Silver City Housing

Analysis and Strategic Plan

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Building Better Communities

For The Town of Silver City

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I. Executive Summary

This strategic plan is the first of many steps to create affordable housing opportunities for renters, longtime owners, and new owners. This plan provides a comprehensive look at Silver City's demographic trends, housing stock, affordability, land use, land availability, and development barriers. It also addresses current housing needs for four housing markets, and provides concrete steps to fulfill those needs. In short, it is a justifiable roadmap to assist the town, nonprofits, and private sector entities as all groups improve the housing conditions in Silver.

The Town of Silver City is experiencing an affordable housing predicament that diminishes residents' quality of life while crimping the town's ability to take advantage of impending economic development opportunities. The demand for safe, affordable housing is higher than what the area market has to offer.

There are four markets targeted in this plan:

1. **Professionals** – Those earning over 120 percent of Area Median Income (AMI)
2. **The Essential Workforce** – Those earning between 80 and 120 percent of AMI
3. **The Support and Entry-Level Workforce** – Those earning between 50 and 80 percent of AMI
4. **The Cost-Burdened** – Those earning below 50 percent of AMI

There is also a demand to rehabilitate/reconstruct existing housing stock throughout the four markets, as nearly 75 percent of Silver City's housing stock is at least 40 years old.

Table 1 illustrates the housing needs for the next ten years:

Table 1. Housing Needs Summary for 2010-2020[1]

Income Group	Who	Need	Percent of Total Need
Over 120% AMI	Professionals, Imported	210-220 new rental and owner-occupied construction	43%
80-120% AMI	Essential workforce	80-90 new rental and owner-occupied construction	17%
50-80% AMI	Support and entry-level workforce	100-110 new rental and owner-occupied construction	20%
Under 50% AMI	Cost Burdened, Single Mothers, and Disabled	100-110 new rental construction and owner-occupied rehabilitation	20%
Total	-	**490 - 530 units**	**100%**

[1] From the 2004 Comprehensive Plan, which identifies both the number of units needed and the percentage of total needed for all four income groups

Five categories of constraints hinder Silver City's affordable housing efforts.

1. *Market:* Affordable housing often lacks adequate return on investment. Projects will need construction subsidies.

2. *Demand*: Residents will need renter or homeowner subsidy assistance on top of construction subsidies.

3. *Community*: Unpopular images of affordable housing projects foster NIMBYism in Silver City. An influx of wealthy retirees and a dominant history of single-family housing contributes to this negative opinion.

4. *Topography*: Poor grading, ground quality (bedrock), and dry arroyos pose challenges in available lots.

5. *Institutional*: Old zoning regulations, large minimum lot size, restrictions on multi-unit apartments, and fees could increase development costs two to three percent.

Though daunting, outreach efforts, innovative development design, and cooperation from elected officials ensure barriers will be overcome. To tackle these obstacles, there are many assets and strategies Silver City is already employing. To bolster the potential success for affordable housing development, Silver City has already nurtured the following:

- *Community amenities.* Silver City has developed a vibrant, award-winning downtown with an artistic and cultural atmosphere. This creative development draws tourists and newcomers, aiding in the town's economic growth.

- *Adequate Infrastructure*. The town has installed substantial amounts of water, wastewater, and road improvements to support housing and commercial development.

- *Community Leaders addressing affordable housing needs.* Community leaders are aware of the fact that the lack of affordable housing has prevented economic growth. There is now a concerted effort by local leaders that include the Town of Silver City, the Southwest NM Council of Governments, the Western Regional Housing Authority, Gila Regional Habitat for Humanity, and Community Action Agency of Southern NM. All of these partners have shown dedication and determination in addressing the affordable housing gaps.

With this housing plan acting as a guide, Silver City and its private and nonprofit partners can strategically tackle the affordable housing predicament and get to work laying the foundation for Silver's economic future.

II. Introduction

Silver City's shortage of affordable housing was first addressed in the town's Comprehensive Plan. The Plan – updated and adopted in March 2004 – identifies numerous issues with residential housing. It recognizes a current shortfall in affordable housing, stating, "The rise in cost of real estate in the historic districts has paralleled that of the town and county. There is a shortage of rental housing in the area for employees and those on fixed incomes." In addition, it notes the poor condition of owner-occupied and rental units, the limited availability of affordable rental and for-sale units, and the social impact of high-cost housing that disproportionately affects Mexican/Hispanic-Americans.

To meet these challenges, the 2004 Comprehensive Plan includes four, specific housing goals:

1. Support the provision of an adequate supply of affordable housing in Silver City in order to curtail the displacement of low-income households.

2. Create a town staff position (through grant, if necessary) that is knowledgeable in state funding, grants, federal and state programs for low-income housing, and acts as a facilitator between government and the private sector to provide help in developing affordable housing.

3. Form a community group made up of realtors, developers, bankers, local, state and federal agencies, etc., plus interested individuals to support development of affordable housing in Silver City and surrounding communities. This intergovernmental Coordination group will recommend development Incentives and other initiatives to spur housing development.

4. Create minimum standards for rental properties, both public and private, in the municipal boundary and CCD area.

In addition, the Comprehensive Plan includes general public service goals that facilitate the growth of new neighborhood and community parks, preserve the visual quality of the Silver City environment, and link the major open space network to new and existing neighborhood parks, residential areas, and commercial centers. [2] All of these public service goals also bolster Silver City's housing ambitions.

This Housing Analysis and Strategic Plan answers the housing challenges listed in the Comprehensive Plan. Housing Goal #2, creating a town staff position, has already been achieved. However, the other three goals are ongoing ambitions. The following policy analysis quantifies the changing demographic, housing, and economic conditions in Silver City all under the overarching goal to support and develop affordable housing in Silver City. The town's Community Development office will monitor progress toward achieving goals, and local partners will begin to help as options are pursued.

[2] The remaining public service goals can be found on pages 6-15 to 6-27 of the 2004 Comprehensive Plan.

This document is consistent with requirements under the Affordable Housing Act for Affordable Housing Plans, and it includes the following sections:

- A profile of demographics, economics, and housing and how this appears to be changing
- An assessment of what housing needs exist with projections
- A review of land use codes and policy that might impede housing production
- Goals, policies, and quantifiable objectives
- A strategic development plan

A. Methodology

This report uses three kinds of data:

1. Primary information collected by Medius, Inc., and Silver City Staff, including building permit data from 2000 to mid-2008. Multiple visits to potential development sites, conversations with locals, and outside expert advice from colleagues weigh heavily on the interpretation of all data.

2. Secondary information from the Census, Bureau of Business and Economic Research (BBER), the Realtors Multiple Listing and Information Service (MLIS), Border Area Mental Health Association (BAMA), Claritus Inc., and Western New Mexico University (WNMU).

3. Existing plans, regulations, and ordinances provided by Silver and reviewed by Medius, Inc. A complete list of references can be found in the appendices along with some relevant state programs, non-profit organizations, and possible sources of funding.

B. Plan Study Area

There are two levels of analysis: the Census-recognized municipal boundaries of the Town of Silver City and the Census County Subdivision (CCD) of Silver City. The "Town of Silver City" or simply, "Silver," refers to the municipal boundaries shown in Figure 1. "Silver CCD," refers to the area within Figure 2.

Figure 1. Town of Silver City

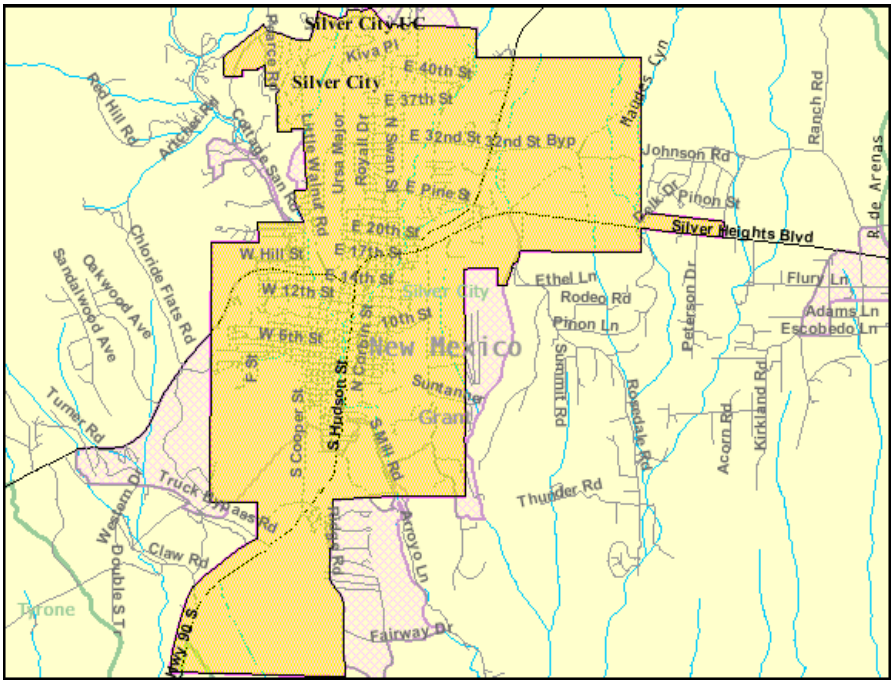
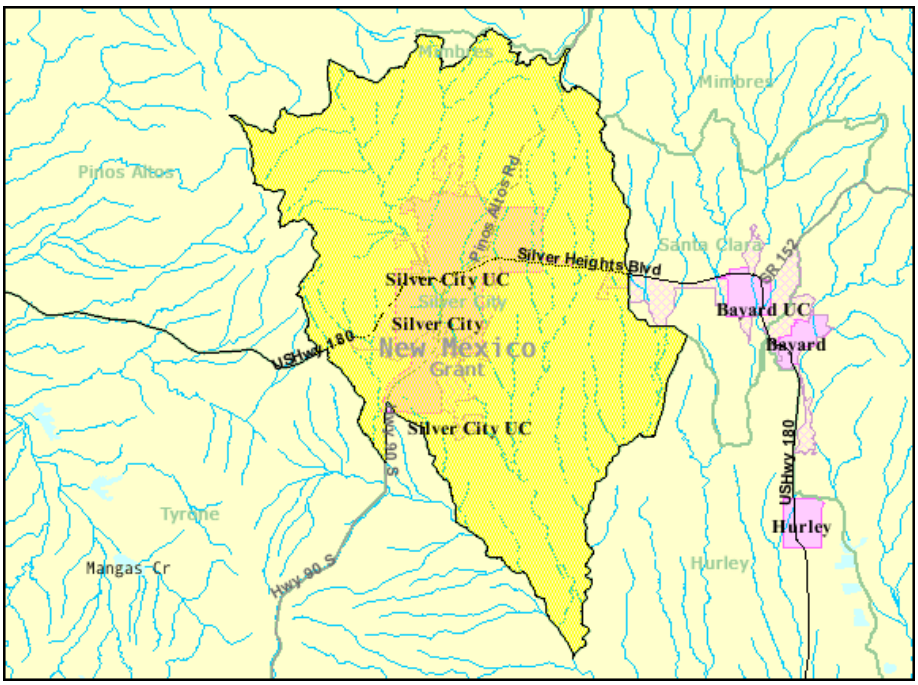


Figure 2. Silver City CCD



III. Community, Economic, and Demographic Summary

This chapter provides a community description, population trends, demographic characteristics, household characteristics, and economic trends.

Summary*: Silver City is a diverse area that is facing several challenges. Population continues to shift outside the town boundaries, where one finds a wealthy and older demographic building larger and more expensive homes; importantly, these homes still rely on the town for services. The town has a large proportion of households earning less than half the AMI. While retail, accommodations/food, and health care employ thousands of people in the area, they are also some of the lowest paying jobs. Finally, a lack of decent affordable housing is severely limiting the economic growth of the area; either low wages are forcing employees into cheap, substandard homes or the high prices are deterring new employees from moving to Silver City.*

A. Community Description

Founded in 1872, Silver City was first a four square mile mining town, developed around water sources in La Cienega de San Vicente Valley. While copper and silver mining have sustained the area for over one hundred years, recently other industries have risen while the mining industry has declined. Indeed, while residents used to view the foothills and mountains as precious metal resources, the ridges and terraces that surround the city are now bastions for travelers, hunters, and environmentalists. As the county seat, Silver City is home to local, state, and federal government agencies. The town also boasts the Gila Regional Medical Center, Border Area Mental Health Facility, Forest Service, Western New Mexico University, and Border Patrol.

In addition to being the gateway to the Gila National Forest, the town has many other tourism assets. While visitors check out the thriving art scene downtown, they might also stroll through Big Ditch Park, a deep channel where early Twentieth Century floods washed away what was once Main Street. Regional attractions include the Gila Cliff Dwellings and Lake Roberts, both of which are a scenic drive north of town. For all these reasons, Silver City has maintained its position as the economic and cultural hub of Grant County.

B. Population Trends

In 2000, Silver City was home to 10,599 residents. In the same year, 6,432 people lived just outside Silver City's borders in the CCD area. Finally, another 13,971 people lived outside the CCD borders in the rest of Grant County. In total, there were 31,002 people in Grant County in 2000.[3] Whether inside or just outside of municipal boundaries, most of the 17,031, over half the county population, rely on Silver for water and other municipal services.

Interestingly, as the population of Silver City has declined slightly, the number of people in its immediate service area has increased. In fact, the CCD population increased by over 40 percent from 1990 to 2000. These changes are likely in relation to the changing economic environment: mining and commodity economies are declining and being replaced by sectors catering to more affluent retirees. In addition, some staff of the new border patrol facility in nearby Hidalgo County reportedly commutes from Silver City because of better housing and entertainment opportunities. ***When you put the Silver City and CCD figures together, you find a 12 percent growth from 1990 to 2000.***

In short, the slight population decrease should not be taken as an indicator of decline as CCD populations have actually ballooned in recent history; in fact town leaders estimate this pattern of outer-boundary growth has only increased since 2000.

Table 2. 1990 and 2000 Populations in Silver City, Silver City CCD, and Grant County[4]

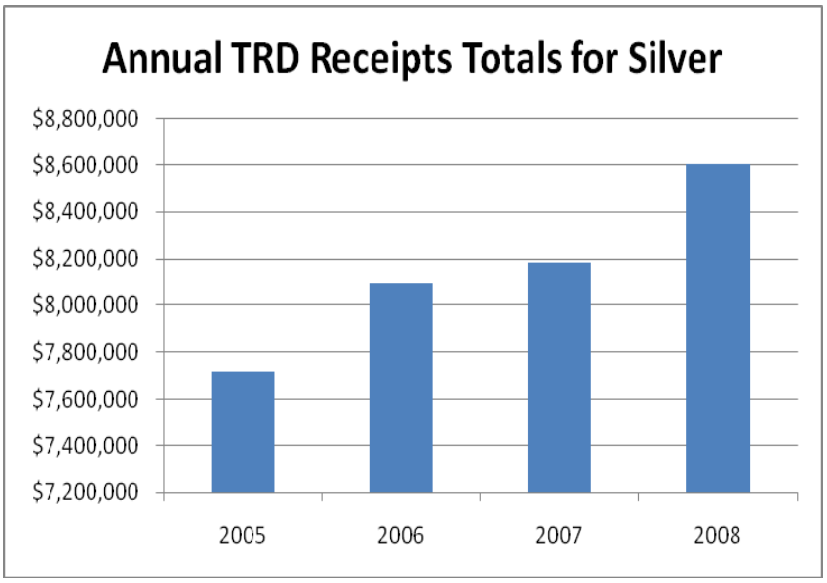
Year	**Town of Silver City**	**Silver City CCD Alone** (excluding Silver City Proper)	**Grant County Alone** (excluding Silver City Proper and Silver City CCD)
1990	10,683	4,556	12,437
2000	10,599	6,432	13,971
Change	- 84	1,876	1,534
% Change	**- 1%**	**+ 41%**	**+ 12%**

.

[3] 10,599 + 6,432 + 13,971 = 31,002. This is confirmed with Census 2000: SF3, P1
[4] Census 1990: STF3, P001 and Census 2000: SF3, P1

Acting as another indicator of steady growth, gross receipts have steadily increased each year since 2005.

Figure 3. Silver City Gross Receipts[5]



Finally, the town itself has three estimates for the population within the municipal borders for 2020:

- A conservative estimate of 0.3 percent annual growth: 11,196
- A moderate estimate of 0.5 percent annual growth: 11,651
- An optimistic estimate of 0.7 percent annual growth: 12,124.[6]

In sum, though the Census forecasts a slight decrease in population for Silver City, other indicators show growth. This is especially true for the CCD area and Grant County, where residents rely upon Silver City for utilities, entertainment, and economic support. In the same sense, Silver City will have to be ready to support the area's affordable housing projects as well.

[5] NM Tax and Revenue Department 2005-2008
[6] 2004 Comprehensive Plan, page 5-4

C. Demographic and Household Characteristics

***Summary**: Silver City is a predominantly Hispanic area. While the median age is only slightly higher than statewide, the proportion of seniors is much higher than in the state. Household size is about the national average at 2.4 per household, and about a third of households have children. Finally, Silver City has three special needs families that will require attention when planning affordable housing: single mothers, the disabled, and the impoverished earning less than half the AMI.*

1. Race

Silver City is roughly split between Hispanic and non-Hispanic populations. Table 3 depicts Race and Ethnic breakdowns in an inclusive fashion; in other words, Silver City's population is included in the CCD, and both are included in the County. However, Table 4 shows an exclusive breakdown, where Silver City's population is subtracted out from the CCD, and both are subtracted out from the County. This is to demonstrate the demographic differences among the different jurisdictions. While over half the population in Silver City is Hispanic, only 36 percent in the CCD is Hispanic. This means that the proportion of Hispanics is about 45 percent higher in Silver City than in the surrounding area.

Table 3. Race or Ethnicity by Jurisdiction, 2000, Inclusive Data[7]

Race or Ethnicity	Town of Silver	Silver City CCD	Grant County	New Mexico
White Alone	43.1%	50.2%	48.6%	44.7%
Black Alone	0.5%	0.3%	0.3%	1.6%
American Indian and Alaska Native alone	0.7%	0.6%	0.7%	8.9%
Asian alone	0.4%	0.4%	0.2%	1.0%
Native Hawaiian and Other Pacific Islander	0.3%	0.2%	0.1%	0.0%
Some other race alone	0.4%	0.3%	0.2%	0.2%
Two or more races	1.5%	1.4%	0.9%	1.5%
Hispanic or Latino (all races)	53.1%	46.7%	48.9%	42.1%
Total	**100%**	**100%**	**100%**	**100%**

[7] Census 2000: SF3, P7

Table 4. Race or Ethnicity by Jurisdiction, 2000, Exclusive Data

Race or Ethnicity	Town of Silver City	Silver City CCD (Excluding Silver City Proper)	Grant County (Excluding Silver City Proper and CCD)
White Alone	43.1%	61.7%	46.7%
Black Alone	0.5%	0.0%	0.4%
American Indian and Alaska Native	0.7%	0.5%	0.8%
Asian alone	0.4%	0.2%	0.1%
Native Hawaiian and Other Pacific	0.3%	0.0%	0.0%
Some other race alone	0.4%	0.2%	0.1%
Two or more races	1.5%	1.1%	0.4%
Hispanic or Latino (all races)	53.1%	36.3%	51.5%
Total	**100%**	**100%**	**100%**

2. Age

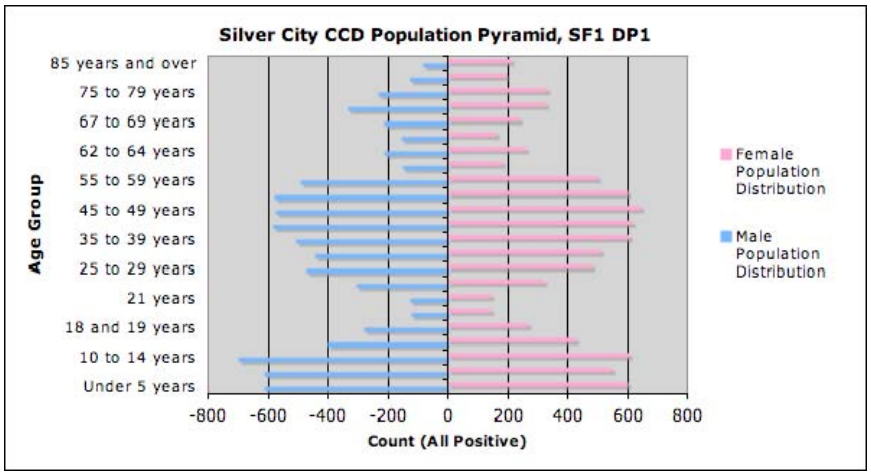
The median age of Silver City residents is 36.9. This is only about two years higher than the national average. However, 16 percent of Silver City residents are over 65, compared to 12 percent of all New Mexicans. ***Thus, the proportion of seniors in Silver City is about 1.3 times larger than the proportion in the State as a whole.***

Table 5. Population by Age, 2000[8]

	Town of Silver City		Silver City CCD		Grant County		New Mexico	
	#	%	#	%	#	%	#	%
0-19	3,123	29%	5,057	30%	8,961	29%	564,859	31%
20-64	5,777	55%	9,441	55%	16,968	55%	1,041,962	57%
65+	1,699	16%	2,533	15%	5,111	16%	212,225	12%
Total	**10,599**	**100%**	**17,031**	**100%**	**31,002**	**100%**	**1,819,046**	**100%**
Median	**36.9**	**-**	**37.3**	**-**	**38.8**	**-**	**34.6**	**-**

[8] Census 2000: SF3, P8

Figure 4. Population Pyramid, Silver CCD, 2000[9]



3. Household Characteristics

In 2000, there were 4,212 households in Silver City. On average, 2.4 people lived in a household, lower than the 2.59 national average. ***As shown in Table 6, one out of every four households earns less than half the AMI in both Silver City and in the CCD***.

Table 6. Number of Households by Income, 2000[10]

	Town of Silver City		Silver City CCD	
	#	%	#	%
Over 120% AMI	1,490	35%	2,477	37%
80% - 120% AMI	1,027	24%	1,420	21%
50 - 80% AMI	667	16%	1,125	17%
Below 50% AMI	1,028	25%	1,681	25%
Total	**4,212**	**100%**	**6,703**	**100%**

[9] Census 2000 Factsheet

[10] Census 2000: SF3, P52 using $25,881 as the 2000 AMI for Silver City and $30,030 as the 2000 AMI for the CCD. This is an inclusive table where Silver City figure are included in the CCD figures. This is because the Census calculated the median income in this manner; for this reason, it would be inappropriate to isolate the CCD from the town.

Table 7 demonstrates the large number of one and two person households in Silver City. Relatively few people live in households of three or more people. Presumably, many married couples live together without children. Currently, the Town uses a 1,100 square foot standard when performing a tear-down and rebuild or a renovation. This size is appropriate for one and two person households.

Table 7. Number of Households by Size, 2000[11]

	Town of Silver City		Silver City CCD	
	#	%	#	%
1 person household	1,273	30.2%	2,060	26.5%
2 person household	1,379	32.7%	2,776	35.6%
3 person household	694	16.5%	1,386	17.8%
4 person household	508	12.1%	941	12.1%
5 person household or more	358	8.5%	625	8%
Total	**4,212**	**100%**	**7,788**	**100%**

4. Special Needs Populations

Apart from general population trends, there are three identifiable groups of residents who will need special attention for affordable housing in Silver City: single mothers, the disabled, and the impoverished (families with incomes below 50 percent AMI).

a. Single Mothers

Single mothers are considered a special needs population for two main reasons. First, single mothers usually earn incomes far lower than married couples, single fathers, or even single men.[12] Moreover, single mothers bear the sole responsibility for one or more children, a social burden that undoubtedly affects this group's ability to provide safe, decent housing.

In 2000, there were 511 single mothers in Silver City. Of these families, 230 were living below the poverty line.[13] ***In other words, 45 percent of single mothers are raising families in poverty in Silver City.*** Affordable housing initiatives must address this group in recognition of the important social responsibility these women carry.

[11] Census 2000: SF3, P14
[12] Census 2000: SF3, PCT 40
[13] Census 2000: SF3, P90

b. Disabled

According to the Census, individuals are disabled if they:

- Are at least five years old and report long-lasting sensory, physical, or mental disability
- Are 16 and older, reporting difficulty leaving home due to physical, mental, emotional, or other condition for six months or more
- Are between 16 and 64, with difficulty working a job or business due to mental, physical, or emotional condition for over six months

Accordingly, 23 percent of the working population, those between 21 and 64, are disabled in Silver City.[14] Half of those who are disabled maintain their employment, a lower employment rate than that for the general population. Nearly half of seniors, those over 64, are also disabled. Relatively few, 171, live below the poverty threshold.[15] Most of the disabled population is elderly, which tends to be in a better financial position than the other special needs groups.[16]

Thus, there are many functional, disabled individuals. Those disabled individuals below poverty will undoubtedly need assistance, but more primary data is needed to precisely determine each resident's ability to pay.

c. The Impoverished

From Table 6, we know that over 1,000 households earn less than 50 percent of AMI. Many families already receive vouchers in Silver City through the Western Regional Housing Authority. For example, 73 families are on the voucher waiting list in Silver City.[17] While the voucher clients are not necessarily impoverished, many earn a fraction of the AMI:

- 70 percent of clients earn 30 percent or less than the median income
- 23 percent earn 50 percent or less than median income
- 6 percent earn 80 percent or less than median income
- 1 percent earn over 80 percent the median income[18]

Thus, the impoverished and low-income population in Silver City is looking for affordable housing alternatives, but faces adversity with few available options despite current help from the Western Regional Housing Authority and the USDA.

In summary, single mothers, the disabled, and the impoverished can only afford to lease the most inexpensive units in Silver City. Low-cost rental units are the last alternative available to those who cannot afford to buy a home, and additional low-cost housing availability is needed.

[14] Census 2000 SF3, P42
[15] The remaining 563 live above the poverty threshold.
[16] Census 2000, SF3, P42
[17] Western Regional Housing Authority
[18] Roughly 437 clients received service at point of last contact, 2008.

D. Economic Trends

***Summary**: Silver City has a stable economy, with opportunities in retail, service, education, healthcare, and government fields. However, incomes are much lower in the town than in the surrounding area. Concerning poverty, families with children compose over 70 percent of the population in poverty. The area also struggles with a "roller coaster" unemployment rate as mines open and close. These issues coupled with a lack of affordable housing is hindering Silver City's economic potential.*

Figure 5. Employment by Industry in Grant County, 2007

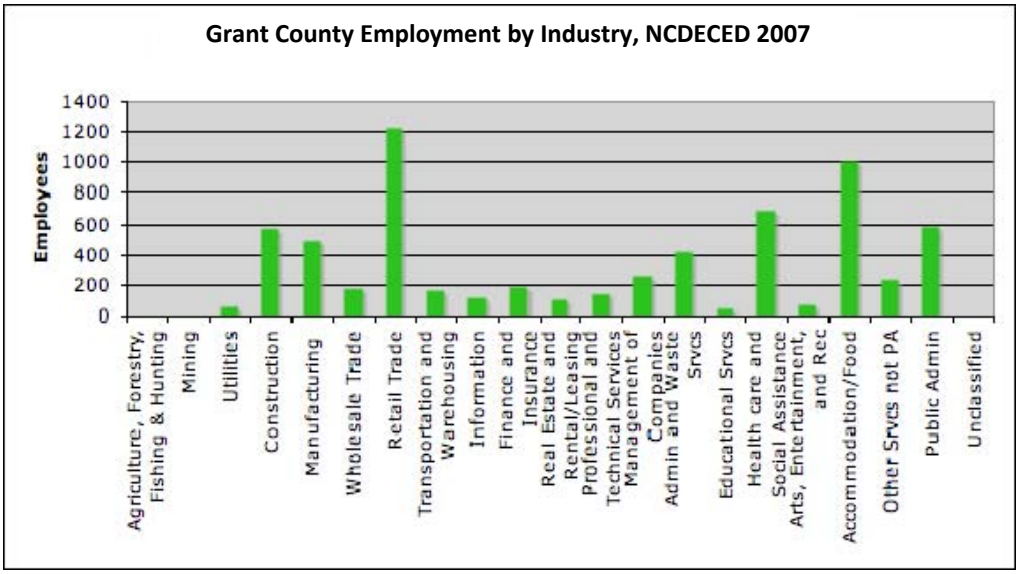
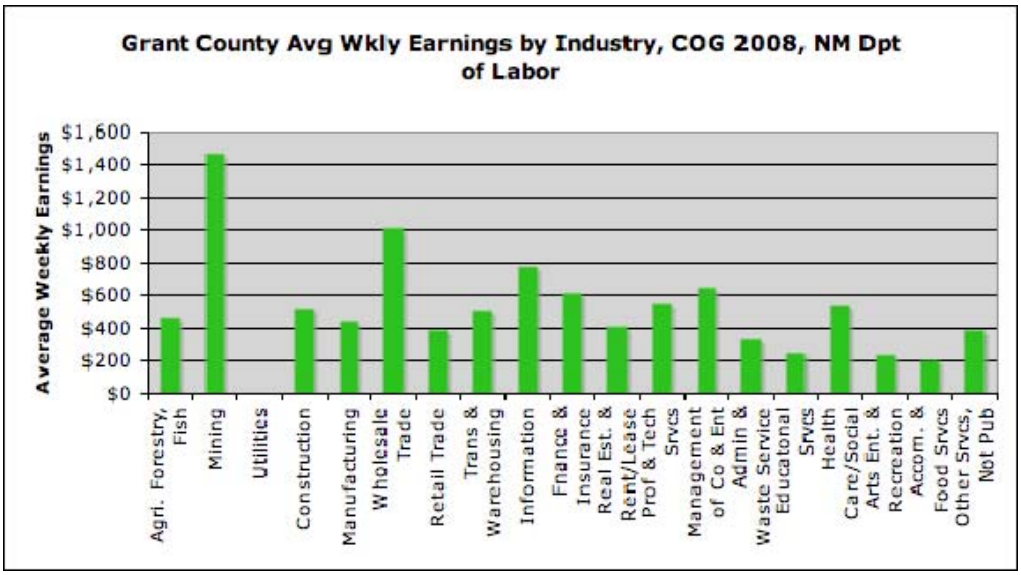


Figure 6. Earnings by Industry in Grant County, 2008



When looking at Figures 5 and 6 simultaneously, one clearly sees that the most numerous jobs – retail trade, accommodations/food, and health/social services – offer some of the lowest wages. Specifically, retail service workers earn $399 a week, $1,995 a month, or $23,940 a year. One third of monthly earnings provides $599 a month for housing. Accommodations/food employees earn $199 a week, $995 a month, or $11,940 a year. One third of monthly earnings provides $299 a month for housing. Finally, health/social services earns $580 a week, $2,900 a month, or $34,800 a year. One third of monthly earnings provides $967 a month for housing. Thus, retail service workers earn 92 percent of AMI, accommodations/food service workers earn 46 percent of AMI, and health/social service workers earn 134 percent of AMI.[19] The average employee in these industries would likely find affordable housing for their corresponding AMI category attractive.

1. Income

In 2000, the median income was $25,881 within the municipal border.[20] When including the CCD, the median increased to $30,030.[21] Both were much lower than the 2000 state median of $34,133. The difference in median income between study areas also suggests that more affluent residents live outside municipal borders.

Table 8 shows that many more Silver City households earned below $15,000 than in the county or state in the year 2000. ***Almost 65 percent of the population of Silver City earned less than $34,999. This proportion is 1.25 times greater than in the state as a whole.***

Table 8. Household Income (% of All Households), 2000[22]

	Town of Silver City	Silver City CCD	Grant County	New Mexico
Less than $15,000	29.5%	25.1%	24.9%	20.8%
$15,000 to $24,999	18.4%	16.8%	18.5%	15.8%
$25,000 to $34,999	15.9%	15.5%	15.2%	14.4%
$35,000 to $49,999	16.5%	17.3%	18.4%	17.0%
$50,000 to $74,999	13.2%	15.2%	14.5%	16.5%
$75,000 to $99,999	2.9%	5.0%	4.4%	7.8%
$100,000 to $149,999	1.8%	3.2%	2.7%	5.0%
$150,000 to $199,999	1.1%	1.2%	0.8%	1.3%
$200,000 or more	0.6%	0.7%	0.6%	1.3%
Total	**100%**	**100%**	**100%**	**100%**

[19] $23,940/$25,881; $11,940/$25,881; $34,800/$25,881 respectively.
[20] Census 2000 Factsheet
[21] Census 2000: SF3, P53
[22] Census 2000: SF3, P52

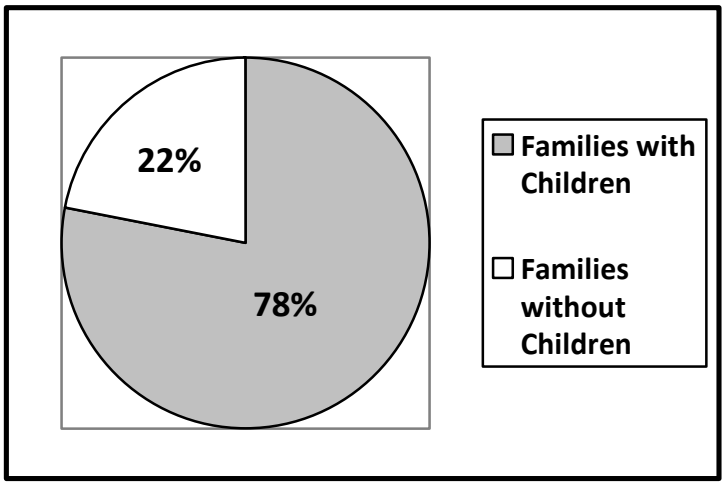
2. Poverty

In 2000, there were 2,730 families in Silver City (not to be confused with the number of households) and 1,928 families in the CCD alone (not including families in Silver City). Over 480 families, 17.7 percent, in Silver City lived below the poverty level. Comparatively, 12.7 percent of families were living below poverty in the CCD. Again, the statistics indicate that residents who live outside the municipal borders, tend to have higher incomes. ***Moreover, female-headed households with children and married couples with children are the most likely among these groups to be impoverished***. *In fact, taking Silver City and the CCD together, families with children compose nearly 80 percent of all families in poverty.*

Table 9. Families with Income below the Poverty Level, 2000[23]

	Town of Silver City		Silver City CCD	
	#	%	#	%
Married-Couple Family, own children	120	4.4%	55	2.9%
Married-couple family, no own children	74	2.7%	36	1.9%
Male Householder, own children	29	1.1%	23	1.2%
Male Householder, no own children	20	0.7%	16	0.8%
Female Householder, own children	230	8.4%	110	5.7%
Female Householder, no own children	10	0.4%	4	0.2%
Total Families Below Poverty	**483**	**17.7%**	**244**	**12.7%**

Figure 7. Families in Poverty in Silver City and CCD Combined, 2000[24]



[23] Census 2000: SF3, P90. This is an exclusive table, where the Silver City figures have been subtracted out from the CCD in order to treat them separately.

[24] Silver City and CCD together; Families in Poverty with Children = 567, Families in Poverty without Children = 160

3. Employment

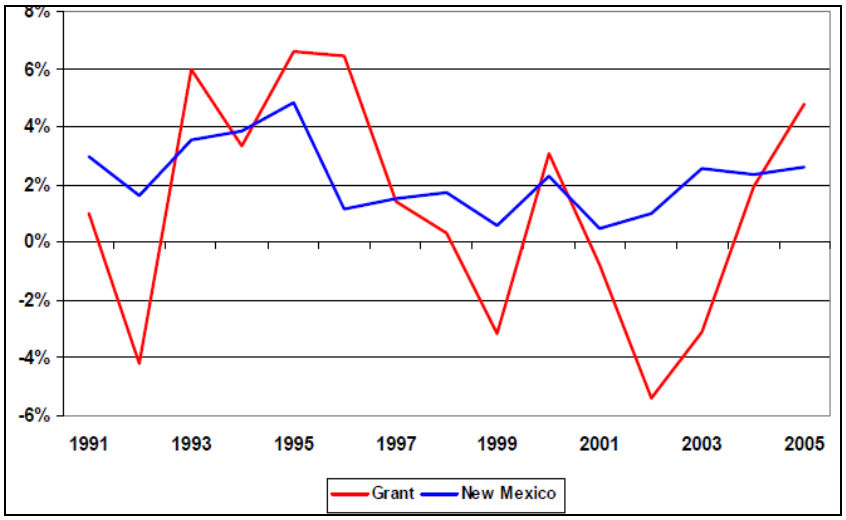
From 1990 to 2005, Grant County employment increased from 12,046 to 14,302.[25] While some two year periods have seen decreases, the overall trend in employment has been upward.

From 2000 to 2005, the labor force actually decreased by about 400 people in Grant County. Over the same time period, the population of Grant County is estimated to have decreased by roughly 1,000 people.[26]

Table 10. Grant County Employment 1990-2005

Year	Total Employment	% Change
1990	12,046	-
1991	12,166	1.00%
1992	11,655	-4.20%
1993	12,352	5.98%
1994	12,764	3.34%
1995	13,607	6.60%
1996	14,486	6.46%
1997	14,694	1.44%
1998	14,742	0.33%
1999	14,281	-3.13%
2000	14,720	3.07%
2001	14,611	-0.74%
2002	13,824	-5.39%
2003	13,394	-3.11%
2004	13,651	1.92%
2005	14,302	4.77%

Figure 8. Percent Change in Total Employment, 1991-2005[27]



[25] Arrowhead Research, New Mexico State University (NMSU). 2005. Grant county statistical abstract. Available at http://arrowheadcenter.nmsu.edu
[26] 2005 Arrowhead Research
[27] 2005 Arrowhead Research

4. Main Industries and Trends

Just over half of the 10,525 residents is part of the workforce in Silver City.[28] Locally, the Border Area Mental Health facility, Gila Regional Medical Center, Hidalgo Medical Services, Western New Mexico University, the Forest Service, Border Patrol and local governments continue to be the largest employers, even as tourism and private industry diversify.[29] Various small business and non-profits can also be found in town. Recall that the accommodations, retail trade, and healthcare are the largest industries, but they are not the highest-paying industries.

Local government managers, Border Area Mental Health Providers, and other businesspeople remark that employers in Silver City suffer because they cannot offer wages sufficient for prospective employees to buy housing that would be nice enough to accept a job offer. No comparable anecdotal evidence suggesting the opposite has been found in multiple visits to the Town. While many factors influence an individual's decision to accept a position and move to new area, affordable housing costs would certainly be viewed as a great benefit and an incentive to move to Silver City.

Silver City's main industries include:

a. Government Employment

Twenty eight percent of the Grant County, non-agricultural workforce is employed by the government or a government enterprise.[30] In Silver City, the municipal and federal governments are among the largest employers in Silver City. Approximately 165 individuals are employed by the municipal government.[31] State level employees can be found at the local New Mexico Environment Department office, Department of Health, and the Children, Youth and Families Departments in town. The relatively high number of border patrol agents, frequently working in Hidalgo and Luna counties, increases the presence of federal employees beyond what might be expected. ***With federal stimulus spending and increased attention to the U.S.-Mexico border security, the number of federal employees is poised to increase in coming years.***

b. Retail-Art Galleries and Other Downtown Shops

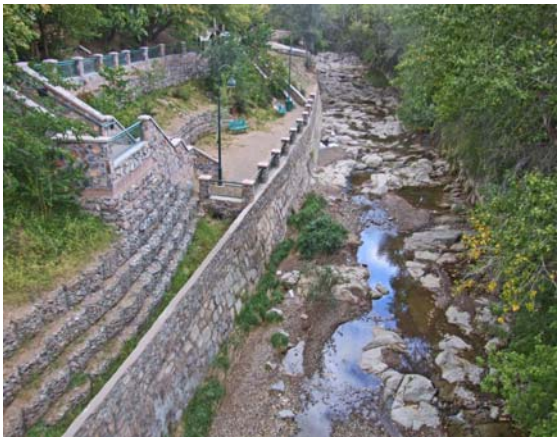
Numerous downtown art galleries, snack shops and small restaurants, and souvenir stores support a large proportion of those employed by the retail sector.

[28] Census 2000 Factsheet
[29] Silver City Chamber of Commerce, 2008
[30] 2005 Arrowhead Research
[31] Dominguez, Celia. Silver City Personnel Officer. Personal communication December 28, 2009

Figure 9, Figure 10, Figure 11, and Figure 12. Pictures Around Town

Silver City Downtown Historic Area
Source: www.placeeconmics.com

Silver City Library, Restored
Source: http://here4now.typepad.com



Big Ditch Park
Source: www.panoramio.com

More of the Downtown Area
Source: http://here4now.typepad.com

Other franchises and chains in this sector include a Wal-Mart Supercenter and Albertson's, both on Highway 180E, McDonalds on U.S. Highway 180, Walgreens on Rosedale Road, and hotels like the Holiday Inn Express. Most of these enterprises have rolling applications and are currently accepting new applicants.

c. Medical Industry

Various internists, in-home care, and clinics are available to the Silver City public. These providers, along with the two major institutional healthcare providers, constitute the breadth of healthcare employment in Silver city. The Gila Regional Medical Center, Hidalgo Medical Services, and Border Area Mental Health Association (BAMHA) are the major healthcare providers for Silver City, Grant County, and rural areas in Catron, Hidalgo, and other neighboring counties. Hundreds of employees serve roughly 67,000 residents in these areas. Currently, there are 17 full-time openings from nursing assistants to physicians and surgical technicians.[32]

The Border Area Mental Health facility is the second major healthcare provider in Silver City. It is also the largest mental health provider in southwest New Mexico. The organization offers outpatient, family programs, substance abuse, case management, and community correction services. Further, a toll free, 24-hour crisis hotline is also available for those in need of service in the region. The BAMHA may be poised to grow in coming years as underserved areas are identified and as housing becomes available.[33] This was one of the organizations involved with surveying the population to identify housing and childcare needs.

d. Information-Convention and Visitors Bureaus

The North American Industry Classification System (NAICS) defines this category as any business that "engage[s] in marketing and promoting communities and facilities to businesses and leisure travelers through a range of activities, such as assisting organizations in locating meeting and convention sites; providing travel information on area attractions, lodging accommodations, restaurants; providing maps; and organizing group tours of local historical, recreational, and cultural attractions."

Many of the government advisory boards including the museum, library, lodger's tax administrators, parks and recreation, and planning and zoning departments fall into this category. Moreover, Silver City Tour, Steel Horse Adventure Tours, Tour of the Gila (bike race), and Whiskey Creek Outfitters are a few of the many tourism and information providers based in Silver City. This, in addition to hotel/motel lodging, camping/RV sites, and visits to nearby wilderness areas exemplify the shift to the use of natural features like Lake Roberts, the Gila Mountains, nearby hot springs, and wilderness near the study area.[34]

[32] New Mexico Workforce Connection, Search on 3/15/10

[33] Border Area Mental Health Association (BAMHA), Town of Silver City, Grant County. 2007. "Staff Needs Survey." Cited by Southwest Planning & Marketing in 2008.

[34] Silver City Chamber of Commerce, 2009

e. Western New Mexico University

Just over 2,000 students enrolled at the Silver City campus in Spring 2009.[35] Roughly 340 full-time faculty members and 127 part time faculty members are employed by the university. Roughly 100 additional contract staff teach seasonally for nine months at a time. Finally, extensive support, administrative, and maintenance staff is employed by the institution. ***Considering the $9,000 to $21,000 in tuition, fees, materials, and lodging that each of the 2,000 students pay, WNMU is a significant economic force in the Silver City region***. Though dated, enrollment rates increased steadily from 2000 to 2006.[36]

f. Retirees

Many local officials and residents note that there seems to be an increasing number of retirees from the Midwest that call Silver City home. Of the 4,212 total households, 837 receive some form of retirement income, which averages $20,197.[37] Indeed, Americans born from 1946 to 1964, the Baby Boomer generation, are retiring at an increasing rate across the nation. This group is believed to be adding to the already high demand for Silver City housing, occupying more of the low-cost, low-quality homes in the interior of town, or adding to high cost developments in the CCD.

g. Mining

Phelps Dodge dominates the shrinking mining industry in Silver City. Few competitors like Cobre Mining directly compete with such a large company. However, construction companies and reclamation services like St. Cloud Reclamation are also closely connected to the mining industry. Federal money, nonprofits, and independent supporters frequently finance cleanup efforts to preserve the environment. Further, mining sites can often be converted to historic/recreational attractions for construction companies and developers like the Hilton James Construction Company. ***In general, the mines are becoming part of the tourism/recreation attraction industry as natural resources in the hills around Silver are depleted.***

[35] WNMU Profile. 11 January 2010. Available at http://www.wnmu.edu/profile2009.pdf

[36] "WNMU Enrollment White Paper, From One of Our Greatest Successes Comes One of Our Greatest Challenges." 11 January 2010. Available at http://www.wnmu.edu/AQIP/Systems%20Portfolio%20Update/Enrollment%20White%20Paper%202006_2007.pdf

[37] Census 2000: SF3, P65

5. Impact of Housing Shortage on Local Economy

In summary, the shortage of affordable, decent housing in Silver City impedes the base of the local economy. That is, low salaries restrict the buying power of renters and homebuyers. Newcomers must thus choose between poor quality, older housing in the town center and very high cost, luxurious housing in the CCD.[38] ***Without a middle ground of decent and affordable homes, the potential workforce often rejects employment offers from the local government and behavioral health offices***.

Silver City has all the social amenities and infrastructure to support housing development. The data in the housing plan reveals that the demand for rental and owner-occupied homes exists. It also reveals that the supply of affordable housing does not exist. Several health care providers and area businesses reveal that growing their business is nearly impossible because it is extremely difficult for potential employees to find affordable housing.

6. Impact of Industry Trends on Affordable Housing

A shift toward tourism and an emphasis upon natural resources has an intuitive connection to development in the CCD alone. Much of the new construction and development is occurring in the CCD area, outside municipal boundaries.[39] This is affecting the demographics, economics, and housing trends. The population living in the CCD tends to be older, earn more money, and build newer, more expensive homes on larger lots. ***This sprawling pattern of development is also stretching the Silver City infrastructure instead of allowing re-investment in the town limits where homes have stood for many years***. Although there is a current cap on the total amount of water and sewer services provided by the town, if growth continues outside of the town's boundaries, the town and County will be burdened with providing expensive infrastructure to the outlying areas. Further, if the WNMU enrollment continues to increase as it has between 2000 and 2006, many more low cost student homes, rental units will be needed. In addition, higher cost for-sale units may be needed for faculty and support staff.

[38] Silver City Community Development Office
[39] Silver City Community Development Office

IV. Housing Assessment

This chapter discusses housing characteristics, including age of housing, conditions, and overcrowding. This chapter also details affordability trends and cost-burdened populations. It provides a list of local partners currently working to improve affordable housing, and concludes by discussing the housing needs of the four targeted income groups in this strategic plan.

Summary*: Single-family, detached housing composes the majority of Silver City's stock. There are twice as many owner-occupied units than renter-occupied units. Silver City has an aging housing stock, where the majority of homes are over 40 years old. Affordability is a major problem in the town, as over 3 in 10 households are burdened by the cost of housing. Housing prices have risen much faster than incomes, meaning each passing year housing becomes more and more unaffordable. There is a crucial need to subsidize current tenants, build new affordable housing, and rehabilitate current housing stock.*

A. Housing Characteristics

1. Types

Almost two-thirds of housing in the Silver City municipal boundaries are single unit, detached housing. Less than 20 percent of units are mobile homes in this same area.

These proportions change drastically when the additional homes located in the CCD boundaries are added to the analysis. The proportion of mobile homes rises 10 percentage points to 30 percent when the CCD is included. Thus, mobile homes compose a far greater proportion of the housing stock in the CCD.

Table 11. Units in Structure 2000[40]

	Town of Silver City		Silver City CCD	
	#	%	#	%
1-unit detached	2,990	62.7%	4,310	57.6%
1-unit attached	75	1.6%	84	1.1%
2 units	248	5.2%	265	3.5%
3-19 units	378	7.9%	388	5.2%
20 to 49 units	68	1.4%	68	0.9%
50 or more units	17	0.4%	17	0.2%
Mobile home	931	19.5%	2,248	30.0%
Boat, RV, van, etc.	63	1.3%	106	1.4%
Total	**4,770**	**100%**	**7,486**	**100%**

[40] Census 2000: SF3, H30

2. Tenure: Rental vs. Owner-occupied

In both the municipal borders and the CCD study area, the majority of housing is owner-occupied. Nevertheless, a higher rate of owner-occupancy can be found when including the CCD, and in the same vein, more renters are found within the town proper. Roughly the same proportion of homes are occupied and vacant in both study areas, with each area bearing around an 11 percent vacancy rate. In both areas, a much higher proportion of vacant homes are available for rent than are for sale: almost 40 percent of vacant units in Silver City and 36 percent of vacancies in the CCD are available for rent. This dwarfs the 10 percent available to purchase. Finally, a large proportion of vacancies are categorized as other, which could imply the housing is vacant by choice of the owner or that it is uninhabitable. In most cases, vacancies offer an opportunity for rehabilitation projects.

Table 12. Tenure of **Occupied** Housing Units, 2000[41]

	Town of Silver City		Silver City CCD	
	#	%	#	%
Owner occupied	2,702	64.1%	4,755	71.0%
Renter occupied	1,513	35.9%	1,944	29.0%
Total	**4,215**	**100%**	**6,699**	**100%**

Table 13. Tenure of **Vacant** Housing Units, 2000

	Town of Silver City		Silver City CCD	
	#	%	#	%
Vacant for rent	210	37.8%	284	36.1%
Vacant for sale only	62	11.2%	108	13.7%
Rented or sold, not occupied	60	10.8%	82	10.4%
For seasonal, recreational, or occasional use	61	11.0%	106	13.5%
For migrant workers	0	0.0%	0	0.0%
Other vacant	162	29.2%	207	26.3%
Total	**555**	**100%**	**787**	**100%**

3. Housing Occupation Migration

As is common for the CCD, Grant County, and the state, the majority of Silver City residents moved to Silver City after 1989. Specifically, over 60 percent of Silver City's population moved to the area in the 1990s. Hopefully, new residents are attracted to higher quality housing, allowing for the reconstruction/elimination of substandard homes in the area.

[41] Census 2000: SF3, H7 and H8

Table 14. Year Householder Moved to Unit[42]

	Town of Silver City	Silver City CCD	Grant County	New Mexico
Moved in 1999 to March 2000	20.9%	19.3%	18.7%	22.1%
Moved in 1995 to 1998	29.1%	31.3%	27.8%	28.9%
Moved in 1990 to 1994	12.4%	14.0%	15.1%	16.4%
Moved in 1980 to 1989	14.4%	15.9%	15.4%	15.2%
Moved in 1970 to 1979	10.8%	11.1%	11.7%	9.3%
Moved in 1969 or earlier	12.3%	8.4%	11.2%	8.1%
Total	**100%**	**100%**	**100%**	**100%**

4. Age of Housing

As a historic place, Silver City has a large proportion of aging housing. ***By the year 2000, over 60 percent of Silver City housing was over 40 years old, and as new housing production has declined over the past few decades, this proportion is likely higher in 2010***. In addition, while 700 units were built in Silver City in the 1990s, over 1,100 were built in the CCD during the same period.[43] This means that about 50 percent more units were built outside the city than inside during the 1990s. ***Overall, the housing within Silver City continues to age with fewer replacements and new construction continues to move outside the city***.

Table 15. Year Structure Built[44]

	Town of Silver City		Silver City CCD	
	#	%	#	%
Built 1999 to March 2000	117	2.5%	235	3.1%
Built 1995 to 1998	395	8.3%	1,015	13.6%
Built 1990 to 1994	189	4.0%	551	7.4%
Built 1980 to 1989	564	11.8%	1,187	15.9%
Built 1970 to 1979	959	20.1%	1,631	21.8%
Built 1960 to 1969	678	14.2%	834	11.1%
Built 1950 to 1959	697	14.6%	752	10.0%
Built 1940 to 1949	346	7.2%	393	5.2%
Built 1939 or earlier	825	17.3%	888	11.9%
Total	**4,770**	**100%**	**7,486**	**100%**

[42] Census 2000: SF3, H38

[43] 1,801 units were built in the CCD in the 1990s; however, this includes the 701 that were built within the town. Subtracting the two figures results in 1,100 units built in the CCD alone.

[44] Census 2000: SF3, H34

5. Condition of Housing

Today, a variety of home conditions is evident upon traveling through Silver City. Old, damaged houses often occupy lots adjacent to newly renovated units in the town center. At the peripheries, new homes are often found next to mobile homes. The mobile homes are frequently very new, but older mobile homes and the aesthetic of the mixed housing type is detrimental to one's initial perception of housing stock in Silver City.

Residential development occurs on the town periphery, within the CCD. The home quality in the town interior varies with respect to age and quality. The downtown area has been heavily revitalized; downtown housing reflects much of this effort. A large number of homes near the university have also been restored. Despite many of these efforts, older, deteriorating homes exist in varying concentration among the new and restored housing. Many of these homes have damaged roofs, walls, and foundations. Others have fallen into disrepair after years of battling the elements. The roads and infrastructure in many areas are also in need of work, but progress is clearly being made in this respect.

6. Overcrowding

According to the Census, a house is overcrowded when more than one person occupies a room on average. A house is severely overcrowded when more than 1.5 people occupies a room on average.

The vast majority of Silver City units are not overcrowded. Around 4 percent of homes in town are overcrowded and the same holds true when considering the CCD. Extreme overcrowding can only be found in about one percent of Silver City homes.

Table 16. Number of Occupants per Room (Occupied Units Only), 2000[45]

	Town of Silver City		Silver City CCD	
Owner occupied:	#	%	#	%
1.00 or fewer occupants per room	2,572	95.2%	4,589	96.5%
1.01 to 1.50 occupants per room	106	3.9%	128	2.8%
1.51 or more occupants per room	24	0.9%	38	29.7%
Total	**2,702**	**100%**	**4,755**	**100%**
Renter occupied:				
1.00 or fewer occupants per room	1,433	94.9%	1,841	94.7%
1.01 to 1.50 occupants per room	67	4.4%	80	4.1%
1.51 or more occupants per room	10	0.7%	23	1.2%
Total	**1,510**	**100%**	**1,944**	**100%**

[45] Census 2000: SF3, H21

B. Unit Affordability and Housing Trends

***Summary**: While most owner-occupants do not overspend on monthly costs, homes on the market are priced outside the range of the average Silver City resident. This affordability gap has gotten worse in the last ten years. New construction in the outer CCD is roughly $100,000 more expensive now than it was in the year 2000. Concerning renters, impoverished families pay more than 30 percent of their income on rent even in the most affordable – and often most dilapidated – housing. The construction of additional affordable homes would help alleviate the demand for affordable homes and balance out the high-priced homes that currently saturate the market.*

1. Cost Burden

Thirty percent of household income is the maximum recommended proportion to spend on housing. Roughly 70 percent of Silver City owner-occupants spend safely below this recommendation. The remaining 30 percent spends over 40 percent of their income on monthly owner costs. ***Thus, 3 out of 10 owner-occupants are cost burdened***.

Table 17. Selected Monthly Owner Costs as a percentage of Household Income, 1999[46]

	Town of Silver City, % of Households	Silver City CCD, % of Households
Less than 10 percent	39.8%	37.0%
10 to 24 percent	31.2%	35.6%
25 to 39 percent	15.7%	16.1%
Over 40 percent	13.0%	11.1%
Not computed	0.3%	0.2%
Total	**100%**	**100%**

[46] Census 2000: SF3, H94. As defined by the Census, selected monthly owner costs are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgage, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fees or mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees).

Roughly 30 percent of Silver City renters spend over 40 percent of their income on rent. Another 18 percent of renters within municipal boundaries spend between 25 and 39 percent of their income on monthly owner costs, hovering around the recommended upper limit of spending. ***The fact that more than 3 out of 10 households are cost-burdened is particularly concerning***.

Table 18. Gross Rent as a Percentage of Household Income[47]

	Town of Silver City, % of Households	Silver City CCD, % of Households
Less than 10 percent	8.0%	8.0%
10 to 24 percent	35.9%	34.7%
25 to 39 percent	18.0%	19.0%
Over 40 percent	29.0%	27.6%
Not computed	9.1%	10.7%
Total	**100%**	**100%**

2. Affordability of Homes for Sale

Median income has risen steadily for the average resident in the last ten years. At the same time, housing prices of units for sale have also increased at a much higher rate. ***In fact, the rise in housing prices has outpaced the rise in income by a factor of 8.76. In other words, for every $1.00 increase in income, housing costs increased by $8.76.***[48]

Table 19. Silver City Median Household Income vs. Housing Costs[49]

Year	Gross Median Income	Percent Increase	Market Price for Home	Corresponding Monthly Payment[50]	Percent Increase
2000	$25,881		$128,000	$785.71	
2008	$38,240	**47.8%**	$236,632	$1,452.54	**84.9%**

[47] Census 2000: SF3, QT H-13

[48] Median income increased by $12,359. Median home prices increased by $108,632. Median Home Price Increase of $108,632 / Median Income Increase of $12,359 yields a ratio of 8.76

[49] 2000 Median Income from Census 2000: SF3, P53. 2008 Median income from BBER 2008. Median Home Price from Realtor's Assn.

[50] 30 year mortgage, 4.99% Interest, 1.25% Insurance Fee, 0.5% PMI, 10% Down Payment, www.mortgagecalculator.org

Consequently, the affordability ratios have not improved in the first ten years of the twentieth century. If anything, these ratios have gotten worse. As is evident from Table 20 and Table 21, the affordability ratio has dropped from 0.82 in 2000 to 0.65 in 2008 for those households at 100 percent of AMI. This affordability gap is even more severe for those earning less than 100 percent of the median income. ***Those earning 30 percent of AMI can only afford 20 percent of the costs required of a market-priced home in Silver City***.

Table 20. Ratio of Monthly Income to Median Monthly Mortgage in Silver City, 2000[51]

2000	Median Income	Affordable Mo. Payment	Median Mo. Mortgage	AMI: Mortgage
100% AMI	$25,881	$647	$785.71	**0.82**
80% AMI	$20,705	$518	$785.71	0.66
50% AMI	$12,941	$324	$785.71	0.41
30% AMI	$7,764	$194	$785.71	0.25

Table 21. Ratio of Monthly Income to Median Monthly Mortgage in Silver City, 2008[52]

2008	Median Income	Affordable Mo. Payment	Median Mo. Mortgage	AMI: Mortgage
100% AMI	$38,240	$956	$1,452.54	**0.65**
80% AMI	$30,592	$765	$1,452.54	0.52
50% AMI	$19,120	$478	$1,452.54	0.33
30% AMI	$11,472	$287	$1,452.54	0.20

[51] Census 2000: SF3, P53 and www.mortgagecalculator.org for mortgage
[52] Median income from BBER 2008 and mortgage from www.mortgagecalculator.org

3. Lower Quality, Lower Priced Alternatives

Low-quality housing also pushes the limits of affordability. In 2000, homes on the market for $71,200 represented the bottom quartile of the owner-occupied home values.[53] That is, a $71,200 house cost less than 75 percent of all Silver City homes and was likely of corresponding, lower quality. The monthly mortgage for such a house would have been $437. As seen in Table 20, this was still too high for those earning 50 percent and 30 percent of area median income. ***In summation, even the least expensive quartile of homes were out of the price range for low-income and extremely low-income families.***

4. Affordability of New Residential Construction

Build permit valuations have risen drastically over the last eight years.[54] Means testing reveals a statistically significant difference between the average residential building permit of homes authorized between 2000 and 2004 and those authorized from 2005 to mid-2008. ***On average, homes built between 2005 and 2008 were valued $110,504 higher than those built from 2000 to 2004.*** We can be 95 percent sure this statistic is not due to random chance, and 95 percent sure that the actual average increase is between $92,285 and $128,723. It appears that the combination of custom luxury home construction in the outer CCD is contributing to the affordability problems in Silver City.

5. Affordability of Rental Units

Silver City, Silver City CCD, and Grant County have very similar affordability rates; the median gross rent requires roughly 26 percent of household income in all three jurisdictions.[55] So, unlike the home buying market, the rental market is within financial reach of the average citizen. ***However, affordability problems are still quite prevalent when looking at low-income and extremely low-income families.***

The following table approximates how unaffordable many units can be for households at or below the median income. Those earning the median can generally afford a one or two bedroom place, but cannot rent a three-bedroom unit. For households earning less than half the median, the average rental unit is simply unaffordable.

[53] Census 2000 SF3, H75

[54] Building permit data was provided by the Silver City Community Development. The high average reflects, in part, the price of new construction. Independent samples t-test used to compare mean values in two periods: 2000-2004 and 2005 to 2008. Unequal variances assumed, alpha=0.05, df=279, n=302, calculated t=11.940, pval< 0.001, Mean difference estimated $110,504, 95% confidence interval of $92285 to $128,723, see also data considerations, Appendix C.

[55] Census 2000: SF3, H70

Table 22. Affordability of Rental Units, 2000[56]

% of AMI	Silver City AMI	2000 Median Rental Prices by Number of Bedrooms		
		No BR	1-2 BR	3 BR
		< $200	$350	$625
		Percentage of Income Spent On Housing		
100%	$25,881	9%	16%	29%
80%	$20,705	12%	20%	36%
50%	$12,941	19%	32%	58%
30%	$7,764	31%	54%	97%

6. Subsidies Needed for Renters

Given the apparent gap in affordability, subsidies will be necessary for potential renters and buyers in the Silver City market. Subsidies should target those households earning 80 percent of the median income or less. This is especially true for families that require three or more bedrooms. The following table quantifies this subsidy, beginning with the Silver City median income in 2000.

Table 23. Subsidies Needed for Renters at Various Income Levels[57]

Silver City AMI (2000)		Maximum affordable monthly payment	Monthly Rental Subsidy Required		
			No BR	1-2 BR	3 BR
			< $200	$350	$625
100%	$25,881	$647	None	None	None
80%	$20,705	$518	None	None	$107
50%	$12,941	$324	None	$26	$301
30%	$7,764	$194	$6	$156	$431

7. Housing at Risk of No Longer Being Affordable

The town is concerned that greater numbers of border patrol agents, and senior citizens will outcompete the current population for these homes. As demand for affordable homes increases and supply remains the same, the cost of housing for both renters and home-owners will continue to escalate. ***In addition, since the rise in home prices is greatly outpacing the rise in incomes, every year that passes housing becomes more and more unaffordable***. The town needs to take action to help residents cope with this exponential increase.

New affordable units must be built, and current units need subsidies. The Town of Silver City will utilize a breadth of programs to meet affordable housing financing needs. These programs will be administered by HUD, MFA, USDA, IRS, and other organizations. Specifically, Silver City will target Housing Tax Credits, Housing Choice Vouchers, MFA HOME/Rental gap financing, HERO, and the Mortgage $aver Program. Appendix A contains detailed information about these and other programs.

[56] Census 2000: SF3, H67 (midpoints for rents used)

[57] Calculated from SF3, H67. Recommended subsidy would leave 64% of income for other expenses.

C. Affordable Housing Partners Providing Additional Support

There are thirteen entities in and around Silver City with an affordable housing interest. At the state level, the MFA provides housing support. Of the local organizations, five directly provide services for low-income families: Bayard Public Housing Authority, Habitat for Humanity, Western Regional Housing Authority and the Santa Clara Housing Authority. These collaborating organizations are a good fit for rehabilitation initiatives. However, they are not limited to this role—Habitat for Humanity frequently completes new construction. The Community Development Director and City Planner will work with these groups to coordinate affordable housing development. The fourteen organizations include:

1. **The Ability Center for Independent Living**: Housing information, referrals, peer support, advocacy and independent living skills training for disabled and elderly
2. **Faith Community Non-profit**: Sponsored by the Methodist Church; working on three-phase project - Phase 1-Sr Housing complex start with cottages and duplexes (4 duplexes with 2 units each), Phase 2-Main complex with 1 and 2 bedroom apartments (10-1 bedroom and 4 2 bedrooms), and Phase 3-Nursing and hospice care for elderly living in complex. Still in conceptual stages of developing their non-profit and housing project.
3. **Veteran Center**: Provide social & medical services for veterans
4. **Bayard Public Housing Authority**: Seventy affordable rental units
5. **Santa Clara Housing Authority**: Thirty-two public housing units for low-income in Santa Clara
6. **Western Regional Housing Authority**[58]: Rental assistance to low-income families, elderly, disabled, and handicapped with various HUD programs
7. **Border Area Mental Health Services Inc**.: Day treatment program, case management, therapy and psychiatric treatment
8. **CAA of Southern New Mexico**: Weatherization services to Grant County
9. **El Refugio, Inc**.: Emergency shelter and transitional housing services for single women and single mothers who are victims of domestic violence
10. **Families and Youth, Inc**.: Emergency shelter, room and board, transportation, individual and group counseling, tutoring, employment assistance, daily skills development, case management, crisis intervention, and Medicaid/ISS assistance
11. **First National Bank of Mesilla**: Provides residential, FHA, VA and Conventional lending; an MFA approved lender

[58] See Appendix C

12. **Habitat for Humanity Gila Region (Silver City)**: Partners with low-income families to build and own their own home with an interest-free mortgage, Requires sweat equity investment by occupant

13. **Wells Fargo Home Mortgage - Las Cruces**: Residential FHA, VA and Conventional lending. MFA approved lender

    Silver City works most closely with the Western Regional Housing Authority and Community Action Agency whose organizations and services are detailed in Appendix C. These organizations and Habitat for Humanity are a major part of the anticipated affordable housing construction and rehabilitation efforts that will be undertaken in the next ten years. Discussions with Community Action Agency (CAA) and the Southern NM YWCA have been underway to form partnerships and to provide homebuyer education and weatherization in the region.

    The town has identified the need for new housing construction, rehabilitation, demolition and reconstruction, and weatherization. The need appears to be much higher than the ability of the local organizations to address and the financial resources available. The municipality and non-profit partners are integral to affordable housing efforts in Silver City. The goal is to support the expansion of services provided by existing organizations by providing town-owned land for affordable housing construction as well as work with them to increase the rehabilitation/reconstruction efforts in the town.

14. **Mortgage Finance Authority (MFA):** The New Mexico Mortgage Finance Authority is a quasi-public entity that provides financing for housing and other related services to low- to moderate-income New Mexicans. As the state's official housing agency, MFA administers more than 35 programs that finance housing for the homeless, develop new affordable housing, and help families become first-time homeowners. MFA partners with lenders, realtors, non-profit, local governments and developers throughout the state to make its programs available to all eligible New Mexicans**.**

D. Housing Needs by Group

The Silver City Population has been divided into four groups for this affordable housing plan. The groups include: those earning over 120 percent of the area median income, those earning between 80 to 120 percent of the area median income, those earning between 50 to 80 percent of the area median income, and those earning fewer than 50 percent of the area median income.

Estimates of housing units needed and the number of dilapidated units are provided here, and much greater detail about addressing these needs is provided in Chapter VIII. Strategic Development Opportunities.

Note that the town is also planning on (1) conducting a housing inventory of all structures to determine and revises goals and objectives; (2) explore the feasibility of a rental housing rehab program and a rental housing inspection program; and (3) increase marketing and outreach efforts for the owner-occupied rehab initiative.

A. The Four Markets:

1. **Professionals/Imported Specialists – Those earning over 120 percent of AMI**
   In 2000, there were 1,490 households in this category. The town's Community Development Department identified a ten-year housing gap of 210-220 units for this population. The strategies that the town is planning on undertaking in the next 10 years include:
   - Community promotion of quality of life improvements and opportunities that exist in Silver City.
   - Quality of life improvements that include parks, downtown livability, conduct public outreach campaigns for outdoor activities, downtown art galleries and shopping.
   - Allow for smaller lot sizes for smaller homes.
   - Allow for accessory dwellings on lots.
   - Extend off-site utilities to developments that reserve a percentage of the units for affordable housing based on the town's infrastructure investment.
   - Zone for mixed use developments in the town.

2. **The Essential Workforce – Those earning between 80 and 120 percent of AMI**
   In 2000, there were 1,027 households in this category. These populations do not qualify for any rental or ownership assistance. According to employer interviews, much of the population in this group tends to be families rather than single individuals, and they work in the health care, education, and city support fields (for example, adjunct faculty at WNMU, high school teachers, nurses, firefighters, and police officers). There is also a large group of retirees that move to Silver City for the weather and quality of life.

The town's Community Development Department identified a ten-year housing gap for this population of 80-90 units. The strategies that the town is planning on undertaking in the next 10 years include:

- Allocate forty out of fifty-six owner-occupied units at the Vista De Plata subdivision owned by the town.
- Identify town-owned property that will accommodate 20 new single/multi-family homeownership dwellings.
- Identify town-owned property adequate to accommodate 20 single/multi-family rental occupied homes.
- Weatherize affordable homeowner-occupied homes.
- Zoning—Allow small lot size for construction smaller homes, zone for mixed use developments in the town, as well as allow for accessory dwellings.
- Extend off-site utilities to developments that reserve a percentage of the units for affordable housing based on the town's infrastructure investment.

3. **Support and Entry-Level Workforce – Those earning between 50 and 80 percent of AMI**

In 2000, 667 households were in this category. Since families in this income bracket do not qualify for rent support in the way that families earning below 50 percent AMI do, the rentals available to them would not have to pass an HQS inspection. It is possible that these rentals are in worse condition than the ones that do qualify for Section 8 vouchers. The owners of these dwellings do not qualify for support through the town's rehabilitation program.

The town's Community Development Department identified a ten-year housing gap of 100-110. The strategies that the town is planning on undertaking in the next 10 years include:

- Allocate four out of fifty-six owner-occupied units at the Vista De Plata subdivision owned by the town.
- Attempt to construct 40 units of new owner-occupied housing with public and private partners.
- Weatherize existing units.
- Identify town-owned property that will accommodate 20 new single/multi-family owner-occupied homes.
- Identify town-owned property adequate to accommodate 50 single/multi-family rental occupied homes.
- Provide outreach and education for potential owner and current rental households.
- Zoning-allow small lot size for construction of smaller homes, allow for accessory dwellings as well as create mixed use areas integrating housing and workplace throughout the town.

4. **The Cost-Burdened – Those earning less than 50 percent of AMI**
   In 2000, around 1,028 families were in this category. The cost-burdened includes the disabled, single heads of household, elderly, and other impoverished families. By definition, the impoverished population does not have the financial resources to pay for housing and other necessities. Currently, thrifty living, large families, and possibly living with unrelated individuals are some of the only options for impoverished individuals to improve their affordability ratios. While this population will probably not be targeted for affordable housing ownership opportunities, subsidized rental units are a viable option, as market-rate units that are within the affordability range of this population are not available in Silver City.

   The town's Community Development Department identified a ten-year housing gap of 100-110 units for this group. The strategies that the town is planning on undertaking in the next 10 years include:
   - Allocate twelve out of fifty-six owner-occupied units at the Vista De Plata subdivision owned by the town.
   - Work with public/private partners to construct 20 new owner-occupied units.
   - Work with public/private partners to construct 40 new renter-occupied units.
   - Work with public/private partners to construct 50 new homes using tax credit programs.
   - Preserve the 417 existing units currently available under the HUD Section 8 program for this population.
   - Weatherize existing units.

B. Current Housing Stock Needs:

There are at least 663 dilapidated single-family dwellings, including mobile homes, in Silver City that require replacement or renovation. Most of these are occupied. This category of condition represents 14 percent of the 4,770 dwelling units in the housing stock.[59] Certainly, 663 dwellings in poor condition is a substantial number, and to replace them over a 20-year period would require that 33 dwellings be repaired, replaced, or substituted each year; 66 dwellings each year over the next 10 years; 112 each year over the next 5 years.

C. Meeting Current and Future Affordable Housing Needs

There are four options for meeting the anticipated affordable housing demand: new construction, re-construction, rehabilitation, and weatherization. Two alternatives are possible for new construction: building affordable units in areas where higher priced units already exist or building large subdivisions/multifamily rental units of affordable units. As Silver City grows steadily, it is anticipated that the current demand for ownership of affordable homes will be much higher than the demand for rental/leased units.

[59] Census 2000: SF3, P1

The town anticipates meeting that current demand by focusing on increasing the housing stock for affordable housing ownership opportunities through several strategies:

1. **Begin to develop affordable housing stock using town-owned parcels with private sector partners**. To make new dwellings available for purchase by families with incomes below 50 percent AMI, large subsidies will be required. As mentioned above, the Town of Silver City has occasionally constructed new homes as part of its home rehabilitation program.

2. **Continue to work with nonprofit partners**. Habitat for Humanity and Community Action Agency (CAA) of Southern New Mexico are also conducting rehabilitation and weatherization of homes in the area. ***In addition, Habitat for Humanity has a goal of building one new single-family dwelling per year for a family earning less than 50 percent of AMI***. Community Action Agency's Energy Smart efforts make $2,885 available for preservation and improvements to each home with which it works. These funds can pay for a number of important items, from cracked walls and gaps in window and door frames to efficient lighting and appliances. Such efforts are expected to decrease utilities costs for residents, reducing the portion spent on housing-related costs. Further, preservation efforts reduce the need for more expensive, rehabilitation and new home construction. Between five and ten homes are expected to be preserved by the town and CAA.

3. **Continue town-driven redevelopment*. Over the last four years, the Town of Silver City through its housing program has repaired seventeen existing single-family dwellings and replaced three with new single-family detached dwellings.*** A combination of funds from a 2003 Community Development Block Grant (CDBG) and MFA "House-by-House" funds (2007), totaling $600,000, has facilitated these restorations. Additional support for families earning between 50 and 80 percent of AMI is available through various programs offered by the MFA and the Department of Agriculture. The town's current capacity to repair or replace existing housing is six per year, but the Town's housing planner estimates that with additional funds the town could address the needs of more families per year. An advantage of the repair or replace program is that land costs and exactions are not expense factors, and all of the support can go directly toward construction.

   Large, single-family affordable subdivisions have not been constructed by the city or local non-profits in the past. A large-scale effort would serve a large population but suffer the risk of concentrating too much affordable housing in a single location. Staff is currently investigating town-owned development options to boost this portion of mixed income affordable housing developments at 80 percent AMI and below.

V. Land Use and Policy Review

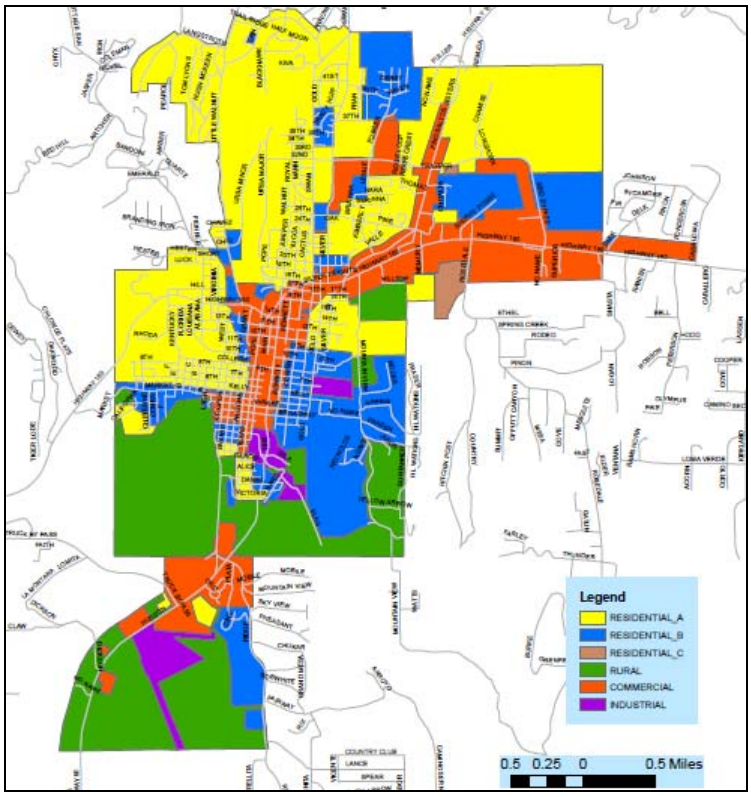
This chapter details existing land use, the housing goals in the 2004 Comprehensive Plan, the implications of Silver City's subdivision history, current zoning, and available land.

Summary*: Silver City faces a major development challenge: the level areas most suited for development are already developed. This is pushing developing outside Silver City's boundary, but the town still supplies the outer areas with utilities and services. In addition, subdivisions have been incorporating larger and larger lots, which eats up more land and creates inefficient infrastructure. While land is available in a few areas of town, Silver City will have to rethink its current zoning to accommodate higher density and different types of development.*

A. Existing Land Use

Current land use is shown in Figure 13. The downtown follows a fairly uniform grid pattern conforming to the natural guidelines provided by the Pinos Altos Creek in the east and Silva Creek in the west. These two creeks meet just north of downtown forming a Y shape. Like the creeks, Highway 180 and Highway 90 meet north of downtown forming a similar Y shape. The town itself is surrounded by further development in Grant County and by mountainous terrain. All these features make for a compact town with little open space within its jurisdictional boundaries, but a great deal of space outside the boundaries. The municipal limits are relatively tightly drawn around a core population of 10, 000 people, but about another 9, 000 people living in the county receive municipal water either directly from the town or through water associations that contract with the town for water supply. In other words, nearly 47 percent of town residential water use occurs outside of the town.

Figure 13. General Land Use, 2009



The interplay of geography and historical development practices have created the following conditions that currently affect development:

- The level areas in Silver City most suited for dense development have already been developed.
- Given a choice between renovating developed areas and building in new areas, developers elect to subdivide and sell vacant terrain. Vacant areas tend to be near or outside municipal borders, on steeper grades, and farther from existing infrastructure.
- New development tends to create larger lots than those originally settled.
- Because of the characteristics of new lots, public infrastructure must be "scaled down." Explicitly, streets and sewer mains must be longer and narrower, more easily stressed by routine use.
- Drainage is increasingly at issue as roads, roofs, and walls in new development in surrounding hills affects the paths water has traditionally traveled through the town below.

B. Silver City Subdivision History

Since Silver City's founding in 1872, nearly forty subdivisions have been platted within or immediately outside its jurisdiction. The early Twentieth Century lot sizes were quite small, averaging about 3,000 to 3,500 square feet. From the 1920s to the 1960s, lot sizes grew to about 5,000 to 10,000 square feet, usually with 50 foot road frontages. Then, in the 1970s, a shift to large lots averaging between 1 to 5 acres became the dominant development strategy. These lots were generally served by narrow chip seal roads without curbs, gutters, and sidewalks, with access to city water mains, and often with on-site sewage treatment using individual septic tanks. Finally, as developers exhausted the supply of available land within the town boundaries, the recent subdivisions have moved into the CCD area.

For a detailed history that includes all the specific subdivisions and maps, please see Appendix E.

Silver City's subdivision history has produced three, primary development consequences:

A. A substantial portion of new residential development serving Silver City occurs beyond the formal purview of the town's affordable housing efforts.

B. Capacity for small lot development to accommodate affordable single-family homes in the county areas immediately adjacent to the town is severely constrained since density cannot be substantially increased. The existing, platted lots that are drawn to accommodate detached, single family units, and this creates a low density that would require substantially expensive water and sewer infrastructure to service the area.

C. An unknown but probably significant number of people working in Silver City or shopping here for daily purpose seek more inexpensive housing on the smaller lots in the nearby incorporated communities of Bayard, Santa Clara, and Hurley.

C. Silver City Zoning Code

A. Regular Zoning:

Silver City has six zoning districts. They include:

Rural (R) - Intended to provide for annexed areas that will accommodate agricultural, ranching, natural resource uses, very low-density residential uses, until such time as other development is appropriate.

Residential A (RA) - Intended to accommodate low-density, single-family and two-family residential development and to provide land use protection for areas that develop in such a manner.

Residential B (RB) - Intended to accommodate moderate density single-family, two-family and multifamily residential development and to provide land use protection for areas that develop in such a manner.

Residential C (RC) - Intended to accommodate higher density single-family, two-family, multifamily, and mobile home residential development and to provide land use protection for areas that develop in such a manner.

Commercial (C) - Intended to accommodate a mix of commercial uses.

Industrial (I) - Intended to accommodate areas of heavy and/or concentrated fabrication, manufacturing, and industrial uses.

There is also a Planned Unit Development (PUD) zoning designation intended to accommodate uses that are allowed in other zoning districts, but to allow more innovative design, massing, orientation and clustering in development patterns. At this time, there are no PUD-designated areas in the town.

B. Overlays

Historic District Overlay

There are four registered historic districts in Silver City: Silver City Historic District, Chihuahua Hill or La Capilla Historic District, Black's Addition Historic District, and the North Addition Historic District. Because the districts address preservation and appearance issues only, they overlap various zoning districts. The construction of new structures and new construction affecting the exterior appearance of existing structures require review by the Design Review Committee. The committee's recommendations are advisory only--except in the case of exterior surface finishes, which are limited to a list of specific materials that are compatible with the historic character of the neighborhood.

Historic districts also have a different setback scheme than elsewhere in town. Side and rear yard setbacks are not required, and in the front, setbacks are tied to the average of the existing setbacks of the nearest building on either side of the case in consideration. In addition, buildings are not allowed to rise more than one story above adjacent buildings.

The Design Review Committee meets once a month or more often by specific request. Project delays are modest, rarely exceeding two weeks.

A six-month waiting period is required before demolition permits will be issued for buildings that are individually registered in an historic district. The purpose is to allow time for the discovery of reasonable alternatives to the demolition of an asset that contributes to the district's character.

Flood Plain District Overlay

Silver City is prone to flooding. In 1993, the town entered the Flood Plain Management Program of the Federal Emergency Management Agency. It now requires that projects be reviewed by staff to ensure that new construction or newly introduced structures are not placed in floodways, are adequately elevated from encroaching waters in flood plains, and that detention infrastructures are provided for storm water run-off generated or accelerated by new impervious surfaces associated with development.

While the cost of building in a flood plain is increased by the elevation requirements, only 125 of the town's 4,770 residences actually lie in a flood plain. New FEMA maps may cause lots and structures that are currently deemed outside of flood plains to be reclassified.

D. Silver City Density Maximums

Residential A (RA): 8 units per acre using the minimum lot size of 5,000 square feet

Residential B (RB): 21 units per acre with a three-floor structure

Residential C (RC): 21 units per acre with a three-floor structure

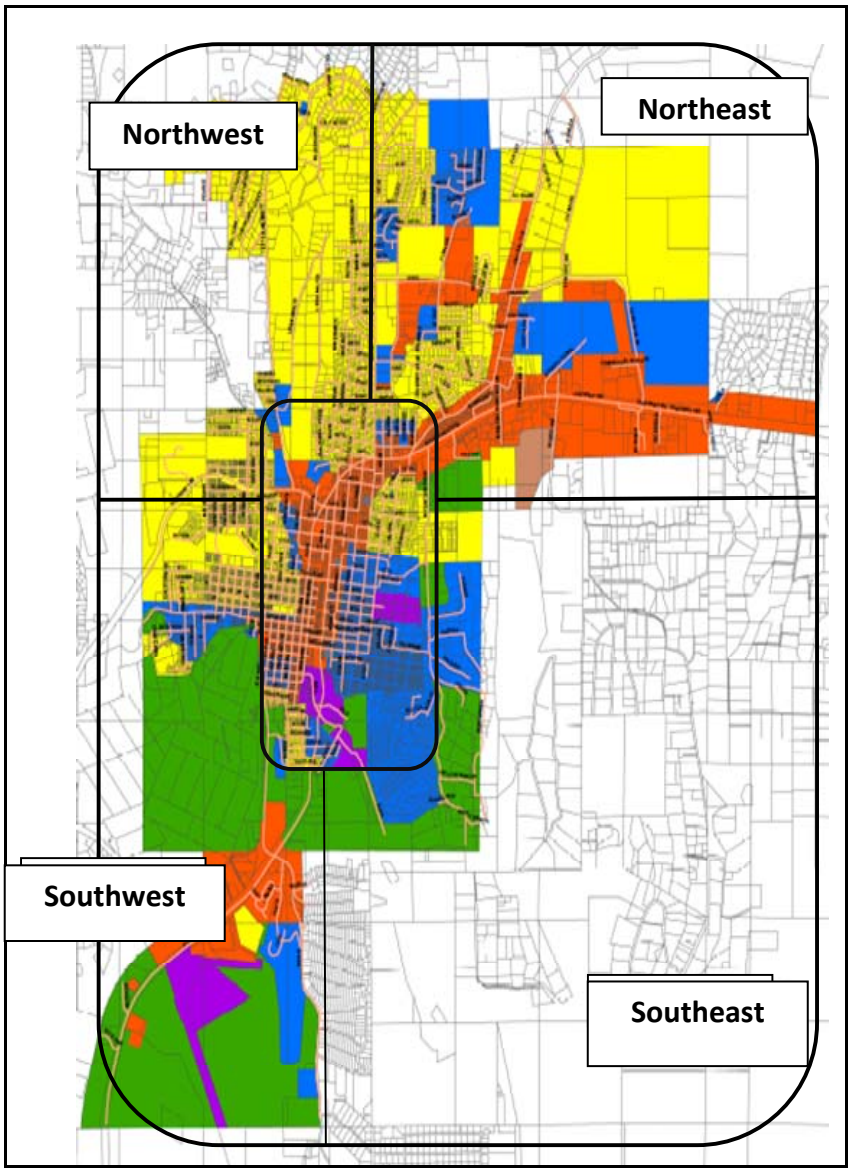
Commercial (C): 27 units per acre with a four-floor structure

Density maximums and their relation to affordability is explored starting on page 76.

E. Land Availability

The following section analyzes the available land for affordable housing development. For purposes of this analysis, different areas of town are identified by quadrant, as shown in Figure 14. Highway 180 is the dividing line between the north and south halves of town, Swan Street divides the Northeast Quadrant from the Northwest Quadrant. In the south half, Main Street and the southerly extension of San Vicente Creek divides the Southeast Quadrant from the Southwest Quadrant. In some cases, these results are the product of spatial analysis in 2000 performed by New Mexico State University.[60]

Figure 14. Silver City Quadrants



[60] At that time, New Mexico State University (NMSU) Geography students and the Silver City Planning Office constructed a digital base map. Supplemental information from the U.S. Census Bureau TIGER files and a NAPP air photo was incorporated (dated July 2, 1997). ArcMap facilitated analysis and final mapping.

Table 24. Available Acreage by Quadrant

Location	Acreage Available	Opportunities	Challenges
Northwest Quadrant	0	Possible Accessory Dwellings	Local opinion, requires change in land use code
Northeast Quadrant	731	Land adjacent to sewer and water	Land privately owned, former ranch
Southwest Quadrant	681	325 acres owned by town or BLM	356 acres owned privately; area not served by water or sewer
Southeast Quadrant	0	Half zoned for multi-family	No infrastructure
Throughout Town, Along Arterials	60	Possible land for apartments, multi-family	Land privately owned, requires change in land use code
Total	**1,472**	-	-

A. Quadrant Lands

a. Northwest Quadrant Analysis

Currently, there are few to no opportunities to develop affordable housing here. Accessory dwelling units may provide the best opportunities for affordable single-family housing. Accessory dwelling units are especially suitable for those making less than 50 percent of AMI either as part of an extended family compound or possibly as rentals. Accessory dwelling units in Silver City are limited to a maximum square footage of 600. With construction costs for frame structures in Silver City of roughly $80 per square foot,[61] the largest accessory dwelling unit currently allowed would cost on average $48,000, a figure in line with the budget of a one- or two-person family with 80 percent of AMI. Since no acquisition costs for land and only modest additional infrastructure costs would be added, overall expense is reduced.

A new amendment proposed for the Land Use Code would potentially allow the size of accessory dwelling units to exceed the 600 square foot limit by scaling to half of the size of the principal residence. For example, a 2,400 sq. ft. residence, which is common on large lots, would be allowed a 1,200 sq. ft. accessory dwelling unit. Taking a 1,200 sq. ft. dwelling as an example, the construction costs would be $96,000, assuming $80 per sq. ft. This results in a mortgage of $746 per month.[62] This mortgage is one third of a monthly income of $2,238, which is an annual income of $26,856. This income is just over the AMI. Thus, the average citizen could afford such a home; however, those earning 80% and below of AMI will require subsidies. An additional amendment would allow the accessory dwelling units to be rented so long as the principal residence were occupied by its owner, a practice that is not currently allowed, but one that would increase the supply and availability of small, single-family rentals.

[61] Interviews with town officials and local builders, especially Arturo Terrazas, a local builder with 20 years of experience.
[62] Using mortgagecalculator.com, assuming 6.5% interest rate, 1.25% property tax, and .5% PMI

In summation, there is potential to develop affordable housing here, but it will require accessory units on existing parcels, which will require changes in the land use code to be feasible.

b. Northeast Quadrant Analysis

In the northeast, the state land office owns approximately 213 acres of which approximately 60 are leased to the Silver City Consolidated Schools for recreation purposes. The rest of the state land is generally open, although several tracts have recently been developed to accommodate large state office complexes, and another tract is leased by Wal-Mart.

In addition, there are approximately 578 acres of undeveloped land in three principal holdings. This property is adjacent to sewer and water mains and paved streets. The property was formerly part of larger ranches and generally has been held by the same owners for many years. Without debt encumbrances, landowners sometimes feel little pressure to improve their land soon and may prefer to defer development into the future when returns might be substantially better.

c. Southwest Quadrant Analysis

In the southwest, there are approximately 325 acres of undeveloped land owned principally by the town and some by the Bureau of Land Management. In addition, there are about 356 acres of privately owned undeveloped land, also in three primary holdings. Although the properties are adjacent to Highway 90S, they are not served by water or sewer main extensions. In the recent past, the cost of extending these services has precluded several specific proposals for moderately dense private residential development on two of the holdings.

d. Southeast Quadrant Analysis

There are few suitable opportunities here for affordable single-family housing. While there are no restricting covenants in this area and about half of it is zoned to allow multiple-family dwellings and the remainder allows single-family dwellings, the infrastructure is not currently adequate to serve the existing use much less to increase density. A few individuals have provided some cheap private rentals, primarily in older mobile homes. Substantial investments are necessary to improve existing needs before new needs can be addressed.

B. Large Undeveloped Areas Along Town Arterials

There are a total of about 60 acres of land along the arterials cutting across all quadrants. These are analyzed separately because they provide unique benefits for affordable housing. First, undeveloped land provides an opportunity to establish new subdivisions. Second, the lands are already serviced with water and sewer, which will reduce construction costs. Third, the lands are along arterials, which will be a benefit for low-income families who might rely on public transportation or walking/biking. Along Highway 180 E, Highway 90S, Rosedale Road, Pinos Altos Road, Little Walnut Road, and 32nd Street there are more than 20 large, suitable tracts of

undeveloped land. There is also a suitable property at the end of Bullard Street. Properties range from 2 acres to nearly 4 acres, with a total around 60 acres.

C. Existing Vacant Lots in Subdivisions

There are about 140 vacant lots in Silver City peppered throughout the various subdivisions. ***However, many lots are vacant for a reason as they face severe development challenges.*** Most lots have no existing services or road access. Topographical constraints are likely to reduce the number of feasible lots to an even smaller number. Probably 50 percent of those lots are large, and not suited to development of affordable single-family residences. Some of the larger lots may be suitable for affordable apartments. By the most optimistic count, the vacant lots include:

Table 25. Number of Vacant Lots by Subdivision

Subdivision	Vacant Lots
Berger-Hardee	18
Plata Vista Addition	2
San Vicente	14
Warren-Trammel	5
Wygant	1
Ranch Homes Estate	16
Linda Vista	10
Rio Vicente	9
Rainbow Ridge/Eastern Hills	4
Mountain View Road	10
Skyview	14
Silver Heights	10
Lamb	24
Total	**137**

VI. Barriers to Housing Development

This chapter details all the barriers to housing development. It discusses various constraints regarding the market, demand, community, topography, and government institutions.

Summary*: To achieve its four housing goals, Silver City will have to overcome several development barriers. Affordable housing has a low rate of return from a developer's point of view. Existing vacant lots are spread around town, and many are difficult to develop due to accessibility and topographical issues. In addition, even after more units are built, low-income families will need subsidies to afford decent, safe housing. The town will have to revamp its zoning codes to accommodate different multi-family and single-family affordable housing.*

A. Market Constraints

1. **Affordable Housing Lacks Adequate Return on Investment**
   In order to maximize the return on investment, many landowners are pushed to develop subdivisions with little capacity for affordable housing. Typically when the owners of ranch remnants like those in the northeast and southwest quadrants have engaged in subdivision development, they focused on 5-10 acre parcels for single-family residences with dirt roads and well/septic service only. Dirt roads are relatively inexpensive to blade in and the well and septic services are expenses deferred until a residence is actually constructed by a new (different) owner. ***This kind of development with minimal services and low investment appears to be a preferred development strategy of many local landowners, and the strategy has several consequences unfavorable to affordable housing***:

   - The large parcel size makes the property expensive.
   - Builders often proportion the value of residences to the cost of the property.
   - The minimal provision of services at an individual level precludes denser, less expensive development from a macro perspective.

To estimate the effect of lot size on cost and investment return, consider the following pro forma analysis modeled on two existing subdivisions that received service infrastructure at about the same time (2000-2005):

Table 26. Urban vs. Rural Pro Forma Example

	Plaza de los Arboles:	**Silver Estate:**
Description	Urban Development with Utilities, Paved Streets, Curbs, Gutters, Sidewalks	Rural Development with no Sewer and Base Course Only
No. of Lots	31	20
Average Size of Lots	.14 acres	5 acres
Total Acreage	4.3 acres	100 acres
Total Street Frontage	1,500 ft	4,500 ft
Costs		
Sewer Extension	(1,500 x $25) = $37,500	$0 (Septic)
Water Extension[63]	(1,500 x $30) = $45,000	(4,500 x $30) = $135,000
Street Extension[64]	(1,500 x $285) = $427,500	(4,500 X $65) = $292,500
Inspection at 15% of Extension Cost	($37,500 + $45,000 + $427,500) x .15 = $76,500	($0 + $135,000 + $292,500) x .15 = $64,125
Total Service Extension Cost	**$586,500**	**$491,625**
Revenues		
Embedded Service Cost per Lot	($586,500 / 31 units) = $18,919	($491,625 / 20 units) = $24,581
Average Appraised Value of Each Lot[65]	$24,000	$76,880
Approximate Net Profit	($24,000 - $18-919) = $5,081 per lot x 31 lots = **$157,511**	($76,880 - $24,581) = $52,299 per lot x 20 lots = **$1,045,980**

[63] To extend sewer and water mains in easy terrain (minimal rock and modest slope), the costs range is from $25 to$30 per foot for sewer infrastructure and $30 to $35 for water (Personal communication by Silver City Director of Utilities).

[64] To extend a street in easy terrain, using a standard 34-foot cross-section with asphalt travel lanes and concrete gutters, curbs, and sidewalks, the average cost is $285 per foot. To extend a 34-foot wide road finished with base course, the average cost is $65 per foot (Personal communication by the town's engineering consultant).

[65] Estimated from 2008 county assessor values in existing, comparable subdivisions for both urban and rural examples

In this comparison, the unit costs of each lot in the rural section are modestly more expensive than lots in the urban section, but the return on investment is substantially higher. Land acquisition costs have not been included here, but are likely to be the smallest component of expense. Many other costs have not been considered as well such as the extension of gas service and electric services or required drainage improvements. Clearly the modeled analysis is reductive, but it highlights an important underlying issue***: in new subdivisions, large lots are likely to be a better investment for developers who do not serve the public interest.***

2. **Vacant Lots in Existing Subdivisions are Difficult to Develop**
   In most cases, the few remaining small lots that are vacant are dispersed throughout town. Very few are consolidated under a single ownership, making it difficult to integrate them into a single large-scale plan for affordable single-family housing. In addition, the difficulty of securing utility and access easements is another constraint.

3. **Investment Capacity is Limited for Apartments**
   Apartments are initially more expensive to build than single-family detached units. While square footage costs are less expensive for multi-family dwellings than single-family detached dwellings – $93 vs. $105 according to current ICC Building Valuation Data – an apartment house has the requirement to be built all at once or, and single-family detached dwellings can be built one at a time. For example, an eight-unit apartment with 1,200 sq. ft. apartments would cost $829,800 all at once while eight single-family detached dwellings would cost $1,008,000; however, the detached homes could be constructed one at a time, for $126,000, and that cost could be rolled over as the units are sold.

   If rentals are the purpose of the development, the return on the investment takes a long time, which increases risk. Also, the market for condominium sales is essentially untested locally, which also represents a risk.

B. Demand Constraints

Even Small-Lot Developments are Currently Unaffordable

It is sobering to realize that the typical value of residences in even small lot subdivisions might be out of reach for families seeking affordable housing. Using the Plaza de los Arboles example in Table 26, a small 2-bedroom residence is approximately $134,000 ($24,000 lot + $110,000 residence).[66] Remember, the 2008 AMI in Silver City is $38,240. If owner-occupied, affordable single-family housing is defined as housing affordable to families earning 80 percent of AMI, then a family of four could only afford a mortgage loan amount of $112,780 – all other things being equal (for example, no other debt).[67] This family would need $21,220 in gap financing, representing 16 percent of the overall appraised value. As shown in Table 27, this same family of four would need gap financing in two contemporaneous urban subdivisions:

Table 27. Gap Financing Needed for Silver City Subdivisions

Subdivision	Average Lot Size	Average Appraised Value	Possible Mortgage	Gap Financing Needed
Pueblo Flats	.17 Acre	$144,000	$112,780	($144,000 - $112,780) = $31,220
Silver Hills	.5 Acre	$190,000	$112,780	($190,000 - $112,780) = $77,220

Thus, public and private institutions will have to coordinate subsidy efforts so that once affordable units are constructed, families can actually rent or own the homes.

[66] This average is based on a review of 10 lots with residences that are approximately 1,500 sq. ft. according to a review of the building permits.

[67] Anecdotal calculation performed by staff of the Southwestern New Mexico Council of Governments.

C. Community Constraints

1. **Not in My Backyard (NIMBYism)**
   Residents in the Northwest Quadrant (see Figure 14), have vigorously resisted all rezoning proposals that would provide for more intensive use. There is general misunderstanding of affordable housing needs and benefits in areas zoned for single-family residential. This public perception can pose problems as residents can vote against councilors that support affordable housing, or in extreme cases, opponents might sue or fund interest groups opposing affordable housing.

2. **Changing Demographic**
   Since the 1980s, a migration of retirees into Silver City from more affluent areas has generated a market for more expensive residences in Silver City. For obvious reasons, local contractors tend to focus on this market to the detriment of affordable housing. This assessment is reinforced by the observation that local contractors are generally unwilling to build on projects developed under the town's housing program.

3. **Local History**
   There have never been townhouses in Silver City. No apartment houses were built earlier than 1930. While boarding houses may have fulfilled the need for affordable housing historically, especially for single males, none exist today. Today the closest approximation of that use is contractors living in hotels for periods linked to local short-term projects. One of the early 20th century sanitariums for patients with tuberculosis has been remodeled as modest apartments by combining individual bedrooms, but these are anomalous situations. Until the 1970s, all previous residential platting had focused on single-family housing.

4. **Lack of Local Resources**
   There is a general lack of workers and tradesmen. Developers and builders must often import labor from elsewhere and then face housing these temporary workers while on the job. In addition, building materials availability is scarce and higher priced. Existing building material providers offer higher priced materials. It is often less expensive for builders to ship materials in from El Paso or Arizona.

D. Topographic Constraints

The grades and location of new lots adds to development costs, particularly when the hills contain large amounts of bedrock. In addition, new development requirements to address storm water drainage have also increased development costs.[68]

Much of the town is constructed on bedrock and shale and the terrain is rough in many areas. The cost of development is prohibitive to affordable housing development. However, the terrain also bears advantages. Grades create views, more open space, and an appealing look for neighborhoods. In addition, bedrock is advantageous for floating structures like mobile and manufactured homes.

E. Institutional Constraints

1. **Zoning**

   Another constraint is that since the 1960 adoption of a zoning ordinance, the minimum lot size has been set at 5,000 square feet. This crimps the ability to increase density and spread the cost of development. In addition, one- and two-dwelling unit apartments are not allowed in commercial areas, and larger complexes are allowed only by conditional use. While the publicly supported apartment houses are in appropriately zoned areas (Residential B), several of the other apartment houses are not, including the smaller remodeled houses. While they are "grandfathered," they could not be rebuilt under current rules of non-conformity if they were destroyed by catastrophe, and this limitation often constrains the availability of loans and other financial instruments of support. Finally, the current zoning palette does not distinguish between small apartment houses, large apartment houses, and mobile home parks.

2. **Fees and Exactions**

   Silver City charges fees and exactions for permits, registrations, maps, utility connections, grading, and other development services. ***To see a full list of all applicable development fees and exactions, please see Appendix F.*** While alone most fees are not overbearing, taken as a whole, fees could increase the total development cost by 2 or 3 percent. With affordable housing financing being so tight, even this modest increase could jeopardize a project.

[68] Explicitly, land must be set aside for ponding and drainage in all new developments.

VII. Goals, Policies, and Action Steps

This section discusses housing goals and the means to achieve them.

- ***Goals*** *are overarching statements detailing the ideal that Silver City hopes to achieve.*
- ***Policies*** *are statements of intent and show support for achieving the goals.*
- ***Action steps*** *are specific strategies that the town must complete in order to fulfill the policies and goals of the plan.*

These goals conform to the housing goals set out by the Comprehensive Plan (see page 7). As stated, the goal to create a housing staff position has already been achieved, so it is not discussed here.

A. Housing Goal #1:

Support the provision of an adequate supply of affordable housing in Silver City in order to curtail the displacement of low-income households.

Policies:

Policy 1.1 Silver City will show a preference for building affordable properties on town-owned land that is deemed appropriate for housing projects.

Policy 1.2 Silver City will show a preference for infill projects and developments on land already serviced by infrastructure in order to limit sprawl

Policy 1.3 Silver City supports providing incentives to homebuilders who provide a specific amount of affordable housing within their subdivisions.

Policy 1.4 Silver City supports the reconstruction or demolition of blighted structures for the use of affordable housing.

Policy 1.5 Silver City supports new types of zoning that will accommodate different affordable housing developments.

Policy 1.6 Silver City encourages public outreach and education in order to foster demand for affordable housing financing, and consequently, occupy affordable housing units.

Housing Goal #1 Action Steps[69]			
Priority	Description	Target Policy	Responsible Party
High	Identify town-owned land that is appropriate for affordable housing.	1.1, 1.2	CCD
High	Preserve and rehabilitate/reconstruct ten owner-occupied affordable homes each year during the next ten years for affordable homes that might otherwise be lost to disrepair and depreciation.	1.1, 1.4	CCD
High	Exercise powers of condemnation and public health, safety, and welfare protection to require removal or redevelopment of blighted structures within town limits.	1.4	CCD, TC
High	Continue the town's review of its zoning code. In particular, encourage multi-use zoning to allow for apartments. In addition, encourage infill through small lot zoning and accessory unit dwellings. Other changes include reducing the minimum lot size, raising maximum densities, allowing grandfathered apartments to be modified, and create zoning distinctions among small/large apartments and mobile homes.	1.5	CCD, P&Z, TC
High	Work with Mortgage Finance Authority (MFA) to increase citizens' access to more private market mortgage capital at reasonable rates.	1.6	CCD
Medium	Establish a fast-track approval program for affordable housing developments that still maintains quality and safety standards. In addition, explore the possibility of putting most permitting forms online, to reduce mandatory printing costs by the town.	1.1, 1.2, 1.3	CCD
Medium	Identify and set aside at least 6 more public sites for affordable housing development in the next ten years.	1.1, 1.4	CCD
Medium	Initiate the process of creating a reduced affordable housing fee structure. Fees that could be reduced include, but are not limited to, reduced building permit and plan check fees, reduced utility hook-up fees, and offering density bonuses/relaxed development standards.	1.2, 1.3	CCD
Medium	Expand homeownership education and counseling to increase awareness about the complicated home-buying process, improve citizens' credit, and reduce their debt to asset ratio. Educate 50 residents each year about these processes.	1.6	CCD
Low	Investigate the possibility of setting up a Town-run loan program, preferably one that is guaranteed by the USDA.	1.3	CCD, TC

[69] CCD = Community Development Department; P&Z = Planning and Zoning Commission; TC= Town Council; CG = Community Group

B. Housing Goal #2:

Form a community group made up of realtors, developers, bankers, local, state and federal agencies, etc., plus interested individuals to support development of affordable housing in Silver City and surrounding communities. This intergovernmental coordination group will recommend development Incentives and other initiatives to spur housing development. The housing goal in the Comprehensive Plan – creating a staff position to coordinate affordable housing efforts – has already been manifested in the Community Development Director in order to oversee this goal.

Policies:

Policy 2.1 Silver City supports the many private, nonprofit, and public organizations that work to build or improve affordable housing.

Policy 2.2 Silver City recognizes that building successful and healthy affordable housing developments takes a variety of partners and that a unilateral approach will likely produce negative results.

Policy 2.3 Silver City is willing to coordinate efforts among the different partners while also acting as a vested partner.

Policy 2.4 Silver City supports public outreach in order to reduce NIMBYism.

Policy 2.5 Silver City encourages both conventional construction and "sweat equity" as a means of incorporating homeowners into the construction process, reducing expenses, and promoting pride in ownership. Habitat for Humanity already follows this model.

Housing Goal #2 Action Steps			
Priority	Description	Target Policy	Responsible Party
High	Meet with government and public affordable housing programs such as the NM Mortgage Finance Authority, the Council of Governments, Community Action Agency, and other government programs created to promote low-income housing.	2.1, 2.2	CCD, CG
High	Meet with private sector banks, realtors, and developers to establish a revolving loan fund to supplement/guarantee down payments for qualified low-income home buyers.	2.1, 2.2	CCD, CG
Medium	Establish an affordable housing task force to continuously update the Affordable Housing Plan. The group will meet to address policy issues such as changes to the mortgage: AMI ratio, special needs groups, services for special needs groups, effectiveness of services, and identifying underserved populations. It will be staffed by city employees, volunteers, realtors, developers, and bankers. It will meet annually to the Planning and Zoning Committee.	2.1, 2.2, 2.3	CCD, CG
Low	Provide home maintenance seminars to residents to instill a sense of pride and ownership for those populations that cannot afford costly repairs and maintenance.	2.4	CCD, CG

C. Housing Goal #3:

Explore the feasibility of creating minimum property maintenance standards for all (rental and home-ownership) properties, both public and private, in the town.

Policies:

Policy 3.1 Silver City recognizes that a successful affordable housing development is one that lasts for perpetuity. Vigilance is necessary to ensure safety and security of developments.

Policy 3.2 Silver City commits itself to ensuring healthy standards at all housing developments, including mobile homes.

Policy 3.3 Silver City approves of using design guidelines to promote health and aesthetic quality.

Housing Goal #3 Action Steps			
Priority	Description	Target Policy	Responsible Party
High	Prioritize passing an ordinance that employs HUD minimum quality standards for all housing.	3.1, 3.2	CCD, TC
High	Prioritize passing an ordinance that requires all mobile homes to be skirted and to have site built porches, front and back.	3.2	TC
High	Increase citations issued by ten percent and achieve 80% rate of rulings in favor of the city if appealed.	3.1, 3.2	CCD
High	Develop a weatherization resource center.	3.1, 3.2	CCD, CG
Medium	Explore the possibility of having a Property Inspection Program to encourage safe and sanitary homes.	3.1, 3.2	CCD, TC
Medium	Establish design guidelines to ensure that new housing development maintains and enhances aesthetic quality and character of the community. Guidelines should include preservation of natural vegetation, landscaping requirements, internal circulation requirements, noise standards, air quality standards, odor standards, and solar orientation.	3.3	CCD, TC
Low	Explore the feasibility of hiring additional code enforcement officers or to contract the services to inspect rental and owner-occupied properties and to be able to enforce minimum standards.	3.1, 3.2	TC

VIII. Strategic Development Opportunities

This section discusses the different development opportunities to satisfy affordable housing needs over the next ten years.

***Summary**: Incorporating different development strategies, Silver City has the land capacity to support the housing needs for all four income groups. However, financial constraints will likely result in an unmet housing need for the lower income groups.*

Silver City has many positive aspects for potential future affordable housing development:

- *Community amenities.* Silver City has developed a vibrant award winning downtown with a thriving arts and cultural community that draws many tourists. Silver City draws tourists and newcomers from the area that has improved its economic development.
- *Adequate Infrastructure*. The town has installed substantial amounts of water, wastewater and road improvements to support housing and commercial development.
- *Community Leaders addressing affordable housing needs.* There is now a concerted effort by local leaders that include the Town of Silver City, the Southwest NM Council of Governments, the Western Regional Housing Authority, Gila Regional Habitat for Humanity, and Community Action Agency of Southern NM have shown dedication and determination in addressing the affordable housing gaps.

In addition, Silver City has an ambitious development plan. As stated in the Executive Summary, the projected housing needs over the next ten years are:

Table 1. Housing Needs Summary for 2010-2020

Income Group	Who	Need	Percent of Total Need
Over 120% AMI	Professionals, Imported	210-220 new rental and owner-occupied construction	43%
80-120% AMI	Essential workforce	80-90 new rental and owner-occupied construction	17%
50-80% AMI	Support and entry-level workforce	100-110 new rental and owner-occupied construction and owner-occupied rehabilitation	20%
Under 50% AMI	Cost Burdened, Single Mothers, Disabled, Elderly	100-110 new rental construction and owner-occupied rehabilitation	20%
Total:	-	**490 - 530 units**	**100%**

To achieve this goal, Silver City will have to explore a wide variety of development opportunities that will include small lot, large lot, state-owned land, and open space.

A. Pro Forma Analyses without Subsidies

This section provides pro forma analyses for affordable housing developments in Silver City. In order to compare different scenarios accurately, several constants are used, including land costs, infrastructure costs, permitting, hard construction costs, soft construction costs, financing terms, and other costs – adjusted to the scale and density of the development, of course. In real situations, each development will vary with location, plating, land availability, time of year, financing, construction materials, and so forth. In short, these tables should be viewed as good estimates, using pro formas from similar projects as a base, incorporating the Town's actual fees/exactions, and drawing upon local research/interviews to adjust the numbers accordingly. Moreover, these tables are critical to the affordability discussion later in this section. They act as the groundwork to ascertain what it would take to make the units affordable. For all tables, a 1,100 square foot unit is used. This is the size used by the Town when it performs a tear-down and rebuild or a renovation.

This section has four main offerings:

1. A summary table shows which units are recommended for each income group in order to satisfy the ten-year housing need.
2. A series of tables demonstrate estimated costs to build units, taking into consideration single/multi-family and routine/difficult terrain.
3. A table prioritizes land acquisitions.
4. Detailed information follows about each available land type. The possible units displayed are the most optimistic estimations; it is not expected that the town would develop all of these units.

For the ease of the reader, the final tables are included. However, each line item has supporting tables/information found in Appendices F and G.

Table 28. Summary of Available Lots/Units and Ten-Year Needs by Income Group

Income Group	Who	Type	Location of Known Opportunities	Number of Units
Over 120% AMI	**Professionals, Imported**			
		Small Lot	*Town Center, Dispersed*	50
			Rio Vicente	50
		Large Lot	*Town Arterials*	40
			Ranchland, Detached Housing	60
		Rehabilitation	*Town, Dispersed*	18
Total				**218**
80-120% AMI	**Essential workforce**			
		Small Lot	*Town Center, Dispersed*	15
			Brewer Hill	15
			Vistas de Plata	40
		Large Lot	*Town Arterials*	15
			Ranchland, Apartment	15
		Rehabilitation	*Town, Dispersed*	18
Total				**118**
50-80% AMI	**Support and entry-level workforce**			
		Small Lot	*Town Center, Dispersed*	5
			Brewer Hill	10
			Vistas de Plata	4
			Accessory Dwellings	10
		Large Lot	*Town Arterials*	20
			Town-Owned, Apartment	20
		Rehabilitation	*Town, Dispersed*	18
Total				**87**
Under 50% AMI	**Cost Burdened, Single Mothers,**			
		Small Lot	*Town Center, Dispersed*	10
			Vistas de Plata	12
			Accessory Dwellings	30
		Large Lot	*Town Arterials*	25
			Town-Owned, Apartment	25
		Rehabilitation	*Town, Dispersed*	18
Total				**120**
Grand Total				**543**

Tables 29 – 33 raise the question of how density would affect development costs. In other words, would increasing the density of units per acre bring these prices into an affordable range? To answer this, we need to consider the two types of housing – single-family and multi-family – in addition to two types of terrain – routine and difficult. For single-family, densities of 1 unit/acre, 4 units/acre, and 8 units/acre will be considered. For multi-family, densities of 4 units/acre, 8 units/acre, and 16 units/acre will be considered. Taking all these considerations together results in the following tables (a summary table is provided after the four detailed tables):

Table 29. Estimated Single-Family, Routine Terrain Cost by Density

In Town: Minimal Infrastructure					
Low: 1 unit/acre		**Med: 4 units/acre**		**High: 8 units/acre**	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Units	1	Units	4	Units	8
Construction		Construction		Construction	
Land (per acre)	$64,600	Land (per acre)	$64,600	Land (per acre)	$64,600
Site Prep (300 ft Infra)	$116,000	Site Prep (300 ft Infra)	$116,000	Site Prep (600 ft Infra)	$232,000
Permits	$669	Permits	$6,328	Permits	$21,867
Exactions	$3,325	Exactions	$13,300	Exactions	$26,600
Cost to Build (Adjusted ICC)	$115,389	Cost to Build (Adjusted ICC)	$461,556	Cost to Build (Adjusted ICC)	$923,113
Professional Services	$6,294	Professional Services	$25,176	Professional Services	$50,352
Construction Financing	$17,645	Construction Financing	$70,579	Construction Financing	$141,159
Soft Costs	$710	Soft Costs	$2,838	Soft Costs	$5,676
Developer/Sponsor Fees	$2,498	Developer/Sponsor Fees	$9,992	Developer/Sponsor Fees	$19,983
Total	$327,129	Total	$770,370	Total	$1,485,350
Cost per Unit (1)	**$327,129**	**Cost per Unit (4)**	**$192,592**	**Cost per Unit (8)**	**$185,669**
Out of Town: Add 1 Mile Infrastructure, Modify Selected Calculations					
Low: 1 unit/acre		**Med: 4 units/acre**		**High: 8 units/acre**	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Units	1	Units	4	Units	8
1 Mile Infrastructure	$2,041,600	1 Mile Infrastructure	$2,041,600	1 Mile Infrastructure	$2,041,600
Construction		Construction		Construction	
Land (per acre)	$32,363	Land (per acre)	$32,363	Land (per acre)	$32,363
Site Prep (300 ft Infra)	$116,000	Site Prep (300 ft Infra)	$116,000	Site Prep (600 ft Infra)	$232,000
Permits	$669	Permits	$6,328	Permits	$21,867
Exactions	$3,325	Exactions	$13,300	Exactions	$26,600
Cost to Build (Adjusted ICC)	$124,056	Cost to Build (Adjusted ICC)	$496,225	Cost to Build (Adjusted ICC)	$992,450
Professional Services	$6,294	Professional Services	$25,176	Professional Services	$50,352
Construction Financing	$17,645	Construction Financing	$70,579	Construction Financing	$141,159
Soft Costs	$710	Soft Costs	$2,838	Soft Costs	$5,676
Developer/Sponsor Fees	$2,498	Developer/Sponsor Fees	$9,992	Developer/Sponsor Fees	$19,983
Total	$2,345,160	Total	$2,814,401	Total	$3,564,051
Cost per Unit (1)	**$2,345,160**	**Cost per Unit (4)**	**$703,600**	**Cost per Unit (8)**	**$445,506**

Table 30. Estimated Single-Family, Difficult Terrain Cost by Density

In Town: Minimal Infrastructure					
Low: 1 unit/acre		**Med: 4 units/acre**		**High: 8 units/acre**	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Units	1	Units	4	Units	8
Construction		Construction		Construction	
Land (per acre)	$44,650	Land (per acre)	$44,650	Land (per acre)	$44,650
Site Prep (300 ft Infra)	$130,140	Site Prep (300 ft Infra)	$130,140	Site Prep (600 ft Infra)	$260,280
Permits	$718	Permits	$6,783	Permits	$23,470
Exactions	$3,325	Exactions	$13,300	Exactions	$26,600
Cost to Build (Adjusted ICC)	$124,056	Cost to Build (Adjusted ICC)	$496,225	Cost to Build (Adjusted ICC)	$992,450
Professional Services	$6,294	Professional Services	$25,176	Professional Services	$50,352
Construction Financing	$17,645	Construction Financing	$70,579	Construction Financing	$141,159
Soft Costs	$710	Soft Costs	$2,838	Soft Costs	$5,676
Developer/Sponsor Fees	$2,498	Developer/Sponsor Fees	$9,992	Developer/Sponsor Fees	$19,983
Total	$330,035	Total	$799,683	Total	$1,564,621
Cost per Unit (1)	**$330,035**	**Cost per Unit (4)**	**$199,921**	**Cost per Unit (8)**	**$195,578**
Out of Town: Add 1 Mile Infrastructure, Modify Selected Calculations					
Low: 1 unit/acre		**Med: 4 units/acre**		**High: 8 units/acre**	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Units	1	Units	4	Units	8
1 Mile Infrastructure	$2,290,464	1 Mile Infrastructure	$2,290,464	1 Mile Infrastructure	$2,290,464
Construction		Construction		Construction	
Land (per acre)	$32,363	Land (per acre)	$32,363	Land (per acre)	$32,363
Site Prep (300 ft Infra)	$130,140	Site Prep (300 ft Infra)	$130,140	Site Prep (600 ft Infra)	$260,280
Permits	$718	Permits	$6,783	Permits	$23,470
Exactions	$3,325	Exactions	$13,300	Exactions	$26,600
Cost to Build (Adjusted ICC)	$124,056	Cost to Build (Adjusted ICC)	$496,225	Cost to Build (Adjusted ICC)	$992,450
Professional Services	$6,294	Professional Services	$25,176	Professional Services	$50,352
Construction Financing	$17,645	Construction Financing	$70,579	Construction Financing	$141,159
Soft Costs	$710	Soft Costs	$2,838	Soft Costs	$5,676
Developer/Sponsor Fees	$2,498	Developer/Sponsor Fees	$9,992	Developer/Sponsor Fees	$19,983
Total	$2,608,213	Total	$3,077,860	Total	$3,842,797
Cost per Unit (1)	**$2,608,213**	**Cost per Unit (4)**	**$769,465**	**Cost per Unit (8)**	**$480,349**

Table 31. Estimated Multi-Family (4 units per structure), Routine Terrain Cost by Density

In Town: Minimal Infrastructure					
Low: 1 structure/acre		Med: 4 structures/acre		High: 8 structures/acre	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Structures	1	Structures	2	Structures	4
Families	4	Families	8	Families	16
Construction		Construction		Construction	
Land (per acre)	$64,600	Land (per acre)	$64,600	Land (per acre)	$64,600
Site Prep (300 ft Infra)	$116,000	Site Prep (300 ft Infra)	$116,000	Site Prep (600 ft Infra)	$232,000
Permits	$2,544	Permits	$5,193	Permits	$10,366
Exactions	$23,300	Exactions	$44,100	Exactions	$78,200
Cost to Build (Adjusted ICC)	$448,731	Cost to Build (Adjusted ICC)	$897,463	Cost to Build (Adjusted ICC)	$1,794,925
Other Const Costs	$11,797	Other Const Costs	$23,593	Other Const Costs	$47,187
Professional Services/Fees	$4,637	Professional Services/Fees	$9,274	Professional Services/Fees	$18,547
Construction Financing	$2,719	Construction Financing	$5,437	Construction Financing	$10,875
Permanent Financing	$2,399	Permanent Financing	$4,798	Permanent Financing	$9,595
Soft Costs	$1,140	Soft Costs	$2,280	Soft Costs	$4,561
Syndication	$920	Syndication	$1,840	Syndication	$3,679
Reserves	$2,936	Reserves	$5,872	Reserves	$11,745
Developer's/Sponsor Cost	$14,701	Developer's/Sponsor Cost	$29,402	Developer's/Sponsor Cost	$58,805
Total	$696,424	Total	$1,209,853	Total	$2,345,085
Cost per Structure (1)	$696,424	Cost per Structure (2)	$604,926	Cost per Structure (4)	$586,271
Cost per Family (4)	**$174,106**	**Cost per Family (8)**	**$151,232**	**Cost per Family (16)**	**$146,568**

Out of Town, Add 1 Mile Infrastructure					
Low: 1 structure/acre		Med: 4 structures/acre		High: 8 structures/acre	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Structures	1	Structures	2	Structures	4
Families	4	Families	8	Families	16
1 Mile Infrastructure	$2,041,600	1 Mile Infrastructure	$2,041,600	1 Mile Infrastructure	$2,041,600
Construction		Construction		Construction	
Land (per acre)	$32,363	Land (per acre)	$32,363	Land (per acre)	$32,363
Site Prep (300 ft Infra)	$130,140	Site Prep (300 ft Infra)	$130,140	Site Prep (600 ft Infra)	$260,280
Permits	$2,544	Permits	$5,193	Permits	$10,366
Exactions	$23,300	Exactions	$44,100	Exactions	$78,200
Cost to Build (Adjusted ICC)	$475,527	Cost to Build (Adjusted ICC)	$951,055	Cost to Build (Adjusted ICC)	$1,902,109
Other Const Costs	$11,797	Other Const Costs	$23,593	Other Const Costs	$47,187
Professional Services/Fees	$4,637	Professional Services/Fees	$9,274	Professional Services/Fees	$18,547
Construction Financing	$2,719	Construction Financing	$5,437	Construction Financing	$10,875
Permanent Financing	$2,399	Permanent Financing	$4,798	Permanent Financing	$9,595
Soft Costs	$1,140	Soft Costs	$4,798	Soft Costs	$4,561
Syndication	$920	Syndication	$2,280	Syndication	$3,679
Reserves	$2,936	Reserves	$1,840	Reserves	$11,745
Developer's/Sponsor Cost	$14,701	Developer's/Sponsor Cost	$5,872	Developer's/Sponsor Cost	$58,805
Total	$2,746,723	Total	$3,262,343	Total	$4,489,912
Cost per Structure (1)	$2,746,723	Cost per Structure (2)	$1,631,171	Cost per Structure (4)	$1,122,478
Cost per Family (4)	**$686,680**	**Cost per Family (8)**	**$407,792**	**Cost per Family (16)**	**$280,619**

Table 32. Estimated Multi-Family (4 units per structure), Difficult Terrain Cost by Density

In Town: Minimal Infrastructure					
Low: 1 structure/acre		**Med: 4 structures/acre**		**High: 8 structures/acre**	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Structures	1	Structures	2	Structures	4
Families	4	Families	8	Families	16
Construction		Construction		Construction	
Land (per acre)	$44,650	Land (per acre)	$44,650	Land (per acre)	$44,650
Site Prep (300 ft Infra)	$130,140	Site Prep (300 ft Infra)	$130,140	Site Prep (600 ft Infra)	$260,280
Permits	$2,544	Permits	$5,193	Permits	$10,366
Exactions	$23,300	Exactions	$44,100	Exactions	$78,200
Cost to Build (Adjusted ICC)	$475,527	Cost to Build (Adjusted ICC)	$951,055	Cost to Build (Adjusted ICC)	$1,902,109
Other Const Costs	$11,797	Other Const Costs	$23,593	Other Const Costs	$47,187
Professional Services/Fees	$4,637	Professional Services/Fees	$9,274	Professional Services/Fees	$18,547
Construction Financing	$2,719	Construction Financing	$5,437	Construction Financing	$10,875
Permanent Financing	$2,399	Permanent Financing	$4,798	Permanent Financing	$9,595
Soft Costs	$1,140	Soft Costs	$2,280	Soft Costs	$4,561
Syndication	$920	Syndication	$1,840	Syndication	$3,679
Reserves	$2,936	Reserves	$5,872	Reserves	$11,745
Developer's/Sponsor Cost	$14,701	Developer's/Sponsor Cost	$29,402	Developer's/Sponsor Cost	$58,805
Total	$717,410	Total	$1,257,635	Total	$2,460,599
Cost per Structure (1)	$717,410	Cost per Structure (2)	$628,817	Cost per Structure (4)	$615,150
Cost per Family (4)	**$179,352**	**Cost per Family (8)**	**$157,204**	**Cost per Family (16)**	**$153,787**

Out of Town, Add 1 Mile Infrastructure					
Low: 1 structure/acre		**Med: 4 structures/acre**		**High: 8 structures/acre**	
Item	**Cost**	**Item**	**Cost**	**Item**	**Cost**
Structures	1	Structures	2	Structures	4
Families	4	Families	8	Families	16
1 Mile Infrastructure	$2,290,464	1 Mile Infrastructure	$2,290,464	1 Mile Infrastructure	$2,290,464
Construction		Construction		Construction	
Land (per acre)	$32,363	Land (per acre)	$32,363	Land (per acre)	$32,363
Site Prep (300 ft Infra)	$130,140	Site Prep (300 ft Infra)	$130,140	Site Prep (600 ft Infra)	$260,280
Permits	$2,544	Permits	$5,193	Permits	$10,366
Exactions	$23,300	Exactions	$44,100	Exactions	$78,200
Cost to Build (Adjusted ICC)	$475,527	Cost to Build (Adjusted ICC)	$951,055	Cost to Build (Adjusted ICC)	$1,902,109
Other Const Costs	$11,797	Other Const Costs	$23,593	Other Const Costs	$47,187
Professional Services/Fees	$4,637	Professional Services/Fees	$9,274	Professional Services/Fees	$18,547
Construction Financing	$2,719	Construction Financing	$5,437	Construction Financing	$10,875
Permanent Financing	$2,399	Permanent Financing	$4,798	Permanent Financing	$9,595
Soft Costs	$1,140	Soft Costs	$4,798	Soft Costs	$4,561
Syndication	$920	Syndication	$2,280	Syndication	$3,679
Reserves	$2,936	Reserves	$1,840	Reserves	$11,745
Developer's/Sponsor Cost	$14,701	Developer's/Sponsor Cost	$5,872	Developer's/Sponsor Cost	$58,805
Total	$2,995,587	Total	$3,511,207	Total	$4,738,776
Cost per Structure (1)	$2,995,587	Cost per Structure (2)	$1,755,603	Cost per Structure (4)	$1,184,694
Cost per Family (4)	**$748,897**	**Cost per Family (8)**	**$438,901**	**Cost per Family (16)**	**$296,173**

For ease, a summary table of the previous four density tables is provided:

Table 33. Summary: Estimated Unit Cost per Family by Density – Organized by Type[70]

Development Type	Low Density	Medium Density	High Density
Single, Routine Terrain, In-Town	$ 327,129	$ 192,592	$ 185,669
Single, Routine Terrain, Out-of-Town	$ 2,345,209	$ 703,600	$ 445,506
Single, Difficult Terrain, In-Town	$ 330,035	$ 199,921	$ 195,578
Single, Difficult Terrain, Out-of-Town	$ 2,608,213	$ 769,465	$ 480,349
Multi, Routine Terrain, In-Town	$ 174,106	$ 151,232	$ 146,568
Multi, Routine Terrain, Out-of-Town	$ 686,680	$ 407,792	$ 280,619
Multi, Difficult Terrain, In-Town	$ 179,352	$ 157,204	$ 153,787
Multi, Difficult Terrain, Out-of-Town	$ 748,897	$ 438,901	$ 296,173

For ease, the same table is organized by affordability, from most affordable to least affordable:

Table 34. Summary: Estimated Unit Cost per Family by Density – Organized by Affordability[71]

Affordability Rank	Development Type	Low Density	Medium Density	High Density
1	Multi, Routine Terrain, In-Town	$ 174,106	$ 151,232	$ 146,568
2	Multi, Difficult Terrain, In-Town	$ 179,352	$ 157,204	$ 153,787
3	Single, Routine Terrain, In-Town	$ 327,129	$ 192,592	$ 185,669
4	Single, Difficult Terrain, In-Town	$ 330,035	$ 199,921	$ 195,578
5	Multi, Routine Terrain, Out-of-Town	$ 686,680	$ 407,792	$ 280,619
6	Multi, Difficult Terrain, Out-of-Town	$ 748,897	$ 438,901	$ 296,173
7	Single, Routine Terrain, Out-of-Town	$ 2,345,209	$ 703,600	$ 445,506
8	Single, Difficult Terrain, Out-of-Town	$ 2,608,213	$ 769,465	$ 480,349

Clear patterns emerge that enforce the opinions of Town officials and local builders. ***First, building in town where infrastructure already exists is much more affordable than extending infrastructure outside the Town. Second, multi-family housing is more affordable than single-family, especially when density is increased.*** These conclusions can greatly help the Town as it reviews its zoning and subdivision ordinances.

[70] Low density is 1 unit/acre for single-family and 4 units/acre for multi-family; medium density is 4 units/acre for single-family and 8 units/acre for multi-family; high density is 8 units/acre for single-family and 16 units/acre for multi-family

[71] Sorted by the High Density column.

B. Pro Forma Analyses with Subsidies

The previous section begs the question, "Are these types of units affordable?" To answer this, it is first important to consider the mortgage amount that would be affordable for each income group.

Table 35. Affordable Mortgages by Income Group[72]

Income Group	2008 Median Income	Annual Affordable Housing Costs	Monthly Affordable Housing Costs	Equivalent Mortgage
120% AMI	$45,888	$13,766	$1,147	$147,000
100% AMI	$38,240	$11,472	$956	$123,000
80% AMI	$30,592	$9,177	$765	$98,000
50% AMI	$19,120	$5,736	$478	$61,500

Although those earning less than 50 percent of AMI will likely not be targeted for homeownership, these figures still provide a baseline to see when units enter into an affordable range for each income group. ***When looking at Table 34 on the previous page, it is clear that essentially no homeownership options are affordable for any income group – even after densities are increased***. Only a family earning 120 percent of AMI could afford to purchase a high density, multi-family home in town, which comes with a price tag of $146,568 (just a few hundred dollars shy of their maximum affordable mortgage). Thus, subsidies will be needed for homeownership options, and an emphasis on rental units will be needed as well for lower income grousp.

There are several areas where the Town could help affordable housing developers save money. For example, the Town could waive permit fees or donate land. Finally, there are opportunities for both state and federal grants.

Table 36. Possible Savings for Affordable Housing Developers

Savings Type	Grantor	Amount
Land Donation	Town of Silver City	$32,363 - $64,600
Waive Development Fees	Town of Silver City	$669 - $23,470
Grants	New Mexico	Varies
Grants	Federal Governments	Varies

[72] Using 2008 AMI from BBER; Assuming a 30 year mortgage at 6.5%, 1.25% property taxes, and .5% PMI

The upcoming sections will investigate the necessary steps to achieve affordability, including waiving development fees, donating land, and applying for grants. With each step, more subsidies are added. In other words, step #2 (donating land) assumes step #1 (waiving fees) has already been done.

1. Will Waiving Fees Make the Units Affordable?

The Town of Silver City employs both permitting fees and exaction fees. Because exaction fees are part of the construction process (tap costs and later, maintenance costs), they cannot simply be waived. They will have to be financed like any other hard construction cost.

The permitting fees, however, are administrative fees that include annual city fees, subdivision permits, building permits, plan reviews, grading permits, drainage permits, moving permits, sign permits, yard licenses, and zoning permits. These can be waived without affecting the physical construction of the development. If these fees were waived, would the units be affordable? The following table summarizes the unit cost per development after permit fees are removed.[73]

Table 37. Estimated Unit Cost with no Permit Fees

Development Type	Low Density	Medium Density	High Density
Multi, Routine Terrain, In-Town	$173,470	$150,582	$145,920
Multi, Difficult Terrain, In-Town	$178,717	$156,555	$153,140
Single, Routine Terrain, In-Town	$326,461	$191,010	$182,935
Single, Difficult Terrain, In-Town	$329,318	$198,225	$192,644
Multi, Routine Terrain, Out-of-Town	$686,045	$407,144	$279,972
Multi, Difficult Terrain, Out-of-Town	$748,261	$438,252	$295,526
Single, Routine Terrain, Out-of-Town	$2,344,540	$702,018	$442,773
Single, Difficult Terrain, Out-of-Town	$2,607,495	$767,769	$477,416

= Affordable at 120% of AMI

Clearly, eliminating permit fees is not enough to achieve affordability. Even with no fees, only those earning at least 120 percent of AMI can afford a single type of unit. More subsidies will be needed.

This does not discount the political effectiveness of eliminating permit fees for affordable housing developments. Although the dollar amount is modest, it still signifies that the Town supports affordable housing and is eager to assist developers who choose to build affordable units.

[73] To view the amounts, simply look back at Tables 29 – 32 and find the "Permits" row. These were the amounts removed to arrive at the figures in Table 37.

2. Will Donating Land Make the Units Affordable?

The Town, County, and State all own land in or near Silver City. If the land were donated, would the units be affordable? The following table summarizes the unit cost per development after the land is donated.

Table 38. Estimated Unit Cost with no Land Costs

Development Type	Low Density	Medium Density	High Density
Multi, Routine Terrain, In-Town	$157,320	$142,507	$141,882
Multi, Difficult Terrain, In-Town	$167,554	$150,974	$150,349
Single, Routine Terrain, In-Town	$261,861	$174,860	$174,860
Single, Difficult Terrain, In-Town	$284,668	$187,063	$187,063
Multi, Routine Terrain, Out-of-Town	$677,954	$403,098	$277,949
Multi, Difficult Terrain, Out-of-Town	$740,170	$434,206	$293,503
Single, Routine Terrain, Out-of-Town	$2,312,177	$693,928	$438,728
Single, Difficult Terrain, Out-of-Town	$2,575,132	$759,679	$473,371

= Affordable at 120% of AMI

Although slightly more affordable, even donating land is not enough to open affordability to those earning less than 120 percent of AMI. The Town will have to incorporate other financial options like state and federal grants to increase affordability.

3. What Amount of Grant Money Will Make the Units Affordable?

In this section, each income group is analyzed separately. The tables will show the amount of grant money necessary to make the units affordable for that particular income group. Interviews with the Community Development Department indicate that compiling $1,000,000 worth of grants from local, state, and federal sources is a reasonable amount. Thus, any grant total below this amount is deemed feasible; any grant total greater than this amount is deemed unreasonable.

For example, according to Table 31, a four-family development, in town, and on routine terrain would cost $696,424. If the Town waived its fees and donated the land, this cost would drop to $629,280. Divided among four families, the cost would be $157,320 per family. However, if the developer secured a grant of $41,280, the development cost would drop further to $588,000. Divided among four families, this cost would be $147,000 – the affordable mortgage amount for a family earning 120 percent of AMI. That is the goal of this analysis: what amount of grant money will make the units affordable at each income level?

This calculation has been done for each income group and for each development type, resulting in the tables below.

A note about densities: please keep in mind these grant amounts are per development, NOT per unit. Thus, while a grant for a single-family development might be lower than for a multi-family development, remember that the multi-family development will house more families per structure.[74]

Table 39. Total Grant Amount Necessary for Development to be Affordable for 120% AMI ($147,000)[75]

Development Type	Low Density	Medium Density	High Density
Multi, Routine Terrain, In-Town	$41,280	$0	$0
Multi, Difficult Terrain, In-Town	$82,216	$31,791	$53,583
Single, Routine Terrain, In-Town	$114,861	$111,441	$222,883
Single, Difficult Terrain, In-Town	$137,668	$160,250	$320,500
Multi, Routine Terrain, Out-of-Town	$2,123,816	$2,048,787	$2,095,183
Multi, Difficult Terrain, Out-of-Town	$2,372,680	$2,297,651	$2,344,047
Single, Routine Terrain, Out-of-Town	$2,165,177	$2,187,710	$2,333,820
Single, Difficult Terrain, Out-of-Town	$2,428,132	$2,450,714	$2,610,964

= Feasible Grant Amount

Table 40. Total Grant Amount Necessary for Development to be Affordable for 100% AMI ($123,000)

Development Type	Low Density	Medium Density	High Density
Multi, Routine Terrain, In-Town	$137,280	$156,059	$302,119
Multi, Difficult Terrain, In-Town	$178,216	$223,791	$437,583
Single, Routine Terrain, In-Town	$138,861	$207,441	$414,883
Single, Difficult Terrain, In-Town	$161,668	$256,250	$512,500
Multi, Routine Terrain, Out-of-Town	$2,219,816	$2,240,787	$2,479,183
Multi, Difficult Terrain, Out-of-Town	$2,468,680	$2,489,651	$2,728,047
Single, Routine Terrain, Out-of-Town	$2,189,177	$2,283,710	$2,525,829
Single, Difficult Terrain, Out-of-Town	$2,452,132	$2,546,714	$2,802,964

= Feasible Grant Amount

[74] If a per unit calculation were used, the results would be misleading. For example, a multi-family development, out of town, in routine terrain, and with high density would require a subsidy of $2,095,183 (according to Table 39), which is an unreasonable amount to expect. If this were divided by the number of units (16), the subsidy drops to $130,948, making it appear reasonable and rather inexpensive to build such housing. This is not the case given the $2,095,183 needed.

[75] For single-family: Low = 1 unit; Medium = 4 units; High = 8 units | For multi-family: Low = 4 units, Medium = 8 units; High = 16 units. These grants are by development, NOT by unit.

Table 41. Total Grant Amount Necessary for Development to be Affordable for 80% AMI ($98,000)

Development Type	Low Density	Medium Density	High Density
Multi, Routine Terrain, In-Town	$237,280	$356,039	$702,119
Multi, Difficult Terrain, In-Town	$278,216	$423,791	$837,583
Single, Routine Terrain, In-Town	$163,861	$307,441	$614,883
Single, Difficult Terrain, In-Town	$186,668	$356,250	$712,500
Multi, Routine Terrain, Out-of-Town	$2,319,816	$2,440,787	$2,879,183
Multi, Difficult Terrain, Out-of-Town	$2,568,680	$2,689,651	$3,128,047
Single, Routine Terrain, Out-of-Town	$2,214,177	$2,383,710	$2,725,820
Single, Difficult Terrain, Out-of-Town	$2,477,132	$2,646,714	$3,002,964

= Feasible Grant Amount

Table 42. Total Grant Amount Necessary for Development to be Affordable for 50% AMI ($61,500)

Development Type	Low Density	Medium Density	High Density
Multi, Routine Terrain, In-Town	$383,280	$648,059	$1,286,119
Multi, Difficult Terrain, In-Town	$424,216	$715,791	$1,421,583
Single, Routine Terrain, In-Town	$200,361	$453,441	$906,883
Single, Difficult Terrain, In-Town	$223,168	$502,250	$1,004,500
Multi, Routine Terrain, Out-of-Town	$2,465,816	$2,732,787	$3,463,183
Multi, Difficult Terrain, Out-of-Town	$2,714,680	$2,981,651	$3,712,047
Single, Routine Terrain, Out-of-Town	$2,250,677	$2,529,710	$3,017,820
Single, Difficult Terrain, Out-of-Town	$2,513,632	$2,792,714	$3,294,964

= Feasible Grant Amount

Knowing all this, can the Town meet the affordable housing need through waiving fees, donating land, and securing grants over the next ten years? First, this section considers how many units could possibly be built with a $1,000,000 grant for each income group. This analysis uses the pro forma densities found in Tables 39 – 43 (the density of 8 units per acre is used for 50% AMI because it was deemed too expensive to build 16/units per acre for 50% AMI). It also assumes difficult terrain as this is more likely available in-town and is a more conservative estimate.

Table 43. With a $1,000,000 Grant, How Many Units Could be Built? Organized by Income Group

Income Group	Development Type	Pro Forma Densities	Grant needed per Development	Grant Needed per Unit	Possible # of Units per $1,000,000
120% AMI	Multi, Difficult Terrain, In-Town	16 units/acre	$53,583	$3,348	298
100% AMI	Multi, Difficult Terrain, In-Town	16 units/acre	$437,583	$27,348	37
80% AMI	Multi, Difficult Terrain, In-Town	16 units/acre	$837,583	$52,348	19
50% AMI	Multi, Difficult Terrain, In-Town	8 units/acre	$715,791	$89,473	11

Knowing this, the following table demonstrates how much grant money will be needed to meet the total affordable housing need over the next ten years.

Table 44. Total Grant Money Needed to Satisfy Housing Need, Assuming In-Town and on Difficult Terrain

Income Group	Units Needed over 10 Years	Grant Needed per Unit	Total Grant Amount Needed
120% AMI	218	$3,348	$729,864
100% AMI	118	$27,348	$3,227,064
80% AMI	87	$52,348	$4,554,276
50% AMI	120	$89,473	$10,736,760
Total	**543**	**-**	**$19,247,964**

It is unlikely the Town will be able to secure $19,247,964 worth of grant money over 10 years. To gauge meeting the need, the following tables use more realistic grant amounts, spread over 10 years. Table 45 simply allocates grant money to the higher income groups first, as more units can be built at these income levels. Table 46 attempts to spread the money more equitably, even though it is more expensive to build at lower income levels.

Table 45. Grant Amounts over Ten Years and the Number of Units Built, Top-Down Approach

Grant Amount over 10 Years	Income Group	Units Needed	Units Built	Grant Needed per Unit	Total Grant Amount Spent	Unmet Need
$3,000,000	120% AMI	218	218	$3,348	$729,864	0
	100% AMI	118	83	$27,348	$2,269,884	35
	80% AMI	87	0	$52,348	$0	87
	50% AMI	120	0	$89,473	$0	120
	Total	**543**	**301**	**-**	**$2,999,748**	**242**
$4,000,000	120% AMI	218	218	$3,348	$729,864	0
	100% AMI	118	118	$27,348	$3,227,064	0
	80% AMI	87	0	$52,348	$0	87
	50% AMI	120	0	$89,473	$0	120
	Total	**543**	**336**		**$3,956,928**	**207**
$5,000,000	120% AMI	218	218	$3,348	$729,864	0
	100% AMI	118	118	$27,348	$3,227,064	0
	80% AMI	87	19	$52,348	$994,612	68
	50% AMI	120	0	$89,473	$0	120
	Total	**543**	**355**		**$4,951,540**	**188**

Table 46. Grant Amounts over Ten Years and the Number of Units Built, Equitable Approach[76]

Grant Amount over 10 Years	Income Group	Units Needed	Units Built	Grant Needed per Unit	Total Grant Amount Spent	Unmet Need
$3,000,000	120% AMI	218	218	$3,348	$729,864	0
	100% AMI	118	30	$27,348	$820,440	88
	80% AMI	87	14	$52,348	$732,872	73
	50% AMI	120	8	$89,473	$715,784	112
	Total	**543**	**270**	**-**	**$2,998,960**	**273**
$4,000,000	120% AMI	218	218	$3,348	$729,864	0
	100% AMI	118	42	$27,348	$1,148,616	76
	80% AMI	87	20	$52,348	$1,046,960	67
	50% AMI	120	12	$89,473	$1,073,676	108
	Total	**543**	**292**		**$3,999,116**	**251**
$5,000,000	120% AMI	218	218	$3,348	$729,864	0
	100% AMI	118	52	$27,348	$1,422,096	66
	80% AMI	87	27	$52,348	$1,413,396	60
	50% AMI	120	16	$89,473	$1,431,568	104
	Total	**543**	**313**		**$4,996,924**	**230**

[76] For the equitable approach, each income group should receive roughly the same amount of grant money. For example, $3,000,000 divided by 4 = $750,000. After 120% AMI is fully built, the remaining amount is divided among the other three.

Thus, after waiving fees, donating land, and securing grants, Silver City will still struggle to meet its affordable housing need for every income group. Fortunately, it appears likely that it can meet the majority of the need, with the potential to build 355 units over the next ten years. However, in the same period it seems likely the Town will have an unmet need, which could be as low as 188 or as high as 273 depending on how the grant money is allocated.

As shown in the tables, these unmet needs are for the lower income groups. It is not imagined that these income groups would be suited for homeownership, given the costs. Therefore, the Town will have to work with partners to increase rental assistance and continue its rehabilitation efforts. The partners and programs for rental assistance are listed on page 36 and in Appendix A. This is a benefit for both the lower-income families and the Town, as it will free up grant money to build more units for higher-income families.

4. Will Increasing Density and Decreasing Unit Size Make the Units Affordable?

A. Foundation Information:

So far, this section has investigated measures toward affordability that involved removing line items from the pro forma via land donations and waiving fees. In addition, it explored the effect of grant money. Now, this section will focus on changing the underlying assumptions of the building itself, including density and unit size, to determine the effects on affordability.

The current Land Use Code in Silver City requires two parking spaces per unit in all zones. In Residential-B and Residential-C zones, the front and rear setbacks are ten feet, and the side setbacks are five feet; in addition, the height limit is 35 feet. In a Commercial zone, there is no front or rear setback, and the side setbacks are five feet; in addition, the height limit is 50 feet.

Given current zoning, setback, height, and parking requirements, how many units can be built on an acre? The previous proformas used fixed densities in order to make cross comparisons, but now this section will investigate target densities to achieve affordability. The tables begin with a square acre of land, and use a length and width of 208 feet (technically, the length and width of a square acre are 208.71 feet, but 208 feet is used for convenience). The tables also assume the following:

- A street servicing the development that is 50 feet wide and 208 feet long
- A unit size of 1,100 square feet
- A parking space size of 400 square feet (to account for both the space and necessary circulatory space in the lot) and 2 parking spaces per unit
- Given the amount of total living space there should be an additional 20% for common areas like hallways, elevators, staircases, and utilities.

Thus, a single unit really encompasses 2,120 square feet (1,100 unit + 220 common area + 800 parking).

The tables match the possible number of units, parking spaces, and floors to maximize the livable area. It is not as simple as building higher and higher and adding more and more units, as the more units added, the more parking required. Because parking cannot be stacked, it simply takes up more area and creates a much smaller footprint for the building. Finally, when all the areas (street area, setbacks, parking spaces, living space, and common area) are deducted from an acre, there should not be a remaining area large enough to allow for an extra unit. For example, a left over 400 square feet is too small to allow for another unit; however, if 5,000 square feet were left over, maximum density has not been achieved. The goal is to use as much area on the acre lot as possible. A summary figure is provided first followed by the supporting table.

Figure 15. Maximum Number of Units per Acre by Floor, Residential-B and Residential-C Zones

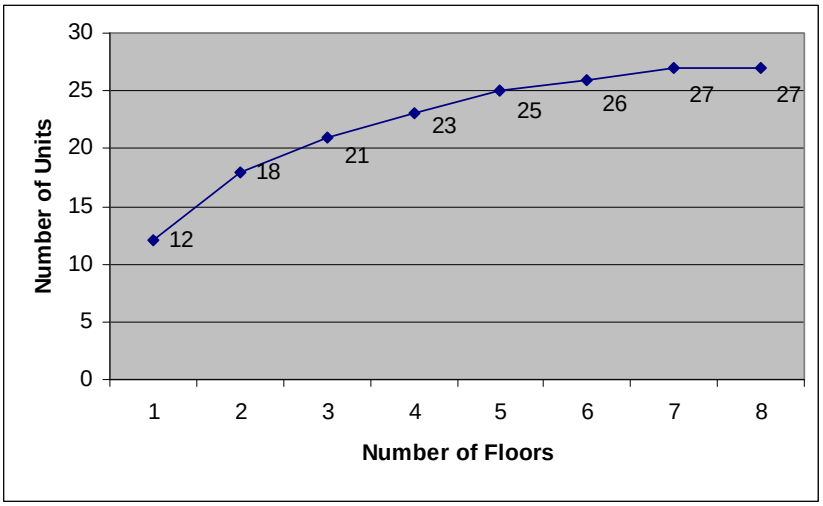


Table 47. Maximum Number of Units per Acre by Floor, Residential-B and Residential-C Zones, Supporting Table

	1 Floor	2 Floors	3 Floors	4 Floors	5 Floors	6 Floors	7 Floors	8 Floors
Number of Units	12	18	21	23	25	26	27	27
Unit Area	13,200	19,800	23,100	25,300	27,500	28,600	29,700	29,700
Common Areas	2,640	3,960	4,620	5,060	5,500	5,720	5,940	5,940
Total Living Space	15,840	23,760	27,720	30,360	33,000	34,320	35,640	35,640
Building Footprint (Area / # of Floors)	**15,840**	**11,880**	**9,240**	**7,590**	**6,600**	**5,720**	**5,091**	**4,455**
Number of Parking Spaces	24	36	42	46	50	52	54	54
Parking Lot Area	**9,600**	**14,400**	**16,800**	**18,400**	**20,000**	**20,800**	**21,600**	**21,600**
Street Area	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400
Front Setback of 10 Feet	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080
Rear Setback of 10 Feet	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080
Side Setback of 5 Feet	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Side Setback of 5 Feet	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Street + Setback Area:	**16,640**	**16,640**	**16,640**	**16,640**	**16,640**	**16,640**	**16,640**	**16,640**
Total Area (Footprint + Parking + Street + Setback):	**42,080**	**42,920**	**42,680**	**42,630**	**43,240**	**43,160**	**43,331**	**42,695**
Will this fit on an Acre?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Remaining Area:	1,480	640	880	930	320	400	229	865
Is it possible to add another unit/parking?	No	No	No	No	No	No	No	No
Is maximum density reached?	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**

Figure 16. Maximum Number of Units per Acre by Floor, Commercial Zone

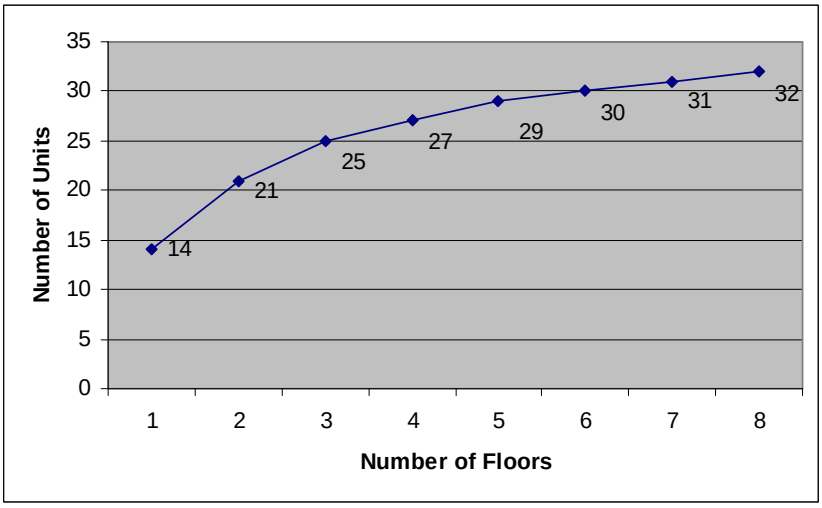


Table 48. Maximum Numbers of Units per Acre by Floor, Commercial, Supporting Table

	1 Floor	2 Floors	3 Floors	4 Floors	5 Floors	6 Floors	7 Floors	8 Floors
Number of Units	14	21	25	27	29	30	31	32
Unit Area	15,400	23,100	27,500	29,700	31,900	33,000	34,100	35,200
Common Area	3,080	4,620	5,500	5,940	6,380	6,600	6,820	7,040
Total Living Space	18,480	27,720	33,000	35,640	38,280	39,600	40,920	42,240
Building Footprint (Area / # of Floors)	**18,480**	**13,860**	**11,000**	**8,910**	**7,656**	**6,600**	**5,846**	**5,280**
Number of Parking Spaces	28	42	50	54	58	60	62	64
Parking Lot Area	**11,200**	**16,800**	**20,000**	**21,600**	**23,200**	**24,000**	**24,800**	**25,600**
Street Area	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400
Front Setback of 10 Feet	-	-	-	-	-	-	-	-
Rear Setback of 10 Feet	-	-	-	-	-	-	-	-
Side Setback of 5 Feet	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Side Setback of 5 Feet	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Street/Setback Area:	**12,480**	**12,480**	**12,480**	**12,480**	**12,480**	**12,480**	**12,480**	**12,480**
Total Area (Footprint + Parking + Street + Setback):	**42,160**	**43,140**	**43,480**	**42,990**	**43,336**	**43,080**	**43,126**	**43,360**
Will this fit on an Acre?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Remaining Area:	1,400	420	80	570	224	480	434	200
Is it possible to add another unit/parking?	No	No	No	No	No	No	No	No
Is maximum density reached?	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**

In Residential-B and Residential-C, the current height limit is 35 feet, or roughly 3 floors. According to Figure 15, it is possible to build 21 units on an acre.

In Commercial, the current height limit is 50 feet, or roughly 4 floors. According to Figure 16, it is possible to build 27 units on an acre.

Table 49. Maximum Densities by Zone

Zone	Units/Acre
Residential-A	10
Residential-B	21
Residential-C	21
Commercial	27

B. Density Targets

Understanding the currently allowable densities begs the question, "What if height restrictions were lifted in order to increase density?" More units per acre would conceivably mean reducing the marginal cost per unit. However, the previous analysis demonstrates that it is not so simple. Looking at Figure 15, a developer can build 21 units in 3 floors. To build 27 units, the developer would have to go up to 7 floors. Increasing the height by 4 floors in order to gain 6 units is not feasible. The same applies to Commercial zones. Figure 16 demonstrates that it would take an additional 5 floors to get an additional 6 units.

It is clear that the marginal rate of return for units vs. floors is minimal above 3 floors in Residential-B and Residential-C and above 4 floors in Commercial. Because the marginal return is so low, a developer is unlikely to build above the current height restrictions of 35 feet and 50 feet. Thus, while the Town could remove the height restrictions, a developer is highly unlikely to build above 3 or 4 floors, depending on the zone. Therefore, it is unnecessary to change the current height restrictions.

For affordability purposes, the density targets should remain the current maximums as shown in Table 49. Eliminating height restrictions would not substantially increase the number of units and would not increase affordability.

Table 50. Density Targets by Zone

Zone	Units/Acre
Residential-A	10
Residential-B	21
Residential-C	21
Commercial	27

C. Unit Size

The analyses above have assumed a unit size of 1,100 square feet. However, what if this were reduced to 850 square feet? Smaller units would lower hard and soft construction costs. Table 38 demonstrates that donating land and waiving fees can produce 1,100 square-foot units for $141,882. This is affordable at 120 percent of AMI. This also assumed a density of 16 units per acre.

Now, this section will use the density targets in Table 50 and reduce the unit size to 850 square feet. Doing so results in the following unit costs:

Table 51. Unit Cost for 850 Square Foot Unit

Zone	Density Target	1,100 square feet	850 square feet
Residential-B	21 units/acre	$126,146	$111,550
Residential-C	21 units/acre	$126,146	$111,550
Commercial	27 units/acre	$125,315	$99,672

= Affordable at 120% AMI
= Affordable at 100% AMI
= Affordable at 80% AMI

As shown, by decreasing the unit size and utilizing the density targets, the Town would be able to provide affordable housing for those making 80 percent of AMI. Building at 850 square feet has historical and concurrent models found in other communities. When William Levitt built Levittown, NY in the late 1940s, he built homes between 750 – 800 square feet. Currently, the Rural Studio project in rural Alabama builds homes between 300 – 500 square feet, and the "Not So Big House" movement spearheaded by Sarah Susanka is founded on reducing square footage while maintaining livable space. Thus, a smaller unit is reasonable, especially if it opens affordable options to those earning 80 percent of AMI.

5. Conclusions of Pro Forma Analyses

After examining these tables, several conclusions can be made.

A. It will take an assortment of financial incentives to make affordable housing possible. The Town will need to waive permit fees, donate land, and secure grants.

B. Multi-family developments always optimize the amount of grant money.

C. Out-of-town developments appear to be prohibitively expensive. The Town will have to focus on in-town developments in order to satisfy the affordable housing need.

D. The Town will have to be flexible concerning density in order to reduce costs and satisfy the housing need.

E. Current height restrictions do not need to be changed as they already allow developers to reach target densities for affordable units.

F. Unit size is the most sensitive factor in determining final cost, and building 850 square-foot units provides affordable housing for those earning 80 percent of AMI.

G. The Town will be able to meet a majority of the need; however, there will likely be an unmet need for those earning less than 50 percent of AMI, and this need must be filled through rentals and rehabilitation.

These conclusions will help the town prioritize its land holdings, organized in the following table:

Table 52. Land Acquisition Priorities Based Upon Opportunities and Challenges

Rank	Land	Land Type	Units/Acres	Location	Opportunities	Challenges	Income-Groups
1.	Vistas de Plata	Small lot subdivision	56 Units	Town Center	Land already owned; Subdivision already platted and funded; Construction set to begin spring 2011	Construction completion on time	Essential Workforce; Support and entry-level workforce
2.	Brewer Hill Subdivision	Small lot subdivision	Estimated 300 Units	Town Center	Land already owned; adjacent to utilities, though not currently connected	Topographic constraints; requires re-platting; requires rezoning	Essential Workforce; Support and entry-level workforce
3.	Town-Owned Open Space	Open Space	325 Acres	Southwest Quadrant	Town-owned; potential for apartments and multi-family housing	No utilities; no current plans or platting; needs rezoning	Support and entry-level workforce; Cost-Burdened
4.	Rio Vicente Subdivision	Small lot subdivision	Estimated 85 Units	Town Center	Owner planning on utilizing PUD zoning to increase density and incorporate mixed-use	Privately-owned; steep slopes; need to work with owner to incorporate more affordable units	Professionals, Imported Workforce
5.	State-Owned Open Space	Open Space	153 Acres	Northeast Quadrant	State-Owned; Potential for Apartments and multi-family housing	Few utilities; requires rezoning; requires platting	Support and Entry-Level Workforce; Cost-Burdened
6.	Current, Vacant Lots	Small Lots	Estimated 140 Units	Dispersed throughout Town	Vacant; utilities present	Dispersed throughout town; some inaccessible; topographic constraints; most privately-owned	Professionals, Imported Workers; Essential Workforce; Support and Entry-Level Workforce
7.	Land along Arterials	Large Lot	60 Acres	Major Arterials	Potential for apartments and multi-family housing	Privately-owned; few utilities; requires rezoning; requires platting	All Income Groups
8.	Ranchland	Large Lot	578 Acres	Northeast Quadrant	Potential for Apartments and multi-family housing	Privately-owned; few utilities; requires rezoning; requires platting	Professionals, Imported Workforce; Essential Workforce
9.	Accessory Dwellings	Small Lots	Estimated 230 Units	Dispersed Throughout Town	Smaller homes allows for detached housing for extremely low-income	Requires rezoning; requires willing owners; dispersed throughout town; expensive construction (many small, detached units)	Support and Entry-Level Workforce; Cost-Burdened

C. Small Lots – Total of 811 Possible Units

1. **Vacant Lots in Existing Subdivisions – Possible 140 Units; Various Terrain**
   From Table 25, we know there are about 140 small, vacant lots in existing subdivisions. Developing these lots might prove difficult, as most are vacant due to severe slopes, flooding issues, or inaccessibility because of other owners aggregating property. Nevertheless, there are several opportunities for affordable housing in the small lot category.

   Small lots that are vacant have occasionally been used for the kind of small-scale initiatives for affordable housing that are the focus of such local groups as Habitat for Humanity. Over the past 5 years, this group has constructed four houses on this kind of lot in Silver City, and as noted, it has recently purchased an additional eighteen vacant lots in the Berger Addition, although the lots will probably require re-platting into a new configuration. Western Regional Housing authority built a duplex on a similar lot within the last five years. Previously, the organization had constructed thirty-six residential units along Valley Vista Street in the Valley Vista Subdivision.

2. **Brewer Hill Subdivision – Possible 300 Units; Difficult Terrain**
   The town owns undeveloped lots consolidated on approximately 70 acres. The lots lie in the in the neighborhood known as Brewer Hill in the southeast quadrant. This property is already platted as part of the original town site, and it is adjacent to all service utilities. While topographic constraints would require re-platting and rezoning, the property supports a specific opportunity for the town to provide land for affordable housing and to use the land to leverage grants, allocations, and working partnerships. After re-platting, a conservative estimate of 300 units will be available for affordable housing.

3. **Rio Vicente Subdivision – Possible 85 Units; Difficult Terrain**
   Another opportunity is the 293-lot Rio Vicente subdivision, which lies on approximately 110 acres and is still largely undeveloped for many reasons, some of which include the constraints of steep terrain. The current owner is seeking to re-plat the property as Esperanza Hills in a new configuration under Planned Unit Development rules with the specific purpose of providing densely clustered housing with open space on steeper slopes and mixed use occupancies on the periphery of the residential areas. After re-platting, a conservative estimate of 85 units will be available for affordable housing

4. **Vistas de Plata Subdivision – Possible 56 Units; Difficult Terrain**
   The Vistas de Plata Subdivision is platted to serve 56 affordable units. Forty units are allocated to those earning between 80 and 120 percent of AMI, four units for 50 to 80 AMI, and twelve units for below 50 AMI. It is funded through a HOPE VI Small Cities grant totaling $1.6 million. Construction is scheduled to begin spring 2011.

5. **Accessory Dwelling Units – Possible 230 Units; Various Terrain**
   Accessory dwelling units offer an opportunity for rental housing. In 2000, there were 4,770 housing units in Silver City.[77] Even if only 5 percent of lots could accommodate accessory units, that still produces a possibility of 230 units. These types of units could also support extended family.

D. Large Lots – Total of 994 Acres

1. **Existing Affordable, Apartment Units – 315 Units (for reference, not included in total)[78]**
   Of the 341 apartments in Silver City, 281 are publicly supported apartments on 7 lots that range in size from 2.2 acres to 7.2 acres. Silver Cliffs is the largest complex with 87 apartments in two buildings on 7.2 acres.

   Western Region Housing Authority owns 34 apartments in a complex on 3.2 acres.

2. **Large, Undeveloped Lots that are Privately Owned – Estimated 416 Acres; Routine Terrain**
   Along the town's arterials – Highway 180 E, Highway 90S, Rosedale Road, Pinos Altos Road, Little Walnut Road, and 32nd Street – there are more than 20 large, suitable tracts of undeveloped land adjacent to paved streets and serviced by sewer and water. There is also a suitable property at the end of Bullard Street. Properties range from 2 acres to nearly 4 acres, with a total around 60 acres.

   In addition, there are approximately 356 acres of privately owned undeveloped land in three primary holdings. Although the properties are adjacent to Highway 90S, they are not served by water or sewer main extensions.

   All of the areas mentioned above are zoned for commercial use or for rural use. Apartments are currently only conditionally allowed in commercially zoned areas. They are not allowed at all in areas with rural zoning. Thus, some rezoning will be necessary to construct these units. An affordable housing development requiring single or multifamily housing structures would require zoning to Residential B or C to accommodate higher density developments. A PUD-Residential B or C zoning would provide greater flexibility for project layout and design densities.

3. **Former Ranches – 578 Acres; Difficult Terrain**
   In the Northeast Quadrant, there are three former ranches totaling 578 acres. These lots are underdeveloped and with ample opportunity for affordable housing.

[77] 2000 Census: SF3, H1
[78] The table demonstrates the need for new housing; so, current housing is not counted toward that total.

E. Open Space/Publicly-Owned Land – Total of 478 Acres

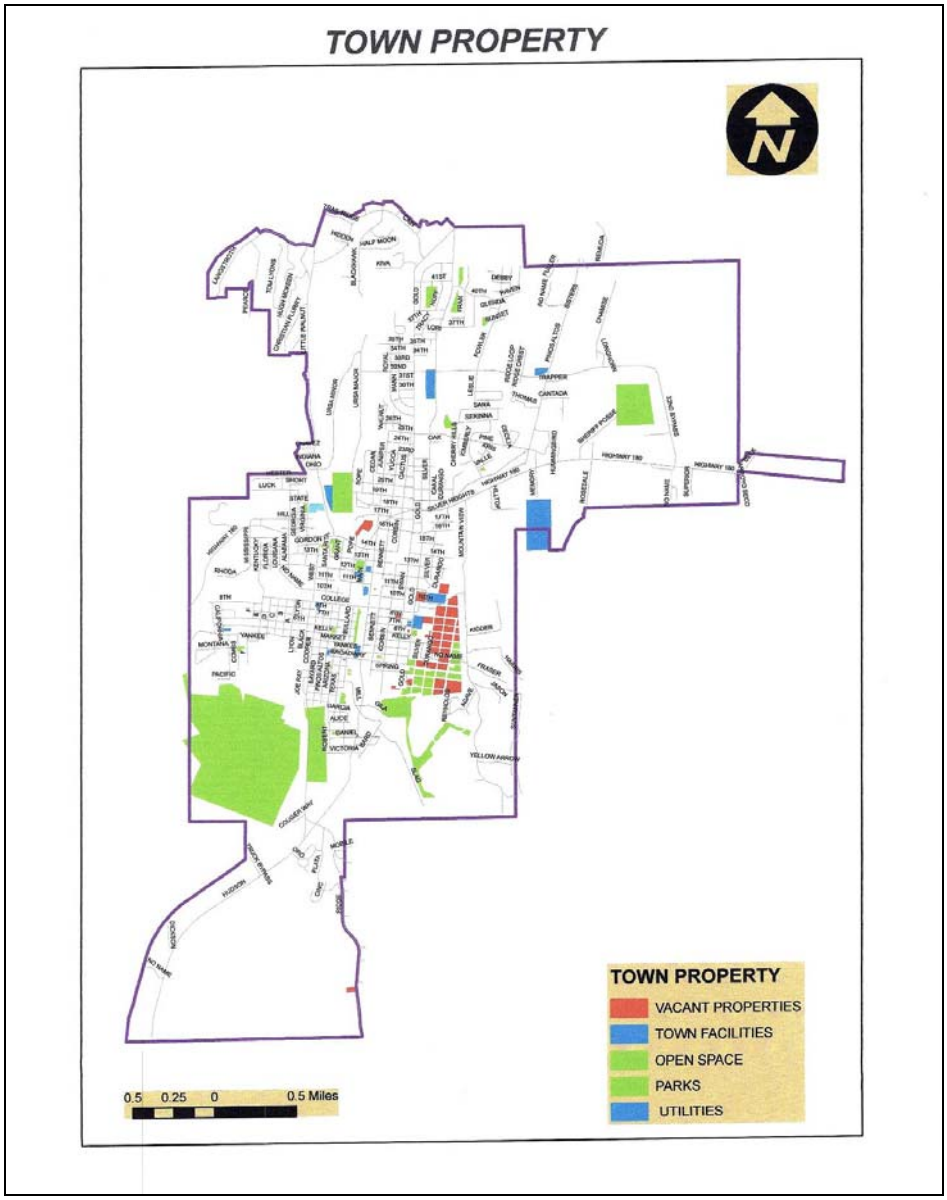
1. Town-Owned Land – 325 Acres

In the Southwest Quadrant, there are approximately 325 acres of undeveloped land owned principally by the town and some by the Bureau of Land Management.

2. State-Owned Land – 153 Acres

In the Northeast Quadrant, the State Land Office owns approximately 153 acres.

Figure 17. Town of Silver City Property



F. Amount of Land Needed

As stated in Table 28, the professional workforce will need 218 units, the essential workforce will need 118 units, the support workforce will need 87 units, and the cost-burdened will need 120 units – all over the next ten years. In addition, it has already been stated that the professional group will likely demand single-family, detached housing, the essential and support level groups will required a mix of single-family and multi-family housing, and the cost burdened will require multi-family housing. Finally, the target densities have already been explored in this section. Bringing all these factors together and assuming target densities demonstrates how much land will be needed to meet the affordable housing need:

Table 53. Amount of Land Needed by Income Group and Housing Needs[79]

Income Group	Units Needed	Housing Type	Equivalent Zoning	Target Density	Units / Target Density	Acreage Needed
Over 120% AMI (Professional Workforce)	218	Single	RA	8 units/acre	218 / 8 =	28
80-120% AMI (Essential Workforce)	59	Single	RA	8 units/acre	59 / 8 =	8
	59	Multi	RB/RC	21 units/acre	59 / 21 =	3
50-80% AMI (Support workforce)	43	Single	RB/RC	21 units/acre	43 / 21 =	2
	44	Multi	C	27 units/acre	44 / 27 =	2
Under 50% AMI (cost-burdened)	120	Multi	C	27 units/acre	120 / 27 =	5
Total	**543**	**-**	**-**	**-**	**-**	**48**

These densities should be kept in mind while the town prioritizes its current land holdings (local and state owned land accounts for 478 acres) and meets the needs of the different income groups. It has already been stated that the Town will have an unmeet need, especially concerning families earning less than 50 percent AMI. However, it is good to know that there is ample land to accommodate the maximum possible housing. Even using a conservative, industry standard that 70 percent of available land can be developed results in 334 acres of developable land, more than enough to accommodate 48 acres of development.

[79] The units needed by the essential and support workforce have been split evenly. For example, 118/2 = 59.

IX. Conclusion

Silver City is a vibrant community blessed with a scenic setting and strengthened by a storied past. However, the lack of decent, affordable housing casts a shadow on the town's economic and social future. The high cost of homes is a burden for current residents and a deterrent to families wishing to relocate to Silver. High home costs force working families to live farther from employment, limit first responders' capacity to promptly address emergencies, and restrict workers' abilities to participate in the community after the workday ends. High rents force the support level workforce and the impoverished to devote too much income to monthly housing costs.

Silver City, in conjunction with the local private and non-profit partners, seeks to address the current affordable housing shortage that has hampered economic growth and housing availability. This plan puts forth several recommendations to rekindle affordable housing development by both for-profit enterprises and nonprofits organizations. The demographic, housing, and land use analyses are compelling support for a number of policy goals and strategies to address affordable housing needs. As strategies are implemented and new data become available, the extent to which each goal is achieved and the effectiveness of these strategies can be accelerated. Elected officials and Silver City administrators are enthusiastic about current progress toward affordable housing development. Ultimately, better quality of life and a higher living standard will follow as affordable housing provides a foundation for sustainable economic development.

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Appendix A: Housing Finance Options

The following list of financing assistance could be used for construction and homes rehabilitation for low- to moderate-income families. The town and its partners will research the funding sources as well as other funding possibilities to determine which are most appropriate for affordable housing finance.

Affordable Housing Tax Credits from the New Mexico Taxation and Revenue Department

Description: As part of the Affordable Housing Project, this tax credit encourages and reward voucher purchase from the affordable housing project.

Structure:

- The Affordable Housing Tax Credit Act provides for a tax credit up to the value of the investment voucher during the year in which the authority certified to the department;
  - Its completion of a service for which an investment voucher has been issued pursuant to the Affordable Housing Tax Credit Act, and
  - Its approval by the authority or completion of an affordable housing project for which a land, building or cash donation has been made and for which an investment voucher has been issued pursuant to the Affordable Housing Tax Credit Act.
- A recipient of this tax may apply all or a portion of it against modified combined tax liability, personal income tax liability or corporate income tax liability and any balance claimed can be carried forward for up to five years from the calendar year during which the authority certifies the approval of the project for which the investment voucher used to claim the affordable housing tax credit is issued.
- Low-income housing tax credits can be sold to others to raise equity.
- Tax deductions reduce the amount of reported taxable income by which tax percentages are figured against, and in this way, reduces the amount of tax paid is reduced.

Function:

- The result of any tax incentives is an increase in cash flow attributable to the project.
- These incentives are frequently used to raise equity in real estate development projects because they produce a stable source of project-related revenue.
- The incentives may attract equity owners who are more interested in the credits, exemptions, and deductions than in the cash flow generated by the project.

Qualifications and Use Criteria

- Projects receiving these special tax credits, exemptions, and deductions must create or retain jobs, stimulate investment in eligible real property, improvements, machinery or equipment; preserve historic buildings, create low-income housing, or provide other designated public benefits.
- No amount of this credit may be applied against a local option gross receipts tax imposed by the municipality or county or against gross receipts tax.
- Visit the Taxation and Revenue Department homepage at http://www.state.nm.us/tax/home.htm.
- Call the office of the Secretary at (505)827-0341.

HUD Housing Choice Voucher Program www.hud.gov

Description: Housing choice vouchers allow very low-income families (families with incomes below 50% of area median income) to choose and lease or purchase safe, decent, and affordable privately-owned rental housing. There are five different types of vouchers.

Various Voucher Types

- Conversion Vouchers: If a family lives in a public housing unit that is scheduled to be demolished, disposed of or converted, they will be contacted by the PHA when they are eligible for a conversion voucher. PHA's have jurisdiction in a community where projects are located for either of the two categories are eligible to submit an application for housing choice conversion voucher funding.
- Homeownership Vouchers: First-time homeowner or cooperative member.
    - Visit the website for more eligibility criteria.
- Project Based Vouchers: PHA's refer families, who have already applied to a PHA for housing choice vouchers and are on the PHA's waiting list, to properties that have project-based voucher assistance when units become vacant.
- Tenant Based Vouchers: Very low-income families and a few specific categories of families with incomes up to 80% of the area median income are eligible. To determine eligibility, the PHA compares the family's gross annual income with the HUD-established very low-income limit or low-income limit for the area.
- HUD Housing Choice Voucher Family Self-Sufficiency Vouchers: Family self-sufficiency is a HUD strategy that encourages communities to develop local strategies to help voucher families obtain employment that will lead to economic independence and self sufficiency. Families that are selected to receive a voucher or who currently receive assistance through the housing choice voucher program should discuss participation in the FSS program with the local PHA.

Interest Rate Subsidies - Affordable Housing Program (AHP) from the Federal Home Loan Bank via Dallas

Description: This program finances home-ownership for families with incomes at or below 80% of the median income for the area. Also provides financing for rental housing in which 20% of the units must be affordable and occupied by very low-income families for the remaining useful life of the home or the mortgage term. Advances made to member institutions are priced below the cost of the FHL Bank obligations of comparable maturities and loaned to borrowers.

Eligible Uses:

- Down payments, closing costs, buy down principle amounts or interest rates, homebuyer education and counseling costs, construction, or rehabilitation of owner-occupied homes and rental units. Includes housing owned or held by federal government agencies such as the VA, and HUD; and housing sponsored by nonprofit organizations.
- Visit http://www.fhlb.com/community/ahp/#top for more eligibility criteria.

Community Investment Program from the Federal Home Loan Bank via Dallas

Description: Provides low-cost, long-term loan advances to member institutions to finance housing units for low- and moderate-income families, and commercial projects in disadvantaged communities. This program is available for families with incomes less than 115% of area median income. Eligible areas are those with at least 51% low- to moderate-income households.

Eligible Uses:

- Purchase and rehabilitation of single-family and rental properties, including weatherization and energy conservation.
- Participation in local, state and federal government-sponsored housing and economic development programs.
- Refinancing multi-family housing units
  Visit http://www.fhlb.com/community/ahp/#top for more eligibility criteria. \

Qualification Criteria similar to those for Interest Rate Subsidies AHP.

MFA Access Loans

Description: The purpose of Access lending is to provide federally insured construction and permanent financing for small scale affordable housing projects throughout New Mexico. It is designed to minimize transaction and due diligence costs and expedite processing for small projects.

Eligibility:

- Eligible projects include new construction, substantial rehabilitation, refinancing or acquisition of projects having no less than five units per site; detached, semi-detached, row housing or multifamily structures are also eligible.
- Eligible borrowers include single asset mortgagors, including non-profit organizations, for-profit corporations, joint ventures, limited liability companies, and partnerships.
- Visit the MFA website for up-to-date eligibility, structure, and qualifications criteria. http://www.housingnm.org/

MFA HOME/Rental Gap Financing

Description: The HOME/Rental gap financing programs provide financing for a variety of affordable and special needs housing projects throughout the state. As gap financing, HOME funds are typically the last dollars committed to a project and are used in combination with other housing resources such as MFA's Tax Credit and 542(c) loan programs. The HOME/Rental programs provide assistance in the form of junior mortgages with below-market interest rates, extended maturity dates, and other advantageous loan terms tailored to the particular needs of individual projects. Loan amounts and specific terms are determined on the basis of the projects' cash flow and affordability, among other considerations.

Eligibility:

- Visit the MFA website for up-to-date eligibility, structure, and qualifications criteria. http://www.housingnm.org/

MFA HOME/Single-Family Development Gap Financing

Description: The HOME/Single-Family Development Program provides partial or "gap" financing to nonprofit and for-profit developers, public and tribal entities, and Community Housing Development Organizations (CHDOs) for the construction, acquisition and rehabilitation of single-family homes throughout New Mexico.

Eligibility:

- Visit the MFA website for up-to-date eligibility, structure, and qualifications criteria. http://www.housingnm.org/

MFA Home Equity and Required Occupation Loan (HERO)

Description: MFA's HERO program is a first and second mortgage product that provides below market interest rates, down payments and closing cost assistance for the purchase of a home. HERO was designed to serve households in which at least one member is a police officer, nurse, teacher, firefighter, or an active member of the armed forces.

Eligibility: First-time and non-first-time buyers qualify for a HERO loan. This loan can finance single-family detached homes, town homes, condominiums, homes in planned unit developments, and permanently attached manufactured homes.

- Visit the MFA website for up-to-date eligibility, structure, qualifications, and maximum criteria. http://www.housingnm.org/

MFA Mortgage Booster Program

Description: MFA's Mortgage Booster program is a second mortgage product that provides down payment and closing cost assistance to borrowers who qualify for MFA's Mortgage Saver loan.

Eligibility: Mortgage Booster is a loan designed to serve low-to-moderate income first-time homebuyers who don't have adequate resources for a down payment and/or closing costs. Residences financed can include single-family detached homes, town homes, condominiums, homes in planned unit developments, and permanently attached manufactured homes.

- Visit the MFA website for up-to-date eligibility, structure, and qualifications criteria. http://www.housingnm.org/
- Mortgage Booster is available through a statewide network of participating lenders at http://www.housingnm.org/myHome/Homebuyer/lender.asp

MFA's Mortgage $aver, Mortgage $aver Plus, and Mortgage $aver Zero

Description:

- MFA's Mortgage $aver Program offers below-market interest rates and/or closing cost assistance to first-time homebuyers. The program is also available to individuals who have not owned a home (including a manufactured home on a permanent foundation) in the last three years. A borrower may qualify for a Mortgage $aver, Mortgage $aver Zero or Mortgage $aver Plus funds based upon household income and family size as well as the sales price of the home.
- Mortgage loans available under the Mortgage $aver program include FHA, VA, and a variety of conventional loans, including the My Community and Community Solutions Programs, Rural Housing Service (RHS) guaranteed, leveraged, or direct loans are also available as are loans on Native American trust lands.
- The Mortgage $saver Zero and Mortgage $aver Plus program save the borrower money because they are not required to pay an origination or loan discount fee at loan closing, leaving more money in the borrowers pocket. The Mortgage $saver Plus program also provides the borrower with a grant that does not have to be repaid to help reduce the need for up-front cash at closing.

Eligibility:

- Visit the MFA website for up-to-date eligibility, structure, and qualifications criteria. http://www.housingnm.org/

MFA Primero Investment Fund

Description: MFA's Primero Loan Program is a flexible, low cost loan program created in 1993 to finance the development of affordable rental or special needs residential facilities in New Mexico that would be considered "high risk" by traditional lenders. Its goal is to leverage other public and private funds, and to expand the housing development capacity of New Mexico's nonprofit, tribal and public agency housing providers.

Eligibility:

- Visit the MFA website for up-to-date eligibility, structure, and qualifications criteria. http://www.housingnm.org/

RD Rural Housing Loans and Grants – Section 502 and 504 from the USDA Rural Development (RD), Rural Housing Services (RHS)

Description: This program provides loans and grants for home repair and improvements in rural areas.

Eligible Uses:

- For up-to-date information, visit: http//www.rurdev.usda.gov/rhs/sfh/brief_repairloan.htm**/**

FHA-Insured Mortgage Program, Section 203(b)

Description: Insures lender's mortgages for financing single-family home purchases, construction or improvement for first-time home buyers and others unable to afford conventional loans. This is the most basic and commonly used mortgage insurance program.

Eligible Uses:

- Specifies on the 203 (b) program: http://www.hud.gov/offices/hsg/sfh/ins/sfh203b.cfm

VA-Guaranteed Home Loan Program from the Department of Veterans Affairs (VA)

Description: Assists eligible veterans to purchase single-family homes by guaranteeing a lender's mortgage against loss. Each qualified veteran receives a certificate of eligibility which provides a maximum entitlement.

Eligible Uses: You may use a VA-guaranteed financing to buy a home, townhouse, or condominium unit in a project that has been approved by VA, build a home, repair, alter, or improve a home, to simultaneously purchase and improve a home, to improve a home through installment of a solar heating and/or cooling system or other energy efficient improvements, to refinance an existing home loan, to refinance an existing VA loan to reduce the interest rate and add energy efficiency improvements, to buy a manufactured (mobile) home and/or lot, to buy and improve a lot on which to place a manufactured home which you already own or to refinance a manufactured home loan in order to acquire a lot.

- For more information about structure and qualifications, visit the homepage at http://www.homeloans.va.gov/

Housing and Urban Development Community Development Block Grant

Description: The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run program at HUD. The CDBG program provides annual grants on a formula basis to 1180 general units of local governments and States.

Eligible Uses: Visit the HUD website at http://www.hud.gov/ for variations of the CDBG program.

Appendix B: Summary of the Affordable Housing Act

The state's Affordable Housing Act ("the Act") exempts affordable housing from the anti-donation clause of the New Mexico state constitution that existed before 2007. The act permits state and local governments to provide/pay for the cost of land, buildings, or necessary financing for affordable housing; the act gave the MFA rule-making authority for affordable housing requirements. The Affordable Housing Act allows the state, a county, a municipality or a housing authority to:

Donate, provide or pay all, or a portion, of the costs of land for the construction on the land of affordable housing, conversion or renovation of existing buildings into affordable housing, financing or infrastructure necessary to support affordable housing projects, and pay for acquisition, development, construction, financing, operating or owning affordable housing.

The state can appropriate funds for affordable housing through enactment of specific laws authorizing "housing assistance grants." The laws should direct the Department of Finance and Administration (DFA) to execute a joint powers agreement with the MFA to administer the appropriation(s) and certify applicants' eligibility for the appropriation(s).

Counties and municipalities may provide funding ("housing assistance grants") through enactment of an ordinance for each project or program. Housing assistance grants can be made either through a project-specific RFP or through a program application process. Ordinances, RFPs, program guidelines, and applications must be submitted to MFA to review for compliance with the Act. Appropriations and housing assistance grants may be leveraged with other funding sources.

The law requires a county or municipality to pass an ordinance that will be reviewed by the MFA. The town must then establish an application for entities wishing to participate in the affordable housing development to ensure that participants meet the requirements of the Affordable Housing Act and rules. The Silver City affordable housing ordinance was passed by the council in 2009.

The affordable housing presentation to and approval by the town council must follow a critical path. First, all pre-development and rezoning documents are presented to the Community Development Department for review and recommendation to the Planning and Zoning Commission. Subdivision preliminary plats, final plats and PUD requests are first presented to Community Development Staff for recommendation to the Planning and Zoning Commission. The committee then provides its recommendation to the council for final approval. This study guides the committee's decisions.

Appendix C: Details on Western Regional Housing Authority

Western Regional Housing Authority (WRHA): Western Regional Housing Authority is also pursuing several homeownership development projects. It is working with Silver City on a land donation under the Affordable Housing Act. The town has commissioned a feasibility study for a 56-lot, single-family subdivision. Of the 56 lots, Western Regional Housing Authority will receive eight (8) lots for homeownership counseling in town. The organization also provides homebuyer education to potential new buyers.

The Housing Authority currently serves 400 clients that have been placed in housing, 38 clients searching for suitable units, and 73 on a waiting list. All wait-listed applicants earn less than 30% of the AMI. Historically, 45% of these voucher holders cannot acquire affordable housing before their authorization timeframe expires, forcing these people to reapply again.

WRHA Performance Western Regional Housing Authority (WRHA) currently has a positive performance rating on the operation of its federal programs which includes the HUD Section 8 program. As of Spring 2009, 92% (836 units) were leased in the face of high turnover rates. The agency operates according to a Section 8 Administrative Plan, five (5) year plan, and an Admission and Continued Occupancy Plan.

WRHA Program Few other agencies also administer the Section 8 Housing Choice Voucher Program, a federally-funded program helping low-income households with rent subsidies. The subsidies are paid directly to landlords, and cover 30 to 40% of the tenant's rent and utilities. Families may choose any location in which the landlord is willing to participate with the voucher program. The Housing Choice Homeownership Program is similar to the Voucher Rental Program, but instead of subsidizing the rent, the mortgage payment is subsidized. At the end of 2008, only 5 families in the 4-county area had completed the required homeownership counseling and pre-qualification papers. Staff and residents are still working toward closing on their first Section 8 purchase.

The Western Regional Housing Authority also receives 411-"911 Vouchers" allocated to Grant, Luna, Hidalgo, and Catron counties.

The Western Regional Housing Authority also administers the Low-Rent Public Housing Program which consists of 54 units built on two sites in town. The first, Hillside Apartments, was built in 1984 with 32 units. The second site is Valley Vista Homes. Valley Vista has 22 units: four (4) duplexes and 14 single-family units. The majority of the families pay 30% of their monthly-adjusted income as rent. To qualify, income must be within limits established by HUD and meet the eligibility criteria established by the Housing Authority.

Finally, the WRHA also administers 10 state rent vouchers made available under the New Mexico *Linkages* program. *Linkages* provide rental assistance to individuals or family members who suffer from behavioral or mental disabilities and are homeless or precariously housed.

WRHA Partners Western Regional Housing Authority also partners with other providers. Services include application intake and counseling for an owner-occupied rehabilitation loan program in conjunction with the Western Regional Housing Authority WRHA and the Foundation for Building. Western Regional Housing Authority provides application intake services for weatherization services with the Southern New Mexico Community Action Agency in Luna, Catron, Grant, and Hidalgo counties.

WRHA Efforts and Outputs The WRHA services improve the quality and affordability of the existing single-family housing. Cooperative work improves inter-agency relations. Further, coordinated efforts amplify the influence of limited funding. The homebuyer education program improves access to financing. Western Regional Housing Authority also serves special needs populations with Section 8 Rental Assistance and with the Linkages Pilot for those with behavioral or mental disorders. Western Regional Housing Authority is the only rural agency participating in the Linkage program. Western Regional Housing Authority is the strongest affordable housing provider in the area. Therefore, the town is relying on its expertise and knowledge of the intended affordable housing service population.

Appendix D: Community Action Agency (CAA) of Southern New Mexico

CAA administers the EnergySmart Program in Southern New Mexico. This weatherization program helps low-income homeowners improve the energy efficiency of their homes. To be eligible homeowners must have incomes at or below 150% of federal poverty guidelines. Due to the scarcity of resources, priority is given to households that frequently fall much further below 150% of the poverty threshold.

Weatherization efforts have been completed on 10 homes per year since 2005. These homes are located within the Silver City CCD. Any home is eligible for such services. Services are provided to owner-occupied and leased units, single and multi-family structures. The amount of assistance cannot exceed $2,885 per household. CAA also coordinates the EnergySmart program administered by MFA. EnergySmart funds may be used for reducing air-leakage in a number of ways: Incidental repairs including lumber to frame or repair windows and doors or repairing broken glass; Roofing materials to patch or repair leaks; thresholds, and weather-stripping as well as sealing/caulking cracks; fireplace dampers; thermostat controls; protective materials (paint), ceiling, wall and floor insulation. The program allows for purchase of compact florescent light bulbs and new EnergySmart refrigerators which can reduce electric base load. The program also allows for stove pipe repair/replacement; replacement of smoke and carbon monoxide detectors; furnace repair/replacement; and addressing mold and moisture related problems.

Appendix E: Subdivision History

A brief history of Silver City's subdivision history will illuminate the current land use conditions and aid in understanding the upcoming chapter on barriers to affordable housing development.

A. **Original City Limits and Subdivisions to 1914**: In 1910 the population of Silver City was 3,217.

- The Fraser survey was a smaller section of the original town site and measured two miles on a side. It platted 1,647 small lots. After the Fraser survey, subdivision platting moved out from the edges of Fraser, generally west and north.

- Black's Addition (523 lots), the Powell Addition (92 lots), and the Berger re-plat (478 lots) of the Hardee Addition maintained the small lot size (25' x 125').[80] Although these areas accommodate small houses, in many cases several lots have been aggregated into one parcel. Highway 180W has split the Berger-Hardee subdivision, rendering some lots unusable, and steep slopes as well poor drainage have constrained development modestly. ***Today less than 1 percent of the lots are vacant***.

- The Farnsworth (296 lots), Hardee (see Berger re-plat), and Plata Vista (258 lots) additions established mid-sized lots that averaged 50' x 100'. The majority of the Farnsworth Addition was re-plated in 1949 as Chloride Park, and the lots are fully occupied today. The remnant parts of the Farnsworth are aggregated into a few large parcels. The Berger-Hardee lots are fully occupied today, except along part of the south side of the Highway 180 corridor, where lots are aggregated into several large parcels with steep terrain, and in the northwest corner of the subdivision, where ***Habitat for Humanity has acquired 18 vacant lots***.

- The Plata Vista Addition is the first subdivision to reach beyond the boundaries of the city limits, and the plat notes that the Town Council only approved that part lying inside the north limit, which is approximately 19th Street. The southern half of the subdivision was re-platted in 1943, and is today occupied by commercial uses and a large mobile home park. The northern half is separated by Highway 180E. ***Today there are perhaps two vacant lots***.

[80] Western New Mexico University (WMNU) occupies the southern half of the Powell Addition and the area today functions as a single parcel. Institutional use occupies a substantial area within the city limits, including Saint Mary's Convent, the elementary schools, the junior and senior high schools, the old water works properties, and Gila Regional Medical Center, and they account for substantial areas of blank space on the map

B. **Subdivisions from 1915 to 1949**: By 1950, the town's population was 7,041. Concurrent with this large demographic increase over 35 years, 1,377 small lots were platted in Silver City.

- In this period, subdivisions were platted around the periphery of the established core except in the southeast of the original town site, where there appears to have been little investment in infrastructure.

- The Silver Heights Addition (271 lots) extended the city limits north of 19th Street between Main and Swan Streets. Schadel's Subdivision (77 lots) was platted on the south edge of the Silver Heights Addition, in the city limits. Lamb (80 lots), Forest View (113 lots), and Johnson's (78 lots) subdivisions were platted in the county on its east and west edges respectively. These subdivisions established lots that ranged between 5,000 sq. ft. and 10,000 sq. ft. on average, with 50' street frontages. ***No lots are vacant today***-except for the northeast part of the Lamb subdivision, which lies east of Pinos Altos Creek and never received infrastructure. In addition there are 10 vacant lots aggregated into a single parcel on Block 9 of the Silver Heights Addition.

- The area in the Silver Heights Addition that lies below 18th Street and all of Schadel's subdivision were zoned for commercial use in 1960 with the adoption of Ordinance 346, which established a zoning plan for Silver City. Except for one block on the west, which lies south of 19th Street, and two partial blocks south of 16th Street, ***the area is occupied entirely by commercial uses***.

- West of Plata Vista, the Moore Additions (124 lots) were platted along the south side of the contemporary corridor of Highway 180. In 1960 the area was zoned commercial, and today there are no residential uses except for a small mobile home park. ***No lots are vacant today***.

- North of the Hardee Addition, the Beals (33 lots), Luck (4 lots), and Flemming (12 lots) subdivisions were platted near or adjacent to Alabama Street. These subdivisions established lots that ranged between 5,000 sq. ft. and 10,000 sq. ft. on average, with 50' street frontages. ***None of these lots are vacant today***.

- Brownlee-Lar Subdivision (41 lots) that was platted west of WNMU is now ***fully occupied*** by student housing for the university.

- South and west of the university, the Chloride re-plat of the Farnsworth Subdivision has been addressed. On average, the lot size of the Parrish Plot Addition (36 lots) and the Boston Hill Subdivision (133 lots) range from 5,000 sq. ft. to 10,000 sq. ft. This includes 50' street frontages. The western half of the Boston Hill Subdivision was later vacated and is held in two large parcels. A mobile home park occupies that part north of Montana Street. No lots are vacant today except as otherwise noted. The original 11 lots of Muse Terrace have been aggregated into five parcels. ***None are vacant***.

- On the south boundary of the Fraser survey, the San Vicente Subdivision (364 lots) was platted with lots that average just less than 5,000 sq. ft., with 50' street frontages. In the 1960s, the rerouting of the highway corridor divided the subdivision into two parts. There are a few vacant lots that have been aggregated into larger parcels in the southern portion of the west half. In the east half, on the southeast corner, there are 14 undeveloped lots that have been aggregated into two larger parcels. There are no services. ***Few lots are vacant today*** except as noted.

C. Subdivisions from 1950 to 1959: In 1960 the town's population had declined slightly to 6,972. In this leveling period, only 124 small lots were platted in Silver City.

- Cedar Crest Subdivision was actually a re-plat of Block 8 in the Silver Heights Addition. These subdivisions extended development north along Alabama Street/Cottage San Road, along Swan and Silver Streets, and along Hwy 180, which form principal arterial and collector streets today. In Warren Place (75 lots) and Trammel (11 lots) subdivisions along Alabama Street, lots range between 5,000 sq. ft. and 10,000 sq. ft on average, with 50' street frontages. ***Perhaps as few as five lots are vacant today***.

- In the Wygant Addition (32 lots) along Little Walnut Road, lots range from 5,000 sq. ft. to 9,000 sq. ft. with 50' street frontages. Hollis Subdivision (6 lots) averages 1/2 acre per lot. The west half of the Hollis lots, and perhaps more, lie in the floodway of Silva Creek, rendering the lots unsuited to further re-subdivision. ***No lots are vacant today***. The multiple lots of the Highway Subdivision along Hwy 180 are aggregated into 6 large parcels, only one of which is vacant. The bulk of the area is zoned for commercial use.

- Ranch Home Estates (21 lots) was platted along the Pinos Altos Highway in the county in 1958, and it was brought into the town limits with the 1983 annexation. It is the first large lot subdivision platted in what are the current town limits, but was not actually developed until after 2000. ***There are 16 vacant lots.***

D. Subdivisions from 1960 to 1979: By 1980 the town had grown to 9,887, a 42% increase from 1960. In this period, 910 small lots were platted in Silver City.

- The likely cause of the population increase was the re-operation of the Tyrone Mine as an open pit mine, an event that provided significant new employment in the area. At the same time, many large lot subdivisions began to be platted especially in the county. This is also the period when the town water lines began their extension well into the county, supporting that large lot growth.

- The Elder (67 lots) and Brown 1 (34 lots) subdivisions were platted in the county, adjacent on the north to the Silver Heights Addition, and were annexed into the town in 1965. Cherry Hills Subdivision (114 lots) was also platted in the county, west along Pine Street, and it was annexed into the town as part of a large annexation initiative in 1966. This large annexation also provided for the Brown 2 (96 lots), Beach (8 lots), and the Tip Cowan (30 lots)

subdivisions, and the multiple phases of Linda Vista Subdivision (264 lots), which all extended north, branching off N. Swan and N. Silver streets. The Valley Vista Subdivision (152 lots) was also included in this annexation. It tiers off 401 N Street, which runs east from Silver Street. All of these subdivisions established lots that ranged between 5,000 sq. ft. and 10,000 sq. ft. on average, with 50' street frontages. All those subdivisions are zoned for single-family use, except Valley Vista, which is zoned for multiple-family use, a category that also allows for singlewide mobile homes. Most of the Valley Vista Subdivision is occupied by mobile homes. ***There are no lots vacant today-except for approximately 10 lots between Linda Vista and Valley Vista that lie in the floodway.***

- The Little Walnut Park Subdivision (21 lots) was also platted in the county during this period, and brought into town limits in 1983 with the second large spate of town annexations. ***There are no vacant lots***.

- Mobile home parks became an established use in this period. A 1974 aerial photograph of Silver City shows the Shady Grove Mobile Home Park in the Wards Addition and in a remnant parcel left over from the Moore Additions, the mobile home park on E. 12th Street in the Fraser Survey, the mobile home parks along N. Silver and N. Swan Streets in the Plata Vista Addition, the mobile home park along W. 8th Street in the north part of the Farnsworth Addition, and the mobile home park in the north part of the Boston Hill Subdivision. There were also two mobile home parks on either side of Grant Street in the Frazer subdivision that are now gone. In the county, but close to town, two other mobile home parks are shown in the 1974 photo: Quail Ridge, and Western Star mobile home parks.

    - These parks and the Valley Vista mobile home subdivision were the contemporary market solutions to affordable housing. It is interesting to note that more than 350 mobile home spaces were generated in this period. Outside of Valley Vista, based on a report by Studio Civitas assessing housing conditions in Brewer Hill and based on a windshield survey, it is probably reasonable to infer that more than 50% of the mobile homes would today be classified as substandard housing.

- In this period all of Hidden Park (16 lots), Cold Springs Park (68 lots), and Melendres Estates (9 lots) subdivisions and part of Indian Hills Subdivision (124 lots) came into the town limits with the 1983 annexations.

    - A consequence of the later annexations is that a substantial number of pre-existing parcels that do not meet town development standards (especially street frontage requirements) were incorporated into the town. This problem occurs along Pinos Altos Highway, Highway180 east of Pinos Altos Highway, and in the area west of the Brown subdivisions and Linda Vista. Limited access to supporting infrastructure that would have accompanied subdivision development here constrains the

development or redevelopment potential of these generally large lots without large investments.

E. **Subdivisions from 1980 to 1989:** In 1980 the town's population was 9,887. In 1990 it was 10,984. In this period 313 small lots were platted in Silver City.

- The continued build-out of subdivisions established in the previous period and the development of large lot subdivisions especially in the county (see Large Lot section) appears to have accommodated the new demographic increase. Only two small-lot subdivisions were platted in this period, Sierra Vista (20 lots) and Rio Vicente (293 lots).[81] ***No lots in Sierra Vista are vacant***.

- The developer of Rio Vicente repeatedly failed to secure adequate financing to build out the subdivision. Eventually the subdivision was sold in a foreclosure auction. Only 25 residences were established, ***9 lots are vacant, and the remainder is undeveloped***.

- In this period, Rainbow Ridge (16 tracts) and Eastern Hills (25 tracts) plats were filed in the office of the Grant County Clerk. ***Approximately 4 of the original tracts are vacant***.

    - These plats were led without town review or approval. No services other than dirt roads were provided subsequent to the filling and only limited public improvements have been made since. Some of the original lots have been re-subdivided.

- On the north and south end of Mountain View Road, there are perhaps 20 additional large tracts that were established outside the subdivision review process for a variety of undetermined but historical reasons. ***About 10 appear to be vacant***. Some have no direct street frontage. None have standard water and sewer utilities.

F. **Subdivisions from 1990 to 2009**: In 1990 the town's population was 10,984. By 2007, the most current estimate from the U.S. Census Bureau, the population had declined to 9,977, which is approximately what the population was in 1980.

- Just as the re-operation of the Tyrone Mine in the 1960s led to a surge in population in Silver City, the decline in mining employment with the introduction heap-leach technologies in the 1980s and the general decline of mining activities after 2000 led to demographic declines, as well. The change was initially masked by a growing migration of retirees into the area, but as more families with children left looking for work and were replaced by households with no children, the declines became more evident. Some effects of this demographic shift on housing are a continued demand for more houses even though there are fewer people due to the smaller household size and a demand that asks for the higher end residences that the affluence retirees moving here from more expensive markets can

[81] Lots on the west end of the Sierra Vista subdivision was later merged, and became the site, for the first residential complex in the town to specifically provide publicly supported

afford. Local builders tend to focus on this demand to the detriment of affordable housing. In this period, 164 small lots were established in Silver City.

- The Skyview (85 lots), Pueblo Flats (12 lots), Plaza de los Arboles (31 lots), Pine Ridge (34), Silver Hills (16 lots), and Tierra de Plata (20 lots) subdivisions were platted in this period, adjacent to existing subdivisions, taking advantage of the proximity of existing street and utility services that could be extended. These are the last subdivisions platted in town, the most recent was platted in 1999, and only Skyview is not completely built out- ***approximately 14 lots are vacant.***

- Two mobile home parks, La Plata Mobile Home Park (200 spaces), and Cantada Creek Mobile Home Park (48 spaces), were established in this period, as well. Although not actually subdivisions, since the 1990s mobile home parks have been authorized under the subdivision review process to ensure that required development standards are met. Neither is completely developed: an area that could accommodate 17 additional spaces is undeveloped in Cantada Creek and an area for approximately 95 is undeveloped spaces in La Plata.

Figure 18. Subdivisions, 1883-1927

Figure 19. Subdivisions, 1928-1949

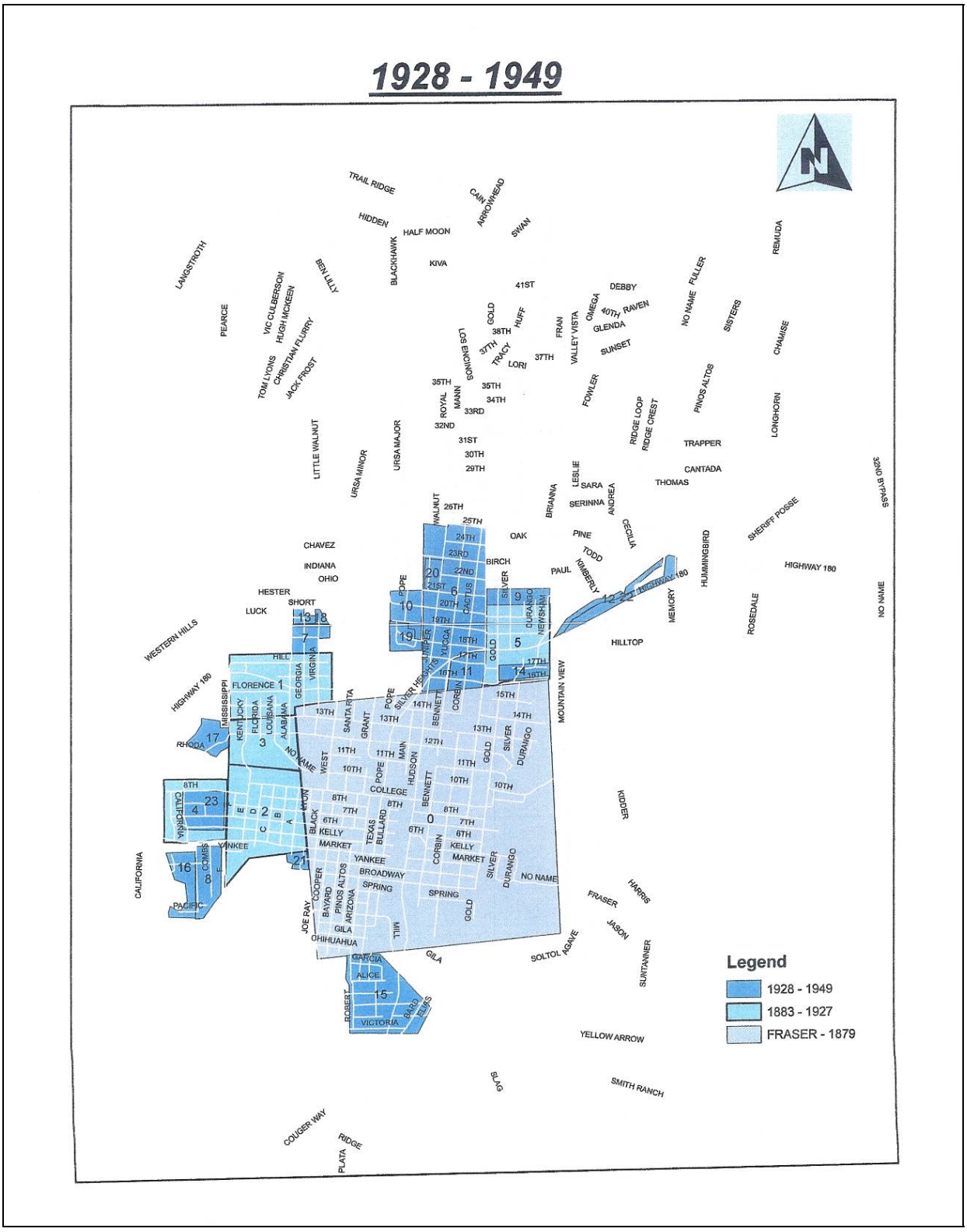


Figure 20. Subdivisions, 1950-1959

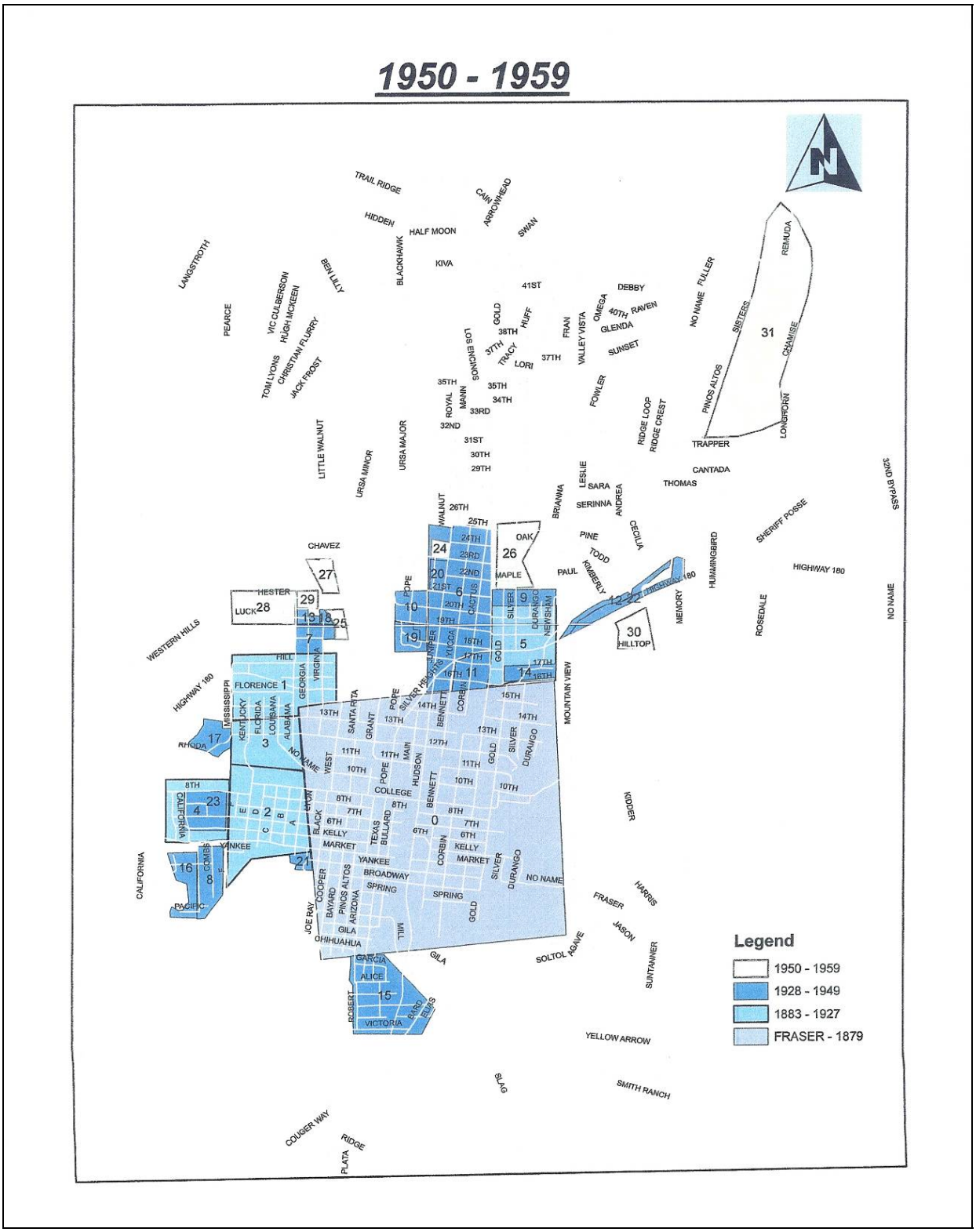


Figure 21. Subdivisions, 1960-1969

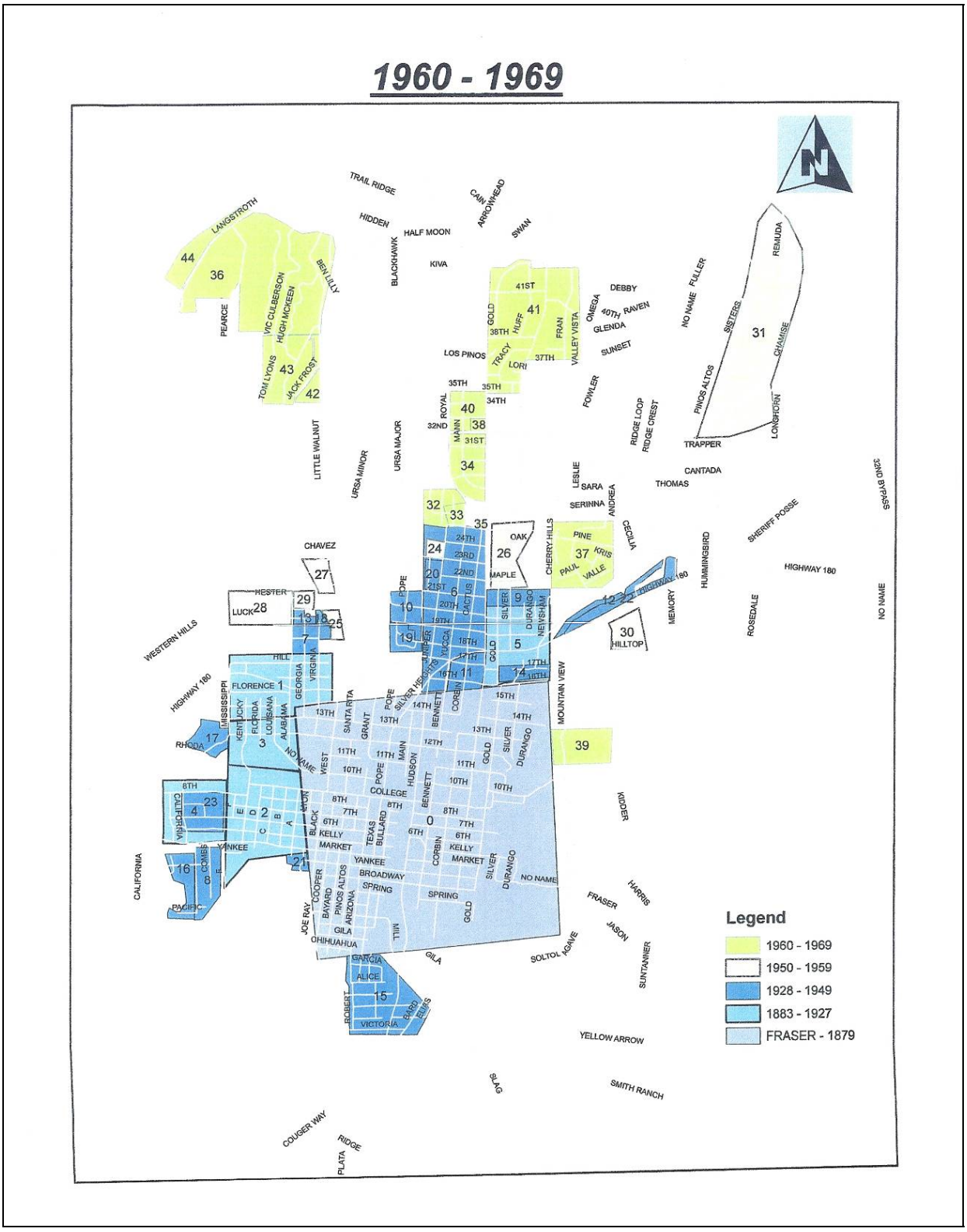


Figure 22. Subdivisions, 1970-1979

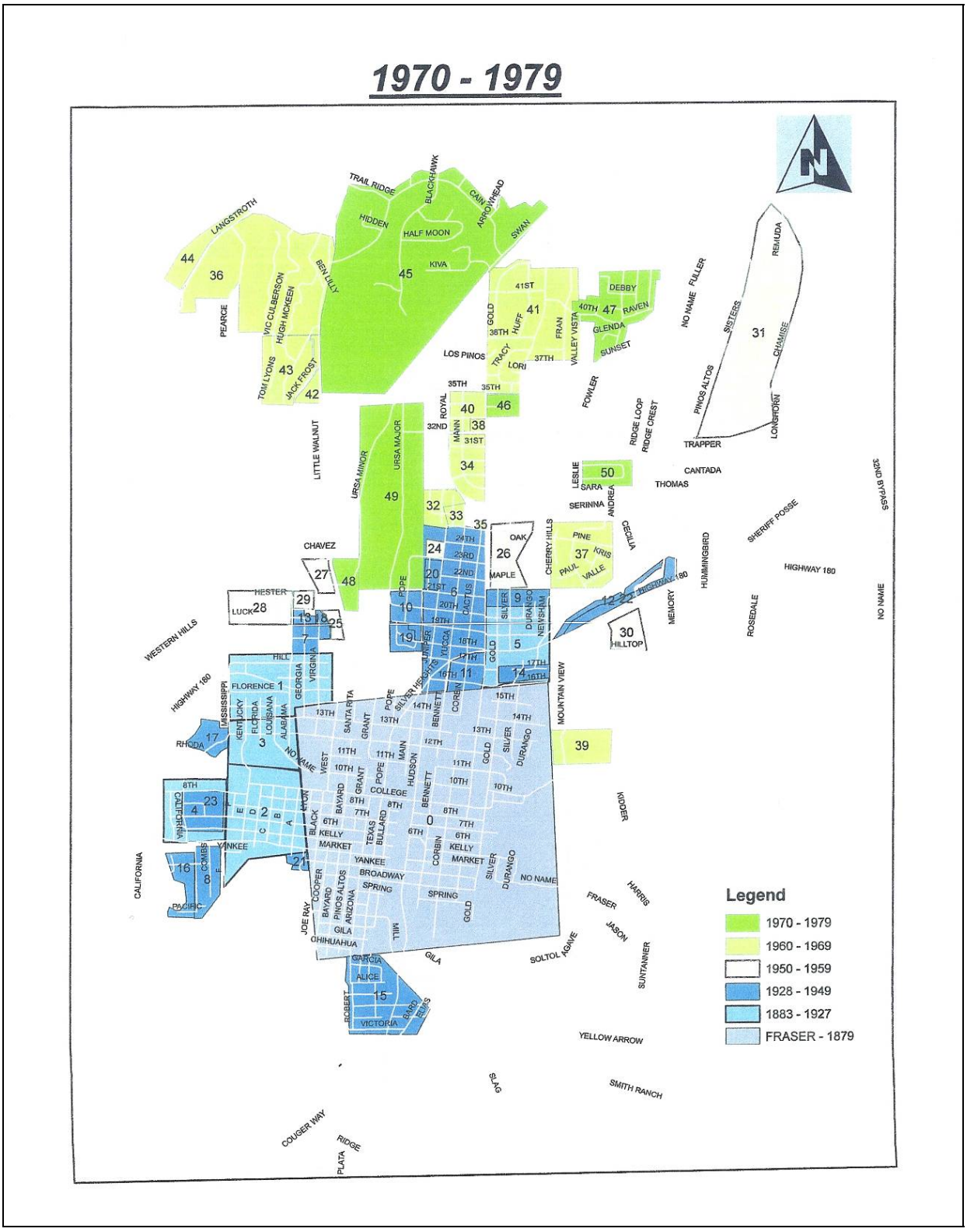


Figure 23. Subdivisions, 1980-1989

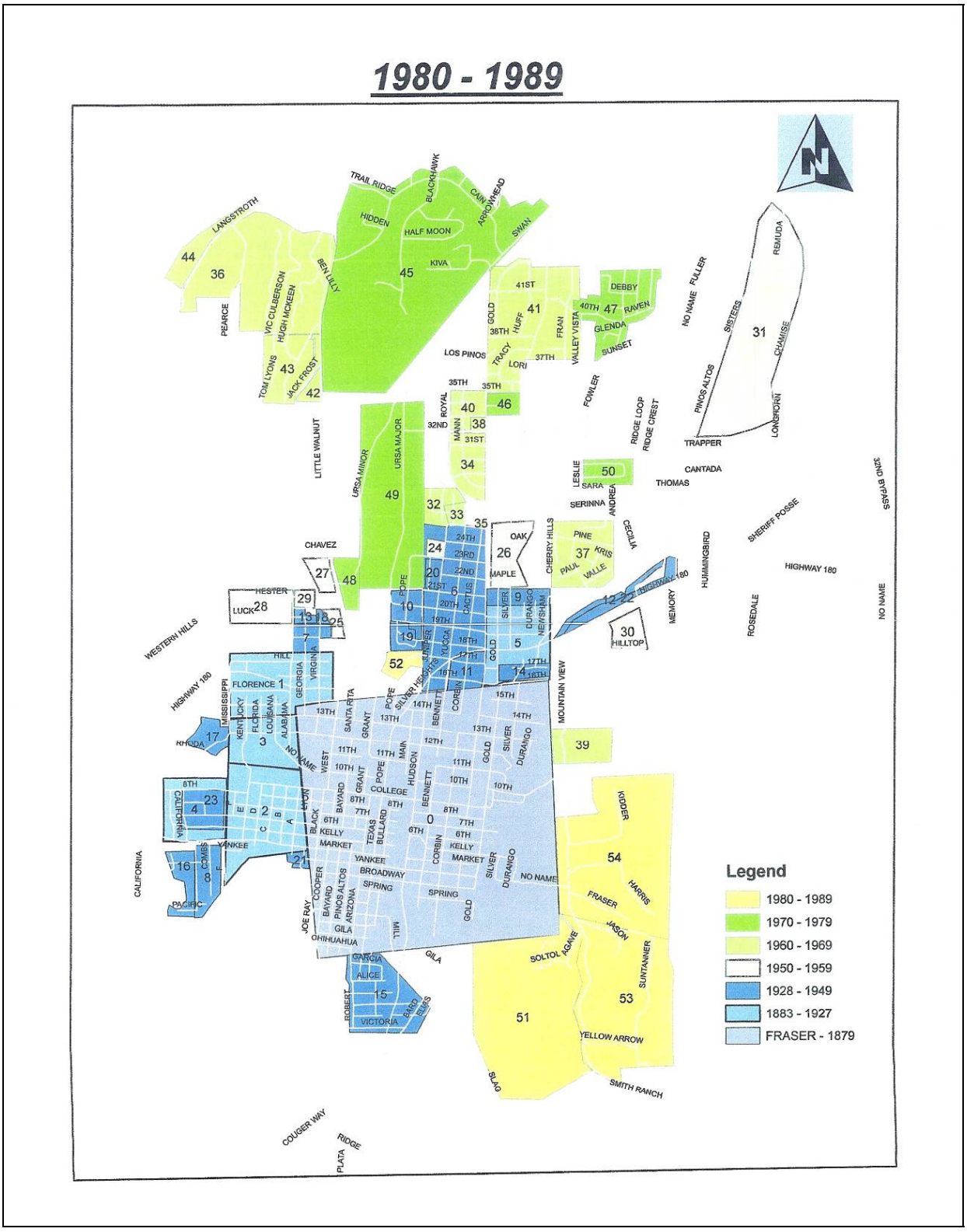


Figure 24. Subdivisions, 1990-Current

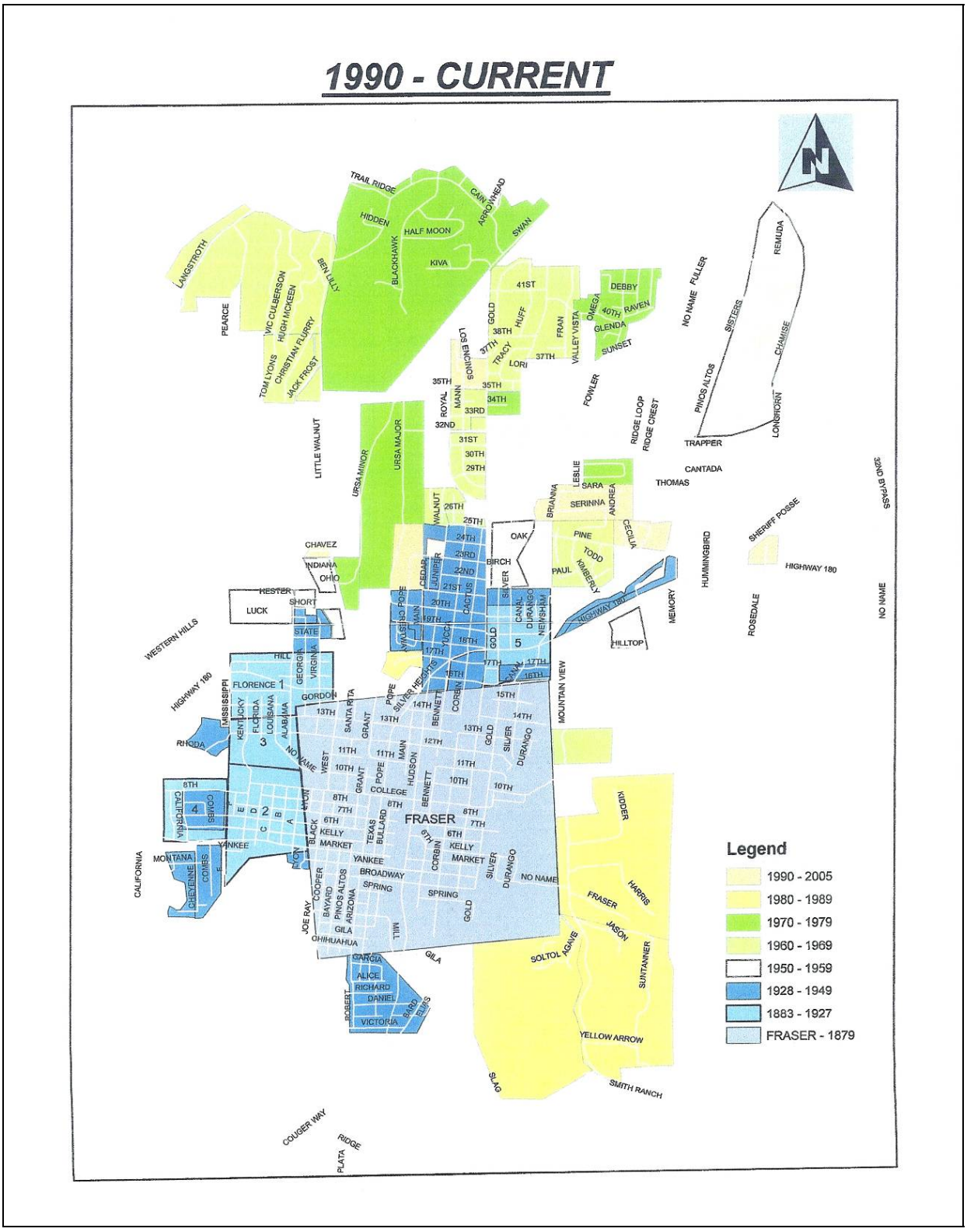
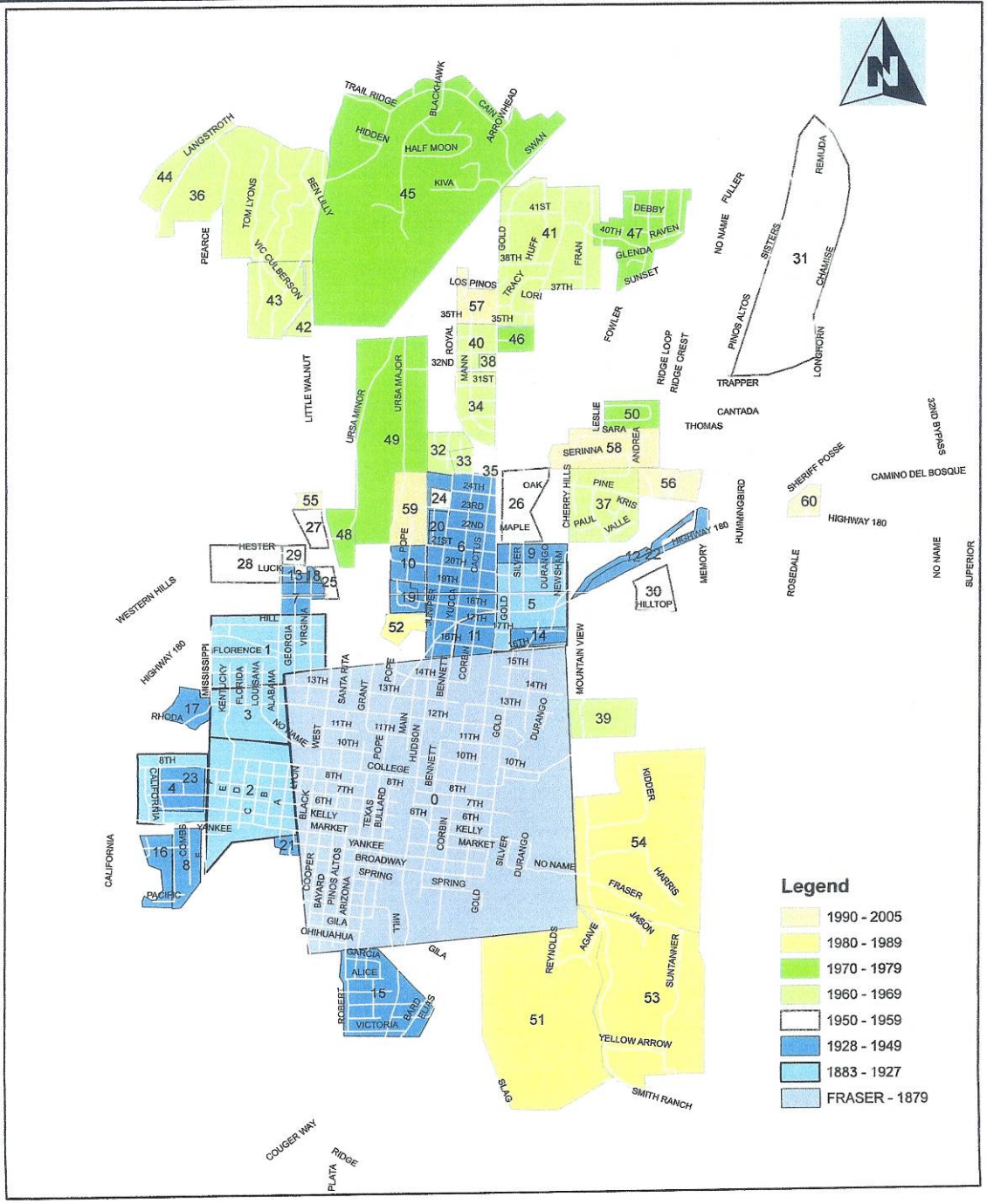


Figure 25. Subdivisions, 1878-2005

SILVER CITY SUBDIVISION GROWTH 1878 - 2005



Appendix F: Silver City Fees and Exactions

- ## Fees

Silver City charges fees to review applications for land division, subdivision, variances, rezoning, conditional use, encroachment, yard license, street and easement vacation, and the purchase of town property. These fees generally range between $50 and $75 per application. Applications for subdivision approval are charged per lot. Applications for the purchase of town property are charged $250 to assure earnestness in a project that involves survey and appraisal costs that are not recovered if a sale does not go through.

Fees are also charged to review applications for building permits and to inspect construction. Plan review fees are $25 per project. Inspection fees are linked to value of the project. A residence valued at $120, 000 would be charged $375.

While the town building official issues Certificates of Occupancy, he/she only inspects structure. Plumbing, mechanical, and electrical inspections are performed by the State through Construction Industry Division. Fees for those services are levied by CID and are linked to units of service: i.e. number of electrical outlets, etc.

An exception to this division of labor is the case of publicly owned properties. CID would perform all inspections for Western Regional Housing Authority for example. All fees are paid into the town's general operating fund.

- ## Exactions

Silver City charges $2,025 for new water service and $1,300 for new sewer service to a single-family dwelling unit. In the case of multiple-family dwelling units that might share a single water meter, fees are calculated on an equivalent proportional basis. These exactions cover tap costs, water acquisition costs, and costs to maintain the water system and the wastewater treatment plant. Water acquisition charges are levied for the purpose of purchasing additional water rights as they become available; in this way, the incremental consumption of water by each new user is offset eventually by new water supply and the overall sustainability of the service is protected. Sewer maintenance charges are levied to assure the long-term viability of the plant, which requires regular maintenance as well periodic improvements as service capacities exceed particular thresholds.

For subdivisions, water and sewer exactions are levied at the time the project receives its final approval. The purpose of this timing is to assure adequate reserves in the town's sewer and water fund to offset the total encumbered service to the new lots.

The sewer and water exactions increase the cost of new housing. A new lot and residence that sell for $150,000 ($120,000 residence + $30,000 lot) will pay an additional $3,300. The exaction represents a 2% increase to the overall cost. The exaction policy is unlikely to be waived,

however, since it is a provision that assures access by all residents in town to a sustainable supply of water and to a system of wastewater management that does not degrade community health and groundwater resources.

If an applicant petitions for sewer and water service and the service mains do not abut his/her property, the town requires the applicant to pay for the cost of extending mains. These offsite costs are recoverable by the applicant based on a pro-rata policy that is established by ordinance. It requires--if it is invoked--that each new applicant for service from a privately paid for extension share in the original cost. The term of the pro-rata sharing agreement is 10 years. Occasionally, the town will partner with an applicant for a service line extension if the town forecasts a future need that exceeds the particular service request.

In the case of new subdivisions, the town requires the applicant to perform an analysis of potential impact on the sewer and water delivery system, including but not limited to storage tanks and lift stations, as well as lines. If necessary, mitigation actions are identified, and the town negotiates with the applicant to arrive at a formula for sharing costs and a schedule for constructing improvements.

Also in the case of new subdivisions, the town requires applicants to perform a traffic impact analysis to determine the effects, if any, of the proposed development on existing streets and their ability to accommodate new traffic that is forecast as a consequence of the subdivision. Again, if necessary, mitigation actions are identified, and the town negotiates with the applicant to arrive at a formula for sharing costs and a schedule for constructing improvements.

The policy for extending sewer and water mains is a constraint to the platting of new subdivisions in undeveloped areas. The past practice of allowing minimal services to large lot subdivisions has aggravated this problem and limited the town's ability to grow on its periphery. To forestall this problem, the town now requires each new subdivision to provide full services. Of course, each new solution brings its own problems.

Funds from the Community Development Block Grant program can be used for paving streets and extending services into underserved areas, but access to the funds is based on cost/benefit analyses. CDBG funds cannot pay for developing new areas to house potential residents and the program cannot pay for extending services into sparsely populated areas.

The town draws on its sewer and water fund as well as on state and federal programs, including CWSRF, DWSRF, and STAG, to finance macro-scale improvements to the utility systems. Improvements include drilling new wells, repairing storage tanks, and constructing new digesters.

The town also uses state and federal programs, including MAP, Highway CO-OP, and recently ARRA, to finance street improvements, but these funds have always been applied towards existing problems rather potential problems.

It is important to find new financial resources, but it is also important to anticipate the future and forestall problems created by skimping on infrastructure. The present condition, extent, and capacity of streets and utilities have been made worse by the past practice of allowing minimal infrastructure to serve some subdivisions. It is important that individual development projects be assessed in holistic terms relative to their immediate impact and to their ability to accommodate or leverage future development. The fair apportionment of cost-sharing now and for the future can be negotiated but should not be neglected. The charts below depict the town's fees for permits and the town's resolution for building and grading permits.

Table 54. Silver City Permit Fees

Fee	Amount
Annual City Fee	$20
Administrative Land Subdivision	$50
Building Permit	Variable, see Building Permit Fee List
Business Registration	$25 annually
Commercial Development Pkt	$5.25
Comprehensive Plan	$21
Drainage Permit	Variable, See Drainage Permit Fee List
Drainage Policy Guide	$5.25
Informational Packet	$5.25
Land Use Code	$21
Maps	Variable, See Map Fee List
Mobile Home Moving Permit	$25
Sign Permit (< 100 Sq. ft.)	$25
Sign Permit (>100 Sq. ft.)	$25 + $1 for each additional square foot
Subdivision Packet	$5.25
Yard License	$50
Zoning Permit	$25 (Inside Limits)

Table 55. Planning and Zoning Commission Applications

Annexation	$100 + $5 for each acre
Appeal	$50
Beneficial Use Determination	$50
Conditional Use Permit	$50
Encroachment Permit	$75
PUD	$100 + $5 for each acre
Variations	$75
Zone Change (Map Amendment)	$100

Table 56. Subdivision Fees

Sketch Plat	$50
Preliminary Plat	$100 + $2 per lot
Final Plat	$50

Table 57. Schedule "A" - BUILDING PERMITS

Building Valuation	Permit Fees
$500 to $5,000	$15.00 plus $3.00 Plan Review Fee
$5,001 to $10,000	$25.00 plus $3.00 Plan Review Fee
Over $10,000	$2.50 per $1,000 or fraction thereof. Plus 25% Plan Review Fee.

Table 58. Schedule "B" - GRADING PERMITS

Cubic Yards Cut of Fill	Fees
200 cubic yards or less	$15.00
201 cy to 1,000 cy	$15.00 for first 200 cubic yards, plus $4.50 per 100 cy or fraction
1,001 cy to 10,000 cy	$51.00 for the first 1,000 cubic yards, plus $4.00 per 1,000 cy or a fraction thereof, up to and including 10,000 cy.

Appendix G: Supporting Tables for Pro Forma Analyses

These tables provide the background information for the pro forma analyses found in Section VIII. Strategic Development Opportunities.

A. Cost of Land:

To find the cost of land, MLS listings were used. A search was performed for land both within the Town and outside the Town on 6-25-2010.

Table 59. MLS Listings for In-Town Properties

Name	Number	Price	Acreage	Sq Ft	$/Sq Ft	=> $/Acre	Quadrant	Terrain
Reynolds St	26195	$27,500	0.40	17424	$1.58	$68,750	Unknown	Unknown
Celia St xx	26844	$45,000	0.55	23958	$1.88	$81,818	Center	Routine
Thomas Ln	23695	$90,000	2.05	89298	$1.01	$43,902	Center	Routine
Vesuvius Way	21512	$75,525	1.03	44866.8	$1.68	$73,325	Center	Routine
Vesuvius Way Lot 121	21517	$86,450	1.68	73180.8	$1.18	$51,458	Center	Routine
Vesuvius Way Lot 129	21525	$83,125	1.03	44866.8	$1.85	$80,704	Center	Routine
Vesuvius Way Lot 139	21535	$86,450	1.08	47044.8	$1.84	$80,046	Center	Routine
Vesuvius Way Lot 150	21554	$75,905	0.92	40075.2	$1.89	$82,505	Center	Routine
Vesuvius Way Lot 133	21529	$85,405	1.00	43560	$1.96	$85,405	Center	Routine
Vesuvius Way Lot 125	21521	$114,000	2.15	93654	$1.22	$53,023	Center	Routine
Vesuvius Way Lot 120	21516	$86,450	1.70	74052	$1.17	$50,853	Center	Routine
Newsham	25525	$89,500	3.69	160736.4	$0.56	$24,255	Northeast	Difficult
Katheryn	23914	$94,350	3.36	146361.6	$0.64	$28,080	Northeast	Difficult
Pinos Altos 3504	26868	$102,000	5.29	230432.4	$0.44	$19,282	Northeast	Difficult
Little Walnut 2340	26501	$150,000	2.80	121968	$1.23	$53,571	Northeast	Difficult
Longhorn Dr.	24881	$259,182	1.70	74052	$3.50	$152,460	Northeast	Difficult
N. Swan	21292	$50,000	1.79	77972.4	$0.64	$27,933	Northeast	Difficult
Pinos Altos Rd	26666	$145,000	5.46	237837.6	$0.61	$26,557	Northeast	Difficult
Rosedale Rd 401	26928	$150,000	43.00	1873080	$0.08	$3,488	Northeast	Difficult
Swan St. 4714	25675	$99,750	1.92	83635.2	$1.19	$51,953	Northeast	Difficult
Swan St.	25481	$69,500	1.80	78408	$0.89	$38,611	Northwest	Difficult
Cottonwood	25596	$75,000	1.00	43560	$1.72	$75,000	Northwest	Difficult
Arrowhead 00	26420	$78,000	1.50	65340	$1.19	$52,000	Northwest	Difficult
Nizhoni	26720	$39,900	5.18	225640.8	$0.18	$7,703	Northwest	Difficult
Durango St	27083	$19,000	0.34	14810.4	$1.28	$55,882	Northwest	Difficult
Idaho xx	26751	$39,500	4.68	203860.8	$0.19	$8,440	Southwest	Difficult
8th St 14 ww	26611	$89,000	0.85	37026	$2.40	$104,706	Southwest	Difficult
Overall Average (Rounded)		**$89,000**	**3.63**	**158026**	**$1.26**	**$55,000**		
Routine Average (Rounded)		**$78,000**	**1.24**	**53816.4**	**$1.57**	**$68,000**		
Difficult Average (Rounded)		**$97,000**	**5.27**	**229670.1**	**$1.05**	**$47,000**		

Because few buyers pay asking price, the average costs were reduced by 5%. Thus, in routine terrain, the in-town cost of land is $64,600 ($68,000 x .95), and in difficult terrain the cost of land is $44,650.

Table 60. MLS Listings for Out-of-Town Properties

Name	Number	Price	Acreage	Sq Ft	$/Sq Ft	=> $/Acre	In CCD ?
Ridge Rd 106	26915	$65,000	8	348480	$0.19	$8,125	No
Adobe Ln 20	26306	$84,500	5.13	223462.8	$0.38	$16,472	No
Apache Mnd Rd 64	25575	$79,900	4	174240	$0.46	$19,975	No
Wind Canyon Estates 10	19179	$88,000	10.65	463914	$0.19	$8,263	No
Aleco Dr 145	21549	$109,250	1.93	84070.8	$1.30	$56,606	Unclear
Chimboraza @ Swan	21543	$85,405	1.26	54885.6	$1.56	$67,782	Unclear
Hereford Dr.	25615	$57,000	0.53	23086.8	$2.47	$107,547	Unclear
Old Ranch Rd 10	23185	$124,000	10	435600	$0.28	$12,400	Unclear
Old Ranch Rd 44	25771	$140,000	10.8	470448	$0.30	$12,963	Unclear
Old Ranch Rd 74	23208	$205,000	10	435600	$0.47	$20,500	Unclear
Old Ranch Rd 74	25780	$196,000	10	435600	$0.45	$19,600	Unclear
Pine Pt Trail	26229	$135,000	10	435600	$0.31	$13,500	Unclear
Running Iron Ridge 20	23197	$148,000	10.79	470012.4	$0.31	$13,716	Unclear
Swan Street 4767	21558	$75,905	0.89	38768.4	$1.96	$85,287	Unclear
Swan Street 4654	21546	$85,405	1.4	60984	$1.40	$61,004	Unclear
Tallissa Ln #4	24034	$125,000	3.54	154202.4	$0.81	$35,311	Unclear
Windmill Ridge 20	23189	$156,000	10.64	463478.4	$0.34	$14,662	Unclear
Wrangler Way	26607	$47,500	1.56	67953.6	$0.70	$30,449	Unclear
Mesa Trl, Lt 19	27009	$35,000	10	435600	$0.08	$3,500	Yes
Spurr 00	26566	$120,000	30	1306800	$0.09	$4,000	Yes
Chamise	25271	$145,000	4.56	198633.6	$0.73	$31,798	Yes
Bairwood	25982	$44,500	0.62	27007.2	$1.65	$71,774	Yes
Camino De Viento	26991	$98,000	11.5	500940	$0.20	$8,522	Yes
Deet Trail 4802	26887	$115,000	2.48	108028.8	$1.06	$46,371	Yes
Everest Pt	26881	$89,000	2.48	108028.8	$0.82	$35,887	Yes
Himalaya Way	21506	$75,050	1.04	45302.4	$1.66	$72,163	Yes
XYZ Ranch Land	23833	$345,000	23	1001880	$0.34	$15,000	Yes
XYZ Ranch Land #2	23834	$260,000	20	871200	$0.30	$13,000	Yes
	Overall Average	**$119,051**	**7.74**	**337,279**	**$0.74**	**$34,066**	

The MLS listings contained 168 listings for out-of-town properties. The above table contains a random sample of 28 of those properties. Because few buyers pay asking price, the average cost was reduced by 5%. Thus, the out-of-town cost of land is $32,363 ($34,066 x .95).

B. Cost of Infrastructure:

Costs from interviews town official and local builders, especially Arturo Terrazas, a local builder with 20 years of experience, and Robert Esqueda, the Town's Utilities Manager.

Table 61. Estimated Infrastructure Costs per Linear Foot

	Routine Terrain	Difficult Terrain
Road	**$285**	**$319**
Electric (300ft min + transfer station)	**$6.67**	**$8**
Water	**$30**	**$33.60**
Waste Water	**$25**	**$28**
Gas	**$40**	**$45**
Total/lin ft	**$387**	**$434**
Infra/mile	**$2,041,600**	**$2,290,464**

C. Cost of Permits

Permit fees and exactions are located in Appendix F.

D. Cost to Build

For building costs, ICC valuations were researched. These are national averages. After finding the appropriate ICC valuations, they were locally adjusted after interviews with local builders and Town officials. In addition, they were locally adjusted given the average home prices and sizes in New Mexico versus the rest of the country.

Table 62. ICC Building Costs

($/ft^2)	1 Story Detached	1 Story Attached
Residential Single-Family	$124.88	$121.41
Residential Multi-Family	$134.26	$128.66

Table 63. Adjusted ICC Building Costs

($/ft^2)	1 Story Detached	1 Story Attached
Residential Single-Family	$104.90	$101.98
Residential Multi-Family	$112.78	$108.07

E. Professional Services, Construction Financing, Permanent Financing, Soft Costs, Syndication, Reserves, and Developer/Sponsor Fees

For these costs, existing pro formas from other affordable housing developments were used. Because no affordable housing project has been built in Silver City since 1995, these projects are current developments from other nearby cities in Southwest New Mexico. Two projects were for single-family developments, and four projects were for multi-family developments. Averages were taken from these pro formas and then used for the example tables in Section VIII. Strategic Development Opportunities.

Table 64. Comparable Pro Formas for Single-Family Developments

	Casas De Quinto Sol			Dos Lagos		
	Total	Per Unit	% of Grand Total	Total	Per Unit	% of Grand Total
Units	21			35		
Acquisition Costs	$150,000	$7,143	5.6%	$750,671	$21,448	35.7%
Rehab/Construction Cost	$1,888,224	$89,915	70.8%	$137,108	$3,917	6.5%
Professional Services	$132,175	$6,294	5.0%	$0	$0	0.0%
Construction Financing	$14,975	$713	0.6%	$1,210,179	$34,577	57.5%
Soft Costs	$14,900	$710	0.6%	$0	$0	0.0%
Developer/Sponsor Fees	$101,911	$4,853	3.8%	$5,000	$143	0.2%
Grand Total	$2,668,449	$127,069	100.0%	$2,102,958	$60,085	100.0%

Summary			
	Average (n=2)	Avg/Unit	Avg % Total
Units	28		
Acquisition Costs	$450,335	$14,295	20.7%
Rehab/Construction Cost	$1,012,666	$46,916	38.6%
Professional Services	-	-	-
Construction Financing	$612,577	$17,645	29.1%
Soft Costs	-	-	-
Developer/Sponsor Fees	$53,456	$2,498	2.0%
Grand Total	$2,385,704	$93,577	100.0%

Table 65. Comparable Pro Formas for Multi-Family Developments

	Falcon Ridge			Cimmaron Hill		
	Total	Per Unit	% Grand Total	Total	Per Unit	% Grand Total
Units	75	-	-	84	-	-
Acquisition Costs	$106,160	$1,415	1.1%	$1,134,000	$13,500	10.5%
Contractor / Mortgager's Costs	$6,393,599	$85,248	63.4%	$6,434,493	$76,601	59.4%
Other Const Costs	$1,152,379	$15,365	11.4%	$1,040,555	$12,388	9.6%
Professional Services/Fees	$359,132	$4,788	3.6%	$382,460	$4,553	3.5%
Construction Financing	$252,300	$3,364	2.5%	$277,500	$3,304	2.6%
Permanent Financing	$331,403	$4,419	3.3%	$127,392	$1,517	1.2%
Soft Costs	$91,700	$1,223	0.9%	$123,909	$1,475	1.1%
Syndication	$34,900	$465	0.3%	$27,000	$321	0.2%
Reserves	$250,640	$3,342	2.5%	$180,031	$2,143	1.7%
Developer's/Sponsor Cost	$1,113,846	$14,851	11.0%	$1,100,540	$13,102	10.2%
Grand Total	$10,086,059	$134,481	100.0%	$10,827,880	$128,903	100.0%
	Stone Mountain			Presidio Dolores		
	Total	Per Unit	% Grand Total	Total	Per Unit	% Grand Total
Units	84	-	-	36	-	-
Acquisition Costs	$658,000	$7,833	8.1%	$1,046,750	$29,076	15.8%
Contractor / Mortgager's Costs	$4,915,995	$58,524	60.7%	$3,004,800	$83,467	45.4%
Other Const Costs	$876,583	$10,436	10.8%	$221,750	$6,160	3.3%
Professional Services/Fees	$267,500	$3,185	3.3%	$284,570	$7,905	4.3%
Construction Financing	$215,000	$2,560	2.7%	$13,700	$381	0.2%
Permanent Financing	$83,982	$1,000	1.0%	$126,500	$3,514	1.9%
Soft Costs	$88,000	$1,048	1.1%	$14,500	$403	0.2%
Syndication	$22,000	$262	0.3%	$172,739	$4,798	2.6%
Reserves	$117,328	$1,397	1.4%	$271,187	$7,533	4.1%
Developer's/Sponsor Cost	$855,247	$10,182	10.6%	$1,032,000	$28,667	15.6%
Grand Total	$8,099,635	$96,424	100.0%	$6,623,292	$183,980	100.0%

Summary			
	Average (n=4)	Avg/Unit	Avg % Grand Total
Units	70		
Acquisition Costs	$736,228	$10,555	8.3%
Contractor / Mortgager's Costs	$5,187,222	$74,369	58.2%
Other Const Costs	$822,817	$11,797	9.2%
Professional Services/Fees	$323,416	$4,637	3.6%
Construction Financing	$189,625	$2,719	2.1%
Permanent Financing	$167,319	$2,399	1.9%
Soft Costs	$79,527	$1,140	0.9%
Syndication	$64,160	$920	0.7%
Reserves	$204,797	$2,936	2.3%
Developer's/Sponsor Cost	$1,025,408	$14,701	11.5%
Grand Total	$8,909,217	$127,731	100.0%

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