



State of New Mexico

Office of the Governor

Bill Richardson
Governor

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Governor Bill Richardson Announces Aggressive Housing Initiative

Dismantling of Regional Housing Authority, investment in additional housing, part of plan

SANTA FE – Governor Bill Richardson today outlined a wide-ranging plan to address home ownership in New Mexico. The Governor’s plan would dismantle the ineffective Regional Housing Authority and replace it with a more efficient and transparent housing process under the control of the Mortgage Finance Authority.

“We have worked hard to create new home ownership opportunities for New Mexicans,” Governor Bill Richardson said. “The Regional Housing Authority has outlived its usefulness. I am confident that the Mortgage Finance Authority, which has a proven record of success, can provide the flexibility and accountability needed to oversee a new statewide approach to affordable housing.”

Under the Governor’s plan, which was developed by the Governor’s Finance Council, Regional Housing Act would be repealed, and the existing seven regions would be consolidated. The Mortgage Finance Authority would administer funding (\$2.25 million over three years) and contract with housing providers to deliver affordable housing throughout the state. The contracts would include an additional layer of accountability that does not exist under the Regional Housing Authority.

In April, Governor Richardson directed the Board of Finance to conduct a review of all regional housing authorities in New Mexico following allegations of the imposition of questionable fees. In June, the Governor ordered a comprehensive performance and management review of Region III after the authority failed to meet the deadline for payment on a \$2.5 million bond. The Review by the State Investment Office uncovered questionable practices and concluded that Region III was grossly mismanaged.

Governor Richardson and Lt. Governor Diane Denish, a leader on housing issues, are also proposing a substantial investment in existing home ownership programs that have successfully increased housing opportunities for many New Mexicans.

HERO program – \$2 million in recurring revenue that will help leverage \$30 million in below-market mortgage loans and down payment assistance to teachers, police officers, fire fighters, nurses and active members of the military. The program helps those essential professionals more easily qualify to purchase a home, especially in communities where housing costs are high.

"The HERO Program is an excellent way to help hardworking New Mexico public servants achieve the American dream." Lt Gov. Denish said. "Teachers, peace officers, nurses and military personnel work every day to improve our communities -- they deserve to be able to afford homes in the cities and towns where they work."

Housing Trust Fund – A one-time \$15 million investment in the New Mexico Housing Trust Fund. The state funding would leverage at least \$150 million, which the Mortgage Finance Authority uses to help address New Mexico's many housing needs. The investment would also create 1,700 in construction jobs during the first year and \$10 million in tax revenue.

"The Housing Trust Fund has been hugely successful supporting affordable housing development and home ownership across New Mexico," Lt. Gov. Denish said. "This additional \$15 million is a bold statement that quality affordable housing is a key part of our economic-development strategy."

The MFA has awarded \$9.9 million and leveraged \$142 million in other funding sources to help create 852 housing units across the state, including 64 affordable for-sale housing units in Las Cruces; 81 affordable rental housing units in Albuquerque; and 54 affordable for-sale housing Habitat for Humanity units in 13 communities. (A full list of projects awarded under the Housing Trust Fund is attached.)



New Mexico Housing Trust Fund Awards as of October 4, 2006

Applicant	Project	Location		Units	Activity	Award Recommendation	Leverage
		Municipality/ Pueblo	County				
Angel Fire Garden Homes, LLC	Angel Fire Garden Homes	Angel Fire	Colfax	up to 37	affordable for-sale housing	\$725,000 interest-only loan at 3% interest for 5 years; interest only payments quarterly, principal due at maturity	\$5,935,000
Commonweal Conservancy	The Village at the Galisteo Basin Preserve	n/a	Santa Fe	338	affordable/workforce for-sale housing	\$1,250,000 interest-only loan at 5% interest; term ending 03/31/07; interest only payments monthly, principal due at maturity	\$81,547,236
Greater Albuquerque Housing Partnership	Barelas Homes	Albuquerque	Bernalillo	12	affordable/workforce for-sale housing	\$800,000 interest-only loan at 2% interest for 3 years; interest only payments quarterly, principal due at maturity	\$3,337,692
Habitat for Humanity of New Mexico	n/a	13 communities statewide		54	affordable for-sale housing	\$400,000 interest-only loan at an interest rate to be determined for a term of 5 years; interest only payments quarterly, principal repaid as units are sold	\$3,488,000
Habitat for Humanity of Valencia County	Unit 64	Belen	Valencia	50	affordable for-sale housing	\$800,000 interest-only loan at an interest rate to be determined for a term of 3 years; interest only payments monthly, principal repaid upon sale of lots	\$3,250,000
Housing Authority of the City of Las Cruces/ Doña Ana County Housing Authority	Casas del Quinto Sol	Vado/Del Cerro	Doña Ana	21	affordable for-sale housing	\$745,000 loan at an interest rate and term to be determined based on more detailed sources and uses information forthcoming from applicant	\$2,143,449
J.L. Gray Company	Gray Ranch	Deming	Luna	64	workforce rental housing	\$384,075 interest-only loan at 5% interest for 2 years; interest only payments monthly, principal due at maturity	\$5,913,946

Housing Trust Fund Awards, *continued*

Applicant	Project	Location		Units	Activity	Award Recommendation	Leverage
		Municipality/ Pueblo	County				
Laguna Housing Development and Management Enterprise	Laguna Owner-Occupied Housing Rehabilitation Project	Laguna Pueblo	Cibola	30	owner-occupied housing rehabilitation	\$390,000 monthly amortizing loan at 1% interest for a term of 20 years contingent on Tribal and/or TDHE guaranty	\$782,157
New Mexico AIDS Services	NMAS Townhomes	Albuquerque	Bernalillo	4	affordable special needs rental housing	\$250,000 monthly amortizing loan at 3% interest for a term of 5 years	\$250,000
Northern Pueblos Housing Authority	Mesa Vista	San Ildefonso	Santa Fe	20	affordable lease purchase housing	\$700,000 interest-only loan at 3% interest during construction, interest only payments monthly; after 3 years, converts to monthly amortizing permanent loan at 5% for 20 years	\$4,003,570
NRP Holdings, LLC	Casamera Apartments	Gallup	McKinley	72	affordable rental housing	\$750,000 interest-only loan at 1% interest for 2 years <i>contingent on project receiving federal Low Income Housing Tax Credits</i> ; interest only payments quarterly, principal due at maturity; funding may be used only for units designated for households with incomes ≤ 60% AMI	\$6,950,656
Ohkay Owingeh Housing Authority	San Juan Homeownership Project	San Juan Pueblo	Sandoval	5	affordable for-sale housing	\$65,000 monthly amortizing loan at 1% interest for a term of 15 years contingent on Tribal and/or TDHE guaranty	\$692,336
Romero Rose, LLC	East Second Street Project	Albuquerque	Bernalillo	81	affordable rental housing	\$1,250,000 interest-only loan at 3% interest during construction, interest only payments monthly; after 3 years, converts to monthly amortizing permanent loan at 7% for 30 years	\$16,234,970
Tierra del Sol Housing Corporation	Paseo del Oro	Las Cruces	Doña Ana	64	affordable for-sale housing	\$1,414,655 interest-only loan at 2% interest for a term of 3 years, interest only payments quarterly, principal repaid as units are sold	\$7,957,543

New Mexico Housing Trust Fund Awards Summary:

- Awards totaling \$9,923,730
- Leverage totaling \$142,266,555
- Total number of units: 852
 - 581 units of single family for-sale housing
 - 30 units owner-occupied housing rehabilitation
 - 219 rental units
 - 22 rental units for people with disabilities