



City of Gallup Housing Needs Analysis



City Council
June 9, 2020



Project Goals & Purpose

- **The purpose of the Housing Needs Analysis:**
 - Support the Growth Management Plan and Strategic Goals for Housing.
 - Identify and analyze existing and projected housing needs.
 - Recommend actions that the City and other stakeholders can take to meet housing needs.
 - Provide data to inform future housing development.

Scope of Work



Information Gathering

Data Collection
Housing Working Group
Stakeholder Interviews
Community and Employer Surveys



Market Profile

Housing Market and Demographics



Needs Assessment



Priority Actions to Implement



Housing Needs Analysis Report

Administrative Draft

Public and Final Drafts

Working Group

- City of Gallup
- Coldwell Banker and High Desert Realty
- DePauli Engineering & Surveying, LLC
- Gallup Board of Realtors
- Gallup Land Partners
- Greater Gallup Economic Development Corporation
- Native Partnership for Housing
- Northwest New Mexico Council of Governments



Working Group's Role



Share knowledge of the local housing market



Help publicize online surveys through networks



Meet at key points to discuss findings and recommendations



Review draft materials

Stakeholder Outreach

- **Conducted an apartment complex survey**
 - Contacted 19 apartment complexes
 - Of them, 13 provided information
- **Reached out to stakeholders and service providers**
 - Contacted 40 agencies/individuals
 - Received input from:
 - Gallup McKinley County Schools
 - Habitat for Humanity-Gallup
 - Murphy Builders
 - Pinnacle Bank
 - Presbyterian Medical Services
 - Gallup Housing Authority
 - Rehoboth Christian School
 - Rehoboth McKinley Christian Health Care Services
 - Southwest Indian Foundation
 - UNM-Gallup
 - Wells Fargo

Community and Employer Surveys

- Survey period: February 1 – March 22
- Available online and at City Hall
- Community Survey: 156 Responses
- Employer Survey: 22 Responses
- Informed the findings and recommendations



Overall Needs

- A continuum of housing types that includes smaller lots, attached units, and higher density apartments will provide a range of options for local workers.
- The revitalizing downtown area is a logical location for higher density housing.
- A moderately dense product, known as the “missing middle” might be an appropriate scale for Gallup.



Overall Needs

- Policies/ordinances that encourage productive use of vacant buildings and land are needed. The new Land Development Standards (zoning code) could be supplemented by:
 - Vacant buildings ordinance that's more stringent requiring property owners to maintain their structures.
 - Infrastructure standby charge for vacant properties.
 - Continued code enforcement and implementation of the Clean and Lien Program.



Unmet Home- ownership Need

- **Total homeownership need**
 - 65 renters with incomes that would support homeownership
 - 32 homes to accommodate growth
 - 58 commuters who are interested in moving
 - Less homes for sale—40± in January
- **Households with incomes under \$35,000**
 - Homebuyer assistance and education
 - First time homebuyers, renters who could buy
 - Over 100 mortgage loan denials, highest rates for household incomes less than \$35,000
 - Most common reasons are debt and poor credit history
 - 18 units with home price up to \$185,000
- **Households with incomes of \$35,000 to \$49,999**
 - 8 units with home price \$185,000 to \$265,000
- **Households with incomes above \$50,000 per year**
 - 44 units with home price above \$265,000 for growth and move up buyers

Need for Rental Housing

- **Cost burdened renters**

- Census estimates indicate that over half of renters pay more than 30% of their income for rent, and 31% pay over half of their income for rent.
- There are over 1,000 cost burdened renters in Gallup, most with incomes below \$20,000.
- 194 cost burdened renters have incomes between \$20,000 and \$50,000.
- A solution could be new housing or rental assistance for current homes.

- **Cost burdened senior homeowners**

- There are approximately 200 cost-burdened owner households with the owner age 65+(166 pay more than 35% of income for housing).
- A solution could be senior rentals or assistance, such as repairs, weatherization or accessibility improvements, that allows seniors to stay in their homes.

- **Housing to accommodate growth**

- 32 units for households with incomes below \$20,000
- 29 market rate rental units

Increase Housing Choice and Availability

- Promote the pro-housing policies of the new Land Development Standards (LDS):
 - Recommending developers of new subdivisions chose SFR-A to accommodate more parcels between 3,000 and 6,000 square feet to enable them to build homes at more affordable prices.
 - Recommending that property owners of dilapidated mobile home parks consider applying for a zoning change on their properties or selling them so they can be redeveloped as quality multi-family dwellings.
 - Encouraging developers to consider cluster development or co-housing development in RR, SFR, MFRL and MFRM and MXN districts.
 - Encouraging property owners to put property in older neighborhoods to productive use, including infill development in the Character Protection Overlay district, the Downtown Overlay district, and the Downtown MRA plan area.
 - Encouraging PUD districts.

Increase Housing Choice and Availability

- The City can consider making changes to the LDS to address housing shortages:
 - Amend LDS text to allow multi-family as a conditional use in General Commercial districts.
 - Look at more sites that could be appropriate for multi-family, especially medium density as described earlier as the Missing Middle Housing Types.

Rehabilitate Homes and Develop Vacant Lots to Support Stable Neighborhoods

- **Develop a comprehensive strategy.**
 - Convene a Housing Taskforce with government entities, including McKinley County, lawyers and title professionals to assess the local and state laws regarding abandoned property, tax foreclosure statues, and the feasibility of developing a land bank for abandoned property such that they can be returned to productive use.
 - Consider taking part in a Center for Community Progress training that helps communities address vacant and abandoned properties and get them back into productive use.
 - Update laws at state and local levels to address vacant and abandoned property. Reassess and establish fees/fines for property owners not in compliance that makes it less desirable for property owners to do nothing.
 - In the interim, initiate a citywide cleanup and consider hiring residents to clean up blight.

Rehabilitate Homes and Develop Vacant Lots to Support Stable Neighborhoods

- **Develop a systematic process to assess and return homes to productive use:**
 - Make an abandoned property list.
 - Prioritize funding for new City staff code enforcement positions.
 - Identify property owners and hold them accountable. For example, continue to give 30 days to clean up their abandoned/unmaintained properties and register vacant property. If they do not, impose fines.
 - Register all vacant/abandoned buildings.
 - Charge the property owners of such properties fees until property is brought to code.
 - Make the rehabilitation and maintenance process clear and understandable to the public through a campaign and webpage.
 - From this point on in the process, the decisions made in the comprehensive strategy will determine whether the City pursues the land banking option or chooses to work with a non-profit housing developer or community development corporation.
 - Market and sell buildings once they have been foreclosed; work with community stakeholders to identify priority sites.
 - Leverage private and public funding for properties beyond repair to assist with demolition costs.
 - Establish a greenlining fund to help prospective homebuyers get mortgage loans.

Rehabilitate Homes and Develop Vacant Lots to Support Stable Neighborhoods

- **The City of Gallup could encourage McKinley County on the following steps:**
 - **The County Treasurer's Office currently aids property owners struggling to pay taxes through an installment payment plan. The County can make residents more aware of this assistance.**
 - **The County can begin foreclosure on properties that have not had property taxes paid for three years so they can be available for rehabilitation or demolition (if beyond repair) and can be put back into productive use.**

Rehabilitate Homes and Develop Vacant Lots to Support Stable Neighborhoods

- **Build capacity of local non-profit housing developer or community development corporation:**
 - Once the steps above are completed and abandoned property is foreclosed, a housing developer can begin to bring properties into productive use.
 - Identify properties with buildings beyond repair for demolition and new construction of affordable housing for multiple income levels.
 - Work with a local non-profit such as Habitat for Humanity that can renovate units for sale to low- and moderate-income families.
 - Identify properties with buildings that can be restored as rental properties.
 - Build capacity for this entity to work with rental property owners to bring buildings up to livable conditions and improve the quality of the rental market.

Rehabilitate Homes and Develop Vacant Lots to Support Stable Neighborhoods

- Request use of CDBG funds for housing projects that benefit distressed neighborhoods.
 - The State of New Mexico allocates its CDBG funding for non-entitlement communities for capital improvements, infrastructure and planning.
 - There are also funds for housing and economic development that benefit low- and moderate-income households.
 - Projects that help stabilize and upgrade low- and moderate-income neighborhoods should be considered for CDBG funding.
 - NWNMCOG, DFA and MFA can collaborate with the City to develop a successful project and funding application.

Remove Barriers to New Housing Construction

- The City can address several challenges facing construction of new housing, including the lack of skilled tradespeople and the number of platted parcels without infrastructure:
 - The City can reassess its ability to vacate a plat and revise City ordinances so it can become a partner in providing infrastructure on parcels.
 - The City could assist with infrastructure improvements, including public assistance to help the private sector fund infrastructure through a public improvement district, special assessment district or bond funding.
 - The City can promote trades training and certification through the GGEDC's Building Trades in the Community program and work with UNM-Gallup's Construction Technology program to increase and improve the quality of trades in the area.
 - The City can leverage the Opportunity Zone tax incentives to address the community's need for affordable housing.

Maximize Coordination of Local Entities and Resources

- **Housing Taskforce should monitor housing needs and opportunities.**
- **Target vacant land owned by public entitles for new housing sites.**

Increase Homeownership Opportunities for Gallup Residents

- **Increase participation in homebuyer education available in Gallup.**
 - Native Partnership for Housing provides home buyer classes and is a member of NeighborWorks America, a national non-profit that provides financial support, technical assistance, and training for the organization. The organization is also an approved Counseling Organization. The City of Gallup can help make residents aware of this service.
 - Support the efforts of the Gallup Housing Authority to create homeownership opportunities for higher income public housing residents. HUD's Section 32 Homeownership Program allows Public Housing Authorities to assist public housing families to purchase homes through the Public Housing Capital Fund.
 - Work with local non-profit organizations to rehabilitate existing homes that can be sold to moderate income buyers.
 - A community development corporation or non-profit could offer homeownership assistance for low-income or poor credit individual a rent-to-own option where tenants can rent an affordable property and move into a homeownership/ mortgage loan approval track after completing a 2-year rental period.

Increase Homeownership Opportunities for Gallup Residents

- Promote awareness of home buyer assistance that is available to Gallup residents through existing programs.
 - MFA and USDA have several programs that are geared to first time home buyers. Assistance includes low-interest loans and down payment assistance.

Housing Production Goals

Objectives	Annual Average	5-Year Goals
Housing Rehabilitation		
Initiate acquisition of vacant and abandoned properties and implement a scattered site program in collaboration with Habitat for Humanity	4	10
Complete rehabilitation for low-income homeowners	10	50
Increase capacity of the clean and lien program	30	150
Implement a proactive program to acquire and rehab foreclosed and abandoned properties	2	10
Provide rehab and maintenance assistance to enable cost-burdened seniors to remain in their homes	5	25

Housing Production Goals

Objectives	Annual Average	5-Year Goals
Homeownership		
Increase participation in homebuyer education to increase successful home mortgage loan applications	100	500
Work with the Gallup Housing Authority to enable high-income public housing residents to purchase homes	12	60
Increase production of market rate housing through new subdivision development and infill	35	175
Develop affordable homeownership opportunities for entry level workforce—up 50% to 100% of AMI	25	125

Housing Production Goals

Objectives	Annual Average	5-Year Goals
Rental and Special Needs Housing		
New affordable rental housing units built over 5 years	N/A	250
Rehabilitation of existing affordable rental housing	N/A	120
New affordable, accessible rental housing for seniors	N/A	50
Supportive housing units/services included above	N/A	15
Market rate rental housing	N/A	80
New rent subsidies for people with special needs	10	50

Housing Production Goals

Objectives	Annual Average	5-Year Goals
Regulatory Changes	Timeframe	
Develop a vacant and abandoned building strategy to assess and return homes to productive use	2021	
Adopt a vacant building ordinance and registration process	2021	
Streamline regulatory review for affordable housing	2021	

Housing Production Goals

Objectives	Annual Average	5-Year Goals
Capacity Building	Timeframe	
Increase code enforcement capacity	2020	
Form a Housing Taskforce	2020	
Develop an abandoned properties list	Ongoing	
Support local efforts to increase participation in GGEDC and UNM-Gallup construction technology programs	Ongoing	
Collaborate with local non-profits to build capacity to assist with vacant and abandoned properties	Ongoing	
Sponsor at least one educational event per year to link housing resources with potential homebuyers	Ongoing	
Promote the existing housing resource guide for residents	2021	

Housing Production Goals

Objectives	Annual Average	5-Year Goals
Funding and In-Kind Support	Timeframe	
Increase infrastructure assistance for affordable housing	Ongoing	
Work with local institutions that are interested in participating in workforce housing projects	Ongoing	