

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name _____

HFA _____

Submission Contact _____

Phone _____ **Email** _____

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

New Mexico's Regional Housing Authorities: A Solution for Rural Communities
NSCHA 2014 Annual Awards Entry
Special Achievement

An Important State Need

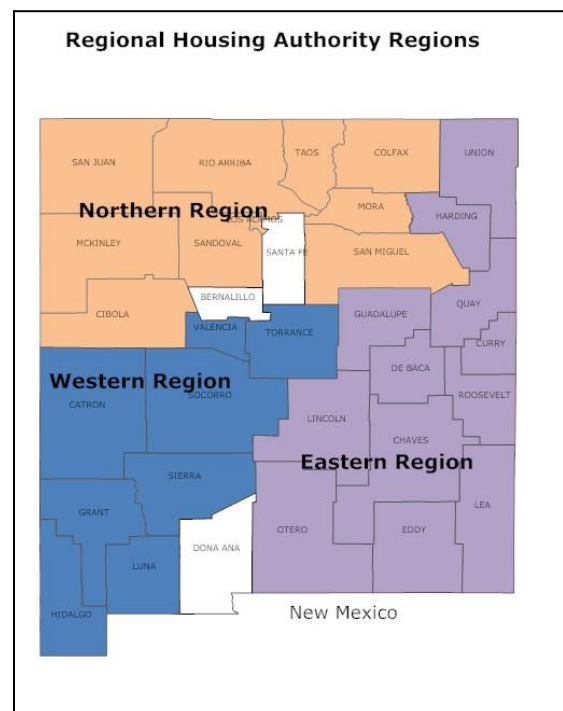
Public housing authorities (PHAs) nationwide are struggling. In addition to the substantial decrease in administrative and capital funds from HUD, PHAs in large rural states like New Mexico have unique challenges. New Mexico is the fifth largest state in the nation but ranks 37th in population with just over 2 million residents. About 1.4 million residents, or 66 percent of the population, are concentrated in the state's four Metropolitan Statistical Areas (MSAs). More than 900,000 live in the Albuquerque MSA. Thus, large expanses of the state are undeveloped and sparsely populated. It is not uncommon that multiple hours of travel separate individual communities.

With the exception of oil and gas producing counties, New Mexico's rural communities are steadily losing population. In most cases, New Mexico's 31 PHAs are the only entities providing affordable housing for small, isolated communities, many of which are in decline and lack options for new investment. For example, 11 of New Mexico's 31 PHAs are so small that they manage 50 or less low-rent units and administer no vouchers or other programs. Nevertheless, these PHAs play a critical role because they own and manage the only affordable housing units available to residents. Ironically, affordable housing is increasingly important in declining communities – communities that lack economic opportunities for their residents.

Without sufficient economies of scale, funding cuts from HUD will eventually force small, rural PHAs to close. This dire situation leaves the New Mexico Mortgage Finance Authority (MFA) to wonder who will provide affordable housing in these communities, who take over existing assets, and if other organizations can assume responsibility without literally spreading themselves too thin by serving small communities over such large geographic areas.

Innovative Solution

Regional Housing Authorities (RHAs) became prevalent across the United States in the 1960s and 1970s when federal programs that encouraged regionalization were gaining momentum. New Mexico's Regional Housing Law dates back to the mid-1970s, when seven RHAs (consistent with New Mexico's then seven Council of Government districts) were established to serve the state's rural areas. In 2006, corruption was alleged in one of the state's largest RHAs, and the state of New Mexico commissioned MFA to examine the causes and come up with solutions. As a result of MFA's assessment and recommendations, New Mexico's Regional Housing Law was amended in 2008 and 2009 to: 1) consolidate the state's RHAs from seven to three; 2) establish RHA oversight with MFA; 3) require minimum qualifications for RHA commissioners and



have commissioners appointed by the Governor; and 4) clarify how public and regional housing authorities would operate when their service areas overlap or when they want to merge or consolidate. Today, RHAs operate side-by-side with PHAs established by counties and municipalities under New Mexico's Municipal Housing Law.

The unfortunate event of corruption produced a fortuitous result. In the years since the RHA law change and MFA's assumption of oversight, there has been no fraud, waste or abuse within any of the state's RHAs. In addition, two effective organizations—Eastern Regional Housing Authority (ERHA) and Western Regional Housing Authority (WRHA)—have built sufficient capacity and economies of scale to offer their services in all counties in southern New Mexico, which is the most sparsely populated area of the state. Two PHAs operating in the small communities of Eunice and Vaughn have consolidated with ERHA, and two others expect to consolidate with WRHA in the next year. These RHAs plan to expand their services to meet other rural housing needs, beginning with pre-purchase counseling.

While the Northern Regional Housing Authority (NHRA) was established on paper with the Regional Housing Law amendment, no staff or programs existed. In 2013 MFA began assisting Taos County Housing Authority—one of the state's larger PHAs—to transfer its assets (169 low-rent units) and its Section 8 voucher program to NHRA and thereby seed the fledgling regional organization. MFA helped the NRHA Board of Commissioners design a competitive request for proposals process to hire a professional housing authority consultant company that now oversees daily operations of the Taos County Housing Authority as it transitions to NRHA. The consultant's scope of work includes simultaneous on-site review of operations, administration, Housing Choice Voucher Program, Low Income Public Housing as well as the management and maintenance of physical stock. MFA is also working closely with Taos County and HUD to complete the transfer of assets and the consolidation process. After the initial consolidation of Taos County with NHRA, five additional PHAs in NHRA's territory hope to consolidate with NHRA rather than close their doors and lose affordable housing opportunities in their respective communities.

MFA's Role

New Mexico's Regional Housing Law requires MFA to receive RHA annual audits, review and analyze annual reports of RHA financial and operational activities, approve RHA contracts greater than \$100,000 and approve all transfers, sales or liquidation of RHA assets greater than \$100,000. However, the most important work that MFA does with RHAs is not required by law. MFA views the RHAs as the only viable way to meet the affordable housing needs of rural communities. By providing continuous and customized training, technical assistance and capacity building, MFA is helping to develop strong organizations of scale with which smaller PHAs can consolidate.

Over the past year, MFA built its internal capacity to coordinate and provide legal support for the consolidation of Taos County Housing Authority with NHRA. MFA expects to play a similar role with future consolidations. Small and often troubled PHAs simply do not have the expertise or resources to "go it alone" in the complex divestiture and HUD consolidation process. They would likely never complete the consolidation process without assistance from MFA. Furthermore, as a reputable third party, MFA is trusted to balance the needs and priorities of the PHA and community with those of HUD. In MFA's experience with Taos County Housing Authority, MFA's role as a mediator of sorts is critical to ensure a positive and fair outcome for all parties involved.

Costs

Based on several years of providing oversight, training, technical assistance and capacity building for the RHAs, MFA estimates its costs at approximately \$250,000 per year—including staff time, consultants and legal support. Because MFA's responsibilities to the RHAs stem from state law, MFA requests a \$250,000 special appropriation every year from the New Mexico's State Legislature to cover its costs. Funding received has varied from zero to \$250,000; in 2014, MFA received \$200,000. Even if no state funding is received, MFA fulfills its responsibilities under state law to oversee the RHAs and provides as much technical assistance and capacity building as possible from its own resources.

Benefits

MFA staff is often heard to say that “we are only as strong as our partners.” This is especially true in a rural state like New Mexico where MFA's ability to serve a region or certain communities can literally depend on a single organization. Rural and declining areas don't attract resources or talent; in many cases, MFA is lucky to have even *one provider* willing to serve some of the more isolated communities of the state. Because of this situation, the cost to strengthen the RHAs is insignificant. Without strong organizations such as RHAs that are willing to serve small and rural communities, MFA's mission of providing affordable housing opportunities across the state would be compromised. Specifically, the benefits of the RHAs to New Mexico are:

- RHAs provide sufficient economies of scale to sustain themselves financially.
- RHAs can build sufficient capacity and expertise to support or assume smaller organizations.
- RHAs are willing to serve the smallest, most remote, rural communities in the state. These are places that private entities and even many non-profits will not serve.
- MFA has oversight authority over RHAs. This ensures proper stewardship of resources and community needs.
- RHAs have the ability to expand to meet other affordable housing needs beyond low-rent units and Section 8 vouchers. An objective in MFA's strategic plan calls for MFA to assist RHAs to increase their services and programs so they can address a wider range of affordable housing needs, such as pre-purchase counseling, weatherization, rehabilitation, rental assistance and supportive services and, eventually, multi-family development.