

MINUTES OF THE
SANTA FE COUNTY
HOUSING AUTHORITY BOARD

March 30, 2010

This meeting of the Santa Fe County Housing Authority Board was called to order on the above-cited date in the Santa Fe County Legal Conference Room, at the County Courthouse at approximately 10:07 a.m. by County Commission Vice Chair Virginia Vigil.

Roll call indicated the presence of a quorum with the following Board members present:

Members Present:

Harry Montoya, Commissioner
Mike Anaya, Commissioner
Michelle Hoffman, Resident Member
Kathy Holian, Commissioner
Liz Stefanics, Commissioner
Tim Vigil, Community Member
Virginia Vigil, Commissioner

Member(s) Excused:

None

Staff Present:

Dodi Salazar, Housing Director
Steve Ross, County Attorney
Penny Ellis-Green, Deputy County Manager
Rachel Brown, Deputy County Attorney
Victor Gonzales, Capital Fund Coordinator
Joseph Gutierrez, Director Community Services
Darlene Vigil, Affordable Housing Administrator
Diana Gonzales, Housing Staff

Others Present:

James Wheeler, Commercial Properties
Alan Hoffman, Developer
Kim Shanahan, Builder
Daniel Werwath, Community Housing Trust
Rosanna Vazquez, Legal Counsel for developers
John McCarthy, Developer
Bobby Lee Trujillo, Developer
Alexa Girard, Developer
Danny Buck, Builder
Mike Wimmer, Builder

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III. Approval of Agenda

Housing Director Dodi Salazar asked that the affordable housing update, item VI. C. 1 be removed from the Housing Authority Board agenda and that after that board adjourns, that the BCC meet to hear that report, since this does not fall under the purview of the Housing Authority Board. County Attorney Steve Ross said in the future care will be taken to keep these issues separate. There is no noticing issue.

Commissioner Stefanics moved to approve the agenda as amended and Commissioner Vigil seconded.

The motion passed by unanimous [7-0] voice vote.

IV. Approval of Minutes: February 23, 2010 and March 9, 2010

Commissioner Stefanics moved to approve the minutes from the above-cited dates as presented. Her motion was seconded by Commissioner Holian and passed by unanimous voice vote.

V. Review of Housing Development Proposals

A. Presentations by Proposers

Commercial Properties [Exhibit 1]

James Wheeler presented a proposal for property in Sonterra. He said this property offers the most flexibility of any that will be presented. It has 256 acres and 526 homes are designated, with a density bonus of 74 units, for a total of 600 houses. The property owners are willing to donate those 74, or however many the County chooses, to the County. A joint venture – a public-private partnership is acceptable. It can be sold to the County in sections or as a whole.

Ms. Hoffman asked about the entire project being green. Mr. Wheeler said that is a decision the County would make. Their objective would be to sell the entire project to the County, and they can work with the County in any one of a variety of different ways.

Commissioner Vigil asked for further amplification on sustainability, and Mr. Wheeler said they are flexible and the County would take the lead, and can build, develop and sell, then take the funds and begin the process anew. The property owners have spoken with HomeWise and Tierra Contenta with an eye to their being lead developer.

Commissioner Vigil noted that the ordinance allows for a ten-year window of the affordable units remaining affordable, but this could be amended to extend this to perpetuity. Darlene Vigil said this property falls under the Community College District Ordinance, which does not have shared appreciation at this point.

Mr. Wheeler said they anticipate the County would take the lead and they would work to

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help meet the goals. They have no preconceived ideas. The first phase is ready to go after utilities are in, and these can be bonded for.

Commissioner Stefanics asked when a decision would be made, and Ms. Salazar said probably at the next board meeting.

C&M Builders

No representative was present.

Daniel Buck Construction

Danny Buck stated this is a straightforward, limited project that could be turned around within a year, resulting in seven affordable units in Oshara.

Michael Wimmer said they have reviewed the rules and regulations in a conscientious effort to understand affordable housing. The County's purchase of land would be complex, time-consuming and expensive, so they propose a simpler way. The County would act as a guarantor for a construction loan, that is agree to buy the homes they build. This way bankers would be more inclined to finance. The project is shovel-ready and financing institutions are interested. This relieves the County of funding until the house is complete. He speculated that given the number of people on the waiting list for affordable housing the home could be sold before the County would need to step in. This is the simplest process.

Commissioner Holian asked if this was legally possible. Mr. Ross said it would be structured as the County entering into a purchasing agreement to buy the home and to sell it later. However, the County cannot act as "guarantor."

Alan Hoffman, Oshara, commended the RFP process and said if the County is required to purchase property that would fall under the state procurement code, which would take years to get approved. Whereas, if the County agrees to buy the units it would not. He said, "The likelihood of the County ever having to put one penny up for these is extremely small." There are 41 people in line to move into Oshara. He said it would be necessary to discuss the requirements for the units. Danny Buck built a house in Oshara that won the distinction of the most energy-efficient home in the state. This helps people of modest means control their costs of operation.

Commissioner Montoya asked what tiers were involved. Mr. Hoffman said there were two at 80 percent and five at 100 percent.

Santa Fe Green Builders [Exhibit 2]

Kim Shanahan distributed an addendum to the RFP stated their proposal entails 60 shovel-ready lots with infrastructure in place. These will be the greenest, with an intent to build at the LEED gold level. There will be an opportunity for this to be the first special assessment district and to possibly have zero energy homes for affordable housing. He explained that the Green Builders Guild is a consortium affiliated through the Home Builders Association, and this project would put up to ten builders back to work, not just one. They are partnering with non-

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profits and ten homes will be allocated to Habitat for Humanity at the 50 percent AMI level (Tier 1), ten lots will go to the Housing Trust (Tier 2) and 40 lots would go to the Guild. Thus the project is 100 percent affordable.

The County would buy the property from LANB or Sid Singer and the homes sold through the Housing Trust. All money will go back to the County, so the process can be repeated. It will put many builders and subcontractors back to work. The property lies within the city limits, but he urged that that not be seen as a hindrance, since this is where the affordable housing is being built in the community.

Commissioner Vigil asked for clarification on the homeowners association and Mr. Shanahan said there will be no HOA. Commissioner Vigil said she was concerned that the HOA dues be capped in order to ensure long-term affordability.

Mr. Shanahan pointed out that the County's provisions for down payment assistance and developer subsidies could not be used inside the city limits, but the City of Santa Fe is looking at similar provisions, as well as CDBG grants. A City-County partnership could result from this.

La Querencia

Rosanna Vazquez distributed a letter outlining the community need. [The letter was not made available for the record.] She said the offer is for 23 homes in Phase 4 of La Pradera, which is in the Community College District. The lots are platted and approved. Twelve homes would be 1300 square feet with three bedrooms for \$213,500, and eleven homes would be 1500 square feet, four bedrooms for \$228,500. This includes the cost of the land. There would be nine units in Tier 1, eight units in Tier 2 and six in Tier 3. The lowest tier requires the highest subsidy, and details are provided in the letter. Nine homes would be built at a time, and the timeframe is around a year. Financing is in place and there is a \$3.5 million bond to support the applications. The plat has been recorded and building permits are ready. Infrastructure will be done within 30 days. Six homes could be permitted immediately. She outline the green provisions contemplated, saying they would comply with all Energy Star requirements and build to the silver level.

The HOA fees are currently \$98 dollars. Anything above \$100 is taken off the mortgage. The lots are large and the homes would be indistinguishable from the non-affordables. This gives the homes a higher appraisal value which is good for the County and the residents. Each home has a warranty and La Querencia donates the \$35,000 value of land. "Financing and construction could begin right away." The contractor would be employing 130 people. She reviewed what the County would receive in gross receipts taxes, property taxes and earnings introduced into the local economy.

Commissioner Vigil asked how the HOA dues cap would be enforced after the developer is gone. Ms. Vazquez said it would have to be in the disclosure statements. The property is under the 15 percent requirement for affordable housing. The units proposed would bring overall affordability to 32 percent. Twenty-two affordable units have been built, all of which are occupied and four are under construction. The development consists of 237 units.

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V. B. Proposal Overview

Ms. Salazar referred to the matrix of the proposals [Exhibit 3] and Community Services Director Joseph Gutierrez outline what the County had requested. He said the first two entries are land development deals without utilities.

The Danny Buck proposal is shovel-ready but the sustainability needs to be addressed, as do the various costs involved and the sales price. It has to be determined if a County subsidy is needed.

The Green Builders are asking the County to buy 60 lots and to enter into a management contract with non-profits who would sell the lots at different rates. The County would be reimbursed for purchase of the land. An RFP would be necessary before entering into a contract with a non-profit. Details of the process would need to be worked out. The proposal is that soft seconds remain with the non-profits.

La Querencia is shovel-ready, and the houses would be sold to the County, who could only commit to purchasing a portion of the homes, given the \$2 million cap. In terms of sustainability, the fund would lose ground due to subsidies required. If all 23 homes were built as suggested there would be a loss of \$1.7 million, although it would be holding \$1,650,000 in soft seconds.

Commissioner Stefanics asked if La Querencia offered flexibility on buying all 23 units. Mr. Gutierrez said they would have to work out the details.

Commissioner Stefanics said as she understood it, only two of the projects qualified. Mr. Gutierrez stated in terms of buying the homes only Danny Buck and La Querencia qualified. Green Builders has a different approach.

Daniel Werwath from the Housing Trust indicated the organization is committed to working with any of the proposals. "We can sell all these houses." Tier 1 houses are especially needed. He said the pass-through concept was somewhat hard for him to grasp, but it appeared the County would incur more costs by having to sell the house twice.

Commissioner Montoya recommended that the County enter into negotiations with the ones that meet the criteria and come back with a purchase agreement.

Commissioner Vigil suggested that Legal be a part of the negotiations and proposals be brought forward. She asked if a review committee was required. Mr. Ross said it was not required for a real estate deal. He added that if the County owns the houses it simplifies the deal even if double closing costs are involved. Commissioner Vigil asked that the most feasible proposals be brought back, with the consequences.

Commissioner Anaya asked that the Galisteo project also be brought back. Mr. Gutierrez said they are currently working on the cleanup costs.

Commissioner Stefanics asked about the timeframe, and Mr. Ross stated they would have to work with the state to determine how the closings would occur. Approvals could begin at the next meeting.

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Mr. Shanahan asked for clarification on which groups were to be involved. He said as he understood it there was no criterion in the RFP requiring purchase of the homes. He stated Green Builders' proposal sought to avoid double closing costs by not requiring purchase, but this could be done.

Housing Authority Updates

A. Vacancy Update

Ms. Salazar reported nine vacancies or a four percent vacancy rate.

B. Capital Fund Program Update

Victor Gonzales stated the agreement between the City's water department is in legal review and once that is complete the project will proceed. The Valle Vista reroofing is completed. Modernization at Camino de Quintana is 40 percent complete and should be finished by April 9th. The Camino de Jacobo block will be waiting for a building permit from the City.

Ms. Hoffman asked if the block wall could be six feet instead of five feet. Mr. Gonzales said it will match the existing wall, which has an eight-inch crown in addition to the five feet.

Matters from the Board

Ms. Hoffman asked how much input the Board had on the design and sustainability of the houses in the affordable housing under discussion. Commissioner Stefanics said she would be concerned if they were required to go beyond meeting the set of standards in the RFI and RFP.

Commissioner Holian said standards such as a HERS rating could be specified. Mr. Gutierrez said there were base standards in the RFP. Commissioner Holian said with thought, exceedingly high levels of efficiency can be achieved, so they shouldn't settle for the lowest standard. She suggested they try for gold. Commissioner Stefanics said they shouldn't change the RFI.

Mr. Gonzales said green building is largely a matter of using specific materials and appliances, rather than design. Commissioner Vigil pointed out that water catchment systems and hot water recycling are matters of County ordinance.

Mr. Gutierrez said the spreadsheet [*Exhibit 3*] summarizes the proposals. Commissioner Holian asked if the Green Builders' proposal was off the table. Chair Montoya said that was up to staff, but it sounded like the two remaining were Danny Buck and La Querencia. Mr. Gutierrez said they would meet with all three groups. Ms. Salazar said the ordinance speaks to energy efficiency.

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Adjournment

Having completed the agenda and with no further business to come before the Authority, this meeting adjourned at approximately 11:05 a.m.



ATTEST TO:

Valerie Espinoza *12vt*

VALERIE ESPINOZA
COUNTY CLERK

Respectfully submitted,

Debbie Doyle, Wordswork

Approved by:

[Signature]

Harry Montoya, Commission Chair
Housing Authority Board



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
HOUSING MINUTES
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I Hereby Certify That This Instrument Was Filed for
Record On The 27TH Day Of April, 2010 at 01:54:02 PM
And Was Duly Recorded as Instrument # 1597109
Of The Records Of Santa Fe County
Witness My Hand And Seal Of Office
[Signature] Valerie Espinoza
Deputy _____ County Clerk, Santa Fe, NM

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