



City of Hobbs Housing Needs Assessment

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Prepared for:

City of Hobbs

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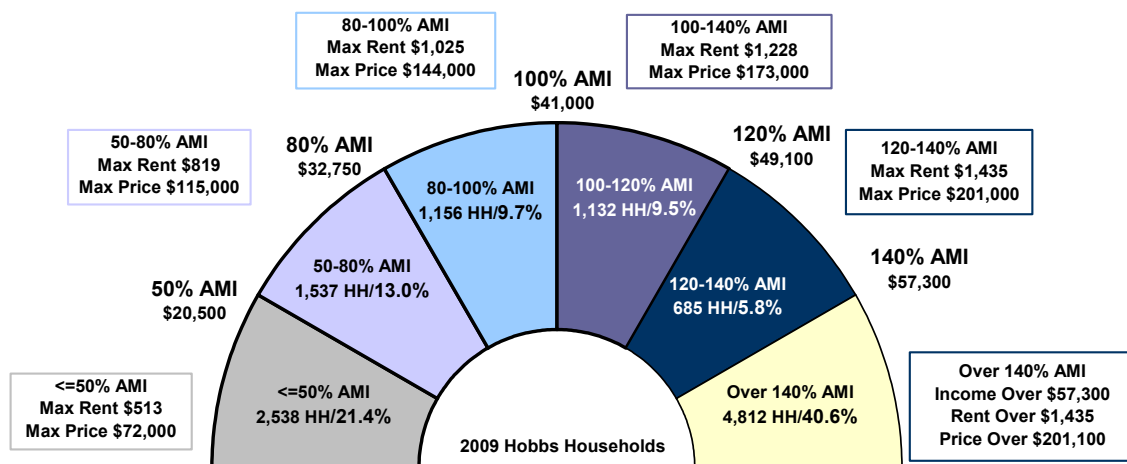
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INTRODUCTION

The purpose of this study is to provide the City of Hobbs with baseline information about current and future housing needs and the available supply of housing to address these needs. The information in this report will be useful in evaluating and targeting the housing needs of local residents and workers. The information can also be used to discuss housing needs and opportunities with the New Mexico Mortgage Finance Authority, the Department of Housing and Urban Development (HUD) and various other federal, state, local and other public agencies and non-profit organizations. Additionally, this report and the accompanying data are intended to support private interests involved in projects for the community.

This information is intended to inform decisions, as well as suggest program and policy options for local governments to consider when addressing community housing needs and opportunities. The types of homes that are made available under local housing initiatives vary depending on the housing needs in different communities and the policies and goals established by these communities to support these goals. We have taken a holistic approach to data analysis, recognizing that ideally, Hobbs will have a mix and balance of housing that supports current and future residents as their housing needs and conditions change. The Housing Continuum below illustrates the full spectrum of housing in Hobbs and provides a tool through which to identify target income groups for assistance. The Housing Continuum is discussed further in [Section 3](#) of this report.



This needs assessment provides an estimation of housing needs, as well as recommended policies, goals and strategies to address the identified needs. An abbreviated list of top actions is provided on the following page, however the complete Action Plan is provided in [Section 6](#) of this report.

- Adopt targets for production.
- Focus particularly on the creation of moderate income rental units. The City will need to play a role to ensure the success of any development.
- Make residential development a priority in planning. Target the Traditional Area of Hobbs or adjacent central areas for highest priority for a rental demonstration building or community.
- Encourage the private development community to address the needs of seniors. Interest exists now in new types of products.
- Encourage the use of new and less expensive construction methods including various modular products to create some additional for-sale units to serve current demand.
- Work with private developers to encourage more master planning and a greater diversity of price points in new developments. Use infrastructure as a “carrot” to encourage and perhaps accelerate these efforts.
- Weatherization and rehab efforts should be given even greater attention. The City/Region 6 should dedicate resources annually to this need.
- Select several special needs populations for particular attention. We have suggested very-low income households and transitional housing for the homeless and victims of domestic violence. Over time additional programs can be given greater priority.
- Focus on education of buyers and (to a lesser extent) renters. Evaluate and build on existing programs, expand them into the public schools in an effort to improve credit worthiness of Hobbs residents.
- Write and adopt a housing code which would provide minimum standards to protect the physical and mental health of residents of the city and safeguard property and public welfare by regulating and controlling the maintenance of all residential buildings and structures within Hobbs.

Methodology

This study covers both the incorporated City of Hobbs, as well as those households residing outside the city limits but in the Hobbs zip codes. A mix of primary research and available public information sources was used to generate information for the city.

Primary Research

Primary research was conducted to generate information beyond that available from existing public sources. This research included a household survey (distributed to Hobbs households), an employee survey, an employer survey, stakeholder interviews and public comment.

Household Survey. The Household Survey was mailed to 4,000 randomly selected homes in the Hobbs zip codes. A total of 841 completed household surveys were returned, for a response rate of about 21%. Additionally, 170 on-line surveys were completed, for a total of 1,011 completed household surveys. The primary purpose of the survey was to generate information on housing needs and preferences; opinions on potential housing issues, programs and solutions; and employment and commuting patterns among Hobbs residents.

The Needs Assessment attempted to gather current and accurate information on the Spanish Speaking population in Hobbs. This effort included an option to receive the household survey in Spanish, a booth at the local Health Fair and door hanging surveys in Spanish and English in designated Hobbs neighborhoods. In total, 274 survey responses were returned by households who speak Spanish at home.

In-Commuting Employee Survey. Surveys were distributed through employers via email to their employees. In total, 37 in-commuting employees completed the survey.

Employer Surveys. Surveys were mailed to 600 employers in the City of Hobbs. An online version of the survey was also emailed to those employers for which addresses were available. In total, 131 employers completed the survey for a response rate of 21%. Responding employers represent a total of 3,509 employees. The intent of the survey was to determine where employees live; changes in employment over time; to what extent employee housing is perceived to be an issue by employers and their associated level of support for housing assistance.

Stakeholder Interviews. In excess of 60 interviews were conducted with community members, leaders, business owners, lending institutions, realtors, developers, property managers and

social service organizations to gather their input and perceptions on housing in Hobbs. A complete list of stakeholder interviews is in the appendix.

Secondary Data Sources

A variety of sources of published information were used in the preparation of this report, including but not limited to:

- 1990 and 2000 US Census data, including CHAS (Comprehensive Housing Affordability Strategy) special tabulation data and 2005-2007 American Community Survey;
- Employment information from the Quarterly Census of Employment and Wages (2008), the US Bureau of Economic Analysis, and Business Pattern data from the Economic Census; Local Employment Dynamics;
- 2009 Area Median Income from the Department of Housing and Urban Development; and
- Hobbs MLS for historical sales and current listings.

SECTION 1 – COMMUNITY HOUSING PROFILE

This section provides a community housing profile, including demographic characteristics, household characteristics, economic characteristics and a housing market analysis.

A. Demographic and Economic Framework

This element provides an overview of current household demographics and characteristics. It presents current estimates and projections of the population and jobs in Hobbs from the year 2000 through 2020. It also evaluates employment and commuting trends, including estimates of total jobs and projected growth in jobs, unemployment, and selected workforce characteristics.

Population and Households

The recent “[Census Update for Lea County Community Improvement Corporation](#)” completed in 2007 provides three series for population projections; low, medium (most likely) and high. The low series, which was produced in 2002 and released in 2003, indicated a declining population trend for Lea County. This series is considered unlikely, however, in light of changes in Lea County’s economy, particularly in the price of oil and new construction. The 2007 medium or most likely series and the high series population projections were based on migration trends from 1990 to 2005. As stated in the report, “the high level of migration assumption in the high series is unprecedented and not sustainable without major residential development, a restructuring of the economy to accommodate large numbers of retirees, and sustained recruitment of young adult workers”.

Given the above considerations, the medium (most likely) series is presented below and has been used as a source of guidance for this Needs Assessment.

Population, 2000 to 2025

	Census 2000	2009	2015	2020
<i>City of Hobbs</i>	28,725	30,729	32,858	34,383
<i>Unincorporated Hobbs</i>	7,906	9,183	9,966	10,553
Hobbs Area	36,631	39,911	42,824	44,936
Eunice Area	2,896	3,109	3,326	3,482
Jal Area	2,118	2,277	2,437	2,552
Lovington Area	9,890	10,659	11,397	11,928
Tatum Area	3,976	4,303	4,596	4,805
Lea County	55,511	60,259	64,580	67,703

Source: 2007 BBER Census Update; RRC Associates

Race and Ethnicity

The table below shows the percent of Hobbs' population by race, as well as ethnicity. Almost 50% of the population in Hobbs is of Hispanic or Latino origin. Per the US Census, the Hispanic or Latino population has been growing at a faster pace than other ethnicities. Although immigration is an important component of minority household growth, another factor is the younger age structure. Based on the US Census Current Population Survey, households of Hispanic origin are more likely to be family households and on average have a larger household size. The Hobbs Household Survey displays this same trend.

	White Alone, Not Hispanic or Latino	Hispanic or Latino
Median Age	40 years	25 years
Median Household Income	\$50,429	\$32,265
% Owner Occupied	71.2%	62.6%
% Family Households	70.1%	84.4%
% Overcrowded	1.0%	13.3%

Hobbs Race and Ethnicity

	2000 Census	2005-2007 ACS
White	64%	80%
Black or African American	7%	8%
American Indian and Alaska Native	1%	1%
Asian	0%	0%
Native Hawaiian and Other Pacific Islander	0%	0%
Some other race	24%	9%
Two or more races	4%	1%
Hispanic or Latino (of any race)	42%	47%

Source: 2000 US Census; 2005-2007 American Community Survey

Age

The median age in Hobbs is 30.3, down slightly from 2000 when it was 32.1. This is low compared to the United States as a whole (median age of 36 years). This can in part be attributed to the large Hispanic or Latino population, who tend to have a younger age structure. Per the American Community Survey, the median age of the White alone population was 40 in 2007, while the median age of the Hispanic or Latino population was 25.

Age Composition			
	Hobbs 2000 Census	Hobbs 2005-2007 ACS	United States 2005-2007 ACS
19 or younger	33.7%	32.6%	27.6%
20 to 44	35.0%	35.9%	35.0%
45 to 64	19.3%	20.4%	25.1%
65 or over	11.9%	11.1%	12.5%
Median Age	32.1	30.3	36.4

Source: 2000 US Census; 2005-2007 American Community Survey

Household Composition

About 23% of households in Hobbs are comprised of adults living alone, including 23% of owners and 31% of renters. Another 35% of households in Hobbs have children at home, with 9% of all households being single parent households. Renters are much more likely to be single parent households (15%) than owners (6%). Of those households composed of single parents, 87% are female headed.

Of other types of households, about 8% have immediate and extended family members, 2% are unrelated roommates and 4% percent have family members and/or unrelated roommates. Household survey data indicate that about 25% of households have at least one senior living at home (age 65 or older). This includes adults living alone, couples and family members and unrelated roommates.

Hobbs Household Composition

	Own	Rent	Overall
Adult living alone	23%	31%	25%
Single parent with child(ren)	6%	15%	9%
Couple, no child(ren)	35%	12%	27%
Couple with child(ren)	28%	22%	26%
Unrelated roommates	1%	4%	2%
Family members and unrelated roommates	2%	2%	2%
Immediate and extended family members	6%	13%	8%
Total	100%	100%	100%

Source: 2009 Household Survey

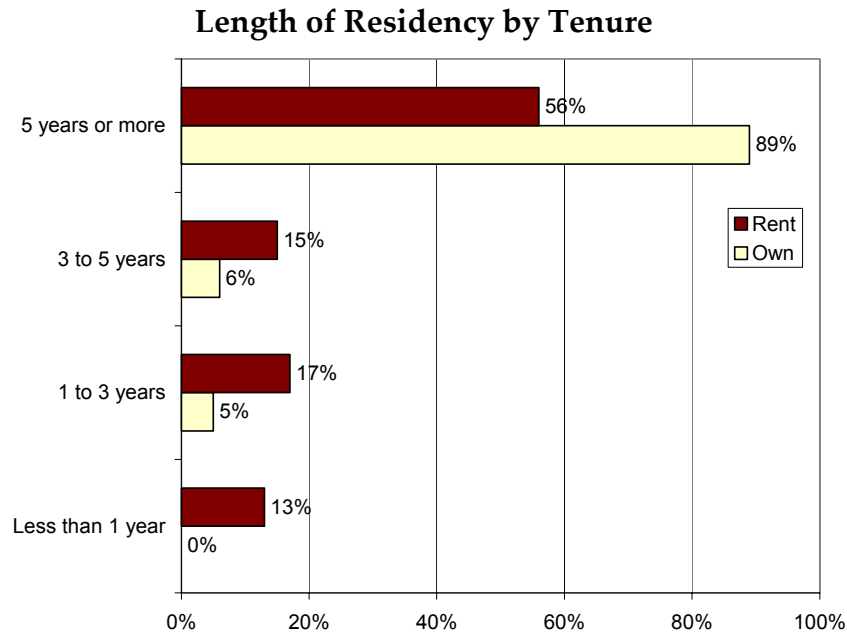
The average household size in Hobbs is 2.5 persons per household. Owner and renter households are similar in size, however households with seniors at home are smaller on average (1.7 persons per household) while households with children as well as those who speak Spanish at home are larger on average (4.0 and 3.4 persons per household respectively). Household size has implications in the number of housing units needed to serve the population.

Average Household Size

	Average
Own	2.6
Rent	2.5
Senior Household	1.7
Children at home	4.0
Spanish spoken at home	3.4
Overall	2.5

Source: 2009 Household Survey

Owners are more likely to have been in the community for 5 or more years than renters. Similarly, all of the respondents who have lived in Hobbs for less than one year are renters. This indicates that new residents to the community typically rent for at least a year before looking to purchase a home.



Source: 2009 Household Survey

Owners are much more likely to continue to live in Hobbs for 5 years or more (87%) than are renters (52%). Of residents looking to leave Hobbs in the next year, 67% are new to the community within the last year.

How Long Will You Continue to Live in Hobbs?

	Own	Rent	Overall
Less than 6 months	1%	3%	1%
6 months to 1 year	0%	7%	2%
1 to 3 years	6%	14%	8%
3 to 5 years	6%	23%	11%
5 years or more	87%	52%	78%
Total	100%	100%	100%

Source: 2009 Household Survey

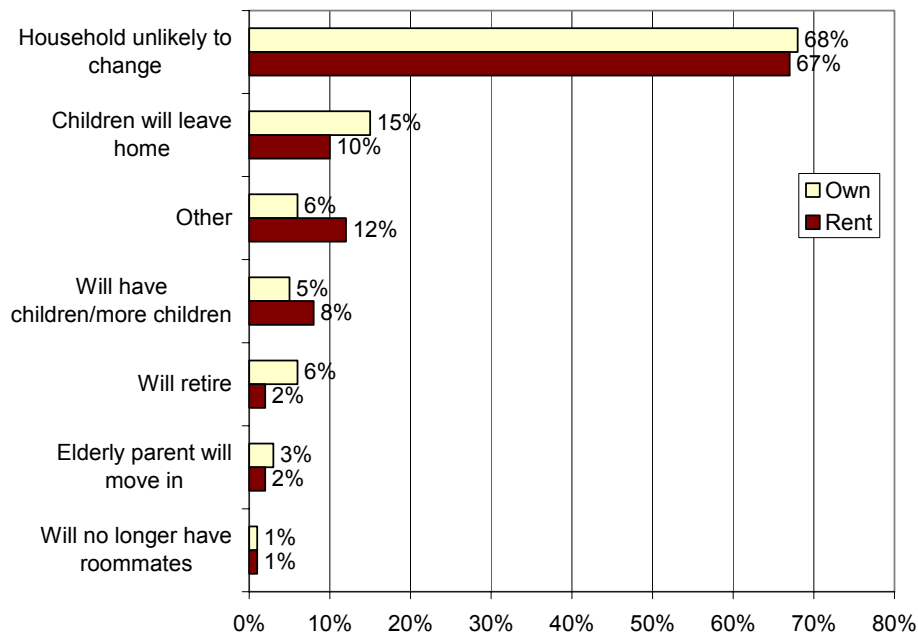
Change in Household Over Next Three Years

Survey respondents were asked how their household is likely to change over the next 3 years. As shown below, about 68% of households do not expect their household to change. Of households that will change:

- Owner households are likely to have children leaving their home (15%), retire (6%), have (more) children (5%) or an elderly parent will move in (3%).

- About 12% of renters stated other changes, such as adding a roommate, moving to another location in the city, getting married and trying to locate a home or land to purchase. Additionally, renter households are likely to have children leaving their home (10%), have (more) children (8%), retire (2%), or an elderly parent will move in (2%).

How Is Your Household Likely to Change in the Next Three Years?



Source: 2009 Household Survey

Household Income

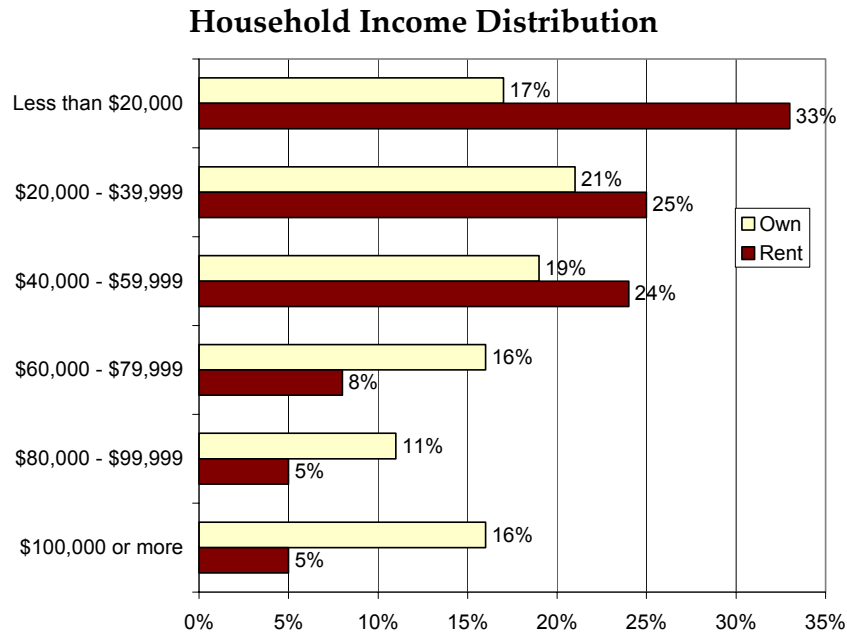
The median income of all households in Hobbs is \$42,000. Income varies by location, with residents living South of Marland having a significantly lower income than residents in other areas of Hobbs.

Average and Median Household Income by Residence Location

	Average	Median
In Hobbs City - North of Joe Harvey Blvd/Navajo Dr.	\$77,729	\$65,000
In Hobbs City - Btwn Joe Harvey Blvd/Navajo Dr & Marland St.	\$64,470	\$51,000
In Hobbs City - South of Marland St.	\$30,217	\$26,400
Outside City limits-within the zip code 88240 or 88242	\$63,435	\$50,000
Total	\$55,434	\$42,000

Source: 2009 Household Survey

Income distributions show that about 33% of renter households earn less than \$20,000 per year, compared to only about 17% of owner households. In general, a higher percentage of owner households earn over \$60,000 per year than renter households, with significant differences seen in the \$100,000 and greater range. About 16% of owner households earn over \$100,000 per year compared to about 5% of renter households.



Source: 2009 Household Survey

Household Area Median Income

The following table shows 2009 income limits for households earning 30 percent AMI up to 160 percent AMI. Limits are based on the median family income for Lea County, which is \$45,500 in 2009, as determined by the US Department of Housing and Urban Development (HUD). “Low-Income” families, as defined by HUD, have incomes that do not exceed 80 percent of the AMI. “Very Low-Income” families are defined as having incomes that do not exceed 50 percent of the AMI. Typically, these income guidelines are used to establish housing targets and thresholds for different local housing efforts, as well as for Private Activity Bond Allocations, Low-income Housing Tax Credits, Section 8 Rent Subsidy and related housing programs¹. The income limits are adjusted annually.

¹ Due to the Housing and Economic Recovery Act of 2008 (Public Law 110-289), Income Limits used to determine qualification levels as well as set maximum rental rates for projects funded with tax credits authorized under section 42 of the Internal Revenue Code (the Code) and projects financed with tax exempt housing bonds issued to provide qualified residential rental development under section 142 of the Code (hereafter referred to as Multifamily Tax Subsidy Projects (MTSPs)) are now calculated and presented separately from the Section 8 income

In order to minimize program management problems, HUD has devised and implemented a Hold Harmless policy. That is, income limits are held at FY 2008 levels for areas where lower income limits would result because of the decreases in median family income estimates (or fair market rent estimates in areas with the high housing cost adjustment). Due to hold harmless, Lea County's 2009 income limits are the same as in 2008.

Lea County Area Median Income 2009

Shading denotes median family income.

	1-person	2-person	3-person	4-person	5-person
30%	\$9,550	\$10,900	\$12,300	\$13,650	\$14,750
50%	\$15,950	\$18,200	\$20,500	\$22,750	\$24,550
60%	\$19,140	\$21,840	\$24,600	\$27,300	\$29,460
80%	\$25,500	\$29,100	\$32,750	\$36,400	\$39,300
100%	\$31,900	\$36,400	\$41,000	\$45,500	\$49,100
120%	\$38,200	\$43,700	\$49,100	\$54,600	\$59,000
140%	\$44,600	\$51,000	\$57,300	\$63,700	\$68,800
160%	\$51,000	\$58,200	\$65,500	\$72,800	\$78,600

Source: US Department of Housing and Urban Development

Household Income Distribution by Tenure

The estimate for household income distribution below applies 2009 Household survey data to HUD area median income estimates by household size for Lea County. Per these estimates 29% of owner households and 45% of renter households in Hobbs are considered low-income by HUD standards.

limits presented below. However, Hobbs is considered a "Regular" limit type, instead of a "Special" type so the MTSP limits are the same as the Section 8 limits.

Household Income Distribution by Tenure

Shading denotes low income

	Own		Rent		Overall	
	#	%	#	%	#	%
<30% AMI	771	9.8%	437	11.0%	1,208	10.2%
30-50% AMI	500	6.3%	830	20.9%	1,330	11.2%
50-80% AMI	1,028	13.0%	509	12.8%	1,537	13.0%
80-100% AMI	690	8.7%	466	11.7%	1,156	9.7%
100-120% AMI	622	7.9%	509	12.8%	1,132	9.5%
120-140% AMI	568	7.2%	116	2.9%	685	5.8%
Over 140% AMI	3,706	47.0%	1,106	27.8%	4,812	40.6%
Total	7,886	100.0%	3,973	100.0%	11,859	100.0%

Source: 2009 Household Survey

Housing Affordability

The following table calculates the maximum affordable purchase price for an average 3-person household in Hobbs and the maximum affordable rent by AMI range for Hobbs households. Purchase prices assume 5% down, 6% 30-year fixed-rate loan, 20% of the monthly payment is used for insurance, taxes, PMI and HOA and no more than 30% of gross household income is used toward housing payments. Affordable rentals assume no more than 30 percent of gross household income is paid toward rent.

- A larger percent of owners (22%) make between 50 and 100% AMI. The maximum affordable purchase price for these households is \$115,000 (80% AMI) and \$144,000 (100% AMI). The largest percentage of owner households in Hobbs (47%) make over 140% of the AMI. These households can afford to purchase units over \$201,000.
- Almost 1/3 of renter households in Hobbs are considered to be low or very low income (50% AMI or less). These households can afford up to about \$513 a month for rent for a 3-person household (e.g. would need a two- to three-bedroom unit). Renter households earning between 50 and 80 percent AMI (13%) can afford up to \$819 a month for rent and renter households between 80 and 100% AMI (12%) can afford to pay up to \$1,025.

Maximum Affordable Purchase Price and Rent by AMI; Hobbs 2009

AMI Range	Max Income	% Owner Households	Max Affordable Purchase Price	% Renter Households	Max Affordable Rent
<30% AMI	\$12,300	9.8%	\$43,000	11.0%	\$308
30-50% AMI	\$20,500	6.3%	\$72,000	20.9%	\$513
50-80% AMI	\$32,750	13.0%	\$115,000	12.8%	\$819
80-100% AMI	\$41,000	8.7%	\$144,000	11.7%	\$1,025
100-120% AMI	\$49,100	7.9%	\$173,000	12.8%	\$1,228
120-140% AMI	\$57,300	7.2%	\$201,000	2.9%	\$1,435
Over 140% AMI	Over \$57,300	47.0%	Over \$201,000	27.8%	Over \$1,435
Total	-	100.0%	-	100.0%	-

Source: 2009 Households Survey; RRC Associates

*Assumes 3-person HH; 5% down; 6% 30-year loan; approximately 20% of monthly payment for insurance, taxes, PMI, HOA, not more than 30% of household income for housing payment.

Job Estimates and Projections

Countywide employment estimates come from the State Department of Labor and Employment's Quarterly Census of Wages and Employment (QCEW). QCEW estimates of total employment includes wage and salary jobs (jobs covered by unemployment insurance), which excludes most self-proprietors and many agricultural laborers. A second source is the U.S. Census which publishes statistics of non-employer businesses based on business income tax returns exceeding \$1,000 in earnings. These businesses do not have employees and are therefore sole proprietors by definition. For the County, sole proprietors account for approximately 10% of all jobs. Data from these sources indicates in 2008 there were a total of 32,083 jobs in Lea County.

ZIP Code Business Patterns presents data on the total number of establishments, employment and payroll by zip code areas nationwide, as well as by county. Business pattern data indicate that the percent of jobs in Lea County located within the Hobbs zip codes has been increasing, from about 74% of all jobs in 2002 to about 75% of all jobs in 2008. This data indicate that there were about 25,000 jobs in Hobbs at the beginning of 2009.

Job Estimates 2002 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009 (est.)
Lea County Wage and Salary Jobs	22,236	22,555	23,851	25,378	26,680	28,058	29,285	30,372
Proprietors	2,634	2,630	2,642	2,745	2,750	2,774	2,798	2,822
Total Lea County Jobs	24,870	25,185	26,493	28,123	29,430	30,832	32,083	33,194
<hr/>								
% of Lea County Jobs in Hobbs	74.4%	74.5%	74.7%	74.8%	75.0%	75.1%	75.3%	75.4%
Total Hobbs Jobs	18,500	18,771	19,784	21,042	22,062	23,157	24,143	25,027

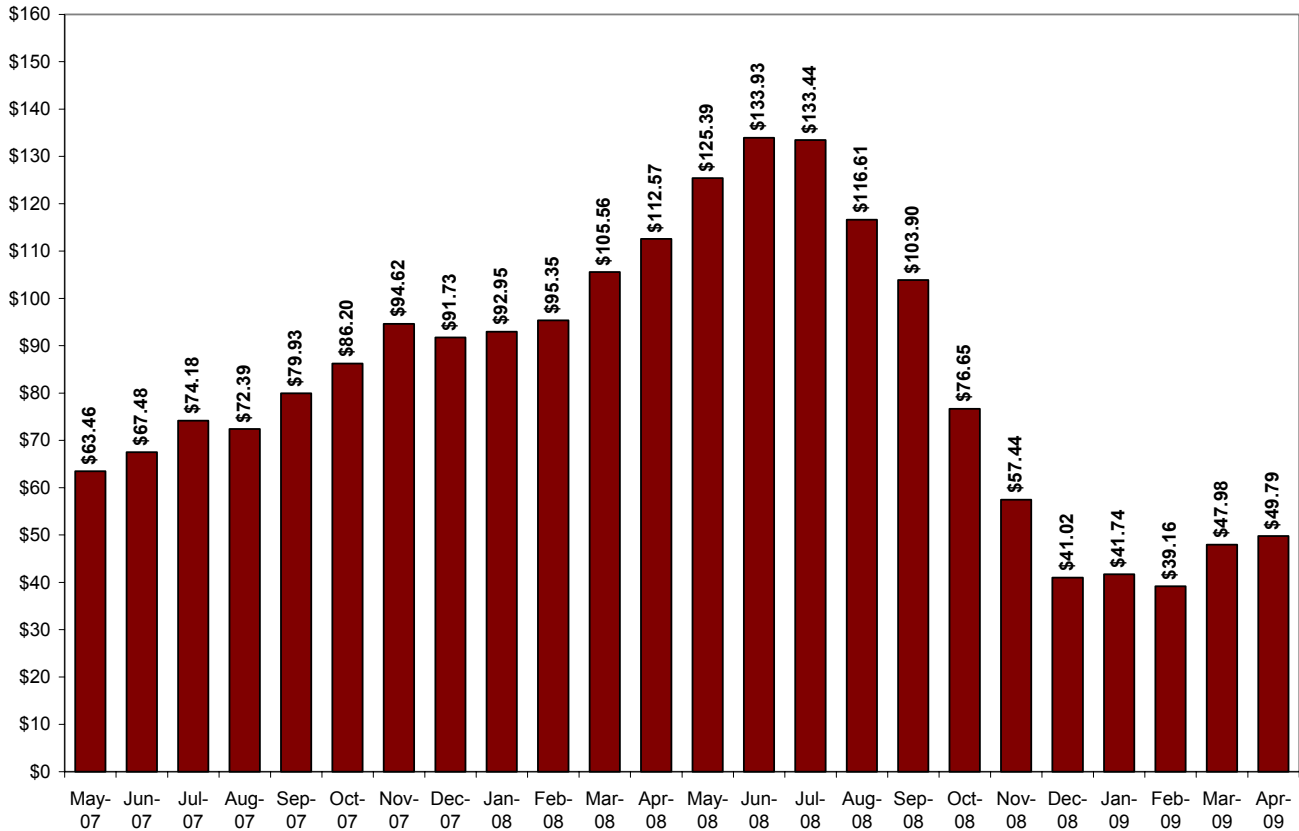
Source: QCEW; Census Zip code Business Patterns; US Census Non-employer Statistics; RRC Associates

The Bureau of Business and Economic Research made employment projections for Lea County in 2007 as part of the [Census Update for the University of New Mexico](#) (BBER). The price of oil is a critical variable in the BBER model. BBER developed a multi pronged approach. First, they forecast baseline employment using a multiple regression model. Second, they estimated the additional employment that would be supported by new investments and export oriented business expansions.

Per BBER's projections, assuming that the benchmark West Texas Intermediate Crude Oil will remain above \$70 per barrel through 2011, job growth will occur in the neighborhood of 2% through the second quarter of 2008, decelerating gradually to 1.3% in 2011 through 2013 and then hovering around 1.5% thereafter. However, the price of oil climbed to above \$100/barrel in March of 2008 and remained above that level through September of 2008, resulting in much higher job growth than if the price had remained around \$70 per barrel.

Since the peak in oil prices in June and July of 2008, the price decreased to a low of \$39 in February of 2009 and has since showed some recovery through April, increasing to almost \$50/barrel. The drop in oil prices and the increasing unemployment rate in Lea County indicate declines in employment in the early part of 2009.

Price of West Texas Intermediate Crude



Source: <http://www.economagic.com/em-cgi/data.exe/var/west-texas-crude-long>

BBER's model notes that if the oil price were to fall immediately below \$60 per barrel and head toward \$50 per barrel, the near-term forecast shows year-over year declines in employment in the order of 1% before returning to trend with growth under 1%. Assuming that the price of oil remains around \$50/barrel, employment in Lea County is estimated to decrease through 2010, returning to a baseline growth of about .06% per year. This would be the baseline estimate. A more aggressive estimate would assume an initial decrease in employment, than a gradual increase to 1.3%, finally hovering around 1.5% yearly growth thereafter.

The projections below include an additional 150 employees by 2015 to accommodate the Isotopes and 50 employees to accommodate expanding needs of LES. In total, 200 jobs are added by 2015 to the baseline and moderate growth estimates to account for these expansions.

Job Projections – Hobbs 2009 to 2020

	Baseline	Moderate
2009	25,027	25,027
2015*	25,595	25,939
2020	26,366	27,819
# Change 2009 to 2015	568	912
# Change 2015 to 2020	771	1,880

Source: QCEW; US Census Non-Employer; BBER; RRC Associates, Inc.

*job growth between 2009 and 2015 includes an additional 150 jobs for the Isotopes and 50 at LES. While it is recognized that the LES facility is not located in Hobbs, the majority of current and new workers will live in Hobbs and thus will affect housing market demand.

Jobs per Employee and Employees per Household

The household and employee survey asked workers how many jobs they hold and how many adults (age 18 and over) in their household are employed. These responses can be used to translate the estimated increase in jobs in the city into households demanded by workers needed to fill new jobs.

- The average number of jobs held by workers employed in Hobbs is about 1.1.
- Households in Hobbs that have at least one working adult average about 1.5 workers per household.

**Average Jobs Per Employee and
Employees Per Economically Active Household**

	Overall
Jobs per employee	1.1
Employees per household	1.5

Source: 2009 Household Survey

An indication of an undersupply of labor force and/or of high cost of living is the number of hours worked. Survey respondents were asked the average number of hours per week they worked over the last year. For purposes of this analysis, part time is defined as <30 hours per week, full time is 30 to 40 hours per week and overtime is more than 40 hours per week. Overall, 12% worked an average of 30 hours or less (part-time), 50% worked an average of 31 to 40 hours (full time) and 38% worked an average of 41 hours or more (overtime).

Jobs and Wages by Industry

The quarterly census of employment and wages (QCEW) provides quarterly data by county on jobs and wages by industry. However, due to non-disclosure limitations, the data does not provide estimates down to the community level. [Longitudinal Employer Household Dynamics](#) (LEHD) uses quarterly workforce indicators (including QCEW as well as other data sources), to estimate jobs by community. The most recent data available is 2006.

As shown below, per the LEHD, the largest employing industry in Hobbs in 2006 was mining, quarrying and oil and gas (23%), followed by the retail trade (14%), health care and social assistance (14%), accommodation and food services (8%) and educational services (6%). Changes since 2002 indicate significant growth in mining, quarrying and oil and gas extraction. Other industries experiencing a large percentage growth were management of companies, arts, entertainment and recreation, accommodation and food services, real estate and rental leasing, transportation and warehousing and health care and social assistance. Those industries losing employment between 2002 and 2006 were agriculture, administration, educational services, utilities, information, construction and wholesale trade.

As has been noted recently, oil and gas activity has decreased, equipment is stacked and employers are letting workers go. Alternatively, Wal-Mart is now able to hire enough staff to remain open as a 24-hour store. In contrast, shifts in industry sector jobs have significant implications in terms of wages, as described below.

Hobbs Jobs by Industry 2002 thru 2006

	# Jobs 2002	# Jobs 2006	% Jobs 2006	% Change 2002 to 2006
Mining, Quarrying, and Oil and Gas Extraction	2,044	4,654	23.3%	127.7%
Retail Trade	2,428	2,817	14.1%	16.0%
Health Care and Social Assistance	1,941	2,732	13.7%	40.8%
Accommodation and Food Services	1,054	1,623	8.1%	54.0%
Educational Services	1,664	1,269	6.3%	-23.7%
Administration & Support, Waste Management and Remediation	1,477	894	4.5%	-39.5%
Construction	872	821	4.1%	-5.8%
Wholesale Trade	803	774	3.9%	-3.6%
Finance and Insurance	505	682	3.4%	35.0%
Other Services (excluding Public Administration)	574	624	3.1%	8.7%
Transportation and Warehousing	432	613	3.1%	41.9%
Arts, Entertainment, and Recreation	188	450	2.3%	139.4%
Manufacturing	327	427	2.1%	30.6%
Professional, Scientific, and Technical Services	326	412	2.1%	26.4%
Public Administration	362	387	1.9%	6.9%
Real Estate and Rental and Leasing	234	337	1.7%	44.0%
Information	240	198	1.0%	-17.5%
Utilities	223	178	0.9%	-20.2%
Agriculture, Forestry, Fishing and Hunting	97	54	0.3%	-44.3%
Management of Companies and Enterprises	8	46	0.2%	475.0%

Source: Longitudinal Employer Household Dynamics (LEHD)

Wages by industry are available through the QCEW at a countywide level. The most recent wage data is thru the third quarter of 2008. In 2008, the highest paying industries in Lea County were utilities (\$89,728), mining (\$64,839), manufacturing (\$61,656), transportation (\$54,960) and real estate and rental and leasing (\$54,299). The lowest paying industries were accommodation and food services (\$13,079), arts and entertainment (\$19,949), agriculture (\$23,132) and retail trade (\$25,202). The average wage estimates include all wages paid, including overtime.

Lea County Average Annual Wage by Industry*

Industry	2005	2008 (thru 3 rd QTR)	% Change 2005 to 2008
Utilities	\$53,221	\$89,728	68.6%
Mining, Quarrying, and Oil and Gas Extraction	\$51,343	\$64,839	26.3%
Manufacturing	N/A	\$61,656	N/A
Transportation and Warehousing	\$44,664	\$54,960	23.1%
Real Estate and Rental and Leasing	\$39,342	\$54,299	38.0%
Wholesale Trade	\$42,838	\$52,925	23.5%
Construction	\$33,341	\$50,316	50.9%
Professional and Technical Services	\$35,272	\$44,664	26.6%
Public Administration	\$35,689	\$43,012	20.5%
Finance and Insurance	\$34,959	\$42,159	20.6%
Management of Companies and Enterprises	N/A	\$40,785	N/A
Other Services, Ex. Public Admin	\$25,515	\$39,794	56.0%
Administration & Support, Waste Management and Remediation	\$21,028	\$36,524	73.7%
Information	\$24,993	\$35,759	43.1%
Health Care and Social Assistance	\$26,193	\$30,785	17.5%
Retail Trade (44-45)	\$21,184	\$25,202	19.0%
Agriculture, Forestry, Fishing & Hunting	\$20,401	\$23,132	13.4%
Arts, Entertainment, and Recreation	\$16,279	\$19,949	22.5%
Accommodation and Food Services	\$10,018	\$13,079	30.6%
Educational Services	N/A	N/A	N/A

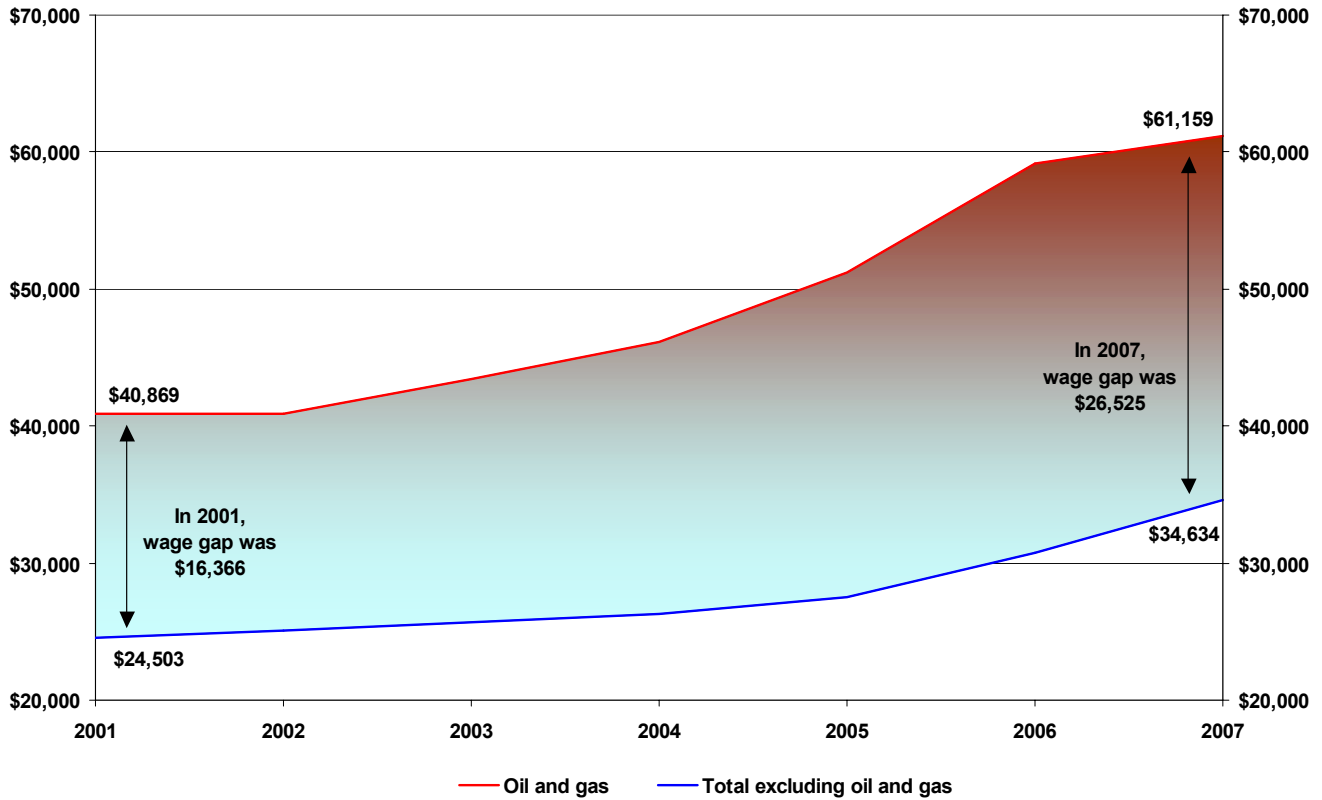
Source: Quarterly Census of Employment and Wages

*Due to confidentiality reasons, all data for manufacturing, management of companies and education is not available.

The largest employing industry in Hobbs is in oil and gas. There is a growing gap between what oil and gas related workers earn compared to those working in other sectors of the economy. The graph below shows average annual wages of mine workers (primarily oil and natural gas workers) in Lea County compared to wages in the rest of the economy. In 2001, the wage gap was \$16,366; mineworkers earned \$40,869 per year, on average, while those in other sectors earned, on average, a little over \$24,500 per year. Wages in non-mining sectors increased by 41% while oil and gas wages increased by 50%. The wage gap grew to a difference of \$26,525, which is \$10,159 more than it was in 1990.

The growing wage gap in Lea County between mine and all other workers presents a danger that more people, including teachers, nurses, and police, will be left behind if renewed energy development increases the general cost of living, especially the cost of housing, in a place. Over the last couple years, the influx of LES workers and the very high oil prices increased the demand on rental properties, and caused the average rents to increase beyond what the average wage could pay.

Lea County Annual Average Wage



Source: Quarterly Census of Employment and Wages

Unemployment

Unemployment in Lea County has been on the rise over the past 12 months, increasing from 2.2% in March 2008 to 4.9% in March 2009. Unemployment in Lea County has remained below the State of New Mexico as a whole, but has followed a similar increasing trend over the last year.

Lea County Unemployment

	Lea County Unemployment Rate (%)	New Mexico Unemployment Rate (%)
Mar-09	4.9	6.0
Feb-09	4.2	5.7
Jan-09	3.4	5.2
Dec-08	2.7	4.5
Nov-08	2.7	4.4
Oct-08	2.6	4.3
Sep-08	2.7	4.2
Aug-08	3.1	4.6
Jul-08	3.4	4.8
Jun-08	3.1	4.6
May-08	2.4	3.9
Apr-08	2.2	3.5
Mar-08	2.2	3.7

Source: NMDWS LAUS unit in conjunction with US Bureau of Labor Statistics

Commuting patterns

Employer survey results indicate that workers commuting in from other communities fill about 10% of jobs in Hobbs. This totals 4,462 jobs, or 4,056 workers at 1.1 jobs per employee. The largest number of commuters live in Eunice, followed by Jal, Lovington, Tatum and Carlsbad.

Where Workers Live

	% of Jobs	# of Jobs
Hobbs	90.4%	22,614
Eunice	9.3%	2,316
Jal	2.3%	581
Lovington	1.8%	444
Tatum	1.1%	274
Carlsbad	0.9%	226
Artesia	0.6%	145
Roswell	0.5%	137
Other New Mexico	0.4%	89
Seminole, TX	0.3%	81
Andrews, TX	0.3%	81
Midland/Odessa/TX	0.2%	40
Lubbock, TX	0.1%	24
Other	0.1%	24
Total	100.0%	25,027

Source: 2009 Employer Survey

B. Housing Inventory

Rate of Production and Development Trends

According to the City of Hobbs records, in total, about 13,600 housing units have been constructed in Hobbs. The housing stock in Hobbs is relatively old, with almost 50% being constructed between 1940 and 1969 and an additional 1/3 were constructed between 1970 and 1989.

Year Structure Built - Hobbs		
	# of Units	% of Units
1939 or earlier	414	3.0%
1940 to 1959	3,713	27.3%
1960 to 1969	2,852	21.0%
1970 to 1979	2,607	19.2%
1980 to 1989	1,893	13.9%
1990 to 1999	471	3.5%
2000-2009	1,650	12.1%
Total	13,600	100.0%

Source: City of Hobbs; US Census; RRC Associates

Looking more closely at construction since 2003, the majority of new units have been mobile home structures (54%), followed by single-family homes (26%) and apartments (20%). This estimate accounts for new unit construction but does not include the loss of units. City of Hobbs code enforcement has been actively condemning and tearing down vacant, dilapidated and dangerous structures. Between 2006 and 2008, the town has torn down about 84 units. In the first ½ of 2009, the town tore down an additional 60 homes. The city continues to condemn about 10 to 12 structures per month which are considered to be unsafe or dangerous. For those that the City has to remove, a lien is placed on the property which, upon failure of payment, places the property in foreclosure.

Hobbs New Housing Units

	# of New Residential Homes	# of New Apartments in Apartment Buildings	Mobile Homes	Total New Units
Prior to 2003	10,548	1,027	1,310	12,885
2003	28	0	76	104
2004	47	0	106	153
2005	41	60	89	190
2006	50	0	100	150
2007	113	12	259	384
2008	92	212	146	450
Totals - Jan 1, 2009	10,919	1,311	1,370	13,600

Source: Hobbs Planning Department

Households by Tenure (own/rent)

Per the American Community Survey, the vacancy rate in Hobbs is reported to be just below 13%. This estimate is high and it includes all residential parcels without occupants, including those that no longer have a habitable structure on them.

Hobbs Households by Tenure

	2000 US Census		2009 Estimate	
	#	%	#	%
Housing Units	11,968	100%	13,600	100%
Occupied as primary home	10,040	83.9%	11,859	87.2%
Owner occupied	6,816	67.9%	7,886	66.5%
Renter occupied	3,224	32.1%	3,973	33.5%
Vacant/condemned/torn down	1,928	16.1%	1,741	12.8%

Source: 2000 US Census; 2005-2007 ACS; RRC Associates, Inc.

Unit Type

Overall, based on the 2009 Household Survey, the majority of Hobbs residents live in single-family housing (77%), followed by apartments (9%) and mobile homes (9%). An additional 3% live in townhomes/duplexes, 1% live in an RV home or camper and 1% live caretaker units or rooms without kitchens. Additionally, it is important to note that hotels during peak employment times also serve as temporary housing.

Unit Type by Tenure			
	Own	Rent	Overall
Single-family house	88%	52%	77%
Apartment	0%	27%	9%
Mobile Home	9%	10%	9%
Townhouse/Duplex	2%	6%	3%
RV home or camper	1%	3%	1%
Caretaker unit or Room without Kitchen	0%	2%	1%
Total	100%	100%	100%

Source: 2009 Household Survey

C. Housing Market Conditions

This section of the report examines home prices, both current and over the past three years and sales volume and availability as represented by current listings. This section also assesses the relative health of the rental market and availability of housing choice for renters in Hobbs.

Ownership Market

This section uses data primarily from the Multiple Listing Service (MLS) and New Mexico Board of Realtors. In evaluating the information below, it is important to note that the MLS does not reflect all homes sales in the city, given that not all homes are sold through the MLS. This includes many homes that are sold directly through developers or local residents. Interviews with realtors indicate that an increasing number of sales in Hobbs, up to 50%, are for sale by owner. Information from non-MLS sources has been included where available.

Home Prices

Between 2006 and 2007 the median sales price in Hobbs increased by almost 32% from \$96,000 to \$126,000. This figure includes single-family homes, townhomes and modular/mobile home units. The average price was even higher at over \$148,355, an indication of some high prices at the upper end of the market. However, median sales prices in 2008 overall effectively flattened out, increasing by just 3% to \$129,900.

Average and Median Sales Prices, 2006 – 2008

	Average	Median	Change in Median
2006	\$114,656	\$96,000	N/A
2007	\$148,355	\$126,500	31.77%
2008	\$146,991	\$129,900	2.69%
Increase 2006 thru 2008	\$32,335	\$33,900	35.31%

Source: MLS; RRC calculations

Sales distribution by price range show a significant shift from 2006 when the largest percentage of sales were between \$50,001 and \$80,000 to 2007 and 2008 where the largest percentage of sales were over \$200,000. The 2008 sales prices reflect a time when oil prices reached over \$100 per barrel.

Sales by Price Range, 2006 – 2008

Shading denotes price range with highest number of sales.

	2006	2007	2008
Up to \$50,000	14.7%	7.9%	7.4%
\$50,001 to \$80,000	22.7%	17.9%	12.4%
\$80,001 to \$100,000	16.1%	13.9%	17.1%
\$100,001 to \$120,000	7.2%	7.8%	7.4%
\$120,001 to \$150,000	13.0%	11.8%	12.8%
\$150,000 to \$170,000	11.6%	10.0%	10.5%
\$170,000 to \$200,000	8.9%	8.6%	12.8%
\$200,000 thru hi	5.8%	22.1%	19.5%
Total	100%	100%	100%

Source: MLS; RRC calculations

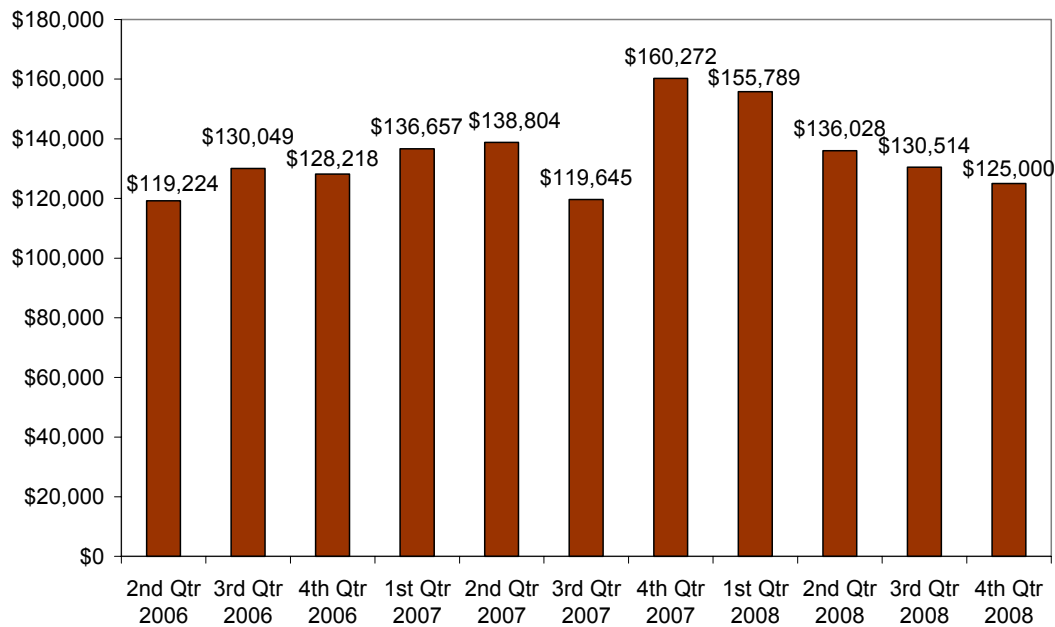
Evaluating the median sales price by year built, we see that new sales over the last three years have the highest median price (\$142,000). Surprisingly, those units that were constructed more than 20 years ago have maintained their value, with the highest median price after new units (\$118,000). Interviews with local residents indicate that units constructed during that time period were of very good quality.

All Sales 2006 thru 2008 by Year Built

Age of Unit	Average	Median
New, Never Occupied	\$148,526	\$142,000
1 to 5 years	\$144,309	\$97,000
6 to 10 years	\$135,196	\$108,250
11 to 20 years	\$122,803	\$111,500
20+ years	\$135,306	\$118,000
Total	\$136,062	\$118,000

Source: MLS; RRC calculations

The Realtors Association of New Mexico provides average sales prices by quarter for some communities. Average sales in Hobbs peaked in the last quarter of 2007 at \$160,272, decreasing to \$125,000 by the end of 2008.

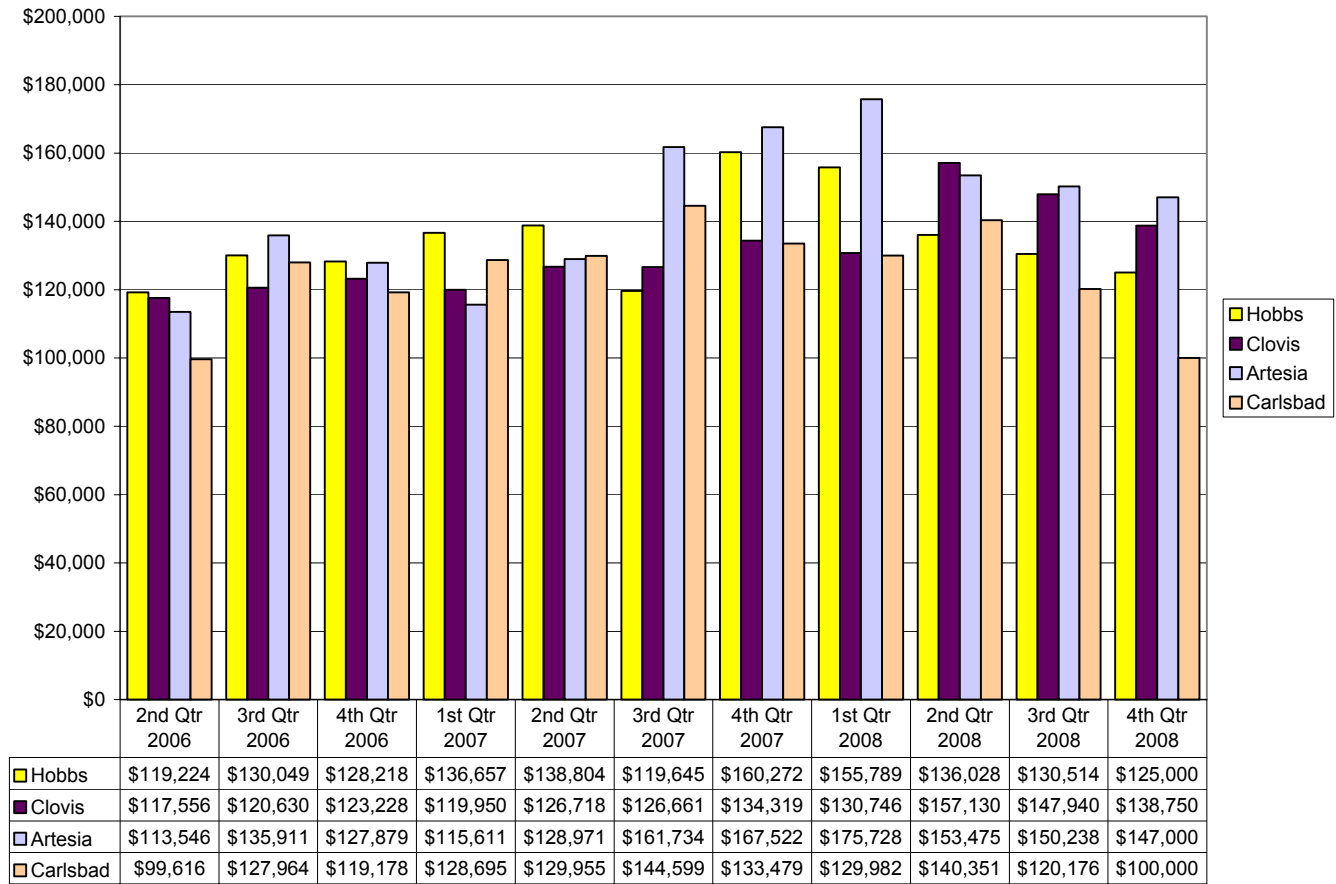
Average Sales by Quarter - Hobbs

Source: Realtors Association of New Mexico

*3rd Quarter Average Sales not available, assume equal rate of change between 2nd Qtr 2008 and 4th Qtr 2008.

Open-ended comments from the household survey indicate a general perception among residents that for sale housing is overpriced compared to other communities in the region. However, since the third quarter of 2007, Artesia has consistently had a higher average sale price than Hobbs. Additionally, Clovis has had a higher average sales price than Hobbs since the second quarter of 2008. The data indicate that while Hobbs had a comparatively strong market through 2007, recent trends show prices coming down.

Average Sales Price by Selected Communities



Source: Realtors Association of New Mexico

*3rd Quarter Average Sales not available, assume equal rate of change between 2nd Qtr 2008 and 4th Qtr 2008.*Prices per Square Foot*

On a price per square foot basis, the average increased from \$65 per square foot in 2006 to \$84 per square foot in 2008. This equates to a 29% increase in the average price per square foot during that time period. In 2008, the lowest price per square foot sale was for \$23, compared to the highest at \$403.

Price per Square Foot			
	Average	Minimum	Maximum
2006	\$65	\$18	\$248
2007	\$81	\$16	\$222
2008	\$84	\$23	\$403
% Change			
2006 thru 2008	28.5%	-	-

Source: MLS; RRC calculations

Sale Volume

The volume of sales recorded by the MLS in Hobbs has been decreasing since 2006, from 292 sales to 257 in 2008. This is a similar trend as seen across New Mexico and nationally. The large majority of sales in Hobbs are of units that are 20 years or older. New construction sales have remained fairly stable, with about 20 per year since 2006.

Sales per Year by Age of Unit

Age of Unit	2006	2007	2008
New, Never Occupied	20	18	20
1 to 5 years	12	8	9
6 to 10 years	2	4	4
11 to 20 years	11	9	12
20+ years	247	241	212
Total	292	280	257

Source: MLS; RRC calculations

Availability – Current Listings

As of the first of May, 2009, 101 residential units were listed for sale in Hobbs. This equates to an inventory of about 4.8 months, at an average of 21 sales per month in 2008. The median list price for single-family residences was \$189,950. To afford to buy this home, a household would need an income of about \$54,000 per year, assuming they could only afford a 5% down payment. The median price for town homes is \$177,600, which would require an income of about \$51,000. Manufactured homes are the most affordable, with a median price of \$110,000. A household would need to make about \$32,000 per year to afford this price.

Median Prices of Current Listings and Incomes Required

	Median List Price	Minimum Income Needed	Minimum AMI Needed*
Single Family	\$189,950	\$54,000	140%
Townhouse	\$177,600	\$51,000	130%
Manufactured	\$110,000	\$32,000	80%

Income needed based on assumptions: 5% down payment, 20% of payment covering taxes/insurance/HOA fees with a 30-year fixed rate mortgage at 6%.

*AMI based on three-person household.

The largest percentage of current listings are priced over \$200,000 (40%), followed by listings priced between \$170,000 and \$200,000. However, about 23% of listings are currently priced below \$100,000, which is affordable to a household making 80% AMI.

For-Sale Listings by Price Range		
	Number	Percent
Up to \$50,000	2	2.0%
\$50,001 to \$80,000	14	13.9%
\$80,001 to \$100,000	7	6.9%
\$100,001 to \$120,000	3	3.0%
\$120,001 to \$150,000	1	1.0%
\$150,001 to \$170,000	9	8.9%
\$170,001 to \$200,000	25	24.8%
\$200,001 thru hi	40	39.6%
Total	101	100.0%

Source: MLS

Affordability by AMI of Current Listings

A more detailed examination of the affordability of units listed for sale shows that the free market provides few housing opportunities for households with incomes between 80 and 100% AMI. This is further supported by interviews with local realtors, who noted that the market for units between about \$100 and \$150 is tight. There is an over supply of housing listed for household's making between 120 and 140% AMI which is in part due to new construction.

For Sale Listings by AMI				
Income*	Price Range	Total #	Total %	% of Households**
30 to 50% AMI	\$43,000 – \$72,000	12	12%	13%
50 to 80% AMI	\$72,001- \$115,000	14	14%	14%
80 to 100% AMI	\$115,000 - \$144,000	2	2%	11%
100 to 120% AMI	\$144,001 - \$173,000	14	14%	11%
120 to 140% AMI	\$173,001 - \$201,000	19	19%	6%
>140% AMI	Over \$201,000	40	40%	45%
Total		101	100%	100%

Source: MLS; RRC calculations

*AMI based on a 3-person household

**note the % of households by AMI has been redistributed, excluding households below 30% AMI.

Mortgage Availability

Lending institutions in Hobbs were interviewed as part of the Needs Assessment process. Based on these interviews, the following observations can be made:

- Between 75% and 90% of residential mortgages are for Northern areas of Hobbs.
- The mortgage amounts range from \$30,000 to \$350,000. The average is between \$125,000 and \$150,000.
- Recently there has been a surge in refinances.
- The majority of loans provided are FHA. The down payment requirement is 3.5% of the purchase price with 5% interest for 20 and 30 year home loans. The mix over the years used to be 80% conventional and 20% HUD. This is due to the changing guidelines with down payment changes and changing credit standards.
- Today an applicant needs a 620-680 credit score. In the past there wasn't a requirement and they could get a mortgage with a 580 credit score. The credit bureau says they want to see revolving debt, but not owe against it. They want people to be 33% below the high limit on their credit cards. They don't want them owing very much and want them to have credit available, in case they need it.
- Lenders reported a range of about 40% to 70% approval.
- The largest problem for applicants is poor credit. They see this issue everywhere, but saw it more often in Hobbs than in other areas. Down payment availability is always a problem. Additionally, other debt (high back-end ratios) is a big problem. One lender noted that everyone has a new truck and they are always trading up, so they always have car loans. Their trucks never get paid off, since they always want the latest and greatest.

Construction Costs

As noted above, new residential construction sales on average are higher than for existing sales, both on a price per square foot basis and an overall purchase price. This is in part due to demand, but also due to construction costs. On average, in 2008, new residential construction cost about \$170,000 per unit. It was noted through interviews with developers that producing units for less than \$100 per square foot becomes uneconomical.

Manufactured homes are much more economical to produce than stick built homes. As shown below, land is relatively inexpensive compared to the cost of the home.

Two recent examples:

2,000 square foot unit - \$87,000

5 acres of land - \$25,000

Development costs - \$40,000

Total: \$152,000

2,300 square foot unit - \$108,000

1.8 acres - \$20,000

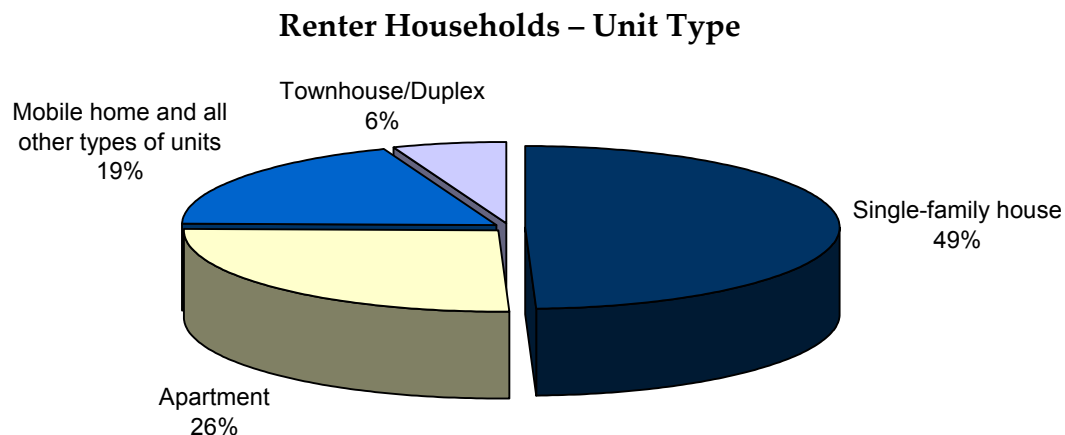
Development costs - \$37,000

Total: \$165,000

Rental Market

Rental Supply

There are an estimated 3,973 renter households in Hobbs (33.5% of households). Survey responses indicate that about 49% of renters live in single-family homes. An additional 26% live in apartments, 19% live in mobile homes and 6% live in townhouses or duplexes. As of the 2000 US Census, about 14% of renters occupied mobile homes, and 54% occupied single-family residences, indicating a shift towards more mobile home rentals.



Source: 2009 Household Survey

Market Rate Rents

As part of the Needs Assessment process, a total of seven market rate apartment properties were interviewed, representing 498 units in total². The rents range by bedroom size, averaging about \$817 for a one-bedroom, \$859 for a two-bedroom/one bath, \$1,028 for a two-bedroom/2 bath and \$1,115 for a three bedroom. Interviews with property managers indicate that rents have increased significantly over the last few years.

Market Rate Apartment Rental Properties in Hobbs

	1 bedroom	2 bedroom/ 1 Bath	2 bedroom/ 2 Bath	3 bedroom
Rent Range	\$618-\$950	\$701-\$1,050	\$900-\$1,075	\$782-\$1,335
Average Rent	\$817	\$859	\$1,028	\$1,115
Square Foot Range	590-820	788-1,000	960-980	980-1,350
Price/Sqft Range	\$0.99-\$1.36	\$0.80-\$1.11	\$0.60-\$1.17	\$0.82-\$1.41

Source: Apartment Interviews

Most single-family and mobile home rentals are rented by the owner, making it difficult to quantify rental trends for these properties. Data from the 2009 Household Survey indicate that the average rent for a single-family residence is \$608 and the average rent for a mobile home is \$542.

Income Restricted Rents

A total of seven income restricted apartment properties were interviewed, representing 686 units in total³. The rents range by income level, averaging about \$382 for a one-bedroom, \$430 for a two-bedroom and \$570 for a three-bedroom. It should be noted that there is a significant gap between market rate rentals and subsidized rentals. This makes it very difficult for households to move out of subsidized rentals and enter the free market. This is further supported from interviews with property managers who indicate there is very little turnover in affordable units.

² Properties interviewed include: Windscape, Regal Manor, Sunrise Homes, Shadowridge Condominiums, Eagle Ridge, Summer Wind Terrace, Rex Arms.

³ Properties interviewed include: Willow Bend, Hobbs Apartments, Four Seasons, Avalon Cove, Casa Hermosa, Woodleaf Apartments, Washington Place.

Subsidized Rental Properties in Hobbs

	1 bedroom	2 bedroom	3 bedroom
Rent Range	\$191-\$430	\$162-\$548	\$162-\$627
Average	\$394	\$440	\$570
Square Foot Range	584-639	806-950	970-1,100
Price/Sqft Range	\$0.55-\$0.76	\$0.50-\$0.67	\$0.46-\$0.63

Source: Apartment Interviews

The newest property, Willow Bend Villas is the only income-restricted property constructed in the last 10 years. Totalling 60 units, the tax credit project was totally leased up in 6 months. The property reports very little turnover. It currently houses mostly families and single-parent households. Additionally, about 20% of their units are currently rented to senior households.

All of the income-restricted properties have a waitlist, with the exception of Avalon Cove, which does not keep one. The estimated waitlist for the four properties maintaining one is about 250 approved applicants.

The Region VI housing authority manages section 8 vouchers for Eastern New Mexico. Currently, they have 85 families enrolled in their Family Self-Sufficiency program. There are 1,284 families receiving rental assistance throughout the region at this time, with an additional 682 on the waiting list.

Vacancy Rates

Vacancy rates provide another measure of the health of the rental market. Typically, vacancy rates around 5 percent suggest some equilibrium in the market, meaning that there is sufficient supply to provide renters with a choice of product. Vacancy rates below this threshold indicate under-supply, whereas rates above this level suggest over-supply of housing. Currently, market rate apartment vacancies are at about 5%. One property has a wait list for one-bedroom units. There are no vacancies in the subsidized rental properties.

However, despite the currently low vacancy rates for market rate apartments, many property managers indicated they feel the market is slowing, particularly since January, 2009. Managers reported less applications and phone calls. Those units that are not renting are the ones geared towards corporate rentals, fully furnished and relatively expensive.

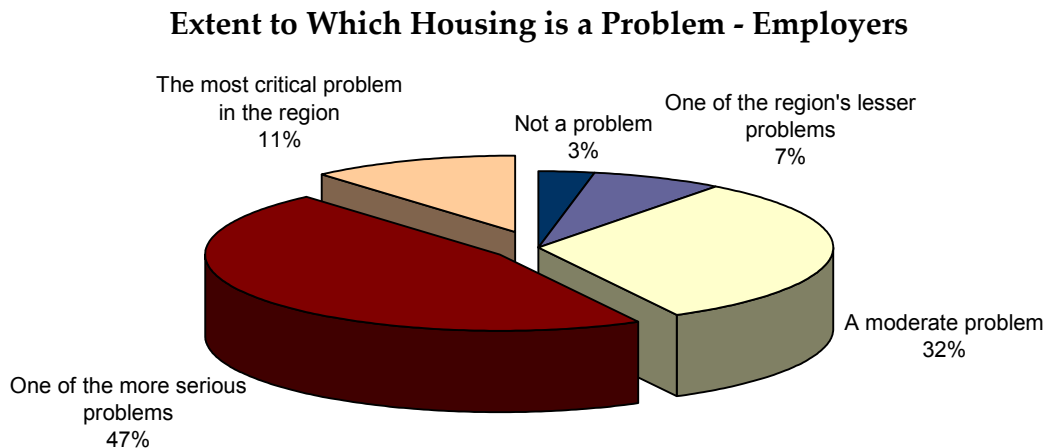
SECTION 2 – HOUSING PROBLEMS AND SPECIAL NEEDS

This section addresses household and employer problems. Households with housing problems are identified by either being cost-burdened by their housing payment (paying 30 percent or more of their household income for rent or mortgage), living in overcrowded conditions (more than 1.5 persons per bedroom) or living in unsatisfactory conditions (poor home condition) as reported on the 2009 Household Survey. This section also addresses households with special needs, including seniors, Spanish speaking households, single parents, very low-income households and victims of domestic violence.

A. Housing Problems

Employer Perceptions About Housing

The majority of employers believe that the availability of affordable housing for the workforce in Hobbs is a problem. Approximately 58% feel it is the “most critical” or “one of the more serious” problems in the region. Only 3% feel it is “not a problem”.



Source: 2009 Employer Survey

Employer Problems Related to Housing

Nearly one third (32%) of the employers surveyed report that their ability to recruit and retain qualified employees has gotten harder in the past three years. Very few felt that their ability to find and keep employees has gotten easier and half felt that it stayed about the same.

Ability to Recruit and Retain Qualified Employees

Improved/gotten easier	5%
Stayed about the same	47%
Declined/gotten harder	32%
Don't know/not applicable	16%
Total	100%

Source: 2009 Employer Survey

The employers who were surveyed reported a total of 3,818 jobs and 309 unfilled positions, which equates to 8.1% of the total. The inability to fill jobs reduces both the quality/quantity of the product or service provided and profitability. Reasons for unfilled jobs were primarily because they were not looking to fill the position, however some said it was because of a lack of qualified applicants or the position just became available.

Unfilled Jobs – Employers Surveyed

	Total
Number of Employees	3,818
Unfilled Jobs	309
Percent Unfilled Jobs	8.1%

Source: 2009 Employer Survey

The employers surveyed also reported that 491 persons were not hired or left their employment last year due to various reasons, the most prevalent being a failed drug test, followed by the high cost of living, a lack of housing, a lack of daycare and a lack of transportation. Overall 24% of employers had at least one applicant who was not hired or employee who left because they failed a drug test. Additionally, about 21% of employers cited lack of housing and 21% cited that the cost of living was too high, followed by lack of transportation (14%) and lack of daycare (12%).

Reasons for Not Being Hired or Leaving Employment

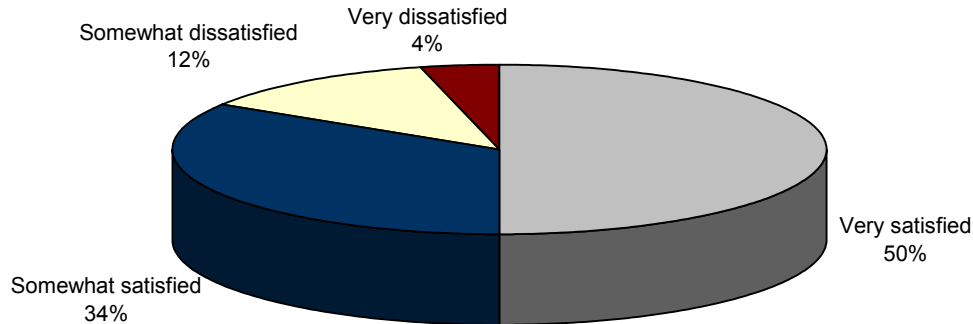
	# of Employees	% of Employees	% of Employers Reporting
Lacked housing	90	18.3%	21.4%
Lacked transportation	52	10.6%	13.7%
Lacked daycare	54	11.0%	12.2%
Failed drug test	200	40.7%	23.7%
Cost of living too high	95	19.3%	20.6%
Total	491	100%	-

Source: 2009 Employer Survey

Satisfaction with Housing

In Hobbs, satisfaction levels are relatively similar compared to other communities where comparable surveys have been conducted. The large majority of residents (84%) are satisfied with the housing in which they reside; 50% are very satisfied and 34% are somewhat satisfied. Approximately 16% of households are dissatisfied with their current residence.

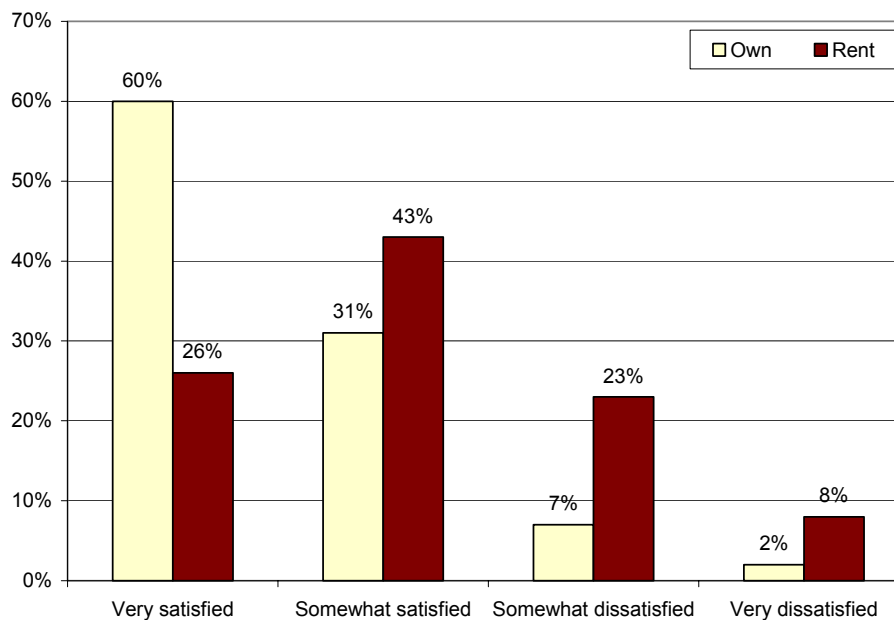
Satisfaction with Current Residence



Source: 2009 Household Survey

Owners tend to be more satisfied with their residence than renters, which is typically the situation in most market areas.

Satisfaction with Current Residence by Tenure



Source: 2009 Household Survey

There is a correlation between satisfaction levels and length of residency. Those residents who have lived in the Hobbs area for 6 months or less are much more likely to be very dissatisfied with their residence (25%) than others. Additionally, there is also a correlation between satisfaction with current residence and the length of time living in that residence. If households are dissatisfied for very long with their housing, they tend to move.

Satisfaction levels vary by income. Those making between 80 and 100% of the AMI have the highest occurrence of very dissatisfied households (11%) and those making over 140% AMI have the highest occurrence of very satisfied households (56%).

Satisfaction by Income Level

	<30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100-120% AMI	120-140% AMI	Over 140% AMI
Very satisfied	31.3%	34.1%	46.4%	45.7%	43.2%	52.9%	56.2%
Somewhat satisfied	50.0%	58.2%	32.7%	42.0%	21.0%	33.3%	28.1%
Somewhat dissatisfied	17.5%	6.6%	19.1%	1.2%	30.9%	7.8%	10.1%
Very dissatisfied	1.3%	1.1%	1.8%	11.1%	4.9%	5.9%	5.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2009 Household Survey

A frequent source of dissatisfaction with housing is the inability of renters to move into ownership. When employees become committed to a community, they usually want to buy because of cost stability, control over their homes, quality of housing, security that they can not be forced to move or treated unfairly by a landlord, tax advantages, return on investment and other reasons. If they are unable to buy and are forced to rent they often relocate to communities where they can own. According to the household survey, 43% of renters in Hobbs would like to buy a home within the next three years. This equates to about 1,700 households that would like to move into ownership.

Income qualification and cost are the most frequently cited factors that have kept renters from purchasing, followed by the down payment requirements. Relatively few renters found that a lack of availability where they want to live, a lack of familiarity with the home buying process or lack of choice in housing type were impediments to ownership. Reasons listed for “other” primarily relate to their willingness to pay the asking price for the product available.

**If You Have Wanted To Purchase A Home
And Have Not Done So, Why?**

	Rent
Can not afford to buy - income is too low	58%
Cost is more than I am willing to pay	43%
Not enough saved for the down payment	36%
It's cheaper to rent or stay in my current residence	32%
Poor credit - can't qualify for a loan	24%
Lack of housing type choice	19%
Other	14%
Uncomfortable/unfamiliar with the home buying process	11%
Housing not available where I want to live	9%
Total	246%

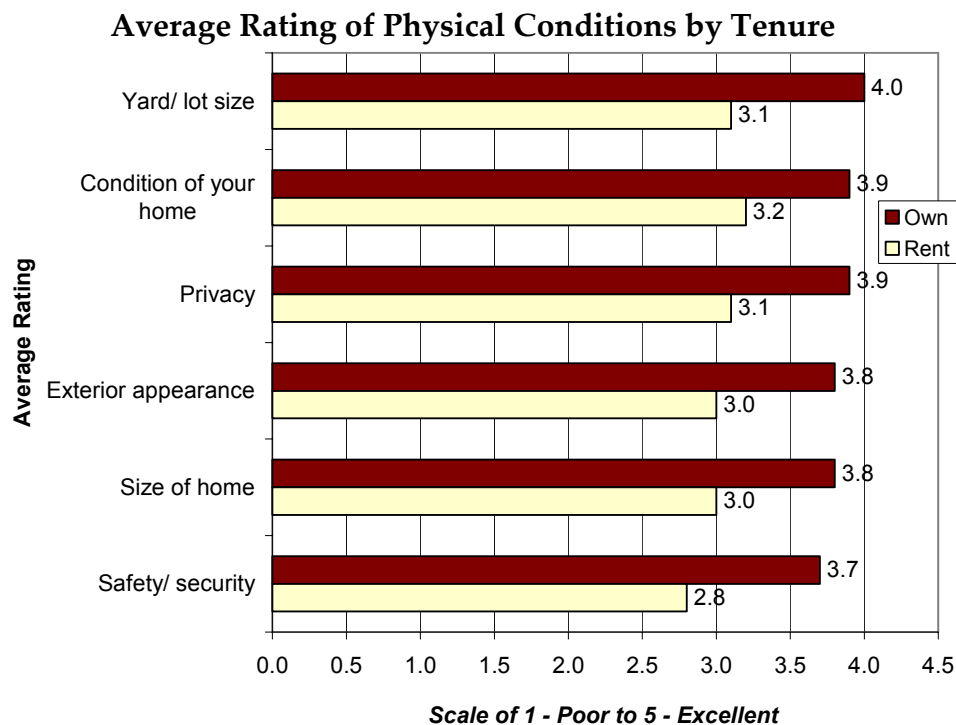
Source: 2009 Household Survey

*Note multiple response question, total does not add up to 100%

Condition of Homes

Across the board, owners rated the condition of their homes higher than did renters. This is typical in many communities; in general owners put more time and expenditures into their homes. For both owners and renters, the lowest rated condition was the safety/security of the neighborhood. This feeling was also reflected in the open-ended comments where respondents expressed concern for drug activity and vacant run-down houses in their neighborhoods.

The overall condition of homes is the most direct indication of the need for repair, rehabilitation or replacement. Overall, 11% of residents surveyed indicated their homes are in poor or fair condition (ratings of 1 or 2). This equates to about 1,300 households living in homes that are not in good condition. This estimate is likely low given that people living in the worst housing in the region are the hardest to reach with a survey.



Source: 2009 Household Survey

Households with incomes equal to or less than 50% AMI consistently rated the condition/quality of their homes lower than households with incomes greater than 50% AMI.

Average Rating of Physical Conditions by Income

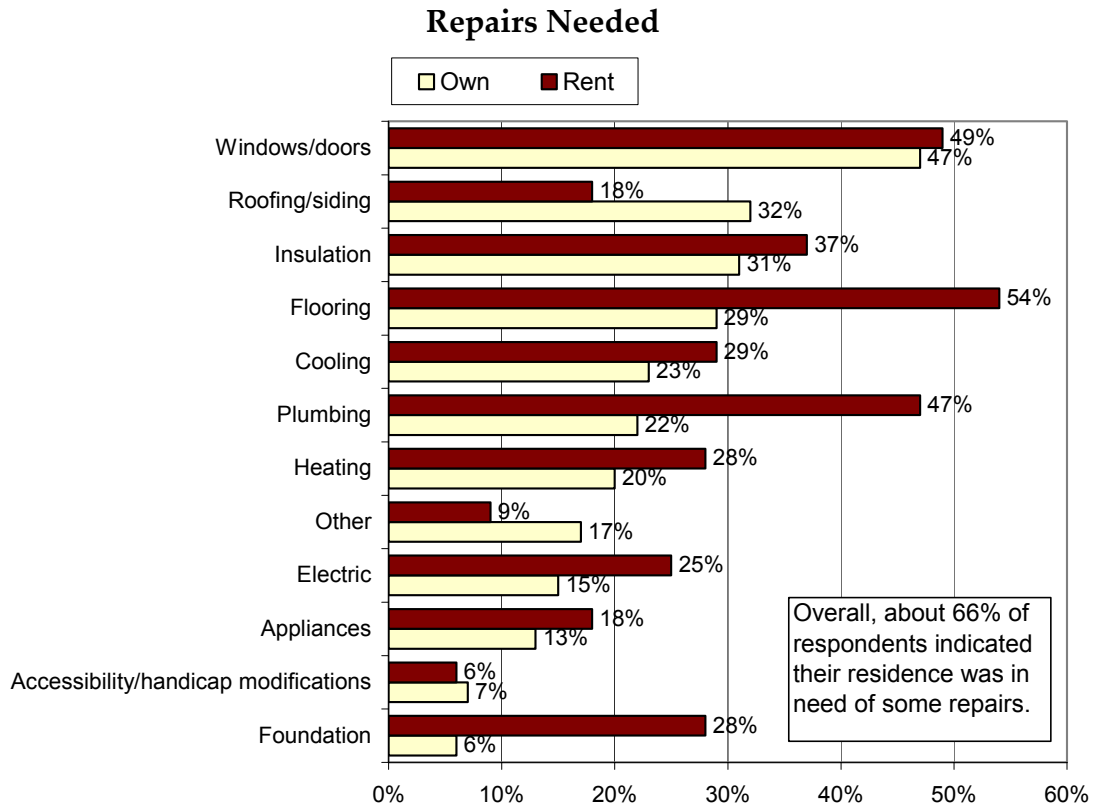
	<30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100-120% AMI	120-140% AMI	Over 140% AMI	Total
Condition Of Your Home	3.2	3.2	3.5	3.6	3.6	3.6	3.9	3.6
Exterior Appearance	2.9	3.0	3.5	3.6	3.2	3.5	3.9	3.5
Size Of Home	3.1	3.1	3.7	3.5	3.3	3.7	3.8	3.5
Privacy	3.3	3.0	3.9	3.5	3.5	3.6	3.8	3.6
Yard/ Lot Size	3.1	3.6	3.7	3.6	4.0	3.9	3.9	3.7
Safety/ Security	2.8	2.6	3.5	3.3	3.5	3.5	3.7	3.4

Source: 2009 Household Survey

Overall, 66% of respondents indicated their residence was in need of some repairs. The needed repairs vary by owners and renters.

- The most frequently cited repairs for owners are windows/doors, roof/siding and insulation. All three of these repairs deal with energy conservation and protection from the elements.

- The most frequently cited repairs for renters are flooring, windows/siding and plumbing.



Source: 2009 Household Survey

Reasons for not making the repairs varied, with renters primarily citing it was their landlord's responsibility (72%) and owners citing they could not afford them (68%).

Reasons Repairs Have not Been Made

	Own	Rent
Cannot afford them	68%	30%
It is my landlord's responsibility	1%	72%
Have other priorities	21%	3%
Cannot find the time	20%	3%
Other	10%	6%
Cannot find a contractor to use	6%	1%
Total	126%	115%

Source: 2009 Household Survey

*note: multiple response question

Cost-Burden

Housing is generally considered to be affordable when the monthly mortgage or rent payment does not exceed 30% of a household's gross income. Based on this standard, approximately 22% of Hobbs's households (2,609 households) live in housing that is more expensive than they can afford. Renters are twice as likely to be cost burdened (30%) than owners (15%). When households are cost-burdened by their housing payment, they have difficulty affording groceries, health care, transportation, clothing and other necessities.

Percent of Income Spent on Housing Payment by Tenure

	Own	Rent	Overall
Under 20%	76%	46%	62%
20-29%	9%	24%	16%
30-35%	2%	8%	5%
36-40%	2%	2%	2%
41-50%	2%	8%	5%
Over 50%	9%	12%	10%
Total	100%	100%	100%
Total Cost Burdened	15%	30%	22%

Source: 2009 Household Survey

The incidence of cost burden in Hobbs has not changed significantly over time. Overall, it has remained between 22 and 23% since 1990. Cost burden among owners has increased slightly from 13% in 1990 to 15% in 2009, while cost burden for renters has decreased from 37% in 1990 to 30% in 2009. Being cost burdened also places the household at risk of default and foreclosure, or eviction if they are renters. Historically, renters were more likely to have monthly payments exceeding 30% of their incomes; however, with the lax lending standards and sub-prime loans of the recent past, the percentage of homeowners with payments that are too high relative to their income increased.

Cost Burdened Households, 1990, 2000 and 2009

	Own	Rent	Overall
1990	13.3%	36.9%	22.3%
2000	15.9%	34.9%	22.5%
2009	15.0%	29.7%	21.8%

Source: 1990 and 2000 US Census; 2009 Household Survey

The overall incidence of cost burden in Hobbs is relatively low compared to the rest of New Mexico (28% in 2000). However, this is only a measure of housing payments in relation to income. Other payments, such as car and credit card payments, factor into the overall cost of living.

About 43% of households in Hobbs make a monthly car payment. On average, these households pay \$321 per month. Of those households with a car payment, 18% pay more than 30% of their income towards their car payment. Additionally, of these households, 30% pay more per month towards their car payment than towards their housing payment.

Monthly Car Payments			
	Own	Rent	Total
No Car Payment	43.0%	44.1%	43.3%
Up to - \$199	1.0%	0.7%	0.8%
\$200 - \$299	4.7%	7.2%	5.5%
\$300 - \$399	10.6%	16.8%	12.6%
\$400 - \$499	7.9%	9.9%	8.5%
\$500 - \$599	9.9%	8.9%	9.6%
\$600 - \$699	5.4%	8.2%	6.3%
\$700 - \$799	3.9%	2.3%	3.4%
\$800 - \$899	2.8%	1.3%	2.3%
\$900 - \$999	2.5%	0.3%	1.8%
\$1,000 or more	8.4%	0.3%	5.8%
Total	100%	100%	100%
Average	\$351	\$258	\$321
Median	\$300	\$275	\$300

Source: 2009 Household Survey

Households at Risk

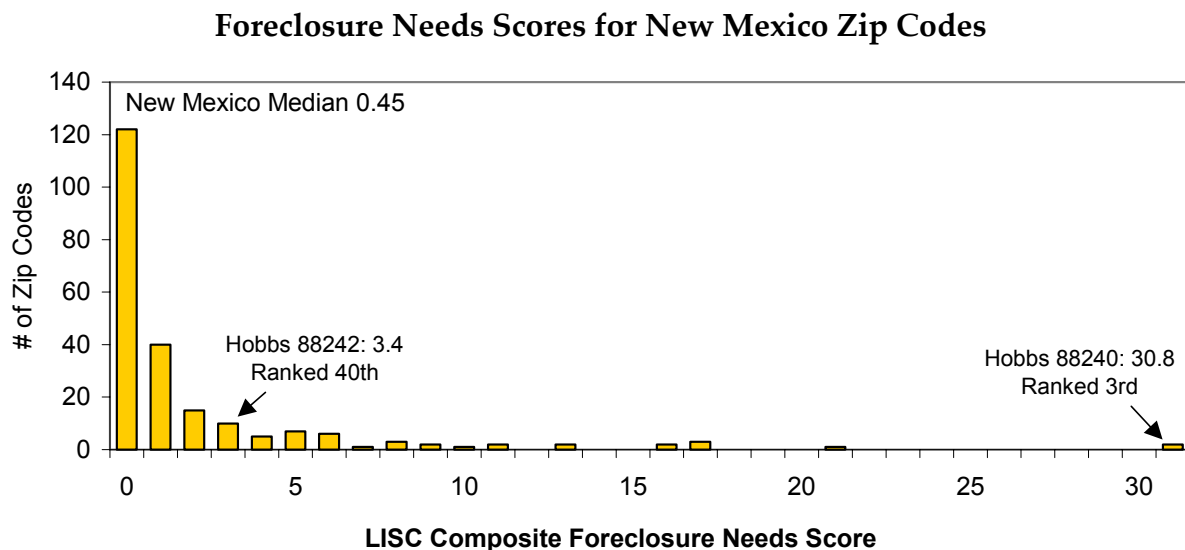
Households that are consistently late with their housing payment are potentially at risk for displacement from their home. As shown below, about 4% of owners reported being late with their housing payment more than 4 times over the past couple of years and 8% were late between 1 and 3 times. For renters, about 2% reported being late with their housing payment more than 4 times over the past couple of years and 16% were late between 1 and 3 times. This indicates a moderate risk of displacement, including potentially about 4% of owners (315 households) and 2% of renters (79 households).

Number of Times Late with Housing Payment over Last Two Years			
	Own	Rent	Overall
Never	88%	82%	86%
1 - 3 times	8%	16%	11%
4 or more times	4%	2%	3%
Total	100%	100%	100%

Source: 2009 Household Survey

The foreclosure needs score below provides a composite measure of foreclosure needs that incorporates measures of subprime lending, foreclosures, and mortgage delinquencies to calculate a relative score, and adjusts this value by state and local vacancy rates. These summary measures ("scores") allow a summary assessment of the relative needs of different jurisdictions in a state. This approach is similar to that used by HUD to allocate Neighborhood Stabilization funds. Both composite measures and component scores for the three variables are available.

As shown below, the Hobbs zip code of 88240 has the 3rd highest foreclosure needs score out of 357 zip codes in New Mexico. Additionally, the Hobbs zip code of 88242 is ranked 40th in New Mexico. The Hobbs zip code 88242 starts North of Joe Harvey at Millen and runs north across the city. The zip code 88240 runs south of Millen.



[Source: Foreclosure Response](#)

Overcrowding

Results from the 2009 Household and Employee Survey indicate that about 8% of owners and 22% of renters live in overcrowded conditions (defined by having more than 1.5 residents per bedroom). This equates to about 1,505 households in 2009. Larger households with children and households who speak Spanish at home have a higher occurrence of overcrowding.

Overcrowding by Household Composition

	% Overcrowded
Own	8.1%
Rent	21.8%
Spanish speaking households	29.7%
Households with Children	30.8%
Seniors	1.3%

Source: 2009 Household Survey

Residents who are not willing to tolerate living in overcrowded conditions, particularly as they grow older, often leave their jobs and the community.

Households with Disabilities

Overall, 24% of households indicate that at least one person in the household has a long-lasting disability. In total, 20% have a condition that substantially limits one or more basic physical activity such as walking, climbing stairs, reaching, lifting or carrying capacity. Another 4% have blindness, deafness or a severe vision or hearing impairment.

Although most households with a disabled member report that their housing now adequately accommodates their disabilities, 17% overall indicate that it does not. This equates to approximately 2,016 households with disabilities and inadequate housing.

B. Special Housing Needs

This section of the report presents information on particular populations in Hobbs that have unique housing needs and who are known to have greater challenges with locating affordable and suitable housing. This includes seniors, Spanish-speaking households, homeless or near homeless, extremely and very low-income households and single parent households. A brief overview of programs available and persons served by multiple agencies in Hobbs is provided, along with an overview of demographic characteristics, income and any unusual housing circumstances that were found in the household survey and through interviews with service providers regarding these populations.

Senior Headed Households

Social service agencies, real estate agents and local residents identified seniors as one segment of the population in Hobbs with unique housing needs that may not be adequately served by the

free market. This section provides an estimate of the number of senior households in Hobbs, identifies their household characteristics, examines their current housing situation and analyzes their preferences for both rental and ownership housing, all of which can be used to help serve this population in the future.

Senior Population Estimate

It is estimated that about 21% of households in Hobbs are headed by seniors (age 65 or older). While the percent of senior headed households in Hobbs is down slightly from the 2000 Census (22%) seniors are still a sizable and unique market segment in Hobbs. New Mexico, as with the other Sunbelt states, has proportionately more senior households than in the rest of the country. With baby boomers growing older and the average life span increasing, the senior population in Hobbs will continue to grow.

Assuming that the demand for housing units to be occupied by households headed by a senior increases proportionately with the population, by 2015, seniors will demand an additional 307 housing units.

Senior Headed Households		
	2000	2009
% Households	22.0%	21.3%
# Households	2,219	2,526

Source: 2000 US Census; 2009 Household Survey

Senior Household Composition

Overall, about 77% of senior households own their home and 23% rent. Senior households are smaller than other family and non-family households, with an average household size of 1.7, compared to a 2.5 average for all households in Hobbs. The majority of senior households are adults living alone (43%), followed by couples (39%) and immediate and extended family members (9%). A few senior households have children at home, or live with unrelated roommates.

Senior Household Composition

	Senior Household
Adult living alone	43%
Couple, no child(ren)	39%
Immediate and extended family members	9%
Couple with child(ren)	4%
Single parent with child(ren)	2%
Unrelated roommates	1%
Family members and unrelated roommates	1%
Total	100%

Source: 2009 Household Survey

The large majority of senior households (95%) indicated they would continue to live in Hobbs for ten years or more, with 89% indicating they would continue to stay in their current residence. There is some interest in moving into other homes in Hobbs, but since most seniors will stay in their homes, their housing will not become available for employees needed to fill jobs vacated by retiring employees. This means that even with no new job growth, the net demand for employee housing will increase as retired seniors occupy more housing units.

Most seniors live in single-family homes (75%). Only 4% of senior homeowners reside in a townhouse or duplex. This suggests that there are opportunities for seniors to down size into smaller units, freeing up the homes they now occupy for employee families if appropriately designed and priced units are developed. The majority of seniors who rent live in apartments and single-family homes.

Current Housing Type – Senior Households

	Own	Rent	Overall
Single-family house	87%	39%	75%
Apartment	0%	40%	9%
Townhouse/Duplex	4%	0%	3%
Mobile home - permanently attached	10%	21%	12%
Total	100%	100%	100%

Source: 2009 Household Survey

Almost 80% of senior homeowners live in homes with three or more bedrooms. This finding further supports the potential for developing small homes for seniors who now have more space than they need or can maintain.

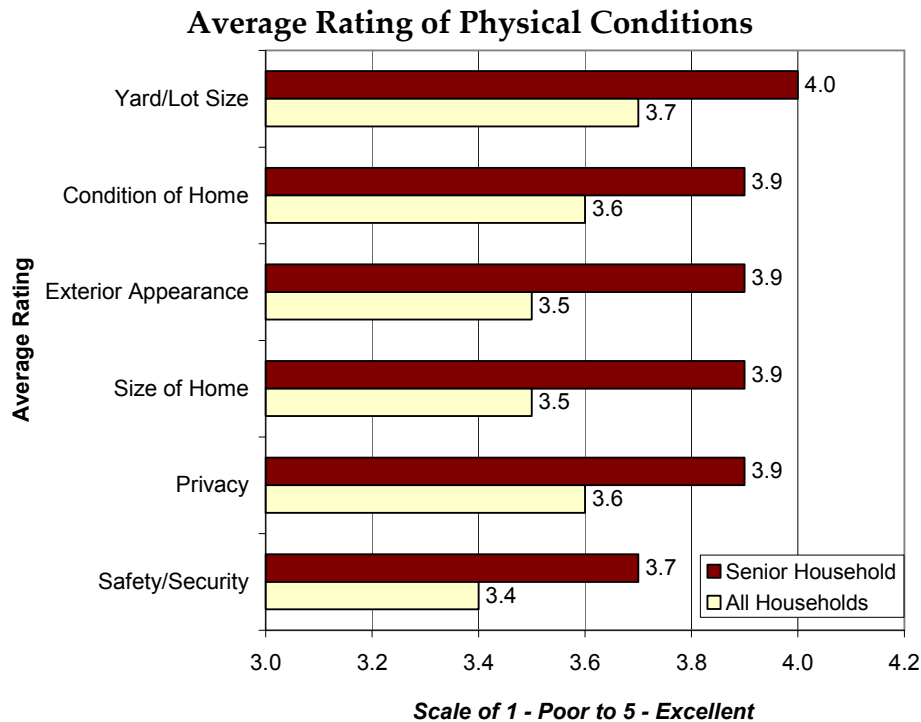
Number of Bedrooms in Senior Occupied Units

	Own	Rent	Total
1	1%	40%	10%
2	20%	24%	21%
3	67%	33%	59%
4	12%	3%	10%
5	1%	0%	0%
Total	100%	100%	100%

Source: 2009 Household Survey

Condition of Homes

Across the board, seniors rated the condition of their homes higher than did all households. The yard/lot size was rated the highest while safety/security was rated the lowest.



Source: 2009 Household Survey

Overall, 47% of senior households indicated their residence was in need of some repairs. The most frequently cited repairs are windows/doors, insulation, flooring, heating and roof/siding. Overall, 59% of seniors indicated they had not made the repairs because they could not afford them.

Repairs Needed – Senior Households	
	Senior Household
Windows/doors	45%
Insulation	32%
Flooring	21%
Heating	20%
Roofing/siding	19%
Electric	18%
Plumbing	17%
Other	16%
Cooling	14%
Accessibility/handicap modifications	12%
Foundation	7%
Appliances	5%
Total	225%

Source: 2009 Household Survey

Senior Households with Disabilities

Of senior households, about 36% indicate that at least one person in the household has a long-lasting disability. In total, 28% have a condition that substantially limits one or more basic physical activity such as walking, climbing stairs, reaching, lifting or carrying capacity. Another 8% have blindness, deafness or a severe vision or hearing impairment.

Although most senior households with a disabled member report that their housing now adequately accommodates their disabilities, 13% overall indicate that it does not. This equates to approximately 118 senior households with disabilities and inadequate housing.

Senior Household Income

Senior households have lower incomes than all households combined. According to the 2009 Household Survey, half of senior households had incomes less than 80 percent AMI, and therefore meet HUD's definition of low-income.

Senior Households by Income 2009

	All Households	Senior Household
<30% AMI	10%	6%
30-50% AMI	11%	20%
50-80% AMI	13%	24%
80-100% AMI	10%	15%
100-120% AMI	9%	8%
120-140% AMI	6%	9%
Over 140% AMI	41%	19%
Total	100%	100%
Total Low-income	34%	50%
Median Income	\$55,434	\$37,215

Source: 2009 Household Survey

Most seniors live in housing that is affordable given their incomes. About 27%, however, spend more than 30% of their income on housing and are considered to be cost burdened. Senior households show a higher rate of cost burden than households overall (22%).

Percent of Income Spent of Housing Payment

	Own	Rent	Overall
Under 20%	73%	34%	51%
20-30%	13%	29%	23%
30-35%	3%	0%	1%
35-40%	7%	0%	3%
40-50%	3%	37%	23%
Total	100%	100%	100%
Cost Burden	13%	37%	27%

Source: 2009 Household Survey

Housing for Seniors

Good Samaritan provides two apartment properties for seniors. The Cedars has 63 HUD subsidized low-income units. Residents must be 62+ years of age. The complex has no vacancies and a 5-month waiting list. The other complex run by Good Samaritan in Hobbs is Casa de Llano. There are no income requirements at Casa de Llano. The complex offers efficiency units for \$595/month. There are a few vacancies in the complex however they tend to fill quickly.

Interviews with special needs agencies indicated that many elderly citizens in Hobbs are staying in hotels because it is all they can afford. Most are on waiting lists to rent properties, however they are on the lists with single mothers and families that have lost jobs. There is very little

turnover in the assisted living apartments. Some of the elderly are self-sufficient but cannot afford to pay rent and bills, so they do without food or telephone, or skim on their medications.

Spanish Speaking Households

As has been the case in other communities, the growth in the past few years in low-wage services and in the labor-intensive construction industry has spurred an influx of Spanish-speaking employees. Some are US residents or have work visas but others are undocumented. The total number, and the number in each legal category, is unknown. The housing needs of Spanish-speaking residents are not well understood and are extremely difficult to quantify. Social service agencies are very limited in what they can offer if the applicants are not documented. Even if private non-profit agencies were not restricted by their funding sources, their ability to serve this special population is impacted by fears of deportation.

The Needs Assessment attempted to gather current and accurate information on the Spanish Speaking population in Hobbs. This effort included an option to receive the household survey in Spanish, a booth at the local Health Fair and door hanging surveys in Spanish and English in designated Hobbs neighborhoods. In total, 274 survey responses were returned by households who speak Spanish at home which constitutes 26% of all respondents.

Spanish Speaking Population Estimate

In 2000, approximately 32% of households in Hobbs had a Hispanic or Latino householder and 33% spoke Spanish at home. Overall, just over 26% of households surveyed in the 2009 Household survey indicated they speak Spanish at home. This is lower than the 33% measured in the 2000 US Census, however it does represent a large sample of the Spanish speaking population in Hobbs. Surveys are usually only completed by household members who are documented and highly skilled in English.

Hispanic or Latino Households		
	2000 (Census)	2007 (ACS)
% of Households	32.2%	40.9%
# of Households	3,255	3,932

Source: 2000 US Census; 2005-2007 American Community Survey

Spanish Speaking Household Composition

Overall, about 64% of Spanish speaking households own their home and 36% rent. Spanish speaking households are larger than other family and non-family households, with an average

household size of 3.4, compared to a 2.5 average for all households in Hobbs. The majority of Spanish speaking households are couples with children (44%), followed by couples without children (16%), single parents (15%) and immediate and extended family members (11%). Most Spanish speaking households have lived in the Hobbs area for 5 years or more (69%) followed by those living in the area for 3 to 5 years (13%). However, Spanish speaking households are more likely than households overall to be new to the community, with 9% having lived in the area for less than 1 year compared to 5% overall.

Spanish Speaking Household Composition

	Spanish Speaking Households
Couple with child(ren)	44%
Couple, no child(ren)	16%
Single parent with child(ren)	15%
Immediate and extended family members	11%
Adult living alone	10%
Family members and unrelated roommates	3%
Unrelated roommates	0%
Total	100%

Source: 2009 Household Survey

The large majority of Spanish speaking homeowners live in single-family homes (87%), followed by mobile homes (11%). Renters are more diverse in their housing types, with 56% living in single-family homes, 20% living in apartments and 15% living in mobile homes. Of significance is that 9% of renters live in an RV home or camper. These residences are designed as temporary residences and are not suited for long-term occupancy.

Current Housing Type – Spanish Speaking Households

	Own	Rent	Overall
Single-family house	87%	56%	76%
Mobile home	11%	15%	12%
Apartment	1%	20%	8%
RV home or camper	0%	9%	3%
Townhouse/Duplex	1%	0%	1%
Total	100%	100%	100%

Source: 2009 Household Survey

Spanish speaking households are much more likely than other households to live in overcrowded conditions. Overall, 30% of Spanish speaking households are overcrowded, compared to 12% of all households. Over ½ of renters in Spanish speaking households live in overcrowded conditions as measured using the standard of 1.5 persons per bedroom.

Overcrowding

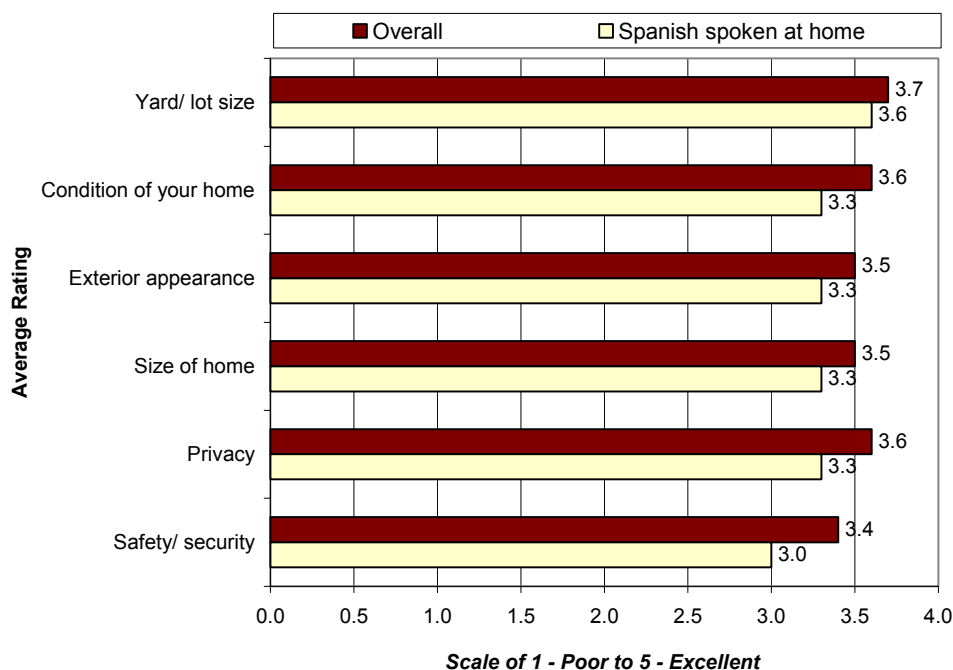
	Owners	Renters	Overall
Spanish Speaking Households	16.6%	52.2%	29.6%
All Households	8.1%	21.8%	12.3%

Source: 2009 Household Survey

Condition of Homes

Across the board, Spanish-speaking households rated the condition of their homes lower than did all households. The yard/lot size was rated the highest while safety/security was rated the lowest.

Average Rating of Physical Conditions



Source: 2009 Household Survey

Overall, 70% of Spanish speaking households indicated their residence was in need of some repairs. The most frequently cited repairs are windows/doors, flooring, roofing/siding, cooling, plumbing and heating. Of reasons listed for why repairs had not been made, 67% indicated they could not afford them and 26% indicated that it was their landlord's responsibility.

Repairs Needed – Spanish Speaking Households

	Spanish Speaking Household
Windows/doors	50%
Flooring	49%
Roofing/siding	37%
Cooling	36%
Plumbing	35%
Heating	35%
Insulation	29%
Appliances	26%
Electric	25%
Foundation	20%
Other	10%
Accessibility/handicap modifications	7%
Total	359%

Source: 2009 Household Survey

Spanish speaking Households with Disabilities

Of Spanish speaking households, about 19% indicate that at least one person in the household has a long-lasting disability. In total, 17% have a condition that substantially limits one or more basic physical activity such as walking, climbing stairs, reaching, lifting or carrying capacity. Another 2% have blindness, deafness or a severe vision or hearing impairment.

A relatively large proportion (30%) of Spanish speaking households with a disabled member report that their housing does not adequately accommodate their disabilities. This equates to approximately 228 Spanish-speaking households with disabilities and inadequate housing.

Spanish Speaking Households - Income

Spanish speaking households have lower incomes than all households combined. According to the 2009 Household Survey, over half of Spanish speaking households had incomes less than 80 percent AML, and therefore meet HUD's definition of low-income.

Spanish Speaking Households by Income 2009

	All Households	Spanish speaking Household
<30% AMI	10%	19%
30-50% AMI	11%	16%
50-80% AMI	13%	21%
80-100% AMI	10%	12%
100-120% AMI	9%	5%
120-140% AMI	6%	4%
Over 140% AMI	41%	24%
Total	100%	100%
Total Low-income	34%	56%
Median Income	\$55,434	\$41,344

Source: 2009 Household Survey

Most Spanish speaking residents live in housing that is affordable given their incomes. About 31%, however, spend more than 30% of their income on housing and are considered to be cost burdened. Spanish speaking households show a higher rate of cost burden than households overall (22%). Overall, 22% have been behind on a housing payment within the past couple of years, with about 8% having been late 4 or more times.

Spanish Speaking Household - Cost Burden

	Own	Rent	Overall
Under 20%	60%	34%	49%
20-30%	11%	32%	20%
30-35%	0%	34%	15%
35-40%	8%	0%	5%
40-50%	7%	0%	4%
Over 50%	15%	0%	8%
Total	100%	100%	100%
Cost Burden	29%	34%	31%

Source: 2009 Household Survey

Employment

Overall, 87% of Spanish speaking households have at least one employed adult. Of the individuals filling out the survey, 67% are employed by others, 17% are full time homemakers and 13% are self-employed. Additionally, 3% of survey respondents are unemployed and currently looking for work. If other adults in the household are included, overall, 7% of adults represented in the survey are unemployed and looking for work. This is high compared to households without Spanish speaking residents (4%).

Employment Status – Spanish Speaking Household

	You
Employed by others	67%
Full-time homemaker	17%
Self-employed	13%
Full-time student	5%
Retired	3%
Unemployed, looking for work	3%
Not employed, not looking for work	3%
Other	0%
Total	111%

Source: 2009 Household Survey

Very Low-Income Households (50% AMI or Less)

This section provides an overview of the characteristics of households in the city earning less than 50 percent of the AMI. This information is useful when pursuing housing options and programs to serve this population.

Very Low-income Household Estimate

Overall, about 21% of households in Hobbs are very low-income households. This equates to about 2,490 households. Very low-income households make a median income of about \$10,000.

Household Income Distribution

	Own	Rent	Overall
<30% AMI	9.8%	11.0%	10.2%
30-50% AMI	6.3%	20.9%	11.0%
50-80% AMI	13.0%	12.8%	13.0%
80-100% AMI	8.7%	11.7%	9.7%
100-120% AMI	7.9%	12.8%	9.5%
120-140% AMI	7.2%	2.9%	5.8%
Over 140% AMI	47.0%	27.8%	40.9%
Total	100%	100%	100%
Total Very Low-income	16.1%	31.9%	21.1%

Source: 2000 US Census; 2005-2007 American Community Survey

Very Low-income Household Composition

Overall, about 52% of very low-income households own their home and 48% rent. Very low-income households are slightly smaller on average (2.3 persons per household) than all households (2.5 persons per household). The majority of very low-income households are

adults living alone (36%), followed by single parents (22%), couples with children (12%) and immediate and extended family members (11%). The majority of very-low income households have lived in Hobbs for 5 years or more (76%), followed by those living in Hobbs for between 1 and 3 years (20%).

Very Low-income Household Composition

	Very Low-income Households
Adult living alone	36%
Single parent with child(ren)	22%
Couple with child(ren)	12%
Immediate and extended family members	11%
Couple, no child(ren)	9%
Unrelated roommates	7%
Family members and unrelated roommates	3%
Total	100%

Source: 2009 Household Survey

The large majority of very low-income homeowners live in single-family homes (84%), followed by apartments (5%). Renters are more diverse in their housing types, with 50% living in single-family homes, 36% living in mobile homes and 14% living in apartments.

Current Housing Type – Very Low-income Households

	Own	Rent	Overall
Single-family house	94%	50%	73%
Mobile home	1%	36%	18%
Apartment	5%	14%	9%
Total	100%	100%	100%

Source: 2009 Household Survey

Very low-income households have a similar rate of overcrowding as all households. Very low-income owners are slightly more likely to live in overcrowded conditions than other households, while very low-income renters are slightly less likely to live in overcrowded conditions than other households.

Overcrowding

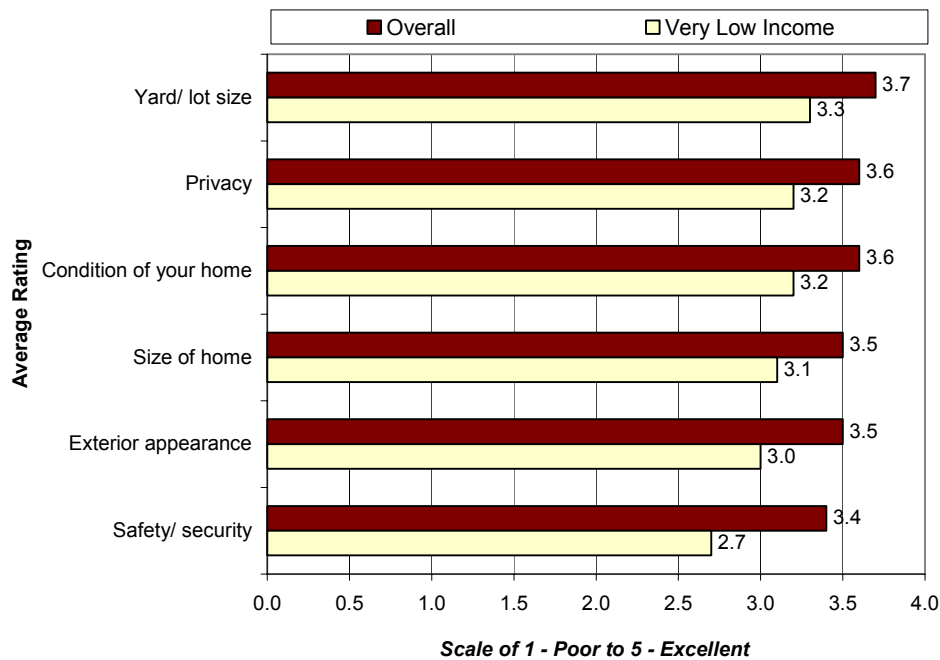
	Owners	Renters	Overall
Very Low-income Households	10.6%	20.5%	15.46%
All Households	8.1%	21.8%	12.3%

Source: 2009 Household Survey

Condition of Homes

Across the board, very low-income households rated the condition of their homes lower than did all households. The yard/lot size was rated the highest while safety/security was rated the lowest.

Average Rating of Physical Conditions



Source: 2009 Household Survey

Overall, 58% of very low-income households indicated their residence was in need of some repairs. The most frequently cited repairs are windows/doors, insulation, plumbing, cooling, flooring, roofing/siding and heating. Overall, 61% indicated they had not made the repairs because they could not afford them and 28% indicated that it was their landlords responsibility.

Repairs Needed – Very Low-income Households

	Very Low-income Household
Windows/doors	60%
Insulation	44%
Plumbing	44%
Cooling	38%
Flooring	37%
Roofing/siding	34%
Heating	32%
Electric	20%
Appliances	20%
Foundation	15%
Other	9%
Accessibility/handicap modifications	9%
Total	362%

Source: 2009 Household Survey

Very Low-income Households with Disabilities

Of very low-income households, about 34% indicate that at least one person in the household has a long-lasting disability. In total, 25% have a condition that substantially limits one or more basic physical activity such as walking, climbing stairs, reaching, lifting or carrying capacity. Another 9% have blindness, deafness or a severe vision or hearing impairment.

Overall 17% of very low-income households with a disabled member report that their housing does not adequately accommodate their disabilities. This equates to approximately 144 very low-income households with disabilities and inadequate housing.

Very Low-income Households – Housing Costs

A very high percentage of very low-income households spend more than 30% of their income on housing and are considered to be cost burdened (77%). Households in this very low-income range often may forego other necessities (food, medical, insurance, etc.) to cover housing payments each month. Overall, 16% have ever been behind on a housing payment within the past couple of years, with about 4% having been late 4 or more times.

Very Low-Income Household - Cost Burden			
	Own	Rent	Overall
Under 20%		26%	17%
20-30%	3%	7%	6%
30-35%	8%	12%	11%
35-40%	11%		4%
40-50%	11%	18%	15%
Over 50%	68%	37%	47%
Total	100%	100%	100%
Cost Burden	97%	67%	77%

Source: 2009 Household Survey

Employment

Overall, 64% of very-low income households have at least one employed adult. Of the individuals filling out the survey, 92% are employed by others, 10% are full time homemakers and 10% are full time students. Additionally, 3% of survey respondents are unemployed and currently looking for work. If other adults in the household are included, overall, 5% of adults represented in the survey are unemployed and looking for work.

Employment Status – Spanish Speaking Household

	You
Employed by others	92%
Full-time homemaker	10%
Full-time student	10%
Retired	3%
Not employed, not looking for work	3%
Unemployed, looking for work	2%
Total	119%

Source: 2009 Household Survey

Single Parent Households

Single parent households are more likely to face difficulties in finding and maintaining affordable housing. These households also typically have additional special needs relating to access to day care/childcare, health care and other supportive services.

Single Parent Household Estimate

Household Survey data indicate that 9% of households in Hobbs are single parent households. Renters are much more likely to be single parent households (15%) than owners (6%). Of those households composed of single parents, 87% are headed by a female. This equates to 1,067 single parent households, of which 928 are headed by a female.

Single Parent Household Composition

Single parent households are more likely to have lived in the community for 1 to 5 years (45%) than households overall (17%). Only 55% of single parent households have lived in Hobbs for more than 5 years. Typically, if a household cannot find adequate housing and childcare services they will leave the community.

Of single-parent households, 46% own and 54% rent. The large majority of single-parent homeowners live in single-family homes (82%), followed by mobile homes (16%). Renters are more diverse in their housing types, with 62% living in single-family homes, 36% living in apartments and 2% living in townhouses/duplexes.

Current Housing Type – Single Parent Households

	Own	Rent	Overall
Single-family house	82%	62%	71%
Apartment	0%	36%	19%
Townhouse/Duplex	2%	2%	2%
Mobile home	16%	0%	80%
Total	100%	100%	100%

Source: 2009 Household Survey

Single parent households are much more likely than other households to live in overcrowded conditions. Overall, 25% of single parent households are overcrowded, compared to 12% of all households. Over 1/3rd of renters in single parent households live in overcrowded conditions.

Overcrowding

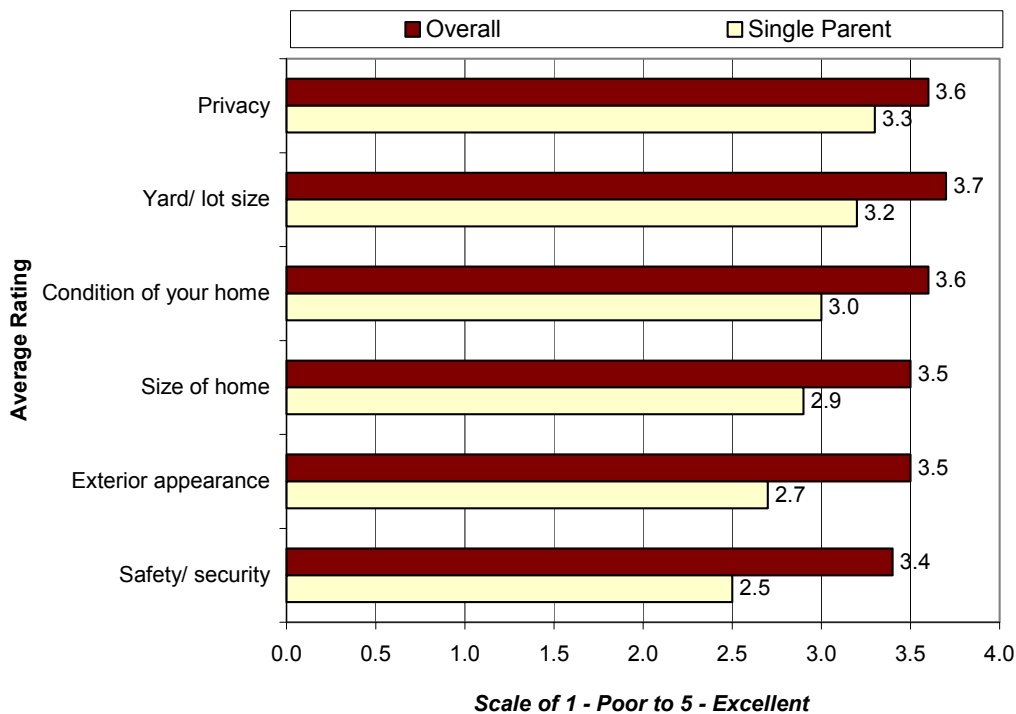
	Owners	Renters	Overall
Single Parent Households	16.7%	33.3%	25.0%
All Households	8.1%	21.8%	12.3%

Source: 2009 Household Survey

Condition of Homes

Across the board, single parent households rated the condition of their homes lower than did all households. Privacy was rated the highest, followed by yard/lot size and condition of home while safety/security, exterior appearance and size of home were rated the lowest. While the condition of the home was not rated the lowest on average, a total of 35% rated it poor.

Average Rating of Physical Conditions



Source: 2009 Household Survey

Overall, 67% of single parent households indicated their residence was in need of some repairs. The most frequently cited repairs are windows/doors, flooring, plumbing, insulation heating, cooling, foundation and roofing/siding. Overall, 73% indicated they had not made the repairs because they could not afford them and 33% indicated that it was their landlords responsibility.

Repairs Needed – Spanish Speaking Households

	Single Parent Households
Windows/doors	73%
Flooring	52%
Plumbing	51%
Insulation	50%
Heating	50%
Cooling	49%
Foundation	38%
Roofing/siding	35%
Electric	26%
Appliances	25%
Accessibility/handicap modifications	10%
Other	9%
Total	468%

Source: 2009 Household Survey

Single Parent Households with Disabilities

Of single parent households, about 21% indicate that at least one person in the household has a long-lasting disability. In total, 20% have a condition that substantially limits one or more basic physical activity such as walking, climbing stairs, reaching, lifting or carrying capacity. Another 1% have blindness, deafness or a severe vision or hearing impairment.

A relatively significant 37% of single parent households with a disabled member report that their housing does not adequately accommodate their disabilities. This equates to approximately 83 single parent households with disabilities and inadequate housing.

Single Parent Households - Income

Single parent households have lower incomes than all households combined. According to the 2009 Household Survey, 68% of single parent households had incomes less than 80 percent AML, and therefore meet HUD's definition of low-income.

Single Parent Households by Income 2009

	All Households	Single Parent Households
<30% AMI	10%	29%
30-50% AMI	11%	18%
50-80% AMI	13%	21%
80-100% AMI	10%	7%
100-120% AMI	9%	4%
120-140% AMI	6%	3%
Over 140% AMI	41%	17%
Total	100%	100%
Total Low-income	34%	68%
Median Income	\$55,434	\$20,553

Source: 2009 Household Survey

Almost ½ of single parent households live in housing that is not affordable given their incomes. About 45% of owners and 52% of renters spend more than 30% of their income on housing and are considered to be cost burdened. Single parent households show a significantly higher rate of cost burden than households overall (22%). Overall, 24% have ever been behind on a housing payment within the past couple of years, with about 2% having been late 4 or more times.

Single Parent Household - Cost Burden

	Own	Rent	Overall
Under 20%	39%	21%	29%
20-30%	15%	27%	22%
30-35%	0%	23%	13%
35-40%	9%	0%	4%
40-50%	3%	11%	8%
Over 50%	33%	18%	25%
Total	100%	100%	100%
Cost Burden	45%	52%	49%

Source: 2009 Household Survey

Employment

Overall, 93% of single parents are employed by others. An additional 12% are full-time homemakers, 12% are full-time students and 7% are self-employed.

Employment Status – Single Parent Households

	You
Employed by others	93%
Full-time homemaker	12%
Full-time student	12%
Self-employed	7%
Other	1%
Unemployed, looking for work	1%
Total	126%

Source: 2009 Household Survey

Homelessness

The [New Mexico Coalition to End Homelessness](#), founded in 2000, has a membership of 75 non-profit homeless service agencies, homeless people and government agencies. The Guidance Center of Lea County is a member of the coalition. The Coalition has three major areas of emphasis:

- To support homeless service agencies in New Mexico
- To educate people in New Mexico about homelessness
- To advocate for solution to homelessness at the State Legislature and other government bodies

The coalition completes a homeless count every few years. In 2005, they counted 40 sheltered homeless people in Lea County, and zero unsheltered. In 2007, due in part to a change in methodology, they counted zero homeless in Lea County. The 2007 estimate was a services-based count rather than a street count as in 2005. In a services-based count, people are counted as they access services. The Coalition believes that the 2007 estimate significantly undercounts the number of unsheltered people experiencing homelessness in Lea County.

Manna Outreach in Hobbs was originally constructed as a homeless shelter with a grant from a non-profit agency. The shelter has a clothing warehouse, distributes food baskets and has room for 25 men, 15 women and 2 families. The food basket program was originally only intended for seniors but due to the level of demand, it has been expanded to serve anyone in need. Their fiscal year runs from September to September. In their last fiscal year they served 2,200 “nights”, 8,343 meals, food baskets for 701 people not living in shelter, and gave clothing for 971 people. Their units of service, per United Way definitions, were 34,347.

While they are seldom full to capacity, demand for their services has been increasing and they expect to serve more people this year. The food basket program alone is double this year what

it was last year. Changes in the current economy are resulting in more job losses and more people without the means to provide for themselves.

Many of the individuals that Manna currently serves have housing, however due to increased rents, cannot afford to purchase food.

Victims of Domestic Violence

Option, Inc. was formed in 1979 to prevent and remedy the neglect and abuse of children and adults unable to protect their own interests and to preserve, rehabilitate and reunite families under a healthier condition of self-sufficiency. They provide counseling, immediate shelter, food, transportation, clothing, advocacy, emotion support, legal help (with restraining orders), referrals to mental health agencies and other shelters and assistance and referrals to crime victims' reparation. They served a total of 1,158 people last year (which includes the victims as well as 79 offenders). They have a total of 15 beds.

Demand has been increasing with people coming into Hobbs from different areas to work. Many bring their whole families and end up living in hotels. There is a need for more transitional housing. Option Inc. does not offer housing for clients. They give the victims and children a place to stay for two-three months and then "network" them to other shelters out of town. About 25 to 30% get networked out because their extended families that live in Hobbs are overburdened and cannot house them. Other victims and children end up living mostly in trailers, or small campers. The condition of the housing in many cases is terrible. Some of the cheap apartments don't have water, a bathroom or heat – some landlord's don't fix anything.

Option Inc. used to do referrals for low-income housing, however the waiting lists have become so long that they do not bother any more. Many victims give up and go back home to their abuser for lack of other options.

It was noted that a taxi service would be very helpful to the community. The taxi used to meet victims and children in public places and bring them to the shelter. They now call the police to help transport the victims, however many victims don't want the police to get involved, so they get scared and never come to the shelter. Staff is not allowed to pick up the victims because of the danger involved.

Adult protective services in Hobbs helps to prevent or remedy cases of incest, abuse and neglect and investigates exploitation. They have been in existence for about 40 years. The group works with anyone over 18 years old and helps with home care, arranges for other services in the community, helps get food boxes and helps fill out applications for SSI and food stamp support,

general assistance, Medicare and Medicaid. In addition, they help clients find a place to live (e.g., assisted living, nursing homes or apartments). The group serves between 250 and 350 people annually. On average, they get about 20 referrals per month.

Demand for services has been increasing, especially over the last six months. Apartment rents have increased and the HUD properties all have long waiting lists. About 5% to 10% of their clients have had to move in with family members because they could not afford to live in their own home. Those on social security receive \$500 to \$1,200 per month, which is not enough to afford the market rate rent.

In many instances, wives, girlfriends and families move to Hobbs to be closer to their significant other while they are in prison or on probation. However, when their partner is released from prison, it is likely that they will not be allowed to live at the apartment given their criminal record. The agency knows of at least three families in this situation who have been evicted from their apartment and had to live in their cars.

The demand for services has been increasing due to the cost of living. Additionally, it was noted that people are renting more substandard housing because it is all they can afford.

SECTION 3 – HOUSING NEEDS AND GAPS

This section of the report estimates the total number of housing units needed by residents in Hobbs both to fill existing gaps in the market and to accommodate future needs based on population and employment growth projections through 2015. The demand for additional employee housing is estimated using a combination of factors – unfilled jobs, overcrowding, replacement of retiring employees and growth in new jobs.

Estimates are provided on the number of housing units that are needed to support job growth and sustain employers. Three categories of need are quantified:

- *Catch-Up Needs* -- the number of housing units needed to address current deficiencies in housing calculated by considering overcrowding and in-commuters who would like to live in Hobbs.
- *Keep-Up Needs* -- the number of units needed to keep-up with future demand for housing based on projected employment and population growth and the requirement to replace retiring employees.
- *Resident Needs* – households that are cost-burdened by their housing payment (paying 30 percent or more of their household income for rent or mortgage), at risk of losing their home due to late housing payment and/or living in unsatisfactory conditions (poor home condition).

The quantitative estimates in this section of the report represent the number of additional housing units needed, with the exception of the resident needs category. The development of these additional units will not, however, address all existing housing problems, such as lack of affordability. In theory, if the balance between demand/need and supply is brought into greater balance, housing affordability and other problems will improve. If the development of additional units for employees continues to lag behind job growth, other non-development measures for addressing problems will be needed.

It is important to note that the estimates of need contained herein represent components of demand, but not total demand. This section does not quantify demand from households that are adequately and affordably housed but who would like to buy a new or different home.

A. Existing Needs (Catch-up Needs)

Units Needed to Address Overcrowding

While some of the housing problems now existing in Hobbs can be addressed through non-construction methods like monthly subsidies for cost-burdened renters, housing rehabilitation loans etc., overcrowding can only be addressed by building additional units. As reported in Section 2 of this report, 1,505 units are overcrowded in Hobbs. Renters have a higher occurrence of overcrowding than owners. Typically, an increase in the supply of workforce housing equal to about 30% of the number of overcrowded units will largely address overcrowding to the extent practical, given cost consciousness and cultural preferences.

Units Needed to Address Overcrowding			
	Own	Rent	Overall
# Overcrowded Units	639	866	1,505
% Needed to Address Overcrowding	30%	30%	30%
Housing Units Needed	191	260	451

Source: 2010 Household survey and RRC calculations

In-Commuters (Catch-Up)

Demand from in-commuters who want to move to Hobbs represents a catch-up housing need. As reported in Section 1 of the report, roughly 4,057 employees commute into Hobbs for work. The household survey found that 20% of in-commuters to jobs in Hobbs would like to live in the city. Applying this percentage to the total number of in-commuters results in an estimate of demand for additional 541 employee housing units. While in-commuters are a component of catch-up demand, it will be a matter of policy as to the extent to which efforts are focused towards addressing in-commuter needs. In-commuters are currently adequately housed in other communities.

Catch-Up Housing Needs Generated by In-Commuting Employees			
	Own	Rent	Overall
In-commuters from outside Hobbs Zip Codes	2,698	1,359	4,057
# want to live in Hobbs (20%)	471	341	811
Employees per household	1.5	1.5	1.5
Total housing units needed	314	227	541

Sources: 2009 Employer Survey; 2009 In-commuter survey and RRC calculations

B. Future Needs (Keep-up)

Housing Demand from Job Growth

According to employment forecasts, Hobbs will have a net gain of between 568 and 912 jobs by 2015. Job growth will be the result of expansion by existing employers, new residential development and new commercial/industrial development. As mentioned in Section 1 of this report, this estimate includes an additional 150 jobs to accommodate the Isotopes and 50 additional jobs at LES. This estimate could change however, depending on the actual growth of new jobs as a result of these two companies.

Projected job growth through 2015 will generate demand for between 223 and 432 additional housing units to accommodate the workforce. This assumes the multiple job holding ratio of 1.1 and the average number of employees per unit of 1.5 remain constant. Depending upon the depth and length of the current recession, the projection of future demand based on job growth in Hobbs may vary from the estimates provided.

Estimate of Housing Needed to Fill New Jobs, 2008 – 2015

	2015 Baseline	2015 Moderate
Increase in Jobs over 2009	568	917
Jobs per Employee	1.1	1.1
New Employees Needed	516	834
Employees/Housing Unit	1.5	1.5
Housing Demand Generated	344	556

Sources: Household Survey and RRC calculations

Demand from Replacement of Retirees

Many communities anticipate a surge in the number of employees reaching retirement age as their population matures and the first wave of baby boomers reach 65. In Hobbs, 27% of employers surveyed indicated they would have 4% of their employees retiring over the next six years. This equates to an estimate of 407 total retirees by 2015. The new employees who are needed to fill the positions vacated by the retiring employees will generate demand for additional housing units. Given current housing prices, few of the housing units the retirees now occupy will be available for their replacements.

Employees needed to replace retirees will generate demand for approximately 271 additional units by 2015. This assumes that retirees will continue to live in Hobbs, thus not freeing up their housing unit for the new worker needed to fill their job. Household survey data indicate

that 95% of respondents who will be retiring in the next three years intend to stay in Hobbs. This could change, depending on the availability of housing suited to their needs.

**Estimate of Housing Needed to
Fill Jobs Vacated by Retirees, 2009 - 2015**

	Hobbs
Total Retiring Employees	407
Employees/Housing Unit	1.5
Housing Demand Generated	271

Source: 2009 Household Survey, RRC calculations.

C. Total Need for Additional Housing

At present, there is catch-up demand for approximately 1,262 housing units needed to:

- address overcrowding (451 units); and
- accommodate in-commuters who want to move into Hobbs (541 units).

By 2015, keep-up demand for between 615 and 827 units will be generated including:

- Between 344 and 556 additional units to accommodate growth in the labor force through in-migration to sustain business expansion and start ups, and
- 271 units for employees needed to fill positions that will be vacated by retiring workers.

In total, over 1,800 units of housing will be needed to address catch-up and keep-up needs by 2015. These estimates represent all housing needed at all income levels and price ranges, not just affordable housing for low- and moderate-income households.

Summary of Housing Needs 2009 to 2015

Source of Demand	Units
Catch-Up Needs	
Overcrowded Units	451
In-commuters	541
Total Catch-Up Needs	992
Keep-Up Needs	
New Jobs, 2009 - 2015	344-556
Replacement of Retirees, 2009 - 2015	271
Total Keep-Up Needs	615-827
Total Need for Additional Units by 2015	1,607-1,819

Needs by Own/Rent

Multiple considerations determine how the need for additional units is allocated between ownership and rental housing. Both owners and renters now living in Hobbs have unmet needs. Of the employees who will move into Hobbs, some will buy while others will rent. Therefore, both catch-up and keep-up needs include both ownership and rental housing components. The distribution of catch-up demand by owner renter households can be determined from the 2009 household survey.

In practice, in addressing keep-up demand, the ideal mix between ownership and rental housing is as much a matter of policy as it is of need. Municipal officials base policies not only on the extent of problems but on the vision they have for their community's future. To some extent, the adage "build it and they will come" is true. If homeownership opportunities are created that are responsive to needs (price and location being the key factors) many employees will buy. If they are not, proportionately more rental units are needed.

In the absence of a definitive policy regarding the desired mix between owner and renter units, the keep-up need is allocated according to the distribution of households who have lived in Hobbs for 5 years or less. If further changes in the town's demographic and economic characteristics are desired, these numbers could shift.

Housing Needs by Own/Rent

	Owner	Renter	Total
Catch-up – Current Needs	505	487	992
Keep-up – Future Needs	338-455	277-327	615-827
Total	843-960	764-859	1,607-1,819

Owner/renter targets for workforce housing should also take into account the incomes of targeted beneficiaries. While the homeownership rate has increased since 2000, this trend will be difficult to maintain. In the next six years, homeownership will likely be more difficult to attain than in the first half of this decade because of tightening credit and higher down payment requirements. It has always been difficult to provide homeownership product at prices that are affordable for households with incomes at 80% AMI or below, and it will likely be more difficult in the near future.

Homeownership Needs by AMI

At present, approximately 505 units designed for homeownership are needed to address existing needs and an additional 338 to 455 will be needed by 2015.

Homeownership Housing Needs by AMI

AMI	Max Purchase Price	% of Units Needed Now	# of Units Needed Now	% of Units Needed by 2015	# of Units Needed by 2015
<30% AMI	\$43,000	11.4%	57	8.7%	29 to 40
30-50% AMI	\$72,000	8.5%	43	10.1%	34 to 46
50-80% AMI	\$115,000	18.3%	92	15.0%	51 to 68
80-100% AMI	\$144,000	10.5%	53	8.6%	29 to 39
100-120% AMI	\$173,000	9.2%	46	10.0%	34 to 45
120-140% AMI	\$201,000	5.6%	28	7.8%	26 to 35
Over 140% AMI	Over \$201,000	36.6%	185	39.8%	135 to 181
Total		100.0%	505	100.0%	338 to 455

Source: 2009 Household Survey; RRC calculations.

*Varies by household size; figures shown are for 3-person households

** Based on 5% down, a 30-year fixed rate mortgage at 6%, the total payment equals 30% of income, and 20% of payment covers taxes, insurance and HOA fees, rounded to the nearest thousand.

Catch-Up homeownership demand generated by 100 households with incomes $\leq 50\%$ AMI are included in the total even though it is difficult to provide homeownership for these households. Typically extensive subsidies are needed. Even if the purchase price could be subsidized to the extent that the monthly payments would be affordable for a wider share of the market, poor or inadequate credit, instability in employment, high debt to income ratios, and insufficient funds

for the down payment and closing costs are all factors making it very difficult to provide homeownership opportunities for households with incomes less than 50% AMI.

Additionally, it would appear that 37% of the catch-up need for ownership should be priced over \$200,000. However, this is not necessarily the case. These households, based on their household income, could afford to purchase a home at this price but may not choose to do so. As was noted in Section 4, many households said they would be willing to pay less than their household income indicated they could afford. Location, product type and amenities will also play a large role.

Rental Needs by AMI

Approximately 487 additional rental units are now needed now for low-income households ($\leq 80\%$ AMI). This estimate was derived by applying the income distribution from renters now living in Hobbs, as well as renters who are living in overcrowded conditions, to the total estimate of current need.

Rental Housing Needs by AMI

Rental	Max Housing Payment*	% of Units Needed Now	# of Units Needed Now	% of Units Needed by 2015	# of Units Needed by 2015
<30% AMI	\$308	16.8%	82	23.1%	64 to 76
30-50% AMI	\$513	22.2%	108	16.5%	46 to 54
50-80% AMI	\$819	21.1%	103	21.9%	61 to 72
80-100% AMI	\$1,025	19.1%	93	12.3%	34 to 40
100-120% AMI	\$1,228	7.1%	34	10.0%	28 to 33
120-140% AMI	\$1,435	2.2%	11	4.8%	13 to 16
Over 140% AMI	Over \$1,435	11.4%	55	11.4%	32 to 37
Total		100%	487	100%	277 to 327

Source: 2009 Household Survey; RRC calculations.

*Varies by household size; figures shown are for 3-person households; Total payment equals 30% of income

The methodology used makes it appear that 21% of new rental units needed should be priced over \$1,025 per month. This is really not the case, however. The rents would be higher than prevailing rates and not competitive. Renters earning in excess of 100% AMI could be candidates for homeownership if priced at levels they could afford (about \$144,000). If homeownership opportunities are created for households with incomes in the 80% to 120% AMI range, the demand for moderate- and middle-income rentals will decrease.

D. Housing Gaps

The gap is the difference between the number of catch-up units needed at specific income levels and the number of units that are or will be available at corresponding affordable price points.

For Sale Listings by AMI

Income*	Max Purchase Price	Total Listed For Sale	# of Units Needed Now	Gap
<30% AMI	\$43,000	1	57	56
30-50% AMI	\$72,000	11	43	32
50-80% AMI	\$115,000	14	92	78
80-100% AMI	\$144,000	2	53	51
100-120% AMI	\$173,000	14	46	32
120-140% AMI	\$201,000	19	28	9
Over 140% AMI	Over \$201,000	40	185	145
Total	-	101	505	404

Source: MLS; RRC calculations

*AMI based on a 3-person household

The free market will also address part of the gap. Prices might drop in the near term given little activity and large inventory. Unless the downward adjustments are significant, however, the free market can realistically be expected to address only that portion of demand generated by households with incomes greater than 100% AMI. Property managers report a recent surge in vacancies but most appear to be for units with rents in excess of \$1,000 per month. These units are only affordable for households with incomes at or above 80% AMI.

E. Resident Needs

This section quantifies residents who are cost-burdened by their housing payment (paying 30 percent or more of their household income for rent or mortgage), at risk of losing their home due to late housing payments and/or living in unsatisfactory conditions (poor home condition) as reported on the 2009 Household Survey.

It is important to recognize that, although these resident households are in need of more affordable housing and housing repairs, they currently reside in Hobbs. Most of the needs of these residents can be addressed through non-construction methods like monthly subsidies for cost-burdened renters, housing rehabilitation loans etc. Additionally, as units are built to serve households, residents will be vacating existing units in the city that can then serve other residents, in-commuters and new employee housing needs. For this reason, existing resident

housing needs can help define areas of housing needed in the city, but do not necessarily reflect a numerical increase in units needed within the community.

Resident Needs		
	Own	Rent
2009 # of Households	7,886	3,973
Total % with "resident needs"*	13%	39%
Cost-burdened	15%	30%
Home in poor condition	5%	23%
At Risk	4%	2%
Total #	1,025	1,549

*The sum of the percentage of cost-burdened, overcrowded and homes in poor condition will exceed the total percentage of households reporting housing problems because some households have more than one of these problems.

- About 808 owners with resident needs earn under 80% AMI. This would be the primary target for housing programs serving owners with resident needs.
- About 1,027 renters with resident need earn under 80%AMI. This would be the primary target for housing programs serving renters with resident needs.

Resident Needs by AMI				
<i>*Shading denotes primary focus for resident needs</i>				
	Own		Rent	
	#	%	#	%
<30% AMI	436	42.5%	411	26.5%
30-50% AMI	205	20.0%	425	27.4%
50-80% AMI	167	16.3%	192	12.40%
80-100% AMI	39	3.8%	136	8.80%
100-120% AMI	13	1.3%	178	11.50%
120-140% AMI	77	7.5%	0	
Over 140% AMI	90	8.8%	206	13.30%
TOTAL Households	1,025	100%	1,549	100.00%

Source: 2009 Household Survey; RRC Associates, Inc.

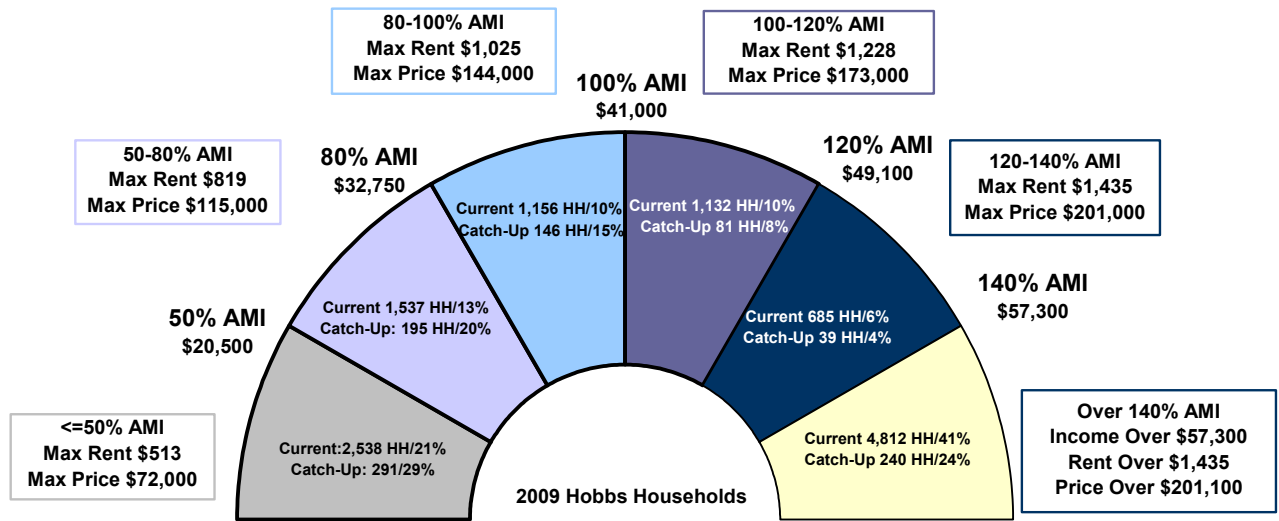
F. Housing Continuum

The Housing Continuum, illustrated below, can be helpful in moving from aggregate estimates of housing needs to specific programs and policies that target the housing needs within the community. The Continuum shows the percentage and number of households in Hobbs that fall into each AMI category, the number of housing units needed in each category, along with a

spectrum of housing that is affordable and most likely to be sought out by households in each AMI group. The Housing Continuum depicts what may be ideal for most communities – the availability of housing that is affordable to all households and options for changing life circumstances. What is key in this approach is that there are opportunities for households to buy or rent at different economic levels, thus supporting an economically balanced community. As shown:

- At the lowest income levels ($\leq 50\%$ AMI), homelessness and the threat of homelessness are important issues. Additionally, special populations who are unable to work (E.g., seniors and the disabled) may require assistance at the lower income levels. Affordability problems, especially for renters, may also be present among the working poor.
- As incomes increase to 80 and 100% AMI, households are often looking to buy their first home. Policies at this level are typically designed to help bring homeownership within reach, including down payment assistance and first-time homebuyer loans.
- Finally, at the highest levels (120% AMI), upper income groups fuel the market for step-up and high-end housing. The needs of this group will typically be addressed by the free market.
- As shown below, there is a difference between the current household distribution by AMI and the catch-up household distribution by AMI. While the majority of current households make over 140% AMI (41%) only 24% of the catch-up (owner and renter units combined) need falls into that category. The majority of catch-up needs fall below 50% AMI (29%) and between 50 and 80% AMI (20%).

Hobbs Housing Continuum Current Household and Catch-Up Housing Needs by AMI and



SECTION 4 – HOUSING PREFERENCES

This section of the report provides information for use in the planning, design and development of housing. It considers the preferences of Hobbs's residents in terms of the type and size of homes they want to live in, the amount they want to pay and the amenities they want provided. Specifically, it:

- Examines the market for homeownership housing comprised of both renters who want to buy and owners who are interested in purchasing a different home; provides information on the type of unit and number of bedrooms
- examines the preferences of the city's residents regarding the amenities they seek in their home and neighborhood; and,
- provides information to aid in the development of rental housing including the type of units desired and lease terms.

A. Homeownership Preferences

Overall, there are about 2,891 households in Hobbs who would like to buy a new or different home in Hobbs. Of those, 1,183 currently own a home and are looking for move-up opportunities and 1,798 are renters, most likely looking for first time homeownership opportunities.

Households Looking to Buy a New or Different Home			
	Own	Rent	Overall
Households	7,886	3,973	11,859
% Want to Buy a New or Different Home	15%	43%	24%
Total	1,183	1,708	2,891

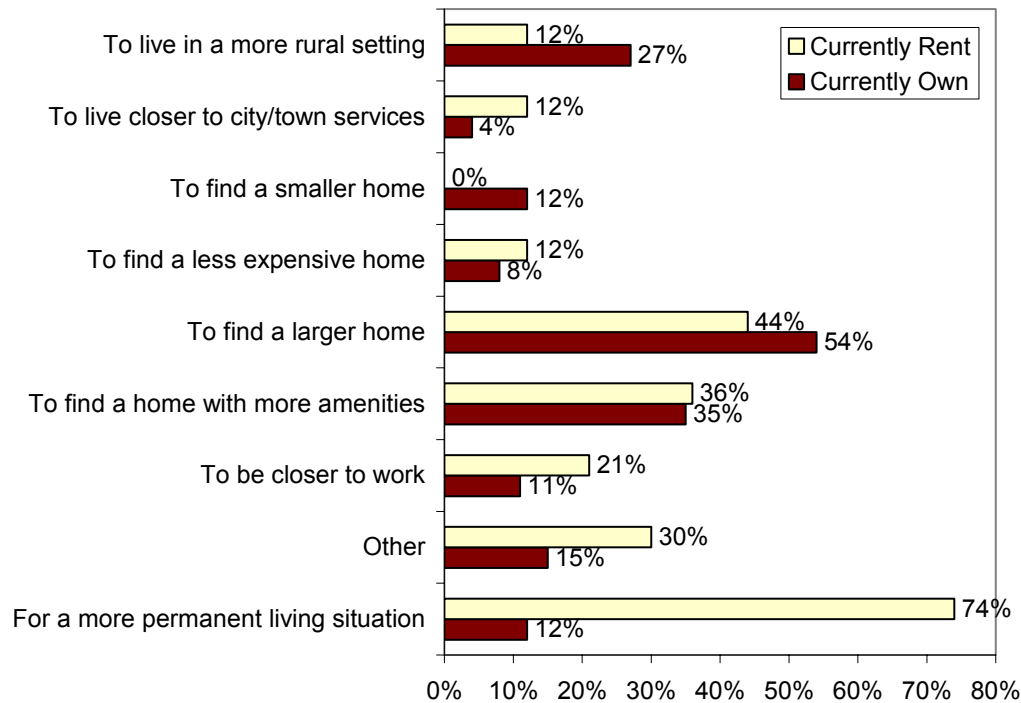
Source: 2009 Household Survey

Why Buy

Reasons for wanting to purchase a home in the next three years varies by tenure. The most frequently listed reasons for current owners are to find a larger home (54%), to find a home with more amenities (35%) and to live in a more rural setting (27%). The larger majority of renters indicated they wanted to purchase a home in able to find a more permanent living situation

(74%). Other reasons renters listed were to find a larger home (44%), to find a home with more amenities and 'other'. The most frequently reason listed for 'other' was to stop paying rent.

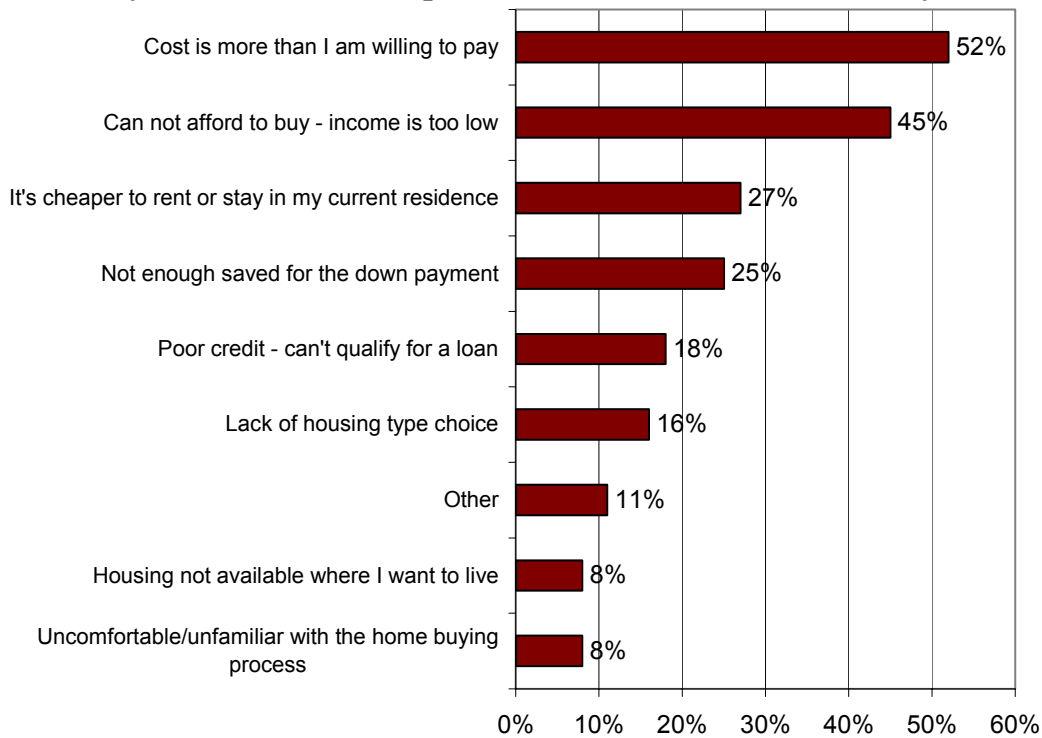
Why do you want to buy a new or different home?



Source: 2009 Household Survey

Households who have wanted to buy a home in the last three years but did not were asked why. The most commonly listed reason is that the cost was more than they were willing to pay (52%), followed by affordability (45%). Other reasons listed in relation to affordability were that it is cheaper to rent or stay in their current residence (27%), they did not have enough saved for a down payment (25%) or that they have poor credit (18%). Lack of housing choice type (16%) and location of available housing (8%) were also listed. An additional 8% indicated they were unfamiliar or uncomfortable with the home buying process.

If you have wanted to purchase a home but have not, why?



Source: 2009 Household Survey

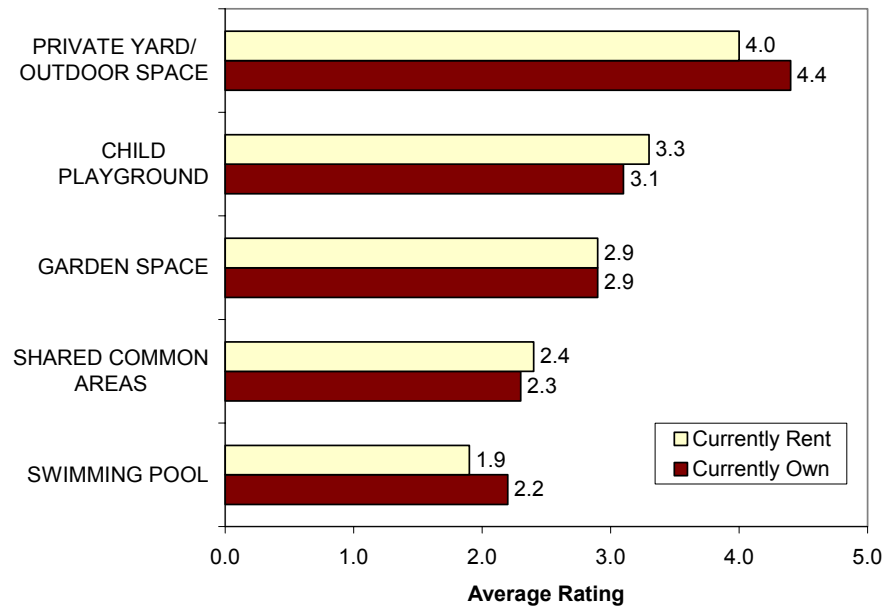
*note multiple response question.

Neighborhood Features

Hobbs residents highly value being outdoors. Private yards or other type of outdoor space is the item that they rate as the most important feature in their neighborhoods. Owners value outdoor space slightly more than renters. Also important to potential buyers is a child playground, as well as garden space. Shared common areas and swimming pool were the lowest rated neighborhood features.

Importance of Neighborhood Features

Rated on a scale of 1 –not at all important to 5 – extremely important



Source: 2009 Household Survey

Unit Type

Potential homebuyers, both owners looking to buy a new or different home and renters who would like to buy, were given eight choices for unit type, and were asked to rate the top three.

Everyone does not want a single-family house as is often said, but most do. Most residents who want to buy a home would like to purchase a single-family house. Most want a one-story ranch style home (75%) for their first choice, while 10% want a manufactured home, 9% want single-family multi-story home and 6% want a townhome/duplex. For their second choice home 41% chose single-family multi-story. While no one chose condominium as their first choice, 11% chose it as their second choice. As a third choice option, 31% chose manufactured home.

	Unit Type		
	1st Choice	2nd Choice	3rd Choice
Single-family one-story home	75%	17%	1%
Manufactured home	10%	14%	31%
Single-family multi-story home	9%	41%	23%
Townhouse/duplex	6%	13%	25%
Condominium	0%	11%	11%
Apartment in retirement community	0%	0%	1%
Cottage in retirement community	0%	2%	3%
RV or camper trailer	0%	1%	1%
Single room with shared kitchen	0%	0%	4%
	100%	100%	100%

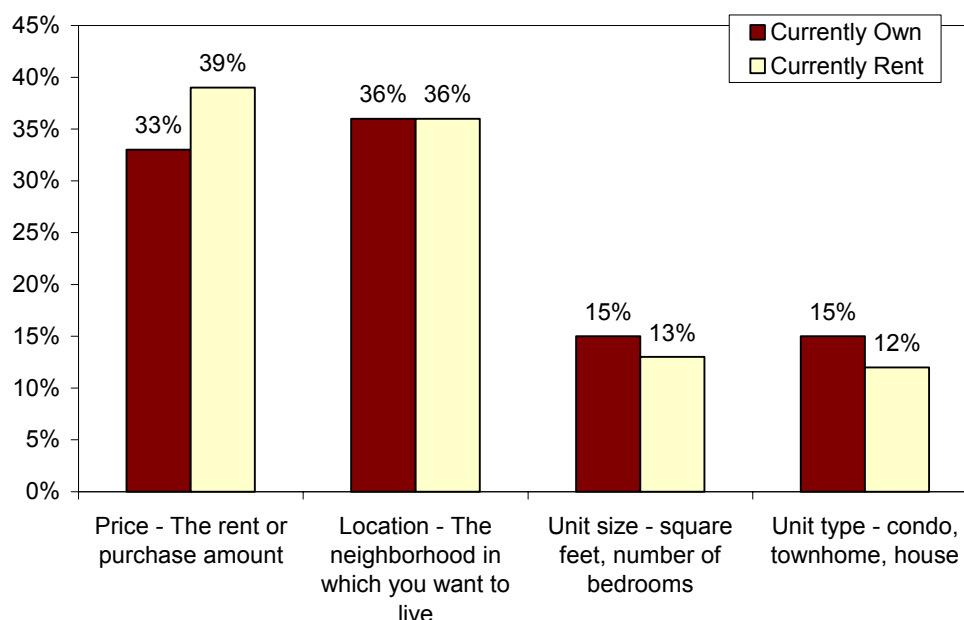
Source: 2009 Household Survey

Tradeoffs

Potential homebuyers were asked to rank the importance of four considerations when purchasing a home – price, location, type and size, in light of the need for trade offs.

Price is the single most important variable among renters who want to buy, while location is the most important variable among owners who want to buy. Owners and renters flip for the second most important variable, with renters listing location and owners listing price. Size ranked third among both owners and renters while unit type ranked fourth. This is a key finding since it suggests that there is flexibility in terms of the type of units that could be developed in response to demand. If priced appropriately and located where desired, manufactured homes and townhomes should be acceptable to many who prefer to buy a single-family house. If housing can not be developed where buyers want to live or prices are not considered to be a good value, it will be more important to provide the type of units that buyers most want to own.

Most Important Consideration



Source: 2009 Household Survey

Pricing

Respondents looking to purchase a home in the next three years were asked how much they would be willing to pay.

Amount Willing to Pay to Purchase a Home		
	Currently Own	Currently Rent
Less than \$60,000	11%	31%
\$60,000 to \$80,000	13%	22%
\$80,000 to \$100,000	21%	20%
\$100,000 to \$120,000	5%	8%
\$120,000 to \$140,000	7%	5%
\$140,000 to \$160,000	8%	9%
\$160,000 to \$200,000	17%	4%
\$200,000 or more	17%	1%
Total	100%	100%
Average	\$156,655	\$91,701
Median	\$120,000	\$80,000

Source: 2009 Household Survey

The incomes of potential buyers were compared to the maximum purchase price they are willing to pay. As shown on the following table, the majority of respondents indicated an affordable purchase price given their income. Many households, particularly those making

between 50 and 100% of the AMI indicated a purchase price below what they could actually afford. For example, of households making between 50 and 80% AMI, 72% indicated they would be willing to pay up to \$80,000, where they generally could afford a home up to \$120,000. This can be attributed in part to priorities, as well as other debt that may be holding them back.

Purchase Price by AMI

Shading denotes affordable purchase range (excludes equity and other assets)

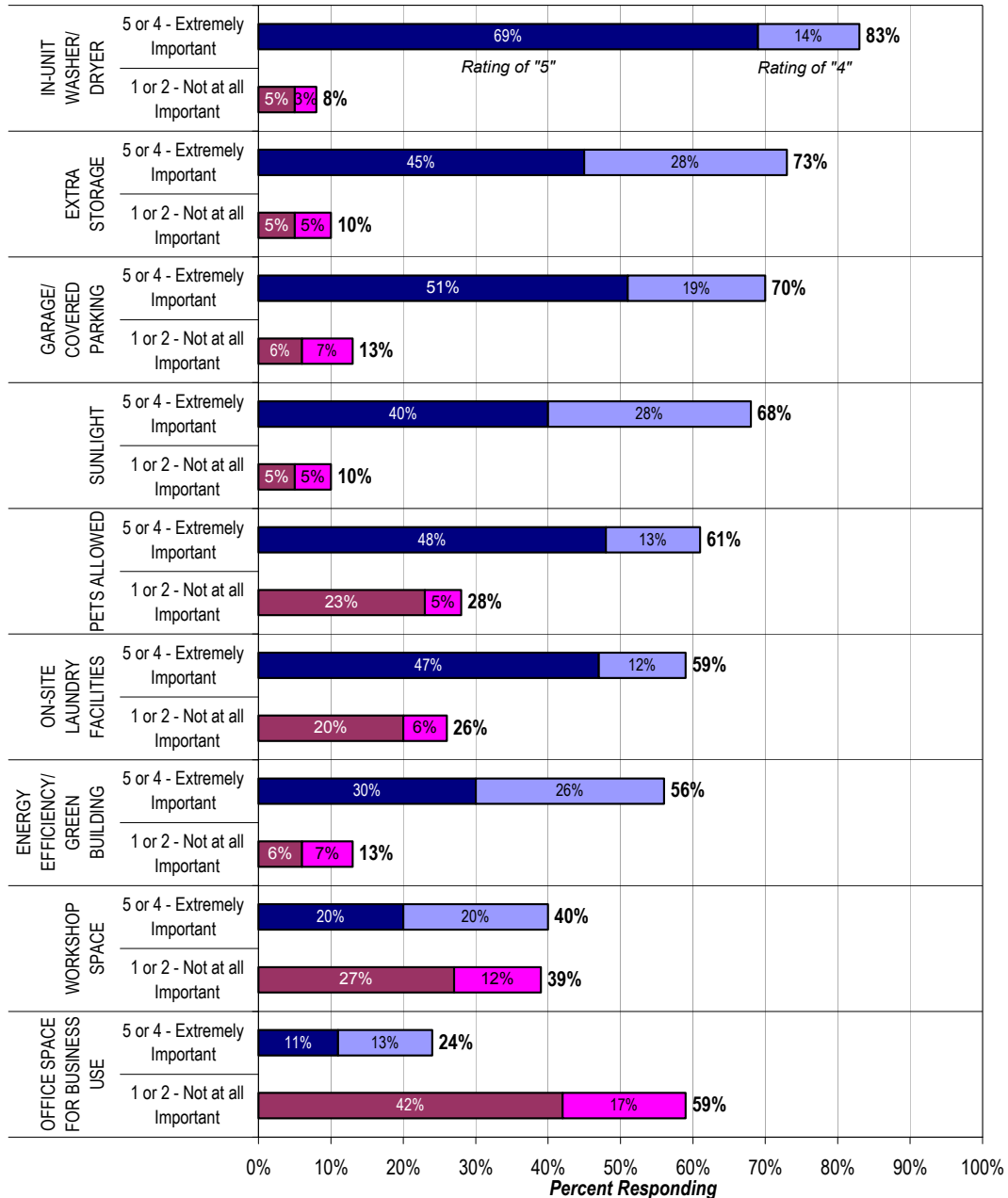
	<30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100-120% AMI	120-140% AMI	Over 140% AMI
Less than \$60,000		95.2%	15.6%		36.6%		5.1%
\$60,000 to \$80,000		4.8%	71.9%	40.0%	4.9%	50.0%	11.4%
\$80,000 to \$100,000	47.1%		3.1%	60.0%	31.7%	20.0%	11.4%
\$100,000 to \$120,000	17.6%				12.2%	10.0%	12.7%
\$120,000 to \$140,000			3.1%		2.4%	10.0%	8.9%
\$140,000 to \$160,000					2.4%	10.0%	20.3%
\$160,000 to \$200,000			6.3%		9.8%		17.7%
\$200,000 or more	35.3%						12.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2009 Household Survey

Options and Amenities

Survey respondents were asked to rate the importance of various amenities in their choice for housing. Of those looking to purchase a home in the next three years, the most highly rated amenity was an in unit washer dryer. Also highly rated were garage, extra storage and sunlight. Energy efficiency and green building got mixed results, with 56% rating it important, 13% rating it not important and about 30% giving it a neutral rating of 3. Workshop space was split, while office space for business use was the least important amenity.

Housing Preferences - Unit Features



Source: 2009 Household Survey

Bedrooms and Bathrooms

Households looking to purchase a home were asked ideally, how many bedrooms and bathrooms their household would need. The majority of respondents chose three bedroom two bathroom units.

Number of Bedrooms and Bathrooms Needed

Bedrooms		Bathrooms	
1	4%	1	14%
2	4%	2	69%
3	62%	3	15%
4	27%	4	1%
5	3%	Total	100%
Total	100%		

Source: 2009 Household Survey

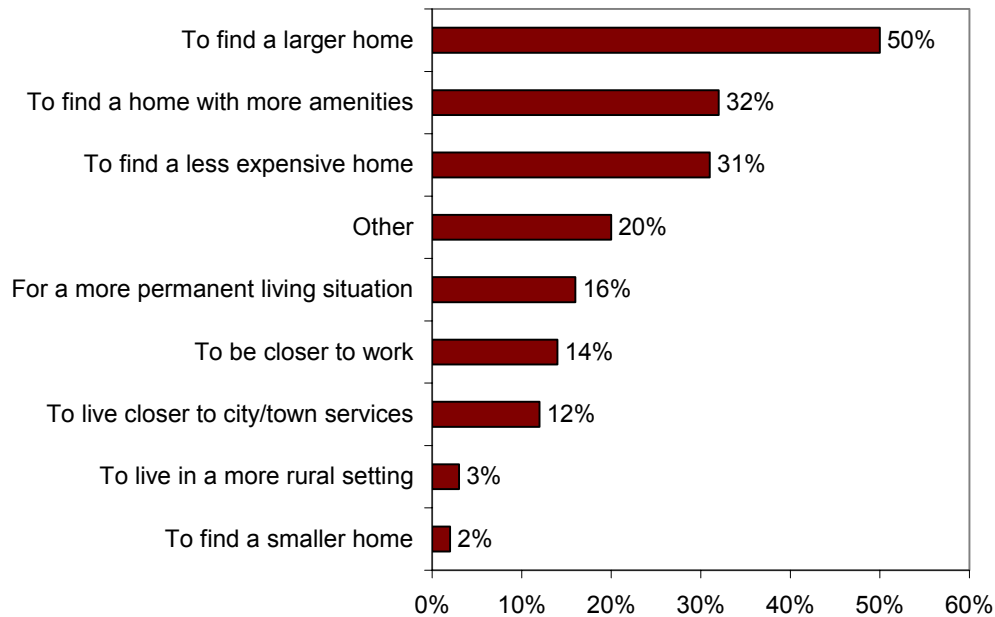
B. Rental Preferences

Overall, about 6% of residents indicated they would like to rent a different home in the next three years. Of those looking to rent a different residence, 42% are paying more than 50% of their income towards their housing payment. They are paying an average rent of \$629/month. Renters are split on their preferences for a long term or short-term lease, however on average they tend to prefer a long-term (12 month) lease. Of those looking to rent a new residence instead of purchasing, 55% indicated affordability was a high preference.

Why Rent

The primary reason for wanting to rent a different home in the next three years is to find a larger home (50%), followed by finding a home with more amenities (32%), finding a less expensive home (31%), for a more permanent living situation (16%) and to be closer to work (14%). Reasons listed for 'other' (20%) primarily include finding a better neighborhood.

Why do you want to rent a different residence in Hobbs?



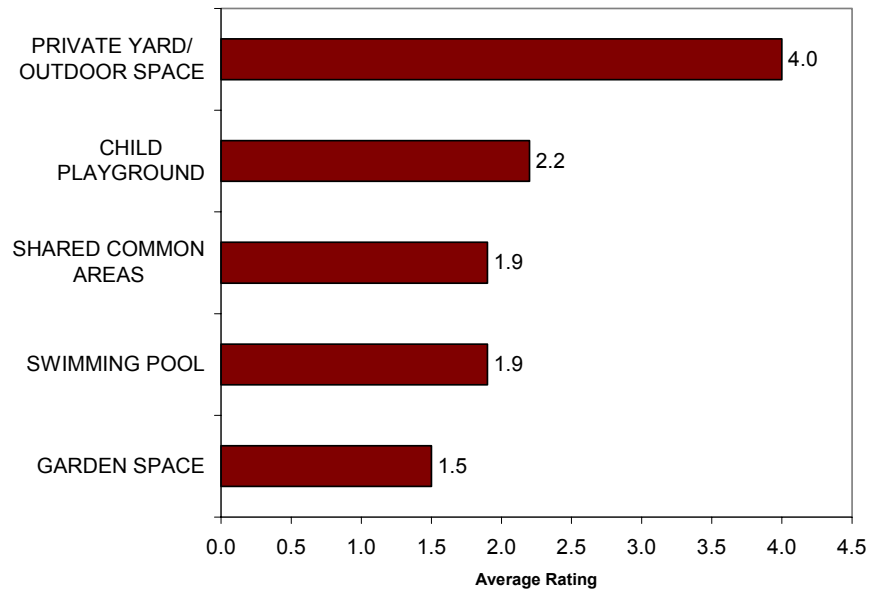
Source: 2009 Household Survey

Neighborhood Features

Hobbs residents looking to rent a new place in the next three years highly value being outdoors. Private yards or other type of outdoor space is the item that they rate as the most important feature in their neighborhoods. Less important to potential renters is a child playground, as well as shared common areas and a swimming pool. Garden space was the lowest rated neighborhood feature.

Importance of Neighborhood Features

Rated on a scale of 1 –not at all important to 5 – extremely important



Source: 2009 Household Survey

Tradeoffs

Respondents looking to rent in the next three years were asked to rank the importance of four considerations when renting a home – price, location, type and size, in light of the need for trade offs due to expensive land and high construction costs in Hobbs.

Price is the single most important variable among those looking to rent. Unit type on average ranked the least important consideration. Respondents were split on the importance of location, where 25% indicated it was the most important consideration and 32% indicated it was the least.

Tradeoffs

	Most Important	Least Important
Price - The rent or purchase amount	73%	0%
Location - The neighborhood in which you want to live	25%	32%
Unit size - square feet, number of bedrooms	2%	12%
Unit type - condo, townhome, house	0%	57%
Total	100%	100%

Source: 2009 Household Survey

Pricing

The household income of potential renter households can be used to estimate the rent they could afford to pay. Of households looking to rent, 23% could afford up to \$308 per month, 24% could afford up to \$513 and 24% could afford up to \$819.

AMI of Households Looking to Rent

	AMI	Max Affordable Rent
<30% AMI	23%	\$308
30-50% AMI	24%	\$513
50-80% AMI	24%	\$819
80-100% AMI	6%	\$1,025
100-120% AMI	5%	\$1,228
120-140% AMI	5%	\$1,435
Over 140% AMI	12%	Over \$1,435
Total	100%	-

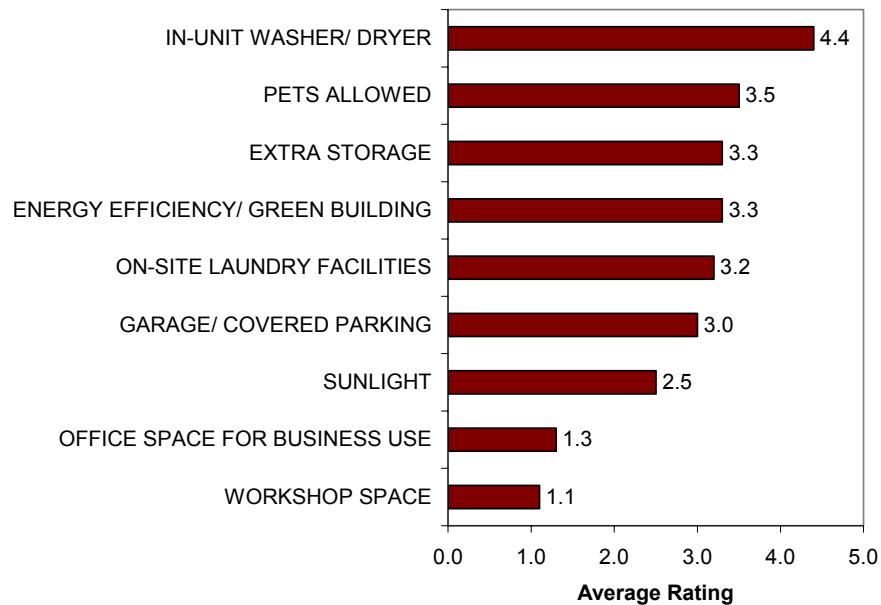
Source: 2009 Household Survey; RRC Associates

Source: 2009 Household Survey

Options and Amenities

Survey respondents were asked to rate the importance of various amenities in their choice for housing. Of those looking to rent a home in the next three years, the most highly rated amenity was an in unit washer dryer. Also highly rated were pets allowed, extra storage and energy efficiency/green building, on-site laundry facilities and garage/covered parking. Workshop, office space for business use and sunlight were rated the lowest.

Renter Preferences – Unit Features



Source: 2009 Household Survey

Bedrooms and Bathrooms

Households looking to rent a home were asked ideally, how many bedrooms and bathrooms their household would need. The majority of respondents chose either two or three bedroom units. Responses were split between the desired need for one or two bathrooms.

Number of Bedrooms and Bathrooms Needed

Bedrooms		Bathrooms	
1	4%	1	47%
2	46%	2	51%
3	41%	3	2%
4	7%	4	
5	2%	Total	100%
Total	100%		

Source: 2009 Household Survey

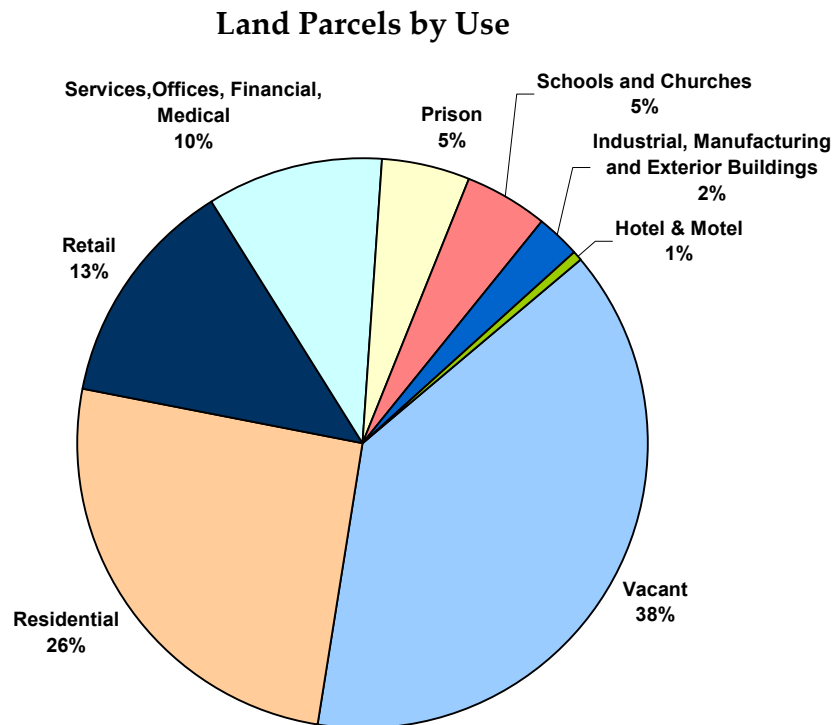
SECTION 5 – LAND USE AND POLICY REVIEW

A brief review of land use and policy is provided below however the City of Hobbs Comprehensive Community Development Plan further defines and offers guidance in land use patterns within the planning area. In particular, chapter four on growth capacity and chapter five on urban development address physical constraints and opportunities and provide guidance for individual land use decisions.

A. General Analysis of Land Use Parcels

Size and Existing Use

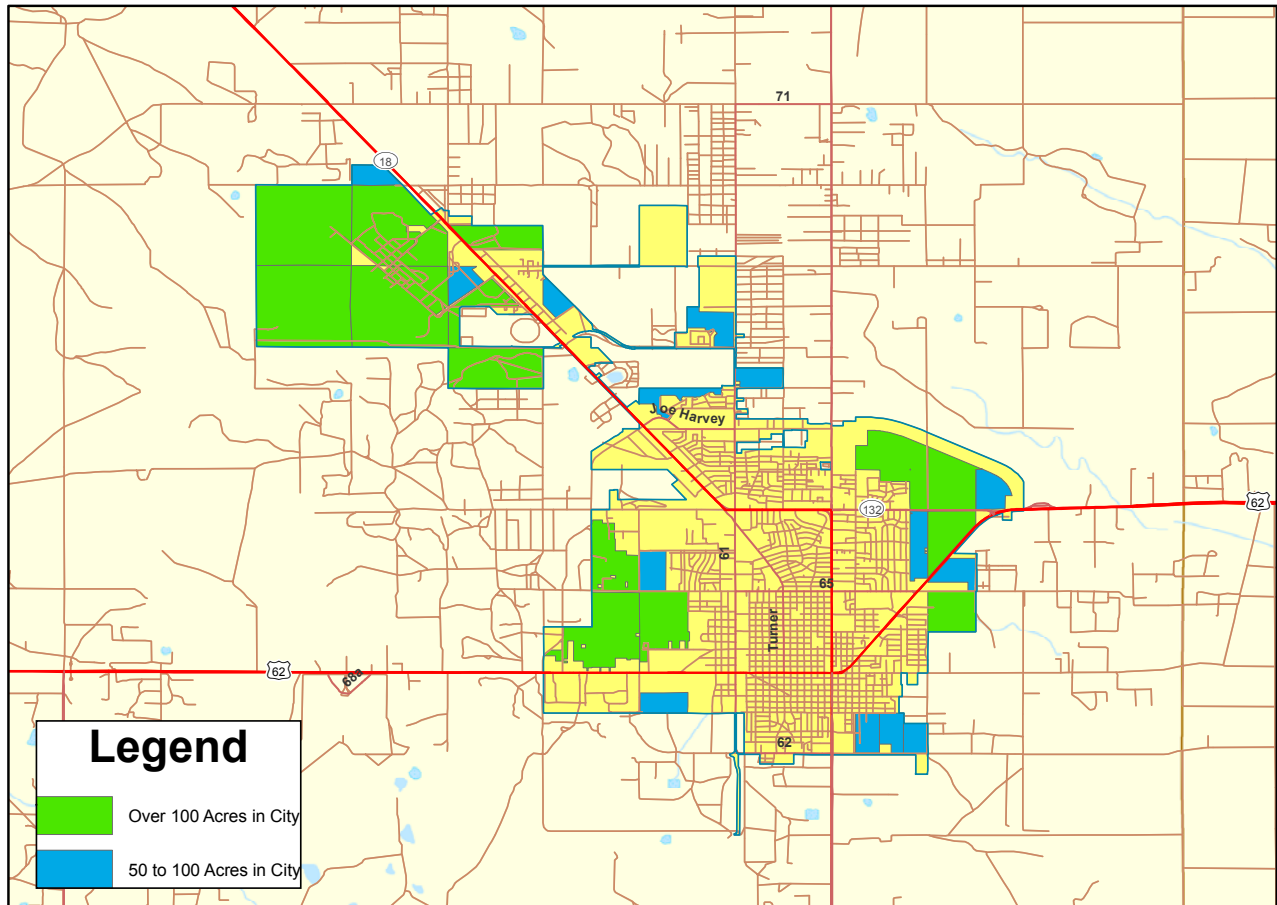
The City of Hobbs covers 14,893 acres, of which about 8,000 is subdivision acreage. Since 2003, the city has annexed 22 properties, adding 2,666 acres. Overall, the largest acreage within the City of Hobbs is vacant land, almost 40%. The second largest use is residential, about 26%, followed by retail 13% and then services 10%. The city has had considerable hotel/motel growth in the last year, with five new hotels opening, almost doubling the towns' bed base (568 new rooms).



Source: City of Hobbs GIS; RRC Associates, Inc.

As shown below, mostly vacant parcels of 50 acres or more are located around the city. Many of them are not suitable for residential development, however some are.

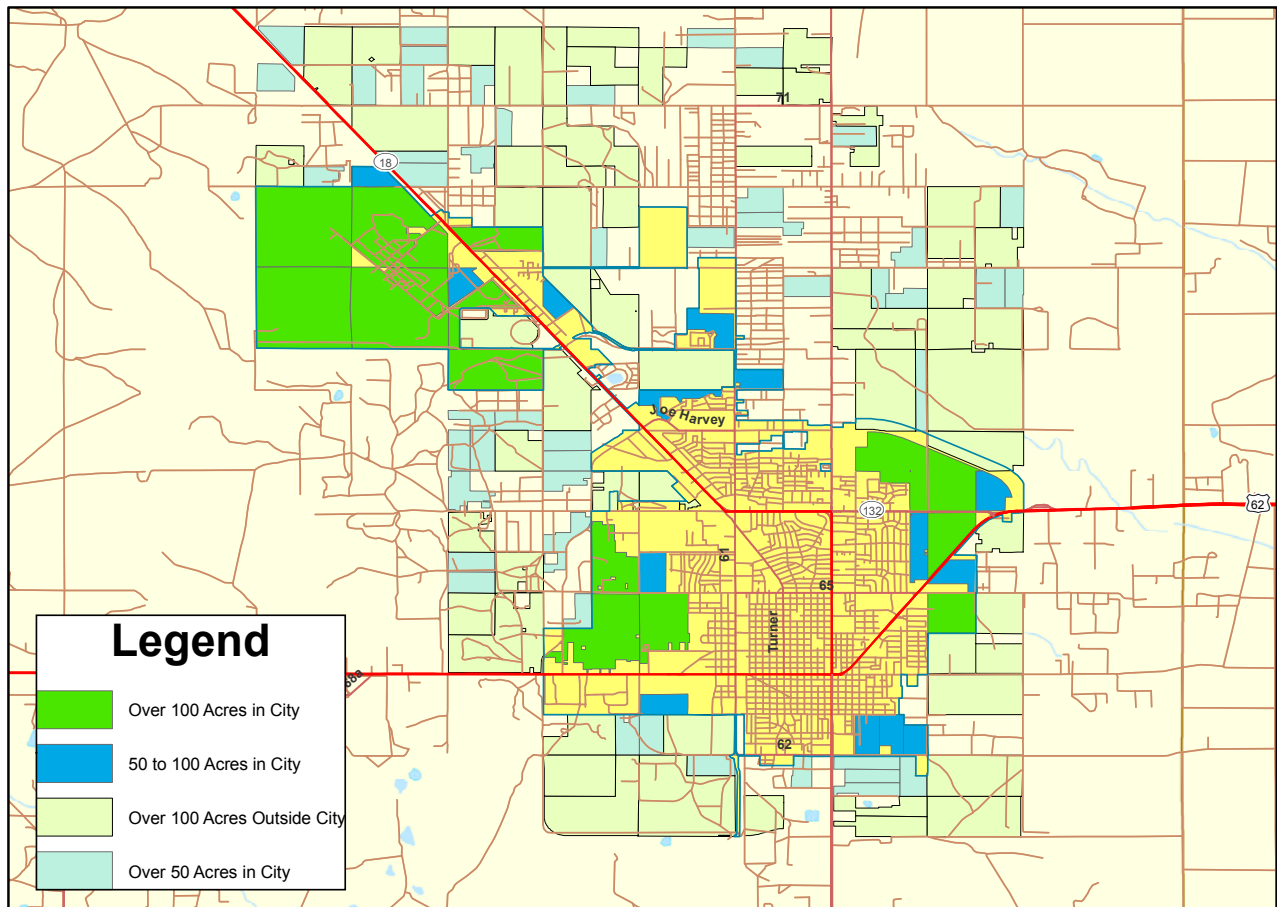
City of Hobbs Large Owned Tracts of Land



Source: City of Hobbs Planning Department; RRC Associates

The map below includes undeveloped parcels adjacent to the city that are over 50 acres.

Large Owned Tracts of Land In and Around the City of Hobbs



Source: City of Hobbs Planning Department; RRC Associates

It is clear from the maps above that there are large tracts of land they may be suitable for residential development. A conservative estimate suggests that there are 2,000 acres within city limits and an additional 1,500 in adjacent parcels to the city, which may be suitable for residential development.

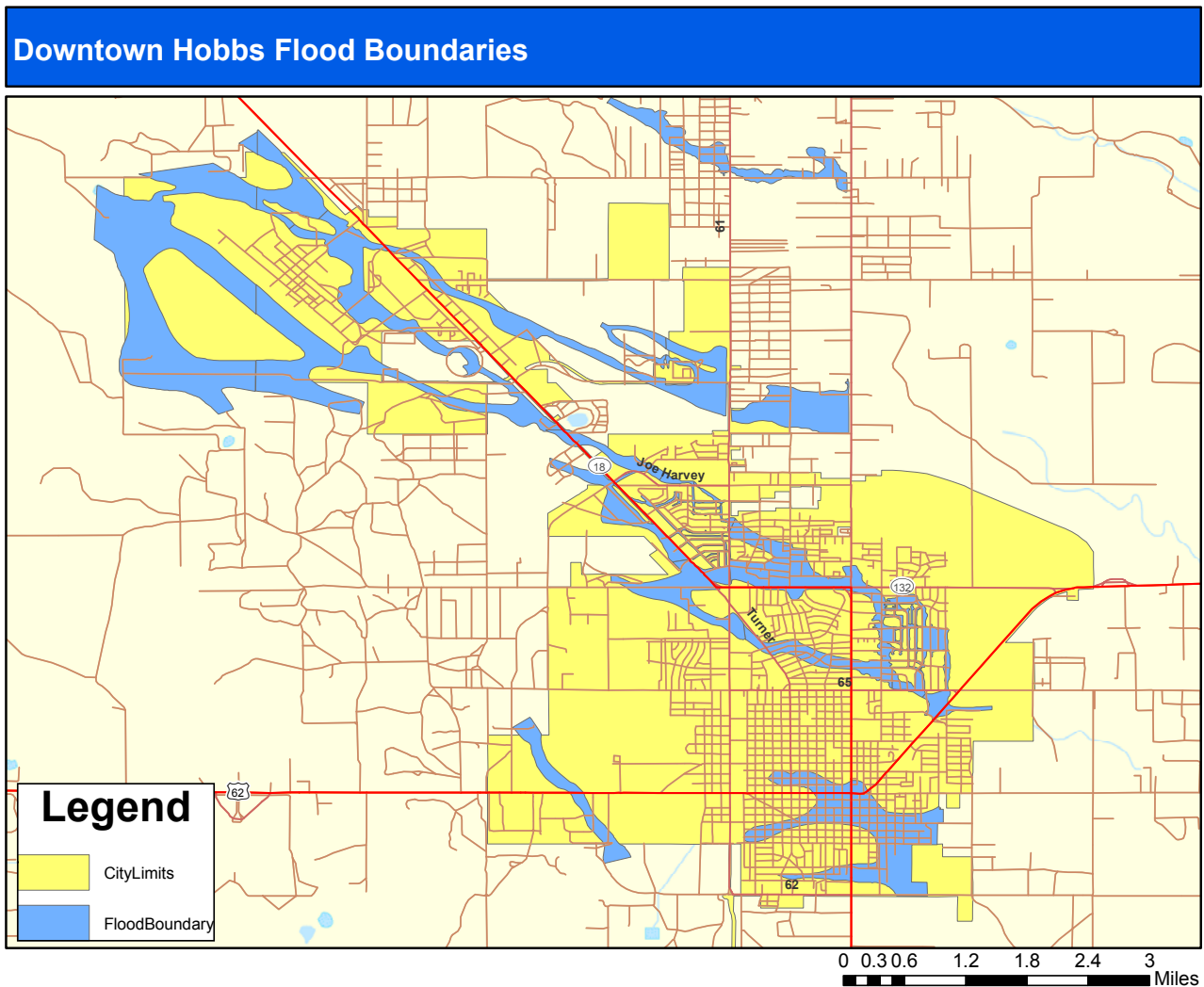
Additionally, smaller, vacant or underutilized parcels are located throughout the city, particularly in the southern areas. An analysis of those parcels with residential potential is included in the realistic development capacity section.

As noted previously, there is a significant difference in incomes for residents living South of Marland and those living North of Marland. The older areas of town South of Marland tend to have lower property values and are generally older housing stock. The large majority of new development has been occurring towards the North. This pattern of new growth segregates the

community by income. The City recognizes the need for redevelopment in older parts of town and has implemented an infill program to encourage new activity.

Environmental Constraints

Hobbs is located in the Permian Basin, known for its oil reserves. The geography is flat and dry. Years of oil exploration and extraction have left scattered brownfields within the city, as well as in surrounding areas. There is very little surface water in the area, however flood boundaries have been established within the city. Water is a depletable resource, and in Hobbs' case, the actual amount of water available for municipal and commercial needs could become a limiting factor.



Source: City of Hobbs Planning Department; RRC Associates

Availability of Infrastructure

The city has been actively updating its infrastructure, including sewer and water lines, streets and the treatment plant. In early 2008 the New Mexico Environment Department approved a \$15 million loan agreement for the City of Hobbs to increase the wastewater treatment capacity to 5.5 million gallons a day (mgd). The project in total will cost \$30 million.

Additionally, in March 2008, the city approved a \$2.8 million bid by RPM Construction to install 15,914 feet of 10- to 20-inch waterlines, 10,889 feet of 8-inch sewer lines, 34 manholes, 51 water service connections and 51 sewer service connections.

The city is currently undertaking a sewer and water capacity analysis. Identifying suitable water and wastewater line capacities in new growth areas is a challenge without the land use predictability provided by zoning. Developers have noted that the cost of providing infrastructure to their developments is more of an impediment than the cost of land. While the city has been working with developers to provide infrastructure, they have also been encouraging infill in areas where sewer and water currently exist. The city has the potential to use the provision of infrastructure to encourage a more diverse mix of housing in new developments.

B. Evaluation of Developable Sites

Suitability and Availability

Hobbs is not land poor, opportunities exist throughout the city for residential development. There is potential for both planned subdivisions and smaller infill developments. The majority of the larger undeveloped tracts of land are around the outskirts of town. While some of them are unsuitable for residential development, several of them could be ideal given their location and topography. As mentioned above, about 2,000 acres of undeveloped land throughout the city may be suitable for residential development.

As mentioned previously, there are numerous opportunities for infill development. Interviews with local stakeholders indicated that many of the infill areas are in neighborhoods with homes in poor or declining condition and it may take a larger scale infill project to be economically feasible and to positively affect the surrounding area.

Realistic Development Capacity

The results of the sewer and water capacity study will quantify the actual development capacity of the current system. However, it was noted by the city that neither water and sewer capacity, nor land capacity, would be a constraint any time in the near future.

An analysis of vacant parcels in the Hobbs region was conducted to determine the extent to which they were suitable for residential development. Overall, 31 parcels were identified, 22 of which are currently within the Hobbs city limits.

The criteria in choosing parcels included:

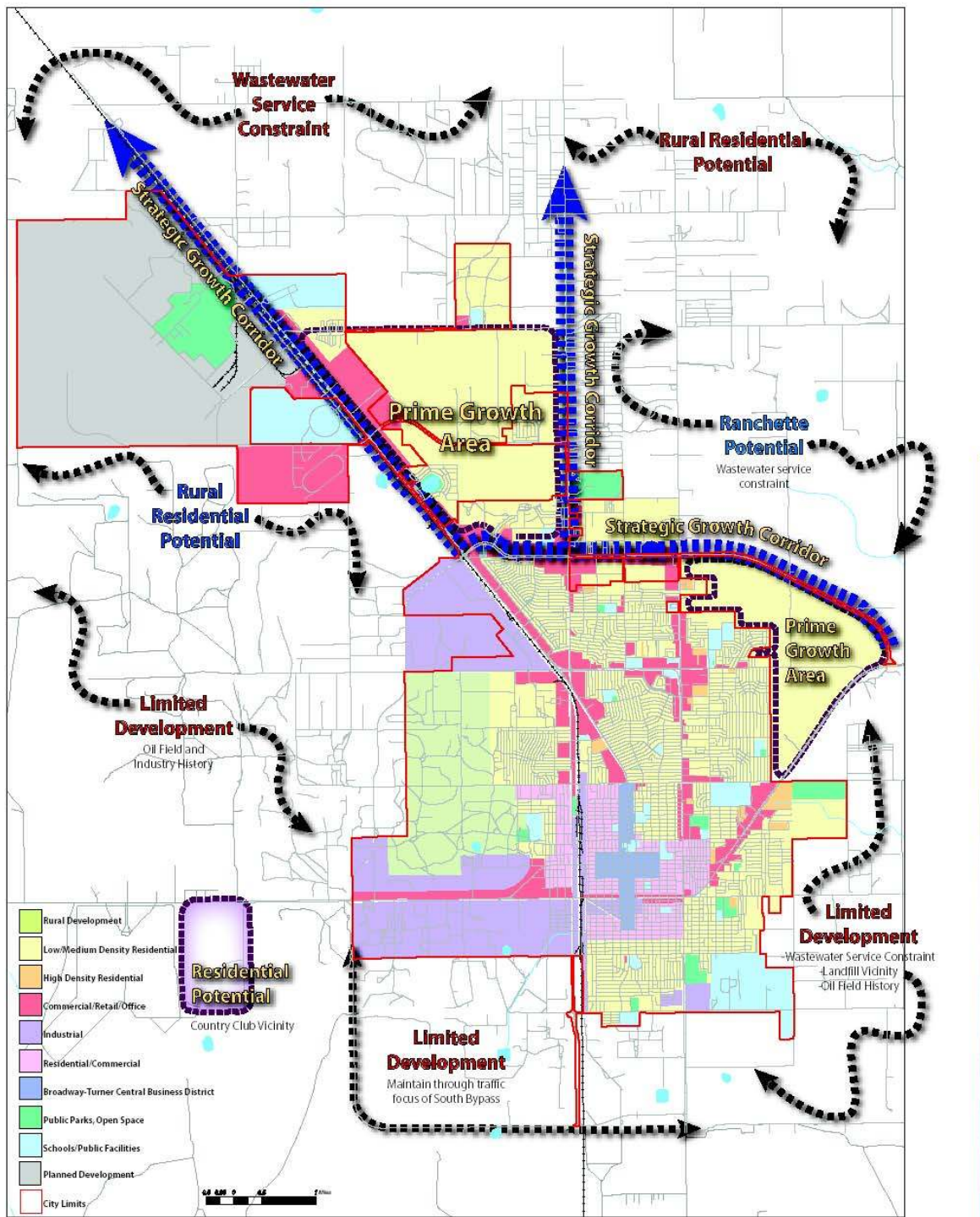
- currently vacant
- at least 20 acres
- bordered on at least one side by city utilities
- currently accessible by road
- if not within the city, must touch city boundaries
- no major environmental constraints

The 22 parcels identified within city limits and in targeted growth areas total 2,343 acres. Current residential densities within established neighborhoods in the city generally range between 4 DU/acre and 7 DU/acre. Adjusting these densities upwards to account for roads and infrastructure (15%) results in about 1,988 acres. At these densities, the parcels identified could yield between 7,952 and 13,916 units. Assuming 30% of the units were targeted as affordable, a total of 2,385 to 4,175 units could be produced on the identified parcels.

It should be noted, however, that the City of Hobbs does not have zoning and while these parcels have been identified as suitable for residential development, they cannot be required to develop under any specific use.

Of the parcels identified, two in South East Hobbs are owned by the City and one across from the high school is owned by the school district. These parcels could be examined in further detail to determine if either entity wants to dedicate them to residential development. The parcels owned by the city total 127 acres and the school district owns 160 acres.

The urban growth map below was developed through the comprehensive planning process. It provides an overview of potential constraints, as well as target growth areas. This map was the result of a well thought out public process and will be revisited with each update to the greater comprehensive plan.



Urban Growth Map



Proper Zoning for Special Needs

While it is noted that Hobbs does not have zoning, it is a requirement of the New Mexico Finance Authority to address zoning for special needs. Hobbs recognizes the importance of providing adequate housing for their special needs population. The city has addressed the provision of housing for special needs populations through building codes and working with developers. Because Hobbs does not have zoning, a group home is not required to apply for a variance, as in many cities, and can locate where desired.

C. Identification of Constraints

Governmental Constraints

Conversations with local developers and realtors indicated that the main constraint for them is the cost of infrastructure. The city permit process was not noted as a constraint to development. The City of Hobbs Building Department handles permitting for new structures. The City has established clear criteria for reviewing submittals and developers noted that the time frame in which applications were reviewed was not a constraint. The City's building permit fee schedule is relatively low. The permit fee for a home valued at \$250,000 is \$450.

The City's subdivision review standards include streets, alleys, easements, blocks, lots and sidewalk improvements. The Planning board has the authority to vary the regulations in light of substantial hardships. The City Engineer has 15 days after the submittal of a preliminary plat to either approve the plat or state conditions for approval. Once the preliminary plat is approved, the planning board is required to approve or disapprove the final plat within 35 days after submission. Overall, the city's subdivision standards are not unusually costly or restrictive.

The City of Hobbs has less development constraints than most cities. While the city still regulates setbacks, and safety elements of structures, they do not regulate the location of land uses through zoning. This provides a relatively friendly development environment with fewer land use constraints than are typical in other communities.

Non-Governmental Constraints

Non-governmental constraints can largely be attributed to the greater economy. The regional dependence on oil results in a cyclical and somewhat unpredictable cycle of booms and busts. However, Hobbs has been actively diversifying its' economy, bringing in the Zia Race Track, the Prison, the Nuclear Enrichment Facility and a number of retail and restaurant businesses.

Hobbs is the retail center of the county and is poised to capitalize on the rapidly growing alternative energy industry.

Local developers have historically produced small developments throughout the city, never committing to anything large scale. There is a general feeling among the development community that “locals know best”. However, recently there has been some interest from outside developers and several large scale residential developments are in the works. This outside interest in Hobbs attests to local efforts in diversifying the economy.

The location of Hobbs, within one mile of the Texas border, serves as a constraint. The cost of construction is typically higher in New Mexico because contractors are required to have a license, where in Texas they are not. Additionally, it can be tough to get contractors and labor for construction when oil prices are high and the fields are absorbing all of the workers.

SECTION 6 – GOALS, POLICIES AND QUANTIFIABLE OBJECTIVES

A. Goals for Unit Production

As described in Section 3 – Housing Needs and Gaps, there is a catch-up demand for approximately 1,262 housing units needed to address overcrowding (451 units) and accommodate in-commuters who want to move into Hobbs (541 units). By 2015, keep-up demand for between 615 and 827 units will be generated including 344 to 556 additional units to accommodate growth in the labor force through in-migration to sustain business expansion and start ups, and 271 units for employees needed to fill positions that will be vacated by retiring workers.

Providing estimates for each source of need separately supports policy development. There are implications associated with serving each segment of the population. It is not enough to simply set out to address your needs. No community can address 100% of their housing needs so they must make decisions on which needs are to be addressed. These decisions are based on a combination of existing needs and vision for the community's future.

The housing action plan at the end of this section begins to target the needs by AMI and type, however further visioning and strategizing will be required. It is important not to focus on one need over the long term at the exclusion of other housing needs. Although this can be done in the short term to ensure some successes of implementation and broaden resources in the community, long-term goals should be focused on targeting all housing needs. The goal of any housing program should be to provide a spectrum of housing in the community that is affordable and likely to be sought out by households in different income groups.

Additionally, we recognize economic and demographic conditions change. While the information in this report is the best available, we suggest monitoring key indicators to measure progress toward housing goals, as well as to measure local changes that may effect the estimates of needs. A discussion of key indicators is provided in the Action Plan.

B. Current Programs and Agencies Responsible

The following section identifies the primary organizations that are active in the affordable housing arena in Hobbs and the surrounding area.

City of Hobbs

The City has recognized there is a need for housing in Hobbs that is not being met by the market. They have actively implemented an infill housing program which includes a building materials program, demolition assistance and a waiver of existing city liens/cost-share of missing or deteriorated city infrastructure. However, despite these efforts, there has been very little participation in the program. Developers noted that the infill program, while it provides some subsidy, does not provide enough. Given the condition of the surrounding neighborhoods, it is currently very difficult to produce a unit at a marketable price.

The building materials program recently funded its first project. A local church worked with a local resident and volunteers to provide new landscaping and siding on a home in Hobbs. This project was considered to be a great success and hopefully will spur interest from others in the community to take advantage of the program.

While the City has made concerted efforts to assist its citizens and developers in providing and obtaining adequate affordable housing, they are at capacity with current staffing.

Region VI Housing Authority

Hobbs falls within the area served by the Region VI Housing Authority. Region VI currently manages two apartment properties in Hobbs. Hobbs Apartments, a 152-unit complex constructed in 1960 and the Woodleaf Apartments constructed in 1986 with 152 units. Casa Hermosa was previously owned and managed by Region VI; however, due to maintenance costs, Region VI is in final negotiations to sell the complex.

Region VI recently restructured under the State Senate Bill 20 to cover Eastern New Mexico, including the counties of: Chaves, De Baca, Eddy, Harding, Lea, Lincoln, Otero, Quay, Roosevelt, Union and Curry. The Statewide restructuring of the Regional Housing Authority system was implemented in part because a lack of regulation and lack of funding among several of the regional authorities. The new structure clarifies the relationship between regional and local housing authorities, expands the eligibility to moderate-income persons, clarifies financial oversight and sets threshold experience levels for regional authority board members and provides funding for their operation.

While historically Region VI has focused their efforts outside of Lea County, they have some plans and express desires to work with Lea County and its' communities. The regional housing authority consolidation allows them to create partnerships, assist local housing authorities or non-profits and provide planning and technical assistance to local governments and non-profits. Overall, they are allowed to "do any things necessary to aid and cooperate in the planning, construction or operation of housing projects or affordable housing programs".

At present, the only staffing Hobbs is at the rental properties managed by Region VI. The visibility and commitment to the community through dedicated personnel is very limited.

Lea County Housing Inc.

Lea County Housing Inc. worked in partnership with other groups in Hobbs to develop an ownership housing project, which proved to be unsuccessful. Since then, they have turned their focus to rentals and are actively working with the city to develop a tax credit project in Hobbs. Lea County Inc. also provides a homebuyers education class in Hobbs. The class, while providing a much needed service to citizens in the region, has had sporadic attendance.

Potential roles for the City, Region VI and Lea County Housing Inc., as well as other groups, are provided in the Action Plan at the end of this section.

C. Potential Sources of Financing

State and Federal

The New Mexico Mortgage Finance Authority administers 31 state and federal programs that include (the program descriptions below are from the “2008 NMMFA Financial Statements and Single Audit Reports”):

- Single Family Mortgage Programs
- Rental Housing Programs
- General accounts – This includes the ACCESS Loan program, HERO Loan program, Primero program, Partners programs, Build It! Loan Guaranty program, and several down payment assistance programs.
- Housing Programs – Accounts for activities and programs financed by federal and state grants over which the Authority exercises fiscal and administrative control. The following is a brief description of the significant programs:
 - Low-Income Housing Tax Credit Program (LIHC) – The LIHC program was established to promote the development of low-income rental housing through tax incentives rather than direct subsidies. The LIHC is a 10-year federal tax credit against a taxpayer’s ordinary income tax liability that is available to individuals

- (directly or through partnerships) and corporations who acquire or develop and own qualified low-income rental housing.
- HOME Investment Partnership Program (HOME) – Congress created the HOME program as part of the National Affordable Housing Act of 1991. The Authority administers the federal funds to carry out program activities related to down payment assistance, homeowner and rental rehabilitation, and multi-family rental housing finance.
 - Section 8 Program – The Section 8 program provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low-income families at rents they can afford.
 - The Weatherization Assistance Program (WAP) – WAP is a long-term grant program funded by the U.S. Department of Energy, State of New Mexico General Fund, and private utility companies. The purpose of the program is to make low-income households more energy efficient, thereby reducing the utility bills of these families. The funds may be used for leakage reduction, incidental repairs, health and safety measures, insulation, and storm windows and doors.
 - The Low-Income Home Energy Assistance Program (LIHEAP) – LIHEAP provides low-income households with a one-time cash benefit to help pay their utility bills. Up to 15% of the program grant, the only portion administered by the Authority, can be used for rehabilitation and can be combined with the WAP funds.
 - The Emergency Shelter Grants Program (ESG) – ESG provides assistance to units of local government or nonprofit organizations to improve the quality of existing emergency shelters, to help meet the costs of operating emergency shelters, and to provide certain essential social services to homeless individuals.
 - The Housing Opportunities for Persons with AIDS (HOPWA) – The HOPWA program is designed to provide states and localities with resources and incentives to devise long-term strategies for meeting the housing needs of persons with acquired immune deficiency syndrome (AIDS) or related diseases.
 - The Community Development Block Grant (CDBG) – The primary objective of this program is the development of viable urban communities by providing

decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

- The Rural Housing and Economic Development (RHED) Program – The purpose of the RHED program is to build capacity at the state and local level for rural housing and economic development and to support innovative housing and economic development activities in rural areas.
- The Mexico Housing Trust Fund (HTF) – The HTF purpose is to provide flexible funding for housing initiatives in order to produce significant additional housing investment in the state. The Authority is the trustee for the fund. The fund receives revenue from the following recurring sources: 1) appropriations and transfers from the state of New Mexico general fund; 2) any other money appropriated or distributed to the fund; or 3) any private contributions to the fund. Money in the fund is appropriated to the Authority for the purposes of carrying out the provisions of the New Mexico Housing Trust Fund Act, which are to provide affordable residential housing to persons of low or moderate income.
- The Title Trust Fund (LTTF) – Pursuant to the Land Title Trust Fund Act, depository institutions that maintain trust or escrow accounts for customers may establish and make available pooled interest bearing transaction accounts for title company escrows. The interest earned from this program is forwarded to the LTTF. The Authority is trustee for the fund. The trustee shall deposit in the fund money received by it pursuant to the Low Income Housing Trust Act and the Land Title Trust Fund Act and use funds to finance in whole or part any loans or grant projects that will provide housing for low income persons or for other uses specified in the Act.

Additionally, in New Mexico the American Recovery and Re-investment Act will provide; \$9.4 million through the Public Housing Capital Fund to enable local public housing agencies to address a national \$32 billion backlog in capital needs; \$14.1 million in HOME Funding to enable state and local government, in partnership with community-based organizations, to acquire, construct, and rehabilitate affordable housing and provide rental assistance to poor families; \$8.6 million through the Homelessness Prevention Fund; and \$5.7 million in Community Services Block Grants to local community action agencies for services to the growing numbers of low-income families hurt by the economic crisis, such as housing and mortgage counseling, jobs skills training, food pantry assistance, as well as benefits outreach

and enrollment. The Mortgage Finance Authority provides a description of these funds as well as the distribution source and amount on their website. (<http://www.housingnm.org/>)

Local

While the city does not currently have a dedicated funding source for housing, it has set aside funds for the infill housing program and is actively updating and maintaining the infrastructure system.

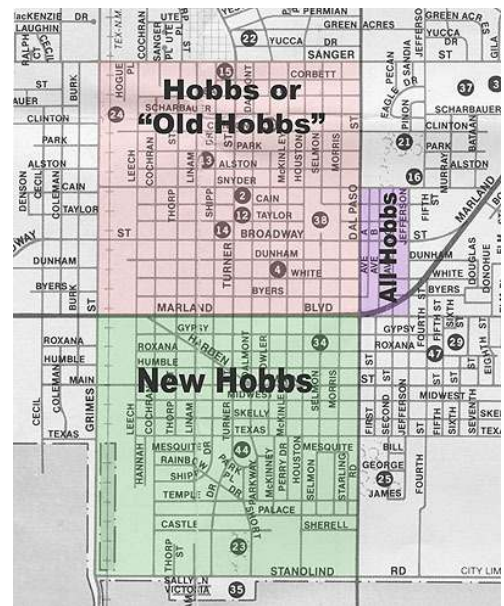
D. Action Plan

This action plan is based on the data developed through the Needs Assessment. It is also based on a number of stakeholder interviews and public input. The actions that are identified are supported by the data and are generally consistent with efforts that have had success elsewhere. There are a number of specific considerations or observations about Hobbs that have guided our team's thinking. These include:

- There is a “free market” tradition and bias in Hobbs that is held by many. This community attitude is important in determining the range of housing programs and interventions that might be appropriate and likely to be successful. It is assumed that many of the programs that will work best in Hobbs are rooted in public/private cooperation and reliance on the development or non-profit communities. However, it is also recognized that it will take some public initiatives and strategic investments to deal with some of the conditions that exist.
- Economic development and diversification of the local economy is a topic that has received much attention in Hobbs. The provision of housing at price points that support the jobs in the community is a critical aspect of creating competitive and attractive economic development program. The efforts of the EDC, the Hobbs Chamber, the Hobbs Hispano Chamber and other local agencies and officials are recognized and endorsed; this Housing Action Plan is intended to create programs and new development that will further the overall economic objectives of the greater Hobbs community.
- There is a relatively large supply of privately owned developable land within the City of Hobbs. This land supply reinforces the idea of the importance of the private sector in developing meaningful programs to meet Hobbs' needs in the future. Conversely, compared to many communities, the City of Hobbs owns relatively little land that is

appropriate for residential development at this time. These conditions have shaped our recommendations.

- The demographic and income data that are available for Hobbs show clear patterns or pockets of income disparity. Also, the age of homes varies greatly across the City. In general, the income levels and quality of housing stock are higher as one moves north across the community. In part this is the result of the timing of construction. The oldest segment of the community is generally to the south and as Hobbs grows north the age of homes become progressively lower. The income and home quality disparities should be identified and addressed as a part of developing housing strategies.
- This study has identified the importance of an area termed “Traditional Hobbs” or “Old Hobbs” for community focus. Traditional Hobbs is located north of Marland, south of Sanger, west of Dal Paso and east of Grimes. We have assumed that this objective should be adopted as part of the housing strategy and that where possible, housing development and subsidies should be prioritized in order to support other broadly held community objectives such as reinforcing the central business district and addressing some of the deficiencies (and opportunities) identified in neighborhoods generally located in the older neighborhoods on the south side.



Source: <http://www.hobbshistory.com>

In response to these and other considerations, the following housing actions are suggested. These ideas have been broken into several categories based on general areas of focus that they represent. They are introduced and described in general terms in the section below, and then are summarized in a chart form that provides greater detail and specificity.

Housing Leadership and Responsibility

An important question for Hobbs will continue to be, “Who should lead efforts to deal with the types of issues identified in the Needs Assessment and how can responsibilities be identified and monitored?” This question was not a primary focus of this study. However, the importance of creating management capacity to deal with problems such as housing is acknowledged and we believe the topic should be identified at the outset of this Action Plan.

The following sections identify categories of Actions that we are recommending be considered. The roles of existing or future agencies in dealing with these topics should receive continued attention.

The City of Hobbs

We have assumed that the City of Hobbs will continue to play an important role in dealing with housing. Many of the actions identified in this report fall within the purview of the City, and others could be undertaken by the City if elected officials and the community at large supports that direction. One option may be for the city to hire a dedicated planner to focus on residential development opportunities and management. This would include the pursuit and coordination of housing development but would not be limited to such. It is recognized that housing functions in relation to broader community goals. Economic development, transportation and utilities play an important role in delivery of housing and having an individual focused on these priorities could be helpful. Another potential role of the planner would be to advertise, implement and manage the city's infill program, which thus far has had very little participation.

Alternatively, this dedicated specialist might be hired by an organization other than the city, or perhaps funded for some limited period of time through multiple sources. We recognize that the city resources are strained. However, the need is present today and having a person who can concentrate on these housing issues and opportunities could prove very beneficial.

The Lea County Housing Inc.

The Lea County Housing Inc. has indicated that their current primary focus is on subsidized rental properties. It is assumed that they will continue to work with the city on this effort. Additionally, it is assumed that Lea County Housing Inc. would pursue ownership housing opportunities in partnership with the city and/or private developers if the opportunity were to present itself.

Region VI Housing Authority

Region VI has the capacity to serve as the larger authority cooperatively managing HUD funded units in the region. This is the role contemplated by the State of New Mexico. However, if the potential of this agency is to be realized, greater attention and cooperation from Region VI must be requested and received. Hobbs can benefit from using the Authority's staff and expertise in public housing programs, including managing Section 8 rental vouchers, weatherization funds, rehabilitation loans, down payment assistance and USDA homeownership programs.

Economic Development Corporation of Lea County, Hobbs Chamber, Hobbs Hispano Chamber

It will be important for these organizations to consider the relationship between new jobs, wages, housing affordability and housing availability when pursuing new business opportunities

for the town. It will be imperative for them to coordinate with the City to target key income groups which will need housing in able to accommodate new job growth.

Other Non-Profits and Agencies

In dealing with housing issues, the importance of a variety of agencies and non-profits must be stressed. As identified in the report, Hobbs has a long tradition of well-established agencies that are actively dealing with their particular areas of emphasis. These organizations include the Maddox Foundation, YES Corporation, Good Samaritan, Salvation Army, the Guidance Center of Lea County, Manna Outreach, and Options Inc. to name a few. These organizations should be encouraged to continue and their successes should be celebrated and rewarded with further funding. For example the success of Habitat for Humanity in Hobbs is notable. The organization represents an active and effective program that has generated results and civic pride. These efforts should be commended and continued.

The Private Development Community

As noted above, we believe the private sector will be particularly important to finding solutions to some of the housing needs identified in Hobbs. Land ownership patterns that have relatively large blocks of land in the ownership of a few individuals or companies suggests that these individuals should be contacted and perhaps brought to the table to be encouraged to try to meet some of the future needs of Hobbs.

Catch-Up, Keep-Up and Resident Needs Production Targets

The Needs Assessment provides estimates of the number of new residential units that may be needed in Hobbs over the next six years. While these estimates are heavily impacted by regional and national economic conditions, in terms of both the extent and timing of need, they provide a “best available” assessment of what the Hobbs community might be facing. We recommend that the City adopt a set of strategic goals for the production of housing designed to meet the needs of households with incomes less than 100 percent of AMI.

The Needs Assessment divides the source of housing need into three categories: Catch-up, Keep-up and Resident Needs. As a target, it is suggested that the City consider adopting a strategic statement that would target the production of 60 subsidized rental units, 100 market rate rental units targeted for household making between 50 and 80% AMI, and 30 ownership housing units targeted to households making between 80 and 100% AMI within the next three years.

The Needs Assessment identified a series of Special Needs populations that could receive additional attention in Hobbs. These included: Seniors, Spanish speaking households, very-low income households, single parent households, the homeless and victims of domestic violence.

Based on the evaluation we do not believe all of these groups should receive equal attention at this time. Rather, it is suggested that very-low income households and transitional housing for the homeless and victims of domestic violence should be targeted for initial programming efforts and that the results from this program be evaluated. Then, over time, additional programs and outreach efforts can be added based on the success of the initial programs.

Education, Buyer Training and the Communication of Available Resources

The Needs Assessment identified that there are significant problems in Hobbs with credit and a general understanding of budgeting and household economics. These problems are exacerbated by the cyclically high wages of the oil companies (with significant amounts of overtime available periodically). Further, a local culture of above average expenditures for recreation equipment, vehicles and other large discretionary purchases also impact the ability of some households to make budgetary decisions that address all aspects of household subsistence including housing, food and child support.

These problems are also compounded by the fact that available resources for housing assistance, including both rentals and ownership, are complex to understand and communicate. As a result, large segments of the community do not know what is available and do not know where to go to obtain information. We believe that these needs should be targeted as an outcome of this Needs Assessment. Education through the schools, the colleges and/or through other local groups including religious organizations would be a very direct way to teach students about credit and financial systems prior to entry into the workforce.

Additionally, opportunities through lending agencies and Lea County Housing Inc. should be explored to expand programs to both educate and communicate about housing. Current programs should be re-evaluated and new programs could be considered. For example, first time homebuyer programs, and credit and budget management courses can be expanded, and successful programs from other communities should be explored.

Rental Programs

As identified in the Needs Assessment, increasing the supply of rental units at the lower end of the current rent scale is an important priority for Hobbs. The City and various private developer groups have been pursuing some programs in recent years. These efforts should be

redoubled. One of the key findings from the Needs Assessment is that the data supports the need for such projects and that the City would be well served in doing whatever it can to encourage their success. As summarized below, these projects would likely involve the production of income-restricted units using a variety of currently available (or yet to be available) funding sources.

The location of such developments deserves consideration. We suggest that the City might consider identifying several priorities that could be used to direct the placement of any City funds or even staffing efforts. For example, creating a rental project in traditional Hobbs could be given top priority. Skepticism has been expressed through the surveys and through community members about the quality of subsidized rental projects and the impacts to the surrounding neighborhoods. The City should take a leadership role and develop a project that can serve as an example for future development, thus helping to alleviate fears of subsidized properties.

Ideally, a first project or two might be targeted for the area of the city south of Sanger. Then, to ensure some level of diversification, each of the Commission Districts could be targeted for additional rental units over time; or, some other priorities could be set as part of an overall housing strategy.

Rental Rehabilitation should also be given attention. Results from the household survey indicate that 23% of renter households are living in poor conditions, primarily because their landlord had not made the needed repairs. The provision of low-interest loans to encourage landlords to upgrade units should be considered, particularly in light of some of the conditions of rental units that currently exist.

Additionally, education on landlord and tenant rights could play a key role in improving the relationship and clarifying responsibilities between the two groups. This would involve a local organization or group providing classes, or maintaining a hotline for landlords and renters to call to get advice on their rights and responsibilities, security deposit disputes, evictions and how to request repairs. The New Mexico Bar Association currently provides free classes in Albuquerque.

Homeownership Programs

The Needs Assessment identifies the importance of Homeownership programs as a significant priority in Hobbs. As summarized below, there are several different categories of actions that should be pursued. Specifically, we are suggesting that:

- Sweat equity and fixer upper programs be continued. In addition to Habitat for Humanity, purchase and renovation loans may be considered. HUD offers the 203(k) program, which allows an appraisal of the property to determine the value of the property after the renovation. Pending approval, the loan would close for an amount that will cover the purchase or refinance cost of the property, the remodeling costs and the allowable closing costs.
- New product be encouraged at price points that are affordable for households making between 80 and 100% of AMI (\$115,000 to \$144,000 purchase price). This category of housing overlaps with what the private sector could typically provide. In Hobbs, we encourage efforts to bring more modular units to the market as a source of greater affordability. This might occur with strictly private efforts, or it could involve public sector subsidies in the form of land costs, infrastructure or loan assistance.
- The private sector should be strongly encouraged to meet a broader segment of community needs. Particularly within the larger land tracts, “master planning” can address the provision of a variety of housing types at varying price points. This could include rental units as well as for-sale product. Through master planning, some of the Not in My Back Yard (N.I.M.B.Y.) issues that are prevalent when new affordable development occurs adjacent to established neighborhoods, can be avoided.
- Low Interest Rehabilitation Loans can be particularly effective in Hobbs where housing conditions are a problem in some parts of the City.
- Loan Assistance and Down Payment Assistance are also strategies that should be further investigated and pursued. Particularly at the current time, when there are Federal programs available for first-time owners, providing greater emphasis in this area is appropriate.

City of Hobbs Land Acquisitions and Land Banking by Other Agencies

At present the City of Hobbs does not own a significant amount of land that is well suited to residential development. In many communities, where the municipality plays a role in encouraging affordable housing development, having public land to contribute to private or public development can be an important element in an overall strategy. It is suggested that the City of Hobbs consider purchasing or trading for land that might meet short-term needs, and also actively looking for land that might be “banked” (that is, held vacant until opportunities arise) to meet longer term objectives.

In addition, there may be a role for non-profits or other organizations to acquire land parcels suitable for eventual affordable housing development. Given that within the City there are large tracts of vacant land, and acknowledging that there will be continuing housing needs that will not be fully met by the private development community, having land resources that can be

used to meet these needs and to leverage future opportunities can be an important element in the overall strategy.

Diversify the Product Mix

Hobbs has relatively little condominium and townhouse development. This is, in part, the result of the typical demand expressed in the marketplace, by buyers that are not familiar with these types of products. However, they could represent an important addition to the local market over time, especially as in-fill and Downtown redevelopment are given priority. Hobbs has unique cultural diversity and thus has the opportunity to embrace that diversity with innovative building designs. Land availability in the central and southern part of town suggests that higher density development will become increasingly appropriate over time.

We believe that the key to changing demand is to create examples, one at a time, that demonstrate that some different housing configurations can be attractive and desirable. The City can work to encourage such development both through the planning process and by working with private landowners or developers that might be willing to try something new. As noted above, active City involvement on one or more successful projects that demonstrate new forms of design may be helpful in creating a foothold for a more diversified product mix.

Key Indicators

It will be very important as part of the overall housing strategy to monitor key indicators and make adjustments to the strategy as conditions change or progress is made. We have identified some key indicators below that can be measured through secondary data sources:

- Monitor building permits by housing unit type to see how the supply changes over time. The Hobbs planning department produces a monthly tally of building permits and annexations;
- Monitor changes in owner housing prices. Information from the Multiple Listing Services (MLS) acquired with the aid of local area realtors are generally the best sources of information for tracking median sale prices of units (by type) over time and the percentage of units sold within different price ranges. The [Realtors Association of New Mexico](#) also provides quarterly sales statistics. MLS listings can also be used to monitor the number of units available on the market;
- Monitor rents and vacancies through rental property management interviews to see how the rental market is shifting;

- Monitor the change in jobs, wages and the local population to estimate changes in demand for units. The [Bureau of Business and Economic Research](#) at the University of New Mexico provides quarterly economic indicators by county, as well as population estimates and projections by county; and
- Get the annual area median incomes from the [Department of Housing and Urban Development](#) and compare these to prices of available rentals and for-sale listings to monitor the availability of units affordable to different AMI groups. This exercise can help identify any potential gaps in the housing market.

Matrix of Suggested Programs and Tools

Category	Program & Housing Produced	Program Description	Opportunities, Constraints & Considerations
Senior Housing	<u>Reverse Annuity Mortgage</u> Housing assistance, not production	These programs allow older adults access to the equity in their home for living expenses and can enhance their ability to remain in their homes and make needed repairs.	With this program equity in the home is reduced, which might be a concern for other family members.
	<u>Age restricted housing/ community (65 and over)</u> Mixed single- and multi-family, typically rentals	This type of community may incorporate some services and also some income-restricted units. Occupants must meet age restrictions.	10% of senior-occupied households indicated their first choice for housing is a cottage in a retirement community. Additionally, 12% chose an apartment in a retirement community or a cottage in a retirement community as their second choice for housing.
	<u>Accessibility assistance</u> Housing assistance	May be low interest loans, grants or sweat-equity assistance to help with home repairs and accessibility issues as persons age.	36% of senior-occupied households report a disability, 13% of which indicate their current housing does not adequately accommodate their disability.
	<u>Income-restricted senior housing</u> Typically multi-family, rentals (60% AMI or lower)	Typically rentals that are age and income restricted to between 30 and 50 percent of the AMI.	The one income restricted senior complex (managed by the Good Samaritan) is full with a wait list. Many of the subsidized rentals in Hobbs are occupied by seniors, however they do not adequately serve seniors.
	<u>Income-restricted rentals (tax credit, USDA, HOME, etc)</u> Typically multi-family, rentals (60% AMI or lower)	Offers quality housing at below-market rental rates for income-qualified renters (typically income restricted for households earning below 30% and up to 60% AMI). This may also include rentals that are age-restricted for seniors and that are disability restricted/accessible.	Mixed income developments will mitigate the perception of “low-income” housing projects. Rental housing should be encouraged in areas near community services and accessible transit routes Tax credit financing is available to private sector developers, as well as non-profits and housing authorities.
Rental Programs	<u>Rental rehabilitation</u> Does not produce new housing, but makes units inhabitable/ suitable for occupancy/ energy efficient, etc.; rentals	May include providing low-interest loans to or otherwise encouraging landlords to upgrade older rental properties. Alternative opportunities to purchase rental properties, renovate and re-lease at below-market/income-restricted rates	Makes use of existing, older housing stock. Improves “façade” of community by upgrading/renovating older areas of town. Improves energy efficiency of homes/reduces energy costs.

Category	Program & Housing Produced	Program Description	Opportunities, Constraints & Considerations
Homeless Programs	<u>Education on Renters Rights</u> Does not produce new housing, but empowers renters to ensure their basic rights are met.	This would involve a local organization or group providing classes, or maintaining a hotline for renters to call to get advice on tenant rights and responsibilities, security deposit disputes, evictions and how to request repairs from your landlord. The New Mexico Bar Association currently provides free classes in Albuquerque.	Overall, 23% of renters in Hobbs indicated their unit was in poor condition. The majority of problems listed involved basic structural problems, including roofs, windows, flooring, insulation. Additionally, 72% of renters indicated the repairs had not been made because it was their landlords responsibility.
	<u>Emergency Shelter Beds</u> Transitional Housing Permanently Affordable Rental Housing Prevention and Emergency Assistance	A combination of housing efforts intended to result in and make available rental housing that is permanently affordable and available to homeless and near homeless individuals and families. Also includes assistance to households who may be in danger of losing their homes.	Move homeless into permanent housing quickly and provide support services to maintain stability and long term success. Offers a continuum of housing focused on very low-income households. Works well in mixed income rental housing situations. Requires extensive support services and case management.
Homebuyer Programs	<u>Sweat-equity and fixer-upper programs</u> Typically ownership units for under 80% AMI households – but depends on needs in area. Single family or multi-family or mixed-use. Both new home production and existing home renovation potential.	New homes locals can own, built in part by themselves, volunteers and family. Program options could also encourage acquisition of older homes and renovation through sweat equity. The current Habitat for Humanity serves households making below 50% AMI. Expand opportunities for higher-income households to use sweat-equity ownership; explore ability to assist existing owners and new homebuyers with home renovation and upgrades needed to permit owners to stay in their current homes and upgrade units in need of repair that would otherwise be affordable for locals.	Opportunity to use and renovate existing housing stock to improve occupancy and suitability of existing units. Satisfaction with being involved in own home construction.
	<u>Affordable housing</u> Typically ownership units for 50-100% AMI households. Single family or multi-family or mixed-use.	Units sold below market prices for income-qualified buyers. Would require a public/private partnership to make production costs feasible.	Provides households that are normally priced out of the housing market with an opportunity to purchase a home, build equity and establish themselves in the community. Beware of overlap with private market. Monitor ability for buyers to move-up to market housing upon sale of unit.

Category	Program & Housing Produced	Program Description	Opportunities, Constraints & Considerations
	<u>Loan assistance</u> Housing assistance, not production	May include grants or no-interest or low-interest loans to cover closing costs for income-qualified buyers; education programs of the loan process; work with local lenders to tailor loan programs to local needs.	Needs funding source/lender agreements. Helps renters take the first step toward homeownership.
	<u>Down payment assistance</u> Housing assistance, not production	Provides grants or no-interest or low-interest loans to buyers to cover down payment costs. Programs may have time limits to determine grant versus loan – e.g. if they occupy the home for over five years, it's a grant; if they resell within 5 years, it's a loan.	Current programs primarily target below 80% AMI and some below 100% AMI. Expand education/promotion of higher-income assistance programs (little knowledge of programs serving >80% AMI in the community). Explore assistance for higher income households (up to 120% AMI).
Other Programs	<u>Land Banking</u> All types of units	Identify key sites for future housing development that are either currently publicly owned or that could/should be purchased for future housing development. Develop workable designs for future housing projects on these properties when needed.	Adjacent landowners may object. Incorporates affordable housing into community development plans. Requires continued public education about intended development plans for sites.
Production Incentives	<u>Waivers of Fees</u> Applicable to all types of housing production (owner, renter, etc)	Waivers of development fees to the developer of affordable housing. Value used to underwrite housing development.	City partnerships to achieve local goals. Less development exacted revenues are collected.
	<u>Infrastructure Assistance</u> Applicable to all type of housing production (owner, renter, etc)	Developments proposing substantial public benefit by incorporating affordable housing may be considered for various types of negotiated "infrastructure assistance". This can decrease the costs and time of production of the project to the developer.	Consider infrastructure extension and prioritize along with development that is planned. Mostly planned area that address housing need could be given priority.
Revenue Generation and Other Policies	<u>Fees-based Programs (Impact fees, fees-in-lieu of housing production, etc.)</u> Applicable to all types of housing production (owner, renter, etc)	Dedicated fee-based funding sources that can be used for housing programs. Examples include impact fees, business license fees, etc. Could also include a real estate transfer fee or tax.	Tendency to use funds for low and moderate income groups. Middle income needs might not be met (unless complemented with other programs). Spreads burden beyond just the development community.

Category	Program & Housing Produced	Program Description	Opportunities, Constraints & Considerations
	<u>Tax-based Programs (gross tax, lodging tax, etc.)</u> Applicable to all types of housing production (owner, renter, etc)	Augment housing fund with dedicated tax-based funding sources. Options include gross receipts, housing excise tax, head tax, property tax, recreation activities tax, luxury tax, lodging tax, etc.	Tendency to use funds for low and moderate income groups. Middle income needs might not be met (unless complemented with other programs). Spreads the burden for local housing beyond just the development community. Tourism can help pay for impacts.
	<u>Annexation Policies</u> Produces multi-family and single-family homes, variety of income ranges, typically ownership.	With cooperative policies between the County and local municipalities, developers may seek annexation to acquire and/or increase development potential. Because municipalities have broad discretion with annexations, policies can require the provision of affordable housing. The county may also negotiate agreements with the cities to help serve more dense affordable housing projects adjacent to city boundaries to broaden county housing opportunities.	Level of effectiveness dependent upon annexation opportunities. Program may not be popular among adjacent landowners.
Collaboration/ Public Resources	<u>Partnerships between public, non-profit and private entities</u> Applicable to all types of housing production (owner, renter, etc)	A variety of methods exist for public and private entities to jointly develop affordable housing. The focus of these efforts would be to leverage public resources.	
Diversify the Product Mix	<u>Accessory Units</u> Small rental units, serves singles, seasonals, couples	Optional, small second units attached to or within single family units.	Should be regulated. Income and occupancy sometimes difficult to enforce.

APPENDIX

Special Needs Profiles

		OVERALL	SPEAK SPANISH AT HOME	SENIORS	SINGLE PARENT WITH CHILD(REN)	<50% AMI
TENURE	Own	68%	65%	77%	46%	52%
	Rent	32%	35%	23%	54%	48%
HOW MANY PEOPLE LIVE IN YOUR HOUSEHOLD	Average	2.5	3.4	1.7	2.8	2.3
	Median	2.0	3.0	2.0	2.0	2.0
WHICH BEST DESCRIBES YOUR HOUSEHOLD	Adult living alone	25%	10%	43%		36%
	Single parent with child(ren)	9%	15%	2%	100%	22%
	Couple, no child(ren)	27%	16%	39%		9%
	Couple with child(ren)	26%	44%	4%		12%
	Unrelated roommates	2%		1%		7%
	Family members and unrelated roommates	2%	3%	1%		3%
	Immediate and extended family members	8%	11%	9%		11%
OVERCROWDING	Not Crowded	88%	70%	99%	75%	84%
	Overcrowded	12%	30%	1%	25%	16%
	Single-family house	77%	76%	76%	71%	73%
	Apartment	9%	8%	9%	20%	18%
IN WHAT TYPE OF RESIDENCE DO YOU LIVE IN THE HOBBS AREA	Townhouse/Duplex	3%	1%	3%	2%	
	Room without kitchen	1%				
	Mobile home	9%	13%	12%	7%	10%
	RV home or camper	1%				
	Caretaker unit	0%				
WHAT IS YOUR SATISFACTION WITH YOUR CURRENT RESIDENCE	Very satisfied	50%	40%	74%	30%	32%
	Somewhat satisfied	34%	39%	22%	42%	55%
	Somewhat dissatisfied	12%	16%	3%	23%	
	Very dissatisfied	4%	4%	1%		2%
WHAT IS THE FINISHED SQUARE FOOTAGE OF YOUR HOME?	500 sqft or less	2%	4%		13%	6%
	500 to 1,000 sqft	16%	20%	16%	19%	36%
	1,000 to 1,500 sqft	26%	29%	20%	27%	17%
	1,500 to 2,000 sqft	31%	25%	36%	21%	21%
	2,000 to 2,500 sqft	15%	13%	16%	19%	10%
	2,500 to 3,000 sqft	7%	7%	7%	2%	7%
	Over 3,000 sqft	3%	2%	4%		2%
	Average	1,687	1,625	1,779	1,424	1,393
	Median	1,620	1,500		1,400	1,203
	Less than 6 months	6%	8%	0%	11%	
HOW LONG HAVE YOU LIVED IN YOUR CURRENT RESIDENCE	6 months to 1 year	6%		4%		7%
		11%	9%	8%	23%	13%
	3 to 5 years	20%	23%	11%	41%	
	5 years or more	56%	50%	77%	22%	43%

		OVERALL	SPEAK SPANISH AT HOME	SENIORS	SINGLE PARENT WITH CHILD(REN)	<50% AMI
HOW LONG HAVE YOU LIVED IN THE HOBBS AREA	Less than 6 months	1%				
	6 months to 1 year	4%	9%			
	1 to 3 years	8%	9%	3%	28%	20%
	3 to 5 years	9%	13%	4%	17%	4%
	5 years or more	79%	69%		55%	76%
HOW LONG WILL YOU CONTINUE TO LIVE IN THE HOBBS AREA	Less than 6 months	1%	0%		2%	
	6 months to 1 year	2%	4%			
	1 to 3 years	8%	7%	2%	11%	14%
	3 to 5 years	11%	19%	3%	32%	10%
		78%	69%	95%	56%	76%
DOES ANYONE IN YOUR HOUSE HAVE LONG-LASTING CONDITIONS	No	77%	81%		79%	67%
	dition that greatly limits basic physical activities		17%	28%	20%	25%
	Blindness, deafness or a severe vision/hearing impairment	4%	2%	8%	1%	
DOES YOUR CURRENT HOUSING ADEQUATELY ACCOMMODATE THE DISABILITIES OF PERSONS IN YOUR HOUSEHOLD	Yes	83%	70%	87%	63%	83%
	No	17%	30%	13%	37%	17%
CONDITION OF YOUR HOME	Average (1 poor to 5 excellent)	3.6	3.3	3.9	3.0	
EXTERIOR APPEARANCE	Average (1 poor to 5 excellent)		3.3		2.7	3.0
SIZE OF HOME	Average (1 poor to 5 excellent)	3.5	3.3	3.9	2.9	3.1
PRIVACY	Average (1 poor to 5 excellent)	3.6	3.3		3.3	
YARD/ LOT SIZE	Average (1 poor to 5 excellent)	3.7	3.6	4.0	3.2	3.3
SAFETY/ SECURITY	Average (1 poor to 5 excellent)	3.4	3.0	3.7	2.5	2.7
IF YOUR RESIDENCE IS IN NEED OF REPAIRS, WHAT REPAIRS ARE NEEDED	Windows/doors	48%	50%	45%	73%	60%
	Flooring	38%	49%	21%	52%	37%
	Insulation	33%		32%	50%	44%
	Plumbing	31%	35%	17%	51%	44%
		27%	37%	19%	35%	
	Cooling	25%	36%		49%	38%
	Heating	23%	35%	20%	50%	32%
	Electric	19%	25%	18%	26%	
	Appliances	15%	26%	5%	25%	20%
	Foundation	14%	20%	7%	38%	15%
	Other	14%	10%	16%	9%	9%
	modifications	7%	7%		10%	9%
WHY HAVEN'T YOU MADE THE NEEDED REPAIRS	Cannot afford them		67%	59%	73%	61%
	It is my landlord's responsibility	27%	26%	12%	33%	28%
	Have other priorities	15%	11%	18%	3%	12%
	Cannot find the time	14%	11%	13%	5%	7%
	Other	8%	5%	14%	11%	
	Cannot find a contractor to use	4%	1%			4%

		OVERALL	SPEAK SPANISH AT HOME	SENIORS	SINGLE PARENT WITH CHILD(REN)	<50% AMI
WITHIN THE NEXT 3 YEARS, DO YOU WANT TO:	Stay in my current residence	61%	49%	89%	36%	58%
	Buy a new or different home in Hobbs	24%	41%	8%	45%	22%
	Leave the Hobbs area	8%	5%	1%	9%	6%
	Rent a different residence in Hobbs	6%	4%	1%	11%	14%
WHY DO YOU WANT TO BUY OR RENT A NEW/ DIFFERENT HOME	To find a larger home	49%	45%	29%	62%	61%
	For a more permanent living situation	40%	45%	3%	55%	26%
	To find a home with more amenities	34%	30%	11%	19%	17%
	Other	22%	25%	47%	59%	
	To be closer to work	16%	21%		17%	10%
	To find a less expensive home	15%	21%	10%		
	To live in a more rural setting	15%	16%		26%	7%
	To live closer to city/town services	9%	14%		17%	1%
	To find a smaller home	4%	1%	12%	1%	1%
	Up to \$50,000	15%		78%	5%	25%
	\$50,000 thru \$60,000	13%	20%		25%	27%
HOW MUCH WOULD YOU BE WILLING TO PAY TO PURCHASE A HOME?	\$60,000 thru \$70,000	12%	15%	4%		3%
	\$70,000 thru \$80,000	8%	16%		22%	
	\$80,000 thru \$9,000	2%	4%			
	\$90,000 thru \$100,000	15%	9%	2%	21%	21%
	\$100,000 thru \$110,000				2%	
	\$110,000 thru \$120,000	5%	2%			8%
	\$120,000 thru \$130,000	4%	2%	5%		
	\$130,000 thru \$140,000	1%	2%		3%	
	\$140,000 thru \$150,000	7%	2%	3%	18%	
	\$150,000 thru \$160,000	0%				
	\$160,000 thru \$170,000	2%		2%		
	\$170,000 thru \$200,000		1%	5%	4%	
	\$200,000 thru hi		8%	2%		16%
	\$200 - \$299	6%	7%	23%	3%	
	\$300 - \$399	11%	10%	18%	8%	
WHAT IS YOUR CURRENT TOTAL MONTHLY RENT OR MORTGAGE?	\$400 - \$499		19%	22%	37%	
	\$500 - \$599		17%	12%	28%	
	\$600 - \$699	13%	16%	4%	16%	5%
	\$700 - \$799	8%	8%	8%	1%	4%
	\$800 - \$899	9%		4%		14%
	\$900 - \$999	4%	2%	3%		3%
	\$1000 - \$1099	6%	10%	1%		5%
	\$1100 or more	9%	2%	4%	4%	0%
	Average	\$671	\$608	\$491	\$526	\$501
	Median	\$600	\$550	\$450	\$500	\$415

		OVERALL	SPEAK SPANISH AT HOME	SENIORS	SINGLE PARENT WITH CHILD(REN)	<50% AMI
HOW MANY TIMES DURING THE LAST 2 YEARS HAVE YOU BEEN BEHIND IN YOUR HOUSING PAYMENT	Never	86%	77%	93%	73%	84%
		11%	14%	4%	24%	12%
	4 or more times	3%	8%	3%	2%	4%
	Less than \$10,000	9%	15%	5%	21%	42%
	\$10,000 - \$19,999	13%	17%	25%	29%	55%
	\$20,000 - \$29,999	12%	17%	21%		3%
	\$30,000 - \$39,999	10%	11%	15%	12%	
	\$40,000 - \$49,999	13%	12%	11%	3%	
WHAT IS THE COMBINED GROSS ANNUAL INCOME OF ALL HOUSEHOLD MEMBERS BEFORE TAXES?	\$50,000 - \$59,999	8%		6%	3%	
	\$60,000 - \$69,999	7%	5%	5%	1%	
	\$70,000 - \$79,999	6%	4%	4%		
	\$80,000 - \$89,999	5%		2%	1%	
	\$90,000 - \$99,999	4%	4%	0%	1%	
	\$100,000 - \$124,999	6%	3%	2%		
	\$125,000 - \$149,999	3%	1%	1%		
	\$150,000 or more	6%	4%		1%	0%
AMI	Average	\$55,434	\$41,344	\$37,215	\$29,149	\$10,125
	Median	\$42,000	\$30,000	\$28,527		\$11,448
		10%	19%	6%	29%	48%
	30-50% AMI	11%	16%	20%	18%	52%
	50-80% AMI	13%	21%	24%	21%	
	80-100% AMI	10%	12%	15%	7%	
	100-120% AMI	9%	5%	8%	4%	
	120-140% AMI	6%	4%	9%	3%	
PERCENT OF INCOME SPENT ON RENT OR MORTGAGE		41%	24%	19%	17%	
	Under 20%	62%	49%	51%	28%	17%
		16%	21%	22%	22%	6%
	30-35%	5%	15%	1%	13%	11%
	35-40%	2%	4%	3%	3%	4%
	40-50%	5%	4%	23%		15%
HOW MANY ADULTS IN YOUR HOUSEHOLD ARE EMPLOYED	Over 50%	10%	8%		25%	
	0		13%	66%	9%	36%
	1	45%	50%	26%	76%	46%
	2	29%	27%	7%	13%	18%
	3+	5%	10%	0%	2%	1%
	Average	1.2	1.4	0.4	1.1	0.8
HOURS WORKED IN THE LAST 12 MONTHS-YOU	Median	1.0	1.0	0.0	1.0	1.0
	Part Time	12%	8%	40%	6%	19%
	Full Time	50%		33%	61%	61%
	Overtime	38%	28%	26%	33%	20%
HOURS WORKED IN THE LAST 12 MONTHS-ADULT #2	Part Time	10%	13%	25%	11%	6%
	Full Time	51%	53%	53%	47%	77%
	Overtime	39%	34%	22%	41%	16%

		OVERALL	SPEAK SPANISH AT HOME	SENIORS	SINGLE PARENT WITH CHILD(REN)	
PLEASE INDICATE YOUR CURRENT OCCUPATION(S)	Non Oil & Gas - Management, professional and other related	45%	34%	41%	38%	36%
	Non Oil & Gas - Other	20%	22%	33%	11%	27%
	Non Oil & Gas - Sales & office	12%	22%	9%	30%	21%
	Non Oil & Gas - Service	12%	14%	8%	16%	18%
	Non Oil & Gas - Construction, maintenance, mining, repair	7%	10%	5%		3%
	Oil & Gas - Management, support	4%	1%	3%		3%
	Oil & Gas - Truck driver, heavy & tractor trailer	3%	6%	7%	2%	
	Oil & Gas - Other	3%	2%	4%	2%	3%
	Oil & Gas - Field technician, production, unit operator	2%	3%	4%		
	Non Oil & Gas - Production, transportation, material moving	2%	3%			
	Oil & Gas - Roustabout, extraction worker, laborer	1%	4%	3%	6%	5%
	Oil & Gas - Engineer	0%			1%	
	Oil & Gas - Rotary drill operator	0%	0%			
	Non Oil & Gas - Management, professional and other related	30%	24%	33%	45%	67%
PLEASE INDICATE CURRENT OCCUPATION(S) OF OTHERS IN YOUR HOUSEHOLD	Non Oil & Gas - Other	16%	17%	15%	12%	10%
	Non Oil & Gas - Service	16%	18%	26%	25%	19%
	Non Oil & Gas - Construction, maintenance, mining, repair	13%	9%	4%	15%	
	Oil & Gas - Other	11%	21%	4%		
	Non Oil & Gas - Sales & office	9%		11%		
	Oil & Gas - Field technician, production, unit operator	5%	5%	10%		
	Oil & Gas - Truck driver, heavy & tractor trailer	5%	8%	1%	6%	
	Oil & Gas - Management, support	5%	1%	2%		4%
	Non Oil & Gas - Production, transportation, material moving	4%	3%	1%		
	Oil & Gas - Roustabout, extraction worker, laborer		5%	1%		4%
	Oil & Gas - Engineer	1%	1%			
	Oil & Gas - Rotary drill operator	1%				
	0	3%	5%	5%	7%	
	1	31%	28%	46%	36%	46%
HOW MANY VEHICLES DO YOU HAVE AT YOUR HOME	2	40%	39%	35%	48%	28%
	3	18%	18%		7%	11%
	4+	8%	11%	2%	2%	3%
	Average	2.0	2.1	1.6	1.6	1.5
	Median	2.0	2.0	1.0	2.0	1.0

		OVERALL	SPEAK SPANISH AT HOME	SENIORS	SINGLE PARENT WITH CHILD(REN)	
APPROXIMATELY HOW MUCH DOES YOUR HOUSEHOLD SPEND ON GAS PER MONTH?	Nothing	2%	2%		9%	10%
	Up to \$50		10%	44%	11%	27%
	\$51 to \$100	32%	37%	32%	36%	29%
		16%	20%	9%	33%	16%
	\$151 to \$200	14%	17%	7%	4%	
	\$201 to \$250	2%	1%	2%	1%	
	\$251 to \$300	5%	9%	1%	3%	5%
	More than \$300		5%	2%	3%	2%
	Average	\$142	\$145	\$91	\$111	\$95
	Median	\$100	\$110		\$100	\$60
HOW MUCH DOES YOUR HOUSEHOLD SPEND PER MONTH ON CAR PAYMENTS?	Do not have car payments	43%	27%	71%	18%	49%
	\$1 - \$199	1%		0%	2%	0%
	\$200 - \$299	6%	6%	2%		8%
	\$300 - \$399	13%	20%	8%	38%	19%
	\$400 - \$499	8%	10%	8%	13%	4%
	\$500 - \$599	10%	14%	5%	4%	9%
	\$600 - \$699	6%	9%	1%	13%	7%
	\$700 - \$799	3%	4%	0%	7%	3%
	\$800 - \$899	2%	2%	2%	2%	0%
	\$900 - \$999	2%	3%	1%	1%	
	\$1,000 or more	6%	4%	2%	2%	0%
	Average (if make payment)	\$567	\$523	\$537	\$465	\$421
		\$500	\$496	\$420	\$400	
PERCENT OF INCOME SPENT ON CAR PAYMENT	Under 20%		71%	97%		50%
	20-30%		15%	1%		15%
	30-35%	2%		1%	1%	
	35-40%	0%	1%		1%	1%
	40-50%		2%	1%		1%
	Over 50%	6%		0%		31%

Definitions

The following definitions are applicable for the terms used in this report.

Affordable Housing – when the amount spent on rent or mortgage payments (excluding utilities) does not exceed 30% of the combined gross income of all household members. There is no single amount that is “affordable.” The term is not synonymous with low-income housing, where, under most Federal programs for low-income housing, occupants pay 30% of their gross income for rent and utilities.

Area Median Income (AMI) Limits – most communities establish income limits for the programs they administer based on the area median income (AMI) for the area according to household size, which are adjusted annually by the Department of Housing and Urban Development (HUD). Four different income categories are defined for various programs and policies:

Extremely low-income, which is less than 30% of the median family income;

Very low-income, which is between 30 and 50% of the median family income;

Low-income, which is between 50 and 80% of the median family income; and

Middle income, which is between 80 and 120% of the median family income.

Cost Burdened – when a household or individual spends more than 30% of gross income on rent or mortgage payments. Households paying 50% or more of their income for rent or mortgage are said to be severely cost-burdened.

Low-income Housing Tax Credit – a tax credit (Internal Revenue Code Section 42) available to investors in rental housing projects focused on renters earning less than 60% of the AMI. This program encourages investment that helps finance construction and rehabilitation of housing for lower income renters.

Mean – the average of a group of numbers, which is the sum of all the data values divided by the number of items.

Median – the middle point in a data set.

Section 8 Rent Subsidy - the Section 8 Housing Assistance Payment program is offered through the U.S. Department of Housing and Urban Development (HUD). This program pays the difference between 30% of monthly household income and the Fair Market Rent (FMR)

established by HUD for Grand County. There are two types of Section 8 assistance: 1) project based where vouchers are attached to specific properties, or 2) vouchers -- households using Section 8 assistance find market rate housing where the landlord is willing to participate in the program.

Substandard Housing – a unit that lacks complete kitchen and /or plumbing facilities.

Levels of Homeownership – When discussing affordability of properties by Area Median Income (AMI) level (defined above) and the types of homes households among different AMI groups are seeking, reference is made to a couple different stages of homeownership. This includes:

Entry-level ownership/first-time homebuyers: These are households typically earning in the lower to middle income range. These include households that currently rent (or otherwise do not own a home) and are looking to purchase their first home.

Move-up buyers: These are households earning in the middle to upper income range that may currently own a home and are looking to purchase a new or different home for a variety of reasons (relocating, growing family (e.g., having children), shrinking family (e.g., empty-nesters), etc.).

Catch-Up Housing – Housing needed to catch-up to current deficient housing conditions. In this report, catch-up housing needs are defined by current resident households reporting housing problems (overcrowded, cost-burdened and/or living in substandard housing conditions), and in-commuters that would like to move to the city. Catch-up housing is generally addressed through local city development initiatives, non-profits and housing groups and public/private partnerships.

Keep-Up Housing – Housing units needed to keep-up with future demand for housing. In this report, keep-up housing needs focuses on new housing units needed as a result of job growth in the city and new employees filling those jobs. Keep-up housing is often addressed by the existing free-market, as well as regulatory requirements or incentives to produce housing that is needed and priced below the current market.

City of Hobbs Housing Plan

March 2011

Purpose

This Housing Plan is intended to guide the City of Hobbs and the cooperative, coordinated efforts of the New Mexico Mortgage Finance Authority, and related agencies and local developers, organizations and residents of Hobbs. The Plan calls for the responsibility for affordable housing to be broadly shared through a comprehensive combination of strategies with several on-going programs.

The higher priority strategies are to be on-going or started in 2011. The high priority programs are designed to produce rental housing, primarily for low to moderate income families and a high degree of emphasis is placed thereon. Lower priority programs may be considered if feasibility of implementation is recommended after 2012-13.

This Plan represents an attempt by the City of Hobbs to stimulate and foster affordable housing development. While a Housing Needs Assessment and Housing Study for the City have been completed, this document will be the start of Hobbs Housing Action Plan. Upon adoption of this Plan, the City will actively pursue the strategies identified herein. The Plan is a work in progress that will continue to evolve over time as specific work elements are completed and additional opportunities arise.

Organization of Plan

The organization of the plan is as follows:

- | | | |
|-----|--|---------|
| 1. | Land Acquisition and Land Banking. | Page 3 |
| 2. | Multi-Family Rental Housing Programs. | Page 4 |
| 3. | Subsidized Senior Rental Housing. | Page 6 |
| 4. | City of Hobbs Housing Committee. | Page 7 |
| 5. | Key Indicators For City Housing Programs. | Page 8 |
| 6. | City Budget Resources and Other Policies. | Page 9 |
| 7. | City Incentives - Subsidized Rental Multi-Family Projects. | Page 10 |
| 8. | Homeownership Programs. | Page 14 |
| 9. | Rehabilitation of Existing Housing. | Page 17 |
| 10. | Buyer Assistance, Training and Available Resources. | Page 20 |

Appendix Materials

Following Page 21

Priority of City Housing Programs.

A summary of programs with prioritization is provided below. Further discussion of the programs and actions to be taken follows.

Priority 1 Programs:

- * Land Banking
- * Weatherization
- * Income-restricted subsidized multi-family rental units.
- City Housing Committee.
- * Monitoring of programs goals and housing conditions.
- * Housing Programs – City Budget Funding.
- * Waivers of fees
- * Infrastructure assistance.
- * Waiver/ Infrastructure Combined Programs.
- * Affordable Housing Incentive- New Subdivisions...Minimum 20 lots.

Priority 2 Programs:

- * Moderate income rental housing projects.
- * Weatherization & Rehabilitation Owner Occupied Housing.
- Down payment assistance.

Priority 3 Programs:

- Senior Housing Rental Projects.
- * Annexation policies.
- Owner Occupied Home Rehab. grants and low interest loans.
- * First time homebuyer education.

Priority 4 Programs:

- * Consider Developing a housing code.
- Diversify the rental product mix – private sector accessory units.

- * Indicates programs currently in place.

1. Land Acquisition and Land Banking.

At present the City of Hobbs does not own a significant amount of land that is well suited to larger scale residential development. In many communities, where the municipality plays a role in encouraging affordable housing development, having public land to contribute to private or public development can be an important element in an overall strategy.

Program **Priority 1** **Land Banking.**

Housing Produced: Future homeownership and rental development potential.

Program Description: Identify key sites for future housing development that are either currently publicly owned or that could/ should be purchased for future housing development. Develop workable designs for future housing projects on these properties when needed.

Responsible Party(s): City of Hobbs.

Funding Sources: City of Hobbs.

Targets/ Goals: The city will continue to provide infill opportunities as a result of condemnations. Additionally, the City will purchase/ dedicate a parcel suitable for rental, homeownership, or both, and accommodating households up to 100% AMI.

Target # of units: 10 to 15 acres each year to be acquired for large multi-family projects. In addition, each year the City will attempt to acquire 12 to 15 separate building sites to be used for donation to Habitat for Humanity or to be provided at a discount for new modular or manufactured housing meeting City standards.

Notes: Adjacent landowners may object. Incorporates affordable housing into community development plans. Requires continued public education about intended development plans for sites.

2. Multi-Family Rental Housing Programs.

As identified in the Needs Assessment, increasing the supply of rental units at the lower end of the current rent scale is an important priority for Hobbs. Additionally, there is a significant gap in pricing between market rate rentals and subsidized rentals, which makes it very difficult for households to move out of subsidized rentals and enter the free market.

The needs assessment profiled special needs groups within Hobbs, including seniors, Spanish speaking households, very low-income households and single parent households. These households are more likely to live in homes needing repair and to be cost-burdened by their housing payment.

Program	Priority 1	<u>Income-restricted subsidized multi-family rental units.</u>
Housing Produced:	Typically multi-family, rentals (60% AMI or lower)	
Program Description:	Offers quality housing at below-market rental rates for income-qualified renters. This may also include rentals that are age-restricted for seniors and that are disability restricted/ accessible. Mixed income developments will mitigate the perception of “low-income” housing projects.	
Responsible Party(s):	Private Developer, Hobbs Housing Committee, City of Hobbs, NMMFA.	
Funding Sources:	Tax Credit Financing, Private Developer, Private Loans, City of Hobbs, ERHA.	
Targets/ Goals:	City of Hobbs will consider selling land at a discount or donation of land and/ or provision of infrastructure to develop a 60-75 unit project each year. The project would break ground in 2010. The majority of rental units would be provided up to 60% AMI. The City’s priority of location would be the areas south of Sanger Street, however, other areas of the City may also be considered.	
Target for # of units:	The annual goal for production of multi-family units through a private developer is 100 units per year. This activity is a very high priority for the City.	
Notes:	Skepticism has been expressed through the surveys and through community members about the quality of subsidized rental projects and the impacts to the surrounding neighborhoods. By taking the leadership role, the City can serve as an example for future development.	

Program	Priority 2	<u>Moderate income rental housing projects.</u>
Housing Produced:	Subsidized Multi-Family Rental Projects for 60 to 100% AMI.	
Program Description:	Public/ private agreements.	
Responsible Party(s):	City of Hobbs, Private developer.	
Funding Sources:	Private Developer, NMMFA, City of Hobbs.	
Targets/ Goals:	The City will evaluate the rental market in one year and determine the feasibility of forming a partnership with a private developer to produce a 50-75 unit project, affordable to households between 60 to 100% AMI.	
Target for # of units:	The annual goal for production of multi-family units through this method with a private developer is 60 units per year.	
Notes:	Interviews with property managers and the results of the needs assessment indicate there is an existing gap in rentals affordable to households making between 60 and 100% AMI	
Program	Priority 4	<u>Diversify the rental product mix – private sector accessory units.</u>
Housing Produced:	Small rental units, serves singles, temporary workers, couples.	
Program Description:	Optional small second units attached/ detached on single family lots – not including mobile homes or RV's.	
Responsible Party(s):	Private Sector.	
Funding Sources:	Private Sector.	
Targets/ Goals:	The City will revisit program this annually.	
Target for # of units:	This is a low priority project and must be accomplished by the private sector. The annual goal for production of these type of housing units is 20, although this activity is difficult to track.	
Notes:	Should be regulated, income and occupancy sometimes difficult to enforce.	

3. Subsidized Senior Rental Housing.

Program **Priority 3** Senior Housing Rental Projects.

Housing Produced:	Typically multi-family, rentals (60% AMI or lower)
Program Description:	Typically rentals that are age and income restricted to between 30 and 50 percent of the AMI.
Responsible Party(s):	Private Sector Community Organizations.
Funding Sources:	Private Developer, ERHA, NMMFA.
Targets/ Goals:	The City will evaluate the market in two years to determine the feasibility of forming a public private partnership to develop income restricted and age restricted housing in Hobbs
Target # of annual units:	Up to 20 per year of income assisted housing units, as long as a demand for such housing is noted in Hobbs. Market rate senior housing will be supported by the City but no funding will be provided. If demand increases, the City can upgrade the priority of this program.
Notes:	The one income restricted senior complex (managed by the Good Samaritan) is full with a wait list. Many of the subsidized rentals in Hobbs are occupied by seniors, however they do not adequately serve seniors.

4. Central Housing Entity – City of Hobbs Housing Committee

City Housing Committee - The City Commission will create and appoint the Hobbs Housing Committee to study housing problems and develop specific recommendations to resolve the numerous problems. The group will be given a lead role to recommend implementation policies and actions for a wide variety of housing issues and problems involving programs provided by housing agencies and private developers serving Hobbs. The group will recommend priorities for new moderate income and affordable housing projects within the City limits. Membership on the Committee will include the following:

(1) City Commissioner

City Manager

City Planner

Member of Habitat For Humanity Board

Member of City Planning Board

Member representing Realtors

(1) Member at large

(1) Member representing social service agencies serving low income persons

Activities of the Committee shall include locating and providing advice on appropriate sites for new housing developments, pledging support to the State for new allocations, and recommending developer agreements to foster new projects and City assistance in the form of infrastructure improvements as needed to assist new housing. The City Commission shall also designate the City Planning Department to monitor and coordinate Housing Improvement Programs with the Committee and carry out directives of the Committee.

Program	Priority 1	<u>City Housing Committee.</u>
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Housing Produced:	Program management, not housing production.
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Program Description:	The City Housing Committee shall focus on residential development opportunities and management of funds and programs. This would include the pursuit and coordination of housing development and housing programs. Initial priority will be for rental housing development for lower and moderate income multi-family projects.
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Responsible Party(s):	City of Hobbs.
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Funding Sources:	City of Hobbs.
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Targets/ Goals:	See above. The City will create the City Housing Committee at the same time this plan is considered for adoption.
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Notes:	Housing programs and housing development take a significant amount of time and require specialized skills to run and manage properly. The City Housing Committee will be key to the success of the Hobbs Housing Plan.
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5. Key Indicators For City Housing Programs.

It will be very important as part of the overall housing strategy to monitor key indicators and make adjustments to the strategy as conditions change or progress is made. Key indicators provided through publicly available sources are included in the Needs Assessment.

Program	Priority 1	<u>Monitoring of programs goals and housing conditions.</u>
Housing Produced:	Program management	
Program Description:	Key indicators should be monitored and revisited annually. Based on changes in housing, economic and political conditions, this Plan should be revisited and updated every three years.	
Responsible Party(s):	City of Hobbs; Hobbs Housing Committee	
Funding Sources:	City of Hobbs.	
Targets/ Goals:	The City will evaluate progress on key indicators as provided herein on a yearly basis.	
Notes:	It will be helpful to the City in evaluating new programs and measuring the effectiveness of current programs to understand changes in demographic and economic conditions.	

6. City Budget Resources and Other Policies.

Federal and state grant/ loan programs are limited both in terms of funding availability and in who they serve, only benefiting low income households and never providing 100% financing. The City has established an annual budget priority for housing programs, mainly oriented at land banking and infrastructure assistance for subsidized rental multi-family projects. Local sources are needed to serve households with incomes above 80% AMI; leverage federal and state funding for low income households and pursue efforts for which no other financing is available, like land banking. The City will encourage funding of local housing programs by outside organizations as much as reasonably possible.

Program	Priority 1	<u>Housing Programs – City Budget Funding.</u>
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Housing Produced:	Applicable for subsidized housing projects.
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Program Description:	Annually, the City Commission budgets up to \$500,000 for Housing Projects including land acquisition, infrastructure and operation of existing City programs to help subsidized rental housing projects and organizations like Habitat for Humanity. Priority is established by the City Commission and the City Manager.
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Responsible Party(s):	City of Hobbs.
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Funding Sources:	City of Hobbs.
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Targets/ Goals:	The City will budget appropriate funds in a special account under the City Commission.
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Notes:	Priority is to use funds for low and moderate income groups. Spreads burden beyond just the development community.
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7. City Incentives - Subsidized Rental Multi-Family Projects.

Development incentives lower the cost of construction and make community housing more feasible. Incentives such as density bonuses and fee waivers can be provided to developers at no cost to local jurisdictions, thus making community housing a win/ win experience.

Program **Priority 1** Waivers of fees.

Housing Produced:	Applicable to subsidized rental housing projects (renter).
Program Description:	Waivers of building permit fees to the developer of affordable housing. Value used to underwrite housing development.
Responsible Party(s):	City of Hobbs.
Funding Sources:	City of Hobbs.
Targets/ Goals:	The City will continue its infill program and evaluate the permit process to determine if fees could be cut in other areas.
Notes:	<p>City partnerships to achieve local goals. Less development exacted revenues are collected.</p> <p>As of November 2010, the City will offer the following waivers: Building Permit and Inspection Fees. Also, the City will consider on a case by case basis, the City making contributions for cost sharing certain infrastructure items or facilities at affordable housing projects, if the City will receive some benefit from the cost of the infrastructure.</p>

Program **Priority 1** Infrastructure Assistance.

Housing Produced:	Applicable to subsidized rental housing projects (renter).
Program Description:	Developments proposing substantial public benefit by incorporating affordable housing may be considered for various types of negotiated “infrastructure assistance”. This can decrease the costs and time of production of the project to the developer.
Responsible Party(s):	City of Hobbs.
Funding Sources:	City of Hobbs.
Targets/ Goals:	The City will continue its’ infill program and evaluate the potential for providing infrastructure assistance as an incentive.

Notes:

Consider infrastructure extension and prioritize along with development that is planned. Mostly planned areas that address housing needs could be given priority.

Program	Priority 1	<u>Waiver/ Infrastructure Combined Programs.</u>
Housing Produced:	Applicable to subsidized rental housing projects (renter).	
Program Description:	<p><u>For major affordable family housing projects (such as tax credit subsidy projects) – more than 20 total units:</u></p> <p>Building Permit & Utility Connection Fee Waivers (100%) Utility Extension Infrastructure – cost share of Utility main system – ½ of total cost. Utility Extensions 12” Main Extensions – Oversizing of difference between 12” and 10” mains. Additional infrastructure for site work or street construction may be considered.</p> <p><u>For smaller affordable, infill family housing projects (\$110/ SF selling cost or less) :</u></p> <p>Waive existing City liens. Waive building permit & utility connection fees up to \$5,000 per lot. 50% city payment for any required <i>removal and replacement</i> (not new installations where none existed before) of curb, gutter, and sidewalk (from pre-approved unit pricing submitted to city). New side walks & new curb and gutter; where none existed previously: <u>100% developer expense</u>. City-furnished water and sewer main pipe – no City installation</p> <p>Developments proposing substantial public benefit by incorporating affordable housing will be considered.</p>	
Responsible Party(s):	City of Hobbs.	
Funding Sources:	City of Hobbs.	
Targets/ Goals:	The City will evaluate the benefits of providing additional infrastructure assistance if more housing can be produced.	
Notes:	Consider infrastructure extension and prioritize along with development that is planned. Mostly planned areas that address housing needs could be given priority.	

Program	Priority 1	<u>Affordable Housing Incentive New Subdivisions...Min. 20 lots.</u>
Housing Produced:	Single Family or Multi-Family Sites.	
Program Description:	Minimum of 70% of the units must be offered & sold to households earning between 80 and 100 per cent of AMI. (violation triggers recovery of all city-furnished incentives).	
Responsible Party(s):	City of Hobbs.	
Funding Sources:	City of Hobbs.	
Targets/ Goals:	One Subdivision per year – 5 lots.	
Notes:	40' ROW's, 28' wide paving residential streets, 6" base - 4" asphalt (Maximum 500 feet in length) 4' sidewalk on both sides; <u>City-furnished water and sewer main pipe—pipe only; no City installation or trenching.</u> 6" fire lines, 4" non-fire, 'looping' required by developer. 8" sewer; sweep cleanouts allowed at dead-ends in lieu of manholes.	
Program	Priority 3	<u>Annexation policies.</u>
Housing Produced:	Produces multi-family and single-family homes, variety of income ranges, typically ownership.	
Program Description:	With cooperative municipal policies, developers may seek annexation to acquire and/or increase development potential. Because municipalities have broad discretion with annexations, policies can request the provision of affordable housing.	
Responsible Party(s):	Private Sector, City of Hobbs, Hobbs Planning Board.	
Funding Sources:	City of Hobbs	
Targets/ Goals:	The City will re-visit the potential for developing annexation policies in one year.	
Notes:	Level of effectiveness dependent upon annexation opportunities. However, few requests have been made for annexation for new housing areas since 2009.	

8. Homeownership Programs.

The Needs Assessment identified the importance of Homeownership programs as a significant priority of those Hobbs individuals responding to the survey. The free market provides few new housing opportunities for households with incomes between 80 and 100% AMI (purchase price around \$115,000 to \$144,000). This is further supported by interviews with local realtors, who noted that the market for units between about \$100,000 and \$150,000 is tight.

Program	Priority 1	<u>Private Non Profit Partnerships – Single Family Housing.</u>
Housing Produced:	Typically ownership units for 50-80% AMI households. Single family – both new units and re-sale rehabilitation homes.	
Program Description:	Typically ownership units for 50-80% AMI households. Single family.	
Responsible Party(s):	City of Hobbs, Habitat For Humanity.	
Funding Sources:	Habitat for Humanity, City of Hobbs, USDA, MFA / HUD.	
Targets/ Goals:	The city will evaluate the market in the future to determine the feasibility of forming a public private partnership to develop affordable ownership housing in Hobbs. The City will encourage local non-profit organizations to purchase re-sale houses to turn into owner occupied by 80% or lower AMI families as sweat equity fixer-upper homes.	
Target # of annual units:	The annual goal for production of single family units through a not for profit developer is 10 units per year.	
Notes:	Provides households that are normally priced out of the housing market with an opportunity to purchase a home, build equity and establish themselves in the community. Monitor ability for buyers to move-up to market housing upon sale of unit.	

Program	Phase I	<u>Encourage new housing product.</u>
Housing Produced:	Homeownership opportunities.	
Program Description:	“For Sale” Modular housing for below 80% AMI families that could be constructed in the \$50,000 to 110,000 range. The City may also consider offering discount to manufactured housing dealers for development of new manufactured homes. The City will also encourage other types of innovative housing projects, as long as they produce quality affordable housing in the City.	

Responsible Party(s): City of Hobbs, Private development community.

Funding Sources: City to provide regulatory and infrastructure incentives.

Targets/ Goals: The City will review new development proposals and work with developers to encourage a mix of products, including an average of 5 new units per year which are affordable to households making below 80% AMI. Non-subsidy projects will also be supported by the City, but without financial incentives from the City.

Notes: This category of housing involves working with the private sector to encourage private investment.

Program **Priority 1** **Affordable Housing Incentive – In-Fill Lot Re-Development Program.**

Housing Produced: Single Family or Multi-Family Sites.

Program Description: Minimum of 50% of the units must be offered & sold to households earning between 80 and 100 per cent of AMI. (violation triggers recovery of all city-furnished incentives).

Responsible Party(s): City of Hobbs, Local non-profit housing groups, private builders, developers and manufactured housing providers.

Funding Sources: City of Hobbs.

Targets/ Goals: 5 lots per year to be redeveloped.

Notes: The City has begun in 2010 a lien foreclosure program that is aimed at reducing the City's outstanding liens on privately owned real property in several areas of the City. The lien foreclosure parcels are auctioned off by the City. However, a large percentage of the lots are bought back by the City if no bids are made in excess of the City's lien amount. These excess lots are then proposed to be sold or conveyed to the above responsible parties to develop new, affordable housing. The City's priorities are for new detached or attached site built housing, new construction of modular housing, new development of new or nearly new manufactured housing. In the case of small "remnant lots" less than 35' in width, the City will attempt to sell these lots to the adjoining residential properties.

General Policy is to allow staff to make transfers based on Commission general policy and priority. Lot conveyances to Habitat

to Humanity should continue to reduce on the debt to Habitat by providing lots that they want. The City will not finance acquisitions. The priority is to have some action on the vacant lot to produce a decent affordable housing unit(s). The idea is to address the goal to get housing started, and not be concerned too much about a loss on a property.

For buildable lots, send out a brief solicitation to builders, housing providers, etc. Manufactured housing is OK. Do a covenant with 12 months to build/develop with building permit ready and construction to start shortly after closing, and a reversionary clause.

9. Rehabilitation of Existing Housing Stock.

Providing assistance for weatherization and rehabilitation of units to address high utility costs, unsafe surroundings, overcrowding, needed repairs and substandard living conditions is a priority.

Program **Priority 2** Weatherization & Rehabilitation Owner Occupied Housing.

Housing Produced:	Applicable to owner occupied housing, income restrictions apply.
Program Description:	Federal dollars will allow MFA's sub-grantees to perform up to \$6,500 in weatherization services in each home, up from the previous \$3,000 limit. In addition, families at or below 200 percent of the federal poverty level will be eligible to apply for assistance, up from 150 percent.
Responsible Party(s):	City of Hobbs.
Funding Sources:	US Department of Energy.
Targets/ Goals:	The city will work with the ERHA participating agencies to expand the weatherization program in Hobbs. The goal is to have the expanded program up and running by 2012.
Target # of units:	The initial goal is to acquire funding for the weatherization of 20 units in 2011.
Notes:	There are limited funds available from the Federal Government and the program could benefit from contributions from the City or other non-profit entities. A successful program requires staffing.

Program **Priority 3** Owner Occupied Home Rehab. grants and low interest loans.

Housing Produced:	Housing assistance, not production.
Program Description:	Renovation loans are used to make improvements to an existing property. They can be used to make simple up-grades to a home, such as a kitchen or bath improvement, or to completely re-construct a home that is presently un-livable. They can also be used to tear down an existing structure and re-build a new one using some portion of the existing foundation, or to move a building you purchase or own onto land that you purchase or own.
Responsible Party(s):	City of Hobbs, Outside expertise
Funding Sources:	FHA 203(K) Rehab Loans; HOME funds, MFA, USDA

Targets/ Goals: The City will initiate conversations with local organizations and non-profits to try to expand the rehabilitation program in Hobbs.

Notes: The overall condition of homes is the most direct indication of the need for repair, rehabilitation or replacement. Overall, 11% of residents (1,300 households) indicated their homes are in poor or fair condition. Currently, for households with below 50% AMI, a grant up to \$50,000 can be obtained for home rehabilitation. For households with incomes between 50% and 80% AMI, up to \$50,000 can be obtained with low interest loans from 1-4% .

Program **Priority 2** **Sweat equity/ fixer upper programs.**

Housing Produced: Typically ownership units for under 80% AMI households – but depends on needs in area. Single family. Both new home production and existing home renovation potential.

Program Description: New homes locals can own, built in part by themselves, volunteers and family. Program options could also encourage acquisition of older homes and renovation through sweat equity.

Responsible Party(s): Habitat for Humanity, Non profit or religious community organizations.

Funding Sources: Habitat for Humanity, Local groups, Local church affiliates & City of Hobbs. The City of Hobbs intends to exchange developed building lots to community housing organizations such as Habitat for Humanity in exchange for providing affordable housing. The City may also consider cost sharing of minor infrastructure projects. Also, the City “owes” 6 building lots to Habitat for Humanity, based on a donation of land for a park site that Habitat made in 2008.

Targets/ Goals: The City will support Habitat for Humanity in expanding their services, and in potentially providing opportunities for higher-income households to use sweat-equity ownership.

Notes: Opportunity to use and renovate existing housing stock to improve occupancy and suitability of existing units. Satisfaction with being involved in own home construction.

Program **Priority 2** **Urban Renewal and Residential Demolition Incentive Policy.**

Housing Produced: Typically ownership units for under 80% AMI households – but depends on needs in area. Single family or multi-family. Primarily for existing home renovation potential to rid property of damaged or dilapidated structures and portions of existing units.

Program Description:	Remodel and new homes that local citizens can use to assist in cleaning up the property at the start of a project. The program greatly improves the local area of the block and neighborhood.
Responsible Party(s):	Individual property owners, housing organizations, builders & remodel contractors..
Funding Sources:	City of Hobbs. The City of Hobbs intends to appropriate \$250,000 to this program. The structures must be ruined, damaged or dilapidated. The owner submits a plan to the Environmental Department to obtain a permit. The City will provide up to two 40 foot roll-off dumpster units and will pay for all hauling & landfill fees.
Targets/ Goals:	The City will support neighborhood revitalization with this program. The program could be used to raze house or outbuildings as part of a building improvement program. The initial goal would be 10 units per each year.
Notes:	Opportunity to use and renovate existing housing stock which will improve neighborhood stability, reduce opportunities for crime and youth problems, and improve property values.

10. Buyer Assistance, Training and Available Resources.

The needs assessment identified significant problems in Hobbs with credit and a general understanding of budgeting and household economics. These problems are exacerbated by the cyclically high wages of the oil companies (with significant amounts of overtime available periodically). Further, a local culture of above average expenditures for recreation equipment, vehicles and other large discretionary purchases also impacts the ability of some households to make budgetary decisions that address all aspects of household subsistence including housing, food and child support. These problems are compounded by the fact that available resources for housing assistance, including both rental and ownership, are complex to understand and communicate.

Program **Priority 2** Down payment assistance.

Housing Produced: Housing assistance, not production.

Program Description: Provides grants or no-interest or low-interest loans to buyers to cover down payment costs. Programs may have time limits to determine grant versus loan – e.g. if they occupy the home for over five years, it's a grant; if they resell within 5 years, it's a loan with a minimum standard of the AHA.

Responsible Party(s): City of Hobbs, ERHA.

Funding Sources: NMMFA, private funds into a revolving loan type program

Targets/ Goals: The City will initiate conversations with the ERHA to discuss expanding the down payment assistance program in Hobbs.

Target # : The annual goal for down payment assistance is 24, although it may be difficult to track successful applicants.

Notes: Current programs primarily target below 80% AMI and some below 100% AMI. Expand education/ promotion of higher-income assistance programs (little knowledge of programs serving > 80% AMI in the community). Explore assistance for higher income households (up to 120% AMI).

Program **Priority 3** First time homebuyer education.

Housing Produced: Housing assistance, not production

Program Description: This would involve working with current lending agencies and a local housing counseling organization to expand current homebuyer education efforts.

Responsible Party(s): City of Hobbs, ERHA

Funding Sources: ERHA, Local Banks, Outside entities

Targets/ Goals: The City will coordinate with a local organization approved by NMMFA to conduct community outreach and increase current class attendance in 2011.

Notes: Classes are not currently offered in Hobbs. Community outreach will be important to boosting attendance.

Program Priority 4 Consider Developing a housing code.

Housing Produced: Does not produce units but provides health and safety measures to all residents.

Program Description: A housing code sets minimum standards for all dwelling units, with priority on rental units. For example: the provision of safe potable water, proper waste disposal, bath and kitchen facilities, heating systems, floors, walls, ceilings, windows and doors in acceptable condition and tight roof.

Responsible Party(s): City of Hobbs

Funding Sources: City of Hobbs

Targets/ Goals: The City will begin the process of developing a housing code with the goal of having it drafted and reviewed in 2012.

Notes: The development and enforcement of a housing code may alleviate some of the problems with households living in substandard conditions, particularly renter households.



CITY HALL
HOBBS, NEW MEXICO

City of Hobbs

Housing Study

April – 2010

Planning Division
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Hobbs, NM 88240



IT ALL HAPPENS HERE.

City of Hobbs

**City of Hobbs Housing Study – 4/12/2010
Draft**

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City of Hobbs Housing Study – April 2010

Introduction, Purpose and Intent.

The purposes of this City of Hobbs Housing Study are as follows

- ** This City of Hobbs Housing Study is to be considered as a part of the City of Hobbs Housing Plan when combined with the Hobbs Housing Assessment – 2009, as produced by the Maddox Foundation.
- ** The City of Hobbs Housing Study provides a geographic data set with mapping and enumeration of housing characteristics and housing quality within each section of the City of Hobbs. The Study is to be considered as an update to and an amendment to the Hobbs Comprehensive Plan, as an update.
- ** The City of Hobbs Housing Study provides a study of housing conditions, along with mapping to show general locations of a variety of factors including multi-family housing, mobile home parks, substandard housing locations and recent condemnation actions by the City.
- ** The City of Hobbs Housing Study provides a valuable update on local economic activity including a report on housing market trends and actual studies of housing vacancy rates in view of the current economic slowdown that the City has experienced in 2009 and 2010.
- ** The City of Hobbs Housing Study is intended to guide the orderly growth and development of Hobbs in accordance with the Hobbs Comprehensive Plan. The Housing Study will provide basic information to direct future City policies to specific areas of the City for new housing rehabilitation programs and investments; neighborhood and community development projects; and condemnation and demolition activities. The Housing Study will help protect the citizens of Hobbs from adverse impacts in the City's residential areas related to dilapidated and deteriorating housing stock.

City of Hobbs Comprehensive Plan and Housing.

The City of Hobbs adopted a new Comprehensive Community Development Plan in 2004 (the "2004 Plan"). However, several important elements such as Urban Growth Strategy, Major Thoroughfare Plan and a Housing Study were not included as part of the 2004 Plan. The Hobbs Urban Growth Plan and Major Thoroughfare Plan were adopted separately in 2005 and 2006. The City staff has been working on various parts of this Housing Study as time permits since the fall of 2007.

Chapter Seven of the 2004 Plan contained sections on Housing and Neighborhoods,

Housing Affordability, Future Housing Needs, and Housing Diversity. However, there was no physical study of housing type or conditions. Regarding projected housing need, the report indicated a projected population increase of 5,343 persons during the 16 year period through 2020, including a need for about 1,964 in new housing units. The land area projected to be needed in the 2004 Plan for the new housing was a minimum of 575 acres. The Comprehensive Plan outlined numerous obstacles to creating new housing such as abundant, low cost housing in areas outside the City limits, unfavorable market conditions and stagnant population growth with no employment growth for several years prior to 2004.

2. Hobbs Economic Trends 2004 to 2010.

Hobbs Growth Period & Housing Expansion 2004 to 2008.

Starting in the latter part of 2004 and continuing through 2009, a substantial period of growth and development occurred in Hobbs. Leading the growth scenario was increased employment and increased activity in the oil and gas industry, which is by far the largest component of Hobbs' economy. Table 1, Summary of Hobbs Growth and Area Statistics is presented on the following page. In 2005, the new Zia Park Racetrack and Casino was approved and started operations creating about 250 new jobs in Hobbs. In 2006, construction was started on the new nuclear private uranium enrichment plant and industry, Urenco and its subsidiary, Louisiana Energy Systems (LES) located near Eunice 20 miles south of Hobbs. With the addition of this new industry and the potential for additional co-located related nuclear businesses in the future, several hundred new basic jobs are now projected to be added to the Lea County and Hobbs workforce over a several year period through 2014 when construction is scheduled to be completed. In 2006 through 2008, Hobbs noticed a substantial influx of temporary workers for new construction activity to build major new facilities at LES plus a new 500 MW power plant by Xcel Energy. At the same time, a boom in oil field work was spurred by higher oil prices which reached a top price of almost \$150/barrel in the July of 2008.

All this local growth of permanent and temporary new employment created a rapid demand for all forms of housing including new subdivisions, large developments, new apartment complexes, mobile home parks and RV parks. The local news media had frequent articles on the local housing shortage and solutions to resolve this problem. Worker housing was a problem for local companies trying to bring in new workers. Developers were active with numerous proposals for City utility extensions and many new annexations totaling 3,153 new acres were brought into the City limits through 2009. Additionally, subdividers and developers asked for Planning Board approval of new subdivisions comprising 1,500 acres, producing thousands of new planned homesites. The rush to provide lodging and housing for new workers was on. In 2007 and 2008, monthly rent per housing unit at \$1,500 to \$2,500 was common in ads for rental housing in the local paper. Several large existing apartment complexes in Hobbs were sold to out of town investors, and existing rents of \$500 to \$700 per month were immediately doubled by some of the project managers.

SUMMARY

City of Hobbs Growth & Area Statistics

Calendar Year	# of Annexations Each Year	City Area & Annexation Acreage	City Subdivision Acreage *	# of New Site Built Homes *	# of Hotels	# of Hotel Rooms	# of Apartments In Apartment	# of RV Park Spaces	# of City Water	# of City
	Sewer Meters	(Estimated)	(Estimated)	Permitted			Buildings		Meters	
Total # Prior To Year 2003 *	10,933	12,226.8	6,630	10,548	15	631	1,027	125	10,833	2008
2003	0	-0-	-0-	28	-0-	-0-	-0-	-0-	-12	
2004	2	330.06	34.7	47	1	45	-0-	-0-	26	
2005	1	9.94	88.4	41	1	67	60	-0-	160	
2006	5	172.76	404.1	50	-0-	-0-	-0-	90	-124	
2007	7	977.16	935.15	113	-0-	-0-	12	88	373	
2008	6	732.78	30.4	92	5**	456	212	-32 ***	308	373
2009	4	930.83	-0-	17	-0-	-0-	-0-	-0-	-31	-20
2010			-0-	4	-0-	-0-	-0-	-0-	-76	-77
Thru February										
2003-2009 Subtotals	25	3,153.53	1,492	392	7	568	284	146	624	276
Totals – Jan. 31, 2010	11,209	15,380.33	8,122	10,940	22	1,199	1,311	271	11,457	
* Estimated Data for City and Extra-territorial planning/inspection areas.										
** In 2008, 5 hotels were opened and 1 hotel closed.										
*** Long Term HIAP RV Park Closed 12/31/08										

Source: *City of Hobbs Planning Division*

A numerical listing of growth experienced during the period from 2004 through February of 2010 is shown below. The table includes growth data of all forms of housing stock and temporary lodging.

Table 2

City of Hobbs Housing Statistics – 2004 through February 2010.

# of new Site Built Homes	392
# of new Apartment Units	284
# of new manufactured homes	91
# of used manufactured homes	177
Total # of manufactured homes	268
Total additional housing units	1,212
# of new hotels	7
# of additional hotel rooms	568
# of new RV Parks	2
# of additional RV spaces	146
Total # of new lodging rooms	714

Hobbs Economic Decline Since 2009 & 2010.

However, due to national and international economic and financial problems occurring in the fall of 2008 and early 2009, the price of oil plummeted from a high of \$149/barrel in the summer of 2008 to a low of barely \$39/barrel in early 2009. Consequently, the Hobbs oil and gas economy reacted to national trends causing rapid de-escalation and a contraction of the employment starting in the fall of 2008. A 2009 survey of employment conducted by the City Planning Department (to secure a federal grant) found a loss of approximately 1,350 basic jobs in the local oil and gas sector of Hobbs places of employment. This reduction occurred between peak oilfield employment on July 1, 2008 and the post boom date of April 1, 2009. City gross receipt tax revenues declined about 35% to 38% in almost every month after March of 2009, when comparing the same month of 2009 with 2008. Many local Hobbs and Lea County businesses reported similar drops in revenue due to cutbacks in the oil and gas industry.

The local housing market reacted accordingly with a swift halt to new housing construction and extensive vacancies were noted in rental housing. The shrinking demand for new site built homes curtailed many local developer's plans. Of the total new subdivision acreage planned from 2005 thru 2007 of almost 1,500 acres, only about 147 acres were brought into final plats with new streets. About 352 new lots were finalized with new final plats through 2009 in Hobbs and the 5 mile planning area (not including summary subdivisions).

With the loss of over a 1,400 basic jobs in the oilfield industry and eventually many more

in service sector jobs, a rapid decline in population occurred in Hobbs in 2008 and 2009. A concurrent drop in temporary construction employment also was noted at the same time with completion of major projects in the Hobbs region. A high percentage of the oilfield workers laid off in late 2008 were living in rental housing units. As a result, the demand for rental housing in Hobbs contracted sharply with numerous vacancies. Table 3 shown below illustrates vacancy rates in Hobbs' rental housing as surveyed by the Planning Department in January of 2010. While some rental groups or projects show very limited vacancies, vacancy rates of some rental housing companies exceed 50%.

Table 3

Survey of Hobbs Rental Housing & Vacancy Rates
January 2010

Housing Type	Total # units & # Of Vacant Units (If known)	Vacancy Rate
Apartment Complex #1:	86 total – 35 vacant	40%
Apartment Complex #2:	110 total – 23 vacant	20.9%
Apartment Complex #3	110 total – 5 vacant	4.5%
Apartment Complex #4	24 total – 0 vacant	0%
Apartment Complex #5	60 total – 16 vacant	26.7%
Apartment Complex #6	38 total – 8 vacant	21.0%
Realtor/Owner #1	50 total – 5 vacant	10%
Real Estate Management Co. #1		
SF Housing – Houses	150 total – 40 vacant	26.7%
Office	30 total – 0 vacant	0% office
Retail	36 total – 3 vacant	8.3%
Real Estate Management Co. #2		
SF Housing - Houses	50 total – 12-13 vacant	25%
Apartments	300 total – 200 vacant	66.7%
Overall (Average) vacancy Rates of those places surveyed:		
Apartments	287 vacant units out of 728 total	39.4%
Houses	55 vacant units out of 250 total	22%
Overall Average	342 vacant units out of 978	34.96%

Hobbs MLS Houses for sale 110 houses Now on the market For Sale – Includes 5 mile rural area
In City Limits - only 86 housing units are on the market for sale
 (250 to 350 houses on the market are needed in Hobbs - Nothing available from \$150,000 and less)

Data Source: City of Hobbs Planning Department phone call survey of several large housing rental and apartment projects in Hobbs – January 8 thru January 13, 2010. No subsidized housing was included.

3. City Survey of Housing Conditions and Housing Quality 2010.

How and When the Housing Survey Was Conducted.

The City of Hobbs Planning Department conducted an on-going survey of housing starting in the fall of 2007 with a survey of apartments and hotels. The apartment and hotel survey was updated annually and was finally completed in early 2010.

In 2008, the City approved a new Manufactured Housing Ordinance to address increasing numbers of un-permitted used mobile homes being moved into the City. As a part of the Manufactured Housing Ordinance, the City mapped and established Planning Districts for Mobile Home Parks, Mobile Home Subdivisions and RV Parks. All mobile home and RV parks were surveyed during 2008 for total number of spaces, number of housing units, etc. The mobile home and RV parks surveys were updated in 2010. As a note on information, RV parks in Hobbs are typically used as transient housing on multi-year bases for construction workers.

The staff completed the Housing Survey between May of 2009 through early 2010 with a windshield survey of all housing units within the City limits. No housing units were surveyed outside the City limits. The survey only considered exterior conditions of detached housing units; and did not include inspection or survey of the interior of any units. Except in only one instance, all apartment projects were rated as Standard condition, although certain projects show some signs of deterioration. The City survey did not include inspection or survey of the interior of any apartment units. However, the City Building Inspection Office and the Environmental Division have received and investigated complaints in at least 2 large housing projects in the past year.

Definitions of Housing Condition Terms.

The exterior housing survey described housing conditions based on the condition of each housing unit. Definitions of housing descriptions and housing quality terms used are as follows:

Standard Condition or Standard Housing Unit – A Standard Housing Unit is one which, based on an exterior inspection, appears to meet City Building Codes and has low or very limited maintenance issues in appearance or structural details.

Deteriorated Condition or Deteriorated Housing Unit – A Deteriorated Housing Unit is one which, based on an exterior inspection, appears to need major maintenance work, in either appearance or structural details. Examples are a sagging roof line, roof tiles missing, broken windows or doors, or where the entire exterior needs painting. For mobile homes, improper or missing skirting, and bent or crooked roof lines would indicate a deteriorated condition. A Deteriorated Housing Unit may or may not meet all terms of the City's Building Codes.

Dilapidated Condition or Dilapidated Housing Unit – A Dilapidated Housing Unit is defined

as a housing unit which, based on an exterior inspection, appears to be too costly to repair and major repairs are needed to create a Standard Housing Unit. In all likelihood, it may be more efficient to demolish the unit and start over with a new structure. Questions may abound if the dilapidated unit can provide a safe and decent housing unit capable of human habitation. Examples are seriously deteriorated and broken roof lines or other obvious major structural problem; missing wall sections, windows or doors; inability to close in the unit or to keep the unit heated; or where the entire exterior needs significant repairs. For mobile homes, dilapidated conditions would be evidenced by older pre 1976 units with potential electrical wiring problems, or units with obvious major structural problems.

Sub-Standard Housing or Sub-Standard Housing Unit – Any combination of Deteriorated or Dilapidated housing units as defined herein.

Site Built Housing Units – Housing units that are constructed in place on site or on a lot or parcel including modular housing.

Single Family Detached Housing Units – Housing units that are not connected by a common wall to any other housing unit, including site built units, modular structures, mobile homes and manufactured housing.

Multi-Family Housing Units or Apartments – Housing units that are constructed in place on site or on a lot or parcel, that are connected by a common wall to other housing unit(s), and include duplexes, triplexes, fourplex housing and larger number of apartments. The data herein for Apartments does not include mobile home parks or RV parks.

Mobile Home – Single Wide (Trailer), Manufactured Housing or Multi-Section Manufactured Home - As used in the New Mexico Manufactured Housing and Zoning Act [3-21A-1 NMSA 1978]: “mobile home means a movable or portable housing structure larger than forty feet in body length, eight feet in width or eleven feet in overall height, designed for and occupied by no more than one family for living and sleeping purposes that is not constructed to the standards of the United States Department of Housing and Urban Development, the National Manufactured Housing Construction and Safety Standards Act of 1974, and the Housing and Urban Development Zone Code 2 or International Building Code, as amended to the date of the unit’s construction or built to the standards of any municipal building code. Also, the definition includes a “multi-section manufactured home” or modular home that is a single-family dwelling with a heated area of at least thirty-six by twenty-four feet and at least eight hundred sixty-four square feet and constructed in a factory to the standards of the United States Department of Housing and Urban Development, etc., and anchored pursuant to permanent foundation regulations.

Modular Housing or Modular Structures – Residential Housing and other structures which are regulated pursuant to the State of New Mexico Administrative Code Title 14, Housing and Construction, Chapter 12 Manufactured Housing, Part 3 Modular Structures. While there are few of these types of housing units in Hobbs, modular units

were classified as site built homes in the housing survey.

Recreational Vehicle or Travel Trailer - Recreational vehicle shall have the meaning provided in Section 15.05.010 of the Municipal Code: a vehicle which is: (1) built on a single chassis; (2) four hundred (400) square feet or less when measured at the largest horizontal projection; (3) designed to be self-propelled or permanently tow-able by a light duty truck; (4) designed primarily not for use as a permanent dwelling but as a temporary living quarters for recreational, camping, travel or seasonal use.

4. City-Wide Housing Condition and Characteristics.

Overall housing statistics are noted in the Table 4 on the following page. Of the total 10,943 single family detached units in Hobbs including site built and mobile homes on individual lots, 90.9% were deemed to be of standard quality based on the survey. There were 273 units noted as dilapidated condition and 772 noted as in deteriorated condition, or a total of 995 units or a percentage of 9.09% listed as substandard.

Of the total of all housing units within the City limits of 13,588 including all detached units, mobile homes in mobile home parks and apartments, there are a total of 12,383 housing units noted as standard or 91.13%. There were 353 units classified as dilapidated condition and 852 classified as deteriorated condition, or a total of 1,205 units or a percentage of 8.87% surveyed as substandard.

Table 4
**City of Hobbs Compiled Housing Data
City Wide**

Single Family Detached Housing Units

Standard Site Built 9295	Deteriorating Site Built 564	Dilapidated Site Built 232	Total Site Built Housing Units 10091
Standard Mobile Home 653	Deteriorating Mobile Home 158	Dilapidated Mobile Home 41	Total Mobile Homes 852

Table 4 (continued)

Single Family Detached Housing – Summary Statistics

Total Single Family Units	10943
% Site Built	92.21%
% Standard Site Built	84.94%
% Deteriorating Site Built	5.15%
% Dilapidated Site Built	2.12%
% Mobile Homes	7.79%
% Standard Mobile Home	5.97%
% Deteriorating Mobile Home	1.44%
% Dilapidated Mobile Home	0.37%

**Multi - Family Housing Projects
Apartment Projects**

Standard Units	Sub-Standard Units	Total Units **
NA	26	2234

Mobile Home Parks

Standard Units	Deteriorating Units	Dilapidated Units	Total Units
227	104	80	411

Housing Condition –Total of All Units

Standard	Deteriorating	Dilapidated	Total
10149	852	353	13588

Notes: ** RV Parks and Hotels were not included in the count of total housing units. However, tables showing RV Park occupancy and total RV spaces, and Hotel data are noted in the Appendix.

** Although most apartment projects in Hobbs were clearly of Standard condition based on an exterior inspection, there is one project on East Bender with 26 units that has numerous deteriorated and some dilapidated units. As noted above, the City has received and investigated complaints in at least 2 large housing projects since January of 2009.

Table 5

**Mobile Homes and Manufactured Housing Statistics
City Wide Statistics**

Single Lot Mobile Home				% Sub-standard
Standard	Deteriorating	Dilapidated	Total	
653	158	41	852	23.35%
Mobile Home Parks				
Standard	Deteriorating	Dilapidated	Total	
227	104	80	411	44.77%
Total Mobile Homes				
Standard	Deteriorating	Dilapidated	Total	
880	262	121	1263	30.32%

Individual Listings of all Apartment Projects, Mobile Home Parks, RV Parks and Hotels are included in the Appendix hereto.

City-Wide Housing Conditions.

Statistics concerning housing conditions of single family detached housing have been mapped and are shown on maps which follow. Map 1, City of Hobbs Housing Quality Map shows housing conditions and housing quality on a fold-out map. Following the fold-out map is an Index Map showing the City divided into the 31 sections of land within the City limits containing detached single family housing. To summarize the geographic location of areas needing housing improvements, Table 6 compares the housing quality of areas north and south within the City. Those areas in the north or north of Sanger Street have a low percentage of problem housing at 1.62% of single family detached units, including site built and manufactured houses. South of Sanger Street, the incidence of substandard housing is greater than 20.5% of all single family houses.

Table 6
Housing Conditions - North and South Hobbs
Single Family Detached Housing Units Only (Site built and Manufactured Homes)

Map #	Total Units	Standard Units	# of Sub-Standard Units	% Sub-Standard
North of Sanger St.	6,611	6,504	107	1.62%
South of Sanger St.	4,332	3,444	888	20.50%

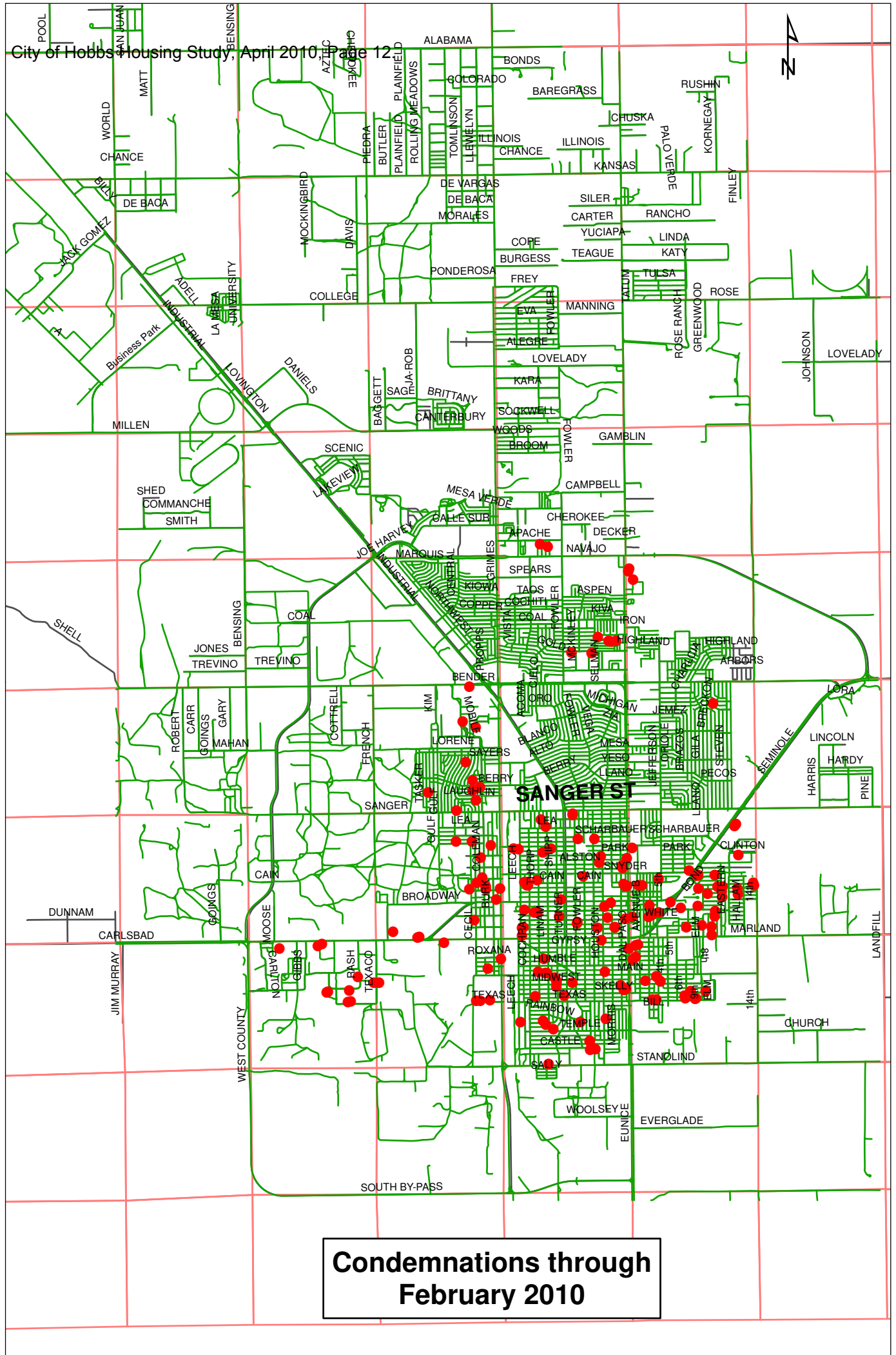
Table 7 on the following page shows indicates Housing Quality and Housing Conditions within each of the 31 sections of land in the City containing housing. Each of these sections are mapped and shown with the Index Map in the Appendix.

Table 7
Housing Data – Housing Conditions Per Each Section of Land
(Refer to Housing Index Map To Locate Each Map Area)
Single Family Detached Housing Units Only

Map #	Total Units	Standard Units	Deteriorating Units	Dilapidated Units	% Sub-Standard
1	0	0	0	0	0%
2	41	41	0	0	0%
3	3	3	0	0	0%
4	36	36	0	0	0%
5	0	0	0	0	0%
6	97	97	0	0	0%
7	0	0	0	0	0%
8	295	293	2	0	0.67%
9	41	35	6	0	14.63%
10	0	0	0	0	0%
11	0	0	0	0	0%
12	1044	1044	0	0	0%
13	1074	1061	10	3	1.21%
14	413	409	4	0	0.97%
15	0	0	0	0	0%
16	16	16	0	0	0%
17	766	712	41	13	7.05%
18	1404	1392	12	0	0.85%
19	1381	1365	15	1	1.16%
20	0	0	0	0	0%
21	6	6	0	0	0%
22	327	276	42	9	15.60%
23	882	730	112	40	17.23%
24	867	724	101	42	16.49%
25	0	0	0	0	0%
26	102	79	10	13	22.55%
27	69	46	12	11	33.33%
28	1673	1306	272	95	21.94%
29	406	277	83	46	31.77%
30	0	0	0	0	0%
31	0	0	0	0	0%
Totals	10,943	9,948	722	273	9.09% average

Condemnation Actions of the City of Hobbs – 2007 to 2010.

The following map shows the Location of City Condemnation Actions on the next page with a total of 134 condemnation actions noted by the City during the period from 2007 through February 2010. While the condemnation actions are for all types of buildings including commercial and accessory structures, the locations give an indication of geographic areas of the City that need improvement programs including housing rehabilitation. The reader will note that significant concentrations of these actions occurring south of Sanger Street. Other areas with notable condemnation actions



include areas of Bellamah Addition west of Coleman Street; and areas east of Fowler St. and north of Bender Boulevard.

Table 8 indicates those ¼ section areas of 160 acres each which are experiencing the highest level of substandard housing in the City. Each of these six quarter (¼) section areas includes substandard housing areas in excess of 30%. The quarter sections are mapped and shown with their location within the City in the Appendix of this report.

Table 8
Hobbs Housing Condition – Specific Areas
¼ Section Housing Maps and Data (Includes Map Index Sheet)
Single Family Detached Housing Units Only (Site built and Manufactured Homes)

Map Area	Total Units	Standard Units	Sub-Standard Units	% Sub-Standard
NW1/4 Map 28	281	169	112	39.86%
NE1/4 Map 29	113	73	40	35.40%
NE1/4 Map 27	69	46	23	33.33%
NE1/4 Map 28	344	232	112	32.56%
NW1/4 Map 29	268	183	85	31.72%
NE1/4 Map 26	45	31	14	31.11%

5. City-Wide Housing Characteristics.

Table 9 on the following page indicates Housing Type and Housing Characteristics within each of the 31 sections of land in the City. Maps are shown in the Appendix to show the location of all Apartment Projects and Mobile Home Parks within the City. Tabular information on Apartment Projects and Mobile Home Parks is shown in the Appendix hereto.

Table 9
Hobbs Housing Data – Total Housing Units & Housing Characteristics
Per Each Section of Land On Index Map

Map #	Total Units	Site Built Units	Mobile Homes	Apartment Units
1	0	0	0	0
2	41	1	40	0
3	3	2	1	0
4	36	36	0	0
5	0	0	0	0
6	97	97	0	0
7	0	0	0	0
8	667	295	0	372
9	137	32	9	96
10	4	0	0	4
11	2	0	0	2
12	1132	1044	0	88
13	1455	1007	67	381
14	725	413	0	312
15	0	0	0	0
16	16	16	0	0
17	774	759	7	8
18	1408	1404	0	4
19	1747	1377	4	366
20	0	0	0	0
21	6	6	0	0
22	335	285	42	8
23	1018	717	165	136
24	1231	665	202	364
25	0	0	0	0
26	102	71	31	0
27	69	58	11	0
28	1715	1473	200	42
29	457	333	73	51
30	0	0	0	0
31	0	0	0	0
Totals	13,177	10,091	852	2,234

5. Conclusions & Recommendations

Hobbs Housing Trends and Needs 2010

Hobbs Economy – April 2010 – The local economy of Hobbs and Lea County appears to be stabilizing somewhat. Although the unemployment rate for Lea County was still as high as 9.1 in January 2010, a few oil and gas employment ads are being noticed on a regular basis in March and April. Oil field service companies are now beginning to hire new employees, especially CDL qualified drivers and technical positions. The City's gross receipts tax collections appear to have stabilized and there is some increase shown over the past 3 months compared to the prior 6 month period. Tax collections are still running about the same as 2006 and 2007 levels, with collections for March 2010 still down from 2009 totals but only 17.85% off.

Housing trends for sale of existing or re-sale homes may have stabilized. The number of houses on the market for sale is around 200 units (April 1, 2010), but this number should be much greater, as many as 500 to 700 should be expected to be on the market in a City the size of Hobbs. Houses appear to be selling faster, but a serious problem now exists with loan qualification for prospective buyers. Due to extensive tightening of loan qualification standards in the past year, a large percentage of potential buyers can not achieve loan approval, or can not be approved for a high enough loan amount to purchase the desired housing product.

Building Permits for new houses in Hobbs has slowed considerably in 2009 and 2010. In 2009, only 17 new site built houses were permitted, compared to a total of 242 new homes in the 2 year period of 2007 thru 2008. At the same time, there were 44 mobile homes brought into the City in 2009 with 31 or 70.5% being used mobile homes more than 10 years of age imported into the City. During the first 3 months of 2010, only 7 new site built homes have been permitted, while 9 mobile homes have been permitted.

Regarding rental of apartment units, vacancy rates may have moderated some in April versus January. Vacancy rates of site built houses and town homes appear to have also moderated.

Housing Rehabilitation - Substantial needs exist in the City of Hobbs for housing improvement. There may be as many as 500 single family housing units needing major or minor rehabilitation. There are probably another 250 units needing to be considered for condemnation actions. These are located primarily in areas of South Hobbs, with specific concentration areas previously identified in prior sections. In addition to the above needs, there could be many more homes throughout the City classified herein as Standard that could possibly use weatherization improvements. Region 6 Housing Authority has recently received substantial ARRA funding for housing rehabilitation, and this agency should be encouraged to start a local office to undertake housing rehabilitation projects with a permanent construction crew.

Housing Needs – Low and Moderate Income Groups - Due to the substantial number of families below or near the poverty level in Hobbs, there is a need to provide or develop

housing units within the City for low and moderate income groups. These needs include multi-family rental projects for families with rental subsidies for certain units; senior housing with partial rent subsidies; and assisted living apartments. New single family housing developments are needed to address the high incidence of substandard. Needs of multi-family and senior housing are being addressed by developers new to Hobbs using tax credit subsidy of the New Mexico Mortgage Finance Authority. Housing assistance plans through Habitat for Humanity and Region 6 Housing Authority should be expanded.

City Housing Task Force - The City Commission should consider the need to create a City Commission appointed Housing Task Force to study housing problems and develop specific recommendations to resolve the numerous problems. The group should recommend implementation policies and actions for a wide variety of housing issues and problems involving programs provided by several housing related agencies and private developers serving Hobbs. Promotion of new housing projects by the City should be undertaken. Activities should include locating and acquiring appropriate sites, pledging support to the State for new allocations, preparing developer agreements to foster new projects, and infrastructure improvements as needed to assist new housing. New policies should be advanced to 1) increase development standards for mobile home installation to lessen the number of haphazard new mobile homes being moved into the City limits; and 2) consider adopting a Housing Code to undertake code enforcement activities to address the numerous complaints arising from rental housing projects. The City Commission should also designate the City Planning office to monitor and coordinate Housing Improvement Programs with the Task Force.

APPENDIX

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Overall City Housing Map (Fold out map or inside rear jacket flap)	
Index Map	
Map 1	
Maps 2 through 31	
Apartment Map	
Mobile Home Park Map	
RV Park Map	
Hotel Map	

Table A1
Mobile Home Parks Information

Mobile Home Parks

Total Mobile Homes	416
% Standard	54.57%
% Deteriorated	25.00%
% Dilapidated	19.23%
% Vacant	2.64%

Table A2
RV Parks Information

RV Parks (2-16-2010)

Name	Occupied	Vacant	Total Spaces
Jims RV Park	14	10	24
Harry McAdams	1	15	16
Burnell RV Park	26	27	53
Zia Rvillas	72	33	105
Shows RV Park	7	3	10
North Park RV Park	63	22	85
Texaco RV Park	13	4	17
WCR RV Park	13	9	22
Total	209	123	332

Individual Listings of all Apartment Projects, Mobile Home Parks, RV Parks and Hotels are included in the Appendix hereto.

Table A3
SURVEY OF HOBBS APARTMENT & MULTI-FAMILY HOUSING PROJECTS
 Summer & Fall of 2007
 Updated February 2010

Name or Housing Type	Address	Total # units	Year Built	Sec. #
Summerwind Terrace	16 Stonecrest Ct.	52	1982	15 38S,19S
Two Fourplex Buildings	702 Calle Sur	8	?	16 38S,19S
One Fourplex Building	609-615 Calle Sur	4	?	16
One Fourplex Building	703-709 Calle Sur	4	?	16
Windscape Apartments	3901 N. Central	210	2008	16
Calle Sur Apartments	Calle Sur	24		16
Calle Grande Apartments	4100-4018 N. Calle Grande	8		16
N. Apodaca Condos	4000-4167 N. Apodaca	26		16
N. Grimes Apartments	4001-4145 N. Grimes	23	1970's	16
Jumariah Apartments	4117-4131 N. Grimes	8		16
N. Central Fourplex Buildings	3501-3531 N. Central	16		21
N. Central Duplex	3609-3615 N. Central	2		21
N. Central Condominiums	3311-3419 N. Central	9		21
W. Caprock Duplexes	1205-1239 W. Caprock	4		21
W. Caprock Duplexes	818-830 W. Caprock	4		21
W. Caprock Condominiums	901-1205 W. Caprock	30		21
Eagle Ridge Apartments	3321 N. Dal Paso	86	2009	22
One Fourplex Building	105 Wolfcamp	4		22
St. Anne Apartments	310-318 E. St. Anne	16		22
Two Fourplex Buildings	314 E. St. Anne	8		22
Two Fourplex Buildings	322-324 E. St. Anne	8	?	22
St. Anne's Place	212 to 304 E. St. Anne	24		22
Sunset Drive Duplexes	Sunset Drive	5		22
E. Aspen Apartments	721-735 East Aspen	8		22
E. Aspen Condominiums	620-734 East Aspen	16		22
W. Kiowa Apartments	400 – 518 W. Kiowa	36		22
Carefree Apartments	501-509 W. Kiowa	16		22
N. Houston Apartments	2418-2516 N. Houston	16		22
N. Houston Condominiums	3000-3015 N. Houston	13		22
N. Montgomery Complex	3001-3019 N. Montgomery	8		22
N. Houston Apartments	2600-2608 N. Houston	5		22
Sunset Drive Apartments	301-347 E. Sunset Dr.	24		22
West Cochiti Apartments	208-214 W. Cochiti	6		22
Cochiti Apartments	320-326 W. Cochiti	4		22
N. Acoma Apartments	3301-3321 N. Acoma	7		22
E. Copper Duplexes	402-418 E. Copper	20		22
E. Kiva Duplexes	400 E. Kiva	14 ??		22
Sunset Drive Duplexes	400-600 E. Sunset Dr.	20		22
Sunset Circle Apts.	Sunset Drive	8		22
Sunset Circle Duplexes	400-600 E. Sunset Circle	16		22
Wolfcamp Clearfork Housing	400 E. Wolfcamp	20		22
N. Vista Condominiums	3301-3321 N. Vista	16		22
Highland Apartments	2315 N. Jefferson	12	?	23

(Apartment Listing Table Page 2)

Four Seasons Apartments	2405 N. Jefferson	80	1970's	23
Regal Manor	1502 East Bender Blvd	60	1968	23
Woodleaf Apartments	3320 N. Dal Paso	152	1986	23
W. Bender Housing Complex	Behind 1026-1030 W. Bender	26		23
The Arbors	Ranchview Estates	42	2008-2010	24
Shadowridge Condominiums	812 E. Sanger	20	?	26
Bel Aire Apartments	2021 N. Jefferson	76	?	26
Casa Hermosa Apartments	920 E. Michigan	88	1977	26
Cielo Vista Apartments	901 E. Michigan	44		26
Jefferson House	2001 N. Jefferson	32		26
W. Berry Duplex	619-623 W. Berry	2		27
Three Fourplex Buildings	700 E. Park	12	1950's	34
Downtown Apartments	210 W. Dunnam	16	?	34
Rex Arms	110 E. Corbett	41	1948	34
Alston Apartments	605 E. Alston	14		34
Park St. Duplexes	408-412 E. Park	6		34
Park St. Triplex	402 E. Park St.	3		34
Clinton/Houston Duplexes		4		34
W. Clinton Triplex	300 W. Clinton	3		34
Willow Bend Villas	100 E. Marland Blvd.	60	2005	35
Broadway Apartments	1200 E. Broadway	78	1996	35
Sunrise Homes	1515 E. Scharbauer	33	1996	35
Hobbs Apartments	2001 E. Clinton Street	152	1960's	35
Eagle Park Apartments	806 N. Dal Paso	22		35
Main & Shipp Housing Complex	S. Shipp	16		3 38S,19S
S. Turner St. Triplex	1119-1123 S. Turner	3		3 38S,19S
Total Number of Multi-Family Housing Units		1,974		

Notes: Does not include mobile home parks or RV Parks.

Data Source: City of Hobbs Planning Department.

Table A4

Mobile Home Park Survey May 2008

ID Number	Section	Number of Spaces	Spaces Occupied	Mobile Homes	RVs	Vacant	Standard	Deteriorated	dilapidated	Standard vacant	Deteriorated vacant	dilapidated vacant
2008-MHP-14	2	5	5	4	1			2	2			
2008-MHP-15	2	2	2	2			1		1			
2008-MHP-02	3	7	7	7				7				1
2008-MHP-03	3	26	23	12	11	3	2	3	7			
2008-MHP-04	3	6	2	2		4			2			
2008-MHP-05	3	7	7	7			1	4	2			
2008-MHP-06	3	5	5	5				5				
2008-MHP-07	3	6	6	6					6			
2008-MHP-08	3	5	5	5				1	3			
2008-MHP-09	3	12	12	12				3	8			1
2008-MHP-10	3	8	7	6	1	1	2	2	2			
2008-MHP-11	3	4	4	4					4			
2008-MHP-12	3	5	4	4		1			4			
2008-MHP-13	3	4	4	4			3	1				
2008-MHP-01	0	85	41	27	14	44	24	2			1	
2008-MHP-27	5	25	25	22	3		19	3				
2008-MHP-22	2	36	28	25	3	8	10	7	2		2	4
2008-MHP-23	2	16	15	13	2	1	12	1				
2008-MHP-25	2	14	14	12	2		10	2				
2008-MHP-26	2	6	6	6			5	1				

	2											
2008-MHP-24	3	15	15	14	1		2	8	4			
	2											
2008-MHP-21	6	27	20	20		7	15	3		1	1	
	2											
2008-MHP-33	8	62	32	27	5	30	20	6	1			
	2											
2008-MHP-34	8	6	6	6		0	1	5				
	3											
2008-MHP-30	3	4	4	4			2	2				
	3											
2008-MHP-31	3	29	24	19	5	5	1	15	8			
	3											
2008-MHP-32	3	4	4	4				3	1			
	3											
2008-MHP-16	4	9	9	9				6	3			
	3											
2008-MHP-19	4	8	4	4		4		1	3			
	3											
2008-MHP-20	4	31	28	19	9	3	2		17			
	3											
2008-MHP-17	5	7	7	6	1		1	5				
	3											
2008-MHP-18	5	8	8	7	1		2	6				
	3											
2008-MHP-28	5	5	4	4		1	4					
	3											
2008-MHP-29	5	92	88	88		4	88					
Totals		591	475	416	59	116	227	104	80	1	4	6

Table A5

Hobbs Hotel/Motel Data – February 2010

Name	Address	Year Built	#Buildings	#Rooms(Units)	Parking	Notes
------	---------	------------	------------	---------------	---------	-------

New: 2009 – 2010

2008 – 2009

Hotel/Motel Activity NA 2008-2009

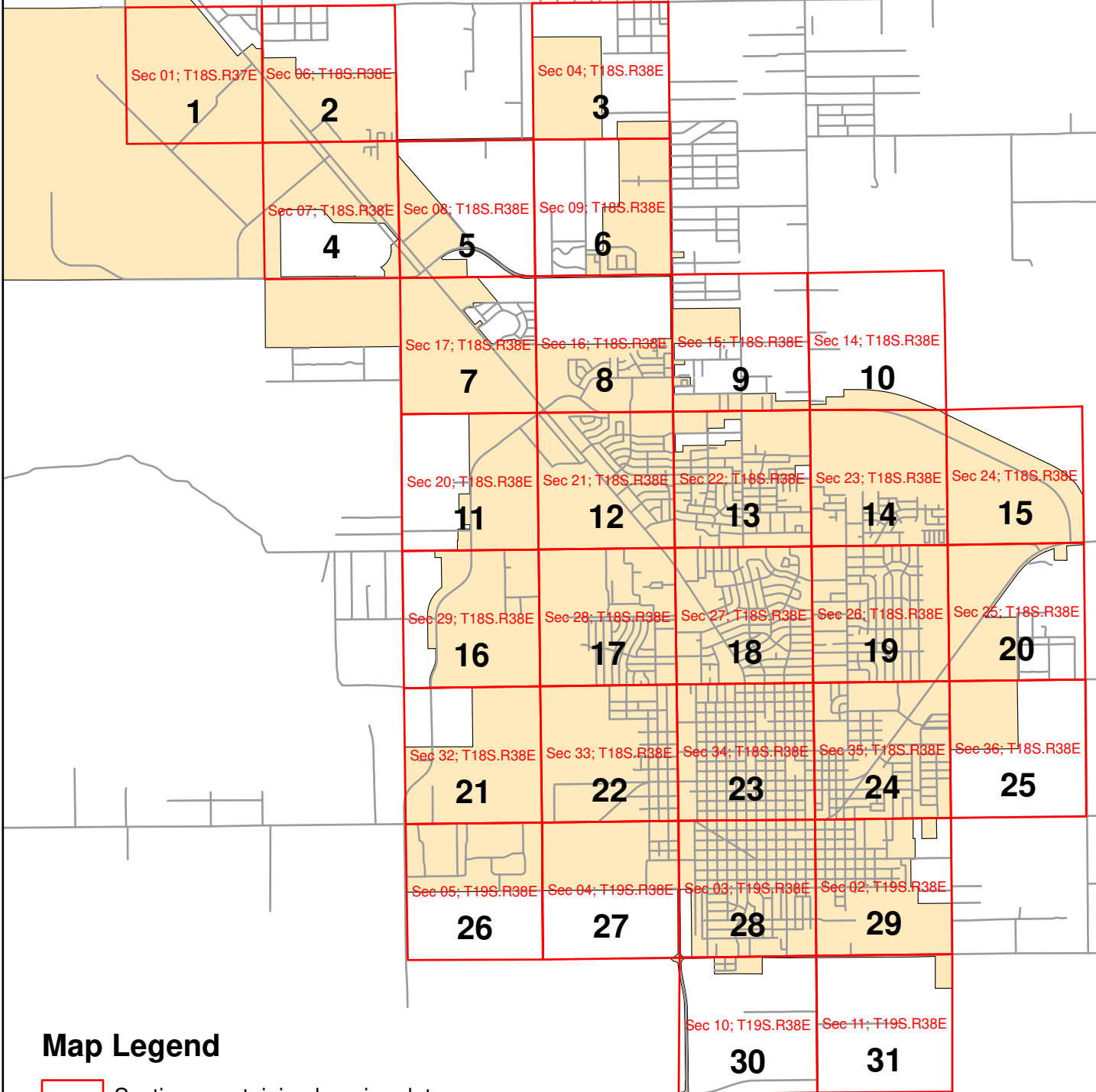
2007 – 2008

Fairfield Inn & Suites	1350 W. Joe Harvey	2008	1(4 stories)	118(24 not used)		Opened - 7/2008
La Quinta	3312 N. Lovington Hwy	2008	1(3 stories)	68	.	Opened - 7/2008
Comfort Inn & Suites	2708 W. Scenic	2007-2008	1(4 stories)	75	.	Opened
Country Inn & Suites	13900 Spirit Trak	2007-2008	1(3 stories)	64	.	Opened
Sleep Inn	4630 N. Lovington Hwy	2007-2008	1(3 stories)	67	.	Opened - 10/2008
Holiday Inn Full Service	3930 N. Lovington Hwy	2008-2009	1(4 stories)	100	126	Planned
Candlewood Inn & Suites	4000 N. Lovington Hwy	2008-2009	1(4 stories)	80	88	Planned



Existing: Before 2007

Sands Motel	1300 E. Broadway	.	3(Y-shaped)	40	50
Lea County Inn	5412 N. Lovington Hwy	2003	1	45	60
Hampton Inn	5420 N. Lovington Hwy	2004	1(4 stories)	67	120
Brentwood Inn & Suites	5020 N. Lovington Hwy	1996	1(2 stories)	50	60
Holiday Inn Express	3610 N. Lovington Hwy	1990's	1	70+	70+
Lamplighter Motel	110 E. Marland	.	1	55	.
Econo Lodge	619 N. Marland	1980's	1	38	38
Hobbs Family Inn	501 N. Marland	1970's	2	77	60
Best Western Executive Inn	309 N. Marland	.	1	62	62+
Americas Best Value	200 N. Marland	.	4	73	140+
Days Inn	211 N. Marland	.	1	60	.
Desert Hills Motel	129 S. Marland	.	1	25	35
Hobbs Inn	722 N. Marland	.	.	59	36
Western Holiday Motel	2724 W. Marland	CLOSED	>>>>>>>>>>>>>>>>>>>>>		CLOSED DOWN??
La Posada	210 W. Marland	1944	6	36(only use 18)	36
En Sueno Bed & Breakfast	3505 W. Alabama	.	.	4	.
Relax Inn	509 N. Marland

Index & Section Map



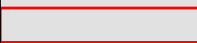

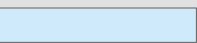







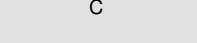
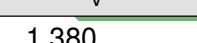
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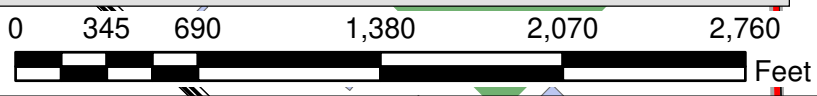
-  Sections containing housing data
-  City limits

Map 1 Section 01 Township 18S Range 37E

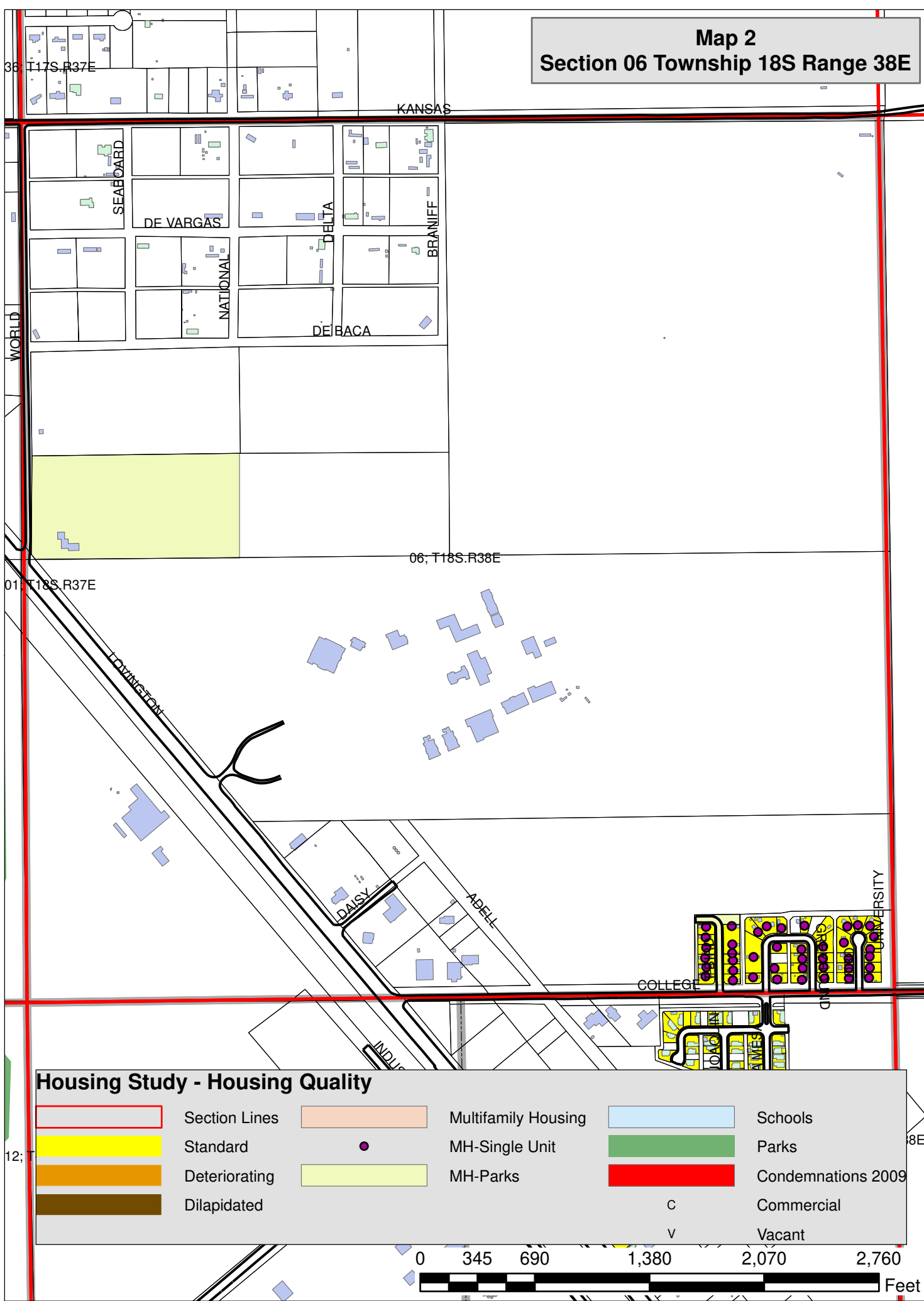


Housing Study - Housing Quality



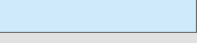







	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

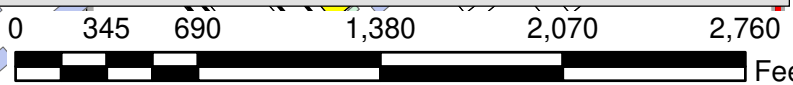


Map 2 Section 06 Township 18S Range 38E



Housing Study - Housing Quality








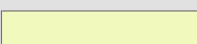


	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

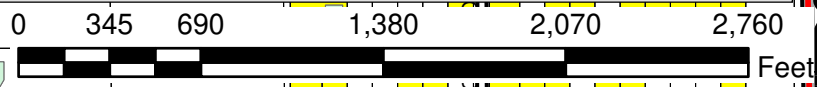


Map 3
Section 04 Township 18S Range 38E

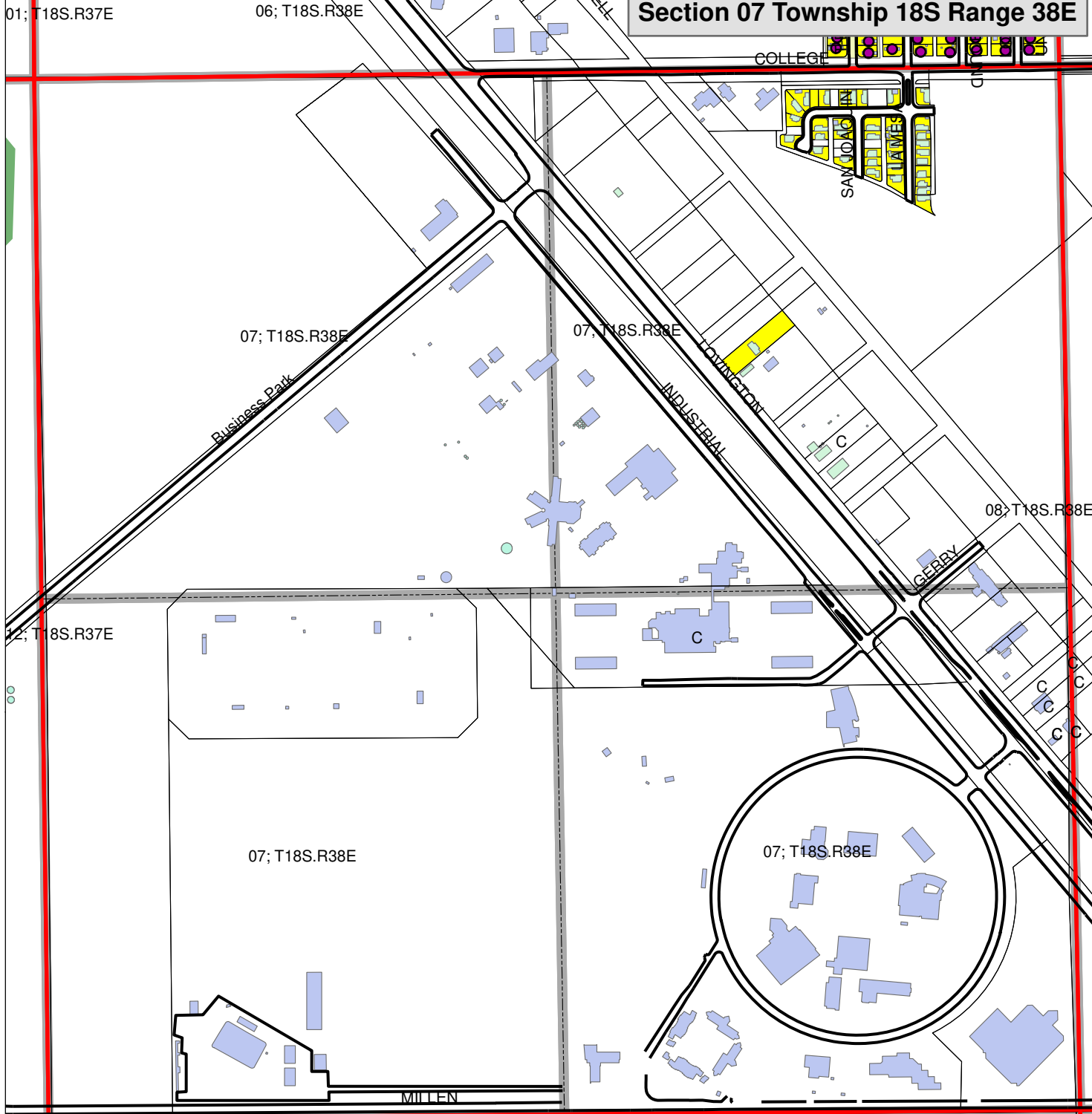


Housing Study - Housing Quality



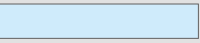









	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemns 2009
	Dilapidated			C	Commercial
				V	Vacant

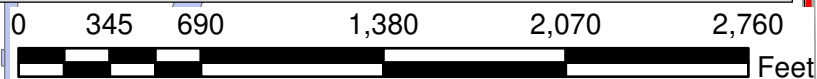


Map 4 Section 07 Township 18S Range 38E



Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant



Map 5 Section 08 Township 18S Range 38E

06; T18S.R38E

07; T18S.R38E

09; T18S.R38E

08; T18S.R38E

07; T18S.R38E

Housing Study - Housing Quality

Section Lines

Standard

Deteriorating

Dilapidated

Multifamily Housing

MH-Single Unit

MH-Parks

Schools

Parks

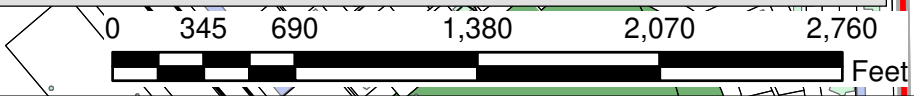
Condemnations 2009

C

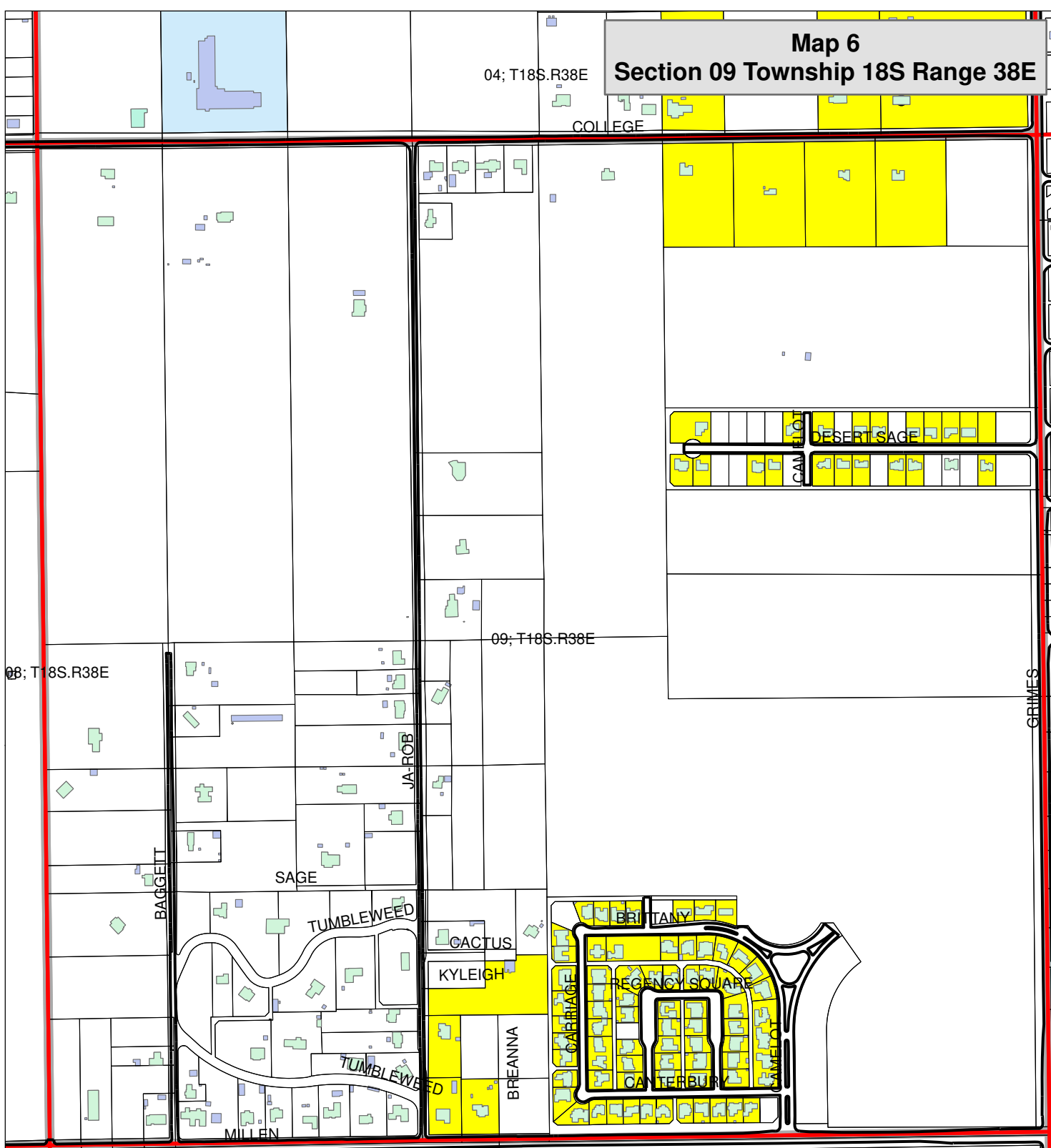
Commercial

V

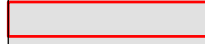









Vacant

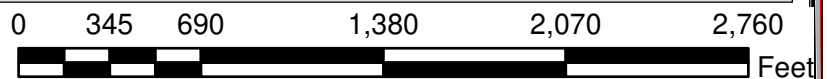


Map 6 Section 09 Township 18S Range 38E



Housing Study - Housing Quality

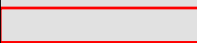

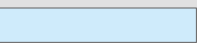









	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

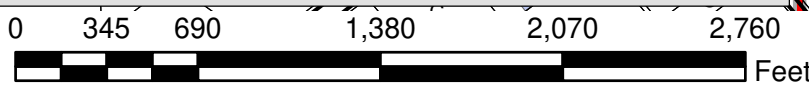


Map 7 Section 17 Township 18S Range 38E



Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

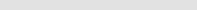
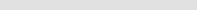
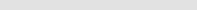


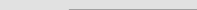



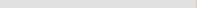


Map 8
Section 16 Township 18S Range 38E

Housing Study - Housing Quality

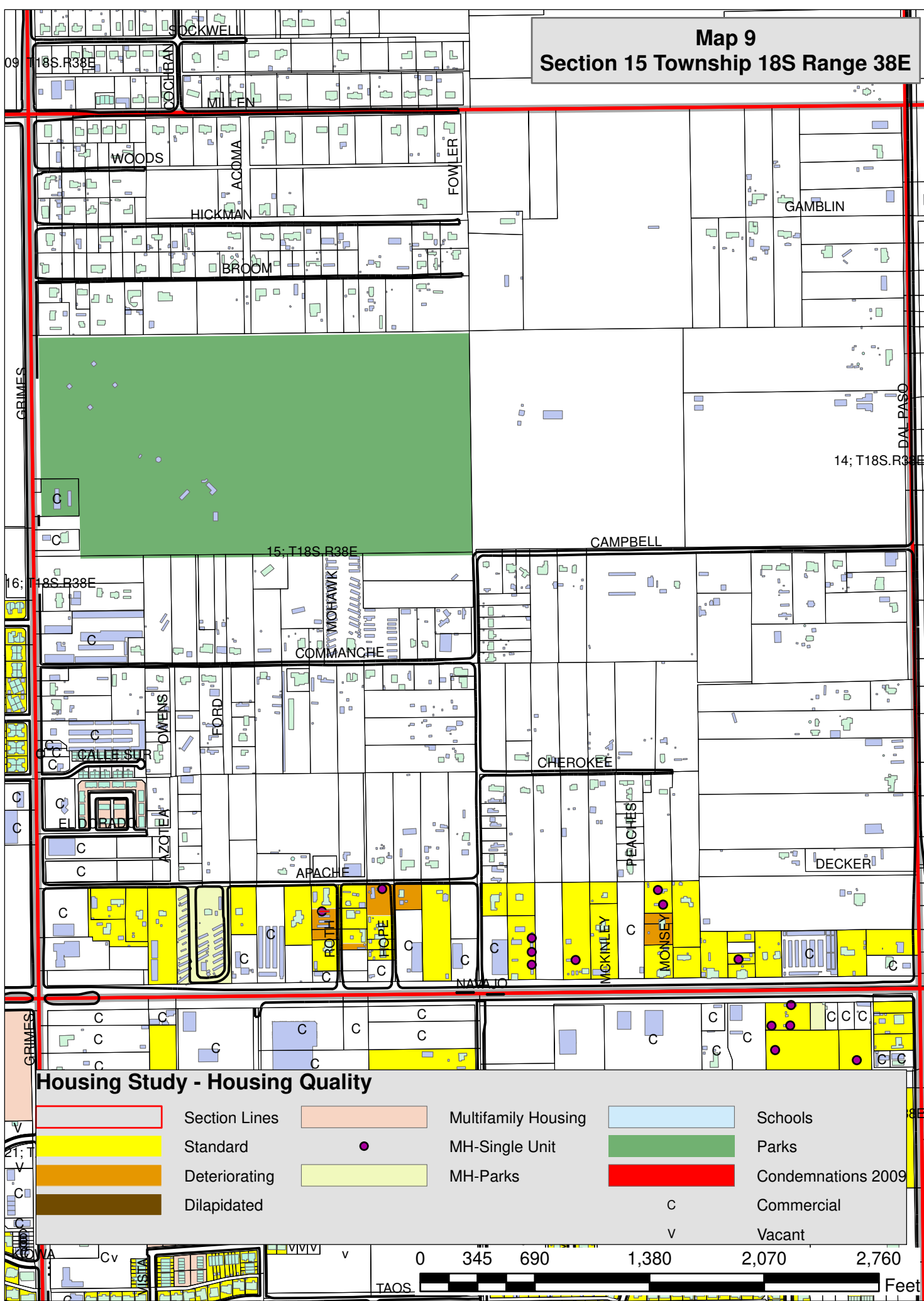
Section Lines	Multifamily Housing	Schools
Standard	MH-Single Unit	Parks
Deteriorating	MH-Parks	Condemnations 2009
Dilapidated		Commercial
		Vacant

0 345 690 1,380 2,070 2,760 Feet

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

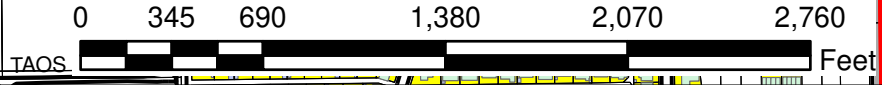
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Map 9 Section 15 Township 18S Range 38E

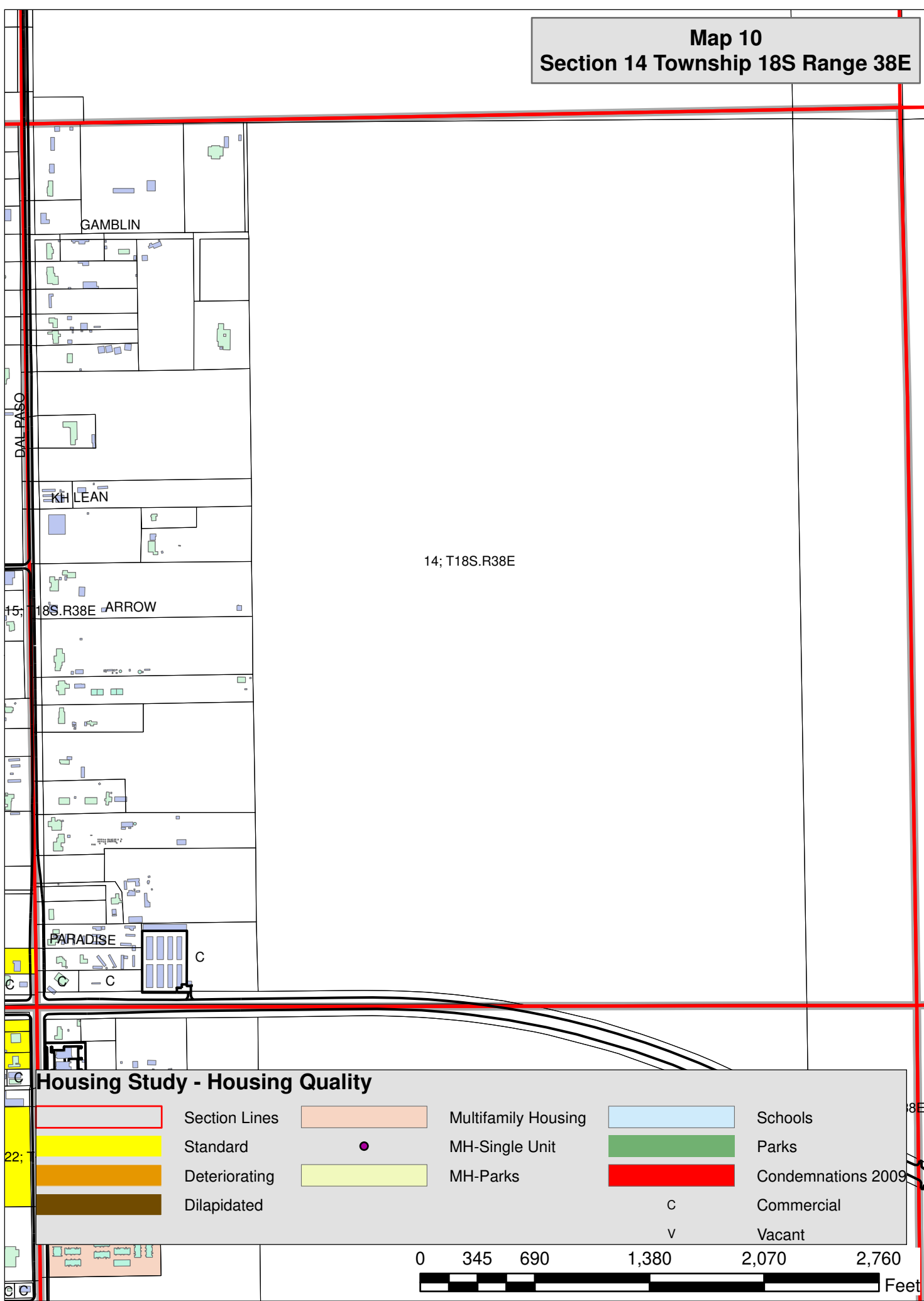


Housing Study - Housing Quality








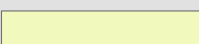


	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				v	Vacant

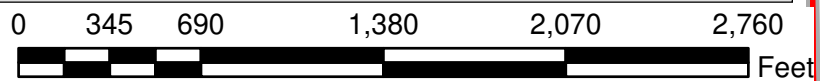


Map 10
Section 14 Township 18S Range 38E



Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant



Map 11
Section 20 Township 18S Range 38E

18; T18S.R38E

17; T18S.R38E

21; T18S.R38E

20; T18S.R38E

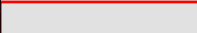






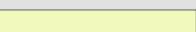
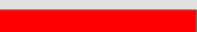
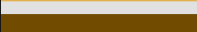
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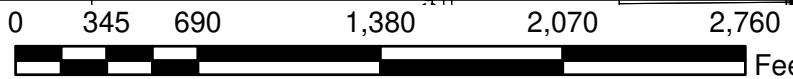
BENSING

TREVINO

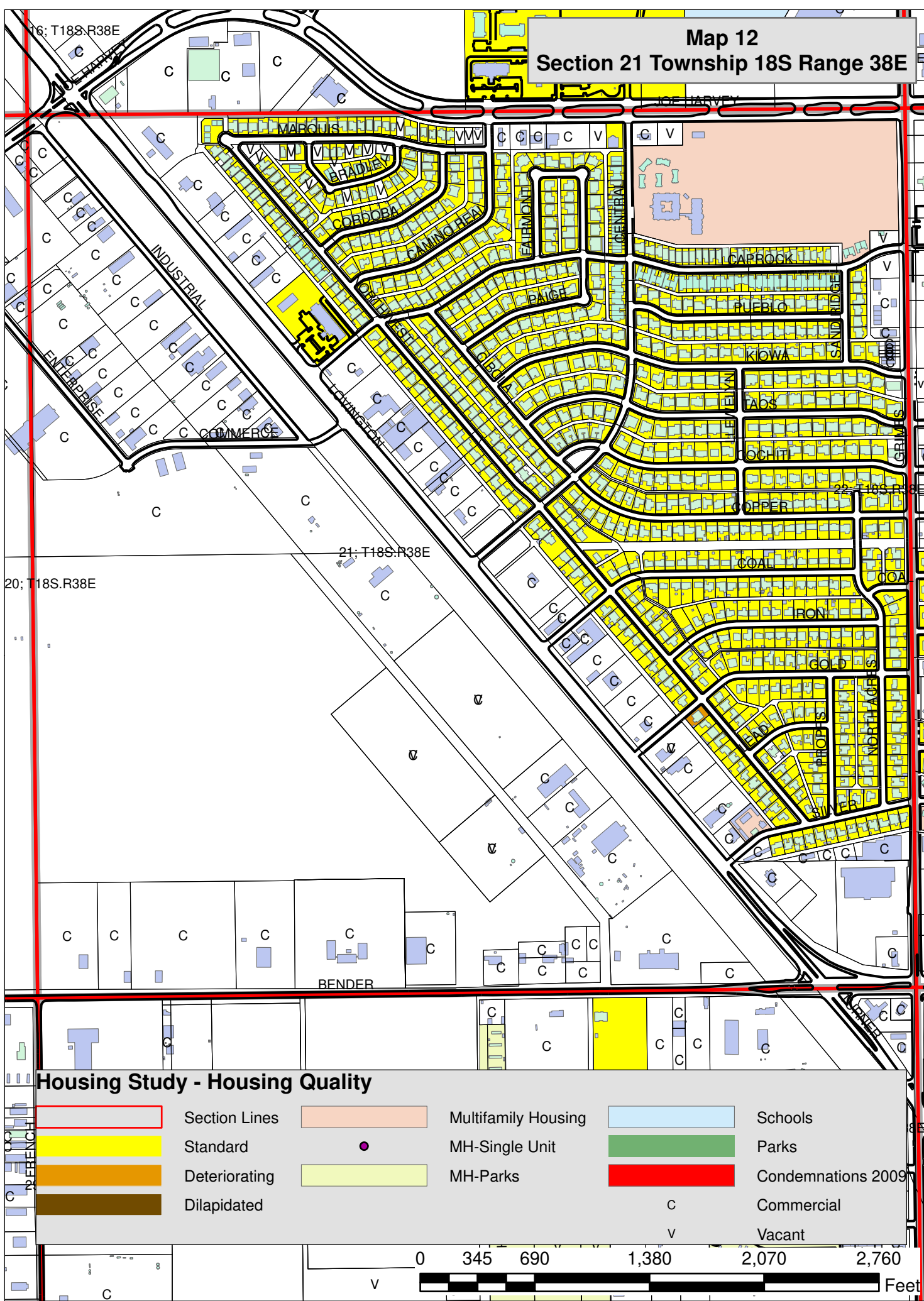
BENDER

Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemns 2009
	Dilapidated			C	Commercial
				V	Vacant



Map 12 Section 21 Township 18S Range 38E

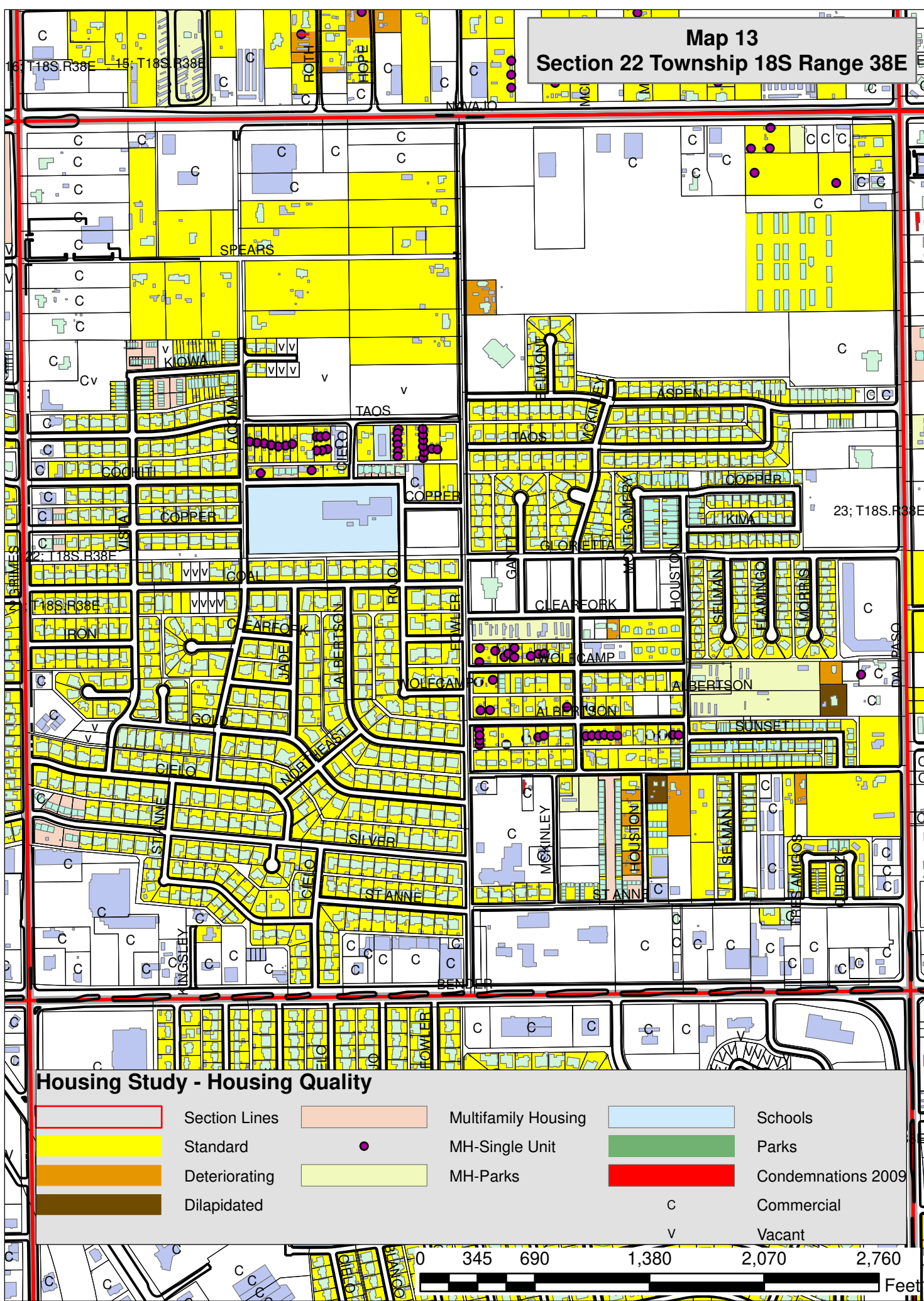


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

0 345 690 1,380 2,070 2,760 Feet

Map 13 Section 22 Township 18S Range 38E



Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

0 345 690 1,380 2,070 2,760 Feet

Section 23 Township 18S Range 38E

14; T18S.R38E

24; T18S.R38E

~~23; T18S.R38E~~

PARADISE
18S.R38E

18S.R38E
IRON

Housing Study - Housing Quality

Section Lines

Standard

Deteriorating

Dilapidated

Multifamily Housing

MH-Single Unit

MH-Parks

Schools

Parks

Condemnations 2009

Commercial

Vacant

C

V

Age Group	Number of People (approx.)
13-17	2,760
18-24	2,070
25-34	1,380
35-44	1,035
45-54	690
55-64	345
65-74	100
75-84	50
85+	100

Feet

14; T18S.R38E

23; T18S.R38E

24; T18S.R38E

26; T18S.R38E

27; T18S.R38E

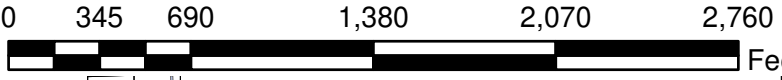
28; T18S.R38E

29; T18S.R38E

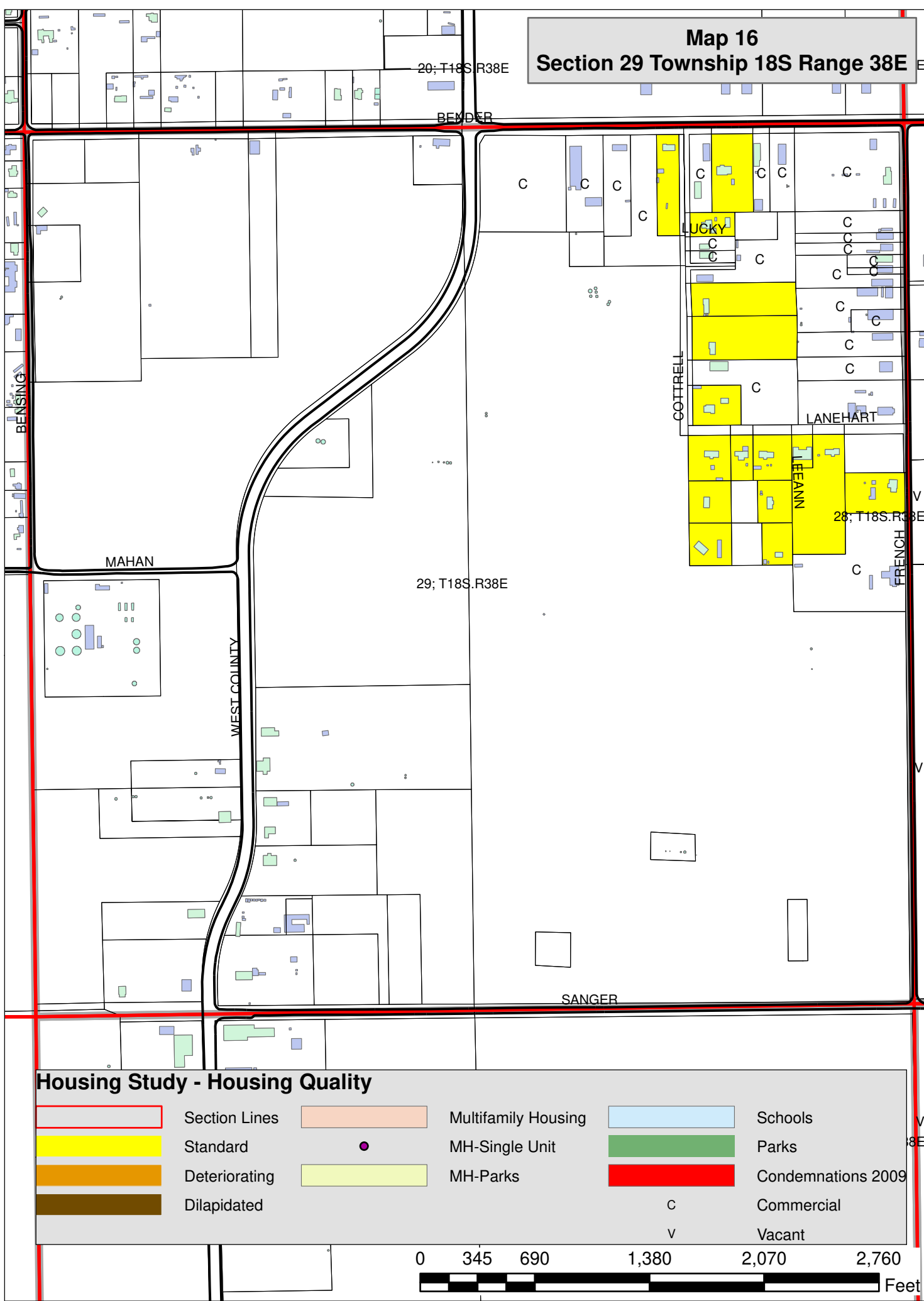
30; T18S.R38E

Housing Study - Housing Quality



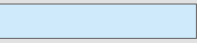







<div></div>	Section Lines	<div></div>	Multifamily Housing	<div></div>	Schools
<div></div>	Standard	<div></div>	MH-Single Unit	<div></div>	Parks
<div></div>	Deteriorating	<div></div>	MH-Parks	<div></div>	Condemnations 2009
<div></div>	Dilapidated			C	Commercial
				V	Vacant

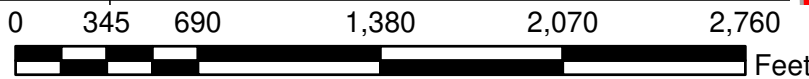


Map 16
Section 29 Township 18S Range 38E

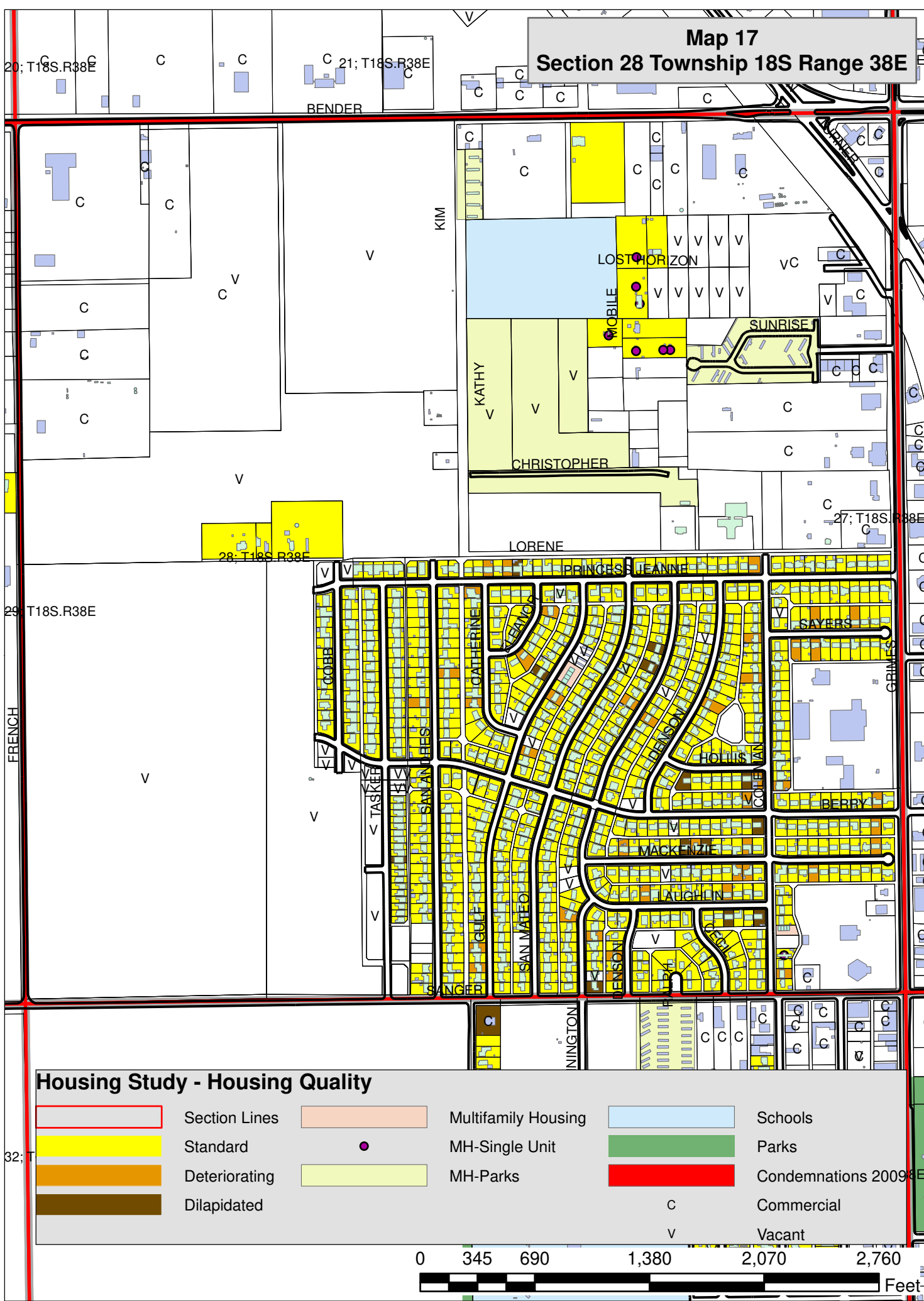


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

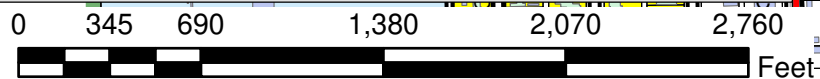


Map 17 Section 28 Township 18S Range 38E

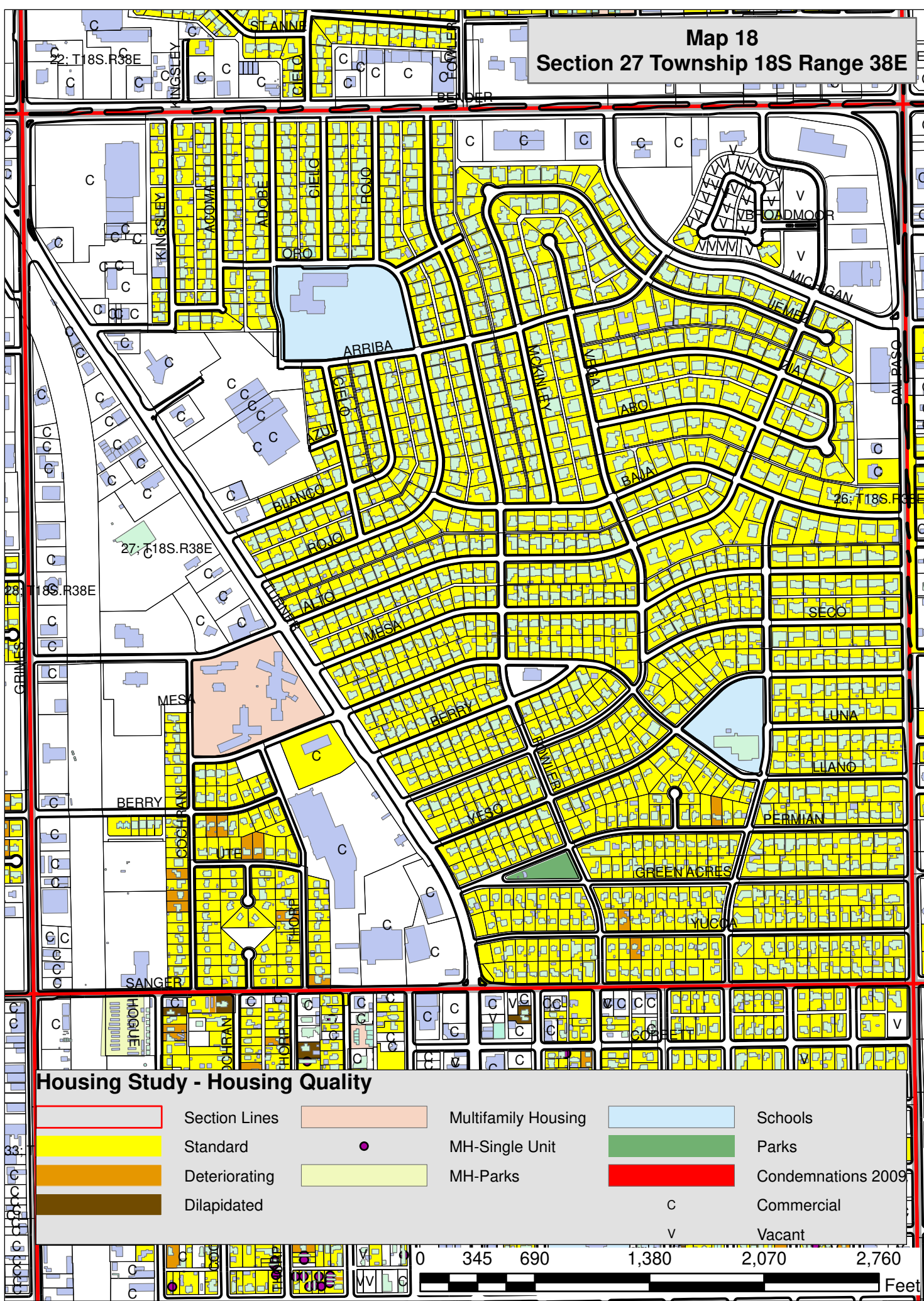


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

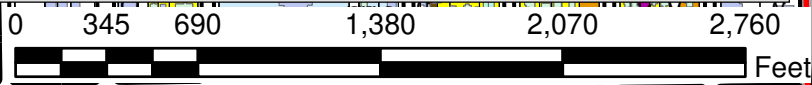


Map 18
Section 27 Township 18S Range 38E

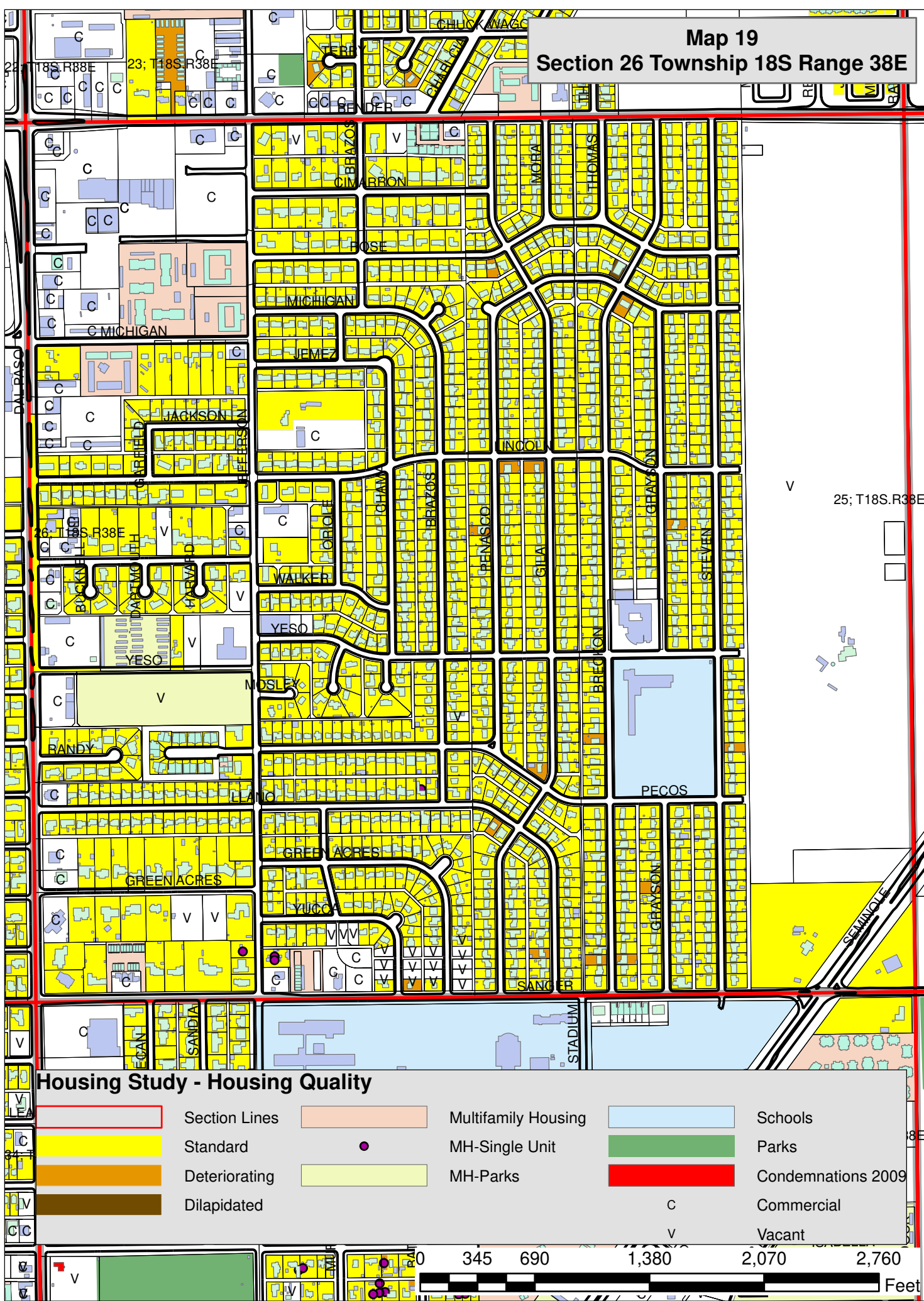


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

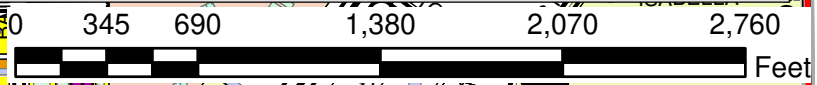


Map 19
Section 26 Township 18S Range 38E

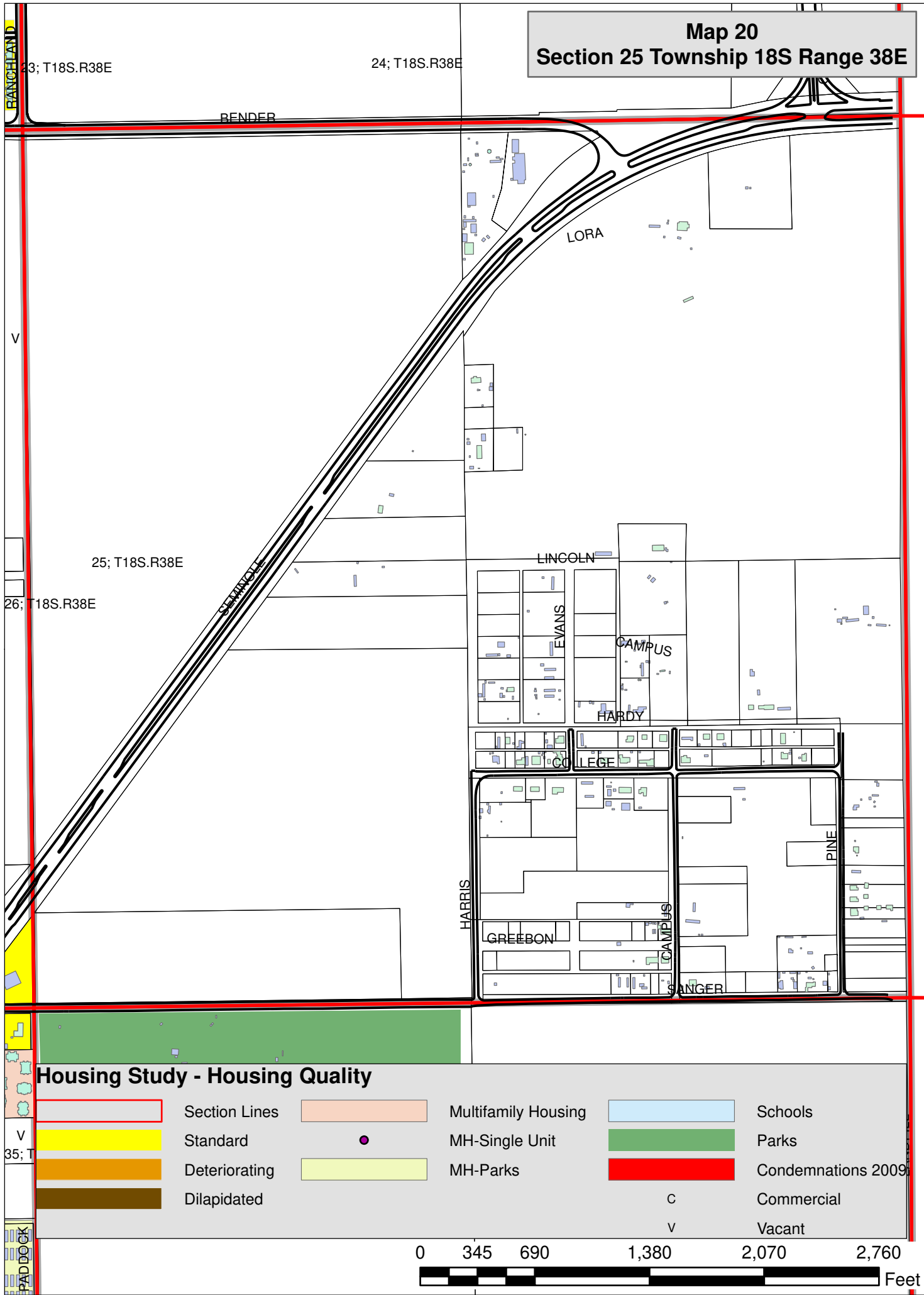


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

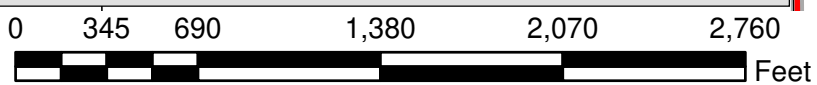


Map 20
Section 25 Township 18S Range 38E



Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant



Map 21
Section 32 Township 18S Range 38E

29; T18S.R38E

SANGER

WEST COUNTY

33; T18S.R38E

32; T18S.R38E



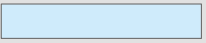




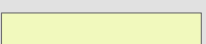
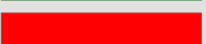

CAN

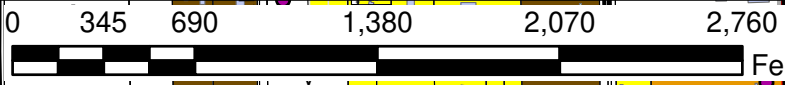
V

MOOSE

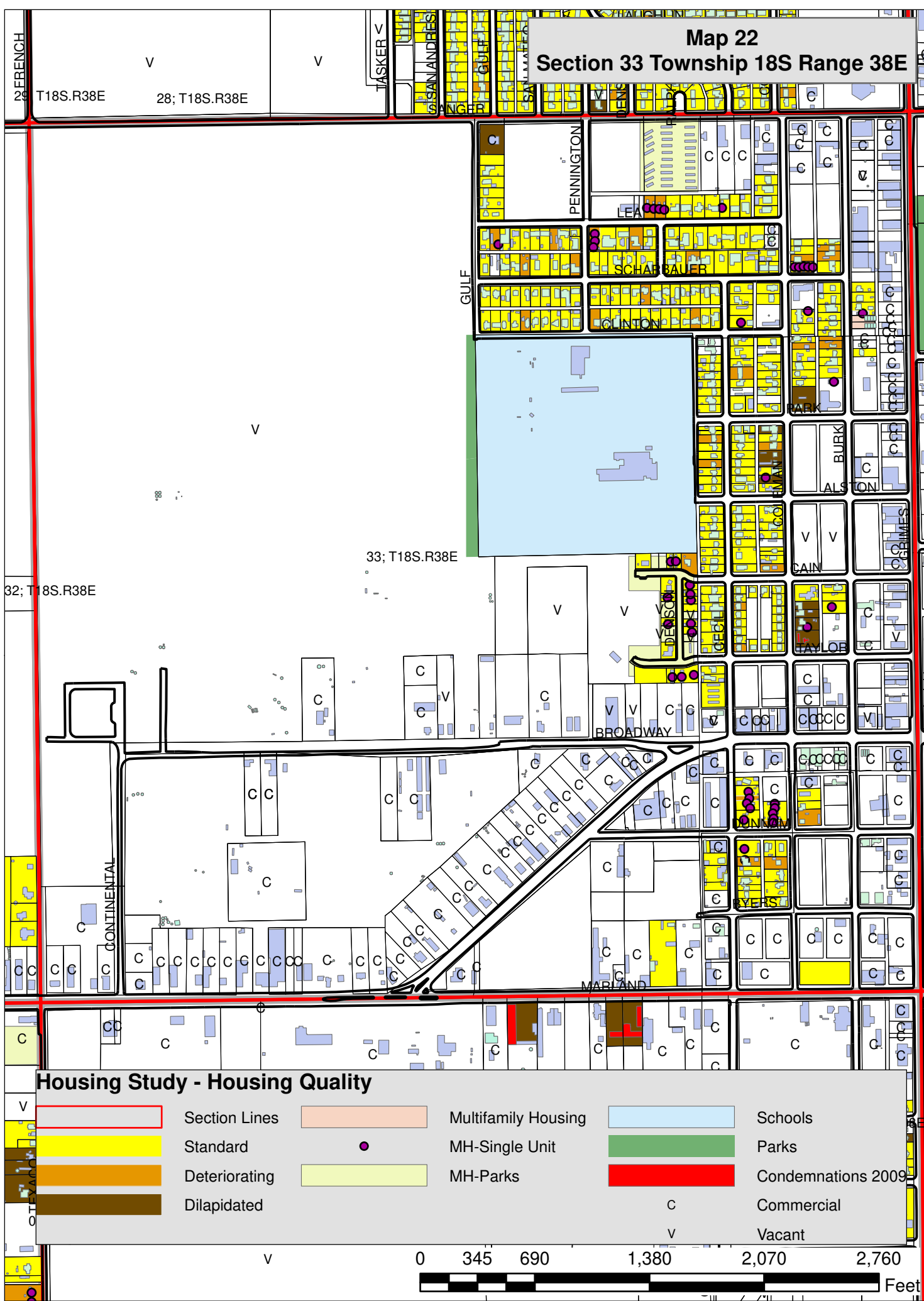
MARLAND

Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemns 2009
	Dilapidated			C	Commercial
				V	Vacant

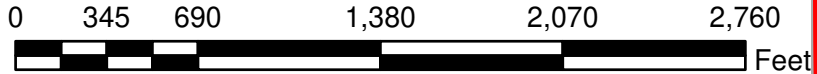


Map 22
Section 33 Township 18S Range 38E

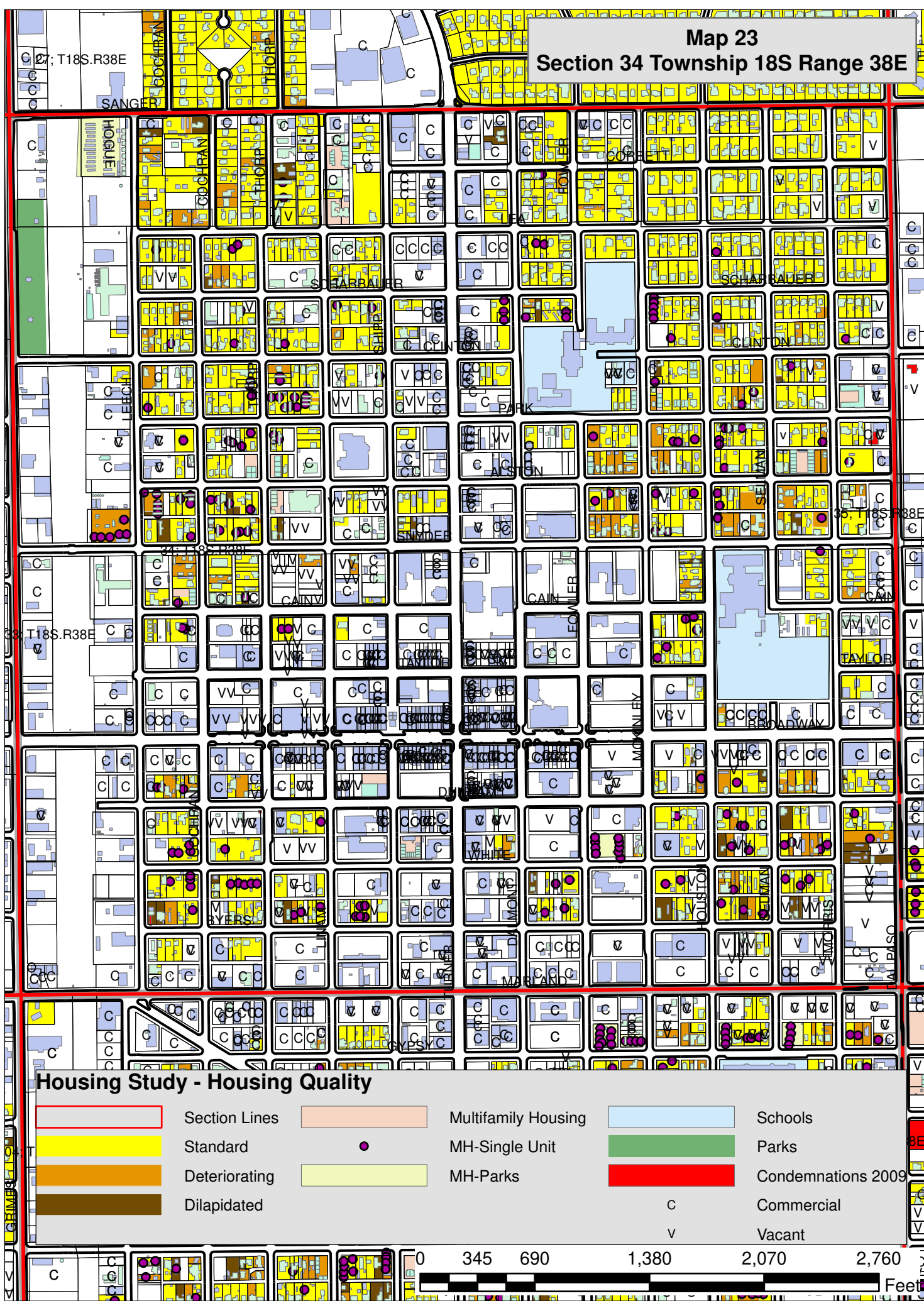


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

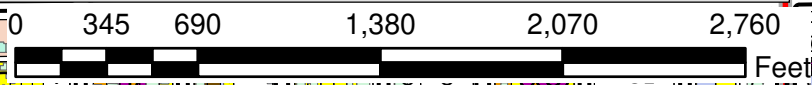


Map 23
Section 34 Township 18S Range 38E

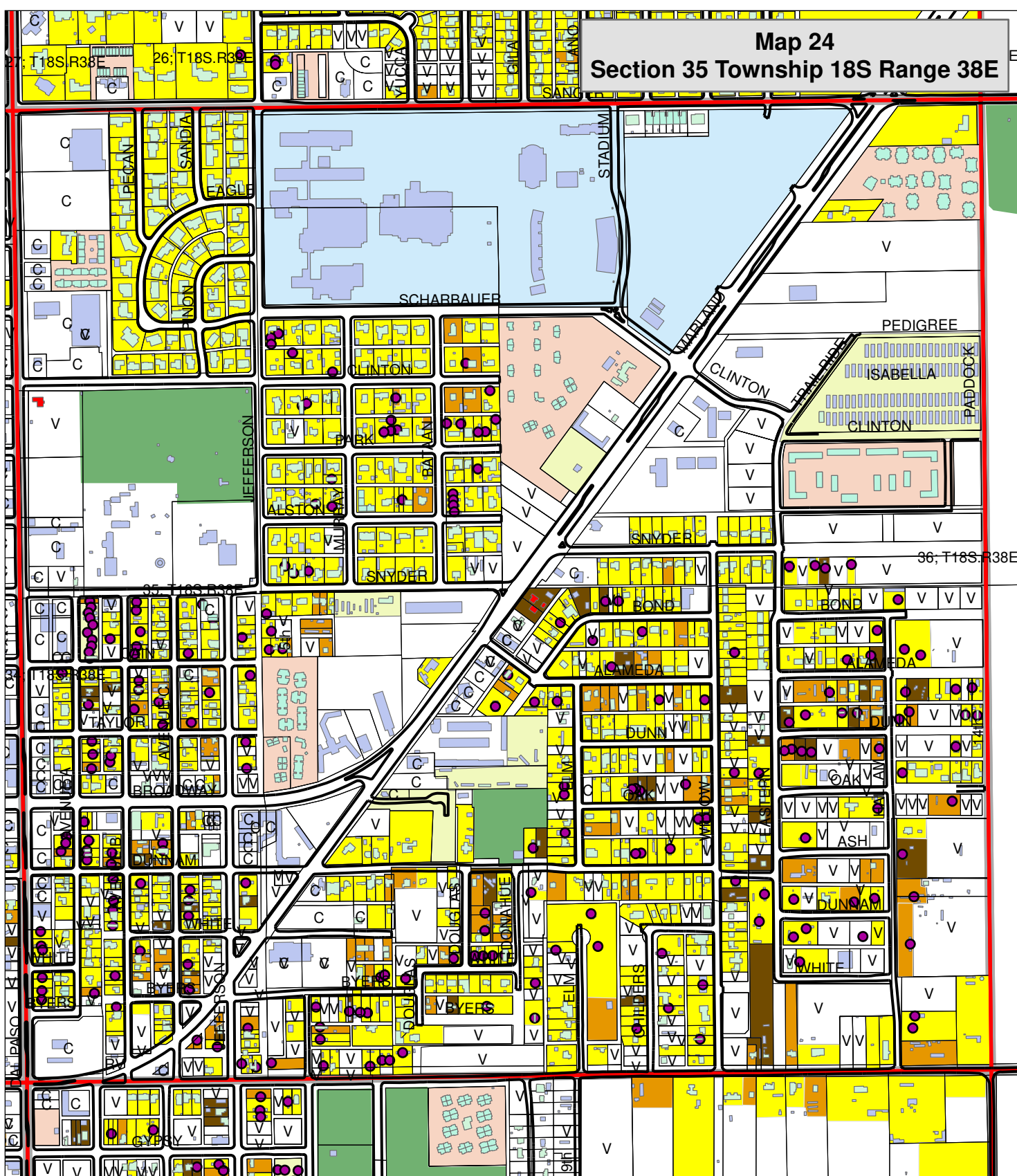


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant



Map 24
Section 35 Township 18S Range 38E



Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant



HARRIS

25; T18S.R38E

GREEN

SANGER

V

V

V

5.

V

M

V

W

LANDFILL

MARLAND

14th

Abstract

1000

C

[illegible]

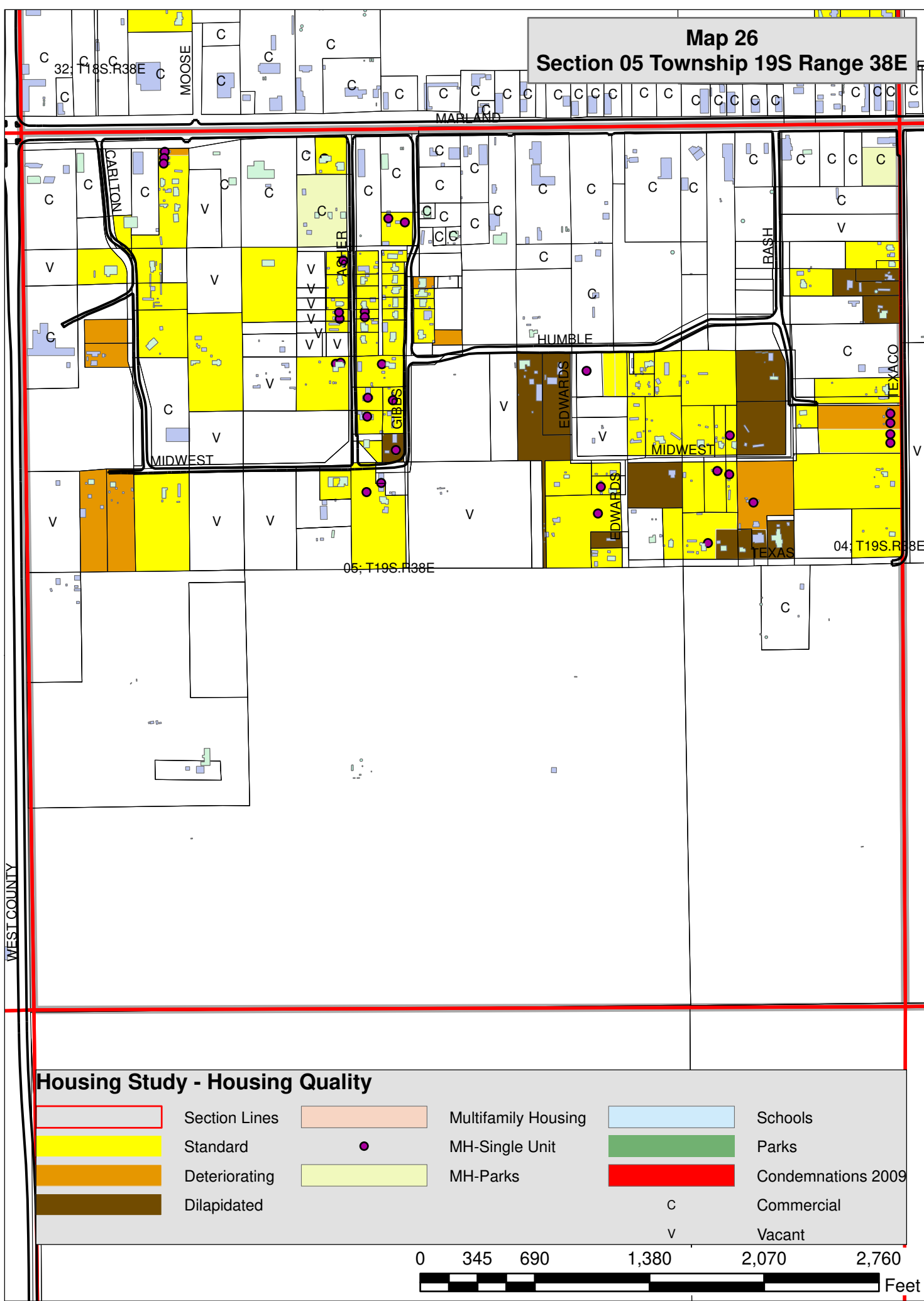
1000

V

30

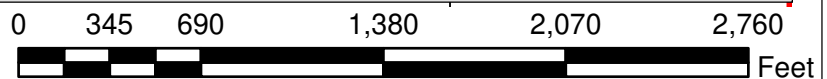
Feet

Map 26
Section 05 Township 19S Range 38E

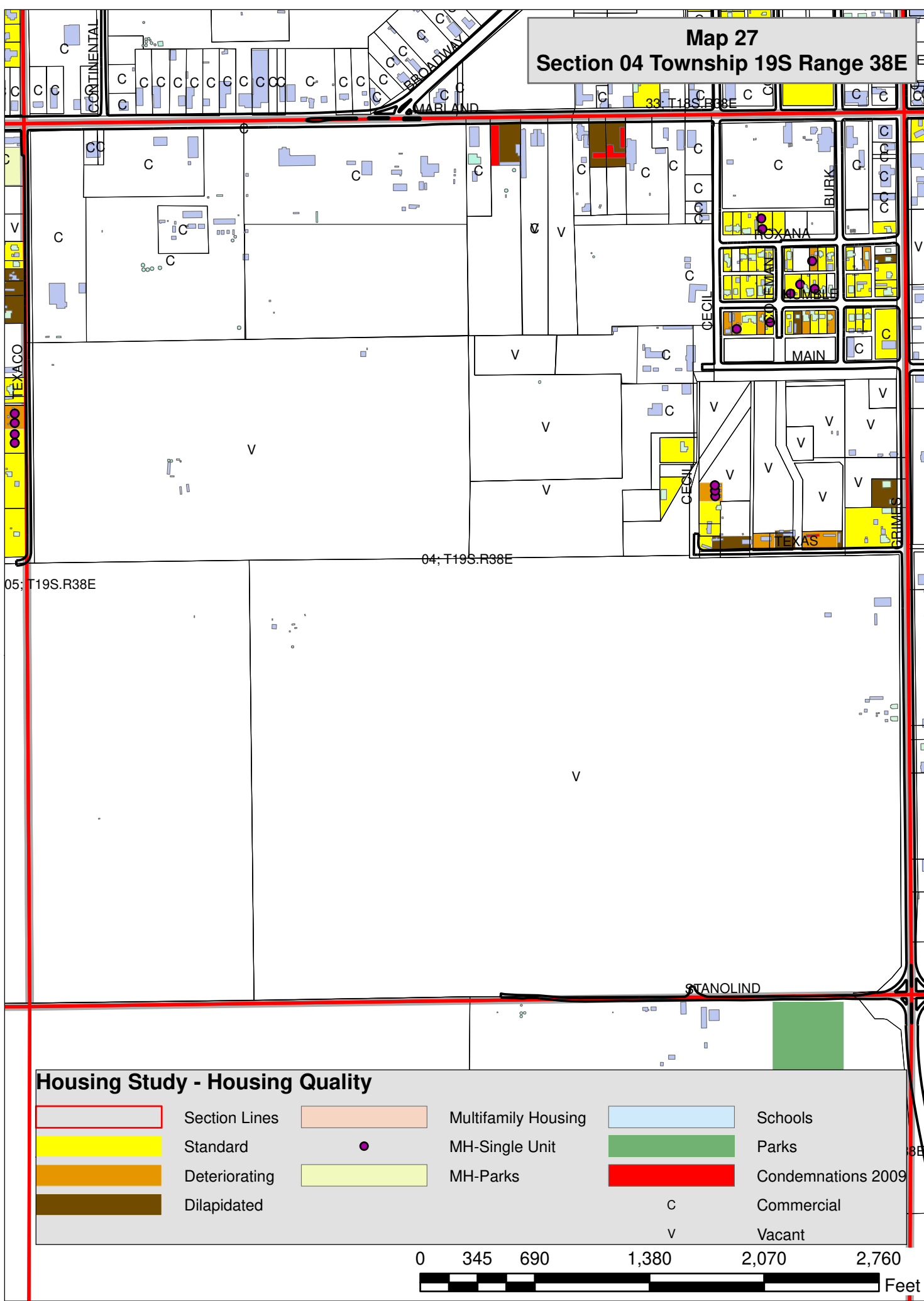


Housing Study - Housing Quality



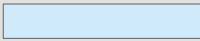









	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

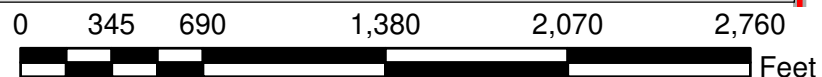


Map 27 Section 04 Township 19S Range 38E

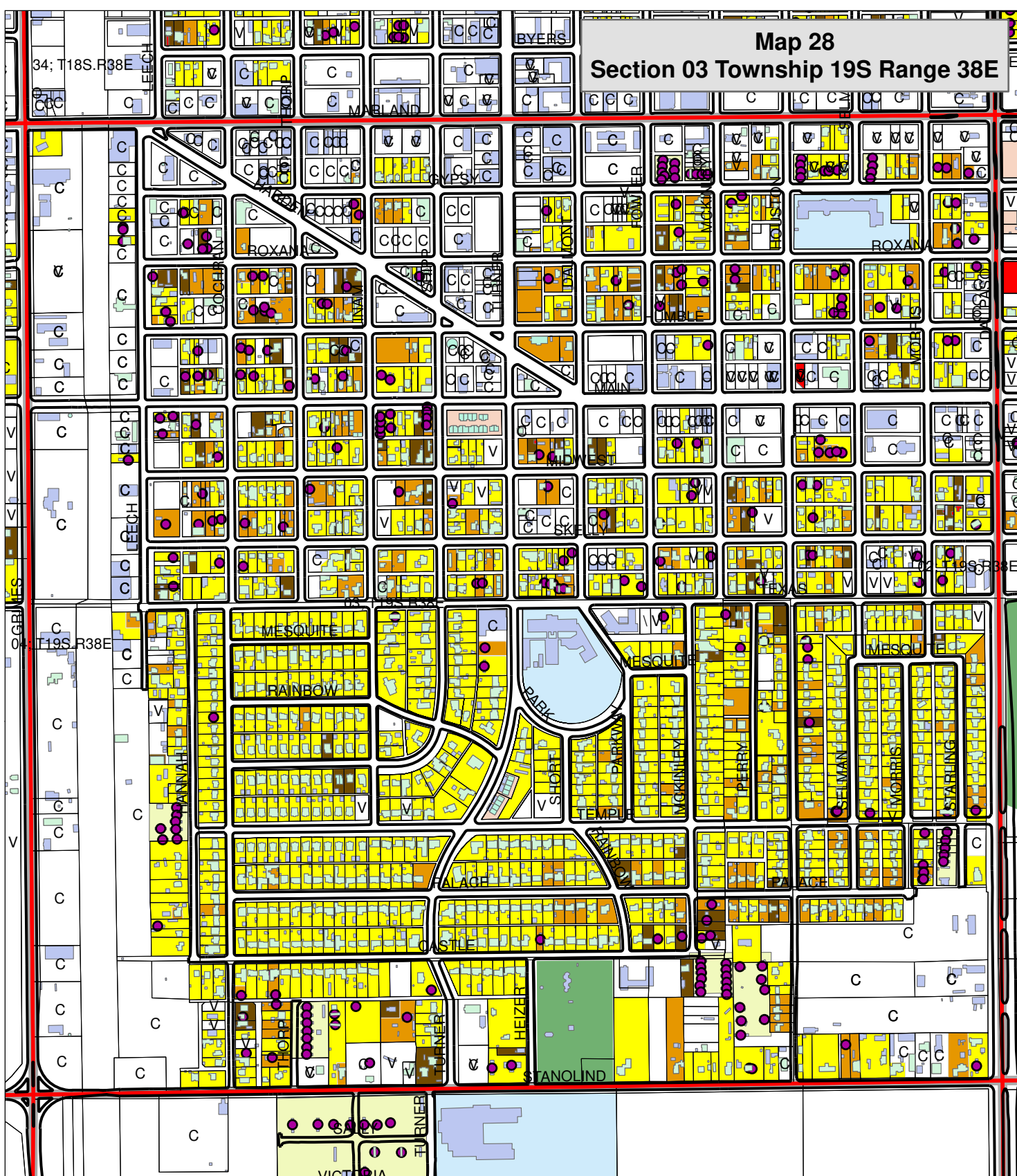


Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant

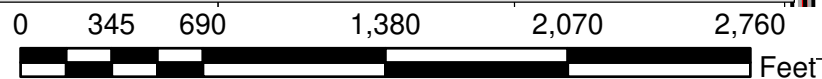


Map 28
Section 03 Township 19S Range 38E



Housing Study - Housing Quality

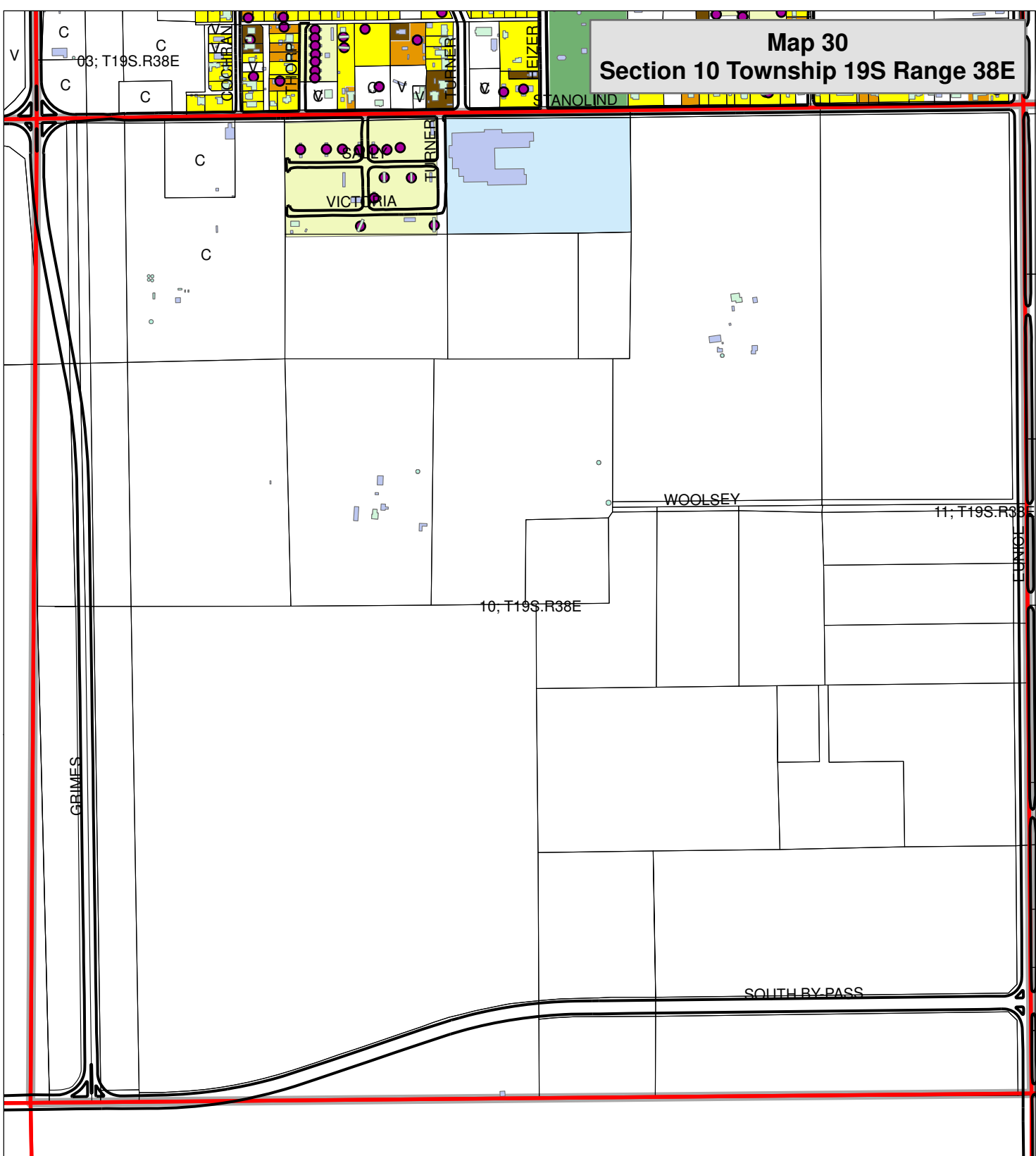
	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant



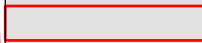

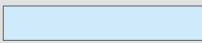






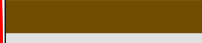
Section 02 Township 19S Range 38E

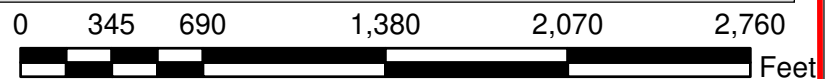


Map 30 Section 10 Township 19S Range 38E

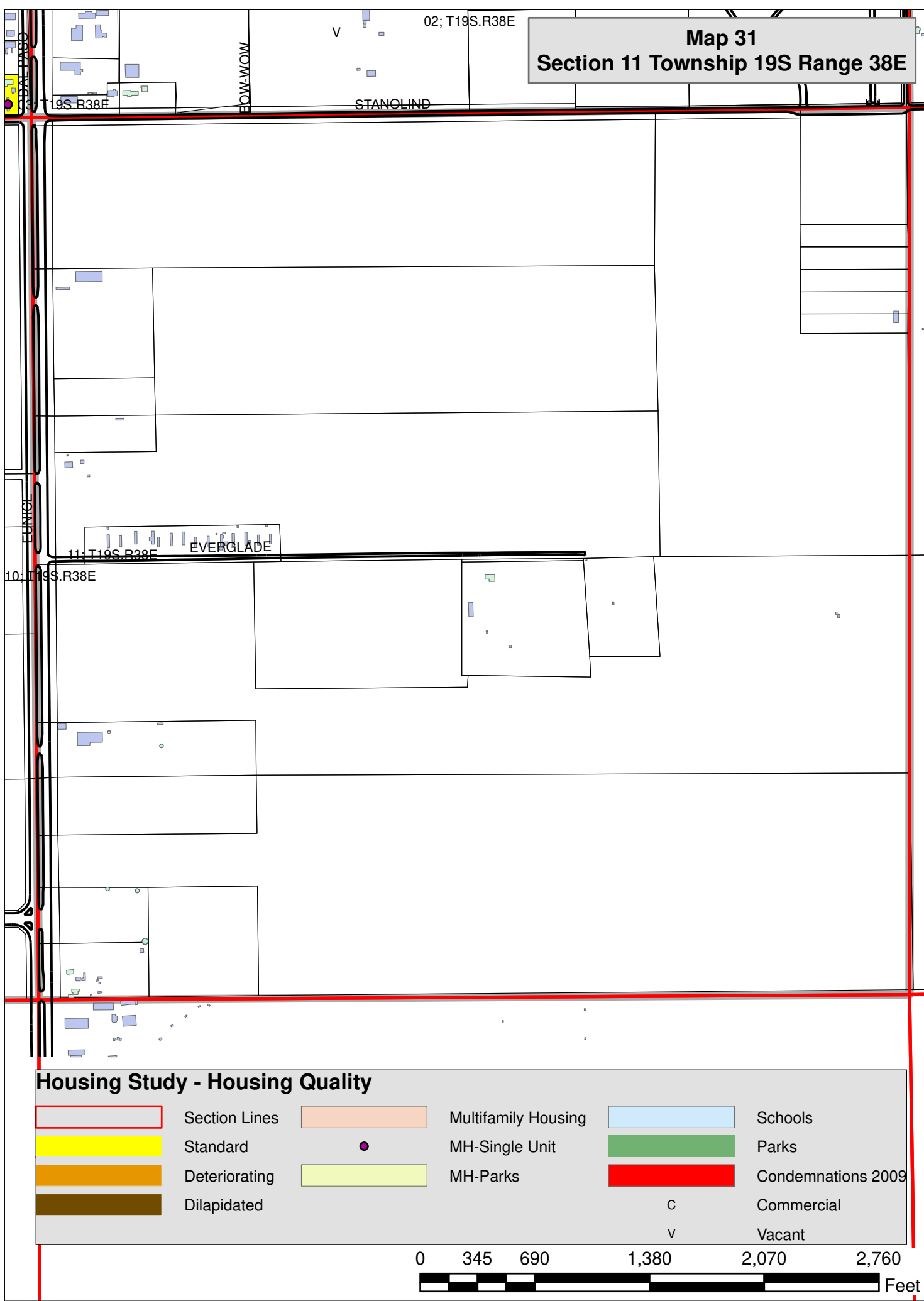


Housing Study - Housing Quality



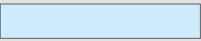







	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

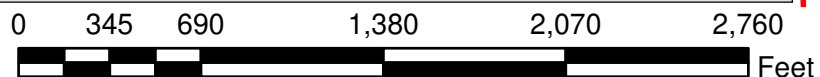


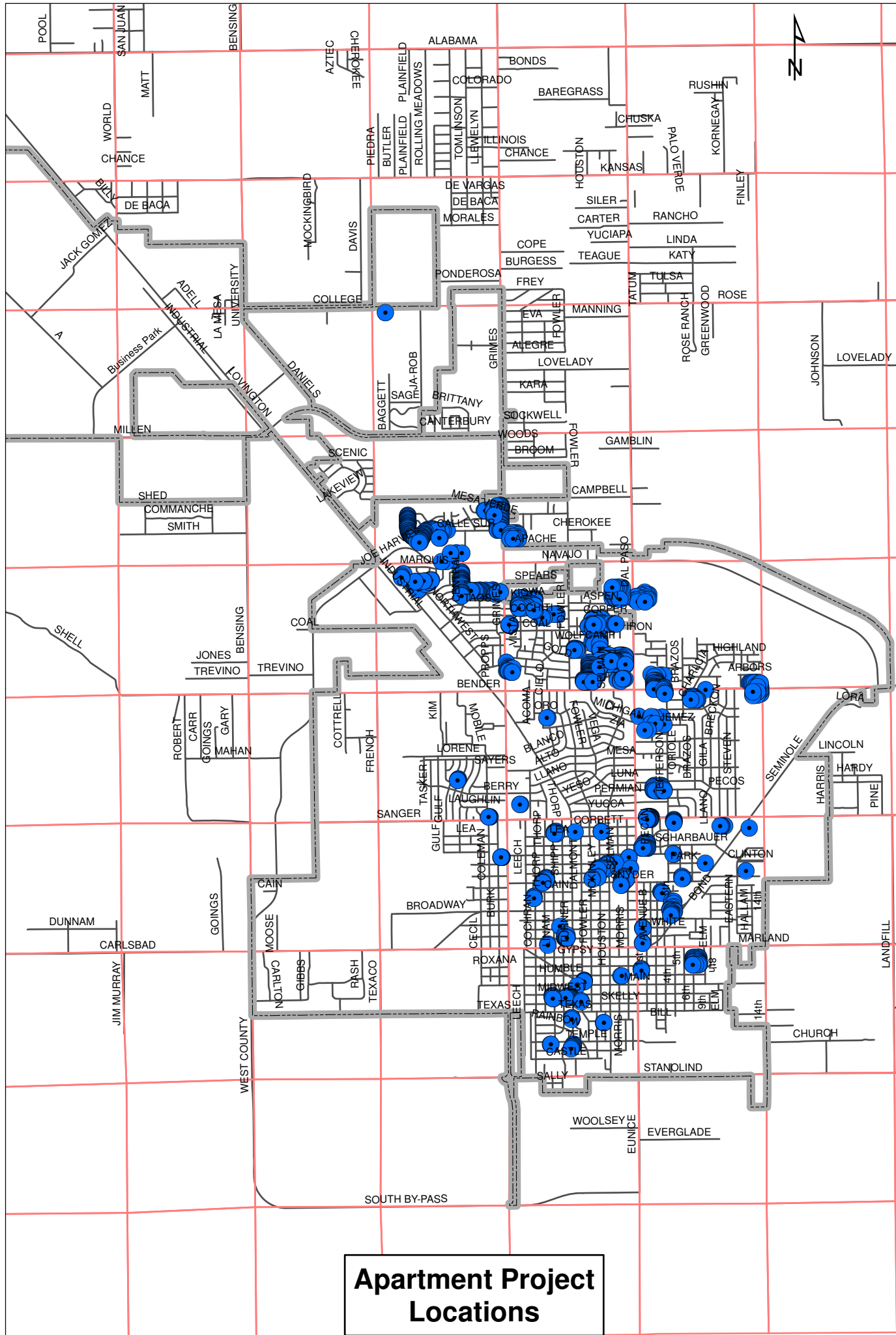
Map 31
Section 11 Township 19S Range 38E



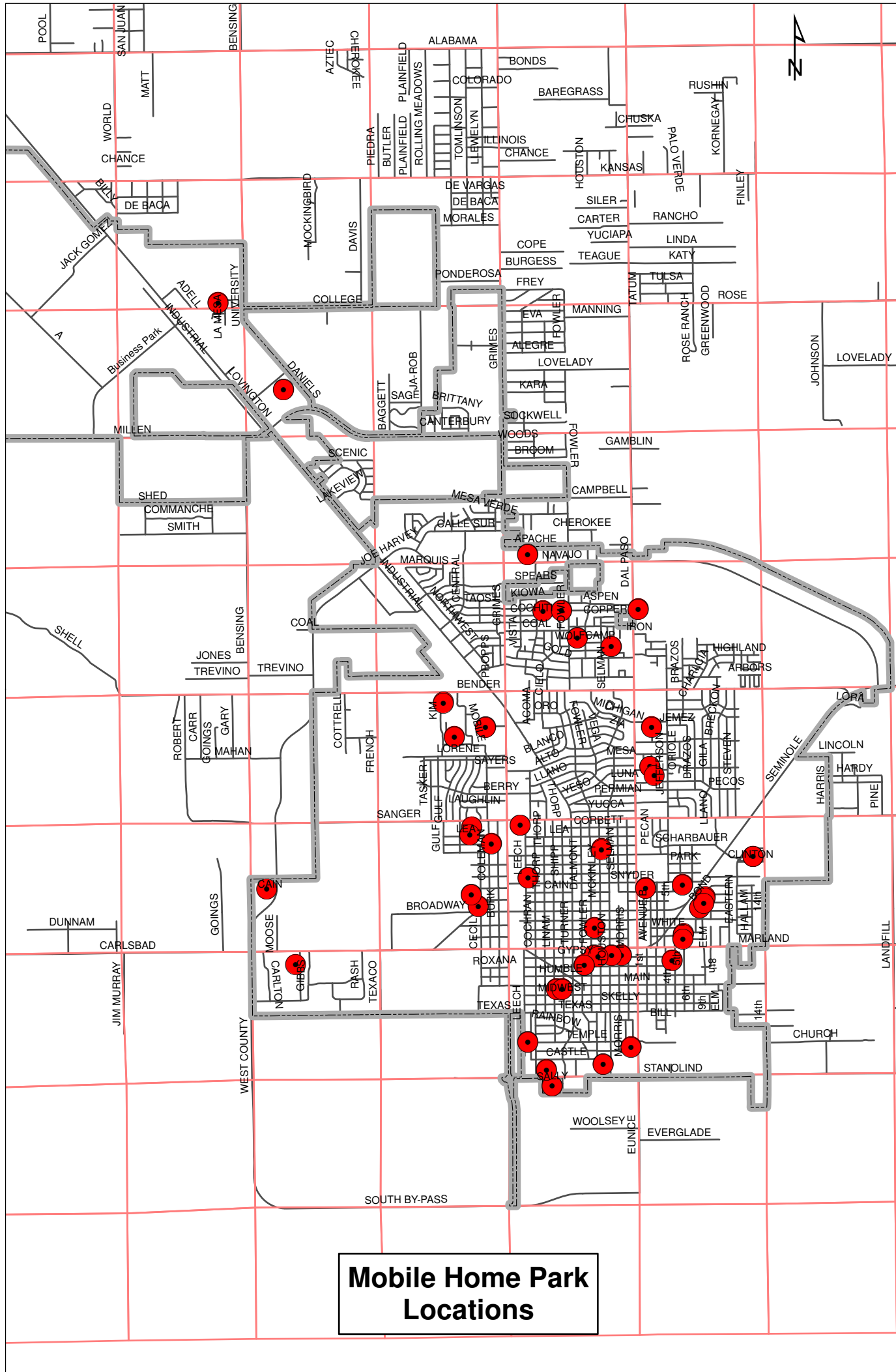
Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant



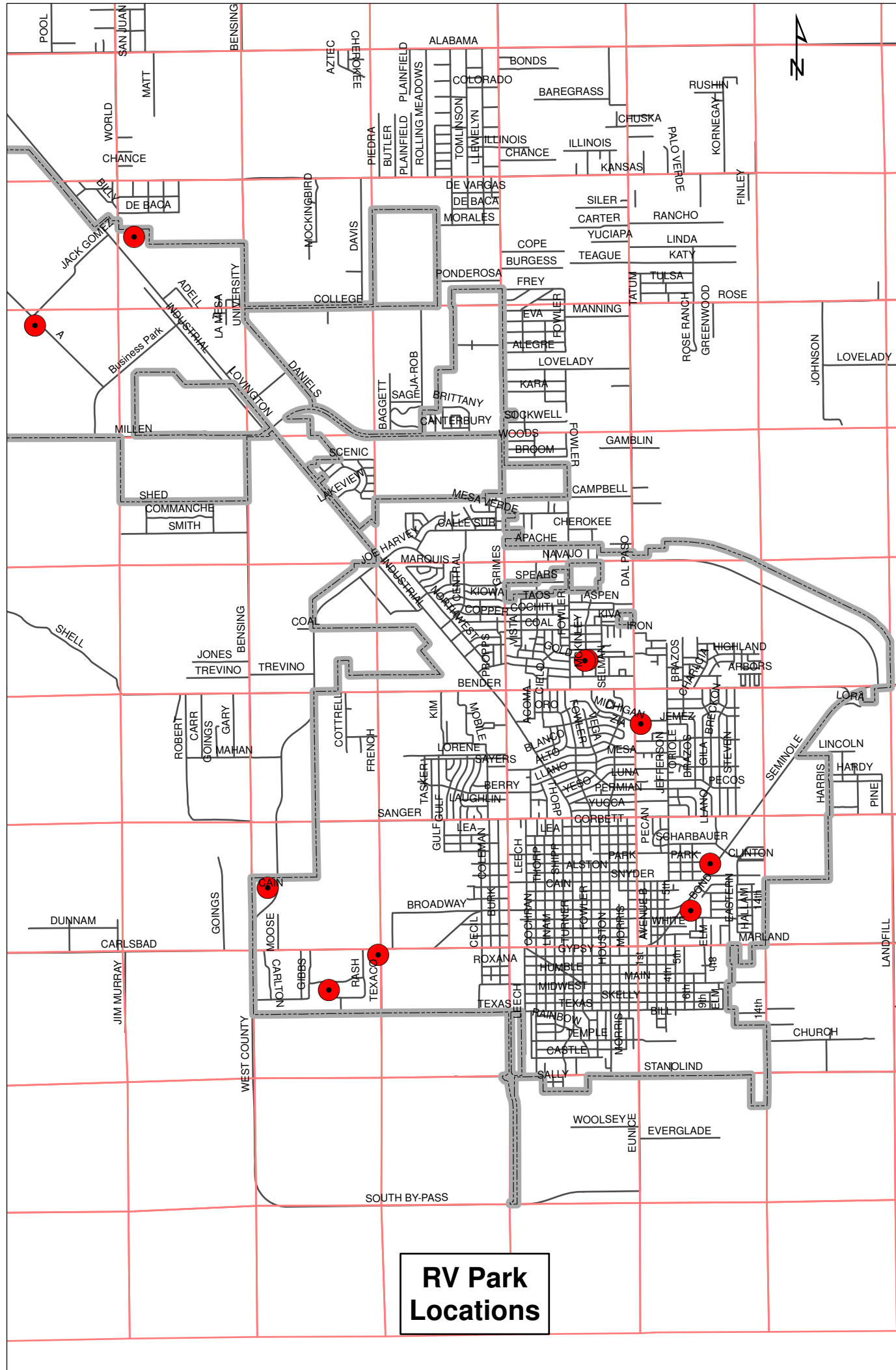


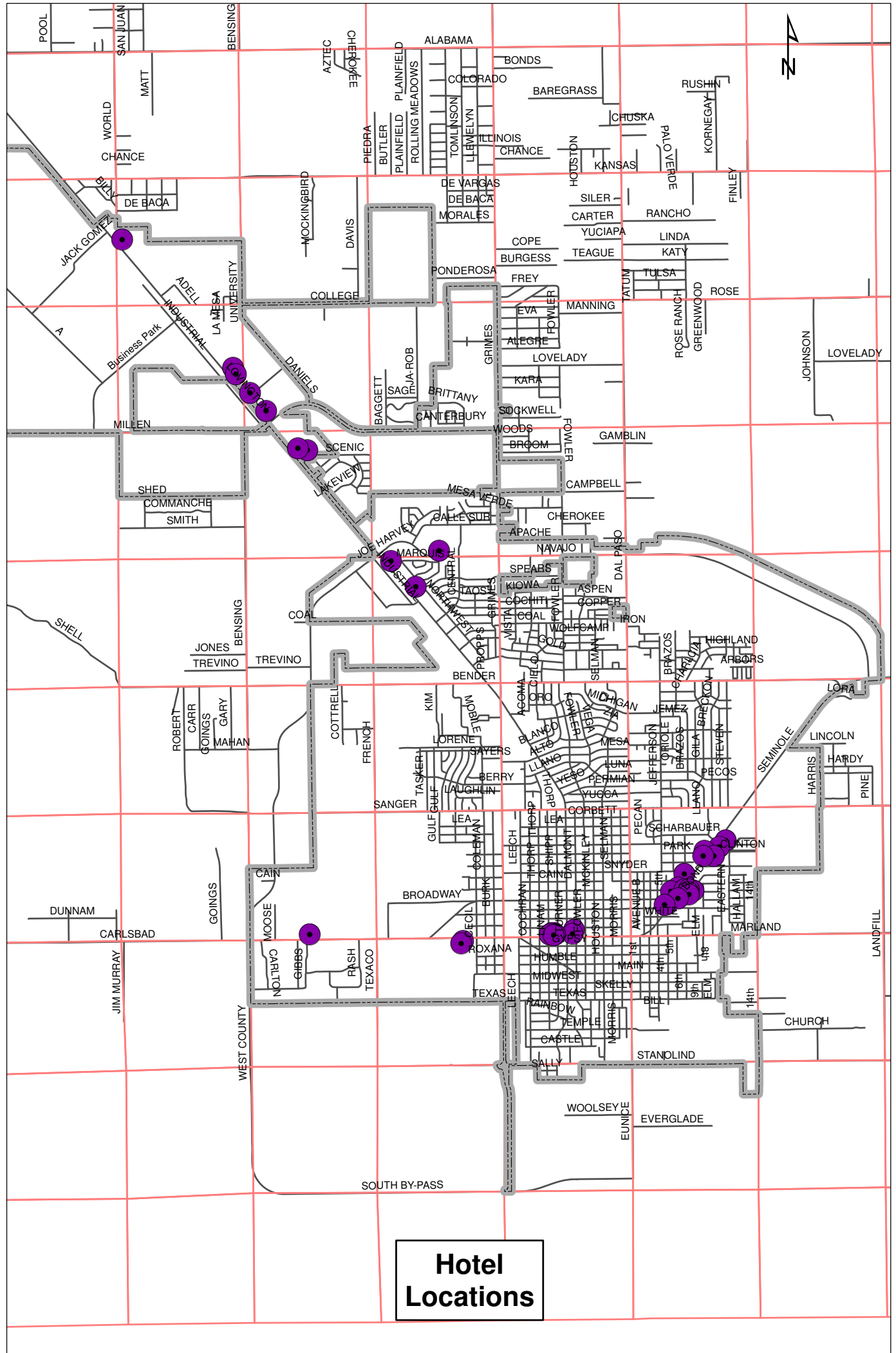
**Apartment Project
Locations**



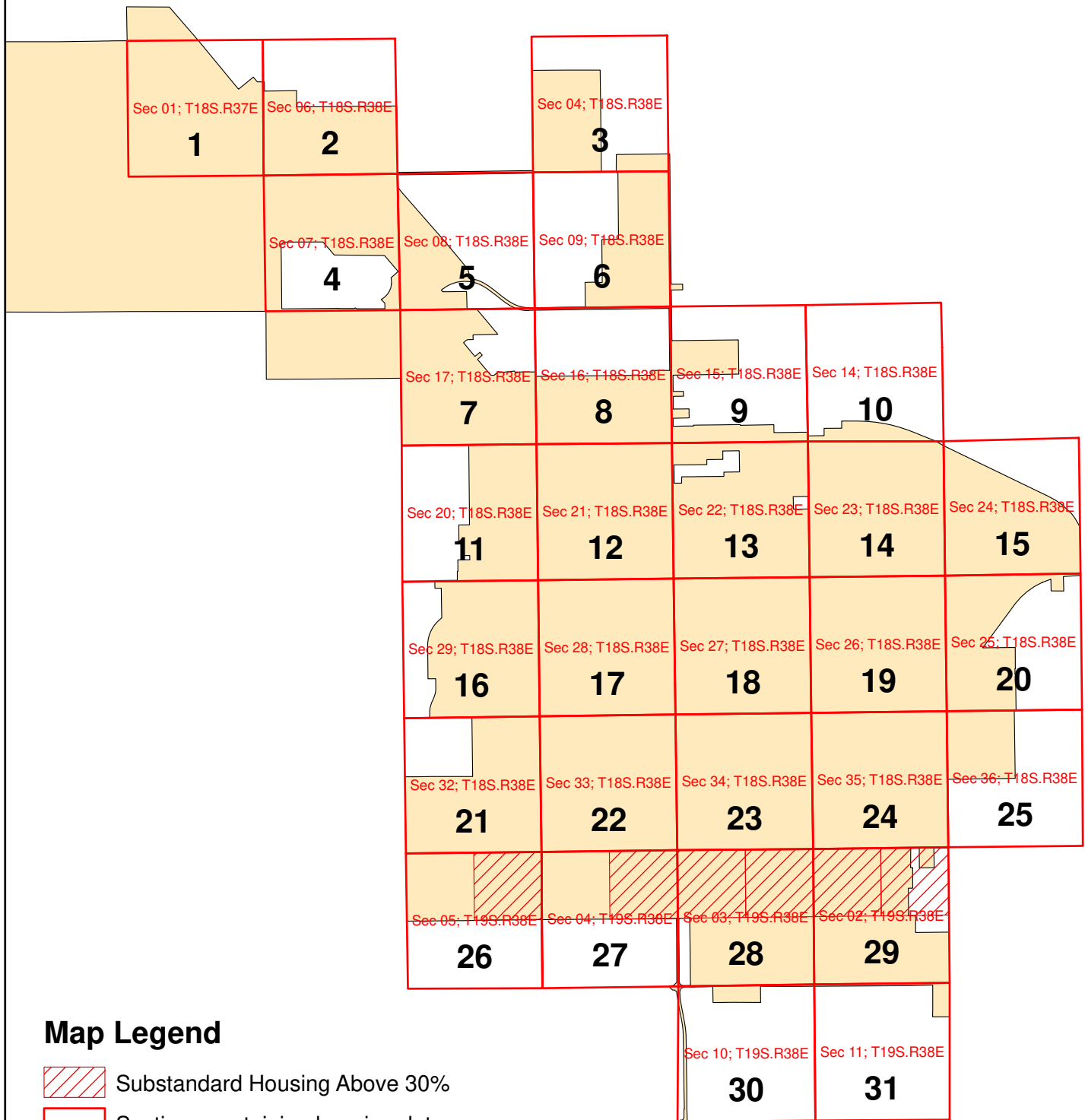
AN







2



NE Quad of Map # 26

SE Sec 32; T18S.R38E

MARLAND

NE Sec 05; T19S.R38E

HUMBLE

BASH



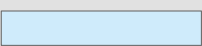







EDWARDS

MIDWEST


EDWARDS

TEXAS

Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

0 180 360 720 1,080 1,440 Feet



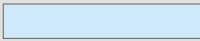




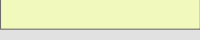




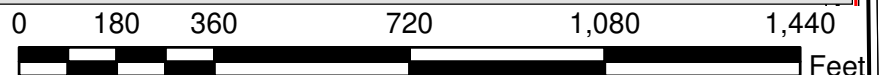
NE Quad of Map # 27

SE Sec 33; T18S.R38E

NE Sec 04; T19S.R38E

Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated			C	Commercial
				V	Vacant

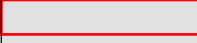
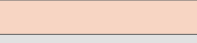
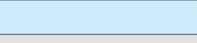




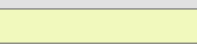

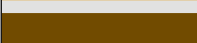


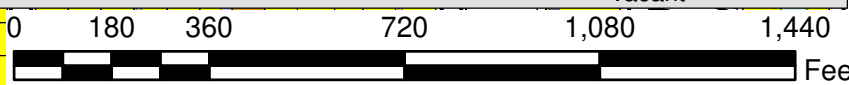
SW Sec 34; T18S.R38E

NW Quad of Map # 28

NW Sec 03; T19S.R38E

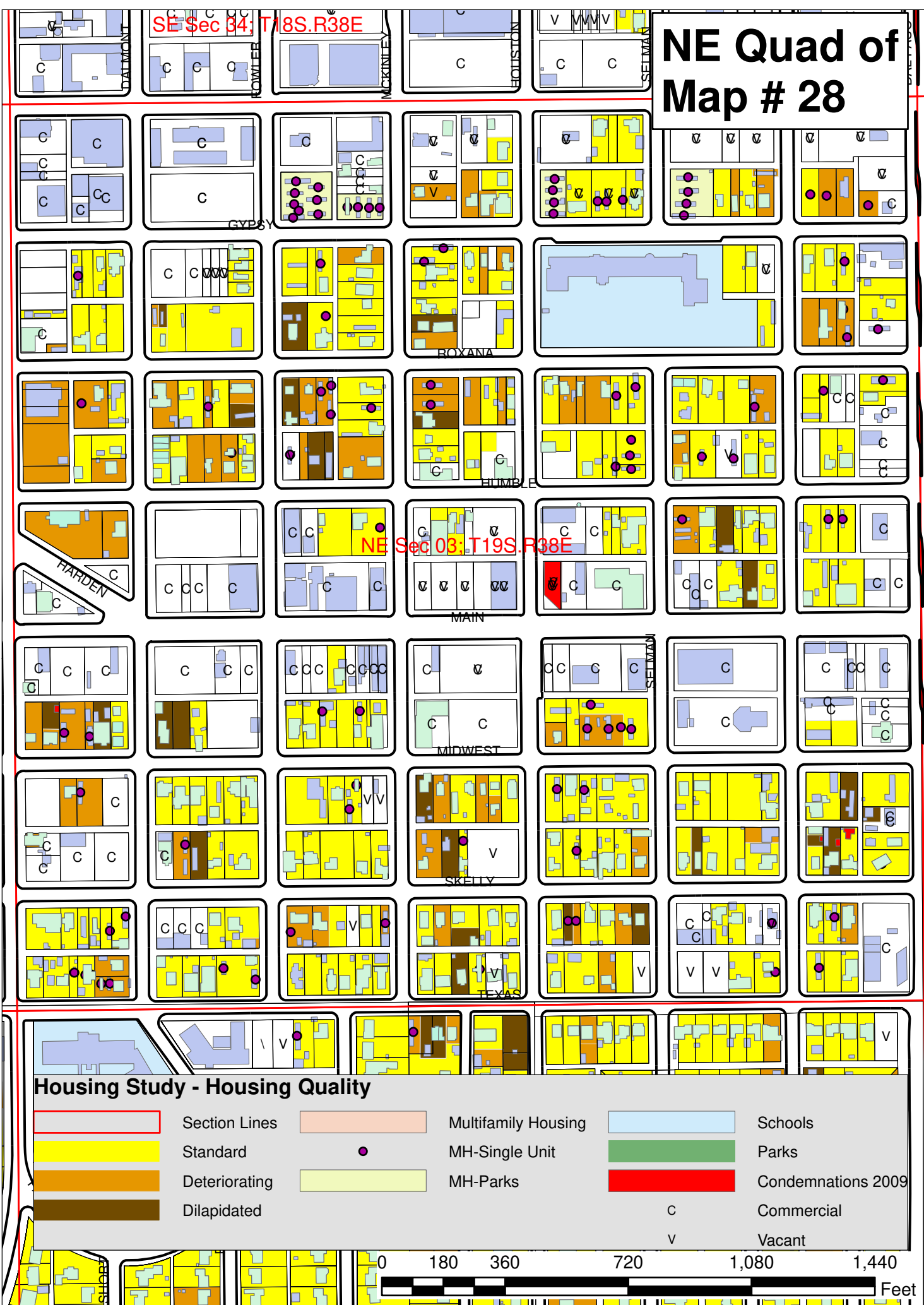
Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemns 2009
	Dilapidated			C	Commercial
				V	Vacant



SE Sec 34; T18S.R38E

NE Quad of Map # 28



NW Quad of Map # 29

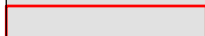
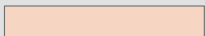
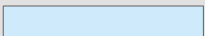











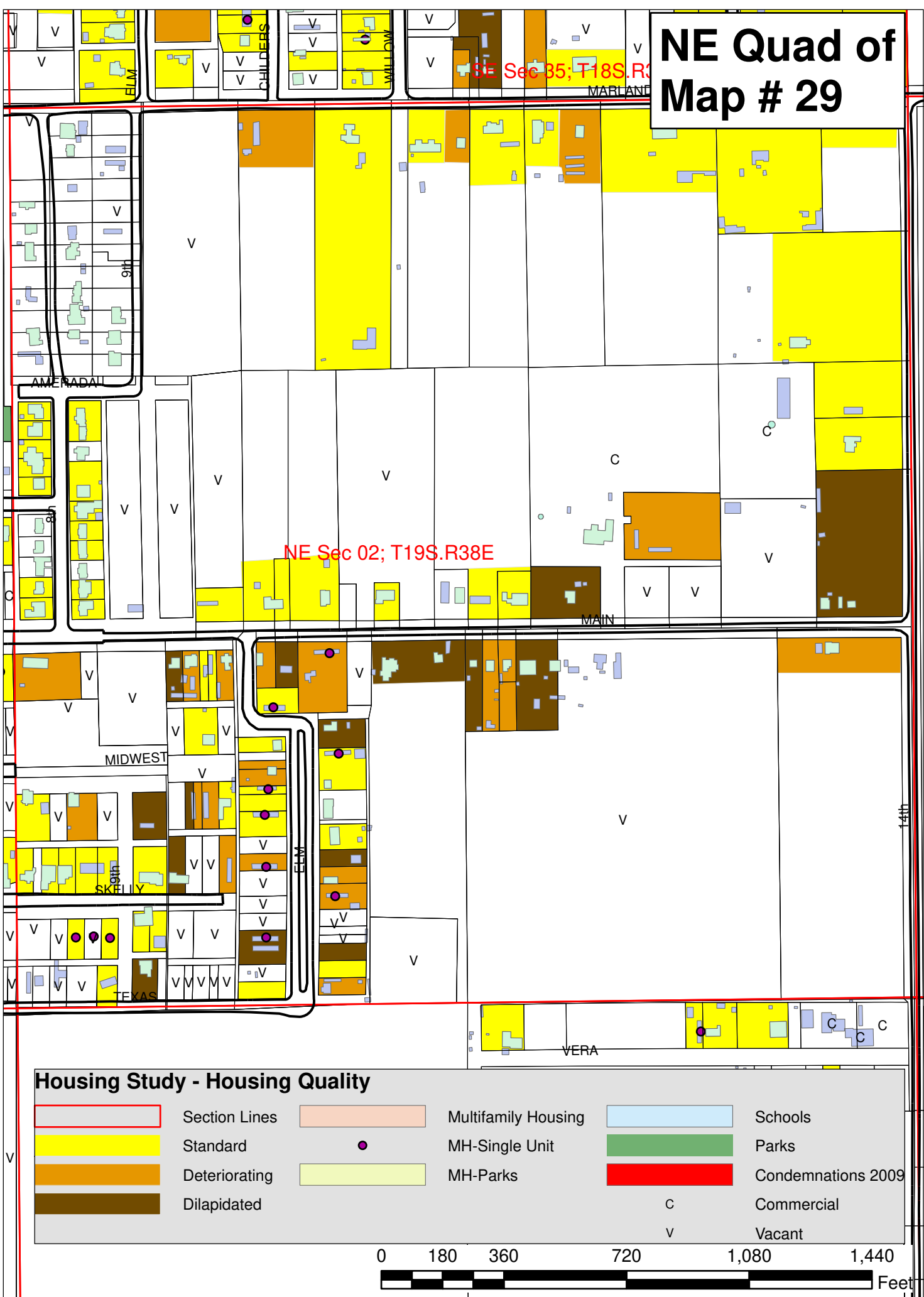
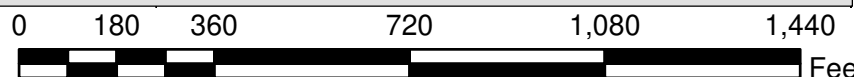
NE Quad of Map # 29

SE Sec 35; T18S.R3E

NE Sec 02; T19S.R38E

Housing Study - Housing Quality

	Section Lines		Multifamily Housing		Schools
	Standard		MH-Single Unit		Parks
	Deteriorating		MH-Parks		Condemnations 2009
	Dilapidated				Commercial
					Vacant





City of Hobbs Housing Plan

April 2011

**Resolution of City Commission
Approval from NM Mortgage Finance Authority**

Components of the Housing Plan

City of Hobbs Housing Plan	March 2011
City of Hobbs Housing Study	April 2010
Hobbs Housing Needs Assessment	July 2009
Revisions to Housing Needs Assessment	March 2011

City of Hobbs



IT ALL HAPPENS HERE.

CITY OF HOBBS

RESOLUTION NO. _____.

A RESOLUTION ADOPTING THE HOBBS HOUSING PLAN AS AN AMENDMENT TO THE HOBBS COMPREHENSIVE COMMUNITY DEVELOPMENT PLAN, AS RECOMMENDED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY.

WHEREAS, the City of Hobbs adopted a Comprehensive Community Development Plan in June of 2004 pursuant to Resolution No. 4037; and

WHEREAS, the Hobbs Housing Plan element of the Comprehensive Plan, has been reviewed and processed at several meetings between 2009 and now; and

WHEREAS, the New Mexico Mortgage Finance Authority has reviewed the Plan and has recommended approval of the Plan to address new growth initiatives and new affordable housing developments in Hobbs.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby approves the Hobbs Housing Plan as an amendment to the Hobbs Comprehensive Community Development Plan.

2. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 18th day of April, 2011.

GARY DON REAGAN, MAYOR

ATTEST:

JAN FLETCHER, CITY CLERK



March 17, 2011

Joe Dearing
City Planner
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Dear Mr. Dearing,

In accordance with the Affordable Housing Act (Section 62-7-1 et. seq. NMSA 1978) (Act), and the Affordable Housing Act Rules (Rules) adopted thereto, the New Mexico Mortgage Finance Authority has determined that the set of documents comprising the Affordable Housing Plan for the City of Clovis meets the minimum requirements of the Act and the Rules. The following documents comprise the Plan, as approved:

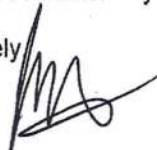
- City of Hobbs Needs Assessment (June 2009), as revised;
- City of Hobbs Housing Study (April 2010); and
- City of Hobbs Housing Plan (March 2011).

As stated in a previous letter, MFA strongly recommends that the City Housing Committee, once formed, conduct a detailed review of the City's subdivisions regulations, analyzing what regulatory changes might facilitate the production of affordable housing in Hobbs.

Under the Rules, the City should provide MFA with a certification that the Plan was adopted by the City Commission. Upon adoption of the Plan, revisions to the City's current Affordable Housing Ordinance will be necessary to authorize various donations the City intends to make towards affordable housing in Hobbs. Please work with MFA's legal counsel, Marjorie Martin, to ensure that ordinance revisions are in accordance with the Affordable Housing Act and Rules.

Thank you for your perseverance with this plan and your continued efforts in providing affordable housing to Hobbs residents. If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,


Joseph Montoya
Deputy Director of Programs

CC: Andrew Rael, MFA
Marjorie Martin, MFA

THE NEW MEXICO MORTGAGE FINANCE AUTHORITY
344 4th Street SW, Albuquerque, New Mexico 87102

PHONE 505.843.6880 TOLL FREE 800.444.6880

web housingnm.org



January 7, 2011

Joe Dearing
City Planner
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Dear Mr. Dearing,

The New Mexico Mortgage Finance Authority (MFA), in accordance with the Affordable Housing Act (Section 62-7-1 et. seq. NMSA 1978) (Act), and the Affordable Housing Act Rules (Rules) adopted thereto, has reviewed the reviewed your revisions to the set of documents comprising the Affordable Housing Plan for the City of Hobbs, which includes the City of Hobbs Needs Assessment (June 2009), the City of Hobbs Housing Plan (March 2010), and the City of Hobbs Housing Study (April 2010). The revisions you provided include the following:

- Responses to Items C.2 and D.5 of MFA's Review For Compliance with Affordable Housing Act Rules
- City of Hobbs Housing Plan (December 2010)

In reviewing these documents, MFA has found that in combination with the Needs Assessment and Housing Study, they meet the minimum eligibility requirements of the Act and Rules. Attached, please find recommendations for final revisions to the City of Hobbs Housing Plan. Additionally, MFA strongly recommends that the City Housing Committee, once formed, conduct a detailed review of the City's subdivisions regulations, analyzing what regulatory changes might facilitate the production of affordable housing in Hobbs.

Provided the recommended changes are made, MFA is prepared to approve the Hobbs Plan. Please provide MFA with a finalized copy of the Plan documents, once revisions have been made and the City Commission has adopted them.

Upon adoption of the Plan, revisions to the City's current Affordable Housing Ordinance will be necessary to authorize various donations the City intends to make towards affordable housing in Hobbs. Please work with MFA's legal counsel, Marjorie Martin, to ensure that ordinance revisions are in accordance with the Affordable Housing Act and Rules.

If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Roach".

Lisa Roach, Program Specialist

CC: Joseph Montoya, MFA
Marjorie Martin, MFA

REVISIONS TO HOUSING NEEDS ASSESSMENT – July 2009

The following items are revisions to the original Housing Needs Assessment of July 2009.

Responses to New Mexico MFA Review For Compliance with Affordable Housing Act Rules:

	Page #
Responses to Item C. 2: Evaluation of suitability, availability..	2
Responses to Item D. 1: Goals, Policies and Quantifiable Objectives	19
Responses to Item D. 3: Plan to promote potential regulatory ...	20
Responses to Item D. 5:	26
Subdivision Development Cost Memo and Plat Maps	Following page 28

Responses to MFA Review For Compliance with Affordable Housing Act Rules:

Responses to Item C. 2: *Evaluation of suitability, availability and realistic development capacity of developable sites, including appropriate zoning for special needs housing, such as multi-family rental, mobile homes, transitional and homeless shelters.*

- August '10: Either justify the numbers provided in the “Realistic Development Capacity” section of the Needs Assessment document (p.102), or revise this section with a discussion of development capacity that includes a discussion of Hobbs’ subdivision ordinance, and include density calculations based on accurate data on cost to build, land costs, and infrastructure. Address the following:
 - What can Hobbs’ population currently afford to rent and buy? (50-80% AMI, 80-100% AMI, 100-120% AMI)
 - Is this available in the market currently?
 - If not, based on cost to build, land costs, infrastructure costs, to whom are the options currently on the market affordable? [Please note that the costs provided by Joe Dearing for two subdivisions contain out-dated information. Please obtain current info from these developers, and please include information for a single-family home, not just duplex and fourplex buildings.]
 - How much subsidy is necessary to achieve affordability in new construction? What kind of building typology and how many units per acre are needed to achieve affordability?
- Minimum density calculations targeted to affordable housing populations.
 - July '09: Missing
 - December '09: The document is still missing analysis about density calculations related to affordable housing. The 30% assumption mentioned above does not appear to have been derived from the rough construction costs included on p. 36-37.
 - July '10: Comments from previous review not addressed.
 - SEE COMMENTS ABOVE.

HOBBS HOUSING MARKET ANALYSIS & HOUSING STATISTICS - November 2010:

Data was obtained from local realtor sources to determine total number and value of houses on the market in the Hobbs area and in Lea County. As of November 12, 2010, a total of 219 properties were on the market in Lea County containing residential structures. In Hobbs, the total number was 183. The following table shows the distribution of housing according to location and cost. A complete listing of all residential properties on the market for sale in November of 2010 is attached at the end of this section.

Table A1
Hobbs & Lea County Housing Characteristics
Value and Location of Houses For Sale – November 2010

Market Value	Hobbs Area	Balance of Lea County	Total
Under \$100,000	33	16	49
\$100,000 to \$150,000	41	9	50
\$150,000 to \$200,000	55	8	63
\$200,000 to \$300,000	43	1	44
Over \$300,000	11	2	13
Total	183	36	219

Table A2
HOUSING AFFORDABILITY IN HOBBS – November 2010

AMI – 2009 Family of 4	Monthly Housing Payment (31%)	Value of Affordable House at 31% of Income	Number of Houses in Hobbs Market in this price Range
30% \$12,600	\$ 325.50	\$ 45,092	3
50% \$21,000	\$ 542.50	\$ 75,154	15
80% \$33,600	\$ 868.00	\$120,246	47
100% \$42,000	\$1,085.00	\$150,308	73
120% \$50,400	\$1,302.00	\$180,370	106

Based on 4.25% FHA Loan with 3 ½% Down, PMI, Insurance & Taxes added in.
Hobbs Real Estate Market Data – November 12,2010, Multiple Listing Service.
Sources: Amber Fisher, Pioneer Bank; Tracy Coleman, Newman Realtors. AMI means Area
Median Income for Hobbs.

Table A3
HOUSING AFFORDABILITY IN LEA COUNTY – November 2010

AMI – 2009 Family of 4	Monthly Housing Payment (31%)	Value of Affordable House at 31% of Income	Number of Houses in Lea Co. Market in this price Range
30% \$14,105	\$ 364.56	\$ 48,850	9
50% \$22,750	\$ 588.00	\$ 81,416	29
80% \$36,500	\$ 943.00	\$130,273	77
100% \$45,500	\$1,175.00	\$162,833	107
120% \$54,500	\$1,408.00	\$195,400	155

Based on 4.25% FHA Loan with 3 ½% Down, PMI, Insurance & Taxes added in.
Hobbs Real Estate Market Data – November 12,2010, Multiple Listing Service.
Sources: Amber Fisher, Pioneer Bank; Tracy Coleman, Newman Realtors.

Tables A2 and A3 show current number of houses described as affordable for various income categories in both the Hobbs area (Table A2) and in all of Lea County (Table A3). A family of four with an income of \$42,000 per year and with good credit rating could afford to purchase a house in Hobbs and the family would have 73 houses to select from, as of November 2010. In Lea County with more units to select from and a slightly higher AMI, the number of available affordable units is 107 for the Lea County median income family. These statistics are based on the current interest rates of 4.25%, a 30 year fixed rate FHA loan, with 3 ½ % down, and up to 31% of a family's income able to be paid for housing costs.

Table A4
Comparison of Interest Rates and Availability of Affordable Housing
Hobbs Area – Based on \$42,000 Area Median Income

AMI – 2009 Family of 4		Monthly Payment	Maximum House Value 4.25% Loan	Maximum House Value 5.0% Loan	Maximum House Value 6.0% Loan	Maximum House Value 7.0% Loan
30%	\$12,600	\$ 325.50	\$ 45,092	\$ 41,033	\$ 36,109	\$ 31,776
50%	\$21,000	\$ 542.50	\$ 75,154	\$ 68,390	\$ 60,183	\$ 52,961
80%	\$33,600	\$ 868.00	\$120,246	\$109,423	\$ 96,292	\$ 84,738
100%	\$42,000	\$1,085.00	\$150,308	\$136,780	\$ 120,366	\$ 105,922
120%	\$50,400	\$1,302.00	\$180,370	\$164,136	\$ 144,439	\$ 127,107

Table A5
Comparison of Interest Rates and Number of Affordable Houses
Hobbs Area – Based on \$42,000 Area Median Income

AMI – 2009 Family of 4		Monthly Payment	4.25% Loan # of Houses in Hobbs	5.0% Loan # of Houses in Hobbs	6.0% Loan # of Houses in Hobbs	7.0% Loan # of Houses in Hobbs
30%	\$12,600	\$ 325.50	3	1	1	1
50%	\$21,000	\$ 542.50	15	14	9	8
80%	\$33,600	\$ 868.00	47	37	27	14
100%	\$42,000	\$1,085.00	73	59	37	28
120%	\$50,400	\$1,302.00	106	85	44	42

Based on 31% of income to housing; FHA Loans with 3 ½% Down, PMI, Insurance & Taxes added in, and interest rates varying from 4.25% to 7.0%.

Due to the unusually low interest rates at 4.25% for a 30 year fixed rate loan during November of 2010, the availability of affordable housing for moderate income families in Hobbs with good credit ratings appears to be abundant. However, if loan interest rates were to increase, the supply of affordable housing would shrink considerably. According to local mortgage professionals, if interest rates increased to 5.0% for a 30 year fixed FHA loan, there would be a 9% increase in housing costs, and therefore the number of homes being “affordable” would be reduced by a similar margin. A 6.0% or 7.0% interest rate would further reduce the number of affordable homes per the following tables. For a family of four with annual income at 100% Hobbs AMI of \$42,000, and capability to pay \$1,085.00 per month on housing, 73 units are for sale in the Hobbs housing market. However, if the interest rate jumps to 5.0%, only 59 for sale units are available. For higher

interest rates, it is estimated that only 37 units would be available at 6% and just 28 for sale units were affordable at a 7.0% rate. These statistics are based on standard loan payment schedules and programs at local home mortgage banks in Hobbs, in the event that interest rates should increase in the future.

SUBDIVISION CONSTRUCTION & INFRASTRUCTURE COSTS IN HOBBS:

Attached at the end of this section is a brief 2 page report on recent development cost information for subdivision infrastructure costs in Hobbs during the 2007 to 2009 time period. Both of these subdivisions in this analysis are in Ranchview Estates in the northeast part of Hobbs. The cost information is fairly accurate, because the City approved two Letters of Credit for the developments, with detailed cost information. The City also negotiated a Developer's Agreement for cost sharing of Ranchland Drive and utility over-sizing. Based on the cost data received and approved by the City, the infrastructure costs were \$13,413 per lot in the Arbors Development, and \$14,117 per lot in Ranchview Tanglewood Unit 1.

These subdivision construction costs from 2007 are probably greater than current development costs in Hobbs in November of 2010. During the time that these developments were constructed, building and development in Hobbs was very active and the price of construction was inflated due to the excess demand and a lack of available contractors. Hobbs had only one major paving contractor that was active and bidding street projects from 2004 through early 2009. A letter can be obtained from the City Engineer to verify the current costs. The local manager of Ranchview Development was recently contacted and he stated that he was unaware that Ranchview had been contacted by NMMFA to determine if the City's cost estimates were valid.

The City Planning Department has and is currently developing two industrial subdivisions in the Hobbs Industrial Air Park (HIAP). These subdivisions feature 2 to 6 acre lots in Phase I and 3 to 6 acre lots in Phase 2, with heavy duty industrial quality infrastructure systems for power, streets, utilities, etc. The infrastructure development costs for per developed acre in these developments are \$26,837 for Phase I and \$28,910 for Phase 2.

However, the above developments do not include sites for moderate income housing projects. The La Pradera moderate housing development (60 units) is now under construction in Hobbs on Dal Paso Street. The City has entered into a cost sharing agreement with the Developer to assist with offsite costs. The City Building Permit Value for La Pradera is \$7,650,000 for the housing complex, which represents a cost of \$127,500 per each unit. The cost to develop the necessary street and utility infrastructure for La Pradera should be substantially less per unit than Ranchview since the amount of infrastructure required per each unit is considerably less.

The total building size of all buildings in La Pradera is 57,052 square feet (SF), of which 2,694 is the separate child care facility. The housing complex at 54,358 SF yields a cost to build of \$140.38/SF. The cost is somewhat higher than other similar projects, according to the City Building Official, and the type of building construction as Type 3 with exterior concrete walls and floors adds about \$5 per SF. The infrastructure cost to construct Glorietta Street full width for a distance of 500 linear feet (LF) and for a half street for an additional 750 LF, which with utility extensions in the street, is estimated to be the developer's and City's costs (\$62,000+) of

\$200,000. This cost adds an additional \$4/per SF to the La Pradera square foot cost. However, adequate infrastructure is necessary for building a housing complex. Undoubtedly, the site was priced lower without complete infrastructure, than if water, sewer and constructed street were present for the entire length of the tract. The cost of building a housing complex in Hobbs should range from \$115 to \$125 per square foot, not including infrastructure.

How much subsidy is necessary to achieve affordability in new construction?

Affordable Housing Project Cost & Financing Scenarios:

A typical sixty unit affordable housing project is outlined below. This is a typical housing project and the analysis does not attempt to replicate any existing projects in Hobbs.

Revenue Budget:

60 unit Housing Project Cost to build	\$7,650,000
Less NMMFA Tax Credit Subsidy	\$1,000,000
Less Owner's Down payment	\$ 650,000
Amount to be Financed	\$6,000,000

Cost per unit: \$ 127,500

Financing Scenarios:

10 Year Financing

Principal	\$6,000,000		
Interest Rate	5.0%		
Term of Loan	10 Years		
P & I Payment	\$763,668/year	\$63,639/month	\$1060.65/unit
Total of Payments	\$7,636,680	\$127,278/unit	

15 Year Financing

Principal	\$6,000,000		
Interest Rate	5.0%		
Term of Loan	15 Years		
P & I Payment	\$569,376/year	\$47,448/month	\$ 790.80/unit
Total of Payments	\$8,540,640	\$142,344/unit	

20 Year Financing

Principal	\$6,000,000		
Interest Rate	5.0%		
Term of Loan	20 Years		
P & I Payment	\$475,164/year	\$39,597/month	\$ 659.95/unit
Total of Payments	\$9,503,280	\$158,388/unit	

30 Year Financing

Principal	\$6,000,000		
Interest Rate	5.0%		
Term of Loan	30 Years		
P & I Payment	\$391,680	\$32,640.597/month	\$ 544.00/unit
Total of Payments	\$11,750,405	\$195,840/unit	

60 Unit Housing Project Operating Budget - Estimated O & M Costs – Annual:

Personnel: Office Clerk/Manager (FT) & Maintenance Person (PT)	\$ 50,000
All Perils Insurance:	\$ 15,000
Property Maintenance	\$ 15,000
Taxes	\$ 6,000
Reserve & Contingency	\$ 14,000
Estimated Total Expense	\$100,000
Cost per Unit – Annual	\$ 1,666.67/year
Cost per Unit – Per Month	\$ 138.89/mo.

Business Plan – 60 Unit Affordable Housing Project

\$8 Million Project with \$6 Million Loan

Annual Expenditures:

	30 Year Loan	20 Year Loan
Loan – P&I	\$391,680	\$475,164
O + M	\$100,000	\$100,000
Owner's Profit	<u>\$ 6,000</u>	<u>\$ 6,000</u>
Total Estimated Expense:	\$497,680	\$581,164

Monthly Cost Per Unit:

	30 Year Loan	20 Year Loan
Loan – P&I	\$544.00	\$659.95
O + M	\$138.89	\$138.89
Owner's Profit	<u>\$ 8.33</u>	<u>\$ 8.33</u>
Total Estimated Expense:	\$691.22	\$807.17

Rental Plan – Revenue & Rent Subsidy Plan:

AMI %	Monthly Rent @ 31%	Per # of Units	Monthly Rent - Total
30%	\$ 325.50	5	\$ 1,627.50
50%	\$ 542.50	10	\$ 5,425.00
80%	\$ 868.00	15	\$13,020.00
100%	\$1,085.00	15	\$16,275.00
120%	\$1,200.00 **	15	\$18,000.00
Totals		60	\$ 54,347.50
Annual Rent Projection:			\$ 652,170.00
Less 10% Vacancy & Unpaid Rent Loss			\$ 65,217.00
Total Revenues Available:			\$ 586,953.00

Summary Budget – All Revenues & Expenditures

Annual Budget:

	30 Year Loan	20 Year Loan
Total Projected Revenues	\$586,953	\$586,953
Total Projected Expenses	- <u>\$497,680</u>	- <u>\$581,164</u>
Total Estimated for Reserve	\$ 89,273	\$ 5,789

Options to increase affordable housing:

1. Loans of 20 year or greater length.
2. Reduce cost per project and per unit by increasing NMMFA tax credit subsidy.
3. Reduce cost per project and per unit by having City provide land or part of development costs.
4. Reduce cost per project and per unit by having private foundation provide land or part of development costs.
5. Increase project size to 75 or 80 units minimum; increase size of project area to 6 or 7 acres minimum.
6. Increase rent for 100% AMI & Market rate units.

EXISTING RENTAL MARKET IN HOBBS – November 2010

A large apartment rental company in Hobbs was surveyed to obtain updated rental information. The company manages over 400 units in Hobbs, of which 41 are vacant (November 2010). The overall vacancy rate for the Company's 424 units is 9.7%. This compares quite favorably with the same company's vacancy rate at 67% in January of 2010. The difference in the vacancy rate is due to sharply increased employment of young transient oil field workers now residing in Hobbs. Projections locally are for continued growth in the local oilfield employment which will put additional pressure on lower cost housing rentals. These trends will create additional needs for apartments to serve low and moderate income families as the Hobbs economy improves.

The rent on a one bedroom apartment or efficiency ranges from \$400 to \$625 a month. A two bedroom unit can range anywhere from \$550 to \$2,000 per month.

The Company manages several housing units in The Arbors at Ranchview, which are only on the market for rental in 2010. There are currently 13 total vacant units at Arbors and 31 occupied. Rents are as follows:

2 BR unfurnished:	\$1,250/month rent + \$1,250 deposit
2 BR Furnished	\$1,750/month rent plus deposit
3 BR unfurnished:	\$1,550/month rent plus deposit
3 BR Furnished	\$2,100/month rent plus deposit

What kind of building typology and how many units per acre are needed to achieve affordability?

Building Typology & # of Units:

Suggestions are as follows:

- ** Building type needs to be a combination of one and two story structures to obtain a density of 8-9 units per acre. Three story residential buildings do not currently exist for family type housing, and this type of housing will probably seem out of place in Hobbs.
- ** Project size should be increased to 75 or 80 units per project. The land area of the project area should be increased to 6 or 10 acres, if possible. If possible and if building security can be maintained, separate but adjacent smaller parcels could be combined to create a non-contiguous project.

**HOBBS MLS Data from Hobbs Real Estate Market Data – November 12, 2010,
Multiple Listing Service, Source: Tracy Coleman, Newman Realtors, Hobbs, NM.**

LIST PRICE:	HIGH	LOW	AVERAGE	MEDIAN	TOTAL PRICE	LISTING COUNT
SOLD PRICE:	\$985,000	\$25,000	\$171,656	\$164,000	\$37,592,695	219
DOM:	\$0	\$0	\$0	\$0	\$0	
	0	0	0	0		

Default MLS Defined Spreadsheet

Asking Price	Address	City	Bedrooms	Full Baths	1/2 Baths	3/4 Baths	Type	Days On MLS
\$25,000	2102 W Colonial Dr.	Lovington	2	1	1	0	Manufactured Home	51
\$28,000	703 E Dunnam	Hobbs	2	1	0	0	Single Family	53
\$29,000	110 S Third	Jal	3	1	0	0	Single Family	43
\$38,000	402 2nd Street	Lovington	2	1	0	0	Single Family	73
\$42,000	507 E Alameda St.	Hobbs	2	1	0	0	Single Family	143
\$45,000	221 AVE. A	Hobbs	3	1	0	0	Single Family	142
\$47,000	513 W CASTLE	Hobbs	2	1	0	0	Single Family	169
\$48,000	815 N HOUSTON	Hobbs	2	0	0	1	Single Family	38
\$48,000	911 E Gypsy	Hobbs	2	1	0	1	Single Family	44
\$48,900	7031 billy dr.	Hobbs	4	1	0	1	Manufactured Home	119
\$49,500	204 N Ave. D	Tatum	3	1	0	1	Single Family	57
\$49,500	815 N 1st	Lovington	3	2	0	0	Single Family	73
\$50,000	1230 Katy Lane	Hobbs	3	2	0	0	Manufactured w/ Acreage	65
\$55,995	1708 17th	Eunice	3	2	0	0	Manufactured Home	105
\$58,000	405 E Sanger	Hobbs	2	0	0	1	Single Family	24
\$63,500	1014 W Gore	Lovington	3	1	0	0	Single Family	73
\$65,000	307 W Palace	Hobbs	3	1	0	0	Single Family	53
\$65,000	1235 San Andres Dr.	Hobbs	3	1	0	0	Single Family	143
\$65,800	700 Burk St.	Hobbs	3	1	0	0	Single Family	156
\$67,900	1525 PENNINGTON	Hobbs	3	1	0	1	Single Family	3
\$67,900	1222 Starling Drive	Hobbs	2	1	0	0	Single Family	64
\$69,000	1302 S 2nd	Lovington	3	1	0	0	Single Family	30
\$69,900	1220 N LLANO	Hobbs	3	1	0	0	Single Family	24
\$75,000	406 W Ave P	Lovington	3	2	0	0	Single Family	73
\$77,000	215 W Harrison		3	2	0	0	Single Family	129

Responses to New Mexico MFA Review Comments, Page 12.

		Lovington						
\$78,900	1918 N Penasco Dr	Hobbs	2	1	0	0	Single Family	43
\$79,000	1516 N Brazos	Hobbs	3	2	0	0	Single Family	46
\$79,900	400 S Avenue B	Hobbs	3	2	0	0	Single Family	93
\$80,000	3300 College St	Hobbs	3	1	0	0	Single Family	43
\$84,500	1523 N Penasco	Hobbs	3	1	0	0	Single Family	10
\$84,950	1531 N Breckon	Hobbs	3	1	1	0	Single Family	205
\$85,000	2106 N Acoma	Hobbs	2	1	0	0	Single Family	24
\$85,000	6007 N La Mesa	Hobbs	2	1	0	0	Single Family	85
\$85,000	409 E Albertson	Hobbs	3	2	0	0	Manufactured Home	127
\$85,000	1621 Katy Lane	Hobbs	3	2	0	0	Manufactured Home	218
\$88,500	1303 S SELMAN	Hobbs	4	1	0	1	Single Family	17
\$89,000	1516 E PENASCO	Hobbs	3	1	0	0	Single Family	37
\$89,000	416 W Berry Drive	Hobbs	3	2	0	0	Single Family	102
\$89,200	200 E Vega Dr.	Hobbs	2	1	0	1	Single Family	73
\$89,500	1732 N BRAZOS	Hobbs	3	1	0	1	Single Family	69
\$90,000	835 W Iron	Hobbs	3	1	0	1	Single Family	53
\$90,000	0 S. St. Hwy 206	Lovington	4	1	0	0	Single Family w/ Acreage	137
\$94,900	1601 18th St.	Eunice	3	1	0	1	Single Family	1
\$95,900	830 W GOLD	Hobbs	3	1	0	1	Single Family	78
\$97,500	705 N 8th street	Lovington	2	1	0	0	Single Family	73
\$97,500	709 E East Street	Lovington	3	2	0	0	Single Family	73
\$99,900	516 W Cain	Hobbs	3	1	0	1	Single Family	51
\$105,000	1700 Chama Drive	Hobbs	3	1	0	1	Single Family	344
\$106,000	1206 W COAL	Hobbs	3	1	1	0	Single Family	25
\$108,500	2613 N Selman St.	Hobbs	3	1	0	1	Single Family	93
\$109,000	2412 Charlcia	Hobbs	3	1	0	1	Single Family	32
\$110,000	722 S 2nd	Lovington	4	2	0	0	Manufactured Home	30
\$110,000	113 Jefferson Place	Hobbs	3	1	0	1	Townhouse	31
\$110,000	2301 N Thomas Dr.	Hobbs	3	1	0	1	Single Family	35
\$110,000	1206 N LLANO	Hobbs	3	1	0	1	Single Family	107
\$110,000	517 W MESA	Hobbs	3	1	0	1	Single Family	126
\$112,000	7201 S Culp	Monument	3	2	0	0	Manufactured w/ Acreage	88
\$114,000	7122 Startem Road	Hobbs	4	2	0	1	Single Family w/ Acreage	77
\$114,900	514 W ST. ANNE PLACE	Hobbs	3	1	0	1	Single Family	84
\$115,000	2407 Roundup Dr.	Hobbs	4	1	0	1	Single Family	60
\$115,000	1213 Terry Court	Hobbs	3	1	0	1	Single Family	144
\$117,500	1307 W Cottonwood	Lovington	3	1	0	1	Single Family	77
\$119,000	5906 La Mesa Drive	Hobbs	2	2	0	0	Single Family	18
\$119,000	3019 N Montgomery	Hobbs	3	2	0	0	Single Family	150
\$124,900	1209 Rose Lane	Hobbs	3	1	0	1	Single Family	56

Responses to New Mexico MFA Review Comments, Page 13.

\$124,900	1315 E Bender	Hobbs	2	2	0	0	Townhouse	185
\$125,000	5301 Seminole Highway	Hobbs	3	1	0	1	Single Family w/ Acreage	24
\$125,000	721 W Marr	Hobbs	3	2	0	0	Single Family w/ Acreage	51
\$127,500	410 BROOM DR	Hobbs	4	1	0	1	Single Family	37
\$128,500	830 W Polk	Lovington	3	2	0	0	Single Family	100
\$129,500	217 E MESA	Hobbs	3	1	0	1	Single Family	2
\$129,900	915 E Lincoln	Hobbs	3	1	0	1	Single Family	25
\$129,900	2315 MATTHEWS COURT	Hobbs	4	1	1	1	Single Family	155
\$129,900	2427 N TRES AMIGOS	Hobbs	3	2	0	0	Manufactured Home	255
\$130,000	1604 W Ave M	Lovington	2	1	0	1	Single Family	39
\$130,000	608 E LUNA	Hobbs	3	1	0	1	Single Family	193
\$130,000	3624 Eunice Hwy	Hobbs	3	2	0	0	Manufactured w/ Acreage	492
\$134,900	726 E Mesa	Hobbs	4	1	1	1	Single Family	114
\$136,400	610 W Tyler	Lovington	3	1	0	1	Single Family	137
\$137,500	510 N Bataan	Hobbs	2	1	0	0	Single Family	28
\$138,900	200 W Blanco	Hobbs	3	1	0	1	Single Family	10
\$139,000	7600 Kornegay	Hobbs	3	1	0	1	Single Family w/ Acreage	20
\$139,000	1627 N BRAZOS	Hobbs	4	0	0	2	Single Family	53
\$139,000	636 E Llano Dr	Hobbs	4	1	0	1	Single Family	168
\$139,000	2702 N Northacres	Hobbs	3	1	0	1	Single Family	184
\$139,500	1103 E Butte	Hobbs	2	2	0	1	Single Family w/ Acreage	36
\$139,900	705 W Cottonwood	Lovington	3	2	0	0	Single Family	260
\$145,000	805 Randy Place	Hobbs	3	2	1	0	Single Family	14
\$145,000	1514 Ave. S	Eunice	2	2	0	0	Single Family	31
\$149,250	101 E Aspen	Hobbs	3	1	0	1	Single Family	108
\$149,500	421 W Taos	Hobbs	3	2	0	0	Single Family	31
\$149,900	832 E Greenacres	Hobbs	3	1	0	1	Single Family	25
\$149,900	108 E Alto	Hobbs	3	1	0	1	Single Family	54
\$149,900	1520 E Rancho Rd.	Hobbs	3	1	1	0	Single Family w/ Acreage	256
\$149,900	#6 Acoma Court	Hobbs	3	2	0	0	Single Family	353
\$149,900	#2 Acoma Court	Hobbs	3	2	0	0	Single Family	353
\$149,900	#1 Acoma Court	Hobbs	3	2	0	0	Single Family	353
\$150,000	606 E Ave. K	Lovington	3	2	0	0	Single Family w/ Acreage	51
\$150,000	1003 W Pueblo	Hobbs	3	2	0	0	Single Family	205
\$151,950	1506 Ave. S	Eunice	4	1	0	1	Single Family	31
\$154,900	709 W Cottonwood	Lovington	3	2	0	0	Single Family	260

Responses to New Mexico MFA Review Comments, Page 14.

\$155,000	500 E Taos	Hobbs	3	2	0	0	Single Family	31
\$156,000	1502 Ave. S	Eunice	3	1	0	1	Single Family	31
\$158,900	819 W SILVER	Hobbs	3	1	0	1	Single Family	102
\$159,900	722 W Ave. A	Lovington	3	1	0	2	Single Family	51
\$160,000	7224 N Lovington Highway	Hobbs	3	1	0	0	Single Family w/ Acreage	442
\$162,000	712 Green Acres Drive	Hobbs	3	2	0	0	Single Family	133
\$163,900	709 Yeso	Hobbs	3	1	0	1	Single Family	198
\$164,000	1812 W MARQUIS	Hobbs	3	1	1	1	Condo	273
\$164,000	1806 W MARQUIS	Hobbs	3	1	1	1	Condo	273
\$164,000	1804 W MARQUIS	Hobbs	3	1	1	1	Condo	273
\$164,000	1810 W MARQUIS	Hobbs	3	1	1	1	Condo	273
\$164,900	4203 HAND HILL RD.	Lovington	4	2	0	0	Single Family w/ Acreage	41
\$164,900	501 E Taos St	Hobbs	3	1	0	1	Single Family	158
\$165,000	1813 N McKinley	Hobbs	3	2	0	0	Single Family	9
\$167,500	1510 Ave. S	Eunice	3	2	0	0	Single Family	31
\$167,500	1406 CALLE SUR	Hobbs	3	2	0	0	Townhouse	112
\$167,500	11311 Hillcrest	Hobbs	3	2	0	0	Single Family w/ Acreage	165
\$169,900	1909 N Rojo	Hobbs	3	1	0	1	Single Family	58
\$169,900	2501 Cattle Call	Hobbs	4	2	0	1	Single Family	432
\$172,000	1429 Ranch View Estates	Hobbs	3	2	0	0	Single Family	115
\$174,000	2008 N Rojo	Hobbs	3	1	0	1	Single Family	53
\$174,500	7411 CASA BONITA	Hobbs	4	1	0	1	Single Family	3
\$174,500	626 E Seco	Hobbs	3	1	0	1	Single Family w/ Acreage	93
\$174,950	621 E Yeso	Hobbs	3	1	1	1	Single Family	50
\$175,000	14305 Shady Lane	Hobbs	4	2	1	0	Manufactured w/ Acreage	14
\$175,000	1203 W CAPROCK	Hobbs	3	2	0	0	Townhouse	39
\$175,000	726 E Seco	Hobbs	4	2	0	1	Single Family	88
\$175,000	1021 Mesa Verde	Hobbs	3	1	0	1	Single Family	126
\$175,000	2022 N COTTRELL	Hobbs	3	2	0	0	Single Family w/ Acreage	289
\$176,500	518 W Copper Ave.	Hobbs	3	1	0	1	Single Family	10
\$176,500	637 E Taos St	Hobbs	3	1	0	1	Single Family	43
\$178,000	3318 N Belmont Place	Hobbs	4	1	1	1	Single Family	199
\$178,500	708 Martin	Hobbs	3	2	0	0	Single Family	494
\$179,500	1210 W Ave. H	Lovington	3	2	0	0	Single Family	127
\$179,900	617 W Silver	Hobbs	4	1	0	1	Single Family	27
\$179,900	1121 W Idaho Ave.	Hobbs	3	2	0	0	Single Family w/ Acreage	63
\$179,900	2213 W Lanehart Dr	Hobbs	3	2	0	0	Single Family w/ Acreage	211
\$181,900	208 W GOLD	Hobbs	3	1	0	1	Single Family	58
\$183,000	1521 Camino Real	Hobbs	3	1	0	1	Single Family	63
\$183,400	1654 Ranch View Estates	Hobbs	3	2	0	0	Single Family	115

Responses to New Mexico MFA Review Comments, Page 15.

\$184,000	1808 W MARQUIS	Hobbs	3	1	1	1	Condo	273
\$184,900	1666 Ranch View Estates	Hobbs	3	2	0	0	Single Family	114
\$184,900	3525 N Camino Real	Hobbs	3	2	0	0	Single Family	122
\$185,000	701 Antelope	Hobbs	3	2	0	0	Single Family w/ Acreage	483
\$187,900	1329 Paige Dr.	Hobbs	3	2	0	0	Single Family	15
\$189,500	1010 NAMBE	Hobbs	3	2	0	0	Single Family	43
\$189,900	1022 E Sanger	Hobbs	5	1	0	2	Single Family	52
\$189,900	800 Eagle	Hobbs	3	1	0	1	Single Family	805
\$190,000	10731 N Monarch	Hobbs	3	2	0	0	Manufactured w/ Acreage	58
\$193,500	2001 E Alabama	Hobbs	3	1	0	1	Single Family w/ Acreage	19
\$194,900	631 W SILVER AVE.	Hobbs	3	1	0	1	Single Family	153
\$195,000	617 W MILLEN	Hobbs	3	2	0	0	Single Family	134
\$195,000	1113 CONNECTICUT	Hobbs	3	2	0	0	Single Family w/ Acreage	148
\$195,000	812 W Taos St.	Hobbs	3	2	0	0	Single Family	185
\$195,900	1245 W Cochiti	Hobbs	3	1	0	1	Single Family	422
\$196,900	1113 Mesa Verde	Hobbs	3	2	0	0	Single Family	163
\$197,500	1759 Ranch View Estates	Hobbs	3	2	0	0	Single Family	114
\$197,500	1760 Ranch View Estates	Hobbs	4	2	0	0	Single Family	115
\$198,500	1001 N Jefferson	Hobbs	3	1	1	1	Single Family	64
\$199,900	6824 Mockingbird	Hobbs	3	2	0	0	Single Family w/ Acreage	53
\$200,000	1895 Ranch View Estates	Hobbs	3	2	0	0	Single Family	115
\$200,000	1872 Ranch View Estates	Hobbs	4	2	0	0	Single Family	115
\$204,900	2030 Ranch View Estates	Hobbs	4	2	1	0	Single Family	115
\$204,900	2029 Ranch View Estates	Hobbs	3	2	1	0	Single Family	115
\$205,000	807 W Kiowa Avenue	Hobbs	3	2	0	0	Single Family	8
\$205,000	4028 Fiesta	Hobbs	3	2	0	0	Single Family	150
\$205,000	1410 W Calle Sur	Hobbs	3	1	0	1	Townhouse	178
\$208,000	2052 Ranch View Estates	Hobbs	4	2	0	0	Single Family	115
\$208,000	2051 Ranch View Estates	Hobbs	3	2	0	0	Single Family	115
\$210,000	2233 N Adobe	Hobbs	4	1	0	1	Single Family	23
\$213,800	2158 Ranch View Estates	Hobbs	4	2	0	0	Single Family	115
\$213,800	2157 Ranch View Estates	Hobbs	3	1	0	0	Single Family	115
\$215,000	2044 Heritage Ln.	Hobbs	4	2	1	0	Single Family	39
\$215,000	600 W Hunter	Hobbs	3	3	0	0	Single Family	120
\$216,000	927 Sandia	Hobbs	4	2	0	0	Single Family	108
\$217,000	2193 Ranch View Estates	Hobbs	4	2	1	0	Single Family	114
\$217,000	2192 Ranch View Estates	Hobbs	3	2	1	0	Single Family	114
\$218,750	2119 Ranch View Estates	Hobbs	4	2	0	0	Single Family	115
\$218,750	2118 Ranch View Estates	Hobbs	3	2	0	0	Single Family	115
\$219,300	2240 Ranch View Estates	Hobbs	3	2	1	0	Single Family	115
\$219,900	2115 Saddle Club Dr	Hobbs	4	2	0	0	Single Family	49
\$219,900	218 W LEA STREET	Hobbs	5	2	2	0	Single Family	166
\$220,000	1108 N Dal Paso	Hobbs	5	4	1	0	Single Family	50
\$225,000	3411 Plains Hwy	Lovington	4	2	0	0	Single Family w/ Acreage	15

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\$228,000	2101 N Cielo	Hobbs	4	2	0	1	Single Family	51
\$228,500	914 W Jicarilla	Hobbs	2	2	0	0	Townhouse	15
\$230,000	4021 W TREVINO	Hobbs	4	2	1	0	Single Family	12
\$232,000	1606 W Marquis	Hobbs	3	2	0	0	Single Family	3
\$234,500	123 Gold Ave.	Hobbs	4	1	0	2	Single Family	2
\$235,000	1607 W Camino del Arco	Hobbs	3	2	0	0	Single Family	31
\$235,000	1400 E Cimarron	Hobbs	4	2	0	0	Single Family	36
\$245,000	2013 N MC KINLEY	Hobbs	4	2	0	0	Single Family	168
\$245,000	4311 HERMOSA	Hobbs	4	2	0	0	Single Family	185
\$248,450	2907 Ranch View Estates	Hobbs	5	2	1	0	Single Family	115
\$248,450	2905 Ranch View Estates	Hobbs	3	2	1	0	Single Family	115
\$255,000	6726 Mockingbird	Hobbs	3	2	0	0	Single Family w/ Acreage	53
\$267,900	1602 El Centro	Hobbs	4	2	0	0	Single Family	74
\$267,900	1714 W EL CENTRO	Hobbs	4	2	0	0	Single Family	283
\$273,900	1436 Marquis Lane	Hobbs	3	2	0	0	Single Family	38
\$275,000	8210 ROLLING MEADOWS DR	Hobbs	3	2	0	0	Single Family w/ Acreage	30
\$287,500	1405 W Ave. H	Lovington	5	2	0	0	Single Family	127
\$289,000	9029 Knowles Rd.	Hobbs	4	3	0	0	Single Family w/ Acreage	93
\$295,000	521 E Alto	Hobbs	4	2	0	1	Single Family	39
\$298,000	1801 N Fowler St	Hobbs	3	2	1	0	Single Family	8
\$299,900	2001 N McKinley	Hobbs	4	2	1	0	Single Family	158
\$319,900	4830 W RAGSDALE	Hobbs	3	2	1	0	Single Family w/ Acreage	65
\$325,000	617 W Ave. A	Lovington	5	2	2	3	Single Family	51
\$329,500	5901 N Dal Paso	Hobbs	5	3	0	0	Single Family w/ Acreage	178
\$337,000	601 Jemez	Hobbs	3	1	0	1	Single Family	150
\$359,900	829 E green acres	Hobbs	4	4	1	0	Single Family	567
\$379,000	433 W Coal	Hobbs	2	2	1	0	Single Family	60
\$395,000	625 E Abo	Hobbs	3	3	0	0	Single Family	219
\$415,000	300 E Jemez	Hobbs	4	2	1	0	Single Family	214
\$428,000	530 E Zia	Hobbs	4	3	0	0	Single Family	80
\$465,000	421 W Coal	Hobbs	3	2	1	1	Single Family	454
\$570,000	2709 N Gold Court	Hobbs	2	2	1	1	Single Family	127
\$755,000	1304 S STATE HWY 206 (TATUM HWY)	Lovington	4	2	0	0	Single Family w/ Acreage	7
\$985,000	2604 W Pinson Rd	Hobbs	3	3	0	0	Single Family w/ Acreage	271

**Subdivision Development Costs – City of Hobbs
Typical Subdivision Infrastructure Costs – City of Hobbs
2007-2010 Period.**

1. The Arbors at Ranchview Estates owned and developed by Western States Development Group – Located on East Bender Boulevard – Developed in 2007 and 2008.

**Total Acreage: 14.09 acres
98 Lots on 14.09 acres – Refer to attached Plat.
Density: 6.95 units per acre
Streets: 4.91 acres (57' right-of-way standard)
Street Length: 3,753 LF**

Housing Product – 24 Fourplex Buildings and 1 Duplex Building - Attached Housing:

**48 two bedroom units with 1 car garage
2008 asking price for 2 bedroom constructed unit: \$86,000
2 Bedroom Lot Size 40' width X 65' length: 2,600 SF
48 three bedroom units with 2 car garage
2008 asking price for 3 bedroom constructed unit: \$128,000
3 Bedroom Lot Size 63' width X 65' length: 4,095 SF**

Letter of Credit Application

For Street & Utility Infrastructure Estimated Costs	\$ 1,193,951
50% Share of Drainage & Recreation Area	\$ 75,000
25% Share of 1.43 Acre Neighborhood Park	\$ 25,000
10% Share of Ranchland Drive (1,370 LF - \$205,500)	\$ 20,550
Total Infrastructure Cost	\$ 1,314,501

Estimated Infrastructure Cost per lot: \$13,413/lot

2. Tanglewood Subdivision Unit 1 at Ranchview Estates owned and developed by Western States Development Group, Located On Ranchland Boulevard 1/4 mile north of East Bender Boulevard - Developed in 2007 and 2008.

34.84 Acres Total Area

7.46 acres – Commercial

3.08 Drainage & Recreation Area

1.43 Acres – Neighborhood Park

76 Lots on 20.32 acres – Refer to attached Plat.

Density: 3.74 units per acre

Housing Product – 76 Detached Single Family Housing Units

Typical Lot Size: 66' width X 117' length: 7,722 SF

Minor Streets: 4.54 acres (57' right-of-way standard)

Minor Street Length: 3,469 LF

Ranchland Drive Acreage: 2.55 acres

Ranchland Drive Length: 1,370 LF

Letter of Credit Application

For Street & Utility Infrastructure Estimated Costs \$ 2,042,824

Includes 50% Share of Drainage & Recreation Area

Less 50% Arbors Share of Drainage & Recreation Area (\$ 75,000)

Includes 25% Share of 1.43 Acre Neighborhood Park

Less 75% Share of 1.43 Acre Neighborhood Park (\$ 75,000)

Includes 10% Share of Ranchland Drive (1,370 LF - \$205,500)

Less 90% Share of Ranchland Drive (1,370 LF - \$205,500) (\$ 184,950)

Less 75% Share of Utility Mains to north - Ranchland (\$180,000) (\$ 135,000)

Less Value of developed 7.46 acre commercial tract on Bender Blvd. (\$ 500,000)

Total Estimated Infrastructure Costs \$ 1,072,874

Estimated Infrastructure Cost per lot: \$14,117/lot

Responses to MFA Review For Compliance with Affordable Housing Act Rules:

Responses to Item D. 1: Goals, Policies and Quantifiable Objectives that include:

1. An estimate of number and % of unit increases, by income levels, to be constructed, rehabilitated or conserved of a set period of time;

July '09: Although presented in bullet format earlier in the document, income levels are not associated with unit production on page 103.

December '09: The document provides the required units associated with income levels in the chart on page 83. In the Plan, Hobbs has a number of programs which will begin to address the needs.

On pages 9-11 of the Hobbs Housing Plan (March 2010), add units to the "Targets / Goals" column, based on realistic estimates of number of housing units rehabbed, served, built, etc.

Responses to MFA Review For Compliance with Affordable Housing Act Rules:

Responses to Item D. 3: Plan to promote potential regulatory concessions and incentives for removing or mitigating government and non-government constraints to development, rehabilitation or conservation of affordable housing;

July '09: Missing

December '09: The document does not offer substantive analysis of the constraints to the production of affordable housing. The document states "Conversations with local developers and realtors indicated that the main constraint for them is the cost of infrastructure" (104). However, these groups do not appear to be producing affordable housing products and the statement does not seem to pertain to constraints to producing affordable housing. Incentives are mentioned in the Plan as something the city might consider in the future, but does not provide specifics.

July '10: Comments from previous review not addressed.

In the Hobbs Needs Assessment (p.104-5), revise the discussion to include a) a discussion of whether the current subdivision regulations allow for homes to be produced in the affordable price ranges defined in the revised discussion on p.102 (see comments above), and b) realistic actions the City intends to do in the future to housing to be produced in those price ranges (ie, donate infrastructure, donate land, revise subdivision ordinance, etc). Also address these issues on p.7 of the Hobbs Housing Plan (March 2010), under "Homeownership Programs."

Also, see comment below, under No. 5.

(5. Thorough consideration of related issues, such as public participation, job/ housing mix, consistency with existing planning and land use policy, protection of ecological resources, promotion of efficient development patterns and green building.)

RESPONSE:

Hobbs Community Development 1980 through 2010:

Since 1980, approximately 350 acres of new residential land have been developed in Hobbs, adding approximately 2,000 new housing units to the City's housing stock.

A numerical listing of growth experienced during the period from 2004 through November of 2010 is shown below. The table includes growth data of all forms of housing stock and temporary lodging. Recent trends and details are shown for year 2010 period from March to November of 2010. During that time period, a total of 8 new single family homes were permitted in Hobbs, or an average of one a month. During the same period of time 69 mobile homes were permitted in Hobbs, with 36 or the majority of these units being used mobile homes being moved into the City limits. Almost without exception, all of these manufactured housing units are being moved onto vacant lots and in mobile home parks in the south part of the City. Complete building records for Calendar Year 2010 in Hobbs are shown at the end of this section. Please note that 60 units of affordable housing are currently being constructed on Dal Paso & Glorietta in the north part of Hobbs.

Table 1

City of Hobbs Housing Statistics – 2004 through 2010

Category	1/04 to 2/10	3/10 to 11/10	1/04 to 11/10
# of new Site Built Homes	392	8	400
# of new Apartment Units	284	0	284 **
# of new manufactured homes	(91)	(33)	(124)
# of used manufactured homes	(177)	(36)	(213)
Total # of manufactured homes	268	69	337
Total additional housing units	944	77	1,021
# of new hotels	7	0	7
# of additional hotel rooms	568	0	568
# of new RV Parks	2	0	2
# of additional RV spaces	146	0	146
Total # of new lodging rooms	714	0	714

Current Subdivision Costs In Hobbs – 2010:

The current City of Hobbs Subdivision Regulations and related Development Codes and Engineering designs standards have been in place for more than 50 years. Recent changes in 2005 reduced street standards, with a 60' right-of-way street reduced to 57' right-of-way. Construction width of the street was reduced from 41' to 37'. Recent subdivision street costs for small lot subdivisions with 50' and 65' width lots show a cost of \$270.00 per linear foot of street for buried utilities. Overhead utilities yields a cost of less than \$250.00 per linear foot for the street. This cost includes complete water, sewer, street with asphalt paving and curb & gutter, natural gas and wire utilities of phone, cable and electric power.

A cost estimate for a typical 50' lot subdivision of 1 block with ½ streets on the sides and overhead utilities is as follows. There will be 12 new lots created with dimensions of 50' frontage and 125' depth on a 300' long block. Land cost is estimated to be \$7,500.

Table 2

City of Hobbs Subdivision Cost Statistics – 2008 to 2010 with Overhead Power

Land Cost	2.28 acres @ \$7,500/acre	\$ 17,100
Street Cost	357 LF @ \$250/LF	\$ 89,250
½ Streets	4 @ 28.5' X 125' length	\$ 62,500
Backbone Infrastructure Cost Estimate		\$ 15,000
Total Estimated Costs		\$183,850
Average Cost – 12 Lots		\$15,321/lot

A cost estimate for a typical 65' lot subdivision of 1 block with ½ streets on the sides is as follows, with buried utilities. There will be 10 new lots created with dimensions of 65' frontage and 125' depth on a 325' long block. Land cost is estimated to be \$9,000.

Table 3

City of Hobbs Subdivision Costs – 2008 to 2010 with Underground Electric Utilities

Land Cost	2.43 acres @ \$9,000/acre	\$ 21,870
Street Cost	407 LF @ \$270/LF	\$109,890
½ Streets	2 @ 28.5' X 125' length	\$ 62,500
Backbone Infrastructure Cost Estimate		\$ 15,000
Total Estimated Costs		\$209,260
Average Cost – 10 Lots		\$20,926/lot

Note: Large parcel purchases have been made in Hobbs during 2005-2008 at land prices well under \$10,000 for proposed large residential developments.

Housing Cost Scenarios:

Lot costs resulting from the above scenarios yield \$15,320 cost for a 50' lot with overhead utilities and \$20,926 cost with buried utilities. These costs seem reasonable and affordable, and offer some mark-up availability for time cost to marketing and sale and developer's profit.

House costs in Hobbs have been researched with an active local building in December of 2010. A basic starter home quality house with a two car garage and front sidewalk costs out at \$110 to \$115/SF. This level of cost would produce a house with minimum grade cabinets and appliances, no fences, etc.

In the above scenario for the 50' lot, a builder who can build a 1,300 square foot house at \$115/square foot will have a price of around \$153,300 (\$138,000 for the house and \$15,300 for the lot). A monthly payment of \$1,107 would be required for this house, which is low cost house, but not within the affordable range of homes for a median family income in Hobbs of \$42,000 and a 4.25% loan. An income of \$42,836 would be needed to fund the housing cost of \$1,106.60/month or 31% of income just for the house. Insurance and taxes cost about \$160 per month, making this type of a new house out of reach by the median family income of Hobbs, with a total monthly payment of \$1,267 requiring an annual income of \$49,030.

In the above scenario for the 65' lot, a builder who can build a 1,600 square foot house at \$115/square foot will have a price of around \$184,300 (\$205,000 for the house and \$21,000 for the lot). A monthly payment of \$1,480 would be required for this house payment at 4.25% interest, plus about \$200 per month for taxes and insurance. This house therefore is not affordable for a Hobbs median income family with an income of \$42,000 and a 4.25% loan. An income of \$42,836 would be needed to fund the housing cost of \$1,106.60/month or 31% of income.

Current Situation with Existing Vacant Lots – December 2010:

Currently, the City of Hobbs within the City limits has the following existing supply of vacant and fully developed residential lots, mostly in recently platted residential subdivisions, as shown

below. The surrounding area in Lea County contains probably about 50 additional developed lots to County standards.

Table 4

Current Situation with Existing Vacant Lots – December 2010

Subdivision or Area Name	Date Platted	# of Vacant Residential Lots
Windsor Estates – Millen Drive	2007	41
Ranchview Tanglewood – E. Bender	2007	23
Ranchview The Arbors – E. Bender (Attached Fourplex)	2007	60
Del Norte # 10 (Detached)	2008	13
Del Norte # 10 (Attached Duplexes)	2008	20
Del Norte # 9	2004	2
Broadmoor Park – Alto Street	2003	32
Lincoln Park # 19 & # 21	1990 & 2006	8
Coal Street Replat	2006	5
Glorietta St. Replat (Habitat for Humanity)	2009	24
Acoma Court Subdivision	2005	5
Tres Amigo Subdivision (Sunset Dr.)		1
Albertson St Area		3
Aspen Street Area		6
Selman Street Area		9
Total		252

All of these lots are located in the north sections of Hobbs, with most to the north of Bender Boulevard. In addition to these recently platted areas, there are a multitude (at least 500) of vacant existing residential lots on developed streets in the southern areas of Hobbs south of Sanger Street. Unfortunately, utilization of these lots for site built homes occurs only very infrequently. Most frequent development occurs with new and used manufactured housing locating a new or used mobile home on a lot. There are numerous reasons why the south areas do not experience more new site built housing. One factor is that local builders are unwilling due to the chance and likelihood that their investment in new housing will not bring about a sale, or a sale with a profit. In 2008 & 2009, a builder's new single family housing on Stanolind was marketed for several months, and then sold at marked down prices. The City assisted with lien waivers to enable this development to start.

Local banks may also be unwilling to lend for these types of projects, due to the chance of failure. Another problem is in many instances, exchanges of vacant tracts of land are constrained by deed or ownership problems, such as lack of probate, failure to pay taxes or liens or for failure of owners to secure or record final documents, deeds, death certificates, etc. Property maintenance failures or lack thereof will result in mowing or condemnation liens placed by the City, which may place a significant cost burden to acquiring a vacant site with outstanding unpaid liens. When existing houses on the south side or selling at \$40,000 to \$60,000 prices, there are no comparable sales and appraisals are almost impossible to obtain to justify loans to builders.

July '09: The document provides thorough analysis of influence to the Action Plan on page 108, but the remaining elements are not present.

December '09: The Plan describes in general terms that it will revisit several program proposals in the future, but does not describe this process in any detail; how this evaluation will be conducted?

July '10: Comments from previous review not addressed.

The table on pp. 7-8 of the Hobbs Housing Plan (March 2010) identifies programs, but does not always indicate *how* such programs will be implemented.

The City should look at all of the programs proposed in this Plan and evaluate whether they seem like appropriate/ realistic actions that the City intends to take.

On p.15 of the Hobbs Housing Plan, under Production Incentives, please identify which fees the plan proposes be waived.

The following revision from pages 7 and 8 are made herein.

Programs, Goals and Objectives:

1. Education, Buyer Training and the Communication of Available Resources.

The needs assessment identified significant problems in Hobbs with credit and a general understanding of budgeting and household economics. These problems are exacerbated by the cyclically high wages of the oil companies (with significant amounts of overtime available periodically). Further, a local culture of above average expenditures for recreation equipment, vehicles and other large discretionary purchases also impacts the ability of some households to make budgetary decisions that address all aspects of household subsistence including housing, food and child support. These problems are compounded by the fact that available resources for housing assistance, including both rental and ownership, are complex to understand and communicate.

Program **Phase I** **First time homebuyer education**

Housing Produced: Housing assistance, not production

Program Description: This would involve working with current lending agencies and a local housing counseling organization to expand current homebuyer education efforts.

Responsible Party(s): City of Hobbs, Local Housing organization, ERHA

Funding Sources: ERHA, Local Banks, City of Hobbs, Outside entities

Targets/Goals: The City will coordinate with a local organization approved by NMMFA to conduct community outreach and increase current class attendance in 2011.

Notes: Classes are not currently offered in Hobbs. Community outreach will be important to boosting attendance.

Responses to MFA Review For Compliance with Affordable Housing Act Rules:

Responses to Item D. 5:

5. Thorough consideration of related issues, such as public participation, job/ housing mix, consistency with existing planning and land use policy, protection of ecological resources, promotion of efficient development patterns and green building.

July '09: The document provides thorough analysis of influence to the Action Plan on page 108, but the remaining elements are not present.

December '09: The Plan describes in general terms that it will revisit several program proposals in the future, but does not describe this process in any detail; how this evaluation will be conducted?

July '10: Comments from previous review not addressed.

The table on pp. 7-8 of the Hobbs Housing Plan (March 2010) identifies programs, but does not always indicate how such programs will be implemented. The City should look at all of the programs proposed in this Plan and evaluate whether they seem like appropriate/ realistic actions that the City intends to take.

(This section revision is being prepared & will be submitted separately.)

On p.11, the Hobbs Housing Plan states implies that one or more of the entities named may assume a list of responsibilities as a Central Housing Entity. Please revise this section to include a more definitive discussion/ identification of who the key players will be and what their responsibilities will be (not may).

City Housing Committee - The City Commission will create and appoint the Hobbs Housing Committee to study housing problems and develop specific recommendations to resolve the numerous problems. The group will be given a lead role to recommend implementation policies and actions for a wide variety of housing issues and problems involving programs provided by housing agencies and private developers serving Hobbs. The group will recommend priorities for new moderate income and affordable housing projects within the City limits. Membership on the Committee will include the following:

- (1) City Commissioner
- City Manager
- City Planner
- Member of Habitat For Humanity Board
- Member of City Planning Board
- Member representing Realtors
- (1) Member at large
- (1) Member representing social service agencies serving low income persons

Activities of the Committee should include locating and providing advice on appropriate sites for new housing developments, pledging support to the State for new allocations, recommending developer agreements to foster new projects and infrastructure improvements as needed to assist new housing. The City Commission should also designate the City Planning office to monitor and coordinate Housing Improvement Programs with the Committee.

On p.15 of the Hobbs Housing Plan, under Production Incentives, please identify which fees the plan proposes be waived.

At the present time, the City waives building permit fees only. In the case of La Pradera, the total amount of building and plan check fee waivers for all buildings including the day care center were \$10,500. In total, the City waived all City fees connected with the building permits, water connection and water meter and sewer connection for the La Pradera development. In addition per the Developer Agreement approved by the City, the City will be paying an additional \$62,000+ for a share of the infrastructure costs.

Previously, the City has enacted development agreements with builders of lower cost site built housing and modular housing to waive City liens in the amount of \$2,141 per lot. The City agreed to waive these fees in exchange for the developer or builder providing services of value to the City, such as providing affordable to the City. Strict guidelines were imposed to control pricing of houses by the builder.

As of November 2010, the City will offer the following waivers:

For major affordable family housing projects (such as tax credit subsidy projects) – more than 20 total units:

Building Permit & Utility Connection Fee Waivers (100%)
Utility Extension Infrastructure – cost share of Utility main system – ½ of total cost.
Utility Extensions 12" Main Extensions – Oversizing of difference between 12" and 10" mains.
Additional infrastructure for site work or street construction may be considered.

For smaller affordable, infill family housing projects (\$110/SF selling cost or less) :

Waive existing City liens.
Waive building permit & utility connection fees up to \$5,000 per lot.
50% city payment for any required *removal and replacement* (not new installations where none existed before) of curb, gutter, and sidewalk (from pre-approved unit pricing submitted to city).
New side walks/new curb and gutter; where none existed previously: 100% developer expense.
City-furnished water and sewer main pipe – no City installation

Affordable Housing Incentive- New Subdivisions.....Minimum 20 lots

Minimum of 70% of the units must be offered & sold at maximum \$125K/residence; posted price to owner-occupants. (violation triggers recovery of all city-furnished incentives).

40' ROW's, 28' wide paving residential streets, 6" base - 4" asphalt (Maximum 500 feet in length)

4' sidewalk on both sides; City-furnished water and sewer main pipe—pipe only; no City installation or trenching.

6" fire lines, 4" non-fire, 'looping' required by developer.

8" sewer; sweep cleanouts allowed at dead-ends in lieu of manholes.