

Fixing Gallup's housing problem

Written by By: Molly Adamson Sun Correspondent
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Jason Valentine built a career out of knowing about the housing market. As a realtor with Coldwell Banker, he has seen what the housing market in Gallup looks like, and he noticed that it wasn't good. So he started the Gallup Housing Summit in March 2019, and this year he brought in community leaders like Mayor Louis Bonaguidi, Bill Lee CEO of the Gallup Chamber of Commerce, New Mexico Representative Patricia Lundstrom, D-Gallup, Brett Newberry of the accounting firm Newberry and Associates, and many more.

In an interview with the *Sun*, Valentine gave a brief overview of what he thinks needs to be done in Gallup to get more houses built and potentially attract more people to the city.

"A lot of people are hoping [that someone like Pulte Homes or D.R. Holton] is going to come in here and build hundreds of units for us," Valentine said. "They're only going to do that if we

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show them that we're taking care of our city first.

"So we need to start at the most local level, like building on infill lots and rehabilitating our community and taking pride in our community before anybody else is going to come in and do that," he said.

At the beginning of the March 26 meeting that kicked off the weekend summit's events, Valentine presented the committee with the numbers. He explained that his research showed McKinley County had lost \$3 million because people moved to other parts of New Mexico and the rest of the country. The county is also losing almost \$25 million in possible tax dollars because people are moving away.

The latest census shows that people moved from McKinley County to the Bernalillo, San Juan, Cibola, and Sandoval counties in New Mexico and Maricopa County in Arizona. The county has lost 1,749 people since 2014, which is almost two percent of its population.

Bringing more people into the community to combat this loss was an important goal of the meeting. Improving the city's infrastructure and rehabilitating existing homes were two key discussion points that the committee members thought would accomplish this goal.

"A house in Boston, Mass. that is 150-years-old is considered a desirable property, [but] a house in Gallup that is 60-years-old is considered a falling apart piece of junk," Valentine said. "What I think happens is people are unaware of the tools available to them to rehabilitate their homes."

The members of the committee came up with a list of Gallup housing problems and possible solutions.

The first challenge concerned land to build on in the city. Greater Gallup Economic Development Corporation Manager Bruce Armstrong expressed his concern about the quality of land in Gallup. He suggested doing some soil and ecological studies.

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"Much of the land in Gallup is not suitable for building," he said.

The next two issues the committee put on its list were that there is no one-stop-shop for housing resources, which can lead to home buyer confusion, and there are no home buyer counseling services.

Valentine said even if there's housing available, but buyers don't know their rights or what they should or shouldn't do, or be looking for when they buy a house, then Gallup is missing part of the equation.

The next item turned out to be a big discussion point: The city doesn't have much infrastructure, and the infrastructure it does have is aging.

The city's planning and development manager, C.B. Strain, acknowledged that the existing infrastructure needs a lot of work and that the work costs a lot of money. He said the city currently has a "fix it as we go along" attitude toward infrastructure, meaning that when something breaks, it gets fixed.

Strain described what happens when it comes to new infrastructure. A landowner usually comes in, develops the property, sells the lots, and then the infrastructure is produced with help from the city.

He said the city makes a practice of applying for funds to help fix up older neighborhoods that have aging infrastructure. He cited whole block programs, such as the one on Logan, that replaces the pedestrian infrastructure, including curbs, gutters, and sidewalks. He said the city was able to do projects like that in all four districts last year.

"We were able to hit neighborhoods in the city that needed it the most," Strain said. "There are ongoing efforts to get all this stuff, and it's like that with any city."

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Newberry talked about what happens when that process gets a little bumpy.

"The biggest problem is if you wait for the city to do these things, if they don't have the money, well, then they don't get done," Newberry complained. "So the private sector sits there, and they go 'Well I want to move on with my project, but I don't have this infrastructure.'"

"Are you going to wait for the government to take care of it," Newberry asked, "or does the private sector find a way to get it developed?"

Of course, money plays a big part in both old and new infrastructure issues.

Strain told the board that the city's zoning regulations were relaxed when the entire code was rewritten in 2016 and then adopted by the city council in 2018. He said he hoped that would help the situation. He said that it was done to help support and accommodate developers.

The committee came up with one way to get more funds to help with infrastructure: to have the city government coordinate with the Council of Governments to write grants that will help generate federal funds.

A small group can also be put together to solicit federal funds to advocate for infrastructure development in small towns. The group can develop and research ways private money can offset upfront costs for developers.

Lundstrom suggested that the committee meet with the National Development Council to discuss what they could do to get more money. The NDC is an organization that helps communities develop through training sessions.

"I think the best thing is (sic) to understand from Sheldon Bartel, (a field director with the NDC)

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is what those grant opportunities are. Make sure that we're applying for what we really want, and that we're not just chasing money," Lundstrom said.

The GGEDC was put in charge of coordinating the meeting between the housing committee and the NDC.

The next hurdle that was brought up was the problem of slumlords. According to Valentine, Gallup has a lot of slumlords.

"If we have one [slumlord], it's too many ... Because that represents poorly on our entire community." Valentine said.

Slumlords are property owners that refuse to clean up or maintain their properties. Valentine explained that because of the limited supply and high demand for housing in Gallup, slumlords can get away with not fixing up a unit, but still renting it out because a family needs a place to stay.

Building more properties would increase the housing supply and force those slumlords to fix up their rentals if they want to stay competitive.

The city could also condemn old beaten-down homes that do not meet code standards. Strain explained how the city goes about condemning a house.

"By state law, we have to prove that it's a threat to the health, safety, and welfare of the public," Strain clarified. "What one person sees as a derelict property might not qualify for that designation.

"What I mean is you might have a house in a neighborhood that hasn't been occupied in a few years, and it's boarded up, and it doesn't look good in the neighborhood, of course," he said. "But structurally it's sound, and it could actually be occupied with a little bit of money put into it.

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That wouldn't qualify as a condemnation or a demolition."

If the city can prove that the property is a threat, then the house would be condemned. Condemning a house requires city council action. The city provides evidence showing why the house should be condemned. Then the council proceeds to vote on it.

If the property is condemned, the owner must be contacted.

The property owner has the choice to either rehabilitate the property or tear it down, and if they don't do either of those things, then the city steps in and makes the choice for them. Strain said it costs a lot of money if the city ends up having to tear the house down or rehabilitate it.

While most of the conversation so far was about what Gallup doesn't have, Lundstrom chose to be optimistic.

"I think taking a more positive upbeat [approach] and just [keeping the focus] on what our assets are and how we get there, I think that would be very important," she said.

The committee came up with six goals:

Meet with the NDC.

Identify and plan out the building of infill lots and land that already has infrastructure.

Have the city coordinate with COG to secure funding through federal grants and using these programs to aid in housing development.

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Put together a group that would advocate at the federal level to support infrastructure.

Identify what is needed to attract developers and get building started.

Educate existing homeowners about rehabilitating and renovating existing homes.

Committee members were all put in charge of different plans.

Armstrong and GGEDC will organize the meeting between the committee and the NDC.

Valentine and Coldwell Banker will make a plan to build on infill lots in the city that already have infrastructure.

Strain volunteered the city's planning and zoning department to make a list of vacant lots first, and then a list of properties that may be condemned.

He also volunteered the city to coordinate with the COG to secure federal funding grants.

A group will be put together to solicit federal funding and advocate for infrastructure development in small towns. This group is also going to study the Recovery Act, a group of programs former President Obama put in place in 2009 to help small towns build infrastructure. The group will develop and research ways to identify how private money can assist in infrastructure and offset upfront costs to developers. Newberry and Lee will head this project.

Gallup City Councilor Fran Palochak, Dist. 4, along with Coldwell Banker and Loren Miller from LAM Corporation, an architecture firm, will look into ways to attract developers to build in Gallup.

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Joy Strylie from Caliber Home Loans will lead the mission to educate and inform existing property owners about rehabilitation and renovations.

The group will reconvene as a whole on June 25.

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