide for the maximum capacity building opportunity for nonprofit development partners. One change in this ordinance is that the actual cost of the land is prorated, with zero-percent of appraised value for very-low and low income, and fifty-percent for moderate income. The actual functioning of the ordinance should be used to inform the design of the program ordinance for additional phases of the project, as well as future development on other Town sites. The Town may also be reviewing the prospect of putting out further phases for development through the sale to private sector developers. A detailed analysis of recommended ordinance components is included in Appendix A.

Affordable Housing Ordinance 11-03. Recently amended by the Town, this regulation was approved by the New Mexico Mortgage Finance Authority (NMMFA). It provides the framework for proper administration and design of affordable housing programs. The amended ordinance specifically governs the qualifications and requirements of both household and organizational grantees, long-term affordability requirements, application procedures, and general monitoring and compliance provisions. Success of this ordinance as a regulatory mechanism now relies on the proper design and implementation of administrative procedures. The increases in administrative

requirements that result from this ordinance support the case for a dedicated affordable housing administrator or planner at the Town.

Ordinance 09-03. This ordinance amends the Chamisa Verde Neighborhood plan to conform with the Traditional Neighborhood Development District, an important step forward for the stalled development. It lays the groundwork for future development to incorporate innovative design and varied housing types, especially when compared to the conventional, and somewhat underwhelming design of the first phase of the project.

Ordinance 10-2. This regulation amends the Taos Town Code related to height limitation, set backs, lot coverage and lot widths to achieve a greater density of development within the Central Business District, the General Commercial District and the Highway Protection Corridor. This ordinance has the potential to lower the land costs for affordable housing by allowing higher density development and bringing down the per unit land cost. The ordinance is structured to allow higher density for projects that comply with The Town of Taos Affordable Housing Program, NMMFA's Low Income Tax Credit Program or USDA Rural Housing programs.

Ordinance 09-03. Taos' High Performance Building Ordinance is a reasonably aggressive building code amendment. Its purpose is to improve the energy efficiency of construction within the town and to help reduce ongoing costs to homeowners and renters. Taos has long been a center for alternative energy technologies and is the location of many off-grid communities. With a high percentage of people relying on wood or expensive propane heating fuel, increasing energy efficiency is a high priority for the Town. The natural gas shortages in 2011 also highlight the importance of energy efficiency in residential construction.



The implementation of the code is based on phasing which requires a Home Energy Rating System (HERS) score of 70 or better for residential housing and Leadership in Environmental and Energy Design (LEED) certification for new commercial buildings

Analysis of Constraints

Governmental Constraints

Taos' regulatory environment affects the provision of affordable housing through zoning, regulatory review processes, specific ordinances legislating housing development and administrative capacity of the Town's planning staff.

Zoning and Land Use. In general, Taos' land use controls do not appear to place a significant barrier or financial burden on the development of affordable housing in Taos. The combination of large land areas dedicated to multi-family development, the flexibility allowed through existing Town zoning regulations, the availability of PUD, as well as Traditional Neighborhood Development and Highway Protection Corridor District overlays (*Ordinances 09-01* and *10-25*) indicate that zoning regulations are not placing a restrictive burden on the development of affordable housing. In fact, through the use of overlays, the regulations not only allow for maximum feasible density of development, but also include specific reductions in setback, height limitation and density specifically for affordable housing development.

Permitting and Development Review Process. Development permit and land use review processes are contained within Chapter 16 of the Town of Taos code. Section 16.12.040.5 describes a clear process for application, review and public input for projects. Subdivision review and approval is a three-step process. Applications for subdivisions begin with a staff consultation to inform the Sketch Plan stage of the review process. This initial Sketch Plan is more informal than a plat, but includes existing public facilities and improvements, land characteristics and existing homes. There is no application fee for this stage, and the land use department has 30 days to review the Sketch Plan and provide recommendations.

This is followed by the second stage of the process, Preliminary Plat Review. The Preliminary Plat must include topographical, geomorphology and percolation tests (for on-site sewer), location map, all titles and certifications and a list of proposed site improvements. The commission must act on the application within 35 days. This is followed by a Final Plat review. Final plats are required in standard format and must include street cross sections and profiles as well as protective restriction, such as easements and covenants. The commission has 45 days to act.

If the required 15-day lead-time for submission to the commission is included, the entire time for administrative review is limited to fewer than 125 days. It is important to note that Taos Land Use regulations also include an expedited summary review for lot-splits and family transfers.

Subdivision Development. Subdivisions play a critical role in affordable housing development. Larger volume building, as opposed to single lot development, provides opportunities for economies of scale for construction, infrastructure and land costs to benefit overall affordability. As described above, the Taos subdivision rules present a rational and timely process for approval. While the overall process is reasonable, a lack of recent, large-scale subdivision in Taos means that it is difficult to gauge administrative responsiveness on a practical level.

Another interesting factor related to subdivision development is the process of informal development through administrative lot splits and family transfers. Through anecdote, development professionals from the Taos community reported several instances where fairly extensive subdivision development was occurring outside the typical subdivision development process. This process of successive lot splits can result in improper subdivisions with inadequate infrastructure, particularly roads, as well as competing with properly regulated subdivisions such as Chamisa Verde. While the Town has taken steps to stem the occurrence of informal or administrative subdivisions, the problem remains in the unincorporated areas of the Taos County, and certainly has an effect on market conditions.

Energy Efficiency. Standards for energy efficiency are regulated by Taos' High Performance Building Code, described in the previous section. It is reasonable to assume that with an effective passive solar design and appropriate cost-engineered efficiency features, a modestly sized home can achieve a HERS 70 rating with only a marginal increase in cost compared to the model energy code requirements. This upfront investment is sure to be offset by lower utility costs and is a major factor in ensuring long-term affordability for low- and very low-income families.

The implementation of Taos' High Performance Building Code may be hindered by a couple of factors. Maximum solar gain is not always achievable in the context of subdivision development, particularly in challenging terrain conditions. Varied home sites within a subdivision may require unique designs to achieve proper solar gain based on the orientation of the lot that may add to overall design and development costs. Likewise, even when all lots within a subdivision provide adequate solar siting, only a limited number of home designs may work to optimize solar gain. Sometimes, this can lead to a repetitive and seemingly institutional site layout.

Administrative Capacity. One overarching constraint for the Town of Taos is its internal lack of administrative capacity. Prior to 2008, there was a notable lack of proper administration of the Town's affordable housing programs, which resulted in intervention by the New Mexico Mortgage Finance Authority and Attorney General's Office for potentially improper activities at the Chamisa Verde development. These

problems ranged from lack of tracking, improper documentation of both lot sales and homebuyer qualification, to arbitrary pricing of lots in violation of the state's *Anti-Donation Clause*. Presently, the Town does not have a dedicated affordable housing planner/staff position. Given that there are three potential development projects in the pipeline, as well as the need to administer the newly amended affordable housing ordinance and soon-to-be approved Chamisa Verde ordinances, increasing the Town's administrative oversight capabilities is one of the primary recommendations provided in this plan, either thru direct staffing enhancements or thru contract staffing.

Non-Governmental Constraints

Non-governmental constraints affecting the provision of affordable housing and housing development in Taos include: a lack of financing, both programmatic and in the private sector, expensive land, high construction and infrastructure costs, and a lack of nonprofit development capacity. Another challenge for subdivision development is related to community concerns relating to the conversion of agricultural lands to housing and neighborhood objections to development. This often presents difficult choices to policy makers when approving new subdivision proposals.

Financing. Several financing constraints are limiting the provision of affordable housing in Taos, including: more rigorous underwriting standards for construction loans, permanent consumer financing and tax credit applications; a limited pool of "mortgage ready" homebuyers and declining program funds for nonprofit service providers.

Following the collapse of the housing market, rising rates of foreclosures and sharp drops in consumer demand, many aspects of underwriting for construction lending have become obstacles, especially for smaller developers. As a result, construction financing is no longer available for "spec" homes, those homes that are not presold. In situations where there is a presold home, banks are requiring a minimum of 20% equity in the project. This highlights the need for the creation of a pipeline of prequalified buyers through counseling and training programs, as "mortgage ready" buyers will be an important factor for builders to access construction financing.

Permanent consumer financing is also critical for home development and sales. Since the collapse of the conventional lending market, FHA guaranteed loans have emerged as a primary source of mortgage financing for low- and moderate-income first time homebuyers. Available in the Taos area, these loans have some limitations, primarily mandatory mortgage insurance, high closing costs and a mandatory 3% down payment from the buyer. Another promising lending product is the USDA Rural Guarantee loan for low- and moderate-income first-time homebuyers earning up to 115% of the area median income. With no mortgage insurance requirements and the ability to finance

much of the closing costs, this loan presents the opportunity for buyers to purchase a home with little cost out of pocket. Taos lenders who use USDA loans reported that this is a relatively easy program to work with, and their preferred mortgage product for first time homebuyers.

From interviews, information from the websites of lenders and the NMMFA, access to specialty consumer loan products does not seem to be a notable constraint to affordable housing in Taos. Five offer FHA loans (First Community Bank, New Mexico Educators' Federal Credit Union, Wells Fargo, King Mortgage and Dimond Mortgage). Four lenders offer MFA products (NMEFCU, Peoples Bank, Wells Fargo and Dimond Mortgage) and USDA loans are available from three lenders (First Community Bank, King Mortgage and Dimond Mortgage). In addition, two lenders provide construction financing (First Community and Centinal Bank) and Dimond Mortgage provides construction guarantees.

The deficit of "mortgage ready" buyers is likely a result of Taos' low incomes, relative to housing costs, poor financial literacy, and inadequate public outreach. While Taos Housing Corp offered a full curriculum of financial fitness and homebuyer training, staff reports that efforts to provide training usually result in poor attendance and those who do participate often have credit issues and other problems that discourage them from pursuing homeownership. Coupled with cutbacks in HUD counseling funds and other HUD programs (CDBG, HOME, Section 202 and Section 811 construction funding) and poorly executed outreach attempts, establishing a pool of "mortgage ready" homebuyers is becoming increasingly more challenging.

Land Cost/Availability of Public Land.

Interviews with realtors and appraisers reveal that developable land is relatively plentiful in Taos area, but raw land costs are high. Data regarding land value is also somewhat limited due to a lack of recent subdivision activity. Only one large tract of land was closed in the last year, a 28-unit subdivision that went under contract in 2006. This project had a raw land cost of approximately \$55,000 an acre. Finished



lots with full infrastructure are listed at \$150,000. It is important to note that this project is located within close proximity to the Central Business District and includes many shared amenities, such as a common house, barn and communal open space—all factors which serve to greatly increase the value (and cost) of the lots. Even given these factors, the price of these lots alone is greater than what a moderate-income household could pay for a finished house and lot.

This points to the lack of feasibility for affordable housing development on private parcels. The Town Owned Property and Developable Land Map in the following Sites Inventory section indicates that there are several developable sites within the municipal boundary. As shown in Table 26, 36 acres of Town-owned land could be developed to yield as many as 246 housing units.

Table 25: Availability of Town Owned Land

Project	Acres of Land	Maximum Density	# of Lots
Chamisa Verde Infill	2	6 units per acre	12
Chamisa Verde	20	6 units per acre	120
Fred Baca Park	14	2 units per acre (6 if rezoned)	28 (84)
Total	36 Acres		190 - 246

Infrastructure Costs. Taos has relatively high and considerably variable costs for infrastructure development. A survey of five subdivisions ranging in size from 5–44 lots, located both in the town and the county, reveal an average hard cost of \$22,597 (excavation, construction, etc.) per lot with an additional \$5,195 in soft costs (planning, design, engineering, permitting, etc.). With an average infrastructure development cost near \$30,000 per lot, it is clear that this places a significant burden on the development of raw land for affordable housing. It is important to note that there was wide variability in cost for infrastructure development with the per-lot costs ranging from \$20,800 to \$38,000. The high end represents a development in the county, which required nearly 1,000-foot deep wells, raising costs considerably. This highlights the cost effectiveness of development in close proximity to infrastructure services such as sewer, water, and electricity. It also points to the potential benefit that a model for off-grid affordable housing could provide.

Construction Costs. Interviews with local developers confirm that construction costs in the Taos area are high for the region. During the housing boom construction costs rose rapidly, nearly doubling in five years. This problem is further exacerbated in Taos local conditions. Lack of production-scale builders, distance from materials suppliers, lack of skilled labor and a general development tendency towards higher-end homes all contribute to higher costs. Likewise, the lack of experienced affordable housing developers precludes the creation and refinement of cost-effective construction practices and value-engineered home designs. There are some encouraging indications. Nonprofit developers have reported recent bids in the \$100 per square foot range, which is only slightly higher than in communities with more robust development infrastructure.

Housing Development Feasibility and Density Analysis

As discussed in the preceding analysis, the relationship of zoning and density are not the primary obstacle to affordable housing development in Taos. Of much more central concern is the high costs of both land and infrastructure. The following development scenarios illustrate how alleviating high land and infrastructure costs can increase affordability. The tables are not detailed development proformas, but rather are intended to provide policy guidance for the Town to determine necessary subsidy levels to achieve affordability in both single family and rental affordable housing development.

All analysis of affordability hinges in the payment capacity of potential buyers or renters. Table 27 demonstrates the monthly housing payment capacity at varying Area Median Income levels, based on family size. Monthly payment capacity is calculated at a conservative 28% of gross income. Area Median Income numbers are extrapolated from HUD 100% AMI numbers using the same methodology that HUD uses including rounding and family size increases. A complete table with incomes can be found in Appendix C.

Table 26: Town of Taos Affordability Matrix

HH #	1	2	3	4	5	6
30% AMI	\$219	\$250	\$281	\$313	\$337	\$363
	\$38,629	\$43,972	\$49,520	\$55,067	\$59,382	\$63,903
50% AMI	\$364	\$417	\$468	\$520	\$562	\$603
	\$64,108	\$73,355	\$82,396	\$91,642	\$99,039	\$106,231
60% AMI	\$436	\$498	\$561	\$623	\$673	\$722
	\$76,848	\$87,738	\$98,834	\$109,724	\$118,559	\$127,189
80% AMI	\$587	\$671	\$755	\$838	\$905	\$972
	\$103,354	\$118,148	\$132,943	\$147,531	\$159,449	\$171,161
100% AMI	\$727	\$831	\$935	\$1,038	\$1,121	\$1,204
	\$128,011	\$146,298	\$164,586	\$182,873	\$197,462	\$212,051
120% AMI	\$873	\$996	\$1,121	\$1,246	\$1,345	\$1,446
	\$153,696	\$175,476	\$197,462	\$219,448	\$236,913	\$254,584
These calculations assume a 28% front-end ratio and a 5.5% interest rate. Monthly payments do not include taxes or insurances. Numbers in green indicate affordable sales price for each income range. Numbers in red indicate affordable monthly payment for rent or mortgage.						

With twelve lots ready for development in Chamisa Verde, constructing new homes for low and moderate-income households is an immediate strategy for assisting Taos families to attain decent affordable housing. Housing development also presents the opportunity to both create and leverage subsidy from third party sources.

Single Family Development

Private Sector. There are essentially two affordable housing development scenarios possible on the subdivision level: private sector-driven and publicly driven (e.g., Chamisa Verde). The following calculations demonstrate development feasibility for single-family homes built by private developers at various levels of housing density. This scenario is based on most recent cost estimates available regarding land infrastructure and construction costs; all other fees are estimates. The home is assumed to be an 1100 square foot, 3 bedroom, 2 bath home suitable for a family of three.

Table 27: Construction Costs for Private Market Development

ITEM	Low Density # of Units = 1 DU	Medium Density # of Units = 4 DU	Maximum Density # of Units = 6 DU
Construction			
Land (per acre)	\$55,000	\$55,000	\$55,000
Infrastructure	\$40,000	\$120,000	\$160,000
Permits	\$500	\$2,000	\$3,000
Cost to Build	\$110,000	\$440,000	\$660,000
Professional Services	\$5,000	\$20,000	\$40,000
Construction Financing	\$15,000	\$30,000	\$50,000
Soft Costs	\$700	\$2,100	\$5,600
TOTAL Development Cost	\$226,200	\$669,100	\$973,600
Cost Per Unit	\$226,200	\$167,275	\$162,267
100% AMI Affordability	\$164,585	\$164,585	\$164,585
100% AMI Subsidy Gap	\$61,615	\$2,690	(\$2,318)
80% AMI Affordability	\$132,934	\$132,934	\$132,934
80% AMI Subsidy Gap	\$93,266	\$34,341	\$29,333
60% AMI Affordability	\$98,834	\$98,834	\$98,834
60% AMI Subsidy Gap	\$127,366	\$68,441	\$63,433

The calculations in Table 28 show how higher density brings down the per-unit cost on privately owned land. However, even at the highest densities appropriate for the Taos area of six units per acre, it is clear that single-family homes could not be made affordable to households earning below 80% of AMI without significant amounts of additional subsidy. Even the workforce level units at 100% AMI would struggle to create enough of a profit to be financially attractive to developers (developer fees, development contingency and profit are not included in the development cost estimates).

Another useful way to analyze density is to consider the land cost as a function of total development costs. Generally land costs should be between 20 and 25% of the total development cost. At one unit per acre the percentage of land cost is 24.3%, and drops to 5.6% of unit development cost at the highest density of six units per acre.

The combination of lack of feasibility of private affordable housing development, limited outside sources of development subsidy, lack of “mortgage-ready” homebuyers, and the amount of subsidy needed demonstrates the importance of using public resources in Taos to support affordable housing development. Of the potential subsidy mechanisms, only the donation of land and/or infrastructure can generate the level of subsidy necessary to make development feasible.

Town-supported Development. Table 29 demonstrates the feasibility of affordable housing development on Town-owned land and uses the same assumptions as the above calculations. Various levels of subsidy shown are based on the current subsidy structure for the finished lots within Phase I of the Chamisa Verde subdivision.

Table 28: Construction Costs on Town-owned Land

ITEM	Mkt Rate Lot # of Units = 6	80-120%AMI Lots # of Units = 6	Low, VLI Lots # of Units = 6
Construction			
Land Cost (per acre)	\$300,000	\$150,000	\$60,000
Permits	\$3,000	\$3,000	\$3,000
Cost to Build	\$660,000	\$660,000	\$660,000
Professional Services	\$30,000	\$30,000	\$30,000
Construction Financing	\$40,000	\$40,000	\$40,000
Soft Costs	\$4,200	\$4,200	\$4,200
TOTAL Development Cost	\$1,037,200	\$887,200	\$797,200
Cost Per Unit	\$172,867	\$147,867	\$132,867
100% AMI Affordability	\$164,585	\$164,585	\$164,585
100% AMI Subsidy Gap	\$8,282	(\$16,718)	(\$31,718)
80% AMI Affordability	\$132,934	\$132,934	\$132,934
80% AMI Subsidy Gap	\$39,933	\$14,933	(\$67)
60% AMI Affordability	\$98,834	\$98,834	\$98,834
60% AMI Subsidy Gap	\$74,033	\$49,033	\$34,033

The scenario in Table 29 demonstrates the challenges of affordable housing development even with various levels of Town-supported subsidy. Under the current Chamisa Verde subsidy rules, moderate income units serving those between 80–120% AMI would be able to receive a 50% lot subsidy. This allows for a \$16,718 profit per unit from moderate-income housing development which would be the equivalent of a reasonable 11% developer’s fee. For low-income units serving the 80% AMI level, the profit drops to \$67, which is too small a margin to be considered a profit, especially given the conservative nature of these calculations and the lack of development contingency. Very low-income units would require an additional \$34,033 in subsidy to break even, and more if the developer realizes a developer’s fee.

Multi-family Development

The development of rental housing poses similar challenges in the Taos market. While several successful LIHTC rental projects have been completed in recent years, these projects rely heavily on outside subsidy sources and often the donation of land in addition to other resources. Table 30 demonstrates the impact of increased density on multifamily rental development.

Table 29: Multi-family Construction Costs Per Unit

ITEM	Low Density # of Units = 4/acre	Medium Density # of Units = 8/acre	High Density # of Units = 14/acre
Construction			
Land Cost (per acre)	\$55,000	\$55,000	\$55,000
Site Prep	(300 ftinfras.) \$100,000	(450 ftinfras.) \$150,000	(600 ftinfras.) \$200,000
Permits	\$2,000	\$4,000	\$7,000
Exactions	\$20,000	\$40,000	\$70,000
Cost to Build	\$400,000	\$800,000	\$1,400,000
Misc. Construction Costs	\$12,000	\$24,000	\$42,000
Professional Services/Fees	\$4,500	\$9,000	\$15,750
Construction Financing	\$2,500	\$5,000	\$8,750
Soft Costs	\$1,000	\$2,000	\$3,500
Syndication	\$750	\$1,500	\$2,675
Reserves	\$3,000	\$6,000	\$12,000
Developer's/Sponsor Cost	\$15,000	\$30,000	\$52,500
TOTAL Development Cost	\$618,250	\$1,131,500	\$1,879,125
Cost Per Unit	\$154,563	\$141,438	\$134,223
Rent	\$1,210	\$1,156	\$1,125
100% AMI Affordable Rent	\$935	\$935	\$935
Affordability Gap	\$275	\$221	\$190
80% AMI Affordable Rent	\$755	\$755	\$755
Affordability Gap	\$455	\$401	\$370
60% AMI Affordable Rent	\$561	\$561	\$561
Affordability Gap	\$649	\$595	\$563
30% AMI Affordability	\$281	\$281	\$281
Affordability Gap	\$929	\$875	\$844

The market rate multi-family development scenario presented in Table 30 demonstrates that even in situations where maximum unit density is achieved, there are significant gaps in affordability. The fair market rent (FMR) for a three-bedroom rental unit in Taos County is \$903. Based on income and affordability calculations, the payment capacity of a family of three at 60% AMI is \$561 a month, essentially half the market rent achieved through the most dense market rate development. The situation is even more infeasible for the lowest income levels. At 30% AMI, a family of three can afford \$281 a month as a

reasonable housing cost. This represents a monthly gap of \$929. It is important to note that families below 30% AMI represent over 20% of the Taos population.

Chamisa Verde

This project represents the best single opportunity for a town-driven process for the production of affordable housing. Located on a 25-acre parcel off Paseo del Canon East, adjacent to the Taos Youth and Families Center, the project began planning nearly 15 years ago. This location is within reasonable proximity to essential services and has sewer, water and electricity infrastructure. To date 30 homes have been built, of which one is exempted from the Town's affordability requirements.

Phase I – “Infill Lots”. Twelve lots within Phase I remain undeveloped. Construction was halted when both the Mortgage Finance Authority and State Attorney General's Office intervened to investigate dubious or inconsistent tracking of sales, lack of documentation for security instruments and arbitrary pricing that violated the State of New Mexico's Anti-Donation Clause. Currently, the Town is working on clearing up some land title issues and conveying the remaining lots in Phase 1, the “infill lots” to Qualified Grantees. Taos Housing Corp and Habitat for Humanity are planning to acquire 8 lots and 4 lots, respectively.



A house built in Phase I of Chamisa Verde

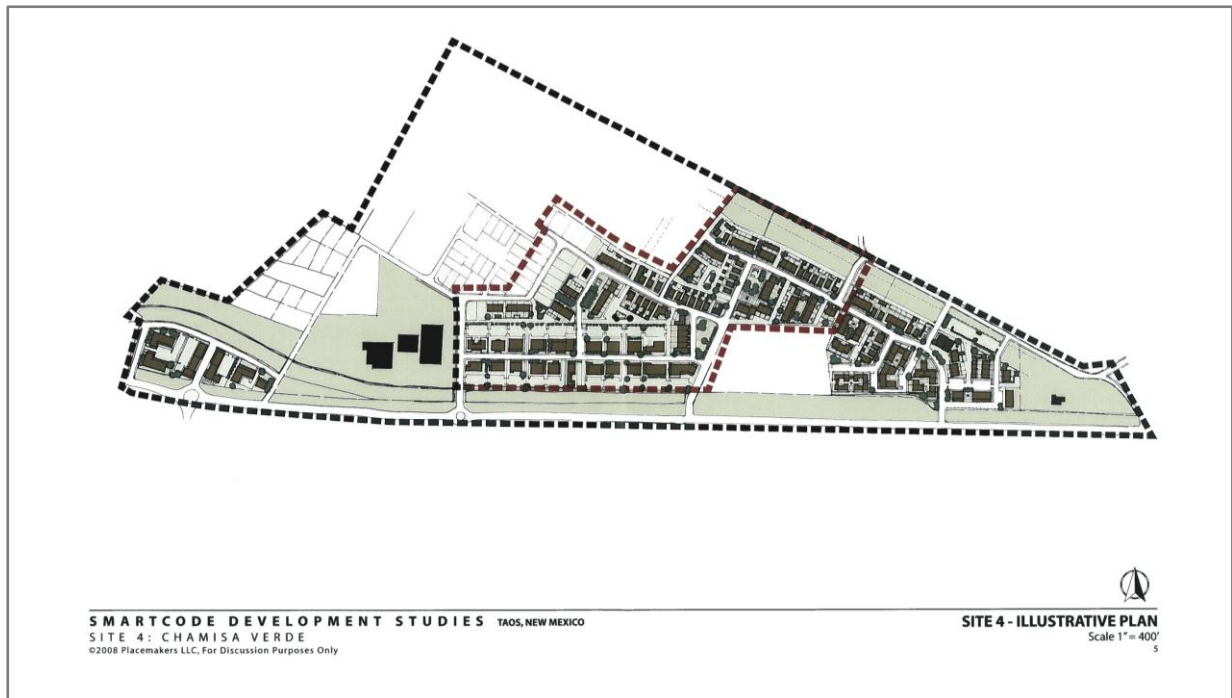
Analysis of Development Scenario. The Town is currently proposing to sell these remaining infill lots at \$10,000 per lot. However, as detailed in the Housing Development Feasibility section above, the current development scenario reveals that it may be financially unfeasible to develop as proposed. While organizations such as Habitat for Humanity employ alternative methods for achieving affordability (sweat equity, as well as a zero-interest first mortgage, greatly lowering the effective monthly payments of the buyer), the cash-on-cash development scenario as proposed for the infill lots in Chamisa Verde is not promising for other developers.

The argument has been made that developers can recover their losses from affordable housing development through development of market rate homes to be sold at a profit. But with assumed values for market rate homes in the low \$200,000 range, the addition of \$30,000–\$40,000 in lot costs for market rate units, as well as costs such as 6% of sales price for commissions, the margin on these homes would be small. Likewise, with the current state of the general housing market, there remains significant uncertainty about the marketability of these non-assisted homes. The analyses on pp 57–59 point to the need for more detailed development feasibility analysis, including development *proformas* based on current land values and estimated construction costs. Once

completed, the finding should be used to determine the appropriate sales price of lots as well as target effective sales prices for units.

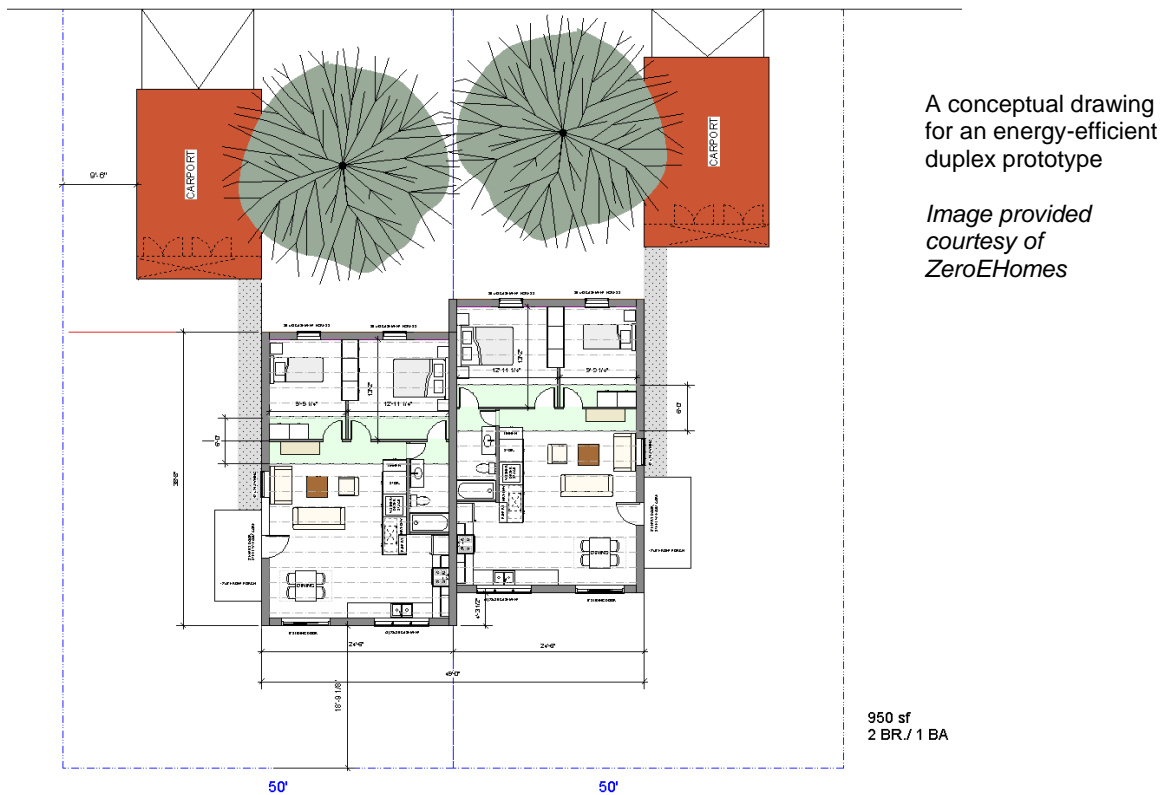
Future Phases of Chamisa Verde. Phase I of Chamisa Verde exhibits many of the telltale signs of institutionalized affordable housing, namely poorly designed street patterns, lack of variability in housing type and sub-par landscaping, among others. Recently, the Town has taken several steps to improve the design for the remainder of the development. A design process led by Placemakers, a design-consulting firm was conducted in 2008. The results are a conceptual neighborhood plan that incorporates many different housing forms and community amenities. The plan includes civic buildings and spaces, urban and suburban development densities as well as trails and connectivity improvements.

Figure 8: Conceptual Drawing for Phase II of Chamisa Verde



The buildout of Phase I of Chamisa Verde presents an opportunity to determine viable development scenarios for the future phases of the development. Currently projected to provide 110 +/- lots, future phases may achieve greater densities as a result of applying the TND to this parcel which allows substantial flexibility in varying lot sizes, building types and densities. Likewise, the distribution of lots among the income categories identified in Taos' current affordable housing ordinance will also be affected by the experience of finishing the buildout of the infill lots.

Figure 9: Conceptual Drawing for Duplex Housing Prototype



Another significant consideration is the opportunity to increase private sector development capacity through market rate entry-level housing development. The draft Chamisa Verde ordinance requires the construction of at least one affordable unit for every market rate unit. But, the housing needs identified in this report indicate a significantly higher demand in the market rate homeownership sector between 120–140% AMI. Providing incentives for developers to build entry-level market rate homes would help speed along the buildout of the project, meet community market rate housing needs, as well as provide economic benefits to the community. It is also worth considering mixed-use ownership live/work housing in the later phase of Chamisa Verde. With planned urban centers at several locations within the conceptual plan, this may be a perfect opportunity to meet some of Taos' demand for affordably priced live/work housing.

Administration and Management. In practice, the Town has essentially assumed the role of a master developer for the Chamisa Verde subdivision. This type of direct hands-on role often poses challenges for smaller municipalities that may lack the professional infrastructure to deal with the large amount of administrative work associated with land development. Because the Town lacks the track record or technical capacity to perform and deliver income certifications, it is advisable to engage a nonprofit housing organization to manage the administrative aspects of the program.

Conclusions. There remains significant work to have Chamisa Verde reach its full potential for the provision of affordable housing. The core aspects of this will be the proper development feasibility analysis, the design of the two ordinances that dictate future development and due diligence to ensure that future phases represent higher quality development than Phase I. A well-designed program and implementation will not only provide significant amounts of affordable housing, but also contribute to economic development and the capacity building of partner housing development nonprofits in the future.

Past efforts to support affordable housing have been hindered by a lack of direction, expertise and institutional memory. While the prospect of growing government in this tough economic climate is clearly unattractive, developing affordable housing on Town-owned land presents a rare opportunity for the Town to create a revenue stream and still address pressing community needs. With a clear champion at the Town, the development of a robust and self-sustaining infrastructure for affordable housing can begin in earnest.

Live/Work Housing

The Town of Taos has an unusually high number of households who rely on self-employed earners, at 16% based on 2000 census numbers. This combined with a high number of people in the creative fields suggests the need for live/work housing solutions. In 2009, ArtSpace, a national nonprofit live/work housing developer conducted a market analysis around this unique type of housing development. The study identified the need for 80 live work units at a variety of income levels. The study also reported that 39% of respondents were below 60% AMI and qualify under the Low Income Housing Tax Credit program (LIHTC).

Project Feasibility. To meet Taos' demand for live/work housing, the ArtSpace study recommended a 35-unit project funded through the LIHTC program. The Town has moved forward with an application to the National Endowment for the Arts' *Our Town Grant Program* for \$250,000 for preliminary site planning. A grant has also been awarded from the Kresge Foundation for planning of the project and paying for predevelopment costs, estimated to be \$750,000. However, the Town must first raise/commit the initial \$500,000 before Kresge will fund the grant.

Town Investment. The total cost of the development to Town is projected at \$200,000 in addition to the value of the land, which would be either donated or provided on a low-cost long-term lease basis. With a total project cost between \$6 and \$7 million, this represents an attractive and significant leverage opportunity for Town resources.

Conclusion. Fifty-eight percent of respondents to the market study survey were interested in a cooperative model for ownership of live/work units. This points to the potential need for future live/work projects and should be considered as one component of later phases of development within Chamisa Verde or other Town-sponsored developments. The development of live/work housing presents the twofold opportunity for supporting both affordable housing and economic development goals. With a relatively small and highly leveraged Town investment, developing live/work housing both increases economic activity during construction, as well as incubating future creative businesses.

Fred Baca Park

The Town is exploring the development of an affordable housing subdivision on a Town-owned parcel that is adjacent to Fred Baca Park. Located on 14 acres southwest of downtown Taos, this project has been envisioned as a unique opportunity to utilize advanced green building techniques.

Project Feasibility. There are two primary constraints to consider with this development. The parcel is currently zoned R-2 and would need up-zoning to at least R-6 to accommodate the density needed to create a vibrant community and the proper economies of scale to make the project successful. The other primary obstacle is the per square foot building cost could be far higher than what is feasible for an affordable housing development, particularly for homes serving low and very low-income families. However, given the fact that Taos is already a center for innovative and sustainable design and building technologies, this project may provide an opportunity to develop a lower cost model for this type of housing.

Conclusion. This project presents a unique opportunity to not only provide a groundbreaking model for affordable housing nationally, but one that is potentially exportable to other communities. The Town can take several steps to get this project off the ground: 1) rezone the parcel, 2) facilitate meeting of sustainable development experts and self help housing advocates to bring hard development costs down to the \$100/square foot range and 3) apply Traditional Neighborhood Development District zoning to this parcel.

Privately Held Undeveloped Parcels

Figure 7: Town Property and Undeveloped Land on page 61 shows that there are parcels of undeveloped land available within the boundaries of the Town of Taos. This includes numerous sites, both publicly and privately held with appropriate proximity to infrastructure and zoning. However, little to no accurate pricing data is available for larger tracts of land so it is difficult to assess the feasibility of any of the potentially

developable sites. As the previous development feasibility analysis reveals, without free or greatly reduced land costs, there is little to no probability for development of affordable housing on private land.

Opportunities for Existing Homes

Housing Rehabilitation. There are several conditions in the Taos housing market that make rehabilitation an important priority. Particularly, the high levels of older housing stock and large number of homes without mortgages in Taos point to the need for more comprehensive owner occupied rehabilitation activities. Rehabilitation of older homes offers the opportunity to increase energy efficiency, improve the safety and value of older homes, as well as make accessibility improvements for older and disabled homeowners.

Habitat for Humanity currently operates an owner occupied rehabilitation program that serves approximately four very low-income senior homeowners a year and provides major renovation. This program is limited by funding and organizational capacity. Los Amigos Educational Resource Center provides weatherization services in Taos. Generally focused on low cost energy savings enhancement, these services do not provide for more needed services such as window and door replacement or insulating.



Before



After

A recent rehabilitation project completed by Habitat for Humanity

Photo used courtesy of Habitat for Humanity Taos.

Taos Pueblo operates a fairly robust rehabilitation and modernization program within the Pueblo. Funding through the Indian Community Block Grant Program, rehabilitation is carried out on approximately 30 homes per year. While not directly impacting housing within the Town of Taos, the capacity around this program may present an opportunity for future partnership and technical assistance.

Funding Opportunities for Acquisition/Rehabilitation. In many communities, acquisition/rehabilitation programs can provide a pipeline of housing for purchase by low- and moderate-income homeowners. Given Taos' relatively high housing costs in relation to incomes, this model may be more feasible in conjunction with accompanying subsidy on the consumer level, rather than as a Town-initiated program. Three commercially available lending products can be used for acquisition/rehabilitation:

1. **FHA 203k.** This loan product offered through FHA combines permanent financing with up to \$35,000 in additional funding for repair and modernization of the home prior to move-in. While this resource appears attractive, 203K-approved lenders report difficulties associated with very strict debt-to-income limits that calculate in additional expenses such as child care and utilities that are not typically calculated in conventional financing situations.
2. **USDA Rural.** The USDA Rural Repair and Rehabilitation Loan and Grant program provides loans of up to \$20,000 and grants up to \$7500 for the repair and modernization of existing dwellings for families up to 50% of the area median income. Grants are only available to homeowners over the age of 62 and may only be applied to basic health and safety improvements on the home. But loans and grants can be combined for a total of \$27,500 in assistance. The terms of the loan can be extended for as long as 20 years.
3. **Fannie Mae Homepath.** This program is a special financing opportunity for acquisition of Fannie Mae REO properties. The mortgage loan has low down payment requirements, does not require mortgage insurance and can be paired with a \$20,000 rehabilitation loan. A survey of the Fannie Mae Homepath listings for Taos reveal eight properties currently listed, though interviews with local lenders indicate that the number of properties available through Homepath has been steadily growing and will likely continue to increase. Homepath can also be used for investment properties and could potentially serve as a financing mechanism to create higher quality moderately priced rental homes. A search of approved lenders reveals that only large national mortgage lenders are approved to provide these loans in New Mexico. Facilitating more local lenders to get approved for these loan products could increase acquisition rehab activities greatly.

Additionally, lenders report that there remain small pools of funding for home equity lines of credit. Homeowners must have exemplary credit and large amounts of equity in their home to take advantage of these loans.

Weatherization/Energy Efficiency. The State Mortgage Finance Authority provides allocations for housing retrofits up to \$6,000 per home through its EnergySmart Program. As is typical in New Mexico, the number of households eligible for rehabilitation far exceeds the amount of funding available for these efforts. Over the last three years, the number of homes weatherized has steadily increased from 39 in 2007–2008; 46 in 2008–2009 to 104 in 2009–2010, however, the spike in the most recent years is likely due to federal funding through the Recovery Act. Currently, the MFA

contracts directly with a rehab contractor and it is up to the individual homeowner to apply for the services.

Low-Cost Weatherization. Low-cost weatherization is an increasingly common way of addressing both the energy consumption and comfort for low-income households. Even smaller scale activities such as weather stripping, caulking windows and doors, insulating hot water heaters and pipes, exchanging incandescent for compact fluorescent bulbs can have a significant cumulative effect on reducing energy costs. Enterprise Community Partners estimated that \$3,000 spent on weatherization can reduce energy costs by as much as 30%, according to its 2008 report: *Bringing Home the Benefits of Energy Efficiency to Low Income Households*.

Weatherization programs also have an educational component to provide tips to the homeowner for sustaining long-term conservation benefits. Sometimes, these programs are implemented by youth job training organizations that employ subsidized labor while providing employment and development opportunities for young people. Other times, volunteers assist with labor or provide donated materials to expand the scope of assistance. These installation crews can also connect homeowners most in need with other housing services such as state weatherization programs and those available through nonprofit providers.

IMPLEMENTATION PLAN

What is clear from Taos' unique demographic and housing needs, its high-cost market, and existing affordable housing strategies, is that a multi-pronged approach must be employed to achieve affordable housing goals. On the one hand, potential homebuyers will benefit from mainstream strategies such as subsidies, new housing production, infill and higher-density housing. But there are also many households whose needs lie outside of the mainstream. People with disabilities or in need of supported services or ADA-compliant housing have few options in Taos. Those who have inherited older homes need assistance to add on and make repairs and energy efficient improvements. Those who inherit land need self-help and volunteer programs to assist in constructing homes as alternatives to mobile homes. And all residents need education and information about rental, homeownership, family land planning and financing options to make the right decisions for their futures.

Vision 2020: Town of Taos Master Plan Affordable Housing Goal

“All Taos Families and Households have the Opportunity to Own Quality, Affordable Housing.”

(Re)Vision 2020

The recommendations in this section are intended to fit into (Re)vision 2020. Each topic provides a goal statement; objectives for reaching the goal and implementation steps for accomplishing the objective.

Approach

The process for establishing the recommendation in this plan is based on a three-step process. After analyzing data and housing need, an Opportunities and Constraints Analysis was conducted that considered five organizing principles:

1. Funding
2. Capacity Building
3. Program Development
4. Real Estate Development
5. Regulatory Environment

This analysis served to establish a “goal” or a description of what success looks like, along with objectives for reaching the goal and implementing tasks to accomplish the objectives.

Summary of Projected Housing Needs

This plan estimates the number of housing units needed to address housing gaps in Town of Taos for the current population (“Catch Up Demand”) as well as provide housing for future employment growth (“Keep Up Demand”). Housing need projections in this plan estimate that 294 to 389 new housing units are needed to meet the current needs of low to moderate-income households, with only 62 units in the pipeline. An additional 90 units are recommended to accommodate job growth for moderate-income households in the next five years.

Town of Taos Housing Production Plan – Five-Year Goal

Housing Type	5 Year Production Goal (units)	Max. Affordable Housing Cost	Home Price
Emergency/Transitional Housing Units	10-14	0 - \$373/mo	-
Rental Units at 40% AMI or Below	158-211	\$373/mo	
Rental Units at 40-60% AMI	21-28	\$561/mo	
Rental Units at 60-80% AMI	32-43	\$755/mo	
Homeownership Units at 60-80% AMI	4-6		\$132,943
Rental Units at 80-120% AMI	99-110	\$1,121/mo	
Homeownership Units at 80-120% AMI	59-70		\$197,462
Subtotal	384-483		

Implementation Plan Matrix

The Implementation Plan Matrix summarizes the recommendations, roles of partner agencies and potential funding sources to support the activities proposed in this plan. For more detail regarding implementation tasks, please refer to the narrative that follows the matrix.

IMPLEMENTATION PLAN MATRIX

	OBJECTIVES	Implementation Tasks	Lead	Partner(s)	Priority			Funding
					H	M	L	
GOAL - FUNDING	1.1 Create a funding mechanism for the Town that is dedicated to supporting affordable housing	1.1a Identify potential revenue streams and create structure for the fund (budget line item, etc.). 1.1b Create a set of guidelines for the fund that defines uses and establishes the solicitation, application and allocation of funds. 1.1c Ensure that the funding criteria is coordinated with the Town's affordable housing ordinance.	Town		✓			Residual bond funds, fees generated from affordable housing activities, transactional fees, transfer tax, Chamisa Verde lot sales
	1.2 Implement a modest real estate transfer tax	1.2a Seek expert legal opinion regarding tax and implementation 1.2b Convene Advisory Group to determine eligible uses, build consensus, plan public outreach strategy 1.2c Implement community-wide outreach	Town	Nonprofit service providers, for profit industry reps		✓		No outside funding required
	1.3 Invest local resources in nonprofit service providers	1.3a Establish scope of work with nonprofit providers 1.3b Establish contract administration procedures, including RFP/allocation and reporting process 1.3c Provide administrative funding to Taos Housing Corp	Town	Nonprofit hsg services providers; Taos Housing Corp	✓			Residual bond funds, Town general funds
	1.4 Coordinate fundraising among service providers	1.4a Engage in strategic planning process for accessing non-local funds 1.4b Establish priority for inter-agency collaboration for allocation of local funds	Town	Technical assistance provider(s), local nonprofit service providers			✓	Technical assistance funds (Enterprise, USDA, RCAC, HUD, Neighborworks, HAC)
	1.5 Increase volume of MFA mortgage products available in Taos	1.5a Engage local lenders in local affordable housing planning processes, provision of services and housing development 1.5b Increase the local lending community's awareness of subsidized lending products	Town	Lenders	✓			MFA (Mortgage Saver, Payment Saver, HERO, HELP) FHA (Sect 203) HUD (EEM), USDA (Sect 502)

GOAL - CAPACITY BUILDING	OBJECTIVES	Implementation Tasks	Lead	Partner(s)	Priority			Funding
					H	M	L	
	2.1 Create affordable housing expertise within the Town of Taos planning department	2.1a Determine the funding source for either supporting the position of Housing Planner, or contracting out housing administrative services 2.1b Secure affordable housing administrative services thru either the human resources or procurement processes	Town		✓			Town general fund or 1995 GO Bond issue, private grant funds
	2.2 Create coalition of housing providers	2.2a Designate administrator for the coalition 2.2b Coordinate public outreach to expand Taos' customer base for services 2.2c Create online housing resource	Town	Nonprofit service providers, building, design, lending real estate industry		✓		No outside funding needed
	2.3 Provide technical assistance to nonprofit service providers	2.3a Work with local service providers to determine areas of greatest interest/need 2.3b Provide funding to bring in outside TA providers 2.3c Design "best practices" community-wide approach to providing services in Taos	Town	Technical assistance team, nonprofit service providers	✓			Town general fund, residual bond funds, private funders, TA funds
	2.4 Establish partnerships between Town, nonprofit orgs, for profit industries, other gov't agencies	2.4a Require that homebuyer training and counseling classes include private sector representatives 2.4b Provide incentives to for-profit builders such as discounted land, infrastructure in exchange for affordably priced units 2.4c Prioritize development proposals that sustain local construction capacity	Town, nonprofits	For profit industry groups		✓		No outside funding needed

	OBJECTIVES	Implementation Tasks	Lead	Partner(s)	Priority			Funding
					H	M	L	
GOAL - PROGRAM DEVELOPMENT	3.1 Prioritize the needs of Taos' very low income residents	3.1a Identify and prioritize gaps in the capacity to provide services to Taos' very low income renters and those with special needs 3.1b Determine the extent to which the Town can support or provide technical assistance to close the gaps 3.1c Work with TCHA to increase percentage of accessible public housing units	Town	Nonprofit service providers, public and tribal housing authorities	✓			HUD housing authority funds, MFA (ESG. LIHTC)
	3.2 Expand existing homebuyer assistance to cultivate current renters and support existing low-income homeowners	3.2a Cultivate a future generation of homebuyers by working with subsidized rental projects, housing authority 3.2b Partner with private sector lending community, schools, to provide services, funding for community-wide financial fitness, foreclosure prevention, reverse mortgage counseling	Taos Housing Corp	Nonprofit service providers, public and tribal housing authorities, lenders		✓		Town general funds/housing trust funds
	3.3 Develop a housing rehab/energy efficiency and accessibility retrofits program	3.3a Establish delivery system and release RFP to seek administrator of program and increase volume of existing rehab programs 3.3b Prioritize rental properties serving those with very low incomes and consider incentives for larger scale rental property owners to make their units accessible to renters with disabilities 3.3c Develop partnerships with private sector building/lending community to leverage donations, pro-bono services and establish "low cost" weatherization 3.3d Consider expansion of HOME-funded rehab activities	Town, lead agency (TBD)	For profit builders, lenders, Habitat, Los Amigos, public and tribal housing authorities	✓			MFA HOME rehabilitation, Town general fund, FHA 203K
	3.4 Design housing programs to meet the conditions unique to Taos	3.4a Tailor homebuyer counseling to meet the needs of self-employed, those with nontraditional income histories 3.4b Investigate viability of Mutual Self Help program for Taos 3.4c Explore "move back" incentive	Town, Taos Housing Corp	Lenders, TA providers of self help		✓		No outside funding needed

	OBJECTIVES	Implementation Tasks	Lead	Partner(s)	Priority			Funding
					H	M	L	
GOAL - REAL ESTATE DEVELOPMENT	4.1 Determine Town Priority Concerning Local Builders Priority	4.1a. Have the Town Council determine the priority of creating largest number of units versus a local builder preference.	Town		✓			No outside funding required if provided by Town staff.
	4.2 Complete mixed-income development plan for build out of Phase I of Chamisa Verde	4.2a Determine financial feasibility of developing remaining Phase I infill lots 4.2b Determine sales pricing policy to accommodate Habitat's affordability model 4.2c Waive lot costs for very-low and low income families 4.2d Prepare RFP for Phase II parcels. Include requirements for keeping affordability and ensure that high quality design and construction methods are used	Town	Habitat, Taos Housing Corp, for profit builders	✓			No outside funding required if provided by Town staff
	4.3 Establish process within Town's administration for creating pipeline of affordable housing projects	4.3a Complete feasibility analysis of Town-owned sites, with emphasis on Town-owned sites and identify suitable privately held sites 4.3b Establish a development program for the Town that determines development priorities and affordability criteria 4.3c Actively seek third-party funding sources that meet Town's criteria 4.3d Initiate community planning processes for suitable parcels	Town	TA provider, Taos Housing Corp, Habitat, private sector builders, public and tribal housing authorities, lenders	✓			No outside funding required if provided by Town staff
	4.4 Provide technical assistance to landowners seeking to build own home	4.4a: Offer technical assistance regarding construction financing, referral to contractors, easy to understand development checklists, low or no cost architectural plans, and general cost estimates to landowning individuals. 4.4b: Include a development assistance grant program as an eligible use of the Housing Trust Fund	Town, lead agency (TBD)	For profit builders, lenders, Habitat, Los Amigos, housing authority			✓	No outside funding required if provided by Town staff; private donation from builders
	4.5 Identify opportunities for below market acquisition of condos to resell to qualified buyers or convert into rentals	4.5a Partner with real estate, lending industries to negotiate bulk purchases of these units 4.5b Re-sell the units to qualified homebuyers or adapt to serve other needs	Town, lead agency (TBD)	Lenders, Taos Housing Corp, public and tribal housing authorities, realtors		✓		HOME, FHLB, Private grant funds
	4.6 Support the construction of another subsidized rental project	4.6a: Prioritize projects for renters with special needs, demonstrate collaboration 4.6b: Support public housing redevelopment, esp. projects that supply accessible housing 4.6c: Support conventional tax credit applications only if they exceed affordability achieved by existing projects	Private sector builders, housing authority	Town, other nonprofit service providers		✓		HOME, FHLB, LTTF, Supportive Housing Funds, public housing funds

GOAL - REGULATORY ENVIRONMENT

OBJECTIVES	Implementation Tasks	Lead	Partner(s)	Priority			Funding
				H	M	L	
5.1 Revise/finalize Chamisa Verde ordinance and other ordinances governing Town-sponsored development projects	<p>5.1a: Clarify the income/lot mix to specify exactly are reserved for mod-income buyers.</p> <p>5.1b: Adjust the definition of "Very Low Income" to 60% AMI and below</p> <p>5.1c: Establish sales pricing requirements to reflect the incomes of the individual buyers rather than an average income range</p> <p>5.1d: Consider reducing/eliminating the proposed down payment per lot requirement of \$10,000 for the development of the very low-, low- and moderate-income lots</p> <p>5.1e: Specify security instrument used (via a specified calculation) to secure the equity created by the difference between sales price and actual value of the property</p> <p>5.1f: Create clear administrative policies for the subordination of Town-held mortgages</p>	Town		✓			No outside funding required if provided by Town staff
5.2 Develop policies/procedures for administering the Town's affordable housing trust fund and establish process for accessing the funds	<p>5.2a: Design clear and transparent internal administrative processes for setting priorities, soliciting applications and allocating funds.</p> <p>5.2b: Assign a staff person to handle the application process, allocation, and reporting of uses of funds.</p> <p>5.2c: Establish an oversight committee to establish the criteria for funding, consider applications, and make funding recommendations to the Governing Body for final approval.</p> <p>5.2d: Designate the approved uses re. recycled assets and program income</p> <p>5.2e: Adjust the definition of VLI to 60%</p>	Town		✓			No outside funding required if provided by Town staff
5.3 Alleviate constraints related to zoning where appropriate and in conjunction with incentives	<p>5.3a: Streamline regulatory requirements for projects meeting established criteria</p> <p>5.3b: Provide infrastructure grants or low-interest loans to pay for infrastructure</p>	Town		✓			No outside funding required if provided by Town staff

FUNDING. There are several sources of funding that may not be currently accessible in Taos or at least not used to their maximum benefit. Some funding opportunities, such as NMMFA-sponsored lending products and construction funding may not be widely used by Taos' private sector. Other viable funding sources may not be used at all, such as Community Development Financial Institutions, USDA rural programs, private foundations, HUD and other federal agencies. This plan proposes which sources are most likely to be viable to fund the Town's Affordable Housing Trust Fund, to be passed through to nonprofit partners, or to be applied for directly by the nonprofit community.

Goal Statement for FUNDING:

"The Town of Taos has a source of funding and a dedicated funding mechanism to support affordable housing services, programs, and development."

Opportunity/Constraints Analysis

OPPORTUNITIES	CONSTRAINTS
<ul style="list-style-type: none"> • High volume real estate market • Town fund with remnants of bond funding (approx \$400K) • Town-owned land, property, infrastructure • Taos' is considered "difficult to develop" on LIHTC applications⁶ • Taos has active philanthropic community and sophisticated fundraisers 	<ul style="list-style-type: none"> • Disparity between incomes and high housing costs isn't adequately addressed through existing third-party funding sources. • The Town's CDBG allocation is not administered according to affordable housing objectives • No structure for administering public funds to benefit housing, including future revenues from land sales, loan repayments, pass-through funds • Private fundraising difficult in community with so many nonprofits, competition for private funds

⁶A Difficult Development Area (DDA) for the Low Income Housing Tax Credit program is an area designated by HUD with high construction, land, and utility costs relative to its Area Median Gross Income (AMGI). Difficult Development Areas are eligible for Tax Credits at 130% of qualified basis, meaning that more of the development costs are borne by the Tax Credit funding than in areas not designated a DDA.

OBJECTIVE 1.1.

Create a funding mechanism for the Town of Taos that is dedicated to supporting affordable housing.

IMPLEMENTATION TASKS

1.1a: Identify potential revenue streams and work with the Town’s legal and finance staff to create a mechanical structure (budget line item, etc.) for the trust fund.

1.1b: Create a set of guidelines for the fund that: define the uses of the fund—down payment assistance programs, energy efficiency retrofits and infrastructure assistance for affordable housing development—and establishes the solicitation, application and allocation process through which the funds are managed.

1.1c: Ensure that the funding criteria—eligibility, definition of uses, income guidelines—are coordinated with the Town’s affordable housing ordinance.

Discussion: One of the most versatile and effective tools for the ongoing support of affordable housing is the creation of a dedicated fund, often referred to as a “trust fund.” This mechanism is vested with a municipality and/or county government and is regulated by a set of specific procedures that are adopted by ordinance. This mechanism can also serve as a repository for funds generated from affordable housing activities (lot sales, development fees, repayment of subsidy, etc.), allowing resources to be recycled to the next qualified grantee. With proper structuring, the fund can become a portfolio asset that builds over time and allows the leveraging of other outside resources.

Currently, the Town has a small amount of residual bond money that was originally intended to support affordable housing; however, Taos planning staff indicated that there was no designated use tied to the particular fund, making it vulnerable to being reallocated toward other public uses. For that reason, it is essential that the trust fund and its regulating policies and procedures be set up and adopted as soon as possible.

Potential revenue streams may include residual bond funds; future equity from Chamisa Verde mortgages/subsidy; in lieu payments from the High Performance Building Code; a percentage of development/water hook up fees or other appropriate transactional fee. As soon as this mechanism is in place, the Town’s current resources can be used to provide immediate support and/or leverage for affordable housing activities, as well as providing a repository for future funds.

OBJECTIVE 1.2.

Implement a modest real estate transfer tax to create a sustainable source of funding for affordable housing.

IMPLEMENTATION TASKS

1.2a: Seek an expert legal opinion regarding the constitutionality of the transfer tax and recommendations for its implementation.

1.2b: Convene an Advisory Group of realtors, housing service providers, government officials and related industry groups (construction, design, etc.) to develop program criteria, build consensus on Town Council and plan outreach strategy.

1.2c: Implement community-wide outreach via grass roots organizations, governmental networks, print and radio media, social networking outlets to lobby for the vote to pass the tax.

Discussion: Taos County has a very high number of real estate transactions, largely driven by investment and second home sales. These factors have a considerable effect on the market, with home prices being inflated by outside investment that is not based on local economic factors. A modest fee imposed on real estate transactions could capture some of these resources to help offset the cost burden of higher market prices on homeowners. This type of tax could be structured to apply to homes priced above workforce levels so no additional burden would be placed on these difficult to serve market segments. For instance, if a transfer tax of $\frac{1}{4}$ of 1% had been applied to all home sales over \$350,000 in Taos between 2006 – 2010, a minimum of \$500,000 would have been generated, based on the most conservative scenario.

There are some legal questions associated with the imposition of a real estate transfer tax. While not expressly forbidden by the New Mexico State Constitution, it is also not specifically allowed. The most relevant section applicable to the tax is found in NMSA §3-18-2(D) which authorizes that "any municipality may impose excise taxes of the sales, gross receipts or any other type on specific products and services, other than those enumerated in Paragraph (3) of Subsection C of this section, if the products and services taxed are each named specifically in the ordinance imposing the tax on them and if the ordinance is approved by a majority vote in the municipality." However, the Town is well advised to seek an expert legal opinion before moving forward with placing the tax on the ballot.

OBJECTIVE 1.3.

Invest local resources in nonprofit service providers.

IMPLEMENTATION TASKS

1.3a: Establish contractual relationships with local nonprofits based on a specific scope of services to administer affordable housing programs serving homeless, those in need of supported and/or transitional housing and homebuyers/homeowners.

1.3b: Establish a rigorous process for contract administration including performance goals (eg. provide homebuyer training to X # of potential homebuyers); regular performance reviews; and public reporting in order to provide public accountability and to improve the short-term performance of the Town's nonprofit partners.

1.3c Continue to provide administrative funding to the Taos Housing Corp. to build capacity for affordable housing development and to leverage outside funding resources most effectively.

Discussion: The strategic vesting of local resources with nonprofits allows them to further leverage resources both for development and programmatic purposes. Administrative funding is often more difficult for nonprofits to raise and sustain because many private funders are more inclined to provide programmatic or project-based funding (it's more impressive to their funders to see the name of their organization on a construction sign). Eventually, organizations should generate a certain portion, if not all, of their own operating revenue based on fees generated through their services but publicly provided funds can be essential to closing interim funding gaps.

Also important, public funds can be used to leverage other sources of funding. For instance, the State of Nebraska's Department of Economic Development estimates that \$4 is raised for every \$1 of guaranteed public investment⁷ of CDBG funds. In Los Angeles, the mayor's office is pledging to raise \$5 billion based on a \$1 billion dollar public investment in its "Housing that Works" campaign.⁸ Closer to home, in Santa Fe, the Community Housing Trust estimates that the administrative funding it receives from the City of Santa

⁷ State of Nebraska Economic Development, http://www.neded.org/files/crd/2008/CDBG/CDBG07IMPACT_printerspreads.pdf

⁸ <http://mayor.lacity.org/Issues/Housing/index.htm>

Fe is leveraged 4:1, so that for every dollar provided by the local jurisdiction, \$4 more dollars are raised by the nonprofit from other sources⁹.

Administrative funding provided by the Town to housing services providers—Taos Housing Corporation, Dreamtree, the Men’s Shelter and Community Against Violence (CAV)—would allow the nonprofits to apply for sources of funding that require a funding match. The funding would be tied to a specific scope of work and administered according to performance goals established in the Town’s agreement with the grantee.

OBJECTIVE 1.4.

Coordinate fundraising among service providers.

IMPLEMENTATION TASKS

1.4a: Engage the nonprofit community in a collaborative strategic planning process to coordinate funding applications and/or activities to strengthen applications for non-local funds.

1.4b: Establish preference in the funding criteria for projects that demonstrate inter-agency collaboration, as related to the Town’s future affordable housing funding mechanism.

Discussion: Coordination among housing service providers can provide access to larger funding sources, and those not available to individual nonprofits because of scale. This approach has proven successful with transitional and homelessness service providers who can collaborate on larger federal grants, such as the Continuum of Care application, coordinated by the New Mexico Coalition to End Homelessness on a statewide scale.

Likewise, there are examples of nonprofit organizations collaborating on applications for specific housing development projects, where one may play the role of developer while the others provide services once the facility is built. One such opportunity may be the adoption of the Renaissance Model of LIHTC. This model was first pioneered by the Colorado Coalition for the Homeless and has been successfully implemented in several communities in New Mexico. See Appendix E for a more detailed analysis of how this model works.

⁹Based on interviews with staff from the Housing Trust and the City of Santa Fe, 2011.

OBJECTIVE 1.5.

Increase volume of subsidized consumer lending products that are offered through local lenders in Taos.

IMPLEMENTATION TASKS

1.5a:Engage local lenders in the affordable housing planning processes, the provision of services, and the development of affordable housing in Taos by including them in strategic planning and capacity building activities.

1.5b:Increase the lending community’s awareness of available lending products and facilitate collaboration with the NMMFA, other providers of subsidized lending products, and nonprofit providers of homebuyer training and counseling services.

Discussion: Currently, the use of NMMFA loan products and other subsidized consumer lending products—USDA, HUD, FHA—are not being maximized in Taos. Partly, this is a function of a real estate and lending market that is focused on more affluent, second homebuyers who are not eligible for these products. Also, a lack of low- and moderate-income “mortgage ready” buyers in the pipeline means there is little incentive for lenders to outreach to this segment of the market.

And finally, many lenders may not be aware of the advantages of using subsidized mortgage products. For instance, these loans can offer below market rates as well as be coupled with various downpayment assistance programs. As a requirement of eligibility, the potential homebuyer completes a training course and is provided financial counseling, resulting in a better-educated and more sustainable homeowner. In fact, default rates for borrowers who have completed homebuyer education courses are substantially lower than for borrowers who have not received support services. Ultimately, this translates into a less risky loan portfolio for the lenders, a broader market for consumer lending products, and more choice for borrowers with limited incomes.

CAPACITY BUILDING

While many housing service providers report that they are at the limits of their organizational capacity, more effectiveness could be gained by strategically organizing services and initiatives based on highest need and potential return. Additionally, Taos is eligible for technical assistance funding through a variety of programs that specialize in serving rural areas and building the capacity of the governmental, nonprofit and private sectors to provide services.

Goal Statement for CAPACITY BUILDING:

“The Town of Taos and its housing partners have the capacity to effectively provide housing services, administer housing programs and participate in real estate development.”

Opportunity/Constraints Analysis

Opportunities	Constraints
<ul style="list-style-type: none"> • Past/current investment of public funds toward building capacity (eg. Taos Housing Corp.) • The homeless and service providers report having a solid base of volunteers • Motivated, capable private sector to do work with nonprofits, form partnerships to make projects happen • Completed LIHTC, USDA projects • Functioning, funded housing authorities – tribal and County 	<ul style="list-style-type: none"> • Town does not have designated housing staff • Limited coordination of services across spectrum • Limited funding from Town for partner nonprofits • Existing providers have limited capacity and development capital • Self-help (Habitat) building models need better local volunteer base

OBJECTIVE 2.1.

Create affordable housing expertise within the Town of Taos Planning Department.

IMPLEMENTATION TASKS

2.1a Determine the funding source for either supporting the position of Housing Planner, or for contracting out housing administrative services

2.1b Secure affordable housing administrative services thru either the human resources or procurement processes

Discussion: At this time, the Town of Taos does not have any designated housing staff. Instead, long range planners have historically taken on housing issues as one of the many tasks for which they are responsible. If achievement of affordable housing goals is to become a reality, the Town recognizes that there will be a need to secure the services of a housing expert, either as an employee or retained on contract who is fully dedicated to affordable housing. This entity will be responsible for creating the Town's affordable housing program, including oversight of the build out of Chamisa Verde and implementation of the recommendations of this plan. The funding will need to come from either the General Fund or from the 1995 GO Bond issue. Given the current budgetary limitations that the Town is experiencing, the most probable source will be the GO Bond. The issue will be to maintain the utility of this bond over a long timeframe by switching over to the General Fund.

Regardless of the responsibility staying in house as an employee or outsourced to a consultant, the job description needs to include the following components or responsibilities: 1) administering the housing trust fund and all related policies and procedures; 2) providing oversight on all Town-sponsored housing development; 3) coordinating planning efforts with other Town departments, as well as other governmental jurisdictions and private entities; 4) providing administrative oversight for general services contracts with housing providers; 5) implementing the recommendations of this plan; 6) overseeing all regulations related to Chamisa Verde and future housing development and 7) acting as the point person for all housing-related issues in Taos.

OBJECTIVE 2.2.

Create a coalition of housing providers that meets regularly, plans housing-related outreach events and collaborates on service provision and fundraising.

IMPLEMENTATION TASKS

2.2a: Designate a Town staff person or nonprofit entity as the organizer of the coalition for the purposes of convening regular meetings, taking minutes, managing strategic planning and outreach events.

2.2b: Coordinate public outreach to grow Taos' customer base for services through regularly scheduled community events: housing fairs, technical assistance workshops, fundraising events, etc.

2.2c: Create an online identity that focuses on affordable housing issues, resources, and information, initially housed on the Town's existing website.

Discussion: Regular meetings between the housing service providers, governmental entities and the for-profit sector in the Taos area would serve several functions. For example, the coalition could help to coordinate services, align efforts between agencies, keep policy makers and municipal staff current on needs and development in the affordable housing sector, as well as promote collaboration on funding, service delivery and program development.

Through stakeholder interviews, several organizations expressed interest in long-term collaboration to address Taos' housing needs. Potential members of the Roundtable may include: the Town of Taos, Taos County, the Men's Shelter, Dreamtree Project, Community Against Violence, managers of tax credit/subsidized rental projects, Taos County Housing Authority, Taos Pueblo Housing Authority, Habitat for Humanity, Taos Housing Corp, the local board of realtors, Taos Homebuilder's Association, the Chamber of Commerce, representatives of the architecture, green building and design industries, Los Amigos, and local lenders.

OBJECTIVE 2.3.

Provide technical assistance to nonprofit partners to improve service models.

IMPLEMENTATION TASKS

2.3a Work with local service providers, industry groups, and funders to determine the areas of greatest interest/need for training and technical assistance.

2.3b Provide seed funding to bring in technical assistance according to identified priorities.

2.3c With assistance from technical assistance providers, design “best practices” approach to providing housing services, building and preserving affordable housing, and prioritizing Town funding accordingly.

Discussion: The recommendation for this section is to explore low-cost options for receiving technical assistance in the Town of Taos with particular emphasis on organizations that specialize in rural areas. These organizations include, but are not limited to: Enterprise Community Partners, Rural Community Action Coalition (RCAC), Housing Assistance Council (HAC), NeighborWorks Training Institute, HUD place-based training and E-learning opportunities. These trainings can focus on improving technical proficiencies, service provision, public outreach, organizational capacity building and fund raising.

The overall purpose for this recommendation is to increase the community’s general knowledge about affordable housing, expand available services and housing opportunities, and to create new housing units. The Town’s role is to research, organize and help leverage funding to provide training resources to staff, elected officials, nonprofit partners, and for-profit industry groups.

Some areas the Town may consider bringing in technical assistance providers include:

- Community needs assessments (RCAC, Enterprise)
- Capacity building, hands-on training, interagency collaboration (Enterprise, RCAC, HAC)
- Green building, energy efficiency retrofits (Enterprise Community Partners “Green Communities”, HAC)
- Development financing (Enterprise, RCAC, HAC)
- Procurement of professional services (RCAC, HAC)
- Housing counseling (NeighborWorks, HUD)
- Real estate management (NeighborWorks, HAC)

OBJECTIVE 2.4.

Establish partnerships between private/nonprofit/public funders, housing developers, and statewide/national organizations.

IMPLEMENTATION TASKS

2.4a Require that any Town funded homebuyer training activities involve local lending, real estate and construction representatives to help teach classes and provide ongoing credit counseling for mortgage qualification.

2.4b Provide incentives to for-profit builders such as the provision of infrastructure and discounted land in exchange for providing housing at predetermined price points to qualified LMI renters and homebuyers.

2.4c Prioritize development projects that sustain local housing construction capacity of both the for-profit and nonprofit building communities.

Discussion: While nonprofit service providers can offer a range of necessary services to low and moderate-income homebuyers, private sector businesses can be helpful in leveraging additional services and funding and may be able to carry out certain activities more cost effectively than nonprofits. They often will provide these services free of charge in exchange for access to potential clients.

Likewise, in many cases, private developers can develop homes more quickly and less expensively than nonprofits due to their asset base, economies of scale and inherent efficiency. Establishing effective partnerships with statewide, or even national housing service providers will allow much quicker results from housing development endeavors while simultaneously increasing the knowledge base and capacity of both the governmental sector, well as nonprofit service providers.

PROGRAM DEVELOPMENT

While Taos has a dedicated group of nonprofits providing housing-related services, there are some programmatic needs not being met that this plan identifies. For instance, people graduating from shorter-term emergency shelter are not always able to secure stable, affordable long-term rentals, especially if they are in need of ongoing support services. Likewise, many renters—some in subsidized or income-restricted rental units—find themselves without savings, poor credit ratings and general unawareness of their potential to become homebuyers.

Goal Statement for PROGRAM DEVELOPMENT:

“Housing services in Taos are available to meet the needs of all residents, from homeless to homebuyer and homeowner.”

Finally, there are several conditions unique to Taos—high rates of property ownership, especially without mortgages; predominance of older housing stock and high rates of self-employment—that are not being addressed through current program delivery systems.

Opportunity/Constraints Analysis

Opportunities	Constraints
<ul style="list-style-type: none"> • Emergency shelter providers have capacity to meet needs for overnight shelter • Local housing authorities (County and Pueblo) are functioning • Motivation of nonprofits to provide/expand services • LIHTC projects are fully occupied • High percentage of self-employed, land-owners, and homeowners with no mortgage 	<ul style="list-style-type: none"> • Lack of day/support services for Men’s Shelter • No long-term transitional facility (other than for youth) • No construction manager for Habitat • No specific subsidy programs designed for Taos • No development support, technical assistance for owner-building • Limited housing and supportive services for people with disability

OBJECTIVE 3.1.

Prioritize the housing needs of Taos' very low-income residents.

IMPLEMENTATION TASKS

3.1a: Engage nonprofit service providers and other governmental entities in a strategic planning activity to identify and prioritize gaps in the capacity to provide services to Taos' very-low income renters and those with special needs.

3.1b: Determine the extent to which the Town can support/provide funding or technical assistance to close the gaps in service provision, focusing on the needs identified in this plan—day services for the homeless shelter; transitional housing for those needing longer term assistance and support and increasing the supply of accessible housing in Taos for very low-income renters.

3.1 c: Work with the Taos County Housing Authority to increase the percentage of public housing units that are accessible through renovation and new construction.

Discussion: Interviews with local service providers indicated there were several gaps in programming serving the needs of Taos' very low-income residents. For instance, the Taos men's homeless shelter seems to be meeting the community need in terms of overnight capacity, yet they are currently unable to provide any daytime services. For a modest increase in annual funding in the range of \$25,000 to \$30,000, services could be expanded to include daytime case management services. Providing support services in tandem with shelter is an essential component of helping individuals as they transition out of homelessness.

Another gap that was identified by staff from Community Against Violence was the absence of a safe, long-term transitional housing facility. Without an option for long-term supportive housing, many of CAV's clients end up leaving Taos or going back to unsafe living situations before they have stabilized their finances and achieved independence. Likewise, interviews with staff from Ensueños, formerly Taos ARC, revealed that affordably-priced rental units for those in need of fully accessible housing is extremely limited. In situations where clients have mobility impairments, the organization has made modifications to existing rental units at its own expense due to the long waiting list for accessible housing offered through the housing authority.

While the total cost of these services does not need to be funded by the Town, a modest investment towards this goal would be instrumental in helping the nonprofits leverage other funding sources to expand and improve their program models.

OBJECTIVE 3.2.

Expand existing homebuyer assistance programs to focus on cultivating current renters and supporting existing homeowners.

IMPLEMENTATION TASKS

3.2a: Direct the Taos Housing Corp. or other HUD-certified homebuyer training and counseling agency to work with the current residents of Taos' subsidized rental projects (Bella Vista, Tierra Montosa, Loma Parada, etc.) and participants in the Housing Authority's FSS program to cultivate a future generation of homebuyers.

3.2b: Partner with the private sector lending community, credit counseling agencies, small business developers, and the public schools to provide services, donations and/or financing to support financial fitness activities, including focusing on current homeowners. These may include: regularly scheduled classes, outreach events, online training, foreclosure prevention counseling and a program for the local high school curriculum.

Discussion: This recommendation addresses the need to grow the potential customer base by expanding current programs to serve both existing renters and homeowners. At this time, Taos Housing Corporation offers some financial fitness counseling and homebuyer training for the potential homebuyer. However, homebuyer training staff indicated that very few renters are anywhere near being "mortgage ready," because of credit issues or financial instability. In many cases potential LMI buyers must be cultivated for years to save the necessary down payment and repair or build credit. By connecting housing counseling services and affordable housing developers with current renters, more individuals may be motivated to transition out of assisted rental housing or rental housing in general.

Some homeowners with low- and moderate incomes may be faced with unaffordable mortgages, given the recent economic downturn. While foreclosure rates in Taos are fairly low, some homeowners may benefit from counseling focused on helping them to retain their housing and refinance unaffordable mortgages.

OBJECTIVE 3.3.

Develop a housing rehabilitation/energy efficiency improvement program to support the sustainability and long-term affordability of existing homeowners, including retrofits to improve accessibility.

IMPLEMENTATION TASKS

3.3a: Design a delivery system for home repair and rehabilitation services for which the Town provides oversight, releases an RFP and designates a lead agency – nonprofit or for profit – to administer the program.

3.3b: Establish program parameters to prioritize rental properties serving those with very low incomes and lower-income homeowners. Consider incentives for larger-scale rental property owners to retrofit their units to accommodate renters with mobility impairments and other disabilities.

3.3c: Develop partnerships with the private sector building and lending communities to leverage additional resources, provide services, and to donate materials to create a higher volume, “low cost” weatherization program.

3.3d: Consider expanding the use of HOME rehab funds in Taos beyond those projects administered by Habitat for Humanity.

Discussion: Taos has a very high rate of homeownership among lower-income residents, many homeowners without mortgages and very old housing stock. It is likely that many of these residents face high energy costs and live in homes with deferred maintenance issues. Expanding existing counseling services to assist current homeowners with needed repairs to their homes and/or accessibility retrofits to increase their ability to live independently, particularly for elders who want to “age in place,” will enhance Taos’ long-term affordability.

As indicated in the Projected Needs Section of this plan, only a small percentage (less than 2%) of eligible homeowners are receiving rehabilitation and weatherization assistance in Taos. Given the area’s cold winters and high reliance on propane for heating, lower-income homeowners are likely to face utility bills that add hundreds of dollars in costs to their living expenses. While limited resources exist for home rehabilitation including Habitat for Humanity’s rehab program and the Federal Weatherization Assistance Program, because of income limitations and program scale, a fraction of homes needing assistance are weatherized in a given year.

“Low-cost” weatherization activities, in which basic services are provided to make homes more energy-efficient such as weather stripping, exchanging incandescent light bulbs for fluorescent bulbs, replacing energy-wasting appliances—can be implemented with a very small investment per home, ranging from \$300 to \$3,000. Costs can be further reduced through the use of volunteer materials, labor, and self-help assistance.

OBJECTIVE 3.4.

Design housing programs to meet the conditions unique to Taos.

IMPLEMENTATION TASKS

3.4a: Partner with local lenders to tailor a long-term homeownership counseling and education model to address the specific issues facing self-employed people and to make them “mortgage ready”.

3.4b: Investigate “Mutual Self-Help” housing development/financing models and design program parameters to meet needs in Taos.

3.4c: Consider inclusion of former residents in housing eligibility criteria to support “move back” buyers.

Discussion: There are many economic and demographic conditions unique to Taos but to date, no programs designed specifically in light of those conditions. Over 15% of Taos area residents are self-employed, more than twice the national average. Self-employed households face many more barriers to qualifying for mortgages including higher requirements for down payment, longer history of income and more stringent credit standards. Typically, many self-employed people show little income after deductions which is the income rate used by banks to calculate mortgage capacity. Conventional underwriting standards are not adequate to assist these potential homebuyers, many of whom may be prime candidates for ownership.

Many lower income residents of the Taos area are land rich, but cash poor. Those who want to build on family land seem to be relying on mobile homes as their primary development option. The Town may want to explore some localized options for new housing development. For example, Mutual Self Help housing models assist groups of landowners to develop housing on their property using cooperative work exchanges supported by shared sweat equity. Typically, a licensed contractor oversees the

construction of the homes and the work crews are composed of the program participants. Successful program models exist in the region that could be adapted for the Taos area. Colorado Housing Inc. based in Pagosa Springs, operates a program in Southern Colorado that has assisted over 200 families through this type of model.

The USDA has a recent publication that highlights some success stories¹⁰ and best practices implementation. The main funding source for mutual self-help housing is USDA's Section 502 program that is in serious danger of being cut from the 2012 budget. However, this may be an operating model that can be adopted on a local level and funded through alternative sources. Another way in which property owners may be assisted with building on their property is through Town-supported technical assistance. This option is discussed further in the next section, Objective 4.3.

Another program recommendation that may be relevant to Taos is allowing the definition of a "Qualified Grantee" in the Town's affordable housing ordinance to include former residents and to make them exempt from the current definition of first-time homebuyer. Surveys in Taos routinely reveal that many have family or friends who have moved away because housing is too expensive and there are better job opportunities in other communities. For some, this erosion of Taos' native population is cause for great distress. "Move back" buyers would still need to meet asset limitations and participate in homeownership education and counseling. Qualification of these buyers would be subject to asset limitations; in addition to requiring documentation of their previous residency and that their home in another community was sold. While this provision may not be used frequently, it has the potential to ensure that there is always a place for native and long-time residents in new developments within the Town.

¹⁰<http://www.ruralhome.org/storage/documents/sped2011.pdf>

REAL ESTATE DEVELOPMENT

Affordable housing development offers the opportunity to create high quality, energy efficiency housing. Newly built housing is often better suited for low and moderate-income households because it carries lower utility and maintenance cost. Lower costs benefit both the homeowner’s ability to achieve long-term affordability and the renter, for whom utility costs often eat up a larger share of housing budget. Housing development also presents the opportunity to leverage subsidy from third party sources, capitalize on publicly owned land, and provide incentives for the local building industry.

Goal Statement for REAL ESTATE DEVELOPMENT:

“Newly constructed, high quality, and energy efficient homes are available in Taos to serve the entire spectrum of housing needs.”

Opportunity/Constraints Analysis

Opportunities	Constraints
<ul style="list-style-type: none"> • Town-owned sites ready for building in Chamisa Verde • Potential sites in Fred Baca Park, other Town-owned and private sites • Motivated live/work developer committed to project in Taos • Land-rich population with tradition of ownership, living in mixed income neighborhoods with varied housing types • Construction costs coming down 	<ul style="list-style-type: none"> • High land values • No production building capacity for single family • Town as developer is subject to political, regulatory issues • Lack of production scale builders • High infrastructure costs (avg \$30,000/lot¹¹)

¹¹Analysis of infrastructure costs provided in Land Use Section, page 51.

OBJECTIVE 4.1.

Complete mixed-income development plan for build out of Phase I and Phase II of Chamisa Verde.

IMPLEMENTATION TASKS

4.1a Have the Town Council determine the priority of creating largest number of units versus local builders preference.

OBJECTIVE 4.2.

Complete mixed-income development plan for build out of Phase I and Phase II of Chamisa Verde.

IMPLEMENTATION TASKS

4.2a Determine financial feasibility of developing remaining Phase I infill lots

4.2b Determine effective sales pricing policy for infill lots that accommodates Habitat's affordability model.

4.2c Waive lot costs for very-low and low income families

4.2d Prepare RFP for Phase II parcels. Include requirements for keeping affordability and ensure that high quality design and construction methods are used

Discussion: Completing the build out of Phase I of Chamisa Verde represents the best single opportunity for a town-driven process for the production of affordable housing for homeowners. Aside from the most obvious benefit of the construction of high-quality affordable housing within the Town of Taos, there are also many opportunities to increase the capacity of local partner affordable housing nonprofits through the development process. Additionally, the development has the potential to provide some much needed economic growth in the construction sector. See pages 62–65 for a more detailed analysis of the financial feasibility of the build out of Chamisa Verde.

Phase II of Chamisa Verde should be done differently than how Phase I was completed. In order to pursue a greater number of affordable units more quickly, the Town should consider preparing an RFP for releasing the second phase area to the private sector. In this RFP would be criteria that the Town would expect the winning developer to abide by, specifically sustainability concepts, architectural styles, ranges of affordability, and other aspects of high-quality development. The Town understands that this process will require the development of another Ordinance that would authorize this process prior to commencing with the creation of an RFP. Clearly, the benefits of putting out such an RFP would remove the Town from the role of the master developer and place it into a more regulatory role. This would allow for better administrative oversight of developing and approving the master plan, and the actual construction to ensure compliance of the project with the RFP.

OBJECTIVE 4.3.

Establish a process within the Town’s administration for creating a pipeline of affordable housing projects.

IMPLEMENTATION TASKS

4.3a Complete a feasibility analysis to determine the development potential of Town-owned sites and identify privately-held parcels that may be appropriate for the development of affordable housing.

4.3b Create a development program for Town-owned land that determines development priorities and affordability criteria for all proposed projects, as well an application/RFP process for nonprofit and for profit entities seeking assistance from the Town.

4.3c: Actively seek third party development funding for proposed projects that meet the Town’s affordability criteria and other documented priorities.

4.3d: Initiate community-planning processes as needed for additional Town-owned parcels.

Discussion: Beyond the build out of the remaining Phase I Chamisa Verde lots, the Town has an opportunity to cultivate a pipeline of future affordable housing projects. Interviews with Town staff and representatives of the for profit and nonprofit building sectors indicate that there are several emerging development proposals. A proposed live/work rental project presents the twofold opportunity for supporting both affordable housing and economic development goals. Not only is there an economic stimulus during construction but also a live/work project has the potential to incubate future creative businesses in Taos, providing an ongoing and long term economic benefit. The Town is also exploring the development of an off-grid affordable housing subdivision on a Town-owned parcel that is adjacent to Fred Baca Park. Located on 14 acres southwest of downtown Taos, this project presents a unique opportunity for true innovation in affordable housing as it proposes off-grid, energy-efficient housing built with sweat equity.

The Town of Taos’ biggest asset at this point is its municipally owned land. An analysis of what is immediately available as shown in the following table indicates as many as 246

homes could be built for low and moderate-income households, based on a very conservative, single family home build out. The application of the Traditional Neighborhood District zoning could result in even more varied housing types serving a greater diversity of needs.

Project	Acres	Density	# of Lots
Chamisa Verde Infill	2	6 DU per acre	12
Chamisa Verde Phase II, III	20	6 DU per acre	150
Fred Baca Park/rezoned*	14	2 DU/6 DU per acre	28/84
Total	36 Acres		190 - 246

The Town can support these pipeline projects in several ways that don't imply a major, upfront public investment. For Town-owned land, the Town can reduce land costs through donation, placing the parcel in trust or managing a long-term lease. The Town can streamline the rezoning and land development review process, and also apply the application of the TND zoning designation to parcels that are primed for larger scale development. The Town can also support the collaboration of nonprofit developers and for profit entities by making available public resources to be used as leverage or seed money on the condition that affordability criteria is met.

OBJECTIVE 4.4.

Provide technical assistance, financing to private landowners for building own home.

IMPLEMENTATION TASKS

4.4a: Offer technical assistance regarding construction financing, referral to contractors, easy to understand development checklists, low or no cost architectural plans, and general cost estimates to landowning individuals.

4.4b: Include a development assistance grant program as an eligible use of the Housing Trust Fund.

Discussion: Many Taos residents receive land through inheritance and would prefer to build their own homes. Building permit data indicates that these landowners often resort to mobile homes due to the relative ease of installation and lack of foreclosure risk to the underlying property. Many of these land owners could be empowered to build higher quality, more energy efficient homes if they were assisted with the development process.

The assistance could be part of the customer service currently provided by Town development review staff or as an expanded homebuyer service provided by a nonprofit such as Taos Housing Corp. In either case, local expertise from the private sector would need to be engaged in the process on a low-cost or pro-bono basis to provide additional consulting and referrals.

The Town may also consider creating a development assistance grant program, funded through its affordable housing mechanism, to provide up front cash for technical services. This enables the landowner to better qualify for construction and permanent financing as well as lowering the principle amount and the final monthly payment of the permanent mortgage. Not only is homeownership made more affordable, but also the opportunity for long-term asset building is greatly improved. These grants would need to be conditional on a rigorous underwriting process that would ensure completion of the home and the income level of the participant and should be secured with second mortgages allowing the assistance to be recycled.

OBJECTIVE 4.5.

Identify opportunities for below market acquisition of condos to re-sell to qualified buyers or convert into rental units.

IMPLEMENTATION TASKS

4.5a: Partner with the real estate and lending industries to negotiate bulk purchases of these units directly from developers, through direct negotiations with banks, or acquisition through REO auctions.

4.5b: Re-sell the units to qualified homebuyers or adapt their use to serve other housing needs – group homes, transitional housing, supportive housing for people with disabilities, etc.

Discussion: A large segment of the lower tier of the real estate market in Taos is comprised of condominiums. There are some indications that this segment of the market was overbuilt, and is in some risk of mortgage distress either because they were purchased as investments, or they were parts of larger development projects that are facing shortfalls as a result of the slower housing market. Condos have the advantage of requiring less subsidy as homeownership units, but also are configured to be used appropriately as rental housing.

OBJECTIVE 4.6.

Support the construction of another subsidized rental apartment complex.

IMPLEMENTATION TASKS

4.6a: Prioritize projects that propose to serve renters with special needs or mobility impairments and that demonstrate public/private/nonprofit collaboration, such as a Renaissance Model tax credit project.

4.6b: Provide Town support to public housing redevelopment, especially projects that would supply accessible housing.

4.6c: Support conventional tax credit applications only if they exceed the affordability achieved by existing projects.

Discussion: As the housing market inventory shows, the five subsidized apartment complexes in Taos report a 0% vacancy rate. This indicates some very real need in this sector of the market. There is proven capacity in the private sector development community to fulfill the tax credit application/funding process. Also, Taos is “hard to develop” giving it extra points on the very competitive LIHTC application, as well as being eligible as a rural area for USDA funding.

The Taos County Housing Authority expressed interest in updating its housing stock (the most recent units were built in the 1970s) and has space at two of its sites – Linda Vista and Cervantes – for new development. Additionally, the regional Housing Authority, based in Santa Fe, has just completed an innovative, mixed-income project that layered multiple funding sources, is LEED-certified and provides housing for low-income elderly, non-elderly housing authority residents, income-qualified renters, as well as providing one-third market rate homes. The director expressed interest in exploring development options in Taos, since it is within the northern region overseen by the Santa Fe agency.

Another option may be for the Town to employ a Renaissance Model for LIHTC development. (See Appendix E.) In short, a Renaissance Model project integrates supportive and transitional housing with on-site social services, including accessible units for the elderly and people living with disabilities. A portion of units are reserved for very low-income working families. Typically, these projects are built to superior design standards that compare to market rate developments, and use green design practices to reduce construction impact, as well as lifecycle operation costs.

REGULATORY ENVIRONMENT

The Town’s recently amended affordable housing ordinance (*Ordinance 11-03*) provides the framework for proper administration and design of affordable housing programs. It specifically governs the qualifications and requirements of both household and organizational grantees, long-term affordability requirements, application procedures, and general monitoring and compliance provisions. Success of this ordinance as a regulatory mechanism now relies on the proper design and implementation of administrative procedures that will provide the level of efficiency and effectiveness to successfully deploy resources in the community.

Goal Statement for REGULATORY ENVIRONMENT:

“Implementation of the Town’s affordable housing regulations results in increased housing opportunities for Taos residents.”

See Appendix A for a complete analysis of the Town’s existing and proposed affordable housing legislation and the discussion of the governmental and nongovernmental constraints that affect the provision of affordable housing, starting on page 51.

Opportunity/Constraints Analysis

Opportunities	Constraints
<ul style="list-style-type: none"> • Recent revisions to height, setback, min. lot sizes make higher density and varied housing types possible • Town’s regulatory and review process does not seem to limit production • High Performance Building Code enhances long term affordability, durability • TND provides opportunity for affordable housing (allows higher density, mixed housing types) and promotes unique place-based design 	<ul style="list-style-type: none"> • Not enough building volume to make effective inclusionary zoning or other mechanism • Lack of regulatory incentives for builders to produce affordably-priced homes • High Performance Building Code may be perceived to raise initial costs • Lack of administrative capacity at Town to oversee development program

OBJECTIVE 5.1.

Revise/finalize Chamisa Verde ordinance and other future ordinances governing Town-sponsored development projects to incorporate the recommendations in this plan.

IMPLEMENTATION TASKS

5.1a: Clarify the income/lot mix to specify exactly how many of the lots in the third pricing tier (moderate-income and market rate) are reserved for moderate-income buyers.

5.1b: Adjust the definition of “Very Low Income” to 60% AMI and below from the current 50% AMI and below to compensate for Taos’ low income levels and to improve the long-term sustainability of the buyers in this income range.

5.1c: Establish sales pricing requirements to reflect the incomes of the individual buyers rather than an average income range to ensure that buyers in the high end of the range aren’t over-subsidized and that those in the lower part of the range are not overly cost-burdened. Also consider language allowing an alternative pricing schedule that considers Habitat’s zero-interest loan as a basis for calculating sales prices.

5.1d: Consider reducing/eliminating the proposed down payment per lot requirement of \$10,000 for the development of the very low-, low- and moderate-income lots to make the lots financially feasible to develop.

5.1e: Specify security instrument used (via a specified calculation) to secure the equity created by the difference between sales price and actual value of the property. Make sure terms are also established for refinance, payoff and lien position.

5.1f: Create clear administrative policies for the subordination of Town-held mortgages to allow homeowners to access their equity without jeopardizing the financial interests of the Town and the developer.

Discussion: As discussed in the Appendix A of this plan, there are several revisions that should be considered before finalizing the regulations for Chamisa Verde, both for the buildout of Phase I and for future phases. As the current regulation is finalized and put into place, it should be used as a model that incorporates lessons learned, actual market performance, and refinements of administrative procedures in the future ordinance(s).

OBJECTIVE 5.2.

Develop policies/procedures for administering the Town's affordable housing trust fund and establish a competitive process for accessing the funds.

IMPLEMENTATION TASKS

5.2a: Design clear and transparent internal administrative processes for setting priorities, soliciting applications for funds and allocating funds.

5.2b: Assign a staff person as the fund's administrator to handle the application process, allocation, and reporting of uses of funds.

5.2c: Establish an oversight committee, preferably made up of members of the public who represent expertise in housing, building, design, and administration to establish the criteria for funding, consider applications, and make funding recommendations to the Governing Body for final approval.

5.2d: Designate the approved uses for the portion of the fund that comes from recycled assets and program income.

5.2e: Adjust the definition of "Very Low Income" to 60% AMI and below regarding eligibility requirements.

Discussion: While all public resources in Taos are extremely limited in the current economic climate, there is an opportunity to leverage the Town's existing resources through the creation of the affordable housing funding mechanism or trust fund. Eligible uses for the trust fund should be defined broadly and include the range of housing service needs from homeless through foreclosure prevention and reverse mortgages. The process for allocating the funds needs to be competitive and transparent and regulated through an established set of procedures.

Another consideration is to design the fund so that it contains provisions for recycling and leveraging assets, either for the Town or its nonprofit partners, and limiting its use for one-time expenditures. For instance, if funds are used to secure down payment assistance mortgages, then when the subsidized buyer sells their home, the subsidy is recycled to the next qualified buyer. The Town benefits by building a portfolio asset that builds over time while still allowing for the realization of asset appreciation for the buyer.

Administration of the fund should consider, at a minimum: 1) income certification; 2) execution and recordation of town security instruments; 3) retention of documents and files in compliance with the *Affordable Housing Ordinance (11-03)* and the New Mexico Affordable Housing Act; 4) regular reporting to the Town’s Governing Body and the NMMFA on housing production and 5) management of the eventual portfolio of second mortgages including mortgage subordination and pay-offs.

OBJECTIVE 5.3.

Expand opportunities for affordable housing development by alleviating constraints related to zoning where appropriate and in conjunction with incentives to encourage the production of reasonably priced homes.

IMPLEMENTATION TASKS

5.3a: Streamline regulatory requirements for projects meeting established criteria for affordable housing.

5.3b: Provide infrastructure grants or low-interest loans to pay for infrastructure, possibly funded through a combination of local funds, capital improvement funds and leveraged with the Town’s CDBG allotment. Eligible projects must meet all affordability criteria, including owner-occupied homes built by private landowners.

Discussion: Many successful models for affordable housing include provisions that incentivize private developers to participate in affordable housing programs. Often, these incentives are paired with “sticks” or requirements to provide affordably priced housing in order to receive the benefit, such as inclusionary zoning. However, in Taos, building volume is too low to be realistically tied to an inclusionary zoning requirement. That makes providing incentives all the more important. In Taos, this may mean modifying some of the Town’s existing zoning.

In general, as discussed in the Land Use and Development Section of this plan, Taos has a fairly high percentage of high-density zoning. In fact, R-14 is the fourth largest zoning category by percentage of total zoned land in Taos. However, there may be opportunities to up-zone or use an overlay district in some of the other zoning categories to incentivize the

production of more moderately priced housing. As shown in the feasibility analysis, pages 57–59, higher density zoning in conjunction with discounted land can serve to bring down construction costs.

Several large areas of land in close proximity to downtown Taos are zoned at four units per acre and in fact, this zone is the largest of the Town’s zoning categories at 17.3%. See Figure 6: Taos Zoning Map on page 47. Increasing the density or providing density bonuses to developers may open up some privately held parcels for development that are currently zoned R-4. Another consideration is for the Town to assist with infrastructure costs related to Type A subdivisions which are required to have Town sewer and water, full curb and gutter, paving, sidewalks, drainage and utilities.

Any Town–sponsored development incentives must be regulated through the Town’s affordable housing ordinance to ensure that the benefit is directly tied to qualified grantees and that all income and affordability requirements are met. Also important, is to fully engage the public in land use planning processes, especially those that modify existing regulations.

Another consideration is to focus on the “demand” side of the equation. In the current economic climate, many private sector builders are reluctant to take on financial risk by developing market rate housing. However, buyers of affordably priced homes are pre-qualified for loans and have completed financial counseling and homebuyer training. With several “mortgage ready” future homeowners in the pipeline, a developer may be better able to secure construction financing. If the Town can sweeten the deal with an additional set of incentives, this may tip the balance to spur affordable housing development when other types of building are too risky in the current economic climate.

APPENDIX A: Recommendations for Affordable Housing Ordinance

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A draft ordinance has been created for the infill lots in Chamisa Verde that provides a reasonable process for the qualification of grantees and affordability periods for securing assistance. Before it's finalized, the ordinance should be based on an actual development feasibility analysis and include clearer provisions for pricing, recapture, and program administration. Likewise, it needs to provide for the maximum capacity building opportunity for non-profit development partners. The actual functioning of the ordinance should be used to inform the design of the program ordinance for additional phases of the project, as well as future development on other Town sites.

Ordinance Components

Income/Lot Mix: The ordinance as structured requires 35% of the twelve infill lots in Phase I to be sold to very low-income households (below 50% AMI) and 40% to low-income households (below 80% AMI). While the ordinance defines a third group of moderate income (80–120% AMI) it does not specify a requirement for the apportionment of the remaining 25% of lots between moderate-income and market rate homes. The apportionment of lots to various income levels should be revised based on the findings of the housing needs defined in this study and define the number of units reserved for moderate-income buyers.

Definition of Very Low Income: The feasibility analysis presented in the Sites Inventory of this section reveals some of the challenges of affordable housing development for very low-income households. As determined in the Community Profile, Taos' incomes are lower than the rest of NM. At 50% of median income, families are potentially perilous candidates for homeownership. A family of four earning 50% of median income would have a gross income of about \$22,300, which presents serious concerns regarding the financial burden of ongoing maintenance associated with homeownership. Likewise, with uncertain employment, families at this income level could be at a higher risk for foreclosure. As a result, it is recommended to expand the definition of Very Low Income in the Chamisa Verde Infill Ordinance up to 60% AMI. This need is reflected in the fact that Taos Habitat for Humanity has been approved by MFA to serve families up to 60% AMI (the typical Habitat threshold is 50%).

Likewise, the scenario for Very Low Income Families creates implications for program delivery. The Town, or designee providing qualification of potential homebuyers, should include heightened scrutiny of financial stability such as cash reserves and stability of

employment when assessing very low income homebuyers, particularly those at 50% AMI or below.

Sales Price: Currently, there are no established effective sales prices tied to income levels within the draft ordinance. Proper sales pricing will ensure that qualified grantees are not cost burdened by high monthly payments and that developers can effectively market homes to the appropriate income level households. There two basic approaches to establishing pricing: one that establishes blanket pricing for an entire income range and a more refined approach that establishes the price based on the actual income of the purchasing family. A blanket approach bases the effective sales price on a formula that uses that assumed average affordability for average sized family within a given income range (very low, low and moderate income) and imputes mortgage capacity based on current prevailing interest rates. The more detailed approach ties the effective price to actual gross income of the specific homebuyer and subsidy amount is based on their actual mortgage capacity based on their prequalification.

The latter is preferable because it ensures that buyers at the lower end of the income range are not cost burdened and those at the higher income levels are not unnecessarily over-subsidized, which maximizes the effectiveness of program resources. The negative side is that it requires significantly more program administration with each sales price needing to be calculated and documented. However, with the relatively small scale of the infill portion of Chamisa Verde's Phase I, this should not present an unreasonable administrative burden.

Another consideration regarding sales prices in Chamisa Verde is to include alternate pricing scenarios that don't preclude Habitat's ability to qualify its buyers. Typically, Habitat creates affordability through zero-interest mortgages rather than discounted sales prices. Language in the ordinance should specify that compliance with sales pricing requirements can be achieved through mortgage rate interest reduction. In other words, the prospective homebuyer's actual monthly payment will be used as the basis for calculating the home's sales price as if the buyer were paying a conventional mortgage instead of a zero-interest loan.

Downpayment Requirement: As currently written, the Chamisa Verde Ordinance requires a downpayment from the developer of \$10,000 for very low, low- and moderate-income lots. The remaining value is secured with an assumable second mortgage held by the Town, which is passed from the non-profit developer to the eventual qualified buyer. Moderate-income lots also require an additional cash payment, that along the original downpayment, satisfies half the appraised market value of the lot at time of sale. Market rate lots will be sold at full appraised value.

Basic cost estimates suggest that even with the low \$10,000 downpayment, developers will still struggle to break even on development of very low and low-income units. Likewise, the approach in which very low-income lots and low-income cost the same to the developer does not provide any financial incentive for producing homes serving the lowest income homeowners, which are most aligned with Town of Taos housing needs and are also the least financially feasible to develop.

Chamisa Verde is a unique opportunity to develop both the technical and financial capacity of local nonprofit housing partners, who currently have little financial resources to absorb losses from development. Likewise, a private sector developer has little incentive to develop homes in Chamisa Verde if they are not able to achieve at least a modest profit. A proper program design should allow for ample equity participation on the part of non-profit developers in the form of third mortgages that secure the difference between the effective sales price and the market or near market value of the home. It should also ensure that the discounted effective sales price of homes is sufficient to cover all hard costs for construction as well as providing for a small administrative margin (developer fee) to cover overhead costs of development.

Reducing or eliminating the downpayment requirement for nonprofit developers on very low and low-income lots would ensure that the development of these much needed homes is financially feasible and contribute to the ongoing increase in capacity for Habitat for Humanity and Taos Housing Corp.

Income Qualification Procedure. Overall, the qualification procedures within the draft Chamisa Verde infill ordinance are sound, but they need some clarification. As written, the methods for income and asset determination cite “HUD guidelines”. This poses a point of ambiguity in that there are multiple methods of income and asset determination. Part 5 definitions typically are used by Public Housing Agencies and HOME guidelines are commonly used as safe harbor procedures for homeownership programs. To eliminate the possibility of confusion or manipulation, the ordinance should spell out specifically which method of HUD income determination will be used. Likewise, more clarity is needed on what is considered an asset so as not to unfairly discriminate against seniors or the disabled that may have large assets but little or no income. A clear definition of assets should consider only assets readily transferable to cash, without penalty and also deal with value of real property such as land owned by the applicant.

Another provision worth considering within the definitions of Qualified Grantee is to include previous residents of Taos who have purchased a home in another community and would like to move back. A majority of respondents to the housing survey reported that “some or many” friends or family members have moved away from Taos as a result of housing expenses. Exempting former residents from the first-time homebuyer

requirement gives them the option of selling their existing homes to move back to their original community. Of course, this would require specific guidelines for length and proof of former residency as well as documentation of the sale of other residential property. Qualification of these buyers would be subject to asset limitations. While this may not be a frequently used provision within the ordinance, it is worth including to ensure that there is always a place for natives and long time residents in new developments within the Town.

Securing Subsidized Value

Affordable housing development activities have the opportunity to create significant resources. These resources are generally created by the added value of a finished home, or its appraised value. When these homes are sold at a discount to achieve affordability, much of this value becomes a subsidy. If the subsidy is not “secured” with a lien or other mechanism, the buyer may “flip” the home to capture a windfall profit. Securing the subsidy ensures that the value is preserved, either recycled to the next buyer or eventually forgiven if the original buyer stays in the home for a specified amount of time.

The balance the three competing goals – municipal recovery of affordable housing resources, the growth of non-profit financial capacity and the long-term equity growth of affordable housing program participants – is really is a function of the philosophical approach to affordable housing as it relates to overall program objectives. For most affordable housing programs, the primary program objective is to provide safe decent housing at a price that is affordable to the buyer. But there are significant secondary goals worth considering such as the long-term sustainability of program assets as well as the long-term equity and asset potential of homebuyers. In Northern New Mexico, high paying jobs with generous retirement benefits are scarce and a home is often the largest asset that a family will ever accrue. This asset becomes an important tool affecting the ability of families to purchase future “step-up” housing as their family and income grows, or to leverage against for future home repairs, college expenses for children, and even retirement.

In the case of current Town of Taos programs such as Chamisa Verde, the current ordinance does not address how nonprofit developers secure the difference between appraised value and the effective sales price. It is desirable to have a consistent method for calculating the amount of subsidy secured as well as establishing terms for refinance, payoff and lien position. Typically, guidance within the ordinance should include a calculation based on the difference between the effective sales price and market value. The Town may also consider basing this calculation on a percentage of market value (such as 95% or 97%) that would create a small equity buffer to protect

homebuyers against variability in the housing market. Subsidy captured by the nonprofit from development would occupy the third lien position behind the first mortgage and town lot subsidy mortgage.

This leads to an important consideration of how this subsidy value is created and managed over time. There are essentially three variations of how this value can be secured with varied implications for the town and the equity potential of program participants.

- **Forgivable Lien:** This method of securing subsidized value is the most beneficial for program participant's long-term asset growth. As a subordinate lien to the first mortgage, this would require no monthly payments, and would be paid at the time of sale or cash-out refinance. The amount of the lien would gradually be forgiven over time, or extinguished after a predetermined period, allowing the full realization of the subsidy value in the form of equity for the family along with the full value increase of the home over time. For instance, a loan could be released after 10 years of occupancy, or decrease 10% a year, both resulting in the mortgage being released after the end of the ten-year period. The New Mexico Affordable Housing Act and the Town of Taos Umbrella Affordable Housing Ordinance both require affordability periods that vary based on the amount of subsidy that would effect the term of a forgivable lien with larger subsidy amounts being secured for a longer period of time. This method of securing subsidy is often most desirable to potential program participants and provides significant incentive for the homebuyer to stay in their home for a longer period of time.
- **Perpetual Lien:** A perpetual lien would secure the subsidy amount for the entire period of time that the program participant occupied the home, requiring full payback of the subsidy amount at the time of sale, transfer or cash-out refinance regardless of how long the buyer occupied the home. Many times this type of structure would also allow for the assignment of the subsidy lien to an income qualified family member in the event the homeowner passes away. This model allows for a balance between the goal of program resource recapture which leads to the steady accumulation of program assets over time, while still allowing for the full realization of the gradual increase of value of the home for the homeowner.
- **Shared Equity Lien:** Like the previous two subsidy models, a shared equity mortgage does not require monthly payments and would be repaid at the time of sale, or cash-out refinance, but does provide for recapturing not only the initial subsidy amount, but also a portion of the property's increase in value over time. For instance, if 25% of the value of the home was subsidized, then the family

would repay not only the initial subsidy value, but also 25% of the increase in value of the home during the period of occupancy. This method is most popular in very high cost, high appreciation markets and allows for program resources to grow over time to better keep pace with accelerating home prices. While most favorable from the perspective of long term program resource accumulation, it has the least beneficial effect for the long-term asset accumulation of program participants. Likewise, it is the least marketable to potential program participants.

Subordination. The last important consideration in regards to securing subsidy are rules regarding the subordination of subsidy mortgages in the event of refinance. Typically affordable housing programs prohibit refinance of homes with a few important exceptions. These include simple rate-term refinances aimed at achieving a lower monthly payment for buyers. This still has implications as it resets the amortization schedule of the loan, affecting the percentage of principle and interest apportioned in the monthly payment, slowing principle reduction. In the context of homeownership as a critical asset for families, there are certain instances where it is advisable to have provision for cash out refinance for predetermined classes of use such as home repairs, home expansion, medical and college expenses.

While it is advisable to create some basic guidelines around the securing of subsidy, its calculation and general subordination rules, it is also important that the requirements not be overly burdensome to the non-profit developer or homebuyers. The subsidy value created by the developer is an important resource for ongoing capacity building for the nonprofit organization. Over time, the pool of subsidy mortgages accumulated by non-profits can become a significant and important asset, which strengthens financial health of the organization. These assets appear on balance sheets which, as a function of organizational health, bolsters the organizations ability to leverage other funding and obtain financing for future projects. As subsidy mortgages are paid off in the future, these funds are converted to cash assets and can be recycled to assist new homebuyers or be used to support future development activities in the form of a development reserve fund.

Procedures for Subordination. The ordinance should create clear administrative procedures for the subordination of Town-held mortgages. These procedures need to consistent with those used by nonprofit developers for situations where an assisted family seeks to refinance their first mortgage. For many lower income New Mexicans, their home is the only significant asset and policies should reflect the importance of this resource. Typically, subordination procedures for subsidy mortgages require that the refinance be for lower interest rate or a shorter term. Most programs disallow cash-out refinance for all but a small class of activities such as home repairs and improvement, medical or college expenses. It is also critical to establish a maximum loan-to-value

ratio for an increase in debt obligation that protects the financial interests of both the Town and the nonprofit development partner.

APPENDIX B:

DEVELOPMENT FINANCING SOURCES

Development Financing Needs

There are four types of financing needs related to single family home production and multifamily development: 1) capacity support (to build capacity of the developers, service providers and homebuyers and supportive services for renters); 2) securing seed money and predevelopment funds; 3) paying for land acquisition, infrastructure needs, environmental issues, home construction and any other interim needs; and 4) establishing affordable, permanent financing (homeowner debt or permanent affordability controls such as a land trust).

In New Mexico, there are several sources of funding available to meet these needs and innovative ways to co-mingle these funds through the establishment of public/private/nonprofit partnerships. The final consideration is to bring down the public cost of the development so that some of the homes and rental units can be reserved or set aside for those homebuyers or rents earning substantially less than the area's median income. The following budget provides a breakdown of potential sources commonly used in housing development projects in New Mexico and/or could be applicable in Taos.

Capacity Building (Organizational)

Capacity building is generally provided through training, technical assistance and program development. Funds to support this activity are usually restricted to nonprofit service providers. For a development project, the most common assistance provided to developers is accessing funding, both for leveraging other funds, discounting the final cost of the development and providing support during the process.

- MFA Capacity Development Funds
- Local Initiatives Support Coalition (LISC)
- Institute for Community Economics (ICE)
- HUD Housing Counseling Assistance Program
- Technical Assistance Collaborative (TAC)
- Community Supported Housing (CSH)
- Town of Taos Affordable Housing Fund or General Fund

Pre-development Costs; Seed Money

Pre-development costs include: architectural and engineering services and other planning-related activities that are essential to getting a project built. However, this type of funding is sometimes more difficult to raise than actual construction financing.

There are several sources available to ensure that any gaps in predevelopment funds don't jeopardize the project. Seed money is used to leverage additional funds and is often a critical component in demonstrating a jurisdiction's commitment to building an affordable housing project.

- NM Affordable Housing Tax Credit
- Enterprise Community Partners
- MFA Primero Loan Program
- MFA Primero Supportive Housing
- MFA Affordable Housing Trust Fund
- Town of Taos Affordable Housing Fund or General Fund

Available to nonprofit only:

- NM Community Development Loan Fund (NMCDLF)

Land Acquisition; Interim Costs; Infrastructure; Environmental issues; Home/Rental Construction

These funds are used for all costs associated with the actual building of the project. Some of these funds are used as "guaranty" to leverage private investment when a private lender might not be willing to take a risk on an affordable project.

- NM Affordable Housing Tax Credit
- Conventional Construction Loan
- General Fund from a local jurisdiction
- MFA Primero Loan Program
- MFA Affordable Housing Trust Fund (Can fund infrastructure)
- MFA Build it Loan Guaranty
- HOME/Single Family (through MFA)
- CDBG as administered by a local jurisdiction for uses as defined in the State of New Mexico Consolidated Plan
- Environmental Protection Agency (EPA) Regional office– Super Fund and other clean up funds
- NM Environment Department – Voluntary Remediation Program (VRP)
- Federal Home Loan Bank (FHLB)– Dallas

- Enterprise Green Communities
- USG BC – LEED Certification

Available to nonprofit only:

- Local Initiatives Support Coalition (LISC)
- NM Community Development Loan Fund (NMCDLF)
- Technical Assistance Collaborative
- Corporation for Supported Housing (CSH) Loans
- Town of Taos land

Permanent Financing (Homeowner debt)

These funds are used for the long term financing of a home and are provided directly to the consumer. Local lenders can play an important role in getting these loan products to borrowers; however, there is sometimes a perception that the subsidized products are more complicated to use. Or lenders aren't familiar with the available products. The New Mexico Mortgage Finance Authority has a list of approved lenders that are well-versed in working with some of these products.

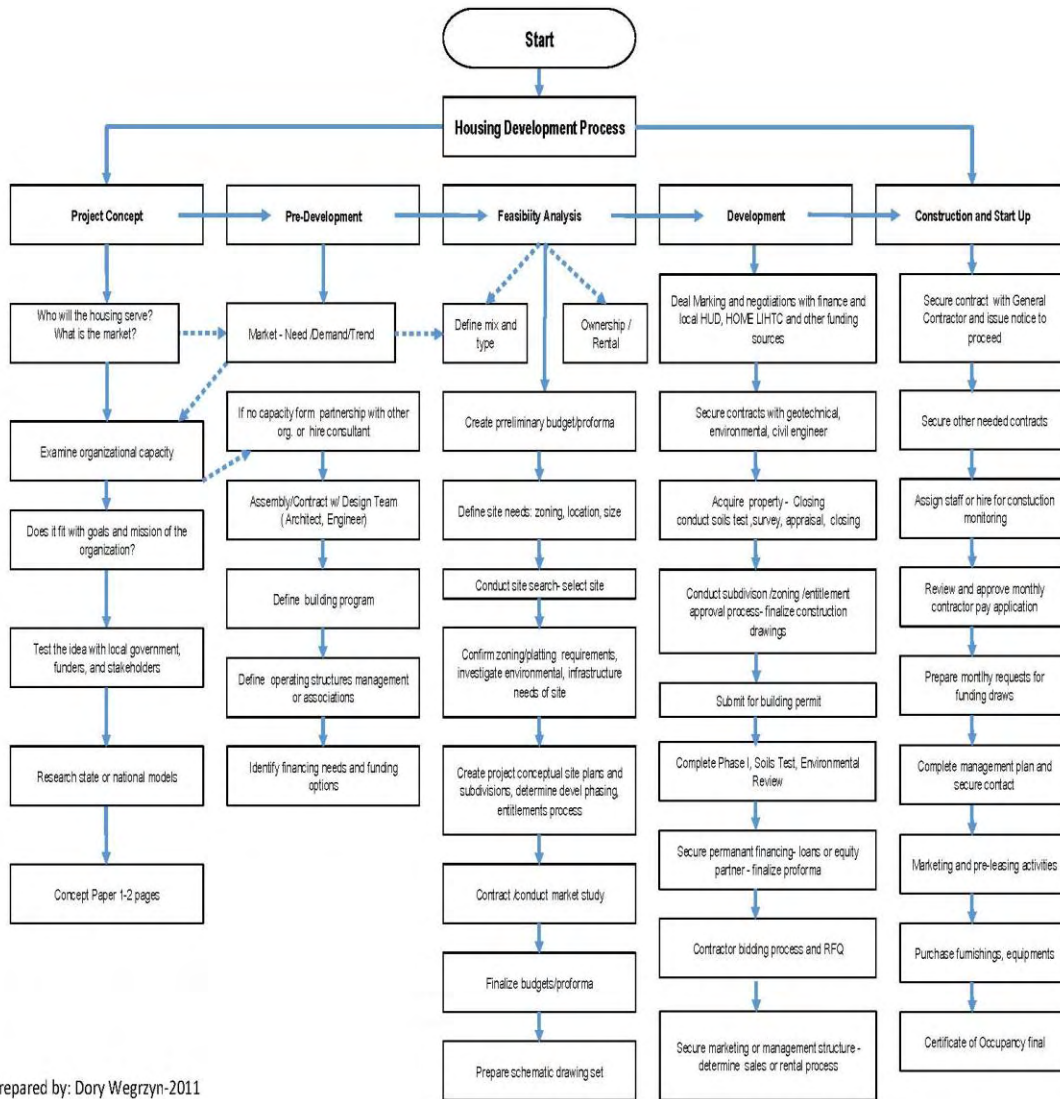
Available through approved housing services provider or approved lender:

- MFA – Mortgage \$aver Program (ISI mortgage)
- MFA – Payment \$aver, HERO, HELP, Mortgage Booster (2**** mortgage)
- Sect 8 – Homeownership Voucher Program
- FHA – Sect 203(b) insured loan
- FHA – Sect 245 Graduated Payment Mortgage Insurance
- HUD – Energy Efficient Mortgage (EEM)
- Federal Home Loan Bank (FHLB) — Mortgage Partners Financing Program

Available to homebuyer directly:

- USDA – Sect 502 Loan Guaranty
- USDA – Direct Loan Programs, Mutual Self Help Housing (sweat equity)
- NM Community Development Loan Fund (NMCDLF) – Opportunity OneStop and Opportunity Extra Credit Programs

Sample Development Process Flow Chart



Prepared by: Dory Wegrzyn-2011

APPENDIX C – TAOS INCOME GUIDELINES

Taos County Income Guidelines

HH #	1	2	3	4	5	6	7	8
30% AMI	\$9,400	\$10,700	\$12,050	\$13,400	\$14,450	\$15,550	\$16,600	\$17,700
40% AMI	\$12,450	\$14,250	\$16,000	\$17,800	\$19,200	\$20,650	\$22,050	\$23,500
50% AMI	\$15,600	\$17,850	\$20,050	\$22,300	\$24,100	\$25,850	\$27,650	\$29,450
60% AMI	\$18,700	\$21,350	\$24,050	\$26,700	\$28,850	\$30,950	\$33,100	\$35,250
70% AMI	\$21,750	\$24,900	\$28,000	\$31,100	\$33,600	\$36,100	\$38,550	\$41,050
80% AMI	\$25,150	\$28,750	\$32,350	\$35,900	\$38,800	\$41,650	\$44,550	\$47,500
90% AMI	\$28,050	\$32,100	\$36,100	\$40,100	\$43,300	\$46,500	\$49,700	\$52,950
100% AMI	\$31,150	\$35,600	\$40,050	\$44,500	\$48,050	\$51,600	\$64,000	\$58,750
110% AMI	\$34,300	\$39,200	\$44,100	\$49,000	\$52,900	\$56,850	\$60,750	\$64,700
120% AMI	\$37,400	\$42,700	\$48,050	\$53,400	\$57,650	\$61,950	\$66,200	\$70,500

Affordability Matrix

HH #	1	2	3	4	5	6
30%	\$219	\$250	\$281	\$313	\$337	\$363
	\$38,629	\$43,972	\$49,520	\$55,067	\$59,382	\$63,903
40%	\$291	\$333	\$373	\$415	\$448	\$482
	\$51,163	\$58,560	\$65,752	\$73,149	\$78,903	\$84,861
50%	\$364	\$417	\$468	\$520	\$562	\$603
	\$64,108	\$73,355	\$82,396	\$91,642	\$99,039	\$106,231
60%	\$436	\$498	\$561	\$623	\$673	\$722
	\$76,848	\$87,738	\$98,834	\$109,724	\$118,559	\$127,189
70%	\$508	\$581	\$653	\$726	\$784	\$842
	\$89,382	\$102,327	\$115,066	\$127,806	\$138,079	\$148,353
80%	\$587	\$671	\$755	\$838	\$905	\$972
	\$103,354	\$118,148	\$132,943	\$147,531	\$159,449	\$171,161
90%	\$655	\$749	\$842	\$936	\$1,010	\$1,085
	\$115,272	\$131,915	\$148,353	\$164,791	\$177,942	\$191,092
100%	\$727	\$831	\$935	\$1,038	\$1,121	\$1,204
	\$128,011	\$146,298	\$164,586	\$182,873	\$197,462	\$212,051
110%	\$800	\$915	\$1,029	\$1,143	\$1,234	\$1,327
	\$140,956	\$161,093	\$181,229	\$201,366	\$217,393	\$233,626
120%	\$873	\$996	\$1,121	\$1,246	\$1,345	\$1,446
	\$153,696	\$175,476	\$197,462	\$219,448	\$236,913	\$254,584

Income Calculations: the incomes represented above are based on the percentage of HUD median income for median family size numbers rounded to the nearest \$100. Adjustments for family size are based on the HUD income formula of a 10% decrease in allowance for each family member less than the median size of four and an 8% increase in income for each family member greater than the median size. These numbers are then rounded to the nearest \$50 increment as is HUD's policy. This is true for all categories with the exception of the 80% tier which is a published number from HUD and differs from the number derived from full median income because HUD's formula for 80% of median is based on the Very Low Income numbers. The manually entered cells are bolded, all other field are link formulaically to the 100% AMI for a family of four figure.

Mortgage Affordability: This mortgage affordability table demonstrates the monthly payment capacity and total mortgage capacity based on familysize and income. These assumes a 30yr fixed rate loan at a 5.5% interest rate and a 28% front end ratio and does not include taxes and insurances. based on the income guidelines for family size and income levels. These calculations

Housing Rat	28%
Interest Rat	5.50%

APPENDIX D: Renaissance Model LIHTC Development

The Low Income Housing Tax Credit Program remains one of the most successful mechanisms to leverage private investment for the development of low-income rental housing. However in some areas of New Mexico where nonprofit capacity is limited, private LIHTC developers do not attempt to achieve greater affordability than the target rents required by HUD, usually serving the 50–60% range of AMI. Due to the large number of households in Lea County whose incomes fall significantly below this level, privately developed LIHTC projects are likely not to be providing ample housing opportunities for very low-income renters, especially for those with disabilities and special needs. Likewise, there are observed needs for supportive and transitional housing that are not currently being met within Lea County.

The Renaissance Model of LIHTC, first pioneered by the Colorado Coalition for the Homeless and successfully implemented in several communities in New Mexico, offers a solution to both transitional homeless and very low-income housing needs. The core aspects of the Renaissance Model include integrating supportive and transitional housing with units targeting very low-income working families in an integrated setting with on-site social services. Likewise the developments themselves are characterized by superior design standards that rival the highest quality market rate developments, while integrating green design standards to help lower the overall impact of the project as well as lifecycle operation costs. Also critical to this model are modified accessible units for the elderly and people living with disabilities.

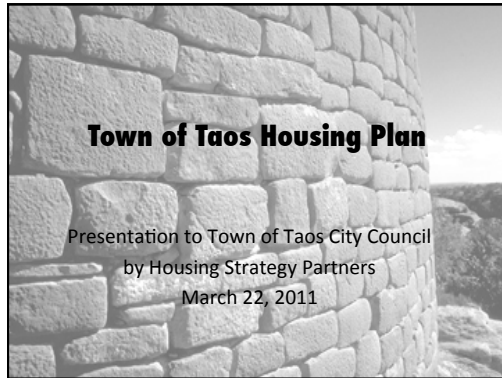
Nonprofit/Community Driven Development Process. At the core of a successful Renaissance Model LIHTC project is a nonprofit driven development process. The benefits of having a community-serving organization driving the development process are evident in three primary ways: diminished profit motive for development; ability to leverage a wider range of subsidy sources; and the integration of social services into the development. As is the case with recent Renaissance developments in New Mexico, the nonprofit managing general partner typically invests in higher quality construction and energy efficiency features because they lack a profit motive for development. Similarly, many times the nonprofit developer dedicates a portion of their developer's fee back to the project.

Layered Subsidy/Tiered Rents. Integral to this model is tiered rent levels that target the actual housing needs in a given community. The ability to achieve lower rents than the typical 60% threshold is achieved through the aggressive layering of subsidy sources, which in New Mexico include HOME construction funds, HOME rental development loans, FHA 542c construction financing, MFA's EnergySavers loan fund, the Land Title Trust Fund in addition to local sources and the core LIHTC funds.

The most recently completed Renaissance Model LIHTC project in New Mexico is The Village Sage located in Santa Fe and developed by the non-profit housing provider The Housing Trust. This rental development features top notch design and very high levels of energy efficiency and has a portion of its electricity generated on-site by photovoltaic panels installed on the community building located within the development. In addition to leveraging all the state and federal funding sources mentioned above, this project also garnered significant investment through City of Santa Fe's CDBG program.

As a result of this creative blending of subsidy, the project is able to offer tiered rents down to and below 30% of area median income. Fifteen units (1 / 4 of the project) are reserved for six homeless individuals and nine homeless families. The Housing Trust also dedicated a significant portion of their developer's fee back to the project, which is used to fund a part time social services coordinator that is present on site to connect residents to various social services. Through collaborative support from the New Mexico Coalition to End Homelessness, a consortium of 13 local social services providers have committed to provide services to residents that include GED education, substance abuse counseling, mental health services, job training and placement, along with many other services. In exchange, social service providers get first priority for referrals within the project.

This model has the potential to significantly impact both very low-income rental needs as well as gaps in supportive and accessible housing in Lea County. Likewise, the large number of existing and planned high-profit local companies in Lea County will have large federal and state tax liability that could motivate them towards equity investment in LIHTC projects for tax advantages. Although because of the typical minimum size for LIHTC project, the only potential community in Lea County that could support such a project is the community of Lovington.



Scope of Project

- Produce a planning document that meets the requirements of the Affordable Housing Act and is consistent with the Town’s Comprehensive Plan
- Provide recommendations for local affordability issues, including a housing needs assessment and implementation plan
- Identify local, regional and federal funding sources to support implementation

Project Approach/Methodology

1. Spectrum of Housing Need

Special Needs Subsidized Rental Market Rental Entry Level Home-ownership "Move up" Home-ownership

2. "One size does NOT fit all": consider local capacity, community context
3. Integrated recommendations based on: funding, capacity, programming, real estate development, and regulation

Community Assessment: Major Factors

- High priced housing market driven by part-time households (over 25% vacation/second homes)
- Relatively low incomes due to service/tourist economy

New Mexico

Below \$25,000	44%
\$25,000-\$50,000	29%
\$50,000 and above	28%

Taos County

Below \$25,000	32%
\$25,000-\$50,000	33%
\$50,000 and above	35%

Community Assessment: Current State of Housing

Two classes of housing:

- One for affluent and second homeowners
- One for long-time residents who inherit property and/or homes
- Little between the two extremes

Community Assessment: Affordability Gap Analysis

Income	% Pop	Max Price*	# Homes Sold	% Tot Sales
<\$40,000	54%	\$140,000	184	14%
\$40-60,000	19%	\$210,000	391	28%
\$60-100,000	16%	\$350,000	372	27%
Over \$100K	11%	-	435	31%

*without subsidy

Housing Strategy Partners

Community Assessment: Unique to Taos

1. Entrepreneurial economy: 16% self-employed and 10% working at home
Apparent demand for live/work housing for entrepreneurial, work-from-home population
2. More householders living alone (43%) and fewer family households (57%)
Smaller households means new development should include a variety of housing types and sizes

Housing Strategy Partners

Community Assessment: Unique to Taos

3. High homeownership rate (74%) and percentage of homes without a mortgage (56%)
High rate of property ownership may indicate assistance with property transfer, owner-built housing
4. Older housing stock (16% built before 1940) and interest in alternative fuels/energy efficiency
Older, possibly substandard housing indicates need for rehabilitation and energy-efficient retrofits as well as market for newly built, energy-efficient homes

Housing Strategy Partners

Community Assessment: Unique to Taos

5. Waiting lists for income restricted rental units and limited quantity of affordable, long-term private market rentals
Indicates need for high quality, stable, affordably-priced rental units
6. No transitional housing facility or day services for homeless
Opportunity to support these needs through the Taos Men's Shelter, CAV and other partnerships

Housing Strategy Partners

Opportunity Analysis - Funding

Opportunities	Constraints
<ul style="list-style-type: none"> • High volume real estate market • Town fund with remnant of bond funding • Town-owned land, infrastructure, facilities • Extra points on LIHTC applications b/c "difficult to develop" 	<ul style="list-style-type: none"> • 3rd party funding sources limited b/c of low incomes • CDBG currently spent on one-time expenditures • No policy/procedure in place for recycling funds • Private fundraising difficult in community with so many nonprofits

Housing Strategy Partners

Recommendations - Funding

- Create revolving-assets loan fund, capitalized by Town's existing bond fund
- Consider real estate transfer tax or other fee to take advantage of the high rate of transactions in the market
- Coordinate fund-raising among local providers and leverage existing sources
- Maximize all potential sources of 3rd party funding

Housing Strategy Partners

Opportunity Analysis - Capacity

Opportunities	Constraints
<ul style="list-style-type: none"> • Past/current investment of public funds (e.g. THC) • Good volunteer base (homeless/shelters) • Motivation, capacity from private sector • Successful LIHTC projects 	<ul style="list-style-type: none"> • Limited coordination of services across spectrum • Limited admin funding for partner nonprofits • Existing providers have limited capacity, dev'l capital • Self-help building models need better volunteer base

Housing Strategy Partners

Recommendations - Capacity

- Create Roundtable of providers to meet regularly and strategically organize services
- Coordinate public outreach between Town and providers to grow customer base
- Provide technical assistance to improve service models
- Establish partnerships with for-profit providers
- Identify gaps in service and provide public funds to allow leverage of outside funding

Housing Strategy Partners

Opportunity Analysis - Programming

Opportunities	Constraints
<ul style="list-style-type: none"> • Emergency shelter providers meeting needs • Pueblo/County housing authorities functioning • Motivation of nonprofits to provide/expand services • LIHTC projects providing affordable rental • High % of self-employed 	<ul style="list-style-type: none"> • Need day/support services for men's shelter • No long-term, permanent transitional facility • No specific subsidy programs designed for Taos • No development support services for owner-built • Lack of hsg + supportive services for people w/disability

Housing Strategy Partners

Recommendations - Programming

- Define housing assistance need up to 120% AMI (area median income)
- Expand homeownership services beyond home buying
- Expand home repair, energy efficiency improvement programs
- Cultivate current renters for homeownership
- Design program for self-employed homebuyers

Housing Strategy Partners

Opportunity Analysis – Development

Opportunities	Constraints
<ul style="list-style-type: none"> • Town-owned sites ready for building in Chamisa Verde • Potential sites in Fred Baca Park, other private sites • Motivated national live/work developer committed to Taos • Land-rich population w/ tradition of ownership, mixed income neighborhoods • Over-built condo mkt; under-used, vacant hsg stock 	<ul style="list-style-type: none"> • High land/construction costs • No production building capacity • Town as developer is subject to political, regulatory issues • Lack of community volunteers to support self-help, alternative building models • No incentive for aff'd hsg development on private land

Housing Strategy Partners


Recommendations – Development

- Define housing assistance need up to 120% AMI; raise VLI to 60% AMI in town-sponsored projects
- Provide infrastructure grants directly to developers
- Complete mixed-income development plan(s) for Town-owned parcels
- Provide direct assistance to nonprofit developers to increase production and private landowners for building own home
- Adapt under-used inventory in private real estate market to affordable market

Housing Strategy Partners

Opportunity Analysis – Regulatory

Opportunities	Constraints
<ul style="list-style-type: none"> • Recent revisions to height, setback, min. lot sizes make higher density possible, varied housing types • Town's regulatory/review process does not seem to limit production • High Performance Building Code enhances long-term affordability, durability 	<ul style="list-style-type: none"> • No production building capacity to make effective inclusionary zoning or other mechanism • Lack of regulatory incentives for builders to produce aff'd priced homes • High Performance Building Code may be perceived to raise initial costs

 **Recommendations – Regulatory**

- Develop policies/procedures for affordable housing trust fund and competitive allocation process
- Incentivize builders to produce affordably priced homes
- Review all regulatory language to ensure allowable uses are not discriminatory
- Investigate former resident “move back” incentive or other program customized to Taos

 **Contact Us**

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ATTACHMENT A - MEDIA COVERAGE

A12

Feb. 24-March 2, 2011

LOCAL NEWS

THE TAOS NEWS

Feb. 26 fair to offer info about affordable housing options

By Matthew van Buren
The Taos News

A "housing fair" on Saturday (Feb. 26) will give Taosños a chance to learn more about local housing and those involved in local programs and outreach an opportunity to network.

Housing and community development consultant Daniel Werwath helped to organize the fair, which will be held Saturday from 1:30-3:30 p.m. at the Taos

Youth and Family Center on Paseo del Cañón East.

Werwath said the idea of the fair is to promote outreach about available programs, as well as informing people about the town of Taos' affordable housing efforts. He said the Taos region is also being targeted with a "comprehensive needs assessment survey" to get a better idea about what local people need and can afford.

"It's sort of the whole spec-

trum of housing stuff we're hoping to deal with," he said.

The survey will be circulated around town over a period of time, and it will inform the recommendations that are made regarding affordable housing. Werwath said it will help align resources around a "really functional model."

"There are some real opportunities, if designed correctly, to start doing some things," he said. "There seems to be

some really low-hanging fruit in terms of homeless services. We're looking at all those issues."

Werwath said Saturday's housing fair will also be a good opportunity to get people involved with affordable housing together in the same room to talk about services, gaps and how they can collaborate effectively. He said potential volunteers and locals who are just curious about the housing situ-

ation are also invited to attend. "(Affordable housing) is one of the most critical shortages probably in the state," he said.

He said the housing problem in Taos is a "hard nut to crack" in terms of meeting people's needs.

"You just have such high costs," he said.

The housing survey is available online at www.surveymonkey.com/taos_housing. Organizations participat-

ing in Saturday's housing fair include the Taos Housing Corporation, Taos Habitat for Humanity, the Taos Men's Shelter, Community Against Violence, the Taos County Housing Authority, Taos Pueblo Housing and the Dreamtree Project.

For more information about the fair, contact Werwath at daniel@housingstrategypartners.com or by phone at (505) 467-8340.



Looking to buy or fix up a home?
Need to improve your housing situation?

Welcome Home
Taos Housing Fair
Saturday
February 26
1:30-3:30pm

Taos Youth and Families Center
407 Paseo del Canon

For more information contact daniel@housingstrategypartners.com 505.467.8340

Group studies affordable housing options in Taos

By Matthew van Buren | Posted: Saturday, April 2, 2011 12:00 am

Representatives from Housing Strategy Partners are helping the Town of Taos examine affordable housing needs in the area, and they brought some recommendations to the Town Council on March 22.

Monica Abeita and Alexandra Ladd told the council they looked at "the full housing need" of the area, saying Taos faces distinct challenges but also has unique opportunities.

Housing Strategy Partners found that "two classes of housing" exist in the Taos area, with "little between the two extremes" of affluent and second homeowners and longtime residents who inherit property and/or homes.

The group found the community has a high rate of homeownership, 74 percent, as well as a high percentage, 54 percent, of homes without a mortgage.

According to data compiled by Housing Strategy Partners, 54 percent of households in the community earn less than \$40,000 per year, setting the maximum price they could pay for a home at about \$140,000.

Abeita pointed out that there are "very few homes on the market for that amount," and many in Taos would need a "significant subsidy" to enter the housing market.

She also indicated that Taos has a "limited quantity of affordable rentals," though there is a demand for them. Abeita said the group found Taos County doubles the state average in self-employed residents, 16 percent, and people who work from home, 10 percent.

"You have a very entrepreneurial economy," she said. "There's a real opportunity there for live/work housing."

Ladd presented the council with a variety of draft recommendations, with the report still to be finalized.

They included using Community Development Block Grant funds to create a revolving assets loan fund; the funds could be used for down-payment assistance and would be paid back into the fund when the home is sold.

She said private fundraising is difficult around Taos, particularly considering the number of nonprofits in the area.

"You're competing for such limited funds," she said. However, Ladd said nonprofits involved in housing in Taos are motivated.

"They want to expand services," she said. "They want to build housing."

She suggested the town help create partnerships with local groups, getting providers to meet regularly, coordinating public outreach and identifying gaps in service. She said each group should keep themselves from providing overlapping services so funds are used most effectively.

Besides helping people buy homes, services could include expanding home repair and energy efficiency, helping property owners to build homes and cultivating renters for homeownership.

The Housing Strategy Partners' presentation said the town should "incentivize" affordable building.

Daniel Werwath, also with Housing Strategy Partners, said he hopes the report will be ready at the end of the month.

"The plan is about 90 percent complete," he said.

Abeita said a housing survey that is being circulated has only received 100 responses so far.

"We really need upwards of 400 to have a really good sample," she said. "It could be very useful data to have."

She said the survey asks questions not captured by the Census, such as whether people own land that they need help developing or whether they are self-employed.

The affordable housing survey, being held open beyond the March 31 deadline, is available at Town Hall, the Youth and Family Center and the public library, or it can be completed online at www.surveymonkey.com/s/taos_housing.

mvanburen@taosnews.com

Taos Affordable Housing

Housing Strategy Partners
11.19.10

Introductions

- HOUSING STRATEGY PARTNERS
- Alexandra Ladd
- Daniel Werwath
- Monica Abeita
- Dory Wegrzyn
- Town of Taos- Matt Foster

What are we doing?

- Affordable housing element of the Taos Comprehensive Plan
- Describes:
 - spectrum of housing needs and demands
 - how municipality will support affordable housing
 - use and recycling of housing funds
- Guides future policy development
- Five-year housing goal

Why we need your participation

- Relevant recommendations
- Increase collaboration
- Increase private sector capacity
- Qualitative service needs and gap data
- Implementation

What we learned from the numbers

- 17,000+ housing units in Taos County
- 27.6% of those are seasonally occupied
- 18% are mobile homes
- 74% Owners occupied (vs. 67% nationally)
- 16% built pre-1940 (vs. 6% for NM)

What we learned....

- One third of households earn less than \$25,000 a year (maximum home price \$100,000 or \$625/mo rent)
- There are over 40 dedicated shelter beds
- 25% renters- 59% of whom cannot afford a fair market rent vs. 47% in the rest of NM
- 600+ people on the County Housing Authority waiting list

The numbers... cont.

- 35% of households earn between \$25,000 and \$50,000 (\$53,400=120% AMI)
- 42% of homes sold for <\$250,000
- Robust market-1 home sold per 68 housing units (vs 1 per 196 nationally)
- After 2003 construction slowed to 3% growth (vs. 12% for NM)

Housing Spectrum



lunch

Opportunity Analysis

What is your vision for affordable housing in Taos?

Activity:

- What's working well?
- What could be done better?
- What are the missed opportunities?

Strategies

- Funding
- Capacity Building
- Program Development
- Housing Development
- Regulatory

Contact us

- Alexandra Ladd – agladd@mc.com, 505-795-4010
- Daniel Werwath – dwerwath@gmail.com, 505-699-9017
- Matt Foster – mfoster@taosgov.com, 575-751-2037

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

	Response Average	Response Total	Response Count
Total number of people	2.33	282	121
answered question			121
skipped question			30

2. How many people in each age group live in your home, including yourself? (Choose the number of people for each category.)

	0	1	2	3	4	5	6+	Response Count
adults	0.0% (0)	38.3% (54)	50.4% (71)	8.5% (12)	2.8% (4)	0.0% (0)	0.0% (0)	141
children (under 18)	41.2% (35)	28.2% (24)	18.8% (16)	7.1% (6)	2.4% (2)	1.2% (1)	1.2% (1)	85
seniors (over 65)	67.3% (37)	27.3% (15)	3.6% (2)	1.8% (1)	0.0% (0)	0.0% (0)	0.0% (0)	55
how many are extended family members?	90.2% (55)	8.2% (5)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	1.6% (1)	61
answered question								145
skipped question								6

3. What do adults (over 18 years of age) in your home do for a living? (Choose the number of people in each category):

	0	1	2	3	4	5
work for an employer year-round, full- or part-time	8.1% (9)	63.1% (70)	25.2% (28)	3.6% (4)	0.0% (0)	0.0% (0)
work for an employer on a seasonal basis	72.1% (31)	23.3% (10)	2.3% (1)	2.3% (1)	0.0% (0)	0.0% (0)
self-employed with no other employees	47.6% (30)	49.2% (31)	3.2% (2)	0.0% (0)	0.0% (0)	0.0% (0)
small business owner	58.7% (27)	32.6% (15)	8.7% (4)	0.0% (0)	0.0% (0)	0.0% (0)
homemaker	78.4% (29)	18.9% (7)	2.7% (1)	0.0% (0)	0.0% (0)	0.0% (0)
student	42.1% (24)	40.4% (23)	12.3% (7)	5.3% (3)	0.0% (0)	0.0% (0)
retired	44.2% (23)	53.8% (28)	1.9% (1)	0.0% (0)	0.0% (0)	0.0% (0)

4. Are any adults in your home currently unemployed?

	Response Percent	Response Count
Yes	29.1%	41
No	70.9%	100
answered question		141
skipped question		10

5. How many unemployed adults in your household fit the following categories?

Number of people in each category:

	0	1	2	3	4	5
receiving unemployment benefits	81.8% (18)	18.2% (4)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
unemployed without benefits	27.6% (8)	69.0% (20)	3.4% (1)	0.0% (0)	0.0% (0)	0.0% (0)
unable to work	82.4% (14)	17.6% (3)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
receiving SSI or Disability	59.1% (13)	36.4% (8)	4.5% (1)	0.0% (0)	0.0% (0)	0.0% (0)

For how long?

	Less than a year	More than a year
receiving unemployment benefits	50.0% (2)	50.0% (2)
unemployed without benefits	46.7% (7)	53.3% (8)
unable to work	0.0% (0)	100.0% (4)
receiving SSI or Disability	0.0% (0)	100.0% (5)

7. Are they enrolled in Veterans Services?

	Response Percent	Response Count
no	59.1%	13
yes	40.9%	9
answered question		22
skipped question		129

8. Do any of the people living in your home have disabilities that limit their ability to work or carry out activities? (Disabilities include physical handicaps, mental illness, developmental disabilities, and chronic drug or alcohol abuse.)

	Response Percent	Response Count
No	81.8%	117
Yes	18.2%	26
answered question		143
skipped question		8

9. How many people in each age category have a disability in your household?

Number of people with a disability in each category:

	0	1	2	3	4	5
adults	9.5% (2)	81.0% (17)	4.8% (1)	4.8% (1)	0.0% (0)	0.0% (0)
children (under 18)	66.7% (4)	33.3% (2)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
seniors (over 65)	40.0% (4)	50.0% (5)	0.0% (0)	10.0% (1)	0.0% (0)	0.0% (0)

10. Is anyone staying with you homeless or in transition (looking for a home or apartment)?

	Response Percent	Response Count
no	92.1%	129
yes	7.9%	11
answered question		140
skipped question		11

11. Is the person a family member?

	Response Percent	Response Count
no	33.3%	4
yes	66.7%	8
Other (please describe)		4
answered question		12
skipped question		139

12. How long has this person lived in your home?

	Response Percent	Response Count
Less than 6 months	10.0%	1
6 months to a year	30.0%	3
More than a year	60.0%	6
answered question		10
skipped question		141

5 of 24

13. What type of home do you live in?

	Response Percent	Response Count
site-built home	64.9%	87
modular or manufactured home	5.2%	7
mobile home	4.5%	6
condo or townhome	11.2%	15
apartment (fewer than 4 units)	7.5%	10
apartment complex (more than 4 units)	6.0%	8
shelter or motel	0.7%	1
earthship	0.0%	0
car, van or RV	0.0%	0
assisted living facility	0.0%	0
Other (please specify)		8
answered question		134
skipped question		17

6 of 24

14. How many bedrooms are in your home?

	Response Percent	Response Count
0 (studio unit)	5.2%	7
1	16.4%	22
2	34.3%	46
3	41.0%	55
4	1.5%	2
5 or more	1.5%	2
answered question		134
skipped question		17

7 of 24

15. What do you pay for mortgage or rent, without utilities? (Check one.)

	Response Percent	Response Count
\$0	20.1%	28
Less than \$300/mo	3.6%	5
\$300 to \$499/mo	8.6%	12
\$500 to \$699/mo	18.7%	26
\$700 to \$999/mo	23.0%	32
\$1,000 to \$1,499/mo	17.3%	24
\$1,500 to \$1,999/mo	3.6%	5
\$2,000 to \$2,499/mo	1.4%	2
\$2,500 to \$2,999/mo	3.6%	5
\$3,000 or more/mo	0.0%	0
answered question		139
skipped question		12

8 of 24

16. Do you receive any public assistance or subsidy for your housing?

	Response Percent	Response Count
no	97.8%	136
yes	2.2%	3
If yes, specify the type of subsidy/assistance:		5
answered question		139
skipped question		12

17. Are you on a waiting list for housing?

		Response Percent	Response Count
no		95.7%	133
yes		4.3%	6
If yes, please describe:			8
answered question			139
skipped question			12

18. How do you heat your home? (Choose all that apply.)

		Response Percent	Response Count
natural gas		59.1%	81
electric heat		21.9%	30
propane		26.3%	36
wood		35.8%	49
solar		8.0%	11
Other (please specify)			6
answered question			137
skipped question			14

19. On average, what do you pay in the winter each month to heat your home? (Select one.)

		Response Percent	Response Count
Less than \$50		10.2%	13
\$50-\$99		18.8%	24
\$100-\$199		38.3%	49
\$200-\$299		16.4%	21
\$300-\$399		9.4%	12
More than \$400		7.0%	9
answered question			128
skipped question			23

20. What is the total income for your household?

		Response Percent	Response Count
Less than \$10,000 per year		10.4%	14
\$10,000 to \$19,999 per year		7.4%	10
\$20,000 to \$29,999 per year		15.6%	21
\$30,000 to \$39,999 per year		20.0%	27
\$40,000 to \$49,999 per year		11.1%	15
\$50,000 to \$59,999 per year		4.4%	6
\$60,000 to \$69,999 per year		8.9%	12
\$70,000 to \$79,999 per year		3.0%	4
\$80,000 to \$100,000 per year		7.4%	10
\$100,000 per year or more		11.9%	16
answered question			135
skipped question			16

21. If your current housing situation is NOT meeting your needs, indicate why not: (Check all that apply)

		Response Percent	Response Count
Housing payment is too high		27.0%	27
Utility costs are too high		26.0%	26
Overcrowded, need more space		27.0%	27
Basic health and safety repairs are needed		13.0%	13
Housing doesn't accommodate the disability of a household member		3.0%	3
Or, needs ARE met with current housing situation		37.0%	37
Other (please specify)			10
answered question			100
skipped question			51

22. Does your home need repairs/improvements? (Check all that apply.)

	Response Percent	Response Count
addition of new rooms	17.1%	20
installation of solar or thermal heating	23.9%	28
upgrades to energy efficiency	40.2%	47
accessibility features (grab bars, ramps)	4.3%	5
sidewalks, landscaping, fencing	27.4%	32
roof	17.9%	21
windows, doors	41.0%	48
floors, walls, foundation	23.1%	27
plumbing or electric systems or fixtures	24.8%	29
heating systems	18.8%	22
telephone, internet, cable	10.3%	12
No improvements needed	23.9%	28
Other (please specify)		6
answered question		117
skipped question		34

23. Do you need assistance with: (Check all that apply)

	Response Percent	Response Count
understanding the home purchase process	14.9%	17
building a home on your property	10.5%	12
financing home construction or purchase	28.1%	32
fixing your credit	23.7%	27
making changes to your property for family transfer, including lot line adjustment or lot split	6.1%	7
don't need assistance	55.3%	63
Other (please specify)		2
answered question		114
skipped question		37

24. In your opinion, what housing is needed most in Taos? (Rate the following in order from most to least important.)

	Most Important							Least Important	N/A	Rating Average
Affordable apartments	18.8% (16)	18.8% (16)	22.4% (19)	10.6% (9)	14.1% (12)	9.4% (8)	5.9% (5)	0.0% (0)	3.34	
Affordable townhomes	7.9% (7)	22.5% (20)	10.1% (9)	6.7% (6)	12.4% (11)	7.9% (7)	29.2% (26)	3.4% (3)	4.38	
Affordable homes (not-attached to another home)	54.9% (56)	15.7% (16)	9.8% (10)	6.9% (7)	2.9% (3)	7.8% (8)	2.0% (2)	0.0% (0)	2.19	
Rehabilitation of older homes	10.6% (9)	15.3% (13)	17.6% (15)	25.9% (22)	8.2% (7)	7.1% (6)	12.9% (11)	2.4% (2)	3.81	
Accessible housing for persons with disabilities	1.2% (1)	12.2% (10)	18.3% (15)	24.4% (20)	23.2% (19)	14.6% (12)	4.9% (4)	1.2% (1)	4.21	
Assisted living for seniors	8.1% (7)	15.1% (13)	14.0% (12)	15.1% (13)	22.1% (19)	20.9% (18)	3.5% (3)	1.2% (1)	4.06	
Homeless housing options	21.6% (19)	8.0% (7)	10.2% (9)	11.4% (10)	6.8% (6)	14.8% (13)	22.7% (20)	4.5% (4)	4.14	
Other (please specify)										
answered question										
skipped question										

25. Where do you live?

	Response Percent	Response Count
Town of Taos	44.7%	55
South of Taos (Ranchos de Taos, Talpa, Llano Quemado, Lower Ranchitos, Los Cordovas)	16.3%	20
North of Taos (Taos Pueblo, Arroyo Hondo, Questa, San Cristobal, Amalia, Costilla)	14.6%	18
Arroyo Seco, Valdez, Taos Ski Valley	9.8%	12
Enchanted Circle (Angel Fire, Eagle Nest, Red River)	2.4%	3
Pilar, Dixon, Embudo, Picuris Pueblo, Penasco, Chamisal, Vadito	1.6%	2
Blueberry Hill, Taos Gorge, Tres Piedras	10.6%	13
Other (please specify)		11
answered question		123
skipped question		28

26. Would you prefer to live within the town limits if you could afford home prices and/or rents?

	Response Percent	Response Count
no	51.3%	40
yes	48.7%	38
answered question		78
skipped question		73

27. Do you have friends or relatives that have moved away from Taos because they couldn't afford housing?

	Response Percent	Response Count
many	27.1%	36
some	45.1%	60
none	27.8%	37
answered question		133
skipped question		18

28. Where do you work?

	Response Percent	Response Count
At home	15.8%	19
Town of Taos	68.3%	82
South side of Taos (Ranchos de Taos, Talpa, Llano Quemado, Lower Ranchitos, Los Cordovas)	8.3%	10
North of Taos (Arroyo Hondo, Questa, San Cristobal, Amalia, Costilla)	0.8%	1
Arroyo Seco, Valdez, Taos Ski Valley	3.3%	4
Enchanted Circle (Angel Fire, Eagle Nest, Red River)	0.0%	0
Pilar, Dixon, Embudo, Penasco, Picuris Pueblo, Chamisal	2.5%	3
Blueberry Hill, Taos Gorge, Tres Piedras	0.8%	1
Other (please specify)		17
answered question		120
skipped question		31

29. Would you be interested in live/work housing within the town limits of Taos?

	Response Percent	Response Count
no	31.3%	10
yes	68.8%	22
answered question		32
skipped question		119

32. Is living closer to your job or work important to you?

	Response Percent	Response Count
no	26.4%	34
yes	73.6%	95
answered question		129
skipped question		22

33. Do you rent or own your home? (Choose one.)

	Response Percent	Response Count
rent	43.4%	56
own	47.3%	61
living with family	9.3%	12
answered question		129
skipped question		22

34. Are you interested in buying a home?

	Response Percent	Response Count
no	25.0%	18
yes	75.0%	54
answered question		72
skipped question		79

30. Given your current income, how much would you pay per month for live/work housing in the Town of Taos?

	Response Percent	Response Count
Less than \$300	26.1%	6
\$300 to \$499	21.7%	5
\$500 to \$699	30.4%	7
\$700 to \$999	8.7%	2
\$1,000 to \$1,499	13.0%	3
\$1,500 to \$2,000	0.0%	0
\$2,000 to \$2,499	0.0%	0
\$2,500 to \$2,999	0.0%	0
\$3,000 or more	0.0%	0
answered question		23
skipped question		128

31. Do you have transportation to your job and services?

	Response Percent	Response Count
no	5.3%	7
yes	94.7%	124
answered question		131
skipped question		20

35. Given your current income, how much could you pay per month for a mortgage, not including utilities?

	Response Percent	Response Count
Less than \$300	13.0%	7
\$300 to \$499	14.8%	8
\$500 to \$699	37.0%	20
\$700 to \$999	25.9%	14
\$1,000 to \$1,499	5.6%	3
\$1,500 to \$2,000	3.7%	2
\$2,000 to \$2,499	0.0%	0
\$2,500 to \$2,999	0.0%	0
\$3,000 or more	0.0%	0
answered question		54
skipped question		97

36. If you own your home, how did you get it? (Check all that apply.)

	Response Percent	Response Count
bought it	63.9%	39
real estate contract	4.9%	3
inherited it	4.9%	3
built it myself	29.5%	18
family land transfer	0.0%	0
answered question		61
skipped question		90

37. What is the approximate size of the property where you currently live? (Fill in one.)

	Response Percent	Response Count
less than 1/4 acre	24.6%	15
less than 1 acre	32.8%	20
less than 5 acres	32.8%	20
over 5 acres	9.8%	6
answered question		61
skipped question		90

38. My gender is:

	Response Percent	Response Count
Male	28.8%	38
Female	71.2%	94
Other (please specify)		0
answered question		132
skipped question		19

39. My ethnicity is:

	Response Percent	Response Count
Hispanic	28.1%	36
White	68.8%	88
Native American	7.8%	10
African American	1.6%	2
Asian American	0.8%	1
Mexican American	0.0%	0
answered question		128
skipped question		23

40. Any other comments:

	Response Count
	28
answered question	28
skipped question	123

41. Would you like more information about:

	Response Percent	Response Count
Housing services provided in the Taos area	21.5%	23
Housing Study and/or Survey	12.1%	13
Housing opportunities in the Taos area	19.6%	21
No, I'm done with the survey.	71.0%	76
Other (please describe)	2.8%	3
answered question		107
skipped question		44

42. For more information about affordable housing in Taos:

	Response Percent	Response Count
Name:	96.2%	25
email:	100.0%	26
Phone (if preferred):	38.5%	10
answered question		26
skipped question		125