

**MINUTES  
of the  
THIRD MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**August 30, 2005  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

The third meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, on August 30, 2005 at 10:15 a.m.

**Present**

Sen. Nancy Rodriguez, Chair  
Rep. Fred Luna, Vice Chair  
Sen. Cisco McSorley  
Rep. Harriet I. Ruiz  
Rep. Teresa A. Zanetti

**Absent**

Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Sen. Leonard Lee Rawson

**Advisory Members**

Rep. Roberto "Bobby" J. Gonzales  
Sen. Phil A. Griego  
Sen. Richard C. Martinez  
Rep. Daniel P. Silva  
Sen. H. Diane Snyder

Rep. Daniel R. Foley  
Sen. John T.L. Grubestic  
Sen. Steven P. Neville

**Staff**

Ramona Schmidt

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Isidoro Hernandez  
Lionel Holguin  
Sandra Marez  
Katherine Miller  
Erin Quinn  
Renee Roberts

**Tuesday, August 30**

Erin Quinn addressed the agenda items for today's meeting. She noted that as the result of numerous requests, the MFA has launched a new workforce housing program, which is an innovative approach to housing for essential members of the workforce throughout the state. Ms. Quinn stated the MFA is working with UniDev and Mesa del Sol on this project. Ms. Quinn

stated that in the past, MFA has provided financing for projects when approached and this new program is a paradigm shift with the MFA taking an active goal in soliciting and asking if housing is an obstacle to development within communities. MFA is working on engaging communities in participating in affordable housing in their communities. She noted this is being linked to workforce and economic need. She stated the Corrections Department, the city of Taos and Lea County are just three entities with which the MFA has been communicating.

Peter Smirniotopoulos from UniDev stated he had just flown in from Santa Barbara County where it is facing an acute housing shortage, which is dramatically impacting its ability to recruit and retain faculty and staff for its educational workforce. He noted it is difficult to involve private developers because of the need for profit where UniDev limits its fee to a six percent fee for the total development for the life of the project. He stated UniDev brings everything to the table, including financing and work with entities such as Fannie Mae and Citibank. He noted New Mexico has varied housing markets throughout the state with communities such as Santa Fe and Taos with increasingly unaffordable housing for the essential workforce. He noted UniDev has a customized approach to each area it goes into, such as addressing water issues in New Mexico and providing expertise from conception to completion. One of the first issues is to work with the local sponsors to address which areas of the workforce are the most impacted. He noted the unique thing about the program MFA has structured is to serve as a catalyst by providing two-thirds of the cost of the feasibility study, with the community also contributing. Mr. Smirniotopoulos noted that UniDev uses a land lease model so the land is never sold. He noted this can be an issue in some places because it limits return on equity but it allows for communities to recruit and retain essential workforce. He stated although UniDev is a for-profit organization, it is mission-driven and it works with other entities that are of similar missions.

Mr. Smirniotopoulos gave an introduction to UniDev, a leader in workforce housing development throughout the United States. UniDev's clients include colleges, universities and K-12 school districts; local and state governmental entities; hospitals and health care systems; and nonprofit organizations. He reviewed a presentation given, as an example, on affordable housing in Santa Fe and a housing development at California State University, Channel Islands. Handouts of his presentation will be provided to the committee members at a later date. The program sponsor, not UniDev, decides how many units on each project are handicapped-accessible. Mr. Smirniotopoulos reviewed how new housing is created and how a revenue stream for the sponsor is generated.

Senator Rodriguez inquired if the developments are open to Section 8-eligible individuals. Mr. Smirniotopoulos responded that this particular program is not a Section 8 program. Senator Rodriguez asked Mr. Smirniotopoulos to keep an open mind to incorporating Section 8-eligible individuals into the program. It was clarified that the resale prices are determined by the nonprofit sponsor of the development to allow for continued affordability. Mr. Smirniotopoulos clarified the developments are designed for appropriateness to the local community and market. Representative Luna addressed concern that the program appears to be designed to address workforce housing for those making over \$50,000 annually. Mr.

Smirniotopoulos noted that each project is addressed specifically for the workforce of each community, so if the median income is \$25,000 annually, that is the market targeted. The goal is how to make the housing affordable for the targeted workforce of the community. Ms. Quinn noted this program is not necessarily designed to provide housing for the lowest income population since there are many other programs that address those populations; rather, this program is specific to workforce community need. It was clarified that if the individual moves out of the job category, that individual would no longer qualify for the program and would need to move out. Mr. Smirniotopoulos noted UniDev has made the commitment to the MFA to do a development as small as 20 units. Mr. Smirniotopoulos stated he would be in New Mexico often in the future and offered to return and devote an entire session to complete his presentation. Additional information would be provided in advance.

A comparison of purchasing through the UniDev program and market rate was reviewed. He noted the fundamental premise is to work with the program sponsor to meet their needs. The feasibility study would include issues such as water availability to be built into the financing. The issue was raised as to what are the workforce needs for Lea County and the Corrections Department. It was stated that the need in Lea County is for faculty and staff at Lea County Junior College and the College of the Southwest and the Corrections Department is looking to fill a need for corrections officers throughout the state. Concern was raised as to what happens in the future if those staffing needs disappear.

It was requested to have committee members give their questions in writing to MFA staff to allow Mr. Smirniotopoulos the opportunity to address these in writing at a future presentation.

Harry Relkin from Mesa del Sol distributed handouts regarding Mesa del Sol and Albuquerque South Mesa. He noted Mesa del Sol is not an affordable housing project; rather, it is a mixed-use development incorporating the concepts of work, live, play and shop in one community. He stated it is a huge project whose northern edge is located approximately 1.5 miles from the airport. He noted employment is a crucial element of affordable housing and there are 1,400 acres dedicated for a job creation center. The development of Mesa del Sol is a partnership between Forest City Covington, the State Land Office, the University of New Mexico, the State of New Mexico, the city of Albuquerque and Bernalillo County. The mixed-use centers will provide shopping, entertainment, civic uses, public gathering spaces, schools, housing and employment. He stated one goal is to place people in close proximity between where they live and work and eliminate some of the cost of commuting, thus allowing individuals to put saved costs into their housing. Mr. Relkin noted that through proper design, children from poverty or affluence are able to attend the same school and that affordable housing is integrated into the community, thus keeping market values up. Mr. Relkin stood for questions from the committee. The issue was raised as to how to maintain affordability with the increasingly rising costs involved with housing.

Committee members were reminded of the MFA open house on September 20 from 3:00 p.m. to 6:00 p.m. and were encouraged to attend.

A motion was made to approve the minutes from the July meeting, which was seconded and unanimously adopted. There being no further business to be considered at this meeting, the committee adjourned at 12:40 p.m. after a motion duly made, seconded and unanimously adopted.

Materials distributed at the meeting are in the meeting file in the Legislative Council Service Library.