

## Council Meeting Staff Report

January 31, 2017

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<b>Agenda No.:</b>	A.
<b>Indexes (Council Goals):</b>	2016 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure
<b>Presenters:</b>	Paul Andrus
<b>Legislative File:</b>	OR0764-17

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### Title

Incorporated County Of Los Alamos Ordinance No. 02-270; An Ordinance Establishing An Affordable Homebuyer Assistance Program.

### Recommended Action

**I Introduce, without prejudice, Incorporated County Of Los Alamos Ordinance No.02-270; An Ordinance Establishing An Affordable Homebuyer Assistance Program. Amending Chapter 14, Article VII, of the Code of the Incorporated County of Los Alamos To Add A Division 3 To Include New Sections 14-266 Through 14-273.**

### County Manager's Recommendation

The County Manager recommends that Council introduce the motion as presented.

### Body

#### Background

On January 26, 2010, County Council approved Ordinance No. 551 Establishing an Affordable Housing Program pursuant to the Affordable Housing Act and which states additional ordinances will be needed to enable the County to create and administer specific housing programs.

On March 8, 2016, County Council approved Ordinance No. 664 re-establishing the Affordable Housing Program. Ordinance No. 664 repealed Ordinance No. 551 and ensured compliance with the State's latest rules and regulations and to enhance the methods available to the County to assist qualified County residents in acquiring or improving housing within the County. County Council approved \$150,000 as part of the 2017-2018 Community Development Department budget for the specific purpose of creating and implementing an affordable homebuyer program.

This Ordinance authorizes CDD staff to implement a Homebuyer Assistance Program as part of the overall effort to address affordable housing needs in the community. Key findings of staff research on housing demand in Los Alamos County includes steadily rising home prices and a median sale price substantially above the New Mexico average. Many low income households who live in, or commute into the County for work cannot afford to purchase a home in the County. A portion of these households would chose to purchase in the County if an affordable home suited to their needs was available. For many low income households, the main financial barrier to home purchase is insufficient savings for a mortgage down payment.

Ordinance No. 02-270 establishes An Affordable Homebuyer Assistance Program which will include administrative policies and procedures for the lending structure and overall administration. Staff submitted Ordinance No. 02-270 to The New Mortgage Finance ("MFA") for their approval as required by the New Mexico Affordable Housing Act, and MFA approved the ordinance by letter dated December 23rd, 2016.

### Main Framework for the Homebuyer Assistance Program

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a) Loan origination:

The County, or its designee, will be authorized under Ordinance No. 02-270 to originate Deferred Payment Loans directly to low income households and very low income households in accordance with the requirements of the Program rules and regulations approved by the Council and the MFA.

b) Program Assistance:

The Program will provide zero (0) percent Deferred Payment Loans from County funds to Very Low Income Households (less than fifty (50) percent of Los Alamos County Area Median Income) and provide interest bearing Deferred Payment Loans to Low Income Households (less than eighty (80) percent of Los Alamos County Area Median Income) up to a maximum Program subsidy per property of \$25,000.

c) Long term affordability controls:

The deferred payment loans will be secured by a mortgage and promissory note, and/or any other agreement(s) which the County may require. Covenants, terms of promissory note and mortgage will be specifically defined in the Homebuyer Assistance Program Administrative policies and procedures.

d) Applicant and property eligibility requirements:

County subsidy will be only provided to residents of the County who are qualified recipients and who have applied, been determined eligible, and subsequently approved to participate in the Program.

e) Establishment of loan review committee, loan approval, and budget:

A Loan Review Committee will be established as an advisory committee to the program. The committee shall provide review and analysis to the County Manager for all proposed Deferred Payment Loan applications selected for approval and which use County funds.

F) Funds available under program:

Total Subsidy offered under this Program will be subject to the availability of County and other funding sources. Any funds received by the County under this Program for homebuyer assistance loan repayments shall be retained for the purpose of providing additional loans for Homebuyer Assistance under this Program unless otherwise directed by Council.

**Alternatives**

County Council could choose to not approve this ordinance.

**Attachments**

A - Incorporated County of Los Alamos Code Ordinance No. 02-270

B - Mortgage Finance Authority (MFA) Letter of Approval for Ordinance No. 02-270