



Agenda

CITY CLERK'S OFFICE

DATE 10/14/15 TIME 2:08

SERVED BY Margaret Ambrosino

RECEIVED BY [Signature]

COMMUNITY DEVELOPMENT COMMISSION MEETING

Wednesday, October 21, 2015

3:30-5:00 p.m.

500 Market Street, Suite 200

Roundhouse Conference Room

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: August 19, 2015 CDC
5. Introduction of new Community Development Commissioner (Margaret Ambrosino)
6. Proposal for Alternate Compliance for Zocalo Phase 5 (Alexandra Ladd)
7. Items from the Commission
8. Items from the Floor
9. Adjournment

PERSONS WITH DISABILITIES IN NEED OF ACCOMMODATIONS, CONTACT THE CITY CLERK'S OFFICE AT 955-6520, FIVE (5) WORKING DAYS PRIOR TO MEETING DATE.



Agenda

CITY CLERK'S OFFICE

DATE 8/12/15 TIME 8:45am

SERVED BY Margaret Ambrosino

RECEIVED BY Licia Martinez

COMMUNITY DEVELOPMENT COMMISSION MEETING

Wednesday, August 19, 2015

3:30-5:00 p.m.

500 Market Street, Suite 200

Engine Conference Room

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: July 29 CDC
5. Discussion and Recommendation of Approval: HUD 2014-2015 Consolidated Annual Performance Evaluation Report (CAPER) (Margaret Ambrosino)
6. Items from the Commission
7. Items from the Floor
8. Adjournment

An interpreter for the hearing impaired is available through the City Clerk's office upon five days notice. Please contact 955-6521 for scheduling.

INDEX OF
CITY OF SANTA FE
COMMUNITY DEVELOPMENT COMMISSION
MEETING
August 19, 2015

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE (S)</u>
CALL TO ORDER		1
ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1
APPROVAL OF MINUTES: July 29, 2015 CDC	Approved [as submitted]	1
DISCUSSION AND RECOMMENDATION OF APPROVAL: HUD 2014-2015 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER)	Approved	2-3
ITEMS FROM THE COMMISSION	Discussion	3
ITEMS FROM THE FLOOR	None	3
ADJOURNMENT	Adjourned at 4:15 p.m.	3-4

MINUTES OF THE
CITY OF SANTA FE
COMMUNITY DEVELOPMENT COMMISSION MEETING
Santa Fe, New Mexico

August 19, 2015

A meeting of the City of Santa Fe Community Development Commission was called to order by Rusty Tambascio, Vice Chair on this date at 3:30 p.m. in the Market Station Offices, 500 Market Street, Suite 200, Roundhouse Conference Room, Santa Fe, New Mexico.

Members Present:

Rusty Tambascio, Vice Chair
Carla Lopez
John Padilla
Silas Peterson

Member(s) Absent:

Councilor Ron Trujillo, Chair, excused
Paul Goblet, excused
Toby Bott-Lyons, excused

Staff Present:

Margaret Ambrosino, Senior Housing Planner

Others Present:

Jo Ann G. Valdez, Stenographer

APPROVAL OF AGENDA

Commissioner Peterson moved to approve the agenda as published. Commissioner Lopez seconded the motion. The motion passed unanimously by voice vote.

APPROVAL OF MINUTES: July 29, 2015 CDC

Commissioner Padilla moved to approve the Minutes of the July 29, 2015 meeting as submitted. Commissioner Lopez seconded the motion. The motion passed unanimously by voice vote.

DISCUSSION AND RECOMMENDATION OF APPROVAL: HUD 2014-2015 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER)

(Copies of the CAPER were distributed in the Commissioners' packets. A copy is hereby incorporated to these Minutes as Exhibit "A".)

The CAPER is a document that assesses the progress made in the expenditure of Community Development Block Grant (CDBG) funds that took place in Fiscal Year 2014-2015, for programs that support Santa Fe's affordable housing, public service and economic development initiatives. The city, as an annual grant recipient of CDBG funds, is required to report to the United States Department of Housing and Urban Development on accomplishments and progress toward the 2013-2017 Consolidated Plan Goals via the CAPER for each recently completed fiscal year. This report also highlights additional accomplishments supporting Consolidated Plan goals through the city's own matching activities funded by the Affordable Housing Trust Fund.

Ms. Ambrosino said this report reflects the 11 projects that were funded from July 1, 2014 to June 30, 2015.

Ms. Ambrosino noted that all of the service providers and sub-recipients have had an opportunity to review the document and provided feedback via email and those corrections are reflected in the tables and the report.

She reported that most of the goals and accomplishments have been met. She said earlier in the year, either at the April or May CDC meeting, there was discussion about the possible funding that could be left over or carried over in down payment assistance. The Commission discussed the possibility of re-programming the funding for rental assistance of various forms. However, no funding was carried over because most of the down payment assistance funding was spent.

Commissioner Padilla asked if this means there is no funding to reprogram.

Ms. Ambrosino said yes, that is correct.

Commissioner Padilla asked when the Commission can start discussing next year's focus, which is rental assistance.

Ms. Ambrosino said the Commission can have this discussion at the October or November CDC meeting.

Commissioner Lopez asked if this would be a City Council decision.

Ms. Ambrosino said ultimately all funding decisions are decided by the Governing Body but this body can make recommendations (to the Governing Body).

Commissioner Lopez moved to approve the 2014-2015 Consolidated Annual Performance Evaluation Report (CAPER). Commissioner Peterson seconded the motion. The motion passed unanimously by voice vote.

Ms. Ladd noted that Pulte's proposal for Alternate Means of Compliance will be going before City Council on August 26th. She offered to provide a report at the next CDC meeting.

ITEMS FROM THE COMMISSION

Commissioner Padilla asked about the status of Toby Bott-Lyons and Chair Ron Trujillo because they have been absent for the last three meetings; and the Commission has had difficulty establishing a quorum.

Ms. Ambrosino said she has not been able to contact Chair Trujillo and Toby-Bott Lyons has plans to step down due to a schedule conflict. A press release announcing the vacancy went out after Ms. Ambrosino heard from Mr. Lyons. There have been three responses.

The Commission discussed prospective candidates to fill the vacancy. There was consensus that they would like to see a banker appointed to the Commission.

Commissioner Lopez offered to contact Chair Trujillo to see if he is going to be able to attend future meetings.

Proposal for Alternate Means of Compliance from Scott Haft – agent for Gerhart

Ms. Ambrosino noted that another proposal for Alternate Means of Compliance from Gerhart (Apartments) will be coming before this Commission probably at the October CDC meeting because there will not be a quorum for the September CDC meeting.

Ms. Ambrosino said the Early Neighborhood Notification meeting has taken place and the proposal went before the Planning Commission and was moved to the Planning Commission meeting of September 3rd, 2015 for further discussion.

ITEMS FROM THE FLOOR

There were no items from the floor.

ADJOURNMENT

Its business being completed, Commissioner Peterson moved to adjourn the meeting, second by Commissioner Padilla, the meeting adjourned at 4:15 p.m.

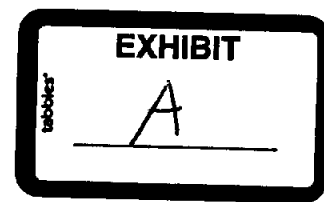
Approved by:

Rusty Tambascio, Vice Chair

Respectively submitted by:



Jo Ann G. Valdez, Stenographer



**UNITED STATES DEPARTMENT
OF
HOUSING AND URBAN DEVELOPMENT**



**CONSOLIDATED ANNUAL PERFORMANCE AND
EVALUATION REPORT
(CAPER)**

**FOR THE
SECOND PROGRAM YEAR**

(Covering the period of July 1, 2014, through June 30, 2015)

CITY OF SANTA FE
Office of Affordable Housing
500 Market Street, Suite 200
PO Box 909
Santa Fe, NM 87504-0909
(505) 955-6574



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CR-05 - Goals and Outcomes

Background

The CAPER (Consolidated Annual Performance Evaluation Report) is a document that assesses the progress made in the expenditure of Community Development Block Grant (CDBG) funds that took place in Fiscal Year 2014-2015, for programs that support Santa Fe's affordable housing, public service and economic development initiatives. The city, as an annual grant recipient of CDBG funds, is required to report to the United States Department of Housing and Urban Development (HUD) on accomplishments and progress toward the 2013-2017 Consolidated Plan Goals via the CAPER for each recently completed fiscal year. This report also highlights additional accomplishments supporting Consolidated Plan goals through the city's own matching activities funded by the Affordable Housing Trust Fund (AHTF).

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

As noted in the 2013-2017 Five Year Consolidated Plan, the City of Santa Fe is a desirable place to live for a variety of reasons. Over the years, as second home owners and retirees relocate here, real estate values continue to rise with the cost of land remaining prohibitive for building homes. Another factor towards the challenge in retaining affordable housing is that there are a large percentage of older homes that are often more expensive than newer, entry-level homes, making it difficult to maintain a stock of affordable housing. These factors have contributed to the policies and incentives put forth by the City Council to develop, maintain and improve affordable housing. To this end, some of the most effective programs to date include:

Santa Fe Homes Program

This is an inclusionary zoning program that requires all residential developments to provide a percentage of the total units as affordable. At the onset of the program, the local housing market was strong and the required percentage of affordable units was set at 30 percent. As a result of the economic downturn and subsequent housing market decline in 2008, by 2010, the City Council believed it would be more appropriate to reduce the percentage to 20 percent and review at the end of 2014. In March of 2014, the amended requirement was made permanent at 20 percent. The incentives for this program are the increase in density by 15 percent of the underlying zoning, and fee waivers for infrastructure (sewer and water) for all affordable units, valued at \$8,000 per unit.

City's Affordability Liens on all affordable units

If the units are sold, the lien is either transferred to the new affordable buyer who is income-qualified as a revolving loan method, or, the lien amount is repaid and the funds are deposited in the City's AHTF. The AHTF is funded through development revenues, fees paid by developers, pay back of City-held liens, and land sales from Tierra Contenta. It is disbursed according to the NM Affordable Housing Act and

funds are used to support down payment assistance, home repair and rental assistance. In 2014, the requirement that the City retain a share in the homebuyer's equity via the affordability lien was eliminated.

Down Payment Assistance

Of the 2014-2015 Program Year's CDBG allocation, \$160,000 was spent on three Down Payment Assistance (DPA) programs, with the goal of funding eleven (11) loans for mainly first-time home buyers between the three programs. Program Income generated from DPA between two of the three programs allowed for nine (9) additional loans to be funded for a total of 20, exceeding the original goal.

In addition to CDBG-funded down payment assistance, the City uses local funds to further support the program. A \$380,000 allocation of funds was made through the AHTF, a homeownership program for City residents of moderate income below 120% of Area Median Income (AMI), and where one member of the household works within the City limits. This program offered down payment assistance (DPA) loans through two non-profit organizations: Homewise and The Housing Trust totaling \$140,000 of the total allocation. These loans reduced the price of the home loan and a lien is placed on the property in the City's name so that the funds will be repaid to the City once a home is sold and then reallocated, allowing the City to retain the funds. As of June 30, 2015, 84% of the allocation was spent (reimbursed to the non-profit) to fund seven (7) DPA loans.

Rental Assistance

Of the total AHTF allocation, \$150,000 was spent on rental assistance which served 49 households or 114 individuals at the project close in June 2015 via the Life Link. This year's funding was applied as a reimbursement to the nonprofit for emergency rental assistance, rather than producing and funding additional units. Additional CDBG funds totaling \$20,000 were administered for emergency rental assistance to twenty (20) battered families. Of the rental assistance projects, 100% of the AHTF money was spent and 80% of the CDBG money was spent.

Rehabilitated Homeowner Housing

An allocation of \$40,000 of CDBG funds were granted for rehabilitation of six (6) single-family residences targeted towards homeowners earning below 80% of the AMI. A total of five (5) homes were rehabilitated in 2014 with CDBG. The Homewise Home Improvement Program, in 2014 alone, generated \$171,000 of program income. As HUD requires that this money be spent first before entitlement funding can be used, an excess of \$11,253 in entitlement funds, carried forward since 2012, will be reprogrammed in 2015.

\$40,000 of the AHTF allocation provided photovoltaic panel home improvement on two (2) homes below 60% of AMI, and \$50,000 of the AHTF Allocation provided home improvement loans to three (3) households below 120% AMI.

Table 1 summarizes all programs funded with CDBG money in 2014 and targeted/actual outcomes, including the categories of housing projects, public service activities and public facility improvements.

Table 1: Program Year 2014 Evaluation

2014-2015 Projects	Amount	Unspent Amount	Proposed Outcomes	Actual Outcomes
Adelante Graduation Project	\$17,500	\$0	150 students	216 Students
Narrative: Assisted in funding SFPS Graduation Project, expanded to secondary school students				
Adelante Deferred Action	\$17,500	\$0	120 students	170 students
Narrative: Funding supported the work of an immigration attorney to provide free services to students eligible for Deferred Action for Childhood Arrivals (DACA), including: helping students to apply for fee waivers to access legal status, affordable housing, and health and social services.				
Habitat for Humanity DPA	\$60,000	\$0	3 home loans	3 home loans
Narrative: Down Payment Assistance loans of up to \$20,000 for three home buyers below 60% AMI				
Homewise DPA	\$40,000	\$35,555	2-4 home loans	14 home loans
Narrative: Down Payment Assistance loans of up to \$20,000 for at least seven home buyers; an additional 7 homes were funded with Program Income that was generated and utilized for DPA loans towards the year end. The remaining EN funding was carried forward to 2015 due to \$65,000 in PI generated in Q4 of program year.				
The Housing Trust DPA	\$60,000; and \$78,200 (CF from 2013)	\$20,000; and \$3,200 (CF from 2013 remainder)	5 home loans	3 home loans
Narrative: Down Payment Assistance loans of up to \$20,000 for five home buyers; due to lenders changing closing dates at the final month of the program year, two closings were delayed to July 2015, the new fiscal year. The additional \$20K EN has been carried forward; \$33,500 in PI was received in Q4 and will be used in full in Q1 2015 for two closings along with a portion of the \$20K EN. The remaining \$3,200 from 2013 contract has been reprogrammed.				
Homewise Home Improvement	\$40,000	\$40,000	6 households	5 households
Narrative: Funding provided home improvement loans to homeowners below 80% AMI; due to an excess of \$171K in program income that the project generated, the EN remains unspent until the PI is fully drawn.				
Kitchen Angels	\$20,000	\$0	28 new individuals	38 new individuals and 314 ongoing
Narrative: Provide nourishing, low-cost meals to chronically ill and homebound residents, increasing the projected new clients served in the contract from 28 to 38. A total of 314 clients were served for the year exceeding goals for a third year in a row.				
YouthWorks!	\$45,000	\$0	225 youth	533 youth
Narrative: Funding provided energy efficiency upgrades to the Workforce Development and Alternative Education Center, as called for by an independent DOE-certified energy audit.				

St. Elizabeth's Shelter – Siringo Senior Housing	\$73,000	\$0	8 residents	8 residents
Narrative: Replacement of 35 year-old roof at the Siringo Senior Housing facility.				
Esperanza	\$20,000	\$16,086	35 families	20 families
Narrative: Provided assistance for domestic violence clients to help stabilize housing by providing up to 3 months (or \$1,000 for house payments/rent, security deposits, utilities and hook-up fees, and other emergency needs. Staff changes caused a gap in program management, causing a decrease in clients to be served.				
Santa Fe Recovery Center	\$7,000	\$7,000	225 annual residents	304 annual residents
Narrative: Increase accessibility to the Santa Fe Recovery Center by upgrading the handicap ramp to bring the residential treatment facilities' new addition into code compliance to obtain Certificate of Occupancy.				

Table 1 activities, continued

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g) Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Table 2: Goals and Outcomes

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Potential Sources of Funding	Goal Outcome Indicator	Actual Outcomes
I. Reduced rate of households with cost burden and corresponding drop in poverty rates for homeless and those in danger of becoming homeless (Increase Opportunities for At Risk Populations; Address Current and Emerging Needs)	2014	2015	Affordable Housing Public Housing Homeless	Citywide	Emergency Shelters; Support Services for Homeless or People At Risk of Becoming Homeless; Rental Rehabilitation; Affordable Housing Non-Homeless Special Needs	CDBG; AHTF; CoC; LIHTC; RAD; HOME; MFA Development Funds; Foreclosure Prevention Funds (HARP, PRA, etc.)	Rental units constructed; Tenant-based rental assistance/Rapid Re-housing; Overnight/emergency shelter/transitional housing beds added; Homeless Prevention; Homeowner housing rehabilitated; Housing for homeless added	386 total students served by Adelante's middle school support and legal assistance programs; 314 chronically-ill served (Kitchen Angels); 28 battered families served with emergency rental assistance (Esperanza); 8 senior residences (St. Elizabeth's); 47 rents / 64 individ. served with CoC rental assistance funds; 49 households/112 individ. supported with emergency rental assistance (LifeLink from AHTF).

II. Inventory of rental units and vouchers expanded to meet increased demand (Increase Affordable Housing Opportunities)	2014	2015	Affordable Housing	Citywide	Rental Vouchers; Rental Rehabilitation; Provision of Rental Units and Support Services for LI/VLI Renters; Non-housing Community Facilities and Services; Fair Housing Outreach	CDBG; AHTF; CoC; LIHTC; RAD	Rental units constructed; Rental units rehabilitated; Tenant-based rental assistance/ Rapid re-housing; housing for homeless added	57 individuals received rapid rehousing vouchers in Santa Fe; Fair Housing outreach materials published in July 2014 distributed to 30 community facilities; rental properties and non-profit establishments
III. Increased homeownership opportunities <u>and</u> support for long-term affordability and accessibility for current homeowners (Increase Affordable Housing Opportunities)	2014	2015	Affordable Housing/Non Homeless Special Needs	Citywide	Down Payment Assistance; Homeowner Rehabilitation; Diversity in Housing Types; Home buyer Training and Counseling; Fair housing Outreach; Support for Current Homeowners	CDBG AHTF Shelter Plus Care LIHTC RAD	Homeowner housing added; Homeowner housing rehabilitated; Direct financial assistance to homebuyers; Jobs created;	20 Down Payment Assistance Loans (CDBG); 11 Down Payment Assistance Loans (AHTF); 5 home improvement loans (CDBG); 9 home improvement loans (AHTF)

IV. Housing Opportunities reflect emerging needs, changing demographics and are aligned with redevelopment projects, economic development objectives and sustainability goals (Address Current and Emerging Needs; Increase Opportunities for At-Risk Populations)	2014	2015	Affordable Housing	Citywide	Non-Housing Community Facilities and Services; Diversity of Housing Types	CDBG AHTF MFA Dev't Funds HOME; Enterprise Green Community New Market Tax Credits	Public Facility or Infrastructure Activities other than Low/Moderate Housing Benefit; Public Service activities	Facility Improvements supporting 533 youth (YouthWorks!); 304 clients served at SFRC residential treatment facility improvement.
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Narrative:

Goal I: For CDBG-funded Public Service Activities: those carried out through Adelante's two funded programs, actual outcomes for clients served with legal assistance for Deferred Action and Middle School support (386 students) exceeded those proposed (270). Kitchen Angels exceeded goals by serving meals to Santa Fe's lower-income chronically ill, homebound residents for a total of 314 clients, including 38 new beyond the 28 proposed.

Goal II: Continuum of Care (CoC) funded Project-Based Rapid Rehousing vouchers for an average of 32 residents via LifeLink and average of 28 Tenant-Based vouchers via Santa Fe Community Housing Trust. No new rental inventory was expanded utilizing CDBG funds in this program year.

Goal III: Down Payment Assistance (DPA) exceeded overall program goals. With 11 DPA loans as the target goal, between three programs administered through the Santa Fe Community Housing Trust, Homewise and Habitat for Humanity, CDBG funds alone provided a total of

20 DPA loans for low to moderate income clients. Due to lenders postponing two late June closings at the end of the program year for the Housing Trust, two more CDBG-funded DPA loans did not take place and were slated for July 2015, which will be counted in next year's CAPER. An additional 11 City-funded Affordable Housing Trust Fund (AHTF) DPA loans were added by programs administered by both the Santa Fe Community Housing Trust and Homewise, for Santa Fe homebuyers at moderate incomes below 80% AMI (CDBG) and up to 120 percent of AMI (AHTF).

Goal IV: The YouthWorks! Facility Improvement Project provided much needed energy efficiency improvements for a total of 533 annual youth attendees served at its main workforce training and educational center at 1504 Cerrillos. Several of those youth are building trades apprentices that provided volunteer labor to a general contractor completing this project, so an added benefit of workforce training to a portion of the youth beneficiaries was achieved. Additionally, YouthWorks! partners with other housing service providers such as Habitat for Humanity, benefitting youth in its construction trades program; Youth Shelters and the Life Link, to secure shelter/housing for youth participants in need. The Santa Fe Recovery Center provided services to more than 550 clients during its fiscal year, with 304 of them directly benefitting from the CDBG funded accessibility upgrade for the residential treatment facility.

Prior Year and Current Year Programs In Progress as of 6/30/2015					
2011	Homewise Rehab		\$ Unspent	Minimum Per Contract	Total # Loans
	Original Allocation	\$85,000	0	8 units (original	2 units
	2011 Program Income	\$137,977	0	contract) 3-6 units	7 units
	2012 EN Carry Forward	\$73,994	0	(current 2014	6 units
	2012 Program Income	\$51,719	0	contract)	3 units
	2013 EN Carry Forward (2014 PY)	\$11,253	\$11,253 (reprogram)		N/A
	2014 EN Carry Forward (2014 Contract	\$40,000	\$40,000 (CF)		5 units
	2014 Revolving LoanProgram Income	\$171,942	\$155,250	3-6 units	5 units
	Total of EN and PI	\$486,638	\$206,503	11-14 units	23 units
	Narrative: The success of this program over four years has generated program income to fund additional units beyond those proposed. 2014 EN remains entirely unspent due to the excess of program income generated that will continue to fund more loans into 2015. Average rehab loan of \$12,180 per household.				
2013	Homewise Down Payment Assistance		\$ Unspent	Minimum Per Contract	Total # Loans
	Original Allocation	\$120,500	0	7 loans (2013	14 loans
	2013 PI (276)	\$199,989	0	contract)	5 loans
	2013 EN Carry Forward (2014 PY)	\$28,490	\$0		4
	2014 EN Carry Forward (2014 contract)	\$40,000	\$35,555 (CF)	2-4 loans	1
	2014 PI (287)	\$163,654	\$0		9
	Total	\$524,143	\$35,555	9-11 loans	33 loans
	Narrative: The success of this program over two years has generated program income to fund additional units beyond those proposed. 2014 EN remains substantially unspent due to the excess of program income generated that will continue to fund more loans into 2015. Average DPA loan of \$15,669 per household.				
2013	Housing Trust DPA			Minimum Per Contract	Total # Loans
	Original Allocation	\$96,700	0	5 loans (2013	1 unit
	2013 Program Income (277)	\$53,000	0	contract)	4
	2013 EN Carry Forward (2014 Year)	\$78,200	\$3,200 (reprogram)		
	2014 Program Income (290)	\$10,000	\$0		1
	2014 EN	\$60,000	\$20,000 (CF)	5-7 loans	2
	2014 Revolving Loan ProgramIncome	\$33,500			
	Total	\$253,200	\$23,200	10-12 loans	8 loans
	Narrative: Goal of 5-7 loans was not met due to a lack of pre-qualified DPA recipients in the available pipeline and lenders postponing two closing dates to July 2015. Unspent 2013 EN funds of \$3,200 will be reprogrammed to another CDBG-qualifying activity in 2015. Last-Minute PI generated in Q4 will fund two additional loans in Q1 2015.				

2013	Habitat for Humanity DPA		\$ Unspent	Minimum Per Contract	Total # Loans
	Original Allocation	\$96,700	0	5 loans	4 loans
	2013 EN Carry Forward	\$16,700	\$0		1
	2014 EN Allocation	\$60,000	\$0	3	3
	Total 2013-2014 Allocation	\$156,700	\$0	8 Loans	8 loans
	Narrative: Goal of five loans met for 2013 with remaining allocation of \$16,700 spent by November 2014 and goal of three loans met for 2014.				

Table 3: Programs in Progress and Balances

Narrative: Program Income (PI) Reuse

As reported in the 2013 CAPER, the City of Santa Fe receives quarterly reports from sub-recipients' activities on all accomplishments; which include the detail on program income generated, for those applicable. The activities that the City has funded with CDBG Entitlement funds in past years that have generated program income, are loans to individual homeowners administered by sub-recipient organizations for Down Payment Assistance (DPA), loans to homeowners administered by sub-recipient organizations for Home Improvement (HI); and small business economic development loans in repayment from the 2011 Santa Fe's Small Business Loan Fund (SBLF). Pursuant to the definition of program income located at 24 CFR 570.489, these activities include the following:

- Sale, lease, rental proceeds of property acquired with/improved by CDBG funds; and
- Principal and interest payments on loans made from CDBG funds; and
- Proceeds from sale of CDBG loans or other obligations; and
- Interest earned on funds in a revolving loan fund account or on program income, pending reuse

For the 2014-2015 program year, the City funded two (2) DPA programs that generated program income: Homewise and The Housing Trust, as well as a Home Improvement project via Homewise, the latter of which was last funded with CDBG money in 2011. Home Improvement activity continues to generate program income that was disbursed in the 2014-2015 program year for five (5) HI loans, as well as generating an additional \$171,000 in Program Income Revolving Loan Funding, leaving an excess of \$11,253 in unspent entitlement (EN) funds that had continued to remain unspent since the 2011 project, along with \$40,000 in entirely unspent EN funds that have carried forward from the 2014-funded project. Table 3 illustrates the status of Program Income-generating projects, where contracts have been extended into the current

program year, with corresponding loan totals demonstrating where accomplishment goals have been met or exceeded due to program income being recycled back into projects for which a sub-recipient is under a CDBG-funded contract with the City to provide.

Program Income totals are reported by the applicable sub-recipients to the CDBG Administrator on a Quarterly basis ~~each program year~~ and subsequently recorded and drawn in HUD's Integrated Disbursement & Information System (IDIS) by quarter, and verified and closed out, where applicable, by the Fiscal and Program Year end of June 30, 2015. Included in these reports are the number of loans funded and the dollar amount of the funding that occurred for the quarter. DPA and HI activities are receipted back to the IDIS Activity ID that generated the funding, except in the cases where program income is transferred between CDBG-eligible programs for which the subrecipient is under CDBG contract to provide with the City. The exception to this rule is program income that is receipted in IDIS and is labeled as Revolving Loan (RL), which is only used for the program that generated it. Furthermore, IDIS does not permit draws for any other CDBG activity other than that which generated those recorded as the revolving loan type of program income.

Per HUD regulations, the PI is drawn first prior to EN funds when the City processes vouchers for reimbursement. To ensure the regulations are met, upon receipt, the PI is immediately drawn down and recorded to that activity, with the number of loans funded noted in the receipt function. Table 3 shows the activity that occurred in the 2014-2015 program year for sub-recipients' DPA and HI activities that are still open with activity, along with their corresponding sub-recipient contracts that the City has pre-authorized to continue via time extension amendments.

As CDBG-funded client loans are paid off to the sub-recipient, principal and interest is collected and held by the sub-recipient, and reported back to the CDBG program. The PI generated by Homewise generates interest that is held in an interest bearing account, with total proceeds reported and remitted back to the City on an annual basis, and thus, reported back to the Federal Government (HUD) on an annual basis. In the 2014-2015 program year, \$93 was remitted back to the City.

The CDBG entitlement regulations at 24 CFR 570.504(b) stipulate that at the end of each program year, the City of Santa Fe may not have PI on hand in an amount that is more than one-twelfth of the most recent grant amount. For PY 2014-2015 one-twelfth of the grant amount would require that the city may not have retained more than \$43,867. The Revolving Loan classification of program income generated is exempt from this requirement.

In 2011, an Activity ID (264) was created for the SFBLF for the repayment of loans with a

narrative as follows: *“Received payments (Payments received) on loans made in prior years through the City's Economic Development Division and funded by CDBG. Most of these loans were originated in the late 90's early 2000's.”* The Loan Fund was seeded with CDBG money in prior years. Repayments to this fund are recorded as program income and drawn for administrative expenses. No outstanding SFBLF loans were paid back to the City in 2014 and collections are an ongoing effort.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	1,405
Black or African American	23
Asian	2
American Indian or American Native	77
Native Hawaiian or Other Pacific Islander	5
Multi-racial	35
Total	1,547
Hispanic	1,136
Not Hispanic	269

Table 4 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The racial and ethnic composition reported for CDBG program sub-recipients is comprised data collected that represents households and individual members of one household, such as youth served by Adelante or YouthWorks. For numbers of beneficiaries in a household; such as total number of family members that benefit from a home purchase funded with CDBG down payment assistance; the number is closer to 1,600 total individuals. The actual families assisted apply to grantees where household counts apply, such as for DPA or home improvement. As a requirement of the Professional Services Agreement with the City, each sub-recipient reports the racial, ethnic, and demographic data to the City on a Quarterly basis. Table 2: Goals and Outcomes reports a summation of that data.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

2014 Source of Funds	Source	Expected Amount Available	Amount Expended During Program Year
CDBG	HUD	\$526,401	\$449,771
Other	Affordable Housing Trust Fund (AHTF)	\$380,000	\$320,000
Other	City's General Fund: Youth and Family Services Division, SF Community Services	\$754,216	\$675,405*

Table 5 – Resources Made Available

*as of 8/11/2015

Narrative

Within the 2013-2017 Consolidated Plan cycle to date HUD has committed approximately \$1,042,602 in CDBG funding over the past two years, and the City has committed \$792,000 through the AHTF. As reported in 2013, the CIP (AHTF) funding spanned 2012 to 2014, and provided DPA loans to seven (7) home buyers earning between 80-120 percent Area Median Income (AMI); nine (9) home buyers earning between 50-80 percent AMI; and thirty (30) home buyers earning below 50 percent AMI.

For other contributions within Youth and Family Services, the amounts available and expended include all youth programs including the Monica Roybal Center and the Carlos Ortega Teen Center.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
N/A	N/A	N/A	N/A

Table 6 – Geographic distribution and location of investments

Narrative

In any given program year, the City of Santa Fe does not prioritize allocating funds and supporting programs geographically, due to the City's lack of population density relative to its size and for the 2014 program year, no one Census Tract was earmarked for serving its LMI population of the eleven (11) projects selected to be funded. Concentrated poverty and/or racial characteristics are not reflected on the census tract level, making it difficult to effectively target resources based on location. Instead, the City focuses programs on the household income or an identified characteristic of the participants and/or recipients of assistance. For example, down payment assistance is provided based on the homebuyer's

income rather than the location of the home. Likewise, public service programs for at risk youth serve the citywide population, rather than those youth living in a specific census tract. This description has been reported in previous years and that priority remains. However, on occasion, a project proposal will be accepted because allocating funds at that site will also serve other community development goals.

2014 2nd PROGRAM YEAR CAPER

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City of Santa Fe's model of service delivery is to pass through most federal funds to sub-grantees, who provide the services. This ensures that services are furnished in the most efficient and relevant manner possible. The sub-recipients are then able to leverage additional programming and project funds, including LIHTC, HOME (when applicable), ESD, CDFI, as well as funds allocated through the state's Mortgage Finance Authority.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal (CDBG and Other Programs)	Actual (CDBG only)
Number of Homeless households to be provided affordable housing units	N/A	N/A
Number of Non-Homeless households to be provided affordable housing units	60	20
Number of Special-Needs households to be provided affordable housing units	40	N/A
Total	100	20

Table 7- Number of Households

	One-Year Goal (CDBG & AHTF)	Actual (CDBG & AHTF)
Number of households supported through Rental Assistance	68	77
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	19	19
Number of households supported through Acquisition of Existing Units	0	0
Total	87	96

Table 8 - Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The one year goal of providing affordable housing units to otherwise homeless individuals was not represented in any funded projects for 2014. However, CDBG funding allowed roof rehabilitation for eight units of supportive senior housing to otherwise homeless seniors via St. Elizabeth Shelter's Siringo Senior Housing facility.

This number is represented in the total number of households supported through rehab of existing units. The remainder of five homes funded by Homewise and two by Habitat for Humanity allowed LMI homeowners to rehabilitate a total of seven single-family homes, better enabling more seniors to age in place.

An estimated 60 Non-Homeless households were to be provided affordable housing rental units through HUD Continuum of Care (CoC) grants. An actual number for CDBG funded projects under this category represents total of 20 down payment assistance loans to homeowner-occupied units qualifying below 80 percent AMI.

Shelter Plus Care (S+C) provided approximately 40 Special-Needs households with affordable housing rental units. CDBG funds were not allocated for special needs households in the 2014 program year.

A total of 68 households were supported through CDBG and AHTF funded rental assistance: with 49 rentals provided by LifeLink (AHTF) and a proposed 35 units by Esperanza to provide emergency rental assistance for a limited three-month term to battered households. LifeLink's goal was met. However, only 28 households for Esperanza were served due to mid-year staff transitions and lag time in backfilling the project manager position to best serve the minimum goal 35 clients targeted.

Discuss how these outcomes will impact future annual action plans.

Outcomes will certainly impact future CDBG and AHTF funding allocation considerations to be shifted from down payment assistance, facility improvements, and, to a lesser extent, homeownership rehab, to emerging needs for rental assistance of all categories, such as emergency for battered households, special needs, homelessness prevention, and rapid rehousing.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Persons Served	CDBG Actual
Extremely Low-income	1,148
Low-income	264
Moderate-income	128
Non low-moderate income	7
Total	1,547

Table 9 – Number of Persons Served

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs:

For direct street outreach, Youth Shelters and Family Services on an ongoing basis provides supplies to areas where youth congregate. On any given night, the organization estimates that 100 youth may be homeless on the streets of Santa Fe. In addition to street outreach, services provided to homeless youth include, emergency shelter, transitional living and counseling. Special initiatives are the Pregnant and Parenting Project, including referrals, case management, parenting skills and donated items and the ACCESS Program, which helps youth with job readiness skills. Youth can stay at the emergency shelter for up to 30 days and in the transitional, apartment style living program for 18 months.

Addressing the emergency shelter and transitional housing needs of homeless persons:

St. Elizabeth. St. Elizabeth Shelter operates two emergency shelters, one two-year transitional supportive housing program and two permanent supportive housing programs. Its Men's Emergency Shelter has 28 year-round beds along with a library, TV room, laundry, showers and intensive case management. The organization also offers longer term and transitional shelter options. *Casa Familia* has 10 beds for single women, eight rooms for individual families, and can accommodate up to 30 people, depending on family size. It also has a TV/play room, dining room, laundry and donations room where clothing and toys are available for guests. Both emergency shelters provide respite care for those who are in need of a place to recover from illnesses and behavioral health issues and both have a program manager, case managers and supervisory staff. *Casa Cerrillos* is a permanent housing program with 28 apartments for adults with disabilities, many with co-occurring substance abuse problems. *Siringo Apartments* is a permanent housing program with eight apartments for seniors. *Sonrisa Family Shelter* is a transitional housing program with eight apartments for families with children. It has a two-year stay limit within which time families are expected to have overcome the issues leading to their becoming homeless and have saved enough funds to successfully move in to housing of their own. All three supportive housing programs have on-site program/case managers that work closely with each guest and monitor their progress.

ROC/Interfaith Shelter. Several faith based organizations support a seasonal shelter from November to May through meals, showers and laundry, in addition to beds and also some case management services. The Resource Opportunity Center is open two days per week, serves 120 to 140 people per day, and offers more intensive case management and legal services.

Life Link. Established in 1987 in a motel, Life Link has evolved into a highly effective behavioral health

and supportive housing center. At *La Luz*, 24 apartment units and an additional 74 City wide scattered-site units are provided to people with mental illness and other co-occurring disorders, based on the permanent supportive housing model. Life Link provides extensive outpatient treatment, psycho-social rehabilitation, homeless prevention and rental assistance, peer support services and onsite healthcare screening.

Esperanza. Esperanza is a full service organization offering counseling, case management and advocacy for survivors of domestic violence. It operates a shelter that can house up to 42 people, as well as 21 beds of transitional housing to allow clients establish independence while still receiving supportive services. The organization also offers comprehensive non-residential counseling services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

In addition to ensuring the availability of a range of housing program options for these homeless populations, the City also ensures a range of social service program options for homeless individuals, families, veterans and unaccompanied youth that work to increase access for these populations to the health, education, employment, and housing sectors. These services include behavioral health counseling for adults and youth, dental healthcare for individuals and families, independent living skill training for homeless youth, and early childhood development and education for homeless families.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

As reported in the 2015 Action Plan, In November 2014, the City passed a resolution directing staff to convene meetings with service provider agencies; and thereafter, analyze and report back to the governing body. The follow up report broke down needs for short term (see table in Appendix) and long term goals. Overall, the long term report details feedback from the service provider community that one-stop services provided by the Life Link and Health Care for the Homeless work well with managed care organizations (MCO's), such as Molina and PMS. What is needed is a more coordinated assessment process to reach the highest-need people more quickly and to get ID cards for participants so that they can better transition back into society by obtaining services and accessing employment. Another great

need is transportation for client participants from shelter to services. Additionally, a campus approach, which would address physical/behavioral health, and transitional housing is being researched by staff and service provider organizations. Creative architecture could allow for spaces to be designed for persons with different needs levels and therefore, accomplish the provision of services to people who will not engage because of concerns for their safety around other homeless populations, such as the needs of shorter-term homeless, which may include women and families, versus longer-term, chronically homeless with substance, mental health, etc. issues. This approach would require additional revenue that needs to be identified, such as, for example, an additional excise tax on liquor to support treatment, and an additional tax on business licenses to support housing.

Given the effects of the economic recession, concerted efforts have been made to expand the safety net of services in Santa Fe. In 2010, the city allocated CDBG and Affordable Housing Trust funds to *Faith at Work* which provided 3 months of emergency rent/mortgage assistance to 62 families, preventing immediate eviction and default. Of these families, 53 percent were extremely low-income, earning less than 30 percent AMI. Between July 2014 and June 2015, 28 families received emergency rent/mortgage assistance through *Esperanza Shelter's* Emergency Assistance Program (EAP), all of whom were female-headed household with household incomes in the 30 –50 percent AMI range. In 2014, the City allocated \$150,000 from the AHTF to support a pilot rental assistance program, administered through Life Link. The funds currently provide rental assistance to families and individuals at risk of being homeless, including rent payments, rental arrears, utilities, and deposits that were paid to 49 households. In 2014, the city allocated CDBG funds to provide additional safety net services. *Kitchen Angels* delivered meals to homebound and terminally ill residents, serving 314 residents, including 38 new residents. Lastly, over 500 children and their parents were assisted through the *ACCESS Project*, qualifying for public services and benefits.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Santa Fe Civic Housing Authority (SFCHA) is the public housing agency in Santa Fe. As previously reported, they oversee 490 units of public housing, and manage 670 Section 8 vouchers in Santa Fe. There are a total of ~~359 units for seniors~~, leaving 121 for families. All of the units are in livable condition but maintenance is a continuous effort. Currently, 399 people are on the public housing waiting list, and 171 people on the Section 8 Voucher waiting list for Santa Fe. SFCHA receives approximately 35 applications per month for public housing. The application window is closed when 400 are reached. With only 6 to 8 families and/or individuals coming out of the program each year, new openings are extremely limited.

Newly refinanced properties will likely move towards site-based or site-driven wait lists, which better supports applicants so that the Authority doesn't have to turn an individual or family down because of location, school district or other limiting factors, and to avoid having to send an individual or household back down to the bottom of the list again.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

The Santa Fe Civic Housing Authority continues to run the Family Self-Sufficiency Program which supports residents and voucher holders to place funds in escrow to achieve home ownership and educational goals.

Actions taken to provide assistance to troubled PHAs

The PHA is not designated as troubled.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Disproportionately, those who are most heavily cost-burdened, have the lowest incomes. The City of Santa Fe reviewed its policies and practices to mitigate barriers to housing development—particularly affordable housing development—as part of the 2011 Analysis of Impediments to Fair Housing Choice, and will be reviewing these policies again in the new template, the 2016 Assessment of Fair Housing (AFH) update. This review of city housing policies and land use and zoning regulations had found few concerns in 2011. However, stakeholders raised concerns about inconsistent and unpredictable development approval decisions and “NIMBYism” affecting approvals. According to stakeholder interviews and private sector focus groups there is a stigma associated with affordable housing developments and neighborhood associations make strong efforts to impede affordable development.

In 2014 the City prepared several outreach materials regarding housing laws including the Federal Fair Housing Act, the New Mexico Uniform Owner Resident Relations Act (UORRA) and the NM Mobile Home Act. Often non-English speakers are further affected by not being aware of the rights and protections to which they are entitled under these laws. The outreach materials consist of Fair Housing Frequently Asked Questions brochures in English and Spanish and a tenant rights “Novella”, both in Spanish and English with ongoing distribution throughout the year. They are presently being distributed predominantly in Spanish-speaking and lower income neighborhoods as well as through school liaisons with the Santa Fe Public Schools and community facilities throughout the City along with the CAPER.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Based on the Housing Needs Assessment (HNA) update and the 2012 Five Year Plan to End Homelessness, the projects that were funded and executed support increasing the availability of affordable housing to low and moderate income households, addressing the needs of the homeless, and people with special needs. The HNA is scheduled to be updated in 2016 along with the Assessment of Fair Housing (AFH) update and will include all necessary public comments and surveys. The AFH replaces the Analysis of Impediments to Fair Housing Choice (AI) format that was used for the 2011 document.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

As reported in the Consolidated Plan, there is a repair need of older homes in Santa Fe. The CDBG-funded Home Improvement project showed that there was a concentration of homes in the 87505 area code and was split amongst census tracts. In 2014-2015, two out of the five homes served by this project were built prior to 1978. The sub-recipient reported that no paint was disturbed in either of

those projects, so no remediation was conducted.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

As part of an anti-poverty strategy, the City has worked toward implementing the following:

- 1) Establish priorities for allocating federal tax credits to mixed income rental developments where at least 30 percent of the rental units will be affordable to households earning less than 50 percent of the AMI;
- 2) Fund a local housing voucher program to provide assistance to the homeless and near homeless;
- 3) Modify the Santa Fe Homes Program (SFHP) so that the rental requirement is relevant to the housing needs in the community;
- 4) Work with for-profit and nonprofit organizations to develop on new multifamily, mixed income rental property using Low Income Housing Tax Credits where feasible. Total Units not to exceed 100 per project;
- 5) Identify all existing affordable rentals and develop a preservation plan as needed;
- 6) Arts + Creativity Center: The City is presently working with an affordable housing developer on infill development proposing 60 units serving 30-60% AMI and 10 market rate units to produce affordable live/work/creation spaces where Santa Fe's creative workforce can develop projects and learn entrepreneurial skills. The Center will primarily serve emerging creative professionals, as well as provide a major asset for underserved groups.

Given the City's high rate of cost burden, even for homeowners, it is apparent that continued focus on rehabilitation, home repair, and other support services is essential to alleviating poverty in Santa Fe. Specific programs that reduce the number of poverty level of families are:

- Conserve and maintain Santa Fe's existing housing stock and residential neighborhoods
- Continue to support rehabilitation loan programs targeted toward low to moderate income homeowners (50 to 80 percent AMI), which includes home renovations, emergency repairs and energy conservation measures including the purchase of new appliances, retrofits, and solar water heaters.
- Support the SFCHA's RAD conversion project to renovate 120 public housing units, although construction of 30 new units is no longer planned.

The City of Santa Fe has always supported Public Service Programs through the City's Community Services Department as well as CDBG funding for eligible public services activities. The Departments' Youth and Family Services Division, Human Services Committee, Public Library, Senior Services Division and the Children and Youth Commission provide programs through the City itself or by funding nonprofit organizations, many of which are public service programs.

The Human Services Division awards approximately \$700,000 annually to various non-profit organizations who provide the basic services of emergency shelter, accessibility to food and crisis services. They fund organizations that must have a physical location in the City and/or the County of Santa Fe serving Santa Fe Residents. The funding pays for direct services and some administrative costs determined on a case by case basis. The Human Services Committee sets the human services program priorities each year depending on the most significant need.

The Children and Youth Commission is a City commission through the Community Services Department that funds non-profit and public school programs that serve children from birth to 21 years of age. The Commission conducts an annual community needs assessment to determine emerging needs. Contracts are awarded in the areas of early child care and education, healthy living, environmental education, youth leadership and meaningful work experience, and supplemental educational programs for students in the Santa Fe Public Schools, of whom 75 percent are eligible for subsidized meals. The commission awards approximately \$1 million per year to these organizations.

Actions taken to develop institutional structure. 91.220(k); 91.320(j); and

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City of Santa Fe continuously carries out the priorities in the *2013-2017 Consolidated Plan* by collaborating with non-profit partners. The City's philosophy is to help build the capacity of community-based service providers, rather than to increase the size of the City's bureaucracy. The City and its staff serve as advocates and coordinators for its partner nonprofits. Another strength of this service delivery model is that a wide array of services is provided with little overlap because of the coordination between City departments as well as between the City and nonprofit partners. This cooperation is key to ensuring that services reach those in most need, including homeless families and individuals and those in danger of becoming homeless, veterans, senior citizens, victims of domestic violence, very low-income renters, at risk youth, and people with special needs and disabilities.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

Action Item 1: Continue to improve access to and dissemination of fair housing information.

1.a. Implement a fair housing campaign targeted at the City's Hispanic immigrant, LEP and disabled populations

Place Public Service Announcements on radio stations, public television stations and in newspaper ads as appropriate for each targeted population

Action implemented: The Office of Affordable Housing (OAH) provided a discussion of Fair Housing issues providing an overview of Protected Classes, at the City Hall meeting of April 8, 2015. At this meeting, Mayor Javier Gonzales proclaimed April 2015 as Fair Housing Month.

Distribute information about fair housing to public schools in target areas; send information flyers home twice a year with the children

The Office of Affordable Housing has reached out to the Santa Fe Public Schools to establish a distribution plan and follow-up is an ongoing effort. However, the CDBG Administrator has arranged to meet with the Communities and Schools New Mexico School Outreach Coordinators of 11 schools at their annual retreat to present Fair Housing activities and distribute literature. The activity did not occur in the program year because CDBG was notified of the upcoming retreat on July 31. Action Implemented The OAH conducted an outreach campaign to educate the public about affordable housing and fair housing issues and has produced and distributed a Fair Housing Frequently Asked Questions brochure in Spanish; OAH is in the process of distributing the Novella entitled "Tino el Inquilino", a story in Spanish about a tenant who shares his own discrimination experiences with a group of acquaintances. OAH is now distributing the English version. At the end of these documents, several regional legal resources are provided. Distribution is an ongoing effort to public schools, public libraries, city facilities, private non-profits and local businesses.

Action Item 2: Examine the creation of a fair housing education and/or enforcement organization.

The City of Santa Fe has committed funding or matched resources (meeting facilities) conditional on finalized budgets, to High Desert Fair Housing Consultants to conduct fair housing training for lenders and apartment managers.

Action Item 3: Encourage the Santa Fe Civic Housing Authority (SFCHA) to develop a website.

The SFCHA has indicated that no new actions have been implemented since the reporting of the 2013-2017 Consolidated Plan and has indicated that a website will not be completed.

Action Item 4: Work to Address "NIMBYism" or opposition from residents to affordable housing

Though community campaigns have been launched to support proposed high-density mixed affordable and market rate infill apartment developments, no new formal actions have been implemented since the reporting of the 2013-2017 Consolidated Plan.

Action Item 5: Consider allocating CDBG to address fair housing issues.

In future Action Plans, the City should consider funding activities, such as accessibility improvements, to help reduce fair housing barriers.

Actions implemented: The Office of Affordable Housing contributed CDBG funding for production of the English Novella (Tino) previously mentioned and additional CDBG funds allowed the city to help sponsor a Fair Housing training with the New Mexico Mortgage Finance Authority which was attended by approximately thirty individuals representing non-profit fair housing service providers and local governments within the state, including the City of Santa Fe's OAH and affordable housing CDBG sub-recipients. The training involved three core components. The first section outlined the major policy purposes of the Fair Housing Act; second, it addressed the necessary steps for demonstrating compliance with the duty to affirmatively further fair housing, with primary emphasis on HUD's existing regulation and HUD's Fair Housing Planning Guide, various court decisions, and the department's recent administrative enforcement actions detailed what is currently required of grantees. Lastly, in order to assist grantees in proposing corrective actions to impediments to fair housing choice, the training underscored several best practices for affirmatively furthering fair housing, including policies that can be implemented at the state and local levels.

Action Item 6: Monitor lending practices and resident access to credit. Continue financial education and homeowner counseling activities.

Actions implemented: The city has site monitored three non-profit partners that provide DPA and Home Improvement loans to low-to moderate income households and has verified that lending occurred to LMI recipient households within the program year. The city's sub-recipient service providers offer varying degrees of credit counseling, homebuyer education classes and training in order for their clients to qualify for and receive loans.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

CDBG Program Monitoring Requirements and Frequency

The CDBG Administrator, in charge of the CDBG program, monitors program service providers, or sub-recipients funded by CDBG to ensure compliance with requirements through site inspections and documentation of organizational structures, with applicability to HUD national objectives and scope of work. The City of Santa Fe utilizes HUD's following guides to ensure compliance

- "Guidebook for Grantee's on Sub-recipient Oversight",
- "Managing CDBG"
- "Ensuring CDBG Sub-recipient Timeliness Guidelines"
- CFR 570 Federal Regulation governing CDBG
- Davis Bacon fair wage resources via the Department of Labor

Additionally, the Office of Affordable Housing has attended periodic technical assistance trainings in monitoring, sub-recipient oversight and fair housing.

Committee Meetings

The Community Development Commission (CDC) is the advisory body to the City of Santa Fe Mayor and City Council on CDBG funding allocation decisions and priorities in adherence to the 2013-2017 Consolidated Plan. The staff liaison for the CDC is also the CDBG Administrator and is responsible for coordinating, advertising and publishing the Consolidated Plan, Action Plan and CAPERs. The CDC also advises on adherence to the City's Affordable Housing/Santa Fe Homes Program Ordinance upon requests for alternate means of compliance to the ordinance, such as fees-in-lieu, from developers.

Site Visits

Site monitoring has been conducted on seven sub-recipient nonprofits for eight programs completed in the program year: Homewise (Home Improvement Project); The Housing Trust (DPA Project); Santa Fe Recovery Center (facility accessibility upgrades); Habitat for Humanity (DPA Project); St. Elizabeth's

Siringo Senior Apartments (facility improvements); YouthWorks! (facility energy efficiency upgrades); and Adelante (Middle School Liaison service project) and Adelante (Deferred Action for Childhood Arrivals Legal assistance). In the site visits, staff members have met with the leadership team of the particular non-profit sub-recipient, and has reviewed selected files for accuracy based on the guiding regulations and documents. Both deficiencies and accomplishments have been noted both verbally in the post monitoring closing interview and by mailed follow up letters for corrective actions to be taken where needed to achieve effective, efficient program delivery.

Reporting and Fiscal Management

Staff ensures that all sub recipients keep detailed records for the Performance Measurement System to evaluate the effectiveness of the project in meeting the needs of targeted populations. Relevant data include the number of clients served, ethnicity, income and employment (locally and with the City depending on the program), assets breakdown (when appropriate) and Performance Measurement data by project type (Housing, Economic Development, Public Service or Facilities & Improvement), ethnicity and age breakdown.

This information is submitted quarterly and input into the Integrated Disbursement and Information System (IDIS) with data finalized prior to program closeout and reporting in the Program Year CAPER. The reports track completion of the contracted scope of services and track program demand and utilization by demographic category for services provided by the program. The program manager also must submit audits and/or audited financial statements which include a breakdown of the expenditures and revenue (including Program Income if relevant) and a specific description of the charges as defined in the contract. The City requires these within ninety (90) days of project completion and considers time extensions under extenuating circumstances. The CDBG Administrator from the Office of Affordable Housing is responsible for reviewing and approving the sub recipient's account payment requests (invoices) and then submitting the request to the City's Accounts Payable Department for payment.

Citizen Participation Plan 91.105(d); 91.115(d)

Description of the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The CDBG Citizen Participation Plan, as approved by HUD, requires that Santa Fe residents be given adequate time – a minimum of 15 days – to review the City's use of CDBG funds as well as holding a Public Hearing at a regular City Council meeting for public comment. To comply with the HUD comment period requirements on the 2014 CAPER, the City Clerk publishes one notice on the request for public hearing in the Santa Fe ~~New Mexican~~ Legal Section for the notice of Public Hearing (held September 30, 2015) on August 26, 2015.

The CDBG Administrator will publish two display ads in Spanish and English on high-readership days: Friday, August 28, 2015 and Friday, September 4, 2015, in the Santa Fe New Mexican, soliciting public comment that remains open for a 15-day period (from the date of initial publication) on the document for review from August 28 through September 12, 2015 - at the following locations:

- 7) Genoveva Chavez Community Center
- 8) Mary Esther Gonzales Senior Center
- 9) City Hall
- 10) City of Santa Fe Market Station Offices
- 11) Southside Library
- 12) The Main Library
- 13) City's website

The CAPER is made available to the public for review along with other internal committee reviews within the timeline below:

City Finance Committee: August 17, 2015

City's Community Development Commission: August 19, 2015

Public Hearing, City Council: September 30, 2015

Citizen Comments

Citizens have three options to participate. They may participate by attending public meetings, submitting written comments to the Office of Affordable Housing, and may testify at public hearings. All CDBG proposed projects go through the Community Development Commission public meeting advertised on the City's website and printed in the City's weekly meeting notice distributed to all City offices. All CDBG contracts went through the City Finance Committee for review prior to the start the funding year of July 1, 2014, and were advertised on the City's website. Finally the projects are heard at the City Council Public Hearing which is advertised in the Santa Fe New Mexican.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

There are no changes.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No.

APPENDIX A

**This section is intentionally blank – reports to be run are based on
year-end numbers that are being verified in IDIS**

11/1/2014
11/1/2014

2014-2015 CDBG and AHTF-Funded Housing Activities

Legend

Habitat For Humanity Home Improvement

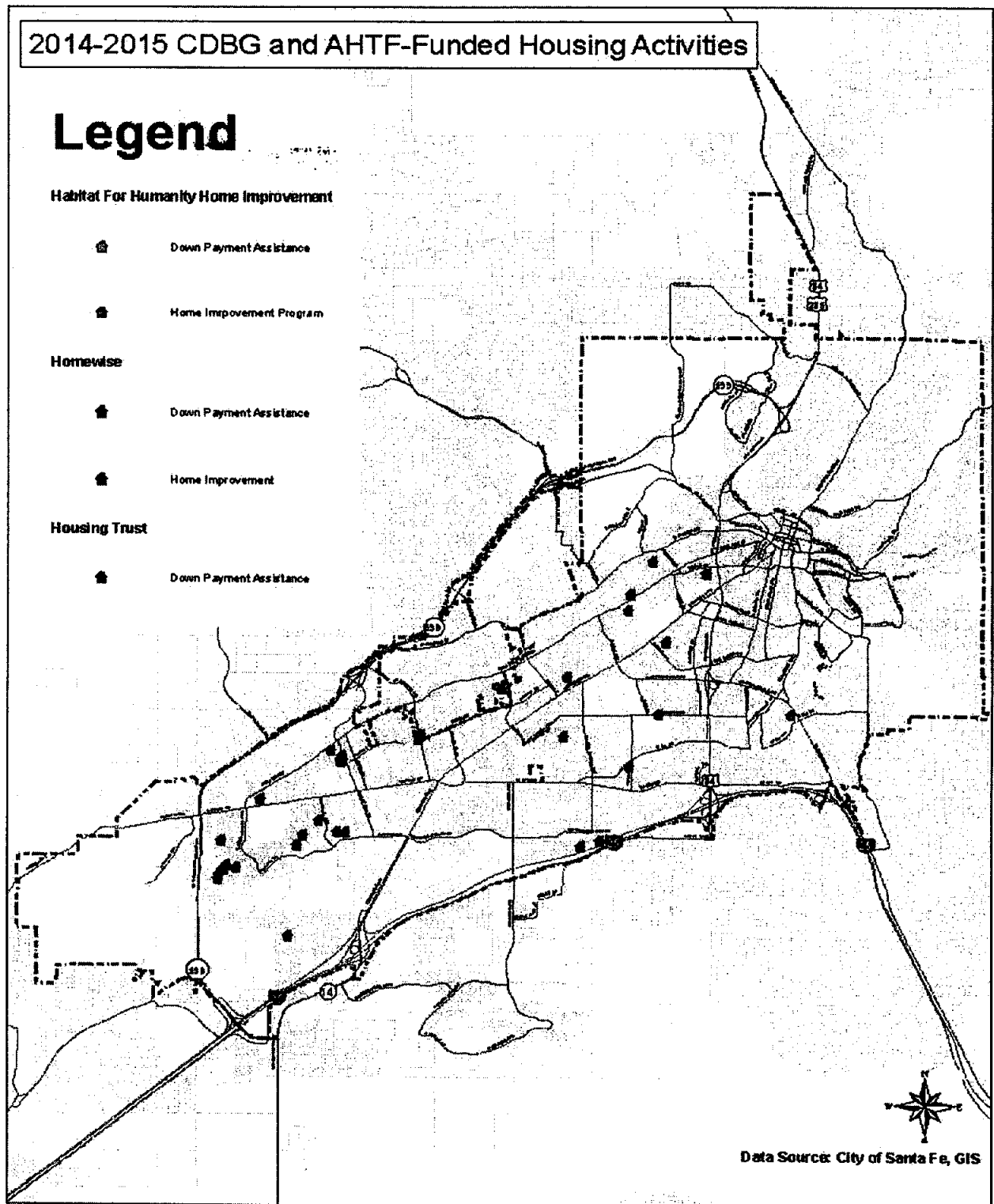
-  Down Payment Assistance
-  Home Improvement Program

Homevise

-  Down Payment Assistance
-  Home Improvement

Housing Trust

-  Down Payment Assistance



Data Source: City of Santa Fe, GIS

Appendix C

Advertisements (to be advertised August 28 and September 4)


City of Santa Fe, New Mexico

memo

DATE: October 15, 2015

TO: Members of the Community Development Commission

VIA: Kate Noble, Acting Director
Housing and Community Development Department

FROM: Alexandra Ladd, Special Projects Manager 
Housing and Community Development Department

RE: Request for alternate compliance – Rincon Investments (Zocalo Phase V)

ACTION REQUIRED

Provide a decision regarding the request from Rincon Investments for an alternate means of compliance (providing units in previous phases) instead of providing the (5) five homes currently owed for Phase V under the Housing Opportunity Program (HOP) agreement dated November 15, 2001 between the City of Santa Fe and Foothills, LLC.

BACKGROUND

The Housing Opportunity Program (HOP) ordinance was adopted in 1998 as part of the City's zoning code. It established that all proposed residential development provide a percentage of affordably-priced homes. The percentage varied from 11 – 16%, depending on the market price of the proposed development - the more expensive the homes, the higher the requirement.

Zocalo Condominiums was approved as a Type C development under HOP, meaning that 11% of the built units were required to be delivered to an income-qualified homebuyer, with an average income of 65% of the area median income (AMI). The original developer proposed 323 homes, of which 191 have been constructed. Final development projections have been updated to revise the total home count to 301.

Although HOP is technically not the City's current regulation, several agreements were outstanding at the time Santa Fe Homes Program (SFHP) was adopted and they remain in effect, including the agreement governing the Zocalo Condominium community (Attachment B). As per the HOP Administrative Procedures, the Community Development Commission is charged with granting approval for requests for alternate compliance. The regulation allows for developers to request an alternate form of compliance. See Attachment C for the relative excerpts from the HOP Administrative Procedures.

In April of 2014, the Commission heard a previous request from Rincon Investments for alternate compliance which was granted. The request allowed Rincon to pay a fee-in-lieu for three of the units owed for the last half of Phase IV and to convert an existing market rate unit into an affordable unit and sell it to an income-qualified homebuyer. The fee was paid in full and the unit is almost ready to be put on the market.

ITEM AND ISSUE

Rincon Investments proposes another alternate means of compliance for Phase V, for which the developer expects to break ground in mid-2016. Instead of delivering the six (6) affordable units within the phase, Rincon will purchase market rate units located in prior phases when they come up for sale and convert them to be sold to income-qualified homebuyers. The units will be priced to maintain the 65% AMI affordability levels, as averaged out across all units. Rincon is confident that market trends regarding sales of existing units will support the delivery of one affordable unit per every nine (9) units constructed in Phase V. See Attachment A: Letter Requesting Alternate Compliance from Rincon Investments.

RECOMMENDATION

Staff recommends this form of alternate compliance based on the following:

- The economic rationale provided in Rincon's letter that Phase V will incur higher than expected infrastructure costs because of the challenging terrain is substantiated to staff's satisfaction;
- Likewise, is the premise that subsidizing the six affordable units by increasing the sales price of the market rate units undercuts the overall financial feasibility of building out the phase;
- The market demand of Zocalo affordable homebuyers is possibly better met through the conversion of existing units because there a variety of unit sizes, given that Rincon proposes to build all 3-bedroom units in Phase V.

Staff recommends the following condition of approval:

- Attention is paid to the distribution of the converted units to ensure that they are not overly concentrated in any one section or building group;
- Rincon Investments provides an annual report to the City of Santa Fe documenting the conversion of existing market-rate units to affordable units, by location, sales price, income level of the homebuyer and "effective" sales price.

Attachments:

- A: Letter Requesting Alternate Compliance from Rincon Investments.
- B: Zocalo Condominium HOP Agreement with Foothills, LLC
- C: Excerpted Sections from Administrative Procedures from Housing Opportunity Program

RINCON INVESTMENTS, LLC

October 7, 2015

Alexandra Ladd
Housing Special Projects Manager
City of Santa Fe

Re: Zocalo affordable housing requirements

Alexandra,

This letter will outline our plan to meet the affordable housing requirements for Zocalo Phase 5, the final phase of Zocalo, and provide a summary of the affordable housing status. As stated in earlier discussions, Zocalo is an unfinished project approved for 301 condominiums with only 191 condominiums built to date. Phase 4B which is 54 units is currently under construction and will be complete in early 2016.

Zocalo was started by Foothills Estates, LLC in 1999 and went into foreclosure in 2009 without starting Phase 5 and leaving Phase 4 halfway constructed. Zocalo is operated and maintained by the Zocalo Condominium Owners Association (COA) which urgently needs the entire balance of all the planned units in order to operate efficiently and effectively. Due to the extended period of time it has taken to finish all of the units at Zocalo, the current residents have experienced substantial increases in COA fees to help cover the maintenance and upkeep of the property.

Rincon Investments, LLC purchased Zocalo out of foreclosure at the height of the recession with the intention of completing Phase 4B and Phase 5. Phase 5 is currently finishing the design work and is about to begin the permitting process, and we anticipate being able to break ground on Phase 5 by mid-2016. Phase 5 is the most challenging phase of construction with major challenges with topography and drainage.

The Zocalo development under Foothills Estates, LLC, the original owner of the development, entered into a Housing Opportunity Program Agreement and Home HOP Lien with the City of Santa Fe on November 15, 2001. The agreement established Zocalo as a Type C development, which according to the Housing Opportunity Program Ordinance (Ord. #1998-3, §3) requires 11% of the development to be affordable based on the following formula taken from the HOP Ordinance.

Where T=total units, N=non-HOP units; and H=HOP units

$$T = N + H$$

$$H = N \times 0.11$$

$$T = (N \times 1) + (N \times 0.11)$$

$$T = N \times 1.11$$

$$N = T/1.11$$

Phases 1 through 5 of Zocalo will have a total of 301 units. According to the formula above the required number of HOP homes is:

Where T = 301 units

$$301/1.11 = N = 271.17$$

$$301 = 271.17 + H$$

H = 29.83 units required up on complete build out.

Zocalo has a long standing history of providing affordable units above the required minimal standards and has delivered the same exceptional high quality as the market rate units. Zocalo has wanted to maintain a cohesive and comprehensive look throughout the property so the affordable units would appear no differently than the market rate units.

Based on the list of affordable units sold to date at Zocalo provided by M. Nellie Martinez, the Deputy Director of The Housing Trust on December 2, 2013, the City of Santa Fe has recorded 20 affordable units sold at Zocalo. Rincon Investments, LLC, the current owner of the remaining reserve development rights for Zocalo, is currently under construction on phase 4B with the completion anticipated to be in April 2016. Rincon Investments, LLC paid a fee-in-lieu for 3 of units which was approved by Community Development Commission, and is going to convert a 2 bedroom/2bath unit it owns to the affordable housing program prior to the final Certificate of Occupancy on phase 4B. This will bring the total number of affordable units delivered at Zocalo to 24.

Phase 5 for Zocalo is 56 units and we will be required to deliver 6 affordable units upon full build-out. Rincon Investments is seeking flexibility in the delivery of the 6 units to accommodate the financial hardship of completing the project. Phase 5 has the most challenging topography of all the phases of Zocalo, and is going to require an extensive network of retaining walls, new roads, and miles of new utilities for the development to be completed. Phase 5 will have the highest infrastructure costs per unit resulting in an incredibly high cost to deliver a single unit. The original developer, Foothills Estates, could have been more proactive in delivering extra affordable units in the earlier phases due to the lower infrastructure costs per unit in order to adequately prepare for Phase 5.

We have received bids to complete the project, and the estimated costs to build one unit to completion is approximately \$412,000. The sales price for the affordable unit will be around \$150,000, resulting in a \$262,000 loss. The total loss on the six affordable units will be \$1,572,000. This amount will have to be subsidized across the 50 market rate units, resulting in a \$31,400 per market rate unit subsidy. The estimated subsidy per market rate unit is extremely high and will create a required price above market, limiting the financial feasibility of the overall project.

Rincon Investments is requesting an Alternate Means of Compliance to allow for the purchase of existing market rate units within Zocalo and converting them to the affordable housing program in lieu of delivering the newly constructed units. This will allow Rincon the flexibility to purchase existing market rate units. The existing market rate units are still recovering from the recession and are priced below the costs to deliver a new unit. Purchasing existing units and converting them to affordable housing is equivalent to Foothills Hills Estates being proactive on delivering extra affordable units in the earlier phases of Zocalo.

Phase 5 will be built in a series of mini-phases and will deliver 1 affordable unit per every 9 units that are built. If granted the approval to convert existing market rate units, Rincon will convert an affordable unit per every 9 market rate units prior to the final certificate of occupancy of any market rate units. This will ensure that an affordable unit is delivered to the housing trust prior to the completion of any market rate units.

During our discussions, it is understood that the original requirement from the 2001 HOP Agreement for Zocalo for the unit mix and AMI requirements are no longer applicable since the unit mix and types of units have changed over the years. The original plan has never been followed, and we are seeking flexibility to deliver any type of existing unit into the affordable housing program. There is currently a wide mix of units at Zocalo, and we will likely purchase a mixture of 1, 2, and 3 bedroom units to convert depending on what is available.

Without an alternate means of compliance, we fear that phase 5 will never happen. This is not in the best interest of the current residents, especially our affordable homeowners who also pay the COA fees. Without more units across which spread these fees, the fees will continue to escalate. However, there are also community-wide benefits to be realized if the build out is to proceed. Zocalo Phase 5 is set to create 300 jobs over the course of a

three year build out, and provide a tangible boost to Santa Fe's economy. The City of Santa Fe would also benefit from an estimated gross receipts tax of \$1,600,000 based on \$19,800,000 in hard construction costs and general contractor fees. There are also permitting and water conservations fees of \$200,000. The total benefit to the City of Santa Fe is 200 construction jobs and \$1,800,000.

We very much appreciate the consideration for an Alternate Means of Compliance. We strongly feel that it is in the best interest of the existing 191 Zocalo residents who contribute to the Zocalo COA to finish phase 5 of the project as soon as possible. We think the added flexibility of converting existing market rate units will allow the project to be completed and bring a significant boost to Santa Fe's economy and job market.

Please call me to clarify any of the conditions outlined in this letter. Thank you for all your help.

Sincerely,

A handwritten signature in black ink, appearing to read 'JR B', followed by a long horizontal line extending to the right.

Josh Rogers
Director of Multi-Family
Rincon Investments, LLC

2075421

**CITY OF SANTA FE
INCLUSIONARY ZONING
HOUSING OPPORTUNITY PROGRAM AGREEMENT AND HOP HOME LIEN
for 32 HOP Home(s) to be located at "ZOCALO Development", located east of Camino
Francisca, south of NM 599, and west of US 285, Santa Fe, New Mexico**

This Housing Opportunity Program Agreement ("Agreement") is entered into on this 15th day of November, 2001, by and between Foothills, LLC, (the "HOP Developer") and the City of Santa Fe, New Mexico, a municipal corporation, (the "City").

WHEREAS, the City has duly adopted a Housing Opportunity Program, inclusionary zoning ordinance, and administrative procedures (collectively "HOP") and other regulatory structures in order to ensure that private development bears its fair share of the burden of housing affordability in the Santa Fe community; and

WHEREAS, the City's Community Services Department has determined that upon individualized assessment, the Agreement will provide, at a minimum, the amount of affordable housing necessary to offset impacts on the affordable housing market in the region of the project; and

WHEREAS, the City and the HOP Developer have entered into a HOP proposal in accordance with the requirements of the HOP; and

WHEREAS, The City and HOP Developer now wish to satisfy the HOP requirement for a final agreement in order to ensure HOP compliance and a mechanism for ensuring long-term affordability.

NOW THEREFORE, the City and the HOP Developer for themselves and their heirs, successors and assigns (including, without limitation, all persons who subsequently own a HOP Home or any interest therein, or the Property or any portion thereof containing a HOP Home, while this Agreement is in effect) hereby agree that the HOP Home shall be subject to the following Agreements and restrictions for the benefit of the City.

1. Definitions. All terms capitalized herein shall have the meanings given to them in this Agreement or the meanings as defined in the Santa Fe City Code sections regarding inclusionary zoning and the HOP. In this Agreement the following words and phrases have the following meaning:

A. "Agreement" means this HOP Agreement.

B. "Certificate of HOP Homebuyer Eligibility" means a certificate issued by the City or the City's assignee or agent, which certifies that the buyer is a qualified buyer who is income eligible.

COUNTY OF SANTA FE
STATE OF NEW MEXICO

I hereby certify that this instrument was filed for record on the 23rd day of Feb. A.D. 2002 at 1:07 p.m. and was duly recorded in book 201-437 of the records of Santa Fe County.

Witness my Hand and Seal of Office
Rebecca Bustamante
County Clerk, Santa Fe County, N.M.

[Signature]



C. "Certified Homebuyer" means a person determined, pursuant to the HOP and such other criteria as the City or its agents may deem appropriate, to be qualified on the basis of need and preference for the purchase of a HOP Home and who has properly obtained a "Certificate of HOP Homebuyer Eligibility".

D. "Fair Market Value", unless otherwise stated, means fair market value as of the day of the event in question (for example, purchase of the HOP Home or termination of this Agreement), taking into account the restrictions on HOP Developer and occupancy imposed by this Agreement as if such restrictions were perpetual.

E. "HOP Developer" means each legal and equitable HOP Developer of all or any portion of a HOP Home or the Property during the term of this Agreement, including without limitation the HOP Developer identified above, and any subsequent HOP Developer by sale, conveyance or other transfer of any legal or beneficial interest in a HOP Home or the Property. Unless the context otherwise requires, HOP Developer shall mean the HOP Developer at the time in question. HOP Developer and HOP Developers are used interchangeably.

F. "HOP Home" shall mean the unit of housing to be marketed and sold by HOP Developer at the affordable price pursuant to the HOP and this Agreement.

G. "HOP Homebuyer" shall mean any person or entity, which purchases the HOP Home from the HOP Developer and any subsequent purchasers who buy from the initial purchaser during the term of this Agreement.

H. "Repurchaser" means the City or the City's Assignee. A general delegation of authority by the City to another person as Repurchaser shall transfer those rights, powers and obligations assigned to the Repurchaser in this Agreement or the Lien. Transfer of any rights, powers and obligations assigned to the City in this Agreement shall be effective only to the extent such rights, powers and obligations are specifically enumerated in the delegation of authority.

I. "Senior Lien" means a mortgage with respect to the Property from the Purchaser, as mortgagor, to any lender or its agent or assigns, as mortgagee which loan is solely used to purchase the HOP Home.

2. THE PROJECT.

2.1 Property. The HOP Developer is the owner of certain property situated in the County of Santa Fe, New Mexico, known as Tract 8B, Section 12, Township 17 North, Range 9 East and known as "Foothill Estates LLC (aka) ZOCALO LLC" which property contains more or less 46.43 acres and is more particularly described in Exhibit A attached hereto. (The "Property")

2.2. Intended Conveyance of Interest. The Property is to be developed and the units thereon marketed as for sale housing.

2.3 Sales Price of Non HOP Homes. The anticipated sales price of the non-HOP Homes developed on the Property qualifies the project as a type C development under HOP.

2.4 HOP Plan. The HOP Developer agrees to construct a total of ___ HOP Home(s) as indicated on the attached Exhibit B. (HOP Plan). The HOP Plan shall include the number of bedrooms and bathrooms, the minimum square footage and the minimum household size, the percentage (%) of area median income to be served and the current HOP Home price for each HOP home as set forth in Section 8.2 of the HOP Administrative Procedures. If the development is not constructed in phases, the HOP Plan shall also include the legal description of the HOP Homes. If the development is constructed in phases, a HOP Plan for each phase designating the legal descriptions of the HOP Homes shall be reviewed and approved by the City and recorded at the County Clerk's office prior to issuance of a building permit by the City for that phase.

2.5 Agreement to Sell at HOP Home Price. The HOP Developer agrees to sell the HOP Home at the current HOP Home Price or such HOP Home Price as may be current at the time of sale by the HOP Developer. This subsection shall apply only for the eighteen-month period following the HOP Home being made available for sale. Any dispute as to the actual date on which a HOP Home is made available for sale shall be resolved by reference to the notice of intent to sell provided by HOP Developer pursuant to subsection 4.2 of this Agreement, the date of which shall be presumed to be the date on which the HOP Home became available. If the HOP Home has not sold for the HOP Home Price in the first six months, it shall be available for sale to any buyer whether or not they are certified pursuant to subsection 4.1. The HOP Home shall be salable at a revised price equal to the HOP Home Price plus ten percent during the second sixth month period. If the HOP Home has not sold for the revised price in the second six months, it shall be salable at a final revised price equal to the HOP Home Price plus twenty percent during the third sixth month period. If after eighteen months the HOP Home has not been sold it may be sold by HOP Developer at any price HOP Developer deems appropriate. However, notwithstanding any of the foregoing, the time periods described in this subsection shall be tolled during any suspension of marketing or any other period which has the effect of failing to make the HOP Home readily available for sale to a certified purchaser.

2.6 Agreement for Payments for Fraction Portions of a HOP Home. HOP Developer agrees to make a payment of \$9,548 for the fractional portion of a HOP Home as calculated pursuant to HOP, to the City or its agent prior to recording this Agreement. The payment shall be made to the Santa Fe Community Housing Trust for the benefit of the Santa Fe Affordable Housing Trust Fund, the proceeds of which are allocated to affordable housing projects in Santa Fe by the Santa Fe Affordable Housing Roundtable.

2.7 Marketing Sequence. The HOP Home shall be marketed at the same time as all other units on the Property or at a time, and in a proportion, equal to the number of non-HOP Homes being marketed for sale during a given phase of development.

2.8 Development Incentives. The City agrees to waive building permits for the 35 HOP Homes.

2.9 Agreements Regarding Transfers of Non-HOP Homes on the Property. HOP Developer acknowledges and hereby agrees that compliance with this Agreement shall be a precondition for any releases or express termination of HOP Developer's HOP Agreements and all future City approvals of building permits, certificates of occupancy and utility connections, and such other development approvals regarding the Property as may be required by law for development, construction, occupation and use of the Property.

3. HOP LIEN.

3.1 Creation of HOP Lien. The HOP Developer hereby creates a lien upon each HOP Home for the benefit of the City, its agents, heirs, successors and assigns (the "Lien"). The Lien shall be for the sole purpose of complying with the HOP and this Agreement and for the purpose of retaining long-term affordability of HOP Home.

3.2 Subordination. The Lien shall be subject and subordinate in all respects to liens, terms, covenants and conditions of a Senior Lien including all sums advanced for the purpose of (a) protecting or further securing the lien of the Senior Lien, curing defaults by the HOP Homebuyer, its successors and assigns under the Senior Lien or for any other purpose expressly permitted by the Senior Lien or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. The terms and provisions of the Senior Lien are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the Senior Lien, any provisions wherein or in any other collateral agreement restricting the use of the Property to income eligible households or otherwise restricting the HOP Homebuyer, its successor's or assign's ability to sell the Property, shall have no effect on subsequent purchasers of the Property. Any purchaser following foreclosure, including his successors or assigns (other than the HOP Homebuyer or a related entity of the HOP Homebuyer), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the Senior Lien shall receive the title to the Property free and clear from such restrictions.

Further, if the holder of the Senior Lien acquires title to the Property pursuant to a deed in lieu of foreclosure, this lien shall automatically terminate upon acquisition of the title by the holder of the Senior Lien, provided that (a) the City has been given written notice of default under the Senior Lien and (b) the City shall not have cured the default under the Senior Lien, or diligently pursued curing the default as determined by the holder of the Senior Lien, within the 60-day period provided in such notice sent to the City.

The Lien and/or deed restriction must be shown on Schedule B-II of the lender's title policy as a subordinate item(s) to the first mortgage that is to be sold to Fannie Mae.

Notwithstanding any terms to the contrary, herein, the City and its agent's rights to collect and apply the insurance proceeds of hazard or property insurance or other insurance proceeds shall be subject and subordinate to the rights of the Senior Lien holder to collect and apply such proceeds in accordance with the Senior Lien. Likewise, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the property subject to the Lien, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Senior Lien holder, subject to the terms of the Senior Lien.

3.3 Lien Amount. The Lien amount shall be the difference between the current HOP Home price at the time of closing and the Fair Market Value as determined by a certified appraiser selected by the City or its agent. The lien amount shall be calculated after construction of the HOP Home but prior to purchase by the HOP Homebuyer. HOP Developer agrees to execute such additional documents as are necessary to record the HOP Lien with the Lien amount.

3.4 Term of Lien. The Lien shall run for 30 years or until such time as the City exercises its right of first refusal or purchase under this Agreement. During this term, so long as the HOP Homebuyer complies with HOP and the terms of this Agreement, no payments will be due on this Lien. However, if HOP Homebuyer remains in the HOP Home for a full 30-year term without transferring the HOP Home, failing to comply with HOP, or otherwise violating the terms of this Agreement, the Lien shall terminate.

3.5 Transfers of Lien. The Lien may be assumed by subsequent HOP Homebuyers of the HOP Home, including those acquiring the HOP Home through testate or intestate succession so long as the City receives a Notice of Intent to Sell and the City gives written approval of the assumption of the Lien. The Lien shall not be assigned by the City or its agent without the Senior Lien holder's prior written consent so long as the Senior Lien remains outstanding and the obligation to make payment on the mortgage note has not been satisfied. Subsequent HOP Homebuyers shall also obtain a "Certificate of HOP Homebuyer Eligibility".

3.6 Collection of the Lien Amount. The City and its agent agree that they will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien holder at least 60 days prior written notice. The subordinate lien holder (the City or its agent) will give the Senior Lien holder written notice of default and prior written notice of any acceleration under the subordinate mortgage (the Lien). However, it is understood that the subordinate lien holder is only holding the Lien for purposes of retaining long-term affordability and, therefore, will not accelerate the payment of the Lien amount.

In the event of a foreclosure on the Senior Lien the City hereby agrees to accept a note for any deficiency in the Lien amount and to forgive, release and forgo collection upon the Lien.

4. CLOSING SALES AND CONVEYANCES OF THE HOP HOMES.

4.1 Certification of Homebuyer. HOP Developer agrees to sell the HOP Home only to a Certified Homebuyer who qualifies for the purchase of a HOP Home under the HOP. The City hereby represents and warrants that Santa Fe Community Housing Trust is its authorized agent under the most current agreement between the City and Santa Fe Community Housing Trust, for purpose of qualifying buyers under this Agreement and issuing Certificates of HOP Homebuyer Eligibility.

4.2 HOP Developer's or HOP Homebuyer's Notice of Intent to Sell or Transfer the Property. Any time the HOP Developer or any subsequent HOP Homebuyer who is subject to this Lien intends to sell or otherwise transfer the Property or any interest in the HOP Home, whether by deed, real estate contract, intestacy, testate succession or otherwise, said transferor shall give written notice to the City which shall state the transferor's intention to sell or otherwise transfer said Property or interest in the HOP Home. (The "Notice of Intent to Sell").

4.3 Notice to Prospective HOP Homebuyer of Lien. The HOP Developer agrees to provide actual notice to any prospective purchaser of the covenants, conditions, and encumbrances, which are or will be placed upon the HOP Home to be sold by HOP Developer to the Certified HOP Homebuyer. Any purchase agreement containing the foregoing language or accompanied by a signed disclosure statement containing the foregoing language shall be deemed acceptable to the City pursuant to Section 26-1.19 (D) SFCC1987. The notice shall, at a minimum, state:

- A. The unit is subject to a 30 year, renewable, lien (the "Lien") which is intended to retain the long-term affordability of the HOP Home.
- B. The Lien may limit the ability of the HOP Homebuyer to get subsequent mortgage or equity loans.
- C. The Lien gives the City and its agents a right to exercise its right of first refusal and purchase the HOP Home at a price, which may be less than the fair market value of the HOP Home.
- D. The Right of First Refusal granted to the City can be assigned by the City to an agent or third party Certified HOP Homebuyer.
- E. The Lien will limit the HOP Homebuyer's ability to sell the HOP Home in the future and shall require the City or its agents to agree to any additional use of the HOP Home as collateral or security.

F. The Lien will reduce the total amount payable to the HOP Homebuyer upon resale by the lien amount if the HOP Home is sold or transferred during the 30 year Lien term.

G. The Lien will be renewed for an additional 30-year period if the HOP Home is sold to a Certified HOP Homebuyer or the right of first refusal exercised during the initial term of the Lien.

4.4 Escrow Instructions Regarding Initial HOP Compliance. HOP Developer agrees to sell the HOP Home through an escrow agent. The escrow agent shall be required by HOP Developer as a precondition for closing to certify to the City that:

A. The HOP Homebuyer has been notified of and has indicated their understanding of the Lien and its affect.

B. The total sales price at closing does not exceed the HOP Home Price plus such transactional costs of closing as are usual and customary.

C. The HOP Home is being sold to a buyer who has agreed that the HOP Home shall be their principal residence and who has provided the escrow agent with a Certificate of HOP Homebuyer Eligibility.

4.5 Agreement to Pay Appraisal Costs. The HOP Developer agrees to pay a flat fee of \$250.00 to the City or its agent at closing of the sale of each HOP Home. This fee is expressly and solely for the purposes of obtaining a Fair Market Value appraisal in order to determine the appropriate amount of the Lien.

4.6 HOP Developer to Reference Agreement and Lien. The HOP Developer shall include a reference to this Agreement in any and all deeds or other instruments conveying any interest in the HOP Home or any part thereof or interest therein, although neither the validity nor enforceability of this Agreement shall be affected in any manner by failure to do so.

5. RIGHT OF FIRST REFUSAL OR PURCHASE.

5.1 Grant of Right of First Refusal. To maintain the HOP Home as affordable housing throughout the 30 year term of this Agreement, the City and its agents shall have, and HOP Developer, its heirs, successors and assigns, hereby grant the City and its agent the right (but without obligation) to purchase the HOP Home in any of the following circumstances (the "Rights of First Refusal"):

A. The HOP Developer or a successor has given the City Notice of Intent to Sell; or

B. The HOP Home is no longer the principal residence of any person purchasing the HOP Home from the HOP Developer or any subsequent HOP Homebuyer, their heirs, successors or assigns whose occupancy does not comply with the covenant to maintain the HOP Home only as a principle residence and not as a trade or business, as an investment property, (income/rental property) or as a recreational second home, or non-principal residence so long as said HOP Homebuyer of the HOP Home has been given written notice identifying the violations and has failed to cure them; or

C. Any legal or beneficial interest in the HOP Home is conveyed or otherwise transferred (for example, by inheritance) without both Notice of Intent to Sell and Second Notice of Intent to Sell as required in this Section having been given, unless the City has waived the Right of First Refusal in writing; or

D. The City has notice of a pending mortgage or other lien foreclosure or similar proceeding (for instance, a sheriff's sale) against the HOP Home or of a civil action or equivalent proceeding for unpaid condominium common expenses; or

E. The City has notice that the HOP Home is being taken for unpaid taxes; or

F. The HOP Homebuyer made material misrepresentations in applying to acquire the HOP Home; or

G. The HOP Homebuyer has failed to observe and perform the HOP Homebuyer's obligations under this Agreement (other than as stated in (H.) below), has been given written notice identifying the violations and has failed to cure them; or

H. The HOP Homebuyer has failed to observe and perform the HOP Homebuyer's obligations under this Covenant in a manner, which constitutes criminal conduct, or in the City's judgment constitutes other willful, egregious and continuing violation of such obligations.

The City shall be obligated to give notice and an opportunity to cure only for events under subsections (B.) or (G.); and for those events, the HOP Homebuyer and any holder of a Senior Lien shall have a reasonable time to cure which shall not exceed six months. In all cases other than sale or other transfer of the HOP Home under subsection (A.), the City's right to buy the HOP Home shall continue only while the event giving rise to exercise of the Right of First Refusal continues un-remedied.

5.2 City's Exercise of Right of First Refusal. In the event that the City has received a Notice of Intent to Sell pursuant to this Agreement, the City shall have 30 days in which to exercise its Right of First Refusal. During this 30-day period, the City and its agent shall have the exclusive right to market the HOP Home and the HOP Homebuyer shall not list the HOP Home with a realtor or any other selling agent.

5.3 Duration of Right of First Refusal. The City and the HOP Homebuyer intend that the Right of First Refusal are for the purpose of promoting and enforcing this Agreement in

its goal of ensuring continuance of the HOP Home as affordable housing as permitted under New Mexico law and accordingly are intended to be exercisable throughout the term of this Agreement (or such shorter period as is the longest permitted under law).

5.4 Purchase Price. The purchase price of the HOP Home under the Right of First Refusal shall be equal to the appraised price at the time of sale less the Lien amount. In the event that there is a dispute as to the purchase price, the seller shall be entitled, at its own expense, to have a separate appraisal performed and if the seller and City or its agent still can not agree as to the purchase price, the seller and City shall resolve the matter through binding arbitration.

6. MONITORING AND ENFORCEMENT.

6.1 Notice. The City agrees to provide notice pursuant to the HOP of any violation or alleged violation of the terms and conditions of this Agreement and further agrees to give HOP Developer 30 days to cure and violation under this Agreement. HOP Developer agrees to provide the City with notice and 30 days opportunity to cure any violation of this Agreement.

6.2 Term. This Agreement shall be effective until all HOP Homes on the Property covered by this Agreement have been sold. Thereafter, this Agreement shall terminate. HOP Developer may request and the City agrees not to unreasonably withhold an express termination of this Agreement upon compliance with this Agreement. Nothing herein shall be deemed a waiver by the City or its agents or assigns of any right, title or interest to pursue or make claim for damages, penalties or remedies available to the City, its agents or assigns, for a breach of this Agreement or the HOP whether or not the breach occurs during the term of this Agreement.

6.3 Enforcement. It is understood and agreed by HOP Developer that the remedies provided under this Agreement are additional remedies, not exclusive of any remedy under the law.

6.4 Release by City. City hereby agrees to release HOP Developer from this Agreement upon fulfillment of all terms of this Agreement and to issue upon request a certificate of termination within a reasonable time of receipt of written request. The City will issue the certificate in recordable form stating (if such be the case) that this Agreement has been terminated, and any such certificate, when recorded with the Santa Fe County Clerk, shall be binding and conclusive on the City and all persons relying thereon.

7. MISCELLANEOUS PROVISIONS.

7.1 Recordation. HOP Developer agrees to record this Agreement and thus the Lien as set forth in Section 14-96.6 SFCC 1987 and prior to closing the sale of the HOP Home so as to legally attach, run with the land and ensure that the purpose of the HOP are met.

7.2 Successors and Assigns; Covenants to Run. This Agreement shall be legally binding on, as the obligations of, the parties and their respective successors and assigns, including without limitation, successors in title or interest to the Property, HOP Home or this Agreement, who by their acceptance of any interest in the Property, HOP Home or this Agreement shall be deemed to have agreed to perform and observe all the HOP Developer's obligations under, and to be bound by all the terms and conditions of, this Agreement. Furthermore, all the agreements, rights and restrictions set forth in this Agreement shall run with the Property for the purpose of maintaining the HOP Home as affordable housing throughout the term of this Agreement and the Liens entered into pursuant to this Agreement.

7.3 Reporting and Verification.

A. HOP Developer agrees to sign an affidavit declaring that the sale price did not exceed the amount specified in this Agreement.

B. HOP Developer agrees to provide such information and documentation as the City may reasonably require in order to insure that the actual sale was in compliance with this Agreement.

C. HOP Developer agrees to provide income verification in selling the HOP Home for certification by the City or its agent as complying with the HOP Ordinance.

D. HOP Developer agrees to grant access to the City, or its agent, to inspect the records of HOP Developer for the HOP Home in order to determine compliance with the HOP Ordinance and this Agreement.

7.4 Further Assurances. The parties agree to execute such documents as may be required to show the satisfactory compliance with HOP and this Agreement. The City may certify current compliance with the HOP on a unit by unit basis as may be reasonably requested by HOP Developer, escrow agents, realtors, lenders or any other interested party.

7.5 City's Right to Enter. Each HOP Developer hereby grants to the City the right to enter upon the HOP Home upon reasonable notice for the purpose of inspection and enforcement of the HOP, the Santa Fe City Code and this Agreement.

7.6 Survival of Enforcement Rights. Notwithstanding the definition of HOP Developer contained in this Agreement, the rights of enforcement for violations of this Agreement shall survive any subsequent sale or transfer of the HOP Home.

7.7 City's Zoning Authority Unimpaired. The City's rights to enforce any and all provisions of the Santa Fe City Code shall be the same as its rights generally to enforce any other ordinance, which shall in no way be diminished by this Agreement. The HOP Developer acknowledges that this Agreement is included within the zoning authority and charter authority of the City, which is, and is hereby, accepted by the HOP Developer as a sufficient but additional basis for this Agreement.

7.8 Notices. Any demand, notice or request by either party to the other shall be sufficiently given if in writing delivered to the party intended to receive the same, or if mailed by certified mail, return receipt requested, or delivered to a recognized national

courier, or if given in a manner sufficient for legal process. Each notice to the HOP Developer named above shall be addressed to such party, or to such other address as may be stated in a notice given as herein provided. Each notice to subsequent HOP Developers shall be sufficiently given if addressed to or given at the HOP Home.

7.9 Public Purpose. The City declares, and the HOP Developer and each other person, including mortgagees, hereafter holding any interest in the Property or a HOP Home acknowledges, that the Lien and this Agreement as well as all restrictions contained in this Agreement are for public purposes.

7.10 Sanctions. The City has the right to impose sanctions or take other actions as set forth in the HOP Ordinance after notice of violation has been given and not complied with.

7.11 Headings Not Part of Agreement. Section headings have been inserted for convenient reference only and are not to be construed as part of this Agreement.

7.12 Severability. If any provision of this Agreement or the application thereof to any person or circumstances is held to be invalid or unenforceable by any decision of any court of competent jurisdiction, such decision shall not impair or otherwise affect any other provision of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable.

7.13 Interpretation. This Agreement shall be enforceable according to its terms and New Mexico law. This Agreement is subject to the general principles of equity, fairness and reasonableness irrespective of whether such enforcement or interpretation is considered in a proceeding at equity or in law and shall be construed according to its purpose of fostering and preserving affordable housing. Any benefit to private parties arising under this Agreement is purely incidental to the purpose of creating affordable housing.

7.14 No Additional Payments. Nothing herein shall be deemed a requirement to pay to the City or its agent additional payments for amounts already paid to the Senior Lien holder. The borrower shall not be obligated to make such payments of funds to the City or its agent to the extent that the borrower under the Senior Lien makes such payments to the Senior Lien holder in accordance with the Senior Lien.

7.15 No Waiver. No actions taken by the parties following a breach of any of the terms contained in this Agreement shall be construed to be a waiver of any claim or consent to any succeeding breach of the same or any other term.

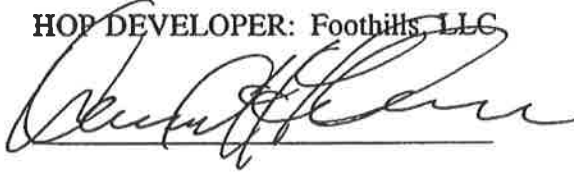
7.16 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

7.17 Agreement. This Agreement states the entire agreement of the parties. This Agreement shall not relieve HOP Developer from complying with present or future City ordinances, duly adopted resolutions or regulations applicable to the development.

7.18 Amendments. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto. Any amendments to this Agreement shall be reviewed by the Community Services Department and sent, if applicable, to the appropriate review body as set forth in the HOP Ordinance and then to the City Manager for approval.

WHEREFORE, the parties set their hands and seals this 15th day of November, 2001.

HOP DEVELOPER: Foothills LLC



By: Donald H. Tishman

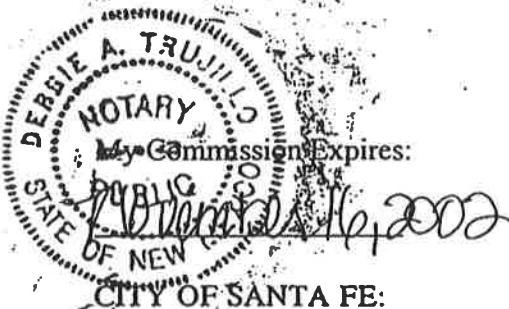
Its: Managing Member

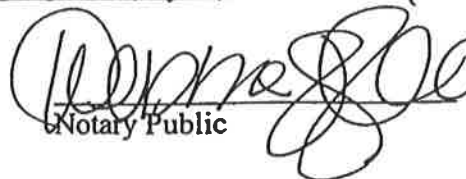
ACKNOWLEDGEMENTS

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 15th day of

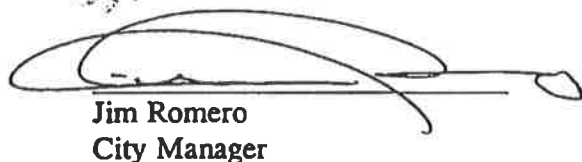
October, 2001, by Donald Tishman.

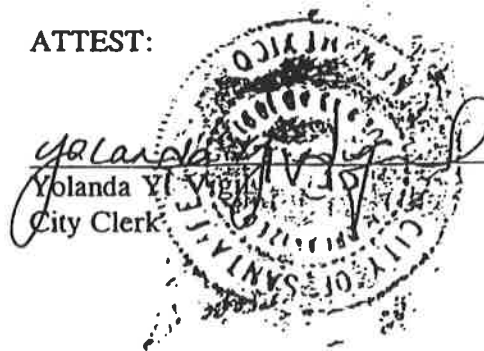



Notary Public

CITY OF SANTA FE:

ATTEST:


Jim Romero
City Manager


Yolanda Y. Yig
City Clerk

APPROVED AS TO FORM:

2075434



Peter A. Dwyer, City Attorney

Attachments: Exhibit A (the Property)
Exhibit B (the HOP Plan)
Exhibit C (HOP Plan Phase 1)

RECEIVED NOV 13 2001

**ZOCALO
HOP PLAN
32 HOP Units**

FOR-SALE UNIT TYPES	MAXIMUM HOP HOME PRICE (50% of median income)	MAXIMUM HOP HOME PRICE (55% of median income)	MAXIMUM HOP HOME PRICE (60% of median income)	MAXIMUM HOP HOME PRICE (65% of median income)	MAXIMUM HOP HOME PRICE (70% of median income)	MAXIMUM HOP HOME PRICE (75% of median income)
2 Bedrooms, 1 bath 900 sq ft min. (3 person household)	\$66,237 4 units	\$74,485 4 units	\$82,733 3 units	\$90,981 3 units	\$99,229 3 units	\$107,477 4 units
3 Bedrooms, 1.5 baths 1100 sq ft min. (4 person household)	\$70,086 2 units	\$79,255 2 units	\$88,425 2 units	\$97,595 1 unit	\$106,764 2 units	\$115,934 2 units

Exhibit B

Specific units will be determined at each phase of development.

Prices for 2 bedroom units reflect \$112 monthly homeowners' dues (assuming 1022 sq ft unit at \$1.32 per sq ft per year).

Prices for 3 bedroom units reflect \$149 monthly homeowners' dues (assuming 1350 sq ft unit at \$1.32 per sq ft per year).

Prices reflect 4/10/01 median incomes and 7.67% interest.

The incomes served and subsequent home prices may be modified by the City according to Section 8.4.5 of the HOP Administrative Procedures to reflect actual incomes to be served. Total prices shall be based upon an assumed 65% of median income. The HOP home prices shown in this HOP Plan are the prices in effect at the time this Plan is made. The current HOP prices, which are in effect at the time the HOP Home is made available for sale, determines the actual HOP Home price. The prices are updated annually by the City's Community Services Department.

2075436

11-15-01
M. Thompson

**ZOCALO
HOP PLAN
Phase 1
4 HOP Units**

(Units 301, 302, 305, 309, of the Zocalo Condominiums)

FOR-SALE UNIT TYPES	MAXIMUM HOP HOME PRICE (50% of median income)	MAXIMUM HOP HOME PRICE (55% of median income)	MAXIMUM HOP HOME PRICE (60% of median income)	MAXIMUM HOP HOME PRICE (65% of median income)	MAXIMUM HOP HOME PRICE (70% of median income)	MAXIMUM HOP HOME PRICE (75% of median income)
2 Bedrooms, 1 bath 900 sq ft min. (3 person household)	\$66,237 2 units	\$74,485 1 unit	NA	NA	NA	NA
3 Bedrooms, 1.5 baths 1100 sq ft min. (4 person household)	NA	NA	NA	NA	\$106,764 1 unit	NA

Prices for 2 bedroom units reflect \$112 monthly homeowners' dues (assuming 1022 sq ft unit at \$1.32 per sq ft per year).
Prices for 3 bedroom units reflect \$149 monthly homeowners' dues (assuming 1350 sq ft unit at \$1.32 per sq ft per year).
Prices reflect 4/10/01 median incomes and 7.67% interest.

The incomes served and subsequent home prices may be modified by the City according to Section 8.4.5 of the HOP Administrative Procedures to reflect actual incomes to be served. Total prices shall be based upon an assumed 65% of median income. The HOP home prices shown in this HOP Plan are the prices in effect at the time this Plan is made. The current HOP prices, which are in effect at the time the HOP Home is made available for sale, determines the actual HOP Home price. The prices are updated annually by the City's Community Services Department.

2075437

Excerpted Sections:
ADMINISTRATIVE PROCEDURES
FOR THE CITY OF SANTA FE
HOUSING OPPORTUNITY PROGRAM (HOP)

As described in Section 4 "Responsibility for Administration" of the HOP Administrative Procedures:

- 4.8 Community Development Commission** - This city board shall be responsible for considering and acting upon requests for alternate means of compliance and upon appeals of decisions of the Office of Affordable Housing as described herein.

As defined in Section 6 "Definitions" of the HOP Administrative Procedures:

Development Types:

- A. Development Type "A" means a residential development in which the average price of 70% of the dwelling units for sale or for rent are affordable to households with incomes at or below 80 percent of the area median income, using a four person household for home buyers and a three person household for renters.
- B. Development Type "B" means a residential development in which all units for sale or for rent are affordable to a three person household with an income under 120 percent of the area median income unless the development is defined as a development type "A."
- C. Development Type "C" means a residential development in which (a) one or more units for sale or for rent are provided to be affordable to a three person household with an income above 120 percent of the area median income; and (b) the average price does not exceed a price affordable to a three person household with an income at 200 percent of the area median income.
- D. Development Type "D" means a residential development in which units for sale or rent are, on average, affordable to a three person household with an income over 200 percent of the area median income.

Extreme Hardship - A condition occurring as a direct consequence of the HOP ordinance which a) deprives a property owner of all economically viable use of the subject property taken as a whole or b) would require the property owner to lose money on the development taken as a whole and the property owner can demonstrate to the Community Development Commission's satisfaction that said loss will be an unavoidable consequence of the HOP requirement for construction of affordable housing.

11. ALTERNATE MEANS OF COMPLIANCE

11.1 Criteria for Allowing Alternate Approaches

HOP requires that applicants provide HOP units on the property proposed for development. However, it is recognized that at times this approach may be infeasible due to extreme hardship as defined. **In this event, the applicant may seek permission from the Community Development Commission to use an alternate means of compliance {Emphasis added}.**

11.2 Allowable Alternate Means of Compliance

Contributions of cash or in-kind resources for affordable housing may be considered acceptable by the City as an alternate means of compliance. The Developer may provide cash, land, labor, materials or another in-kind contribution(s) acceptable to the City. The fair market value of the contribution(s) shall be equal to the In-Lieu Contribution Value for each affordable unit, which is not provided directly, as described in Section 12.

12. DETERMINATION OF IN-LIEU CONTRIBUTION VALUES – Use the In-lieu fee calculations/requirements from SF Homes?

The In-Lieu Contribution Value for each HOP unit which is not provided directly shall be determined as follows:

- 12.1 Contribution values for a particular development shall be the values in Appendix D, "HOP In-Lieu Contribution Values," which correspond to the type of development proposed.
- 12.2 The methodology for initially determining contribution values is contained in a 1995 report by The Enterprise Foundation, *Findings and Recommendations Regarding Housing Affordability Issues in the Proposed Housing Opportunities Program*. The recommended contribution values in that report were adopted as the initial values for calendar year 1995.
- 12.3 The initial 1995 values shall be adjusted annually at the beginning of each calendar year by a factor equal to the Consumer Price Index for New Mexico Urban Areas, or at the discretion of the Office of Affordable Housing Director, the values may be recalculated using another method, so long as the methodology is sound and described in detail in a written report available to the public.
- 12.4 The required In-Lieu Contribution Value for any contribution (including a staged contribution) shall be the amount in effect at the time that each contribution is due.
- 12.5 A 2% processing fee to the city shall be added to all fees in lieu of contributions for administrative costs.