



County of Los Alamos

Council Meeting Staff Report

February 28, 2017

Agenda No.:	A.
Indexes (Council Goals):	2018 Council Goal – Quality of Life – Housing – Promote the Creation of a Variety of Housing Options for all Segments of the Los Alamos Community, including infill Opportunities as Appropriate
Presenters:	Paul Andrus
Legislative File:	OR0764-17b

Title

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

Recommended Action

I move to approve Incorporated County Of Los Alamos Ordinance No.02-270; An Ordinance Establishing An Affordable Homebuyer Assistance Program and Amending Chapter 14, Article VII, of the Code of the Incorporated County of Los Alamos To Add A Division 3 To Include New Sections 14-264 Through 14-273.

Manager's Recommendation

The County Manager recommends that Council consider Ordinance No. 02-270 for adoption.

Body

Background

Council introduced Ordinance No. 02-270 at the January 31st, 2017 Council meeting and directed the Ordinance for publication.

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 for individual 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 Ordinance No. 664 repealed Ordinance No. 551 and ensured compliance with the State's latest rules and regulations and to enhance the methods available to the County to assist qualified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. Ordinance No. 664 included specific language to: "support the efforts of low income first time homebuyers looking to purchase a home in Los Alamos County by participating in homebuyer assistance programs that provide down payment and closing cost assistance." County Council approved \$150,000 as part of the 2017 Community Development Department 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 proportion 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. Staff has drafted a Request For Proposal (RFP) with Administrative Policies and Procedures with the intention of contracting an external entity to implement the Homebuyer Assistance Program.

Main Framework for the Homebuyer Assistance Program

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 only be provided to 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 adopt this ordinance.

Attachments

A - Incorporated County of Los Alamos Code Ordinance No. 02-270 establishing Homebuyer Assistance Program

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

C - Notice of Code Ordinance No. 02-270