

MINUTES OF THE
SANTA FE COUNTY
HOUSING AUTHORITY BOARD
STUDY SESSION

October 27, 2009

This meeting of the Santa Fe County Housing Authority was called to order on the above-cited date in the Santa Fe County Legal Conference Room, at the County Courthouse at approximately 9:10 a.m. by County Commissioner Mike Anaya.

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

Members Present:

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

Member(s) Excused:

Mike Anaya, Commissioner

Staff Present:

Dodi Salazar, Housing Director
Steve Ross, County Attorney
Roman Abeyta, County Manager
Victor Gonzales, Capital Fund Coordinator
Joseph Gutierrez, Director Community Services
Darlene Vigil, Affordable Housing Administrator
Rosemary Bailey, Housing Authority

Others Present:

Hank Hughes, Executive Director, New Mexico Coalition to End Homelessness
Olga Chavez, Barker Realty
Maggie Monroe-Cassell, Santa Fe Habitat for Humanity
Sharron Welsh, Santa Fe Housing Trust
Daniel Werwath, Santa Fe Housing Trust
Cheryl Gooding, Homewise
Rosanna Vasquez, Counsel for assorted developers in the county
Donna Reynolds, Santa Fe Association Realtors
David Barker, Barker Realty

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APPROVAL OF AGENDA

Upon motion by Commissioner Stefanics and second by Commissioner Vigil, the agenda was unanimously approved.

INTRODUCTIONS

County Manager Roman Abeyta said the purpose of the study session is two fold:

- Receive Housing Authority Board direction regarding the expenditure of funding obtained through the sale of County housing units and units sold through a County development program.
- Provide an overview of the City and County Affordable Housing Ordinances and review proposed amendments to Santa Fe County's ordinance [due to time constraints this item was postponed]

AFFORDABLE HOUSING DEVELOPMENT OPTIONS

Dodi Salazar, Santa Fe County Housing Director, described the HUD Development Grant received by the County in 1995 that was used to build 40 units, of which 32 were sold, and an additional grant from NMMFA for down payment assistance to purchase Housing Authority homes. HUD approved a Homeownership Program that was used for the renovation and eventual sale of 29 public housing units. The County realized \$5.5+ million from the sale of 61 units.

The Code of Federal Regulations (CFR) Title 24 mandates that public housing authorities use "net proceeds of any sales under a homeownership program ...for purposes relating to low-income housing and in accordance with its PHA plan."

Ms. Salazar said the County's PHA Plan states that the Housing Authority will develop additional housing opportunities for low-income families in Santa Fe County utilizing home sales proceeds.

Ms. Salazar cited the agreement between HUD and the Santa Fe County Housing Authority for the implementation of the homeownership plan, which stipulates that:

- Sale proceeds shall be used in an economical and efficient manner to provide the maximum housing assistance at a reasonable cost to low-income families
- The Housing Authority shall obligate sale proceeds in a timely fashion
- The Board of Housing Commissioners shall be responsible for implementing the plan and ensuring that sale proceeds are used in accordance with the requirements

Ms. Salazar said 193 homebuyers have been served in the past seven years through the County's Affordable Housing Program.

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Five affordable housing development options were developed by staff and Ms. Salazar reviewed the pros and cons for each:

- Option 1 - Purchase project-ready land and RFP for an architect developer/builder for single-family development
- Option 2 - RFP an entire package, land, developer and builder for single-family housing
- Option 3 - Purchase existing building(s) and rehabilitate for rentals or purchase land and build units for rental
- Option 4 – Identify and purchase land to build mixed housing to include single-family for homeownership and multifamily for rental
- Option 5 – Conditional on HUD’s approval, the proceeds could be transferred to the Affordable Housing Program Fund for down payment assistance

The positive aspects of the options include replenishing the fund, creating workforce housing, stimulating the local economy, and reduced land and construction costs due to the economic climate. Options 3 and 4 increase available rental units and tax credits could be potentially be utilized.

Negative aspects include the possible needs to identify additional funding sources to cover costs of hiring a project manager and the rental projects would require management, maintenance and onerous administrative reporting. Finding a suitable building for a rehabilitation project may also prove difficult.

Ms. Salazar mentioned 60 project-ready lots available in Tierra Contenta listed for approximately \$2 million, recently reduced from \$3.8 million.

Ms. Salazar mentioned the issues of zoning, water, infrastructure, neighborhood associations, and administrative costs which will need consideration with each of the options.

Acknowledging that Santa Fe County is not in the development business, Ms. Salazar said the County can function as a conduit. She mentioned that the County’s Housing Authority built 40 units, has managed three homeownership programs, and has a strong relationship with HUD and NMMFA.

Mr. Abeyta said he was confident that the County could manage either option 1 or 2; however, based on time constraints and staff resources option 5 would be the least complicated and first priority followed by options 2, 1, 4 and 3 last. He said staff was seeking Board direction.

Commissioner Vigil asked whether there was another pool of money, aside from the identified HUD money, that could be added to the proposed projects. Ms. Salazar said the HUD office recommends keeping the funds separate.

Ms. D. Vigil identified \$2.3 million in non-HUD restricted funds that the County has available from Las Campanas, paid off mortgages, and eligibility certification dues.

Ms. Salazar said staff conducted a site visit of the property near Camino Jacobo and although the property lacks infrastructure it can still be considered an option.

Ms. Salazar said the Galisteo Street site is viable but there is an 18 to 24-month period

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before the property is available. She emphasized that the Tierra Contenta property is shovel-ready with roads, utilities, water lines, and the price has been reduced.

Mr. Abeyta said remediation has begun at the Galisteo site.

In response to Commissioner Holian's question of whether a combination of the options was feasible, Ms. Salazar said it depends on the finances and the size of a project the County wants to initiate.

Ms. Salazar said the Galisteo property would yield 90 to 100 mixed units, Tierra Contenta 60 units. Lacking infrastructure Camino Jacobo was not further investigated.

Commissioner Stefanics recalled that following her town hall meetings she instructed staff to contact the Eldorado community to discuss an interest they raised in affordable housing. She said it was her desire to expand affordable housing to other districts.

Mr. Abeyta verified that there was not a deadline to use the funds.

Commissioner Vigil advocated joining resources with the City to promote and create affordable housing opportunities.

"If the City wants to work with us then, they shouldn't be suing us," offered Commissioner Stefanics. The County should be making its decisions on what's best for the County.

Commissioner Tim Vigil said he liked the blend idea. He didn't see any downside in purchasing the Tierra Contenta property because it was priced right and could always be liquidated if need be.

Commissioner Montoya said the Commission has been discussing the best way to utilize the \$2.3 million for six or seven years. He was disappointed that the County had not provided additional affordable housing to its residents who could have availed the \$8,000 tax credit.

Stating the County is not a developer, Commissioner Montoya said the County should utilize community resources.

In response to Commissioner Montoya's question whether Tierra Contenta could be developed as mixed-use development, Realtor Olga Chavez said the development is already a mixed-use subdivision that has no associations to complicate development. Ms. Chavez said the 60 lots are platted and permitted but "can be revised." She located the property between Jaguar and Airport roads at the far west edge of Tierra Contenta almost abutting 599, situated between Centex and BT subdivisions.

Commissioner Montoya agreed with the manager's recommendation to provide a mix of the options and asked where infrastructure cost offsetting would fall. Ms. Salazar said the affordable housing infrastructure ordinance would allot a \$10,000 subsidy for developers and also provide for \$10,000 in down-payment assistance.

SFC CLERK RECORDED 04/01/2010

Ms. Chavez confirmed that Tierra Contenta's infrastructure (roads, water, etc.) is in place.

Staff identified the \$5.5 million as the Housing Authority Development Proceeds and the \$2.3 million as the Affordable Housing Fund.

Ms. Salazar said HUD will approve down payment assistance but she has not yet verified developer infrastructure assistance.

Commissioner Vigil said the developer assistance of \$10,000 for infrastructure may not be the best use of the available money. She advocated opening the property search to the entire community and soliciting for available land. The need for down payment assistance and rental assistance continues to grow and she suggested the County start with those two programs and develop oversight.

Ms. Salazar said when realtor Chavez met with the County she provided a printout from the Santa Fe multiple listing service showing all the available properties. She recalled there were approximately 100 properties and other than Tierra Contenta had infrastructure.

It was noted that both Rancho Viejo and La Pradera have approached the County with available lots and they are infrastructure-ready.

Mr. Abeyta suggested developing an RFP scope of work with scoring criteria that favors existing infrastructure development and property outside of the City. Mr. Gutierrez commented that the RFP would basically solicit for information and could result in a multi-source award.

Mr. Abeyta said from issuance of the RFP to award could take four to six months.

With a policy that the recipients repay the loan to create a revolving program, Commissioner Holian said she supported a down-payment assistance program. Commissioner Vigil agreed adding administrative costs for monitoring the program is essential and must be considered.

Commissioner Vigil supported the creation of a renter voucher program similar to HUD's.

Before spending any of the money, Commissioner Vigil said it was imperative that staff present a plan delineating administrative cost and timetables.

In an effort to provide constructive parameters, Commissioner Montoya recommended using the \$3.5 million for the down payment and the \$2 million for property purchase.

Commissioner Stefanics expressed concern that the County has conducted a series of studies and RFPs and too much time is passing without any action occurring.

Ms. Salazar pointed out that the La Potencia and Pinon Bluffs properties were researched and approved within a four-month period; however, they were eventually deemed unfeasible because they were located in the City and that ordinance was too onerous.

Commissioner Vigil cautioned staff that jurisdictional issues must be thoroughly investigated.

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Ms. Salazar said the Board has been studying the issue of expanding the County's affordable housing base for a few years and following a number of study sessions and the work of Suby Bowden the Board unanimously voted to move forward with the County-owned property on Galisteo.

Regarding Galisteo, Mr. Gutierrez said an environmental consultant has been retained and the tank will be removed by June 2010. Along with the environmental issues at the site that require remediation, a new facility is needed for the County Clerk's equipment and staff and Building Services staff. A site has been located at the Public Works site but the dollars have not been identified.

Mr. Abeyta said with Board direction, staff was prepared to proceed with the City zoning process.

Commissioner Holian said the Galisteo-area residents are not on board with the project. She commended the Galisteo project for its concept and energy efficiency and plan but preferred Tierra Contenta because it is ready to go.

Regarding Option 5, Commissioner Vigil cautioned against raiding the fund and observed this was entirely programmatic.

Commissioner Stefanics observed that if the County could purchase Tierra Contenta property without issuing an RFP then other properties can be purchased without RFP. With the recognition that purchasing and building in the county is more advantageous to the County economically and administratively, she repeated her strong support of county property.

Mr. Abeyta indicated that staff could contact the four ready-to-go properties (Tierra Contenta, Oshara, Rancho Viejo and La Pradera) and solicit their best and lowest offer, and develop a rating for long-term projects at the Galisteo Street or Agua Fria sites which currently lack infrastructure and zoning. Staff will provide recommendations that would include dollar amounts based on those evaluations.

Commissioner Holian asked whether additional funds were anticipated for these projects. Ms. Salazar said the County's home sales project could be expanded to include Jacobo and Santa Cruz. Units at Valle Vista have been approved for sale. She said at this point the units are more valuable for the citizens as rental property.

Subject to HUD approval, Commissioner Stefanics moved to allocate \$2 million to an Affordable Housing Program Fund to include down payment assistance and rental vouchers. Commissioner Montoya seconded.

Ms. Salazar pointed out that rental voucher funds are not regenerated and there is a shortage of rental properties in the County.

Commissioner Vigil asked staff to think creatively about the vouchers in a way the County could recoup its investment. Ms. Salazar suggested helping the renter with the initial fees of deposit and first and last months' rent.

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The motion passed by unanimous [6-0] voice vote.

OVERVIEW: City/County Affordable Housing Ordinance Matrix

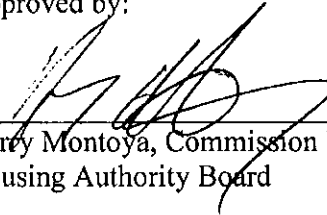
Commissioner Vigil said this was an important topic and directed Ms. D. Vigil to contact the Commissioners if there is anything that should be included in the November 10th presentation regarding the amendment to the Affordable Housing Ordinance.

ADJOURNMENT

Having completed the agenda and with no further business to come before the Board, this meeting adjourned at approximately 11:20 a.m.


Valerie Espinoza
VALERIE ESPINOZA
COUNTY CLERK

Approved by:



Harry Montoya, Commission Vic Chair
Housing Authority Board

Respectfully submitted,

Karen Farrell, Wordswork

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COUNTY OF SANTA FE) HOUSING MINUTES
STATE OF NEW MEXICO) ss PAGES: 7
I Hereby Certify That This Instrument Was Filed for
Record On The 1ST Day Of April, 2010 at 09:10:10 AM
And Was Duly Recorded as Instrument # 1594888
Of The Records Of Santa Fe County

Marella
Deputy _____
Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM

