

**MINUTES OF THE**  
**SANTA FE COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
**AFFORDABLE HOUSING MEETING**

**July 31, 2012**

This meeting of the Santa Fe County Affordable Housing Board was called to order on the above-cited date in the Santa Fe County Legal Conference Room at the County Courthouse at approximately 11:05 a.m. by County Commission Chair Liz Stefanics.

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

**Members Present:**

Commissioner Liz Stefanics, Chair  
Commissioner Kathy Holian  
Commissioner Robert Anaya  
Commissioner Danny Mayfield [telephonically]  
Commissioner Virginia Vigil

**Member(s) Excused:**

None

**County Staff Present:**

Katherine Miller, County Manager  
Rachel Brown, Deputy County Attorney  
Steve Brugger, Affordable Housing Administrator  
Robert Griego, Planning Manager  
Ron Pacheco, Interim Housing Authority Director  
Teresa Martinez, Finance Director  
Chris Barela, Constituent Services

**Others Present:**

Warren Thompson  
Cass Thompson

**III. Approval of Agenda**

Commissioner Holian moved to approve the agenda and Commissioner Anaya seconded. The motion carried by unanimous 3-0 voice vote. [Commissioners Vigil and Mayfield were not present for this action.]

[Commissioner Mayfield joined the meeting telephonically.]

**IV. Approval of Minutes: June 26, 2012**

Upon motion by Commissioner Holian and second by Commissioner Anaya the minutes of the June 26, 2012 meeting were unanimously [4-0] approved. [Commissioner Vigil was not present for this action and joined the meeting immediately thereafter.]

**V. Introductions**

Those present introduced themselves.

**VI. Santa Fe County Resolution No. 2012-83 and Housing Authority Board Resolution No. 2012-21HB – a Joint Resolution of the Board of County Commissioners and the Housing Authority Board Rescinding Resolution No. 2010-241 and Housing Authority Resolution No. 2010-19 and Adopting a Foreclosure Prevention Program and Policy and Delegating Signature Authority for Transactions Valued at Two Hundred and Fifty Thousand Dollars (\$250,000) and Below to the County Manager for the Negotiation, Purchase and Sale of Homes Under the Program**

Mr. Brugger noted that resolution was presented and passed at the Housing Authority meeting earlier. He explained this will enable the Housing Authority to maximize funding for purchase of units under the Foreclosure Prevention program. If the homeowner gets into trouble the unit can be acquired by the County and an instance of that is pending for the afternoon. He introduced the suggested change, which is addition of a \$1,000 contingency to the formula.

The modified language in Section 3C refers to marketing of the homes, which excludes realtors unless staff efforts are unsuccessful within an acceptable period of time.

Commissioner Anaya moved to include the amendment to the resolution. Commissioner Holian seconded and the motion carried by 5-0 voice vote.

Commissioner Anaya moved to approve the resolution and Commissioner Holian seconded. There was no one from the public wishing to speak and the motion passed unanimously [5-0]

**VII. Program Report**

**A. Options for Marketing Homes Purchased Under the Foreclosure Prevention Program**

Mr. Brugger stated that a request was made during the May Housing Authority meeting to develop strategies for marketing the homes acquired. To date, three homes have been purchased. One of the homes was appraised at \$215,000 so even with down payment assistance it will be difficult to find a qualified buyer. There are some potential ways to lower the effect price. One would be to take back a note if the buyer is short. A second option would be take the amount paid by the buyer, put that into the affordable housing fund and use a substitute note and mortgage. He

is appealing to legal staff for an opinion whether this would be legal.

Staff has prepared a marketing flyer for one of the homes and will be preparing more. He is working with Kristine Mihelcic to target County, City, state and school workers. Another option is to contact the approximately 30 people in the Housing Choice Voucher Homeownership program. The vouchers could cover part of the mortgage.

Mr. Brugger reiterated that the realtor community could be resorted to if other options fail.

Commissioner Vigil asked if it would be possible to sell a home at appraised value and then reinvest those funds into the affordable housing program. Mr. Brugger said some of the money has gone back. They are trying to find the fine line between making the program whole and getting people into houses. Commissioner Vigil clarified she was talking about a market buyer. Mr. Brugger said that would be covered by HUD regulations.

Mr. Pacheco indicated that because HUD funds were used to purchase the home any buyer would have to fall into the 80 percent or below AMI.

[Commissioner Anaya left the meeting.]

Chair Stefanics said this option sounds like a third lien, something that is discouraged as a “big cloud” over someone. Mr. Pacheco said while that is true some of the people involved would never be able to purchase a home under other circumstances.

Ms. Miller pointed out that these are means to avoid losing the entire amount, which is what would occur if the house were foreclosed on. Part of the problem is the limitation on the amount of down payment assistance. Transferring the lien allows more flexibility.

A discussion ensued about under what circumstances a lien is forgiven in the program.

Chair Stefanics recommended staff start preparing changes in a stand-alone format. Commissioner Vigil asked that it explicitly state the policy

Robert Griego stated they are still working on the code and more information would be forthcoming at the August 14<sup>th</sup> study session.

**VII. B. Proposed Amendment to Ordinance No. 2012-1 and 2006-02 (The Affordable Housing Ordinance) to Provide for Alternate Means of Compliance for Provision of Affordable Housing**

Mr. Brugger said this idea has been bruited with Rancho Viejo. The purpose of the changes is provide alternate means of compliance for developers, such as land donation in addition to cash donation. The formula alluded to in the current ordinance requires the value of the land donation to equal the sum total of the target home sales price for all the homes needed to be produced. For instance, if 30 homes were required, and the home price was \$200,000 the developer would be required to contribute \$6 million an onerous sum.

The proposal is to provide a hybrid approach with more flexibility. If the land donation is not enough it can be supplemented with a cash donation. The goal is to kick-start production of affordable housing in all ranges.

Warren Thompson from Ranch Viejo stated he has been working with Mr. Brugger. He said housing starts are down 90 percent. The affordable housing program is not viable for the prices of homes being sold. He said they are still under the 30 percent requirement and cannot comply. His equity partners are threatening to withdraw support. Flexibility would allow them to perhaps donate an attractive piece of land for senior housing. He characterized the current requirements as punitive and encouraged the Board to consider alternative approaches. He said, "We're withering away."

Mr. Thompson described the efforts they have made on behalf of Oshara.

Commissioner Vigil urged further discussion. She said the problem with offering a land-in-lieu option was that everyone will want to go down that path. She recommended there be a sunset.

Chair Stefanics asked if this would affect any current or pending lawsuits.

Speaking on behalf of Commissioner Anaya, Ms. Miller stated that he is favor of alternative means of compliance and hopes the matter will come up for discussion in a BCC meeting.

John McCarthy stated La Pradera has been working with Steve Ross on their housing. They have built 49 homes that conform to affordable criteria, although some were built for the Housing Trust. He asked that those be counted against their County obligation.

Mr. Brugger said stakeholders will be invited to a meeting, possibly in late August.

Commissioner Holian said she would like to see an analysis of how the suggested changes would affect the housing market.

Mr. Thompson said Rancho Viejo also has a number of homes sold through Homewise that could qualify, although some have undergone upgrades. Chair Stefanics said it will be necessary to standardize the requirements in order not to have wide-open exceptions.

**VII. C. Happy Roofs Presentation, Including Location of Projects**

Mr. Brugger referred to the presentation made by Los Amigos at the previous meeting. Draft regulations can be brought forward at the next meeting. Staff has come up with three options:

- Continue to use Los Amigos
- Use Central New Mexico Housing Corporation in the same role
- Follow-up with weatherization customers of Los Amigo and use Central New Mexico for new outreach. County staff would have greater involvement in administration

He said the third alternative is preferred by staff due to the loss of Los Amigos' contract with MFA. He said Central New Mexico has a good track record in doing outreach. The initial screening and income qualification could be done by County staff, along with inspections and writing scopes of work. The homeowner would make the selection of a contractor with advice

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from the County.

Chair Stefanics noted the transition from Los Amigos to Central New Mexico was not good. Central New Mexico closed down for an entire week in July which led to problems. She asked about the possibility of using roofing methods with a life-time warranty.

Mr. Brugger said their current warranty is above the norm.

Commissioner Vigil asked for a summary of work done on roofs at the next meeting.

**VII. Matters from the Public**

None were offered.

**VIII. Matters from the Board**

None were offered.

**IX. Adjournment**

Having completed the agenda and with no further business to come before the Authority, this meeting adjourned at approximately 12:00 p.m.

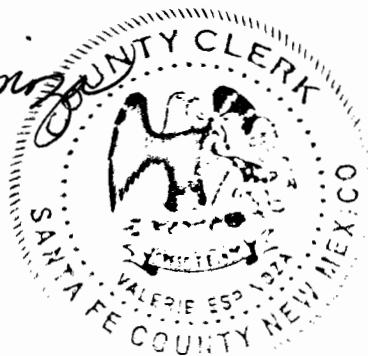
Approved by:

*Liz Stefanics*  
\_\_\_\_\_  
Liz Stefanics, Commission Chair

ATTEST TO:

*Valerie Espinoza*  
VALERIE ESPINOZA  
COUNTY CLERK

Respectfully submitted,  
*Debbie Doyle*  
Debbie Doyle, Wordswork



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 31ST Day Of August, 2012 at 02:44:47 PM  
And Was Duly Recorded as Instrument # **1680204**  
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office  
*Marcella*  
Deputy \_\_\_\_\_ Valerie Espinoza  
County Clerk, Santa Fe, N