

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

**August 6, 2010  
Las Cruces City Hall  
Las Cruces, New Mexico**

The third meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Representative Jose A. Campos, chair, at 9:15 a.m. on Friday, August 6, 2010, at the Las Cruces City Hall in Las Cruces, New Mexico.

**Present**

Rep. Jose A. Campos, Chair  
Sen. Nancy Rodriguez, Vice Chair  
Sen. Mark Boitano  
Rep. Ernest H. Chavez  
Rep. Joni Marie Gutierrez  
Sen. Cisco McSorley

**Absent**

Rep. Janice E. Arnold-Jones  
Sen. Eric G. Griego

**Advisory members**

Rep. Thomas A. Anderson  
Rep. Andrew J. Barreras  
Rep. Roberto "Bobby" J. Gonzales  
Rep. Dennis J. Roch

Sen. Rod Adair  
Rep. Sandra D. Jeff  
Rep. James Roger Madalena  
Sen. Richard C. Martinez  
Sen. Gerald Ortiz y Pino  
Rep. Benjamin H. Rodefer  
Sen. Sander Rue

**Guest Legislator**

Rep. Richard D. Vigil

**Staff**

Kim Bannerman, Staff Attorney, Legislative Council Service (LCS)  
Claudia Armijo, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Copies of all handouts and written testimony are in the meeting file.

## **Friday, August 6**

### **Welcome and Approval of the Minutes**

Representative Campos welcomed committee members and guests to the meeting, and the members introduced themselves. A motion was made by Senator Rodriguez to approve the minutes for both the June 22, 2010 and July 8, 2010 committee meetings. The motion was seconded by Senator McSorley, and the minutes were unanimously approved without changes.

Jay Czar, executive director for the MFA, greeted the members of the committee and guests, thanked them for their attendance and provided an overview of the properties the members would be touring that morning. He then introduced Rose Garcia, executive director of the Tierra del Sol Housing Corporation. Ms. Garcia began by thanking the legislators for their support and legislative initiatives. She noted that Tierra del Sol works primarily in the rural areas of New Mexico, adding that Las Cruces is a major market for the housing corporation's work.

Ms. Garcia told the members that they would be visiting Paseo del Oro, a subdivision on the edge of Dona Ana Village on the north end of the city of Las Cruces. She advised the members that Tierra del Sol had collaborated with the Metropolitan Planning Organization on the project to ensure compatibility for the future and development consistency. She noted that the project contains 103 units of single-family detached homes. Ms. Garcia explained that the New Mexico Housing Trust Fund, administered by the MFA, had contributed \$1.4 million, with an additional nearly \$1 million contributed by a local bank. She added that half of the lots were designated for low-income families.

Staff from the City of Las Cruces Housing Authority welcomed the members to the new city hall and told them it is always available in the event that the legislators want to hold meetings there. They also discussed the Stone Mountain Place Apartments, which the members would also be touring that morning. The apartment community is a mixed-income, multifamily apartment complex consisting of 84 residences, a playground and a community center with offices and laundry facilities. The location was previously a motor home and mobile home park. The housing authority provided city home funds from the federal Department of Housing and Urban Development (HUD) to relocate the former residents. The location was originally half an infill lot in a flood zone and half mobile homes. Prior to development, the land was filled in so it is no longer in a flood zone.

### **Tour of San Miguel Colonia and Visit to the Alvarado Single-Family Rehabilitation Project**

After the introduction of the MFA housing partner representatives, the committee members boarded several vans and toured the various home sites. The first home visited was a rehabilitation home project located on Highway 28 in San Miguel, New Mexico. The home owner is Sylvia Alvarado, a retiree and grandmother. The home is an adobe originally constructed in the 1930s. The funding sources for the rehabilitation project were the MFA, which provided a forgivable loan in the amount of \$54,692.66, the United States Department of Agriculture Rural Development 2008 Program, which provided grant money in the amount of

\$14,400, and MFA Lead-Based Paint Grant money in the amount of \$785. The final project cost was \$69,877.66. Local contractors provided the work on the rehabilitation of the home. Major highlights of the rehabilitation included transforming the flat roof system into a pitched roof system, updating the electrical system and installing low-energy windows, low-flow plumbing fixtures, an evaporative cooler, a new gas line and a new water heater. The members were provided a brochure with photos illustrating the project before, during and after the rehabilitation took place.

The committee members were pleased to be able to meet the homeowner in person. She expressed her thanks and appreciation for the work done in the rehabilitation of her home. The members were impressed with the dramatic difference the rehabilitation had made in improvements to the property, noting that the work was significant in transforming the home from substandard housing to a like-new, safe living environment. The work on the home was completed in March 2010, and it was completed while the owner still occupied the house. Prior to the rehabilitation, the house had no heat, no working shower or bath and minimal air conditioning.

#### **Tour of Paseo del Oro — Single-Family New Construction Project**

Next, the members were taken to the Paseo del Oro Subdivision in Las Cruces. They were taken to a single-family home on Hatfield, which is now owned by Jeanette and Robert Azure. The construction on this home was completed in May 2010 by the Tierra Del Sol Housing Corporation, which acted as the licensed general contractor. The mortgage loan amount on the home is \$109,076, with an appraisal value of \$132,000. Consequently, the homeowners have \$22,924 of equity in their new home. The owners have a 30-year mortgage at a fixed rate of 4.75% with a monthly payment of \$747. The total grant funds used for the project were \$23,568.02. The members were provided with before-, during- and after-construction photographs of the home. It was a two-story frame-and-stucco home in an attractive small subdivision. Ms. Azure was present during the members' tour. She expressed her appreciation for the home and for the program making the home's construction possible. The members enjoyed speaking to the homeowner and were impressed with the construction and the pleasant environment of the subdivision. They were pleased to learn that the subdivision offers a mixed-income residency, with some homes being offered at the market rate while others, like the one they toured, sold as affordable housing. The members seemed to agree unanimously that combining the low-income housing with the market-rate housing provides a stable community environment for all of the residents.

Construction began in the Paseo del Oro Subdivision in June 2007, with the infrastructure completed in July 2008, and the project subdivision completion will be in the spring of 2012. There will be 103 single-family homes built when the project is complete, with at least 48 of those designated for families earning at or below 80% of the area median income. The average price of a subsidized home in Paseo del Oro is \$92,000, while the average price of a nonsubsidized home is \$125,000. So far, 32 homes in the subdivision have been sold, and there are five currently under construction. The funding for the project has come from the New Mexico Housing Trust Fund, Pioneer Bank, the City of Las Cruces' federal block grant program

called the HOME Investment Partnerships Program (HOME) and the HUD SHOP Program.

The HOME is the largest federal block grant to state and metropolitan local governments designed exclusively to create affordable housing for low-income households. A block grant is a federal grant made by formula every year, so that grantees are given discretion to undertake specific activities. For areas outside of Albuquerque and Las Cruces, the HUD provides HOME block grant funds to the MFA. The state, in turn, makes these funds available to rural New Mexico applicants on a competitive basis.

The HOME funding is determined by a formula based on need as determined by U.S. census data released every 10 years. In 2002, rural New Mexico received \$7 million.

HOME funding can be used for homeowner and rental housing development, as well as owner-occupied housing rehabilitation. The state also combines its HOME funds with state funding to provide additional resources to applicants on a competitive basis. Rural local and county governments, nonprofit organizations, for-profit agencies and tribal entities can apply to the state for funding. By federal law, 15% of the HOME funding is set aside for community housing development organizations, which are nonprofits created especially to undertake housing development.

### **Tour of Stone Mountain — Multifamily New Construction Project**

The last housing project the members toured was the Stone Mountain Place Apartments in the city of Las Cruces. The complex replaced a nonconforming trailer park. All of the residents of the trailer park were relocated to other, more suitable housing situations as required pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

The Stone Mountain Place Apartments complex consists of several buildings with 12 apartments in each building. There are 71 low-income tax credit units for families at or below 50% of the median area income, and there are 13 market-rate units. The City of Las Cruces Housing Authority, along with the MFA and several other partners, all joined in the funding and construction of the project.

The committee members toured a three-bedroom apartment that is a designated low-income tax credit unit. It was upstairs and appeared new and modern with up-to-date features, appliances and fixtures. Some members of the family living in the unit were present during the tour and spoke with a number of legislators as they viewed the home. The members were pleased with the overall feel and family-friendly atmosphere of the apartment complex. The construction was new, modern and attractive, and members were impressed by the dramatic improvements and difference in the location illustrated in the before-and-after photos they were shown after their tour.

After touring the three MFA-sponsored projects, the committee members returned to the Las Cruces City Hall, where the MFA held a town hall meeting later that afternoon. With no

further business, the chair adjourned the MFA Act Oversight Committee meeting at 12:30 p.m. However, members were invited to stay and attend the town hall meeting.