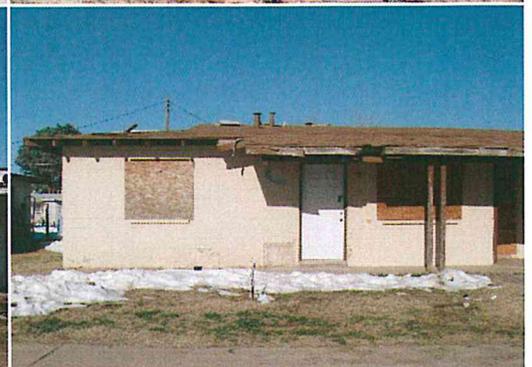
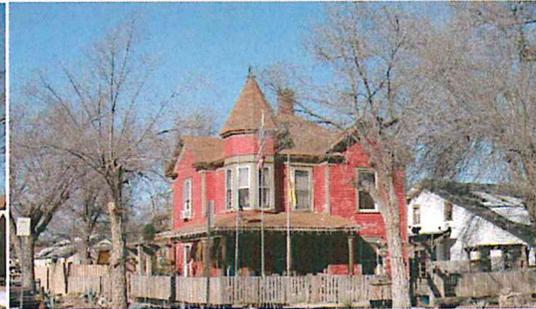


CITY OF ROSWELL

AFFORDABLE HOUSING PLAN

ADOPTED, JUNE 9, 2016 (RESOLUTION 16-41)



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Client Staff

City Manager, Steve Polasek

Planning and Zoning, Bill Morris, AICP, CZO

Consultants

Sites Southwest LLC

Phyllis Taylor, AICP, Principal-in-Charge

Barbara Herrington, AICP, Project Manager

James Foty, Planner

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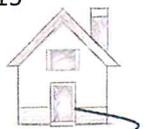
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EXECUTIVE SUMMARY

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

Roswell Affordable Housing Plan Highlights

Community Profile Highlights

Community Profile

- Roswell's population has grown steadily since 1970, from 33,908 residents in the 1960s, to **48,366 residents or 17,654 households in 2010** and slightly more by 2014. At the same time, the population is **getting younger**; the median age of Roswell residents declined from 35.2 years in 2000 to 33.5 years in 2010. The overall population of Chaves County is expected to continue its steady increase at an average growth rate of between 0.3% and 0.5% per years to reach **83,263 residents by 2040**.
- Average household size in 2013 was **2.69 people** for owner-occupied housing units and **2.51 for rental units**. The average family size was 3.21 persons.
- **Median household income in Roswell grew** by approximately 37% between 2000 and 2010, outpacing the gain by New Mexico as a whole. Average monthly incomes in Chaves County remain about 80% of average pay in the state, however, and approximately **17.1 percent** of families remain below the poverty level.



2 EXECUTIVE Summary - Roswell Affordable Housing Plan Highlights

- The **agriculture and mining, oil and gas sectors** remain important base industries in Roswell. Emerging industries include administrative, wholesale trade and information. Declining industries include manufacturing, professional services and Federal jobs.
- Approximately **57.4 percent of all Roswell workers also live within the City limits**. The rest live in surrounding communities, including as far as Albuquerque.

Housing Market

- Much of the **housing stock in Roswell is aging**. Approximately 38 percent of the housing was built before 1960, 48 percent between 1960 and 1990, and only 14% since 1990. The City proactively cleared abandoned structures on 100 lots over the past two years.
- Owner-occupied homes account for 63.4% of the housing units. Over the past five years, Roswell added an average of **47 single family houses and nine manufactured houses/mobile homes a year** to its housing inventory. Over the same time period there were an average of 67 building permits a year issued for **remodeling**.
- There were **66 unfurnished available rental units** listed in the Roswell area in mid-November 2015. Average rent ranged from \$511 for a one-bedroom unit to \$750 for a four-bedroom. At these average rents, households with incomes at **60 percent or less of the Area Median Income** (\$30,000 for a family of four) would have to pay more than 30 percent of their incomes for housing, a percentage considered to be a cost burden and eligible to be subsidized.
- A survey of the **for-sale housing market** in Roswell in November 2015 found **258 homes for sale**. Average prices ranged from \$32,250 for a one-bedroom house to \$150,640 for a three-bedroom house and to \$267,644 for a four-bedroom house, although **median prices** were slightly lower for the two-, three- and four-bedroom homes. The median price of all homes sold in Chaves County since 2013 was between \$130,000 and \$133,000.
- Based on the average price of houses for sale, households with incomes at **80% of the Area Median Income and above** could afford one-, two-, and three-bedroom homes, but not those with four bedrooms or more, without being cost-burdened. These larger homes would only be affordable to those with 120% of AMI. Therefore, households **earning up to 80 percent of Area Median Income (\$39,950 for a family of 4) would be eligible for housing subsidies**.
- Of **9,635 home loan applications** in Chaves County (for purchase, refinancing or home improvement) filed from 2010 to 2014, **43.6% were approved** and originated while **22.4% were denied**. The most frequent reason cited for denial was an applicant's credit history. The next most frequent reasons were an applicant's debt-to-income ratio and lack of collateral.

Summary of Housing Needs

Existing Needs

- **Nearly 27% of Roswell households** are paying more than 30 percent of their incomes for housing. The cost burden affects more renters than homeowners, particularly those households with incomes **less than \$20,000 a year** (less than 50% AMI). Some 41% of senior renters and nearly 18% of senior homeowners are over-burdened by housing costs.
- Among **Roswell renters**, similar percentages of all age groups (41% to 53%) pay more than 30 percent of their incomes for housing. By contrast, the percentage of **homeowners** shouldering a housing cost burden tends to decrease with age.
- Analyses show that approximately **1,660 households that have annual incomes at 60% of AMI** and below need subsidized rental units or vouchers. Another **500 cost-burdened households** earning between 60% and 80% of AMI and an estimated **150 households** with moderate incomes between 80% and 100% AMI need affordable homes to purchase or rent.
- There is also a need **for transitional housing** for individuals transitioning from substance abuse rehabilitation, domestic abuse, prison or other issues as well as supportive housing with offers wrap-around services for individuals with behavioral health disorders who are homeless or nearly homeless.
- A substantial need exists for funds to **rehabilitate** Roswell's housing stock to bring it up to code. Approximately 226 households lack complete plumbing or kitchen facilities.
- Original single family housing built for Walker Air Force Base personnel is old and dilapidated with outdated water and sewer infrastructure. Rather than investing in substantial upgrades to what is planned to be an industrial area, the City would prefer to help existing residents move to more suitable areas.

Future Needs

- Future housing needs by 2020 were assumed to increase proportionally with the population increase of 0.7% unless additional information was available.



4 EXECUTIVE Summary - Roswell Affordable Housing Plan Highlights

The following table quantifies the various housing needs as well as the City of Roswell’s commitments to meeting those needs over time.

TYPE OF HOUSING	TARGET MARKET	CURRENT TOTAL NEED	2026 GOAL
Subsidized Rental Housing	Households earning up to 60% of the Area Median Income, excluding senior-headed households (which are included below).	1,600 subsidized units or vouchers	200 units
Affordable Rentals or Home Ownership	Households earning between 60% and 100% of the Area Median Income (AMI) or \$21,000 to \$52,750 depending on household size.	650 subsidized or rehabilitated homes or rental units	200 units
Subsidized Housing for Seniors and people with disabilities	Senior-headed households with a cost burden; subsidized units are needed for renters; housing rehabilitation funds could assist homeowners (60% AMI or less)	380 Renters 660 Homeowners	100 renters/ 50 homeowners
Housing Rehabilitation (focus on homeowners)	Rehabilitation needed to bring homes up to code. Units that cannot be rehabilitated for a reasonable cost should be replaced. Highest priorities are those without kitchens or plumbing (60% AMI or less)	Up to 10,700 single family homes (includes townhomes, duplexes)	500 units
Transitional Housing	Transitional housing (up to a year) with services such as job training, education, life skills, counseling, etc. to people leaving domestic violence situations and those recovering from substance abuse and prison (60% AMI or less)	30 units or spaces in transitional housing	10 beds
Permanent Supportive Housing	Supportive housing units for homeless and near homeless persons with behavioral health disorders. (30% AMI and below)	10 to 20 units of permanent supportive housing	10 units
Emergency Shelter	Emergency shelter beds	30 beds	10 beds

Barriers to Affordable Housing Development

The plan identifies several barriers to developing affordable housing in Roswell in the Land Use and Policy Review chapter. Some of the constraints include the cost of land and infrastructure as well as building construction costs that simply exceed the incomes of local residents. For example, minimum density analyses indicate that **new, small single family homes (1,200 SF)** would only be affordable to households with **incomes at least 120% of AMI**. The donation of land and waiver of permit fees could render this housing unit affordable to those at **100% of AMI**. **Medium-size modular homes (1,680 SF)** could also potentially be affordable for those at **100% AMI with or without a land donation**.

Other housing products could potentially be affordable to purchase for households at **80% AMI** (small duplexes, medium-size manufactured homes, small modular homes at 1,200 SF) and those at **60% AMI** (small townhouses or condominiums).

New high density multi-family rental units are only affordable for households with incomes at **80% of AMI** without a subsidy. A land donation and fee waiver could decrease the price enough to be affordable for those with incomes of at least **60% AMI**.

Changing the zoning code to allow more flexibility in residential setbacks, accessory dwelling units in appropriate places, reduced parking requirements and more mixed use (residential with commercial) might also decrease development costs and create more affordable housing.

A clear asset for the city of Roswell is the substantial amount of vacant land that could be donated for affordable housing.

Summary of Goals and Implementation Actions

The complete list of goals and implementation actions can be found in the final chapter of the report. The following are general strategies that could have the most immediate impact on Roswell's housing needs.

- Upon adoption of this Housing Plan, **adopt an Affordable Housing Ordinance**, which will allow the City of Roswell to donate land, materials, and other contributions for the development of affordable housing and establish a permanent Housing Task Force to monitor progress.
- Donate City-owned land or other assets to a non-profit developer for an affordable or mixed income multi-family tax credit project. Donate vacant infill lots for affordable housing development.
- Develop a financial program (loans, grants) to help low-income homeowners to bring their homes up to code.
- Consider zoning changes that could make development of affordable housing more financially feasible.



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1.0 INTRODUCTION

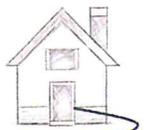
The City of Roswell has a growing need for additional affordable housing opportunities for residents who are currently cost-burdened or unable to find suitable housing. Although the City has an adequate housing stock, there are currently issues with the affordability, housing quality, and suitability of homes for households with incomes below the Area Median Income (AMI). The purpose of this plan is to identify housing needs and barriers to housing development within the City of Roswell, and propose goals and implementation steps aimed at addressing these housing needs.

1. Affordable Housing Overview

Housing is generally considered to be affordable when a household pays no more than 30 percent of their income on total housing costs. When utilities are taken into account, a household would pay approximately 28 percent of income for housing alone, excluding utilities. The US Department of Housing and Urban Development (HUD) defines 2015 area median income (AMI) in Roswell for a household of three people (the typical household size) as \$55,600. The maximum house price affordable to 3-person households at 100 percent of AMI would be about \$156,500 and the maximum house price affordable to such households at 120 percent of AMI would be about \$188,000. The maximum monthly rent affordable to three-person households at 100 percent of AMI is about \$1,125 and the maximum monthly rent affordable to households at 120 percent of AMI is about \$1,350.

2. Enabling Legislation

The State of New Mexico enacted amendments to the New Mexico Affordable Housing Act in 2004, 2007, 2015. The Affordable Housing Act permits State and local governments to provide or pay the cost of land and buildings or necessary financing for affordable housing projects, provided they have adopted an



affordable housing plan and ordinance. Affordable housing projects are residential housing primarily for persons or households of low or moderate income. Under the provisions of the Act, a municipality may:

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

The Act requires the local governing body to adopt an affordable housing plan by resolution and enact a local affordable housing ordinance authorizing housing assistance grants if it wishes to provide donations toward affordable housing. The New Mexico Mortgage Finance Authority is a quasi-public entity charged with overseeing the Affordable Housing Act. MFA has established the Affordable Housing Act Rules to provide further guidance to local governments on complying with the Affordable Housing Act. Local governments that wish to donate local resources towards affordable housing must comply with the Affordable Housing Act and Rules.

3. Organization of the Plan

To document needs and strategies, the MFA requires that local governments prepare an affordable housing plan. The affordable housing plan helps communities identify existing and projected future housing needs. This affordable housing plan for the City of Roswell contains the information that has been collected and analyzed to further an understanding the housing market and unmet needs in the City.

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

The affordable housing plan is organized according to the MFA requirements for such plans, with the sections outlined below.

3.1. Community and Housing Profile

This section describes demographic trends and projections, highlighting community characteristics that are relevant to housing needs. It includes data about populations that often have special housing needs, including single parent families, seniors, disabled individuals and people living in poverty. The community

profile describes the types, condition and affordability of housing in the City and surrounding communities. It examines characteristics and affordability of for-sale housing currently on the market as well as available rental housing. Finally, it describes local programs and organizations working to address housing needs in Roswell and the surrounding region.

3.2. Housing Needs Assessment

Based on the assessment of needs and available resources, the section pinpoints the specific housing needs by type, income level and number of units needed.

3.3. Land Use and Policy Review

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

3.4. Goals and Actions

This section puts forth 10-year goals for the number of housing units by type to be built or rehabilitated. This section provides a description of projects and strategies that could be utilized by the City to address affordable housing needs and eliminate barriers, including project types, potential locations, opportunities for cooperation with other entities, and potential policy actions by the City Council.

4. Methodology

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

Sources for statistical data include 2000 and 2010 US Census counts, the American Community Survey 2009-2013 five-year average estimates, data compiled from the Home Mortgage Disclosure Act requirements, the Bureau of Labor Statistics and the Bureau of Business and Economic Research at the University of New Mexico (BBER). The most up-to-date data were used when possible. Decennial Census figures were used to highlight demographic trends, and ACS data were used for estimates of current conditions.

The consultants conducted interviews with city officials, area developers, real estate agents, and nonprofit organizations to gain insight into the housing market. Current listings of housing for rent and for sale were obtained from local realtors, online listings, and property management companies.



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

5. Public Participation

The project included a local housing review team that is knowledgeable about housing issues and the housing market. This committee met at the inception of the project and again to review the 50 percent and 100 percent draft reports. Interviews were also conducted with a number of housing providers and others in the real estate industry. Public participation information is summarized in Appendix A.

In addition, draft and final versions of the Affordable Housing Plan were posted on the city website for public comment.

2.0 COMMUNITY & HOUSING PROFILE

The City of Roswell is located in southeastern New Mexico and is the county seat for Chaves County (see Figure 1). With an estimated 48,608 residents in 2014, Roswell is the fifth largest city in New Mexico, and the largest city within the southeastern portion of the state. Internationally known as the location of the “Roswell UFO incident,” the City has cultivated a diverse economy based on agriculture, light manufacturing, oil and gas, tourism, and healthcare.

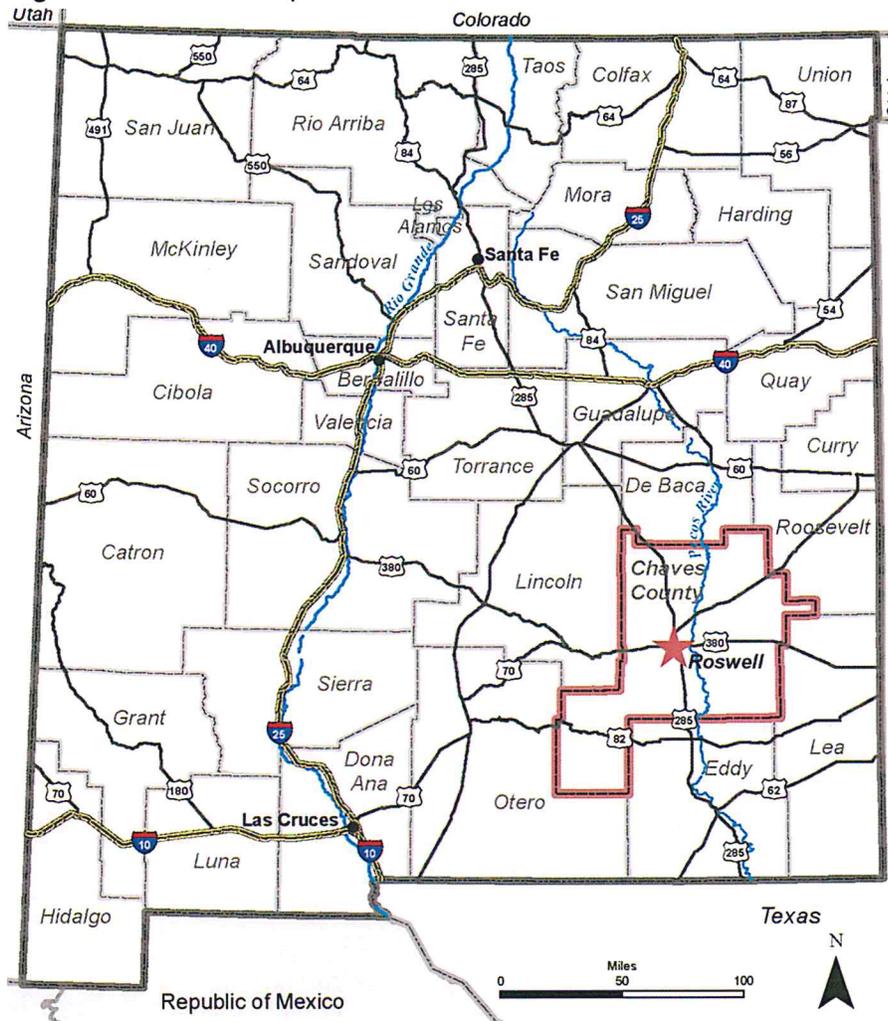
1. Demographic Characteristics

1.1. Population

According to the US Census, in 2010 there were a total of 48,366 people residing in the City of Roswell, comprising 17,654 households and 12,098 families. Chaves County, on the other hand, had a total of 65,645 people, 23,691 households, and 16,646 families. Current population estimates for Roswell show that the City has grown slightly to a total of 48,608 residents in 2014. Overall, Roswell has accounted for about 75% of Chaves County’s total population since 2000. The city is currently the fifth largest city in New Mexico, with a population slightly larger than Farmington or Clovis. Additional population characteristics, including age, sex race and ethnicity are shown in Table 2, including comparisons between the City of Roswell, Chaves County, and the state of New Mexico.



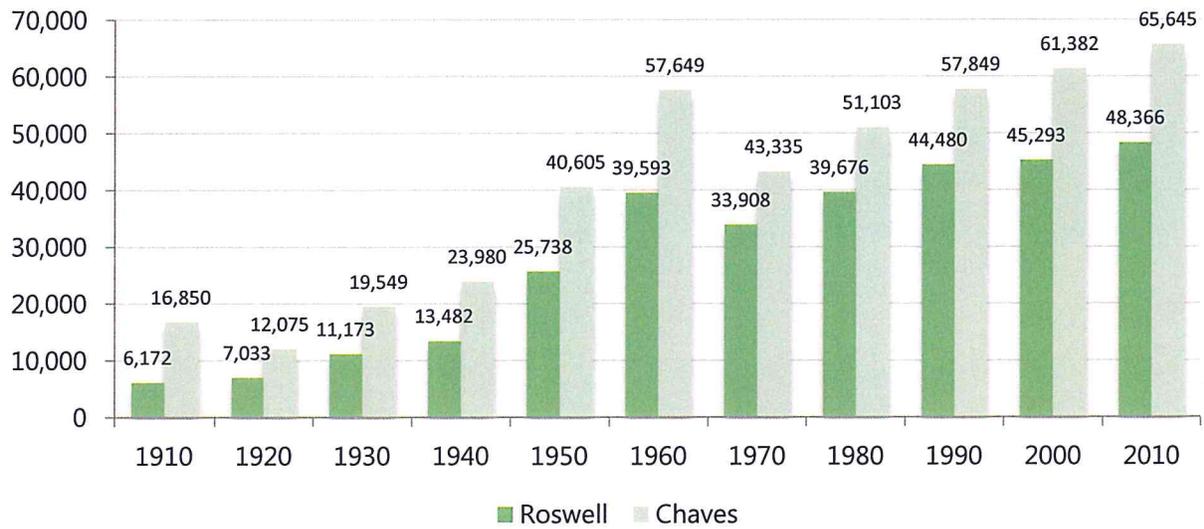
Figure 1. Location Map



1.1.1. Historic Population Growth

The Census data in Figure 2 illustrate the historic population growth of both the City of Roswell and Chaves County. The population of the City of Roswell has grown steadily since 1910, with a short-lived loss in population between 1960 and 1970 after the closure of Walker Air Force base. Overall, growth rates in the City of Roswell were higher in the last decade (2000-2010) than between 1990 and 2000 (see Table 1). Annual growth rates for the City averaged 0.7% per year between 2000 and 2010, which is slightly lower than the state average during the same time period. These data, however, show a continuing trend of a steadily increasing population, despite regional and national economic challenges and changes to the City's economic structure and demographic profile.

Figure 2. City of Roswell Historic Population Trends, 1910 to 2010



Source: BBER, US Census, 1910—2010

Table 1. Comparative Population Growth, 1990-2010

	1990	2000	2010	% CHANGE 1990-2000	% CHANGE 2000-2010
Roswell	44,654	45,293	48,366	1.4%	6.8%
Chaves County	57,849	61,382	65,645	6.1%	6.9%
New Mexico	1,515,069	1,819,046	2,059,179	20.1%	13.2%

Source: US Census, 1990—2010

1.1.2. Population Projections

According to the Bureau of Business and Economic Research at the University of New Mexico (BBER), the overall population of Chaves County is expected to increase steadily, with an average growth rate of between 0.3% and 0.5% per year. In 2040, BBER projects the total population to reach 83,263 residents. BBER’s projections rely on historical growth and assume that growth rates will continue to follow historical trends. However, it should be noted that city and county-wide developments could change these projections in the near future. For example, changes to the regional economy could create additional job opportunities that could in turn attract additional residents. Or, the closure or realignment of large-scale employers could lead to a decline in population (or growth rates) as people move elsewhere for work.

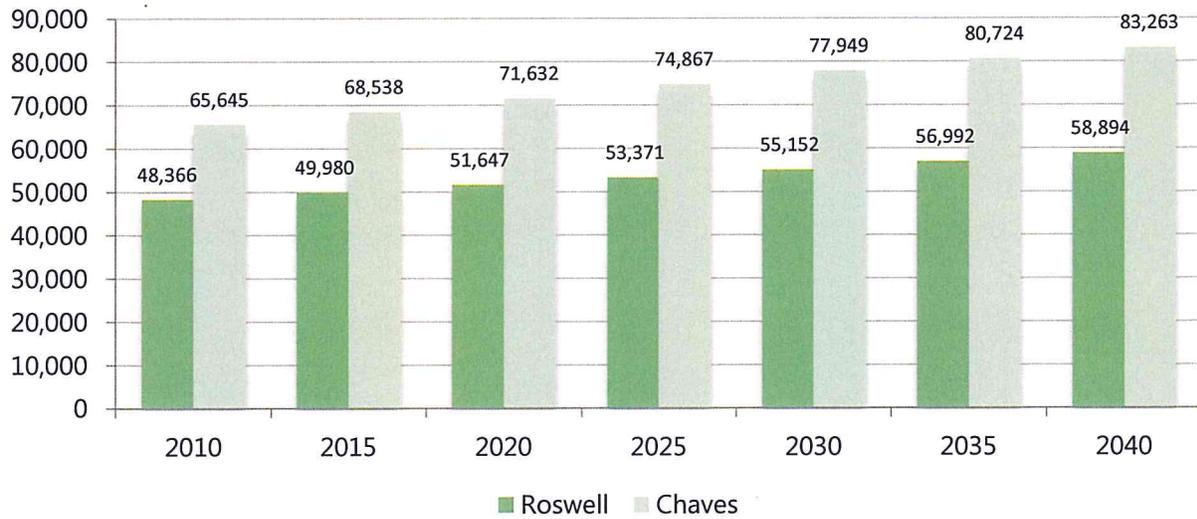
Population projections produced by BBER for Chaves County can be extrapolated to project future growth patterns within the City of Roswell. Using both an exponential rate change model and looking at the City’s historical percentage of Chaves County’s population produces two slightly different population projections. The first projection assumes that Roswell will follow historic trends and grow at an annual rate



of 0.7% each year.¹ Under this projection, the population is projected to increase to 58,894 residents by 2040, or a 22% increase from 2010. The second model assumes that the City will continue to account for approximately 75% of Chaves County's total population. This projection estimates the population will be slightly higher in 2040, at 62,447 residents, or a 29% increase.

Under either model, Roswell's population is expected to grow by approximately 10,000 residents, meaning that providing adequate housing for new families is a clear need for the City to address.

Figure 3. Population Projections, 2010 to 2040



Source: BBER, Sites Southwest

¹ Exponential growth rate following historical trends.

Table 2. Selected Population Characteristics, 2000-2010

	CITY OF ROSWELL				CHAVES COUNTY				NEW MEXICO
	2000	2010	% Change 2000-10	% Total (2010)	2000	2010	% Change 2000-10	% Total (2010)	% Total (2010)
Total Population	45,293	48,366	6.8%	100.0%	61,382	65,645	6.9%	100.0%	100%
Male	21,840	23,550	7.8%	48.7%	30,055	32,482	8.1%	49.5%	49.4%
Female	23,453	24,816	5.8%	51.3%	31,327	33,163	5.9%	50.5%	50.6%
AGE GROUPS									
Under 5 years	3,341	4,079	22.1%	8.4%	4,407	5,255	19.2%	8.0%	7.0%
5 to 9 years	3,511	3,832	9.1%	7.9%	4,895	5,126	4.7%	7.8%	7.0%
10 to 14 years	3,599	3,403	-5.4%	7.0%	5,114	4,841	-5.3%	7.4%	6.9%
15 to 19 years	4,008	4,217	5.2%	8.7%	5,504	5,539	0.6%	8.4%	7.3%
20 to 24 years	2,931	3,319	13.2%	6.9%	3,729	4,275	14.6%	6.5%	6.9%
25 to 34 years	5,135	6,067	18.1%	12.5%	6,867	7,968	16.0%	12.1%	13.0%
35 to 44 years	6,155	5,212	-15.3%	10.8%	8,652	7,298	-15.6%	11.1%	12.1%
45 to 54 years	5,573	5,986	7.4%	12.4%	7,819	8,605	10.1%	13.1%	14.1%
55 to 59 years	1,956	2,750	40.6%	5.7%	2,793	4,015	43.8%	6.1%	6.6%
60 to 64 years	1,822	2,478	36.0%	5.1%	2,577	3,430	33.1%	5.2%	5.8%
65 to 74 years	3,551	3,399	-4.3%	7.0%	4,648	4,753	2.3%	7.2%	7.5%
75 to 84 years	2,695	2,500	-7.2%	5.2%	3,244	3,212	-1.0%	4.9%	4.2%
85 years and over	1,016	1,124	10.6%	2.3%	1,133	1,328	17.2%	2.0%	1.6%
Median Age	35.2	33.5	-	-	35.2	34.7	-	-	36.7
65 years and over	7,262	7,023	-3.3%	14.5%	9,025	9,293	3.0%	14.2%	13.2%
RACE & ETHNICITY									
White	44,167	46,518	5.3%	69.9%	32,141	33,827	5.2%	70.9%	68.4%
Black or African American	1,209	1,323	9.4%	2.5%	1,117	1,189	6.4%	2.0%	2.1%
American/Alaskan Native	694	814	17.3%	1.2%	578	588	1.7%	1.2%	9.4%
Asian	323	414	28.2%	0.7%	293	355	21.2%	0.6%	1.4%
Other Race	13,042	14,399	10.4%	22.1%	9,643	10,712	11.1%	21.9%	15.0%
Two or More Races	1,498	1,654	10.4%	3.4%	1,913	2,125	11.1%	3.2%	3.7%
Hispanic or Latino	20,084	25,832	28.6%	53.4%	26,904	34,139	26.9%	52.0%	46.3%
Not Hispanic or Latino	25,209	22,534	-10.6%	46.6%	34,478	31,506	-8.6%	48.0%	53.7%

Source: US Census, 2000 and 2010 unless otherwise indicated



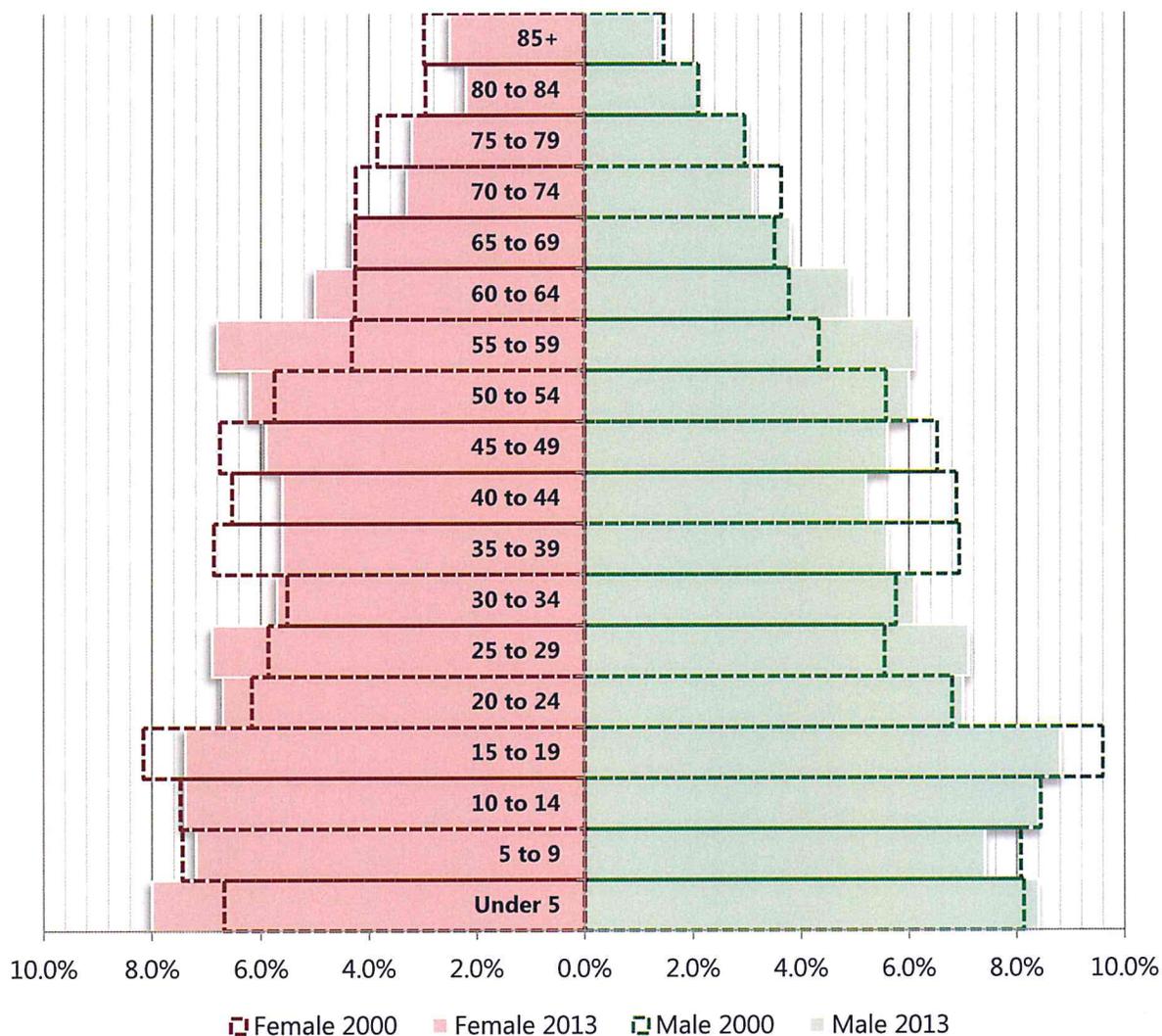
1.2. Age

The median of age of residents in Roswell declined between 2000 and 2010, which is a different pattern than the national and statewide trend of a gradually aging population and increasing median age. Overall, the median age in Roswell declined from 35.2 years old in 2000 to 33.5 years old in 2010, which is a relatively significant change that can be accounted for by several factors (see Figure 4. Population Distribution by Age Groups, City of Roswell, 2000-2013):

- Most significantly, there has been an increase in the 20 to 35 year old population, which is a different pattern than that of other New Mexican counties which have seen a decrease in the 20 to 35 year old population. This indicates that a larger proportion of younger residents have either decided to stay in Roswell, or that the City experienced an influx of younger workers to fill employment opportunities.
- There has been a decrease in middle-aged residents between 35 and 49. These people have either aged, died, or moved away.
- There has been a slight decrease in residents age 65 to 84. Overall, residents in this age bracket have decreased by 5.6% between 2000 and 2010. Residents 85 years and older, however, have increased by 10.6%.
- There has been an increase in residents between the ages of 50 and 65, but growth in these age cohorts has been matched by an increase in residents aged 20 to 35 years old.

Although the causes of this younger population are not revealed by these Census data, contributing factors may include an influx of younger residents to fill jobs; residents deciding to stay in Roswell instead of leaving for larger employment centers; residents deciding to retire outside of Roswell; and other quality of life factors in Roswell.

Figure 4. Population Distribution by Age Groups, City of Roswell, 2000-2013



Source: US Census, 2000—2010; 2009-2013 American Community Survey 5-Year Estimates. The shaded, color bars represent the age groups as they were recorded by the Census most recently (2009-2013 average). The dotted bars represent the age groups as recorded in 2000, allowing for a comparison between residents' ages in 2000 and most recently. In other words, the chart illustrates the change in age distribution for Roswell over this time period.

1.3. Race & Ethnicity

As shown in Table 2, residents' ethnic makeup is similar to the state as a whole, with 70% of residents identifying as "White," 2.5% identifying as "Black or African American," and 22% identifying as "some other race." In addition, 53% of residents identify as Hispanic or Latino (of any race), which is slightly higher than the state average (46%). Overall, the number of residents identifying as Hispanic or Latino increased by 28.6% between 2000 and 2010.



1.4. Household Income

Incomes in Roswell are lower than the State and Chaves County as a whole. As shown in Table 3 and Figure 5, there is a larger percentage of households in Roswell making between \$15,000 and \$50,000 annually than the state average, and a smaller percentage making over \$50,000. In addition, the percentage of households making less than \$15,000 is about the same as the state average. In other words, there are more households making low to moderate incomes between \$15,000 and \$50,000, fewer wealthy households making more than \$50,000, and fewer households making extremely low incomes below \$15,000. Overall, about one-third of households make less than \$25,000, one-third between \$25,000 and 50,000, and one-third over \$50,000.

These data can be accounted for by a higher percentage of lower-wage jobs, fewer jobs that pay high salaries (over \$100,000), and the overall economic makeup of the City. Being located in a rural county, Roswell has given fewer jobs that pay high salaries, a lower cost of living, and an economy based on lower paying jobs in retail trade, accommodation and food services, and agriculture.

The good news is that the median household income in Roswell increased by approximately 37% between 2000 and 2010. This was higher than the state's 32% increase in median income during the same time period (and also higher than the nation's increase of 26%). This provides some evidence that the City's gains in wages have outpaced the state as a whole and that the City's economy has created higher paying jobs as it has diversified.

Table 3. Income Distribution, 2009-2013 Average

	TOTAL HOUSEHOLDS, CITY OF ROSWELL	% TOTAL CITY OF ROSWELL	TOTAL HOUSEHOLDS CHAVES COUNTY	% TOTAL CHAVES COUNTY	% TOTAL NEW MEXICO
Less than \$10,000	1,887	10.6%	2,305	9.8%	9.4%
\$10,000 to \$14,999	1,109	6.2%	1,482	6.3%	6.4%
\$15,000 to \$24,999	2,581	14.5%	3,186	13.6%	12.9%
\$25,000 to \$34,999	2,686	15.1%	3,475	14.8%	11.4%
\$35,000 to \$49,999	2,795	15.7%	3,719	15.8%	14.4%
\$50,000 to \$74,999	3,062	17.2%	4,106	17.5%	17.2%
\$75,000 to \$99,999	1,716	9.6%	2,465	10.5%	11.3%
\$100,000 to \$149,999	1,554	8.7%	2,077	8.8%	10.6%
\$150,000 to \$199,999	260	1.5%	415	1.8%	3.6%
\$200,000 or more	168	0.9%	269	1.1%	2.9%

Source: 2009-2013 American Community Survey 5-Year Estimates

Figure 5. Income by Range, 2009-2013 Average



Source: 2009-2013 American Community Survey 5-Year Estimates

1.5. Poverty

The poverty rate estimates those families and individuals that fall below specified “poverty thresholds” as determined by the U.S. Census Bureau and Bureau of Labor Statistics. These thresholds compare incomes and costs of living to determine those families that are unable or struggle to afford basic costs of living (food, shelter, etc.).

Poverty rates in Roswell are slightly higher than the state average, but have declined since 2000. An estimated 17.1% of families are below the poverty line, compared with 15.6% of all New Mexican families. The overall family poverty rate has declined by 8.6% since 2000. As with other communities in New Mexico, the poverty rate for Female Head of Household Families remains stubbornly high, at 38.4%. This rate also declined by about 6.6% since 2000, which is a promising trend but still much higher than poverty rates for other family types.

Poverty rates for individuals have remained essentially flat since 2000 with 22.3% of individuals below the poverty line. This is slightly higher than the state average of 20.4% and much higher than the nation’s overall poverty rate of 15.4%. Although this rate hasn’t changed overall since 2000, the poverty rate has increased for seniors over 65 years old and declined for children under 18 years old. Despite this decline, the poverty rate for those under 18 years old remains high, at 29.8% of individuals. However, the poverty rate for seniors is lower than for other age groups.



Table 4. Income and Poverty, 2000 and 2009-2013 Average

	CITY OF ROSWELL				CHAVES COUNTY				NEW MEXICO
	2000	2013	% CHANGE 2000-13	% TOTAL	2000	2013	% CHANGE 2000-13	% TOTAL	2013
HOUSEHOLD INCOME									
Median HH Income	\$27,252	\$37,237	36.6%	-	\$28,513	\$39,131	37.2%	-	\$44,927
Median Family Income	\$31,724	\$46,371	46.2%	-	\$32,532	\$48,169	48.1%	-	\$54,513
Per Capita Income	\$14,589	\$19,446	33.3%	-	\$14,990	\$19,492	30.0%	-	\$23,763
Households receiving Social Security income	5,944	6,044	1.7%	33.9%	7,422	7,761	4.6%	33.0%	30.4%
Households receiving Supplemental Security Income	1,165	1,386	19.0%	7.8%	1,452	1,628	12.1%	6.9%	5.6%
Households receiving cash public assistance	1,134	673	-40.7%	3.8%	1,407	912	-35.2%	3.9%	2.7%
Households receiving food stamps/SNAP	NA	3,337	-	18.7%	NA	4,044	-	17.2%	14.3%
POVERTY									
Families below poverty level	18.7%	17.1%	-8.6%	-	17.6%	15.5%	-11.9%	-	15.6%
Families with Female Householder	41.1%	38.4%	-6.6%	-	41.2%	34.8%	-15.5%	-	34.9%
Individuals below poverty level	22.6%	22.3%	-1.3%	-	21.3%	21.3%	0.0%	-	20.4%
Children under 18 below poverty level	31.6%	29.8%	-5.7%	-	29.5%	28.6%	-3.1%	-	28.9%
Individuals 65 years and older below poverty level	13.8%	15.2%	10.1%	-	13.9%	14.4%	3.6%	-	12.1%

Source: US Census 2000; ACS 2009-2013

This juxtaposition of trends indicates that the most vulnerable groups remain families with a female head of household and children under 18 years old. In addition, seniors have seen an increase in poverty rates, although their overall poverty rate remains below that of other individuals.

1.5.1. *Income Limits*

Income limits are used by the Department of Housing and Urban Development (HUD) to determine eligibility for applicants for HUD’s affordable housing programs. These data are calculated using Census data and are based on household size and area median incomes. Income limits can be used to calculate fair market rents, and the upper affordability thresholds for different family sizes and incomes. These thresholds are different than the poverty level thresholds calculated by the U.S. Census Bureau. However, with Roswell and Chaves County, the incomes for those with an Extremely Low Income limit corresponds roughly to the poverty thresholds (i.e., those below the poverty level).

Table 5. FY 2015 Income Limits

FY 2015 INCOME LIMIT CATEGORY	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON
Median Income: \$55,600					
Extremely Low (30%) Income Limits	\$11,770	\$15,930	\$20,090	\$24,250	\$27,000
Very Low (50%) Income Limits	\$17,500	\$20,000	\$22,500	\$25,000	\$27,000
60% Limits	\$21,000	\$24,000	\$27,000	\$30,000	\$32,400
Low (80%) Income Limits	\$28,000	\$32,000	\$36,000	\$39,950	\$43,150

Source: HUD, 2015

1.6. *Economy and Employment*

The City of Roswell’s economy is largely based in value-added agricultural production (milk and cheese), oil and gas companies, higher education, healthcare, and aviation companies. As a regional trade hub, Roswell also has a high concentration of retail trade, accommodation and food service industries that supply local and regional customers. In addition, tourism is an economic driver, with approximately 175,000 visitors annually who also contribute to the retail, accommodation and food service industries. Since the Great Recession between 2007 and 2009, the City has slowly recovered lost jobs and industries. Chaves County as a whole had a nominal GDP of \$2.7 billion in 2009, which is higher than Valencia and Curry counties, which have similar populations.

1.6.1. *Labor Force*

As shown in Table 6, the civilian labor force in Roswell totals 21,632 people, or about 60% of the population over 16 (essentially the same percentage as the rest of the state). Unemployment rates within both Roswell and Chaves County are currently lower than the state’s average and have rebounded since the Great Recession. The most current, unadjusted unemployment rate for Roswell was 5.9% in July 2015. However, the total number of jobs within Chaves County has yet to rebound, with the County having 5 percent fewer jobs than it did in 2008.



Table 6. Employment Characteristics, 2009-2013 Average

	CITY OF ROSWELL	CHAVES COUNTY	NEW MEXICO
Population 16 and over	36,154	49,335	1,612,730
In the labor force	60.1%	59.1%	60.7%
Not in labor force	39.9%	40.9%	39.3%
Civilian labor force	21,632	29,085	970,934
Percent unemployed*	5.9%	5.7%	7.2%

Source: 2006-2010 American Community Survey 5-Year Estimates; Bureau of Labor Statistics Local Area Unemployment Statistics. *Unadjusted July 2015 estimates.

1.6.2. Location Quotients and Shift Share

One way to analyze an industry's employment strength is by looking at its location quotient (LQ). An industry's location quotient shows an industry's employment specialization relative to a larger base economy during a set year. In other words, it shows the specialization of each industry for that given year. Those industries with a high location quotient (over 1.0) that produce export goods or services represent the base industries and bring money into the local economy. These include tourism-based industries such as hospitality and food services, as well as some arts and cultural industries.

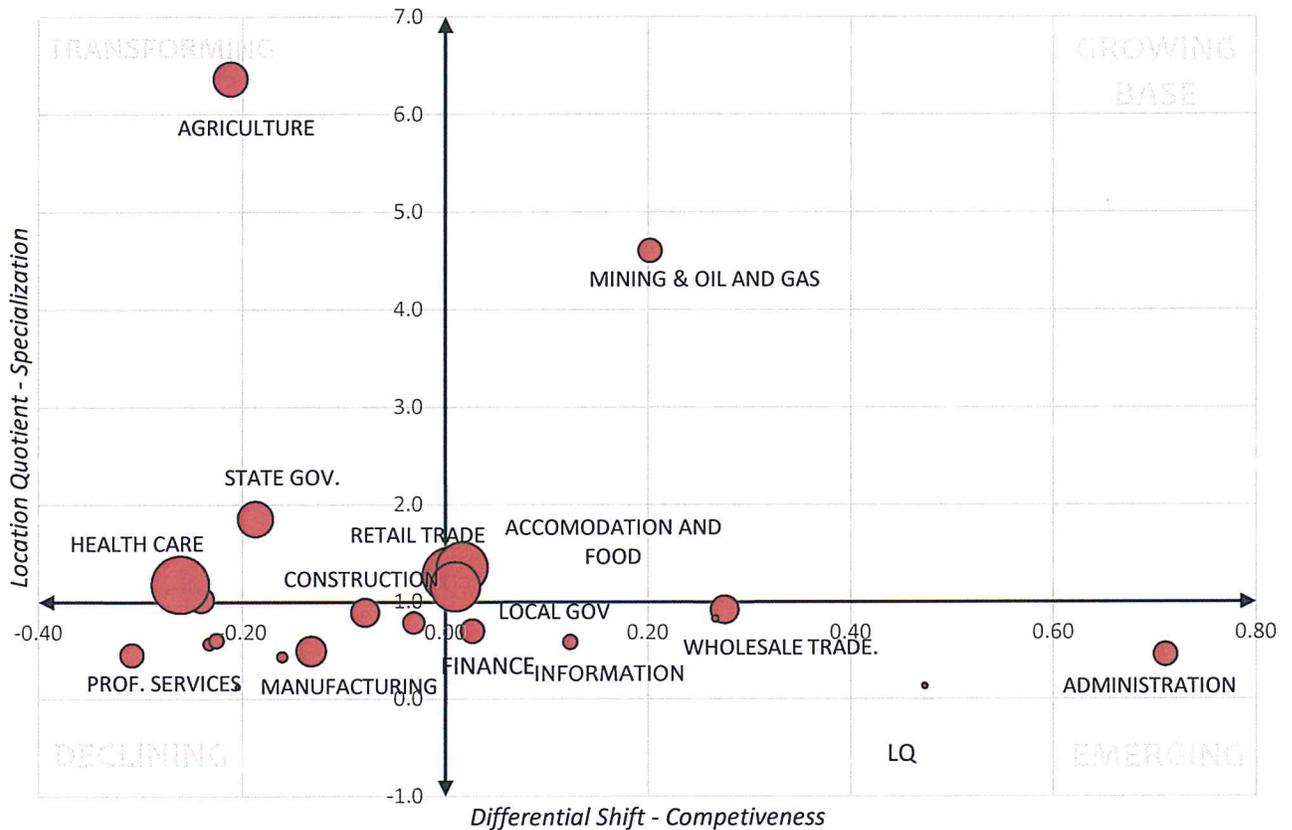
Shift-share analysis is another tool that can be used to analyze a region's overall competitiveness with the national economy. Like location quotients, shift-share analysis can show how individual industries are performing. However, unlike location quotients, shift-share analyzes how industries are changing over time, which can reveal larger trends such as emerging industry segments or industries that are declining. Such an analysis can help classify industries by group: emerging (low LQ, nationally competitive), declining (decreasing LQ, not competitive), transforming (high LQ, not competitive), and growing base (high LQ, competitive).

Location quotient and shift-share analysis for Chaves County reveal which industries within the County are competitive within the national economy and have the highest levels of specialization. These data reveal that the key industries for Chaves County include:

- Agriculture, forestry, and hunting are the most specialized industries that employed about 1,200 people in 2014. Although this industry has lost some jobs since 2008, it still remains an important part of the region's economy and can be considered a "transforming" industry that will remain important in the future.
- The second most specialized industry is mining and oil and gas. Although not the largest industry by the total number of workers employed, this industry can be considered to be a "growing base" industry that has seen a 38% increase in the total number of jobs since 2008. As summarized below, Roswell is home to several oil and gas extraction companies.
- Accommodation and food services is the third most specialized industry, followed closely by retail trade. Together, these industries employed 5,600 in 2014. Roswell, as a tourist destination and a regional trade center, contributes strongly to the high level of specialization in these industries.

- State and local government are also highly specialized industries in Chaves County and employed close to 4,000 people in 2014. However, these industries have seen a decline in the total number of people employed since 2008, and can be considered to be "transforming."
- Emerging industries include administration, wholesale trade, and information.
- Declining industries include manufacturing, professional services, and Federal jobs.

Figure 6. Location Quotients and Shift Share



Source: Bureau of Labor Statistics, Quarterly Employment Report by Industry. The size of each bubble represents the number of employees within that industry sector. Healthcare and Social Services, with 3,249 employees in 2014, is the largest bubble. The Y-Axis shows the location quotient, which is a measure of specialization for an industry (relative to NM's economy). Higher values show a larger degree of specialization. The X-Axis shows the differential shift, which shows how well the industry performed relative to the national economy and is a measure of competitiveness. Higher values correspond to local industries that performed better than would have been expected given the growth or decline in that industry sector nationally.



Table 7. Industries and Location Quotients, Chaves County, 2008 and 2014

INDUSTRY	2014	2008	PERCENT CHANGE	LQ 2014 (US BASE)
Total Jobs	21,019	22,222	-5%	1.00
Agriculture, forestry, fishing and hunting	1,205	1,434	-16%	6.37
Mining, quarrying, and oil and gas extraction	597	432	38%	4.61
Construction	839	1,079	-22%	0.89
Manufacturing	928	1,196	-22%	0.50
Wholesale trade	825	659	25%	0.92
Retail trade	3,019	2,998	1%	1.28
Transportation and warehousing	691	878	-21%	1.02
Utilities	70	56	25%	0.83
Information	248	239	4%	0.59
Finance and insurance	608	615	-1%	0.70
Real estate and rental and leasing	179	244	-27%	0.57
Professional, scientific, and technical services	585	770	-24%	0.46
Management of companies and enterprises	41	44	-7%	0.12
Administrative and support and waste management	608	341	78%	0.46
Educational services	56	35	60%	0.14
Health care and social assistance	3,249	3,661	-11%	1.18
Arts, entertainment, and recreation	141	157	-10%	0.44
Accommodation and food services	2,611	2,343	11%	1.35
Other services, except public administration	513	562	-9%	0.79
Unclassified	0	0	0%	0.00
Federal	254	333	-24%	0.60
State	1,297	1,638	-21%	1.85
Local	2,455	2,508	-2%	1.16

Source: Bureau of Labor Statistics, Quarterly Employment Report by Industry.

1.6.3. Employment Growth

The New Mexico Department of Workforce Solutions projects future employment growth by business sector for counties and regions in New Mexico. Specific projections for Chaves County and the City of Roswell are not available; however, projections for employment growth in Eastern NM (which shares similar economic characteristics) are available. These data show that the sectors with the largest expected changes in employment will continue to be related to many of the “base industries” in Roswell. These include:

- Food and drinking establishments are expected to see a 2.3% annual increase in employment or about 2750 more jobs between 2012 and 2022. Roswell, as a regional retail and service hub, can be expected to see a significant proportion of these new jobs within the City.
- Oil and Gas extraction jobs are expected to grow by 3.6% annually or about 1,000 additional jobs. Some of those jobs will likely be in Roswell, given its strong position as a regional headquarters for oil and gas companies.
- Total social assistance jobs are expected to grow by 3.3%. In addition, hospitals are projected to see an increase in employment of 2.0% annually or about 900 more jobs by 2022.

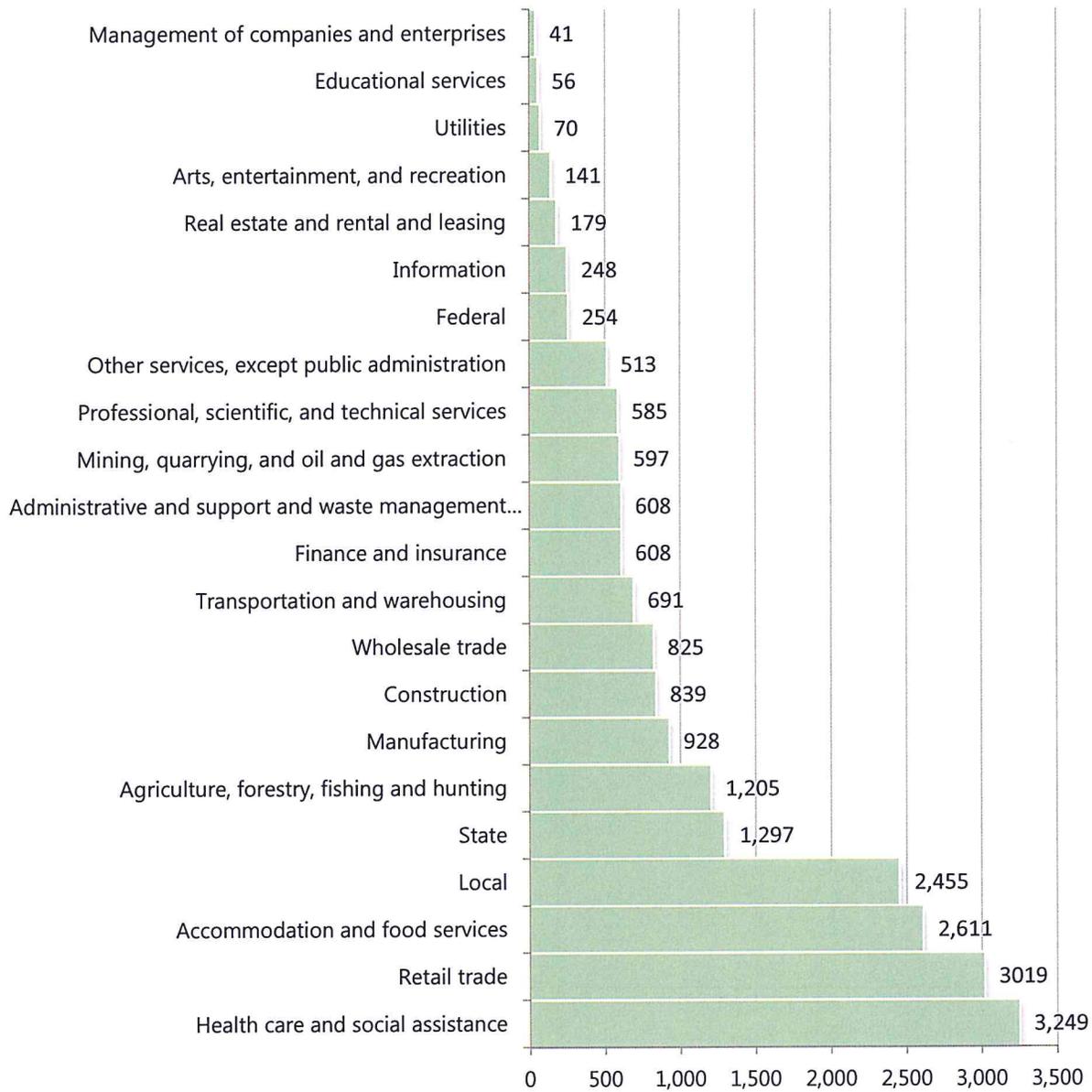
Table 8. Projected Employment Growth Eastern NM 2012-2022

INDUSTRY	2012 ESTIMATED EMPLOYMENT	2022 PROJECTED EMPLOYMENT	2012-2022 ANNUAL PERCENT CHANGE	TOTAL EMPLOYMENT CHANGE
Food Services and Drinking Places	10,572	13,314	2.3%	2,742
Educational Services	12,240	14,148	1.5%	1,908
Social Assistance	3,561	4,935	3.3%	1,374
Oil and Gas Extraction	2,388	3,408	3.6%	1,020
Hospitals	4,112	5,030	2.0%	918
Accommodation	3,254	3,857	1.7%	603
Building Material and Garden Equipment and Supplies Dealers	1,587	2,154	3.1%	567
General Merchandise Stores	4,166	4,688	1.2%	522
Support Activities for Mining	9,852	10,368	0.5%	516
Specialty Trade Contractors	4,189	4,704	1.2%	515
Total	55,921	66,606	1.9%	10,685

Source: NMDWS, Employment Projections program



Figure 7: Employment by Industry, 2014



Source: New Mexico Department of Workforce Solutions

1.6.4. Major Employers

Major employers within Roswell are related to education, oil and gas, healthcare, retail, and aircraft manufacturing (including aviation parts). The top 26 employers with over 100 employees are listed in Table 9 below. Together these major employers account for approximately one-third of the total employment in Roswell.

Table 9. Major Employers in Roswell

	EMPLOYER	INDUSTRY	EMPLOYEES
1	Roswell Independent School District	Government	822
2	Leprino Foods	Manufacturing (Cheese Prod.)	650
3	Eastern New Mexico Medical Center	Healthcare	595
4	City of Roswell	Government	561
5	Sam's Club / Walmart	Retail Trade	356
6	Krumland Auto Group	Retail/Wholesale Trade	320
7	New Mexico Military Institute	Education	300
8	Community Homecare	Healthcare	287
9	Chaves County	Government	254
10	Eastern New Mexico University	Education	250
11	Tobosa Developmental Svc	Healthcare	190
12	Pioneer Bank	Finance	187
13	Lovelace Hospital	Healthcare	185
14	Dean Baldwin Painting LP	Manufacturing	180
15	Christmas by Krebs	Manufacturing	170
16	Aersale	Manufacturing	166
17	US Post Office	Other Services	143
18	Comfort Keepers	Healthcare	140
19	Mission Arch Care Center	Healthcare	130
20	First National Bank	Finance	128
21	Home Depot	Retail Trade	120
22	Albertsons	Retail Trade	110
23	United Drilling Inc	Mining and Oil & Gas	106
24	New Mexico Rehabilitation Center	Healthcare	100
25	State Transportation Department	Government	100
26	Target	Retail Trade	100
	Approximate Total	-	6,650

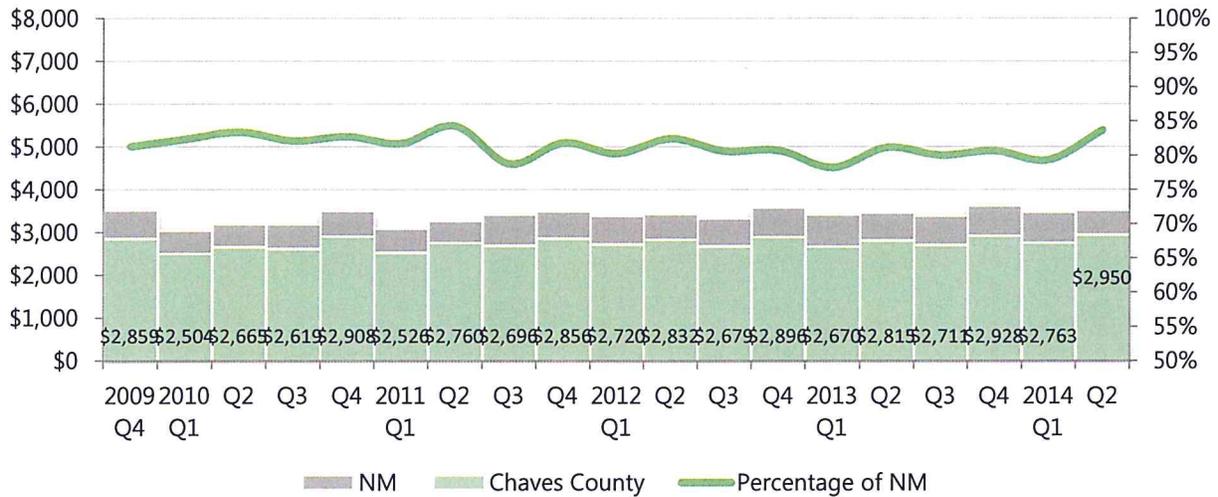
Source: Roswell-Chaves County Economic Development Corporation

1.6.5. Wages

Average monthly wages in Chaves County are slightly lower than the average wage statewide. Since 2009, the County's monthly wages have hovered around 80% percent of the state average pay. This equates to an average monthly pay of \$2,950 in the second quarter of 2014 (see Figure 8). These data do not indicate that average monthly wages have been increasing in Chaves County, but have not declined either.



Figure 8. Monthly Pay in Chaves County as a Percentage of the State Average



Source: Bureau of Labor Statistics

1.7. Location of Jobs vs. Worker Place of Residence

The Census estimates where workers live relative to where they work through its Longitudinal Employer-Household Dynamics (LEHD) program. These data can reveal commuting patterns within a community to show how many residents live and work in Roswell, as well as how many commute from outside its boundaries. By reviewing commuting patterns it is possible to analyze inflow and outflow gaps, which can in turn reveal if workers prefer to live outside of the City or if residents within the City must commute outside the City for work.

In 2013, these data show that Roswell had a net daily inflow of 775 workers, meaning that 775 people commuted from outside the City limits to jobs within the City. This is a shift from 2002, when there was a net outflow of 417 workers. Overall, about 60% of residents live and work in Roswell, and the remaining 40% of residents live in Roswell but are employed outside the City limits.

These data also indicate that the total number of jobs has increased by approximately 950, or 6% since 2002. This growth in employment roughly follows the total population growth in the same period and indicates a positive trend: the number of jobs created in the City of Roswell has kept pace with population growth.

Table 10. Inflow/Outflow Job Counts, 2013

	2013		2002		CHANGE
	Count	Share	Count	Share	
Employed in the Selection Area	17,170	100.0%	16,228	100.0%	5.8%
Living in the Selection Area	16,395	95.5%	16,645	102.6%	-1.5%
Net Job Inflow (+) or Outflow (-)	775	-	-417	-	-285.9%
Living in the Selection Area	16,395	100.0%	16,645	100.0%	-1.50%
Living and Employed in the Selection Area	9,859	60.1%	11,427	68.7%	-13.7%
Living in the Selection Area but Employed Outside	6,536	39.9%	5,218	31.3%	25.3%
Employed in the Selection Area	17,170	100.0%	16,228	100.0%	5.8%
Employed and Living in the Selection Area	9,859	57.4%	11,427	70.4%	-13.7%
Employed in the Selection Area but Living Outside	7,311	42.6%	4,801	29.6%	52.3%

Source: U.S. Census, LEHD Statistics

1.7.1. Where Workers Live

Data in Table 11 below show that about 57.4% of all workers in Roswell live within the City. About 3.0% live in Albuquerque, and about 10% live in surrounding communities such as Clovis, Portales, etc. The remaining workers (29%) live in other locations, most likely as residents of unincorporated communities. These data indicate that about 40% of workers choose to live outside the City. Some of these workers might choose to live within Roswell if additional or better quality housing opportunities were provided.

Table 11. Where Roswell Workers Live

PLACE	WORKERS	PERCENT
Roswell city, NM	9,859	57.4%
Albuquerque city, NM	505	2.9%
Carlsbad city, NM	340	2.0%
Artesia city, NM	291	1.7%
Hobbs city, NM	289	1.7%
Clovis city, NM	252	1.5%
Alamogordo city, NM	242	1.4%
Portales city, NM	163	0.9%
Las Cruces city, NM	144	0.8%
Midway CDP, NM	128	0.7%
All Other Locations	4,957	28.9%
All Places (Cities, CDPs, etc.)	17,170	100.0%

Source: U.S. Census, LEHD Statistics, 2013

Carlsbad was similar, with 54.3% of all workers living within the city boundaries in 2010. By contrast, only 44% of all Artesia workers lived in that city, while 56% chose to live outside in 2010, many in Roswell.



1.7.2. *Where Roswell Residents Are Employed*

Table 12 shows where Roswell residents are employed. As with data on the home locations of workers, about 60% of residents within Roswell live and work within the City. About 15% work in surrounding communities, and the rest (approximately 25%) work in other locations, including Las Cruces and El Paso. Overall, this is a positive sign, as it shows that many residents choose to live in Roswell despite having jobs and long commutes to other communities.

Table 12. Where Roswell Residents are Employed

PLACE	WORKERS	PERCENT
Roswell city, NM	9,859	60.1%
Hobbs city, NM	628	3.8%
Artesia city, NM	515	3.1%
Las Cruces city, NM	459	2.8%
El Paso city, TX	394	2.4%
Carlsbad city, NM	338	2.1%
Alamogordo city, NM	266	1.6%
Ruidoso village, NM	176	1.1%
Clovis city, NM	130	0.8%
Dexter town, NM	123	0.8%
All Other Locations	3,507	21.4%
All Places (Cities, CDPs, etc.)	16,395	100.0%

Source: U.S. Census, LEHD Statistics 2013

Again, trends were similar in Carlsbad, with 63.5% of residents being employed at establishments within the city limits. A smaller percentage of Artesia residents—56.6%--worked at jobs within that city.

1.8. Special Needs Populations

There are several categories of households and individuals that may have special housing needs. These include the elderly and single parent families, who are likely to have lower incomes than average, as well as those with disabilities, the homeless, and families experiencing some type of emergency situation. These groups may need short term emergency assistance or longer term assistance, including affordable housing and/or supportive services.

1.8.1. *Single-parent Families*

Single-parent families are generally at an income disadvantage because there is typically only one income earner. As noted above, there is a higher percentage of female-headed households living in poverty in the City as compared to the State. The estimated number of female-headed households in poverty is 38.4% or 3,013 families.

For female-headed households with a related child under 18 years old, the percentage under poverty is even higher, at 46.2% or 2,312 families. In other words, close to half of the female-headed households

with children are below the poverty level. These families account for about 20% of all families and about 36% of families with children.

Table 13. Population with a Disability, 2009-2013 Average

	CITY OF ROSWELL	CHAVES COUNTY	NEW MEXICO
Total civilian non-institutionalized population	47,768	64,630	2,035,611
With a disability	7,989	10,742	286,069
Percent with a disability	16.7%	16.6%	14.1%
5 to 17 years - % of total population with a disability	6.1%	6.3%	4.6%
With a hearing difficulty	0.5%	0.6%	0.7%
With a vision difficulty	1.7%	1.4%	1.1%
With a cognitive difficulty	5.1%	5.5%	3.2%
With an ambulatory difficulty	0.1%	0.2%	0.7%
With a self-care difficulty	0.7%	0.7%	0.8%
18 to 64 years - % of total population with a disability	15.7%	15.1%	12.2%
With a hearing difficulty	4.3%	3.9%	2.9%
With a vision difficulty	4.0%	3.7%	2.5%
With a cognitive difficulty	6.7%	6.4%	5.3%
With an ambulatory difficulty	8.0%	7.3%	6.4%
With a self-care difficulty	2.9%	2.8%	2.4%
With an independent living difficulty	5.1%	5.1%	4.4%
65 years and older - % of total population with a disability	45.3%	46.8%	41.3%
With a hearing difficulty	17.6%	21.0%	19.8%
With a vision difficulty	7.1%	7.9%	9.4%
With a cognitive difficulty	13.0%	12.7%	11.3%
With an ambulatory difficulty	27.5%	26.7%	26.1%
With a self-care difficulty	6.8%	8.1%	9.5%
With an independent living difficulty	15.2%	15.5%	17.2%
Veterans with any disability	29.4%	29.4%	28.5%

Source: US Census, 2009-2013 American Community Survey 5-year Estimates

1.8.2. Individuals with Disabilities

There are an estimated 7,989 people in Roswell with a disability, or 16.7% of the population. This is slightly higher than the state average of 14.1% of individuals with a disability.

1.8.3. Seniors

By 2030, the US Census Bureau predicts that 26.4% of the New Mexico population will be made up of seniors.² Seniors often experience changing housing needs as they age. Initially, many wish to downsize and have less responsibility for the maintenance that comes from owning one's home; later, they may have health issues that require additional care and special housing needs. Potential housing types that

² US Census Bureau, Interim Population Projections, 2005.



may appeal to seniors include active living (retirement) communities that provide a range of opportunities (both independent and group housing care facilities), condominiums and apartments.

As can be seen in the population summary statistics above, the percentage of residents over 65 years old actually declined between 2000 and 2010. However, there are a large number of residents between the ages of 45 and 64, who will soon become part of the senior population and may choose (or have a need to) to move to new housing. Residents within these age cohorts currently make up approximately 24% of the City's population, meaning they will soon be transitioning to retirement and possibly seeking alternative housing choices.

1.8.4. Veterans

According to the American Community Survey, there are an estimated 3,737 veterans within the City; 39% percent of these are Vietnam-era veterans. The Census estimates that veterans experience lower unemployment but are more likely to have a disability than non-veterans. However, Veterans are less likely to live in poverty.

Table 14. Veteran Status, 2009-2013 Average

	ROSWELL		CHAVES COUNTY	
	VETERANS	NON-VETERANS	VETERANS	NON-VETERANS
Civilian Population, 18 years and over	3,737	30,962	4,801	42,567
Unemployment Rate	7.0%	7.4%	6.1%	7.1%
Below poverty in the last 12 months	12.1%	20.2%	12.2%	19.3%
With a disability	29.4%	21.1%	29.4%	20.7%

Source: US Census, 2009-2013 American Community Survey 5-year Estimates

1.8.5. Homeless

The *New Mexico Coalition to End Homelessness* counted 53 homeless individuals in Chaves County during a nightly point-in-time inventory in 2013. This is a higher number of individuals than were counted in previous point-in-time counts in 2005 and 2007. The organization estimated that the County needs 164 units of supportive housing, 29 beds for emergency shelter, and 30 beds for transitional housing.

2. Housing Characteristics

2.1. Existing Housing

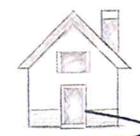
The condition, value, and availability of housing all have a significant effect on the image of the City in the eyes of its residents and visitors. Locations where housing is well maintained and moderately appreciating in value can be attractive to new residents, industries, and businesses. Conversely, if the housing does not meet these criteria, it may discourage new residents and employers from locating in a particular City.

According to American Community Survey 2009-2013 five year estimates, Roswell has 19,835 housing units, 17,818 of which are occupied (89.8% of all units). As with much of New Mexico, a majority of housing is owner occupied (63.4%) while a lower percentage (36.6%) is renter occupied. In addition, the City has an estimated 2,017 (10.2%) of units that are vacant. The most common type of housing is single family detached homes (76.2%), followed by mobile homes (5.5%). About 11.7% of housing consists of multifamily units, with a higher percentage of housing units with 20 or more units. This can be accounted for by a number of apartments within the City limits.

Table 15. Housing Characteristics, 2013

	ROSWELL (2000) *	ROSWELL (2013)	CHANGE	TOTAL % CITY OF ROSWELL (2013)	CHAVES CO (2013)	TOTAL % CHAVES CO (2013)	TOTAL % NEW MEXICO
Total housing units	19,327	19,835	508	-	26,648	-	902,302
Occupied housing units	17,068	17,818	750	89.8%	23,499	88.2%	761,938
Owner-occupied (% total occupied)	11,683	11,296	(387)	63.4%	15,620	66.5%	68.7%
Renter-occupied (% total occupied)	5,385	6,522	1,137	36.6%	7,879	33.5%	31.3%
Vacant housing units	2,259	2,017	(242)	10.2%	3,149	11.8%	
Homeowner vacancy rate	3.3%	2.4%	(0.01)	-	2.2%	-	2.3%
Rental vacancy rate	14.2%	7.1%	(0.07)	-	7.0%	-	8.2%
Average HH size for owner-occupied	2.64	2.69	0.05	-	2.74	-	2.71
Average HH size for renter-occupied	2.47	2.51	0.04	-	2.61	-	2.55
TYPE OF HOUSING BY UNITS IN STRUCTURE**							
1, detached	14,484	15,111	627	76.2%	19,620	73.6%	64.7%
1, attached	566	654	88	3.3%	679	2.5%	3.8%
2	650	662	12	3.3%	718	2.7%	1.9%
3 to 4	411	609	198	3.1%	609	2.3%	3.6%
5 to 9	314	341	27	1.7%	341	1.3%	2.8%
10 to 19	312	489	177	2.5%	492	1.8%	2.6%
20 or more	942	867	(75)	4.4%	883	3.3%	3.9%
Mobile home	1,479	1,092	(387)	5.5%	3,288	12.3%	16.6%
Boat, RV, van, etc.	128	10	(118)	0.1%	18	0.1%	0.1%

Source: 2009-2013 American Community Survey 5-Year Estimates *The Census urges caution in comparing numbers from 2000 (the actual census count) and 2009-2013, a five-year estimated average. ** STF3 File



2.1.1. *Housing Types & Sizes*

As mentioned above, the most common type of housing is single family detached homes (76.2%), followed by mobile homes (5.5%). About 11.7% of housing consists of multifamily units ranging from 3 to 20 or more units. Almost half (48.2%) of homes have three bedrooms, which is close to the State average. Approximately 12.2% of homes have one bedroom or less (studios) while about 13% of homes have 4 bedrooms or more.

Table 16. Number of Bedrooms in Existing Housing Units, 2009-2013 Average

BEDROOMS	CITY OF		
	ROSWELL	CHAVES COUNTY	NEW MEXICO
No bedroom	2.8%	2.3%	2.8%
1 bedroom	9.4%	8.4%	9.3%
2 bedrooms	26.5%	26.0%	25.8%
3 bedrooms	48.2%	48.4%	46.2%
4 bedrooms	12.0%	13.5%	13.7%
5 or more bedrooms	1.0%	1.6%	2.2%
Median Rooms Total	5.4	5.5	5.3

Source: 2009-2013 American Community Survey 5-Year Estimates

2.1.2. *Age of Housing and Rehabilitation Needs*

As one of the older communities in New Mexico, Roswell's housing stock is generally older than much of the housing in the State. Approximately 38% of housing was built before 1960, 48% between 1960 and 1989, and only 14% since 1990. About 6.1% of the housing has been built since 2000. This compares to the State, where about one-third of homes have been built since 1990 and only one-fifth of homes were built prior to 1960.

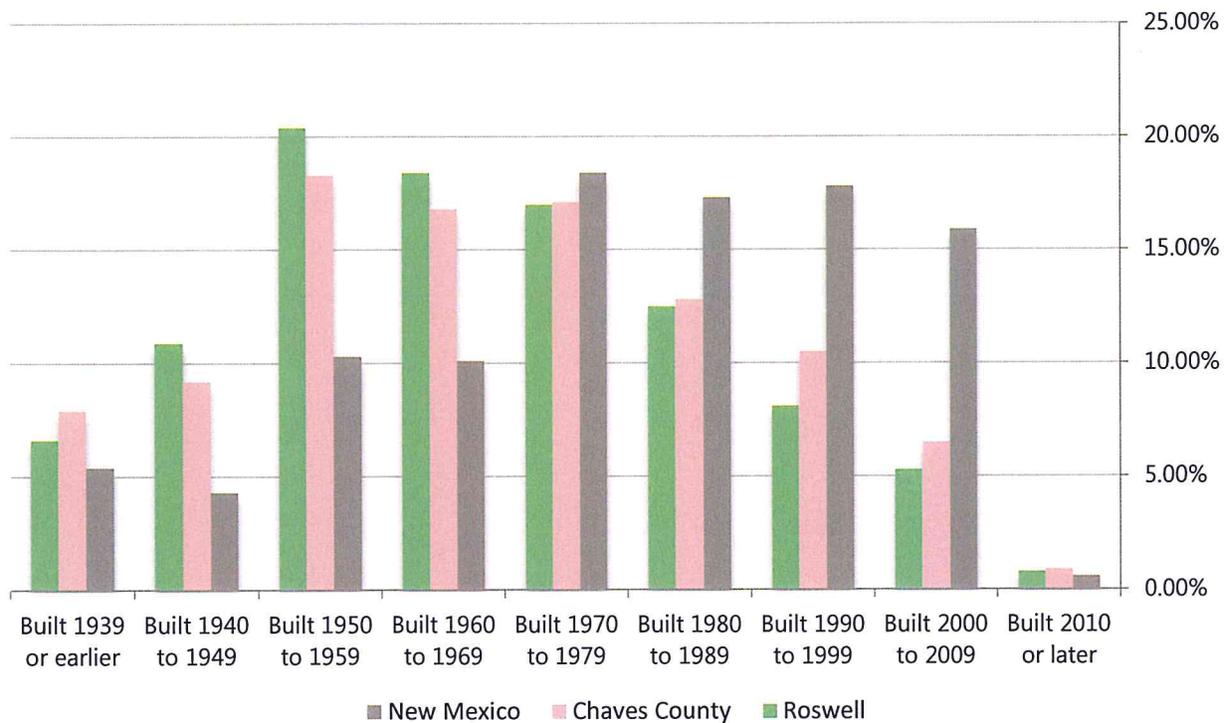
Table 17. Housing Age, 2009-2013 Average

YEAR CONSTRUCTED	CITY OF ROSWELL	CHAVES COUNTY	NEW MEXICO
Built 2010 or later	0.8%	0.9%	0.6%
Built 2000 to 2009	5.3%	6.5%	15.9%
Built 1990 to 1999	8.1%	10.5%	17.8%
Built 1980 to 1989	12.5%	12.8%	17.3%
Built 1970 to 1979	17.0%	17.1%	18.4%
Built 1960 to 1969	18.4%	16.8%	10.1%
Built 1950 to 1959	20.4%	18.3%	10.3%
Built 1940 to 1949	10.9%	9.2%	4.3%
Built 1939 or earlier	6.6%	7.9%	5.4%

Source: American Community Survey 2009-2013

Age is an indicator of rehabilitation needs, particularly for homes constructed before 1970, some 40-plus years ago, an age at which structural declines are expected according to Smith, Murray, and O'Dell in their paper, "Estimating the Need for Single Family Rehabilitation," (*Journal of Regional Analysis and Policy*, 2003).

Figure 9. Age of Housing Units



Source: American Community Survey 2009-2013



Older housing may also need upgrades and improvements to make the housing safer, such as, installation of smoke alarms, and new insulation, replacement of older plumbing and electrical systems, roofs, and siding. In addition, the lack of complete plumbing facilities and/or complete kitchen facilities can be an issue with some older homes in the City. While a home without one or more of these features may be immaculately maintained, the home should still be considered in need of rehabilitation to provide these facilities. The good news is that few homes in Roswell lack complete plumbing and complete kitchen facilities (0.6% and 0.7% of homes respectively). This suggests that the older housing units have been upgraded or renovated with complete facilities. While these are positive indicators, there are other dwellings that need substantial upgrades or replacement due to structural instability (framing and/or foundation issues), faulty wiring, inadequate plumbing, presence of lead paint/pipes and/or asbestos, pest infestations (termites), and other potential threats to the life and safety of the occupants. In addition to inspections required for property sales, some of these issues may be detected during construction of additions or remodels. In any case, when these deficiencies are found, they should be mitigated to ensure the viability of the dwelling.

Table 18. Housing Condition Indicators, 2009-2013 Average

	CITY OF ROSWELL		CHAVES COUNTY		NEW MEXICO
	ROSWELL	ROSWELL %	CHAVES	CHAVES %	
Occupied housing units	17,818	100%	23,499	100%	761,938
Lacking complete plumbing facilities	101	0.6%	153	0.7%	1.2%
Lacking complete kitchen facilities	125	0.7%	197	0.8%	1.2%
No Telephone Service	558	3.1%	742	3.2%	4.3%
OCCUPANTS PER ROOM					
1.00 or less	17,204	96.6%	22,661	96.4%	96.5%
(Overcrowded) 1.01 to 1.50	531	3.0%	741	3.2%	2.5%
(Severely Overcrowded) 1.51 or more	83	0.5%	97	0.4%	1.0%

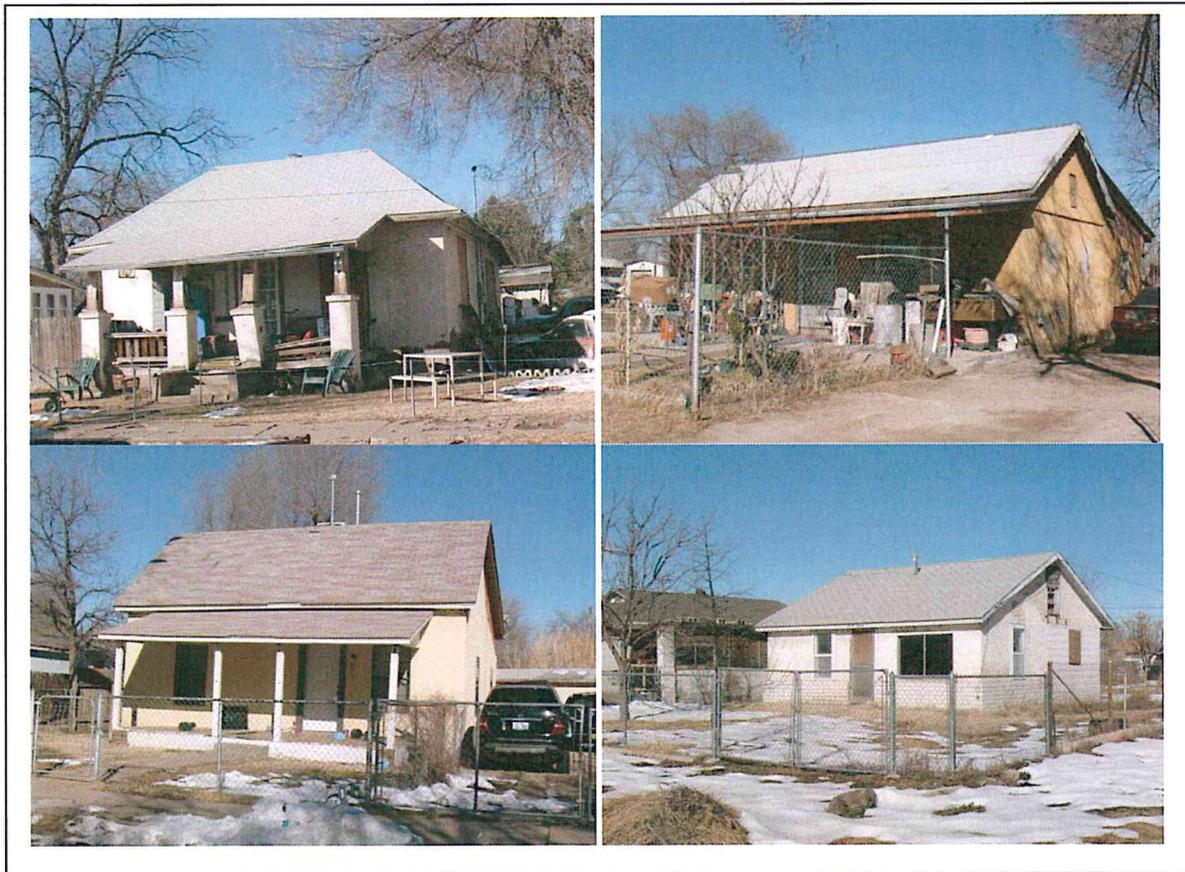
Source: 2009-2013 American Community Survey 5-Year Estimates

Many of the older homes were originally built to supply the City's large increase in population associated with the mission at Walker Air Force Base. However, given the ages of housing units, rehabilitation of many of the older homes is needed, especially in the older and poorer sections of the City. The building inspector estimates that all of the housing in the southeast quadrant is in need of rehabilitation (approximately 3,800 single family homes and 200 apartment units), 80% in the southwest quadrant (approximately 5,300 single family and 1,200 apartment units), and 40% in the northern quadrant south of 19th Street (approximately 1,600 single family homes and 300 apartment units). Farther north is newer, more expensive housing whose owners are more able to perform regular maintenance. Of particular concern is the historic Chihualita neighborhood, the oldest residential area in Roswell. Keeping roofs repaired is the most important need as that helps to prevent further damage to the home, according to the planning director.

Code Enforcement

The City has an active code enforcement program, regularly citing owners for dangerous, dilapidated structures that are abandoned or open to the public, which tend to draw criminal activity and compromise neighborhood safety. Owners are also cited for rubbish, weeds, and debris. While they give property owners every chance to repair or demolish dilapidated structures and clean up the property, at a certain point the city steps in to do the demolition or clean up, placing a lien on the property to recoup costs. The building inspector said the City demolished 140 structures over the past two years. Unfortunately few property owners tend to pay the costs to remove the lien and rebuild, leaving the City with a substantial inventory of vacant lots that have to be regularly maintained. The City does not have the authority to take title to these properties and resell them. The County Assessor have the authority to take over and sell at properties that have three years' of delinquent property taxes, but this process still fails to clear the title. Purchasers are unable to obtain title insurance or building permits, which limits how they can use the property.

In addition, the building inspector said there are "hundreds" of condemned structures that have not yet been torn down. Owners could repair and bring them up to code, but most typically can't afford this. According to housing experts, rehabilitation costs can be almost as much as building a new structure. Photos below show Roswell housing in need of substantial rehabilitation.



Another indicator of rehabilitation needs for single family homes—at least for property owners with the means to afford it—is the annual number of applications for remodeling permits. From 2011 through 2015, there was an annual average of 67 building permit applications for remodels, or approximately 0.4% of the single family housing stock being renovated each year.

The rehabilitation needs of apartment buildings are more difficult to gauge. Declines in quality tend to occur even earlier than 40 years for multi-family rental units. Buildings subsidized by HUD are required to maintain certain quality standards.

2.1.3. Housing Vacancies

Housing vacancies can be another indicator of condition. Substantial percentages of vacant units in Roswell (45.5% or 918 units) and Chaves County (53.3% or 1,679 units) are classified as “other vacant.” This means they were not for rent, rented or sold but unoccupied, held for migrant workers, or used for seasonal, recreational or other use. These are lower percentages of “other vacant” than exist in Eddy County, the neighboring county to the south, but higher than in New Mexico generally. These housing units are likely vacant because of poor condition.

Table 19. Vacant Properties in Roswell

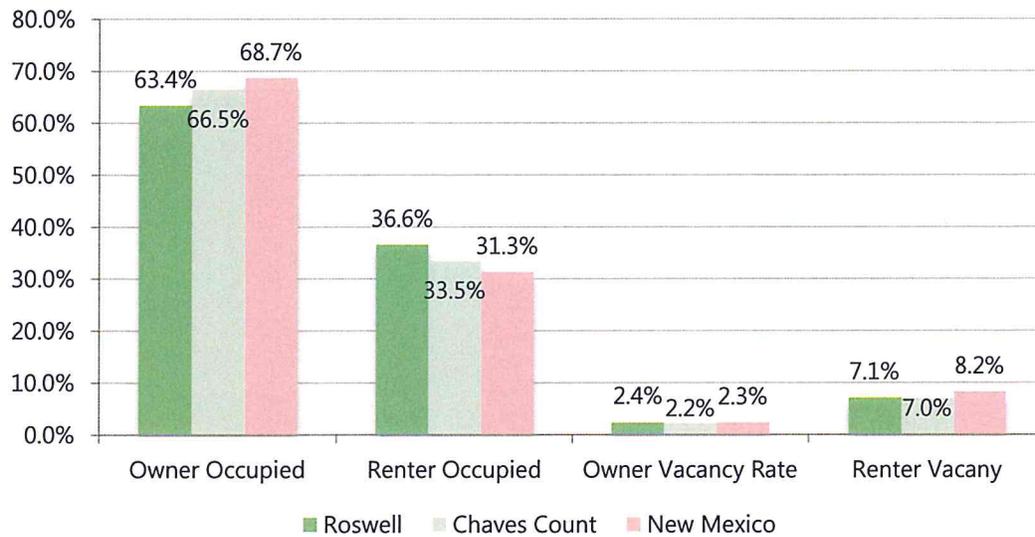
VACANCIES	CITY OF ROSWELL	ROSWELL %	CHAVES COUNTY	CHAVES %	NEW MEXICO	NM %
Total Vacancies	2,017	100.0%	3,149	100.0%	140,364	100.0%
For Rent	501	24.8%	597	19.0%	21,770	15.5%
Rented, not occupied	42	2.1%	60	1.9%	3,524	2.5%
For Sale only	277	13.7%	345	11.0%	12,267	8.7%
Sold, not occupied	38	1.9%	42	1.3%	4,635	3.3%
For seasonal/ recreational/ occasional use	241	11.9%	373	11.8%	50,744	36.2%
For migrant workers	0	0.0%	53	1.7%	979	0.7%
Other Vacant	918	45.5%	1,679	53.3%	46,445	33.1%

Source: 2009-2013 American Community Survey 5-Year Estimates

2.1.4. Housing Tenure

Owner-occupied homes account for 63.4% of the housing units within Roswell, which is a lower percentage of owner-occupied homes than the state average of 68.7%. The owner vacancy rate is almost identical to the state and Chaves County, while the rental vacancy rate is lower than the state and Chaves County. These data suggest that there may be a slightly higher number of renters in Chaves County than in the state as a whole, and as a result, a lower vacancy rates for rental units. Approximately 64% of households moved into their current residences since 2000.

Figure 10. Housing Tenure, 2009-2013



Source: 2009-2013 American Community Survey 5-Year Estimates

2.2. Household and Family Characteristics

Household and family characteristics reveal the various groups (families, single householders, single mother, families with children, etc.) who live in a place and what types of housing they might need. These characteristics are directly affected by the type, number, and affordability of housing. For example, if the average household size is growing, the types of housing that will be needed in that community may include homes with additional bedrooms, or multifamily units that can accommodate a larger number of families with children, seniors, or other users.

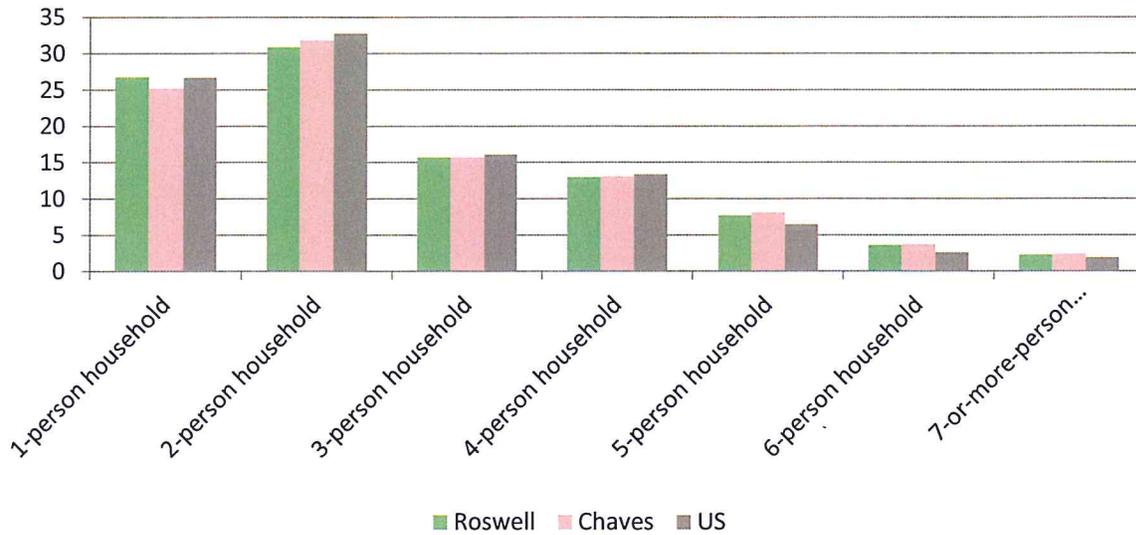
2.2.1. Households

Households in Roswell are slightly larger than households in the state and have grown larger since 2000. In 2010, the average household size was 2.66 people, in contrast to 2.55 people for the state. This indicates a different trend than that seen in the State and nationally, where households and families have been getting smaller. The increase is explained by many households in Roswell having five or more people, which is relatively larger than the state and nation. As the number of households with children has not increased, nor has the number of households with individuals over 65, this increase may indicate more households where adult children are staying at home longer, or an increase in households among unrelated individuals (e.g. more roommates).

Overall, 68.5% of households are family households; the rest include non-family households, which include those living alone (27% of all households). The number of non-family households increased by 4.4% between 2000 and 2010.



Figure 11. Household Size, 2010



Source: US Census, 2010

2.2.2. Families

With the increase in population since 2000, the number of families has increased along with the average family size. In 2010, the average family size was 3.21 people. As with household size, the increase in the average family size breaks with the statewide and national trend toward smaller families. Following national trends, there has been a decrease in family households with children under 18, and a decrease in married couple households. Female-headed households have increased by 14.4% and now make up 16.4% of all families.

Table 20. Select Household Characteristics, 2000 and 2010

	CITY OF ROSWELL				CHAVES COUNTY				NEW MEXICO
	2000	2010	% CHANGE 2000-10	% TOTAL (2010)	2000	2010	% CHANGE 2000-10	% TOTAL (2010)	% TOTAL (2010)
Total Population	45,293	48,366	6.8%	100%	61,382	65,645	6.9%	100%	100.00%
Population in Households	44,101	46,877	6.3%	96.90%	60,086	63,861	6.3%	97.30%	97.90%
Households	17,068	17,654	3.4%	100%	22,561	23,691	5.0%	100%	100.00%
Family Households	11,747	12,098	3.0%	68.50%	16,077	16,646	3.5%	70.30%	65.50%
With children under 18 years	5,886	5,672	-3.6%	32.10%	8,039	7,609	-5.3%	32.10%	34.50%
Married couple family	8,380	8,088	-3.5%	45.8%	11,895	11,592	-2.5%	48.90%	45.30%
With children under 18 years	3,711	3,358	-9.5%	19%	5,350	4,737	-11.5%	20%	19.80%
Female householder	2,535	2,901	14.4%	16.40%	3,080	3,522	14.4%	14.90%	14.00%
With children under 18 years	1,654	1,643	-0.7%	9.30%	2,001	1,973	-1.4%	8.30%	9.50%
Non-Family Households	5,321	5,556	4.4%	31.50%	6,484	7,045	8.7%	29.70%	34.50%
Householder living alone	4,623	4,733	2.4%	26.80%	5,589	5,976	6.9%	25.20%	28.00%
Householder 65 years and older	2,279	2,111	-7.4%	12%	2,622	2,597	-1.0%	10.90%	9.30%
Households with individuals under 18	6,568	6,629	0.9%	37.50%	8,979	8,924	-0.6%	37.70%	
Households with individuals 65 years + older	5,211	5,175	-0.7%	29.30%	6,483	6,827	5.3%	28.80%	33.60%
Average family size	3.13	3.21	2.6%	-	3.17	3.22	1.6%	-	3.13
Average household size	2.58	2.66	3.1%	-	2.66	2.7	1.5%	-	2.55
Population in Group Quarters	1,192	1,489	24.9%	3.10%	1,296	1,784	37.7%	2.70%	2.10%
Institutionalized	554	452	-18.4%	0.90%	658	737	12.0%	1.10%	1.10%
Non-institutionalized	638	1,037	62.5%	2.10%	638	1,047	64.1%	1.60%	0.90%

Source: US Census, 2000 and 2010



3. Housing Market Analysis

The housing market analysis examines the current market for rental and for-sale housing in Roswell.

3.1. Rental Market and Affordability

Research conducted in mid-November 2015 on Apartments.com and Craigslist found 66 unfurnished available units in Roswell. Two-bedroom apartments were the most prevalent (27) with one-bedroom and three-bedroom units the second most prevalent (18 units and 17 units, respectively). Seventeen of the listings specified no HUD subsidies; 14 of these specified no pets as well, and six were short-term rentals (minimum 3 months).

Rents ranged from \$400 for an efficiency apartment to \$1,950 for a three-bedroom house on five acres. The analysis did not distinguish between rents including or excluding utility costs. In most cases the average rents for the available units were higher than the HUD Fair Market Rents. The exceptions were efficiency apartments and 4-plus-bedroom units, which were in short supply. The average rents were very close to the median rent for each type of unit. Four furnished units/houses were also listed but excluded from the general analysis because their rental rates were higher than unfurnished units and would have skewed the results.

Table 21. Cost of Available Rental Units (Apartments and Houses) in Roswell, mid-November, 2015

	Studio/ Efficiency	NUMBER OF BEDROOMS					TOTAL Units
		1-BR	2-BR	3-BR	4-BR	5-BR	
Number of Available Units	2	18	27	17	1	1	66
Rent Range	\$400-\$425	\$440-\$705	\$500-\$1,150	\$650-\$1,950	\$750	\$835	\$400-\$1,950
Average Rent	\$413	\$511	\$767	\$981	\$750	\$835	
Final HUD FY 2015 Fair Market Rents by Unit Bedrooms							
Monthly Rent	\$425	\$466	\$631	\$891	\$1,101	\$1,266	

Sources: Apartments.com, Craigslist, HUD * Excludes four short-term furnished units/houses

The Bureau of Business and Economic Research (BBER) at the University of New Mexico has surveyed rental properties throughout New Mexico by county annually for the past seven years. In Chaves County the mid-May 2015 survey included a total of 628 units in 14 properties. The number of each type of unit and their average rents are included in Table 22 for comparison.

Table 22. Types of Units and Average Rent in Mid-May Apartment Survey 2015, Chaves County

	NUMBER OF BEDROOMS					TOTAL UNITS
	STUDIO/ EFFICIENCY	1-BR	2-BR	3-BR	4+-BR	
Number of Units	98	269	147	102	12	66
Vacancies	4	3	5	4	1	17
Weighted Vacancy Rate	4.1%	1.1%	3.4%	3.9%	8.3%	2.7%
Average Rent	\$411	\$452	\$559	\$619	\$608	\$502

Source: BBER 2015

The average rents in the BBER survey were lower for nearly all types of units than both the HUD Fair market rents and the rents for available apartments in mid-November. The exception was rents for studio/efficiency units. The average vacancy rate in the BBER survey was 2.7% with the weighted average rate being lowest for one-bedroom units (1.1%) and highest for four or more bedroom units (8.3%).

Compared with the 27 other counties in the mid-May 2015 survey, Chaves County had one of the lowest rental vacancy rates (2.7%). It was very close to the 2.5% vacancy rate in Eddy County, which was experiencing very high demand for rentals. Somewhat surprisingly, however, Chaves' overall average rent at the time was also one of the lowest (\$502), while Eddy's average rent topped the chart at \$845.

3.1.1. Rental Costs Compared with Incomes

HUD FY2015 adjusted HOME income limits were used to estimate the affordability gap in rental housing for persons of various income levels seeking rental housing in Roswell. HUD assumes that households can pay up to 30 percent of their incomes for housing costs without being cost-burdened. The amount beyond that is allowed to be subsidized through affordable housing programs.

Table 23. Household Income Limits by Percentage of Area Median Income (AMI)

HOUSEHOLD SIZE AMI	EXTREMELY LOW INCOME 30%	VERY LOW INCOME 50%	60%	LOW INCOME 80%	100%	120%
1 Person	\$10,500	\$17,500	\$21,000	\$28,000	\$35,000	\$42,000
2 Persons	\$12,000	\$20,000	\$24,000	\$32,000	\$40,000	\$48,000
3 Persons	\$13,500	\$22,500	\$27,000	\$36,000	\$45,000	\$54,000
4 Persons	\$15,000	\$25,000	\$30,000	\$39,950	\$50,000	\$60,000
5 Persons	\$16,200	\$27,000	\$32,400	\$43,150	\$54,000	\$64,800
6 Persons	\$17,400	\$29,000	\$34,800	\$46,350	\$58,000	\$69,600
7 Persons	\$18,600	\$31,000	\$37,200	\$49,550	\$62,000	\$74,400
8 Persons	\$19,800	\$33,000	\$39,600	\$52,750	\$66,000	\$79,200

Source: HUD, 2015



Table 24 shows the average rent for rental apartments and houses in Roswell in mid-November 2015. It varies by the number of bedrooms in the unit. The table then compares these average rents with what various size households (from 1 person to 6 persons) could afford to pay each month for rent, based on 30 percent of their household incomes. This is computed for incomes at 30%, 50%, 60%, and 80% of the Area Median Income (AMI), which is \$55,600 for a 4-person household, as established by the Department of Housing and Urban Development (HUD). The table indicates that households with incomes at 80 percent of the area median income can generally afford the average rents of the available rental units, indicated by an *affordability gap* of "none." These households would not need to have their housing costs subsidized.

Lack of affordability begins to show up for 3-person households earning 60 percent of the area median income or \$27,000 annually. Thirty percent of their monthly incomes would not be sufficient to pay for the average rental costs; the affordability gap of \$92 is shown in parentheses. Thus, households with incomes at 60 percent of AMI and below would be eligible for rental subsidies. Without subsidies, it would be difficult for these income groups to find decent and safe units for rent.

Table 24. Affordability of Rental Units in Roswell, November 2015

	STUDIO	ONE BEDROOM		TWO BEDROOMS		THREE BEDROOMS	
Average Rent (2015)*	\$413	\$511	\$511	\$767	\$767	\$981	\$981
Persons in HH	1-HH	1-HH	2-HH	3-HH	4-HH	5-HH	6-HH
80% AMI (low)	\$28,000	\$28,000	\$32,000	\$36,000	\$39,950	\$43,150	\$46,350
30% of monthly income	\$700	\$700	\$800	\$900	\$999	\$1,079	\$1,159
Affordability Gap	None	None	None	None	None	None	None
60% AMI	\$21,000	\$21,000	\$24,000	\$27,000	\$30,000	\$32,400	\$34,800
30% of monthly income	\$525	\$525	\$600	\$675	\$750	\$810	\$870
Affordability Gap	None	None	None	(\$92)	(\$17)	(\$171)	(\$111)
50% AMI (very low)	\$17,500	\$17,500	\$20,000	\$22,500	\$25,000	\$27,000	\$29,000
30% of monthly income	\$438	\$438	\$500	\$563	\$625	\$675	\$725
Affordability Gap	None	(\$74)	(\$11)	(\$205)	(\$142)	(\$306)	(\$256)
30% AMI	\$10,500	\$10,500	\$12,000	\$13,500	\$15,000	\$16,200	\$17,400
30% of monthly income	\$263	\$263	\$300	\$338	\$375	\$405	\$435
Affordability Gap	(\$151)	(\$249)	(\$211)	(\$430)	(\$392)	(\$576)	(\$546)

Source: MFA, HUD, Sites SW, November 2015

3.1.2. Affordable Housing Complexes

The federal government through the Department of Housing and Urban Development (HUD) subsidizes rental housing for households who are low income, physically or mentally disabled, or elderly through a variety of programs. The programs are designed to ensure that residents pay no more than 30 percent of

their incomes on housing costs. Subsidized apartments in Roswell were built as either public housing in the late 1960s, project-based Section 8 rental units, or financed under the more recent low income tax credit program. HUD also distributes Section 8 housing vouchers to individual households which may then seek other rentals—apartments or houses—in the community whose owners have contracted with HUD to accept the vouchers. Under this program, a housing subsidy is paid to the landlord directly by the local housing authority on behalf of the participating household. The household then pays the difference between the actual rent charged and the amount subsidized. Under certain circumstances, a family may use a voucher to purchase a modest home.

There currently are at least 810 subsidized multi-family housing units of various sizes in Roswell (Table 25). These are located in 11 housing complexes, in which the number of units ranges from 30 to 160, although the most common number is 60 or 90 units each. One complex has 14 units dedicated to low income individuals 18 and older with disabilities. Four of the complexes accept only seniors (minimum age varies) and individuals with disabilities, which explains why one-bedroom units are the most prevalent type of unit. The remainder only required low income households, typically 50 to 60 percent of AMI, and at least one complex accepts both Section 8 vouchers and households able to pay market rent. When contacted in mid-January, 2016, there were no vacancies except at one complex that has periodically been plagued by criminal activity. There were 56 households on waiting lists, at least 38 for the senior/disabled complexes, although some households might be on more than one list.

The Eastern Regional Housing Authority, based in Roswell, administers both a public housing and a Section 8 housing voucher program for 12 counties in New Mexico and Texas. It owns and manages two projects, one in Roswell, which contain 104 affordable rental units, and operates 20 additional rental units. As of June 30, 2015, the 16-month average number of units occupied was 120 out of 124 units, representing a vacancy rate of 3.2%. The 120 families contained a total of 276 persons, for an average household size of 2.3. Of 101 families that reported head of household data in the most recent report, 68.3% contained children, 66.3% were headed by a female, 33.7% were disabled, and 9.9% were elderly.

Average income for these tenants was \$13,938 annually. Some 38% of families have income from wages; 47% from Social Security, SSI or Pensions; 4% from welfare; and 22% from other sources. The average tenant's rent contribution for the public housing developments is \$344 a month. The average rent contribution was lower for elderly and disabled residents (\$311 and \$240 respectively) but higher for the non-disabled and non-elderly (\$481). Some 52.5% of residents had lived in public housing for more than two years.

Eastern Regional Housing Authority currently administers some 765 Section 8 vouchers in Chaves County, and 26 families are on the waiting list. Of those, 551 households signed rental leases while the remainder, 214 families, is still searching for suitable housing. The biggest need, according to Executive Director Chris Herbert, is for 2- and 3-bedroom units. With this number of families seeking housing, in addition to those on the waiting list, it appears Roswell could easily fill several additional affordable apartment complexes.



A number of private landlords advertising rental housing in Roswell specify “no HUD”. Local apartment managers attribute this to several factors. First, private landlords grew accustomed to charging high rental rates based on the stipends (\$1,800 to \$2,400 per month) granted to trainees at the Federal Law Enforcement Training Center (FLETC) in Artesia and on higher wages paid to oil and gas workers during the recent energy boom. As a result, they have been reluctant to reduce prices to the HUD fair market rents, which two years ago were also decreased. Second, complying with HUD regulations can be cumbersome. Third, a few low income households failed to take proper care of their units, costing private landlords for clean-up and repair.

Herbert estimates that about half the available units that might be open to lower income families cannot pass HUD inspections while landlords of the other half choose not to rent to people holding Section 8 vouchers. He said this situation has been improving—the refusal rate used to be about 70%—since FLETC constructed a dormitory on site for its trainees, the Federal government decreased its stipends, and low oil and gas prices reduced the demand for energy workers.

Region VI also has a Family Self-Sufficiency Program for participants in the Housing Choice Voucher Program (as well as its public housing program). This program assists families to improve their financial situation and reduce dependence on public assistance. Landlords may call the Authority and get on an approved housing list once a year; their contact information is then provided to persons with vouchers who are seeking a place to live.

3.1.3 Populations with Special Needs

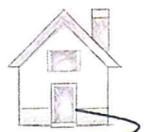
Several service providers in Roswell seek to address housing and other needs of people with special needs. Two local homeless shelters—one for women and children, the other for men—are operated by **Rivers of Life**, a Christian religious organization. Funded through donations, the shelters offer a 19-bed dormitory for homeless women and two separate rooms for women with infants, and a 22-plus bed shelter for men. Operated through donations, the shelters don’t limit how long anyone can stay but do offer services to help their clientele get on their feet financially. They serve breakfast and dinner, have a 10 pm curfew, and expect their clientele to attend one or two 30-45-minute Bible study sessions daily, depending on whether they have a job. Typical clientele include single mothers seeking to regain their children from CYFD, men with disabilities, and some war veterans. While many of the women have received HUD vouchers, they have a hard time finding a rental unit, according to staff. The program in April was housing five women, one with a baby, and approximately 14 men, of whom three were veterans.

Disabled and homeless individuals who prefer a more secular approach can seek housing services—although not an actual shelter—from **CHOICES Center for Independent Living**. This non-profit organization assists its clientele in living independently such as searching for housing, using various housing resources, assistive technology and paying bills. Staff is starting a new program to connect clientele with service dogs, especially veterans with PTSD. Staff sees a lot of homeless people and veterans, and more single people—widowed or divorced—of late. They would like to develop a shelter with 30 to 40 beds to house people temporarily and 10 to 20 units of supportive housing for those with mental disabilities. They see a need for more low-income housing.

Table 25. Affordable Rental Housing Complexes in Roswell*

Complex Name & Management	Subsidizing Organization/ Management	No. of Units	Vacancies/ Number on Waiting List	Eligibility	Permanent affordability?
Cielo De Oro (Subsidized) (JL Gray Mgmt.)	HUD 202 Rent-assisted	30 1- BRs	No vacancies/ 5 on waiting list	Low income seniors	Built 1983.
Roswell Summit Apts. (Subsidized/ Affordable)	HUD Section 8 rent-assisted (UAH Property Management)	52 1-BRs	No vacancies/ 14 on waiting list (half seniors, half disabled)	Low income seniors (62+) and persons with disabilities	Contract expires 2032
Sunset 1600 Apts (Subsidized) (Monarch Properties)	HUD Project-Based Section 8 subsidies	60 units/ 40 studios 20 1-BRs	Not available	Low income seniors	HUD Contract expires 2030
Wildewood Apts. (Subsidized/Affordable) (UAH Property Mgmt)	Subsidized/ Affordable	60 units/ 1-BRs	No vacancies/ 19 on waiting list	Low income seniors and persons with disabilities	Built early 1980s, HUD tax credits
Mesa Verde Apts. (Affordable)	Subsidized Affordable	142 units/ 1,2, & 3 BRs	12 vacancies	Low income households	
Saddlecreek Apts. (Affordable)	Subsidized/ Affordable	160 units/ Efficiencies 1-BR, 2-BRs	2 units just available/ no waiting list	Low income households	Built 1983, pool, small pets
Spicewood Canyon Villas (Affordable)	Subsidized (UAH Property Mgmt.)	60 units 1-BR (12) 2-BR (28) 3-BR (20)	No vacancies/ 7 on waiting list for 1 & 2 BR units	Low income households	Built 2005 (tax credits)
Villas of Briar Ridge (Affordable)	Affordable/ Market rate	90 units 2-BRs (22) 3-BRs(58) 5-BR-houses (10)	No vacancies/ 13 on waiting list for 2-BR units	Accepts market rate and HUD Section 8 Vouchers	Built 1997, Pool, small pets
Wilshire Gardens (Affordable)	Affordable	90 units 1 & 2 BRs	4 vacancies/ 4-5 waiting	Low income	Built 2008
Willow Terrace Apts.	HUD subsidized	14 units 1 & 2-BRs	No vacancies/ 6 on waiting list	Low income with disabilities 18+ years old	
Sandstone Manor (Eastern Regional HA)	HUD subsidized	52 units			

Sources: SSW, HUD.gov; USDA.gov; property managers. Data gathered mid-January 2016



Roswell Refuge for Battered Adults offers temporary shelter (up to 90 days) for up to 40 adults and their children who are victims of domestic abuse. The number of clientele can change on a daily basis. Staff sees a strong need for transitional housing in Roswell—live-in programs that can help individuals just released from jail, substance abuse rehabilitation or other situations get on their feet financially and change their lives for the better.

3.2. For-Sale Housing Costs

As Table 26 demonstrates, the number of houses sold in Chaves County jumped more than 50 percent between 2011 and 2012, even as the median price slid by 3.0 percent over the same period. This may have been due to pent-up demand coming into play toward the end of the Great Recession. Since then, the number of homes sold annually has hovered around 500, while the median price has increased to about \$130,000. The median price is less than that in either Eddy or Lea counties, perhaps because the Chaves County economy is less influenced by oil and gas production.

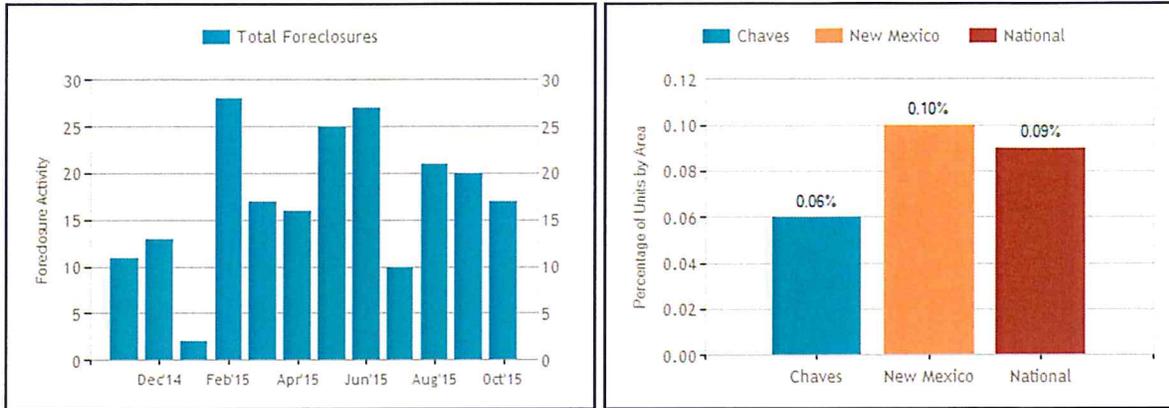
Table 26. Housing Units Sold in Chaves County 2011-2015

	2011	2012	2013	2014	2015—Q1-Q3
No. of Units Sold in Chaves County	299	451	457	501	404
% Change From Previous Year		50.8%	1.3%	9.6%	7.7%
Median Price	\$116,000	\$112,500	\$120,000	\$133,000	\$130,000
% Change From Previous Year		(3.0%)	6.7%	10.8%	(0.8%)
No. of Units Sold in Eddy County	462	543	548	621	495
Median Price	\$138,000	\$140,000	\$145,000	\$160,000	\$165,000
No. of Units Sold in Lea County	303	359	331	398	358
Median Price	\$134,000	\$146,500	\$151,000	\$159,000	\$166,000

Source: Realtors Association of New Mexico

3.3. Foreclosures

The foreclosure rate in Roswell from November 2014 through October 2015 was 1 in 1,467 housing units or 0.07 percent (RealtyTrac2015). It was slightly lower in all of Chaves County (1 in 1,497). Both of these rates, however, were lower than in New Mexico (0.10%) and the U.S. (0.09%) generally.



Source: RealtyTrac 2015

The rates were higher, however, than in Eddy County, the adjacent county to the south which has been experiencing strong housing demand due to the oil and gas boom. There only one in every 7,300 housing units, or 0.01 percent, was in foreclosure for the first half of 2015.

3.4. Housing Availability and Prices

As a rule of thumb, the real estate industry considers a six months' supply of homes for sale each month to be a healthy balance between buyers and sellers, so that neither is dominating the market. As close to 500 houses have sold in Chaves County over the past few years, the balanced six months' supply could be considered to be approximately 250 homes for sale.

An analysis of MLS listings in November 2015 combined with units added from real estate websites turned up 258 homes for sale (including eight condominiums/townhouses). Houses with sales pending were not included. Prices ranged from \$12,000 for a one-bedroom single family house of 648 square feet to \$960,000 for a 4-bedroom, 3-bath home on 10 acres. These two prices were outliers, however; the more typical range was \$30,000 for a 1,200 SF house to about \$700,000 for houses at 5,000 SF or larger on substantial acreage. **The median price for this dataset of homes was \$138,250, while the average price was \$179,270**, indicating that higher priced homes were pulling up the average. Prices for several have been adjusted downward since August 2015.



Prices were also analyzed by the number of bedroom as shown in Table 27 below.

Table 27. Roswell Houses for Sale, November 2015

	ONE BEDROOM	TWO BEDROOMS	THREE BEDROOMS	FOUR BEDROOMS	FIVE BEDROOMS
Number for Sale	2	35	144	65	12
Average Price	\$32,250	\$98,254	\$150,640	\$267,644	\$304,950
Median Price	\$32,250	\$97,900	\$123,500	\$244,000	\$274,000
Price Range	\$12,000- \$52,500	\$25,000-- \$197,500	\$25,600- \$699,009	\$29,900-\$960,000	\$74,900-\$575,000

Source: MLS, realtor.com, zillow.com

The number of days on the market was also analyzed for 220 homes listed at one point in time in November 2015. These homes had been listed on the market for an average of 130 days, while the median amount of time on the market was 96 days.

3.5. Housing Affordability

To begin to assess the affordability of the houses on the market, the maximum house price affordable for various household sizes based on their yearly incomes was calculated. Mortgage calculations were based on 28 percent of the Area Median Incomes for each household size (see Table 28), and assumed a 30-year mortgage at 5% interest and no down payment. For example, a three-person household at 80 percent of AMI could afford a mortgage of \$125,181.

Table 28. Maximum Affordable House Price by Income Level and Household Size (28%)

HOUSEHOLD SIZE AMI	EXTREMELY LOW INCOME 30%	VERY LOW INCOME 50%	60%	LOW INCOME 80%	100%	120%
1 Person	\$35,294	\$60,852	\$73,022	\$97,363	\$121,704	\$146,045
2 Persons	\$41,727	\$69,545	\$83,454	\$111,272	\$139,090	\$166,908
3 Persons	\$46,943	\$78,238	\$93,886	\$125,181	\$156,477	\$187,772
4 Persons	\$52,159	\$86,931	\$104,318	\$138,916	\$173,863	\$207,635
5 Persons	\$56,332	\$93,886	\$112,663	\$150,044	\$187,772	\$225,326
6 Persons	\$60,504	\$100,840	\$121,009	\$161,171	\$201,681	\$242,017
7 Persons	\$64,677	\$107,795	\$129,354	\$172,298	\$215,590	\$258,708
8 Persons	\$68,850	\$114,749	\$137,699	\$183,425	\$229,499	\$273,399

Source: HUD, SSW, Nusenda. Assumes 30-year mortgage at 5% interest, no down payment

Price by Unit Size Table 29 shows the median prices of homes for sale in Roswell from mid-November to mid-December 2015. It is calculated based on the number of bedrooms in the house. The table then compares these prices with what households of various sizes (from 1 person to 8 persons) could afford to pay for a mortgage, based on their household incomes. This is computed for incomes at 30%, 50%, 60%,

80%, 100% and 120% of the Area Median Income, which is \$55,600 for a 4-person household. A negative *Affordability Gap* (shown in parentheses) shows the difference between what a household could afford to pay compared to the house price. This is the amount that would need to be subsidized to make the housing affordable. A gap of "None" indicates that this household income could afford the median house price (or at half of the one, two and three-bedroom homes on the market).

The table shows that households of two to five persons with incomes of at least 80% of the Area Median could generally afford the median prices of one, two and three-bedroom homes. Households with incomes of 60% and below generally could not afford to purchase safe and sanitary housing without a subsidy. MFA does not recommend home ownership for households with incomes less than 60% of AMI. A cautionary note: because the median price of one-bedroom units is based on only two listings, the general affordability of this size home is subject to additional research. In addition, because of the jump in the median price from 3-bedroom houses to 4- and 5-bedroom houses, larger households would need incomes of at least 120% of AMI to afford many of these homes without a subsidy.



Table 29. Affordability of Housing for Sale by Number of Bedrooms, mid-November/December 2015

	1-BR	2-BRs	3- BRs	4-BRs	5+ BRs			
Median Price (2015)*	\$32,250	\$97,900	\$97,900	\$123,500	\$123,500	\$244,000	\$244,000	\$274,000
Persons in HH	1- person HH	2-person HH	3-person HH	3-person HH	5-person HH	6-person HH	7-person HH	8-person HH
120% AMI Max. Price	146,045	166,908	187,772	187,772	225,326	242,017	258,708	273,399
Affordability Gap	113,795	69,008	89,872	64,272	101,826	(1,983)	14,708	(601)
100% AMI Max Price	121,704	139,090	156,477	156,477	187,772	201,681	215,590	229,499
Affordability Gap	89,454	41,190	58,577	32,977	64,272	(42,319)	(28,410)	(44,501)
80% AMI Max. Price	97,363	111,272	125,181	125,181	150,004	161,171	172,298	183,425
Affordability Gap	65,113	13,372	27,281	1,681	26,504	(82,829)	(71,702)	(90,575)
60% AMI Max Price	73,022	83,454	93,886	93,886	112,663	121,009	129,354	137,699
Affordability Gap	40,772	(14,446)	(4,014)	(29,614)	(10,837)	(122,991)	(114,646)	(136,301)
50% AMI Max. Price	60,852	69,545	78,238	78,238	93,886	100,840	107,795	114,749
Affordability Gap	28,602	(28,355)	(19,662)	(45,262)	(29,614)	(143,160)	(136,205)	(159,251)
30% AMI Max. Price	35,294	41,727	46,943	46,943	56,332	60,504	64,677	68,850
Affordability Gap	3,044	(56,173)	(50,957)	(76,557)	(67,168)	(183,496)	(179,323)	(205,150)

Source: MFA, Sites Southwest

3.5.1. Home Purchase Loans

Home Mortgage Disclosure Act (HMDA) information was collected for all of Chaves County for the years 2010 through 2014. Over this time period, a total of 9,635 loan applications were reported for the county. Of these, the largest number of loans were for refinancing (5,221), while the smallest number were for home improvements (875).

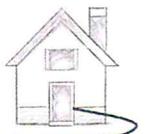
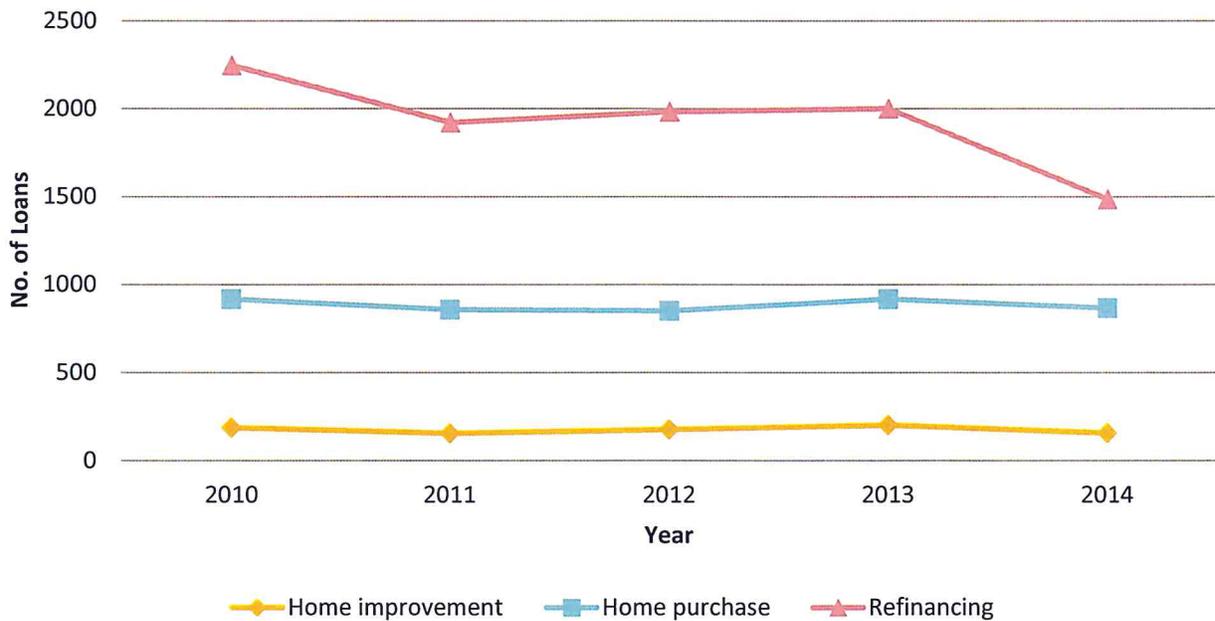
Table 30. Home Loans by Purpose and Year, Chaves County, 2010-2014

LOAN PURPOSE	2010	2011	2012	2013	2014	TOTAL
Home improvement	187	154	176	202	156	875
Home purchase	732	704	676	716	711	3,539
Refinancing	1,327	1,063	1,131	1,083	617	5,221
Grand Total	2,246	1,921	1,983	2,001	1,484	9,635

Source: HMDA 2014

The primary concern related to fair housing is home purchase loans. There were 3,539 loan applications for the purchase of a home reported from 2010 to 2014. The number of these loan applications remained fairly consistent over the five-year period. The number of loan applications for refinancing varied the most and dropped off significantly in 2014.

Figure 12. Types of Home Loans by Year, Chaves County, 2010-2014



From 2010 to 2014, a total of 4,203 loan applications in Chaves County were approved, 43.6% of the all loan applications, while 2,159 applications or 22.4% were denied. This is a higher approval rate and lower denial rate than experienced in Eddy County, its neighbor county to the south, from 2009 to 2013. Another 6.9% of home loans in Chaves County were approved but not accepted by the lender for other reasons.

Table 31. Actions Taken on Home Mortgage Loan Applications

ACTION ON LOAN APPLICATIONS	NUMBER OF APPLICATIONS	PERCENTAGE OF APPLICATIONS
Approved/not accepted	663	6.9%
Denied by Financial Institution	2,159	22.4%
Withdrawn by Applicant	902	9.4%
Closed for Incompleteness	281	2.9%
Loan Originated	4,203	43.6%
Purchased by Institution	1,427	14.8%
Total	9,635	100.0%

Source: HMDA 2014

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

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

Reasons for denial were only listed for 1,656 or 17.2% of home loan applications in Chaves County from 2010 to 2014. An applicant's credit history was the most-often reason for denial, cited in 38.2 % of rejected applications. The next most frequent reasons were an applicant's debt-to-income ratio (19.5%) and lack of collateral (16.6%). The remaining 26% of applications were denied due to incomplete credit applications, insufficient cash for a down payment or closing costs, unverifiable information, employment history or denial of mortgage insurance.

Table 32. Reasons for Home Loan Denials, Chaves County, 2010-2014, Eddy County 2009-2013

PRIMARY REASON FOR DENIAL	CHAVES TOTAL	CHAVES PERCENT	EDDY TOTAL	EDDY PERCENT
Credit history	632	38.2%	613	40.7%
Debt-to-income ratio	323	19.5%	298	19.8%
Collateral	275	16.6%	244	16.2%
Other	170	10.3%	148	9.8%
Credit application incomplete	124	7.5%	85	5.6%
Insufficient cash (down payment, closing costs)	54	3.3%	39	2.6%
Unverifiable information	41	2.5%	43	2.9%
Employment history	34	2.1%	37	2.5%
Mortgage Insurance Denied	3	0.2%	--	--
Total	1,656	100.0%	1,507	100%

Source: HMDA 2010-2014

3.6. Development Market

Over the past five years, an average of 55 single-family homes annually were constructed or placed in the City of Roswell. The large majority (84%) were single family houses while 16% were mobile home placements. There have been no new housing subdivisions approved within the past few years and existing subdivisions are still building out. There is a new 144-unit rental complex breaking ground near Country Club and Sycamore, according to the building inspector.

Table 33. City of Roswell Residential Building Permits, 2011-2015

YEAR	MANUFACTURED & MOBILE HOMES	SINGLE-FAMILY HOUSES	TOTAL SINGLE FAMILY	REMODELS
2011	6	32	38	58
2012	11	46	57	76
2013	9	63	72	72
2014	9	45	54	67
2015*	10	N/A	10	61
Average	9	46.5	55.25	66.8
% of Total	16.3%	84.2%	100.0%	N/A

Source: City of Roswell, BBER, SSW

*Through November 2015



3.7. Cost and Availability of Land

A survey of available land for sale conducted in December 2015, showed approximately 90 sites for sale within the City of Roswell and on its immediate outskirts. A majority (64) of these sites are less than one acre in size. Many are part of existing subdivisions and include roadway and utility connections and are zoned for lower density homes. There are also several large parcels listed for sale varying in size between 3 to 70 acres.

Overall, the average price for an acre of residential land was about \$96,461 and the median price was \$75,529 in December 2015. The average price for parcels with an existing utility connection was higher, at \$131,710 per acre. In addition, the price per acre increases noticeably the closer that land is to the center of Roswell and the main corridors of 2nd Street and Main Street. The highest priced land was located along NM 285, and in the northeastern quadrant of the city.

Table 34. Cost and Availability of Land, December 2015

Location	No. of Lots for Sale	Parcel Sizes (acres)	Price Range Per Parcel	Price per Acre- (Range)	Median Price per acre
All Sites	91	0.10 – 70.0	\$2,000 – \$1,650,000	\$4,000 – \$551,760	\$75,529
Sites with Infrastructure	51	0.10 – 19.0	\$2,000 – \$1,650,000	\$4,400 – \$551,760	\$119,863

Source: Realtor.com

3.8. Community and Housing Profile Summary

Community Profile

- Roswell's population has grown steadily since 1970, from **33,908 residents** after the closure of Walker Air Force Base in the 1960s, to **48,366 residents or 17,654 households in the 2010 Census**. The overall population of Chaves County is expected to continue its steady increase at an average growth rate of between 0.3% and 0.5% per years to **reach 83,263 residents by 2040**.
- The **median age in Roswell declined** from 35.2 years in 2000 to 33.5 years in 2010, indicating an increasingly younger population.
- The **median household income in Roswell grew** by approximately 37% between 2000 and 2010. This gain in wages outpaced the gain by New Mexico as a whole. Incomes of an estimated 17.1 percent of families, however, remained below the poverty level.
- The **agriculture and mining, oil and gas sectors** remain important base industries in Roswell. Emerging industries include administrative, wholesale trade and information. Declining industries include manufacturing, professional services and Federal jobs. Average monthly wages in Chaves County hover around 80 percent of the average pay statewide.

- Approximately **57.4 percent of all Roswell workers also live within the City limits**. The rest live in surrounding communities, including as far as Albuquerque.

Housing Market

- Much of the housing stock in Roswell is aging. Approximately **38 percent of the housing was built before 1960**, 48 percent between 1960 and 1990, and only 14% since 1990. Owner-occupied homes account for 63.4% of the housing units.
- Over the past five years, the City of Roswell added an average of **47 single family houses and nine manufactured houses/mobile homes a year** to its housing inventory. Over the same time period there were an average of 67 building permits a year issued for remodeling.
- Since 2011, the number of homes sold annually in Chaves County has hovered between 450 and 500 while the median price has increased to about **\$130,000**.
- The rate of **housing foreclosures** in Roswell over the past year (0.07%) was lower than in New Mexico (0.10%) and the U.S. generally (0.09%).
- There were **66 unfurnished available rental units** listed in the Roswell area in mid-November 2015. Average rent ranged from \$511 for a one-bedroom unit to \$750 for a four-bedroom. At these average rents, households with incomes at **60 percent or less of the Area Median Income** (\$27,000 for a family of three) would have to pay more than 30 percent of their incomes for housing, a percentage considered to be a cost burden and eligible to be subsidized.
- A survey of the **for-sale housing market** in Roswell in November 2015 found **258 homes for sale**, which appears to be a fairly balanced market. **Average prices** ranged from \$32,250 for a one-bedroom house to \$150,640 for a three-bedroom house and to \$267,644 for a four-bedroom house, although **median prices** were slightly lower for the two-, three- and four-bedroom homes. The median price of all homes sold in Chaves County since 2013 was between \$130,000 and \$133,000.
- Based on the average price of houses for sale, households with incomes at **80% of AMI and above** could afford one-, two-, and three-bedroom existing homes, but not those with four bedrooms or more, without being cost-burdened. These larger homes would be generally affordable to those with 120% of AMI. Therefore, households **earning up to 80 percent of Area Median Income** (\$39,950 for a family of 4) **would be eligible for housing subsidies**.
- Home Mortgage Disclosure Act Data: Of **9,635 home loan applications** in Chaves County (for purchase, refinancing or home improvement) filed from 2010 to 2014, **43.6% were approved** and originated while **22.4% were denied**. The most frequent reason cited for denial was an



applicant's credit history. The next most frequent reasons were an applicant's debt-to-income ratio and lack of collateral.

3.0 HOUSING NEEDS ASSESSMENT

Based on quantitative data, stakeholder interviews and public input, the City of Roswell has a variety of housing needs, including both affordable homeownership and rental opportunities. The existing and projected needs for housing by type are detailed in this section.

1. Existing Needs

To estimate existing and projected needs for affordable housing in the City of Roswell, estimates of the current number of households in distressed conditions were analyzed. Households are considered to live in distressed conditions when they:

- Pay more than 30 percent of their incomes for housing (cost-burdened)
- Lack plumbing or kitchen facilities (substandard)
- Are overcrowded (housing more than 1 person per room)

These data can reveal the number of additional housing units that need to be constructed, rehabilitated or rendered affordable for households currently in distress. Future needs were projected taking into account assumed population growth.

1.1. Cost-Burdened and Distressed Households

According to the most recent available data from the American Community Survey, **26.8 percent or 4,775** households in Roswell are paying more than 30 percent of their household incomes on housing.



The cost burden is more prevalent for renters (45.8% or nearly 3,000 households) than for homeowners (15.9% or 1,770 households). A higher percentage of Roswell renters shoulder a cost burden than in Chaves County generally (41.6%) or the state (44.9%). Conversely, a lower percentage of homeowners in Roswell are cost-burdened (15.9%) than in the county (16.1%) and state (24.5%).

Table 35. Owner and Renter Households with a Housing Cost Burden, 2009-2013 Average

	City of Roswell		Chaves County		New Mexico
	Total HHs with a Cost Burden*	% of Occupied Housing	Total HHs with a Cost Burden	% of Occupied Housing	% of Occupied Housing
Total	4,775	26.8%	5,781	24.6%	31.0%
Owner Households	1,796	15.9%	2,515	16.1%	24.5%
Renter Households	2,987	45.8%	3,278	41.6%	44.9%

Source: American Community Survey, 2009-2013 5-Year Estimates *Cost-burdened households pay 30% or more of income on housing.

As might be expected, higher percentages of homeowners in the lower age brackets (ages 15 to 34) are overburdened by their housing costs in Roswell. Presumably as they age, their earnings increase and housing costs become less of a burden. This was not the trend among renters, however. Similar percentages of all age groups (from 41% to 53%), except perhaps those ages 25 to 34 years (35%), were paying more than 30 percent for housing costs. Some **17.9 % of senior homeowners** (an estimated 656 households) are experiencing a cost burden, while the same is true for **41% of seniors who rent** (381 households).

Table 36. Housing Cost Burdens by Age

	CITY OF ROSWELL				CHAVES COUNTY			
	OWNER-OCCUPIED		RENTER-OCCUPIED		OWNER-OCCUPIED		RENTER-OCCUPIED	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Households	11,296	-	6,522	-	15,620	-	7,879	-
Households Paying 30% + of income for housing	1,800	15.9%	2,984	45.8%	2,508	16.1%	3,284	41.7%
By Age of Householder								
15 to 24 Years	54	37.8%	388	48.3%	54	27.8%	434	46.8%
25 to 34 Years	284	22.3%	601	34.8%	323	21.3%	686	33.2%
35 to 64 Years	806	13.0%	1,614	52.7%	1,335	14.7%	1,753	46.0%
65 Years and Older	656	17.9%	381	41.1%	796	16.5%	411	38.4%

Source: American Community Survey, 2009-2013 5-Year Estimates

Not surprisingly, renters and owners in the lower income ranges experience a housing cost burden at much higher rates than those in higher income brackets. For example, 41.3 percent of renters and 12.6 percent of homeowners **with incomes less than \$35,000 a year are burdened by housing costs**. Similar

percentages are found in Chaves County generally (38% of renters, 12.4% of homeowners) and in New Mexico as a whole (40% of renters, 15.3% of homeowners).

The **cost burden is most severe among those households with incomes less than \$20,000 annually**. In this income bracket nearly 30 percent of Roswell renter households, 27 percent of Chaves County renter households and 27 percent of renter households in the state pay 30 percent or more of their incomes for housing (Table 37).

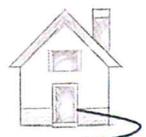
Table 37. Households with a Cost Burden* by Income Level

	CITY OF ROSWELL			CHAVES COUNTY			NEW MEXICO		
	Occupied housing units	Owner-Occupied housing units	Renter-Occupied housing units	Occupied housing units	Owner-Occupied housing units	Renter-Occupied housing units	Occupied housing units	Owner-Occupied housing units	Renter-Occupied housing units
Occupied housing units	17,818	11,296	6,522	23,499	15,620	7,879	761,938	523,344	238,594
Percent of cost-burdened households that earn less than \$20,000	15.4%	7.1%	29.7%	13.9%	7.3%	27.0%	14.6%	8.9%	27.0%
Percent of cost-burdened households that earn \$20,000 to \$34,999	7.7%	5.5%	11.6%	7.1%	5.1%	11.0%	8.5%	6.4%	13.0%
Percent of cost-burdened households that earn \$35,000 to \$49,999	2.6%	2.0%	3.6%	2.4%	2.2%	3.0%	4.1%	4.3%	3.6%
Percent of cost-burdened households that earn \$50,000 to \$74,999	0.8%	0.8%	0.7%	0.8%	1.0%	0.5%	2.5%	3.2%	1.1%
Percent of cost-burdened households that earn \$75,000 or more	0.3%	0.5%	0.2%	0.4%	0.5%	0.1%	1.3%	1.7%	0.2%

Source: American Community Survey, 2009-2013 5-Year Estimates *Cost-burdened households pay 30% or more of income on housing.

1.1.1. *Overcrowded and Substandard Housing*

Some 3.0% or **530 households** are estimated to live in **overcrowded conditions**, while another 0.5 % or approximately **83 households** live in **severely overcrowded** conditions. The total number of houses rated substandard in the Census (lacking a complete kitchen or plumbing) is estimated at 226.



2. Summary of Distressed Households

2.1. Households with a Cost Burden

Based on Census estimates reported in the previous section, an estimated **3,000 renter households** and **1,800 homeowners** pay more than 30 percent of their incomes for housing. Renter households most likely to bear this cost burden have incomes of less than \$20,000 a year if renting (less than 50% AMI) although 11.6% with incomes between \$20,000 and \$35,000 (less than 80% AMI) are also cost-burdened. Some 12.6 percent of **homeowners who are cost-burdened** also have household incomes of less than \$35,000 a year. In January 2016, there were at least **56 households** (38 senior or individuals with disabilities) on waiting lists for affordable housing units, and **214 families** possessing Section 8 vouchers were still looking for suitable units to rent.

2.2. Overcrowded Households & Substandard Housing

Some **600 households** are estimated to live in overcrowded or severely overcrowded conditions, while **226** lack a complete kitchen or plumbing facilities.

2.3. Senior Rehabilitation and Rentals

The need for housing the elderly in Roswell was estimated by examining the number of renter and owner householders ages 65 and older with a housing cost burden. An estimated **660 elderly homeowners** pay more than 30 percent of their incomes for housing, and an estimated **380 elderly renters** pay more than 30 percent of their incomes for housing. These numbers represent 17.9% of elderly homeowners and 41% of elderly renters. Of 56 households on waiting lists for affordable housing in January 2016, **38** were seniors or individuals with disabilities.

2.4. Homeless Individuals and Families

The New Mexico Coalition to End Homelessness counted **53 homeless individuals** in Chaves County during its latest nightly point-in-time inventory in 2013. This is a higher number of individuals than were counted in previous point-in-time counts in 2005 and 2007.

3. Subsidized and Affordable Housing Needs

3.1. Existing Housing Needs

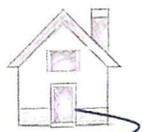
The various analyses in this study demonstrated that Roswell households at **60% AMI and below** are least able of the income groups to find safe and sanitary housing in the City without being overburdened financially. Estimated at about 2,240 households, this group has the greatest need for subsidized and affordable housing. Subtracting the approximately 200 that hold Section 8 vouchers that would subsidize their rent and the approximately **380 cost-burdened senior households** in rental housing, leaves **1,660 households in need of subsidized housing**.

There is also a need for subsidized rentals or homes for **the 500 cost-burdened households** earning between 60% and 80% percent of AMI—often called workforce housing—and the **approximately 150 households** with incomes between 80% and 100% AMI (moderate incomes).

Table 38. Current and Future Housing Needs

TYPE OF HOUSING	TARGET MARKET	CURRENT TOTAL NEED	ESTIMATED FUTURE NEED 2026*
Subsidized Rental Housing	Households earning up to 60% of the Area Median Income, excluding senior-headed households (which are included below).	1,660 subsidized units or vouchers	60 additional
Affordable Home Ownership	Households earning between 60% and 100% of the Area Median Income	650 subsidized or rehabilitated homes or rental units	25 additional
Subsidized Senior Housing	Senior-headed households with a cost burden. Subsidized units are needed for renters; housing rehabilitation funds could assist homeowners.	380 rental units 660 Homeowner rehab assistance	15 additional 25 additional
Housing Rehabilitation (focus on homeowners)	Housing rehabilitation is needed to bring homes up to code. Units that cannot be rehabilitated for a reasonable cost should be replaced. Highest priority are those without plumbing or kitchens.	Approximately 10,700 single family homes (includes townhomes, duplexes)	380 additional
Transitional and Emergency Housing	To provide transitional housing (3 months up to a year) in addition to services such as job training, education, life skills, counseling, etc. to people leaving domestic violence situations and those recovering from substance abuse.; additional emergency shelter beds and supportive housing units for homeless and near-homeless persons with behavioral health disorders.	10 units of permanent supportive housing/ 30 units or spaces in transitional housing/ 30 emergency service beds	15 additional units each of supportive housing, transitional housing and emergency service beds

Source: Sites Southwest, US Census,



3.2. MEETING EXISTING NEED

The existing housing needs of those households earning **60% or less of AMI** can be met by additional subsidized rental housing, which also includes project-based Section 8 subsidies given to participating landlords or Housing Choice Vouchers for tenants. A caveat is that a number of local landlords have declined to participate in this program due to red tape, low Fair Market Rents, and other issues, although this situation is anticipated to improve. Additional affordable housing developments may also meet this need with a mix of affordable units being provided by developers using low-income housing tax credits or other financing tools. Subsidized home ownership or rehabilitation funds could help meet the needs of those households with incomes from **60% to 100% AMI**. The focus should be on two- and three-bedroom units as many of those seeking housing are low-income families.

Table 39. Types of New Housing to Address Affordable Housing Needs

INCOME LEVEL	NUMBER OF DISTRESSED HOUSEHOLDS	RECOMMENDED HOUSING TO BE MET BY:			
		SUBSIDIZED RENTAL HOUSING	AFFORDABLE RENTAL HOUSING	MARKET RATE RENTAL HOUSING	SUBSIDIZED HOME OWNERSHIP OPPORTUNITIES
Less than 60% AMI	1,660	100%			
60% to 80% AMI	500	50%	25%		25%
80% to 100% AMI	150	25%	25%		50%
Cost-burdened seniors	380	75%	25%		
100% to 120% AMI	70			80%	20%

“Subsidized” rental housing receives direct financial subsidies from HUD through rent payments. Tenants pay 30% of their adjusted household income and HUD makes up the remaining portion up to a set maximum through monthly “housing assistance payments.” “Affordable” housing properties, to differentiate, are able and required to keep rents below the existing market rate by participating in other housing programs, such as the low income tax credits or by building on donated land.

3.2.1. Home Ownership

Perhaps a quarter of housing units (125 units) needed by those with incomes of 60% to 80% of AMI could be met by existing two- and three-bedroom houses (especially if rehabilitated) or new, very small townhouses or condominiums (560 SF). A donated land subsidy would allow larger units.

Half of units (75) needed by households with incomes at 80% to 100% AMI could be met by existing two- and three-bedroom houses (especially if rehabilitated), new small modular homes (1,200 SF), duplexes (840 SF), larger townhouses, or new manufactured homes.

New single-family, detached site-built houses would only be affordable for those households at 100% AMI and up, assuming a small size (1,200 SF) at the lower end of the income range and a subsidy of donated land and fee waivers. They would be affordable to households at 120% AMI without subsidies.

3.2.2. *Housing for Seniors and Persons with Disabilities*

Approximately 380 senior households are cost-burdened by the rents they pay, indicating a need for additional affordable apartment units. **More than 30 were on a waiting list** for one of the studio/one-bedroom subsidized or affordable rental housing complexes in mid-January 2016. While the number 65 years of age and older dropped 3% from 2000-2010, this age group still makes up 14.5% of the population. The population 85 years and older grew by 10.6% over same time period. A property manager at one of the tax-credit affordable complexes with 60 units ranging from one to three bedrooms said she could easily fill another similar complex with tenants.

Affordable units developed specifically for seniors typically include disabled persons as well, due to requirements of funding sources. In January 2016 there were at **least 13 persons with disabilities** on waiting lists for affordable one or two-bedroom rental complexes in Roswell.

Housing cost burdens faced by an estimated **660 elderly homeowners** in Roswell could be partially addressed by offering loans or grants for home rehabilitation, allowing accessory dwelling units for additional income, or providing additional one and two-bedroom apartments or townhomes as alternatives.

3.2.3. *Transitional, Supportive and Emergency Housing Assistance*

Local Roswell nonprofit organizations currently provide a total of 43 emergency homeless shelter beds (River of Life) and 40 additional emergency beds (limit of 90 days) for victims of domestic abuse (Refuge). In mid-April 2016 there were some 20 individuals (the majority men) staying at the homeless shelter, while the number of occupants at the domestic abuse shelter fluctuated daily. According to staff, there is a need for both transitional housing (group homes or units for those transitioning from substance abuse rehabilitation, domestic abuse, prison, and other issues) and **10 to 20 units of supportive housing** (units with wrap-around services) for those with behavioral health disorders. Emergency shelter beds in a secular facility would also be welcomed.

3.2.4. *Rehabilitation and Repair Needs*

Code enforcement officials from the City of Roswell estimate all of the housing in the southeast quadrant (3,800 single family houses, 200 apartment units), 80% in the southwest quadrant (5,300 single family houses, 1,200 apartment units) and 40% in the northern area south of 19th Street (1,600 single family houses, 300 apartment units) is in need of rehabilitation. Of particular concern is the historic Chihuahuallita neighborhood, the oldest residential area in Roswell. Roof repair and replacement is the highest priority. An estimated 226 homes in the City are considered substandard according to Census data because they lack complete kitchen or bathroom facilities. Private rehabilitation has been slow. From 2011 through



2015, there was only an average of 67 building permit applications each year for remodels, or approximately 0.4% of the single family housing stock being renovated each year.

3.3. Projected Future Housing Needs

Future housing needs will depend on the growth or decline of the population and various age groups, jobs and incomes. BBER projects the overall population of Chaves County to increase steadily, at an average growth rate between 0.3% and 0.5% per year. The city of Roswell is anticipated to increase at least 0.7% each year to reach 51,647 residents by 2020, adding about 3,280 new residents. This would demand a substantial amount of new or rehabilitated housing.

The recent growth in residents ages 20 to 35 and 50 to 65, if it continues, would likely predict a future need for rental units and single family homes, perhaps townhouses, depending on incomes. The increase in residents 85 years and older points to a potential need for senior apartments and assisted living facilities.

The projected needs for subsidized and affordable housing assumes a proportional 0.7% increase in all categories over the next five years, unless there was more specific information available.



4. Housing Resources

A number of organizations in Roswell and Chaves County provide housing and rental assistance, including:

1. *Alianza of New Mexico* (311 W. Second Street, Roswell) provides housing assistance, counseling and case management for people afflicted by HIV/AIDS.
2. *Assurance Home, Inc.* (1000 E. 18th Street, Roswell) non-profit offers emergency youth shelter for boys and girls ages 12 to 18 who are considered to be "at-risk."
3. *CHOICES Center for Independent Living* (200 E. 4th Street, Roswell) provides housing services for the disabled and homeless populations to help them live independently. CHOICES assists clients with searching for a home, utilizing housing resources, and accomplishing tasks of daily living such as paying bills. It serves Chaves, Lea and Eddy County.
4. *The City of Roswell* offers administrative support for low income/affordable housing projects within the City. It will be in charge of implementing the Affordable Housing Plan.
5. *Habitat for Humanity* is a non-profit group of volunteers that builds and rehabilitates homes for low income people and their families. Housing recipients invest their own labor in building their homes as well as homes for others. Houses are sold to partner families at cost and financed by affordable loans. The homeowners' monthly mortgage payments are used to build new Habitat homes. Habitat typically produces one or two houses a year.
6. *Eastern New Mexico Housing Authority* (formerly Region VI Housing Authority) (106 E. Reed Street, Roswell) offers housing assistance to low income families across 12 counties in eastern New Mexico and Texas.
7. *Roswell Refuge for Battered Adults* provides emergency shelter for victims of domestic violence.
8. *Southeast New Mexico Community Action Corporation* (209 E. Hendricks, Roswell) provides rent, mortgage, and utility emergency assistance up to once each year to qualified low-income applicants in Chaves, Lincoln, Otero, Eddy and Lea counties. It also partners with Group Workcamps that offer youth and teens experience in rehabilitating the homes of elderly, disabled and low-income community members.
9. *YES Housing, Inc.* Based in Albuquerque, this organization provides affordable housing for those who qualify in multiple New Mexico counties, including Chaves County.

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4.0 LAND USE & POLICY REVIEW

This section analyzes existing land use policies within the City of Roswell to identify potential constraints to affordable housing development. The chapter provides an overview of existing policies and provides recommendations to better facilitate affordable housing development in the future. It also provides a series of “minimum density” scenarios to reveal how increased density can affect the total cost of development.

1. Overview of Land Use

The City of Roswell encompasses 29.9 square miles within Chaves County and has a gross density of 1,600 people per square mile. The City was laid out in a traditional grid pattern and development has branched out from the intersection of Main Street (US 285) and 2nd Street (US 380). Annexation of the Roswell International Air Center site (formerly Walker Air Force Base) and other industrial sites have expanded the City’s land base to the south. Future annexations to the south and west of the City could bring additional lands under the City’s development and taxing authority.

1.1. Existing Land Uses

The approximate percentage of existing land uses is shown in Table 40. The high percentage of industrial land can be attributed to the International Air Center and City Landfill. The vast majority of residential development within Roswell is single-family detached units. Multi-family residential composes a very small portion of residential land use, and it scattered across the city (City of Roswell Comprehensive Plan, 2015).

Table 40. Existing Land Use Percentages, City of Roswell

LAND USE	TYPICAL ZONING	PERCENTAGE
Industrial	I-1, I-2	26%
Single Family	RS, R-1, R-2, R-3, R-4	19%
Vacant	N/A	17%
Right-of Way	N/A	15%
Institutional	C-1, C-2, C-3, C-4	7%
Parks and Open Space	N/A	6%
Commercial	C-1, C-2, C-3, C-4	5%
Agriculture	RS	2%
Multifamily Residential	R-3, R-4	1%
Mobile Homes	RMS, MHC	1%
Office	C-2, C-3, C-4	0.5%

Source: City of Roswell Comprehensive Plan, 2015

1.2. Existing Density Analysis

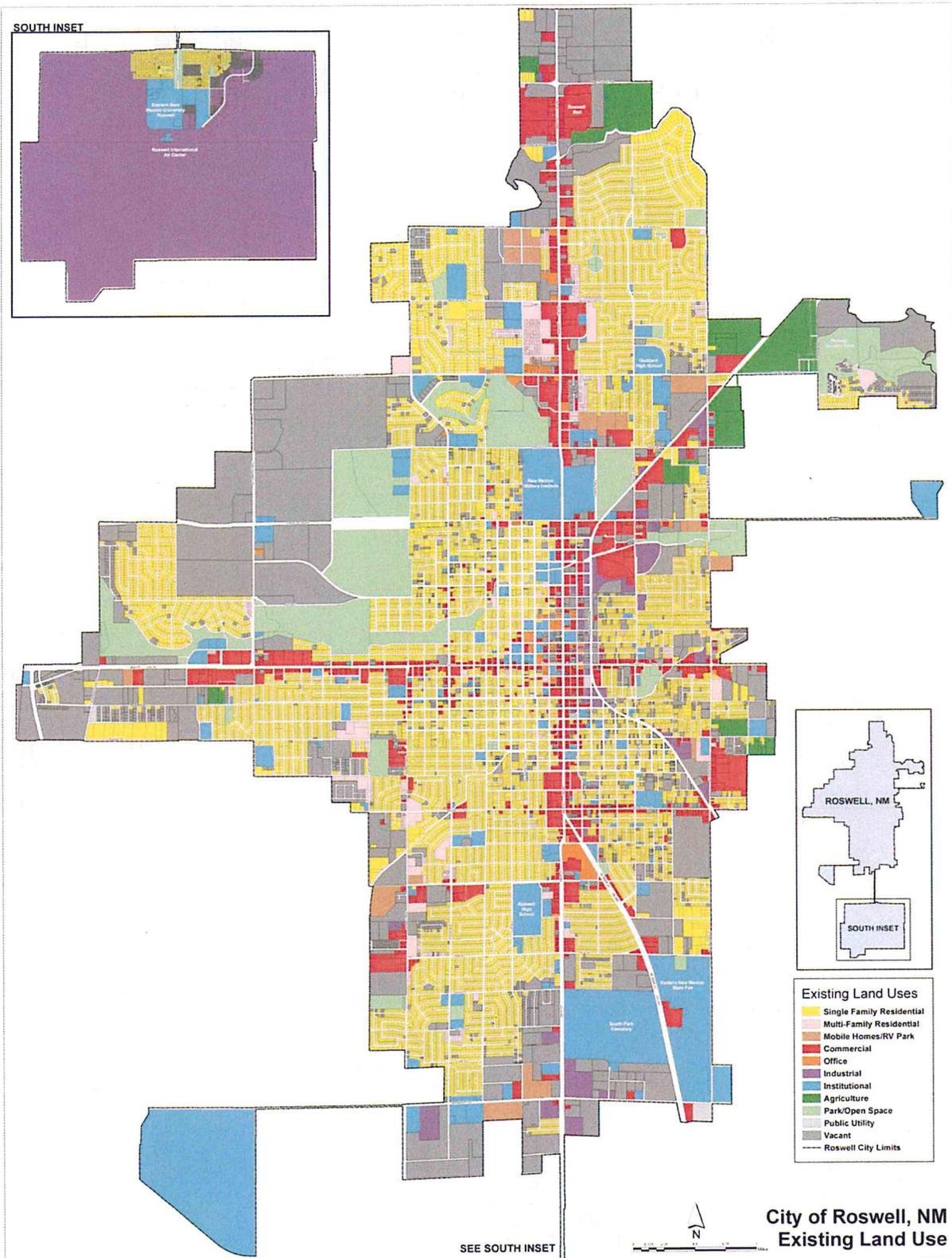
With detached single-family homes accounting for a majority of existing residential land uses, the overall density within Roswell is relatively low at approximately 1,600 people per square mile (about half of Albuquerque’s overall density but comparable to Clovis and Las Cruces).

Table 41. Selected residential densities, City of Roswell

TYPE	SITE/ADDRESS	ZONING	GROSS DENSITY
Low Density Single Family	W Deming St and S Union Ave	R-1	22 homes, 6 acres, 3.66 DU/acre
Low Density Single Family	Catalina St and E. Vista Parkway	R-1	12 homes, 3 acres, 4 DU/acre
Single Family, 1 story attached	800 S Wyoming Ave	R-3	16 Units, 2.25 acres, 7 DU/acre
Multifamily, 1 story senior housing	Roswell Summit Apartments, 1600 West Summit	R-3	52 Units, 4.5 acres, 11.6 DU/acre
Multifamily, 1 story apartments	Wildewood Apartments, 201 Sherrill Lane	R-4	60 Units, 4.25 acres, 14 DU/acre
Multifamily, 2 story apartments	Southbrook Apartments, 1901 South Main St	R-4	16 DU/acre
Mobile Homes	W Linda Vista Blvd	MHC	4.5-5 DU/Acre



Figure 13. Existing Land Use



2. Land Use Controls & Plans

2.1. City of Roswell Comprehensive Plan

The City of Roswell's Comprehensive Plan is being updated, and is **expected to be adopted soon**. The plan outlines existing land uses and depicts a preferred land use scenario for the City. Information relevant to housing issues has been summarized below and informs other parts of this plan. Relevant goals and strategies for housing have also been incorporated into the goals and action of the Affordable Housing Plan, with a cross-reference to the Comprehensive Plan.

- During stakeholder and public meetings, residents identified housing costs and the appearance of Roswell as critical issues. There is a lack of diversity in housing stock, including a need for both higher-priced and workforce housing. The City is also in need of affordable and diverse rental housing and apartments. Residents said this was constraining Roswell's growth.
- Participants called for housing to be used as infill throughout the City, including changing zoning to allow live-work developments. They suggested that a number of Downtown buildings might be converted to residential uses. They also said annexation of additional land should be pursued to the south, east and north.
- Regarding residential zoning, the plan recommends creating residential zoning districts that require minimum lot sizes of 0.5 acre and 1.0 acre to fill the gap between R-S (minimum lot size of 2.5 acres), and R-1, (minimum lot size of 6,000 square feet or up to five dwelling units per acre).
- Roswell's infrastructure—water, sewer, storm drainage, transportation—is aging and becoming increasingly vulnerable to decay. Recommendations in the Comprehensive Plan call for upgrading these systems in a timely fashion.
- The plan's Land Use Chapter defines and characterizes the various sub-areas of the City, including typical housing types.

2.2. Roswell International Air Center Airport Master Plan Update, 2012

The Roswell International Air Center (RIAC) is a small, non-hub commercial service airport at the far southern end of the city. Formerly the largest base of the US Air Force Strategic Air Command, the airport is now owned and operated by the City of Roswell for general aviation and commercial airline services. It serves multiple purposes, being used for US and international military training, aerial firefighting, aircraft testing and development, and wide-body aircraft dry storage and salvage. It is home to several aviation-related companies, as well as the campus and dormitories of Eastern New Mexico University-Roswell. The 2012 Update contained goals and strategies to move the RIAC into financial self-sufficiency. Two recent federal grants supported rehabilitation of a 5,000-foot runway as well as non-stop air service to Phoenix Sky Harbor International Airport. The City plans to transform the RIAC into a manufacturing and industrial hub for southeast New Mexico.

Original single family housing from the days of Walker Air Force Base occupies part of the northern end of the site. This housing is old and dilapidated with outdated water and sewer infrastructure. Given the plan's



focus on manufacturing and industry, the City is reluctant to invest in upgrading the residential area and would prefer to help existing residents move to healthier and more accessible and suitable areas.

2.3. MainStreet Roswell Master Plan, 2011

The MainStreet Roswell Master Plan provides guidance to the City of Roswell to ensure that the economic vitality of the MainStreet District is sustained over time. The Master Plan seeks to maintain and reinforce a business-friendly environment that increases commerce, supports pedestrian activity, and contributes to the social, cultural, and economic quality of life for generations to come. The Master Plan identifies physical, operational, and regulatory actions that will help the community accomplish its goals and transform the District into a thriving epicenter of activity that attracts new investment, adds jobs, increases tourism, and is an overall fun place to work, visit, and live.

The MainStreet District is centered on Main Street and includes some of the City's oldest commercial buildings, many of which are listed on the National Register of Historic Places and the State Register of Cultural Properties. The District is adjacent to the Roswell Historic District, which is primarily comprised of residential structures. The boundaries of the MainStreet District are Eighth Street to the north and Alameda Street to the south. The eastern boundary is at Railroad Avenue, then it steps inward at Second Street towards Main Street until it is within a half block east of Main Street. The western boundary is a half block west of Richardson Avenue and then it steps inward at Second Street towards Main Street until it is within a half block west of Main Street.

Existing land use in the MainStreet District is generally consistent with the existing zoning: primarily commercial with office and some sporadic institutional uses. A critical land use missing within the district is residential; only a small portion of the upper west corner of the District is zoned R-3. Residential development could bring more evening activity and encourage more restaurants and other food-related activity. Moreover, some community members expressed a desire to live in the District during the public process. The plan recommends redeveloping the vacant, multi-story and historic Hinkle Building on the southeast corner of Third and Main Streets for a mix of residential and commercial purposes. Zoned C-3, the property could be used for high density multi-family residences as well as commercial enterprises. Some other recommendations include:

- Focus redevelopment efforts on the Railroad District Area by designating it a **Metropolitan Redevelopment Area** (done as part of the adoption of the downtown master plan) and developing an MRA plan that promotes redevelopment of blighted properties and buildings.
- Establish an **Arts and Cultural District** to support these types of economic development for businesses, individuals and organizations. This would allow the city to approve a Municipal Infrastructure Gross Receipts Tax (MIGRT) to support and develop the district. Roswell already adopted a Local Economic Development Act (LEDA) in 2002, and updated it in 2011, allowing the City to support economic development projects in a number of ways.
- Amend the Zoning Ordinance to specifically allow mixed-use, pedestrian-oriented land uses including residential with specific development standards within the C-3 Downtown Business District zone.

2.4. Zoning Regulations

The City's zoning ordinance was adopted in 1999 and was amended in 2013 and 2015. As with most municipalities, City Planning and Zoning staff review and enforce planning and zoning regulations. The Planning and Zoning Commission reviews and makes recommendations on zoning and land use issues to the City Council. The City Council, in turn, makes the final decisions on all zoning and land use matters.

Table 42. Zoning Designations with Residential Uses for the City of Roswell

ZONE	PERMITTED USES	MINIMUM LOT SIZE	MAX HEIG HT	SETBACKS			MAX GROSS DENSITY DU/ACRE
				FRONT	SIDE	REAR	
R-S: Rural Suburban	Single family detached, low density	2.5 acres	35'	25'-35'	5'-35'	20'	0.4 DU/acre
R-1: Residential	Single family detached, home occupations; public uses by special use	6,000 SF	35'	25'-35'	5'-35'	20'	5 DU/acre
R-2: Residential	Single family; townhomes; duplexes	Single Family: 5,000 SF Townhouse 4,500 SF Duplex 4,000 SF	35'	25'	5'-25'	20'	5 to 9 DU/acre
R-3: Residential	Same uses as R-2, plus multifamily units, churches, group care homes, assisted living and retirement centers, home occupations; public uses & professional offices by special use	Single Family: 4,500 SF Townhouse 4,000 SF Duplex 3,500 SF MF: 3,000 SF	35'	20'-25'	5'-25'	20'	12 DU/acre single story; 24 DU/acre two story; Professional offices up to 10,000 SF GFA



R-4: Residential	Same uses as R-3, but higher density allowed; professional offices by special use	Single Family: 4,000 SF Townhouse 3,000 SF Duplex 3,000 SF MF: 2,000 SF	35'	20'-25'	5'-25'	20'	20 DU/acre single story; 40 DU/acre two story; Professional offices up to 15,000 SF GFA
RMS: Mobile Home Subdivision	R-1 uses, mobile homes (40' X 8' minimum size), or manufactured home	2.5 acre minimum for district ; 4,500 SF for subdivided lot	35'	20'-25'	20'	5'-10'	9.5 DU/acre
MHC: Mobile Home Community	Manufactured homes greater than 40' x 8" ; manager office, maintenance	5.0 acre minimum park size; 4,000 SF per space	35'	35'	20'	*	10.75 DU/acre
C-1: Neighborhood Commercial	One single family accessory living quarters per lot; Multifamily units by special use		35'	40'	0'	15'	7,000 SF
C-2: Community Commercial	Multifamily units by special use		45'	40'	0'	15'	
C-3: Central Business District	Single Family attached; Multifamily units	*	*	*	*	*	*
C-4: (west side) Commercial Business District	C-2 uses, Multifamily by special use		45'	25'-40'	0'	0'-5'	

Source: City of Roswell, Zoning Ordinance, 2015 * Determined by Fire Department or Planning and Zoning

2.4.1. Zoning Districts

There are 14 zoning districts outlined in the zoning ordinance. The basic uses allowed in these districts are outlined in Table 42 and show typical development standards and maximum possible densities. Overall, these districts have straightforward permissive uses that allow for a range of housing types and different intensities of commercial uses. The residential zones also allow home occupations and, by special use permit, professional offices and such public uses as schools, public utilities, pools and golf courses and churches. With a few exceptions, the commercial zones do not explicitly allow or encourage mixed commercial-residential uses.

2.4.2. Residential Density

Generally, the City has set restrictions on the density of housing that is allowed. For instance, R-S zones, typically mapped on the outskirts of the city, allow a maximum of 1 dwelling unit per 2.5 acres (0.4 DU/acre), while R-1 and R-2 allow between 5 and 9 DU/acre. In addition to site-built homes, modular and manufactured homes (double-wide) are allowed in these zones if attached to a permanent foundation. The medium density residential zone, R-3, allows multi-family dwellings of up to 12 units an acre for single-story structures and 24 units per acre for two-story structures. Most of the residential land has one of these types of zoning.

In addition, a limited amount of land, typically adjacent to commercial land, is zoned R-4, which allows a higher density of 20 units for a one-story and up to 40 units for two-story multi-family structures as well as compatible nonresidential uses. Multi-family unit buildings taller than two stories may be approved by City staff in this zone if the building fits in with the neighborhood and is safe.

Where maximum allowable densities are not specified in the code, density for each zoning district is controlled by minimum lot sizes, setback requirements, and parking requirements. Overall, the code's provisions allow for a maximum density for single family homes of between 0.4 DU/acre in R-S zones to a high of around 10 DU/acre in R-4 zones. The density of residential units in commercial zones is not expressly outlined, nor are minimum lot sizes, once again leaving the maximum density dependent on area requirements and site feasibility.

The requirements for multi-family allow for theoretical densities of between 12 and 40 DU/acre. Although the actual allowable density varies by the number of units and area requirements (including parking), this theoretical density is higher than is typical in suburban and rural communities. These higher density requirements allow developers to provide two-story affordable housing complexes comparable to affordable housing buildings around the state.

The City also zones specific areas for Residential Mobile Home Subdivisions (RMS) and Manufactured/Mobile Home Communities (MHC). The RMS zone is designed for manufactured/mobile homes of a minimum size of 40' by 8' on privately owned or rented individual lots, with or without a permanent foundation, similar to any residential subdivision. The MHC, on the other hand, regulates what was previously called a residential mobile home park to ensure it has sufficient home space area and infrastructure such as sanitary facilities, access, drainage, internal streets, parking spaces, fencing, screening and landscaping.

2.4.3. Setbacks & Height

Overall, minimum setbacks and height restrictions are similar to requirements in other rural and suburban communities. Minimum lot sizes for single family units vary from 2.5 acres in the R-S: Rural Suburban zone to relatively small lots of 4,000 square feet in R-4 zones. Multifamily units have relatively lower minimum lot sizes of between 3,000 square feet and 2,000 square feet in R-3 and R-4 zones, respectively. Residential



height limits are 35 feet (2 stories) across the board in all residential districts and 45' feet in commercial districts without a variance.

Front setbacks within most zoning districts are between 20 and 25 feet depending on building height and adjacent uses, and whether the building is fronting an arterial or collector road. Similarly, side setbacks vary between 5 and 25 feet depending on building height and the adjacent roadway. Generally, duplexes, townhomes and other multifamily buildings do not have lower setback requirements than single family homes, which is unusual compared to most urban zoning codes. Commercial zones also have large setback requirements, which discourage more urban forms of development that locate buildings close to the sidewalk/property line.

In general, the setback and height requirements are not flexible and do not encourage higher density housing types. Providing additional flexibility (such as zero foot setbacks in some areas) would allow for the development of higher quality and higher density multifamily units in the future. Additional provisions for smaller setbacks in commercial zones could be included in the ordinance to support higher densities.

2.4.4. Accessory Dwellings

Accessory dwelling units (ADUs) are one way to provide affordable housing by allowing renters or extended family members to live in a smaller accessory unit on a residential lot. They can also provide additional income for the homeowner. A prime location for these could be the Downtown historic district, which already has older secondary structures such as carriage houses in addition to the principal residence. In the experience of Roswell officials, however, these units frequently become deteriorated and only add to blighted conditions.

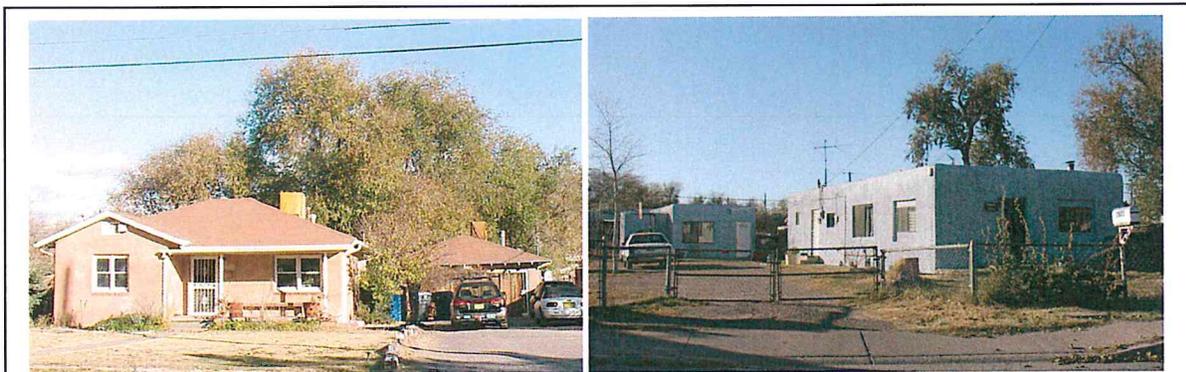
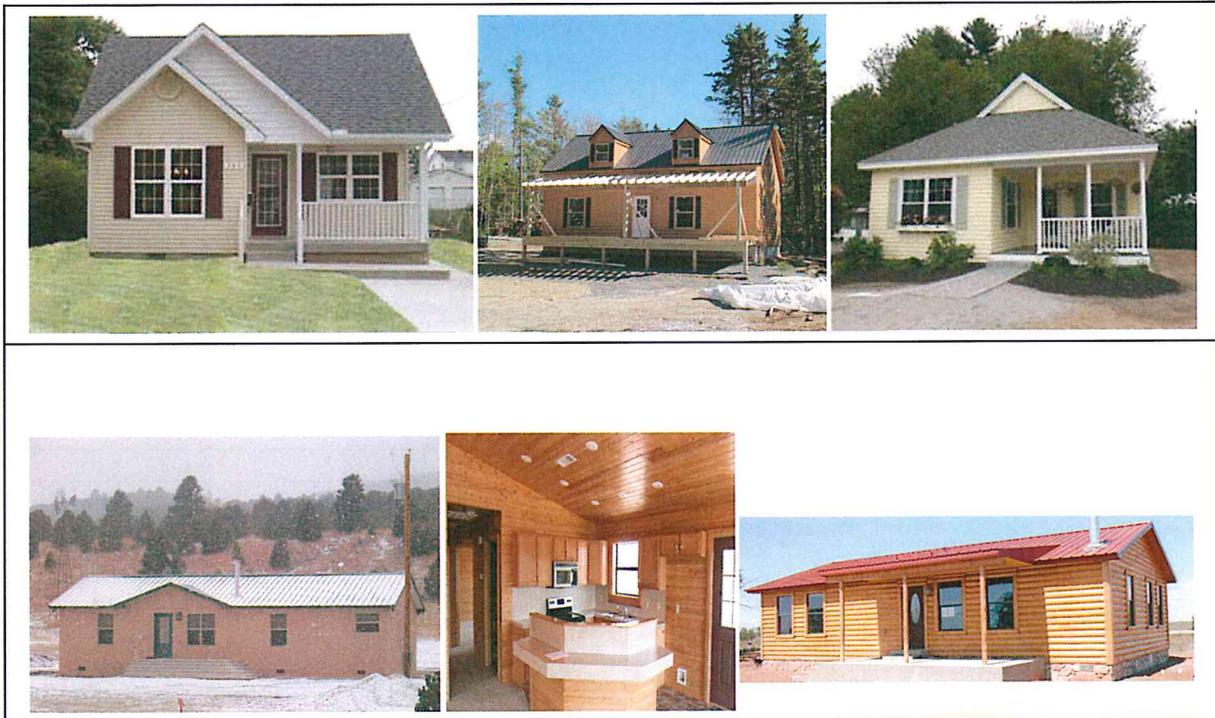


Figure 14. Small accessory dwelling units on the same lot as the principal dwelling can increase affordable housing options.

2.4.5. Manufactured Homes, Modular Homes, Mobile Homes

Manufactured homes, modular homes, mobile home parks, and mobile home subdivisions can provide more affordable alternatives to traditional site-built single family homes. Newer designs of **modular** or pre-manufactured homes (which are assembled on site), in particular, closely resemble existing homes in the city, but may cost 20% to 30% less (see photos below). They could fit well on single family infill lots where custom-built homes are cost-prohibitive. Financing is the same as with a traditional site-built home; landowners start with a construction loan that converts to a mortgage loan once the house is complete. Construction is guided by local building codes. Donated land can lower the cost substantially.



Modular home designs around the country (above); (below) Dave’s Ready-Built Homes (Clovis, NM)

Well-designed **manufactured home** parks or subdivisions can create affordable alternative rental or ownership opportunities for households that don’t wish to be restricted to apartment living. Manufactured homes are much more durable and of higher quality since standards were set by the National Manufactured Housing Construction and Safety Act of 1976. HUD’s subsequent regulations established minimum square footages of living spaces, ceiling heights, doors and number of windows. They are typically less expensive to purchase than modular homes because their designs are often less complex. (Base prices generally don’t include delivery, set up, site preparation or foundation). Financing purchase of a manufactured home can be more complicated, however. A purchaser who owns the land underneath and seeks to place it on a permanent foundation can get a mortgage loan. Loans are harder to obtain, and often have higher interest rates, for purchasers who are leasing the land underneath. Many jurisdictions also restrict where manufactured homes are permitted to locate as they may be less



compatible with existing neighborhoods. Newer styles of manufactured homes are shown in the photos below:



Landscaping improves neighborhood compatibility in these samples of modern manufactured homes.

The City of Roswell recently amended the zoning code to prohibit single-wide mobile homes to locate on single lots within the city (previously they had been allowed in the R-2, R-3 and R-4 zones). They are still allowed in the Residential Mobile Home Subdivision zone and in the Manufactured/Mobile Home Community District, which established rules to ensure residents' health and safety.

2.4.6. *Mixed Use*

Although not expressly disallowed within commercial zoning districts, the type and scale of mixed use, residential and commercial buildings are not mentioned or encouraged. At a minimum, more specific language concerning mixed use development should be incorporated into the R-3 and R-4 zones. In addition, more flexible standards for parking, setbacks, landscaping, and density should be created for mixed use developments that can demonstrate compatibility with adjacent land use.



Example of mixed use with retail below and housing above.

2.4.7. *Parking*

Parking requirements are outlined in the building performance standards of the zoning code (Article 23). For residential dwellings, a minimum of two parking spaces are required per unit. For all zoning districts and uses, shared parking is allowed for up to 50% of the required off-street spaces as long as the two uses have different hours of operation. In addition, a minimum number of accessible parking spaces are required depending on the total required parking spaces. Reductions to these parking minimums are not allowed in any zoning district except for C-4 zones, where a 10% reduction in total spaces is allowed to accommodate smaller lots.

Although these parking requirements are fairly standard, they may be excessive for most multifamily developments and could be lowered to a minimum of 1.5 spaces per unit. In addition, if mixed use development is desired, parking reductions should be allowed, as mixed use development generally requires fewer parking spaces as a whole.

2.4.8. *Planned Unit Developments*

Planned unit developments (PUDs) are allowed within Roswell to encourage “more of a mixed use and an alternative to conventional zoning by permitting flexibility and innovation in land use, design, placement of buildings, use of open spaces, circulation facilities, and off-street parking areas to encourage a more creative approach in the utilization of land.” This zoning district may be established in existing zoning districts and allows more flexibility for development proposals. For instance, the residential density may exceed the average dwelling unit density permitted in the underlying zone by 10%. Other possible incentives such as setback, parking, or height variances are not expressly mentioned, although it may be possible to negotiate these design features as well. Overall, PUDs should provide incentives for creative developments that take advantage of a site’s unique characteristics and the needs of the community.

2.5. *Plan Review Fees*

Change of Zoning:

- A. Less than 5 acres- \$200.00 for the first acre plus \$15.00 for each additional acre.
- B. 5 acres to less than 20 acres- \$300.00 for the first 5 acres plus \$15.00 for each additional acre.
- C. 20 acres or more- \$400.00 for first 20 acres plus \$10.00 for each additional acre.

Special Use Permits \$400.00 per application.

Variances: \$200.00 per application.

Conditional Use Permit: \$200.00 per application.

Appeal to City Council: \$100.00 per Appeal.

Zoning Confirmation Letter: \$20.00 per site.

Planned Unit Developments:

- A. \$400- Preliminary Plan
- B. \$200- Final Plan
- C. \$100- Extension of Time



2.6. Roswell-Chaves County Extraterritorial Zoning Ordinance

An extra-territorial zoning ordinance and an ETZ commission were created to oversee development in the two-mile transition zone between the City of Roswell and Chaves County. This ETZ ordinance establishes 14 additional zoning districts outside the boundaries of Roswell. In general, zoning district requirements follow those of the City of Roswell's zoning ordinance, with slightly different zoning classifications, but similar area and density requirements.

2.7. Subdivision Regulations

The County's subdivision ordinance was recently amended in August of 2015 to clarify language about the role of the governing body and the approval process between major and minor subdivisions. As with similar regulations, this ordinance sets forth general subdivision regulations for new subdivisions within the City of Roswell and in extra-territorial areas. The ordinance distinguishes between minor, major and summary subdivisions, which have slightly different requirements. As with most subdivision codes, major subdivisions require submission of a 1) pre-application sketch plat, showing proposed subdivision elements; 2) preliminary plat, showing all proposed plats and improvements and 3) final plat, recording plats and improvements based on an accurate land survey. Minor and summary subdivisions do not require a preliminary plat and have fewer public notice requirements.

The City's subdivision code requires submittal and approval of subdivision plans with regard to drainage, grading, street layouts and widths, sidewalks, utilities (sewer and water), lot requirements, and community facilities. Generally, these must conform to the City's Zoning Code, with some additional requirements for right-of-way dedication, provisioning of public open space, sidewalks, and utility hookups.

2.8. Recommendations for Land Use Regulations

Development regulations can introduce barriers to the construction of affordable housing if they are overly restrictive or introduce development costs that make affordable housing unprofitable to develop. These regulations can in turn affect the cost of housing throughout the city, which can affect those seeking affordable units. The following are recommended changes that the City of Roswell could consider to reduce potential regulatory barriers to the construction of additional affordable housing in the future. These recommendations reinforce the draft recommendations from the 2016 Comprehensive Plan Update, but are specifically focused on encouraging and enabling affordable housing development.

- **Setbacks:** Provide more flexibility in setback requirements for multifamily and commercial buildings. Revise standards for setback requirements of different roadway classifications. Zero lot lines should be encouraged in highest density areas.
- **Mixed Use:** Add more explicit language supporting mixed use. This can include a broader list of allowed uses within commercial zones or the creation of a new underlying mixed use zone to replace some existing C-3 and C-4 zones within central areas of the City.
- **PUDs:** Allow more flexibility for setbacks, landscaping, parking, and density.

- **Incentives:** Future amendments to the code should consider ways to allow for additional flexible standards to density, building massing, parking, design features, and development review with the goal of providing redevelopment proposals additional incentives to move forward.



3. Evaluation of Developable Sites

3.1. Land Availability

Roswell has an abundance of vacant and abandoned land parcels of various sizes, some vacant and some with buildings. Residential lots and larger parcels are scattered throughout the city, due to donations and a proactive code enforcement policy. Vacant residential lots are particularly prevalent to the southeast and northwest of Downtown. As the price of developed residential land can average as much as \$96,000 per acre, depending on location and zoning, this land could be a strong asset in developing affordable housing.

The City also has an abundance of large, undeveloped land parcels zoned primarily R-1 and R-S in the northwest quadrant (north of Second St. and east of Sycamore Ave.), several clustered around Main Street north of College Blvd., and several on the south end of town. Some of this land might be rezoned to higher densities to promote more affordable housing. Plans are to annex even more land to the south on both sides of Main Street ((US 70/285) to connect with the RIAC, as well as more land to the northwest and a few parcels to the northeast.

3.1.1. 3.2 City-Owned Land

The City owns 350 properties of various sizes, of which 280 have structures such as buildings or abandoned factories. Some 60 percent of the land was donated to the City. There is a significant amount of vacant land—1,000 acres— comprising the old Municipal Airport site, which planners hope to redevelop into a mixed-use activity center and park.

One property the City is prepared to donate for affordable housing is a 35.4-acre "J"-shaped parcel in the middle of a larger vacant piece of property in the far southwest quadrant of Roswell at the City limits (excluding the RIAC). The larger property is bounded by W. Brasher Rd. on the north, S. Sunset Ave. on the west, Monksdale Rd. on the south and S. Washington Ave. on the east. The 35-acre piece fronts on S. Sunset Ave. and Brasher Rd. and lies south and east of a solar panel farm. It is surrounded by farmland to the west and south, vacant land and a strip of single-wide mobile homes to the north, and vacant land and a church to the east. Environmental constraints are unknown.

The City-owned parcel and most of the property surrounding it is zoned R-1, which allows five dwelling units per acre. The exception is the church, which is zoned C-2. A strip of C-2 commercial zoning also runs along the north side of Brasher Rd., east of the property. To the northeast of Brasher Rd. is a mobile home subdivision (zoned RMS) with individually owned or rented lots, while to the south of Brasher, east of Washington, is a mobile home community (MHC). Utilities run along Brasher Rd. and would be available to the site. Bus service currently serves Sunset but loops north at Jaffa before it reaches Brasher Rd. It might be

extended further south should the area develop more housing.

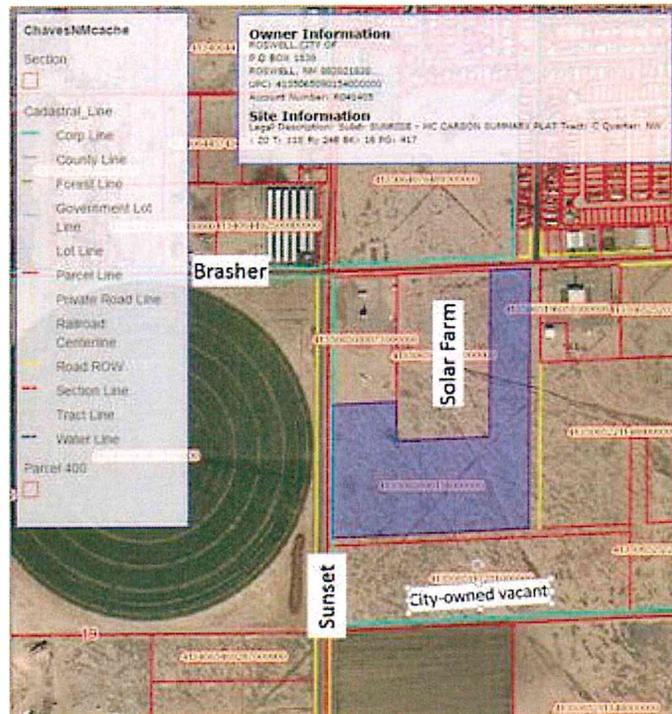


Figure 15. Possible donation of City-owned land for affordable housing is shown in purple.

Given the proximity to the solar array and distance from city center, it might make sense to rezone the City property to RMS, which allows 9.5 units per acre and would provide more affordable housing. Part of the site that fronts on Brasher Road might be developed into a neighborhood park that could also serve other residential developments in the area. R-1 zoning, less an approximately 2-acre park, could potentially yield 140 units at a price ranging from \$112,650 for a manufactured home to \$220,000 for a 1,700 SF single family home. While unit costs for a manufactured home in RMS zoning would be about the same (unless a less expensive single-wide home with no foundation is installed) the same land could potentially accommodate nearly twice the number of homes or 266 units.

3.1.2. Private Infill Lots

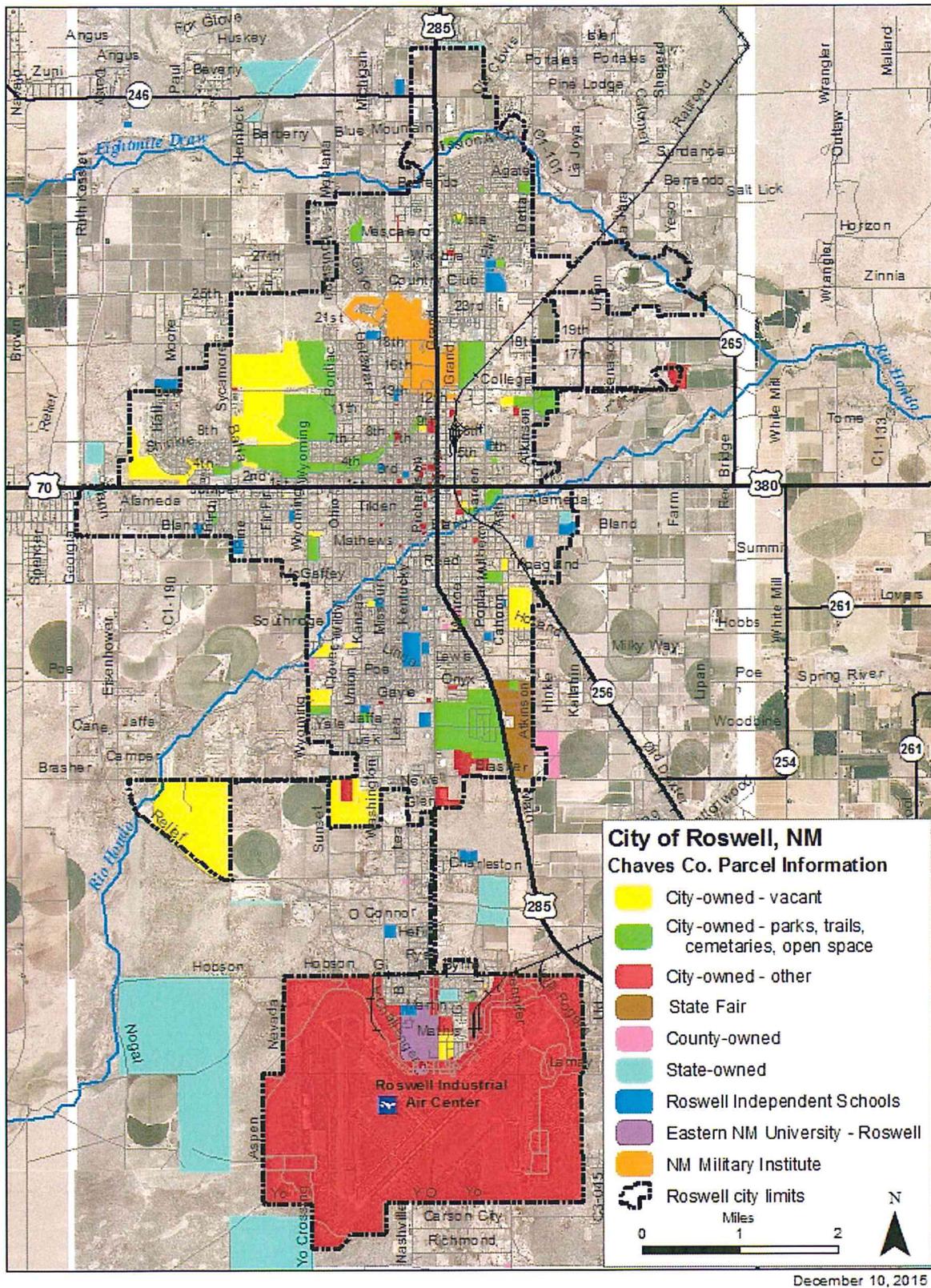
In addition to City-owned land, there is a substantial number of vacant lots still in private ownership but with clouded titles or poor locations that hamper their sale. There are several different categories of unoccupied private land in Roswell:

- **Properties with code violation or liens:** There are numerous vacant lots around the city where housing has been demolished or boarded up and secured due to code violations and safety concerns. Roswell code enforcement officials cleared 100 lots within the past two years alone. Some lots are located in better neighborhoods than others. The City places a lien on these properties for up to seven years to recover the costs of demolition and clean-up but lacks the authority to resell them. They often sit vacant and unused. In previous years the City sponsored a



successful program to encourage property owners to demolish and clean-up their own properties by defraying the costs of dumping remains in the landfill.

Figure 16. Chaves Co. Parcels



- **Tax-Delinquent Properties:** Other residential properties or lots sit vacant due to nonpayment of property taxes. After three years of delinquency these properties are turned over to the NM Department of Taxation and Revenue which attempts to collect the back taxes. Chaves County may have as many as 250 delinquent properties per year. The State will try to reconcile perhaps 160 of the accounts, meeting with success for perhaps 60 percent. The remainder are sold at auction—approximately 30 per year. These auctions do not clear the land titles, however. Without title research, purchasers risk exposure to unknown liens or other costs and are unable to secure title insurance, which is required for a building permit.
- **Foreclosures:** These are properties that have been foreclosed on by the bank and abandoned by both the mortgagee and the bank. Code enforcement staff will usually try to secure and maintain properties that retain some market value to help preserve the housing stock, but their hands are tied when the bank in question refuses to respond to inquiries. Such vacant properties attract crime and vandalism, lowering surrounding property values. City staff will sometimes secure the more valuable properties to avoid losing housing stock.

These abandoned private properties could be a resource for affordable housing if their titles were cleared and the City had the authority to donate or resell them. The City could then donate them to developers willing to build affordable housing, either in bundles or lot by lot. Such a program would also be an investment in maintaining existing neighborhoods.

3.2. Environmental Constraints

Environmental constraints are not a barrier to affordable housing in most parts of Roswell. One concern is the original base housing at the entrance to the RIAC. Infrastructure there is old and outdated, and it is unknown if any environmental hazards exist underground from former Base operations. Rather than invest in the existing dilapidated housing, the City would prefer to help residents relocate to a better area in Roswell.

3.3. Infrastructure Capacity

The availability of infrastructure is an important element in the development of affordable housing. New development requires sufficient infrastructure, including water and sewer connections, roadway connections, and private utilities such as electricity and natural gas. The absence of this infrastructure nearby can increase the cost of development significantly, limiting the potential for new affordable housing developments.

Because utilities are available in the City limits, it is likely that the best sites for affordable rental housing will be located within the City of Roswell. Building permit fees for single-family homes are based on the home valuation and range from \$24 to \$994 for homes valued at up to \$100,499. After that they increase by \$560 to \$475 for every \$100,000 increase in valuation. There is a discount in permitting fees for apartments: 35% discount for 25-49 units, 20% discount for 50-74 units, and 5% discount on over 74

units. Hook-up fees are \$170 per linear foot for multi-family homes for new gas, water and electric lines and access roadways.

3.3.1. *Water Rights and Distribution*

The City has a total of 26,189 acre-feet per year of available water rights for consumption, but only pumps an average of 13,000 acre feet per year from 20 wells in various locations in the City and county. This leaves a reasonable supply for growth (providing that the amount of wet water matches the water rights). It also holds in reserve for future needs additional water rights of 3,888 acre-feet from a return-flow credit for effluent water discharged to the Rio Hondo. The Water Maintenance and Transmission Departments provides water service to approximately 49,000 City residents as well as areas near the City limits where ground water may be detrimental to human health.

Residents in multi-family units generally use substantially less water than those in single-family detached dwellings due to the reduced amount of landscaping.

3.3.2. *Wastewater*

Sanitary sewage within the City limits of Roswell is collected in a network of pipes and transported to the Wastewater Treatment Plant owned and operated by the City. The current average daily flow continues to be close to 3.4 million gallons per day (MGD), well within the capacity of the plant which was designed to handle an average of 7.5 MGD with a peak flow of 15 MGD.

While City of Roswell policy is to serve only residences and businesses within the city limits, there are properties outside those limits in Chaves County served by the municipal system. There are also areas within the City not currently served by the existing sanitary sewer system. They include the area on S. Main St. from its intersection with W. Brasher Road to the Roswell International Air Center; the area south of W. Brasher Road from Sunset Ave. to S. Main St.; and the area north of W. College Blvd. to Country Club Rd. bounded by Sycamore Ave. on the West and Union Ave. on the east, except for developed subdivisions in the area (Roswell Comprehensive Plan 2015).

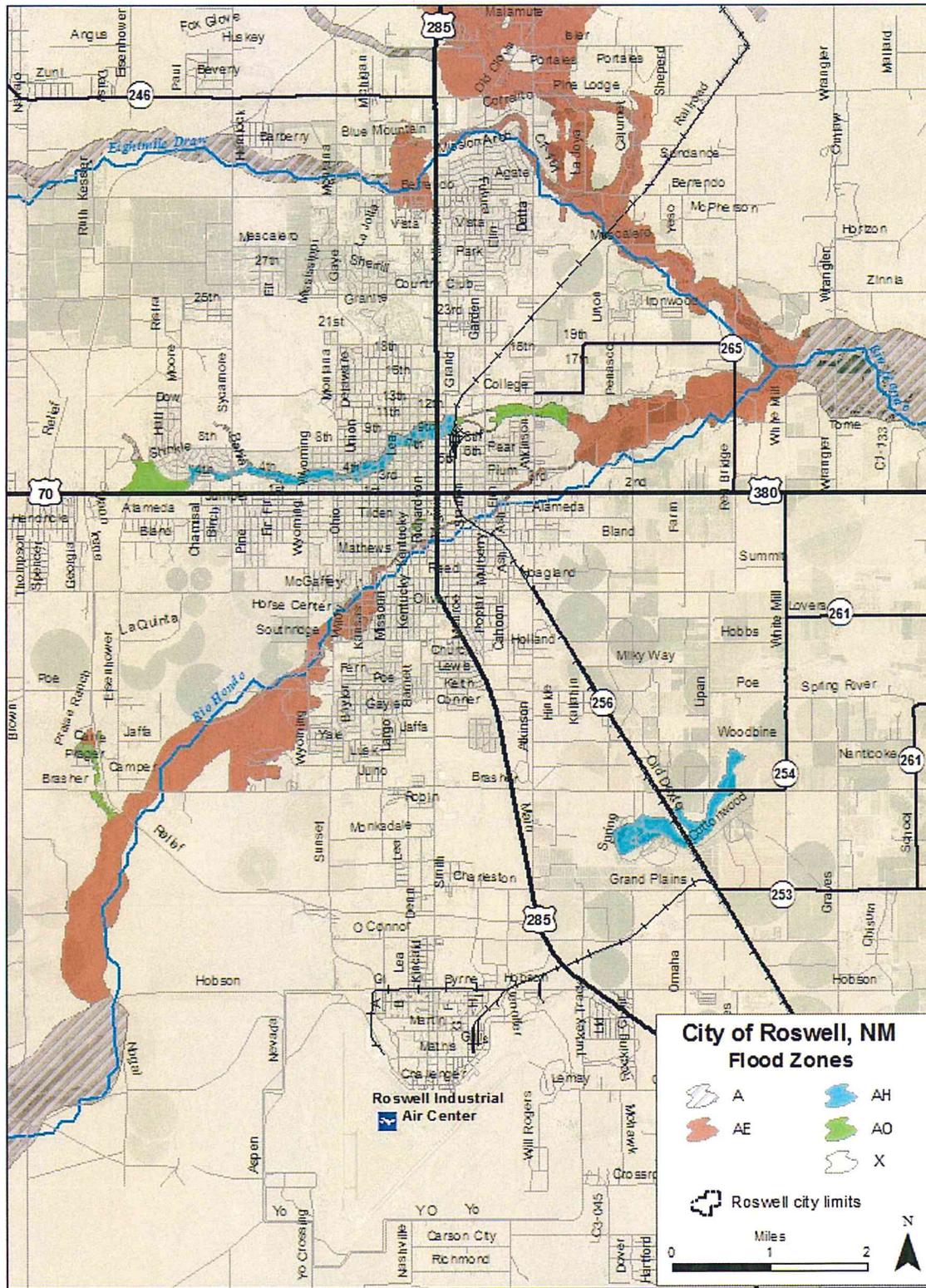
It will be important for affordable housing developers to know whether parcel under consideration is served by sanitary sewer with sufficient capacity as this will impact the cost of development.

3.3.3. *Storm Water*

Roswell's existing system for draining storm and other natural runoff within the city consists of underground storm drainage systems, open channels and flow through existing streets. Most of the runoff reaches one of four ephemeral creeks or rivers that cross the city from west to east. South Roswell has many areas of poor storm runoff, particularly along S. Main Streets (Roswell Comprehensive Plan 2015). The City will install underground drainage pipes and detention ponds as funding becomes available.



Figure 17. Flood Zones



Federal Emergency Management Administration (FEMA) maps updated in 2010 initially placed a large portion of the center of Roswell in the Flood Plain. Zone AE, joining the areas between the Hondo River

and the North Spring River. The update placed a large majority of residential and commercial properties in the flood zone, requiring flood insurance for the first time. After a subsequent study funded by the City, FEMA revised the maps, removing a major portion of the area from the flood plain (Roswell Comprehensive Plan 2015). Future housing developers should pay close attention to where properties remain in the flood plain (in particular, the southwest quadrant from Lea Street and further southwest, the central area along 8th Street, and northern tip near Berrendo Road) as this will impact development costs and affordability.

3.4. Development and Financial Capacity

According to the city building inspector, there are several good building contractors in Roswell and a sufficient construction workforce without having to import experienced construction workers. In 2014, Tierra del Sol Housing received a Low-Income Housing Tax Credit award from MFA to substantially renovate the Cielo De Oro Senior Housing complex. In addition, Eastern Regional Housing Authority would partner with the City of Roswell to develop new affordable housing. With its lean staff, the City is not interested in actually developing housing itself or operating affordable housing programs.

There are at least three lenders in Roswell that offer MFA first-time homebuyer mortgages: First American Bank, Pioneer Bank and Sun West Mortgage.

4. Identification of Constraints

4.1. Governmental Constraints

The City of Roswell lacks an adequate inventory of vacant lots in the city. It is working on putting in place a Geographic Information System; with this, land parcels could be geo-referenced and coded with necessary information, such as size, zoning and land use, ownership, legal and vacancy status etc. This would be very useful for producing maps of vacant lots and for portraying which lots were not served by water and sewer, among other analyses. Currently, land use and zoning is mapped using a computer-aided drawing program.

The City also lacks the legal authority to clear titles and dispose of vacant land on which it has placed liens and cleared structures. This authority could aid in neighborhood redevelopment efforts.

4.2. Non-Governmental Constraints

The cost of land can constrain development of affordable housing. Prices of developed land in Roswell (lots with infrastructure such as water and sewer and roads) vary greatly by location, size and zoning. For example, typical single family R-1 lots were priced between \$6,200 and \$32,000 per lot in November 2015; R-2 lot for \$19,500; and R-3 lots from \$17,500 to \$55,000. Mobile home lot prices ranged from \$10,000 to \$16,000. Some of the least expensive single lots can be found in blighted neighborhoods that would need more City investment than just housing.



4.3. Financial Constraints

Three lenders in Chaves County offer MFA first-time home buyer mortgages. They include First American Bank, Pioneer Bank, and Sun West Mortgage, all located in Roswell.

Data from the Home Mortgage Disclosure Act reveal financial constraints among county residents. The top reasons for denial of a home mortgage loan in Chaves County (listed for 1,656 applications) were an applicant's credit history (38.2%), their debt-to-income ratio (19.5%) and the lack of collateral (16.6%).

While a high percentage of Roswell's housing needs to be rehabilitated, federal and state dollars for this purpose have dwindled.

4.4. Capacity

The Affordable Housing Plan will be administered by the Roswell Department of Planning and Zoning and is subject to staff and budgetary constraints.

Nonprofits can partner with the City and other entities, such as the Eastern Regional Housing Authority, to provide needed services. For example, Tierra del Sol Housing is doing a substantial renovation of the Cielo Del Oro Senior Housing complex in Roswell using Low-Income Housing Tax Credits awarded by the NM MFA in 2014. Renovations include replacing the roofs and windows of all buildings and repairing the parking lot, stucco siding and accessible pathway. Each of the 30 units will receive new flooring, countertops and cabinets, paint and energy-efficient appliances, windows and plumbing and electrical features. The community building, rental office and laundry will also be expanded to provide space for social services and resident activities.

4.5. Housing Sustainability

Besides the cost of a household's rent or mortgage, other contributing factors to housing affordability include a household's energy expenses include residential energy use and the cost of transportation.

4.5.1. Household Energy Costs

One contributing factor to total housing costs are the costs associated with home energy use, including both electricity for appliances, lights, etc., and home heating and cooling costs. The Energy Information Administration (EIA) estimated that consumers spent 2.7% of their household income on home energy expenses in 2012. Although a seemingly small percentage, lower income households often spend a much larger percentage of their income on home energy, due to less efficient homes that lack energy saving features (lights, appliances), have less efficient weatherization, and have lower overall construction standards. For example, the EIA estimated that in 2014 residential energy costs for those making under \$30,000 made up about 11.3% of the household's after-tax expenses.

Incentive programs are available for energy efficiency, including several tax credit programs. A few programs that address home energy costs either during construction or occupation are included below. A full list of incentives in New Mexico can be found at:

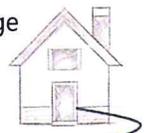
<http://programs.dsireusa.org/system/program?state=NM>

- **ENERGY START Home Performance** includes several assessment tools to help households save on energy costs through more efficient home appliances and weatherization. The program also has green building standards and specifications for new homes. Homes may be certified as an ENERGY START home or building.
- **LEED Affordable Green Neighborhoods Grant Program** awards funding and provides educational resources to developers of affordable housing developers who are pursuing certification using the LEED (Leadership in Energy and Environmental Design) for Neighborhood Development rating system.
- **Low-Income Housing Tax Credit Program (LIHTC):** awards points for affordable housing projects based on a point system that includes energy-saving features and building practices.
- **Green Communities** offers grants, financing support, and technical assistance to new construction and rehabilitation projects. The program has similar criteria to that of the LEED Affordable Green Neighborhoods Criteria.

4.5.2. Transportation & Housing Costs

The addition of transportation costs combined with housing costs can reveal the true cost of housing given its location. Households spending more than 45% of their income on both housing and transportation together are considered to be at risk. As with home energy costs, the cost of transportation (including fuel and maintenance) contributes significantly to the overall cost of housing.

The Center for Neighborhood Technology estimates that in the City of Roswell, the average household's transportation and housing costs make up 55% of households income.ⁱ The Center estimates that average



transportation costs are actually higher than housing costs as a percentage of household income (30% for transportation and 24% for housing). In addition, as few as 2.4% of households spend less than 45% of their income on housing and transportation costs alone. For comparison, about 29% of households in Albuquerque spend less than 45% of their income on housing and transportation costs. This indicates that housing is not located in location-efficient neighborhoods that allow residents to live close to where they work or shop, and existing urban development forms may not promote other modes of travel.

5. Minimum Density Calculations

The following tables show estimated costs of constructing different housing types at various densities and unit sizes. The table reveals the potential “gap” or “surplus” in what households at various AMIs can afford compared to the cost of construction per housing type. These data show which housing types are affordable to families living in Roswell. The tables then compare various strategies to reduce the overall cost, including the donation of land and fee waivers, that contribute to the cost of development.

The assumptions used to calculate the following minimum densities are outlined below each table. Many of these costs are variable, and could change significantly given different site locations, market conditions, and actual construction practices. The assumptions for various types of single family ownership are based on existing developed and zoned lots. The calculations for multi-family rentals also assume developed lots (water, sewer and roads).

5.1. Single Family Homes

Single family dwelling calculations for Roswell assume the maximum purchase prices for three-person households given their income levels (Table 43). Gap amounts shown in red estimate the subsidies that would be needed for the various income groups to afford units at a certain size and density. Initial analyses assume a dwelling structure size of 1,680 SF, which is one of the smaller double-wide manufactured housing units (28' by 60'). Duplexes divide this square footage by a factor of two (each unit is 840 SF and on the same lot, either side by side or on top with separate entrances). The townhouse structure is divided by 3 (each townhouse being 560 SF), with each unit on a separate lot but sharing a common wall. Land costs are based on actual lots for sale in the appropriate zone.

The analysis shows that the most affordable product is a small site-built townhouse, which starts becoming affordable at market rate for families with incomes at **60% of AMI** at a density of 9 dwelling units per acre (R-3 zoning). Small duplexes would be the next most affordable, achievable for families at **80% AMI**. Market rate single family units at this square footage, density, and land costs would not be affordable for families at even 120% AMI. Thus, without a subsidy, it is difficult to find decent and safe single family detached homes for households earning **120% AMI or less**.

Table 43. Average Single Family Site-Built Calculations (Freestanding, Duplexes, Townhomes)

	Low Density Single Family R-1	Medium Density Duplexes R-2	Medium-High Density Townhomes R-3	Low Density Single Family Donated Land R-1	Medium Density Duplex Donated Land R-2	Medium-High Density Townhomes Donated Land R-3
DUs per acre	5	7	9	5	9	9
Structure size	1,680	1,680	1,680	1,680	1,680	1,680
Lot Size (square feet)	6,000	6,970	14,136	6,000	6,970	14,136
Lot Price	\$17,500	\$19,500	\$55,000	\$0	\$0	\$0
Valuation (for permitting fees)	\$104,160	\$104,160	\$104,160	\$104,160	\$104,160	\$104,160
Permits/Utilities Hookup	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220
Construction Costs	\$184,800	\$184,800	\$184,800	\$184,800	\$184,800	\$184,800
Soft Costs	\$18,480	\$18,480	\$18,480	\$18,480	\$18,480	\$18,480
Total	\$204,500	\$204,500	\$204,500	\$204,500	\$204,500	\$204,500
Builder Profit	\$15,338	\$15,338	\$15,338	\$15,338	\$15,338	\$15,338
Total Cost per Unit	\$237,338	\$119,669	\$91,613	\$219,838	\$109,919	\$73,279
Affordability Calculations						
30% AMI Max Purchase Price	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943
Surplus/Gap	(\$190,395)	(\$72,726)	(\$44,670)	(\$172,895)	(\$62,976)	(\$26,336)
50% AMI Max Purchase Price	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238
Surplus/Gap	(\$159,100)	(\$41,431)	(\$13,375)	(\$141,600)	(\$31,681)	\$4,959
60% AMI Max Purchase Price	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886
Surplus/Gap	(\$143,452)	(\$25,783)	\$2,274	(\$125,952)	(\$16,033)	\$20,607
80% AMI Max Purchase Price	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181
Surplus/Gap	(\$112,157)	\$5,512	\$33,569	(\$94,657)	\$15,262	\$51,902
100% AMI Max Purchase Price	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477
Surplus/Gap	(\$80,861)	\$36,808	\$64,865	(\$63,361)	\$46,558	\$83,198
120% AMI Max Purchase Price	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772
Surplus/Gap	(\$49,566)	\$68,103	\$96,160	(\$32,066)	\$77,853	\$114,493

¹ Land costs based on current developed land for sale in Roswell

² Permit fees are calculated based on valuation. Utility hookup fees are assumed to be \$223 gas, water, and electric.

³ Construction costs are estimated at \$110 per square foot.

⁴ Soft costs are estimated at 10% of construction costs.

⁵ Builder profit is assumed at 7.5%.

5.1.1. Smaller Site-Built Units

Decreasing the single-family detached dwelling’s square footage to 1,200 SF renders it affordable to those households at **100% AMI** with a land donation and fee waiver. Without these subsidies (or a much



cheaper lot) these units would only be affordable for those with incomes at **120% AMI or higher**. The same is true for the duplex and townhomes if each unit is assumed to be 1,200 SF. (See Table 44.)

Table 44. Small Single Family Site-Built Calculations (Freestanding, Duplexes, Townhomes)

	Low Density Single Family R-1	Medium Density Duplexes R-2	Medium-High Density Townhomes R-3	Low Density Single Family Donated Land R-1	Medium Density Duplexes Donated Land R-2	Medium-High Density Townhomes Donated Land R-3
DUs per acre	5	9	9	5	7	9
Structure size	1,200	2,400	3,600	1,200	2,400	3,600
Lot Size (square feet)	6,000	6,970	14,136	6,000	6,970	14,136
Lot Price	\$17,500	\$19,500	\$55,000	\$0	\$0	\$0
Valuation (for permitting fees)	\$74,400	\$148,800	\$223,200	\$74,400	\$148,800	\$223,200
Permits/Utilities Hookup	\$1,052	\$1,787	\$2,347	\$1,052	\$1,787	\$2,347
Construction Costs	\$132,000	\$264,000	\$396,000	\$132,000	\$264,000	\$396,000
Soft Costs	\$13,200	\$26,400	\$39,600	\$13,200	\$26,400	\$39,600
Total	\$146,252	\$292,187	\$437,947	\$146,252	\$292,187	\$437,947
Builder Profit	\$10,969	\$21,914	\$32,846	\$10,969	\$21,914	\$32,846
Total Cost per Unit	\$174,721	\$166,801	\$175,264	\$157,221	\$157,051	\$156,931
Affordability Calculations						
30% AMI Max Purchase Price	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943
Surplus/Gap	(\$127,778)	(\$119,858)	(\$128,321)	(\$110,278)	(\$110,108)	(\$109,988)
50% AMI Max Purchase Price	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238
Surplus/Gap	(\$96,483)	(\$88,563)	(\$97,026)	(\$78,983)	(\$78,813)	(\$78,693)
60% AMI Max Purchase Price	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886
Surplus/Gap	(\$80,835)	(\$72,915)	(\$81,378)	(\$63,335)	(\$63,165)	(\$63,045)
80% AMI Max Purchase Price	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181
Surplus/Gap	(\$49,540)	(\$41,620)	(\$50,083)	(\$32,040)	(\$31,870)	(\$31,750)
100% AMI Max Purchase Price	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477
Surplus/Gap	(\$18,244)	(\$10,324)	(\$18,787)	(\$744)	(\$574)	(\$454)
120% AMI Max Purchase Price	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772
Surplus/Gap	\$13,051	\$20,971	\$12,508	\$30,551	\$30,721	\$30,841

¹ Land costs based on current developed land for sale in Roswell; ⁵ Builder profit is assumed at 7.5%.

² Permit fees are calculated based on valuation. Utility hookup fees are assumed to be \$223 gas, water, and electric.

³ Construction costs are estimated at \$110 per square foot; ⁴ Soft costs are estimated at 10% of construction costs.

5.2. Manufactured Housing

The next table shows calculations for a standard 1,680-SF single-family manufactured double-wide home on a permanent foundation with and without land donations. Cost assumptions are summarized below the table, and include less expensive land prices than for the single family calculations.

Table 45. Single Family Manufactured Unit Density Calculations

	Low Density Manufactured Home R-1	Medium Density Manufactured Home R-2	Higher Density Manufactured Home R-3	Low Density Manufactured Home & Land Donation R-1	Medium Density Manufactur ed Home & land donation R-2	Higher Density Manufactur ed Home and Land Donation R-3
~DU/Acre	5	7	8	5	7	8
Unit Size (SF)	1,680	1,680	1,680	1,680	1,680	1,680
Unit Cost	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Lot Size (square feet)	6,000	5,600	5,600	6,000	5,000	4,500
Valuation (for permitting fees)	\$104,160	\$104,160	\$104,160	\$104,160	\$104,160	\$104,160
Land Cost (per unit)	\$6,000	\$5,500	\$5,000	\$0.00	\$0.00	\$0.00
Permits/Utilities Hookup	\$1,147	\$1,147	\$1,147	\$1,147	\$1,147	\$1,147
Site Prep	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Foundation/ Delivery Charges	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Cost per Unit	\$118,647	\$118,147	\$117,647	\$112,647	\$112,647	\$112,647
Affordability Calculations						
30% AMI Max Purchase Price	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943
Surplus/Gap	(\$71,704)	(\$71,204)	(\$70,704)	(\$65,704)	(\$65,704)	(\$65,704)
50% AMI Max Purchase Price	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238
Surplus/Gap	(\$40,409)	(\$39,909)	(\$39,409)	(\$34,409)	(\$34,409)	(\$34,409)
60% AMI Max Purchase Price	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886
Surplus/Gap	(\$24,761)	(\$24,261)	(\$23,761)	(\$18,761)	(\$18,761)	(\$18,761)
80% AMI Max Purchase Price	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181
Surplus/Gap	\$6,534	\$7,034	\$7,534	\$12,534	\$12,534	\$12,534
100% AMI Max Purchase Price	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477
Surplus/Gap	\$37,830	\$38,330	\$38,830	\$43,830	\$43,830	\$43,830
120% AMI Max Purchase Price	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772
Surplus/Gap	\$69,125	\$69,625	\$70,125	\$75,125	\$75,125	\$75,125

Estimates based on current market rates and applicable fees.

¹ Land costs based on current land for sale in Roswell; ⁴ Unit costs assume standard sizes from Solitaire Homes

² Permit fees are calculated based on valuation. Utility hookup fees are assumed to be \$223 gas, and electric.



The analysis shows that a small manufactured home in an individual lot, with or without the donation of land, starts to become affordable for families with incomes of **80% of AMI**. In this example, the main variable is the land cost. A caveat would be that the lot sizes would have to be wide enough to accommodate a unit 60 feet wide, unless the unit was turned sideways toward the street.

5.3 Modular Homes

Modular homes are those units that are pre-fabricated in a factory and assembled on site. Their designs are more flexible than a manufactured home and have a better chance of fitting on existing infill lots as well as being compatible with existing neighborhoods. Advocates insist their construction is comparable or superior to traditional site-built homes. Typical costs can be 20 percent less than traditional site-built but slightly more than manufactured homes. Final cost depends on unit size and density, customization, and delivery distance

The first table examining modular homes assumes the standard square footage in all the tables (1,680 SF) and land prices similar to parcels for manufactured housing. The calculations show **modulars being affordable to households at 100 AMI, especially with a waiver of permitting fees**, whether or not the land is donated.

The table indicates that lower subsidies are needed per income group as the density of housing units increases and the unit size decreases, indicating that smaller, higher density single family units would be more affordable in Roswell. Cost assumptions are summarized below the table.

Table 46. Modular Home Calculations

	Low Density Modular Home (5 DU/Acre) R-1	Medium Density Modular Home R-2	Higher Density Modular Home R-3	Low Density Modular Home & Land Donation R-1	Medium Density Modular Home & Land Donation R-2	Higher Density Modular Home & Land Donation R-3
DU/Acre	5	7	8	5	7	8
Unit Size (SF)	1,680	1,680	1,680	1,680	1,680	1,680
Unit Cost (\$80/SF)	\$134,400	\$134,400	\$134,400	\$134,400	\$134,400	\$134,400
Lot Size (square feet)	6,000	5,600	5,600	6,000	5,600	5,600
Land Cost (per unit)	\$6,000.	\$5,500.00	\$5,000.	\$0	\$0	\$0
Permits/Utilities Hookup	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220
Site Prep	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Foundation/ Delivery Charges	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Cost per Unit	\$156,710	\$156,210	\$155,710	\$150,710	\$150,710	\$150,710
Affordability Calculations						
30% AMI Max Purchase Price	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943
Surplus/Gap	(\$109,767)	(\$109,267)	(\$108,767)	(\$103,767)	(\$103,767)	(\$103,767)
50% AMI Max Purchase Price	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238
Surplus/Gap	(\$78,472)	(\$77,972)	(\$77,472)	(\$72,472)	(\$72,472)	(\$72,472)
60% AMI Max Purchase Price	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886
Surplus/Gap	(\$62,824)	(\$62,324)	(\$61,824)	(\$56,824)	(\$56,824)	(\$56,824)
80% AMI Max Purchase Price	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181
Surplus/Gap	(\$31,529)	(\$31,029)	(\$30,529)	(\$25,529)	(\$25,529)	(\$25,529)
100% AMI Max Purchase Price	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477
Surplus/Gap	(\$233)	\$267	\$767	\$5,767	\$5,767	\$5,767
120% AMI Max Purchase Price	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772
Surplus/Gap	\$31,062	\$31,562	\$32,062	\$37,062	\$37,062	\$37,062

Estimates based on current market rates and applicable fees.

¹ Land costs based on current land for sale in Roswell.

² Permit fees are calculated based on valuation. Utility hookup fees are assumed to be \$223 gas, and electric.

⁴ Unit costs assume standard sizes and costs



5.2.1. *Smaller Modular Homes*

Calculations in the following Table 47 show that decreasing the modular units to 1,200 SF would render them affordable for a family with a household income at **80% of AMI**, with or without a land donation. In areas with higher land prices, land donations could make or break the affordability.

Table 47. Smaller Modular Homes

	Low Density Modular Home (5 DU/Acre) R-1	Medium Density Modular Home R-2	Higher Density Modular Home R-3	Low Density Modular Home & Land Donation R-1	Medium Density Modular Home & Land Donation R-2	Higher Density Modular Home & Land Donation R-3
DU/Acre	5	7	8	5	7	8
Unit Size (SF)	1,200	1,200	1,200	1,200	1,200	1,200
Unit Cost (\$80/SF)	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000
Lot Size (square feet)	6,000	5,600	5,600	6,000	5,600	5,600
Land Cost (per unit)	\$6,000.00	\$5,500.00	\$5,000.00	\$0	\$0	\$0
Permits/Utilities Hookup	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220
Site Prep	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Foundation/ Delivery Charges	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Cost per Unit	\$118,310	\$117,810	\$117,310	\$112,310	\$112,310	\$112,310
Affordability Calculations						
30% AMI Max Purchase Price	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943	\$46,943
Surplus/Gap	(\$71,367)	(\$70,867)	(\$70,367)	(\$65,367)	(\$65,367)	(\$65,367)
50% AMI Max Purchase Price	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238	\$78,238
Surplus/Gap	(\$40,072)	(\$39,572)	(\$39,072)	(\$34,072)	(\$34,072)	(\$34,072)
60% AMI Max Purchase Price	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886	\$93,886
Surplus/Gap	(\$24,424)	(\$23,924)	(\$23,424)	(\$18,424)	(\$18,424)	(\$18,424)
80% AMI Max Purchase Price	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181	\$125,181
Surplus/Gap	\$6,871	\$7,371	\$7,871	\$12,871	\$12,871	\$12,871
100% AMI Max Purchase Price	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477	\$156,477
Surplus/Gap	\$38,167	\$38,667	\$39,167	\$44,167	\$44,167	\$44,167
120% AMI Max Purchase Price	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772	\$187,772
Surplus/Gap	\$69,462	\$69,962	\$70,462	\$75,462	\$75,462	\$75,462

Estimates based on current market rates and applicable fees.

¹ Land costs based on current land for sale in Roswell.

² Permit fees are calculated based on valuation. Utility hookup fees are assumed to be \$223 gas, and electric.

⁴ Unit costs assume standard sizes and costs.

5.3. Multifamily Rental Homes

Multifamily unit calculations assume rental rates for all income levels for three-person households in a two-bedroom unit. The analysis shows units start becoming affordable at market rate for families making 80% AMI at all densities, and for families making at least 60% AMI at 12 to 24 dwelling units per acre with land and fee donations from the City. Monthly rental gap amounts shown in red represent the monthly rental subsidy needed based on income level and unit density. The table shows lower rental subsidies needed per income group as the density of housing units' increase, suggesting higher density multifamily units would be more affordable in Roswell. Discounts on all permitting fees are given to higher density multifamily developments as follows³:

- a) 50% of all fees for Ten to Twenty-Four Dwelling Units
- b) 35% of all fees for Twenty-Five to Forty-Nine Dwelling Units
- c) 20% of all fees for Fifty to Seventy-Four Dwelling Units
- d) 5% of all fees for Seventy-Five Dwelling Units or more

Rates are based on a 750 square foot two-bedroom unit. Cost assumptions are summarized in the following table.

³ City of Roswell Ordinance No. 15-01



Table 48. Multifamily Density Calculations

	Low Density (4 DU/Acre)	Low Density (8 DU/Acre)	Medium Density and Reduced Fees (12 DU/Acre)	Medium-High Density and Fee Reductions (16 DU/Acre)	High Density Land Donation & Reduced Fees (24 DU/Acre)	High Density Land Donation, Parking Reductions, & Reduced Fee (24 DU/Acre) ¹
Units	4	8	12	16	24	24
Lot Size in SF (1 acre)	43,560	43,560	43,560	43,560	43,560	43,560
Land (per acre) ²	\$96,000	\$96,000	\$96,000	\$96,000	\$0	\$0
Infrastructure ³	\$7,250	\$7,250	\$7,250	\$7,250	\$7,250	\$7,250
Parking ⁴	\$12,000	\$24,000	\$36,000	\$48,000	\$72,000	\$54,000
Permits/Utilities Hookup ⁵	\$3,966	\$5,998	\$3,502	\$3,669	\$5,201	\$5,201
Construction Costs ⁶	\$330,000	\$660,000	\$990,000	\$1,320,000	\$1,980,000	\$1,980,000
Soft Costs ⁷	\$33,000	\$66,000	\$99,000	\$132,000	\$198,000	\$198,000
Total	\$482,216	\$859,248	\$1,231,752	\$1,606,919	\$2,262,451	\$2,244,451
Developer Profit ⁸	\$36,166	\$64,443	\$92,381	\$120,519	\$169,684	\$168,334
Construction Financing ⁹	\$23,327	\$41,566	\$59,586	\$77,735	\$109,446	\$108,575
Permanent Financing ¹⁰	\$20,735	\$36,947	\$52,965	\$69,098	\$97,285	\$96,511
Total	\$562,444	\$1,002,205	\$1,436,685	\$1,874,270	\$2,638,866	\$2,617,871
Cost Per Unit	\$140,611	\$125,275	\$119,723	\$117,142	\$109,953	\$109,078
Market Rate Rent¹¹	\$828.04	\$738	\$705	\$690	\$648	\$642
30% AMI Affordable Rent	\$338.00	\$338	\$338	\$338	\$338	\$338
Surplus / Gap per Unit	(\$88,207)	(\$71,952)	(\$66,067)	(\$63,330)	(\$55,710)	(\$54,782)
Monthly Rental Gap	(\$490.04)	(\$400)	(\$367)	(\$352)	(\$310)	(\$304)
50% AMI Affordable Rent	\$563	\$563	\$563	\$563	\$563	\$563
Surplus / Gap per Unit	(\$47,707)	(\$31,452)	(\$25,567)	(\$22,830)	(\$15,210)	(\$14,283)
Monthly Rental Gap	(\$265)	(\$175)	(\$142)	(\$127)	(\$85)	(\$79)
60% AMI Affordable Rent	\$675.00	\$675	\$675	\$675	\$675	\$675
Surplus/ Gap per Unit	(\$27,548)	(\$11,292)	(\$5,407)	(\$2,670)	\$4,950	\$5,877
Monthly Rental Gap/Surplus	(\$153)	(\$62)	(\$30)	(\$14)	\$27	\$32
80% AMI Affordable Rent	\$900	\$900	\$900	\$900	\$900	\$900
Surplus/ Gap per Unit	\$12,952	\$29,208	\$35,092	\$37,830	\$45,450	\$46,377
Monthly Rental Surplus	\$72	\$162	\$195	\$210	\$253	\$258
100% AMI Affordable Rent	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125
Surplus / Gap per Unit	\$53,452	\$69,708	\$75,593	\$78,330	\$85,950	\$86,877
Monthly Rental Surplus	\$297	\$387	\$420	\$435	\$478	\$483
120% AMI Affordable Rent	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350
Surplus / Gap per Unit	\$93,952	\$110,208	\$116,093	\$118,830	\$126,450	\$127,377
Monthly Rental Surplus	\$522	\$612	\$645	\$660	\$703	\$708

¹ Fee reductions are assumed to be 20% for higher density units

² Land costs based on current land for sale in Roswell.

³ Infrastructure costs are estimated at \$170 per linear foot, 50' by 50' ROW

⁴ Parking is estimated at \$1,500 per space, 2 spaces per unit. *Parking reduction assumes 1.5 spaces per unit.

⁵ Permit fees are calculated based on valuation. Utility hookup fees are assumed to be \$223 for water, gas, and electric per unit.

⁶ Construction costs are estimated at \$110 per square foot.

⁷ Soft costs are estimated at 10% of construction costs.

⁸ Developer profit is assumed at 7.5%.

⁹ Construction financing is assumed at 4.5%.

¹⁰ Permanent financing is assumed at 4.0%.

¹¹ Market rate monthly rents assume costs of monthly payments on a 15-year construction loan, plus developer profit, financing, and operating costs.

Estimates based on current market rates and applicable fees.

5.4. Summary

- Roswell has an abundance of vacant lots as well as raw land. Some might be donated for more affordable housing; some could be bundled together and sold to developers to build or install more affordable housing.
- Constraints to affordable housing development include the cost of land and infrastructure as well as building construction costs that simply exceed the incomes of local residents to purchase homes.
-
- Changing the zoning code to allow more flexibility in residential setbacks, accessory dwelling units in appropriate places, reduced parking requirements and more mixed use (residential with commercial) might also decrease development costs and create more affordable housing.
- Minimum density calculations indicate the following affordability of various housing products depending on income level of a 3-person family. **New, small single family homes (1,200 SF)** would only be affordable to households with **incomes at least 120% of AMI**. The donation of land and waiver of permit fees could render this housing unit affordable to those at **100% of AMI**. **Medium-size modular homes (1,680 SF)** could also potentially be affordable for those at **100% AMI with or without a land donation**.
- Other housing products could potentially be affordable to purchase for households at **80% AMI** (small duplexes, medium-size manufactured homes, small modular homes at 1,200 SF) and those at **60% AMI** (small townhouses or condominiums).
- **New high density multi-family rental units** are only affordable for households with incomes at **80% of AMI** without a subsidy. A land donation and fee waiver could decrease the price enough to be affordable for those with incomes of at least **60% AMI**.



Affordability is summarized in the following table:

Table 49. Estimated Housing Product Affordability at Various Income Levels

	Rental Options	Home Purchase Options
Below 60% AMI (less than \$22,500)	- Subsidized EXISTING rental units/ vouchers	None
50% to 60% AMI (\$22,500- \$26,999)	- Subsidized EXISTING rental units/ vouchers	None
60% to 80% AMI (\$27,000-\$35,999)	- Median market rent of EXISTING units - NEW high density apartments with land donation & fee waivers	- Median price of EXISTING 2 or 3-BR houses - NEW, very small townhouse (560 SF)
80% to 100% AMI (\$36,000 to \$44,999)	- Market rents of EXISTING units - Market rents of NEW units	- Median price of EXISTING 2 or 3-BR houses - NEW small duplex (840 SF) or townhouse (560 SF) - NEW medium-size manufactured home (1,680 SF) - NEW 1,200 SF modular home
100% to 120% AMI (\$45,000 to \$53,999)	- Market rents of EXISTING units - Market rents of NEW units	- Median price of EXISTING 2 or 3-BR houses - NEW small duplex (840 SF) or townhouse (560 SF) - NEW medium-size manufactured home (1,680 SF) - NEW 1,680 SF modular home (R-2, R-3; R-1 with fee waiver) - NEW 1,200 SF site-built house with donated land & fee waiver
120% AMI & Up (\$54,000+)	- Market rents of EXISTING units - Market rents of NEW units	- 1,200 SF site-built house (@120% AMI)

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5.0 GOALS, POLICIES, & OBJECTIVES

This chapter outlines the goals and objectives of the City of Roswell for meeting affordable housing needs in the future. The development goals address both current needs and the anticipated need for the next ten years based the need to construct additional affordable housing, and rehabilitate more homes.

Table 50. Current and Future Housing Needs

TYPE OF HOUSING	TARGET MARKET	CURRENT TOTAL NEED	ESTIMATED 2026 NEED
Subsidized Rental Housing	Households earning up to 60% of the Area Median Income, excluding senior-headed households (which are included below).	1,600 subsidized units or vouchers	60 additional
Affordable Home Ownership or Rentals	Households earning between 60% and 100% of the Area Median Income (AMI) or \$21,000 to \$52,750 depending on household size.	650 subsidized or rehabilitated homes or rental units	25 additional
Subsidized Senior Housing	Senior-headed households with a cost burden; subsidized units are needed for renters; housing rehabilitation funds could assist homeowners.	380 Renters 660 Homeowners	15 additional 25 additional
Housing Rehabilitation (focus on homeowners)	Rehabilitation needed to bring homes up to code. Units that cannot be rehabilitated for a reasonable cost should be replaced. Highest priorities are those without kitchens or plumbing.	Approximately 10,700 single family homes (includes townhomes, duplexes)	380 additional

TYPE OF HOUSING	TARGET MARKET	CURRENT TOTAL NEED	ESTIMATED 2026 NEED
Transitional, Supportive and Emergency Housing	Transitional housing (up to a year) with services such as job training, education, life skills, counseling, etc. to people leaving domestic violence situations and those recovering from substance abuse and prison; additional emergency shelter beds; supportive housing units for homeless and near homeless persons with behavioral health disorders.	10-20 units of permanent supportive housing/ 30 units or spaces in transitional housing/ 30 emergency service beds	15 additional units each of supportive & transitional housing and emergency services beds



The Roswell Affordable Housing Plan contains general housing goals and actions to reach those goals.

- **Goals** are overarching statements detailing the ideal that Roswell hopes to achieve.
- **Actions** are specific strategies that can be taken by the City of Roswell in order to achieve the goals of the plan. They may be viewed as a “to-do” checklist. First step is to adopt this Affordable Housing Plan (by resolution) and the accompanying Affordable Housing Ordinance (by ordinance),

GOAL 1. ADOPT AFFORDABLE HOUSING PLAN & ORDINANCE AND MONITOR IMPLEMENTATION

The City of Roswell will adopt the *Affordable Housing Plan* by resolution and an *Affordable Housing Ordinance* documenting implementation strategies intended to meet affordable housing goals. The plan and ordinance must be reviewed and approved by MFA prior to adoption by each local government.

Implementation Actions

- a. Adopt Affordable Housing Plan by resolution
- b. Adopt Affordable Housing Ordinance
- c. Establish a permanent Housing Task Force to monitor progress on implementing goals.

GOAL 2. PURSUE DEVELOPMENT OF ADDITIONAL AFFORDABLE RENTAL AND OWNERSHIP HOUSING.

Implementation Actions

- a. Donate City-owned land to a nonprofit developer for an affordable or mixed income multi-family tax credit development.
- b. Designate other City-owned assets (vacant buildings, lots, office space, in-kind contributions) that would be available for donation to a public/private partnership that would develop new affordable housing in Roswell (*Comprehensive Plan N&HI Strategy 1.2*)
- c. Identify and work with non-profit community development corporations or other non-profit developers interested in building or rehabilitating affordable housing in Roswell. (*Comprehensive Plan N&HI Strategy 1.3*)
- d. Waive utility and infrastructure fees for affordable housing development.

GOAL 3. PROMOTE DEVELOPMENT OF AFFORDABLE SINGLE FAMILY AND OTHER TYPES OF HOUSING ON VACANT INFILL LOTS

Implementation Actions

- a. Inventory and geo-reference vacant lots within the City, listing their size, legal ownership status, financial or other liens. Prioritize by suitability for infill housing development. Clear ownership titles and liens, when possible.
- b. Bundle together vacant lots and donate to a developer willing to build affordable housing in Roswell.
- c. Create a program to donate vacant infill lots to qualifying, eligible low-to-moderate income households seeking to construct or place single family or higher density housing (if allowed) in the City.
- d. Provide incentives for infill development, including but not limited to, reductions or waivers in extension and/or review fees, and density bonuses. (*Comprehensive Plan LUI Strategy 1.1*).
- e. Sell vacant infill lots when possible and appropriate, transferring the proceeds to a dedicated fund for affordable housing or rehabilitation of existing housing.
- f. Work with the County and State on auctioning tax delinquent properties.
- g. The City will consider the feasibility of creating a land bank and housing trust fund, which could hold, donate or sell properties for the development of affordable housing.

GOAL 4. FACILITATE THE REHABILITATION AND MAINTENANCE OF EXISTING HOUSING IN THE CITY

Implementation Actions

- a. Work with a local lender to create a no-interest revolving loan fund for low income homeowners to apply for funds to bring their homes up to building code.
- b. Identify and work with nonprofit organizations interested in rehabilitating housing in Roswell.
- c. Identify and work with nonprofit organization interested in promoting weatherization of homes through the NM EnergySmart Program. (Southwest Regional Housing and CDC is the provider for the Roswell area.)
- d. Continue holding periodic clean up days in low and moderate income neighborhoods to pick up debris destined for the landfill at no cost.
- e. Provide education and disseminate materials that explain available maintenance assistance programs for homeowners. (*Comprehensive Plan NHI Strategy 2.1*)
- f. Develop a "Home of the Month" program to recognize exceptional efforts by property



owners to maintain and improve their properties in a manner that contributes to the overall appearance of the community (*Comprehensive Plan N&HI Strategy 2.5*)

- g. Coordinate with the New Mexico MFA to apply for housing rehabilitation funds from the HOME Investment Partnership Program for qualified low income homeowners. (*Comprehensive Plan N&HI Strategy 2.2*)
- h. Identify and work with nonprofit housing organizations interested in rehabilitating affordable housing in Roswell.

GOAL 5. THE CITY OF ROSWELL WILL ENSURE THAT LOCAL HOUSING PROTECTS THE HEALTH, SAFETY AND WELFARE OF RESIDENTS AND THEIR NEIGHBORS.

Implementation Actions

- a. Roswell will continue its pro-active code enforcement actions to cite and eventually remove structures that pose a threat to the health, safety and welfare of their residents as allowed by their police powers.
- b. Evaluate the condition of existing housing and infrastructure within the Roswell International Air Center (RIAC, the former Walker Air Force Base area) and determine the feasibility of relocating these residents to other more suitable neighborhood areas. (*Comprehensive Plan N&HI Strategy 2.3*)
- c. Consider designating the RIAC area a Metropolitan Redevelopment Area (MRA), making redevelopment efforts eligible for bond financing and other financial incentives.
- d. Prioritize infrastructure improvements—for example, streets, sidewalks, ADA ramps, lighting—within the Chihuahuita historic residential neighborhood. (*Comprehensive Plan N&HI Strategy 2.6*)

GOAL 6. PURSUE ZONING CODE CHANGES

The City of Roswell should consider possible zoning code changes to allow future affordable housing development. Although the existing code is not overly burdensome to development, there are additional incentives the City can offer to ensure future housing development fits the context and needs of the community. Changes to pursue include:

Implementation Actions

- a. **Density:** Consider increasing densities for attached single family homes in the R-3 and R-4 zones to 16 DU/acre. Some one-story attached single family homes (and townhomes) can achieve high densities (e.g., 16 DU/acre) while fitting into the existing neighborhood character.
- b. **Setbacks:** Consider allowing more flexible setback requirements for multifamily and commercial buildings. Revise standards for setback requirements of different roadway classifications. Zero lot lines should be encouraged in highest density areas.

- c. Mixed Use:** Consider inserting more explicit language supporting mixed use. This could include a broader list of allowed uses within commercial zones, or the creation of a new underlying mixed use zone to replace some exist C-3 and C-4 zones within central areas of the City.
- d. PUDs:** Consider allowing more flexibility for setbacks, landscaping, parking, and density than is currently permitted.
- e. Incentives:** Future amendments to the code should consider ways to allow for additional flexible standards to density, building massing, parking, design features, and development review with the aim of allowing redevelopment proposals additional incentives to move forward, so long as all applicable building and fire code standards are met.

GOAL 7. CONTINUE TO MAINTAIN CITY INFRASTRUCTURE

Implementation Actions

- a.** Continue to renovate basic utility service infrastructure and make drainage improvements throughout the City. This will support future housing development.

GOAL 8. PURSUE VARIOUS FUNDING STRATEGIES FOR AFFORDABLE HOUSING

Implementation Actions

- a.** Consider applying for Planning and Action Grants offered through HUD's Choice Neighborhood Planning Grant. The goal of this initiative is to replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood.
- b.** Consider the pros and cons of becoming a Entitlement Community under the Community Development Block Grant (CDBG) Program of the US Department of Housing and Urban Development. Available to communities with populations of at least 50,000, this status would secure direct annual funding allocations for Roswell that could be used for public services, infrastructure, community facilities, affordable housing economic development, redevelopment and planning purposes. Generally these resources must benefit low- and moderate-income households.



GOAL 9. PLAN CONSISTENCY

The City will ensure affordable housing is recognized as an issue in other plans and initiatives. Future updates to the City’s Comprehensive Plan, economic development plans, and other similar documents will reference the *Affordable Housing Plan* and ensure policies are consistent among these documents.

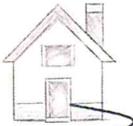
Implementation Actions

- a. Incorporate Affordable Housing Plan Goals into future plan updates.

Table 51. Housing Production Goals

Type of Housing	Target Income	Current Need	Production Goal (10 years)
Subsidized Rentals	60% AMI or less	1,600 units	200 units
Affordable Rentals or Home Ownership	60% to 100% AMI	650 units	200 units
Housing for Seniors & People with Disabilities	60% AMI or less	380 Renters/ 660 Homeowners	100 Renters/ 50 Homeowners
General Housing Rehabilitation	60% AMI or less	Up to 10,700 units	500 units
Transitional Housing	60% AMI or less	30 beds	10 beds
Permanent Supportive Housing	30% AMI and below	10 to 20 units	10 units
Emergency Shelter	60% AMI or less	30 beds	10 beds

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APPENDICES

1. Public Involvement

1.1. Affordable Housing Plan Committee

Councilor Jeanine Best
Councilor Caleb Grant
Steve Polasek, City Manager
Bill Morris, Planning Manager
DeAnna Phillips, Director of Public Affairs
Merideth Hildreth, Zoning Administrator
John Mulcahy, Roswell Chaves County Economic Development Corp.
Chris Herbert, Eastern Regional Housing Authority

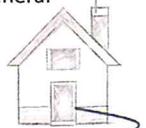
1.2. Interviews

Bill Bartlett, Roswell Code Enforcement
Chaves County Assessor staff
Miller Butts, Roswell Building Inspections
Chris Herbert, Eastern Regional Housing Authority
Bill Davis, Owner, CEO Berkshire Hathaway
Steve Harris, Chaves County Treasurer
Mike Mathews, Roswell Special Services Manager
Elizabeth Stark-Rankin, former Roswell Planner
UAH Property Managers
Rivers of Life
Roswell Refuge
CHOICES Center for Independent Living

2. Large Parcels for Sale

Table 52. Large Parcels for Sale, Roswell

LOCATION	ACRES	ZONING	UTILITIES	LISTING PRICE	DEVELOPMENT POTENTIAL
3700 W Second, Roswell, NM 88201	70.00	C and R	Unknown	\$700,000.00	Three parcels in the Indian Mesa area: (1) Parcel#413206248902600 0000 (2.83 acres, zoned C2) has W. Second St. frontage. (2) Parcel# 4132062466080000000 (almost 23 acres, zoned R2) is just south of the small parcel listed above and east of the homes in Indian Mesa. (3) Parcel# 4132062441201000000 (44.185 acres, zoned R2) is just south of the homes in the Indian Mesa development & has Relief Route frontage.
2914 W 2nd St, Roswell, NM 88201	41.00	C and R	Unknown	\$279,900.00	Will look selling either front or back parcels separately. 2 particle join the hwy zoned commercial back 2 particle zoned residential. There are 3 ten acre parcel and 1 eleven acre parcel. See Associated Documents.
Roswell, NM 88201	30.00	?	Unknown	\$124,900.00	Six lots totaling over 30 acres. Well on lot 3, it does not have pump. Electric also on lot 3. Seller would consider selling lots separately.
Tierra Berrenda, Roswell, NM 88201	30.00	?	Unknown	\$750,000.00	
3200 Blk S Main, Roswell, NM 88203	20.00	R3	Unknown	\$160,000.00	Just south of Coca Cola on South Main. Zoned R-3. 1
1901 S Main St, Roswell, NM 88203	18.93	R1	Yes	\$1,650,000.00	Large acreage tract located off of SE Main. Tremendous commercial property for general



LOCATION	ACRES	ZONING	UTILITIES	LISTING PRICE	DEVELOPMENT POTENTIAL
					retail, storage or equipment yard. This is the largest single tract of commercial/residential property located south of Roswell within the city limits. The rear property is currently zoned R-1 and could possibly be re-zoned to commercial.
3900 Block Se Main, Roswell, NM 88203	12.64	RS	Unknown	\$112,000.00	
800 N Garden Ave, Roswell, NM 88201	11.00	I	Unknown	\$225,000.00	THIS TRACT IS ZONED INDUSTRIAL AND JOINS THE SANTA FE RAIL ROAD ON THE EAST. THIS PROPERTY DOES INCLUDE A SMALL SHOP ON N. GARDEN
3100 Blk S Main, Roswell, NM 88203	6.97	R3	No	\$56,000.00	Property is located directly behind (West) of the Coca-Cola building. Zoned R-3
400 Blk S Wrangler, Roswell, NM 88201	5.00	RS	Unknown	\$20,000.00	
Oo Mistico, Roswell, NM 88203	5.00	RS	No	\$21,500.00	"Excellent home site with really good view. Restrictives covenants for your protection.
3813 E Pine Lodge Rd, Roswell, NM 88201	5.00	RS	Yes	\$22,000.00	
Townsend Trl Lot 9, Roswell, NM 88201	5.00	?	No	\$50,000.00	"
Antelope Run Lot K, Roswell, NM 88201	5.00	?	Yes	\$59,500.00	Five acre tract with Berrendo Water Meter. Owner states that septic is not to code but for asking price he will bring up to code. Older mobile needs to be moved. Not livable. OWNER WILL CONSIDER REAL ESTATE CONTRACT WITH 30% DOWN.
4 W Townsend Trl, Roswell, NM 88203	5.00	RS	Yes	\$75,000.00	

Source: MLS and Realtor.com

3. Potential Financing Sources

The following lists potential sources of federal, state, and local financing and subsidies to support affordable housing in New Mexico. Primary resources include the Department of Housing and Urban Development (HUD), the Federal Housing Administration (FHA), the Department of Agriculture (USDA), and the New Mexico Mortgage Finance Authority (MFA). The list of resources below is not all-inclusive, but it provides the City with information about the most commonly used housing resources for public agencies, non-profits, housing developers, and individual homeowners and renters.

Many of these programs are competitive, so it will be important for City officials and staff to understand how a package of multiple financing sources can be combined to accomplish the desired project. In addition, to facilitate a future affordable housing project, the City will likely partner with a non-profit or other housing developer that will take the lead on the project through a public-private partnership.

3.1. Capacity Building Resources for Non-Profits Public Agencies

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

3.1.1. *Community Housing Development Organization (CHDO)*

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

3.1.2. *Other Capacity Building Programs*

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

- **Local Initiatives Support Coalition and Rural Local Initiatives Support Coalition (LISC)** has helped nonprofit community development corporations acquire and preserve housing developments, build partnerships with housing authorities and other organizations, and advocate



for government policies that can reduce the loss of affordable homes and apartments. LISC's Housing Authority Resource Center brokers relationships between local housing authorities, LISC local offices, and other community developers to provide access to best practices, information, and training.

- **The Institute for Community Economics (ICE)** is a federally certified Institution that makes loans to create housing that is permanently affordable. ICE also provides technical assistance and training to community-based groups who seek to set up community land trusts. ICE's principal lending goes to community land trusts, limited equity cooperatives, and community-based nonprofit organizations creating housing.
- **USDA Rural Development Housing Application Packaging Grants** provide government funds to tax-exempt public agencies and private non-profit organizations to package applications for submission to Housing and Community Facilities Programs.
- **USDA Self-Help Technical Assistance Grants** provide financial assistance to qualified nonprofit organizations and public bodies that will aid needy very low and low-income individuals and their families to build homes in rural areas. Any State, political subdivision, private or public non-profit corporation is eligible to apply.

3.2. Resources for Homeless and Special Needs

3.2.1. *The MFA Emergency Homeless Assistance Program (EHAP)*

Organization: MFA

Website: http://www.housingnm.org/community_development/emergency-homeless-assistance-program-ehap

This program provides assistance to units of local government or nonprofit organizations to improve the quality of existing emergency shelters and to help meet the costs of operating emergency shelters. Organizations may apply for EHAP funding through a competitive RFP process. Funding may be used for acquisition, renovation, repair, rehabilitation, conversion, essential or supportive services, operating expenses, prevention activities associated with providing shelter or services to homeless individuals.

3.2.2. *HUD Emergency Solutions Grants (ESG) Program*

Organization: HUD

Website: <https://www.hudexchange.info/homelessness-assistance/>

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

3.2.3. *HUD Supportive Housing Program (SHP)*

Organization: HUD**Website:** <https://www.hudexchange.info/homelessness-assistance/>

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

3.2.4. HUD Shelter Plus Care Program

Organization: HUD**Website:** <https://www.hudexchange.info/homelessness-assistance/>

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

3.2.5. HUD Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program

Organization: HUD**Website:** <http://portal.hud.gov/hudportal/HUD?src=/hudprograms/sro>

Under the SRO program, HUD enters into Annual Contributions Contracts with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties that, when rehabilitation is completed, will contain multiple single room dwelling units. These PHAs make Section 8 rental assistance payments to participating owners (i.e., landlords) on behalf of homeless individuals who rent the rehabilitated dwellings. Assistance provided under the SRO program is designed to bring more standard SRO units into the local housing supply and to use those units to assist homeless persons. For example, the SRO units might be in a rundown, reconverted hotel, an old school, or even in a large abandoned home.

3.2.6. HUD Housing Opportunities for Persons with AIDS (HOPWA)

Organization: HUD**Website:** <https://www.hudexchange.info/programs/hopwa/>

This program provides housing assistance and related supportive services to low-income people and their families living with HIV/AIDS. The objective of the funding is to maintain housing stability, avoid homelessness, and improve access to HIV/AIDS treatment and care. States, cities, local governments and nonprofit organizations may apply for HOPWA Competitive funding.



3.2.7. HUD Section 811

Organization: HUD

Website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/disab811

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

3.2.8. HUD Section 202

Organization: HUD

Website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/eld202

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

3.2.9. HUD Multifamily Assistance Programs

Organization: HUD

Website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/hsgmulti

HUD offers a number of mortgage loans multifamily and manufactured housing programs including:

4. Section 231 insures mortgage loans to facilitate the construction and substantial rehabilitation of multifamily rental housing for elderly persons (62 or older) and/or persons with disabilities.
 - *Manufactured Housing – Section 207* is a program that assists with construction or rehabilitation of manufacturing housing.
 - *Cooperative Housing – Section 213* is a program that facilitates the construction, rehabilitation and purchase of cooperative housing projects.
 - *Rental Housing for Urban and Concentrated Development areas – Section 220* is a program that facilitates the development of multifamily housing projects.
 - *Rental and Cooperative Housing 221(d)(4)* is a program that facilitates the construction and rehabilitation of cooperative housing developments, targeting moderate-income and displaced families.
 - *Existing Multifamily Rental Housing – Sections 207/223(F)* is a program that facilitates the purchase or refinancing of existing multifamily rental developments.

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

4.1.1. *USDA Farm Labor Housing Loans and Grants*

Organization: USDA

Website: <http://www.rd.usda.gov/programs-services/farm-labor-housing-direct-loans-grants>

This program is designed to provide capital financing for the development of housing for domestic farm laborers.

4.2. Resources for Rental Housing

4.2.1. *HUD Section 8 Housing Choice Vouchers*

Organization: HUD

Website:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/about

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

Housing choice vouchers are administered locally by public housing agencies (PHAs).

4.2.2. *Project-Based Section 8 Vouchers*

Organization: FHA

Website:

portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/project

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



4.2.3. *Local Initiatives Support Coalition (LISC) Affordable Housing Preservation Initiative*

Organization: LISC

Website: <http://www.lisc.org/section/ourwork/national/housing>

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

4.2.4. *USDA Rural Development Multi-Family Housing Programs*

Organization: USDA

Website: <http://www.rd.usda.gov/programs-services/multi-family-housing-rental-assistance>

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

- **USDA Rural Rental Housing Program** is adaptable for participation by a wide variety of owners. Loans can be made to individuals, trusts, associations, partnerships, limited partnerships, State or local public agencies, consumer cooperatives, and profit or nonprofit corporations.
- **USDA Guaranteed Rental Housing Programs** guarantee loans under the Rural Rental Housing Guaranteed loan program for development of multi-family housing facilities in rural areas of the United States. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multi-family housing.
- **USDA Rental Assistance (RA) Program** provides an additional source of support for households with incomes too low to pay the HCFP subsidized (basic) rent from their own resources.
- **USDA Multi-Family Housing Preservation and Revitalization (MPR) Loans and Grants** restructure Rural Rental Housing loans and Off-Farm Labor Housing loans and provide grants to revitalize Multi-Family Housing projects in order to extend the affordable use of these projects without displacing tenants due to increased rents.

4.3. Resources for Housing Development

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

4.3.1. *The Low Income Housing Tax Credit Program (LIHTC)*

Organization: MFA**Website:** <http://www.housingnm.org/developers/low-income-housing-tax-credits-lihtc>

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

4.3.2. *The New Mexico State Affordable Housing Tax Credit (Rental)***Organization:** MFA**Website:** <http://www.housingnm.org/developers/new-mexico-state-affordable-housing-tax-credit>

This program provides charitable state tax credit for up to 50% of the value of donations (cash, land, buildings or services) for affordable housing projects approved by the MFA, or for donations made directly to the NM Affordable Housing Charitable Trust.

4.3.3. *The BUILD IT! Loan Guaranty Program***Organization:** MFA**Website:** <http://www.housingnm.org/>

This program was created to encourage other lenders to provide interim financing for "high risk" or unconventional projects when they might not otherwise do so – for "high risk" or unconventional projects, unfamiliar types of borrowers or unfamiliar markets. The program offers MFA guaranties of up to 50% of the risk of loss in the underlying loan. BUILD IT! Loan guaranties can be used for owner-occupied or rental developments or special needs facilities. Sites must be responsive to demonstrated community needs, and zoning must be pending or completed. Commitments for matching contributions from other public sector entities, equal to 10% of the total development costs, must be in place. Finally, at least 40% of the units in the development must be affordable to households earning no more than eighty percent of adjusted area median income.

4.3.4. *The NM Housing Trust Fund***Organization:** MFA**Website:** <http://www.housingnm.org/developers/nm-housing-trust-fund>

This program provides flexible funding for housing initiatives that will provide affordable housing primarily for persons or households of low or moderate income. Non-profit organizations, for-profit organizations, governmental housing agencies, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, tribal housing agencies and other entities as outlined in the Notice of Funding Availability (NOFA). Costs of infrastructure, construction, acquisition, and



rehabilitation necessary to support affordable single family or rental housing as outlined in the NOFA. MFA mortgage may be in first or junior lien position on the property. Rental projects must serve households earning 60% or less of AMI.

4.3.5. *The MFA Primero Loan Program*

Organization: MFA

Website: <http://www.housingnm.org/developers/primero-loan-program>

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

4.3.6. *The HOME/Single Family Development Program*

Organization: MFA

Website: http://www.housingnm.org/community_development/sf-development-submission-checklists-reimbursements

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

4.3.7. *The HOME/Rental Loan Program*

Organization: MFA

Website: http://www.housingnm.org/community_development/rental-setups-reimbursements-completions

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

4.3.8. *ACCESS Loans*

Organization: MFA

Website: <http://www.housingnm.org/>

This program provides federally insured construction and permanent financing for small-scale affordable housing projects throughout New Mexico. This program is designed to minimize transaction and due diligence costs and expedite processing for small projects. Eligible projects include new construction, substantial rehabilitation, refinancing or acquisition of projects having no less than five units per site. Detached, semi-detached, row houses or multifamily structures are eligible. Eligible borrowers may be single asset mortgagors, including nonprofit organizations, for-profit corporations, joint ventures, limited liability companies, and partnerships.

4.3.9. *MFA Tax Exempt Bond Financing for Affordable Rental Housing*

Organization: MFA

Website: <http://www.housingnm.org/developers/bond-financing>

MFA will provide bond financing for multifamily housing developments through the following mechanisms:

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

MFA may issue the bonds with or without providing the credit enhancement. As a "conduit" issuer, MFA issues the bonds that fund the developers' loans, but does not provide loans or take the credit risk. Consequently, the interim and permanent financing as well as the credit enhancement for the bonds must be provided through other sources as proposed by the developer of the project. Alternatively, MFA can provide the credit enhancement with the use of its 542(c) FHA Mortgage Insurance Program.

7.1.1. *FHA Section 207: Mortgage Insurance for Rental Housing*

Organization: FHA

Website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/progsec207

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

7.1.2. *FHA Section 207: Mortgage Insurance for Manufactured Home Parks*



Organization: FHA

Website: portal.hud.gov/hudportal/HUD?src=/hudprograms/mhp

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

7.1.3. *FHA Section 207/223(f): Existing Multifamily*

Organization: FHA

Website: portal.hud.gov/hudportal/HUD?src=/hudprograms/emrh

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

7.1.4. *FHA Section 221(d)(3) and 221(d)(4): Rental Housing and SRO*

Organization: FHA

Website:

portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/rentcoophs221d3n4

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

7.1.5. *FHA 542(c): FHA-Insured Multifamily Loan Program*

Organization: FHA

Website: <http://portal.hud.gov/hudportal/HUD?src=/hudprograms/mmrsp>

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

7.1.6. HUD Section 108

Organization: HUD

Website: <https://www.hudexchange.info/programs/section-108/>

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

7.1.7. HUD Self-Help Homeownership Program (SHOP)

Organization: HUD

Website:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/shop

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

7.1.8. The Federal Home Loan Banks' Affordable Housing Program (AHP)

Organization: FHFA

Website: <http://www.fhfa.gov/PolicyProgramsResearch/Programs/AffordableHousing/Pages/Affordable-Housing-Home-Loan-Banks.aspx>



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

7.1.9. *The Enterprise Community Loan Fund & Programs*

Organization: Enterprise

Website: <http://www.enterprisecommunity.com/loan-fund-products>

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

Enterprise also offers flexible, innovative loan products to help make it possible for developers and nonprofit organizations to create sustainable, affordable housing and community facilities. Loan products include predevelopment loans; building or land acquisition loans, predevelopment costs and critical repairs; mini-permanent loans for the operating buildings, predevelopment costs and critical repairs; and construction and bridge loans.

7.1.10. *USDA Rural Housing Site Loans*

Organization: USDA

Website: <http://www.rd.usda.gov/programs-services/rural-housing-site-loans>

Rural Housing site loans provide two types of loans to purchase and develop housing sites for low- and moderate-income families:

- Section 523 loans are used to acquire and develop sites only for housing to be constructed by the Self-Help method.
- Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction. Low-income is defined as between 50-80% of the area median income (AMI); the upper limit for moderate income is \$5,500 above the low-income limit.

7.2. Resources for Homebuyers

7.2.1. *MFA Programs*

Organization: MFA

Website: <http://www.housingnm.org/homebuyers/mortgage-programs>

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

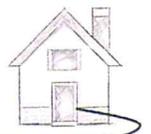
- **Helping Hand** – Up to \$8,000 down payment and closing cost assistance to first-time homebuyers with at least one family member that has a disability. This is a soft second loan that does not need to be paid back until the property is sold, refinanced, or transferred, and it is assumable if the buyer meets program eligibility requirements. The loan may be forgiven after 10 years. This program is targeted toward households earning 80% or less than AMI, adjusted for family size.
- **Mortgage Booster** – A fixed-rate second mortgage that is used in conjunction with either a MortgageSaver or MortgageSaver Zero first mortgage. Mortgage Booster features a 30-year term and a maximum loan amount of \$8,000. Mortgage Booster is priced .5 percent higher than MortgageSaver's interest rate.
- **MortgageSaver** – 30-year fixed-rate loans for low to moderate income buyers; available at below-market rates, with a one percent discount and one percent origination fee.
- **MortgageSaver Zero** – Thirty-year fixed-rate mortgage loans priced with 0 percent discount and 0 percent origination fee for low- to moderate-income first-time homebuyers.
- **MortgageSaver Plus** – 30-year fixed rate mortgage that includes a 3.5% grant to offset downpayment and closing costs for low to moderate income first time buyers. The interest rate is slightly higher than MortgageSaver or MortgageSaver Zero, but there is no origination fee or discount fee.
- **MortgageSaver Xtra** features a deeply discounted interest rate for very low-income borrowers who are at or below 50 percent of the area median income.
- **PaymentSaver Program** – A loan that provides the lesser of eight percent of the sale price of the home or \$8,000 for a down payment, closing costs, principal reduction and/or interest rate buy-down for lower income buyers who have not owned and occupied a primary residence for the past three years. This is a zero percent second mortgage loan due on sale, transfer or refinance, which may be forgiven after 10 years.
- **PaymentSaver SmartChoice Program** – a soft second mortgage that borrower with a Section 8 Housing Boucher can use, with a loan amount of up to \$15,000. This loan has a 0 percent interest rate, and is paid back when the property is sold, refinanced or transferred.
- **Mortgage Booster Program** – this program provides down payment and closing cost assistance, in the form of a second mortgage, to borrowers who qualify for the MortgageSaver loan. The maximum loan amount is \$8,000. These are repaid over 30 years.
- **HERO program** – a special MFA first mortgage loan that includes a 3.5 percent down payment assistance grant to low- to moderate-income households in which at least one member is a teacher, police officer, healthcare worker, firefighter or an active member of the Armed Forces.

7.2.2. *The Housing Counseling Assistance Program*

Organization: HUD

Website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/counseling

This program enables anyone who wants to (or already does) rent or own housing-whether through a HUD program, a Veterans Affairs program, other Federal programs, a State or local program, or the



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

7.2.3. OTHER FHA & HUD Programs

Organizations: FHA and HUD

Several programs are available through HUD and FHA to help low to moderate income homebuyers. The following FHA and HUD programs could benefit Roswell families:

- HUD's Federal Housing Administration (**FHA Section 203(b) mortgage insurance**) insures loans made to creditworthy borrowers who may not qualify for conventional mortgages on affordable terms. The downpayment requirements can be as little as 3.5% and some fees are limited. Mortgage insurance is available for one- to four-unit residences where the property is the owner's primary residence. The program has mortgage maximums, which vary depending on number of units.
- HUD's **Energy Efficient Mortgage (EEM)** allows homeowners to finance energy efficiency features in new or existing housing as part of their FHA insured home purchase or refinancing mortgage. Home must be the owner's principal residence. The borrower doesn't have to qualify for the higher cost and doesn't make a downpayment on it. This can also be used with the FHA Section 203(k) rehabilitation program or HUD's Title I Home Improvement Loan Program.
- **HUD's Graduated Payment Mortgage Insurance (Section 245(a))** enables a household with a limited income that is expected to increase to buy a home sooner by making mortgage payments that start small and increase gradually over time. All FHA-approved lenders may make GPMs available to persons who intend to use the mortgage property as their primary residence and who expect to see their income rise appreciably in the future.

7.2.4. USDA Rural Development Programs

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

The USDA provides direct loans of up to \$160,900 for low (50% - 80% AMI) and very low (below 50% AMI) income households, with a maximum income of \$45,850 for a family of four. Payment subsidy is available to applicants to enhance repayment ability. USDA Rural Development guaranteed housing loans are geared to families with incomes of up to 115% of AMI. In Eddy County the moderate income For both programs, families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must have reasonable credit histories.

- **USDA Rural Development Single Family Housing Loans and Grants** provide homeownership

opportunities to low- and moderate-income rural Americans through several loan, grant, and loan guarantee programs. The programs also make funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary.

- **USDA Section 502 Rural Housing Direct Loans** are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to acquire, build (including funds to purchase and prepare sites and to provide water and sewage facilities), repair, renovate or relocate a home.
- **USDA Rural Housing Guaranteed Loans** are for applicants who have an income of up to 115% of the median income for the area. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must have reasonable credit histories.
- **USDA Section 502 Mutual Self-Help Housing Loan Program** is used primarily to help very low- and low-income households construct their own homes.
- **USDA Guaranteed Loan Refinance PILOT Program** helps rural borrowers refinance their mortgages to reduce their monthly payments. The Single Family Housing Guaranteed Rural Refinance Pilot Program operates in 19 states for homeowners who have loans that were made or guaranteed by USDA Rural Development.

7.2.5. *OTHER Homebuyer Programs*

Other programs to assist homebuyers include:

- **Individual Development Account (IDA)** is a program that partners local non-profit organizations and financial institutions to encourage participants to save toward the purchase of a first home through a matching grant incentive. The local non-profit, the IDA program sponsor, recruits participants for the IDA program, provides financial education classes, and may also provide one-on-one counseling and training to participants. After signing up for an IDA program, each participant opens up an account with the partnering bank or credit union. Each deposit made by the participant is matched from a source of grant funding. The participant is allowed to withdraw funds when they have achieved their savings goal. Prosperity Works partners with local organizations in New Mexico to teach them how to develop and offer effective IDA programs.
- The **Federal Home Loan Bank Mortgage Partnership Finance® Program** combines the retail expertise of community lenders with the wholesale funding advantages of the FHLBanks, resulting in an efficient method of financing mortgage loans. Mortgage lenders can continue to manage all aspects of their customer relationships and depending on the MPF product chosen, lenders may be paid credit enhancement fees for managing the credit risk of the loans they originate and sell.

7.3. Resources for Rehabilitation and Homeowner Support

7.3.1. *The New Mexico EnergySmart Weatherization Assistance*

This program is administered through the New Mexico Mortgage Finance Authority. Federal, state and utility funds are used for the program. Weatherization services are performed by four non-profit providers located throughout the state. Households with incomes at or below 150 percent of the national



poverty level are eligible for the program. Southwestern Regional Housing and CDC in Deming provides Energy\$mart weatherization services in southern New Mexico. SRHCDC has an office in Las Cruces.

7.3.2. MFA HOME Investment Partnership Program

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

7.3.3. HUD - Rehabilitation Mortgage Insurance (Section 203(k)).

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

7.3.4. USDA Rural Repair and Rehabilitation Loan and Grant Program

This program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. Rural Housing Repair and Rehabilitation Grants are funded directly by the Government. Grants are available for homeowners who are 62 or older and cannot repay a loan. Funds may only be used for repairs or improvements to remove health and safety hazards, or to complete repairs to make the dwelling accessible for household members with disabilities. Loans of up to \$20,000 and grants of up to \$7,500 are available. The interest on loans is 1%. Loans and grants can be combined.

7.3.5. USDA Housing Preservation Grants Program

This program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing.

7.3.6. USDA Technical and Supervisory Assistance Grants

assist low-income rural families in obtaining adequate housing to meet their family's needs and/or to provide the necessary guidance to promote their continued occupancy of already adequate housing.

These objectives will be accomplished through the establishment or support of housing delivery and counseling projects run by eligible applicants.

7.3.7. HUD 255 Home Equity Conversion Mortgage Program (HECM)

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

