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SANTA FE COUNTY

SPECIAL MEETING

HOUSING AUTHORITY BOARD

March 9, 2010

This special meeting of the Santa Fe County Housing Authority Board of Commissioners was called to order at approximately 12:07 p.m. by Chair Harry Montoya, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Roll was called by County Clerk Valerie Espinoza and indicated the presence of a quorum as follows:

Members Present:

Commissioner, Harry Montoya, Chair
Commissioner Virginia Vigil, Vice Chair
Commissioner Kathleen Holian
Commissioner Liz Stefanics [12:30 arrival]
Commissioner Mike Anaya
Michelle Hoffman, Resident Member
Tim Vigil, Community Member

Members absent:

[None]

Staff Present:

Dodi Salazar, Housing Director
Roman Abeyta, County Manager
Steve Ross, County Attorney
Valerie Espinoza, County Clerk
Rachel Brown, Deputy County Attorney
Joseph Gutierrez, Community Services Director
Darlene Vigil, Affordable Housing Administrator



III. APPROVAL OF THE AGENDA

- A. Amendments**
- B. Tabled or Withdrawn Items**

ROMAN ABEYTA (County Manager): Mr. Chair, there are no changes to the agenda.

COMMISSIONER HOLIAN: Move for approval.

COMMISSIONER VIGIL: Second.

CHAIRMAN MONTOYA: Motion by Commissioner Holian, second Commissioner Vigil. Discussion?

The motion passed by unanimous [6-0] voice vote. [Commissioner Stefanics was not present for this action.]

VI. STAFF AND ELECTED OFFICIALS' ITEMS

A. Community Services Department

- 1. Review and Possible Selection of a Development Project(s) from Responses to the Request for Information Concerning the County Affordable Housing Development Project**

CHAIRMAN MONTOYA: I'll turn it over to you Roman now to go over the proposals that we've received.

MR. ABEYTA: Thank you, Mr. Chair, yes. We have received five proposals that we will go over with the Housing Authority. After we conclude the presentation of the proposals if the chair would like we could have – I believe each applicant is in the audience, if you would like to have them make a brief presentation we could entertain that, and then we could get into discussion and direction from the Commission. And we also noted on the agenda, Mr. Chair, for today that if necessary, we have posted an executive session where we can discuss these proposals in further detail.

CHAIRMAN MONTOYA: Okay.

MR. ABEYTA: And so with that, Mr. Chair, I'm going to ask Joseph Gutierrez, our Community Services Director, to make the presentation for the Housing Authority.

JOSEPH GUTIERREZ (Community Services Director): Thank you, Mr. Chair, members of the Commission. I have a brief presentation for you today to cover the results of the RFI or the responses to the RFI. Basically, the history of the program in terms of where the funding came from, in March of 1995 the Housing Authority received a HUD grant of approximately close to \$6 million to build 40 new housing units. The project was completed in 2002. With these funds a total of 32 units were sold out of the 40. Twenty units were in Vista Verde, which is an area across the street from the golf course. Twelve units

were in Valle Vista, and eight units were built in Santa Cruz. The eight units in Santa Cruz never did sell and the Housing Authority received approval from HUD to convert the new units into rental units. And at this point they're all rented in Santa Cruz.

In September of 2000 the Housing Authority also prepared a plan and submitted it to the public housing homeownership plan. The program allowed the Housing Authority to renovate and sell public housing units. As a result of that plan and approval the Housing Authority was able to renovate 21 three- and four- and five-bedroom public housing units, and 29 of those have been sold at this point. The results of the sales of these two programs. Almost \$3.2 million was realized for the sale of 32 units, and approximately \$2.3 million revenue was realized from the sale of 29 renovated units, for a total proceeds of home sales of \$5.5 million for a total of 61 units. This was dollars that was in the affordable housing fund or the housing authority fund.

The next page shows the proceeds from the results of the sales, which basically cites the regulations. The key point of this slide is basically it seen from the sale of these homes, the funds can be used for the purposes relating to low-income housing and in accordance with its public housing authority plan. And the last bullet there, the Public Housing Authority plan states the Housing Authority will develop additional housing opportunities for low income families in Santa Fe County utilizing the home sale proceeds. So this is what governs that \$5.5 million worth of revenue that the Housing Authority has at this point.

At this point, based on previous Commission meetings, the Commission directed the Housing Authority to go out to an RFI. The RFI requirements – the RFI went out on January 4th. It was due on February 26th. There were six proposals that were submitted. One of those proposals has been withdrawn at this point. The requirements of the RFI were the County requested to purchase single family residences with garages. The houses were to be built in increments of five units. The houses will meet the standards set forth in affordable housing regulations and the submittals should include restrictive covenants governing the homes as well as all fees payable by the homebuyer. Those were the requirements of the RFI. The RFI stands for request for information.

The first response was received from Commercial Properties, Incorporated. That response came in and their proposal was basically to sell the County approximately 245 acres. It's in an area called Sonterra, which is in the Rancho Viejo area. The price for those 245 acres was \$6 million. They also proposed a partial sale would be possible. This area is in the Community College District. The lots are not shovel-ready at this point, and the proposal also states that they are willing to work with the County on any development plans. If there's points that I've missed here, and that's the purpose of having these responses – the people that responded to this RFI come up and give you a brief – what their thoughts were in response to this RFI, after this presentation is completed.

Okay. The second response came in from Daniel Buck Construction. They talked to Oshara. The location was in Oshara Village. The lots there are shovel-ready. They would build homes to adhere to green building standards. The units are attached and they're live-work units. They propose to build seven homes. They've talked to Oshara and have a letter

from Oshara that would commit to seven lots. Their proposal, in terms of the price of these homes range from \$146,000 to \$200,000. It's not specific at this point in terms of what the actual price would be. And again, with all these responses there was a term that basically we would negotiate with individuals that responded to the RFI at this point. Those are the terms that were submitted in response to Daniel Buck Construction.

Response 3 came from the Santa Fe Green Builders Guild. Their response is basically stated that they would like the County to purchase project-ready lots or what we call shovel-ready lots. They highly recommend the 60 lots in Tierra Contenta because they are shovel-ready. Their proposal basically states that Santa Fe County would buy the lots and then we would sell them, Santa Fe County would sell them to housing non-profits and the Santa Fe Green Builders Guild at a tier pricing level. A lower price to the non-profits and a higher price to the contractors that belong to the Guild. When those lots are sold the funding from those lots would go into – would be deposited into a bank, a local bank, and the County would create a revolving loan fund at a nominal interest rate for the construction of new homes. They feel the loan fund would be between \$1.5 and \$2 million, and that would be adequate fund ten units at a time.

Response 4 came from C & M Builders/Love Ranch Partners. There were actually two current proposals that came in. The first proposal that came in was to build housing units. Their proposal is about a 1500 square foot home, three bedrooms, two-car garage with a portal. The homes would be Energy Star qualified homes. They would build these units at a price of \$210,550 per unit. In addition to this proposals they also submitted a proposal to sell the County land and their proposal is 80 acres for approximately \$4.8 million or half of that 40 acres for approximately \$2.4 million with an option for the County to buy the remaining 40 acres. This location is in Hacienda del Sol, which is in the Las Campanas area off 599. From what I could tell the lots are not really shovel-ready at this point. There would be a need for development, possibly some zoning and things of that nature.

The last response came from La Querencia, which is La Pradera. Their proposal came to the County that they would build 20 1,500 square foot four-bedroom homes that would have a value of \$261,250, 21 1,300 square foot homes that would have a value of \$223,250. The County would provide a buyer subsidy of \$3.5 million. That's what's stated in the proposal. They're also proposing that 20 units could be completed by 7/1/10 to take advantage of the mortgage tax credit up to \$8,000. The additional 21 units would be completed within twelve months. I don't know if that's 12 months from July 1st or 12 months from the time the County would sign an agreement. The County, when all 41 homes are sold at the affordable housing target price range, the County would hold \$3.6 million in second mortgages at that point. The location again is La Pradera. The lots are shovel-ready. The plus for this proposal is their current affordable housing obligation is 15 percent or 36 units. If this proposal was approved they would provide a higher rate of affordables which would compute to 32.6 percent or 77 affordable units. The funding in terms of the way it would change hands, the County would not recognize any actual revenue from the sale of these homes. Again, the County would hold \$3.6 million in second mortgages.

Again, just in closing, I know that one of the items for consideration was because the RFI was a short-time frame to be able to get a project implemented, the short time response that would qualify are applicants #2, which is Daniel Buck Construction and Applicant #5 which is La Pradera. I'm sorry. It was Oshara and La Pradera. A longer term approach would be the responses #1, #3, and #4. If the Commission were looking at a self-sustaining fund, meaning that home sales would go back into the fund and would generate new home sales, Response #2 does that at this point.

Currently, Santa Fe County has \$13 million in second mortgages. Darlene did an analysis in terms of the dollars that are collected on that. Currently the County, and I guess this would be applicable for the last six to eight years, is that correct? That the County averages \$60,000 a year in payoffs of these second mortgages. Just so you have an idea in terms of the cash flow of the second mortgages that the County has at this point.

At this point that concludes the presentation and the five responses. Do you want to have the individuals speak at this point?

CHAIRMAN MONTOYA: Okay, questions for staff?

COMMISSIONER HOLIAN: Mr. Chair.

CHAIRMAN MONTOYA: Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Mr. Chair. I have a question for our attorney. I just wondered if he would comment on the loan fund idea by the Green Builders Guild.

STEVE ROSS (County Attorney): Mr. Chair, Commissioner Holian, I don't know all the details but the County isn't a bank except under the Economic Development Bank. We have limited capacity to make such loans. About \$6.5 million and we have committed that to the studios project. So if that proposal requires that we create a revolving loan fund, if that's integral to the project we probably can't do that.

COMMISSIONER HOLIAN: Thank you.

CHAIRMAN MONTOYA: Okay. Other questions? Why don't we start with the first proposal, Commercial Properties, Inc. If you'd come forward and if there's anything you'd like to add or if we have questions we'll ask the questions of the applicant at that time as well. So is there anyone here from Commercial Properties, Inc.? Okay. Daniel Buck Construction?

COMMISSIONER VIGIL: Roman, did I receive an email that one of these proposals withdrew?

MR. ABEYTA: Yes, Mr. Chair, Commissioner Vigil, there were six proposals and one withdrew.

CHAIRMAN MONTOYA: Okay, if you would identify yourself.

DANNY BUCK: I'm Danny Buck from Daniel Buck Construction.

CHAIRMAN MONTOYA: Is there anything that you'd like to add?

MR. BUCK: Well, I think it really wasn't mentioned about our approach as to how we would financially interact with the County, but in our proposal, let me just – I'll read you this section so that it's specific. That the County entity desiring construction of

affordable homes could enter into a contract with the qualified builder and a financial institution to purchase the completed homes. This arrangement would demand that the purchasing entity be responsible for guaranteeing the purchase of the home and act as a guarantor for repayment of the construction loan and the completion of each unit. So that was our approach financially, that we had had some conversations with staff about that sounded like it was a do-able way to go.

We also requested that the contract cover the cost of the interest on the construction loan.

COMMISSIONER VIGIL: Would you repeat that please.

MR. BUCK: We have a bank that's interested in working with us. One of our requests that you consider that the County would pay for the interest on the construction loan.

COMMISSIONER VIGIL: The total cost of the infrastructure?

MR. BUCK: The interest on the construction loan.

COMMISSIONER VIGIL: Interest.

MR. BUCK: Yes.

COMMISSIONER VIGIL: Do you have a sense for the seven homes what that cost would be?

MR. BUCK: I don't know off the top of my head.

COMMISSIONER VIGIL: And are you considering the \$10,000 developer subsidy as part of that, and if it goes beyond the \$10,000 you're saying we will have to pay for it?

MR. BUCK: Well, we're not demanding that but we would like that consideration. I don't think that it would exceed – is that \$10,000 per unit? Yes. No, it wouldn't exceed that. It would not exceed \$10,000 per unit.

COMMISSIONER VIGIL: Thank you. Thank you, Mr. Chair.

CHAIRMAN MONTOYA: Okay, are there any other questions?
Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Mr. Chair. Now, are these all seven are live-work units?

MR. BUCK: I'm going to let Alan talk about that.

ALAN HOFFMAN: At a previous meeting there was a discussion by the County Manager questioning that so we've gone back and looked and in fact these seven units are not included under the commercial covenants. So indeed he is correct. These are not in fact live-work units. These are common well single-family residences.

COMMISSIONER HOLIAN: Common wall?

MR. HOFFMAN: It just means they have a common – many things in Oshara, even very, very expensive homes are common wall.

COMMISSIONER HOLIAN: Oh, I see. And can you tell me, in Oshara right now how many units you have for sale at this point?

MR. HOFFMAN: We have around 58 homes either completed or under construction. 45 are occupied. The rest of them are either for sale or under construction,

including all of our affordable housing requirement, all of our Schedule 1, and all of our Schedule 2 and 3 except these seven units of which two are the Schedule 2 and 5 are the Schedule 3, 100 percent of median, two of them are 80 percent of median. That's all that remains in our affordable housing requirement.

COMMISSIONER HOLIAN: So you have about seven units for sale right now?

MR. HOFFMAN: Yes. That would be about right. Everything else that we're building in Oshara now, given the new reality after the crash in the economy are all pre-built. You might know that we're now building LEED gold and LEED platinum homes selling for – market rate homes selling for around \$300,000 down to about \$251,000.

COMMISSIONER HOLIAN: Okay. Thank you, Mr. Hoffman.

CHAIRMAN MONTOYA: Okay. Any questions? Commissioner Vigil.

COMMISSIONER VIGIL: Alan, I'm sure you probably discussed this and I'd really like most of the development community to address this, because it's an issue that comes up. An affordable unit is affordable if you can really catapult and create an opportunity for it to happen. However, for it to retain its affordability, one of the issues that keeps coming up in some of the developments is what are the association fees? Has Oshara addressed that? And if so, how?

MR. HOFFMAN: We have addressed it. Now, understand, we're trustees for the HOAs and we do not have any authority whatsoever to say that these people do have to pay and these people don't. What we have done though is developed our fees based on the amount of frontage on the street. And since these units are the least amount of frontage on the streets, I think there was something like, and please don't quote me, but I think it was around \$27 a month for the HOA. So it's very, very affordable. Habitat for Humanity was very comfortable with these numbers. As you know we have 11 Habitat homes in Oshara.

COMMISSIONER VIGIL: With regard to future increases in neighborhood association fees. That sounds so reasonable at the start, but as associations develop and they need an increase, is that something that can be addressed at the onset of a development?

MR. HOFFMAN: I'm not sure how. Obviously it's not a profit base where because an HOA is in effect a non-profit, it's just the amount of money that's needed to develop a capital account, sweep the streets, plow the streets, keep the parks together and so forth. Now, one thing that we've done in Oshara which is a little bit different and which I think will be helpful in this consideration is that we actually have two separate organizations. One is the homeowners association and the other is the commercial owners association, because as you know, Oshara is approved for quite a bit of commercial area. Places like the Plaza, which is a fairly substantial expense, is paid for by the commercial association. Now, the playground is part of the homeowners association. And the streets are even broken out. The commercial streets are maintained by the commercial users association and the residential streets are maintained by the HOA.

COMMISSIONER VIGIL: Thank you. Final question. The seven units that you propose, are they seven units that all have a common wall, or are you proposing three

units and four, or –

MR. HOFFMAN: We're flexible, a little bit. As it shows right now on the plat it shows seven contiguous units. If an architect came to the architecture review committee and said we want to do a lot line adjustment we would be open to that. To be candid with you we weren't really directly involved with the design. We're working with a very talented architect who came up with a plan that was different than I had originally envisioned, but we're really open to what works best for the people.

If I may just throw one thing in. I noticed that something I hadn't seen before was the fact that they wanted garages as part of the plan. What we're hoping is that a lot of people that live there can work from home, which is allowed under the County home occupancy ordinance, and also some people could work at the Community College. We're also bringing in a number of businesses and they could work in these businesses. So we kind of would like in some ways to discourage – there's no reason why a family necessarily needs to own two cars. If you're living in a walkable community maybe you could just live with one car, and in fact there is a thing called a transportation efficient mortgage that will give you some benefits on your mortgage if you commit to one car. So being from a walkable community I would just simply say that insisting on garages maybe is counterproductive but that's not my decision. I'll just throw that out.

COMMISSIONER VIGIL: Thank you. Thank you, Mr. Hoffman. Thank you, Mr. Chair.

CHAIRMAN MONTROYA: Okay. Other questions? How soon are these units going to be sold and how soon will people be occupying them? Do you have buyers?

MR. BUCK: We're working with the Santa Fe Community Housing Trust to develop buyers, so that would be part of the process. Right now we have only a very conceptual design. If we were approved we would then move forward in the design process and at that time the Housing Trust would be able to try and match buyers to the units. Right now the size of the units is not a final determination. So we're going to have to work with what the County would allow as far as three-bedroom versus four-bedroom. And so we have a statement here in our proposal from the Community Housing Trust that they have a sufficient number of potential buyers lined up. They feel confident they can match them.

CHAIRMAN MONTROYA: So, how long is the process going to take?

MR. BUCK: We haven't put a timeline together on it, but if we just had a straight green-light and we're not dealing with any timeframe from the Count or from other bureaucracies where we could just design and build we would probably be finishing up close to the end of the year, somewhere around that.

CHAIRMAN MONTROYA: Okay. Thank you. We'll move on now to Santa Fe Green Builders Guild.

KIM SHANAHAN: Thank you, Mr. Chair, Commissioners, members of the committee. I'm Kim Shanahan. I'm the executive officer of the Santa Fe Area Homebuilders Association. I think you all have my packet. The Guild is basically a subset of the Santa Fe Green Building Council, which is a subset of the Santa Fe Area Homebuilders Association. I

don't think it's any secret that the Association represents builders who are unemployed at the moment. I suspect that our unemployment rate for contractors is exceeding 40 percent. Nationally it's estimated that 25 percent of construction workers are unemployed. I think we're higher actually here in Santa Fe. So the Guild's response really is a group of folks who have come together. As a matter of fact, Danny Buck who is a member of our Guild and should we happen to prevail Danny would be eligible to build in the projects that we would like to propose.

We suggested Tierra Contenta as a good for example of how this sort of new process could be conceived. We do believe that it is probably the ripest parcel. We have no ownership interest in it, no connection to it. We have been speaking to Mr. Singer and his agent, Olga Chavez, and so we've kind of connected in an informal way. We've also connected in an informal way with Habitat for Humanity and the Housing Trust, because the basic principle of our plan is that what we believe is that it should be 100 percent affordable. 100 percent being defined by, as the County does, 50 percent AMI up to about 120 percent AMI. 120 percent AMI in Tierra Contenta is right at or is market value. So 100 percent of those 60 lots will be spread out between those price tiers of 50 percent AMI to 120 percent AMI. So that's an important distinction to make is that it tends to cover all four of the tiers that the County has identified that it needs to serve.

Contrary to what staff has suggested, we believe that this is a shovel-ready, short-term response. I think that you all know that this project is fully developed, infrastructure is in place. All utilities and so on, the roads, are laid well. So it really is a matter of how fast can we pull building permits and get going. We believe, and we said in our proposal that within six months after contracting with the County, and frankly, that's going to take a little bit of time, we'd be producing homes. Frankly, to make an assertion that anybody thinks could be ready if they don't actually have a house under construction by July 1st is a little bit of a stretch. We're quickly running out of time to take advantage of the \$8,000 tax credit.

So we're shovel-ready. Furthermore, it's also County self-sustaining fund. Apparently just one response was considered to be that way. We absolutely believe that our response does not diminish the County's revenue, other than what it has already appropriated or conceptually appropriated for infrastructure subsidies and for down payment assistance. But the idea of the revolving loan fund means that it comes back to the County. For instance, it costs the County, say in round numbers, \$2 million to buy out these 60 lots, they would be paid back at the sale of the home, three to four months after a home got started. In addition to that, the revolving loan fund, we have never really seen it actually being held by the County and the County being in the business of managing construction loans.

Mr. Ross is right, that's probably not going to be able to be done, because of the obligations the County already has with its loan fund. Our thinking was to take that \$2 million, deposit it in a local bank, who has proficiency and experience in managing construction loans and let them handle that loan fund, with very nominal interest rates that would be paid back to the County, so we're not actually asking the County even to pay the interest rates. The builders will pay the interest rates and it will go back to the County. So at

the end of the day the County's fund will be the same size it was when it started, a little bit bigger because of the nominal interest rate, that little charge. I'm sure that we have plenty of local banks who would be very happy to take a one percent fee to make sure that when we ask for our framing draw that the framing was completed, and so on.

LANB is the actual note-holder on this property and knows really well how to work with construction loans and indeed with actually the members of our Guild. So that loan fund is not going to be depleted.

We also wanted to point out that in our proposal the Guild has pledged to not just build to the green building standard or Energy Star, but specifically to the gold level of the green building standards. Specifically because Tierra Contenta, for instance, is in the City of Santa Fe and has to build to the City of Santa Fe's green building code. We would propose that at a minimum, the homes would be built to the gold level. That implies a HERS rating of 50, and all the other commensurate items that are required under that green building code.

So we believe that our proposal really is intended to be the greenest of them all. Tierra Contenta, as you all know, is an award-winning, theoretically walkable community as well. It has been well established. This is where working families in Santa Fe live. It's a great community. I personally have been building there since 1995. I'm very much a believer in Tierra Contenta. But I also do want to point out that I personally have no interest in any of these. I'm here representing the Guild, as the executive officer of the Homebuilders Association and I personally have nothing to gain from this proposal.

CHAIRMAN MONTOYA: Are you almost –

MR. SHANAHAN: One last thing. Because it is in the city it makes it perhaps the most politically dicey thing, but it also is the opportunity for moving forward with the kind of cooperation that the re-elected mayor says that he wants to do. It also allows, for instance, to be able to use some of the City funds that they have available for affordable housing or even lower buy-down costs. So this really is the one that is truly the most affordable.

CHAIRMAN MONTOYA: Okay. Questions. Commissioner Tim Vigil.

MS. MARTINEZ: Mr. Chair, Mr. Shanahan, in the event the loan fund is just not do-able, the prior proposal had something about a guarantee, that we would guarantee a loan by a local bank. Would that be a different option available?

MR. SHANAHAN: It can be. And we could work out these sort of things. For instance, if the County owned the property, entered into an agreement with the builder and subordinated their interest and was able to kind of go to the bank and say we're working together. We have the equity of the land owned outright. Yes. It can leverage its money rather than actually park some money somewhere else.

COMMISSIONER STEFANICS: Thank you, Mr. Chair. Dodi or Joseph, the comment that he made about commingling County and City housing funds, is that really available?

MR. SHANAHAN: I don't mean commingling, just to be clear, Commissioner Stefanics. I didn't say commingling, because that's a legal term. It means

putting money into a similar bank account. What I said is that the funds that are available at the City and at the County could be used to help buy down the cost of the homes, and it really is for the homebuyer, not for the loan process.

COMMISSIONER STEFANICS: So back to the question. Would that be an allowable activity?

MS. D. VIGIL: Mr. Chair, Commissioner Stefanics, I don't know. I would have to research that.

COMMISSIONER STEFANICS: Okay. Thank you.

CHAIRMAN MONTOYA: Any other questions? I just have one. That \$2 million you were referring to, it would go from the County to a bank?

MR. SHANAHAN: That would be one idea, yes.

CHAIRMAN MONTOYA: Steve, is that what you were referring to earlier when you said that that might be questionable?

MR. ROSS: Not exactly, Mr. Chair, but that – it's just slightly different. He's proposing putting money in a bank but once again our public finance statutes require that all the County's invested funds be invested through the County Treasurer. So it's got its own set of issues.

CHAIRMAN MONTOYA: Okay. Any other questions? Kim, thank you.

MR. SHANAHAN: Okay. I understand that it's not the simple one but I do believe that it is actually one that will put a lot more people back to work.

CHAIRMAN MONTOYA: Thank you. Next we have C & M Builders, Love Ranch Partners.

DANNY MARMION: Mr. Chair, Commissioners, my partner Arnold Carrillo is handing out a few little bullets on the property. What we basically have is a two-part submittal. One is for land only and then one is for housing. Land only is an 80-acre hacienda that it's own subdivision. It's on the northwest side of town in Commissioner Vigil's district. We – it's an 80-acre tract. It's completely fenced on the outside boundaries with a three-rail wood fence. It's gated. We have paved roads, County water, all the utilities are in so it is physically shovel-ready, but when we originally did the subdivision, we had to, as developers, we could only cut down to 2.5-acre lots. If the County was to purchase this property the County could do different things than the developer can do.

The County, because we do have County water there, can break down to $\frac{3}{4}$ -acre lots and not have the huge expense of creating a sewer treatment plant. The County can also change a few of the rules to a zero lot line, similar things that normally wouldn't happen, that the developer couldn't do. We can create between 105 and 125 lots, which would bring the cost to about \$38,000 to \$45,000 per lot. There will be some utility upgrades because we originally designed the property to accommodate 32 lots.

So you would not exceed \$50,000 per lot. The whole big difference here is land. Land, land, land. This is a $\frac{3}{4}$ -acre lot, the big square, and in the corner is an eighth of an acre lot. You've been developing on an eighth of an acre lot. You've been on a $\frac{1}{16}$ of an acre lot. With a $\frac{3}{4}$ -acre lot the property owners have room where they can add on. They may start out

with a two- or three-bedroom where they can add on a couple bedrooms. Of course we would recommend to the County that they do a first right of refusal on those lots. A lot of the lots would accommodate a guesthouse, so if you have parents who are getting up in age then you could build a guesthouse for them. I don't know if you'd allow them to do another kitchen or not. But you certainly could with the plan that we've developed for the RFI. They would have access to the kitchen so they would have their own private living area but still be able to come into a new house and use the kitchen.

We do not have any covenants. We do not have any fees for association dues or anything like that. We have made some commitment to the neighbors around there. They're very small commitments – no white houses, no pink houses, and stucco color. We met with the fire department years ago and all of our subdivisions, all of our houses we create what we call a monument entrance at the driveway. And the purpose for the monument entrance is to hide the utilities so you don't see them from the street, so that the meter-readers can read them from the street rather than coming on to your property. But the big reason is to put you 911 emergency address. We light it and put an electric fixture in that does not have an on and off switch in the house. All it has is a dusk to dawn, so that it keeps those lights on and the fire department really likes those. So we have very few commitments you'd have to live by.

Basically, if you purchase this property – and you don't have to purchase the entire 80 acres. We've suggested that you buy 40 acres and we can option the balance. The 40-acre purchase would retire the debt that we owe through the bank on it and put a few bucks in our pocket. Unfortunately, when we were building this property we borrowed money from the bank for the land, but we did all the improvement costs out of pocket and we were never able to get access to those funds anymore. So all that is paid for and we probably would see any – we're not even asking for a profit; we're just trying to get our money back.

So if you bought have of it, 40 acres, and optioned the balance, the other forty, and those 40 could be optioned in a 20 and a 20 because it's subdivided into four 20-acre lots. Recycle is a big deal here. Whatever money that you spend you want to be able to spend it and get it back. If you took – and this was a suggestion from our County Manager, Roman, that he would also like to sell some of the lots. You would have been 105 to 125 lots in $\frac{3}{4}$ -acre size as well as $\frac{3}{8}$ of an acre size, and some of the lots that we're recommending to go to $\frac{3}{8}$ of an acre lot would accommodate kind of like a duplex, two units with a common wall like the gentleman before me was talking about. And that would kind of accommodate the first-time homebuyer, the couple that's just getting starting. It would accommodate the retiree that would still qualify for the programs, and still allow land to add on to those units.

But if you sold 40 $\frac{3}{4}$ -acre lots at \$120,000 you would recoup all your money and still have 65 to 85 lots free and clear. So you can get your money back or you can sell a few more lots and grow your fund. So we think that our project, the land portion of it, you can recycle the money. It is on the north side where we don't have any affordable housing. County water is out there and your County water department needs subscribers or customers, so we think that our Hacienda del Sol really accommodates a lot of benefit to the County.

As far as our house is concerned, and as I say it's a separate issue, we designed a

1,400 square foot hours with 2,000 square foot under roof, and because these house will we believe, rotate in ownership. You'll have multiple owners, we've added structural rebar to the floor. We've taken the exterior 206 walls. They'll be stuccoed with synthetic stucco. We've added a netting that we've been experimenting with and it's really helped and prevented cracks. We've added a torch-down roof which is more of a commercial than most residential units would have. We have radiant heat. All the red areas, and that's a big problem for County housing, the leaks and everything else and then mold is a problem. We've gone with a marble from the floor or from the tub or shower areas all the way to a top including the ceiling so that the whole wet area is taken care of.

We have three rooms – our living room, kitchen, which is all one big area, and the master bedrooms would have nine-foot ceilings. We meet all the new code requirements on installations, and on those nine-foot rooms, the master bedroom, living room and kitchen you'd have your choice of vigas or beams. We don't have experience in building affordable houses. Most of our houses are in the million dollar range and up. But for ourselves and for our employees, all of our houses are affordable, so we've built these before and we know they can be done. That pretty much wraps up my presentation. If you have any questions.

COMMISSIONER VIGIL: Are there any questions? Seeing none, thank you very much, Mr. Marmion and thank you for your proposal.

MR. MARMION: Thank you very much.

COMMISSIONER VIGIL: We will now go on to a presentation from the next proposal and that would be La Querencia.

ROSANNA VAZQUEZ: Good afternoon. I want to start you off with just showing you where this property is located, and what we've done to prepare this property to be shovel-ready, because how shovel-ready is defined, we've worked very closely with County staff, with banks, with the financing, and with bonding to be able to meet a deadline of July 1st with some affordable units to take advantage of that tax credit.

So I'm going to point you to the plat that we have on this development. This is La Pradera. The lots that we are looking at and we have proposed are in this area here. This is Phase 4, and then Phase 5 is right up here. So the 42 lots that we've presented to you, approximately 23 of them are here and the remaining are in Phase 5.

What we've done to get shovel-ready, in order to start construction as quickly as possibly are many things. One of the first things we done is already sited the homes, so this would be Phase 4 and these are all of the different homes. We've cited them so that all of them are different and you don't have the same home lined up with each other. All of the homes that we are proposing to build are in the lower tiers, Tier 1, Tier 2 and Tier 3. They are also three- and four-bedroom homes. We are not building two bedrooms or one bedroom simply because there hasn't been a demand for one and two bedroom homes.

So these are all three- to four-bedroom homes, approximately 1,400 square feet. These lots are all 8,700 square feet, approximately, in size. So they're pretty large size lots. The homes themselves are – the design of the homes has evolved over the time that La Pradera has been building affordables. And I would point you to your packet, Tab 11, and in

Tab 11 are the building elevations, the floor plans and the appraisals of the property. And in it I can show you – here are some of the affordable units, what they look like. These units are currently being built now. They're approximately 15 under construction of these types of models. So if you look to Tab 11, one of the key components of our affordable unit is that it has a two-car garage. And it wasn't a requirement in the affordable housing regulations initially, but it was something that in speaking to the Housing Trust and getting in touch with the concerns that the affordable buyers had, it was one of the issues that they really wanted. They wanted to be able to have two-car garages. So we've included that into our plan for construction of these homes.

But I want to get back to what shovel-ready is in this proposal. What we've done to get ready and to meet a deadline that we have discussed in our proposal is that we currently have an infrastructure permit now. So we could currently start building infrastructure today. We actually obtained that last week. We already went to a pre-con and we've got approval to move forward. We have all the houses sited. If you look to Tab 5 of your packet – and does everybody have a packet? Does anybody need a packet? I've got an extra packet if anybody – if you go to Tab 5 there is a bond here for \$3.5 million. It's a performance bond. This bond would basically provide assurance to the County that La Querencia is going to be build what it promises to build.

I want to point you to Tab 4. There's been a lot of discussion about financing and developers being able to obtain financing. It is a very, very difficult time right now, and consequently construction has stopped in this county, because of demand but also financing concerns. Tab 4 is a letter from Century Bank. These partners have worked very, very closely with the bank to obtain the financing that is necessary for the development of this property. And Century is ready, willing and able to work closely with the County and with these developers to meet the deadlines that we've discussed, and help with the financing of this project.

Another point with regard to shovel-ready is the portion from the Housing Trust. La Querencia and La Pradera and their builders have been working very closely with the Housing Trust to try to get qualified buyers approved so that they can come into these homes. If you look to Tab 2 of your packet there is a letter breaking down the qualified buyers into the three tiers. In Tier 1, which is the lowest tier, there are 12 buyers. In Tier 2 there are 11, and in Tier 3 there are four.

A very interesting component that La Querencia has done in working with the Housing Trust is develop a program called Energy First, and if I said it wrong I'm sure that John will correct me. But it is a program that would educate people who are qualified affordable buyers to work with the homes, work with the LEED certified appliances in their homes, in order to cut down use of energy in the home itself. We've been working with Santa Fe Housing Trust on that and we're very grateful and appreciative of the work that they've done with a program like that because I believe it's one thing to put LEED certified appliances into a home and it's another to really know how to use and how to make your home more energy efficient and we hope that that is a step that is going in the right direction

with regards to that.

One of the components of our proposal is the second mortgages that are given to the County. Our proposal under the 41 homes provides second mortgages in the amount of \$3,638,000. And I'll point you to Tab 7 of your proposal. And I just want to walk you through how we got through that number. The average home price is set by code, by the affordable housing code, so the average home price is between – for the three bedrooms, is \$146,000. The average appraisal on that property is \$235,000. We have, Commissioners, given you appraisals on these homes in our packet so you can actually look at appraisals on affordable units that have been done recently. So this \$235,000 number is an actual number that we've been receiving on our affordable units.

The reason your seconds would total \$3.6 is because of the quality of the homes that we're building and because of the appraisal value on these homes. So your average second mortgage on a three-bedroom, 1,300 square foot house would be \$77,000.

It's too soon to tell, Commissioners. There was some question raised about well, second mortgages don't really provide as much money. We're not getting a whole lot. And it's true, you're not at this point. But you need to remember the history of affordable housing in this county. We started off with a 15 percent requirement in the Community College District in 2001. And it's only been from 2001 to 2010 that the County's actually looking at having obtained some second mortgages. The lifespan or what usually people – the turnaround time for a lot of buyers is about five to seven years. So you're probably on the cusp of looking at what you're going to be getting in your second mortgages. And I think it's a little too early to tell or make an assessment.

Since 2006 you've got your 30 percent requirement and of course that fell right in time when building stopped, essentially. So I think you are going to be receiving over time a lot more money from those second mortgages. In the packet that was submitted to you there was a statement made about the 15 percent. This development was approved under the 15 percent requirement. I want to make clear to you that the numbers, the houses that we are providing to you are above and beyond our requirement of the 15 percent. We do not intend to put those into the mix and all and we are proposing to build those units outside of this proposal.

Commissioner Vigil, you asked a question with regards to homeowners association fees, under the 15 percent guideline there were no regulations that limited homeowners association fees and that's where the issue that you spoke about came up. On their own accord, Gardner and Associates who put together La Pradera, Limited, the homeowners association fees, for what is currently required in your regulations for the 30 percent of under \$100 a month. And that's, if you look to your regulations it's Attachment 5. It limits the homeowners fees to under \$100 or the developer is required to further reduce the affordable price of the home to calculate in that homeowners association fee.

The more that we build out La Pradera the less the association fees are going to be in that subdivision. Right now, because we're still in the building process and we have a long way to go we're fully expecting those HOA fees to go down.

I've got Mr. McCarthy here to speak as well if you have any questions. I stand for questions. In light of the concern that's been raised and in light of the other proposals with regards to possible revolving funds or acquisitions of land, La Pradera, La Querencia and Advantage Al Asphalt would graciously work with you on a reduced number of lots from the 41 units. We do believe that we can build some of these homes prior to July 1st. We do believe that we can meet that mark. We have about a 90-day build-out rate currently on the homes that we're building now. The bank is aware of it and has worked very closely, and they're confident that some of those homes can get done by July 1st.

What this proposal offers you is the ability to get people to work immediately. It offers you the ability to get homes on the ground quickly, and it offers you the ability to give affordable buyers an opportunity to get the \$8,000 credit. I stand for questions if you have any, and Mr. McCarthy is here.

CHAIRMAN MONTROYA: Okay. Commissioner Vigil.

COMMISSIONER VIGIL: Thank you Ms. Vazquez. With regard to the HOA, I need more specificity, when you said the \$100 was incorporated into the affordable housing piece. Does that become part of the declarations and the disclosure to the homeowner? And is that \$100 a cap, despite the fact that at some point in time the neighborhood themselves would take over the association? Can you hold the neighborhood to that cap?

MS. VAZQUEZ: Mr. Chair, Commissioner, currently, I believe it's \$98 what the affordable buyers pay on the units. Because this subdivision, Commissioner, wasn't subject to the regulations that came out in 2006 there aren't regulations. What the owners did is put that in. I don't know – what I'm being told is that everybody in the La Pradera Subdivision is only paying \$98 a month.

COMMISSIONER VIGIL: Okay. Then the next question is that has the potential of increasing. I know that you testified that it would decrease as the development gets larger. However, that isn't most homeowners' experience because of repairs and infrastructure and whatever the homeowners association will actually pay for. It really is going to be an outstanding issue. It may be something that developers haven't fully delved into through declarations and disclosure but we're certainly learning more and more that our affordable units will not remain affordable with escalating tax rates and escalating homeowners associations. So I bring the issue up not so much because it's been crystallized or clarified through any rules or regulations or through any developer initiative. It really is a resolution that we have to come to in terms of creating sustainable, affordable housing, so that a homebuyer when they go in there will know the maximum amount of dollars that will be required of them to pay, irregardless of how long they live there.

MS. VAZQUEZ: Mr. Chair, Commissioners, the regulations that I spoke of require it to be below \$100. It doesn't say how to do it, and I think your question is how do we assure that that is done. I think you're right. The issue of putting it in a disclosure statement and either – we'd have to figure out the legal structure, whether it would be something put in the covenants or through a deed restriction, but that would be something that we could find a legal mechanism to confirm and assure that that wouldn't go any higher

than that amount.

COMMISSIONER VIGIL: Thank you. Thank you, Mr. Chair.

CHAIRMAN MONTROYA: Okay. Other questions? Okay, John, did you want to add anything?

JOHN MCCARTHY: Mr. Chair, Commissioner Vigil, to further describe why we have a confidence level in reducing the homeowners fee, I'd like to state that we have two wastewater treatment plans for La Pradera. We have one operator, with no incremental costs to speak of – so the economies of scale as we build out to the full 237 units is going to help us reduce the fee because half of our budget, the homeowners budget, the \$98 goes to the wastewater treatment plant expenses. So we would be willing – all of the homeowners right now are paying \$98. We would be willing to discuss with the County some mechanism for a look in because of Attachment 5 to 2006-2, Affordable Housing Ordinance, in order to satisfy your concerns in that regard. But economically, our system is set up such that it will drive the homeowners fee down. We don't know how that would balance with normal inflation, but we think we have it under control. I'm very sensitive to this issue. I've done about 45 homeowners associations, and that's the first thing that I do is take care of the homeowners association abrupt escalations. Because that's the area that developers are most vulnerable, because they get accused of low-balling the homeowners fee, get the people in, and all of a sudden, even with market rate, there's this big jump in the second year.

So we're aware of your concerns and we're willing to work with you and with staff to come up with a mechanism. We would like to also like to reiterate what Rosanna said is that from what we've heard and what we've read in the past few days about the creativity of the other proposals and the need to get as many of our construction related folks back to work, in addition to providing affordable housing to as many folks as we can, we're willing to step back to 23 units for Phase 4 alone to allow everyone else to explore other creative ideas about how we can achieve the previously stated objectives.

This should leave, since we only need about \$2 million to accomplish our program, that would leave up to \$3 million left in the pool. It might take some time to develop those strategies. We, as Rosanna stated, are ready to go. The timing to get to July 1st is tight, but because the national economy is down we're also hoping that there will be another rollover of the tax credit. And if we don't get started now with our homes we don't have a chance to get to July 1st and we don't get a chance to put more folks in.

Now the other thing that I want to clarify is that right now we have either built and closed in to, or we have sales pending on 15 affordable homes at La Pradera in Phases 2 and 3. And right now I think as of last week we had two folks ready to close who needed housing assistance. And the Housing Assistance program is a different subset of what we're asking for. Right now we have at minimum 16 lender-qualified buyers waiting in line for La Pradera. These homes. And then the others have to go back to the lenders because we have a 90-day wait period. So we feel very strongly that we do have in fact those 27 because we get calls every day from potential affordable home buyers asking us if anyone has fallen out of the remaining six that haven't closed yet of the original 15. So we know we have a product

that we initiated without being asked to, with the two-car garages. Would like to continue that program. There's some discussion about the value of the second mortgages but I would like to think that there's way to, if there's a need to turn those mortgages into cash, either through hedging or factoring them.

But that's something that is not my – I'm concerned about it but that's not an area of my expertise. So in some way, for \$82,000 to \$87,000 a home there's going to be in this case 23 homes built and delivered within a 12-month period. We're ready to start tomorrow if we had the go-ahead. We will also provide back to the County fixed mortgages for more than you've given us. In other words, if you give us \$2 million we'll give you back at least the \$2 million based on the appraisal. So it seems to be a win-win situation. In this process we're also creating 118 jobs just for this one phase. And about \$3.5 million in direct construction earnings, and part of the reason we want to reduce our proposals to just one phase at this time is we're sensitive to friends through the Home Builders Association and others that we're needing to get them to work as well. So if there's any questions on my comments I'd be happy to answer those.

CHAIRMAN MONTOYA: Okay. Any questions? Thank you. Discussion.

IV. 2. Executive Session

a. Discussion of purchase, acquisition or disposal of real property and evaluation of proposals under the Procurement Code

COMMISSIONER VIGIL: Mr. Chair.

CHAIRMAN MONTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: I would just like to thank everyone who took the effort and put in the energy to helping us create a focus for affordable housing. I actually think that what we've learned today gives us more insight into what direction we'd want to take. But I think we do need to have an executive session for the purposes of acquisition or disposal of real property, and I would make that motion for evaluation of these proposals under the Procurement Code.

COMMISSIONER HOLIAN: I second.

CHAIRMAN MONTOYA: Okay. I have a motion and a second.

COMMISSIONER STEFANICS: I'd like to know who's going to be in the executive session because I still have some questions.

CHAIRMAN MONTOYA: Why don't we, if the motioner and seconder don't mind if we take the questions before we go into executive.

COMMISSIONER VIGIL: That's fine with me.

COMMISSIONER STEFANICS: That's fine. I just have some questions, Mr. Chair, of our staff, and then I'd be happy to support an executive session. Roman, Dodi, Joseph, Darlene – whoever can answer this – can you talk a little bit about the difference in the realization of any financial resources back to the County? We know that there's one

proposal that talks about holding paper. You have on your spreadsheet another indicator of another project that would bring direct money. Could you talk about how those two compare?

MR. GUTIERREZ: Mr. Chair, Commissioner Stefanics, the proposal that brings back the funds directly to the County is the Daniel Buck construction is the way I understand it, because that proposal sells housing unit to the County, and then the County would go back and resell, and then the money from those sales would go back to the fund, is my understanding.

The financing of those homes would be up to Daniel Buck Construction. I assume that they're looking for a letter with commitment to purchase the homes which in turn would trigger the construction loan for Daniel Buck construction. I think –

COMMISSIONER STEFANICS: And Mr. Chair, Joseph, that's been clarified and that's their interpretation?

MR. GUTIERREZ: That's correct. The Green Builders, there seems to be some discussion about the loan, the revolving loan fund. That's a little bit quicker. Their philosophy is it would be creating a self-sustaining fund. The process is not clear yet in terms of how the funding would be available to finance the homes. Right now the proposal is that the County would deposit funds in a bank to, I guess, guarantee the construction loans, and once those homes are built the County would buy those, sell those, and the funds would go back, but I think the mechanics of the finances become a little bit more challenging in this case.

La Pradera, you've heard that one. Hacienda del Sol and Sonterra are more geared towards [inaudible] development deals at this point.

COMMISSIONER STEFANICS: And Mr. Chair, I did have the opportunity to review these proposals before last week, but the next question I have, Mr. Chair, for our staff is, are there any other financing alternatives or building alternatives that were not presented today so far?

DODI SALAZAR (Housing Director): Mr. Chair, Commissioners, at our last study session we presented all of the other options. At that point in time we were directed to go ahead and do an RFI. But we had discussed those at the last study session, which was held I believe in November-December.

COMMISSIONER STEFANICS: Okay, and Mr. Chair, staff, did you all investigate any relationship that we could set up with the State Housing Trust?

MS. SALAZAR: Mr. Chair, Commissioner Stefanics, do you mean the New Mexico Mortgage Finance Authority?

COMMISSIONER STEFANICS: The housing trust that they deal with, that they implement.

MS. SALAZAR: Mr. Chair, Commissioner Stefanics, I had a brief discussion with the New Mexico Mortgage Finance Authority but we would need to sit down and to discuss that further with our Legal Department and staff.

COMMISSIONER STEFANICS: Okay. Thank you, Mr. Chair. My questions are answered now.

The motion passed by unanimous [7-0] roll call vote with Commissioners Anaya, Hoffman, Holian, Stefanics, T. Vigil, V. Vigil and Montoya all voting in the affirmative.

CHAIRMAN MONTOYA: Approximately how long do you anticipate? 2:00? We're scheduled to start at 2:00 so we'll be back at 2:00.

[The Commission met in executive session from 1:19 to 2:15.]

CHAIRMAN MONTOYA: Okay, could I have a motion to come out of executive session?

COMMISSIONER HOLIAN: Mr. Chair, I move that we come out of executive session where we discussed purchase or acquisition of real property.

CHAIRMAN MONTOYA: Okay, we have a motion by Commissioner Holian.

MR. VIGIL: Second.

CHAIRMAN MONTOYA: Second by Commissioner Tim Vigil.

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

CHAIRMAN MONTOYA: Steve, would you – or who's got the information? Commissioner Stefanics.

COMMISSIONER STEFANICS: Well, Mr. Chair, I think that the RFI process was very substantive and it gave a lot of information to the County Commissioners, and based upon the information I have a motion, and the motion is to set up an RFP process only for these five entities that will be completed in the next 14 days and a decision would be made by the County Commission within 30 days to expend \$2 million of the funds that we have, and the RFP's requirements would be very specific, that there would need to be something very specific about sustainability of the affordable housing fund, how money will directly come back to the County, not paper; how the project is project-ready and shovel-ready; that there be a donation of land; that the housing units be green building; that a timeline for the build up of the units would be provided; and that the affordability of fees and capping of the fees would be addressed in the RFP.

The reason, Mr. Chair – well, I'll just make that motion and then I'll explain why we only did two million.

COMMISSIONER VIGIL: Second.

CHAIRMAN MONTOYA: Okay. We have a motion by Commissioner Stefanics, second by Commissioner Stefanics. Discussion.

COMMISSIONER STEFANICS: So Mr. Chair, just to finish. We discussed the fact that Santa Fe County does own land that they may wish to develop affordable housing units on. So that we are holding some of those funds for development of affordable housing on our own land, and that we may use some of the funds to renovate some of our rentals for sale in the

future. But at this point the RFP is for \$2 million, specifically to these five proposals.

CHAIRMAN MONTOYA: Okay. Any other discussion?

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

CHAIRMAN MONTOYA: Commissioner Holian, then Commissioner Vigil.

COMMISSIONER HOLIAN: Mr. Chair, I would also like to give direction to our staff to investigate the development of our properties, the Galisteo property and Santa Fe Canyon Ranch, and to look at a timeline as to when they might be buildable, what it would require to make them buildable, and how much it might cost.

CHAIRMAN MONTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: Thank you, Mr. Chair. One point of clarification for the benefit of those of us who are here and those of you that gave presentations. I think it's pretty clear that the direction the County going is we have a \$2 million pot from donations to a development that we have already made a decision on - \$1 million of that, \$500,000 of which goes to down payment assistance; \$500,000 of which goes to developer subsidies. We're really looking to see how quickly those dollars can be spent. But there's another million dollars there that we're tossing around with regard to rental units, with regard to upgrades, with regard to energy efficiency. Those dollars I think because they don't have so many restrictions on them, we can really get creative with. However, the dollars that we're working on, the dollars that are before us on these proposals today are dollars that came as a result of resales. They're dollars that came from originally HUD dollars. I'm going to ask staff to give us direction with regard to how we can continue renovating resale programs with some of those dollars.

We will need to see if in fact those dollars have restrictions on some of the things we want to do, but I'm just going to throw out the possibility of looking at what a million dollars might be able to do with regard to the renovation and resale of our current housing units. And with that, Mr. Chair, I think we'll have a better sense of direction on how to move.

CHAIRMAN MONTOYA: Okay. Any other discussion? I think the process was definitely helpful in terms of the presentations that were made. I think, just so it's clear, there is a direction - and for staff especially, in terms of wanting to see what the long term plan is going to be for affordable housing in Santa Fe County. We've seen a little bit of it but we still need to see more of it and that's kind of where the discussion is now in terms of giving direction and then giving us that feedback too, in terms of where are we going with affordable housing long term in Santa Fe County, looking at everything that we have in the equation.

In the short term, I think the direction we're headed with it, \$2 million with the five that presented this afternoon, we certainly see the benefits in terms of some economic development, some job creation, and we hope that we're going to be able to get at least the \$2 million so that it's going to be able to stimulate the economy and move forward with providing affordable housing. I've been talking about it for seven years and two months and we haven't done anything in Santa Fe County for affordable housing and it's about time that we do something. This at least in the short term is going to get us to be able to do something and say that we're

helping Santa Fe County provide affordable housing units.

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

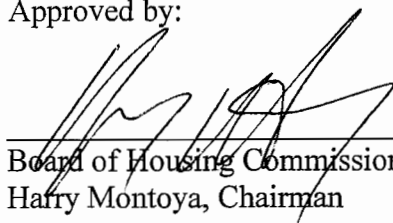
V. ADJOURNMENT

Chairman Montoya declared this meeting adjourned at 2:30.



ATTEST TO
VALERIE ESPINOZA
NEW MEXICO
Valerie Espinoza
VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Approved by:



Board of Housing Commissioners
Harry Montoya, Chairman

Respectfully submitted:

Karen Farrell, Wordswork
227 E. Palace Avenue
Santa Fe, NM 87501