



**City of Las Cruces**<sup>®</sup>  
MOUNTAINS OF OPPORTUNITY

# Analysis of Impediments to Fair Housing Choice

***DRAFT FOR PUBLIC COMMENT***

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City of Las Cruces  
Housing and Neighborhood Services

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## **SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY OF ANALYSIS**

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The U.S. Department of Housing and Urban Development (HUD) imposes an obligation to affirmatively further fair housing on recipients of certain HUD funding, which includes conducting an analysis of assessment of fair housing. As a Community Development Block Grant (CDBG) entitlement city, the City of Las Cruces is required to complete an Analysis of Impediments to Fair Housing every five years in conjunction with its Consolidated Plan requirements in order to receive CDBG and HOME grant funding from HUD.

The purpose of this Analysis of Impediments report is to identify barriers to fair housing faced by protected classes of citizens. This report describes how public policies, laws, and actions may affect housing choice or impede fair access to housing.

### **A. Who Conducted**

The City of Las Cruces hired Crescendo Consulting Group to conduct its 2021-2015 Consolidated Plan, 2021 Annual Action Plan, and Analysis of Impediments to Fair Housing. Based in Westbrook, Maine, Crescendo Consulting Group has over 20 years of community needs assessment, consolidated plan and housing study, and population health research. The Consolidated Plan and Analysis of Impediments to Fair Housing work was completed by the following staff members:

- Katelyn Michaud, MPH, Research and Communications Manager
- Jeremy Vandroff, Project Support Specialist
- Scott Good, MBA, Managing Principal

### **B. Participants**

The Analysis of Impediments of Fair Housing utilized the Consolidated Plan Citizen Participant Plan to ensure Las Cruces community members were involved in the research process through community stakeholder interviews, community focus groups, and online community survey. Over 1,200 community members participated in the process.

### **C. Methodology Used**

The 2021 Analysis of Impediments utilized a mix-method quantitative and qualitative approach to identify barriers to fair housing faced by protected classes of citizens. This report includes a review of City of Las Cruces laws, regulations, and policies followed by an analysis of how these policies might impact the location, availability, and accessibility of housing. It also identifies lending practices and household economic conditions that affect housing choice, patterns of occupancy and location of public and government assisted housing, possible forms of discrimination and other factors impacting fair housing.

Crescendo Consulting Group utilized its experience and knowledge regarding fair housing issues in writing this report. The following steps were taken to formulate the report:

- The City of Las Cruces' 2016 Analysis of Impediments to Fair Housing Choice report was examined and analyzed.

## City of Las Cruces Analysis of Impediments to Fair Housing Choice, May 2021

- Extensive secondary research was conducted using various publicly available resources such as the U.S. Census Bureau, HUD, the City of Las Cruces, and others.
- Over 60 community stakeholder interviews and eight public community focus groups.
- Online community survey of X community residents.
- A draft was published for public comments and feedback, four public hearings to review the plan were held on March 30, 31, and April 1, 2021, and feedback was solicited for 30 days. [Add feedback received after public comment period]
- A formal adoption hearing was scheduled for May 2nd and the AI was adopted.
- The final document was prepared for submittal to HUD.

The purpose of this Analysis of Impediments is to:

- Review the data and impediments identified in the previous 2016 report.
- Determine if the 2016 impediments still exist and if new impediments must be identified.
- Review actions taken and evaluated the effectiveness of the actions.
- Identify any new impediments and make recommendations on actions to address the impediments.

The actions suggested are intended to:

- Analyze and eliminate housing discrimination in the city of Las Cruces.
- Promote fair housing choice for all persons.
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy.
- Encourage the construction of housing that is physically accessible to persons with disabilities.
- Facilitate community compliance with federal and state fair housing laws.

**Disclaimer:** The most recent data available was always used to complete the 2021-2025 Consolidated Plan and Analysis of Impediments to Fair Housing. The most recent HUD CHAS data was 2013-2017 data while the U.S. Census Bureau American Community Survey (ACS) 1-Year Estimates for 2019 were used. Additional 2019 and/or 2020 (if available) data was provided by Mesilla Valley Public Housing Authority, Mesilla Valley Community of Hope, and other community partners as needed to complete the report.

### D. Who Funded

The Analysis of Impediments to Fair Housing Choice was funded by the City of Las Cruces through City funds.

### E. Conclusions

As a result of the research and analysis conducted for this report, Crescendo Consulting Group has identified possible barriers to fair housing choice in Las Cruces. Accompanying the listing of impediments to fair housing choice, are actions which the City of Las Cruces proposes to undertake to ameliorate the identified impediments to fair housing choice. The impediments to Fair Housing Choice and recommended actions listed below have been identified through the Public Citizen Participation Plan adopted by the City. These impediments are not listed in any particular order of priority. Each action includes a target time period for the action to be undertaken and completed. Some actions are noted as ongoing. The 2021 Impediments listing includes and expands upon the Impediments identified in the 2011 and 2016 Impediments report.

## **2021 Impediments to Fair Housing Choice – City of Las Cruces**

The impediments to Fair Housing Choice and recommended actions listed below have been identified through the preparation of this report. These impediments are not listed in any particular order of priority. Each action includes a target time period for the action to be undertaken and completed. Some actions are noted as ongoing. The 2021 Impediments listing includes and expands upon the Impediments identified in the 2016 Impediments report with the exception of the 2016 Impediment, “Housing consumers with Limited English Proficiency have difficulty in understanding and accessing information on Fair Housing” (See assessment of 2016 Impediments). The 2021 listing reflects current conditions and concerns that exist in the community.

### **IMPEDIMENT 1: LACK OF KNOWLEDGE ABOUT FAIR HOUSING ROLES AND RESPONSIBILITIES OF CONSUMERS AND PROVIDERS.**

**ANALYSIS:** Roles and responsibilities of both consumers and housing providers under federal and local Fair Housing rules can be complex and often up-to-date, accurate information is not readily available. Qualitative research through stakeholder interviews, community focus groups, and an online community survey revealed that Fair Housing laws are not widely known, and many community residents don’t know who to turn to if they have questions or issues in Las Cruces. The City and many community organizations that work with housing issues report that they do train staff, but general awareness regarding Fair Housing in the community is low. The City would like to increase Fair Housing awareness, roles, and responsibilities for both consumers and providers. The actions outlined below are intended to increase the knowledge base of both consumers and producers.

Proposed Actions the City will take to address Impediment 1:

- The City will continue to be a partner with other agencies and programs to increase awareness of Fair Housing Laws and policies including those at the Federal level, State level and local level. The City will provide an updated Fair Housing website as part of the Las Cruces web portal. The Fair Housing website will contain necessary information in English and Spanish including Fair Housing Laws and Ordinances as well as information on agencies to contact and the steps needed to file a complaint. It will also contain the City’s adopted Analysis of Impediments to Fair Housing Action Plan. The City will provide Fair Housing materials and all other informational documents related to its Community Development activities and reports in alternative formats if requested by a disabled person. Ongoing.
- As the administrator and technical assistance provider for Federal and local housing programs the City Community Development Department will work with subgrantees as well as private housing providers to ensure that housing consumers are dealt with in a non-discriminatory fashion as defined by Fair Housing rules. The City will provide printed and electronic information to landlords and property managers that they can pass on to prospective tenants and purchasers. This information will be a brief summary of the information contained on the City’s Fair Housing website. Fair Housing information will be made available in alternative formats upon request. Ongoing.
- The City Community Development Department will partner with professional associations and fair housing agencies to provide community forums and meetings educating citizens on Fair Housing laws and their importance in ensuring equal access to housing and the programs and services the City provides. The City of Las Cruces Fair Housing Ordinance (Chapter 13: Article I) will also be explained and highlighted at public Fair Housing events. Annually.

**IMPEDIMENT 2: DISCRIMINATION BY PROPERTY OWNERS AND MANAGERS, AGAINST PERSONS WITH DISABILITIES AND/OR HOUSING VOUCHER PROGRAMS LIMITS THESE GROUPS FROM EQUAL ACCESS TO HOUSING.**

**ANALYSIS:** Key informants, community surveys and public meeting comments point to instances of discriminatory practices for individuals and households who have a member with a disability and/or a receipt of a housing voucher. Community focus groups and the community survey revealed that there is a significant stigma about people who have a housing voucher through the Section 8 or other programs. Many private landlords refuse to rent to those who have a housing voucher and with limited public housing options, many eligible individuals who have a housing voucher cannot find adequate housing. Additionally, many of the rental properties in Las Cruces are not accessible and many landlords are reluctant to allow tenants to make modifications to the property. There were several fair housing complaints filed with HUD involving individuals with disabilities.

Proposed Actions the City will take to address Impediment 2:

- The City of Las Cruces Community Development Department will continue its outreach and educational efforts to inform builders, property owners and landlords of the provisions and requirements that must be met in providing equal access to housing for the protected classes of people outlined above. The educational effort will include providing written and electronic information on how housing providers can ensure that advertising, screening processes, lease policies, and general interactions with those seeking housing are treated equally. The City educational effort will also include information for builders on ways to address accessibility requirements through the design and construction of accessible, adaptable units. The City will continue to partner with other agencies serving the Las Cruces area to educate property owners, Mesilla Valley Public Housing Authority, managers, and builders on their Fair Housing responsibilities. Partner agencies may include Las Cruces Homebuilders Association, Las Cruces Association of Realtors, New Mexico Human Rights Division, and local community organizations with involvement in Fair Housing Activities. Ongoing.
- Through online and printed Fair Housing materials, the City Community Development Director or designee, will assist complainants who wish to file a discrimination complaint, in filing the necessary forms and providing guidance and referrals on the process the City and other state and federal agencies will utilize in responding to complaints. Ongoing.
- The City will post Fair Housing Information at all facilities controlled by the City of Las Cruces. This effort will be extended to City subgrantees which provide housing services. Those agencies will be required to post the Fair Housing sign at all housing facilities assisted with local or federal funds. Ongoing.
- The City will enforce its Fair Housing Ordinance in cases of discrimination as prescribed in the Ordinance. Ongoing.
- The City will provide technical assistance and oversight to CDBG and HOME subgrantees to ensure that each agency has a compliant Affirmatively Furthering Fair Housing Marketing Plan (AFFHMP), if applicable. The City will monitor the use of the agency AFFHMP to determine the success of subgrantees in using the plan to encourage participation in housing activities by underserved populations. Ongoing.
- The City will monitor its communications and public outreach and funding activities to measure the effectiveness of its AFFHMP to ensure that underserved populations are actively recruited to participate in public meetings and housing programs and activities. Annually.

**IMPEDIMENT 3: THE INCREASING COST AND SCARCITY OF BOTH RENTAL AND FOR SALE HOUSING DISPROPORTIONATELY IMPACTS LOW INCOME HOUSEHOLDS AS QUANTIFIED IN THE CONSOLIDATED PLAN AND THE HOUSING CONCERNS SECTION OF THE ANALYSIS OF IMPEDIMENTS.**

**ANALYSIS:** Approximately half of all renters in Las Cruces have one of the four housing issues identified by HUD in the Consolidated Plan (cost burden, overcrowding or lack of kitchen or plumbing). Households earning less than 50% AMI are more likely to experience cost burden and severe cost burden than those earning high incomes, especially among renters. There is a severe lack of quality affordable rental units in Las Cruces and a hot housing market is only increasing the median sale price of homes in the City making homeownership harder for households earning less than the median income. The housing gap charts show that a major barrier to Fair Housing Choice is the lack of units available to households with limited incomes. The lack of affordable units, results in many residents who are cost burdened and cannot afford the units available in the market.

Proposed Actions the City will take to address Impediment 3:

- The City will examine current planning and development review procedures to provide fast tracking and concurrent review of affordable rental projects. Elevate Las Cruces has provided some guidelines on affordable housing going forward. The City will work with its stakeholders to update its Affordable Housing Ordinance that more clearly outlines what incentives, concessions and enhancements it will make available to increase the production of affordable rental housing that meets the needs of those with the greatest challenges. Annually.
- The City will continue to serve as lead convener of state level and federal agencies and private sources of capital to create a more robust set of tools to address the development cost of new housing. This enhanced finance approach will focus on Low-income Housing Tax Credits, HOME Investment Partnership Funding, various supportive housing financing sources, various tax exempt bonds including General Obligation Bonds and affordable loans from lenders doing business in the community. Ongoing.
- The City will review density limitations, minimum lot sizes and other regulations that may constrict housing providers' ability to produce both smaller apartments and for sale homes for sectors of the market which cannot presently afford the products available in Las Cruces. Ongoing.
- Development Readiness Measures: The City through its mapping and property records system will identify vacant and underutilized residentially-zoned properties in zoning areas that have adequate infrastructure to support greater densities for residential uses. This action could effectively steer development to sites that are considered suitable by the locality and expedite the pace at which affordable development occurs. Annually.
- The City will continue to provide limited financial assistance to households who qualify for long term mortgages. The City will utilize its Impact Fee Deferral policies for starter homes that meet the City definition of affordable housing. Annually.
- The City will track the numbers of those populations which receive assistance to alleviate the identified housing problems. Annually.
- The City will update its Affordable Housing Plan to review and develop strategies, goals, and measures to encourage and track the development of affordable housing in Las Cruces. 2021-2022.



**IMPEDIMENT 4: LOAN DENIAL RATES REMAIN RELATIVELY HIGH FOR SOME RACIAL/ETHNIC GROUPS.**

**Analysis:** Although HMDA data is not conclusive, it does show some racial/ethnic groups may struggle more on the dream to homeownership. Loan denial rates show that American Indian or Alaska Native, Hispanic, and women have slightly higher loan denial rates than other groups. Table 39 shows underlying systemic racism that had hurt people of color for decades. Black or African America and American Indian or Alaska Native individuals are more likely to get denied a loan due to credit history.

Proposed Actions the City will take to address Impediment 4:

- The City will support organizations that provide credit and homebuying counseling, such as Tierra del Sol to ensure that the programs are geographically targeted to areas in the community where loan denial rates are the highest.
- The City will provide educational information about how to access government sponsored and subsidized loans that have more flexible underwriting standards, as well as types of lenders to avoid.
- The City will work with lenders to ensure all lenders are trained on Fair Housing laws.

## **Section II: Jurisdictional Background Information**

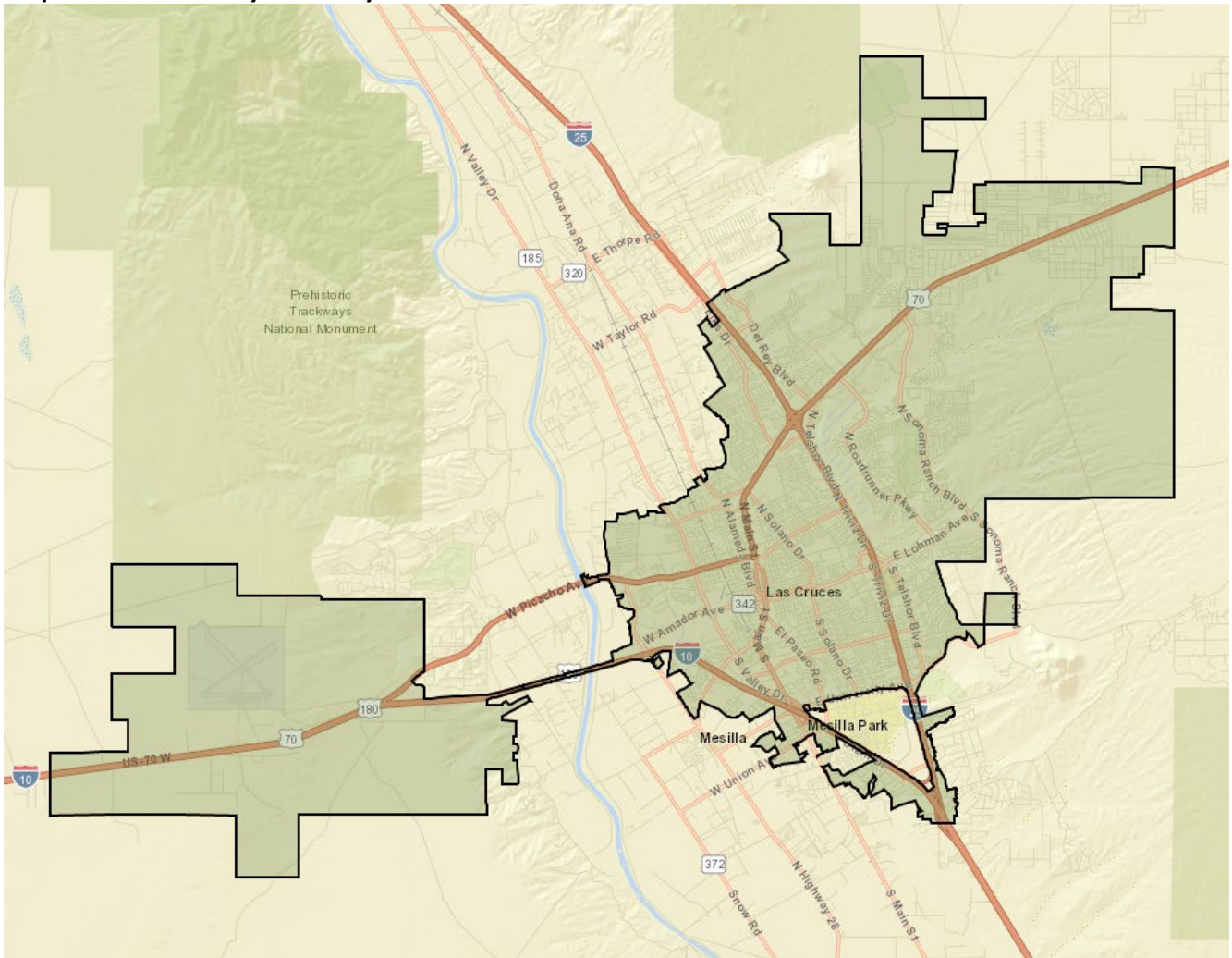
## SECTION II: DATA COLLECTION AND ANALYSIS

### Demographics

Located in southern New Mexico in the agricultural region on the Rio Grande floodplain on the edge of the Chihuahuan Desert, the city of Las Cruces is New Mexico's second largest city. This once small community was known for its rich farmland and New Mexico State University (the only land based grant university) in New Mexico. The settlement of Las Cruces was created as an overflow area from the colony of Doña Ana. Incorporated in 1907, the 1910 federal census recorded the Las Cruces population at 3,386.

The city has grown rapidly, especially since 1960. In 1960, the city occupied 10.79 square miles with a population of 29,367. Today, the city is projected to encompass 77.03 square miles, with a population of 103,436 residents.

**Map 1: Las Cruces City Boundary**



Source: ERSI

**POPULATION**

As of 2019, 103,436 people reside in Las Cruces, up from 98,239 in 2010. During the past 10 years, Las Cruces had a population growth of 5.3 percent. The average annual growth rate was higher between 2000 and 2010. Population growth is expected at an annual rate of 3.9 percent between 2020 and 2025, a higher rate than the state, but slightly lower than Dona Ana County.

**Table 1: Las Cruces Total Population, 2010 - 2020**

Demographics	Base Year: 2010	Most Recent Year: 2019	% Change
Population	98,239	103,436	+5.3%
Households	38,430	40,185	+4.5%
Median Income	\$36,202	\$45,130	+24.6%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 1-Year Estimates

Between the year 2010 and 2019, the population in Las Cruces increased 5.3 percent. During the same period, median household incomes increased 24.6 percent.

**Table 2: Total Population, 2010 - 2020**

Measure	Las Cruces	Dona Ana County	New Mexico
2010	98,239	209,233	2,059,179
2020	103,346	218,195	2,096,829
Total Change ('10 – '20)	5.8%	4.3%	1.8%
2025 (Projected)	107,521	227,725	2,155,641
Projected Change ('20-'25)	+3.9%	+4.3%	+2.7%

Source: American Community Survey, 2019, 2010 1-Year Estimates

**POPULATION BY AGE**

The following table shows the number of residents in Las Cruces by age group. The largest shifts in population between 2010 and 2020 were in the 65 – 84 and 85 and over age groups. Between the two age groups, there is a net increase of 11.1 percent. Based on the data, there is an apparent “brain drain” occurring in Las Cruces where high school graduates left Las Cruces for high education and ultimately settle elsewhere where they likely have better job opportunities and higher wages. Las Cruces is attracting more seniors in area. As seniors ages, they begin to have more unique health, housing, and social needs.

**Table 3: Percent Population by Age, 2000 - 2020**

Age	2010	2020	Percent Change '10 - '20
<b>0 - 17</b>	23.0%	24.1%	+4.7%
<b>18 - 24</b>	10.9%	10.3%	-5.5%
<b>25 - 44</b>	25.1%	24.6%	-1.9%
<b>45 - 64</b>	23.4%	21.0%	-10.2%
<b>65 - 84</b>	11.5%	14.8%	+28.7%
<b>85 and over</b>	1.7%	1.4%	-17.6%

Source: American Community Survey, 2010, 2019 1-Year Estimates

**POPULATION BY RACE, ETHNICITY, AND LIMITED ENGLISH PROFICIENCY**

As 2019 American Community Survey data shows below, over 80 percent of all Las Cruces residents identify their race as white, and 58.5 percent consider themselves Hispanic/Latino. The percent of population who identify themselves as non-white is approximately the same throughout Dona Ana County, though the percentage of Hispanic/Latino population is lower than throughout the County.

**Table 4: Population by Race, 2019**

Race	Doña Ana County		Las Cruces	
	Total Population	% by Race	Total Population	% by Race
<b>White</b>	174,131	79.8%	83,391	80.6%
<b>Black or African American</b>	3,881	1.8%	2,945	2.8%
<b>American Indian and Alaska Native</b>	2,930	1.3%	1,916	1.9%
<b>Asian</b>	3,135	1.4%	2,155	2.1%
<b>Native Hawaiian and Other Pacific Islander</b>	229	0.1%	229	0.2%
<b>Some other race alone</b>	29,566	13.6%	9,671	9.3%
<b>Two or more races</b>	4,323	2.0%	3,129	3.0%
<b>Total</b>	218,195		103,436	

Source: American Community Survey, 2019 1-Year Estimates

**Table 5: Population by Ethnicity, 2019**

Ethnicity	Doña Ana County		Las Cruces	
	Total Population	% by Ethnicity	Total Population	% by Ethnicity
<b>Hispanic or Latino</b>	150,033	68.8%	60,471	58.5%
<b>Mexican</b>	133,073	61.0%%	NA	
<b>Puerto Rican</b>	554	0.3%	NA	
<b>Cuban</b>	810	0.4%	NA	
<b>Other Hispanic or Latino</b>	15,596	7.1%	NA	
<b>Total</b>	150,033		60,471	

Source: American Community Survey, 2019 1-Year Estimates

**Table 6: Population by Race/Ethnicity, Las Cruces 2010-2019**

Measure	2010	2019
<b>White</b>	89.9%	80.6%
<b>Black or African American</b>	1.5%	2.8%
<b>American Indian and Alaska Native</b>	1.7%	1.9%
<b>Asian</b>	1.1%	2.1%
<b>Hispanic or Latino</b>	58.3%	58.5%

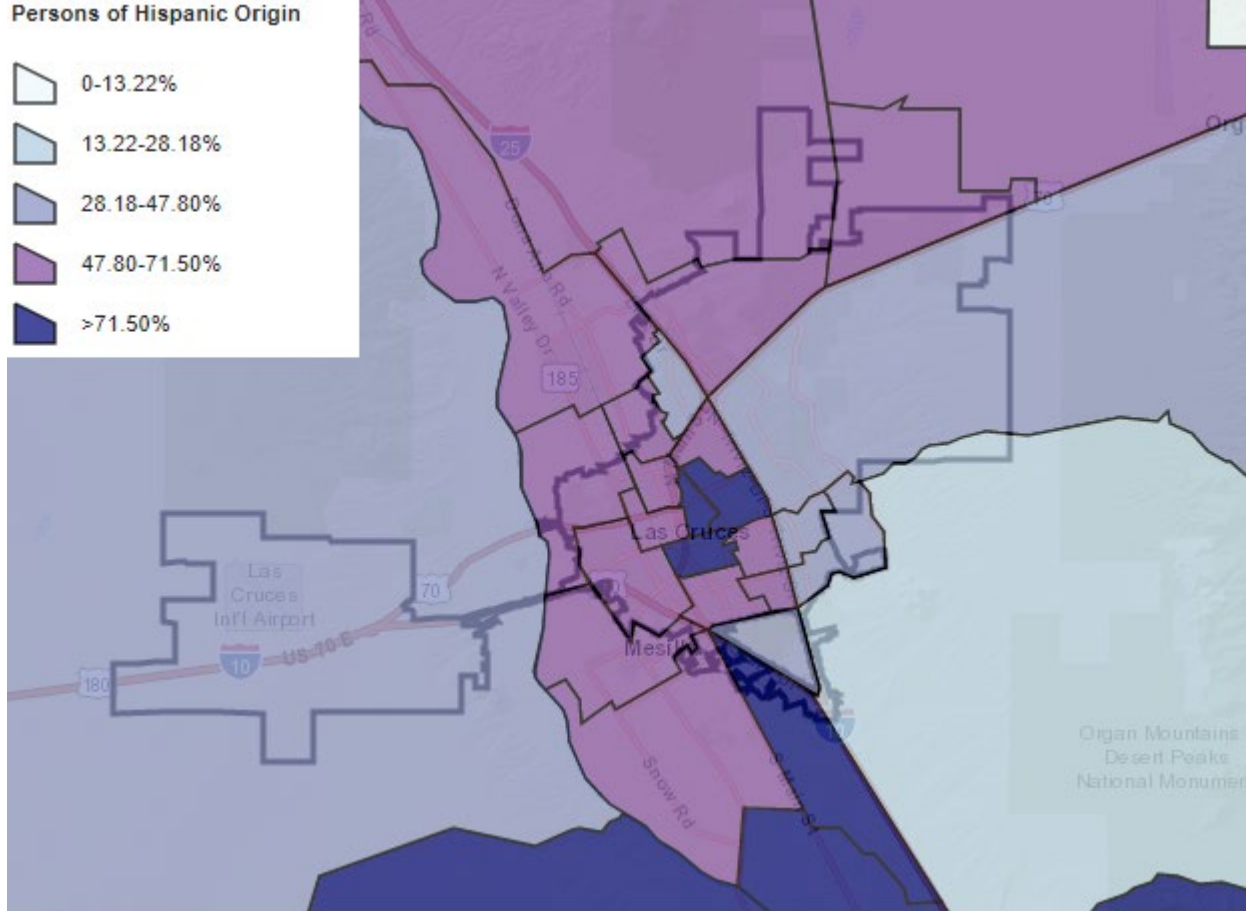
Source: American Community Survey, 2010,2019 1-Year Estimates

Over the past 10 years, Las Cruces is slowly becoming more diverse. The White population has decreased 10.3 percent while the Asian population has nearly doubled, and the Black or African American population has increased by 86.7 percent. The American Indian and Alaska Native and Hispanic or Latino population has remained similar.

The following map shows the concentrations of Hispanic households in Las Cruces. Within the city of Las Cruces, 51.7% of households identify as Hispanic or Latino. It is not surprising, then, to see that in 61.5% of census tracts within the City (16 of 26), more than 50% of residents are Hispanic or Latino.

To help communities understand racial and/or ethnically-concentrated areas that may be socioeconomically disadvantaged, HUD developed its R/ECAP model. HUD defines Racially or Ethnically Concentrated Area of Poverty (R/ECAP) as a census tract where: 1) the non-white population comprises 50 percent or more of the total population and 2) the percentage of individuals living in households with incomes become poverty rate is either a) 40 percent or above or b) three times the average poverty rate for the metropolitan area, whichever is lower.

**Map 2: Hispanic/Latino Population, Las Cruces, 2019**



SOURCE: CPD Maps

Approximately 11 percent of Las Cruces’ population is foreign born as seen in Table 7. Half of these individuals are not U.S. Citizens. Considering the proximity of Las Cruces to the border with Mexico, it is not surprising to see so many residents who are not yet citizens. The percentage of Las Cruces residents who were not born in the U.S. has been slowly declining since 2010.

**Table 7: Place of Birth, 2010-2019**

	2010		2019	
	Number	Percent	Number	Percent
<b>Native</b>	80,673	86.8%	92,434	89.4%
<b>Born in state of residence</b>	41,889	45.1%	51,811	50.1%
<b>Born in other state in the United States</b>	37,644	40.5%	38,881	37.6%
<b>Born outside the United States</b>	1,140	1.2%	1,742	1.7%
<b>Foreign born</b>	12,224	13.2%	11,002	10.6%
<b>Naturalized U.S. citizen</b>	4,295	4.6%	5,184	5.0%
<b>Not a U.S. citizen</b>	7,929	8.5%	5,818	5.6%
<b>Total Population</b>	92,897		103,436	

Source: American Community Survey, 2019 1-Year Estimates

Table 8 shows that in Las Cruces, 62.1 percent of the population speaks only English while 37.9 percent speak a language other than English. Of those who speak a language other than English, 91.4 percent speak Spanish.

**Table 8: Language Spoken for Population Age 18 and Up, 2019**

	Las Cruces Population Aged 18+	% of Total	Speak English "very well"	Speak English less than "very well"
<b>Speak only English</b>	46,531	62.1%		
<b>Speak a Language other than English</b>	28,402	37.9%	24,675	3,727
<b>Total</b>	74,933		24,675	3,727

Source: American Community Survey, 2019 1-Year Estimates

**Table 9: Languages Spoken, Las Cruces**

<b>Speak a Language Other Than English</b>	
<b>Spanish</b>	91.4%
<b>Other languages</b>	8.6%

Source: American Community Survey, 2019 1-Year Estimates

Housing and other social programs in Las Cruces must be aware of the language and cultural barriers that may exist for foreign born and non-English speaking residents to access City and other services within the community.



**POPULATION WITH DISABILITIES**

The American Community Survey collects data related to disability status. In 2019, there was a total of 30,139 persons or 14.9 percent with at least one disability living in Las Cruces. The top difficulty or disability in Las Cruces is independent living difficulty and ambulatory difficulty, which are often interrelated, especially when it comes to housing.

**Table 10: Persons with Disabilities in Las Cruces, 2019**

	Under 5	5 to 17	18 to 64	65 to 74	75+	Total Population
<b>Any Difficulty</b>	0.8%	10.6%	25.2%	25.7%	53.7%	14.9%
<b>Hearing Difficulty</b>	0.8%	1.2%	9.1%	6.2%	33.0%	5.5%
<b>Vision Difficulty</b>	0.0%	2.0%	1.4%	2.5%	8.1%	1.9%
<b>Cognitive Difficulty</b>	ND	9.0%	4.1%	7.0%	22.6%	6.4%
<b>Ambulatory Difficulty</b>	ND	0.0%	5.6%	14.3%	36.3%	7.5%
<b>Self-Care Difficulty</b>	ND	0.0%	2.3%	4.8%	24.9%	3.7%
<b>Independent Living Difficulty</b>	ND	ND	4.8%	3.6%	42.9%	7.6%

SOURCE: American Community Survey, 2019 1-Year Estimates

The percent of the population with disabilities increases as the population ages. For persons age 75 and older, 53.7 percent have at least one difficulty or disability. As seniors age, the frequency of ambulatory, self-care and independent living disabilities increases greatly. This is especially important for housing as seniors may need small modifications or potentially costly renovations to their houses in order to maintain living independently in their homes.

The following table shows households with a disabled household member by tenure and income range. The most common disabilities were ambulatory and vision or hearing impairment. In the lowest income category (0-30% AMI), there were a higher number of households with a member who have ambulatory, cognitive, or self-care or independent living limitations. Renters are more likely to have a disabled member than homeowners in Las Cruces, except in higher median income households (80% or higher AMI).

**Table 11: HUD CHAS Disability Status by Tenure and Income Range, Las Cruces, 2013-**

	Total	0-30% AMI	31-50% AMI	51-80% AMI	> 80% AMI
<b>All Households</b>					
Household member has a cognitive limitation	4,055	845	655	755	1,800
Household member has a hearing or vision impairment	5,120	540	675	850	3,055
Household member has a self-care or independent living limitation	4,680	815	780	890	2,195
Household member has an ambulatory limitation	6,135	970	775	1,165	3,225
<b>Renters</b>					
Household member has a cognitive limitation	2,250	640	435	460	715
Household member has a hearing or vision impairment	2,025	415	365	465	780
Household member has a self-care or independent living limitation	2,345	635	490	440	780
Household member has an ambulatory limitation	2,610	750	485	585	790

<b>Owners</b>					
Household member has a hearing or vision impairment	1,805	205	220	295	1,085
Household member has an ambulatory limitation	3,095	125	310	385	2,275
Household member has a cognitive limitation	2,335	180	290	450	1,415
Household member has a self-care or independent living limitation	3,525	220	290	580	2,435

Source: HUD CHAS Data 2013-2017

The City of Cruces total population increased by 37.7 percent from 2000 to 2013 according to the 2015 New Mexico Annual Social and Economic Indicators report<sup>1</sup>. During the same time period, the total population of Dona Ana County increased 22.2 percent and t is projected to grow 31.8 percent from 2015 to 2040. As the Baby Boomer generation continues to age, they will have unique housing and health care needs. Many seniors are opting to age in place in their homes and may be reluctant to accept government assistance. Accessibility modifications and in-home assistance will become increasingly important for this growing segment of the population.

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<sup>1</sup> [https://www.jobs.state.nm.us/admin/gsipub/htmlarea/uploads/ASEI\\_2015.pdf](https://www.jobs.state.nm.us/admin/gsipub/htmlarea/uploads/ASEI_2015.pdf)

## HOUSEHOLDS

As the total population in the city of Las Cruces has grown over the past 10 years, so has the total number of households. Las Cruces did not experience the full effects of the 2008 housing crisis and has continued to grow steadily since 2000. While the growth rate has begun to slow in recent years, the city is still experiencing some growth. Dona Ana County has experienced a higher growth rate than the city since 2010, which is likely due to the new developments being built on the outskirts of city limits.

**Table 12: Total Households, Las Cruces, 2010 – 2019**

	Dona Ana County	Las Cruces
<b>2010</b>	75,532	39,433
<b>2019</b>	79,094	40,185
<b>Percent Change</b>	+4.7%	+1.9%

Source: American Community Survey, 2010, 2019 1-Year Estimates

Table 13 shows these types and estimates the total number and percent of all households by type in 2017. Over half of all households in Las Cruces are small family households, defined as those with two to four family members. Households with at least one person age 62 – 74 years of age made up 20.4 percent of Las Cruces households in 2017. Approximately one in five households in Las Cruces have one or more children six years old or younger.

**Table 13: Household Type, Las Cruces, 2017**

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
<b>Total Households *</b>	5,900	4,370	6,615	3,245	19,680
<b>Small Family Households *</b>	1,980	1,720	2,950	1,520	13,150
<b>Large Family Households *</b>	360	400	490	300	1,370
<b>Household contains at least one person 62-74 years of age</b>	660	795	1,135	420	5,105
<b>Household contains at least one person age 75 or older</b>	355	620	790	345	2,435
<b>Households with one or more children 6 years old or younger *</b>	1,095	850	1,255	535	2,960

Source: 2013-2017 CHAS

\* indicates that the highest income category for these family types is >80% HAMFI.

## HOUSEHOLD INCOMES

In Las Cruces, 22.7 percent of households earn less than \$25,000 a year, which is equivalent to 55 percent AMI in Las Cruces). The household median income for the city of Las Cruces is \$45,130. As shown in Table 14, approximately 60 percent of households earn more than the median household income.

**Table 14: Households by Tenure and Income, Las Cruces, 2019**

	Renter Households	Owner Households	Total Households
<b>Less than \$10,000</b>	20.5%	3.9%	11.6%
<b>\$10,000 - \$14,999</b>	8.7%	3.6%	6.0%
<b>\$15,000 - \$24,999</b>	9.2%	1.5%	5.1%
<b>\$25,000 - \$34,999</b>	17.2%	2.9%	9.6%
<b>\$35,000 - \$49,999</b>	7.1%	10.1%	8.7%
<b>\$50,000 - \$74,999</b>	8.5%	15.8%	12.4%
<b>\$75,000 - \$99,999</b>	16.3%	20.1%	18.3%
<b>\$100,000 - \$149,999</b>	7.2%	18.4%	13.2%
<b>\$150,000+</b>	5.1%	23.8%	15.1%
<b>Median Income</b>	\$22,185	\$66,682	\$45,130

Source: American Community Survey, 2019 1-Year Estimates

While over two-thirds of total households in Las Cruces earns more than the median household income, there is a disproportionate number of renters who earn less than the median income. Approximately one in five renter households earn less than \$10,000 annually. The median household income for owners is three times that of renters in Las Cruces.

Table 15 estimates the number of households in Las Cruces by tenure (renter vs. owner) and by percent of HUD’s area median income (AMI) in 2019. AMI is important to understand as individuals receiving funding or services under HUD’s CDBG or HOME grants must meet certain requirements, such as median household income. Programs and services are generally allocated to households and individuals earning less than 80% of a city’s AMI. Half of renter households in Las Cruces have incomes at 50% of the AMI or less, while 66% of owner households have incomes at 80% of the AMI or above.

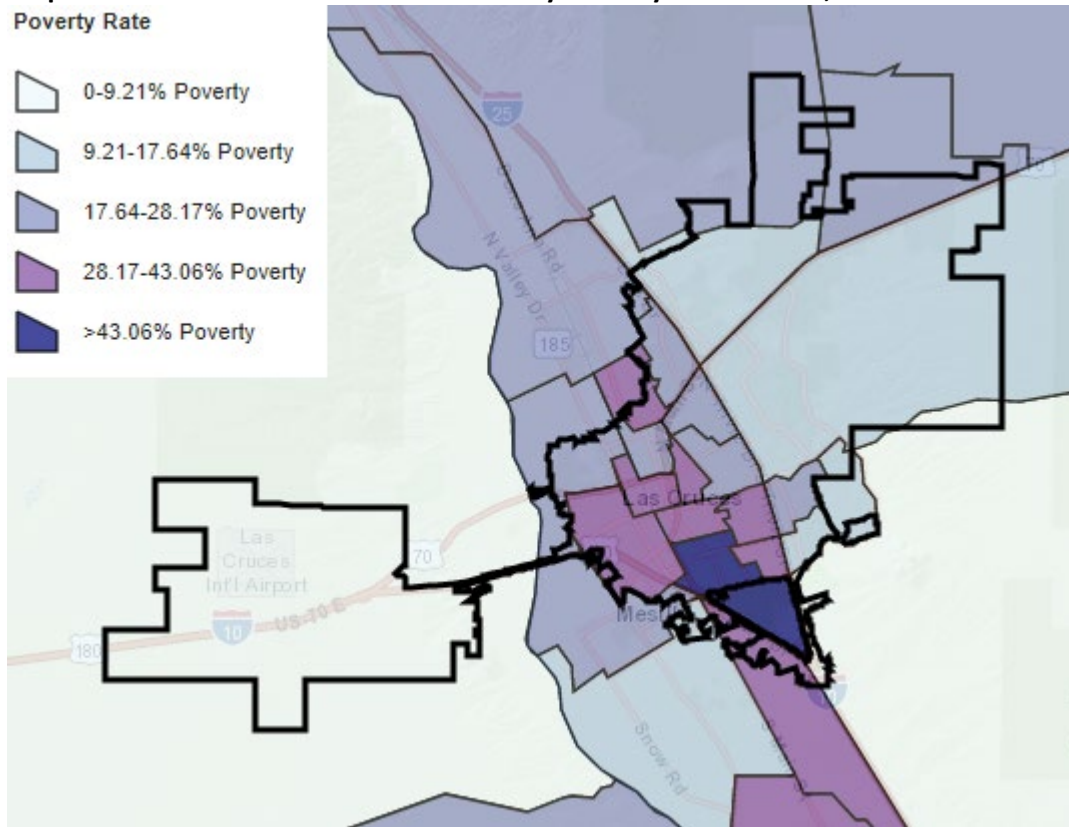
**Table 15: Households by Income Range and Tenure, 2019**

	Renter Households		Owner Households		Total Households	
	Number	Percentage	Number	Percentage	Number	Percentage
<b>0 – 30% AMI</b>	4,411	20.5%	729	3.9%	4,661	11.6%
<b>31-50% AMI</b>	3,851	17.9%	952	5.1%	4,460	11.1%
<b>51-80% AMI</b>	3,701	17.2%	541	2.9%	3,858	9.6%
<b>81-100% AMI</b>	1,528	7.1%	1,886	10.1%	3,496	8.7%
<b>101-120% AMI</b>	1,829	8.5%	2,931	15.7%	4,983	12.4%
<b>120% AMI and over</b>	6,196	28.8%	11,631	62.3%	18,727	46.6%
<b>Total</b>	21,515		18,670		40,185	

Source: 2013-2017 CHAS

Map 3, below, shows the percentage of households in each of Las Cruces’ census tracts, with incomes below 80% AMI. The highest concentrations of households with low incomes are in central Las Cruces.

**Map 3: Percent of Households Below Poverty Level by Census Tract, 2019**



SOURCE: CPD Maps

Approximately one in six families have lived below the poverty line in the past 12 months. The disparities are great between renters and owners in both Las Cruces and Dona Ana County. Over one quarter of all renters in Las Cruces live in poverty, which is slightly lower than the percentage of families living in poverty in Dona Ana County.

**Table 16: Family Poverty Level by Tenure, Las Cruces, 2019**

	Las Cruces		Dona Ana County	
	Number	Percentage	Number	Percentage
<b>Families with income in the past 12 months below poverty level</b>	3,261	14.2%	9,869	19.4%
<b>Families in poverty, owner occupants</b>	1,306	8.4%	5443	14.7%
<b>Families in poverty, renter occupants</b>	1,958	26.4%	4458	32.2%

Source: American Community Survey, 2019 1-Year Estimates

The following table provides information about persons in poverty living in Las Cruces from 2010–2019. The number of persons in poverty has grown during this time period, from a total of 18,175 in 2010 to 24,474 in 2019, according to the US Census Bureau American Community Survey. The total poverty rate, or percent of persons in poverty, has increased from 21.3 percent of the total population to 22.2 percent. The poverty rate for children in Las Cruces has increased from 27.2 percent to 33.4 percent from 2010 to 2019.

Research shows that single female parents are more vulnerable to low income and poverty status in the United States.<sup>2</sup> The poverty rate for single female parents in poverty has stayed relatively the same between 2010 and 2019.

**Table 17: Poverty in Las Cruces, 2010-2019**

	2010	2019
<b>Persons in Poverty</b>	18,175	24,474
<i>Poverty Rate</i>	21.3%	22.2%
<b>Children in Poverty</b>	6,184	7,783
<i>Poverty Rate</i>	27.2%	33.4%
<b>Over 65 in Poverty</b>	877	1,275
<i>Poverty Rate</i>	7.30%	8.4%
<b>Single Female Parents in Poverty</b>	6,816	8,605
<i>Poverty Rate</i>	40.4%	40.0%

Source: American Community Survey 2010, 2019 1-Year Estimates

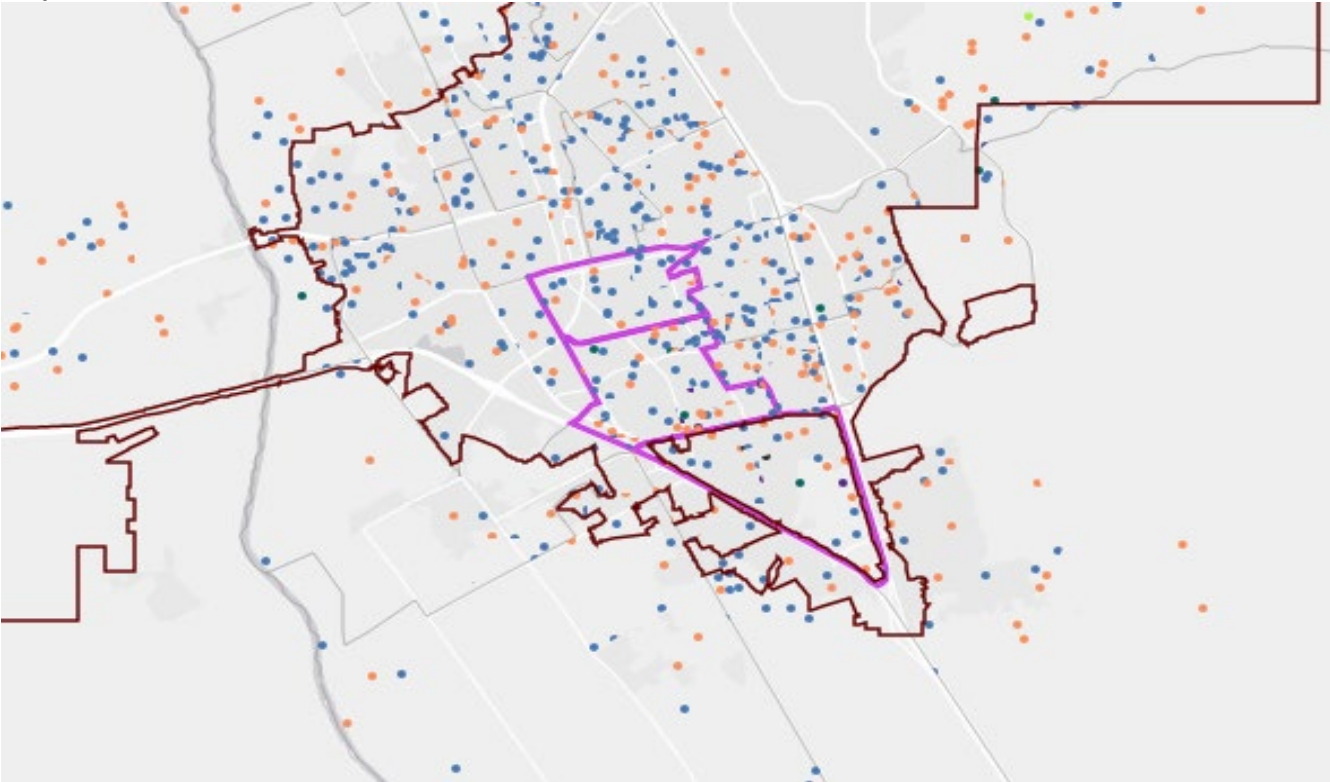
Persons in poverty are more likely to need affordable housing solutions and other services, such as public transportation, subsidized childcare, medical and food assistance. A rising number of persons in poverty means greater demand for housing and services.

### HUD R/ECAP CENSUS TRACTS

While many census tracts have more than 50% Hispanic population, there are just four that meet the R/ECAP threshold of 50% non-white and having a poverty rate of 40% or more, or three times or more the average tract poverty rate for the Las Cruces MSA. HUD has developed a data and mapping tool that identifies these “R/ECAP” census tracts based on 2010 census data. In Las Cruces, there are two R/ECAP tracts –6.00 and 9.00. Tract 10.00, shown in the map below, is owned solely by New Mexico State University and is not within the City limits.

<sup>2</sup> Inequalities in Poverty and Income between Single Mothers and Fathers. Int J Environ Res Public Health 2020 Jan; 17(1): 135. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6982282/>

**Map 4: HUD R/ECAP Census Tracts, Las Cruces 2019**



HUD AFFHT Mapping System R/ECAP Census Tract Map

According to the HUD AFFHT data system, 77 percent of households in these tracts were Hispanic in 2019, and the median household size was 2.5 persons. Tracts 6.00 and 9.00 are near downtown, and in older Las Cruces neighborhoods. The American Community Survey data shows that in tract 6.00, 77.1 percent are Hispanic/Latino, and in tract 9.00, 76.9 percent are Hispanic/Latino.

**ECONOMY AND LOCAL EMPLOYMENT**

The Las Cruces MSA’s labor force has changed drastically in the past year due to the COVID-19 pandemic. In 2019, the average unemployment rate was 3.5 percent. However, due to the pandemic and many localities implementing strict shelter in place orders across the country to help curb the spread of the virus, the national unemployment rate increased to all-time highs. In Las Cruces, the unemployment rate peaked at 13.0 percent in July 2020<sup>3</sup>. The unemployment rate has since declined, and the November 2020 unemployment rate was 7.1 percent.

**Table 18: Labor Force in Las Cruces, 2019**

<b>Total Population in the Civilian Labor Force</b>	48,764
<b>Civilian Employed Population 16 years and over</b>	45,826
<b>Unemployment Rate</b>	3.5%
<b>Unemployment Rate for Ages 16-24</b>	17.9%
<b>Unemployment Rate for Ages 25-65</b>	6.7%

Source: 2019 American Community Survey 1-Year Estimates

The largest number of employed workers in Las Cruces are in the education and health care services, retail trade, and professional, scientific, and management services. Many of these jobs are relatively “safe” during economic downturns with the exception of some retail jobs. During the COVID-19 pandemic, some retail workers, such as grocery store or gas station employees, were considered essential while others were not.

<sup>3</sup> U.S. Bureau of Labor Statistics. Las Cruces, New Mexico. [https://www.bls.gov/eag/eag.nm\\_lascruces\\_msa.htm](https://www.bls.gov/eag/eag.nm_lascruces_msa.htm)  
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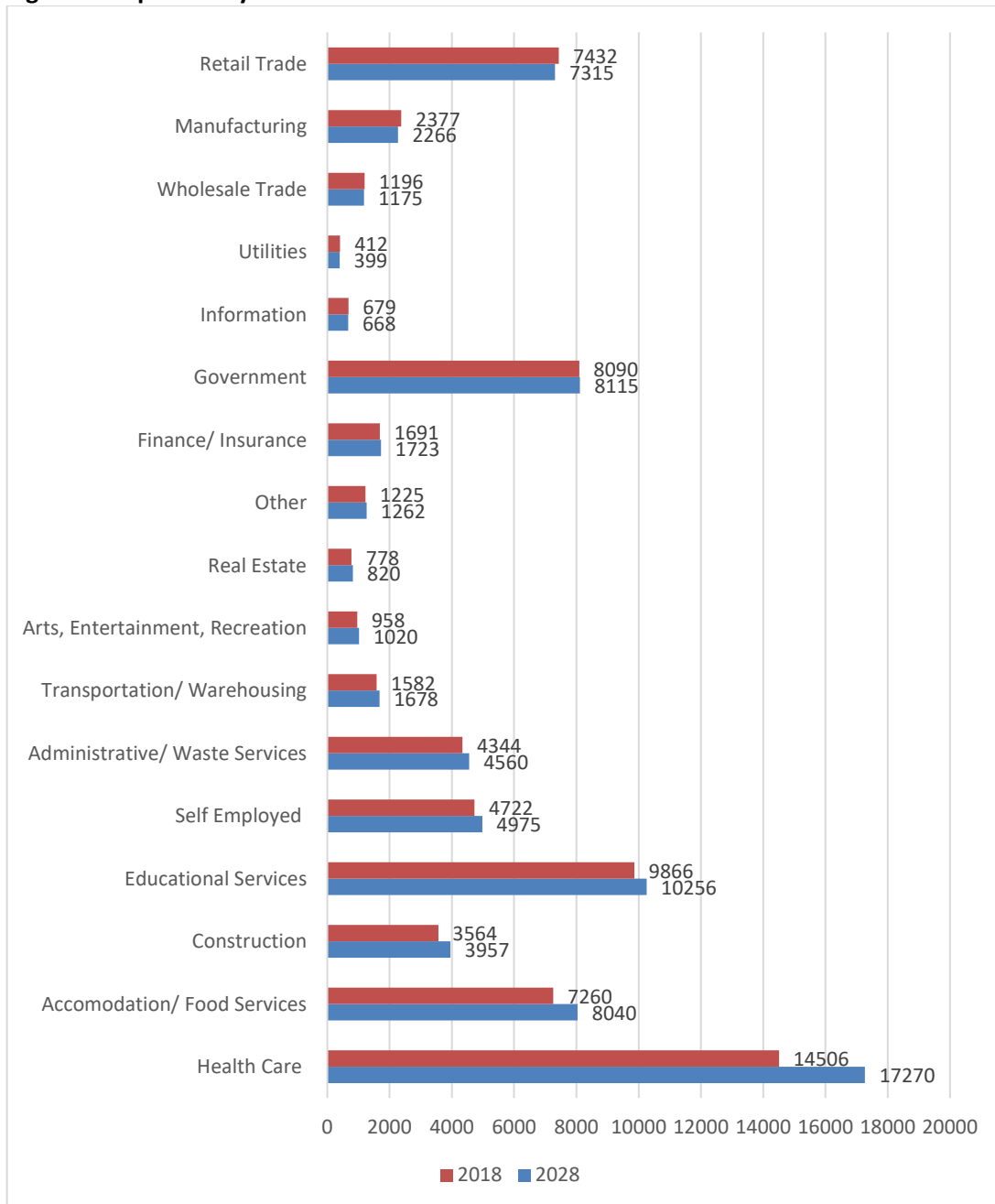
**Table 19: Occupations by Sector in Las Cruces, 2019**

<b>Business by Sector</b>	<b>Number of Workers</b>	<b>Number of Jobs</b>	<b>Share of Workers</b>	<b>Share of Jobs</b>	<b>Jobs less workers</b>
			<b>%</b>	<b>%</b>	<b>%</b>
<b>Agriculture, Mining, Oil &amp; Gas Extraction</b>	1,041	2,868	2.20%	4.90%	-2.70%
<b>Arts, Entertainment, Accommodations</b>	3,199	1,089	6.80%	1.90%	4.90%
<b>Construction</b>	3,443	4,046	7.30%	6.90%	0.40%
<b>Education and Health Care Services</b>	16,345	25,605	34.70%	43.80%	-9.10%
<b>Finance, Insurance, and Real Estate</b>	1,411	1,910	3.00%	3.30%	-0.30%
<b>Information</b>	320	456	0.70%	0.80%	-0.10%
<b>Manufacturing</b>	1,605	2,897	3.40%	5.00%	-1.60%
<b>Other Services</b>	2,193	1,240	4.70%	2.10%	2.50%
<b>Professional, Scientific, Management Services</b>	5,577	3,872	11.80%	6.60%	5.20%
<b>Public Administration</b>	3,614	2,930	7.70%	5.00%	2.70%
<b>Retail Trade</b>	6,331	7,913	13.40%	13.50%	-0.10%
<b>Transportation and Warehousing</b>	1,643	2,198	3.50%	3.80%	-0.30%
<b>Wholesale Trade</b>	387	1,411	0.80%	2.40%	-1.60%
<b>Total</b>	<b>47,109</b>	<b>58,435</b>	<b>--</b>	<b>--</b>	<b>--</b>

Source: 2019 American Community Survey 1-Year Estimates; Longitudinal Employer-Household Dynamics (Jobs)

The figure below shows the projected industry employment growth in the Las Cruces MSA from 2018 – 2028. Health care is projected to grow rapidly over the next 10 years likely due to the aging Baby Boomer population who will require more health care services and providers. The second highest growth rate industry is accommodation/food services followed closely by construction and educational services. As the population continues to grow in Las Cruces, more houses and educators will be needed. Industries likely to decline over the next 10 years include retail trade and manufacturing. Elevate Las Cruces comprehensive plan provides strategies to help economic and job growth in Las Cruces through 2045.

**Figure 1: Top Industry Growth in Las Cruces**



SOURCE: New Mexico Department of Workforce Solutions, 2019. <https://www.dws.state.nm.us/Researchers/Data/Occupations-Wages>

**Table 20: Occupational Wages**

Sector	Entry Salary	Average Salary	Experienced Salary
<b>Business and Financial Operations</b>	\$36,060	\$60,880	\$73,290
<b>Management</b>	\$47,150	\$89,510	\$110,700
<b>Computer and Mathematics</b>	\$34,400	\$68,460	\$85,490
<b>Architecture and Engineering</b>	\$48,950	\$79,620	\$94,950
<b>Life, Physical, and Social Science</b>	\$40,660	\$69,710	\$84,240
<b>Community and Social Service</b>	\$28,820	\$47,900	\$57,450
<b>Legal</b>	\$35,490	\$76,630	\$97,200
<b>Education, Training, and Library</b>	\$21,220	\$52,390	\$67,970
<b>Arts, Design, Entertainment</b>	\$30,800	\$53,430	\$64,740
<b>Healthcare Practitioners and Technical</b>	\$39,560	\$82,770	\$104,380
<b>Healthcare Support</b>	\$18,160	\$24,240	\$27,290
<b>Protective Service</b>	\$25,470	\$49,140	\$60,970
<b>Food Preparation</b>	\$17,910	\$22,460	\$24,740
<b>Building and Grounds</b>	\$18,430	\$24,420	\$27,410
<b>Personal Care and Service</b>	\$18,190	\$29,660	\$35,400
<b>Sales</b>	\$19,980	\$30,800	\$36,210
<b>Office and Administrative Support</b>	\$21,230	\$32,320	\$37,870
<b>Farming, Fishing and Forestry Occupations</b>	\$17,800	\$23,250	\$25,970
<b>Construction and Extraction</b>	\$25,610	\$39,210	\$46,000
<b>Installation, Maintenance, and Repair</b>	\$24,110	\$40,990	\$49,420
<b>Production Occupations</b>	\$21,020	\$35,150	\$42,210
<b>Transportation and Material Moving Occupations</b>	\$21,130	\$30,080	\$34,550

SOURCE: New Mexico Department of Workforce Solutions, 2019.

<https://www.dws.state.nm.us/Researchers/Data/Occupations-Wages>

The median household income in Las Cruces is \$45,130. As Table 20 shows, salaries vary widely based on industry sector and experience level. The highest paying jobs are typically found in management, architecture and engineering, health care practitioners and technical, and legal. Very few entry salaries are above the median household income in Las Cruces meaning that young adults just entering the workforce after college may struggle financially, especially if they have high student loan debts.

## **HOUSING MARKET PROFILE**

### **MARKET OVERVIEW**

The Las Cruces housing market has been hot in the recent years, especially in 2020 when supply reached a record setting low due to the COVID-19 pandemic and high demand. Realtors, home builders, and developers discussed the rising costs of affordable housing for sale within the City during stakeholder interviews and community focus group meetings. The median sale price for a housing in 2020 was \$200,000 whereas the median sale price was \$183,000 in 2019. For the household earning the median income of \$45,130, \$200,000 is unaffordable. For those earning even less, the dreams of homeownership are limited.

Approximately one third of all housing units in Las Cruces were constructed prior to 1980, and deferred maintenance and disrepair are an issue for some of the aging housing stock. A Home Rehabilitation Program for low and moderate income owners is offered by the City of Las Cruces and is important for ensuring that the existing housing stock is maintained. Older rental housing properties in some areas of Las Cruces are in need of upgrades and repairs to ensure the health and safety of tenants.

The most significant HUD “housing condition” experienced in Las Cruces is cost burden, the result of a lack of affordable units. HUD CHAS data shows that approximately 40 percent of renters in 0-30% AMI are cost burden and 60 percent are severely cost burden. The number of severely cost burden renters is approximately 2.8 times higher than owners.

The Housing Gap Analysis reveals a gap in rental units for households with very low income. The number of households that can afford a rental unit with a rent of \$1 to \$499 is over twice that of the supply of rental units in that rent range in Las Cruces. While the ownership housing gap analysis shows a surplus of houses available that is affordable to low income earners, local realtors say those houses need significant investments to make them livable.

**Table 21: Tenure by Units in Structure, 2019**

	Owner		Renter		Total	
	Number	Percent	Number	Percent	Number	Percent
<b>1-unit Detached</b>	18,334	85.2%	6,101	35.6%	24,435	60.8%
<b>1-unit Attached</b>	1,062	4.9%	814	4.3%	1,876	4.7%
<b>2 to 4 Units</b>	265	1.2%	3,092	16.5%	3,357	8.4%
<b>5 to 19 Units</b>	106	0.4%	5,235	28.0%	5,341	13.3%
<b>20 or More Units</b>	94	0.4%	2,076	11.1%	2,170	5.4%
<b>Other (mobile home, RV, etc.)</b>	1,654	7.6%	1,352	7.2%	3,006	7.5%
<b>Total</b>	<b>21,515</b>		<b>18,670</b>		<b>40,185</b>	

Source: American Community Survey, 2019 1-Year Estimates

Over 85 percent of homeowners in Las Cruces own a single family detached house whereas over one half of renters live in a multifamily unit. Approximately one in three renters live in a single family house.

**Table 22: Year Units Built by Tenure, 2019**

	Owner		Renter		Total	
	Number	Percent	Number	Percent	Number	Percent
<b>Built 2000 or later</b>	8,317	38.7%	4,419	23.7%	13,686	30.2%
<b>Built 1980-1999</b>	6,187	28.8%	7,103	38.0%	15,430	34.1%
<b>Built 1950-1979</b>	5,441	25.3%	6,421	34.4%	13,624	30.1%
<b>Built 1949 or earlier</b>	1,570	7.3%	727	3.9%	2,509	5.5%
<b>Total</b>	<b>18,670</b>	<b>53.5%</b>	<b>21,515</b>	<b>46.4%</b>	<b>45,249</b>	
<b>Median Year Built</b>	1989		1983		1978	

Source: American Community Survey, 2019 1-Year Estimates

Compared to other regions of the United States, the current housing stock in Las Cruces is relatively new. Approximately one-third of tenures in the city were built between 2000 and 2019. Only 5.5 percent of houses in Las Cruces were built before 1949. Older houses often require more upkeep and may contain lead-based paint or asbestos, which can be hazardous to a person’s health.

**Table 23: Unit Size by Tenure<sup>4</sup>**

	Owner occupied:		Renter occupied:	
	Number	%	Number	%
<b>No bedroom</b>	34	0.20%	749	4.00%
<b>1 bedroom</b>	231	1.10%	3,817	20.40%
<b>2 bedrooms</b>	2,421	11.30%	8,051	43.10%
<b>3 or more bedrooms</b>	18,829	87.50%	6,053	32.40%
<b>Total</b>	<b>21,515</b>		<b>18,670</b>	

Source: American Community Survey, 2019 1-Year Estimates

<sup>4</sup> The total number of tenures varies slightly.  
Crescendo Consulting Group

Most housing units in Las Cruces have three or more bedrooms. However, renters are more likely to live in smaller units, while most units with three or more bedrooms are owner occupied. A lack of larger rental units can be a challenge to larger families trying to find a rental housing unit.

**RENT PROFILE**

The New Mexico Apartment Association and BBER at the University of New Mexico both track the rental market in Las Cruces, and provide more accurate data on vacancy rate, square footage, and market rate compared to the U.S. Census Bureau.

The average rent for all units in Las Cruces in Fall 2017 was \$707 and ranged from \$594 for a one bedroom one bath unit to \$1,450 for a three bedroom 2.5 bath unit.

**Table 24: New Mexico Apartment Association Rent and Vacancy Survey, Fall 2017**

	Total Units Responded to Survey	Vacant Units	Percent Occupied	Average SF	Average Base Mkt Rent	Average Base Rent/SF
<b>All Units</b>	2,665	94	96.5%	870	\$707	\$0.81
<b>EFF</b>	8	0	100.0%	706	\$750	\$1.06
<b>1 BR/1B</b>	867	34	96.1%	693	\$594	\$0.93
<b>2 BR/1B</b>	692	15	97.8%	805	\$636	\$0.79
<b>2 BR/1.5B</b>	64	2	96.9%	940	\$694	\$0.74
<b>2 BR/2B</b>	540	25	95.4%	1,042	\$863	\$0.83
<b>2 BR/2.5B</b>	6	1	83.3%	1,517	\$1,450	\$0.96
<b>3BR/1BA</b>	48	0	100.0%	1,500	\$680	\$0.45
<b>3 BR/2B</b>	434	16	96.3%	1,121	\$836	\$0.75
<b>3 BR/2.5 B</b>	6	1	83.3%	1,677	\$1,358	\$0.81

Source: New Mexico Apartment Association, 2017

Unsurprisingly, the highest vacancy rates occur in the higher priced units. Housing providers and landlords interviewed during this study indicate a tight market, with long waiting lists and few vacancies in price restricted and lower rent units. Very low vacancy rates in lower priced units may indicate the need for more affordable units.

Community stakeholder interviews with the Mesilla Valley Public Housing Authority, Community of Hope, Tierra Del Sol, private landlords, and community residents indicate that there is a significant need for affordable housing options. Wait lists for housing vouchers can be up to two years and many private landlords in Las Cruces do not accept housing vouchers.

Table 25 includes public housing units, Section 8 financed units, LIHTC units and other price restricted units owned by the Mesilla Valley Public Housing Authority, Tierra del Sol, other nonprofits and private ownership interests. Of the 1,547 units in Las Cruces, 95.8 percent (1,482 units) are price restricted units. Most units have income restrictions at 50% or 60% AMI.

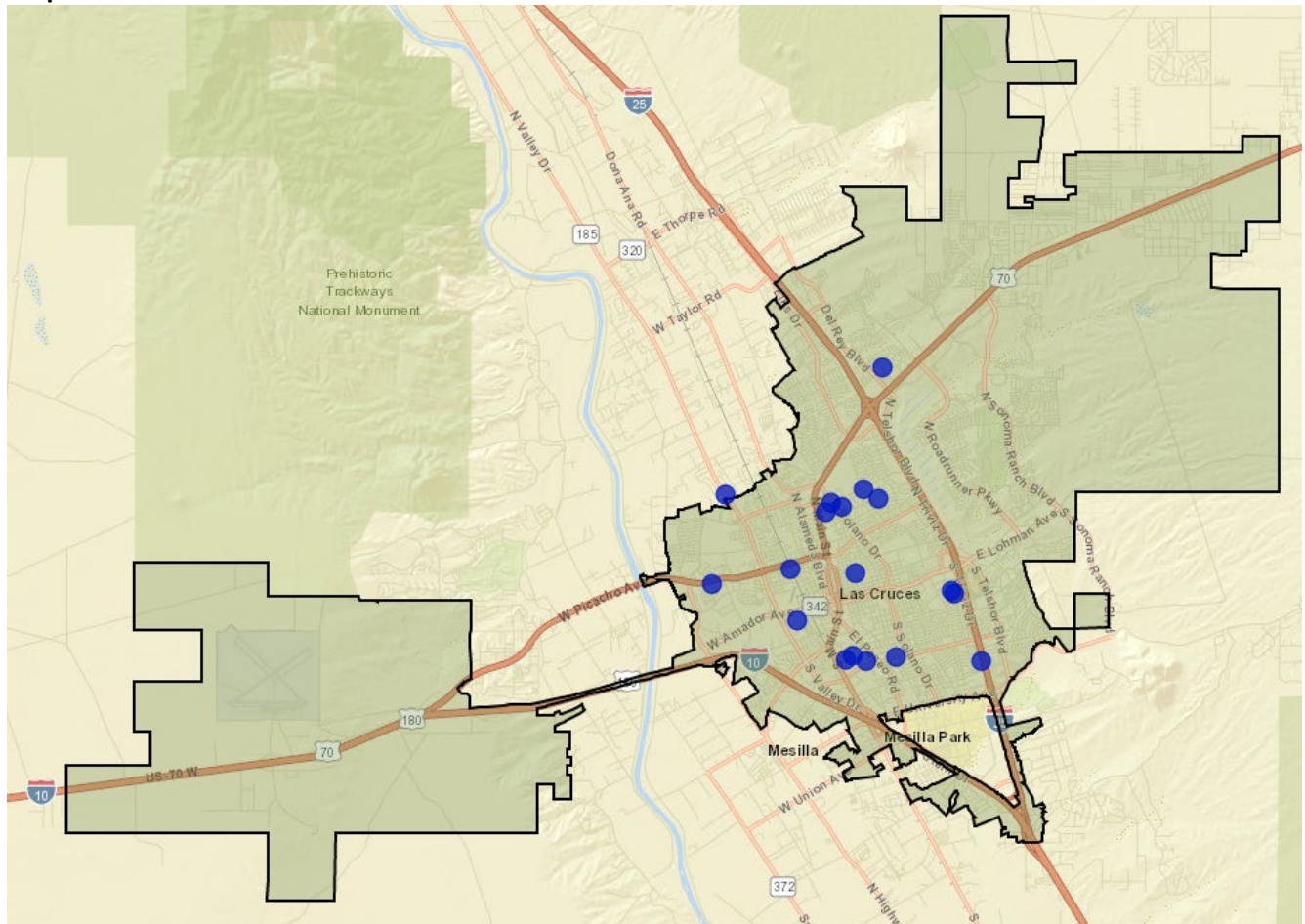
**Table 25: Price Restricted Rental Units in Las Cruces, 2019**

Property Name	Total Units	Price Restricted
Doña Ana Park Apartments	132	132
Highland Park Apartments	50	50
Montana Meadows Apartments	80	80
Desert Palms	100	100
Four Hills Apartments	72	60
Mesquite Village	48	48
Stone Mountain Place	84	72
Vista Montana	80	79
Casa de Corazones	15	14
Chaparral Senior Apartments	40	40
Mira Vista Senior Village	76	60
Montana Senior Village	49	48
St. Genevieve Village	42	41
Los Altos Apartments	72	60
Alta Tierra	56	56
Burley Court Apartments	40	40
Robledo Ridge Apartments	70	61
El Crucero	12	12
Cactus Gardens (Duplex)	2	2
Cactus Gardens (Duplex)	2	2
Alta Tierra	57	57
La Casa - NSP Rental Housing	5	5
MVCH - NSP Sue's House	1	1
Abode	15	15
Oak Street	20	20
Tres Arboles	64	64
San Pedro Place	38	38
Walnut Grove	100	100
Jardines Alegres	47	47
Jardines Verdes	40	40
Almedra Apartments	18	18
Pecos Apartments	20	20
<b>Total</b>	<b>1,547</b>	<b>1,482</b>

Source: City of Las Cruces, Mesilla Valley Housing Authority, Tierra del Sol, 2019

Rental units are located for the most part in central neighborhoods of Las Cruces, which is also where many community services are located, and the best access to the local public transportation system.

**Maps 5: Locations of Price Restricted Rental Units**



Source: City of Las Cruces, ESRI

HUD AFFHT shows that a low dissimilarity index that is in the Low Segregation index level in Las Cruces, indicating that segregation is not a concerning issue. The same data AFFHT source shows that 15% of all price restricted rental units, and 25% of all rental assistance opportunities (price restricted rentals and vouchers) are located in Re/CAP tracts.

Table 22 shows the 2019 HUD HOME and Fair Market Rent limits for the Las Cruces MSA. Owners of affordable properties must meet these rent guidelines, and Section 8 voucher holders must find units at or below the Fair Market Rents, which is becoming a challenge, according to the local housing authority and non-profit housing providers. Fair Market Rent has increased approximately 5 percent for FY2021<sup>5</sup>.

<sup>5</sup> FY 2021 Fair Market Rent Documentation System.  
[https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021\\_code/2021summary.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/2021summary.odn)



**Table 26: Monthly Rent, 2019**

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Fair Market Rent</b>	506	574	700	1,012	1,211
<b>High HOME Rent</b>	506	574	700	914	1,000
<b>Low HOME Rent</b>	470	503	605	698	778

Source: HUD FMR and HOME Rents, 2019.

Table 27 shows housing costs for the most common jobs in Las Cruces and household size. A retiree on a fixed income of social security can only afford rent up to \$456 a month while a married couple with no children can afford up to \$1,448 a month in rent.

**Table 27: Housing Costs by Most Common Jobs in Las Cruces, 2019**

	Retiree on Fixed Income **	Office and Administrative Support Occupations	Educational Instruction and Library Occupations	Single Parent with a Child(ren)	Family of Four People	Married Couple with No Children
<b>Number of Persons in Household</b>	1	1	1	2	4	2
<b>Estimated Household Income</b>	\$18,264	\$32,320	\$52,390	\$32,012	\$60,808	\$57,900
<b>% of Area Median Income</b>	42%	75%	122%	74%	141%	135%
<b>Max Rent They Can Afford</b>	\$457	\$808	\$1,310	\$800	\$1,520	\$1,448
<b>Max Home Price</b>	\$52,966	\$93,728	\$151,931	\$92,833	\$176,343	\$167,910
<b>Area Median Income</b>	\$43,022					
** Based on average monthly Social Security benefits paid to Retired Workers (October 2020)						
<b>Max Home Price Multiplier</b>	2.9	2.9	2.9	2.9	2.9	2.9
<b>Source: U.S. Department of Housing and Urban Development (2019)</b>						

Sources: US Census Bureau.<sup>6</sup>

<sup>6</sup> Available at <https://www.census.gov/quickfacts/fact/table/lascrucescitynewmexico/RHI125219>; ACS. Available at <https://data.census.gov/cedsci/table?q=S19&g=1600000US3539380&d=ACS%201-Year%20Estimates%20Subject%20Tables&tid=ACST1Y2019.S1903&moe=false&hidePreview=true>; Social Security Administration. Available at [https://www.ssa.gov/policy/docs/quickfacts/stat\\_snapshot/2020-10.html](https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/2020-10.html)

**HOMEOWNERSHIP PROFILE**

The real estate market in 2020 was an unusual year. For many regions across the country, the existing housing stock was limited due to many people reluctant to sell their homes during a global pandemic. With higher demand than supply, this led to a sharp increase in prices. The rapid increase in sale prices and intense buyer competition negatively impacted low-income and first-type homebuyers who may be limited by a low downpayment and more restricted loan options, such as FHA or VA loans.

From January 2020 through November 2020, 2,186 homes<sup>7</sup> were sold in Las Cruces, an increase of 4.8 percent from 2019. The median sale price was \$200,000 whereas in 2019, the median sale price from \$183,600.

**Table 28: Houses Sold in Las Cruces, Year-to-Date 2020 and 2019**

Price	YTD 2020	YTD 2019	Percent Change
\$0 - 29,999	7	2	250%
\$30,000 - 39,999	5	13	-61.5%
\$40,000 - 49,999	11	13	-15.4
\$50,000 – 59,999	11	24	-54.2%
\$60,000 – 69,999	17	23	-26.1%
\$70,000 – 79,999	22	23	-4.3%
\$80,000 – 89,999	33	39	-15.4%
\$90,000 – 99,999	30	46	-34.8%
\$100,000 – 119,999	61	119	-48.7%
\$120,000 – 139,999	156	206	-24.3%
\$140,000 – 159,999	183	233	-21.5%
\$160,000 – 179,999	297	252	17.9%
\$180,000 – 199,999	249	225	10.7%
\$200,000 – 249,999	410	362	13.3%
\$250,000 – 299,999	252	212	18.9%
\$300,000 – 399,999	270	187	44.4%
\$400,000 – 499,999	92	71	29.6%
\$500,000+	80	36	122.2%
<b>Total</b>	<b>2,186</b>	<b>2,086</b>	<b>4.8%</b>

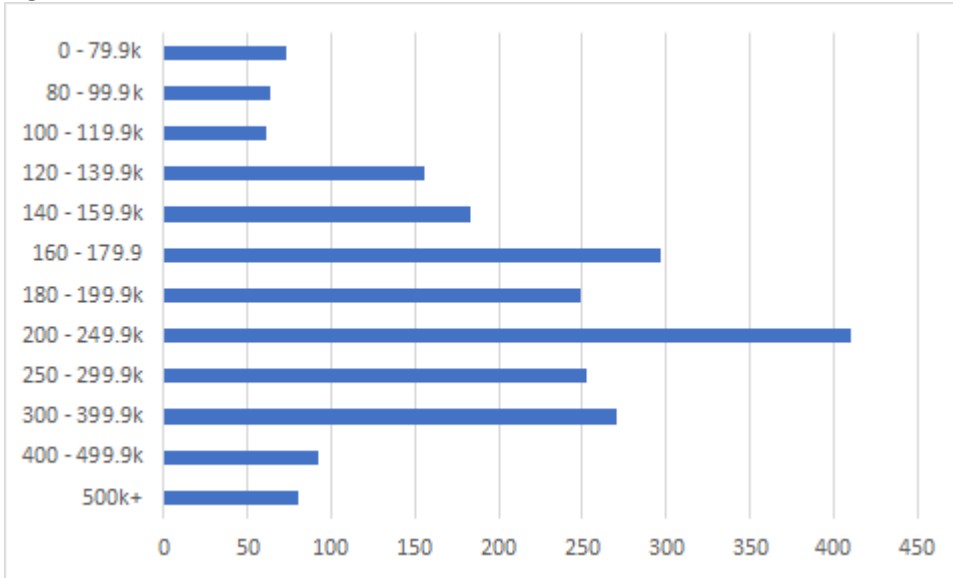
Source: 2020 MLS

Most homes sold in 2020 were \$160,000 to \$399,999 price range. There was a 122.2 percent increase in the number of homes sold with a listing price of \$500,000 or more indicating there is an increased demand for luxury homes in Las Cruces. As of January 2021, the housing market in Las Cruces has a severe shortage of houses for sale. Typically, there is approximately 3,000 listings, but there is currently between 1,200-1,400 listings and homes go under contract almost immediately<sup>8</sup>. The very limited supply of housing is driving up the median sale price. Additionally, many builders are not taking any new orders of homes as they are so busy.

<sup>7</sup> 2020 MLS data.

<sup>8</sup> Stakeholder interview with Realtor Kevin Wilson. January 19, 2021.

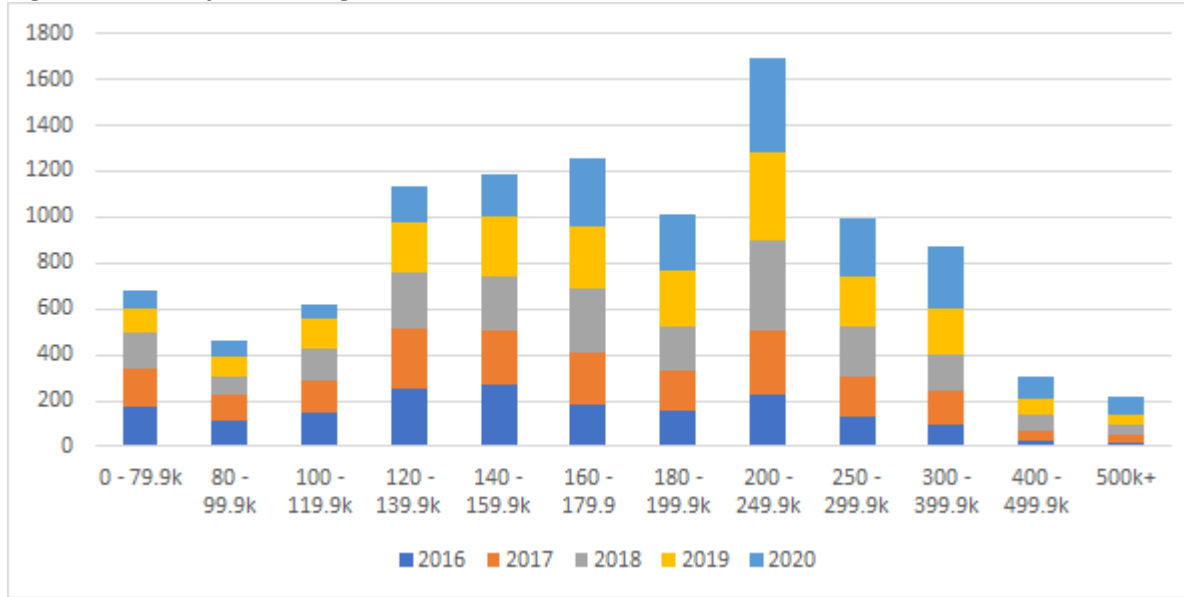
**Figure 2: Sales Prices of Units Sold, YTD November 2020**



Source: MLS

While approximately 50 percent of the units for sale in Las Cruces are still priced at \$200,000, the percentage of these units in the overall inventory is on the decline. A household earning the median income of \$45,130 in Las Cruces can only afford a house with a maximum price of \$166,400 based on HUD’s recommended 30 percent of income paid towards housing costs. There is an increased demand of higher end homes in Las Cruces indicating that affordable housing is either not in demand, not being sold, or not being built. Based on stakeholder interviews and community-wide focus groups, there is a need for affordable houses in Las Cruces. However, due to regulations, policy, and the costs of building materials, land, and labor, new affordable housing is difficult to build.

**Figure 3: Sales by Price Range, 2015 – 2020, Las Cruces**



Source: MLS

The median sale price in Las Cruces has increased 30.5 percent since 2015. The largest increases have occurred in the most recent years. The raising median sales price is largely due to the limited supply and high demand for housing in Las Cruces.

**Table 29: Median Sale Price over Time in Las Cruces, 2015 – 2020**

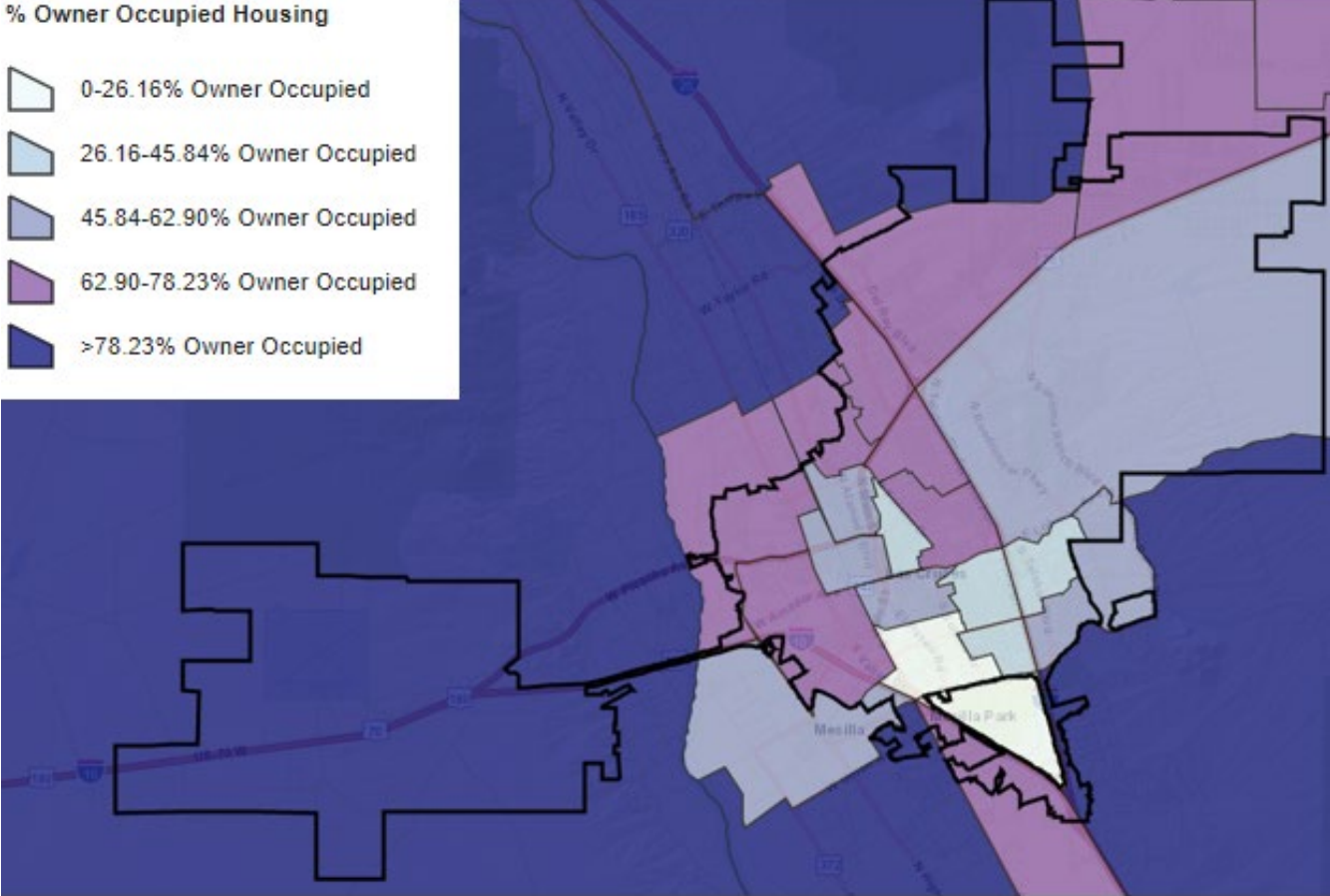
Year	Median Sale Price	Total Units Sold
2015	\$153,250	1,576
2016	\$155,500	1,787
2017	\$165,100	1,980
2018	\$176,000	2,204
2019	\$183,145	2,260
2020	\$200,000	2,186 <sup>9</sup>

Source: MLS, 2016-2020

<sup>9</sup> November 2020 data.

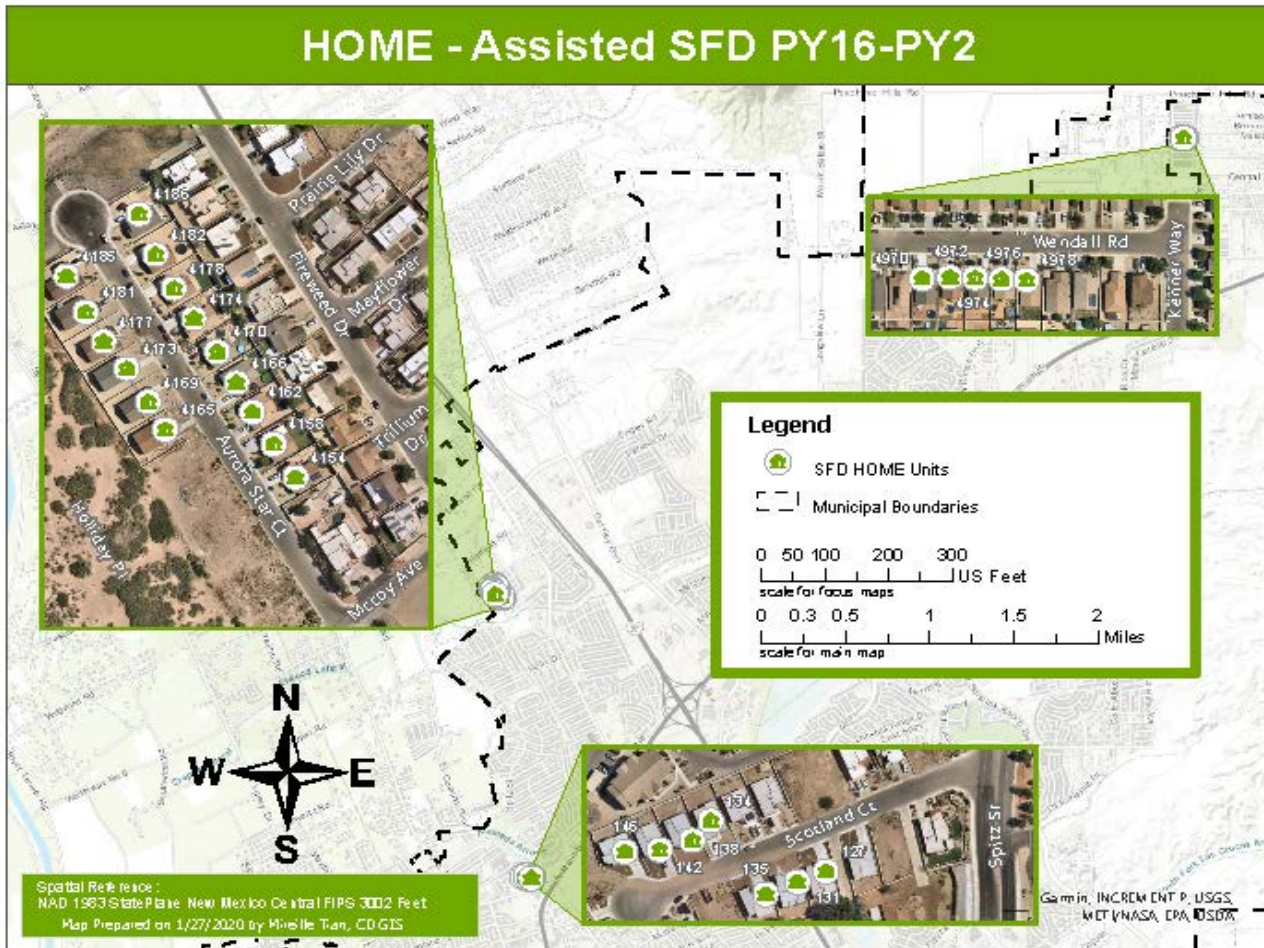
The highest concentrations of owners are in the newest areas of Las Cruces where large single family developments were built in the 1990s and early 2000s and are still being developed. Central neighborhoods have a higher concentration of renter-occupied households.

**Maps 6: Homeownership Rates by Census Tract, 2019**



Source: HUD CPD Maps

**Map 7: Location of Homebuyer Assistance Units**



Source: City of Las Cruces

Map 7 shows the location of each of the 27 households who received homebuyer assistance from the City of Las Cruces from 2016 through 2020 through its Habitat for Humanity Property Acquisition and Single Family Development project. The current developments are being built in Rincon Mesa, Aurora, and Highland subdivisions.

Table 30 shows that the total number of residential building permits has declined between 2010 and 2020 in Las Cruces. However, there is an increase in the number of building permits issued for new single family units since 2015. The number of building permits for multifamily units is less than 40 over the past 10 years.

**Table 30: Building Permits Issued in Las Cruces, 2010-2020**

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Totals
New Single Family	560	430	396	381	289	362	413	470	511	584	739	3,301
New Townhouses	16	9	19	16	4	10	5	8	16	3	1	87
Mobile Homes	107	108	76	78	76	78	74	61	59	46	29	658
Duplexes	0	0	2	0	0	1	1	0	1	4	1	5
Triplexes	3	0	0	0	0	0	0	1	0	0	0	4
Fourplexes	0	1	0	0	0	1	0	1	0	0	0	3
Multi-Family (Comm)	2	1	6	4	1	2	1	4	2	1	0	24
Addition & Alteration	326	255	252	269	311	266	313	237	121	172	114	2,229
<b>TOTALS</b>	<b>1,014</b>	<b>804</b>	<b>751</b>	<b>748</b>	<b>681</b>	<b>720</b>	<b>807</b>	<b>782</b>	<b>710</b>	<b>810</b>	<b>884</b>	<b>6,311</b>

Source: Source: City of Las Cruces

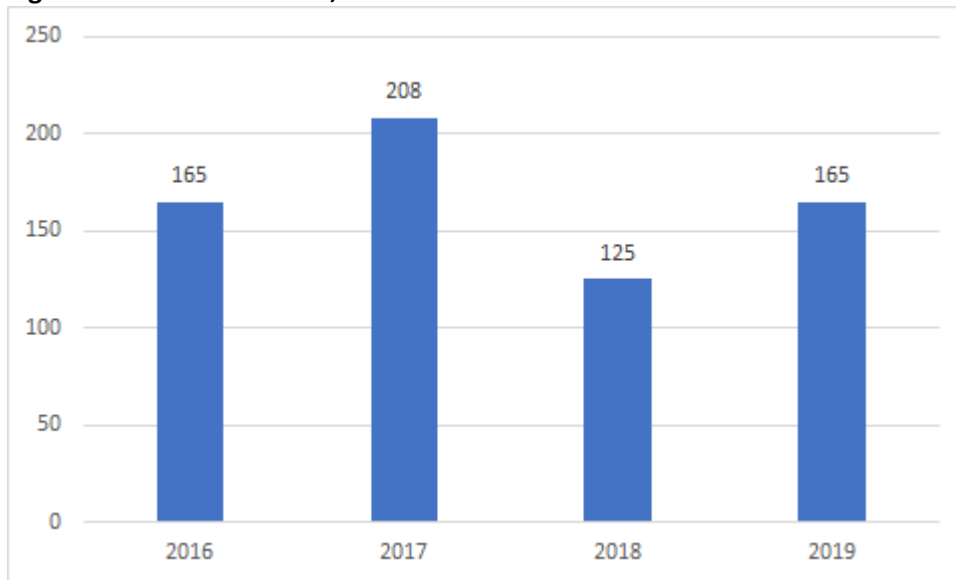
In previous years, Las Cruces has had a higher foreclosure rate than the national average. However, due to the COVID-19 pandemic, homeowners who are struggling to pay their mortgages may enter forbearance without the fear of foreclosure. These policies will likely last into 2021, but there is great uncertainty for future years.

**Table 31: Foreclosure Ratios, 2020**

	United States	New Mexico	Dona Ana County	Las Cruces
<b>2020</b>	1:360,660	1:91,86	1:21,555	1:16,6187

SOURCE: RealtyTrac

**Figure 4: Foreclosure Sales, 2016 – 2019**



Source: MLS Data

Low and moderate income households are especially vulnerable to foreclosure. Foreclosure counseling programs and refinancing options can help these homeowners stay in their unit and avoid foreclosure. While many vulnerable households are protected under the CARES ACT and other COVID-19-related federal policies,

once forbearance and foreclosure protections are limited in the future, these households may lose their house if they are still catching up financially.

### AFFORDABLE HOUSING NEEDS

There is an affordable housing crisis in the United States currently. HUD federal grants, such as CDBG and HOME funds are designated to help low to moderate income households with housing issues, such as home repairs and related services. In 2016, approximately 50 percent of all renters in the United States were considered cost burden<sup>10</sup>. In addition to cost burden, HUD defines housing problems as:

1. Housing unit lacks complete kitchen facilities.
2. Housing unit lacks complete plumbing facilities.
3. Overcrowding (1.01–1.5 persons per room).
4. Severe Overcrowding (greater than 1.5 persons per room).
5. Cost Burden (households paying between 30% and 50% of their income for housing).
6. Severe Cost Burden (household pays 50% or more of their income for housing).

HUD estimates there were 305 rental units and 135 owner occupied units without complete plumbing or kitchen facilities in 2017. Of the 305 renter-occupied units, 88.5 percent of the households had an income in the 30 – 80 percent AMI<sup>11</sup>. There were few severely overcrowded households in Las Cruces, though 500 renters and 115 owners were overcrowded in 2017.

By far the largest housing problem experienced by households in Las Cruces is cost burden and severe cost burden. Renters experience cost burden disproportionately more than homeowners, especially in the very low income AMI brackets. Approximately 40 percent of renters in 0-30% AMI are cost burden and 60% are severely cost burden.

**Table 31: Cost Burden (> 30%) Households by Tenure**

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>								
<b>Small Related</b>	1,195	895	685	2,775	260	345	560	1,165
<b>Large Related</b>	235	195	170	600	35	90	100	225
<b>Elderly</b>	0	24	130	154	40	195	90	325
<b>Other</b>	1,810	1,440	1,370	4,620	780	325	350	1,455
<b>Total need by income</b>	3,240	2,554	2,355	8,149	1,115	955	1,100	3,170

Source: 2013-2017 CHAS

<sup>10</sup> Joint Center for Housing Studies of Harvard University. The State of the Nation’s Housing 2018: [https://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_State\\_of\\_the\\_Nations\\_Housing\\_2018.pdf](https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf)

<sup>11</sup> Data tables found in NA-10 of the 2021-2025 Consolidated Plan.



The highest number of severely cost-burdened households are also renters and owners with incomes at 0–30% AMI. The number of severely cost burden renters is approximately 2.8 times higher than owners.

**Table 32: Severe Cost Burden (> 50%) Households by Tenure**

	Renter			Total	Owner			Total
	0-30% AMI	>30-50% AMI	>50-80% AMI		0-30% AMI	>30-50% AMI	>50-80% AMI	
<b>NUMBER OF HOUSEHOLDS</b>								
<b>Small Related</b>	1,085	425	35	1,545	240	280	210	730
<b>Large Related</b>	210	35	0	245	35	15	15	65
<b>Elderly</b>	0	4	15	19	25	70	0	95
<b>Other</b>	1,630	860	530	3,020	580	195	55	830
<b>Total need by income</b>	2,925	1,324	580	4,828	880	560	280	1,720

Source: 2013-2017 CHAS

Overcrowding is also most prevalent in renter households with lower incomes, especially in households comprised of unrelated persons. Overcrowding often occurs when a low-income household must rent or own a home smaller than they need because the price is lower than larger units. The largest numbers of overcrowded households are single family renter households at 30 - 50% AMI<sup>12</sup>.

<sup>12</sup> Data tables found in NA-10 of the 2021-2025 Consolidated Plan.  
Crescendo Consulting Group

## HOUSING GAP ANALYSIS

A housing gap exists when there is a greater number of households than there is housing supply at specific income brackets. Data from the 2019 American Community Survey and HUD income limit data was used to calculate the rental housing and ownership housing supply in the city of Las Cruces in 2019.

Table 25 indicates that the number of households that can afford a rental unit with a rent of \$1 to \$499 is over twice that of the supply of rental units in that rent range in Las Cruces. There are more rental units with a rent of \$500 to \$999 and \$1,000 to \$1,499 than there are of households who can afford those rents indicating that there is a surplus of available units in Las Cruces. The table also shows that there is a deficit of higher priced rental units in Las Cruces.

It is important to note that this table does not take in account the quality or true demand of housing, only the supply numbers. Additionally, as household incomes increase, those households are more likely to become homeowners as they can likely afford a downpayment, closing costs, and a mortgage. The demand of high end rentals in Las Cruces is likely not high. However, the table does indicate that there is a lack of affordable rental units in Las Cruces for low-income households.

**Table 33: Rental Housing Gap (Supply/Demand) Analysis**

	Supply of Existing Renter Occupied Units	Number of Households Able to Afford Units	Existing Surplus (Deficit) of Units
<b>Total Occupied Rental Supply</b>	17,507		
<b>\$1 - \$499</b>	2,682	5,565	(2,883)
<b>\$500 - \$999</b>	11,140	4,550	6,590
<b>\$1,000 - \$1,499</b>	3,042	1,581	1,461
<b>\$1,500 - \$1,999</b>	266	3,052	(2,786)
<b>\$2,000 - \$2,499</b>	377	1,352	(975)
<b>\$2,500 - \$2,999</b>	0	803	(803)
<b>\$3,000 or More</b>	0	156	(156)
<b>Median Monthly Rent</b>	791		
<b>Rental Vacancy Rate</b>	8.7%		
<b>Number of Vacant Units (Weighted)</b>			
<b>Total Rental Supply</b>	20,449		

Source: American Community Survey, 2019 1-Year Estimates; Crescendo Consulting Group

**Table 34: Ownership Housing Gap (Supply/Demand) Analysis**

Measure	Supply of Existing Owner Occupied Units	Number of Households Able to Afford Units	Existing Surplus (Deficit) of Units
<i>Home Value</i>			
<b>Owner Occupied Homes</b>	21,515		
<b>&lt; \$50,000 (Home Value)</b>	1,162	982	180
<b>\$50,000 - \$99,999 (Home Value)</b>	1,999	950	1,049
<b>\$100,000 - \$149,999 (Home Value)</b>	5,247	2,171	3,076
<b>\$150,000 - \$199,999 (Home Value)</b>	6,658	3,391	3,267
<b>\$200,000 - \$349,999 (Home Value)</b>	4,153	8,284	(4,131)
<b>\$350,000 - \$499,999 (Home Value)</b>	2,112	2,706	(594)
<b>\$500,000 - or More (Home Value)</b>	184	2,406	(2,222)
<b>Median Home Value</b>	\$165,300		
<b>Housing Unit Vacancy Rate (% of Total Housing Units)</b>	11.2%		
<b>Number of Vacant Units (Weighted)</b>	5,064		
<b>Total Housing Supply (including rental units)</b>	45,249		

Source: American Community Survey, 2019 1-Year Estimates; Crescendo Consulting Group

There is a surplus of the number of households who can afford houses under \$200,000 in Las Cruces. However, the tables do not take in consideration the quality and size of the available supply. Houses under \$50,000 may not be livable or meet the needs of a household without extensive rehabilitation. There is a deficiency of houses over \$200,000. Households that can afford houses over \$200,000 are more likely to custom build a new home or buy an existing home in one of the new developments in Las Cruces.

The sales market gap analysis indicates that households earning less than 80% AMI will need some sort of subsidy to afford the median priced home in Las Cruces. However, the 2020 MLS data revealed that the median sale price in Las Cruces in 2020 was \$200,000. A continued increase in the median sales price will continue to make homeownership for low-income households increasingly more difficult.

Downpayment assistance programs, interest rate subsidies and lower cost units constructed by Tierra Del Sol and Habitat for Humanity are all strategies for meeting demand for affordable homeownership opportunities for low-income households.

**Table 35: Sales Market Gaps**

	Potential Buyers (current homeowners excluding renters)	Income Limit	Affordable Price	Units Available (12 m supply)	Median Priced Home	Subsidy Needed
<b>0-30%</b>	980	\$13,539	\$49,900	17	\$165,300	\$115,400
<b>31-50%</b>	633	\$22,565	\$83,200	172	\$165,300	\$82,100
<b>51-60%</b>	317	\$27,078	\$99,800	87	\$165,300	\$65,500
<b>61-80%</b>	1,443	\$36,104	\$133,200	269	\$165,300	\$32,100
<b>81-100%</b>	1,842	\$45,130	\$166,400	316	\$165,300	None
<b>101-120%</b>	2,641	\$54,156	\$199,700	73	\$165,300	None
<b>120% and over</b>	13,416	>\$54,156	>\$199,700	252	\$165,300	None
<b>Total Occupied Homeowners (excl. current renters)</b>	21,273					

SOURCE: 2020 MLS Data; American Community Survey, 2019 1-Year Estimates; Crescendo Consulting Group

**AVAILABILITY OF ACCESSIBLE HOUSING**

The Mesilla Valley Public Housing Authority has some fully accessible rental units in the affordable housing stock, as are some of the privately held price restricted rentals, though much of the older rental housing stock is not accessible. While new HOME funded units must have 5 percent of units accessible, demand for fully accessible units for those with very low and low-incomes is higher than the available inventory.

## **SECTION III: EVALUATION OF FAIR HOUSING LEGAL STATUS**

## SECTION THREE: EVALUATION OF FAIR HOUSING LEGAL STATUS

### FAIR HOUSING COMPLAINTS:

#### EVALUATION OF JURISDICTION’S CURRENT FAIR HOUSING STATUS

Las Cruces residents filed 23 complaints with HUD between January 1, 2015 and December 31, 2019. These 23 complaints resulted in 18 individual cases filed. The most frequently named protected class was disability, followed by race and familial status. The highest number of highest number of cases occurred in 2016 and has since declined. The most common protected class affected is those living with a disability.

**Table 36: Summary of HUD Complaints, 2015-2019**

	2015	2016	2017	2018	2019	Total
Number of Cases	3	7	5	1	2	18
Number of Complaint Issues:	3	11	6	1	2	23
Most Common Protected Class Affected	Disability	Disability	Disability, Race	Familial Status	Disability	Disability

Source: HUD, FHEO Filed Title VIII Cases, <https://catalog.data.gov/dataset/fheo-filed-cases>

The City of Las Cruces also collects Fair Housing complaints and, if warranted, will refer the community member to file an official complaint with HUD. From 2016 through 2019, the City of Las Cruces received X complaints from community members.

**Table 37: Summary of Housing Complaints Received by City of Las Cruces, 2016-2019**

	2016	2017	2018	2019	Total
Number of Cases	41	55	55	112	263
Number of Complaints Referred to HUD	1	3	3	3	10
Most Common Concerns	Landlord / Tenant disputes; repairs	Landlord / Tenant disputes; repairs	Landlord / Tenant disputes; repairs	Landlord / Tenant disputes; repairs	

Of the complaints received by the City and referred to HUD, most were due to landlords refusing to accommodate persons with disabilities, acceptance of service animals, or housing voucher discrimination. In many cases for non-HUD referred complaints, community residents were advised to contact Legal Aid for further guidance.

## IDENTIFICATION OF FAIR HOUSING CONCERNS OR PROBLEMS

Impediments to fair housing choice include any action, omission or decision taken because of race, color, religion, sex, disability, familial status, or national origin that may restrict housing choices or the availability of housing choices. This section addresses housing problems related to discriminatory and illegal practices, as well as general and specific local housing concerns that may occur. The discriminatory and illegal practices listed below are examples and definitions of the kinds of discrimination that could occur in a community with respect to housing, which are considered illegal under the provisions of the Fair Housing Act and are not intended to imply that these practices are occurring in a community.

### **1. Discriminatory And Illegal Practices**

**Advertising** or printing and/or publishing or causing the printing and/or publishing of any notice, statement or advertisement in the sale or rental of a dwelling which shows preference, limitation, or discrimination.

**Blockbusting** is the unethical real estate practice of creating fear by moving one or more households of another race or creed into a neighborhood, then exploiting the situation by urging residents to sell their homes at deflated prices.

**Control of listings** is when a real estate agent or broker refuses to list a home or rental because it is minority-owned or because of the neighborhood in which it is located.

**Discrimination in the provision of brokerage services** may result when a minority or disabled real estate agent or broker is denied membership in a multiple listing directory or other organization.

**Lending practices** are discriminatory when different credit standards are used to qualify minority and non-minority home buyers. In addition to race, such things as marital status, age, sex and number of dependents may also be the basis for discriminatory lending practices.

**Rental practices** discriminate against minorities, families, seniors, or persons with disabilities when a landlord charges higher rent for equivalent units, misrepresents information concerning unit vacancies, requires larger security deposits and/or uses different or higher standards of tenant approval.

**Steering** is the practice of directing a prospective buyer away from a certain property due to a person's race, color, religion, sex, disability, familial status, or national origin.

Many of the above described discriminatory practices may occur unknowingly. When discrimination occurs in the area of housing, it encourages segregated living patterns and housing markets. These discriminatory practices are often difficult to see and document. Those who have been discriminated against must bring charges of housing discrimination to the attention of local, state or federal authorities in order to detect and enforce against such illegal practices.

### **2. General Housing Concerns/Preferences**

Las Cruces residents are served by the Mesilla Valley Public Housing Authority, which is the largest provider of affordable housing units and tenant-based rental assistance in the city. The Housing Authority operates a variety of programs for residents of Las Cruces and throughout Dona Ana County, including Section 8 choice vouchers, public housing, and elderly price restricted rental units. The Housing Authority administers 1,627 housing choice vouchers within the City of Las Cruces and throughout Dona Ana County. They also own 248

public housing units located in Las Cruces, and 40 Section 8 new construction units, which are located within the City and throughout Dona Ana County.

The Housing Authority provides 40 Family Unification Vouchers, 55 VASH Vouchers for homeless veterans, 100 Non-Elderly Disabled (NED) vouchers for non-elderly disabled families, 17 homeownership vouchers and 1,415 regular housing choice vouchers.

#### **EXPIRING HOUSING ASSISTANCE CONTRACTS**

At this time, the Mesilla Valley Public Housing Authority does not have any plans to dispose of public housing units located in Las Cruces that are owned by the Housing Authority.

#### **SPECIFIC HOUSING CONCERNS**

##### **HOUSING NEEDS OF PERSONS WITH DISABILITIES**

Las Cruces is home to a variety of community service organizations and agencies that provide services to persons with special needs in the community. HUD defines special needs groups as seniors, persons with mental, physical, and intellectual and developmental disabilities (IDD), persons with HIV/AIDS, and persons with mental health and/or substance use issues. Some individuals with disabilities may have limited ability to work and earn a living, requiring them to live on Social Security Disability. They may also require modified housing units that include ramps, widened doors, and other features, and/or service enriched housing that includes assistance with activities of daily living, a group quarter, or an assisted living environment.

The next table shows the number of households with one of the four housing problems and a disabled household member. There is more renter than owner households with disabled household members and housing problems, according to CHAS data from 2012. There are more households with ambulatory limitations with housing problems than households with other limitations. Households at 80% AMI or less with a disabled household member may need a price restricted housing unit or a housing unit with accessibility features.



**Table 38: HUD CHAS Household with Housing Problems with Disabled Household Member**

	Total	0-30% AMI	31- 50% AMI	51- 80% AMI	> 80% AMI
<b>All Households</b>					
Household member has a cognitive limitation	2,105	665	515	445	480
Household member has a hearing or vision impairment	1,820	355	430	485	550
Household member has a self-care or independent living limitation	2,020	575	610	420	415
Household member has an ambulatory limitation	2,315	730	620	500	465
<b>Renters</b>					
Household member has a cognitive limitation	1,520	500	360	330	330
Household member has a hearing or vision impairment	1,255	245	260	355	395
Household member has a self-care or independent living limitation	1,410	465	400	285	260
Household member has an ambulatory limitation	1,625	600	410	380	235
<b>Owners</b>					
Household member has a hearing or vision impairment	585	165	155	115	150
Household member has an ambulatory limitation	565	110	170	130	155
Household member has a cognitive limitation	610	110	210	135	155
Household member has a self-care or independent living limitation	690	130	210	120	230

Source: HUD CHAS Data 2013-2017

Forty eight percent of all renters in Las Cruces has at least one of the four housing issues identified by HUD in the Consolidated Plan (cost burden, overcrowding or lack of kitchen or plumbing). Approximately 32 percent of all renters have both a HUD-defined housing problem and a disabled household member. The most common disability is ambulatory limitations followed by cognitive limitations. Only 11 percent of homeowners have both a disabled household member and at least one HUD-defined housing problem in Las Cruces. Renters are more likely to experience a housing problem, most likely cost burden, than homeowners.

The table below shows the percent of people of people with a disability by race and Hispanic origin. Nearly one in every three Black or African American residents in Las Cruces has a disability, which is significantly higher than any other race or ethnicity. Hispanic households have a slightly higher rate of disability than the white alone population.

**Table 39: Population by Disability by Race and Hispanic Origin Las Cruces, 2019**

	Number with a Disability	Percent with a Disability
<b>White</b>	11,228	13.7%
<b>Black or African American</b>	1,007	34.3%
<b>American Indian and Alaska Native</b>	ND	ND
<b>Asian</b>	ND	ND
<b>Native Hawaiian and Other Pacific Islander</b>	ND	ND
<b>Some other race alone</b>	1,557	16.1%
<b>Two or more races</b>	ND	ND
<b>White alone, not Hispanic or Latino</b>	5,080	14.7%
<b>Hispanic or Latino (of any race)</b>	8,286	14.0%

Source: American Community Survey, 2019 1-Year Estimates

**SPECIAL POPULATIONS**

HUD’s grant programs are designed to increase safe and affordable rental options, reduce chronic homelessness, fight housing discrimination by ensuring equal opportunity in the rental and purchase markets, and support vulnerable populations. Vulnerable populations, or defined as special populations by HUD, may have unique housing needs and are defined as the following:

**Seniors** - The supportive housing needs of this population may involve maintaining individuals in their homes with minor home repairs, in-home support services, at-home nursing (skilled) care, and hospice care.

**Persons with Physical Disabilities** - Accessible and adaptable housing is a primary housing need for people with disabilities and their families. Affordable housing with supportive services is needed to serve these populations effectively. Many people with disabilities are best served in an independent living environment. However, some may need higher levels of support and supervision. Small group home facilities are a model that may work well for persons with physical or developmental disabilities. But there can be significant financial challenges with this model.

**Mental Illness** - For individuals with mental health conditions, supportive housing is critical to avoid homelessness. Types of services include home based case management, therapeutic services, medication monitoring, and peer to peer support.

**Substance Use Disorders** – People with serious mental illness, substance use disorders, or co-occurring disorders require coordinated and accessible treatment and support. Permanent supportive housing, particularly for those who have experienced homelessness is critical to prevent future episodes of homelessness. Peer supports and case management support can be effective services for persons with substance use disorders.

**Persons Living with HIV/AIDS** - The supportive housing needs of persons living with HIV/AIDS are unique and varied. Some require only short-term assistance with their rent, mortgage, or utilities during times of financial insecurity. Others who have HIV/AIDS and co-occurring disorders may require longer term supportive housing. Supportive housing allows people living with HIV/AIDS to access necessary drug therapies and other health/mental health supports.

Overall, the biggest need mentioned by providers in community stakeholder interviews, community focus group meetings, and the community survey was for additional affordable housing units for very low-income households, accessible units for those with physical disabilities, transitional or permanent housing for persons experiencing homelessness and/or mental health/substance use disorders, and improved public transportation system.

**Table 40: Summary of Special Population Housing Needs**

Population Group	Needs for Las Cruces Residents
Seniors	Affordable independent living units Accessibility features in housing units Home rehabilitation services, especially for those on fixed incomes Mental health services Food services Transportation
Persons with Physical Disabilities	Affordable, accessible, quality rental housing Affordable, reliable, and accessible (near housing and work) Transportation options
Persons with Mental Health Conditions	More mental health providers and services Inpatient residential facilities and services Permanent, supportive housing Transitional housing
Persons with Substance Use Disorders	Inpatient and outpatient substance use disorder treatments options Detox facility Intensive inpatient residential treatment facility Transitional housing Permanent, supportive housing
Persons with HIV/AIDS	Low cost affordable rental housing units Mental health providers and services

Source: Crescendo Consulting Group; Community Stakeholder Interviews

**HOUSING NEEDS FOR SENIORS**

The senior population (65 years old and over) is the fastest growing population in Las Cruces. From 2010 to 2020, the 65 to 84 year old age group increased 28.7 percent while the 85 and over age group decreased 17.6 percent yielding a net growth of 11.1 percent. [insert age group projects]. As people age, they may develop additional housing and community service needs, such as transportation to medical appointments or assistance with day-to-day household tasks.

Community stakeholders report an increase in the number of seniors with medical issues, including mental health and increasing need for home based services. Additionally, transportation to medical appointments,

grocery stores, and to social events and activities was also identified as a need. Due to the COVID-19 pandemic, more seniors are homebound than ever before and social isolation and mental health conditions may become more prevalence in the senior population as short-term and possibly long-term effect of the pandemic.

Table 33 below shows the numbers of senior households in Las Cruces in 2017 with one or more housing problem as defined by HUD. There were 890 senior households at 30% or below of the area median income (AMI) and 1,415 households between 31-50% of the AMI with one or more HUD defined housing problem. A large percentage of low and moderate income senior households in Las Cruces had at least one of the four housing problems, the most common being cost burden.

HUD defines “elderly” as those aged 62 to 74 and “extra elderly” as those aged 75 and above. Table X shows that elderly homeowners are more likely to cost burden than renters in Las Cruces. This is likely due to the limited fix income that seniors often live on and the high costs of maintaining an older home or the purchase of a newer home.

**Table 41: Seniors with One or More Housing Problems**

	Total	0-30% AMI	31- 50% AMI	51- 80% AMI	81-100 % AMI	> 100 % AMI
<b>All Households</b>						
Elderly	8,075	620	795	1,135	420	5,105
Extra Elderly	4,460	270	620	790	345	2,435
<b>Renters</b>						
Elderly	2,085	355	440	370	135	785
Extra Elderly	1,170	120	210	305	130	405
<b>Owners</b>						
Elderly	5,990	265	355	765	285	4,320
Extra Elderly	3,290	150	410	485	215	2,030

Source: HUD CHAS Data 2013-2017

**HOUSING NEEDS FOR MINORITIES**

The city of Las Cruces is a minority majority community with approximately 60 percent of the population identifying as Hispanic or Latino. As the city grows to grow, it continues to become more diverse. The Black or African American, American Indian and Alaska Native, and Asian populations have all increased since 2010. While data is not available on all races, Hispanic or Latino households are more likely to live in poverty than white households and have lower median incomes. However, over the recent decade, the median income for Hispanic or Latino household has increased consider to the median household income of white households in Las Cruces.

As the population of minority racial and ethnic groups grows, housing providers and local agencies must continue to ensure that outreach is conducted in communities of color and through information channels appropriate to each group to ensure access to housing resources.

**Table 42: Change in Population by Race, 2010-2019**

	Percent Population 2010	Percent Population 2019	Percent Change
<b>White</b>	89.9%	80.6%	↓10.6%
<b>Black or African American</b>	1.5%	2.8%	↑86.6%
<b>American Indian and Alaska Native</b>	1.7%	1.9%	↑11.7%
<b>Asian</b>	1.1%	2.1%	↑90.9%
<b>Native Hawaiian and Other Pacific Islander</b>	ND	0.2%	NA
<b>Some other race alone</b>	3.6%	9.3%	↑158.3%
<b>Two or more races</b>	2.2%	3.0%	↑36.6%

Source: American Community Survey, 2010, 2019 1-Year Estimates

**Table 43: Change in Population by Ethnicity, 2010-2019**

	Percent Population 2010	Percent Population 2019	Percent Change
<b>Hispanic or Latino</b>	58.3%	68.8%	↑18.0%
<b>Mexican</b>	54.7%	61.0%	↑11.5%
<b>Puerto Rican</b>	0.2%	0.3%	↑50.0%
<b>Cuban</b>	0.0%	0.4%	NA
<b>Other Hispanic or Latino</b>	3.3%	7.1%	↑115.2%

Source: American Community Survey, 2010, 2019 1-Year Estimates

Table 44 shows the median income of households in Las Cruces by race and ethnicity. White households and Hispanic or Latino households earned approximately the same median income in 2019. Black or African American and “Other” earned above the median incomes while “Two or More Races” earned significantly less.

**Table 44: Median Income of Households by Race, 2019**

	Median Income
<b>White</b>	\$45,264
<b>Black or African American</b>	\$58,073
<b>American Indian and Alaska Native</b>	\$41,488
<b>Asian</b>	ND
<b>Native Hawaiian and Other Pacific Islander</b>	ND
<b>Other</b>	\$55,729
<b>Two or more races</b>	\$30,644
<b>Hispanic Origin</b>	\$44,161

Source: American Community Survey, 2019 1-Year Estimates

## HOUSING NEEDS FOR THE HOMELESS

Persons experiencing homelessness or those at risk of becoming homelessness continues to be a growing need in Las Cruces. The New Mexico Coalition to End Homelessness (NMCEH) leads the Continuum of Care planning process in its efforts to address the needs of people experiencing homelessness and those at risk of homelessness in Las Cruces. As a part of this process, an annual Point in Time count (PIT) of the sheltered and unsheltered homeless populations is conducted in Las Cruces and statewide as part of HUD's national strategy to end homelessness.

The most recent Point in Time Count (PIT) survey<sup>13</sup> was completed on January X, 2019 by NMECH. At the time of the survey, 497 individuals were homeless in Las Cruces. Of the 497 individuals, 329 were sheltered and 168 were unsheltered. Approximately one in three homeless individuals were identified as chronically homeless. NMCEH estimates that on any given night in Las Cruces, there are 184 sheltered and 11 unsheltered individuals.

Within the city of Las Cruces, Mesilla Valley Community of Hope a variety of temporary and permanent housing options for those experiencing homelessness. Additionally, they manage Camp Hope, a tent city with 50 tent pad sites, full service bathroom, and a kitchen. La Casa, Inc. provides services for victims of domestic violence. Families and Youth, Inc. provide wraparound services for homeless youth and families in Las Cruces. Gospel Rescue Mission also provides emergency food and lodging services in Las Cruces and is open 24 hours a day, seven days a week.

Community stakeholders from Community of Hope, Families and Youth, Inc., and Las Casa have all stated that finding permanent housing for homeless individuals in Las Cruces can be difficult. Many individuals qualify for rental assistance programs, such as Housing Choice Vouchers, but many private landlords are not willing to rent to those with vouchers. Additionally, many homeless individuals may have mental health conditions and/or substance use disorders that require additional wraparound services that can be difficult to access. The Community of Hope campus, however, is unique in that it serves almost as a "one-stop shop" for individuals as the campus is home to laundry and mail services, a legal clinic, a medical clinic, and more.

The COVID-19 pandemic has affected many households across the country and in Las Cruces. With the closing of nonessential businesses and job losses in the community, many households, especially low income households, have struggled more than ever to pay rent, utilities, and food costs. Many households may be on the brink of homelessness at any given moment. Thanks to a national eviction moratorium and federal and state rental/mortgage assistance programs, households struggling financially due to the pandemic can receive the help they need to stay in their homes. However, as eviction moratoriums lift and rental/mortgage assistance program funds run out, there could be a rapid increase of homeless individuals in the community.

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<sup>13</sup> Las Cruces Point in Time Survey results can be found in the 2021 – 2015 Consolidated Plan.  
Crescendo Consulting Group

**Table 45: Homeless Needs**

	Estimate the # of persons experiencing Homelessness on a given night	
	Sheltered	Unsheltered
Persons in households with adult(s) and children	184	11
Persons in households with only children	3	4
Persons in Households with only adults	145	157
Chronically homeless Individuals	55	67
Chronically homeless families	6	1
Veterans	39	21
Unaccompanied Child	3	4
Person with HIV	1	1

Source: New Mexico Coalition to End Homelessness, 2019

The City of Las Cruces and its partners provide a continuum of homeless facilities and services for individuals and families experiencing homelessness and those who are at risk of becoming homeless. Programs provided through the Continuum of Care include emergency shelter, supportive services, transitional housing, permanent supportive housing and Housing First (Rapid Rehousing).

The New Mexico Coalition to End Homelessness (NMCEH) takes the lead in developing New Mexico’s Balance of State Continuum of Care Plan. NMCEH convenes and manages the Continuum of Care planning process and the Mesilla Valley Community of Hope provides multiple services for individuals experiencing homelessness and the chronically homeless population in Las Cruces. Table 37 below outlines the numbers of beds under each umbrella category. The following section describes facilities and services in detail.

**Table 46: Facilities and Housing Targeted to Homeless Households**

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	70	0	34	108	0
Households with Only Adults	12	0	26	132	0
Chronically Homeless Households	0	0	0	22	0
Veterans	0	0	0	101	0
Unaccompanied Youth	0	0	0	0	0

Source: New Mexico Coalition to End Homelessness, 2019

**Mesilla Valley Community of Hope (MVCH)** is a service center designed to assist individuals experiencing homelessness and address poverty issues in Las Cruces and Dona Ana County. MVCH offers case management, a day shelter, an overnight tent city for individuals who are homeless, and assistance with disability applications and other community resources to help transition from homelessness into permanent housing solutions. Continuum of Care programs administered by MVCH include Sue's House, a Permanent Housing program for chronically homeless women, the Oak Street Apartments for homeless veterans with the Mesilla Valley Public Housing Authority, two HUD Rapid Rehousing programs which serve 40 people, the Abode permanent supportive housing program for chronically homeless men, and a Supportive Services for Veteran's Families (SSVF) Program. Other housing programs include short term housing in apartments for up to three months, rapid rehousing assistance, and homeless prevention assistance. MVCH also offers services such as case management, laundry, showers, lockers, assistance in obtaining identification and public income, and access to computers.

**Gospel Rescue Mission** is the only indoor shelter in Las Cruces that offers emergency food and shelter and is accessible 24 hours per day year round. The shelter is operated by 70 volunteers and seven paid staff members, is self-funded with no city, state or federal funding sources and will take families and individuals.

**El Caldito Soup Kitchen** is a non-profit provider of food and meals for homeless and low-income people in Las Cruces and the surrounding rural communities. El Caldito offers a mid-day meal to between 250 and 300 persons six days per week and is staffed by three-part time employees and several volunteers. The agency also provides sack lunches on Saturdays.

**Families and Youth, Inc.** is an organization geared toward helping families and at-risk youth and children. It operates a permanent supportive housing program for youth and families..

**La Casa Domestic Violence Shelter** can shelter up to 80 people and approximately 26 children for up to 90 days. This includes both men, women, and families. La Casa has transitional housing units which they own (5 units which are scattered site units). It provides non-residential support as well. The shelter itself is typically full about 80% of the time. In 2009, the shelter expanded due to an increasing need to assist more female and male victims of violence. The agency's transitional housing program assists 22 families with tenant-based rental assistance through the continuum of care progress. Residents and those seeking services must have proof of documentation or they cannot be assisted, which agency staff identifies as an issue for undocumented community members in need. The tenant-based rental assistance provided through HOME funds allows up to 24-month stay. La Casa also provides non-residential counseling/case management, legal advocacy, immigration specialists to determine status, and a court-ordered batterer program. La Casa has an MOU with Catholic Charities who is able to help undocumented persons and immigrants in Las Cruces.

**Amador Health Center** is significant partner of MVCH. It is located at the MVCH campus and operates five days per week. It provides primary health care, prevention education, diagnostics/treatment center, chronic disease management and is a Federally Qualified Health Center (FQHC). Amador Health Center has a full time nurse practitioner, volunteer doctors, and provides Medicaid enrollment assistance on site. The outreach program operates an eye clinic and a foot clinic. They collaborate with the Department of Health on Harm Reduction Strategies and operate the Dona Ana Indigent program that targets low-income people who are not eligible for other insurance. Amador also has Behavior Health Program funded by The Substance Abuse and Mental Health Services Administration (SAMHSA). The program provides counseling, substance abuse outpatient services (including medication assisted treatment), and job readiness assistance.

**Jardin de los Ninos** is an early childhood education program that provides education, therapeutic, and other comprehensive services to children and their families who are experiencing homelessness and at risk of



homelessness. The childcare facility is located on the MVCH campus and the agency coordinates with other homeless providers to support homeless families with children.

**Las Cruces Veteran Affairs** operates the Las Cruces New Mexico VA Community Based Outpatient Clinic (CBOC) that delivers primary care services to eligible veterans in Dona Ana County and outlying areas. It provides health screening, health promotion, education, acute and chronic disease management, primary and mental health care. The New Mexico VA Health Care Systems' Health Care for Homeless Veteran's Program (HCHV) is designed to end veteran homelessness through outreach, community partnerships, and establishing health care access for veterans by aiding with benefits and discharge documents. Other services include psychiatric assessments, alcohol and drug treatment, case management, and assistance with basic needs. The VA offers veterans' access to a Compensated Work Therapy Employment Program (CWT) for veterans in recovery.

**The VASH Program** is the local VA Supportive Housing Program that serves homeless veterans with health, mental health, and substance use challenges in Las Cruces. The VASH program currently has 55 vouchers in Las Cruces. The program provides two VASH staff located at the housing authority to discuss the program with potential program participants and to assist them in obtaining housing and health care. VASH is well coordinated with MVCH, which provides flexible funds for security deposit, rent arrears and issuing vouchers to clients. The Mesilla Valley Public Housing Authority operates the HUD VASH Program for homeless veterans who have health, mental health, and substance use disorders. It is the provider of 55 VASH Vouchers and works directly with the VA to serve homeless veterans.

**Conclusion:** Las Cruces has a robust homelessness and special needs housing delivery and wraparound services system. However, community providers and residents have indicated there is a need for more mental health and substance use treatment providers in the city. Continued coordination among homelessness and housing providers to increase opportunities for individuals experiencing homelessness to obtain and retain affordable housing is essential in Las Cruces.

## **DISPLACEMENT**

There have been no known instances of displacement of residents as a result of governmental action.

## **SECTION IV: IDENTIFICATION OF IMPEDIMENTS TO FAIR HOUSING CHOICE**

## SECTION FOUR: IDENTIFICATION OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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HUD requires that jurisdictions review previously identified impediments to fair housing choice as part of the update of the Analysis of Impediments update. Crescendo Consulting Group has completed this review and will be recommending changes in the wording and identification of some Impediments.

### REVIEW OF 2016 IMPEDIMENTS

#### **IMPEDIMENT 1: LACK OF KNOWLEDGE ABOUT FAIR HOUSING ROLES AND RESPONSIBILITIES OF CONSUMERS AND PROVIDERS.**

**ANALYSIS:** Roles and responsibilities of both consumers and housing providers under federal and local Fair Housing rules can be complex and often up-to-date, accurate information is not readily available. Information gathered from both consumers and housing providers pointed to the need for continued educational efforts to raise the level of awareness regarding Fair Housing. Key informants and the community survey indicate that citizens with limited English proficiency and immigrants who are not familiar with Fair Housing protections do not always realize that they are the victims of discrimination when they search for housing options. Housing providers, both private and community based, often are not adequately informed about their responsibilities in marketing, processing applications, and tenant selection under Fair Housing guidelines. During the qualitative research of the Consolidated Plan, many community residents were not familiar with Fair Housing laws. Of the total number of community residents who completed the community survey, approximately 20 percent were very familiar with Fair Housing Laws while 26 percent were not familiar at all.

#### **IMPEDIMENT 2: HOUSING CONSUMERS WITH LIMITED ENGLISH PROFICIENCY HAVE DIFFICULTY IN UNDERSTANDING AND ACCESSING INFORMATION ON FAIR HOUSING AND THE OFTEN COMPLEX FORMS AND DOCUMENTS USED IN OBTAINING SERVICES OR COMPLETING A TRANSACTION FOR HOUSING.**

**ANALYSIS:** Key informants, public meeting participants and data on non-English speaking residents indicates that applicants with limited English proficiency have challenges understanding the often complex legal documents that are required in order to enter into contracts for the leasing or purchasing of housing and any documents required to obtain loans. While Census data indicates that households widely speak English, not all households may be fluent to understand legal language, which is often written at a college reading level. That is a substantial portion of housing consumers who would be challenged understanding complex legal documents if they are only presented in the English language. Generally, the numbers of consumers who speak English fluently are lower than the number of consumers who can read English “very well”. It can be deduced that a significant number of residents also have various sensory disabilities which make it challenging to read or understand explanations of complex legal concepts. Approximately 15 percent of Las Cruces residents have a hearing, visual or cognitive impairment.

#### **IMPEDIMENT 3: DISCRIMINATION BY PROPERTY OWNERS AND MANAGERS, AGAINST PERSONS WITH DISABILITIES AND HISPANIC RESIDENTS LIMITS THESE GROUPS FROM EQUAL ACCESS TO HOUSING.**

**ANALYSIS:** Civil Rights complaint data, lists those with disabilities as the highest proportion of residents experiencing discrimination in the housing market. From 2015 through 2019, HUD received 23 complaints for Las Cruces residents and the most common protected class involved in the complaints were persons living with a disability. Additionally, housing complaints received by the City of Las Cruces that were referred to HUD were largely centered around landlords not accommodating the needs of a person living with a disability, such as high-visibility paint on steps for visually impaired persons or service dogs.

**IMPEDIMENT 4: THE INCREASING COST AND SCARCITY OF BOTH RENTAL AND FOR SALE HOUSING DISPROPORTIONATELY IMPACTS PERSONS WITH DISABILITIES, AND HISPANICS AS QUANTIFIED IN THE CONSOLIDATED PLAN AND THE HOUSING CONCERNS SECTION OF THE ANALYSIS OF IMPEDIMENTS.**

**ANALYSIS:** While 48 percent of all renters in Las Cruces has one of the four housing issues identified by HUD in the Consolidated Plan (cost burden, overcrowding or lack of kitchen or plumbing), renters with disabilities have a higher rate of housing problems, depending upon the disability type. Thus, renters with a disabled household member have disproportionate instances of housing problems, most likely cost burden. In the previous 2016-2020 Consolidated Plan, Hispanic households earned incomes 22 percent lower than the median incomes for white households. However, 2019 data shows that the median incomes for both white and Hispanic households are almost the same. The housing gap charts, Tables 33, 34, and 35, show that a major barrier to Fair Housing Choice is the lack of units available to households with limited incomes. The lack of affordable units, results in many residents who are cost burdened and cannot afford the units available in the market.

## **PUBLIC SECTOR: CITY OF LAS CRUCES**

As part of the required analysis for public policies and actions that affect Housing Choice in Las Cruces, Crescendo Consulting Group has reviewed Las Cruces' Comprehensive Plan (known as Elevate Las Cruces), the development and zoning regulations, and the building code requirements promulgated by the City.

### **COMPREHENSIVE PLAN REVIEW:**

The City of Las Cruces adopted its new Comprehensive Plan, Elevate Las Cruces, on February 18, 2020. Elevate Las Cruces is Las Cruces' unified policy guide and action plan for enhancing the city's long-term prosperity and happiness by building a city that is environmentally, fiscally, and socially sustainable. The comprehensive planning process began in the summer of 2018 and included the collective input of City staff, Las Cruces residents, business owners, property owners, and more to create a shared community vision that will guide and support policies and actions that will be implemented over the next 25 years. Elevate Las Cruces includes substantive elements that address Housing Choice and makes policy changes to help incentivize and encourage more affordable housing in the city.

**VISION** "Las Cruces is an inclusive community, recognized for its cultural diversity, enchanting natural amenities, and vibrant quality of life. We are committed to enhancing our livability, prosperity, and environment for the shared benefit of current and future generations of Las Cruces in a fiscally and socially sustainable manner."

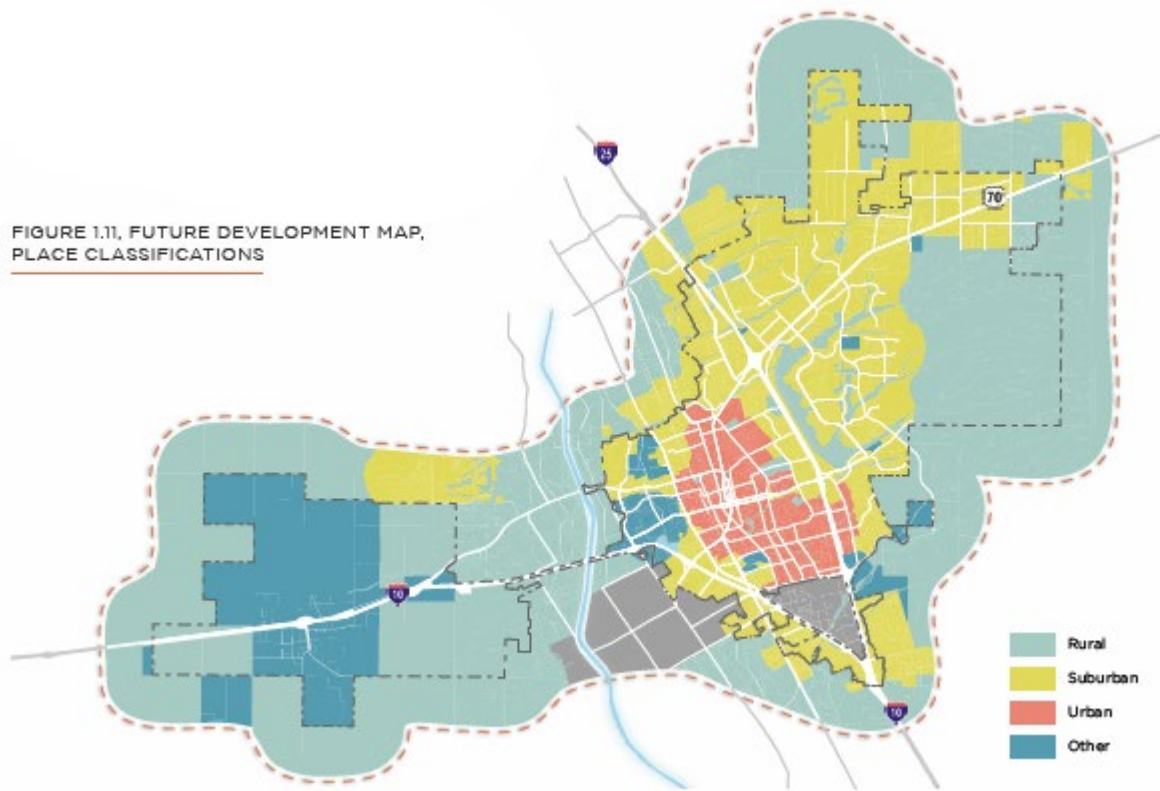
Elevate Las Cruces used a scenario-based planning approach to help develop the "preferred" scenario for future growth within and around Las Cruces. Four different scenarios were presented, reviewed, and discussion by the comprehensive plan committee and ultimately, the "consensus scenario," which contains elements of three different scenarios serves as the foundation for the Elevate Las Cruces Future Development Map and Major Thoroughfare Map.

The Consensus Scenario is connected to housing choice by incorporating the following key features:

- Development is promoted within urban place types and is directed to new centers and corridors within suburban place types.
- Infill is more prevalent in proximity to town centers, mixed-use corridors, and major intersections.
- Future development clusters are located in close proximity to existing City infrastructure.
- Development encroachment into the East Mesa is limited during the 25 year planning period.
- Entitled lots approved by the City prior to the comprehensive planning process absorb a large portion of projected residential development.

Through its Elevate Las Cruces plan, the City of Las Cruces is implementing a place-based approach to future development. This approach "to planning looks beyond the basic use of land to also consider building and site design characteristics – including development intensity, form, appearance, and physical arrangement – to present the preferred image of the entire community over an extended period." Places most relevant to Housing Choice include suburban neighborhoods, urban neighborhoods and downtown, neighborhood and town centers, and mixed-use corridors.

FIGURE 1.11, FUTURE DEVELOPMENT MAP, PLACE CLASSIFICATIONS



Source: Elevate Las Cruces Volume I

Over the next 25 years, the City of Las Cruces hopes to add 10,790 single family dwellings and 5,310 multi-family dwellings within city limits<sup>14</sup>. A majority of the new single-family and multi-family dwellings will be concentrated in the suburban, urban, neighborhood centers, and mixed-use corridors.

### Suburban Neighborhood

“Suburban Neighborhoods provide for low-to-moderate density residential land uses intermixed with areas of commercial development. Predominant land uses include single-family and multi-family development, retail and office uses, and other ancillary institutional and public uses such as schools, parks, and places of worship.”

Development strategies include:

- Distribute areas of multi-family development to promote mixed-residential neighborhoods.
- Provide diversity of residential building types, lots sizes, density ranges, and architectural styles.
- Locate multi-family development near employment, activity, transit, and trail corridors.

### Urban Neighborhood

“Urban Neighborhoods include a variety of residential housing types at medium-to-high densities and areas of supporting neighborhood commercial development. The place type includes single-family and multi-family dwelling types, neighborhood retail and office uses and contains many of the City’s established neighborhoods and historic residential areas closer to center city. This place type also supports live-work units.”

<sup>14</sup> Elevate Las Cruces Volume I.  
Crescendo Consulting Group

Development strategies include:

- Permit a diverse mix of single-family detached housing types including variations in lot sizes, build-to lines, and other spatial characteristics.
- Promote higher development intensities along major thoroughfares, especially those with transit service.
- Reduce off-street parking requirements using on-street parking spaces and shared parking provisions.

### **Neighborhood Center**

“Neighborhood Centers include a mix of residential and non-residential land uses that provide nodes of community activity for surrounding residential neighborhoods. These walkable activity centers provide local employment, shopping, and entertainment opportunities and provide for a diverse mix of residential living options. Neighborhood Centers are located at key neighborhood intersections and provide a transitional between single-family residential neighborhoods and areas of higher development intensity.”

Development strategies include:

- Construct mixed-use buildings with upper-floor residential and ground floor flex space for residential and non-residential uses near major intersections.
- Construct transitional high-density residential development along roadways that provide access to lower-density single-family development.
- Allow for centers of employment along major corridors.
- Design projects to facilitate walking or biking to jobs, shopping, entertainment, and recreation.
- Locate development along transit and trail corridors to promote transit-oriented and trail-oriented development.

### **Mixed-Use Corridors**

“Mix-Use Corridors support a mix of residential and non-residential land users along roadway or trail corridors. The place type mimics the built environment of a central business district or other mixed-use activity center by combining residential and non-residential land uses withing buildings or on shared parcels but arranges such uses in a linear manner along established thoroughfares.”

Development strategies include:

- Construct mixed-use buildings with upper-floor residential and ground floor flex space for residential and non-residential uses near major intersections.
- Construct transitional high-density residential development along roadways that provide access to lower-density single-family development.

Elevate Las Cruces also includes a future thoroughfare development plan to accommodate the city’s future growth. The plan includes a mixed modal approach of current and new roadways and roadside features. The approach includes dedicated lanes for transit, on and off-street bicycle and pedestrian projects, and improved intersections and crossing treatments.

## **POLICY CHANGES AND ANALYSIS**

The City of Las Cruces will need to make substantial changes to its Las Cruces Development Code in order to achieve sustainable growth through its Elevate Las Cruces Comprehensive Plan. Elevate Las Cruces

recommends that the City revise its Development Code using a form-based code approach that incorporates transect-based principles. The transect-based approach to zoning is already being utilized by the City within the Downtown Development Code. Key policies related to Housing Choice are identified and reviewed below.

**Policy CE-1.2: Promote investment within older areas of the city through redevelopment.**

**Policy CE-2.1 Promote infill development strategies to sustain the city's established neighborhoods and historic residential areas.**

In order for the City to obtain this goal, it must facilitate infill or higher density mixed use development in key places. To do this, the City will need to partner with property owners of vacant land and builders for infill opportunities. During the qualitative stakeholder interviews with several local builders and developers, it was revealed that it was difficult to build affordable housing on infill properties in Las Cruces due to high costs of land, high impact fees, regulations, and potential theft of building materials. To promote investment within older areas of the city, especially infill opportunities, the City needs to offer more monetary incentives, reduce impact fees even more, and/or loosen regulations and policies. Additionally, focus groups and stakeholder interviews also revealed that there is a stigma with "affordable housing" that leads to many residents saying, "not in my neighborhood." The stigma further reduces the opportunity to diverse housing type in older, established neighborhoods in the city of Las Cruces.

**Policy CE-4.1: Encourage a variety of housing types into new and redeveloping neighborhoods to provide options for all ages and incomes throughout the city.**

Elevate Las Cruces' goal of developing "complete" neighborhoods is derived from the concept of the Neighborhood Unit originally conceived by Clarence Perry in the early 1900s. The concept includes elements such as centered around schools and other civics and transit accommodations. In order for the City to obtain the goal of developing neighborhoods and new housing types in a variety of neighborhoods from urban to suburban, the City may need to revise its zoning policies and provide incentives for builders and developers to build a variety of housing types, especially multi-units. According to permit data pulled from the City of Las Cruces from 2010 through 2020, only 36 permits were pulled for multi-unit construction. The City has a goal of building 5,310 additional multi-unit units through 2045. In order to achieve this goal, the City of Las Cruces needs to work with builders, developers, landowners, and neighborhood residents to encourage the development of multi-units and dwellings other than single family houses. Qualitative interviews and focus groups identified a stigma around multi-unit dwellings, especially units designated as affordable. The City of Las Cruces should encourage a communitywide campaign and educational sessions so community residents can learn about the City's development plan.



TABLE 1.2, FUTURE DEVELOPMENT MAP PLACE TYPE COMPOSITION

PLACE TYPE	% OF CITY LIMITS
OPEN SPACE RESERVE	17.7%
RURAL RESERVE	2.9%
RURAL NEIGHBORHOOD	5.7%
SUBURBAN NEIGHBORHOOD	30.7%
REGIONAL COMMERCIAL	3.4%
URBAN NEIGHBORHOOD	6.9%
DOWNTOWN	0.4%
BUSINESS PARK/INDUSTRIAL	16.3%
CIVIC/INSTITUTIONAL	5.6%
OTHER (RIGHT-OF-WAY, TRANSIT, RIVER, NMSU)	10.6%

Source: Halff Associates

TABLE 1.3, CONSENSUS SCENARIO DEVELOPMENT CHARACTERISTICS

DEVELOPMENT TYPE	NUMBER (2019-2045)
SINGLE-FAMILY DWELLING UNITS	10,790 ADDITIONAL UNITS
MULTI-FAMILY DWELLING UNITS	5,310 ADDITIONAL UNITS
INDUSTRIAL BUILDING SQUARE FEET	559,000 ADDITIONAL SF
OFFICE BUILDING SQUARE FEET	1,103,000 ADDITIONAL SF
RETAIL BUILDING SQUARE FEET	1,607,000 ADDITIONAL SF
NATURAL AREA CONSUMED	3,643 ADDITIONAL ACRES

Source: City Explained

**Policy CE-4.4: Integrate parks, schools, and other civic space into neighborhoods.**

Neighborhoods are more than just housing. Neighborhoods include places such as schools, community gardens, parks and recreation facilities, places of worship, libraries, and other civic spaces. Elevate Las Cruces incorporates the use of parks and recreation in its neighborhood development plans. Qualitative community survey released during the Consolidated Plan research phase identified the need for more recreation opportunities for children and adults in the city. Additionally, with high rates of obesity and chronic disease across the country, city parks, recreation centers, and bicycle and walking trails all provide opportunities for exercise and healthy living.

**Policy CE-8.1: Encourage green building technologies for new development and retrofitting existing development.**

**Policy-8.2: Encourage residents and businesses to use alternative energy sources as a means to increase energy efficiency.**

**Policy CE-8.3: Promote and incentivize use of renewable energy to take advantage of abundant sun and wind.**

With the threat of climate change, it is important to incorporate green technology, energy efficiency, and renewable energy in all future development in Las Cruces. Las Cruces is located in region of the United States that can experience extreme weather, especially heat. In 2018, the City Council adopted a goal for the community to be 100 percent powered by renewable energy by year 2020 and to source at least 25 percent of its electricity from renewable energy by 2022. In order to accomplish this goal, the City needs to partner with both commercial and residential developers and builders. However, requiring the use of energy efficient HVAC systems and green technology in residential dwellings can be cost prohibitive to building, especially affordable housing. One builder said in a focus group that the new green building codes could add as much as \$7,000 to

\$15,000 to the cost of building a new house. With an affordable housing crisis, the added costs can make homeownership even more unobtainable for lower income households. Incentives from the city, state, or federal governments or energy companies may help lower costs for builders who are trying to build affordable housing in Las Cruces.

**Policy CP-7.1: Coordinate with local community organizations to provide education and implement attainable housing.**

Many of the suggested actions under this policy fall under the City of Las Cruces' Community Development Department. The Community Development Department manages CDBG and HOME grant funding that is distributed throughout the city to organizations and city departments to provide housing-related programs and services. In addition to continuing to manage these housing projects and funding, the City of Las Cruces should conduct an update to its Affordable Housing Plan to understand and provide guidance in conjunction with the Elevate Las Cruces comprehensive plan.

**Policy CP-7.2: Disperse affordable housing units to promote the development of mixed-income neighborhoods.**

Elevate Las Cruces emphasizes the need for housing diversity in its development plan. This includes diversity of housing types and affordability. To accomplish housing type diversity and ultimately affordable housing, the City needs to review its current zoning and building codes to ensure new housing types can be built throughout the city and infill development. Additionally, to encourage more multiunit development to help meet the housing needs as the population grows over the next 25 years, the city will likely need to incentivize builders and developers through programs like impact fee waivers, matching grants, tax credits, and more.

**Policy CP-7.3: Promote improvements to existing affordable housing units to make them safe and secure.**

The qualitative research revealed that a large portion of what is deemed "affordable housing" in Las Cruces may be affordable, but it not quality. Many of the affordable units, especially rental units, are located in the older neighborhoods and landlords and property owners are not maintaining the properties well and some units may have one or multiple building code violations. In addition to establishing a rental rehabilitation program to help rental property owners make health and safety improvements to affordable units, incentive programs may be needed to encourage rental property owners and low-income homeowners the opportunity to upgrade their HVAC systems and homes to be more energy efficient. The City should also investigate implementing a property maintenance code for the jurisdiction. A property maintenance code can help improve the overall health and safe of individual properties and the community as a whole.

**Policy CP-7.4: Provide incentives for developing or re-purposing attainable units.**

There is a shortage of quality affordable housing units in Las Cruces. With the increasing costs of materials, land, and labor, the costs of building new or renovating older properties is continuing to increase every year making it difficult for builders to build and sell "affordable houses." Qualitative interviews and focus groups identified several local builders who would like to build affordable housing options, but find the current incentives offered by the City and State not enough. Additionally, the current structure of impact fee waivers and building and development regulations may need to be reviewed and revised to provide more incentives for building new or re-purposing existing affordable housing units.

**Policy CP-8.1: Support efforts to provide transitory populations permanent, stable homes.**

Persons experiencing homelessness or those who are at risk of becoming homeless have unique needs. While the city of Las Cruces has robust programs and services through community organizations like the Mesilla Valley Community of Hope, Casa de Peregrinos, Gospel Rescue Mission, and others, there is a need for more temporary and permanent housing for persons experiencing homelessness. Qualitative research indicated that many private landlords do not accept housing voucher programs and there is a stigma associated with the housing voucher program and persons experiencing homelessness throughout the community. In order to provide more permanent housing options to persons experiencing homeless, the City and other organizations should consider an education outreach program to private landlords and the community at large about the housing voucher programs.

**Policy CP-8.2: Educate residents about homeownership assistance programs.**

The City of Las Cruces helps fund Habitat for Humanity homes which are then sold to eligible homeowners. Additionally, New Mexico Mortgage Finance Authority (MFA) offers homeownership assistance programs to qualified households. Knowledge of the programs is low and the City could help develop an advertising and outreach plan so residents are more aware of the housing programs offered by local and state organizations.

**Policy CP-9.1: Encourage the use of alternative housing types, styles, and living arrangements as a means to provide additional housing opportunities.**

Current land development codes and zoning do not generally allow accessory dwelling or alternative housing types such as tiny homes or container homes. By amending land development codes to allow for alternative housing types, community residents may choose to invest in building accessory dwelling that can be rented or aging parents may choose to move in with their families for care. This scenario would increase the stock of existing units available in Las Cruces. Additionally, smaller homes provide a more environmentally-friendly footprint that will help with Las Cruces' larger goal of combatting climate change and adopting more renewal energy.

**Policy CP-9.2: Promote denser housing options in the urban neighborhood, downtown, town centers, neighborhood centers, and mixed-use corridors identified in the future development map.**

Housing trends are shifting across the country with different generations. Many millennials prefer to live in a setting that is close to amenities such as restaurants, entertainment, shopping, and parks and recreation. At the same time, Baby Boomers and even millennials are looking to either downsize or live in smaller footprint homes. By encouraging the development of multi-unit dwellings and thus increasing density in more urban areas, this will provide a variety of housing types for various generations. For the past 10 years, only 36 multi-unit dwellings were permitted by the City of Las Cruces. The City needs to review and enhance its infill policies and land development codes and policies to incentivize more multi-unit and alternative housing types in denser neighborhoods within the city.

**CONCLUSION:**

Elevate Las Cruces Comprehensive Plan provides a holistic overview for future development and sustainability of the city into 2045. A large portion of the plan provides important guidance of housing and land development issues that relate to housing choice within the city of Las Cruces. The City is currently in the early phases of implementing the new plan and much of the housing-related policies fall under the Community Development Department. Many of the recommended policies and actions require additional reviews of current land development and building codes, zoning, and other city-mandated regulations. It is important that the City review each element and make appropriate revisions to aid in implementation of Elevate Las Cruces.

## DEVELOPMENT REGULATIONS REVIEW

As part of the City’s Affordable Housing Plan conducted by Community Strategies Institute in 2016, a detailed review of the City’s land use policies and zoning codes were reviewed for potential barriers too affordable housing development and recommended changes to facilitate affordable housing development. Although the study did not find any egregious barriers to affordable housing creation in Las Cruces, the regulatory review resulted in several recommendations.

**Table 47: Review of Development Regulations and Recommendations**

Issue	Recommendation	Priority Level
<b>Lack of multi-family sites close to public transit and employment centers</b>	Proactively up-zone parcels into R-4 classification and multi-use classifications to increase the number of parcels available for affordable development.	Medium
<b>Lack of smaller lot subdivisions which facilitate greater densities per acre.</b>	Utilize existing flexible setback requirements for smaller lot subdivisions located in Infill Overlay Zone.	Medium
<b>Insufficient monetary resources for Impact Fee Deferral Program for Affordable Housing. Limit of 25 units annually is too low for larger multifamily developments</b>	Increase budget ceiling for affordable rental and for sale units that qualify under the fee waiver standard.	High
<b>Lack of use of incentives in Zoning Code/Comprehensive Plan to make denser rental housing more affordable for households with incomes less than 50% of AMI.</b>	Apply existing provisions for greater density and other non-cash incentives to incent developers to provide rental housing to the lowest income residents. Provide incentives that match those in the Infill Development Overlay District.	High
<b>Limited use of Accessory Dwelling Unit Ordinance (ADU) to create more dwellings on existing lots.</b>	Add flexibility to ordinance by opening the occupancy requirement to non-family individuals.	Medium
<b>Lack of smaller lots for single family homeownership development.</b>	Encourage the inclusion of the R-1A Zoning classification at least in some areas to allow for smaller lots for single family homes. Incorporate minimum lot size to 8 DUs per acre in new subdivision proposals.	High
<b>Lack of compact development with population to support commercial uses in Downtown Business District.</b>	Encourage and support through cash and non- cash incentives, new residential development including adding additional living units above low rise commercial buildings.	High
<b>Parking requirements that drive higher percentages of land devoted to car parking.</b>	Reduce parking requirements for MF development located close to public transit in compliance with reduced requirements in Comprehensive Plan & Central Business District vision for higher density development. Provide conditions for less on-site parking by allowing developer imposed restrictions on the number of autos owned by residents.	Medium
<b>Lack of guidance that would allow for narrower road widths and other innovative techniques that would lower onsite and offsite infrastructure costs for new denser development.</b>	The City will convene a task force to address infrastructure requirements that could be modified to lower costs and preserve public health and safety in higher density development.	Medium

Source: City of Las Cruces Affordable Housing Plan, Community Strategies Institute, 2016.

**Issue 1: Lack of multi-family sites close to public transit and employment centers.** While Las Cruces has significant unmet demands in both single family and multifamily affordable housing, the city has mainly focused on single family housing supply. Through the Consolidated Plan process and qualitative research, there is a high need for more affordable rental units, which could be met through multi-unit dwellings. A review of the building permits submitted from 2010 through 2020 revealed that 36 permits issued for new multi-unit construction. Las Cruces' zoning ordinance includes the R-2, R-3, and R-4 multifamily districts, which are fairly well designed to permit potential affordable developments. The R-4 district regulations, which include minimum density high enough to help support bus/transit service and no maximum density, is particularly well suited for use in constructing affordable multifamily units. By proactively up-zoning parcels into R-4 classification and multi-use classification will increase the number of parcels available for affordable developments.

**Issue 2: Lack of smaller lot sub-divisions which facilitate greater densities per acre.** The Urban R-1aM zone allows for 5,000 square foot lot sizes. The Urban R-1bM allows for a minimum lot size of 3,500 square feet. On the 5,000 square foot the allowed density is eight units to the acre. On the smaller lot size, a density of 112 units per acre is allowed. The smaller lot configurations provide more development flexibility particularly in the infill overlay district because many of the older legacy lots are smaller than the lots platted in the new subdivisions in the City. In keeping with the smaller overall lot size, the City could consider allowing smaller minimum lot dimensions as well. In the older parts of the City, it may be feasible to have lots with narrower frontages. Many of the legacy lots have been platted with 25 foot frontages. In those areas, lots have been split and some existing homes have suitable siting on 37.5 foot wide lots. If a developer were to pursue an assemblage of the legacy lots, the narrower lot frontage may facilitate the placement of a few more homes on the same amount of ground. The greater density is allowed and by utilizing the greater permitted densities, lower land costs could enhance affordability of new detached units. The side setback requirements presently in place in the R-1aM and R-1bM zones allows flexibility. The side setback can vary between 0 and 5 feet depending on the development plan for the parcel.

**Issue 3: Insufficient monetary resources for Impact Fee Deferral Program for Affordable Housing.** The City has adopted a Development Impact Fee Waiver Program for water, wastewater, public safety, and park impact fees to assist in lowering the costs of affordable housing development, both for rental and sale units. The Ordinance allows for the Community Development Department Director to approve waivers of impact fees which meet the requirements for affordability contained in the Ordinance. The Impact Fee Waivers may be granted for any of the impact fees currently assessed by the City. In order to manage the fiscal impact of the waiver program, the City has set forth provisions for alternative payment of the waived fees from sources other than the City Department impacted by the fee waiver. The present practice is for the City to set aside a budgeted amount in its General Fund budget to provide alternative payments for the waived fees. Based on budgetary limitations, the fee waiver has been budgeted to assist approximately 4 units per year. The Ordinance allows for the payment of the waived fees from other revenue sources beyond the City General Fund. The Fee Waiver Program Administrator could choose to backfill the waived fees from other sources including federal grant dollars.

**Issue 4: Lack of use of incentives in Zoning Code/Comprehensive Plan to make denser rental housing more affordable for households with incomes less than 50% of AMI.** Apply existing provisions for greater density and other non-cash incentives to incent developers to provide rental housing to the lowest income residents. More incentives, both monetary, fee waivers, and tax credits may help encourage developers to build denser affordable rental units.

**Issue 5: Limited use of Accessory Dwelling Unit Ordinance (ADU) to create more dwellings on existing lots.**

By changing the zoning and building code ordinances to allow ADUs for non-family households and alternative types of housing, such as tiny homes or containers, more affordable units may become available.

**Issue 6: Lack of smaller lots for single family homeownership development.** Since there is a supply of land zoned appropriately for medium density and high density multifamily development, the supply of land is not considered a constraint for the expansion of the affordable rental housing supply. While there is a supply of lots suitable for single family detached ownership development, the City could encourage new subdivisions to include a greater number of smaller lots as a way of lowering the cost of new ownership units for low and moderate income households.

**Issue 7: Lack of compact development with population to support commercial uses in Downtown Business District.** Elevate Las Cruces comprehensive plan encourages the development of mix-use buildings. The City of Las Cruces can encourage developers to build mixed use commercial and residential units through cash and non-cash incentives, such as impact fee waivers and tax credits.

**Issue 8: Parking requirements that drive higher percentages of land devoted to car parking.** In addition to the various development regulations, on-site parking requirements can also impact the development cost of affordable housing. Currently the City requires two on-site parking spaces for most residential, detached units. There is some flexibility in the requirements for attached rental and for sale units. The standard for those type of units is 1.5 to 2.0 spaces per dwelling unit. There are further reductions in parking requirements for facilities which house elderly clients or those with disabilities. Generally, those types of residential land uses allow for a parking ratio of less than one parking space per unit or bed, depending on the configuration of the facility. By encouraging multiunit development near public transit and developers imposing restrictions on number of parking spots, more land may be used for housing versus parking in Las Cruces.

**Issue 9: Lack of guidance that would allow for narrower road widths and other innovative techniques that would lower onsite and offsite infrastructure costs for new denser development.** The City is convening a task force to address infrastructure regulations and requirements that could help lower costs for developers and ultimately homeowners.

## **DEVELOPMENT PROCESS AND COSTS**

As part of the research for the 2021-2025 Consolidated Plan and Analysis of Impediments to Fair Housing Choice, Crescendo Consulting Group and the City of Las Cruces has conducted a vigorous Public Participation effort including surveys, public meetings and key stakeholder interviews. The general consensus is that the Development regulations and fees associated with that process are not unreasonably onerous. The City has reinvented its permitting process and has implemented a permitting counter to allow builders and homeowners to deal quickly with City personnel in obtaining necessary guidance and approvals for housing improvements. The City has moved to an electronic development application process that allows them to process permits within zero to three business days for residential projects and zero to eight business days for commercial projects.

The City will provide fast track reviews of affordable housing development proposals through its electronic submittal system, and the priority treatment of affordable housing proposals will serve to lower the carrying costs and potential delays associated with these developments.

The City Development and Building Services Section has formulated electronic guides to assist builders and owners in navigating the development review process. The information sheets lay out a step by step process that development applications will follow. The overarching policy document is the Las Cruces Comprehensive Plan and development reviewers will use the Comprehensive Plan as the basis for assessing project suitability. The City has a Development Code which deals with all details related to the various types of development for residential, commercial and mixed use. The process of submitting an application for a multi-family development requires technical expertise, but knowledgeable professionals engaged in architecture, engineering and construction management should not find the challenges in Las Cruces greater than in other comparably sized communities.

The costs for water and wastewater appear to be in-line for an arid environment. Below is a listing of the tap fees associated with varying development sizes, typically detached homes use either a three quarter inch water tap or a one-inch tap depending on size of the dwelling. Multi-family residences require larger sizes depending on the number of units and how many fixture units are counted for each living unit. Wastewater charges are based on the size of the water meter because the larger the water connection, the more water is returned to the wastewater system.

<b>WASTEWATER</b>
<b>DEVELOPMENT IMPACT FEES</b>

**APPLICABILITY**

A Wastewater Development Impact Fee is assessed for each new connection to the Las Cruces Utilities wastewater supply system based on water meter size of capacity whether the water provider is the City of Las Cruces, a public water utility, a mutual domestic, a private well, or other entity.

Wastewater Development Impact Fees will not be assessed to properties within the West Mesa Industrial Park per Resolution 15-16-LCU007.

The fee is also applicable to any increase in size of capacity. The fee will be assessed for any such increase in an amount representing the difference between the fee that would be imposed for the existing size of capacity and the fee imposed for the proposed size of capacity.

**FEE**

Size of Capacity	Total Fee	Fee to Builder	Customer Surcharge	Fee to Rate Base
½- ¾ inch meter	\$1,943.00	\$971.00	\$389.00	\$583.00
1.0 inch meter	\$4,858.00	\$2,429.00	\$972.00	\$1,457.00
1.5 inch meter	\$9,715.00	\$4,857.00	\$1,943.00	\$2,915.00
2.0 inch meter	\$15,544.00	\$7,772.00	\$3,109.00	\$4,663.00
3.0 inch meter	\$31,088.00	\$15,544.00	\$6,218.00	\$9,326.00
4.0 inch meter	\$48,575.00	\$24,287.00	\$9,715.00	\$14,573.00
6.0 inch meter	\$97,150.00	\$48,575.00	\$19,430.00	\$29,145.00
8.0 inch meter	\$155,440.00	\$77,720.00	\$31,088.00	\$46,632.00

Fees for meters greater than 8 inches will be based on \$46.66 per gpm.

**WATER  
DEVELOPMENT IMPACT FEES**

**APPLICABILITY**

A Water Development Impact Fee is assessed for each new connection to the Las Cruces Utilities water supply system based on water meter size of capacity.

The fee is also applicable to any increase in size of an existing meter. The fee will be assessed for any such increase in an amount representing the difference between the fee that would be imposed for the existing meter size and the fee imposed for the size of the proposed meter.

**FEE**

Size of Capacity	Total Fee	Fee to Builder	Customer Surcharge	Fee to Rate Base
½-¾ inch meter	\$2,420.00	\$1,210.00	\$678.00	\$532.00
1.0 inch meter	\$6,050.00	\$3,025.00	\$1,694.00	\$1,331.00
1.5 inch meter	\$12,100.00	\$6,050.00	\$3,388.00	\$2,662.00
2.0 inch meter	\$19,360.00	\$9,680.00	\$5,421.00	\$4,259.00
3.0 inch meter	\$38,720.00	\$19,360.00	\$10,842.00	\$8,518.00
4.0 inch meter	\$60,500.00	\$30,250.00	\$16,940.00	\$13,310.00

In addition to water and sewer impact fees, the City also has a Public Safety Impact Fee. Presently it assessed on a square foot basis. The fee is the same for detached residences and multifamily units. The City of Las Cruces is considering an increase in the Public Safety Impact Fee. If the proposed fee schedule is adopted by the City Council, some residential units will see a moderate increase. Other smaller units would see a reduction in the fee. Part of the proposed new fee schedule would base the fee charged on habitable square footage of the dwelling. Therefore, smaller dwellings would see a reduction and larger ones would see the increase. The reduction in the fee will tend to increase affordability for those purchasers of smaller units. Below is the comparison between the proposed fee schedule and the current Public Safety Impact Fees.

**Public Safety Development Fees**

	Current	Proposed	Change
<b>Residential (per dwelling by square feet of living space)</b>			
900 or less	\$466	\$337	-\$129
901 to 1300	\$466	\$552	\$86
1301 to 1700	\$466	\$712	\$246
1301 to 1700	\$639	\$712	\$73
1701 to 2100	\$639	\$835	\$196
2101 or more	\$639	\$887	\$248

The City also requires a Parks Impact fee. The fee is set at \$2,600.00 per residential unit including multifamily units. There is a provision that if the developer of multi-family housing provides on-site open space areas that conform with the requirements of the Parks Impact Fee regulation, that \$2,600.00 fee will be reduced to \$1,300.00 per unit.

**Conclusion:**

The Las Cruces development review process, fee schedule and the associated costs to obtain the necessary permits to undertake a housing development project are in-line with costs in other communities which are dealing with similar planning, infrastructure challenges and water availability challenges. The sum of the Las Cruces development impact fees is below the New Mexico average of \$5,950 for residential fees according to a study completed by Duncan and Associates.



**BUILDING CODES**

Las Cruces continues to administer the 2009 Battery of Codes under the International Building Code. The 2014 National Electric Code has been adopted by the City. These codes are national codes which serve to bring efficiencies into the building regulation process because they are becoming the standard codes in many jurisdictions. This assists designers and builders in creating efficiencies because the codes are becoming a standard in most municipalities and the technical requirements do not differ substantially from municipality to municipality. This allows for efficiencies in the design process as well as the construction process because development professionals don't have to learn a different code for each city they work in. As of March 25, 2021, the 2018 NM Energy Codes (Residential & Commercial) become the mandatory minimum statewide.

The Las Cruces Residential Building Permit fee schedule charges \$0.20 per square foot of gross floor area measured to the outside wall. For a 1,300 square foot home, the building permit cost would be \$260.00. Depending on the project, there may be other fees associated with drainage inspections, plan review, etc.

For multifamily construction, the cost is based on the square footage the building(s). The table below illustrated how these charges are determined:

Total Project Valuation (without land cost)	Fees
<b>Under \$2,000</b>	\$50
<b>\$2,001 through \$25,000</b>	\$50 for the first \$2,000 plus \$10 for each additional \$1,000
<b>\$25,001 through \$50,000</b>	\$280 for the first \$25,000 plus \$8 for each additional \$1,000
<b>\$50,001 through \$100,000</b>	\$480 for the first \$50,000 plus \$7 for each additional \$1,000
<b>\$101,001 through \$500,000</b>	\$830 for the first \$100,000 plus \$6 for each additional \$1,000
<b>\$500,001 through \$1,000,000</b>	\$3,330 for the first \$500,000 plus \$5 for each additional \$1,000
<b>\$1,000,001 or more</b>	\$5,830 for the first \$1,000,000 plus \$4 for each additional \$1,000

**NEIGHBORHOOD REVITALIZATION: MUNICIPAL AND OTHER SERVICES; EMPLOYMENT, HOUSING**

Elevate Las Cruces comprehensive plan continually supports downtown revitalization and growth through exploring public-private partnerships to activate vacant properties downtown, encourage efforts to enhance existing properties in accordance with the Downtown Las Cruces Master Plan, and attract new businesses, residents, and mixed-use development. The City Council adopted the Downtown Las Cruces Master Plan in 2016 and the document provides guidance on development in the area.

Las Cruces citizens have access to a wide array of municipal services. Those service include libraries, police and fire protection, public services for underserved populations, cultural and entertainment activities, housing assistance, and transit options. These services are delivered in an equitable manner and there is no evidence that services are less available in neighborhoods occupied by underserved populations. In the community surveys used as part of the research for the 2021-2025 Consolidated Plan, residents expressed desire for better public infrastructure including youth centers and parks and recreational space.

Employment in Las Cruces has been affected recently by the COVID-19 pandemic with Las Cruces experiencing record high unemployment rates. The unemployment has since decreased but has remained higher than normal at the time of writing. Previously, the City created an economic development office to enhance local economic opportunities. The office concentrates on providing assistance to local businesses in an effort to encourage employment growth. The City works with existing employers and new employers to match the skills of residents with job opportunities through training and job placement services. Additionally, the City tries to

coordinate youth employment agencies to ensure that younger people have an opportunity to receive training and job readiness skills so that they can compete in the changing job market.

Las Cruces has completed its Consolidated Plan for 2021-2025 and the plan prioritizes affordable rental housing as a high priority. Additionally, the City plans to continue supporting affordable homeownership programs operated by Habitat for Humanity and Tierra del Sol. The City operates an owner occupied rehab program that addresses both accessibility needs and housing preservation needs. The City works closely with the Mesilla Valley Public Housing Authority to ensure that their Public Housing units in Las Cruces remain viable and in good repair for the residents.

### **TRANSPORTATION LINKAGE**

The City operates a municipal bus system that utilizes a loop system to cover as much of the City as is practical.

The City also operates an on demand van system that provides pick-up and return for elderly residents and those requiring special accommodation for transit.

Elevate Las Cruces and the 2018 Active Transportation Plan detail the City's vision for the integration of a multi-modal transit system that provides good connectivity between neighborhoods, commercial areas and regional transit nodes in the community. As part of Elevate Las Cruces, the City has formulated a Transit Oriented Development (TOD) framework that calls for the positioning of dense, attached housing, small commercial and retail activities within transit villages that are served by bus service, bike and walking paths and roadways linking the TOD to other parts of the City.

The Central Business Corridor and adjoining Civic Plaza will provide multi-modal transit nodes for moving through the central area and connecting residents to adjoining neighborhoods and public facilities. By emphasizing housing as part of the development plan, the City hopes to increase economic activity in the downtown area, particularly after normal working hours.

### **PUBLIC HOUSING. PUBLIC HOUSING AND OTHER ASSISTED/INSURED HOUSING PROVIDER TENANT SELECTION PROCEDURES; HOUSING CHOICES FOR VOUCHER HOLDERS**

The policies and procedures of the Mesilla Valley Public Housing Authority (MVPHA) were reviewed through materials provided by MVPHA and stakeholder interviews with its staff.

**Housing Choice Program.** As of January 2021, MVPHA was serving approximately 1,600 tenants through its allocation of funds through the federal Section 8 voucher program. MVPHA has a total of 1,415 conventional Housing Choice Vouchers (HCV), 55 HUD-Veterans Affairs Supportive Housing (HUD-VASH), 40 Family Unification Program (FUP), 100 Non-Elderly Disabled (NED) vouchers, and 17 Homeownership Vouchers for a total of 1,627 vouchers.

MVPHA reports that it has as many as 1,200 households on its voucher wait list at any one time. However, many applicants request to be dropped off the list before they reach the top or are unable to be reached (an estimated 25 percent on the wait list). MVPHA reports that voucher holders have difficulty finding affordable units for a number of reasons: private landlords do not accept vouchers, there is a stigma about housing vouchers, voucher holders cannot find units that meet their needs, and more.

**Affordable Units.** MVPHA owns three affordable housing properties with a total of 60 units and partners with eight LIHTC developments with a total of 603 units. However, the demand for affordable rental units is still higher than the supply meaning voucher holders have to rent through private landlords. Many private landlords are reluctant to rent to voucher holders with the most common reasons being that their units may not pass the inspection or the stigma around voucher holders not caring for the properties.

**Client Demographics.** Approximately 43 percent of voucher holders have been in the voucher program for five or more years. One out of three voucher holders earn less than 50% AMI. Seventy two percent of voucher holders receive TANF and 52 percent receive social security, SSI, or pension. Almost 50 percent of housing voucher residents are children under the age of 17.

**Accessibility.** Five percent of the total public housing units are accessible. If units are needed beyond five percent, then additional units will be retrofitted to be made accessible on an as needed basis. Two percent of the public housing units are accessible to person who are visually and/or hearing impaired.

**Waitlist Procedures.** MVPHA has an active wait list of households waiting to receive a housing voucher. When a household leaves the program, the next eligible household on the list will be contacted. If that household is ineligible or MVPHA is unable to contact them, the next eligible household is contacted. Eligible households will remain on the list, but they must continue to meet eligibility when a voucher becomes available to them.

**Occupancy Standard.** MVPHA uses the “two person per bedroom” occupancy standard used by HUD. This allows MVPHA to house more families through public housing and with private landlords. BY broadening the size of the unit (and thus supply of units for voucher holders), households can live in more affordable units, enabling the housing authority to serve more people.

#### **SALE OF SUBSIDIZED HOUSING/DISPLACEMENT**

There are no plans for the sale of subsidized housing units at the time of this analysis.

#### **PROPERTY TAX POLICIES:**

The City does not administer the property tax system. The property tax collections are administered by Dona Ana County. There are provisions available for certain property tax exemptions for some types of affordable housing. Qualified entities must submit an application for tax exemptions and are reviewed and approved by the County tax authority.

**PRIVATE SECTOR**

**HOMEOWNERSHIP LENDING POLICIES AND PRACTICES**

Enacted by Congress in 1975, the Home Mortgage Disclosure Act (HMDA) requires lending institutions to report public loan data. HMDA data is available for all loans made on properties in Las Cruces. This information provides an overview of mortgage lending practices within Las Cruces in 2017<sup>15</sup>. Specific areas to evaluate (which may suggest potential discriminatory practices or trends) include high denial rates for minority and female applicants; very low denial rates; unusually low levels of applications from women, minorities and low and moderate-income persons; and a high number of applications withdrawn by minority applicants, as compared to non-minority applicants.

In 2017, a total of 7,963 loan applications were made in Las Cruces. Over half the loans were conventional loans with Asian/Pacific Islander and White individuals having the highest rates. Approximately one in four loans from White and American Indian or Alaska Native individuals took out an FHA loan. Black or African American and Native Hawaiian or Other Pacific Islander were more likely to use a VA-guaranteed loan. Approximately half the loans were for home purchase while the other half were for refinancing.

**Table 48: Types of Loans and Purpose of Loans Originated in Las Cruces, 2017**

	FSA/RHS-guaranteed	FHA-insured	Conventional	VA-guaranteed	Home purchase	Refinancing	Home improvement
<b>Race</b>							
<b>Black or African American</b>	0.00%	17.95%	38.46%	43.59%	61.54%	35.90%	2.56%
<b>Asian/Pacific Islander</b>	0.00%	11.90%	85.71%	2.38%	69.05%	30.95%	0.00%
<b>White</b>	0.29%	25.15%	58.64%	15.92%	66.74%	28.65%	4.60%
<b>American Indian or Alaska Native</b>	0.00%	25.00%	56.25%	18.75%	50.00%	50.00%	0.00%
<b>Native Hawaiian or Other Pacific Islander</b>	0.00%	8.33%	41.67%	50.00%	41.67%	58.33%	0.00%
<b>No Info Provided</b>	0.00%	24.80%	52.59%	22.62%	39.78%	56.95%	3.27%
<b>N/A</b>	0.00%	0.00%	100.00%	0.00%	82.76%	17.24%	0.00%
<b>Ethnicity</b>							
<b>Hispanic/Latino</b>	0.46%	35.10%	51.48%	12.96%	66.36%	28.59%	5.06%
<b>Non-Hispanic</b>	0.06%	14.26%	64.81%	20.87%	64.26%	31.88%	3.86%
<b>No Info Provided</b>	0.00%	22.31%	55.77%	21.92%	42.31%	55.38%	2.31%

<sup>15</sup> The most recently available HMDA data is 2017.

<b>NA</b>	0.00%	0.00%	100.00%	0.00%	83.33%	16.67%	0.00%
<b>Gender</b>							
<b>Women</b>	0.30%	33.86%	60.81%	5.03%	65.65%	29.02%	5.33%
<b>Male</b>	0.25%	21.20%	56.74%	21.82%	64.50%	31.45%	4.05%
<b>No Info Provided</b>	0.00%	21.31%	55.74%	22.95%	42.08%	55.74%	2.19%
<b>NA</b>	0.00%	0.00%	100.00%	0.00%	82.76%	17.24%	0.00%

Source: Consumer Financial Protection Bureau, 2017 HMDA Raw Data, <https://www.consumerfinance.gov/data-research/hmda/historic-data/>

Loan origination rates varies by race, ethnicity, and gender, but loans taken out by American Indian or Alaska Native were significantly lower than all other categories. Hispanic/Latino rates are still below that of non-Hispanic rates in Las Cruces. Loan Denial rate is much higher for American Indian or Alaska Native (32.65%), Hispanic/Latinos (22.99%), and women (21.45%) when compared to the overall average of 17.59 percent loan denial rate.

**Table 49: Action Taken on Loan by Race, Ethnicity, and Sex, Las Cruces, 2017**

Race/Ethnicity	Loan Originated	Loan Not Accepted by Applicant	Loan Denied	Application Withdrawn	File Closed	Loan purchased by the institution	Total
<b>Race</b>							
<b>Black or African American</b>	56.12%	0.72%	15.11%	17.27%	2.88%	7.91%	139
<b>Asian/Pacific Islander</b>	53.85%	2.56%	10.26%	11.54%	7.69%	14.10%	7
<b>White</b>	53.60%	3.87%	16.59%	11.43%	4.64%	9.87%	5,756
<b>American Indian or Alaska Native</b>	32.65%	3.06%	32.65%	19.39%	10.20%	2.04%	98
<b>Native Hawaiian or Other Pacific Islander</b>	70.59%	0.00%	17.65%	11.76%	0.00%	0.00%	17
<b>No Info Provided</b>	33.27%	3.54%	34.45%	15.05%	11.70%	1.99%	1,103
<b>N/A</b>	3.76%	0.26%	0.26%	0.13%	0.00%	95.60%	772
<b>Ethnicity</b>							
<b>Hispanic/Latino</b>	47.55%	3.79%	22.99%	11.77%	6.60%	7.29%	3,619
<b>Non-Hispanic</b>	56.19%	3.82%	12.86%	11.97%	3.78%	11.38%	2,908
<b>No Info Provided</b>	39.22%	3.02%	29.11%	15.69%	10.11%	2.87%	663
<b>N/A</b>	3.88%	0.26%	0.26%	0.13%	0.00%	95.47%	773
<b>Gender</b>							
<b>Women</b>	49.15%	4.12%	21.45%	11.31%	5.09%	8.88%	2,061
<b>Male</b>	51.70%	3.61%	17.58%	12.31%	5.85%	8.95%	4,681
<b>No Info Provided</b>	40.58%	3.10%	29.71%	15.30%	8.20%	3.10%	451
<b>N/A</b>	3.77%	0.26%	0.26%	0.13%	0.00%	95.58%	770

<b>Average (%) and Grand Total</b>	<b>45.77%</b>	<b>3.39%</b>	<b>17.59%</b>	<b>11.04%</b>	<b>5.22%</b>	<b>16.98%</b>	<b>7,963</b>
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Source: Consumer Financial Protection Bureau, 2017 HMDA Raw Data, <https://www.consumerfinance.gov/data-research/hmda/historic-data/>

Reasons for the denial of applications are listed in Table 39 by race, ethnicity, and gender. The most frequent reasons for denial were debt to income ratio, credit history, credit application incomplete, and collateral. There was a total of 1,401 loan denials during 2017. No one racial or ethnic group had higher denial rates in a majority of categories than other groups, although Native American or Alaska Native had higher than overall denial rates in four of the nine categories. Black or African American and Native American individuals were more likely to be denied for credit history than any other reason.

Table 39 reveals underlying systemic racism that has long plagued the financial system in the United States. Current credit scoring systems have a disparate impact on people on color<sup>16</sup>. It is not surprising that Black or African American, and Native American or Alaska Native had the highest loan denial rate for credit history and/or credit application incomplete. Women are also most likely to be denied for credit history or debt-to-income ratio.

**Table 50: Loan Denial Reason by Race, Ethnicity, and Gender Las Cruces, 2017**

	All	White	Black	Asian	Native American	Hispanic	Women
<b>Debt-to-Income Ratio</b>	14.92%	16.86%	4.76%	0.00%	6.25%	14.78%	16.74%
<b>Employment History</b>	0.71%	0.84%	0.00%	0.00%	0.00%	0.96%	0.68%
<b>Credit History</b>	15.63%	16.86%	33.33%	12.50%	21.88%	18.63%	19.00%
<b>Collateral</b>	7.99%	7.75%	4.76%	0.00%	18.75%	6.49%	7.92%
<b>Insufficient Cash</b>	1.78%	1.99%	0.00%	0.00%	3.13%	1.80%	1.58%
<b>Unverifiable Information</b>	3.43%	4.29%	0.00%	0.00%	0.00%	3.00%	3.85%
<b>Credit Application Incomplete</b>	9.21%	7.43%	9.52%	0.00%	18.75%	5.29%	5.88%
<b>Mortgage Insurance Denied</b>	0.07%	0.10%	0.00%	0.00%	0.00%	0.00%	0.23%
<b>Other</b>	4.07%	4.19%	4.76%	0.00%	3.13%	3.61%	4.52%
<b>Non Noted</b>	42.18%	39.69%	42.86%	87.50%	28.13%	45.43%	39.59%
<b>Total Number</b>	1,401	955	21	8	32	832	442

Source: Consumer Financial Protection Bureau, 2017 HMDA Raw Data, <https://www.consumerfinance.gov/data-research/hmda/historic-data/>

Table 51 shows the number of high cost loans in Las Cruces. The 2008 Housing Crisis and following national foreclosure crisis illuminated the risks to borrowers who used high cost loans<sup>17</sup> and ended up losing their

<sup>16</sup> Rice, L, Swesnik D. Discriminatory Effects of Credit Scoring on Communities of Color. Suffolk University Law Review. 46; 935 (2013).

<sup>17</sup> A high cost loan is defined as having the following three conditions: 1) the APR exceeds the APOR by more than 6.5 percent, 2) the total lender/broker points and fees exceed 5 percent of the total loan amount, and 3) the loan has a prepayment penalty.

homes. Risky loan products were often targeted to low-income households and minorities across the nation. In 2017, Las Cruces had a slightly higher rate of high cost loans than the state of New Mexico.

**Table 51: High Cost Loans, 2017**

	# of Loans	High Cost Loan %	Purchase Loans	High Cost Purchase Loans %	Refinance Loans	High Cost Refinance Loans %
<b>Las Cruces</b>	3,645	9.41%	2,327	12.08%	1,162	4.48%
<b>State of New Mexico</b>	37,465	8.59%	22,211	11.09%	13,219	1.08%

Source: Consumer Financial Protection Bureau, 2017 HMDA Raw Data, <https://www.consumerfinance.gov/data-research/hmda/historic-data/>

Table 41 shows that Hispanic or Latino, Asian, and Native American individuals are slightly more likely to borrow using high cost loans to purchase and refinance existing loans, though the total number of these loans in Las Cruces is very small. Las Cruces high cost loan holders are similar to the state of New Mexico high cost loan demographics.

**Table 52: Las Cruces High Cost Loans by Race and Ethnicity, 2017**

	# of Loans	High Cost Loan %	Purchase Loans	High Cost Purchase Loans %
<b>Las Cruces Total</b>	3,645	9.41%	2,327	12.08%
<b>White</b>	3,085	9.66%	2,059	11.61%
<b>Black or African American</b>	78	6.41%	48	10.42%
<b>Asian</b>	42	11.90%	29	17.24%
<b>Native American</b>	32	9.38%	16	18.75%
<b>Hispanic or Latino</b>	1,721	13.77%	1,142	17.25%

Source: Consumer Financial Protection Bureau, 2017 HMDA Raw Data, <https://www.consumerfinance.gov/data-research/hmda/historic-data/>

While the number of loans is small, the percent of high cost loan are higher for low income individuals and households. As the 2013-2017 CHAS revealed, households earning less than 80% AMI are more likely to be cost burden or severe cost burden.

**Table 53: High Cost Loans by Borrower Income Range, 2017**

	# of Loans	% High Cost
<b>Las Cruces</b>		
0 - 50% AMI	393	13.23%
51 - 80% AMI	846	13.95%
81 - 120% AMI	927	10.90%
>120% AMI	1,248	5.45%
<b>New Mexico</b>		
0 - 50% AMI	3,340	11.74%
51 - 80% AMI	8,003	11.08%
81 - 120% AMI	8,958	11.82%
>120% AMI	14,770	5.55%

Source: Consumer Financial Protection Bureau, 2017 HMDA Raw Data, <https://www.consumerfinance.gov/data-research/hmda/historic-data/>

Although HMDA data is not conclusive, it does show some racial/ethnic groups may struggle more on the dream to homeownership. Loan denial rates show that American Indian or Alaska Native, Hispanic, and women have slightly higher loan denial rates than other groups. Table 39 shows underlying systemic racism that had hurt people of color for decades. Black or African America and American Indian or Alaska Native individuals are more likely to get denied a loan due to credit history.

Additionally, while the number of high cost loans in Las Cruces are small compared to other cities in New Mexico, households earning less than 80% AMI disproportionately have high cost loans compared to higher income brackets. Approximately one in five American Indian or Alaska Native individuals has a high cost loan in Las Cruces.

**Conclusion:** Increased emphasis on homebuyer counseling and efforts to target populations for downpayment assistance programs and credit counseling could help increase the success rate of loan applicants in Las Cruces. Education for area lenders about Fair Housing laws and practices should be increased, and lending practices should be watched carefully, to ensure that minorities and low-income households are fairly treated.



## **PUBLIC AND PRIVATE SECTOR**

### **FAIR HOUSING ENFORCEMENT**

As part of the 2021-2025 Consolidated Plan, an online community survey was used to gather insights and perceptions of community needs within the city of Las Cruces by community residents. A total of 943 respondents completed the survey. When asked if “you have ever encountered any of the following forms of housing discrimination or known someone who has,” 22.7 percent of survey respondents identified as experiencing one of the following issues:

- 42.1% experienced “refusing, discouraging or charging more to rent an apartment or buy a home.”
- 38.3% experienced “discouraging a person from living where they want to live or steering them to another apartment, complex or neighborhood.”
- 34.1% experienced other. A few of the comments provided by respondents include:
  - “most renters of this type destroy the property before leaving and do not understand that causes the next applicant to be rejected.”
  - “Service dogs not being allowed due to breed [restrictions.]”
  - “Illegal activities, like entering without notice, illegal eviction, etc. There is no functioning housing authority here, so you have these [people] who just take every tenant to court.”
  - “Gross neglect of tenant laws by landlords.”
  - “Asking for my nationality.”
  - “Banker told me not a good idea to own a home as a single woman.”

When asked how familiar they are with Fair Housing Laws, approximately 26 percent of respondents said “not familiar at all. Approximately 54 percent said “slightly familiar” while 18.8 percent said very familiar. When asked if they felt they were discriminated against during the rental or sales process of a home or apartment do they know where to turn for help, only 15.1 percent said yes. Approximately 85 percent of survey respondents don’t know who to turn to for Fair Housing issues. Of those who selected “yes,” most said they would go to an attorney/Legal Aid NM, the City of Las Cruces, or HUD.

### **FAIR HOUSING LAWS AND EDUCATION IN LAS CRUCES**

In addition to the federal Fair Housing Act, the New Mexico Humans Rights Act also prohibits discrimination based upon ancestry, sexual orientation, spousal affiliation, and gender identity.

The City of Las Cruces provide Fair Housing information on the City’s Community Development Department website. Fair Housing information from HUD is available in both English and Spanish. Discrimination complaints can be filed with the City, New Mexico Human Rights Division, and HUD. The complaint forms are found on the City’s website.

The City of Las Cruces provides it staff with annual training on Fair Housing and all new City staff members receive training during their employee orientation. Mesilla Valley Public Housing Authority and Mesilla Valley Community of Hope also report Fair Housing training for all staff members.

**SECTION V: ASSESSMENT OF CURRENT PUBLIC AND PRIVATE FAIR HOUSING PROGRAMS AND ACTIVITIES IN THE JURISDICTION**

## SECTION V: ASSESSMENT OF CURRENT PUBLIC AND PRIVATE FAIR HOUSING PROGRAMS AND ACTIVITIES IN THE JURISDICTION

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### **ACTIONS AND PROGRAMS**

The City of Las Cruces has organized its fair housing programs around expanding housing choice and preserving existing neighborhoods and the single family housing stock within those neighborhoods. In order to meet that goal, the bulk of the City 's current fair housing activities exist to address the identified impediments that cause a lack of affordable housing and also result in discriminatory actions particularly for those with special needs. The City of Las Cruces emphasizes infill, preservation and new projects that are served by municipal services.

The City of Las Cruces cosponsors and supports the efforts of private fair housing groups which provide a variety of trainings and workshops. The City Community Development and Housing office will partner with professional associations and fair housing agencies to provide community forums and meetings educating citizens on Fair Housing laws and their importance in ensuring equal access to housing and the programs and services the City provides. The City of Las Cruces City Council has adopted a Fair Housing Ordinance that will be used as a tool to discourage discriminatory acts and practices that can limit Fair Housing Choice.

The Las Cruces 2021-2025 Consolidated Plan and 2021 Annual Action Plan proposes that CDBG and HOME funds be used for the following affordable housing activities and housing related public service activities: assisting persons at risk of becoming homeless and chronically homeless, increasing the supply of affordable, accessible housing, retaining the affordable housing stock, increasing the availability of affordable permanent rental housing to low-income and moderate-income families, expanding and maintaining emergency and short term housing. Public Service activities and non-housing community development actions include increasing the access to quality public and private facilities, making public improvements to infrastructure, offering the provision of public services concerned with creating suitable living environments for youth, those experiencing homelessness, the elderly, those with special needs and HIV/AIDS patients. The City will also pursue its economic development goals as a way to improve the economy and expand equal employment opportunities to those who have been underserved in the Las Cruces economy.

As resources and staff capacity allows, the City of Las Cruces will more actively promote the dissemination of Fair Housing Information and provide training to its subgrantees on how to comply with HUD Fair Housing requirements a, including implementing effective Affirmatively Furthering Fair Housing Marketing Plans. The City will strive to provide understandable Fair Housing information to both consumers and those engaged in the Las Cruces housing industry.

## **SECTION VI: CONCLUSIONS AND RECOMMENDATIONS**

## SECTION SEVEN: CONCLUSIONS AND RECOMMENDATIONS

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### **2021 IMPEDIMENTS TO FAIR HOUSING CHOICE – CITY OF LAS CRUCES**

The impediments to Fair Housing Choice and recommended actions listed below have been identified through the preparation of this report. These impediments are not listed in any particular order of priority. Each action includes a target time period for the action to be undertaken and completed. Some actions are noted as ongoing. The 2021 Impediments listing includes and expands upon the Impediments identified in the 2016 Impediments report with the exception of the 2016 Impediment, “Housing consumers with Limited English Proficiency have difficulty in understanding and accessing information on Fair Housing” (See assessment of 2016 Impediments). The 2021 listing reflects current conditions and concerns that exist in the community.

#### **IMPEDIMENT 1: LACK OF KNOWLEDGE ABOUT FAIR HOUSING ROLES AND RESPONSIBILITIES OF CONSUMERS AND PROVIDERS.**

**ANALYSIS:** Roles and responsibilities of both consumers and housing providers under federal and local Fair Housing rules can be complex and often up-to-date, accurate information is not readily available. Qualitative research through stakeholder interviews, community focus groups, and an online community survey revealed that Fair Housing laws are not widely known, and many community residents don’t know who to turn to if they have questions or issues in Las Cruces. The City and many community organizations that work with housing issues report that they do train staff, but general awareness regarding Fair Housing in the community is low. The City would like to increase Fair Housing awareness, roles, and responsibilities for both consumers and providers. The actions outlined below are intended to increase the knowledge base of both consumers and producers.

Proposed Actions the City will take to address Impediment 1:

- The City will continue to be a partner with other agencies and programs to increase awareness of Fair Housing Laws and policies including those at the Federal level, State level and local level. The City will provide an updated Fair Housing website as part of the Las Cruces web portal. The Fair Housing website will contain necessary information in English and Spanish including Fair Housing Laws and Ordinances as well as information on agencies to contact and the steps needed to file a complaint. It will also contain the City’s adopted Analysis of Impediments to Fair Housing Action Plan. The City will provide Fair Housing materials and all other informational documents related to its Community Development activities and reports in alternative formats if requested by a disabled person. Ongoing.
- As the administrator and technical assistance provider for Federal and local housing programs the City Community Development Department will work with subgrantees as well as private housing providers to ensure that housing consumers are dealt with in a non-discriminatory fashion as defined by Fair Housing rules. The City will provide printed and electronic information to landlords and property managers that they can pass on to prospective tenants and purchasers. This information will be a brief summary of the information contained on the City’s Fair Housing website. Fair Housing information will be made available in alternative formats upon request. Ongoing.
- The City Community Development Department will partner with professional associations and fair housing agencies to provide community forums and meetings educating citizens on Fair Housing laws and their importance in ensuring equal access to housing and the programs and

services the City provides. The City of Las Cruces Fair Housing Ordinance (Chapter 13: Article I) will also be explained and highlighted at public Fair Housing events. Annually.

**IMPEDIMENT 2: DISCRIMINATION BY PROPERTY OWNERS AND MANAGERS, AGAINST PERSONS WITH DISABILITIES AND/OR HOUSING VOUCHER PROGRAMS LIMITS THESE GROUPS FROM EQUAL ACCESS TO HOUSING.**

**ANALYSIS:** Key informants, community surveys and public meeting comments point to instances of discriminatory practices for individuals and households who have a member with a disability and/or a receipt of a housing voucher. Community focus groups and the community survey revealed that there is a significant stigma about people who have a housing voucher through the Section 8 or other programs. Many private landlords refuse to rent to those who have a housing voucher and with limited public housing options, many eligible individuals who have a housing voucher cannot find adequate housing. Additionally, many of the rental properties in Las Cruces are not accessible and many landlords are reluctant to allow tenants to make modifications to the property. There were several fair housing complaints filed with HUD involving individuals with disabilities.

Proposed Actions the City will take to address Impediment 2:

- The City of Las Cruces Community Development Department will continue its outreach and educational efforts to inform builders, property owners and landlords of the provisions and requirements that must be met in providing equal access to housing for the protected classes of people outlined above. The educational effort will include providing written and electronic information on how housing providers can ensure that advertising, screening processes, lease policies, and general interactions with those seeking housing are treated equally. The City educational effort will also include information for builders on ways to address accessibility requirements through the design and construction of accessible, adaptable units. The City will continue to partner with other agencies serving the Las Cruces area to educate property owners, Mesilla Valley Public Housing Authority, managers, and builders on their Fair Housing responsibilities. Partner agencies may include Las Cruces Homebuilders Association, Las Cruces Association of Realtors, New Mexico Human Rights Division, and local community organizations with involvement in Fair Housing Activities. Ongoing.
- Through online and printed Fair Housing materials, the City Community Development Director or designee, will assist complainants who wish to file a discrimination complaint, in filing the necessary forms and providing guidance and referrals on the process the City and other state and federal agencies will utilize in responding to complaints. Ongoing.
- The City will post Fair Housing Information at all facilities controlled by the City of Las Cruces. This effort will be extended to City subgrantees which provide housing services. Those agencies will be required to post the Fair Housing sign at all housing facilities assisted with local or federal funds. Ongoing.
- The City will enforce its Fair Housing Ordinance in cases of discrimination as prescribed in the Ordinance. Ongoing.
- The City will provide technical assistance and oversight to CDBG and HOME subgrantees to ensure that each agency has a compliant Affirmatively Furthering Fair Housing Marketing Plan (AFFHMP), if applicable. The City will monitor the use of the agency AFFHMP to determine the success of subgrantees in using the plan to encourage participation in housing activities by underserved populations. Ongoing.

- The City will monitor its communications and public outreach and funding activities to measure the effectiveness of its AFFHMP to ensure that underserved populations are actively recruited to participate in public meetings and housing programs and activities. Annually.

**IMPEDIMENT 3: THE INCREASING COST AND SCARCITY OF BOTH RENTAL AND FOR SALE HOUSING DISPROPORTIONATELY IMPACTS LOW INCOME HOUSEHOLDS AS QUANTIFIED IN THE CONSOLIDATED PLAN AND THE HOUSING CONCERNS SECTION OF THE ANALYSIS OF IMPEDIMENTS.**

**ANALYSIS:** Approximately half of all renters in Las Cruces have one of the four housing issues identified by HUD in the Consolidated Plan (cost burden, overcrowding or lack of kitchen or plumbing). Households earning less than 50% AMI are more likely to experience cost burden and severe cost burden than those earning high incomes, especially among renters. There is a severe lack of quality affordable rental units in Las Cruces and a hot housing market is only increasing the median sale price of homes in the City making homeownership harder for households earning less than the median income. The housing gap charts show that a major barrier to Fair Housing Choice is the lack of units available to households with limited incomes. The lack of affordable units, results in many residents who are cost burdened and cannot afford the units available in the market.

Proposed Actions the City will take to address Impediment 3:

- The City will examine current planning and development review procedures to provide fast tracking and concurrent review of affordable rental projects. Elevate Las Cruces has provided some guidelines on affordable housing going forward. The City will work with its stakeholders to update its Affordable Housing Ordinance that more clearly outlines what incentives, concessions and enhancements it will make available to increase the production of affordable rental housing that meets the needs of those with the greatest challenges. Annually.
- The City will continue to serve as lead convener of state level and federal agencies and private sources of capital to create a more robust set of tools to address the development cost of new housing. This enhanced finance approach will focus on Low-income Housing Tax Credits, HOME Investment Partnership Funding, various supportive housing financing sources, various tax exempt bonds including General Obligation Bonds and affordable loans from lenders doing business in the community. Ongoing.
- The City will review density limitations, minimum lot sizes and other regulations that may constrict housing providers' ability to produce both smaller apartments and for sale homes for sectors of the market which cannot presently afford the products available in Las Cruces. Ongoing.
- Development Readiness Measures: The City through its mapping and property records system will identify vacant and underutilized residentially-zoned properties in zoning areas that have adequate infrastructure to support greater densities for residential uses. This action could effectively steer development to sites that are considered suitable by the locality and expedite the pace at which affordable development occurs. Annually.
- The City will continue to provide limited financial assistance to households who qualify for long term mortgages. The City will utilize its Impact Fee Deferral policies for starter homes that meet the City definition of affordable housing. Annually.
- The City will track the numbers of those populations which receive assistance to alleviate the identified housing problems. Annually.
- The City will update its Affordable Housing Plan to review and develop strategies, goals, and measures to encourage and track the development of affordable housing in Las Cruces. 2021-2022.

**IMPEDIMENT 4: LOAN DENIAL RATES REMAIN RELATIVELY HIGH FOR SOME RACIAL/ETHNIC GROUPS.**

**Analysis:** Although HMDA data is not conclusive, it does show some racial/ethnic groups may struggle more on the dream to homeownership. Loan denial rates show that American Indian or Alaska Native, Hispanic, and women have slightly higher loan denial rates than other groups. Table 39 shows underlying systemic racism that had hurt people of color for decades. Black or African America and American Indian or Alaska Native individuals are more likely to get denied a loan due to credit history.

Proposed Actions the City will take to address Impediment 4:

- The City will support organizations that provide credit and homebuying counseling, such as Tierra del Sol to ensure that the programs are geographically targeted to areas in the community where loan denial rates are the highest.
- The City will provide educational information about how to access government sponsored and subsidized loans that have more flexible underwriting standards, as well as types of lenders to avoid.
- The City will work with lenders to ensure all lenders are trained on Fair Housing laws.



**APPENDIX**