



# City of Las Cruces<sup>®</sup>

## Amended Housing Policy Review Committee Agenda

The following is the **AMENDED** agenda for the City of Las Cruces Housing Policy Review Committee for January 18, 2023 at 2:00 p.m., at City Hall, 700 N. Main, Las Cruces, New Mexico Conference Room 2007-A

1. Call To Order
2. Conflict Of Interest
3. Acceptance Of Agenda
4. Approval Of Minutes
  - a. September 21, 2022
  
  - b. November 29, 2022

Documents:

[09-21-22 HOUSING PRC DRAFT MINUTES.PDF](#)  
[11-29-22 HOUSING PRC DRADT MINUTES.PDF](#)

5. Agency Spotlights - Habitat For Humanity
6. Recommendation Items - None
7. General Discussion
  - a. Housing and Neighborhood Services Annual Project and Strategic Plan Review
  
  - b. Affordable Housing Land Bank and Trust Fund Committee Changes
8. Future Items For Review
  - a. Realize Las Cruces Infill
9. Adjournment

If an accommodation for a person with a disability is required to enable them to fully participate in this event, please contact us 72 hours before the event at 575-528-3043/v or 1-800-659-8331/tty.

The City of Las Cruces does not discriminate on the basis of race, color, national origin, sex, sexual orientation, gender identity, religion, age or disability in employment or the provision of services.

Date posted: Amended January 12, 2023



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45

The following are summary minutes for the meeting of the **City of Las Cruces – Housing Policy Review Committee** on September 21, 2022. The meeting was held via Zoom and in Room 2007-A at City Hall, 700 N. Main Street, Las Cruces, New Mexico.

**Members Present:**

- Kasandra Gandara, City Council
- Johana Bencomo, City Council
- Yvonne Flores, City Council (arrived 3:02)
- Benjamin Beard, Las Cruces Home Builders Association
- Juan Olvera, Mesilla Valley Public Housing Authority

**Members Absent:**

- Sonja Unrau, NM Mortgage Finance Authority

**Others Present:**

- Natalie Green, Housing Neighborhood Service Manager
- Kevin Wilson, Housing Development Coordinator
- Rene Romo, Ben Ray Lujan’s Office
- Elizabeth Teeters, Economic Development Director
- Sergio Ruiz, Policy Analyst
- Alex Chavez, Architect
- J.V. Sousa, Architect
- Nicole Martinez, Director, Mesilla Valley Community of Hope
- Christine Rivera, City Clerk
- Greg Shervanick, Public Member
- Becky Baum, RC Creations, Transcriptionist
- Ken Thurston, KT Homes

- 1. Call to Order:** Councilor Bencomo called the meeting to order at 2:06.
- 2. Conflict of Interest:** No conflict of interest was proclaimed.
- 3. Acceptance of the Agenda:** Motion to accept the agenda by Councilor Gandara, seconded by Councilor Bencomo. Motion passes.
- 4. Approval of the Minutes:**
  - a. Housing PRC Meeting of August 17, 2022:** Motion to accept the Minutes by Councilor Gandara, seconded by Councilor Bencomo. Motion passes.
- 5. Agency Spotlight - MVPHA Paseos Verdes Masterplan:** Alex Chavez gave the presentation. MVPHA is by Colorado Avenue, Mesquite Street, Campo Street, and San Pedro Avenue. The site is 7.3 acres with the western portion of the site currently owned by the City. The conflict surrounding the site played a significant

1 role in shaping the signs. They conducted a two day charrette in October 2021  
2 with MVPHA, City staff, and other stakeholders. These discussions resulted in the  
3 design concepts. Some common ideas was larger buildings for both workforce  
4 and housing along Campo, senior housing at the southeast corner adjacent to the  
5 senior center, central park space, a greenery passing through the site to connect  
6 to park land to the east, smaller scale structures adjacent to Mesquite Historic  
7 District, and future connection to FYI development.

8  
9 The first sketch of the ideas was shown; overlaid on an aerial image of the site.  
10 Buildings on Campo in an urban way would limit setback and parking behind the  
11 structures. A mural or element on the south building would be there to make an  
12 introduction to the creative neighborhood. MVPHA would be located at the  
13 southwestern corner of the site. The senior housing would be immediately  
14 adjacent to the senior center to facilitate resident engagement. The seniors would  
15 be in one building with elevator access to promote interaction within the  
16 community. Small scale buildings next to the Mesquite Historic District would stay  
17 one or two stories tall and continue the look of single family structures in the district.  
18 A large central park area for residents would be framed by buildings, the  
19 community building would face the park, and the green way would have  
20 connections to FYI's future development as well as the senior center to facilitate  
21 access to services and programs.

22  
23 The second sketch of the ideas was shown; it is similar with minimal changes. This  
24 sketch removes all larger structures south of the greenway and all smaller scale  
25 buildings to the north. The community building and MVPHA office would share the  
26 same building with access to the park. All parking lots are placed inside to increase  
27 the walkability outside. The first scheme has 218 units. The east greenway  
28 connection would move to the north to facilitate the connection to the park as well  
29 as the senior center. The height of each building is shown on each plan. There is  
30 a proportional mix of one and two bedroom units with some three bedroom units.  
31 For the seniors is a proportional number of studios and one bedroom units with a  
32 few two bedroom units. The MVPHA and community center move to Mesquite  
33 Street. The second scheme has all workforce on the west side with all senior on  
34 the east. It also has 160 units and lowered the height of the buildings to a  
35 maximum of two stories tall throughout the project. The workforce units have 58  
36 one bedroom units with 20 two bedroom units. Senior units have a proportionate  
37 mix of one and two bedroom units with a few three bedroom units. An image of  
38 the relative density and scale of the two schemes was shown.

39  
40 In the second scheme all two story buildings will not have elevators; the ground  
41 units would be accessible for seniors. This was discussed with MVPHA on this  
42 and the two story would be walk ups; there would be a need for MVPHA to manage  
43 the residents in a way to put people who are younger and don't have mobility  
44 issues in the upper story then move them downstairs as they age or have mobility  
45 issues. It would be a concern. The first scheme would be a four story building for  
46 seniors but there would be elevators. There has not been any pricing on these  
47 schemes as of yet; it would not cost as much for the less units and shorter  
48 buildings. This is a preliminary design; there hasn't been input from the

1 surrounding community as of yet. Once they decide on a scheme then they will  
2 begin the community meetings and process. There has not been traffic studies  
3 but traffic was in the room when designing.  
4

5 The first scheme would be at least four phases and roughly 10 to 12 years. The  
6 second scheme would be roughly three phases for roughly five to six years. The  
7 funding available from MFA for the tax credits has a cap on the amount requested  
8 for tax credit; currently it's roughly \$1.3 million. The development cost should be  
9 around \$16 million for each phase. The only place to build would be in the empty  
10 land owned by the City. It would be difficult to build in between the existing  
11 buildings. The current buildings were built in the 1960s to 1970s and have been  
12 kept in good shape; improvements are done as needed. There was suggestion  
13 adding to those buildings rather than tear them down to build new. Councilor  
14 Gandara stated that they are in poor condition and she receives complaints on  
15 them often. The housing is on federal land and so they can't adjust units like that  
16 if there isn't a conversion.  
17

18 When the second scheme was developed they looked at trying to fit new structures  
19 in between the existing one story duplexes to bring the density up; it would be  
20 incredibly challenging and would be a very expensive construction to do. It also  
21 would not encourage residents to engage with others and come out of their homes.  
22 If there is an opportunity to create better structures then it should be done. The  
23 density per acre on the current housing there is five units per acre; for scheme one  
24 it would be a density of 30 units per acre and scheme two would be a density of  
25 21.9 units per acre. The build for rent down in the Phoenix valley gets roughly 10  
26 to 11 per acre with detached and duplexes. If they could renovate the buildings  
27 rather than tear them down they could get it up to 10 units per acre while still  
28 maintaining some open outdoor space. Ken Thurston stated that from a builder  
29 perspective of utilizing money efficiently they could get units made without tearing  
30 down existing structures; wouldn't need to replace people but rather move them to  
31 the other building. There will need to be conversion option for the property or they  
32 will not receive a tax credit or loans due to the land being owned by the federal  
33 government. They need to redevelop the whole area.  
34

35 **6. Action items:** None.  
36

37 **7. General Discussion:**

38 **a. Landlord Incentive and Risk Mitigation Program:** Nicole Martinez gave  
39 the presentation. They have been assisting people with housing support  
40 through rental assistance, eviction prevention, and supportive services  
41 while transitioning from homelessness into their own units or trying to not  
42 become homeless. There's been a lot of talk on housing mitigation; still  
43 relatively new. The New Mexico Coalition to End Homelessness had staff  
44 that did research on other places in the U.S. There are several clients they  
45 are working with to house; very restricted with the grant funding and how  
46 much they can use to support landlords and damages. During the  
47 pandemic rents skyrocketed as well; over the fair market price which limits  
48 where people can be placed.

1  
2 In applying for the City funding, Ms. Martinez wishes to use the funding to  
3 attract landlords to work with Community of Hope and retain the landlords  
4 currently working with them. The activities would be to pay extraordinary  
5 damages in excess of the security deposit, extraordinary cleaning, pest  
6 infestation, delinquent rent up to two months, the rent over fair market rent,  
7 reasonable assistance to bring a unit up to inspection, other costs required  
8 to recruit or retain landlords like bonuses, covering vacancies, and etcetera.  
9 There is a list of parameters with policies and procedures around it; signed  
10 leases for release of funds, a cap of \$3,000 to a landlord per unit, verify  
11 documentation of the damage, invoices, and etcetera. The objective over  
12 the lifetime of this grant is to pay assistance to the landlords, engage the  
13 landlords in housing recruitment, retention, outreach to new landlords, and  
14 assist at least 100 landlords. They would report to the City upon reward of  
15 the grant.

16  
17 Ms. Martinez did apply for seed funding from a private foundation to carry  
18 through until a decision was made; they have been successful in obtaining  
19 that. Over the past few years there has been \$21,000 paid out in excess of  
20 grants. Many landlords want to continue working with Community of Hope  
21 but many things are too expensive. There's also a limit in affordable  
22 housing in the community so they wish to help landlords. The numbers  
23 created were based on what they believe is reasonable to feel things out.  
24 Currently the only assistance paid out has been damages. Currently they  
25 are not allowed to utilize their funding or vouchers for anything other than a  
26 rental; year lease at least.

27  
28 Ms. Martinez stated that she applied for a grant with the City for \$300,000.  
29 The City felt it could be a program that grows over the years and wished to  
30 give them \$600,000 but as things progressed they were awarded the  
31 original \$300,000. Ms. Martinez stated they would find a way to use all the  
32 money up by 2024 if need be; working with Housing Authority and etcetera.  
33 The private foundation cap is \$25,000. They intend to use similar incentives  
34 as the Housing Authority with bonuses and such. There would be an  
35 application process which would go through the housing manager and to  
36 Ms. Martinez and the accountant. The tenant would make the lease with  
37 the landlord; there would be something added in the contract stating what  
38 Community of Hope pays. Their staff talks with landlords every month as  
39 they deal with rental assistance, make them aware of the program, and  
40 there will be marketing tactics such as flyers or billboards as things move  
41 forward. They partner with over 100 landlords right now. CYFD piloted a  
42 similar program for at risk youth. They have not seen any landlord claims  
43 over \$2,800 and only half the funding has gone to damages; the rest has  
44 gone to some other areas. Another thing to look at is how to rent out existing  
45 homes rather than constantly building new; work with landlords.

1           **b. CDBG Rental Rehab Program:** Kevin Wilson gave the presentation.  
2           There are four areas in the United States that have very active rental  
3           rehabilitation program; Duluth, Montana, Cumberland, North Carolina,  
4           Nashville Davidson County, and Battle Creek, Michigan. They were all  
5           uniquely different in their approaches but many meets Elevate Las Cruces.  
6           Making existing affordable housing units safe and secure is one of the most  
7           valuable things to do. Landlords can't always come up with the money  
8           themselves. Another criteria is to find neighborhoods; look at the entire City  
9           or just low to moderate income neighborhood areas where the greatest  
10          need is. Funding limits in terms of loans and grants also needs to be  
11          decided as well as establish the renovations that would be covered by the  
12          program.

13  
14          Some consistencies and successes the other programs have include  
15          putting an application fee that is nominal, look at the credit worthiness of the  
16          property owner, establish loan and grant limits based on unit sizes and  
17          types, require landlords to put up roughly 25% to invest into their home  
18          which shows the solvency of the owner, different terms for certain things  
19          like accept voucher holders for the entire length of rental, repay with a 3%  
20          interest rate to allow them to make the rental available to all tenants with  
21          income below the ADAMI, consistency limits to completely rehab the unit,  
22          and etcetera. These other programs are working closely with contractors  
23          rehabilitation projects; \$24,000 which doesn't go very far. One of the things  
24          to look at is weatherization to keep utilities down; work with contractors to  
25          find the best way to spend such a limited amount.

26  
27          Most of the programs are avoiding displacement of residents; need to time  
28          things well as it can be expensive moving people. Have the landlords plan  
29          these when vacancy occurs rather than displacing tenants. The Uniform  
30          Relocation Act money cannot be pushed onto the loans; must be absorbed.  
31          They would need to build the program with incentives to not dislocate  
32          people. There will need to be lead based paint inspections and such; all  
33          done up front by the landlords as a part of the application process.  
34          Monitoring can be time consuming for staff; need manpower to ensure  
35          compliance with these loan terms. There needs to be something in place  
36          where non-compliance has swift actions and repercussions, tenants and  
37          landowners. There isn't a lot of potential for the Davis Bacon Act to come  
38          in but if it's a larger, older complex that could happen. Considerations taken  
39          would be program development first with guidelines, policies, procedures,  
40          and documents to do this as well as establishing a compliance monitoring  
41          program. There is limited funding; the CDBG funds are capped at this time  
42          and all is used.

43  
44          There isn't enough staff to add another program but there isn't enough  
45          money to hire another staff member. There was a question as to whether  
46          this should be an action item or continue being discussed until more  
47          information is created. There is one vacancy in staff funded by the Telshor  
48          Fund but it's unsure for future years. If hotels were looking to convert to

1 more long term rentals then this would work there. This would be a  
2 complement to the landlord incentive program as well; prepare places to  
3 house people. A lot of calls received are on something major for the tenant  
4 but many small landlords that only have one or two rentals can't always  
5 afford the money to redo a bathroom if that's all the profit they receive from  
6 the rental.

7  
8 The target market would primarily be the multi-family and hotel renovations  
9 to long term rentals. In many of the programs the cap for a project runs  
10 from \$24,000 to \$60,000. If there was a substantial rehabilitation on a single  
11 family home it would be roughly \$60,000. This will be a program where they  
12 can do one at a time to eventually get all the units updated. Ken Thurston  
13 stated that they looked at a hotel to change to a long term rental; the tenants  
14 were paying roughly \$1,200 for a studio with a kitchenette. He's looking to  
15 change it to be more affordable. However, there would be a density issue;  
16 can only do 30 to 40 per acre but hotels would be over that limit. He  
17 recommended having a clause to help make it affordable to an investor. If  
18 it's for affordable housing there could be density bonuses. Staff can also  
19 look at infill bonuses as well. Hotels are often fairly rundown which makes  
20 a lot of renovations that need to be done.

21  
22 Staff can talk with Councilors about transitional housing and do a better  
23 standard of living at hotels, request funds. The funds available are very  
24 restrictive and the City would have to own property which they don't want to  
25 do. Staff will follow up on the infill policies to bring in Mr. Thurston to the  
26 conversations. The first rendition of the Housing PRC had a map created  
27 on the City with units available, what kinds, what condition they're in, and  
28 etcetera. It would be good data to see what's out there still and monitoring  
29 them. The only way to tell if a home is a rental is with deep investigation.  
30 There is a data tool that tracks US mail data and utility data that then creates  
31 vacancy maps. GIS is only as good as the data put in and the group with  
32 the data tool states they can give that information. The census data is  
33 typically two years behind. Some data units from Lift Up are being  
34 researched to see how they can be used as a metric. The utility data can  
35 be obtained but isn't a good metric as many people live without utilities.

36  
37 Councilor Gandara would like more data; calls received from living in  
38 substandard conditions and etcetera. Mr. Wilson has that information from  
39 the last two years that they can look over. Councilor Flores is unsure about  
40 the information from the tenant coming to staff and then approaching the  
41 landlord; many tenants don't let the landlord know something is wrong as  
42 they're afraid of being evicted. Mr. Wilson keeps notes on what's going on  
43 but doesn't ask for landlord names; advise them of their rights as well. This  
44 program can create an opportunity rather than a hindrance.



1                   **c. Single-Family Affordable Housing Development Program Expansion:**

2                   This item will be added to next month's meeting as well as there wasn't  
3                   enough time to go through the entire presentation. Ken Thurston stated  
4                   that they have a good relationship with the Organ Mountain High School;  
5                   second year of building a house with them. They have a 501(c)3 which has  
6                   allowed them to do additional items. They'd like to see if they could combine  
7                   City, student, and Las Cruces Home Builders Association efforts to provide  
8                   affordable housing projects. The past two years they found a developer  
9                   who gave a discount on the lots as the students were doing it. The funds  
10                  are strictly for educational purposes and set up separately. They would like  
11                  to have a partnership with the City to build affordable housing and have the  
12                  students build them every year.

13  
14                  Currently there is a need for skills trade and the students are starting to  
15                  realize that going to college isn't the only way forward. There are now close  
16                  to 300 students from level one to level three at Organ Mountain; level three  
17                  goes out in the field to build. They would like to increase that to multiple  
18                  buildings a year at multiple schools; it's up to the principle at each school to  
19                  promote and support. They can apply for grants as well with the Las Cruces  
20                  Home Builders Association being the qualifying party and build on City land.  
21                  The MOU is with the schools for them to come and build as well as  
22                  insurance in place; took three years to get moving. Currently the students  
23                  are building a \$425,000 house but they would like them to help with easier  
24                  built homes to have more involvement.

25  
26                  Historically individual members of the Home Builders Association has  
27                  difficulty partnering with the City on affordable housing due to the anti-  
28                  donation clause. The 501(c)3 can be used instead similar to Habitat for  
29                  Humanity. Mr. Thurston hopes that with his volume purchasing they can  
30                  get cheaper prices and work with others to create more affordable housing.  
31                  He would need help from City Council and working through the red tape;  
32                  put something in the contract to state he's not making excessive profit and  
33                  etcetera. Natalie Green can follow up with him. Construction loans are at  
34                  7% right now; perhaps offer a lower construction note while building the  
35                  house to help incentivize affordable housing.

36  
37                  **8. Future Items for Review:**

38                   **a. MFA Housing Strategic Plan:**

39                   **b. Annual Housing and NS Project review:**

40  
41                  Ms. Green reached out to MFA to give a more specific presentation on the  
42                  statewide housing strategy in October. The other October item could be the  
43                  discussion on single family development. The infill will come to either this PRC  
44                  or TSI but not both.

45  
46                  **9. Adjournment:** Motion to adjourn the meeting by Board Member Flores, seconded  
47                  by Board Member Gandara. The meeting adjourned at approximately 3:35 p.m.  
48

1  
2  
3  
4  
5  
6  
7  
8  
9

\_\_\_\_\_

Chairperson

Approved: \_\_\_\_\_

DRAFT



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44

The following are summary minutes for the meeting of the **City of Las Cruces – Housing Policy Review Committee** on November 29, 2022. The meeting was held via Zoom and in Room 2007A at City Hall, 700 N. Main Street, Las Cruces, New Mexico.

**Members Present:**

- Johana Bencomo, City Council
- Yvonne Flores, City Council (arrived 3:02)

**Members Absent:**

- Kasandra Gandara, City Council
- Sonja Unrau, NM Mortgage Finance Authority
- Benjamin Beard, Las Cruces Home Builders Association
- Juan Olvera, Mesilla Valley Public Housing Authority

**Others Present:**

- Natalie Green, Housing Neighborhood Service Manager
- Jan Lauterbach, Housing Development Coordinator
- Rene Romo
- Sergio Ruiz, Policy Analyst
- Cynthia Alamillo, Management Analyst
- Catrina Godinez, Neighborhood Program Specialist
- Paris Rubio
- Nicole Martinez, Director, Mesilla Valley Community of Hope
- Christine Rivera, City Clerk
- Justin Carmona, NM Housing Authority
- Robyn Powell, NM Housing Authority
- Rose Garcia, Tierra Del Sol Housing Corp.
- Sydney Cruz, Intern
- Christine Rivera, City Clerk
- Jenny Hernandez, Sustainability Specialist
- Beth Bardwell
- Becky Baum, RC Creations, Transcription

- 1. Call to Order:** Councilor Bencomo called the meeting to order.
- 2. Conflict of Interest:** No conflict of interest was proclaimed.
- 3. Acceptance of the Agenda:** Motion to accept the agenda by Councilor Flores, seconded by Councilor Bencomo. Motion passes.
- 4. Approval of the Minutes:**

1                    **a. Housing PRC Meeting of September 21, 2022:** Motion to accept the  
2 Minutes by Councilor Flores, seconded by Councilor Bencomo. Motion  
3 passes.  
4

5                    **5. Agency Spotlight:** None  
6

7                    **6. Action items:** None.  
8

9                    **7. General Discussion:**

10                   **a. Tierra Del Sol - AH Single Family Revolving Loan Fund:**

11  
12                   **b. NM Mortgage Finance Authority - NM State Housing Strategy:**

13  
14                   **c. HOME ARP and Addressing the Unhoused:**  
15

16                   **8. Future Items for Review:**

17                   **a. Housing and Neighborhood Services Annual Project Review:**

18                   **b. Realize Las Cruces Infill:**  
19  
20  
21

22                   **9. Adjournment:** The meeting adjourned at approximately 10:34 a.m.  
23  
24  
25  
26  
27

28 \_\_\_\_\_  
Chairperson

29  
30  
31  
32 Approved: \_\_\_\_\_