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Farmington CDBG



AZ NM

Housing Needs Assessment

Of The

Farmington Metropolitan Statistical Area



December 2008

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Housing Needs Assessment

Executive Summary

Purpose

This report documents the number of families currently considered in “Greatest Need,” presents the current and projected affordability of housing, and projects the needs of housing development for the Farmington Metropolitan Statistical Area (MSA). This report serves as a resource document for local policy makers on the issues of housing needs, affordable housing, demographic data, and for the application of grant funds for the development of affordable housing. This report will also be incorporated into Farmington’s next Consolidated Plan 2009 for the Housing and Urban Development (HUD) Entitlement Grant.

Introduction

This housing needs assessment begins with population data from 2000 to 2006, looking at growth to establish a population projection, which is key to all of the projected housing needs. The report then looks at the data that leads to housing affordability. Income, poverty, housing expenditures, housing and rental stocks, housing and rental costs, building permit data, and housing sales data are used to define the current (2006) affordability of rentals and housing ownership. Next, projected affordability is calculated by comparing income growth and the increases in housing and rental costs. Finally, the report provides a projection of housing needs by forecasting housing growth, the needs for the families in “Greatest Need,” and the needs for a variety of socioeconomic groups. In the appendix, there are additional related data tables that provide broader wage, poverty, and housing data that users of this report may find helpful but do not directly related to the projection of housing needs.

Area of Report and Data Sources

Many of the statistics in this report come from the American Community Survey (ACS), which is part of the US Census. The area covered by this data is described as the Farmington Metropolitan Statistical Area or the MSA. The Farmington MSA is identical to and interchangeable with the San Juan County borders. The ACS does not yet have specific data for the individual Cities and locations within San Juan County. Specific data from other sources is used, where possible, for Farmington, Aztec, and Bloomfield. In this report, the Farmington MSA means data for San Juan County that comes from the 2006 American Community Survey. Data that is presented as San Juan County is from the 2000 Census or other sources.

Key Housing Needs Concepts

There are three key concepts in this report, which are statistically explored.

Greatest Need

HUD defines those in the greatest need for affordable housing as “families and individuals whose incomes fall 50 percent below an area’s median income, who either pay 50 percent or more of their monthly income for rent, or who live in substandard housing.” Substandard housing is defined as housing without

complete kitchen or plumbing facilities or families who live in overcrowded conditions. Overcrowding is defined as more than one person per room in a household.

The Farmington MSA has a significant number of households that are considered greatest need families. Any affordable housing project conducted in the Farmington MSA should directly affect the families in greatest need.

Greatest Need Data Bytes from the 2006 Farmington MSA:

- 12,169 households earned 50% or less of the median income
- 2,486 households paid more than 50% of their income in rent
- 828 households paid more than 50% of their income on their mortgage
- 2,506 households did not have full kitchens or plumbing
- 1,849 households were living in overcrowded conditions

Affordability

This report looks at the affordability of rental units and home purchases for various socioeconomic groups, family types, and for families that earn the median income, 80%, 50%, and 30% of the Median Family Income (MFI).

In the Farmington MSA, current affordability has reached the point where the median family income can no longer afford to purchase the median price home, and can only marginally afford a townhome/condo. The median family income can still afford a mobile home, and this may be why 32.5 percent of all housing units in the Farmington MSA are mobile homes. Of all the groups shown on the Housing Affordability Table (Table 15), the only group that can afford to buy a median priced home is married couple families. American Indian, Hispanic, younger and older families, families with young children, and female headed households are all far short of being able to afford to purchase the median priced home.

Rental affordability in the Farmington MSA is somewhat better than the home ownership affordability. The median rental prices for two bedroom units and apartments are affordable for all groups except for 15 to 24 year old households. However, American Indian, younger and older families, and female-headed households are unable to afford the median priced three-bedroom rental, house, or townhome/condo. This may be the reason why 12.1 percent of all renter occupied units are overcrowded, and why 42.1 percent of all rental households pay more than 30 percent of their income in rent.

From 2000 to 2006, the median price for homes has increased 62 percent and the median overall rental cost has increased 76.5 percent, while the median family income has increased just 32.7 percent. If the current increases in housing costs continue to outpace the gains in wages, then housing in the Farmington MSA will become more and more unaffordable, even for rentals.

Housing Needs

For housing to keep up with the minimum demand from projected population growth while maintaining the current housing supply level, an average of 636 housing units should be constructed in the Farmington MSA every year to 2020. Of those units 358 should be single-family dwellings, 22 should be duplexes, 47 should be multifamily units, and 206 should be mobile homes, just to keep up with current housing stock mix, and to maintain the current level of housing supply.

To improve the future housing stock mix, the greatest needs families must be addressed first. Housing must be developed that is affordable to low- and very low-income households and housing subsidy programs should be enacted so that families earning less than 50 percent of the Median Family Income (MFI) do not have to live in overcrowded conditions or in housing with incomplete kitchen and plumbing facilities.

The following Summary Table of Housing Needs is a summary of all of the projected housing needs discussed in detail in the Housing Needs Section of the main report. The goal of these simple linear projections is to provide justification for the development of affordable housing projects and to give public service organizations an idea of future demands for their services. The column on the left shows all of the socio-economic groups, housing types, and special needs populations. The most recent 2006 data for the groups is shown, with projections to 2020, and the average increase per year.

Recommendations

Based upon the number of Greatest Need Families and the lack of housing and rental affordability for a variety of socioeconomic groups, City of Farmington CDBG staff recommends that a Strategic Plan be developed to address housing affordability in San Juan County. CDBG Staff also recommends that during the creation of the new 2009 Consolidated Plan that housing affordability projects be given a high priority and that a variety of Action Plan projects be considered for future funding to address this important issue.

Summary Table of Projected Housing Needs

Summary Table of All Projected Housing Needs - Farmington MSA - 2006 to 2020						
NEEDS BY HOUSHOLD TYPE Table 17						
	2006	2010	2015	2020	Total Change	Average Change Per Year
White alone, not Hispanic or Latino	19,549	20,586	21,959	23,424	3,875	277
American Indian	11,491	12,100	12,907	13,768	2,278	163
Hispanic or Latino origin (of any race)	7,018	7,390	7,883	8,409	1,391	99
BY AGE OF HOUSEHOLDER						
15 to 24 years	1,697	1,787	1,906	2,033	336	24
25 to 44 years	13,419	14,130	15,073	16,078	2,660	190
45 to 64 years	16,233	17,094	18,234	19,451	3,218	230
65 years and over	7,172	7,552	8,056	8,594	1,422	102
FAMILIES EARNING						
80% of MFI	6,935	7,303	7,790	8,310	1,375	98
50% of MFI	4,241	4,466	4,764	5,082	841	60
30% of MFI	7,928	8,348	8,905	9,499	1,571	112
With own children under 18 years	13,498	14,214	15,162	16,173	2,675	191
With no own children under 18 years	15,502	16,324	17,413	18,575	3,073	219
Married-couple families	20,365	21,445	22,875	24,402	4,037	288
Female householder, no husband present	5,332	5,615	5,989	6,389	1,057	75
Male householder, no wife present	3,303	3,478	3,710	3,958	655	47
NEEDS BY HOUSING TYPE Table 18						
	2006	2010	2015	2020	Total Change	Average Change Per Year
Total Occupied Housing Needs	38,559	40,604	43,312	46,202	7,643	546
Single Family	21,688	22,838	24,362	25,987	4,299	307
Multifamily Units	3,823	4,026	4,294	4,581	758	54
Mobile home	13,048	13,740	14,656	15,634	2,586	185
Owner-Occupied	28,415	29,922	31,918	34,047	5,632	402
Renter-Occupied	10,144	10,682	11,394	12,155	2,011	144
NEEDS FOR UNAFFORDABLE MORTGAGE HOLDERS AND RENTAL CONTRACTS Table 19						
	2006	2010	2015	2020	Total Change	Average Change Per Year
Unaffordable Mortgage Holders						
Percent of Income Paid on Mortgage						
30.0 to 49.9 percent	3515	3,701	3,948	4,212	697	50
50.0 percent or more	828	872	930	992	164	12
Non-Affordable Rental Contracts						
Percent of Income Paid on Rent						
30.0 to 49.9 percent	1507	1,587	1,693	1,806	299	21
50.0 percent or more	2486	2,618	2,792	2,979	493	35
NEEDS FOR OVERCROWDING Table 20						
	2006	2010	2015	2020	Total Change	Average Change Per Year
Owner occupied:						
1.00 or less occupants per room	27,789	29,643	31,620	33,730		
1.01 or more occupants per room	626	668	712	760	134	10
Renter occupied:						
1.00 or less occupants per room	8,921	9,516	10,151	10,828		
1.01 or more occupants per room	1,223	1,305	1,392	1,484	261	19
NEEDS BY DISABILITY TYPE IN POVERTY Table 21						
	2006	2010	2015	2020	Total Change	Average Change Per Year
Population 5 years and over for whom a poverty status is determined						
With any disability	3,289	3,464	3,695	3,941	652	47
With a sensory disability	1,133	1,193	1,272	1,357	225	16
With a physical disability	1,975	2,080	2,219	2,367	391	28
With a mental disability	1,034	1,089	1,162	1,239	205	15
With a self-care disability	504	531	566	604	100	7

Housing Needs Assessment

1. Population

By looking at population growth from a number of sources, this report will establish a population projection, which is key to all of the projected housing needs. The racial and age breakdowns of the population are included in the needs projection.

a. Population Data

Table 1 shows population estimates from the U.S. Department of Commerce for New Mexico, the four state Metropolitan Statistical Areas, the total metro areas and the non-metro areas from 2000 to 2006. Displayed on the right are the total change in population, the total percent change, and the annual average percent change. An interesting point on this table is 96.9 percent of all growth in the state occurred within the four Metropolitan Statistical Areas. The non-metro portion accounted for only 3.1 percent of the total population growth. The Farmington MSA had the third fastest population growth in New Mexico and accounted for 9.2 percent of the total population growth in the state.

Table 1

Total Population Estimates New Mexico Metropolitan Statistical Areas, 2000 to 2006								Total Change	% Total Change	Average Annual % Change
Area	July1, 2000 r/ Estimate	July1, 2001 r/ Estimate	July1, 2002 r/ Estimate	July1, 2003 r/ Estimate	July1, 2004 r/ Estimate	July1, 2005 r/ Estimate	July1, 2006 p/ Estimate			
New Mexico	1,821,656	1,832,783	1,855,353	1,877,598	1,900,620	1,925,985	1,954,599	132,943	7.30%	1.2%
Metro Portion 1/	1,150,736	1,164,236	1,186,866	1,207,954	1,228,682	1,253,444	1,279,579	128,843	11.20%	1.9%
Albuquerque MSA 2/	731,651	739,518	753,375	766,089	780,270	797,517	816,811	85,160	11.64%	1.9%
Farmington MSA 3/	114,237	116,196	119,940	122,235	124,072	125,820	126,473	12,236	10.71%	1.8%
Las Cruces MSA 4/	175,013	176,668	178,639	182,456	185,298	189,306	193,888	18,875	10.78%	1.8%
Santa Fe MSA 5/	129,835	131,854	134,912	137,174	139,042	140,801	142,407	12,572	9.68%	1.6%
Nonmetro Portion 1/	670,920	668,547	668,487	669,644	671,938	672,541	675,020	4,100	0.61%	0.1%

p/ Preliminary.
r/ Revised.
1/ Metropolitan and nonmetropolitan portions are based on current metropolitan statistical area (MSA) definitions.
2/ Bernalillo, Sandoval, Torrance and Valencia counties.
3/ San Juan County.
4/ Dona Ana County.
5/ Santa Fe County.
Source: U.S. Dept. Of Commerce, Bureau of the Census, Population Estimates Program, Population Division.
Data released April 5, 2007.
Table prepared by: Bureau of Business and Economic Research, University of New Mexico.

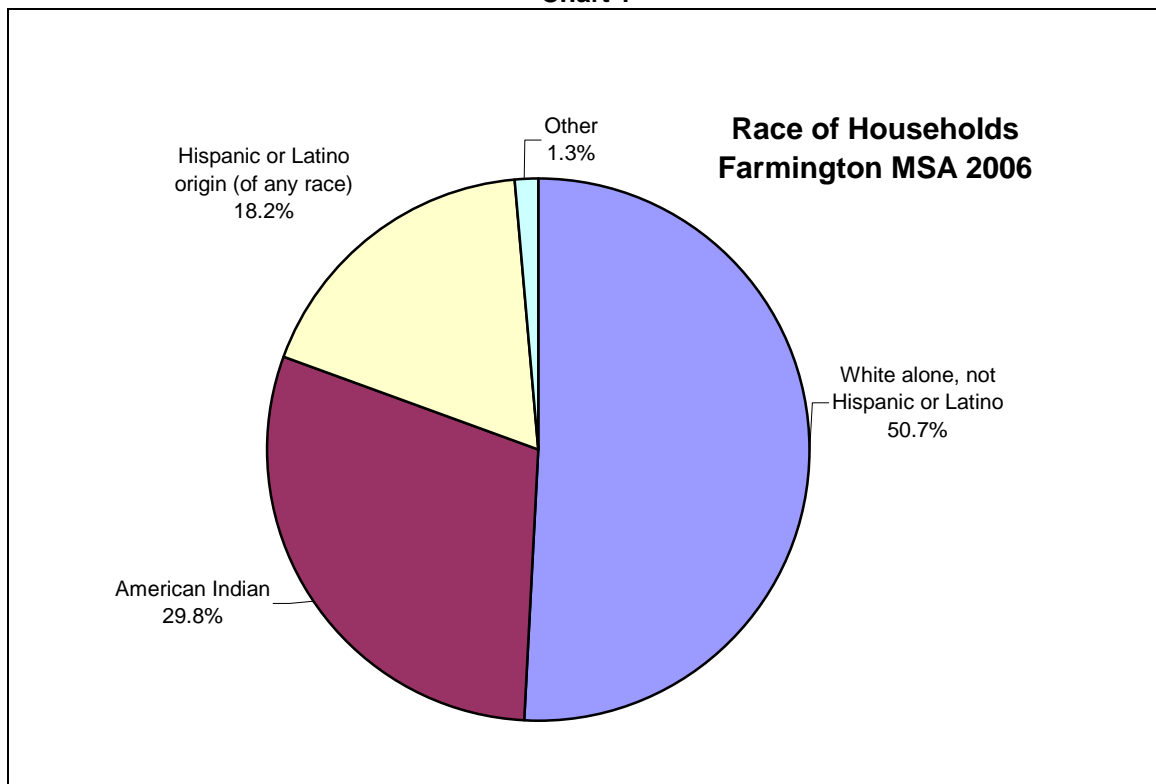
b. Racial Breakdown

This table shows the number of households and their percent of the total households by race. The data comes from the 2006 American Community Survey. The 2006 ACS does not publish the data for households of other races due to the sample size and the very small percentage of other races in San Juan County. White, American Indian, and Hispanic make up 98.7% of the total households. Chart 1 below depicts the ratio of the three most populous races.

Table 2

Farmington MSA Race of Households		
Households	38,559	
White alone, not Hispanic or Latino	19,549	50.7%
American Indian	11,491	29.8%
Hispanic or Latino origin (of any race)	7,018	18.2%
Other	501	1.30%
Source: 2006 American Community Survey		
Geographic Area: Farmington MSA		

Chart 1



c. Population Age

Table 3 shows the changing age mix in San Juan County from 2000 to 2005 and the percent of population by age. At the bottom of the table is a comparison of the total population change (9.8 percent) with the change in the 65 years and over (16.21 percent) and the 85 years and over populations (80.4 percent). The total increase for the over 85 group was 835. The very large percentage increase indicates in-migration to San Juan County. Another item of interest in this table is the yellow highlighted population numbers of the under 5 years in 2000 and 5 to 9 years in 2005. This significant decrease can only be explained by out migration of families with young children. The second highest growth group is the 20 to 24 age group, which could represent both young workers and college students coming into the area.

Table 3

San Juan County Population by Age					
	2000	% of Pop	2005	% of Pop	Total % Change
Total Population	113,801		124,994		9.84%
Under 5 years	9,149	8.0%	9,859	7.9%	7.76%
5 to 9 years	10,178	8.9%	8,434	6.7%	-17.13%
10 to 14 years	10,890	9.6%	12,010	9.6%	10.28%
15 to 19 years	10,854	9.5%	10,351	8.3%	-4.63%
20 to 24 years	7,427	6.5%	10,859	8.7%	46.21%
25 to 34 years	14,040	12.3%	15,923	12.7%	13.41%
35 to 44 years	17,963	15.8%	17,176	13.7%	-4.38%
45 to 54 years	14,267	12.5%	17,183	13.7%	20.44%
55 to 64 years	8,707	7.7%	11,199	9.0%	28.62%
65 to 74 years	6,033	5.3%	7,120	5.7%	18.02%
75 to 84 years	3,255	2.9%	3,007	2.4%	-7.62%
85 years and over	1,038	0.9%	1,873	1.5%	80.44%
Percent Change from 2000 to 2005					
Total Population	113,801		124,994		9.84%
65 years and over	10,326		12,000		16.21%
85 years and over	1,038		1,873		80.44%
Sources: 2000 Census, 2005 ACS					
Prepared by Farmington CDBG					

d. Population Projections

Central to this housing needs report is the population projection. Table 4 shows the population of the Farmington MSA, Aztec, Bloomfield, and Farmington from 2000 to 2006, along with projections for 2010, 2015, and 2020. The highlighted growth rates are simple linear projections of the population data from 2000 to 2006.

Table 4 is a growth projection table for San Juan County created by Bureau of Business and Economic Research (BBER) in 2002 and revised in 2004. Even though the 2000 starting population is very similar, the growth rate

assumed for 2000 to 2005 is significantly lower than the rates from the American Community Survey (ACS) results from those years and the rates for future growth are even lower.

Table 4

Projected Population ^{r/}: San Juan County							
July 1, 2000 to July 1, 2030							
	2000	2005	2010	2015	2020	2025	2030
San Juan	114,272	121,445	128,592	135,497	142,074	148,315	154,403
Growth %		6.3%	5.9%	5.4%	4.9%	4.4%	4.1%
Average Growth Per Year		1.3%	1.2%	1.1%	1.0%	0.9%	0.8%

r/ Revised.
 Source: Bureau of Business and Economic Research, University of New Mexico. Released August 2002 and revised April 2004.
 Prepared by Farmington, CDBG

Table 5 shows linear growth projections based upon population estimates from the ACS and BBER for the Farmington MSA, Aztec, Bloomfield, and the City of Farmington. The green shaded cells are the average growth rates from 2000 to 2006. These rates are well above the rates estimated by BBER for San Juan County in 2002.

Table 5

Population Projections Farmington MSA and Cities								Projections		
	2000	2001	2002	2003	2004	2005	2006	2010	2015	2020
Farmington MSA	114,237	116,196	119,940	122,235	124,072	125,820	126,473	135,749	148,306	162,025
Annual Percent Growth		1.7%	3.2%	1.9%	1.5%	1.4%	0.5%			
Total Growth							10.7%			
Average Growth							1.8%			
Aztec	6,504	6,588	6,782	6,913	7,004	7,064	7,056	7,464	8,007	8,589
Annual Percent Growth		1.3%	2.9%	1.9%	1.3%	0.9%	-0.1%			
Total Growth							8.5%			
Average Growth							1.4%			
Bloomfield	6,740	6,868	7,096	7,219	7,356	7,421	7,409	7,912	8,588	9,322
Annual Percent Growth		1.9%	3.3%	1.7%	1.9%	0.9%	-0.2%			
Total Growth							9.9%			
Average Growth							1.7%			
Farmington City	38,472	39,091	40,432	41,350	42,214	43,032	43,573	47,554	53,046	59,172
Annual Percent Growth		1.6%	3.4%	2.3%	2.1%	1.9%	1.3%			
Total Growth							13.3%			
Average Growth							2.2%			

Average growth from 2000 to 2006 used for projections
 Sources: American Community Survey, Census Estimates, and BBER
 Prepared by Farmington, CDBG

CDBG Staff compared these population growth rates with San Juan County building permit data. Decreased vacancy rates, crowding, and an increase of occupants per dwelling were also factors looked at for the population projection, but the number of new residential dwelling units was a primary factor. CDBG staff concludes that an average growth rate of 1.3 percent is a best average, guess, or fit between the simple linear growth projections from the ACS population numbers, the BBER population estimates, and the building permit data. This 1.3% growth factor will be used in all of the needs projections in this report.

2. Income

Income is a key part of the affordability question for San Juan County. There are three main types of income statistics available - wages, household income, and family income. Wages refer to an individual's earning power, and detailed wage data is provided in the appendix for a variety of industry sectors. Household income refers to the total earned income of all people living in a residence. Household income can be skewed by having multiple families living in a single residence and may mask the true income of very poor families. Family income is the sum of the wages of all individuals of a family living in a residence. Family income and the Median Family Income (MFI) are used extensively in this report. The MFI and percentages of the MFI are used by HUD to determine moderate, low and very low-income levels.

a. Minimum Wage

In 2006, the minimum wage was \$5.15. Under the Fair Labor Standards Act (FLSA), the federal minimum wage for covered nonexempt employees was \$5.85 per hour effective July 24, 2007; \$6.55 per hour effective July 24, 2008; and will be \$7.25 per hour effective July 24, 2009.

However, in New Mexico, recent legislation (SB 324) changed the state minimum wage law effective January 1, 2008. Most New Mexico businesses will see the state minimum wage increase and will be required to pay a minimum wage of \$7.50 per hour effective January 1, 2009.

The 2008 Colorado College's State Of The Rockies Report Card states a minimum wage worker must work at least 3 jobs in Colorado to afford an average apartment and that in San Juan County a minimum wage of \$10 to \$11.50 per hour for a full time job is required to afford the median two-bedroom rental.

In the Rental Housing section of this Housing Needs Assessment (11, a., iii) the 2006 median rental cost of a two-bedroom rental was \$550. A worker earning the 2006 minimum wage of \$5.15 per hour would have to work 2.2 full time jobs to afford a median priced two-bedroom rental.

A full time minimum wage worker in 2006 earned \$9,888. A married couple with two children, both working full time minimum wage jobs in 2006, earned \$19,776, were considered to be below poverty and earned less than 50% of the local Median Family Income.

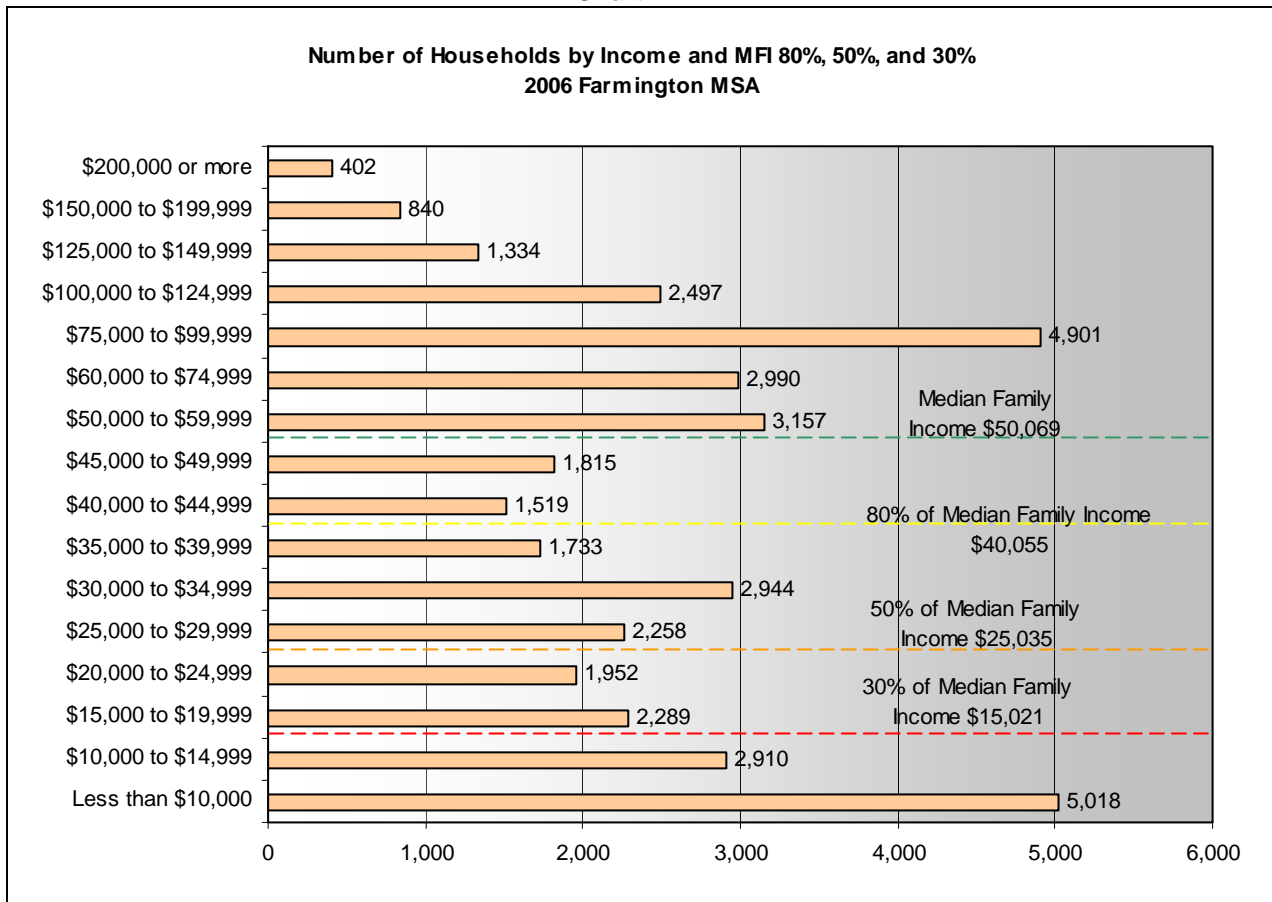
b. Income by households

The number of households by income is shown on Chart 2. On the left are income categories and the bars show how many households are within each category. For reference, the green, yellow, orange, and red lines show the MFI and the 80%, 50%, and 30% of MFI income levels. The 80% MFI is used as an income qualification for the City of Farmington CDBG program. The 50% MFI, or lower, is one of the definitions of families in “Greatest Need.” Families that earn 30% MFI or less are considered very low-income. There are 7,928 very low-income households in the MSA.

This table shows that household incomes do not follow a nice bell curve, but there are two large spikes. The largest single income group is in the lowest, less than \$10,000, category with 5,018 households. This category is well below the 30% MFI or very low-income level. The second largest group is in the \$75,000 to \$99,999 category, with 4,901 households.

Household income is not a perfect data comparison with the MFI but it was included to show the approximate number of families that exist in the MFI income levels. There are no other data sources that document exactly how many families fall within the MFI income levels.

Chart 2



c. Median Family Income by groups

Table 6 shows the 2006 median income for households in the Farmington MSA broken down by race, age, and family type. The percent of the total households and the number of households is also given. The shaded line shows the base line Median Family Income called MFI. The most current available MFI is used in CDBG to determine eligibility of program participants.

The information in this table is used in a number of places in the report as a comparison of income levels of the various groups with housing costs to determine affordability. The population of these groups is also projected to look at future needs. This table also mixes Household and Family definitions. The race and age data are household related while the base line MFI and the family type data are family related. While there is some statistical danger in mixing these comparisons, these different groups are not available with just Household or just Family data and still it is important to look at them together.

Table 6

HOUSEHOLD INCOME BY RACE, AGE, and FAMILY TYPE			
Farmington MSA	Median Income	Percent of Households	Number of Households
Households	2006	38,559	
White alone, not Hispanic or Latino	\$ 50,932	29.8%	11,491
American Indian	\$ 23,767	18.2%	7,018
Hispanic or Latino origin (of any race)	\$ 45,079	50.7%	19,549
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER			
15 to 24 years	\$ 18,466	4.4%	1,697
25 to 44 years	\$ 47,100	34.8%	13,419
45 to 64 years	\$ 50,418	42.1%	16,233
65 years and over	\$ 23,364	18.6%	7,172
FAMILIES			
Median Family Income	\$ 50,069		
With own children under 18 years	\$ 46,912	35.0%	13,498
With no own children under 18 years	\$ 52,398	40.2%	15,502
Married-couple families	\$ 59,520	52.8%	20,365
Female householder, no husband present	\$ 22,738	13.8%	5,332
Male householder, no wife present	\$ 50,333	8.6%	3,303
Source: 2006 American Community Survey			

3. Poverty

The National Center for Children in Poverty states, “that on average, families need an income of about twice the federal poverty level to meet their most basic needs.” “The United States measures poverty by an outdated standard developed in the 1960s.” In 2006, twice the federal poverty income level for a family of four was \$40,000 and the 80% MFI for the Farmington MSA was \$40,055. To put this in perspective the 80% MFI is the maximum income for eligibility for assistance from the Community Development Block Grant and that was just a little bit over twice the poverty level.

While the poverty data in this report does not directly relate to affordability or the needs projections, it is important background information for this report as it helps to define the lowest income groups and is relevant data for many of the non-profit service providers who will use this report. Poverty data is also important to include for this report for its eventual inclusion into the next Consolidated Plan for HUD.

a. Federal Poverty Rate

Table 7 shows the 2006 poverty level income based upon the number of persons in a family or household.

Table 7

2006 Poverty Guidelines	
Persons in Family or Household	48 Contiguous States and D.C.
1	\$ 9,800
2	\$ 13,200
3	\$ 16,600
4	\$ 20,000
5	\$ 23,400
6	\$ 26,800
7	\$ 30,200
8	\$ 33,600
For each additional person, add	3,400
SOURCE: <i>Federal Register</i>	

b. Poverty Rates by Age, Race, and Sex

Table 8 shows the number and percent in poverty from 2000 to 2006 for age, sex, and racial groups, and compares total poverty rates for the four New Mexico MSA's. The Farmington MSA has made positive gains in reducing poverty in all socio groups except for the over-65 age group. While the Farmington MSA had a higher poverty rate than Albuquerque or Santa Fe MSA's, the Farmington MSA poverty has decreased 3.4 percent while Albuquerque and Santa Fe have both increased 1.2 percent. In the percentage below poverty level columns, you can see that in both 2000 and 2006 Farmington has the second highest poverty level of the four State MSA's. The green shaded cells show groups that have less poverty than the total population and the yellow shaded cells show groups with poverty levels higher than the total population. The last column shows the change in the percent of poverty by group. An important change in this report for the area is the 6.5% decrease in poverty for the American Indian population. As a note: the Hispanic 2006 poverty level is not available from the ACS, so the rate of change cannot be calculated.

Table 8

Change in Poverty from 2000 to 2006							
Subject	Total 2000	Total 2006	# Below Poverty Level 2000	# Below Poverty Level 2006	% Below Poverty Level 2000	% Below Poverty Level 2006	Change in % Below Poverty
Farmington MSA	112,410	125,194	24,196	22,704	21.5%	18.1%	-3.4%
Albuquerque, NM Metro Area	701,336	801,871	96,640	119,812	13.8%	14.9%	1.2%
Las Cruces, NM Metro Area	169,559	187,573	43,054	45,751	25.4%	24.4%	-1.0%
Santa Fe, NM Metro Area	145,254	140,157	15,775	16,844	10.9%	12.0%	1.2%
AGE							
Under 18 years	37,133	36,655	9,886	8,726	26.6%	23.8%	-2.8%
18 to 64 years	66,342	76,768	12,511	11,893	18.9%	15.5%	-3.4%
65 years and over	10,326	11,771	1,799	2,085	17.4%	17.7%	0.3%
SEX							
Male	56,405	62,182	11,214	10,655	19.9%	17.1%	-2.8%
Female	57,396	63,012	12,982	12,049	22.6%	19.1%	-3.5%
RACE							
White alone, not Hispanic or Latino	52,141	53,554	5,542	5,546	10.6%	10.4%	-0.2%
American Indian and Alaska Native	41,414	48,497	14,920	14,293	36.0%	29.5%	-6.5%
Hispanic or Latino	16,712		3,422		20.5%		
Above Poverty Level for Total Population							
Below Poverty Level for Total Population							
Source: 2006 ACS Farmington MSA and Census 2000 San Juan County							

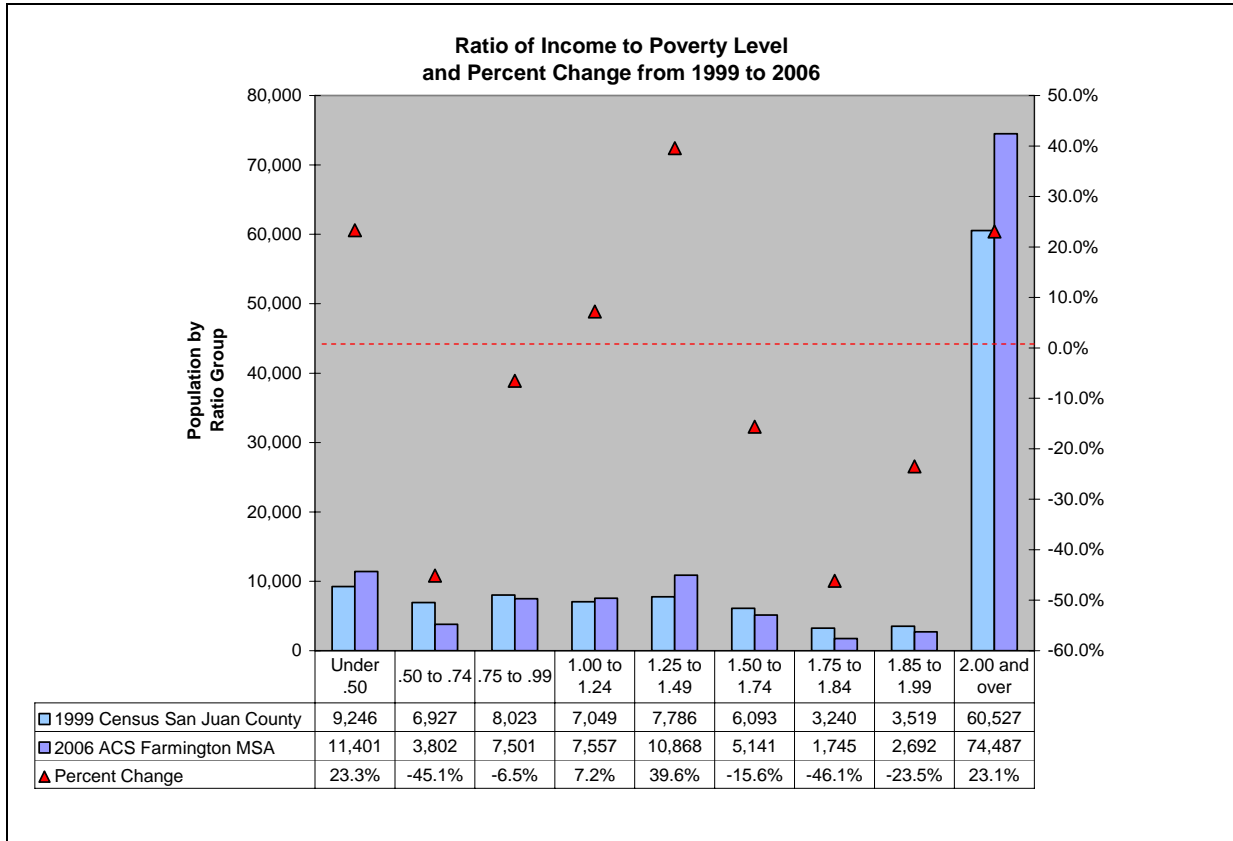
c. Ratio of Income to Poverty Level

Chart 3 shows the ratio of income to poverty level and the percent change from 1999 to 2006. As stated at the beginning of the poverty section, twice the poverty level is \$40,000 per year for a family of four. All of the people earning twice the poverty level per year, or more, are represented in the far right column at the 2.0 or more ratio. Remember that according to the National Center for Children in Poverty, only the most basic needs of a family are met at twice the poverty level. The 1.0 to 1.24 column represents people whose income is at the poverty level or a little bit more. The under 0.5 column represents people who earn half or less of the poverty level in a year. Therefore, this table details the income levels of those who cannot meet the basic needs of their families, those who earn less than twice the poverty level in a year.

The left side of the chart and the blue bars show the number of people in a particular ratio category. The right side of the chart and the red triangles show the percent change for each category from 1999 to 2006. The dashed line across the chart shows the zero point for the percent changes.

Remember in Table 8 above that the poverty level for the Farmington MSA fell from 1999 to 2006 by 3.4 percent. While that is a wonderful result to report, Chart 3 tells us a different story about the lowest income level families. This chart shows a stratification of income levels with growth in three areas. Even though the overall poverty level is going down in the Farmington MSA, there is 23.3 percent growth in the 0.5 poverty ratio and a 39.6 percent growth in the 1.25 to 1.49 ratio. Therefore, there are more people in the poorest category and even more growth for people who are just outside of poverty. The growing poorest category represents people who are falling off the grid, becoming homeless, and are on severely fixed incomes such as Social Security. The growing category that is just above poverty may be trapped in low paying or minimum wage service jobs.

Chart 3



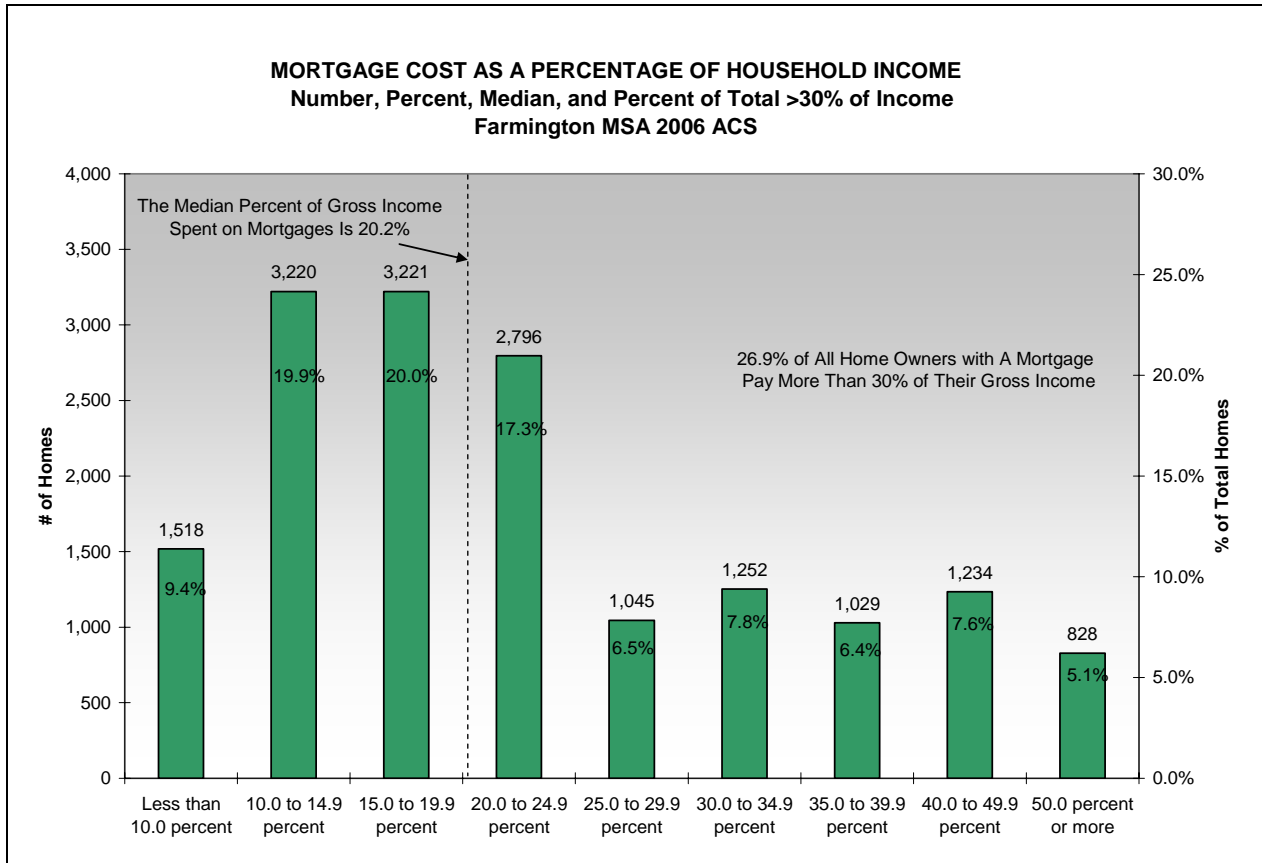
4. Housing Expenditures

Housing expenditures for mortgage costs and rental costs are used to determine the number of households paying more than 30 and 50 percent of their income on housing. If a family pays more than 30 percent, they are not in the affordable category. If a family pays more than 50 percent, they are considered to be in “greatest need.”

a. Mortgage Costs as a Percentage of Household Income

The HUD recognized standard for affordable housing is expending no more than 30% of a family’s income on housing. This amount spent includes the mortgage, insurance, taxes, and utilities. Across the bottom of Chart 4 are expenditure percentage groupings and the bars showing the number of households. The percentage of all households is shown for each grouping. The vertical dashed line shows where the median percent of gross monthly income (20.2%) falls on the chart. Of all households, 26.9% are paying more than 30% of their incomes on housing, which is considered unaffordable. There are 828 greatest need households (5.1%) that pay more than 50% of their monthly income on their mortgage.

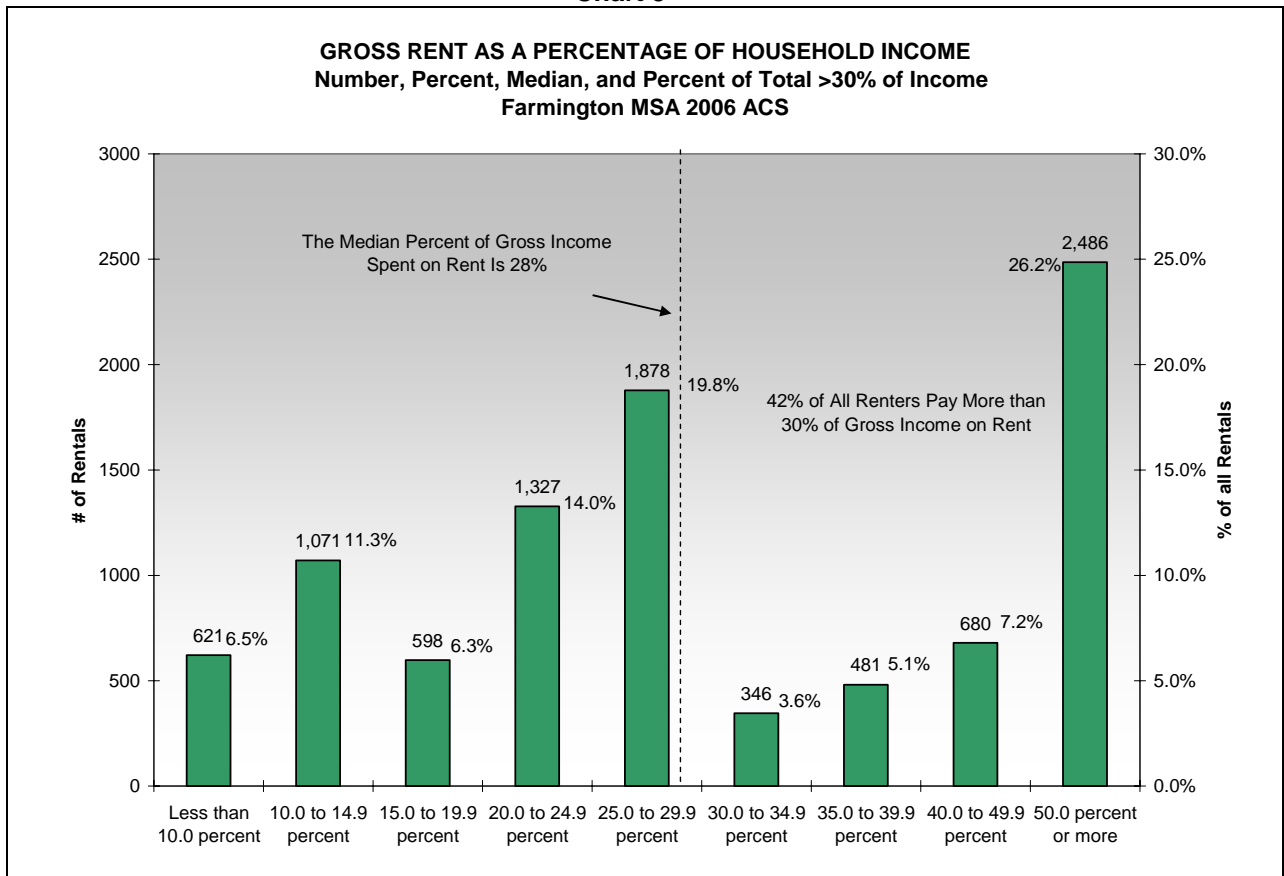
Chart4



b. Gross Rent as a Percentage of Household Income

Chart 5 shows the number of people by percent of income for rental households. This amount spent includes the rent, insurance, and utilities. The number and percent of households are shown by the percent spent on rent. Of all the rental households, 42 percent or 3,993 families, are paying more than 30 percent of their income on rent, and 26.2 percent or 2,486 are paying more than 50 percent and are considered to be at “greatest need.”

Chart 5



5. Housing

The housing section looks at current housing stocks, number of bedrooms, and housing facilities that are all part of the projections of housing needs. The housing values chart shows the distribution and number of homes by value to look at what makes up the median price of housing. For a broader look at housing information, there are more topics in the Appendix.

a. Current Housing Stocks

Table 9 shows that 56.2 percent of all dwelling unit are site built single-family detached structures. Mobile homes make up another 32.5 percent of dwellings. The other 11.7 percent of dwellings are a mix of multi-family structures with the majority, 4.6 percent, being 3 and 4 unit structures. The ratio and number of housing types is used in the housing needs section of this report.

Table 9

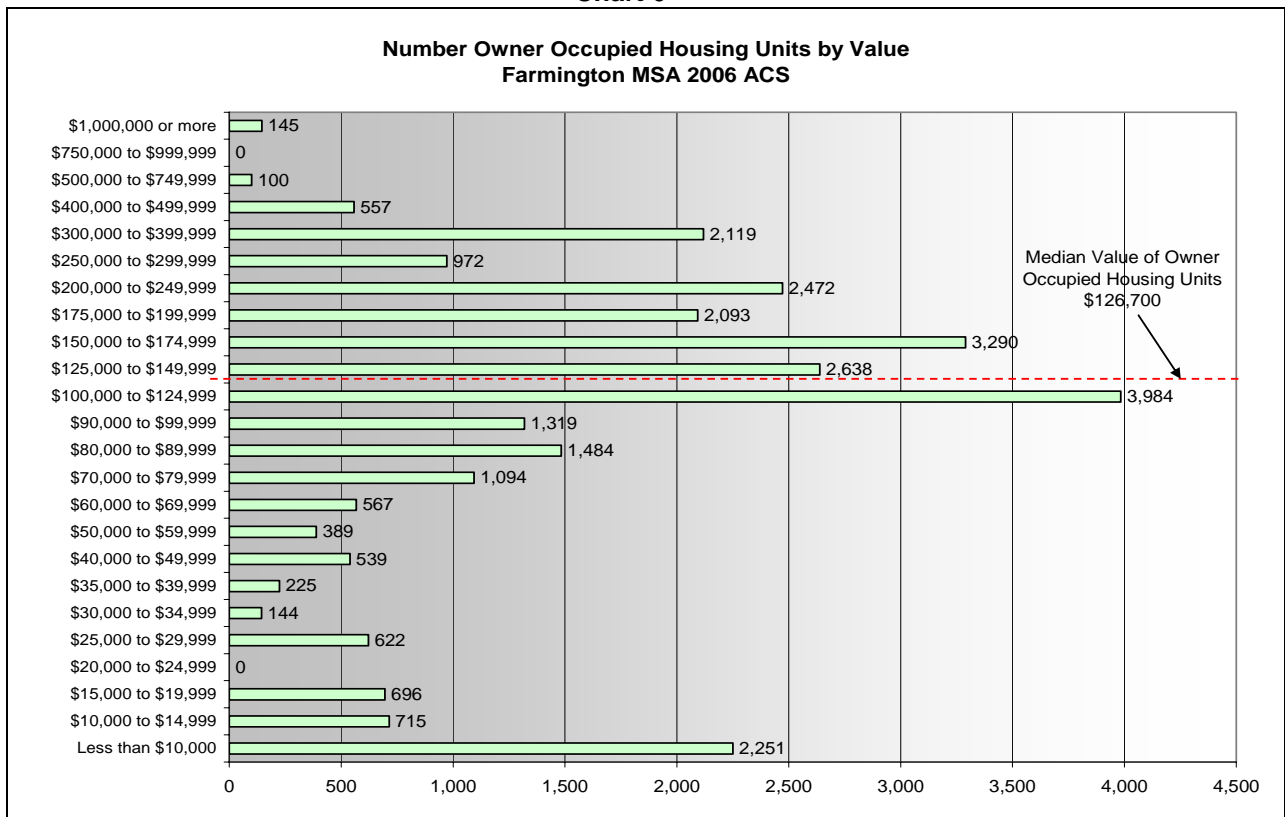
Number of Units and Percent of Dwelling Types		
Farmington MSA		
	Estimate	Percent
Total:	44,940	
1, detached	25,274	56.2%
1, attached	584	1.3%
2	935	2.1%
3 or 4	2,063	4.6%
5 to 9	869	1.9%
10 to 19	317	0.7%
20 to 49	0	0.0%
50 or more	38	0.1%
Mobile home	14,584	32.5%
Boat, RV, van, etc.	276	0.6%
Source: 2006 American Community Survey		
Table Prepared by City of Farmington, CDBG		

b. Housing Values

i. Number of Owner Occupied Housing Units By Value

Chart 6 shows the number of owner occupied housing units by value for 2006. The housing units are all types including RV's, mobile homes, and single-family dwellings. The red line on the chart shows the median housing value at \$126,700. This table has an expected bell curve, except for a large spike of 2,251 units in the under \$10,000 category. The 14,584 mobile homes and the 276 RV housing units, shown on Table 9, could explain the spike in this category. These very low value units significantly outnumber the top three value categories and effectively skew the median value lower.

Chart 6

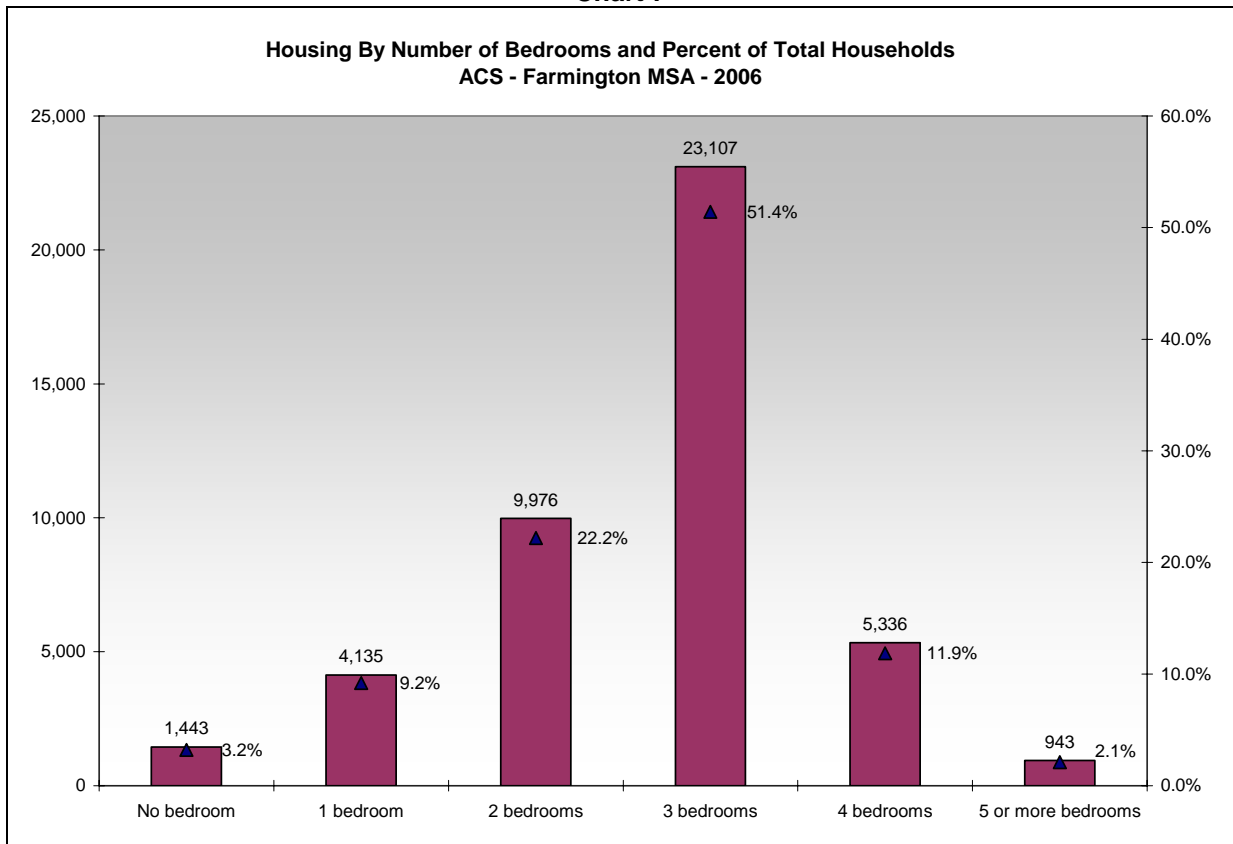


c. Housing Characteristics

i. Number of Homes by Number of Bedrooms

Chart 7 shows the vast majority of all existing residential uses have three bedrooms. This table is included in this report to show the relative mix of the number of bedrooms and to provide justification for the development of new affordable housing with 3 and 4 bedroom units, not just less expensive 2 bedroom units. Affordable housing must avoid creating overcrowded conditions by developing units to house larger families.

Chart 7



ii. Housing Facilities

One of the key defining factors for considering a family to be in “greatest need” discussed, at the beginning of this report, is whether a home has complete kitchen or plumbing facilities. Table 10 shows the percentage of owner occupied and renter occupied housing that have complete plumbing, kitchens, telephone service, home heating methods. Even with San Juan County’s rural areas, this type of “greatest need” is a minor concern.

Table 10

COMPLETE FACILITIES			
Percent of Housing Units with Plumbing, Kitchen and Telephone Facilities and Type of Heating by Owner and Renter Occupied Housing			
	Occupied housing units	Owner-occupied housing units	Renter-occupied housing units
With complete plumbing facilities	96.9%	96.0%	99.7%
With complete kitchen facilities	96.6%	95.4%	100.0%
TELEPHONE SERVICE AVAILABLE			
With telephone service	80.0%	84.9%	66.4%
HOUSE HEATING FUEL			
Utility gas	65.7%	61.8%	76.7%
Bottled, tank, or LP gas	15.0%	18.1%	6.4%
Electricity	4.3%	2.9%	8.1%
Fuel oil, kerosene, etc.	0.0%	0.0%	0.0%
Coal or coke	0.6%	0.8%	0.0%
All other fuels	14.5%	16.4%	8.9%
No fuel used	0.0%	0.0%	0.0%
Source: 2006 American Community Survey			
Geographic Area: Farmington, NM Metropolitan Statistical Area			

6. Building Permit Data

Building permit data was collected from the City of Farmington, and San Juan County. San Juan County issues building permits for all areas outside of Farmington. The number of new residential building permits was looked at when working on the population growth factor.

a. City of Farmington Building Permit Data

The City of Farmington permit valuation does not reflect the actual sales price of a home. A fixed dollar amount \$70 is applied and multiplied by the square footage of the residence and may be a better indicator of the size of home being built. For instance, notice in 2006, in Table 11, a larger number of smaller homes brought down the average permit valuation. In addition, in 2004 there were a large number of bigger and speculative homes being built especially in the San Juan Country Club. The number of permits per year, each representing a new family or household, is a good measure of population growth.

Table 11

Site-Built New Residential Permit Valuations - City of Farmington								
	2000	2001	2002	2003	2004	2005	2006	2007
Permits Issued	103	105	118	166	192	260	236	219
% Change		1.94%	12.38%	40.68%	15.66%	35.42%	-9.23%	-7.20%
Average Permit Valuation*	\$140,310	\$135,300	\$138,085	\$142,762	\$162,009	\$176,565	\$158,363	\$161,099
% Change		-3.57%	2.06%	3.39%	13.48%	8.98%	-10.31%	1.73%

Permit valuations do not reflect actual sales price or construction cost.
Source: City of Farmington Building Department

b. San Juan County Building Department Data

i. Permit Data for SJC and All Cities

This data came from the County and Farmington Building Departments. Table 12 details changes in new single-family residential building permits from 2000 to 2007 for Farmington, Aztec, Bloomfield, and the County. The number of new permits issued and the average permit valuation along with their percent change is tracked. In the right column is the total change from 2000 to 2007. In 2006 and 2007 there has been a decrease in the number of permits issued for most locations. Farmington went down 10.31 percent in 2006 and back up 1.73 percent in 2007; however, the total change is 113 percent since 2000. The total county row shows a decline of 14.48 percent in 2007 after a 2.11 percent gain in 2006, with a total gain of 98 percent from 2000 to 2007.

*Average Permit Valuation is not an accurate indicator of the value of the new homes but can be used to track changes. The County and

Farmington Building Departments use different systems to estimate a homes valuation for the purpose of calculating permit fees.

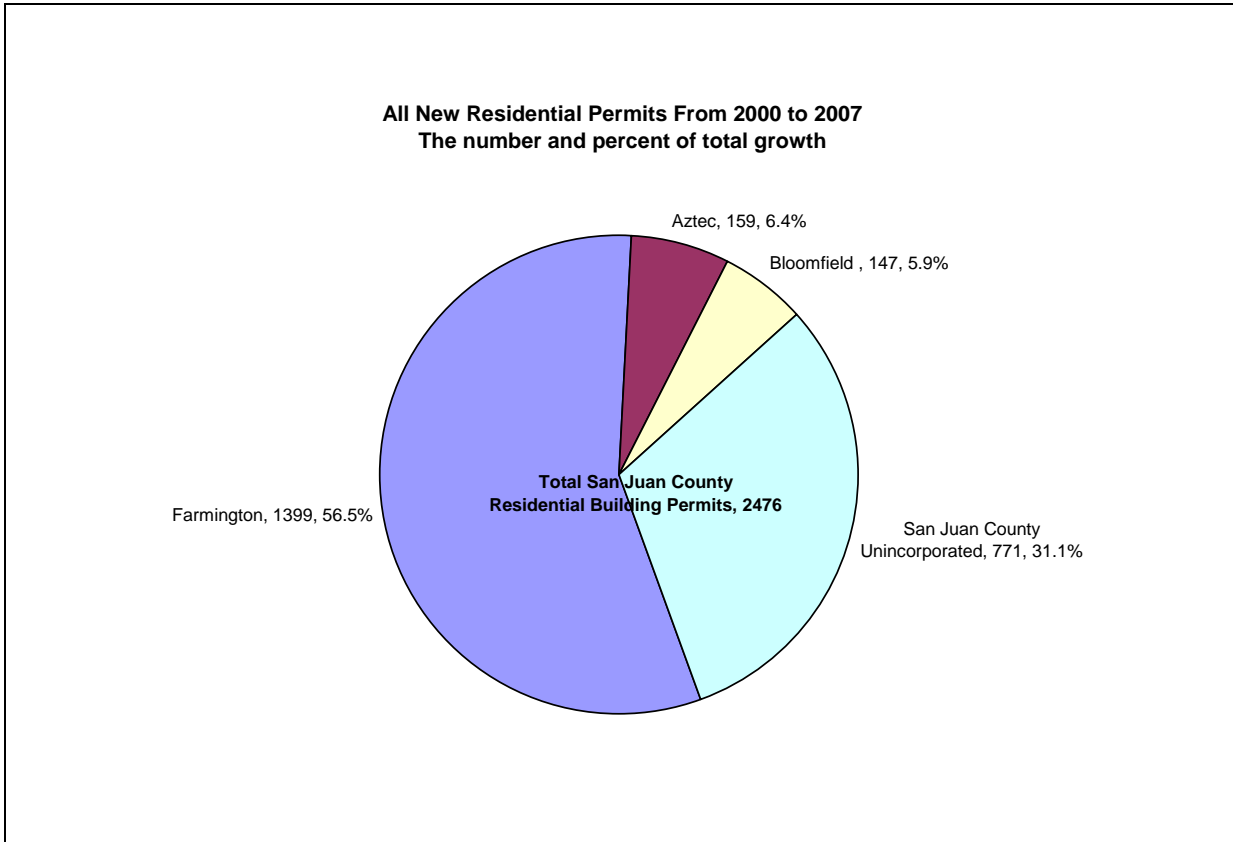
Due to the small number of permits issued in Aztec and Bloomfield there are dramatic percent changes from year to year. However, the total change percentages appear to be in line with the total growth of Farmington and San Juan County.

Table 12

New Single Family Residential Permit Valuations									
	2000	2001	2002	2003	2004	2005	2006	2007	Total Change
Farmington									
Permits Issued	103	105	118	166	192	260	236	219	113%
% Change		1.94%	12.38%	40.68%	15.66%	35.42%	-9.23%	-7.20%	
Average Permit Valuation*	\$140,310	\$135,300	\$138,085	\$142,762	\$162,009	\$176,565	\$158,363	\$161,099	15%
% Change		-3.57%	2.06%	3.39%	13.48%	8.98%	-10.31%	1.73%	
Aztec									
Permits Issued	11	10	16	21	15	16	48	22	100%
% Change		-9.09%	60.00%	31.25%	-28.57%	6.67%	200.00%	-54.17%	
Average Permit Valuation*	\$186,982	\$126,527	\$126,584	\$150,032	\$144,063	\$154,175	\$190,631	\$167,556	-10%
% Change		-32.33%	0.05%	18.52%	-3.98%	7.02%	23.65%	-12.10%	
Bloomfield									
Permits Issued	7	11	12	20	30	31	19	17	143%
% Change		57.14%	9.09%	66.67%	50.00%	3.33%	-38.71%	-10.53%	
Average Permit Valuation*	\$135,289	\$148,319	\$123,159	\$116,115	\$133,844	\$150,871	\$193,874	\$145,929	8%
% Change		9.63%	-16.96%	-5.72%	15.27%	12.72%	28.50%	-24.73%	
San Juan County Unincorporated									
Permits Issued	67	62	77	94	106	119	132	114	70%
% Change		-7.46%	24.19%	22.08%	12.77%	12.26%	10.92%	-13.64%	
Average Permit Valuation*	\$135,393	\$169,633	\$156,657	\$169,390	\$171,300	\$206,077	\$192,569	\$204,990	51%
% Change		25.29%	-7.65%	8.13%	1.13%	20.30%	-6.56%	6.45%	
San Juan County Total									
Permits Issued	188	188	223	301	343	426	435	372	98%
% Change		0.00%	18.62%	34.98%	13.95%	24.20%	2.11%	-14.48%	
Average Permit Valuation*	\$141,102	\$146,918	\$142,870	\$149,814	\$161,632	\$182,098	\$173,854	\$174,238	23%
% Change		4.12%	-2.76%	4.86%	7.89%	12.66%	-4.53%	0.22%	

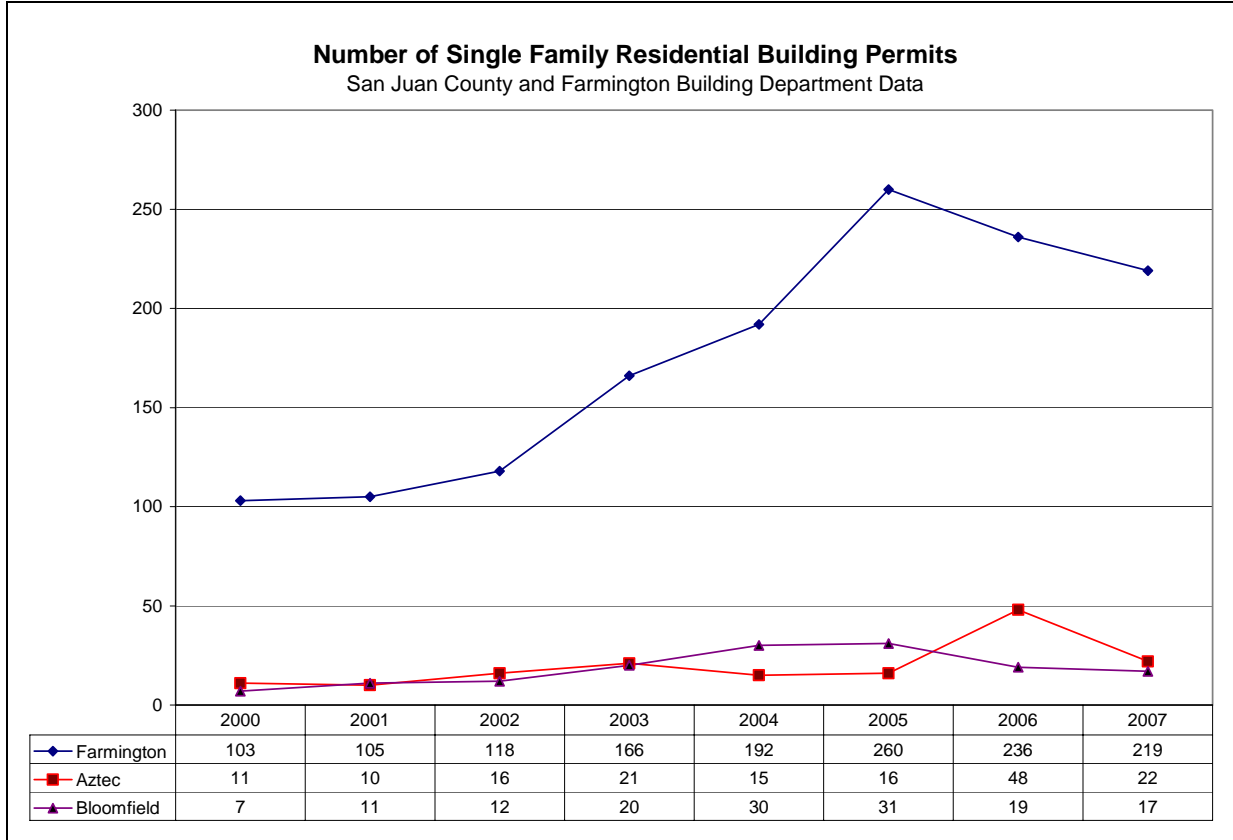
Chart 8 shows a summary of all residential building permits in Table 12. The pie chart shows where single-family residential growth has occurred since 2000. This chart will lend justification to the allocation of new affordable housing projects in San Juan County based upon past development trends.

Chart 8



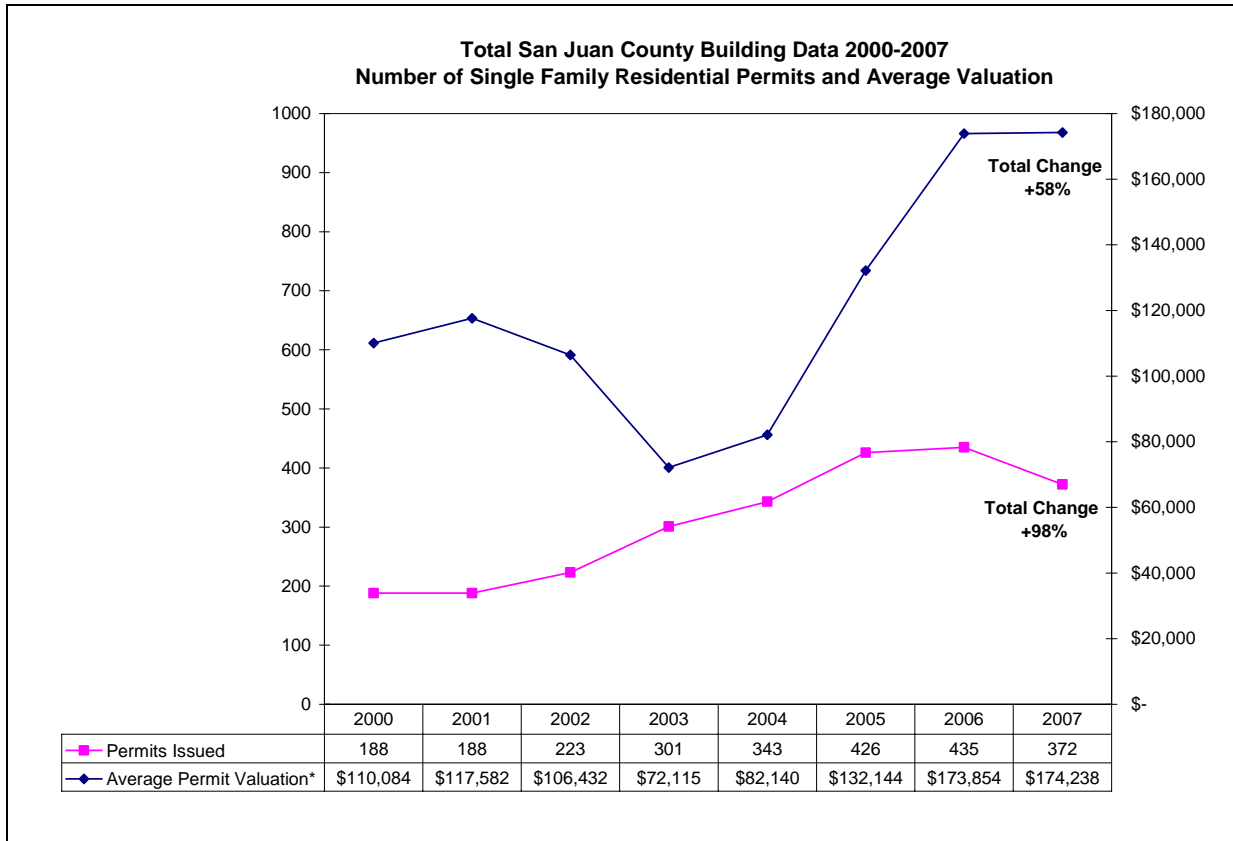
- ii. Farmington, Bloomfield, and Aztec Residential Permits
 Chart 9 depicts data from Table 12 on the significant growth in new building permits and the decline for Farmington in 2006 and 2007. Aztec and Bloomfield are included for comparison.

Chart 9



- iii. San Juan County Number and Valuation of Permits
 Chart 10 depicts data from Table 12 on the total San Juan County Building Permit Data from 2000 to 2007. The total number of permits issued climbed until a dip in 2007 with a total gain of 98 percent. The total San Juan County average permit valuation had significant swings with a total increase of 58 percent.

Chart 10



7. San Juan County Board of Realtors Data

This section explores data from the San Juan County Board of Realtors (SJCBR) and compares it with recent national sales data. Data through 2007 is included in this section.

a. SJCBR County and National Sales Comparison Table

The San Juan County data in Table 13 came from the San Juan County Board of Realtors and represents all sold single-family residential homes, site built and manufactured. The national housing market data come from the US Census Bureau New Residential Sales December Press Releases. The number of residential units sold, average and median sales price, and the annual percent change is shown from 2000 to 2007. The County median price was not available prior to 2003. The matching colored rows compare the county and national data. The green shading compares the number of units sold, the blue shading compares the average sales price, and the yellow shading compares the median sales price.

The comparison of the number of units sold shows that while the national market in 2006 and 2007 fell, -17.24 percent and -27.05 percent, the county market fell only -2.96 percent and -6.60 percent. This shows that while San Juan County is following the national housing market, the county is well insulated from the dramatic downturn.

Table 13

Housing Sales and Price Data, 2000 Through 2007 San Juan County and National Housing Market								
San Juan County	2000	2001	2002	2003	2004	2005	2006	2007
Number of Residential Units Sold SJC	718	843	898	955	974	1046	1015	948
Annual Percent Change Units Sold		17.41%	6.52%	6.35%	1.99%	7.39%	-2.96%	-6.60%
Average Residential Sales Price SJC	\$ 118,217	\$ 123,285	\$ 130,075	\$ 141,629	\$ 151,941	\$ 174,234	\$ 195,805	\$ 209,141
Annual Percent Change of Average Price		4.29%	5.51%	8.88%	7.28%	14.67%	12.38%	6.81%
Median Residential Sales Price SJC				\$ 125,000	\$ 134,000	\$ 153,000	\$ 169,000	\$ 186,800
Annual Percent Change of Median Price					7.20%	14.18%	10.46%	10.53%
National Housing Market	2000	2001	2002	2003	2004	2005	2006	2007
Number of Residential Units Sold Nationally	898,000	900,000	976,000	1,085,000	1,183,000	1,282,000	1,061,000	774,000
Annual Percent Change Units Sold		0.22%	8.44%	11.17%	9.03%	8.37%	-17.24%	-27.05%
Average Residential Sales Price Nationally	\$ 205,100	\$ 225,400	\$ 238,500	\$ 261,100	\$ 276,600	\$ 272,900	\$ 290,100	\$ 267,300
Annual Percent Change of Average Price		9.90%	5.81%	9.48%	5.94%	-1.34%	6.30%	-7.86%
Median Residential Sales Price Nationally	\$ 155,100	\$ 170,200	\$ 186,400	\$ 197,000	\$ 222,000	\$ 221,800	\$ 235,000	\$ 219,200
Annual Percent Change of Median Price		9.74%	9.52%	5.69%	12.69%	-0.09%	5.95%	-6.72%
Source: San Juan County Board of Realtors and US Census Bureau New Residential Sales December Press Releases								
SJC Median Sales Data is only available from 2003 forward.								

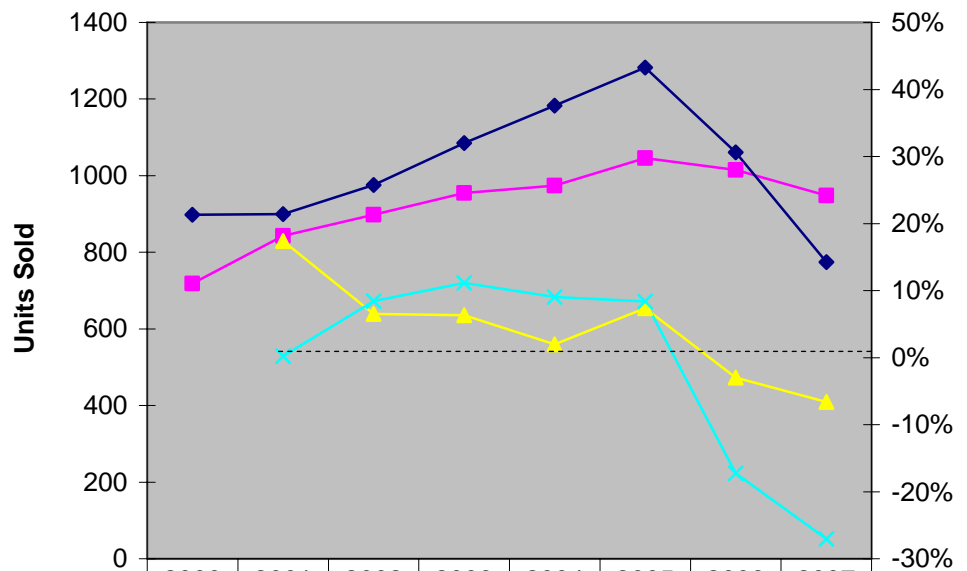
b. SJCBR Units Sold Chart

Chart 11 depicts data in Table 13 above and shows the county and national trends from 2000 to 2007 for the number of units sold and the annual percent change. The left scale of this table shows the number of site built and manufactured units sold, tracked by the dark blue and red lines. The National data is on the same scale as 1,000's of units sold. It turns out that SJC makes up just about one thousandth of the total national housing market. This makes it very convenient to compare the sales data on the same table. The dark blue national line shows a steeper climb in home sales through 2005 but a much steeper decline through 2006 and 2007. The red county line is doing the same thing as the national line, but climbs and falls slower.

The scale on the right of the chart shows the percent change in the sales data. The dashed line shows 0% on the percent scale. The light blue national line shows solid growth from 2001 and then the dramatic declines of 2006 and 2007. The yellow line shows how limited the decline is for SJC in comparison to the national housing crises.

Chart 11

San Juan County and National Residential Units Sold and Annual Percent Change



	2000	2001	2002	2003	2004	2005	2006	2007
—■— Residential Units Sold SJC	718	843	898	955	974	1046	1015	948
—◆— Units Sold Nationally (1,000's)	898	900	976	1085	1183	1282	1061	774
—▲— SJC Annual % Change		17.41	6.52%	6.35%	1.99%	7.39%	-2.96%	-6.60%
—×— National Annual % Change		0.22%	8.44%	11.17	9.03%	8.37%	-17.24	-27.05

8. Assessor's Data

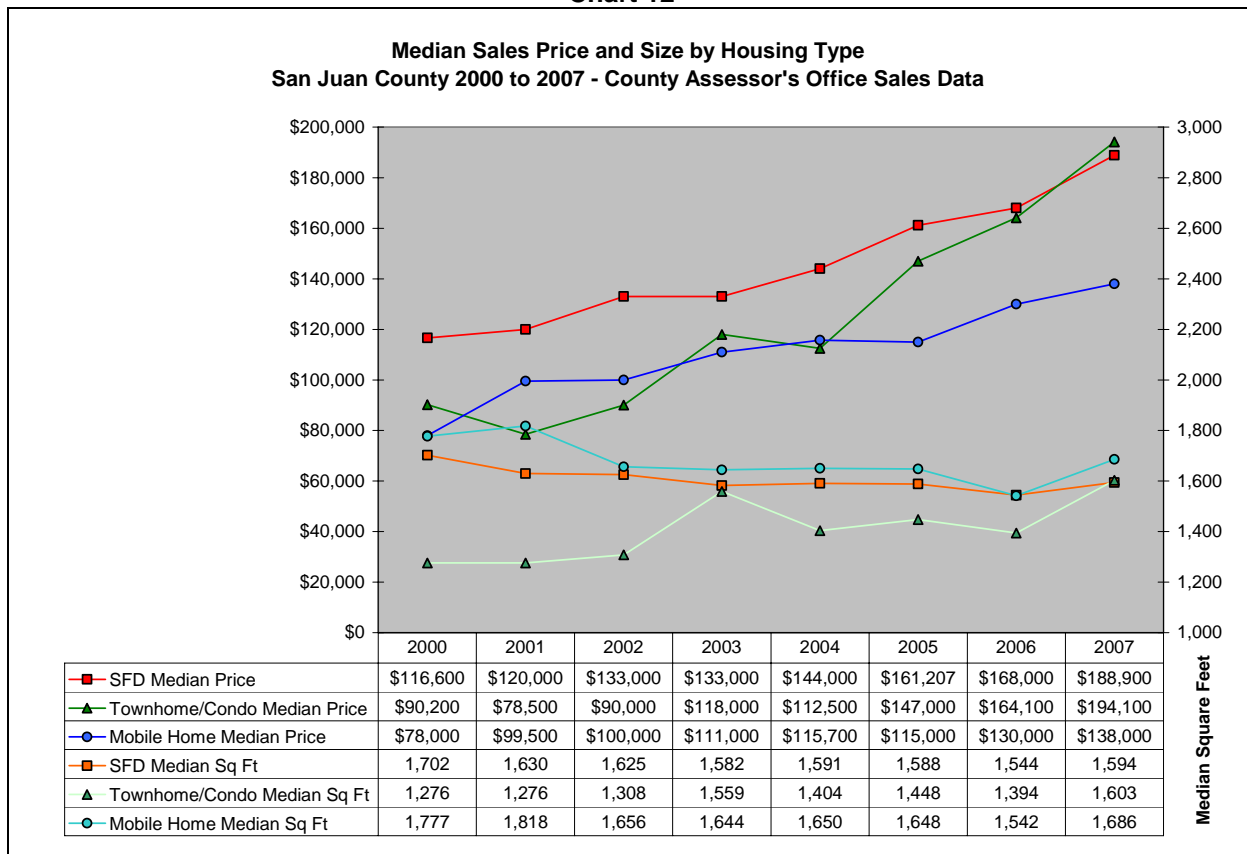
The San Juan County Assessor's office provided data on the reported sales prices of all residential units sold. This is the only sales data available that gives a breakdown of different types of dwellings. Therefore, this data is used for the affordability and projected affordability tables.

a. San Juan County Price and Size by Type

Chart 12 shows the changes from 2000 to 2007 in median price and median square feet for single-family dwellings, town home/condos, and mobile homes. The left scale shows the price by type of housing with the red, green, and blue lines. The right scale shows the median square feet of the housing by type.

Townhomes have the greatest increase in the median sales price and the only growth in median size. The median size of both single-family dwellings and mobile homes has decreased from 2000 to 2007. This size reduction trend may be a result of the high increase in the cost per square foot of construction.

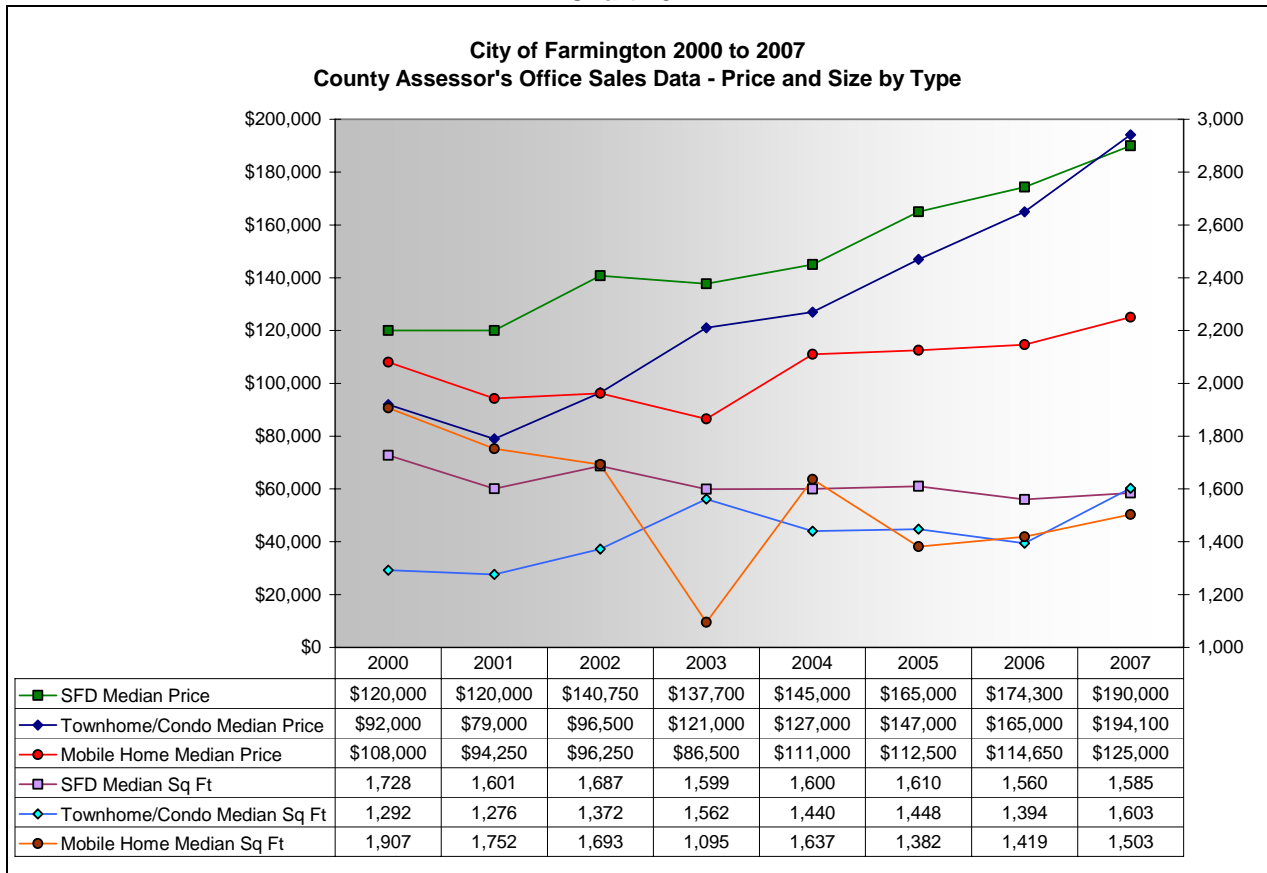
Chart 12



b. Farmington Price and Size by Type

Chart 13 shows the same information as Chart 12 but for the City of Farmington. The mobile home data has some unusual data in 2003 that seems out of place for both the price and size lines. Around 2002 to 2003 there was a decline in the price of mobile homes sold and a very sharp decrease in the size of the mobile homes sold.

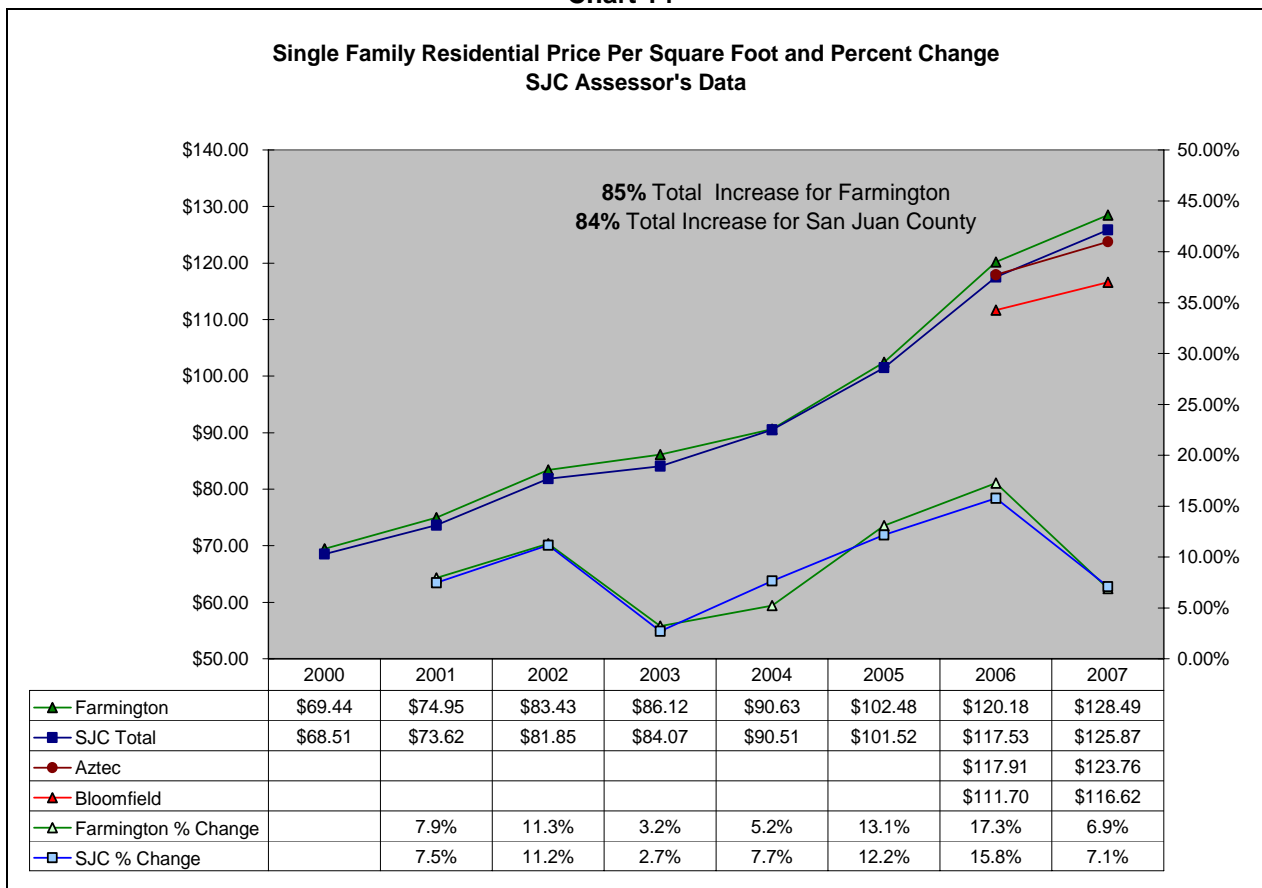
Chart 13



c. Dollars Per Square Foot for County and Cities

Chart 14 shows the median price per square foot for new site built single-family units, comparing San Juan County, Farmington, Aztec, and Bloomfield. Data is only available for 2006 and 2007 for Aztec and Bloomfield. The price per square foot is on the left scale. The Farmington and San Juan County lines are in very close alignment for both price per square foot and percentage change. An encouraging item on this table is the percentage increase in the price per square foot has slowed in 2007. The increase in the per square foot construction cost still went up but it was a much lower increase.

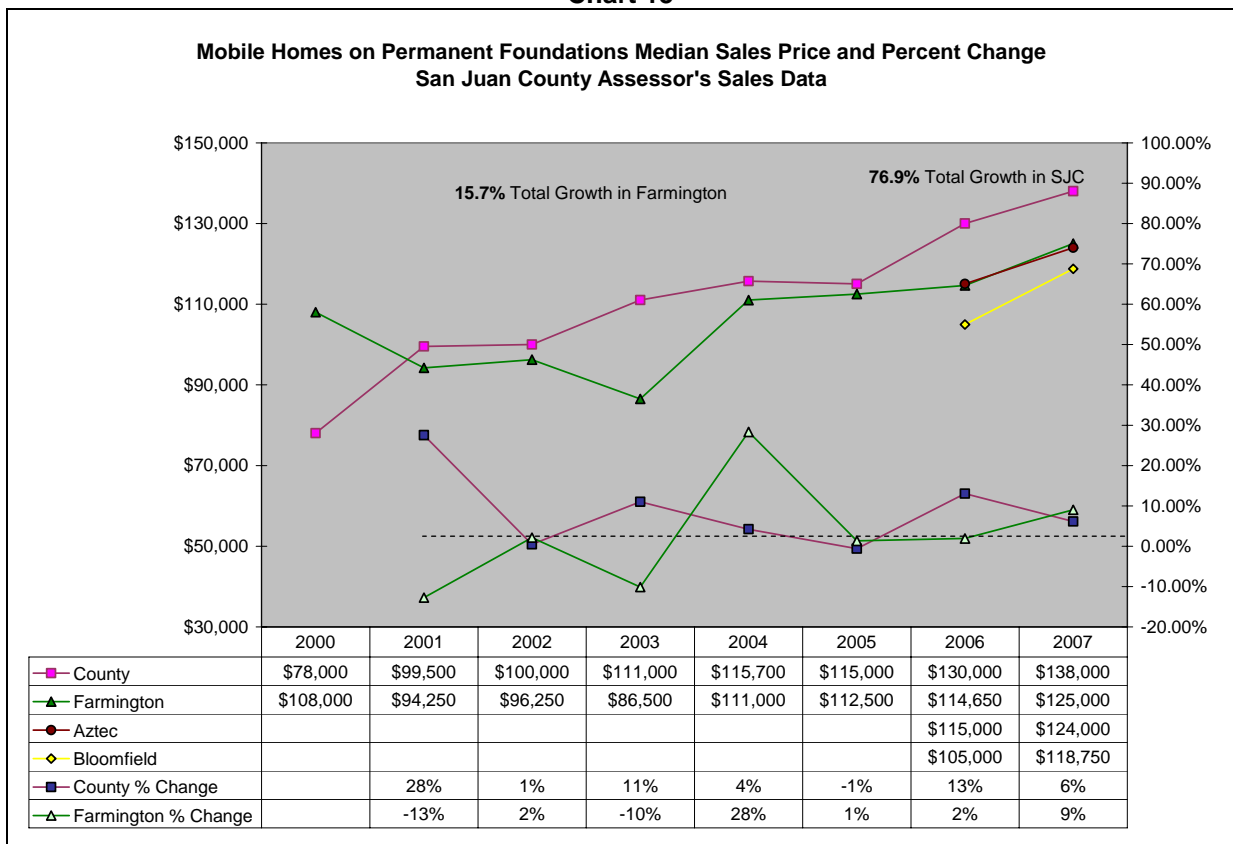
Chart 14



d. Mobile Home Sales Prices

Chart 15 depicts the changes in the median sales prices of mobile homes on permanent foundations from 2000 to 2007 for San Juan County, Farmington, Aztec, and Bloomfield. The right side of the chart shows the percent change in price for Farmington and the County. The change in the median price has fluctuated, and does not follow the site built trends. The overall change in the median price is 76.9 percent in San Juan County, but only 15.7 percent in the City of Farmington. This table also shows some unusual 2003 data. The sales price of mobile homes dropped -10 percent in Farmington but climbed 11 percent in the overall county.

Chart 15



9. Rental Housing

a. Daily Times Rental Data

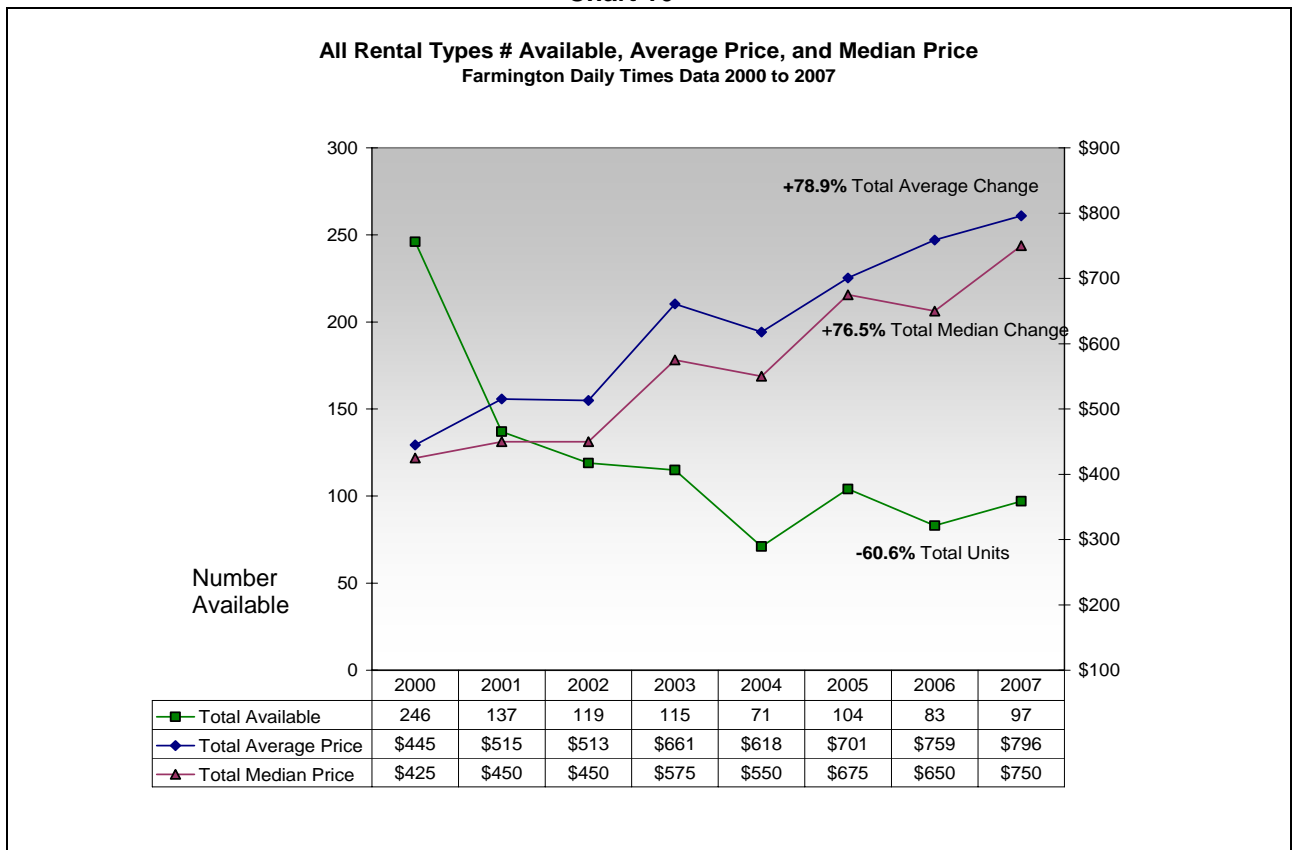
The City of Farmington has been tracking the Farmington Daily Times rental advertisements as an ongoing survey of rental activity. CDBG staff selected the month of April somewhat arbitrarily but it has been used consistently, year to year, to track changes in the market. On each April 1st, all rental ads appearing in the classifieds are selected. On each of the remaining days of April, only the ads appearing in the First Look section of the classifieds are selected. This method ensures that ads are not counted twice. The distribution of the Farmington Daily Times does go beyond the boundaries of

San Juan County, but virtually all of the rentals advertised in the paper are for Farmington, Aztec, Bloomfield, and the developed surrounding areas. This survey method does not guarantee that some rental price data from outside of the county gets into the paper, nor does it cover rentals that are not advertised in the paper, however, the methodology is consistently applied year to year. In addition, this data is more current. By looking at advertised prices as opposed to a survey of rent paid by all renters, the most current rates are reported.

i. Number Available and Price

Chart 16 displays the number of advertised rentals available, the average price, and the median price for all rentals. The left axis and the green line track the number of units available. The right axis displays the median cost of rentals. The average and median prices have climbed from 2000 to 2007, 78.9 percent and 76.5 percent, while the total number of units available has fallen 60.6 percent. Both the cost increase and drop in availability are dramatic changes. San Juan County and Farmington have long had a tight rental market but within this period, there has been very little apartment development. Apartments are virtually nonexistent in the unincorporated areas and most rentals are mobile homes and older houses. This table alone shows the need for significant rental development.

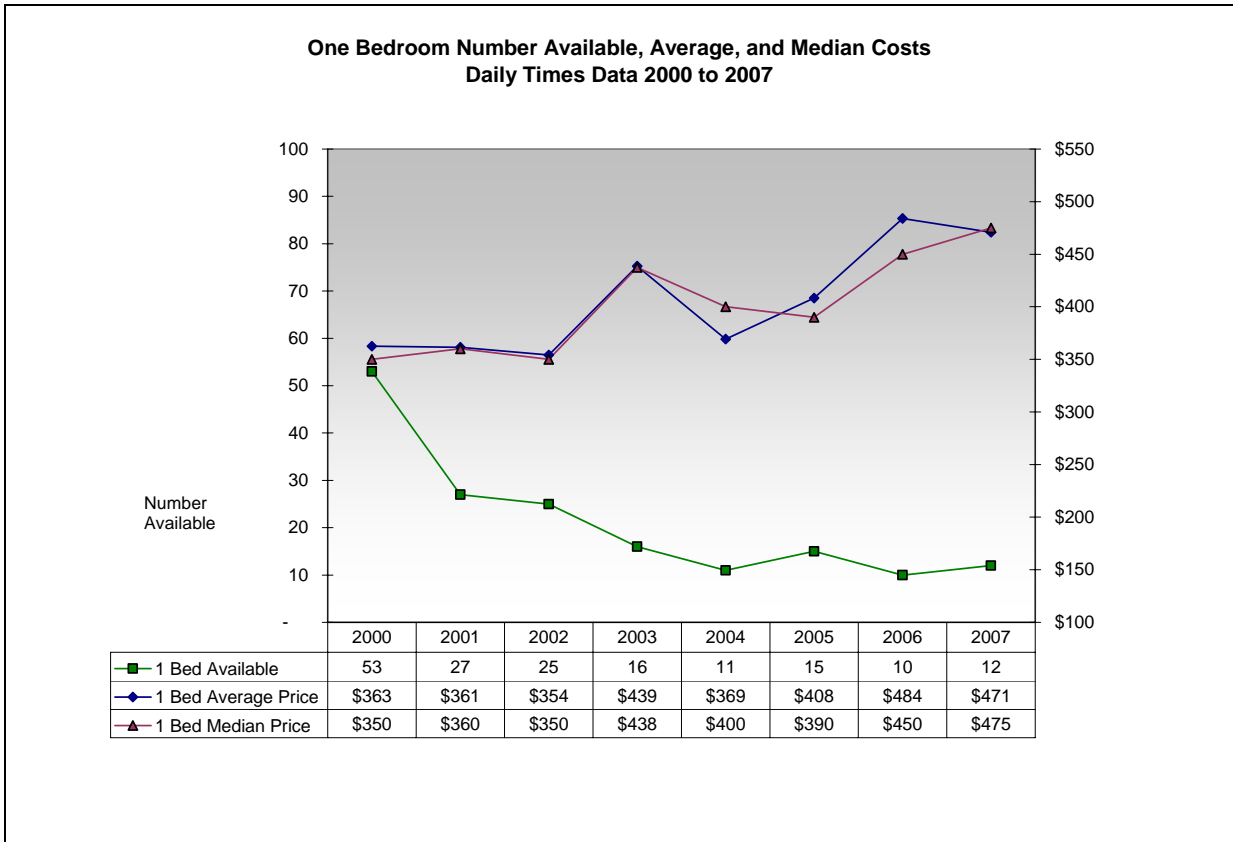
Chart 16



ii. One Bedroom Rentals

Chart 17 displays the average price, median price, and the number available for one-bedroom rentals. The supply of one-bedroom rentals fell from 53 to 12, similar to the overall supply, yet the rental cost has gone up more slowly. This indicates a lower demand for one bedroom units.

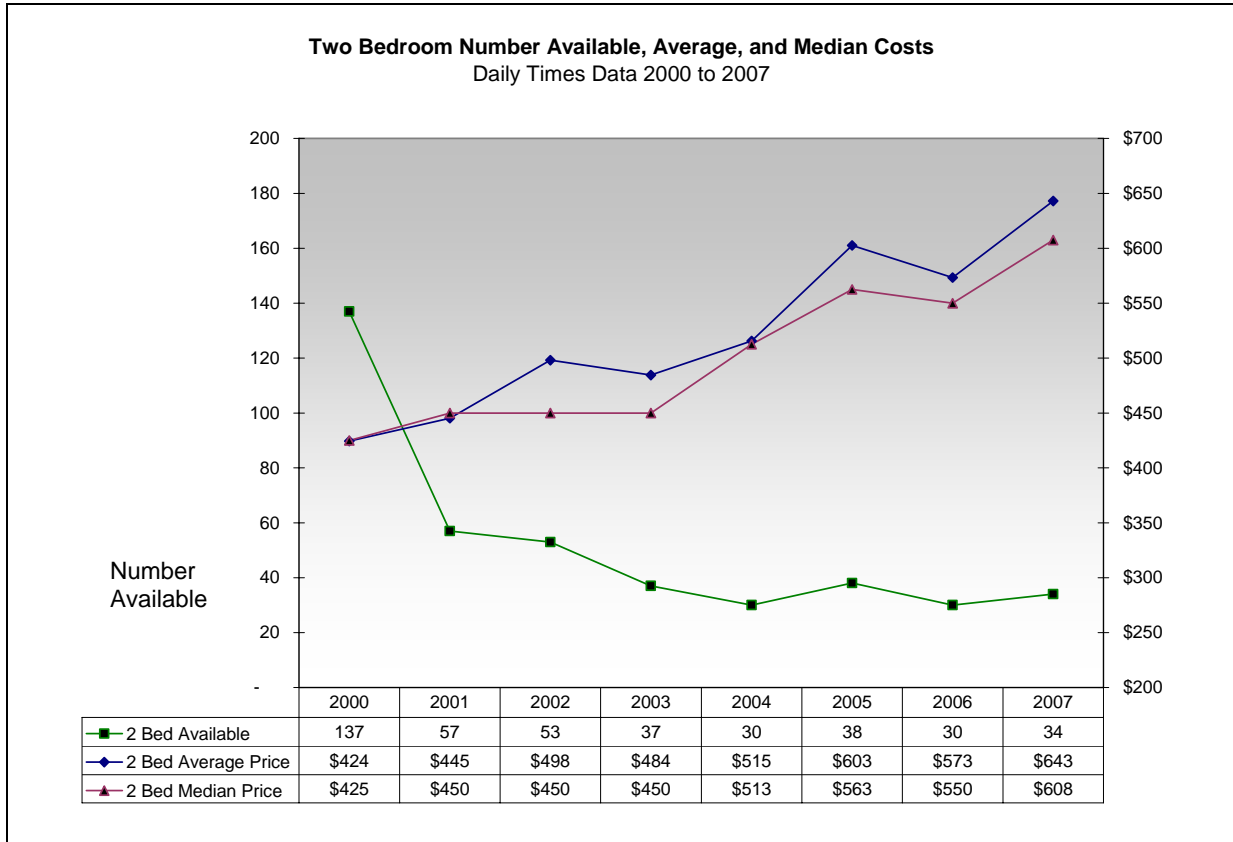
Chart 17



iii. Two Bedroom Rentals

Chart 18 displays the average price, median price, and the number available for two-bedroom rentals. The rental supply for two-bedroom rentals fell from 137 to 34 and the price has risen similar to the overall data.

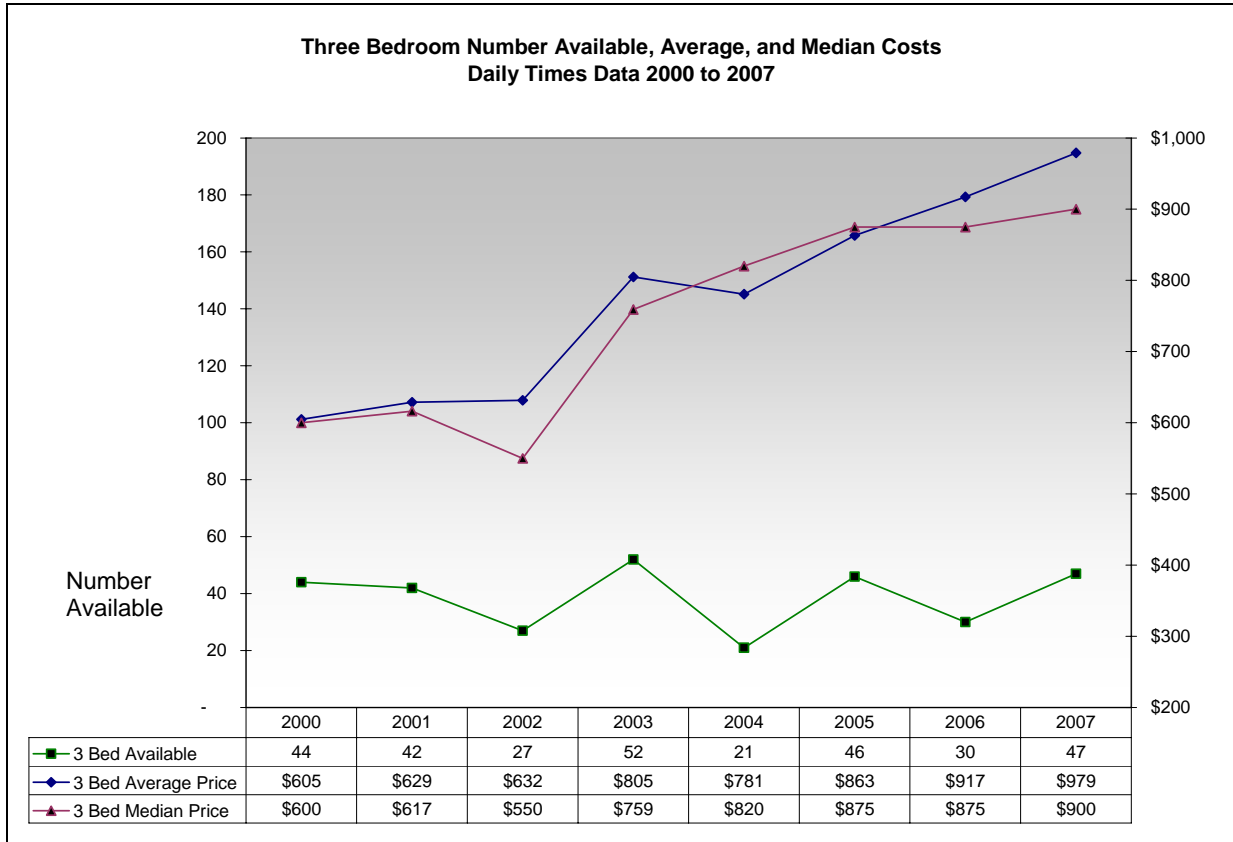
Chart 18



iv. Three Bedroom Rentals

Chart 19 displays the average price, median price, and the number available for three-bedroom rentals. Contrary to the one and two bedroom units, the availability of three-bedroom rentals has remained steady from 2000 to 2007, but at a low level of 44 to 47.

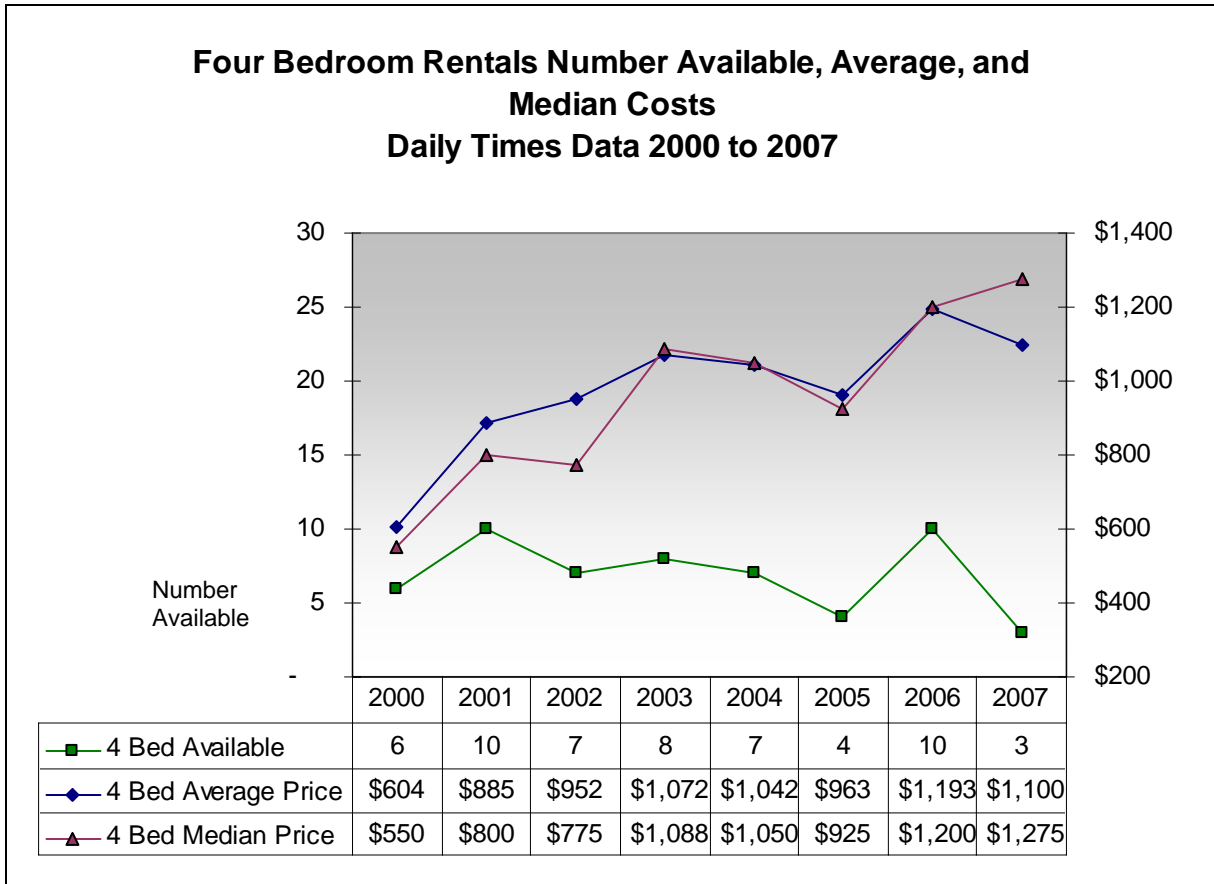
Chart 19



v. Four Bedroom Rentals

Chart 20 displays the average price, median price, and the number available for four-bedroom rentals. The number of four-bedroom rentals has been steady but very limited at 10 or less units each April, from one fifth to one tenth of the three-bedroom availability. This shows a very tight rental market for larger units and a high demand for four-bedroom rentals.

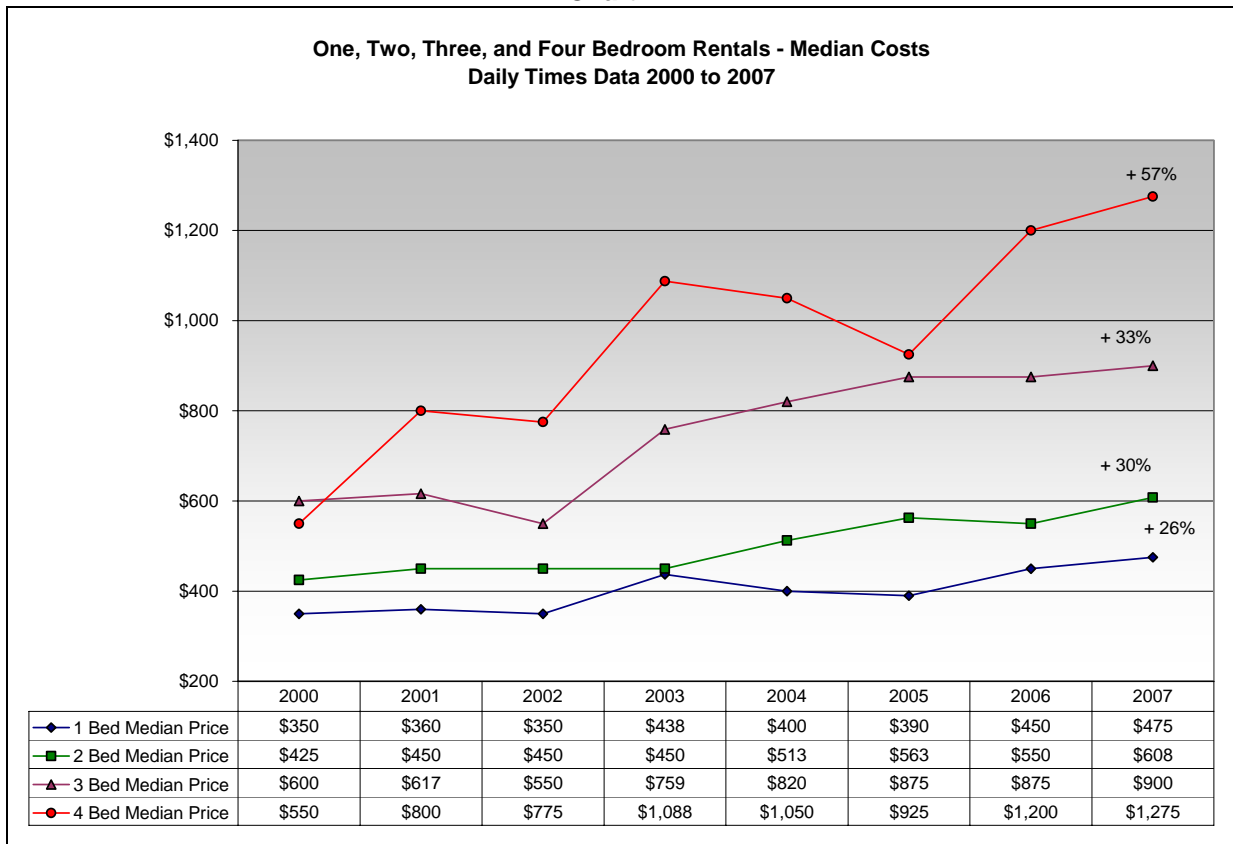
Chart 20



vi. Median Rental Costs by Number of Bedrooms

Chart 21 compares the median rental costs by the number of bedrooms from 2000 to 2007. The median rental costs have increased in order of the number of bedrooms, with a 57 percent increase in the price of four bedroom rentals. This shows a significant increase in the demand for larger units.

Chart 21

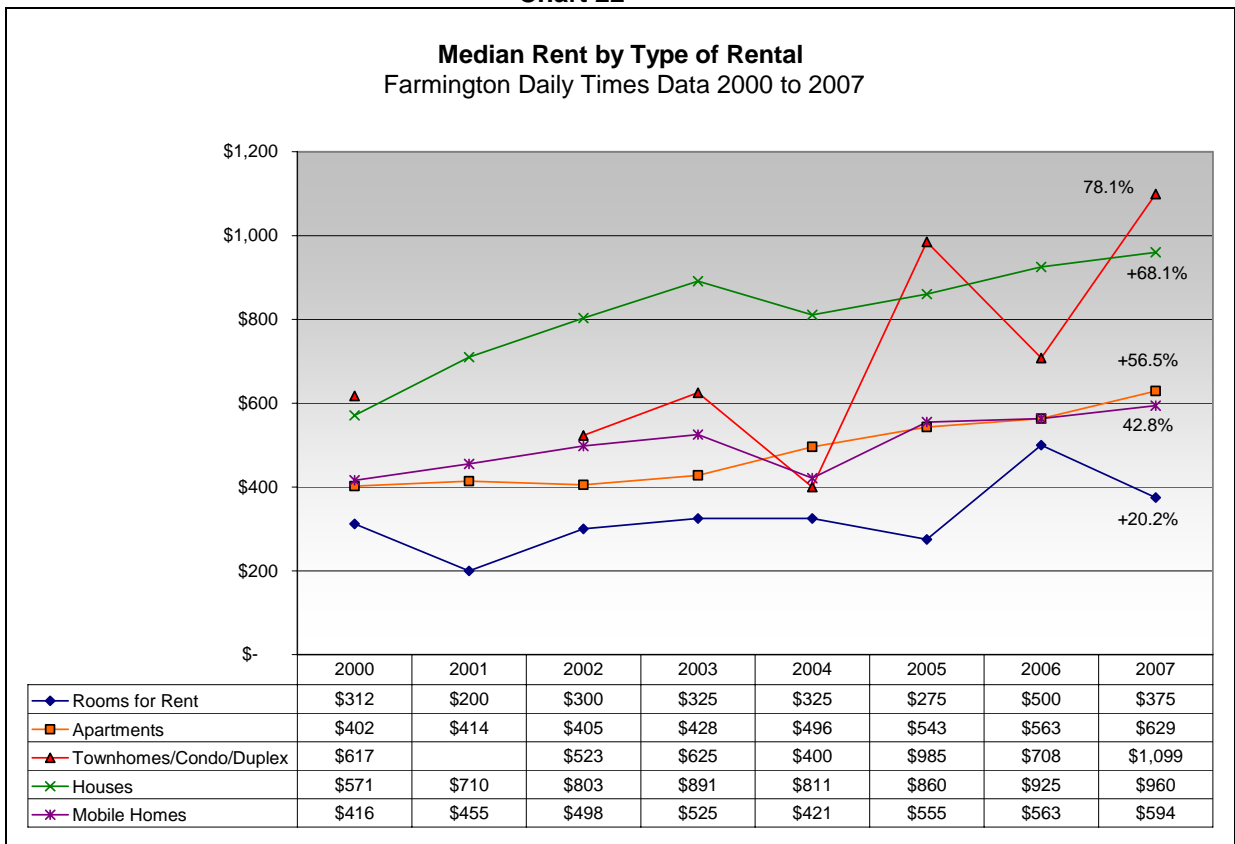


vii. Median Rent by Type of Rental

Chart 22 displays the changes in median rent by type of rental from 2000 to 2007, and their total percent change.

Townhomes/Condos/Duplex has had the greatest increase and the largest swings of all the types of housing. In 2005 and 2007, a significant number of new town homes were completed, and their larger size, quality, and new condition significantly increased the median price in this category. As a note, there were no townhomes available in April of 2001 hence the missing data point. It is interesting to see the contrast between Chart 22 and Chart 21. The median rental prices appear to have a much stronger relationship with the number of bedrooms than they do with the type of structures. Mobile homes and apartments have very similar lines and townhomes have bounced above homes and below mobile homes.

Chart 22

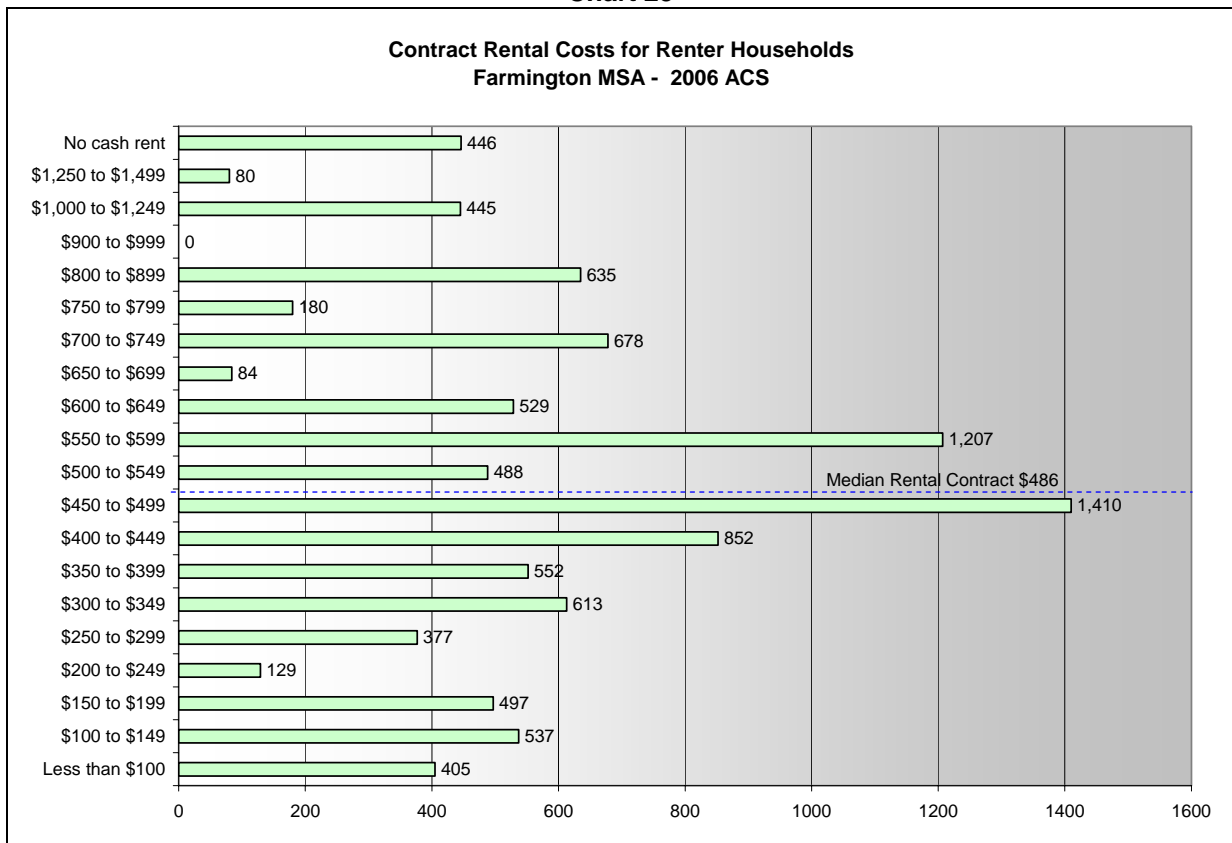


b. Rental Contracts ACS 2006

Rental contracts data from the American Community Survey represent a sample survey of all current renters in all types of rentals. Some of which may have been in their units for many years. While the information and tracking its changes is informative, the median rental contract does not reflect the going rate of rentals that a new resident would find looking for a new home. If a family is looking for a new home or apartment to rent, the Farmington Daily Times data is going to give a more accurate look at current available rental costs. Chart 16 above shows the median advertised rental price in 2006 was \$650, which is higher than the 2006 ACS median rental contract of \$486.

Chart 23 shows the number of households by price group of their rental contract. The data is from the 2006 American Community Survey. The green dashed line shows the median rental contract at \$486, also from the 2006 ACS. In comparison to the nice bell curve of Chart 6 above, which shows housing values in a similar manner, the rental cost groups have many peaks and valleys with two separate large spikes in the middle.

Chart 23

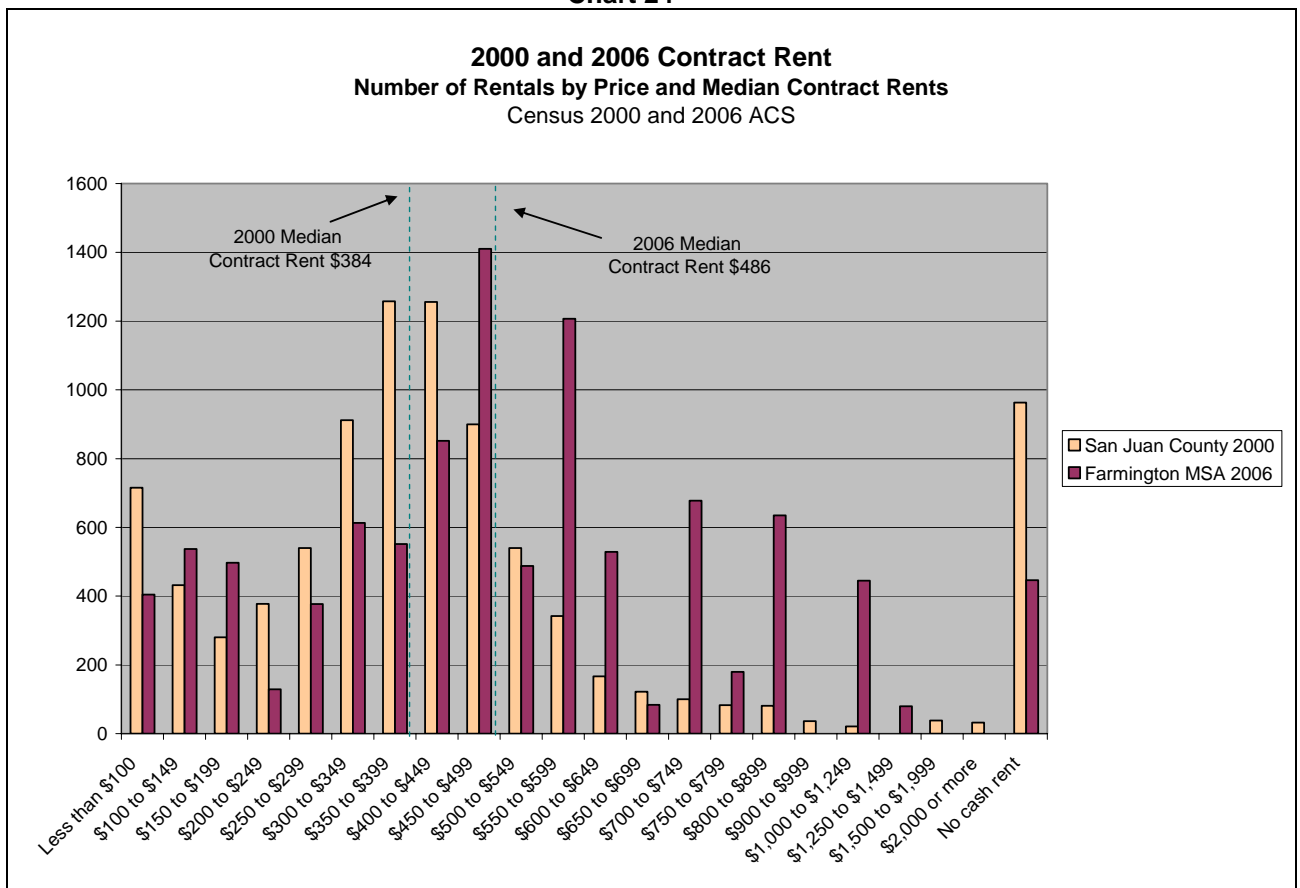


c. Rental Contracts 2000 and 2006

Chart 24 compares 2000 and 2006 rental contracts. The bars show the number of households by price range. The median contract rent in 2000 was \$384, and in 2006, it was \$486, representing a 26.5 percent increase. These contract rents and the percent increase are significantly lower than the prices and percent increase shown in the Farmington Daily Times data shown on Chart 16. One difference between the two types of rental data is the contract rent data from the ACS is from a sample of all current renters, while the Farmington Daily Times data is just for newly advertised rentals, which would capture the newest price increases.

A very noticeable change from 2000 to 2006 is the very significant increase in the number of rental contracts in the \$550 to \$1,249 cost ranges, six to eight times as many. This shows a huge shift in the rental market. This price range is similar to typical mortgage payments.

Chart 24



10. Current Affordability

Current affordability is a key element of this report, which shows the health of the community housing market and points to socio-economic groups that are in need of affordable housing.

This analysis compares median rental and purchase prices with the median income of various groups to determine affordability. In the Housing Expenditures section, charts 4 and 5 look at full expenditures for housing that include, mortgage or rent, taxes, insurance, and utilities. That data is provided by the American Community Survey but the extra expenses are not broken out or available. Any attempt to estimate median taxes, insurance, and utilities for all of the housing types in the affordability tables would be inaccurate. Therefore, the rental and housing purchase portions of this section just compare the monthly rental or mortgage costs. To address the difference in methodology, this section uses Marginal Affordability set at 25 percent of the monthly income, so affordable in this comparison becomes less than 25 percent of the monthly income expended on the rent or mortgage alone.

a. Rental Affordability

Table 14 below compares the median family incomes of socioeconomic groups and the median costs of rentals by number of bedrooms and the type of rental. On the left side of the table are the different family groups and types of households, with their median incomes. The cells shaded grey show the overall median family income and the 80%, 50% and 30% MFI income groups. The next column shows the affordable (30 percent of gross monthly income) rental payment for each group. Across the top of the table are the number of bedrooms and the type of rentals along with their median monthly rent. In the comparison cells is a calculated percentage, which represents the percent of the group’s median monthly income, which must be expended to pay for the median cost by bedroom and type of rental. For example, the median income American Indian Family would have to pay 44.18 percent of their monthly income to rent a median priced three-bedroom rental, and this type of rental would be unaffordable. The resulting comparison cells are color coded by the percent of the monthly income required to pay for the rental. Families with the “greatest need” pay over 50 percent and are shaded purple. Families that pay 30 percent or more are considered unaffordable and are shaded orange. Families that pay 25 percent or more are considered marginally affordable and are shaded yellow. The green shaded cells are considered affordable.

The four-bedroom category is not affordable to any socioeconomic group and is only marginally affordable to 6 of 16 the groups. One-bedroom units and rooms for rent are the most affordable but are still not affordable to young families and those earning 30% MFI. The median three-bedroom rental price is affordable to those making the median family income of \$50,069, but is not affordable to those making 80% MFI or less.

This table shows that to combat overcrowding, families need affordable housing assistance to afford larger rentals.

Table14

Affordability - Median Family Income by Race, Age, and Family Type Compared with Rental Prices by Bedrooms and Type											
The percentage of the gross monthly income is displayed.											
Farmington MSA	Median Income	30% of Gross Monthly Income	2006 Median Rental Price by Bedrooms				2006 Median Rental Price by Type				
Households	2006		1 Bed	2 Bed	3 Bed	4 Bed	Houses	Town Homes/ Condos	Apartments	Mobile Homes	Room For Rent
			\$ 450	\$ 550	\$ 875	\$ 1,200	\$ 960	\$ 708	\$ 563	\$ 563	\$ 500
White alone, not Hispanic or Latino	\$ 50,932	\$ 1,273	10.60%	12.96%	20.62%	28.27%	22.62%	16.68%	13.26%	13.26%	11.78%
American Indian	\$ 23,767	\$ 594	22.72%	27.77%	44.18%	60.59%	48.47%	35.75%	28.43%	28.43%	25.25%
Hispanic or Latino origin (of any race)	\$ 45,079	\$ 1,127	11.98%	14.64%	23.29%	31.94%	25.56%	18.85%	14.99%	14.99%	13.31%
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER											
15 to 24 years	\$ 18,466	\$ 462	29.24%	35.74%	56.86%	77.98%	62.38%	46.01%	36.59%	36.59%	32.49%
25 to 44 years	\$ 47,100	\$ 1,178	11.46%	14.01%	22.29%	30.57%	24.46%	18.04%	14.34%	14.34%	12.74%
45 to 64 years	\$ 50,418	\$ 1,260	10.71%	13.09%	20.83%	28.56%	22.85%	16.85%	13.40%	13.40%	11.90%
65 years and over	\$ 23,364	\$ 584	23.11%	28.25%	44.94%	61.63%	49.31%	36.36%	28.92%	28.92%	25.68%
FAMILIES											
Median Family Income	\$ 50,069	\$ 1,252	10.79%	13.18%	20.97%	28.76%	23.01%	16.97%	13.49%	13.49%	11.98%
80%	\$ 40,055	\$ 1,001	13.48%	16.48%	26.21%	35.95%	28.76%	21.21%	16.87%	16.87%	14.98%
50%	\$ 25,035	\$ 626	21.57%	26.36%	41.94%	57.52%	46.02%	33.94%	26.99%	26.99%	23.97%
30%	\$ 15,021	\$ 376	35.95%	43.94%	69.90%	95.87%	76.69%	56.56%	44.98%	44.98%	39.94%
With own children under 18 years	\$ 46,912	\$ 1,173	11.51%	14.07%	22.38%	30.70%	24.56%	18.11%	14.40%	14.40%	12.79%
With no own children under 18 years	\$ 52,398	\$ 1,310	10.31%	12.60%	20.04%	27.48%	21.99%	16.21%	12.89%	12.89%	11.45%
Married-couple families	\$ 59,520	\$ 1,488	9.07%	11.09%	17.64%	24.19%	19.35%	14.27%	11.35%	11.35%	10.08%
Female householder, no husband present	\$ 22,738	\$ 568	23.75%	29.03%	46.18%	63.33%	50.66%	37.36%	29.71%	29.71%	26.39%
Male householder, no wife present	\$ 50,333	\$ 1,258	10.73%	13.11%	20.86%	28.61%	22.89%	16.88%	13.42%	13.42%	11.92%
Source: 2006 American Community Survey and Farmington Daily Time Rental Adds											
Greater than 50% of Monthly Gross Income											
Greater than 30% = Unaffordable											
Greater than 25% = Marginal Affordability											
Affordable											

b. Housing Purchase Affordability

Table 15 compares the median family incomes of socioeconomic groups and their ability to purchase the median priced home, townhome/condo, or mobile home. On the left side of the table are the different family groups and household types with their median incomes. The cells shaded grey show the overall 80%, 50% and 30% median family income levels. The next column shows the recommended maximum home value for each group. This value was calculated with the assistance of a banking loan officer and research on a number of internet loan calculators. A number of assumptions were made in this calculation: first time buyer, 5% down, 6.5% interest rate, PPI mortgage insurance, typical property insurance, and taxes. A number of mortgages were calculated for home values around the median prices and an average ratio of income to value was created. The final calculation used for this table is, a family's income is 29 percent of the recommended maximum home value. For example, if a family's income is \$45,079 (Hispanic), divide the income by 0.29 and the recommended maximum home value is \$155,445. Utilities are still not included for this estimate so like in the rental affordability section above, the concept of Marginally Affordable is used.

In the comparison cells, the median price for houses, townhomes/condos, and mobile homes is subtracted from the recommended maximum price by family and household groups. The green cells are positive numbers and represent affordability. The yellow cells are positive numbers but are less than \$10,000 and are considered to be marginally affordable. If there are even minor changes in the terms of the loan or a family's income, that type of housing could become unaffordable. The orange cells show negative numbers and by how much a family cannot afford the type of home.

In Table 15, you see far less green affordable cells for housing purchases than in the rental table above. Only married couple families with the MFI of \$59,520 can afford to purchase the median priced home. American Indian, young and old families, those making less than 50% MFI, and Female Householders, cannot even afford the median priced mobile home.

Table 15

Affordability - Median Family Income by Race, Age, and Family Type Compared with Median Housing Prices by Structure Type					
Farmington MSA	Median Income	Recommended Max Home Cost	2006 Median Housing Price by Type		
Households	2006		Houses	Town Homes/ Condos	Mobile Homes
			\$ 174,600	\$ 165,000	\$ 114,650
White alone, not Hispanic or Latino	\$ 50,932	\$ 175,628	\$ 1,028		
American Indian	\$ 23,767	\$ 81,955	\$ (92,645)	\$ (83,045)	\$ (32,695)
Hispanic or Latino origin (of any race)	\$ 45,079	\$ 155,445	\$ (19,155)	\$ (9,555)	
HOUSEHOLD INCOME BY AGE					
15 to 24 years	\$ 18,466	\$ 63,676	\$ (110,924)	\$ (101,324)	\$ (50,974)
25 to 44 years	\$ 47,100	\$ 162,414	\$ (12,186)	\$ (2,586)	
45 to 64 years	\$ 50,418	\$ 173,855	\$ (745)	\$ 8,855	
65 years and over	\$ 23,364	\$ 80,566	\$ (94,034)	\$ (84,434)	\$ (34,084)
FAMILIES					
Median Family Income	\$ 50,069	\$ 172,652	\$ (1,948)	\$ 7,652	
80%	\$ 40,055	\$ 138,121	\$ (36,479)	\$ (26,879)	
50%	\$ 25,035	\$ 86,326	\$ (88,274)	\$ (78,674)	\$ (28,324)
30%	\$ 15,021	\$ 51,796	\$ (122,804)	\$ (113,204)	\$ (62,854)
With own children under 18 years	\$ 46,912	\$ 161,766	\$ (12,834)	\$ (3,234)	
With no own children under 18 years	\$ 52,398	\$ 180,683	\$ 6,083		
Married-couple families	\$ 59,520	\$ 205,241			
Female householder, no husband present	\$ 22,738	\$ 78,407	\$ (96,193)	\$ (86,593)	\$ (36,243)
Male householder, no wife present	\$ 50,333	\$ 173,562	\$ (1,038)	\$ 8,562	
Source: 2006 American Community Survey and San Juan County Assessor's Sales Data					
Unaffordable					
Marginal Affordability = within 10k					
Affordable					

11. Projected Affordability

Affordability from 2000 to 2020

Table 16 shows a simple linear projection of a combination of housing and rental affordability data with Median Family Income data to look at the future of affordability. The Median Family Income, housing costs, and rental costs rows are labeled on the left side of the table. The known data from 1999 to 2007 is shown in the middle. The right side of the table shows the total change and the average annual change along with projections to 2010 and 2020. The affordability shading is consistent with Tables 14 and 15. If housing prices and incomes continue to rise as they have since 2000, all median priced housing will become unaffordable for the median family income even mobile homes and rentals. The projections to 2010 and 2020, based upon the past seven years of price increases, show ridiculous prices for all housing types. The total change for housing over the last seven years has far outpaced the increases in wages and median family income. The main lesson from this projection of affordability is that this type of housing price growth relative to wages and incomes is not sustainable. In the last year, we have seen the housing crisis playing out around the nation and some level of correction will have to occur in San Juan County.

Table 16

Affordability from 2000 to 2020										Projection Calculation			
MFI and Wage Growth	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total Change	Average Change	2010	2020
Average Wage All Industries			\$ 29,411	\$ 29,472	\$ 30,556	\$ 32,281	\$ 33,695	\$ 36,220	\$ 37,897	23.2%	4.6%	\$ 43,409	\$ 68,257
Median Family Income San Juan County, HUD User Data Sets Estimates	\$33,300	\$34,000	\$34,100	\$35,700	\$41,500	\$44,200	\$44,200	\$ 46,611	\$ 49,154	32.7%	5.5%	\$ 57,646	\$ 98,052
SJC Median Housing Costs and Rent													
Single Family Dwelling Med Price		\$116,600	\$120,000	\$133,000	\$133,000	\$144,000	\$161,207	\$168,000	\$188,900	62.0%	8.9%	\$ 243,677	\$ 569,407
Affordable Amount - Med Price		\$641	-\$2,414	-\$9,897	\$10,103	\$8,414	-\$8,793	-\$7,271	-\$19,403			-\$44,898	-\$231,296
Townhome Condo/Duplex Med Price		\$90,200	\$78,500	\$90,000	\$118,000	\$112,500	\$147,000	\$164,100	\$194,100	115.2%	16.5%	\$ 306,553	\$ 1,406,389
Affordable Amount - Med Price		\$27,041	\$39,086	\$33,103	\$25,103	\$39,914	\$5,414	-\$3,371	-\$24,603			-\$107,774	-\$1,068,277
Mobile Home on Perm. Foundation Med Price		\$78,000	\$99,500	\$100,000	\$111,000	\$115,700	\$115,000	\$130,000	\$138,000	76.9%	11.0%	\$ 188,677	\$ 535,203
Affordable Amount - Med Price		\$39,241	\$18,086	\$23,103	\$32,103	\$36,714	\$37,414	\$30,729	\$31,497			\$10,102	-\$197,092
Total Median Rental Price		\$425	\$450	\$450	\$575	\$550	\$675	\$650	\$750	76%	10.9%	\$ 1,024	\$ 2,887
Med Rent as a % of Med Monthly Income		15%	16%	15%	17%	15%	18%	17%	18%			21%	35%
Sources: US Labor Department, Federal Reserve Bank, Quarterly Census of Employment and Wages,					Greater than 50% of Monthly Gross Income								
San Juan County Assessors Office - County Data					Greater than 30% = Unaffordable								
Farmington Daily Times Rental Data					Greater than 25% = Marginal Affordability								
					Affordable								

12. Housing Needs

The Housing Needs portion of this report provides more than just a snapshot of current problem areas in the housing market. A simple linear projection based upon the population projection is applied to a variety of socioeconomic groups, housing types, greatest needs populations, and special needs populations. These projections will provide some justification for affordable housing project development, for nonprofit service providers seeking grants, and for the development of strategic plans to address affordable housing and other needs.

a. Needs for Median Families by Race, Age, and Family Type

Table 17 shows the projected number of families by race, age, family type, and percentage of MFI. The growth rate used for all groups is **1.3%**. The population of the group is projected to 2010, 2015, and 2020. The total change and average change per year for all groups is also shown.

Table 17

PROJECTION OF HOUSEHOLDS BY GROUP				Projected Households at 1.3% growth			Total Change	Average Change Per Year
Farmington MSA	Median Income	Percent of Households	Number of Households	2010	2015	2020	2006 to 2020	
Households	2006		38,559	40,604	43,312	46,202	7,643	546
White alone, not Hispanic or Latino	\$ 50,932	50.7%	19,549	20,586	21,959	23,424	3,875	277
American Indian	\$ 23,767	29.8%	11,491	12,100	12,907	13,768	2,278	163
Hispanic or Latino origin (of any race)	\$ 45,079	18.2%	7,018	7,390	7,883	8,409	1,391	99
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER								
15 to 24 years	\$ 18,466	4.4%	1,697	1,787	1,906	2,033	336	24
25 to 44 years	\$ 47,100	34.8%	13,419	14,130	15,073	16,078	2,660	190
45 to 64 years	\$ 50,418	42.1%	16,233	17,094	18,234	19,451	3,218	230
65 years and over	\$ 23,364	18.6%	7,172	7,552	8,056	8,594	1,422	102
FAMILIES								
Median Family Income	\$ 50,069							
80%	\$ 40,055	18.0%	6,935	7,303	7,790	8,310	1,375	98
50%	\$ 25,035	11.0%	4,241	4,466	4,764	5,082	841	60
30%	\$ 15,021	20.6%	7,928	8,348	8,905	9,499	1,571	112
With own children under 18 years	\$ 46,912	35.0%	13,498	14,214	15,162	16,173	2,675	191
With no own children under 18 years	\$ 52,398	40.2%	15,502	16,324	17,413	18,575	3,073	219
Married-couple families	\$ 59,520	52.8%	20,365	21,445	22,875	24,402	4,037	288
Female householder, no husband present	\$ 22,738	13.8%	5,332	5,615	5,989	6,389	1,057	75
Male householder, no wife present	\$ 50,333	8.6%	3,303	3,478	3,710	3,958	655	47

Source: 2006 American Community Survey

b. Housing Needs by Type of Unit

The Table 18 shows the projected housing needs for different housing types. The only available breakdown of housing types is based upon occupied housing. Single Family, Multifamily, and Mobile Home are shown with their relative percentages and projections to 2020. The renter-occupied line shows the needed development of rental units just to keep pace with our very tight rental market. If improvement is to occur, even more rental units should be developed. The right side of Table 18 shows the total change and the average change. The average change per year shows the number of units by type that will need to be constructed through 2020 to keep up with minimum housing needs in this community.

Table 18

Housing Needs by Type of Unit Farmington MSA 2006 to 2020							
		2006	2010	2015	2020	Total Change	Average Change
Average Percent Growth		1.3%					
Total Occupied Housing		38,559	40,604	43,312	46,202	7,643	546
Single Family	56.2%	21,688	22,838	24,362	25,987	4,299	307
Multifamily Units	9.9%	3,823	4,026	4,294	4,581	758	54
Mobile home	33.8%	13,048	13,740	14,656	15,634	2,586	185
Owner-Occupied	73.7%	28,415	29,922	31,918	34,047	5,632	402
Renter-Occupied	26.3%	10,144	10,682	11,394	12,155	2,011	144
Source: 2006 ACS							
Prepared by Farmington CDBG							

c. Needs by percent of Income Spent on Housing

Table 19 shows the projected needs of rental housing and owner occupied housing for those who pay more than 30 percent and 50 percent of their family income for housing. Those paying more than 50 percent are considered greatest need families, and there is a projected need to provide an average of 35 new rental units and 12 single-family dwellings every year through 2020 that can accommodate these families. For families paying more than 30 percent of their income on housing, there is a need for an average of 21 new rental units and 50 single-family dwellings every year through 2020.

Table 19

Projection of Households with Unaffordable Mortgages and Rental Contracts						
Unaffordable Mortgage Holders	ACS Data	Projection of Households 1.3%			Needed Affordable Housing Units	
		2010	2015	2020	Total Increase by 2020	Average Units Per Year
Percent of Income Paid on Mortgage	2006					
30.0 to 49.9 percent	3515	3,701	3,948	4,212	697	50
50.0 percent or more	828	872	930	992	164	12
Non-Affordable Rental Contracts						
Percent of Income Paid on Rent						
30.0 to 49.9 percent	1507	1,587	1,693	1,806	299	21
50.0 percent or more	2486	2,618	2,792	2,979	493	35

d. Needs Projection for Crowding

Table 20 provides a needs projection to address crowding in owner occupied and rental housing. Families, which live in crowded situations (over 1.0 occupants per room), are considered greatest needs families. In 2006 only 2.2 percent (626) of owner occupied housing was overcrowded, while 12 percent (1,223) of renter occupied housing was overcrowded. The number of families living a crowded condition is projected to be 2,244 by 2020. The Average Per Year number shows how many units on average per year of larger homes which could be established to meet this demand. There is a need for 9.56 homes and 18.68 rentals every year out to 2020 that are affordable with three, four, or more bedrooms.

Table 20

Crowding - Number of Occupants Per Room 2006 to 2020						
Farmington MSA	2006	% of Total	2010	2020	Total Change	Average Per Year
		%Crowded				
Total Occupied	38,559					
Owner occupied:	28,415	74%				
1.00 or less occupants per room	27,789		29,262	33,297		
1.01 or more occupants per room	626	2.2%	659	750	124	8.86
Renter occupied:	10,144	26%				
1.00 or less occupants per room	8,921		9,394	10,689		
1.01 or more occupants per room	1,223	12%	1,288	1,465	242	17.31
Source: U.S. Census Bureau, 2006 American Community Survey						
Projection based upon 1.3% growth.						

e. Needs for Disabled in Poverty

Table 21 projects the needs for the disabled residential community by type of disability. The With any disability row shows the total disabled population. There are some people with multiple types of disabilities, so the sum of the types is greater than the total. The annual average column shows the average needs for housing by type of disability.

Table 21

Needs for Disabled Persons in Poverty						
POVERTY STATUS	Number of People In Poverty					
Population 5 years and over for whom a poverty status is determined	2006	2010	2015	2020	Total Change	Annual Average
With any disability	3,289	3,464	3,695	3,941	652	47
With a sensory disability	1,133	1,193	1,272	1,357	225	16
With a physical disability	1,975	2,080	2,219	2,367	391	28
With a mental disability	1,034	1,089	1,162	1,239	205	15
With a self-care disability	504	531	566	604	100	7

Source: Farmington MSA American Community Survey

13. Conclusions

a. Greatest Need

The Farmington MSA has a significant number of households that are considered greatest need families. The current greatest needs families deserve attention and assistance through public service projects and affordable housing projects. The potential growth in these groups to 2020 shows the priority housing project needs in this community. Any affordable housing project conducted in the Farmington MSA should directly affect the families in greatest need.

In 2006, in the Farmington MSA:

- 12,169 households or 31.6% earned 50% or less of the median income
- 2,486 households or 26.2% paid more than 50% of their income in rent
- 828 households or 5.1% paid more than 50% of their income on their mortgage
- 2,506 households did not have full kitchens or plumbing
- 1,849 households or 14.2% were living in overcrowded conditions

In 2020 in the Farmington MSA:

- 14,581 households will earn 50% or less of the median income
- 2,979 households will pay more than 50% of their income in rent
- 992 households will paid more than 50% of their income on their mortgage
- 2,244 households will be living in overcrowded conditions.

b. Affordability

In the Farmington MSA, or San Juan County, current affordability has reached the point where the median family income can no longer afford to purchase the median priced home and can only marginally afford a townhome/condo. The only group that can afford to buy a median priced home are married couple families. American Indian, Hispanic, younger and older families, families with young children, and female headed households are all far short of being able to afford to purchase the median priced home.

Rental affordability in the Farmington MSA is a little better than the affordability of home ownership. The median rental prices for two bedroom units and apartments are affordable for all groups except for 15 to 24 year old households. However, American Indian, younger and older families, and female-headed households are unable to afford to rent the median priced three-bedroom unit, house, or townhome/condo. This may be the reason why 12.1 percent of all renter occupied units are overcrowded, and why 42.1 percent of all rental households pay more than 30 percent of their income in rent.

The median price for homes has increased 62 percent and the median overall rental cost has increased 76.5 percent, while the median family income has increased just 32.7 percent. If the current increases in housing costs continue to outpace the gains in wages, then housing in the Farmington MSA will become more and more unaffordable.

c. Housing Needs

For housing to keep up with the minimum demand from projected population growth, an average of 636 housing units must be constructed in the Farmington MSA every year to 2020. Of those units, 358 should be single-family dwellings, 22 should be duplexes, 47 should be multifamily units, 206 should be mobile homes, just to keep up with current housing stock mix, and to maintain the current level of housing supply.

To assist the current families in greatest need there is a current demand for rental assistance for 2,486 households that pay more than 50 percent of their income on rent, and 12,169 households that earn less than 50% MFI. To address just the needs of future growth of greatest needs families, an average of 172 affordable rental units should be constructed every year to 2020. To improve the availability of affordable rental units for the current residents even more units need to be developed specifically for those in the greatest need.

Summary Table of All Housing Needs

Table 22

Summary Table of All Projected Housing Needs - Farmington MSA - 2006 to 2020						
NEEDS BY HOUSHOLD TYPE				Table 17		
	2006	2010	2015	2020	Total Change	Average Change Per Year
White alone, not Hispanic or Latino	19,549	20,586	21,959	23,424	3,875	277
American Indian	11,491	12,100	12,907	13,768	2,278	163
Hispanic or Latino origin (of any race)	7,018	7,390	7,883	8,409	1,391	99
BY AGE OF HOUSEHOLDER						
15 to 24 years	1,697	1,787	1,906	2,033	336	24
25 to 44 years	13,419	14,130	15,073	16,078	2,660	190
45 to 64 years	16,233	17,094	18,234	19,451	3,218	230
65 years and over	7,172	7,552	8,056	8,594	1,422	102
FAMILIES EARNING						
80% of MFI	6,935	7,303	7,790	8,310	1,375	98
50% of MFI	4,241	4,466	4,764	5,082	841	60
30% of MFI	7,928	8,348	8,905	9,499	1,571	112
With own children under 18 years	13,498	14,214	15,162	16,173	2,675	191
With no own children under 18 years	15,502	16,324	17,413	18,575	3,073	219
Married-couple families	20,365	21,445	22,875	24,402	4,037	288
Female householder, no husband present	5,332	5,615	5,989	6,389	1,057	75
Male householder, no wife present	3,303	3,478	3,710	3,958	655	47
NEEDS BY HOUSING TYPE				Table 18		
	2006	2010	2015	2020	Total Change	Average Change Per Year
Total Occupied Housing Needs	38,559	40,604	43,312	46,202	7,643	546
Single Family	21,688	22,838	24,362	25,987	4,299	307
Multifamily Units	3,823	4,026	4,294	4,581	758	54
Mobile home	13,048	13,740	14,656	15,634	2,586	185
Owner-Occupied	28,415	29,922	31,918	34,047	5,632	402
Renter-Occupied	10,144	10,682	11,394	12,155	2,011	144
NEEDS FOR UNAFFORDABLE MORTGAGE HOLDERS AND RENTAL CONTRACTS				Table 19		
	2006	2010	2015	2020	Total Change	Average Change Per Year
Unaffordable Mortgage Holders						
Percent of Income Paid on Mortgage						
30.0 to 49.9 percent	3515	3,701	3,948	4,212	697	50
50.0 percent or more	828	872	930	992	164	12
Non-Affordable Rental Contracts						
Percent of Income Paid on Rent						
30.0 to 49.9 percent	1507	1,587	1,693	1,806	299	21
50.0 percent or more	2486	2,618	2,792	2,979	493	35
NEEDS FOR OVERCROWDING				Table 20		
Owner occupied:	2006	2010	2015	2020	Total Change	Average Change Per Year
1.00 or less occupants per room	27,789	29,643	31,620	33,730		
1.01 or more occupants per room	626	668	712	760	134	10
Renter occupied:						
1.00 or less occupants per room	8,921	9,516	10,151	10,828		
1.01 or more occupants per room	1,223	1,305	1,392	1,484	261	19
NEEDS BY DISABILITY TYPE IN POVERTY				Table 21		
Population 5 years and over for whom a poverty status is determined	2006	2010	2015	2020	Total Change	Average Change Per Year
With any disability	3,289	3,464	3,695	3,941	652	47
With a sensory disability	1,133	1,193	1,272	1,357	225	16
With a physical disability	1,975	2,080	2,219	2,367	391	28
With a mental disability	1,034	1,089	1,162	1,239	205	15
With a self-care disability	504	531	566	604	100	7

14. Recommendations

Based upon the number of Greatest Need Families and the lack of housing and rental affordability for a variety of socioeconomic groups, City of Farmington CDBG staff recommends that a Strategic Plan be developed to address the development of housing affordability in San Juan County. CDBG Staff also recommends that that during the creation of the new 2009 Consolidated Plan, that housing affordability projects be given a high priority and that a variety of Action Plan projects be considered for future funding to address this important issue.

Terms and Acronyms

- CDBG – Community Development Block Grant
- ACS - American Community Survey - Similar to the US Census
- MSA - Metropolitan Statistical Area - Cities and their surrounding areas with a minimum population of 50,000.
- Farmington MSA – Data from the ACS with the same boundaries as San Juan County
- Metro and Non-Metro – Populations can be defined as inside or outside of an MSA
- BBER - Bureau of Business and Economic Research
- SJC – San Juan County
- SJCBR - San Juan County Board of Realtors Data
- MFI - Median Family Income
- 80% MFI - used as an income qualification for the CDBG program.
- 50% MFI – Low Income
- 30% MFI - Very Low-Income.

Sources

1. The American Community Survey - The US Census conducted its first American Community Survey (ACS) in the Farmington Metropolitan Statistical Area in 2005. The ACS uses a sample, unlike the Decennial Census, which is based upon 100% data. The users of this data are cautioned that there are margins of error associated with the size of the samples taken. For full details of the methods of collection and data accuracy, please consult the American Community Survey website <http://www.census.gov/acs/www/>
2. The US Census provides detailed decennial data and can be found at <http://www.census.gov/>
3. Bureau of Business and Economic Research of the University of New Mexico (BBER.) The BBER web page summarizes data from a number of sources into usable information for New Mexico communities. <http://www.unm.edu/~bber/>
4. San Juan County Assessor – The City of Farmington would like to express its gratitude for the cooperation of the County Assessor's office in providing detailed data on the reported sales of residential properties. As a note: no privileged or personal data was disclosed or used in the creation of this report.
5. San Juan County Building Department – The City of Farmington would like to express its gratitude for the cooperation of the SJC Building Department in providing the building permit data.
6. San Juan County Board of Realtors – The city of Farmington would also like to express its gratitude for the cooperation of the Board of Realtors for providing data from the Multiple Listing Service. As a note: no privileged or personal data was disclosed or used in the creation of this report.
7. Farmington Daily Times Rental Data – All rental data was collected from the classified section of the Farmington Daily Times. That data is limited only by the geographic distribution of the newspaper delivery and advertising. The data roughly approximates the San Juan County area. The City of Farmington would like to express its gratitude for the cooperation of the San Juan College Library staff for allowing significant access to the microfilm reader.
8. New Mexico Department of Labor - <http://www.dws.state.nm.us/>
9. Housing and Urban Development, HUD - www.hud.gov
10. U.S. Department of Commerce, Bureau of Economic Analysis - www.commerce.gov
11. National Center for Children In Poverty – NCCP http://www.nccp.org/profiles/NM_profile_8.html
12. 2008 Colorado College State Of The Rockies Report Card - <http://www.coloradocollege.edu/stateoftherockies/08ReportCard/AffordableHousing.pdf>

Appendix

1. Introduction

A wide range of related data was collected during research for this project. While some of the data does not directly relate to the issues of affordability and housing needs, this data has been placed in this Appendix for the benefit of the wide variety of groups that may make use of this report. This additional data also provides a wider view of the economic and housing situation.

2. Annual Average Wages from 2001 to 2006

The wage data in Table 1 comes from the US Labor Department and is for San Juan County. Wages by sector by year is shown along with the percent increase from 2001 to 2006. The table is sorted with the highest percentage increase at the top. At the top of the table, shaded in blues, are the annual inflation rate and the average wage of all industries. This shows that San Juan County average wages have outpaced national inflation rates. However, if you look at the sector percent increases, the bottom seven sectors have not kept pace with inflation, Health Care and Social Assistance, Accommodation and Food Services, Retail Trade, Ag. For. Fish. & Hunting, Utilities, and Management. The red line shows the industry sectors above and below inflations. The two rows shaded green are the highest and lowest average sector wages, Utilities and Food Services. One clarification needed for this table is the Non-Classifiables at the bottom. There is significant volatility in this category with changing methodology over the years and the 211.9 percent increase cannot be accurately compared with other sectors.

Table 23

SAN JUAN COUNTY AVERAGE ANNUAL WAGES, BY MAJOR INDUSTRIAL SECTOR							
Sectors Ranked by % Increase	2001	2002	2003	2004	2005	2006	Increase
Inflation Rate CPI	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	17.1%
Average Wage All Industries	\$ 29,411	\$ 29,472	\$ 30,556	\$ 32,281	\$ 33,695	\$ 36,220	23.2%
Transportation & Warehousing	\$ 35,535	\$ 38,160	\$ 37,405	\$ 38,613	\$ 43,521	\$ 48,697	37.0%
Real Estate & Rental & Leasing	\$ 30,070	\$ 30,758	\$ 33,317	\$ 35,173	\$ 37,423	\$ 40,750	35.5%
Professional & Technical Services	\$ 28,876	\$ 30,099	\$ 30,818	\$ 32,926	\$ 35,728	\$ 38,390	32.9%
Information	\$ 26,591	\$ 27,797	\$ 29,137	\$ 30,112	\$ 32,858	\$ 35,276	32.7%
Manufacturing	\$ 27,917	\$ 27,854	\$ 30,283	\$ 30,793	\$ 32,120	\$ 36,506	30.8%
Administrative & Waste Services	\$ 19,814	\$ 23,341	\$ 22,371	\$ 20,889	\$ 22,608	\$ 25,089	26.6%
Wholesale Trade	\$ 36,267	\$ 37,627	\$ 38,440	\$ 40,842	\$ 42,972	\$ 45,475	25.4%
Mining	\$ 54,556	\$ 55,194	\$ 56,319	\$ 58,777	\$ 60,906	\$ 68,363	25.3%
Educational Services	\$ 22,257	\$ 24,129	\$ 25,000	\$ 24,824	\$ 26,603	\$ 27,616	24.1%
Local Government	\$ 24,364	\$ 25,393	\$ 27,159	\$ 28,485	\$ 29,254	\$ 30,042	23.3%
Construction	\$ 29,771	\$ 29,422	\$ 30,565	\$ 33,350	\$ 34,080	\$ 36,407	22.3%
Federal Government	\$ 42,242	\$ 41,951	\$ 43,739	\$ 47,076	\$ 48,922	\$ 51,502	21.92%
State Government	\$ 29,923	\$ 31,012	\$ 31,666	\$ 33,294	\$ 33,907	\$ 36,477	21.90%
Finance & Insurance	\$ 28,752	\$ 30,445	\$ 31,977	\$ 31,493	\$ 32,789	\$ 34,416	19.7%
Other Services, ex. Public Administration	\$ 22,120	\$ 21,885	\$ 22,456	\$ 23,381	\$ 24,734	\$ 26,115	18.1%
Health Care & Social Assistance	\$ 29,712	\$ 29,772	\$ 29,995	\$ 32,348	\$ 32,774	\$ 34,696	16.8%
Arts, Entertainment & Recreation	\$ 14,982	\$ 14,527	\$ 15,043	\$ 15,587	\$ 16,424	\$ 17,487	16.7%
Accommodation & Food Services	\$ 9,536	\$ 9,809	\$ 9,783	\$ 10,252	\$ 10,507	\$ 11,072	16.1%
Retail Trade	\$ 20,898	\$ 20,892	\$ 21,025	\$ 22,461	\$ 23,131	\$ 24,150	15.6%
Ag. For. Fish. & Hunting	\$ 18,962	\$ 13,436	\$ 18,799	\$ 17,056	\$ 21,019	\$ 21,542	13.6%
Utilities	\$ 73,886	\$ 70,245	\$ 70,038	\$ 71,864	\$ 78,368	\$ 81,926	10.9%
Management of Companies & Enterprises	\$ 48,208	\$ 46,106	\$ 46,379	\$ 44,738	\$ 46,571	\$ 50,850	5.5%
Non-Classifiabes	\$ 12,371	\$ 9,063	\$ 16,707	\$ 16,607	\$ 30,767	\$ 38,584	211.9%
Source: US Labor Department, and Federal Reserve Bank, Quarterly Census of Employment and Wages.							
Table prepared by City of Farmington Planning Department, CDBG							
Highest and lowest average wages							
Non -Classifiabes have significant volatility in methodology and the % increase should not be used for comparison.							

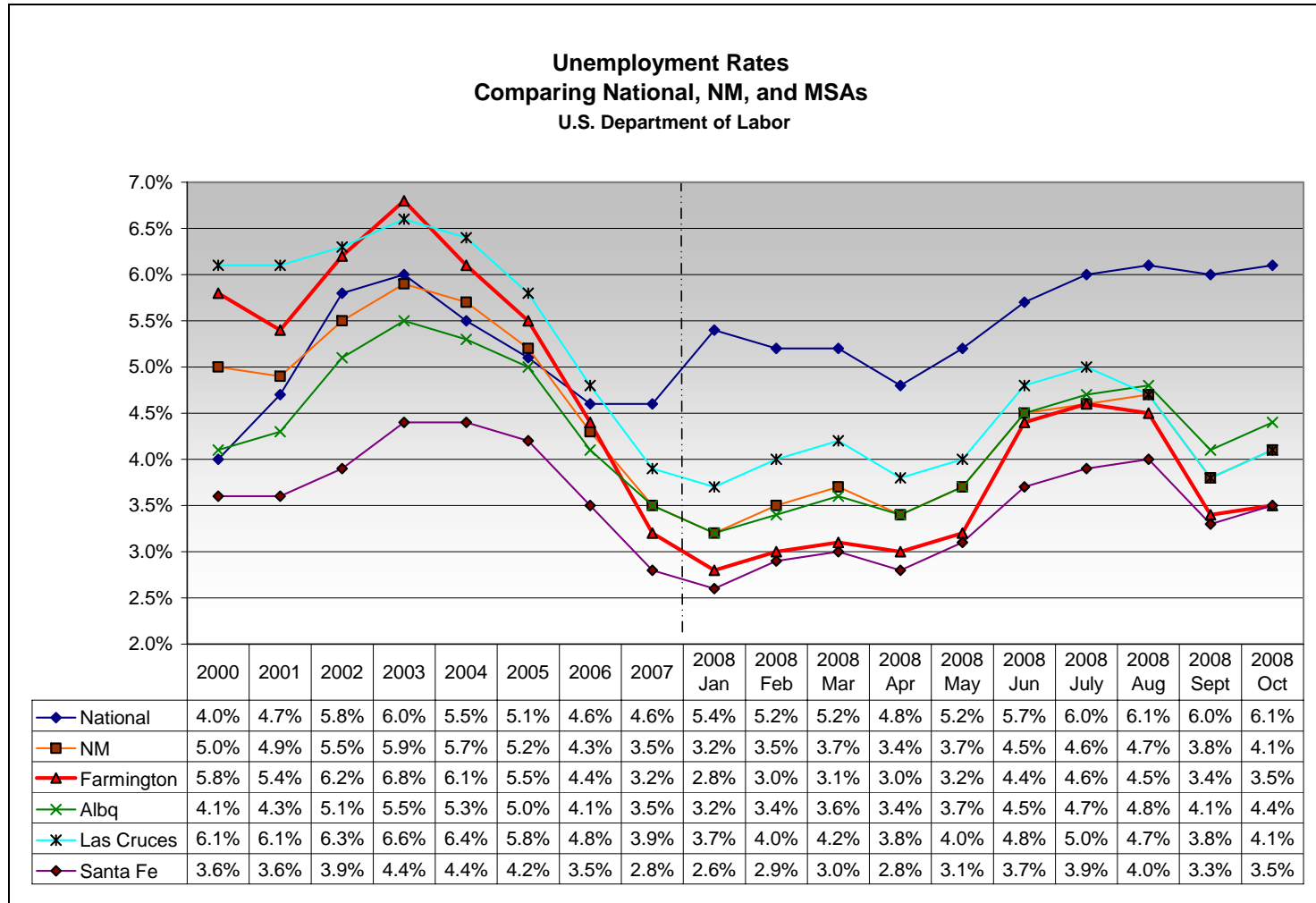
3. Wages by Occupation

Table 2 has detailed wage data and employment for various occupation summaries for the Farmington MSA in 2006. The bureau of Labor Statistics web page has much more extensive occupation data for all types of employment.

Table 24

Farmington MSA						
Bureau of Labor Statistics						
All Occupations May 2006						
Occupation Code	Occupation Title	Employment	Wage Estimates			
			Median Hourly	Median Annual	Mean Hourly	Mean Annual
00-0000	All Occupations	49,970	\$12.80	\$26,624.00	\$15.45	\$32,130
11-0000	<u>Management Occupations</u>	2,280	\$27.81	\$57,844.80	\$31.71	\$65,960
13-0000	<u>Business and Financial Operations Occupations</u>	850	\$20.34	\$42,307.20	\$23.12	\$48,090
15-0000	<u>Computer and Mathematical Science Occupations</u>	190	\$22.18	\$46,134.40	\$22.97	\$47,780
17-0000	<u>Architecture and Engineering Occupations</u>	900	\$25.61	\$53,268.80	\$26.59	\$55,300
19-0000	<u>Life, Physical, and Social Science Occupations</u>	570	\$20.10	\$41,808.00	\$21.23	\$44,160
21-0000	<u>Community and Social Services Occupations</u>	750	\$15.40	\$32,032.00	\$16.03	\$33,350
23-0000	<u>Legal Occupations</u>	160	\$21.68	\$45,094.40	\$24.48	\$50,930
25-0000	<u>Education, Training, and Library Occupations</u>	3,410	\$17.25	\$35,880.00	\$16.72	\$34,780
27-0000	<u>Arts, Design, Entertainment, Sports, and Media Occupations</u>	210	\$13.72	\$28,537.60	\$15.26	\$31,750
29-0000	<u>Healthcare Practitioner and Technical Occupations</u>	2,120	\$25.13	\$52,270.40	\$28.62	\$59,530
31-0000	<u>Healthcare Support Occupations</u>	1,260	\$10.36	\$21,548.80	\$11.19	\$23,270
33-0000	<u>Protective Service Occupations</u>	1,140	\$13.54	\$28,163.20	\$15.10	\$31,420
35-0000	<u>Food Preparation and Serving Related Occupations</u>	4,810	\$6.58	\$13,686.40	\$7.23	\$15,030
37-0000	<u>Building and Grounds Cleaning and Maintenance Occupations</u>	1,430	\$8.38	\$17,430.40	\$9.03	\$18,790
39-0000	<u>Personal Care and Service Occupations</u>	1,500	\$9.28	\$19,302.40	\$9.40	\$19,550
41-0000	<u>Sales and Related Occupations</u>	4,400	\$9.92	\$20,633.60	\$13.10	\$27,250
43-0000	<u>Office and Administrative Support Occupations</u>	7,080	\$11.39	\$23,691.20	\$12.23	\$25,450
45-0000	<u>Farming, Fishing, and Forestry Occupations</u>	60	\$9.84	\$20,467.20	\$11.54	\$24,010
47-0000	<u>Construction and Extraction Occupations</u>	6,800	\$15.02	\$31,241.60	\$16.24	\$33,780
49-0000	<u>Installation, Maintenance, and Repair Occupations</u>	3,070	\$15.44	\$32,115.20	\$16.55	\$34,420
51-0000	<u>Production Occupations</u>	2,630	\$16.25	\$33,800.00	\$17.80	\$37,020
53-0000	<u>Transportation and Material Moving Occupations</u>	4,330	\$11.24	\$23,379.20	\$13.02	\$27,090

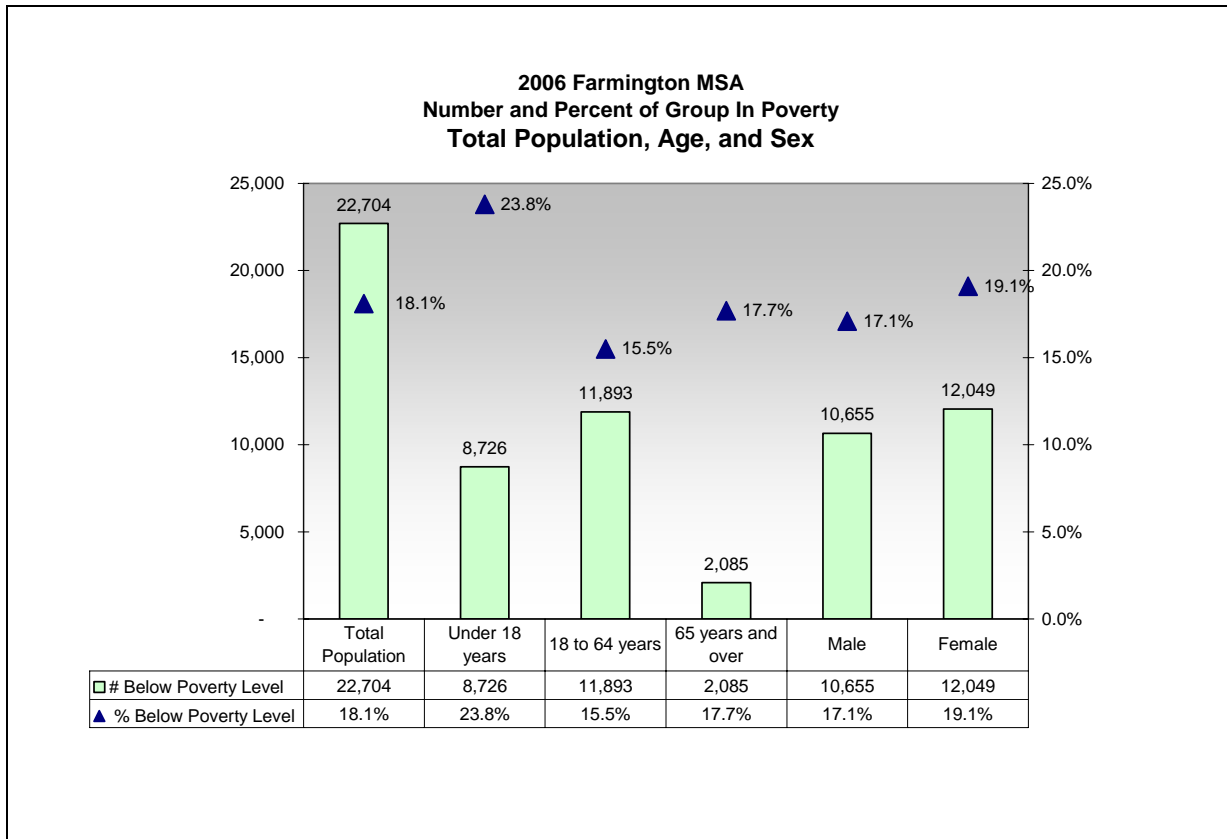
4. Unemployment Rates



5. Poverty Rates by Age and Sex

Chart 1 shows the poverty number and percent by age and sex. The green bars and scale on the left shows the number of people under the poverty level. The blue triangles and the scale on the right show the percentage of the group below poverty.

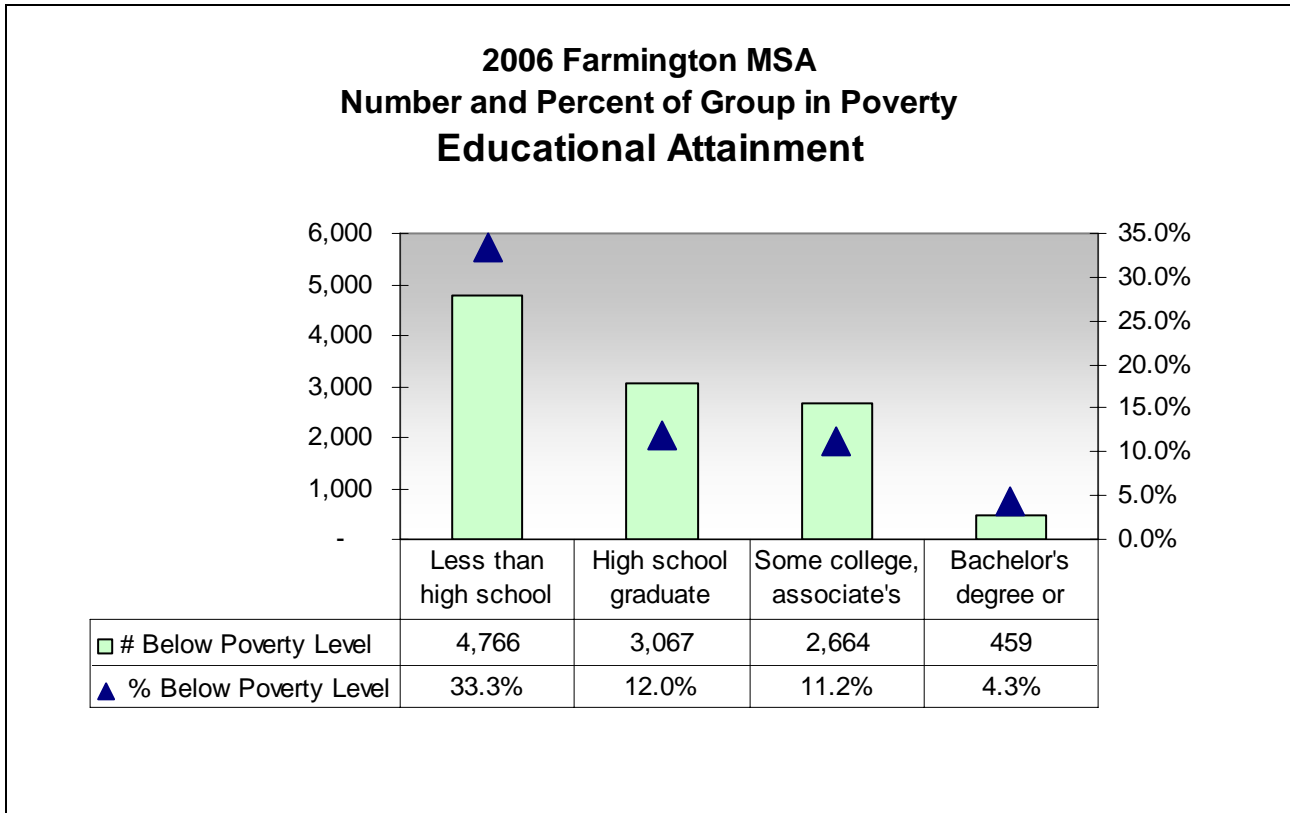
Chart 25



6. Poverty Rates by Educational Attainment

Chart 2 shows the dramatic differences in educational attainment and poverty rates. The green bar and the scale on the left show the number of persons in poverty by the amount of school completed. The blue triangle and the percent scale on the right side of the chart shows the percent of the group in poverty.

Chart 26



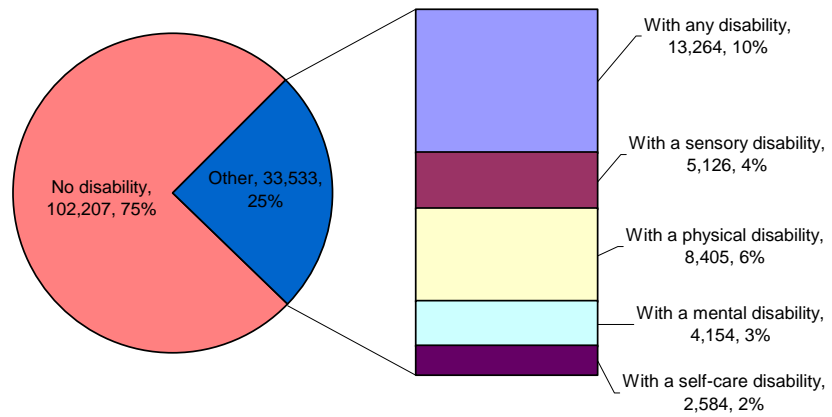
7. Poverty Rates for People with Disabilities

Chart 7 shows the number and percent of people with a disability that are in poverty.

Chart 27

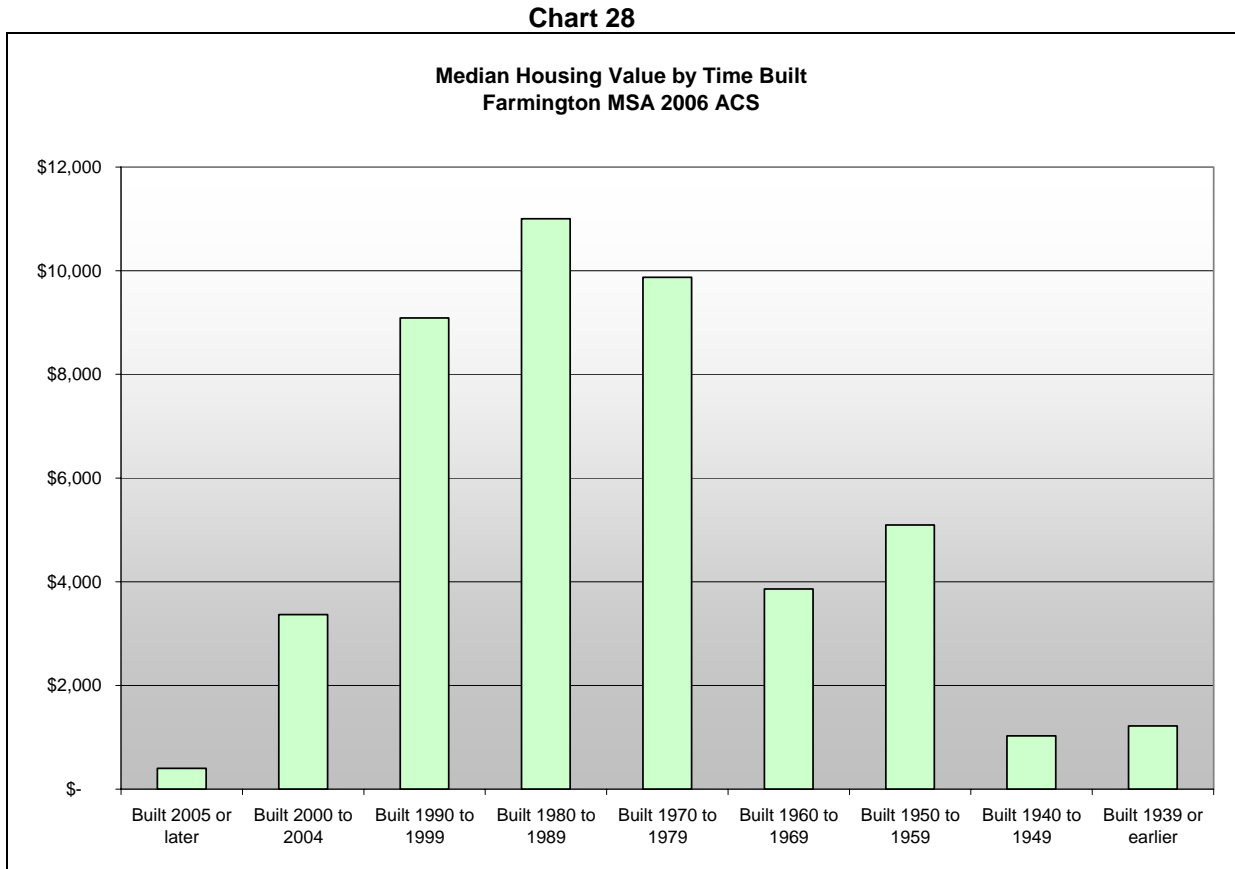
**Population in the Farmington MSA with Disabilities
and the Percentage of the Group in Poverty**

2006 American Community Survey



8. Median Value by Time Built

Chart 4 shows the median housing value by the year the home was built. There is a significant jump in housing values from 2000. An interesting point in the chart is that the 1960 to 1969 category has the lowest median housing value.



9. Vacancy

Table 13 shows a surprisingly high vacancy rate for the Farmington MSA. CDBG staff has collected contrary rental data, which shows a very tight rental market in the area with limited availability of rental units.

The 2000 Census showed:

- San Juan County 13%
- Farmington 7%
- Aztec 8%
- Bloomfield 11%

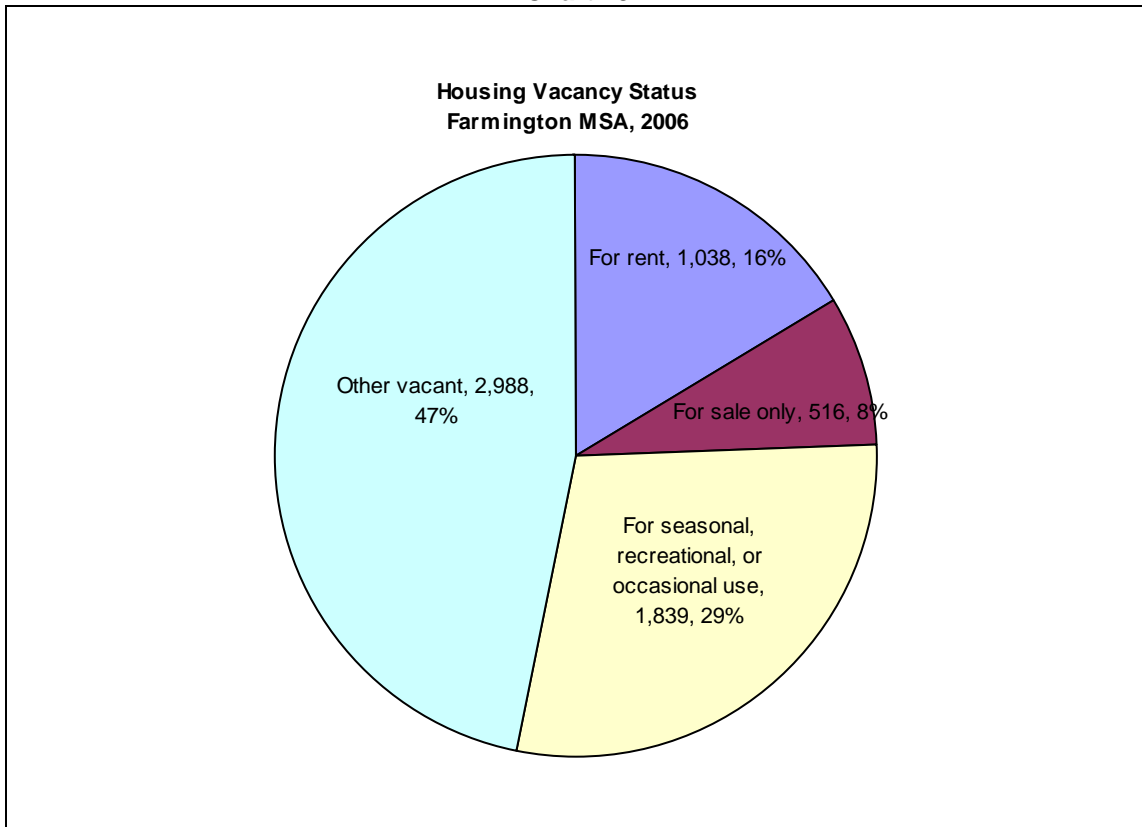
Chart 5 shows some categories of vacancy types, for rent, for sale, seasonal use, and other. The other category contains 47% of the total vacancies. This shows that the seemingly high vacancy rates reported by the American

Community Survey (ACS) cover many different reasons than for rent or for sale. CDBG staff will continue to monitor the disparity between reported vacancy rates and the very limited availability of rental units and look for better ways to track changes in the market.

Table 25

OCCUPANCY STATUS		
Farmington MSA		
	Estimate	Percent
Total:	44,940	
Occupied	38,559	86%
Vacant	6,381	17%
Source: 2006 American Community Survey, B25002		
Prepared by City of Farmington, Planning, CDGB		

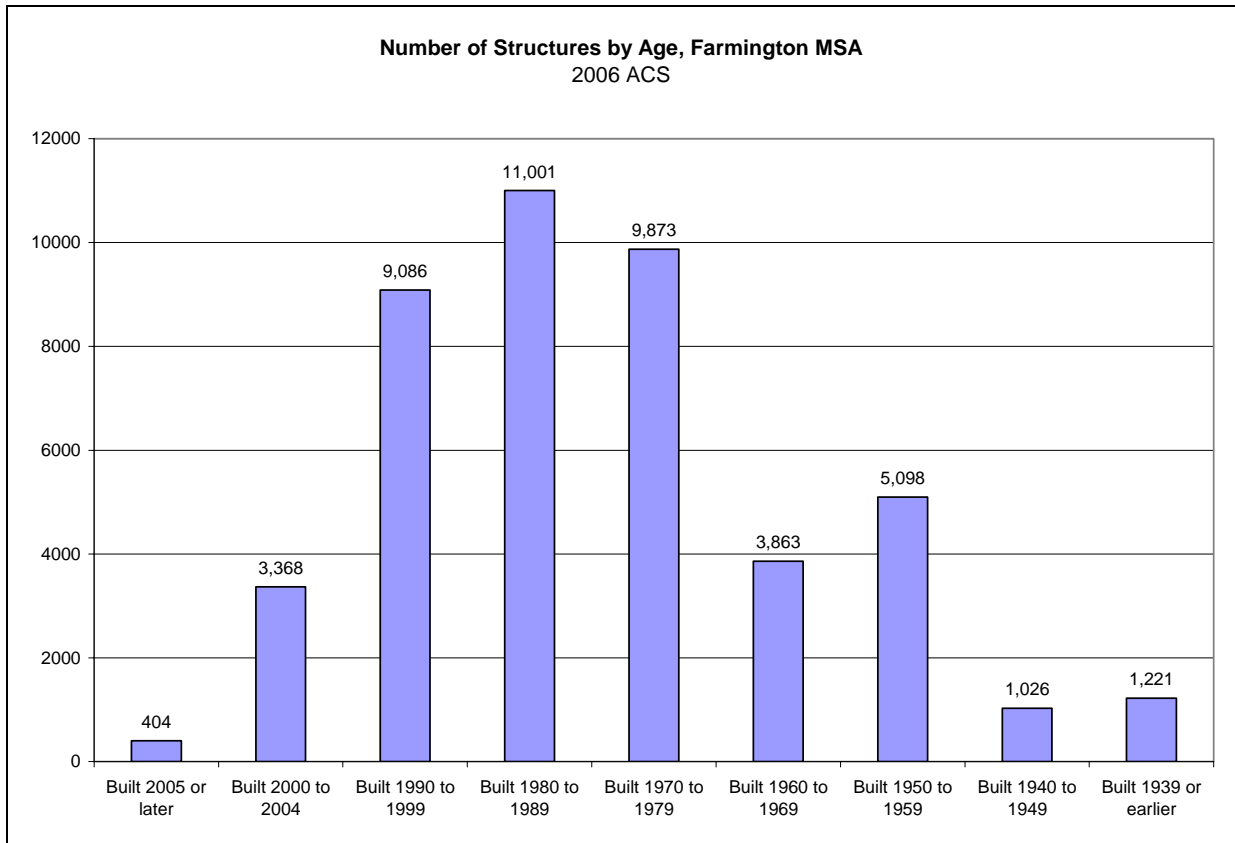
Chart 29



10. Age of Housing

Chart 6 shows the number of housing units by the year constructed.

Chart 30

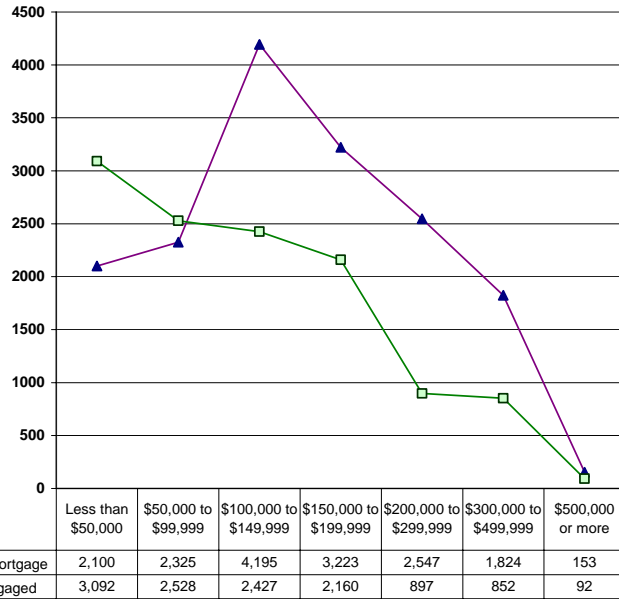
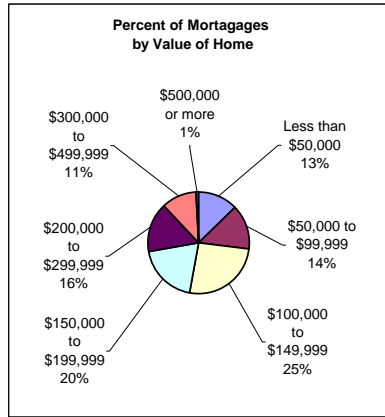


11. Housing Value by Mortgage Status

Chart 7 shows the number of homes with and without a mortgage. A surprising number of homes in the Farmington MSA do not have mortgages. The inset chart shows the percentage of homes by mortgage value.

Chart 31

Housing Value by Mortgage, Farmington MSA 2006



12. Assessor's Sales Data

- a. Only 2006 and 2007 sales data was available for this report for Aztec. Table 18 shows the median price, size, and price per square foot for Aztec

Table 26

City of Aztec			
Single Family Dwellings			
	Median Sales Price	Median Square Feet	Median Price Per Square Foot
2007	\$ 174,000	1406	\$ 123.76
2006	\$ 157,000	1416	\$ 117.91
Mobile Homes			
	Median Sales Price	Median Square Feet	Median Price Per Square Foot
2007	\$ 124,000	1,505	\$ 88.80
2006	\$ 115,000	1853	\$ 77.44

Source: SJC Assessor's Sales Data

b. Bloomfield

Only 2006 and 2007 sales data was available for this report for Bloomfield. Table 19 shows the median price, size, and price per square foot for Aztec

Table 27

City of Bloomfield			
Single Family Dwellings			
	Median Sales Price	Median Square Feet	Median Price Per Square Foot
2007	\$ 149,950	1,252	\$ 116.62
2006	\$ 133,500	1,232	\$ 111.70
Mobile Homes			
	Median Sales Price	Median Square Feet	Median Price Per Square Foot
2007	\$ 118,750	1,789	\$ 69.42
2006	\$ 105,000	1,418	\$ 74.05
Source: SJC Assessor's Sales Data			

13. Selected Population Statistics

Selected Social Characteristics 2006	
2006 Farmington MSA	Estimate
GRANDPARENTS	
SCHOOL ENROLLMENT	
Population 3 years and over enrolled in school	32,498
Nursery school, preschool	1,363
Kindergarten	2,043
Elementary school (grades 1-8)	14,544
High school (grades 9-12)	8,385
College or graduate school	6,163
EDUCATIONAL ATTAINMENT	
Population 25 years and over	75,099
Less than 9th grade	5,839
9th to 12th grade, no diploma	8,785
High school graduate (includes equivalency)	25,883
Some college, no degree	16,248
Associate's degree	7,711
Bachelor's degree	7,790
Graduate or professional degree	2,843
Percent high school graduate or higher	80.5%
Percent bachelor's degree or higher	14.2%
VETERAN STATUS	
Civilian population 18 years and over	89,651
Civilian veterans	9,579
RESIDENCE 1 YEAR AGO	
Population 1 year and over	124,323
Same house	105,459
Different house in the U.S.	18,577
Same county	11,587
Different county	6,990
Same state	2,248
Different state	4,742
Abroad	287
PLACE OF BIRTH	
Total population	126,473
Native	122,540
Born in United States	121,712
State of residence	73,967
Different state	47,745
Born in Puerto Rico, U.S. Island areas, or born abroad to American parent(s)	828
Foreign born	3,933
Data Set: 2006 American Community Survey	