

# Legislative Finance Committee

Cloudcroft  
July 10, 2019



## Permian Basin Housing Briefing

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New Mexico Mortgage Finance Authority  
Jay Czar, Executive Director

# MFA Annual Production Highlights

2018

- **Total Production:** MFA's total production was **\$531 million** in 2018.
- **Homeownership:** In 2018, MFA made more loans to homebuyers than in any time in its history. More than 2,800 New Mexican families became homeowners in 2018 using \$420.1 million in MFA loans and \$16.8 million in down payment assistance. The numbers reflect an increase of 13 percent from 2017.
- **Construction Financing:** MFA provided \$52.4 million in financing to construct and rehabilitate more than 370 apartments and affordable homes.
- **Rehabilitation And Energy-Efficiency Improvements:** Almost 800 low-income families received home rehabilitation or energy-efficiency improvements through \$8 million in MFA funding.
- **Homeless Prevention And Supportive Housing:** MFA partners sheltered and housed almost 8,700 people experiencing homelessness with \$1.3 million in MFA funding. In addition, \$1.9 million in supportive housing vouchers and services stabilized or prevented homelessness for 300 households with special needs, and \$830,000 in rental assistance rapidly re-housed or prevented homelessness for 700 households.
- **Rental Assistance:** MFA processed more than \$30 million in project-based Section 8 rental assistance for 5,200 low-income renter households.
- **Assets Under Management:** In 2018, MFA managed **\$3.4 billion** in assets.

# MFA Five Year Production

In Eddy and Lea Counties

| <b>MFA Production by Programs 2014-2018</b> | <b>Eddy County</b>  | <b>Lea County</b>   | <b>Counties Combined</b> | <b>New Mexico</b>      |
|---|---------------------|---------------------|--------------------------|------------------------|
| Homeownership                               | \$11,205,834        | \$21,744,179        | \$32,950,013             | \$1,454,292,771        |
| Rental                                      | \$47,068,223        | \$50,454,590        | \$97,522,813             | \$576,604,080          |
| Community Development                       | \$210,886           | \$188,939           | \$399,825                | \$17,324,939           |
| <b>Five-Year Expenditures by County</b>     | <b>\$58,484,943</b> | <b>\$72,387,708</b> | <b>\$130,872,651</b>     | <b>\$2,048,221,790</b> |
| Percent of Total NM Expenditures            | 2.86%               | 3.53%               | 6.39%                    |                        |
| Percent of NM Population                    | 2.73%               | 3.29%               | 6.02%                    |                        |

# MFA Five Year Multifamily Production

## In Eddy and Lea Counties

| Name of Development                    | City     | County | Year Awarded | Total Development Cost | Total Units |
|--|----------|--------|--------------|------------------------|-------------|
| Roselawn Manor Apartments              | Artesia  | Eddy   | 2015         | \$13,104,879           | 63          |
| Colonial Hillcrest Apartments          | Carlsbad | Eddy   | 2016         | \$14,416,196           | 75          |
| Villa San Jose Apartments              | Carlsbad | Eddy   | 2017         | \$7,212,665            | 60          |
| Parkside Place Apartments              | Carlsbad | Eddy   | 2018         | \$15,289,314           | 80          |
| <b><i>Eddy County Developments</i></b> |          |        |              | \$50,023,054           | 278         |
| New Leaf Community                     | Hobbs    | Lea    | 2014         | \$13,437,301           | 72          |
| Playa Escondida                        | Hobbs    | Lea    | 2014         | \$12,287,568           | 60          |
| Parkside Terrace                       | Hobbs    | Lea    | 2015         | \$12,686,040           | 65          |
| Washington Place                       | Hobbs    | Lea    | 2015         | \$8,387,561            | 76          |
| <b><i>Lea County Developments*</i></b> |          |        |              | \$46,798,470           | 273         |
| <b>Total Developments</b>              |          |        |              | <b>\$96,821,524</b>    | <b>551</b>  |

\*In 2019, MFA awarded \$11,573,250 in tax credits to Skyview Terrace in Hobbs, a 72 unit property with a Total Development Cost of \$15,698,573

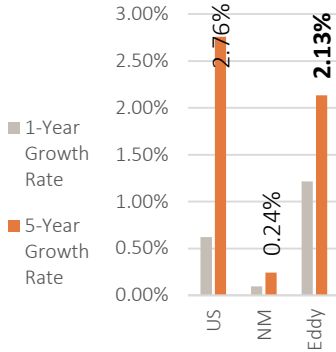
# Eddy County

Population, Income and Poverty

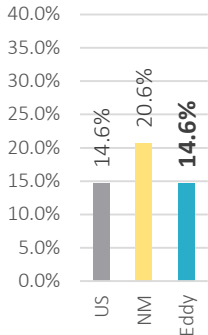
## 2018 Population



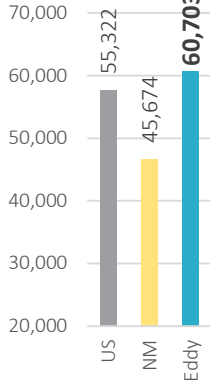
## Growth Rate



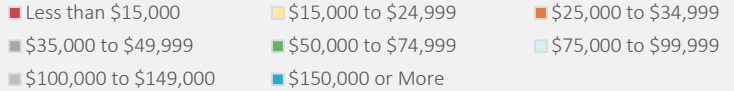
## Poverty Rate



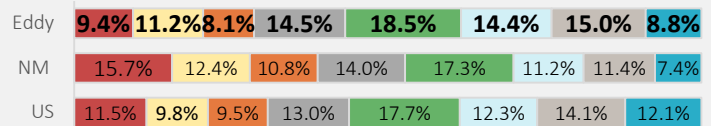
## Median HH Income



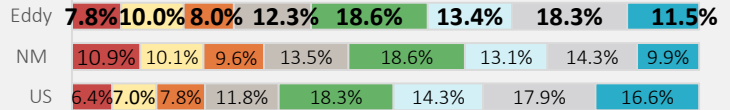
## Household Income Distribution



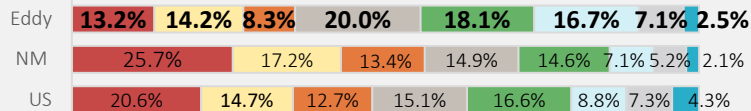
### All Households



### Homeowner Households



### Renter Households

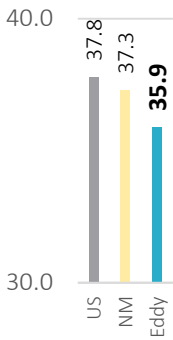


Sources: American Community Survey 2013-2017 5-Year Estimates, Annual Estimates of the Resident Population, April 1, 2010 to July 1, 2018

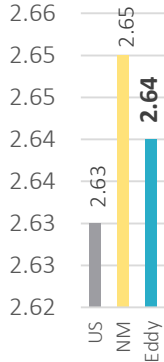
# Eddy County

## Demographics

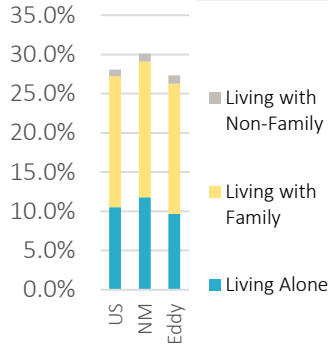
### Median Age



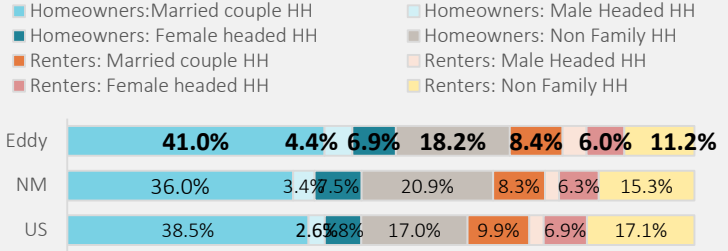
### Average Household Size



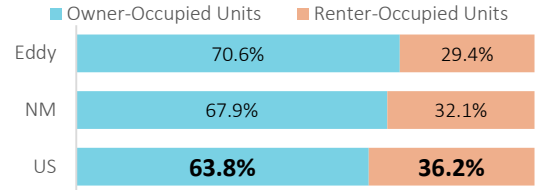
### Senior Households



## Household Type

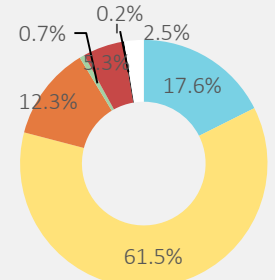
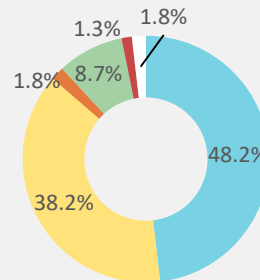
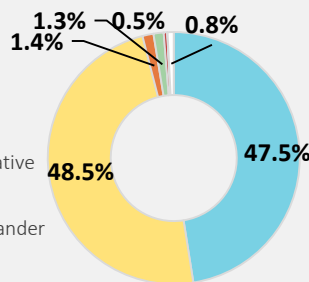


## Homeowners and Renters



## Race & Ethnicity

- Hispanic
- White
- Black or African American
- Native American and Alaska Native
- Asian
- Native Hawaiian and Pacific Islander
- Other



Eddy County

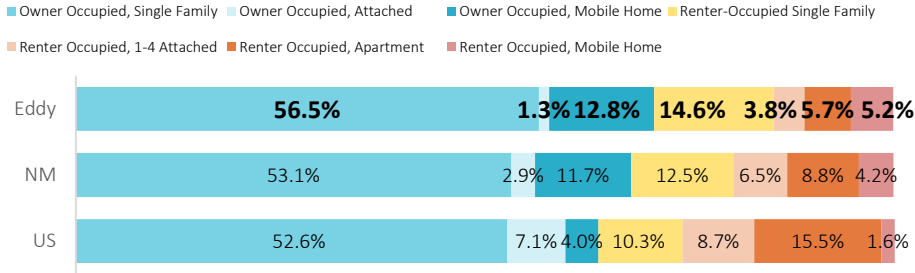
New Mexico

United States

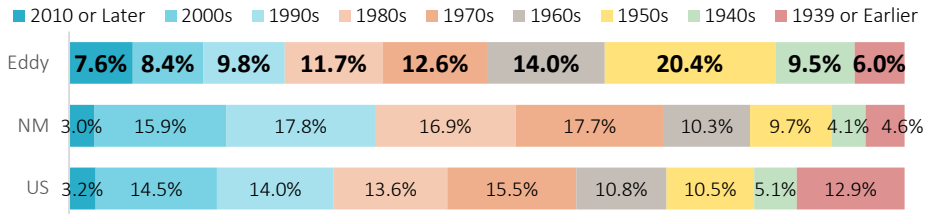
# Eddy County

## Housing Stock

### Type of Housing

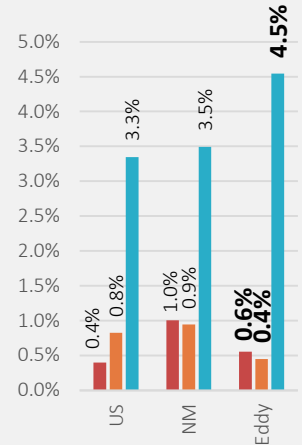


### Age of Housing



## Housing Conditions

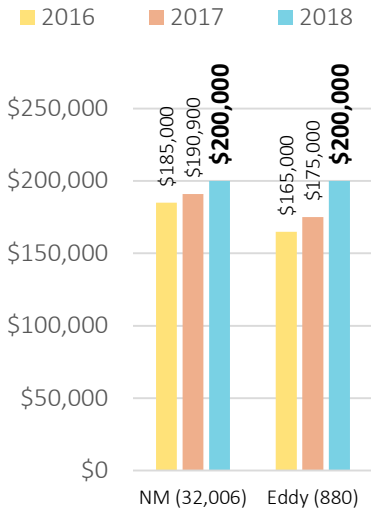
- Lacking Complete Plumbing
- Lacking Complete Kitchens
- Overcrowded



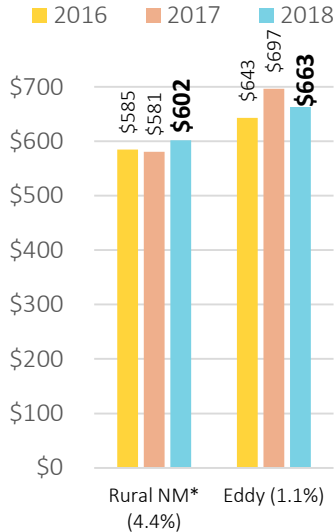
# Eddy County

## Housing Market and Affordability

### Median Home Price



### Average Rent



Number of home sales, 2018 in parenthesis

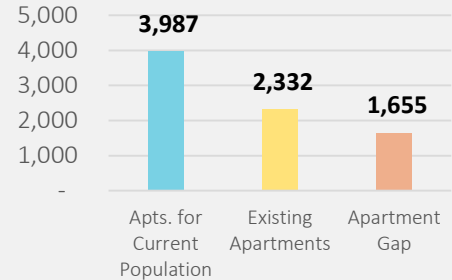
Source: New Mexico Association of Realtors Housing Trends

2018 rental vacancy rate in parenthesis

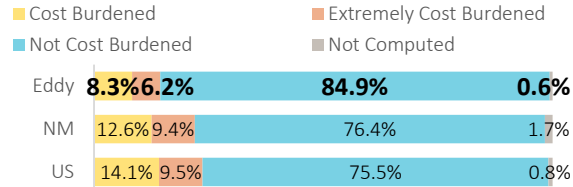
Source: MFA/Bureau of Business and Economic Research Rental Survey

### Gap in Apartments

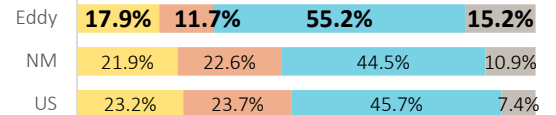
Source: MFA Calculations



### Cost Burden for Homeowners



### Cost Burden for Renters



Source: American Community Survey 2013-2017 5-Year Estimates

Renters Who Can Afford a Median-Priced Home

44%

Eddy County

Source: MFA Calculations

28%

New Mexico

Renters Who Can Afford Average Rent

71%

Eddy County

Source: MFA Calculations

49%

New Mexico



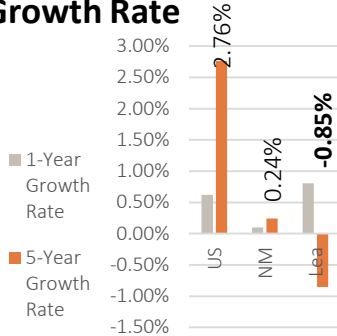
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## Population, Income and Poverty

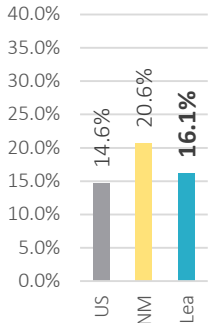
### 2018 Population



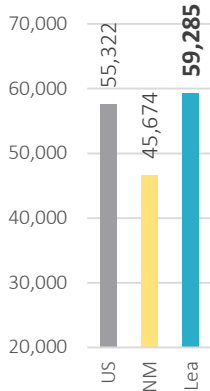
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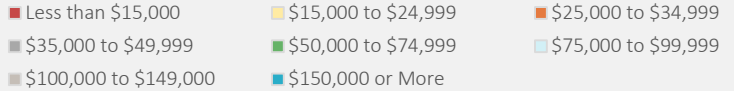
### Poverty Rate



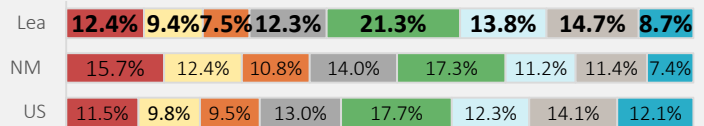
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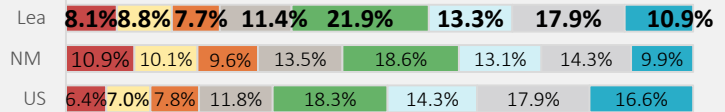
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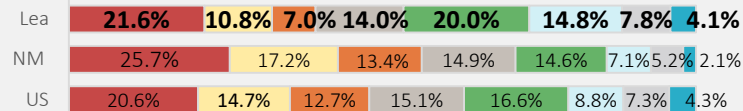
### All Households



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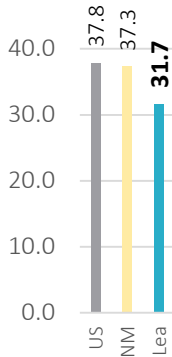


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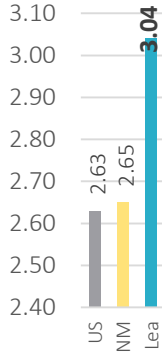
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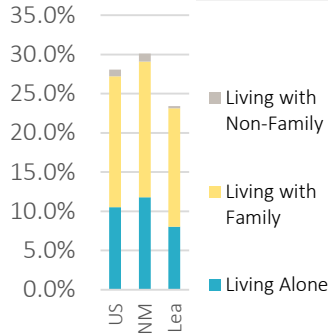
### Median Age



### Average Household Size

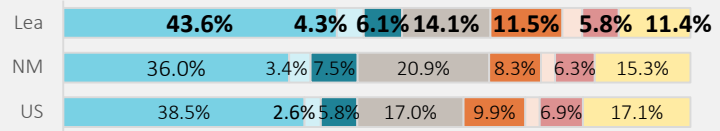


### Senior Households

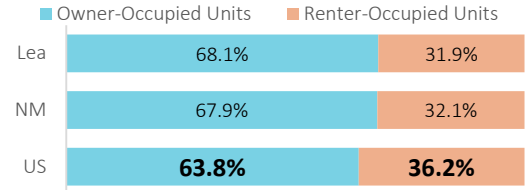


## Household Type

- Homeowners: Married couple HH
- Homeowners: Female headed HH
- Renters: Married couple HH
- Renters: Female headed HH
- Homeowners: Male Headed HH
- Homeowners: Non Family HH
- Renters: Male Headed HH
- Renters: Non Family HH

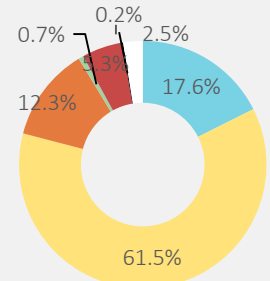
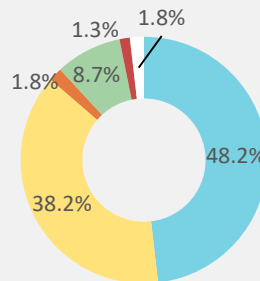
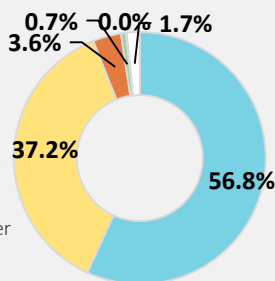


## Homeowners and Renters



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Lea County

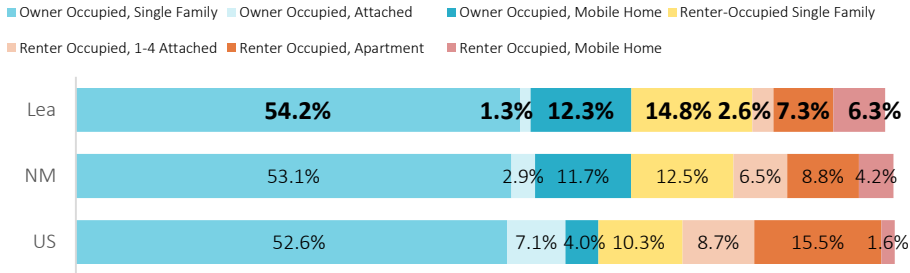
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United States

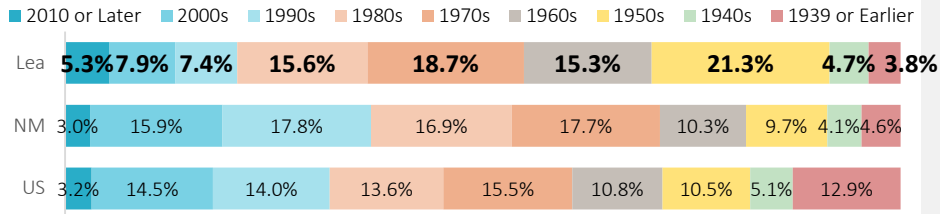
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## Housing Stock

### Type of Housing

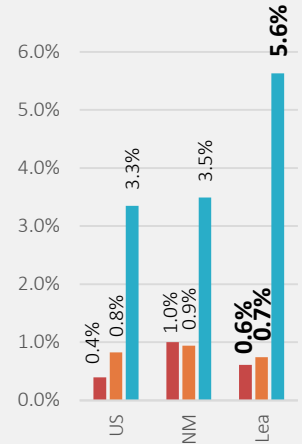


### Age of Housing



## Housing Conditions

- Lacking Complete Plumbing
- Lacking Complete Kitchens
- Overcrowded

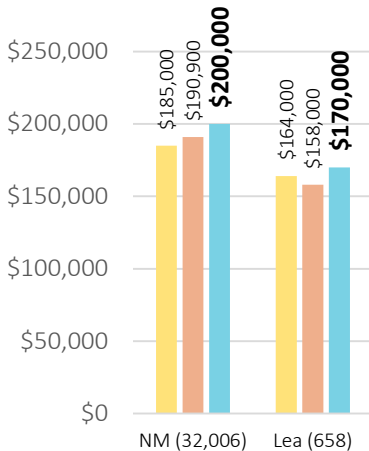


# Lea County

## Housing Market and Affordability

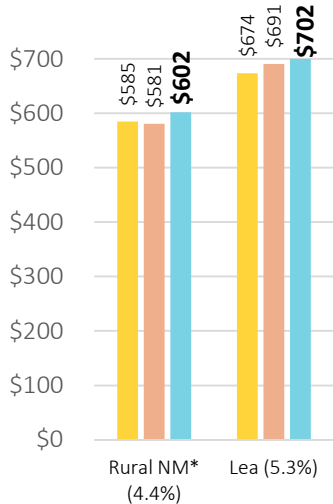
### Median Home Price

2016 2017 2018



### Average Rent

2016 2017 2018



Number of home sales, 2018 in parenthesis

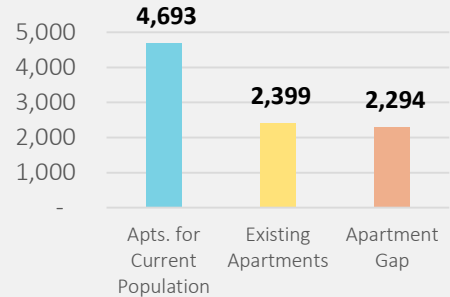
Source: New Mexico Association of Realtors Housing Trends

2018 rental vacancy rate in parenthesis

Source: MFA/Bureau of Business and Economic Research Rental Survey

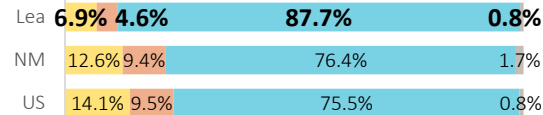
### Gap in Apartments

Source: MFA Calculations

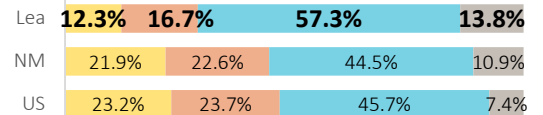


### Cost Burden for Homeowners

Cost Burdened Extremely Cost Burdened  
Not Cost Burdened Not Computed



### Cost Burden for Renters



Source: American Community Survey 2013-2017 5-Year Estimates

Renters Who Can Afford a Median-Priced Home

53%

Lea County

Source: MFA Calculations

28%

New Mexico

Renters Who Can Afford Average Rent

65%

Lea County

Source: MFA Calculations

49%

New Mexico

# Top Three Housing Funding Priorities

For the Permian Basin

|                                      | Program Description   | Program Highlights  |
|--------------------------------------|---|---|
| <b>New Mexico Housing Trust Fund</b> | <ul style="list-style-type: none"><li>• Serves low- to moderate-income individuals and families.</li><li>• Flexible funding source available to public and private organizations to fund acquisition, infrastructure, new construction and/or rehabilitation costs for homeownership or rental housing.</li></ul> | <ul style="list-style-type: none"><li>• To date, the New Mexico Housing Trust Fund combined with other sources has awarded more than \$45 million to build or rehabilitate 3,284 housing units. In the process, MFA has leveraged \$474 million in other funding sources, a 25-to-1 return on the state's \$18.7 million investment.</li><li>• Flexible loan and grant options.</li></ul> |
| <b>Down Payment Assistance</b>       | <ul style="list-style-type: none"><li>• Serves targeted low- to moderate-income homebuyers.</li><li>• Down payment and closing cost assistance through a low-interest second mortgage loan, which may be forgivable in certain situations.</li></ul>  | <ul style="list-style-type: none"><li>• In 2018 MFA provided 2,790 down payment assistance loans for an average loan amount of \$6,115.</li><li>• The average household size for the program is 2.5 persons.</li></ul>  |
| <b>Homeowner Rehabilitation</b>      | <ul style="list-style-type: none"><li>• Serves low-income homeowners.</li><li>• Provides assistance to low-income homeowners who lack the resources to make necessary repairs to their homes.</li></ul>   | <ul style="list-style-type: none"><li>• In 2018, 17 single family homes were rehabilitated (52 are expected in 2019).</li><li>• MFA utilized \$8 million to rehabilitate or provide energy-efficiency improvements to nearly 800 families.</li><li>• Coming Soon - Veterans Rehab Program for energy saving, accessibility and code compliance improvements.</li></ul>                    |

# Additional Funding Opportunities

## For the Permian Basin

- Provide direct grants/assets or incentivize donations to support affordable housing development, which may be eligible for a New Mexico Affordable Housing Tax Credit.
- Acquire, rehabilitate and sell distressed homes similarly to the Neighborhood Stabilization Program.
- Support market-rate housing solutions to complement MFA's affordable housing work.
- Provide resources to develop senior housing or improve accessibility in seniors' homes.
- Provide funds to support organizational capacity development of local service providers.
- Provide homebuyer counseling/financial literacy resources.
- Encourage utilization of the "Income Averaging" option for Low Income Housing Tax Credit (LIHTC) projects to support mixed-income communities.
- Research state legislation creating a state low-income housing tax credit program.



**MFA**

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