



New Mexico



“ULI New Mexico facilitates an open exchange of ideas, information, and experiences among industry leaders and policy makers dedicated to creating better places to live, work and play”



Espanola Housing Summit

APRIL 21, 2023

Inn at the Delta
Espanola, New Mexico

Report v1.0

THE MISSION OF THE URBAN LAND INSTITUTE:

Shape the future of the built environment for transformative impact in communities worldwide

CONNECT active, passionate, diverse members through the foremost global network of interdisciplinary professionals

INSPIRE best practices for equitable and sustainable land use through content, education, convening, mentoring, and knowledge sharing

LEAD in solving community and real estate challenges through applied collective global experience and philanthropic engagement

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EVENT SPONSOR:

The Ventana Fund is a non-profit CDFI headquartered in New Mexico. We are dedicated to financing the creation and preservation of affordable multi-family housing by providing low-interest loans for developers who serve New Mexico's low-income residents and high need communities.

Executive Summary

With great success from the September 2022 Albuquerque Housing Crisis Summit, the local leadership of the NM Chapter of the Urban Land Institute (ULI NM) shifted their focus to Northern NM and hosted a Housing Summit workshop on Friday, April 21, 2023 in Espanola, NM.

Previous Housing Summits have led to community leaders, the private sector and neighborhoods working together to create more housing. Aware that Northern NM is seeing a housing crisis with significant growth in jobs, but a lack of new units and single-family homes, the ULI leadership team led over 60 community leaders through a series of presentations and questions to develop potential solutions.

The Inputs:

- Mayor John Ramon Vigil welcomed those outside of the city and spoke how he is proud of the valley community. Mr. Vigil expressed that he is excited to be a northern New Mexican at this time and is excited to partner with the labs to bring in housing.
- A presentation made by Patrick Duran at Los Alamos National Laboratory (LANL) that reviewed how LANL is working on the following items to increase the capacity of the population in Espanola.
 - a. Transit Solutions
 - b. Lease Agreements
 - c. New Infrastructure
 - d. Hiring Locally to relieve the pressure and demand of new housing

LANL is seeing significant growth and has been working toward the housing initiative for three years. They are seeing 1,000 units in Espanola and 9,000 units in Santa Fe that are in the planning and development phase.

- Dan Ungerleider, Economic Development Administrator, from Los Alamos County spoke regarding the following:
 - a. The housing crisis is an opportunity to increase schools, roads, and jobs.
 - b. It is important that we all come together for a solution.
 - c. There is a lack of land available to develop single-family homes.

Executive Summary

The Outputs:

The group was divided into a series of teams who developed a series of solutions and were asked to quantify their best-case outcome for how many additional housing units this could create. Listed below are two examples of the types of solutions that the teams proposed.

- Update the current zoning
- Redevelop existing but abandoned homes and commercial buildings

Additional solutions included:

- Make Accessory Dwelling Units Permissive. With infrastructure limitations, many of the resolutions discussed included the additions of ADUs to help densify the existing housing.
- The local community needs to be heard and needs education on how to get involved and make a difference.
- Redevelopment and increasing the capital could bring developers who are not currently looking in this area.
- More rental inventory and recruit developers to come to the market for all of the above solutions.

While this brainstorming session took place within a compressed timeframe, the ideas that emerged and proposed solutions represent a good cross section of common ground for tackling the housing crisis. Addressing this housing crisis and meeting the demand for housing across economic spectrums will require public/private collaboration and a shared determination to make progress on this critical issue.

The Goal:

The goal of the Urban Land Institute's Espanola Housing Summit was to assemble a multidisciplinary group of leading experts in housing and generate collaborative solutions to the local housing shortage in Northern NM.

Background

The housing shortage is not unique to New Mexico; markets all over the nation are feeling the effects of low housing inventory and high demand. Several factors combine to create these conditions; significant workforce growth, high cost of construction materials, and a lack of available land are often cited among the reasons for the shortage. The result has been a dramatic increase in single family sales prices and multi-family rents which have skyrocketed to all-time highs over the past several years.

Northern NM is in a housing shortage following the statewide shortage of 32,000 units.

The need: Northern NM is in a housing shortage following the statewide shortage of over 32,000 units

EDITORIAL
HOUSING CRISIS
More inventory the real key to tackling soaring rents

There's a housing crisis in Albuquerque, and it doesn't just involve those living on the streets or in their cars.

Out of sight but top of mind for several thousands of New Mexicans are soaring rental costs. According to Rent.com, the average monthly rent for a one-bedroom apartment in the United States grew 10% during the pandemic. Mayor Tom Hanrahan says in Albuquerque rents have increased an average of 20% and this year.

Renters of one-bedroom apartments in Albuquerque are paying an average monthly rent of \$1,200. That's up from \$1,041 a year ago and \$812 in the month of the pandemic.

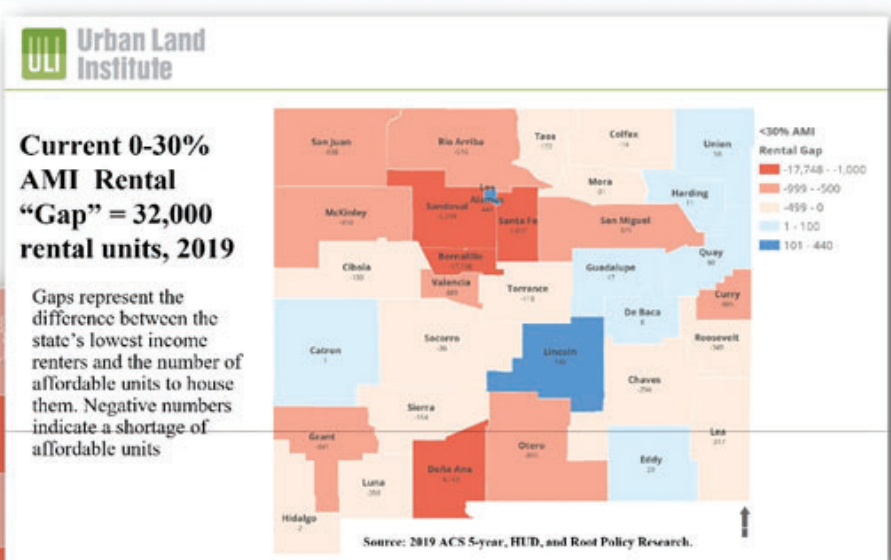
As a result, Albuquerque leaders, but not all renters in the city are seeing a 30% of their monthly income for housing — in addition to higher prices for everything else and the worst inflation in 40 years. That's unacceptable.

The New Mexico Supreme Court in 2020 placed a moratorium on evictions until the completion of a study. It was intended to provide relief, but the Albuquerque market has not seen the monthly rental price declines as hoped for.

A lot of rental are medium-sized homes, such as a duplex or a four-unit apartment building. And with generous long-term lease offers (2-3 years) affordable properties are hard to come by.

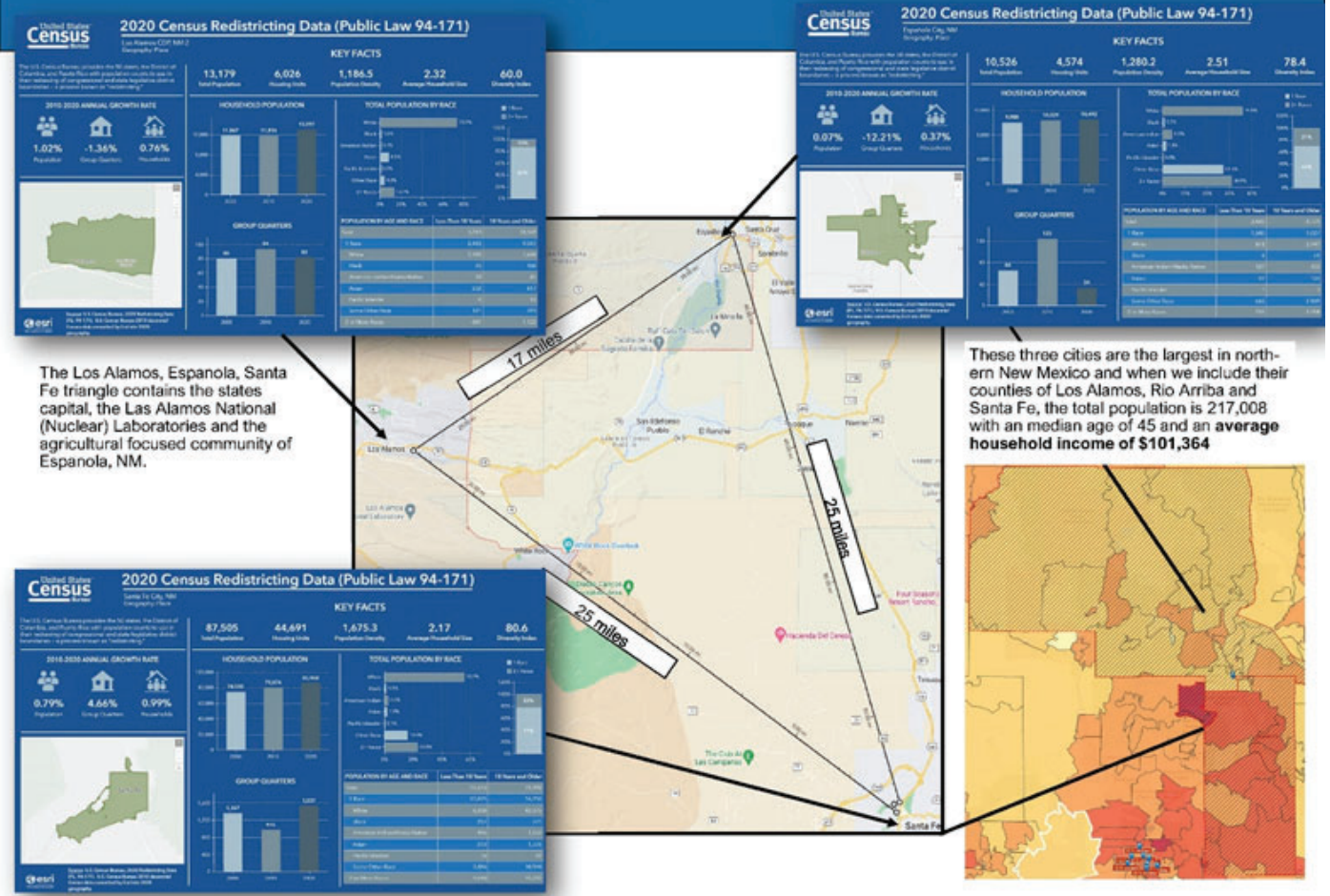
Albuquerque is a growing city with a strong economy. The city is a major employer and has a high quality of life. But the housing market is not keeping up with the demand.

The city is a major employer and has a high quality of life. But the housing market is not keeping up with the demand.



Background

Understanding the geography of the Santa Fe, Espanola, Los Alamos employment triangle



Source: <http://www.nmapartment.com/apt/NMAA-LaJoyaLand.pdf>

Background

The Los Alamos National Laboratory (LANL) 2022 Economic Impact on NM

The Los Alamos National Laboratory (LANL) recently released their 2022 Economic Impact on New Mexico report. The lab invests and partners in economic development initiatives and programs that help stimulate business growth, create jobs, and strengthen our communities.

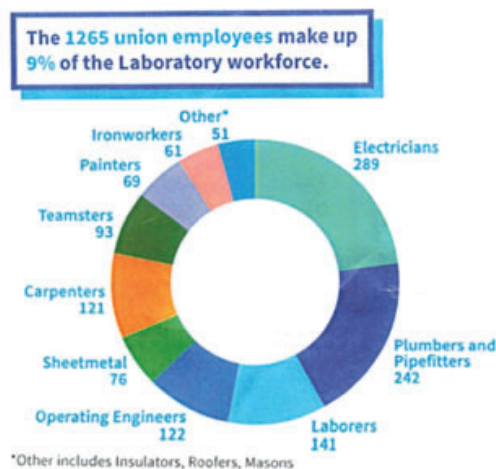


Workforce Development:

A skilled workforce is crucial to the future of the Laboratory and Northern NM. The Laboratory is working with education, business and government partners to ensure the projected workforce needs for the Laboratory and the region are met—strengthening the local economy.

New pipeline programs address critical skills for a growing workforce:

- The lab now has eight formal partnerships in place with regional colleges and high schools for workforce development pipeline programs.
- In partnership eight NNSA, the lab also provided funding for additional workforce development programs at 11 regional colleges in 2021 and 2022.



Background

Employment

Los Alamos National Laboratory is a workplace that attracts, inspires, and develops world-class talent to ensure a vital future workplace. Diversity fuels our innovative, agile, and principled workforce which is essential to solving problems of global importance.



14,054

total employees
(not including contractors)



29.6%

of our regular/term
employees have at least one
degree from a New Mexico
college or university



61.2%

of FY22 new hires are
from New Mexico

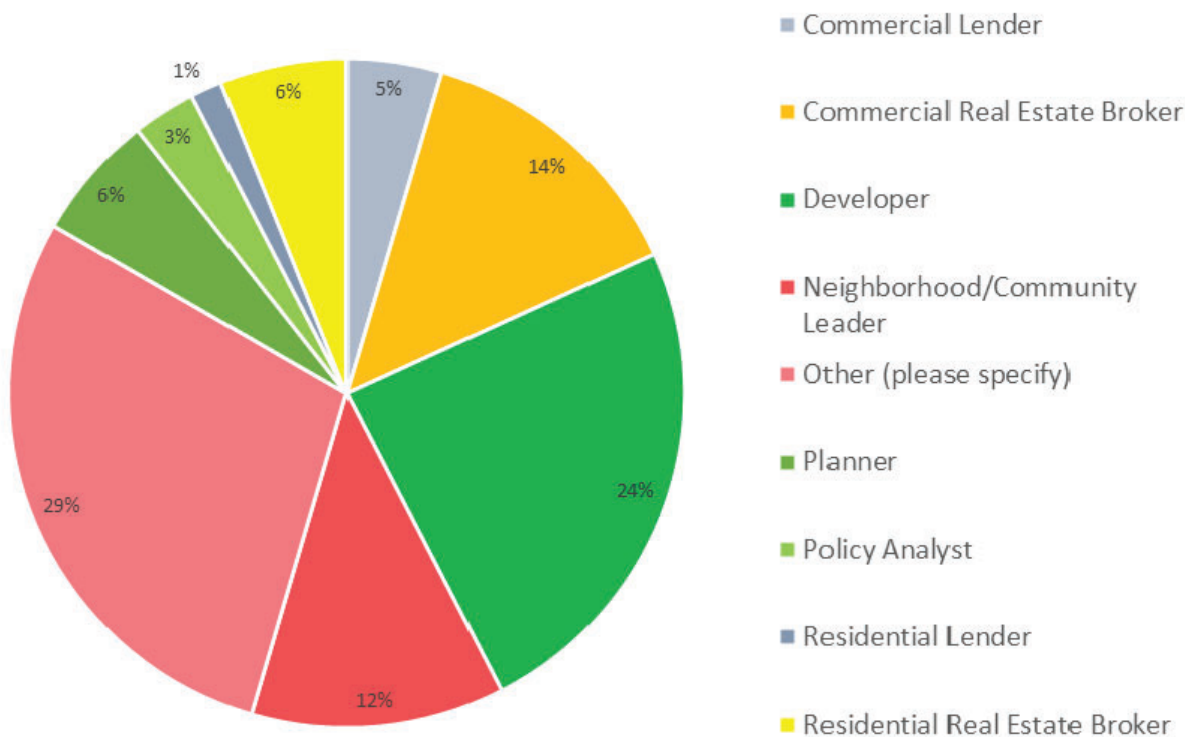


\$4 billion

total Laboratory budget for
Fiscal Year 2022

Participants

A major strength of the Urban Land Institute is the diversity of industries represented among its membership. ULI management capitalized on this diversity in order to construct multidisciplinary teams to participate in this housing event. Great community interest resulted in 70 registrations for the event. The following chart illustrates the breakdown of professions represented among the event registrants.



Other category included title company, politician, and media

Type	Count
Commercial Lender	3
Commercial Real Estate Broker	9
Developer	16
Neighborhood/Community Leader	8
Other (please specify)	19
Planner	4
Policy Analyst	2
Residential Lender	1
Residential Real Estate Broker	4
Total	66

Of the 70 registrants, 62 people attended the event. Participants were assigned a table to ensure that each table had a mix of professions in order to facilitate a range of perspectives. In total, there were 10 tables with 5-6 people per table. The multi-disciplinary teams approach not only fostered an opportunity for balanced housing solutions but also spurred sharing and learning among participants.

Presentations

The following presentations served to lay the groundwork for the group activity that followed:

- 1 • Will Gleason, New Mexico District Council Chair, welcomed attendees to the venue and discussed the benefits of ULI membership.
- 2 • Alexandra Romero, Ventana Fund Operations Manager, introduced the Ventana fund, its mission, and its accomplishments.
- 3 • Todd Clarke, Emcee and ULI Board Member, provided history and context of the current housing demand in New Mexico.
- 4 • Amanda Velarde, Emcee and ULI Programs Chair, provided leadership in the program of events.
- 5 • Mayor John Ramon Vigil welcomed those outside of the city and spoke how he is proud of the valley community.
- 6 • Patrick Duran, Economic Development Outreach Specialist, at Los Alamos National Laboratory (LANL), discussed their initiative to impact the community and the housing crisis.
- 7 • Dan Ungerleider, Economic Development Administrator, from Los Alamos County spoke regarding the importance that we all come together for a solution.

Brainstorming Activity

Following the presentations, participants were then prepared to get to work. The first order of business was to develop team name, logo, and chose a specific issue related to the housing in Northern NM. A list of potential topics was provided as a guide to generate ideas:

- Policy
- Densification
- Conversion
- Develop a Site Plan
- Land / Infrastructure
- Develop / Build
- Sales Tax
- Labor
- Public / Private Partnerships
- Innovation
- Reputation of Multi-Family Housing
- Other

Once teams completed that task, they engaged in their first round of reporting to the audience. Spokespersons from each table presented their team name, logo and the issue they chose to address. This was a lively exercise, and it was clear from the level of effort and participation that this was an engaged and dedicated group.

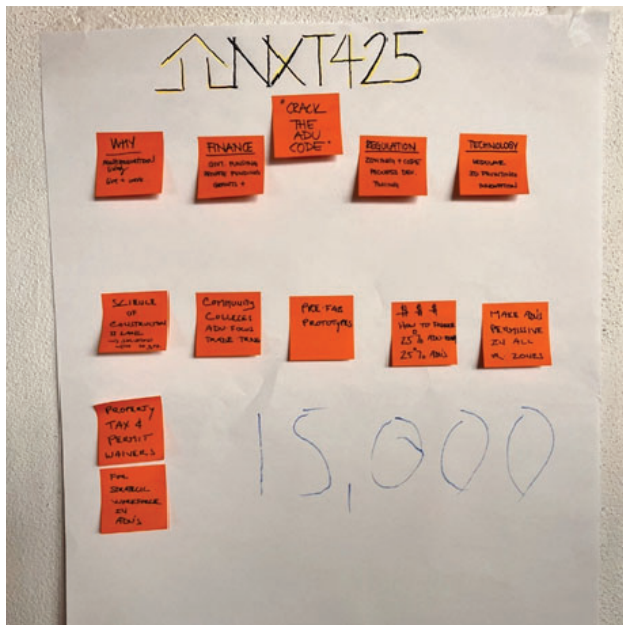
Next, the participants were told they had 20 minutes to brainstorm with their team around a housing solution that pertains to their chosen issue. To facilitate discussion, they were asked to consider the following:

- What are you asking for from whom, and what is your timeline?
- What resources do you need and who do you need them from?
- What will be the outcome, how many new units will be built?

Teams worked diligently as facilitators walked around the room to capture the conversations and answer questions. When the time was up, teams were told they had 3 minutes to report on their housing solution with a focus on the 3 guiding questions above. The team presentations including the visual boards and key points are highlighted on the following pages.

Solutions

TEAM 01: NXT425



The Ask:

- “Crack the Accessory Dwelling Unit (ADU) code”
- Look into all regulations preventing ADU units

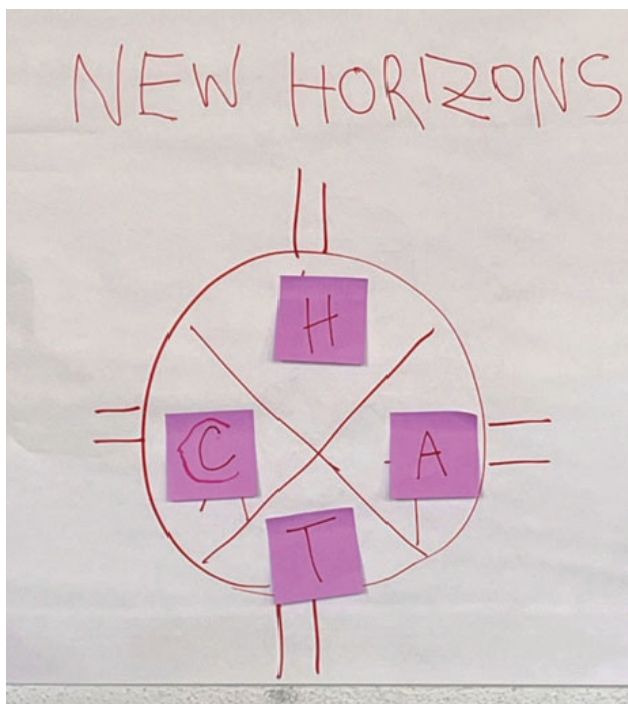
The Resources:

- Financing, technology, regulations
- Accelerate the science of construction to make modular units faster, cheaper, and better
- Engage the community college in Northern NM to educate and create future workers
- New development having a minimum of ADUs that are built into the development
 - o 25% of new developments need have an ADU
 - o 25% of new developments are ADU ready
- Make ADUs permissive in all residential zones

The Outcome:

- 15,000 units

TEAM 02: NEW HORIZONS



The Ask:

- Put serious efforts toward addiction and substance abuse to give certainty to new developers

The Resources:

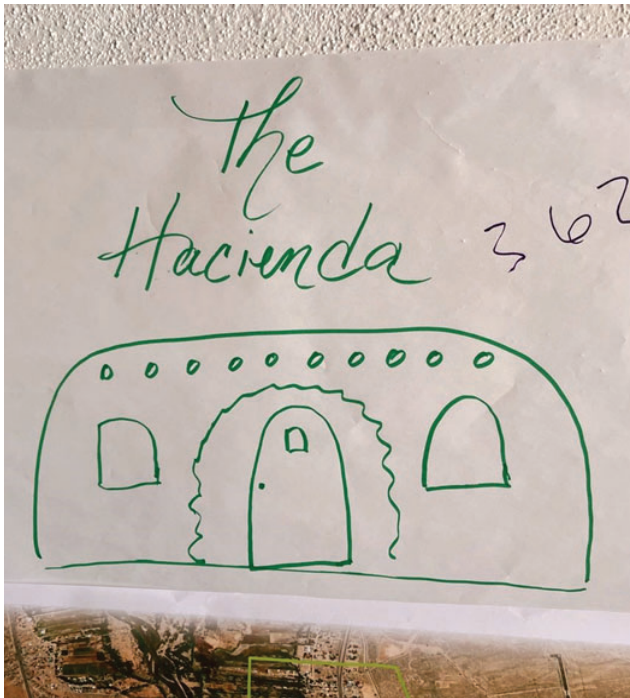
- Educate the community of the resources and programs in Northern NM to help with addiction
- Housing Enterprise that works on the Pueblos where owners are given rental units with incentive to purchase
- Combining the substance abuse resources with the current housing resources, will contribute to the community
- Building a community will attract additional businesses and rehab facilities that will then bring small units for those with addiction

The Outcome:

- 100 units

Solutions

TEAM 03: THE HACIENDA



The Ask:

- Making supplies and materials are readily accessible and increasing the local workforce for construction

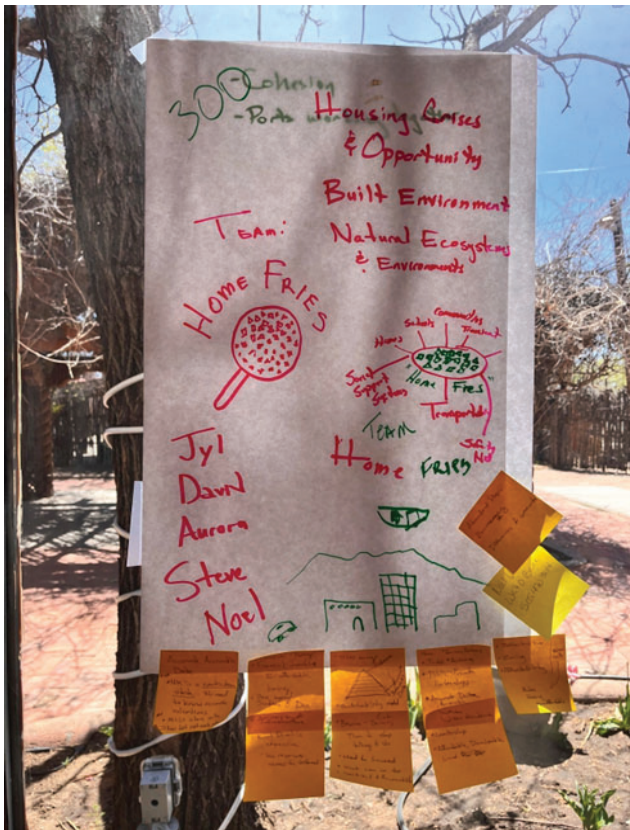
The Resources:

- Allow modular solutions to cut out the need for in-person workforce
 - o Can be assembled on-site
 - o Preapproved planning permitted by the jurisdiction
 - o 18 months for this development

The Outcome:

- 6 stories of modular solutions on 9 acres
- 800 sq/ft for 362 units

TEAM 04: HOME FRIES



The Ask:

- Increase the availability and affordability of land and infrastructure

The Resources:

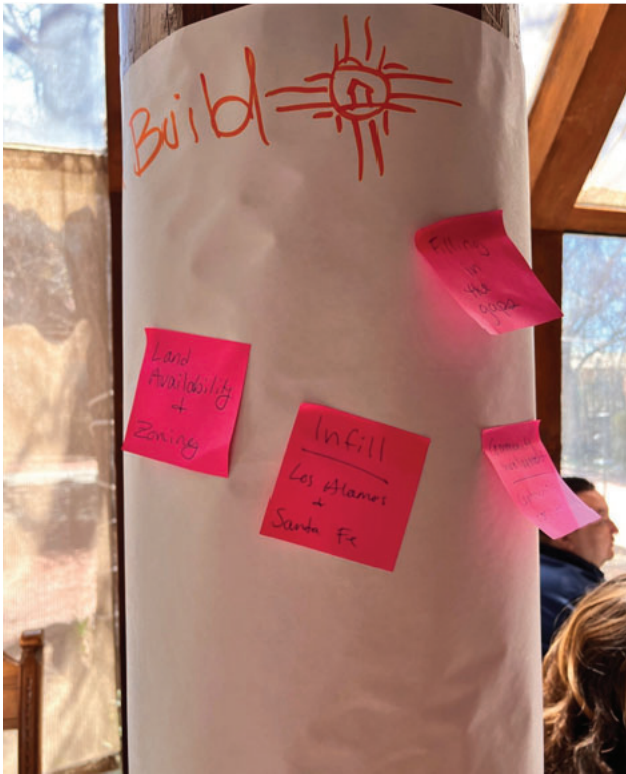
- Regionalized planning and funding
- The community needs to come together and stop thinking in silos
- Share data between communities in NM
 - o It hurts us to be a non-disclosure state

The Outcome:

- 300 units

Solutions

TEAM 05: ZIA BUILD



The Ask:

- Update the city zoning code to allow for land availability and infill which will increase the use of the current space and fill the market gaps

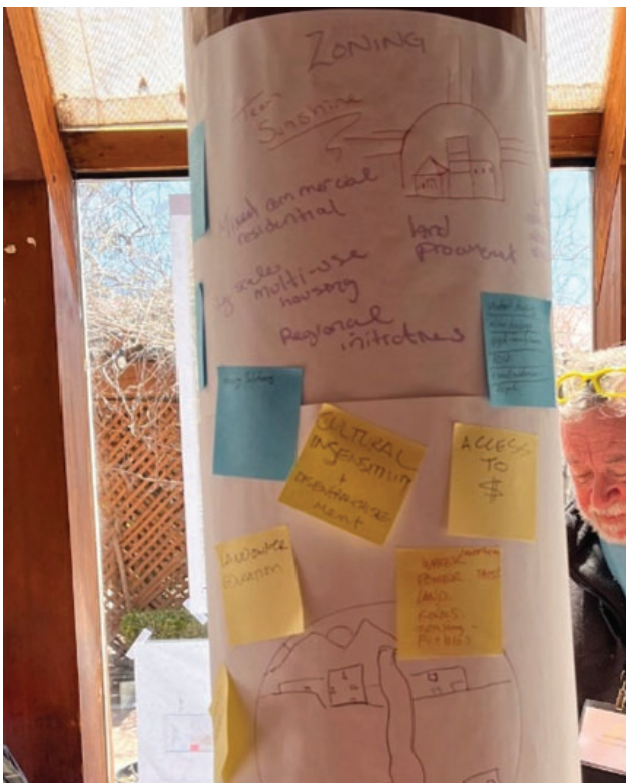
The Resources:

- Streamline the zoning review process to allow for faster results/outcomes
- Fill in the market gaps with housing types such as ADU to increase density of housing
- Get the community involved and get them to be heard at legislative meetings
- Use the city and county buildings that are being underutilized

The Outcome:

- 4,000 units in the next 5 years
- 40 projects that are currently being developed
- 1,500 single-family units that includes short-term units for students and researchers
- Total 6,000 units

TEAM 06: TEAM SUNSHINE



The Ask:

- Create more capital in the local economy. Local manufacturing initiative to bring local trades back to the valley.

The Resources:

- Create a factory for high-quality and zero-energy modular homes similar to Be Public in Santa Fe

The Outcome:

- 1,000-1,500 units

Solutions

TEAM 07: CASA NUEVA



The Ask:

- Modify the current zoning to allow infrastructure that will then allow for building developments. The current infrastructure does not support development due to the lack of water and sewer in the city limits.
- Current homes that are no longer inhabitable need to be taken down to develop habitable housing.

The Resources:

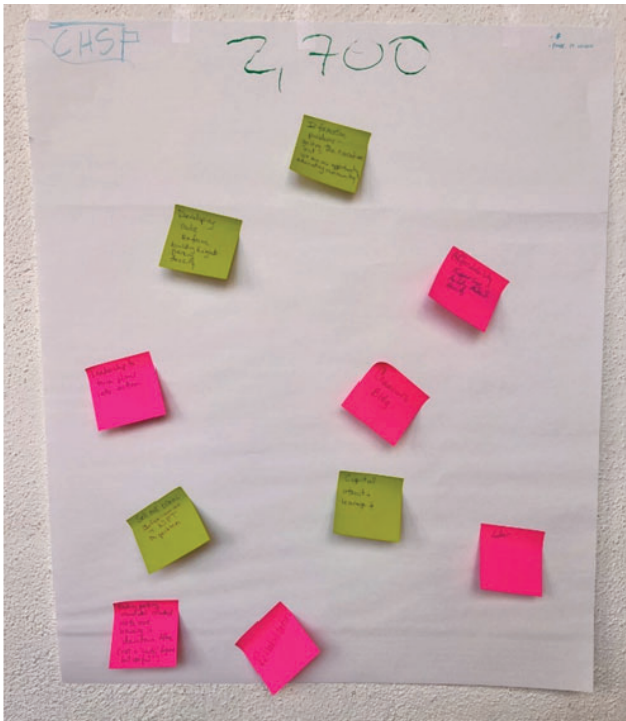
- The city has the ability to support the take down and rebuild of the existing but uninhabitable homes, but the county does not
- The cost and availability of permits needs to be more accessible
- Education of the zoning and more accessible information regarding the zoning meetings so the community can get involved
- Surveys from the community of their wants and needs
- Exploring the infrastructure options to build multi-family or closed systems instead of multi-family who may need an acre of land due to lack of sewer and water in the area
- Abandoned commercial buildings can be repurposed to multi-family units

The Outcome:

- The outcome is this team hopes that this can impact all units and housing options in this area.

Solutions

TEAM 08: CHS



The Ask:

- Create more affordable housing by rehabilitating existing homes and development of new multi-family
- Building heights in downtown Los Alamos

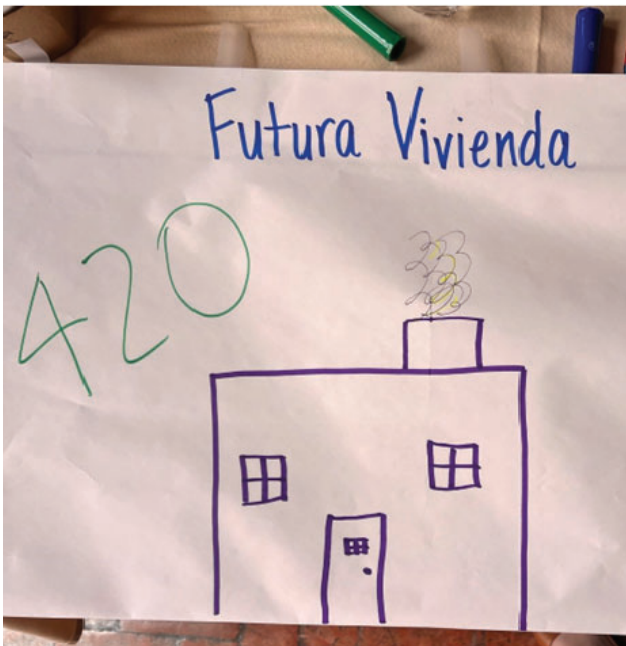
The Resources:

- The local community has to be willing to allow taller buildings
- Modify the parking mandates and allow travel systems
- Develop manufactured housing
- Attract more capital and then leverage it
- Reform building heights

The Outcome:

- 2,700 units

TEAM 09: FUTURA VIVIENDA



The Ask:

- Create certainty for developers who have interest in coming to the area.
- Development in all industries to improve the interest in the city which then generates interest to developing housing and units in the city.

The Resources:

- City involvement is needed to provide information on what is allowed to be developed
 - o Zoning
 - o Water
 - o Employees
- City information needs to be public
- Salaries are needed to provide accurate rents
- Decrease property prices

The Outcome:

- 5-6 pieces of 30-40 acres of land
- 420 single-family home

Solutions

TEAM 10: RIO CARINO



The Ask:

- Modify the current checkerboard zoning to allow for infrastructure. Modify policies, planning, and zoning so adjust the current zoning which only puts developers more and more outside the city into rural area.

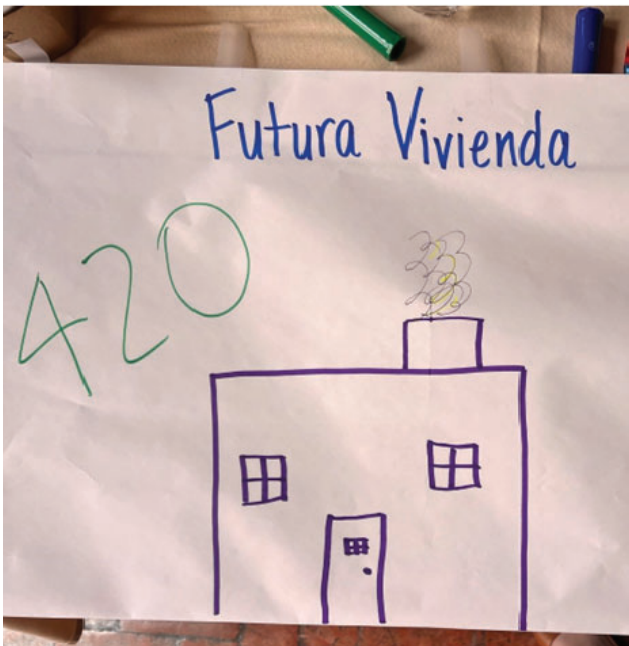
The Resources:

- Breaking the zoning down to see different types of housing that is needed
- Develop smaller scale housing focused on lack of education and loan programs in the area
- Use what is already available to contribute to the housing
- Encourage the city to update the tax code to combat the GRT which will assist the construction tax and also help developers who would be losing profit

The Outcome:

- 1,000 units

TEAM 09: FUTURA VIVIENDA



The Ask:

- Create certainty for developers who have interest in coming to the area.
- Development in all industries to improve the interest in the city which then generates interest to developing housing and units in the city.

The Resources:

- City involvement is needed to provide information on what is allowed to be developed
 - Zoning
 - Water
 - Employees
- City information needs to be public
- Salaries are needed to provide accurate rents
- Decrease property prices

The Outcome:

- 5-6 pieces of 30-40 acres of land
- 420 single-family home

Common Themes

1. The current zoning is very limiting to the community. Several teams discussed how limiting the current zoning is for the already limiting infrastructure. The community would like to see the zoning updated as Albuquerque did and Santa Fe is in the process of doing so.
2. Repurpose existing but abandoned homes and commercial buildings to bring new units. It was a common topic that there is limited land in the community but there is an increase in abandoned homes and commercial buildings. If these abandoned spaces were rehabilitated or torn down, it would allow the opportunity of additional housing.
3. Make Accessory Dwelling Units Permissive. With infrastructure limitations, many of the resolutions discussed included the additions of ADUs to help densify the existing housing.
4. The local community needs to be heard and needs education on how to get involved and make a difference.
5. Redevelopment and increase in capital could bring developers who are not currently looking in this area.



Appendix

'It's A Crisis': Housing And The Community Development Department Santa Fe Reporter

June 27, 2023

<https://losalamosreporter.com/2023/06/27/its-a-crisis-housing-and-the-community-development-department/>

Twilight Homes to build in Española following growth spurred by Sandia and Los Alamos National Labs

June 22, 2023

<https://www.bizjournals.com/albuquerque/news/2023/06/21/espanola-twilight-homes-break-ground-espa-ola.html>

Laboratory employee demographics and housing demand

May 1, 2023

https://cdn.lanl.gov/files/housing-demand-and-demographics-final_6d6ee.pdf

2022 Economic Impact on New Mexico

<https://discover.lanl.gov/highlights/economic-impact-new-mexico/>

1000 La Joya St, Española, NM 87532

<https://www.crexi.com/properties/1011026/new-mexico-la-joya-street-development>

