

**MINUTES OF THE**  
**SANTA FE COUNTY**  
**HOUSING AUTHORITY BOARD**

**April 27, 2010**

This meeting of the Santa Fe Board of Housing Authority was called to order at approximately 10:00 a.m. by Chair Harry Montoya, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

A quorum was present as follows:

**Members Present:**

Commissioner, Harry Montoya, Chair  
Commissioner Mike Anaya  
Commissioner Kathleen Holian  
Commissioner Liz Stefanics  
Tim Vigil, Community Member

**Members absent:**

Michelle Hoffman, Resident Member  
Commissioner Virginia Vigil

**Staff Present:**

Roman Abeyta, County Manager  
Steve Ross, County Attorney  
Dodi Salazar, Housing Director  
Joseph Gutierrez, Community Services Director

**II. APPROVAL OF THE AGENDA**

Commissioner Holian moved to approve the agenda as published. Commissioner Stefanics seconded and the motion passed by unanimous voice vote.

**III. APPROVAL OF THE MINUTES: March 30, 2010**

Commissioner Anaya moved to approve the minutes and Commissioner Holian seconded. The motion to approve the minutes passed by unanimous voice vote.



COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

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I Hereby Certify That This Instrument Was Filed for  
Record On The 26TH Day Of May, 2010 at 10:17:00 AM  
And Was Duly Recorded as Instrument # 1599793  
Of The Records Of Santa Fe County

Deputy Michelle Espinoza )  
Valerie Espinoza  
County Clerk, Santa Fe, NM

Witness My Hand And Seal Of Office

#### **IV. REVIEW OF HOUSING DEVELOPMENT PROPOSALS**

##### **a. Proposal Overview**

Housing Director Dodi Salazar said per the Housing Authority Board direction, staff received proposals from the top three firms: Daniel Buck Construction, Santa Fe Green Builders Guild and La Querencia/La Pradera. Using a summary template from the RFI, Ms. Salazar reviewed each of the developers regarding whether the project was shovel-ready, had final plat approval and building permits, the possible start date, sustainable funding, donation of land, green building standards, project timeline, association dues, sales price and required County subsidy.

Ms. Salazar stated that staff met with HUD and was advised that the homes must be targeted to sell to those that are 80 percent or below the area medium income.

Noting these were public funds proposed for expenditure, Commissioner Stefanics requested that staff provide the total dollar amount subsidy that each proposal is requesting. Ms. Salazar reviewed the numbers pointing out that a homebuyer may obtain County down payment subsidies from \$10,000 to possibly \$20,000. She reminded the Board that they have authorized \$2 million from the development fund and the down payment subsidy would be derived from the affordable housing fund.

##### **b. Brief Presentation by Proposers**

###### **Daniel Buck Construction, Inc.**

Danny Buck displayed a rendering of the proposed development within Oshara Village and discussed the need for affordable housing. He spoke about the opportunity to meet the challenge during this economic climate. He indicated there were 41+ homebuyers eager to purchase these new homes. Oshara is a very green, live/work, mixed-use environment that will be maintained in these proposed affordable units.

Mr. Buck said all the lots are shovel-ready. He summarized their proposal in that the County will enter into an agreement with Danny Buck Construction and the lender, establishing that the County will purchase the homes upon completion should they not be pre-sold. He said with 41+ homebuyers ready to buy he was confident the homes would be sold. During this economic climate there is no speculative building because banks are not lending. The County's underwriting will provide financing.

Buck Construction will be building four three-bedroom and three four-bedroom homes. Mr. Buck said they welcomed working with the County to develop contract stipulations to meet the County needs. He reviewed the economic benefits of the homes.

Alan Hoffman, Oshara Village, said Oshara Village does not qualify for the developer subsidy because the development was approved prior to the subsidy program. He noted that his numbers were not based on an average but on actuals, and the down payment subsidy is the same for any program within the County.

Mr. Buck mentioned the affordable housing agreement worked out with Oshara required level 3 housing. He indicated that he only learned this morning that HUD requires all the homes to be at level 2. He was unsure how staff arrived at the numbers they presented

and supplied to the newspaper. The correct subsidy from the County would be \$266,000 as a soft second on a home.

Mr. Buck thanked the County for allowing them to participate in this process and mentioned that awarding the project to Buck would provide an opportunity for local families have affordable housing in a community with public transportation, a playground and modest expenses.

Ms. Salazar said the subsidy for this project that comes out of the proceeds accounts would be \$374,000 – approximately \$53,429 per unit.

Chair Montoya understood the proposer stated the subsidy was \$266,000. Ms. Salazar said staff's figures are based on assumptions from the information received from the developer. Mr. Hoffman indicated the \$266,000 is for Tier 2 not Tiers 1 or 3.

Mr. Wimmer said he was unsure that a Tier 1 income level would qualify for a loan to purchase the homes and for that reason they were not included in the mix. He said their analysis indicates that a Tier 2 or 3 was more probable.

Ms. Salazar noted that if all the homes sold were in Tier 2, and with the County's down payment assistance of up to \$20,000 each, the subsidy would be \$406,000.

Responding to a question posed by Commissioner Anaya, Mr. Hoffman said the development is not asking for any money to commence the project. The only thing the builder needs is a commitment that if the units do not sell prior to completion that the County would agree to buy them. He mentioned that the seven Commonweal homes built in Oshara sold prior to completion. Based on the HUD requirement that they not exceed Tier 2, Mr. Hoffman said that would require a \$266,000 subsidy in order to provide them at a lower level.

Commissioner Stefanics asked staff for the best scenario and the worst scenario on the funds the County would expend for this proposal. She said she wanted this information for each of the three proposals.

#### **Santa Fe Green Builders Guild**

Kim Shanahan, Santa Fe Area Homebuilders Association executive officer was present as the representative of a subset of that group, Santa Fe Green Builders Guild. He apologized for his behavior at a previous meeting stating he mistakenly thought the Green Builders were being excluded from the process.

Mr. Shanahan said the Green Builders Guild does not seek or believe that it needs any subsidies at all – including Tiers 1 and 2. The project includes 60 lots in the Tierra Contenta Subdivision which is owned by Sid Singer and co-owned by Los Alamos National Bank (LANB). With a green light from the County, Mr. Shanahan said LANB will serve as the project's financier.

There would be ten Tier 1 lots and they have contracted with Santa Fe Habitat for Humanity. The presumption is that another housing non-profit would be the purchasers of

ten more lots that would satisfy the Tier 2 lots. Members of the Green Builders Guild would purchase the remaining 40 lots and they would build and sell homes within Tiers 3 and 4. Those homes will be built to green level gold. He reminded the Board that Tiers 3 and 4 are very much part of the affordable housing mix within Santa Fe.

Mr. Shanahan said their project is not exclusively about affordable housing but also economic stimulus. He pointed out that Tierra Contenta is in the City and neither the \$10,000 developer subsidy nor the \$20,000 down payment assistance is applicable. He was confident that the housing nonprofits would bring funding to the table adding that affordable housing will be the new frontier for the County and City to work together. The County's investment is \$2 million to purchase the lots and that money will be returned at the sale of lots/homes.

**La Querencia Santa Fe, LLC [Exhibit 1: La Querencia Fact Sheet]**

Rosanna Vazquez de Gonzales, legal counsel for the proposer, said during this process the County's objectives have been clearly articulated to provide quality affordable housing in the needed tiers. The ordinance delineates clearly the size and distribution of affordable housing within subdivisions. She said La Querencia meets all the County's objectives. She said 75 percent to 80 percent of the needs in Santa Fe County have been within Tiers 1 and 2.

Ms. Vazquez de Gonzales stated that during negotiations with staff they were not advised that Tier 3 was a level that could not be subsidized. She said they will revise their proposal accordingly.

Referring to Exhibit 1, Ms. Vazquez de Gonzales noted that La Querencia is proposing that Santa Fe County purchase 23 homes – the three-bedrooms would be priced at \$213,500 and the four-bedrooms at \$228,750. She said their subsidy number, \$1.6 million, did not match staff numbers. The average subsidy of \$71,826 per unit. She said the developer was not requesting infrastructure assistance.

Ms. Vazquez de Gonzales stated that La Querencia has 19 reservations with qualified buyers. She said they can build Tiers 3 and 4 homes and the County will make money; however, Tiers 1 and 2 are very difficult to make money on. She said currently there is no demand for Tier 4 which is a market rate home. The proposal includes nine homes in Tier 1, eight in Tier 2 and six in Tier 3. She said the developer is willing to revise the plan so the homes all fall within Tiers 1 and 2. That will amend the cost to the County because the subsidy for those tiers are much higher. She reviewed a set of plans for the homes and noted there was no discernable difference in appearance between the market rate homes and affordable homes.

Ms. Vazquez de Gonzales said Century Bank is ready, willing and able to finance this development.

**c. Board Direction/Action**

Commissioner Stefanics asked Mr. Ross to respond to the question of whether the Board is acting legally in this housing development project. Mr. Ross said process began with the County's issuance of a request for information. He noted that local governments are

not under the procurement code when they purchase real property. The original RFI was seeking built homes to sell as affordable housing. This body heard those proposals and requested additional information. The County sent out a supplemental letter to the proposers asking for more information.

Mr. Ross said the Housing Authority Board is not in a formal procurement process because one is not required nor has one been issued. He said the Board was entitled to conduct this informal process to gain information.

Commissioner Stefanics recalled that she misspoke at a previous meeting asking staff to issue an RFP. Mr. Ross said that was true but with her added request that the information be provided within a two-week period; staff interpreted her directive to be for additional information.

Ms. Salazar provided approximate best and worst case scenario numbers for La Querencia and Buck Builders.

Commissioner Anaya said a few years ago the County hired Suby Bowden to conduct a comprehensive workforce/affordable housing study to determine the best use of the County's \$5 million. The study indicated that the County-owned Galisteo Street property was the most appropriate property. The County could build 50 to 90 units on a very accessible property.

Commissioner Anaya said the Housing Authority Board changed their plan and began talking about fast-tracking workforce housing totally disregarding the excellent plan produced by Suby Bowden.

Commissioner Anaya said the RFI was issued to obtain more information so the County could make a decision based on all the information. He said he appreciated what the proposers presented and how responsive they have been to the County.

Commissioner Anaya said the only plan he agreed with moving forward on was the County-owned Galisteo project. He apologized to the proposers.

Commissioner Holian thanked the proposers for their responsive proposals. She said the County needs to create a County operated sustainable program for affordable housing. The County needs to be self-sufficient in this project. She championed green building and a further review of County-owned property.

Chair Montoya said creating and providing affordable housing has been on the docket since he was elected and at this point he was unsure whether the County has the proficiency to be in the housing business. He was disappointed that the Board was not going to move forward with one of the proposals and begin to provide housing to the constituency.

Commissioner Holian moved to reject the three proposals. Commissioner Stefanics seconded and the motion passed by majority [4-1] voice vote with Chair Montoya voting against.

Commissioner Anaya directed staff to move forward with the Galisteo project and use the Suby Bowden study to further that directive.

Commissioner Holian asked that staff investigate developing on the Santa Fe Canyon Ranch property and also investigate whether the County can create a bank of money for income eligible residents to borrow at a low interest rate. The funds could be used for home repairs and stimulate employments.

Commissioner Stefanics thanked the proposers. She said during the course of this project review it has become apparent that there is a need for rentals, new construction, creation of more jobs, energy efficient and sustainable buildings. She asked that staff be mindful of these items when moving forward.

Mr. Abeyta said staff will provide an update on the Galisteo property and possibly the Santa Fe Canyon Ranch property at the next meeting. He said staff will investigate the creation of a low-income fund for home repair.

**VI. APPROVAL OF RESOLUTION 2010-06: A Resolution Requesting an Increase to the Housing Choice Voucher Program Fund (227) for Expenditure in FY 2010**

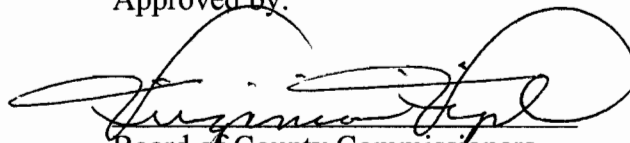
Commissioner Stefanics moved to approve Resolution 2010-06. Commissioner Holian seconded and the motion passed by unanimous voice vote.

The remainder of the agenda was deferred to the next month's meeting.

**V. ADJOURNMENT**

Chairman Montoya declared this meeting adjourned at 11:25 a.m.

Approved by:

  
Board of County Commissioners  
Harry Montoya, Chairman

ATTEST TO:

  
VALERIE ESPINOZA  
SANTA FE COUNTY CLERK



Respectfully submitted:

Karen Farrell, Wordsworth  
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