



Measuring Permits, Population, and Price

The Problem: When population grows, demand for housing begins to increase. As demand rises, so do prices. When prices rise, so do applications for permits to build more rental and for-sale housing. When permit time lags, then so does supply, meaning prices exceed typical quarter-over-quarter growth. People with fewer dollars to spend on housing feel the pain the most as prices go up; rents are harder to pay, and houses are too expensive to buy. Local jurisdictions across the country and in New Mexico don't do a good job of gathering this data to better understand how to make the permitting process more responsive to housing demand.

The Solution: Local jurisdictions must be given resources and a deadline to begin reporting population growth, local housing prices, and the time it takes to take a project from permit application to issuance of a Certificate of Occupancy. Gathering these three data points over time would help in determining what and where in the permitting process is slowing down production and provide state and local government the best opportunities to intervene to improve the process.

Legislative Proposal: Local jurisdictions should benefit from technical assistance and resources to provide the necessary staff to track data and make improvements. But these jurisdictions must also regularly report that data to the state, to help make better policy and improve permitting to increase production and supply of needed housing. These requirements could be applied to larger jurisdictions and come with an appropriation.

Potential Partners: Hopefully cities would see the benefit to housing production from understanding the effect of their own processes on how long it takes to produce a unit of housing.

Potential Opposition: Supporters of local control like the Municipal League and larger cities like Albuquerque might balk at another requirement and worry that it might show weaknesses in their systems.

How will we pay for it? An appropriation from the state portion of Gross Receipts Tax within jurisdictions subject to the requirement.