

Legal

T.I. No. 9453  
TOWN OF TAOS,  
NEW MEXICO

**NOTICE OF ADOPTION OF ORDINANCE**

Notice is hereby given of the title and a general summary of the subject matter contained in Ordinance No. 05-04, duly adopted and approved by the Council (the "Council") of the Town of Taos, New Mexico (the "Town") on June 28, 2005 (the "Ordinance"), relating to the implementation by the Chamisa Verde Subdivision Program and related plans. Complete copies of the Ordinance are available upon request and payment of a reasonable fee during normal and regular business hours of the Office of the Town Clerk, Town Hall, 400 Camino de La Placita, Taos, New Mexico.

The title of the Ordinance is:

AN ORDINANCE  
AUTHORIZING THE

**LEGALS -**

**USE OF AFFORDABLE HOUSING FUNDS TO BE AWARDED, LOANED OR OTHERWISE DISTRIBUTED PURSUANT TO THE AFFORDABLE HOUSING ACT FOR THE CHAMISA VERDE SUBDIVISION PROGRAM AND THE RELATED CHAMISA VERDE SUBDIVISION (PHASE I) PLAN; APPROVING THE CHAMISA VERDE SUBDIVISION (PHASE I) PLAN; DEFINING TERMS; AND AUTHORIZING THE EXPENDITURE OF AFFORDABLE HOUSING FUNDS IN CONNECTION THEREWITH.**

The following is a general summary of the subject matter contained in the Ordinance.

The Recitals to the Ordinance provide that: (a) under an exception to the "anti donation" clause as set forth in Article IX, 14 of the New Mexico Constitution, the Town is not prohibited from (i) donating land it owns for the construction on it of affordable housing; (ii) donating an existing building owned by the Town for conversion or renovation into affordable housing; or (iii) providing or paying the costs of infrastructure necessary to support affordable housing projects; (b) the Affordable Housing Act, NMSA, 1978 § 6-274 et seq. (the "Act") implements the provisions of Subsections E and F of §14, Article IX of the New Mexico Constitution; and (a) the Mortgage Finance Authority (the "MFA") has reviewed and approved the form and terms of the Ordinance.

As proposed in the Ordinance: (1) the Council adopted Ordinance No. 05-03 establishing the Town's affordable housing program (the "Program") pursuant to the Act; (2) the Town is authorized to contribute and donate land, an existing building, and the cost of infrastructure necessary to support the affordable housing that is part of the Chamisa Verde Subdivision Program (the "Chamisa Verde Program") and the Chamisa Verde Subdivision (Phase I) Affordable Housing Plan (the "Phase I Plan"); (3) the Town is authorized to expend Affordable Housing Funds (as defined in Ordinance No. 05-03) in connection with the implementation of the Chamisa Verde Program and the Phase I Plan; (4) the Ordinance describes (i) the affordable home categories, (ii) the amount of Affordable Housing Funds available for Very Affordable Homes, Moderately Priced Homes and Market Rate Homes (as defined in the Ordinance) under the Phase I Plan, (iii) the terms, including security for repayment to the Town, under which a Qualifying Grantee (as defined in Ordinance N. 05-03) builder and home buyer would acquire a building lot and completed home, (iv) the builder requirements and applicant eligibility guidelines; and (5) the Ordinance provides that any recipients of housing assistance provided as part of the Chamisa Verde Program and the Phase I Plan will satisfy the requirements established in the Act and the MFA Affordable Housing Rules promulgated pursuant to the Act. This notice is given pursuant to Section 3-17-5 NMSA 1978. (Legal No. 9453; Pub. July 7, 2005)

**TOWN OF TAOS, NEW MEXICO**

**ORDINANCE NO. 05-04**

1           **AN ORDINANCE AUTHORIZING THE USE OF AFFORDABLE HOUSING**  
2           **FUNDS TO BE AWARDED, LOANED OR OTHERWISE DISTRIBUTED PURSUANT**  
3           **TO THE AFFORDABLE HOUSING ACT FOR THE CHAMISA VERDE SUBDIVISION**  
4           **PROGRAM AND THE RELATED CHAMISA VERDE SUBDIVISION (PHASE I)**  
5           **PLAN; APPROVING THE CHAMISA VERDE SUBDIVISION (PHASE I) PLAN;**  
6           **DEFINING TERMS; AND AUTHORIZING THE EXPENDITURE OF AFFORDABLE**  
7           **HOUSING FUNDS IN CONNECTION THEREWITH.**

8           **WHEREAS, the Town of Taos (the "Town") is a municipal corporation duly organized**  
9           **and existing under the laws of the State of New Mexico (the "State"); and**

10           **WHEREAS, under an exception to the "anti-donation" clause as set forth in Article IX,**  
11           **Section XIV of the New Mexico Constitution, the Town is not prohibited from (i) donating land**  
12           **it owns for the construction on it of affordable housing; (ii) donating an existing building owned**  
13           **by the Town for conversion or renovation into affordable housing; or (iii) providing or paying**  
14           **the costs of infrastructure necessary to support affordable housing projects.**

15           **WHEREAS, the Affordable Housing Act, NMSA 1978 § 6-27-1 et seq. (the "Act") and**  
16           **New Mexico Finance Authority Affordable Housing Rules (the "Rules") implement the**  
17           **provisions of Subsections E and F of Section XIV of Article IX of the New Mexico Constitution;**

18           **WHEREAS, the Town Council ("Council"), the governing body of the Town, desires to**  
19           **implement an affordable housing program for the Town;**

1        WHEREAS, on \_\_\_\_\_, 2005, the Council adopted Ordinance No. \_\_\_\_ (the  
2 "Affordable Housing Ordinance") establishing an Affordable Housing Program pursuant to the  
3 Affordable Housing Act;

4        WHEREAS, the Affordable Housing Ordinance requires, among other things, a copy of  
5 an ordinance providing for the authorization of Affordable Housing Funds and/or the Housing  
6 Assistance Grants;

7        WHEREAS, the MFA has reviewed and approved the form and terms of this Ordinance  
8 prior to final adoption hereof.

9 BE IT ORDAINED BY THE TOWN COUNCIL, THE GOVERNING BODY OF THE TOWN  
10 OF TAOS, NEW MEXICO:

11        SECTION 1. SHORT TITLE. This article may be cited as the "Chamisa Verde  
12 Subdivision Program Ordinance."

13        SECTION 2. PURPOSE. Pursuant to Section 4(J)(1)(a) and (b) and other Sections of  
14 the Affordable Housing Ordinance, this Ordinance is adopted to provide the MFA with (a)  
15 documentation that confirms that the Town has an existing valid Affordable Housing Plan; (b) an  
16 ordinance which provides for the authorization of the Housing Assistance Grant, including the  
17 use of any Affordable Housing Funds, together with a written certification that the Chamisa  
18 Verde Subdivision Program is in compliance with Act and the Rules so that the MFA may  
19 confirm both that this Ordinance is in compliance with the Act, that the Application is complete,  
20 and that Qualifying Grantees are and will be the recipients of Affordable Housing Funds in  
21 connection with the Chamisa Verde Subdivision (Phase I) Affordable Housing Plan under the  
22 Act and the Rules, and authorizing the expenditure by the Town of Affordable Housing Funds in

1 connection with the Chamisa Verde Subdivision (Phase I) Affordable Housing Plan in  
2 connection with one or more Affordable Housing Projects.

3 **Section 3. GENERAL DEFINITIONS.** Unless specifically defined herein, all defined  
4 terms shall have the meanings ascribed to them in the Affordable Housing Ordinance. The  
5 following words and terms shall have the following meanings.

6 A. "Chamisa Verde Subdivision Program" or "Program" shall mean and refer to the  
7 Chamisa Verde Subdivision, an Affordable Housing Program, located within the municipal  
8 boundaries of the Town.

9 B. "Chamisa Verde Subdivision (Phase I) Affordable Housing Plan" or "Plan" shall  
10 mean and refer to the first phase of development of the Chamisa Verde Subdivision Program  
11 consisting of thirty-seven (37) Lots, which phase constitutes an Affordable Housing Plan.

12 C. "Market Rate Homes" shall mean any home constructed in connection with the  
13 Plan that can be sold at any price and to any buyer regardless of income.

14 D. "Moderately Priced Homes" shall mean any home constructed in connection with  
15 the Plan which must be sold at or below a maximum price established by the Town and must be  
16 sold to eligible Persons of Moderate-Income. Moderately Priced Homes qualify as Affordable  
17 Housing under the Affordable Housing Ordinance.

18 E. "Very Affordable Homes" shall mean any home constructed in connection with  
19 the Plan which must be sold at or below a maximum price established by the Town and must be  
20 sold to eligible Persons of Low-Income. Very Affordable Homes qualify as Affordable Housing  
21 under the Affordable Housing Ordinance.

22 **SECTION 4. GENERAL REQUIREMENTS.** Based upon the requirements set forth  
23 herein below, the Town is authorized to expend Affordable Housing Funds in connection with

1 the implementation of the Chamisa Verde Subdivision Program and the related Chamisa Verde  
 2 Subdivision (Phase I) Affordable Housing Plan as authorized herein. The following  
 3 requirements shall apply to all Housing Assistance Grants and/or Affordable Housing Funds of  
 4 the Town under the Plan:

5 A. Table I below describes the maximum price, maximum income, and minimum  
 6 square footage for homes built in the three home categories. The Very Affordable Homes and  
 7 Moderately Priced Homes may be built as units that have 2 bedrooms and 1 bathroom, 3  
 8 bedrooms and 2 bathrooms, or 4 bedrooms and 2 bathrooms each with a specific price and  
 9 square footage requirement. The Very Affordable Homes and Moderately Priced Homes must  
 10 meet the price and square footage requirements indicated below and shall be sold to households  
 11 with annual incomes as shown in the table below. The Market Rate Homes have no restrictions.  
 12 However, all homes must meet the subdivision requirements, covenants, and Town of Taos code  
 13 requirements which may limit the size of home that can be built.

14 TABLE I:

15	<u>Home Category</u>	<u>Maximum Home</u>	<u>Maximum Income</u>	<u>Minimum Square</u>
16		<u>Price</u>		<u>Footage</u>
17	Very Affordable			
18	• 2 bed, 1 bath	\$110,000	80% of AMI *	950
19	• 3 bed, 2 bath	\$120,000	80% of AMI *	1060
20	• 4 bed, 2 bath	\$126,000	80% of AMI *	1250
21	Moderately Priced	\$160,000	Up to 120% of AMI **	1300
22	Market Rate	No limit	No limit	No minimum

23 \* Taos County Area Medium Income (based upon actual household size)

1       **\*\* Taos County Area Medium Income (based on household of 4 regardless of household**  
2       **size)**

3       **B. All thirty-seven (37) Lots (collectively, the "Lots" and individually, a "Lot")**  
4       **under the Plan will be sold at appraised value as determined by an appraisal of the Lots**  
5       **conducted at least annually. In order to help achieve the affordability objectives for the Very**  
6       **Affordable and Moderately Priced Homes, the Town will initially provide Affordable Housing**  
7       **Funds in the form of zero interest, deferred payment business loans to a Builder ("Business**  
8       **Loans") secured by subordinate mortgages on the Affordable Housing homes constructed under**  
9       **the Program, and upon sale of the Affordable Housing homes to Qualifying Grantee home**  
10       **buyers, the Town will provide the benefit of the Affordable Housing Funds to home buyers in**  
11       **the form of zero interest, deferred payment home loans ("Home Loans") secured by subordinate**  
12       **mortgages on the Affordable Housing homes purchased under the Program. The term "Loan" or**  
13       **"Loans" shall refer to Business Loans or Home Loans or both, as the context indicates. Business**  
14       **Loans are to be repaid to the Town if the Builder fails to timely build and sell a home to a**  
15       **Qualifying Grantee home buyer, and the Home Loans are to be repaid to the Town if the home**  
16       **owner sells to someone who is not a Qualifying Grantee, or if the home is not owner occupied as**  
17       **provided in Section 9 hereof. See: Section 5 below regarding Builder Requirements and**  
18       **Penalty. Builders or home buyers may be referred to herein as an "Applicant" or the**  
19       **"Applicants". Lots sold for the Market Rate Homes will be sold at their full appraised value with**  
20       **no Loan from the Town. In addition to the requirements of the Plan for the use of Housing**  
21       **Assistance Grants and/or Affordable Housing Funds as set forth in this Ordinance, the Plan also**  
22       **requires that all Business Loans and Home Loans shall comply with applicable Truth-in-Lending**  
23       **and similar laws, rules and regulations under federal and State law.**

1 Table II below describes the most recent appraised value of Lots under the Plan, the  
 2 amount of the Affordable Housing Funds (equal to the Loan), and the effective sales price of  
 3 each Lot by Home Category.

4  
 5 **TABLE II:**

<u>Affordable Home Categories</u>	<u>Appraised Value of Lot</u>	<u>Affordable Housing Fund (or Business Loan) Amount</u>	<u>Effective Price of Lot</u>
Very Affordable	\$31,000	\$19,000	\$12,000
Moderately Priced	\$31,000	\$ 7,500	\$23,500
Market Rate	\$31,000	None	\$31,000

6  
 7  
 8  
 9  
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 12  
 13 The Affordable Housing Funds in the form of a zero percent Loan will enable homes to be built  
 14 and sold that are Affordable to the targeted income groups. Table III attached hereto as  
 15 Exhibit A, is an affordability analysis showing the approximate annual income needed to  
 16 purchase a home in the three home categories (for Very Affordable Homes the smallest, least  
 17 expensive home is used) as well as a calculation of what this income translates into as a  
 18 percentage of the area median income based upon household size.

19 C. By providing Affordable Housing Funds for the Very Affordable Homes and  
 20 Moderately Priced Homes, the Town will not realize revenue from the full value of the Lots at  
 21 the time of their initial purchase. The Town will sell Lots for the Very Affordable Homes at  
 22 \$19,000 less than their market value and will sell the Moderately Priced home Lots at \$7,500 less  
 23 than their market value. See Table IV Below. But the actual cost of the discount to the Town on

1 these Lots is much less. This is because the actual cost of purchasing/developing the Lots, all of  
 2 which has been contributed by the Town, is approximately \$22,000 or \$9,000 less than their  
 3 current market value. Thus, the subsidy for the Very Affordable Lots will cost the Town only  
 4 \$10,000. The Town actually generates \$1,500 in "profit" from the sale of the Moderately Priced  
 5 Lots and \$9,000 on the Market Rate Lots. Assuming that Lots are sold in equal numbers for  
 6 each Home Category, the Town breaks even on its expenses while providing Lots for Very  
 7 Affordable Homes (below \$110,000) and Moderately Priced Homes (below \$160,000); and any  
 8 net profit to the Town will replenish funds to continue the Program.

9 TABLE IV:

10 Taos Chamisa Verde	11 Total for			
	Very Affordable	Moderate	Market	3 Lots (1 each)
12 Appraised Value of Lot	\$ 31,000	\$ 31,000	\$ 31,000	\$ 93,000
13 Town Subsidy	\$ (19,000)	\$ (7,500)	\$ -	\$ (26,500)
14 Effective Cost of Lot				
15 (Paid to Town)	\$ 12,000	\$ 23,500	\$ 31,000	\$ 66,500
16 Town Investment in Lot	\$ 22,000	\$ 22,000	\$ 22,000	\$ 66,000
17 Net Profit (Loss) to Town	\$ (10,000)	\$ 1,500	\$ 9,000	\$ 500

18  
 19 When the Builder of Very Affordable or Moderately Priced Homes sells a home to a Qualifying  
 20 Grantee home buyer, such buyer will close on the Home Loan in an amount equal to the  
 21 difference between 95% of the appraised value of the home and the Maximum Home Price  
 22 allowed (see Table I above). The appraised value of the home will be determined by appraisal of  
 23 the home model conducted at least annually. Home Loans will be inclusive of and not less than  
 24 the Affordable Housing Funds (represented by a Business Loan) for the Lot and will include



1 terms to prevent the rapid resale of homes in order to obtain a quick profit on Affordable homes  
2 purchased below market value without its repayment. Home Loans will be offered to a  
3 Qualifying Grantee home buyer under the Plan and may be assumed by a subsequent Qualifying  
4 Grantee home buyer, but will be due and payable in full upon sale to anyone who is not a  
5 Qualifying Grantee or if the home is not owner occupied as provided in Section 9 hereof.

6 **SECTION 5. BUILDER REQUIREMENTS AND PENALTY.** Each Builder shall  
7 be a Qualifying Grantee and shall be allowed to purchase unsold Lots upon the following  
8 conditions:

9 A. Each Builder or the contractor with whom the Builder contracts shall be a  
10 licensed New Mexico General Contractor who shall maintain its licensing throughout the  
11 construction period and during the one-year Builder's Warranty Period following completion of  
12 construction.

13 B. Each Builder and the contractor with whom the Builder contracts shall comply  
14 with all federal, state and local building codes and employment law requirements.

15 C. Each Builder may purchase a Lot for a Very Affordable Home or Moderate  
16 Income Home or if they wish to purchase a Lot for a market rate home then they shall be  
17 obligated to purchase either:

18 (1) three Lots and commit to build one (1) Very Affordable Home, one (1)  
19 Moderately Priced Home and one (1) Market Rate Home; or

20 (2) four Lots and commit to build two (2) Very Affordable Homes and two  
21 (2) homes that shall be either Moderately Priced or Market Rate or one of each

22 D. Each home shall be completed within one year of Building Permit Issuance.

1 E. Each Builder or the contractor with whom the Builder contracts shall obtain Town  
2 of Taos Building Permits for each home and shall deliver a Certificate of Insurance for each,  
3 naming Town of Taos as a Mortgagee Insured under its liability, casualty, Builders Risk and  
4 Workers Compensation Insurance coverages.

5 F. Each Builder shall build a home on each Lot, with landscaping consistent with the  
6 Chamisa Verde Subdivision Program Covenants and Design Guidelines.

7 G. Each Builder shall deliver each home to its Buyer upon completion free and clear  
8 of any and all liens, mechanics liens and materialmen's liens.

9 H. Each Builder shall provide proof of financial ability to build homes on the Lots  
10 which it is contracting to purchase specifying the categories of the homes to be built on the Lots  
11 being purchased.

12 I. In the event the Builder sells, transfers or leases any Lot, Affordable Housing or  
13 an Affordable home to anyone who is not a Qualifying Grantee as defined in Town of Taos, New  
14 Mexico Ordinance 2005-3, there shall be and become due and payable a Chamisa Verde  
15 Subdivision (Phase I) Plan Non-Compliance Penalty (the "Penalty") an amount equal to:

16 (1) All amounts payable under the Business Loan made by Town to the  
17 Builder as evidenced by: the subordinate Mortgage Note; the Subordinate Mortgage, the Loan  
18 Agreement and the Loan Guaranty, plus,

19 (2) as applicable, an amount equal to three (3) times the Housing Assistance  
20 Grant and/or Affordable Housing Funds provided by the Town for a Very Affordable Home  
21 constructed or to be constructed by the Builder, or an amount equal to five (5) times the Housing  
22 Assistance Grant and/or Affordable Housing Funds provided by the Town for a Moderately  
23 Priced Home constructed or to be constructed by the Builder, plus,

1           (3)     all reasonable costs and fees incurred by the Town in connection with the  
2 collection of the Penalty.

3           **SECTION 6. APPLICANT ELIGIBILITY GUIDELINES.** Applicants seeking to  
4 build or purchase the Very Affordable and Moderately Priced Homes provided by the Program  
5 must be Qualifying Grantees under the New Mexico Affordable Housing Act ("Act"), the  
6 Affordable Housing Rules of the MFA ("Rules") and under the Ordinance, and must submit an  
7 application on the form provided by the Town, together with all applicable schedules and such  
8 other information as may be required by the Town under the Ordinance. In addition, the home  
9 buyer Applicant must satisfy the following Plan eligibility standards, as applicable:

10           A.     Applicants of Very Affordable Homes must have annual incomes of less than  
11 80% of the Taos County average median income based upon household size.

12           B.     Applicants of Moderately Priced Homes must have annual incomes of less than  
13 120% of the Taos County average median income of a household of four regardless of household  
14 size. For 2004, this income limit is \$48,000.

15           C.     The income of all household members who will occupy the property and are 18  
16 years or older shall be used to determine household income for Applicants regardless if this  
17 income is being used to qualify for financing to purchase the home.

18           D.     Applicants' available assets that could be used for the purchase of a home cannot  
19 exceed \$50,000. Available Assets include savings, stocks, bonds, Individual Retirement  
20 Accounts, 401(k) accounts, 403(b) accounts, and other assets that could be used for the purchase  
21 of a home. Available Assets do not include PERA accounts and other assets that are not  
22 accessible before retirement.

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1           E.     Applicants' total assets, whether available or not, cannot exceed \$150,000. Total  
2 Assets include all real estate, available assets, trust funds, and any other asset owned, controlled,  
3 or dedicated to the Applicant. PERA accounts are not included in total assets.

4           F.     Upon closing on a home purchased under the Program, the Applicant cannot own  
5 any other residential property or other real estate (land, commercial property, etc.) that has a  
6 market value in excess of \$100,000.

7           G.     Applicants must also meet any one of the following criteria:

8               (1)    A first-time homebuyer. A first-time buyer cannot have had an interest in  
9 a main home during the 2-year period ending on the date of acquisition of the new home. If the  
10 buyer is married, the spouse must also meet this no-ownership requirement;

11               (2)    Any one who owned a home in the last two years but had transferred title  
12 to another party because of divorce or separation from the co-owner of the home;

13               (3)    Anyone who currently owns and occupies a manufactured home as his  
14 only residence; or

15               (4)    Any one who currently owns a home in a location outside of Taos County,  
16 but had previously lived in Taos County for a least ten years, and wishes to return to the Town.  
17 (The current home must be sold before or at the time of purchasing a home under the Program.)

18           H.     Applicants must provide a down payment of at least 2% of the purchase price in  
19 seasoned funds. Gifts and other homebuyer assistance is allowed, but cannot be used to meet the  
20 buyer's 2% obligation.

21           I.     Applicants must finance the purchase of the home with a "prime" mortgage loan  
22 which is defined as a mortgage loan with a interest rate that does not exceed 100 basis points

1 above the New Mexico Mortgage Finance Authority's Mortgage Saver rate and does not charge  
2 in excess of a 2% origination fee.

3 J. Applicants must complete at least six hours of homebuyer education in a program  
4 approved by the Town.

5 SECTION 7. AFFORDABLE HOUSING FUNDS. The Town shall provide  
6 Affordable Housing Funds, in the form of a zero percent deferred payment loan secured by a  
7 subordinate (or second) mortgage on the home, and in an amount equal to a portion of the value  
8 of an improved residential Lot under the Plan in order to provide Affordable Housing to Persons  
9 of Low or Moderate Income. The value of the improved Lot will be determined by an  
10 independent appraisal of a typical Chamisa Verde Affordable Housing Program Lot. The  
11 appraised value of a typical Lot shall be used to establish the value of all Lots provided for  
12 Affordable Housing for a 12-month period. The appraisal of a typical Lot shall be updated no  
13 less than every 12 months. Initially, the amount of the Affordable Housing Funds or Business  
14 Loan for a Very Affordable home Lot will be \$19,000. Initially, the amount of the Affordable  
15 Housing Funds or Business Loan for a Moderately Priced home Lot will be \$7,500. These  
16 amounts may be increased up to the market value of a Lot upon approval (by resolution) of the  
17 Council. No Affordable Housing Funds or Loans will be provided for Market Rate home Lots.  
18 The value of a Lot not covered by the Affordable Housing Funds or Business Loan will be  
19 reimbursed to the Town at the time a Lot is purchased by the Builder that contracted with the  
20 Town to build each home under the Plan. The Builder will pay for the Lot at the closing of the  
21 sale of the Lot to the Builder Applicant and the Business Loan will be executed by the such  
22 Applicant in favor of the Town in the amount of the Affordable Housing Funds.

1           **SECTION 8. OCCUPANCY GUIDELINES.**     All homes sold under the Plan must  
2 be owner-occupied. If a buyer of Affordable Housing at any time sells (except to a Qualifying  
3 Grantee), rents, or otherwise fails to occupy the Affordable Housing, the Home Loan (equal to  
4 the Affordable Housing Funds) shall become immediately due and payable to the Town.

5           **SECTION 9. LONG-TERM AFFORDABILITY.**     In order to guard against  
6 speculation on Affordable Housing which is sold below its fair market value, a Home Loan  
7 (represented by a note and subordinate mortgage) shall be attached to each home which shall  
8 provide that the note and mortgage shall become due upon sale to anyone who is not a  
9 Qualifying Grantee. The amount of the Home Loan will be in an amount equal to the difference  
10 between 95% of the appraised value of the home and the Maximum Home Price allowed (as  
11 indicated in Table I above) and not less than the Affordable Housing Funds (as indicated in  
12 Table II above).

13           The amount of the Affordable Housing Funds or Home Loan shall be due to the Town, or  
14 its agent, if the original buyer (or any subsequent buyer) of the home sells the home to anyone  
15 who is not a Qualifying Grantee, rents the home, or otherwise fails to occupy the property.

16           **SECTION 10. DOCUMENTATION.**     Before closing on any Affordable Housing, the  
17 seller of the home must provide the Town (or its designee) the following documentation:

- 18           A.     The Applicant's Purchase Agreement;
- 19           B.     The Applicant's Mortgage Loan Application;
- 20           C.     Current Pay Stubs;
- 21           D.     2 most recent tax returns with W-2s;
- 22           E.     Current Bank Statements;

1 F. A certified statement from the Applicant that certifies the income information  
2 provided in the loan application is true, correct and complete; that the house to be purchased will  
3 be used as the potential home buyer(s) primary residence, and that the home buyer(s) does not  
4 own residential rental property; and

5 G. Certification that the Applicant has successfully completed homebuyer education.

6 **SECTION 11. PROCESS OF CERTIFICATION.** Once the Applicant has submitted  
7 the above documentation to the Town or its designee, the Town or its designee shall make a good  
8 faith effort to issue a Certification of Income and Eligibility within fifteen (15) business days.  
9 The Certificate will state whether or not the Applicant is eligible to purchase an Affordable home  
10 under the Plan. A copy of the Form of Certification of Income and Eligibility for Town of Taos  
11 – Chamisa Verde Subdivision (Phase I) Plan is attached hereto as Exhibit A and incorporated  
12 herein by this reference.

13 If additional information is necessary, the Town, or its designee may inspect the potential  
14 homebuyers file and/or request additional clarifying information. This shall be completed within  
15 the initial fifteen day evaluation period.

16 **SECTION 12. CLOSING.** At least ten (10) business days before the scheduled home  
17 closing date, Applicant will give the Town notification of the following:

18 A. The date and time of the closing; and

19 B. The name and location of title company closing the transaction.

20 C. The Town will deliver all necessary closing documents required for its Loan,  
21 including the deferred note and subordinate mortgage to the title company at least 24 hours prior  
22 to the scheduled closing. Upon closing, the title company will transmit a copy of the Settlement  
23 Statement (the HUD 1) that describes the details of the transaction.

1           **SECTION 13. PROGRAM AND PLAN MANAGEMENT.** On behalf of the Town,  
2 Homewise, Inc., a New Mexico Non-Profit Community Housing Development Organization,  
3 will manage compliance with these guidelines. Homewise, Inc. shall be paid \$2,000 for every  
4 Affordable Home closed under the Plan, payment of which will be paid by the seller of the  
5 home. Payment to Homewise, Inc. will be made at closing through the title insurance agency  
6 closing the transaction.

7           **SECTION 14. DISCRIMINATION PROHIBITED.** The development, construction,  
8 occupancy and operation of the Chamisa Verde Subdivision Program shall be undertaken in a  
9 manner consistent with principles of non-discrimination and equal opportunity, and the Town  
10 shall require compliance by all Qualifying Grantees with all applicable federal and State laws  
11 and regulations relating to affirmative action, non-discrimination and equal opportunity.

12           **SECTION 15. TERMINATION.** The Council may repeal this Ordinance and  
13 terminate the Town's Affordable Housing Program and any or all contracts undertaken in its  
14 authority. Termination shall be by ordinance at a public hearing or in accordance with the terms  
15 of the contract. If an ordinance or a contract is repealed or terminated, all contract provisions of  
16 the contract regarding termination shall be satisfied.

17           **SECTION 16. REPEALER.** All bylaws, orders, resolutions and ordinances, or parts  
18 thereof, inconsistent with this Ordinance are repealed by this Ordinance but only to the extent of  
19 that inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or  
20 ordinance, or part thereof, previously repealed.

21           **SECTION 17. SEVERABILITY.** If any section, paragraph, clause or provision of this  
22 Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or



1 unenforceability of that section, paragraph, clause or provision shall not affect any of the  
2 remaining provisions of this Ordinance.

3 SECTION 18. RECORDING; AUTHENTICATION; PUBLICATION;  
4 EFFECTIVE DATE. This Ordinance, immediately upon its final passage and approval, shall  
5 be recorded in the ordinance book of the Town, kept for that purpose, and shall be there  
6 authenticated by the signature of the Mayor or Mayor Pro Tem and attested to by the Town  
7 Manager or Town Clerk. This Ordinance shall be in full force and effect five (5) days after  
8 publication in accordance with Section 3-17-5 NMSA, 1978.

9 Passed, Approved, Signed and adopted this 28<sup>th</sup> day of June 2005.

11 *[Signature]*  
12 Mayor

13 ATTEST:  
14 *Lamara*  
15 TOWN CLERK  
16 [SEAL]

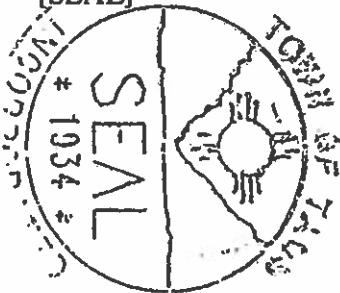


EXHIBIT ATABLE III:**Taos Chamisa Verde**

	<b>Very Affordable</b>	<b>Moderate</b>	<b>Market</b>
Appraised Value of Lot	\$ 31,000	\$ 31,000	\$ 31,000
Town Subsidy	\$ (19,000)	\$ (7,500)	\$ -
Effective Cost of Lot	\$ 12,000	\$ 23,500	\$ 31,000
Construction & Soft Costs	\$ 102,000	\$ 110,500	\$144,500
Administrative cost	\$ 2,000	\$ 2,000	\$ 2,000
Cost of sales (average of 3%)	\$ 3,600	\$ 4,620	\$ 12,420
Total Cost	\$ 119,600	\$ 140,620	\$189,920
Price	\$ 120,000	\$ 154,000	\$207,000
Difference	\$ 400	\$ 13,380	\$ 17,080
HOME or other Subsidy	\$ (10,000)	\$ -	\$ -
Effective Price	\$ 110,000	\$ 154,000	\$207,000

CONTINUATION PAGE 18

Taos Chamisa Verde

	Very Affordable	Moderate	Market
Monthly P & I	\$642	\$899	\$1,241
Monthly Tax & Insurance	100	100	140
Total PITI	\$742	\$999	\$1,381
Income Needed	\$ 26,979	\$ 36,316	\$ 50,221
AMI HH of 1	96%	130%	179%
AMI HH of 2	84%	113%	157%
AMI HH of 3	75%	101%	140%
AMI HH of 4	67%	91%	126%
AMI HH of 5	62%	84%	116%
AMI HH of 6	58%	78%	108%

Assumptions

Cost per sq ft	\$ 85	\$ 85	\$ 85
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**CONTINUATION PAGE 19**

**Taos Chamisa Verde**

	<b>Very Affordable</b>	<b>Moderate</b>	<b>Market</b>
Home sq ft	1060	1300	1700
Average Cost of Sales	3%	3%	6%
Rate	5.75%	5.75%	6%
Term	30	30	30
Housing Expense Ratio	33%	33%	33%
Median Income for HH of 1	\$ 28,000		
Median Income for HH of 2	\$ 32,000		
Median Income for HH of 3	\$ 36,000		
Median Income for HH of 4	\$ 40,000		
Median Income for HH of 5	\$ 43,200		
Median Income for HH of 6	\$ 46,400		

EXHIBIT A

Homewise, Inc.  
1570 Pacheco Street Ste A-1  
Santa Fe, NM 87505

Certification of Income and Eligibility for Town of Taos – Chamisa Verde Subdivision  
(Phase I) Plan

Applicant \_\_\_\_\_ Co-Applicant \_\_\_\_\_

Based upon information submitted by the applicant(s) listed above, Homewise has determined and hereby certifies that the above applicants are:

\_\_\_\_\_ Eligible for the Town of Taos Affordable Housing Program\*  
\_\_\_\_\_ % of Area Median Income ("AMI") for Taos County  
\_\_\_\_\_ Meets all other eligibility requirements  
\_\_\_\_\_ Applicants must complete homebuyer education in a program approved by the Town of Taos. Complete Yes or No Date Scheduled \_\_\_\_\_

\_\_\_\_\_ Not Eligible for the Town of Taos Affordable Housing Program because  
\_\_\_\_\_ % of AMI for Taos County/Over income limit  
\_\_\_\_\_ Available assets and/or total assets exceed allowable limit  
\_\_\_\_\_ Owns another property with a market value in excess of \$100,000.00  
\_\_\_\_\_ Does not meet the first-time homebuyer criteria

**\*This Certification is not an approval or commitment for a loan. The applicant(s) should now begin working with a lender to acquire loan approval for the purchase of a home. The applicant(s) should be aware Town of Taos ("Town") eligibility guidelines that include but are not limited to the following:**

1. Eligible buyers must finance the purchase of the home with a "prime" mortgage loan which is defined as a mortgage loan with an interest rate not to exceed 100 basis points over the current Mortgage Finance Authority Payment Saver rate and does not charge in excess of a 2% origination fee.
2. Eligible buyers must provide a down payment of at least 2% of the purchase price from the buyer's own funds. Gifts and other homebuyer assistance are allowed, but cannot be used to meet the buyer's 2% obligation.
3. Eligible buyers must complete Homebuyer training and receive a certificate of completion prior to closing. Buyers are encouraged to attend training as early in the process as possible to maximize the benefits of learning about the homebuying process.

**CONTINUATION PAGE 21**

Applicant(s) understand that the willful concealment or intentional misstatement of material information regarding family size, income, assets, holdings, personal or real property, business or partnerships, royalties, child support, debt repayment or other eligibility criteria will result in immediate disqualification from the Town's Affordable Housing Program. Such intentional concealment or misstatement of material information also may subject an Applicant to civil and criminal penalties including, but not limited to, fine or imprisonment or both, the forfeiture of benefits received, foreclosure on a second mortgage loan and damages to the Town, its agents, successors and assigns, insurers and any other party which may suffer any loss due to willful concealment or intentional misstatement of material information

Applicant(s) authorize release of all lending and closing documents from the lender to Homewise, Inc. for the sake of monitoring the compliance with the Chamisa Verde Subdivision Program and the related Chamisa Verde Subdivision (Phase I) Affordable Housing Plan of the Town.

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<b>Applicant Signature</b>	<b>Date</b>	<b>Co-Applicant Signature</b>	<b>Date</b>
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<b>Homewise, Inc., Authorized Representative of the Town of Taos</b>	<b>Date</b>
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F. The Pueblo/Spanish Revival style.

(1) Massing/Scale: Buildings shall express a massive structural quality in appearance as opposed to a "curtain wall" appearance. Buildings over one (1) story shall be designed to appear more as an aggregation of smaller "building blocks" rather than a single large box or block.

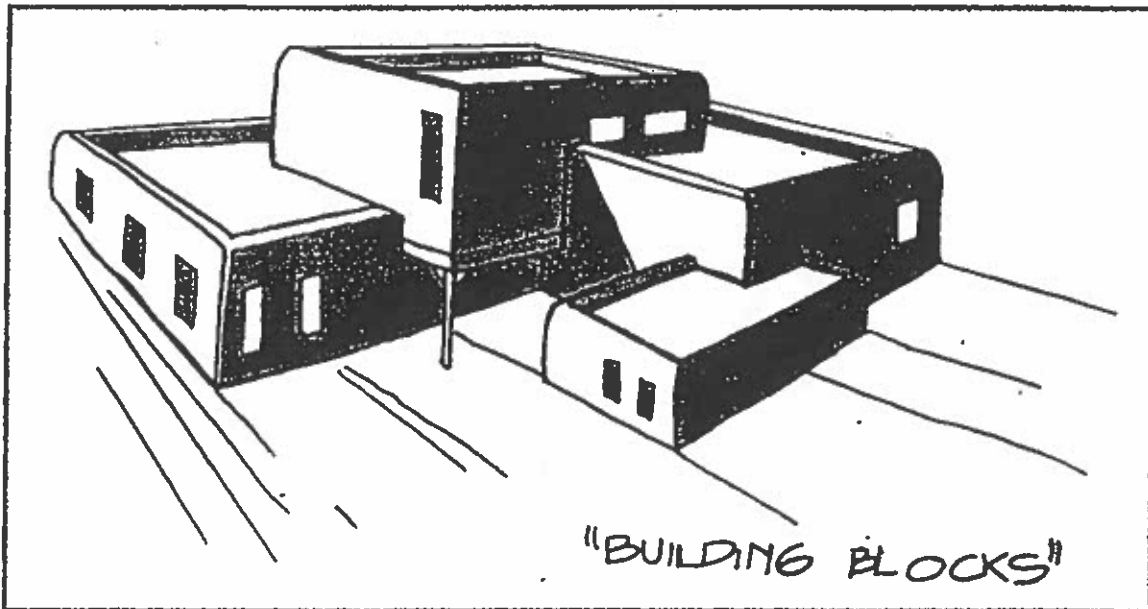
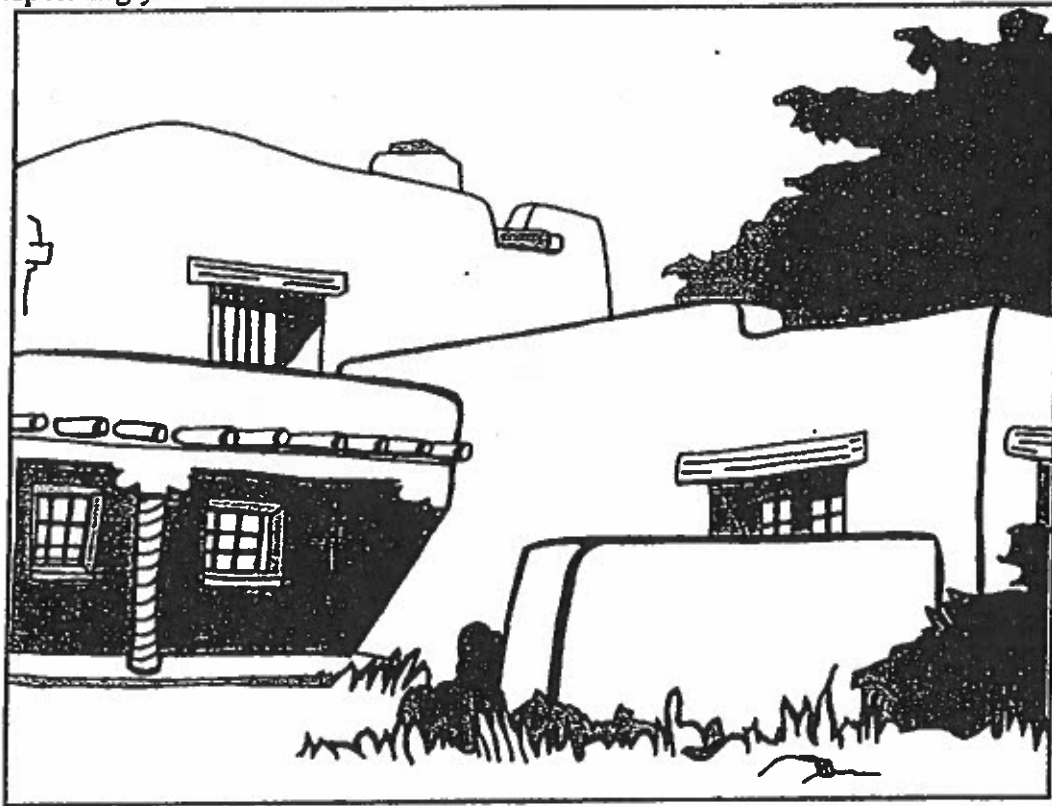


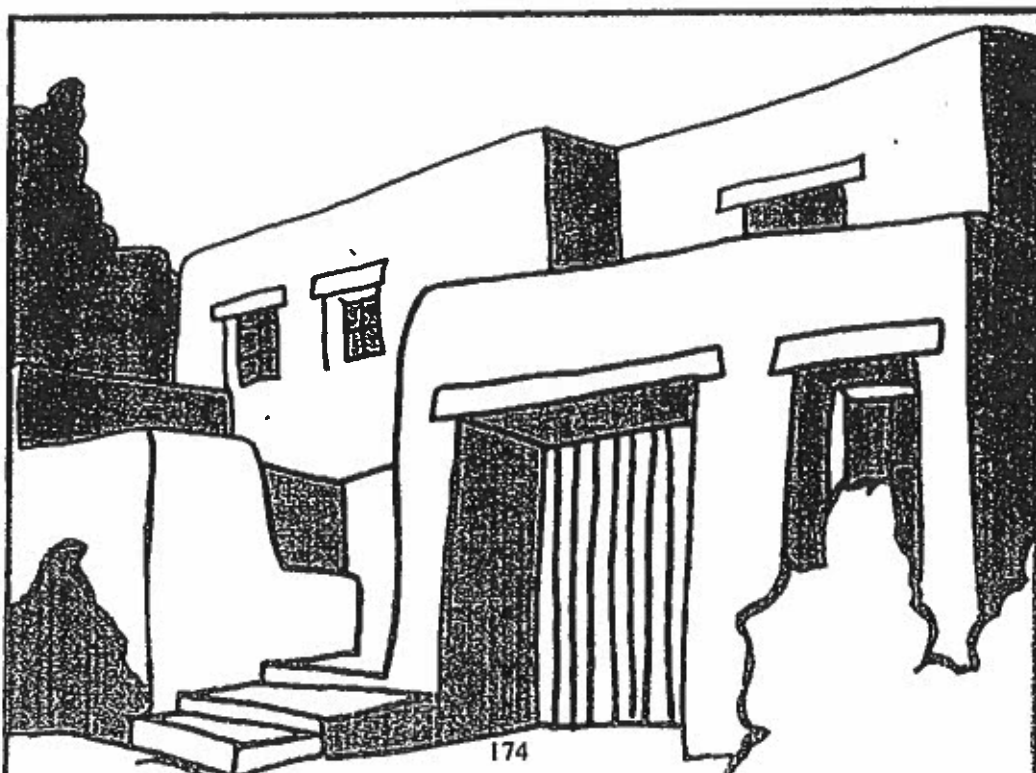
Figure 4-22.16: "Building blocks" appropriate to the Spanish/Pueblo Revival Style.

(a) Buildings shall be designed to be "wall dominated" so that building geometry is more defined by walls, and the roofs are visually less dominant in the overall design.

(b) Wall thickness shall be reflected at door and window openings. Columns, lintels and other exposed structural elements should be scaled in a correspondingly massive manner.



Figures 4-22.17 and 4-22.18: The Spanish/Pueblo Revival Style can be simple or complex. Figure 17 (above) includes elaborate detailing such as portales, canales and projecting vigas, while Figure 18 (below) relies on its forms and massing.





(c) Multi-story additions shall cause a building or structure to reach no more than a total of two (2) stories. Second story addition footprints shall not exceed fifty percent (50%) of the footprint of the existing buildings or structure. Second story additions shall be "stepped back" from the first story walls, set to the rear or side rear of the building or structure.

(d) Long, uninterrupted horizontal facades shall be avoided.

(e) The use of parapets is strongly encouraged. Buildings shall be topped by "flat"(moderately sloped) roofs obscured by parapets (firewalls). Dead flat roofs are not recommended. Parapets shall obscure the sloping roof surface on the front and side facades as proper drainage may allow. Alternative treatments should be consistent with the building style.

(f) Building cantilevers or other visually and apparently unsupported structures are not acceptable.

(g) A human scale should be achieved near ground level on larger buildings and along street facades and entry ways through the use of elements such as portales, zaguanes, windows, doors, columns (usually round) and beams. Portales should provide a transition between the outside street and the building interior.

(h) Courtyards and patios serve as protected enclaves of outdoor space which reinforce the sense of "plaza" and should be incorporated whenever possible.

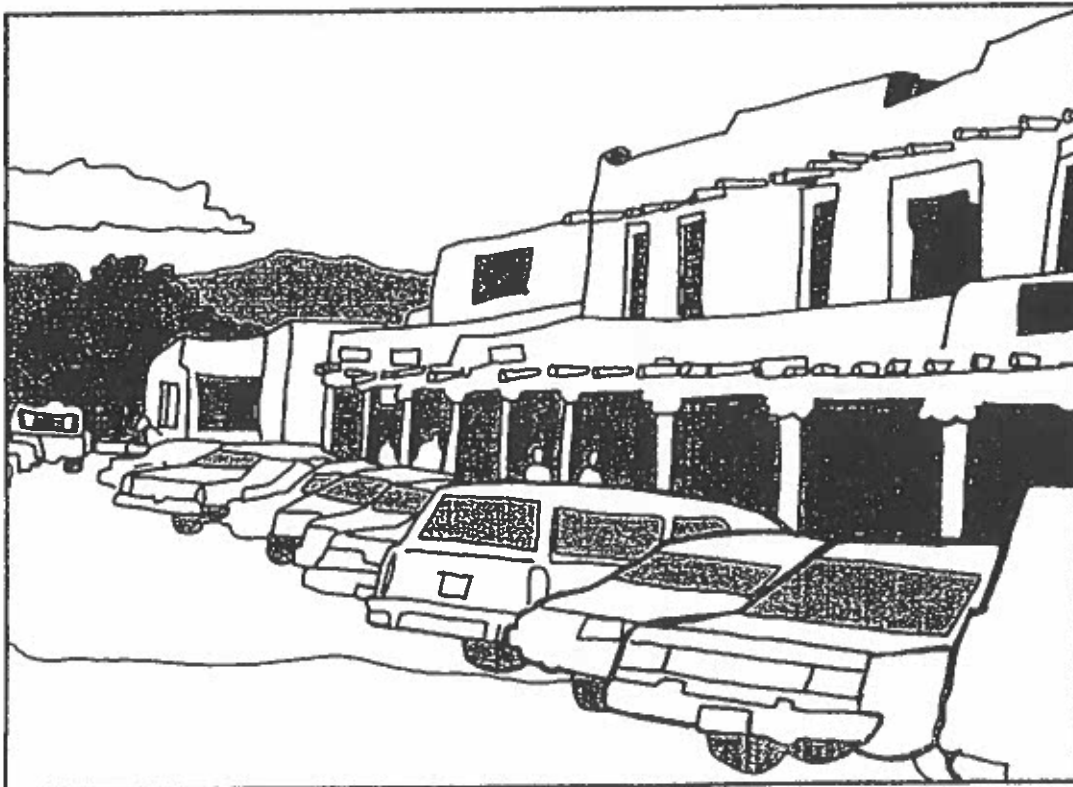


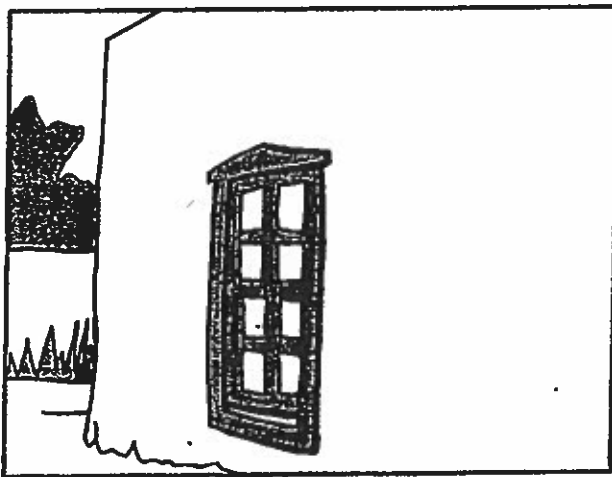
Figure 4-22 19 Portales provide a transition between the street and the building interior, and help create a human scale

white. Larger surfaces such as doors, columns, beams, and corbeles shall be stained in natural wood tones or weathered wood tones;

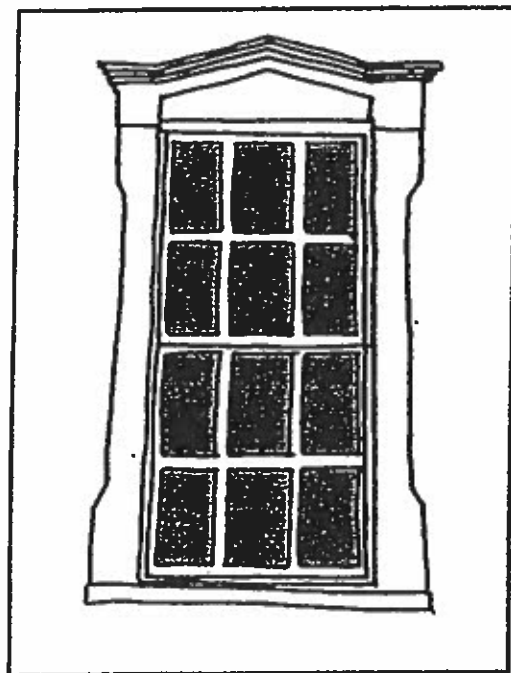
(c) Painting of buildings with bold patterns, checks, and using buildings as signs is prohibited.

(5) Doors and windows:

(a) Window shapes, arrangements and types should be reminiscent of those found in historic structures. Divided light windows are encouraged;



Figures 4-22.21 and 4-22.22: Divided light windows.



(b) The combined door and window area in any publicly visible facade shall not exceed forty percent (40%) of the total area of the facade, except for the use of large display windows located under portales of commercial buildings and some applications of solar features;

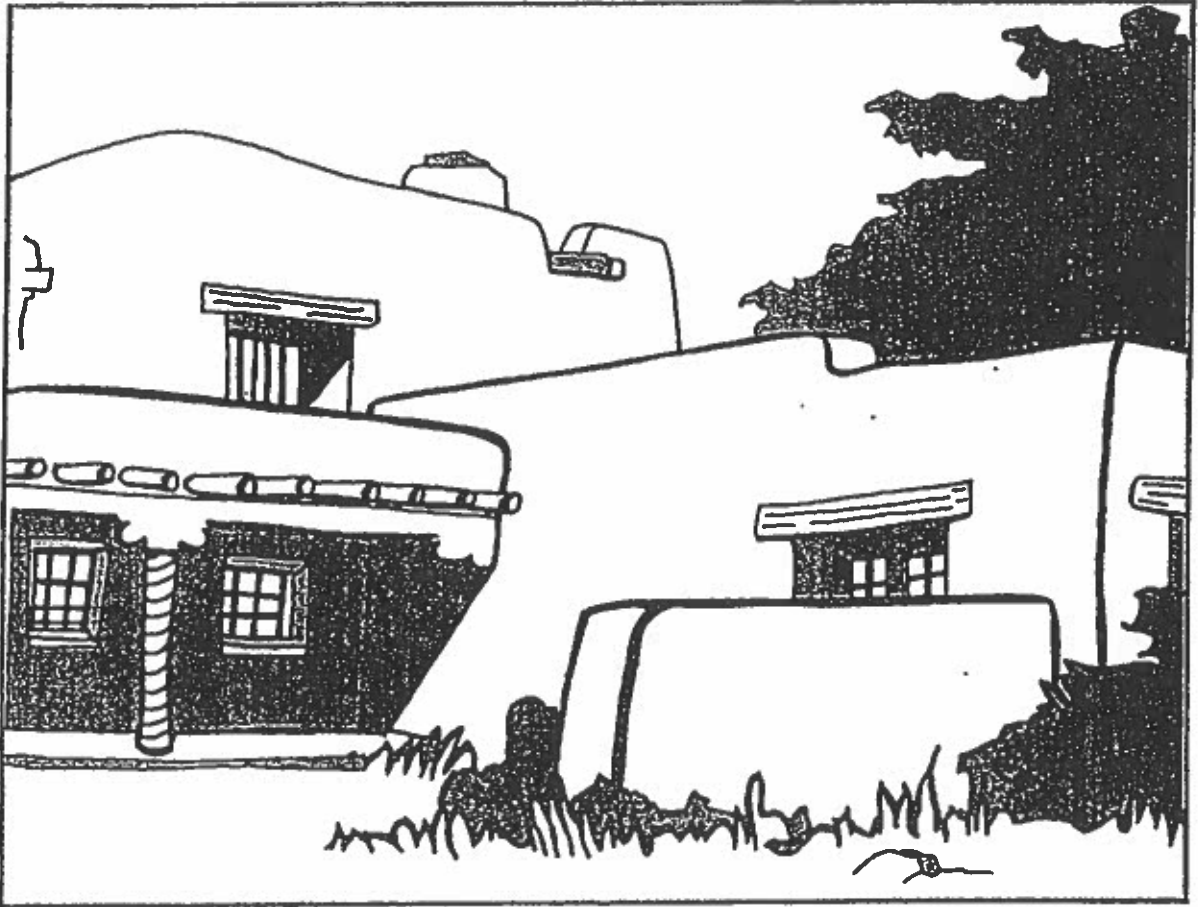
(c) In buildings constructed of masonry or adobe, recessed windows enhance the historic character and give the impression of greater wall thickness. No door or window in a publicly visible facade shall be located nearer than three (3) feet from the corner of the facade;

(d) Window openings or areas shall be bullnosed and framed by wood casings. Doors shall be wooden or a combination of wood and glass;

*new*

(e) For residential uses, large exposure of glass should not face streets and windows and should be vertical in proportion;

(f) Skylights should not be visible.



Figures 4-22.23: Example of recessed windows in Spanish/Pueblo Revival Style construction. All Spanish/Pueblo Revival Style structures should lack large exposures of glass.

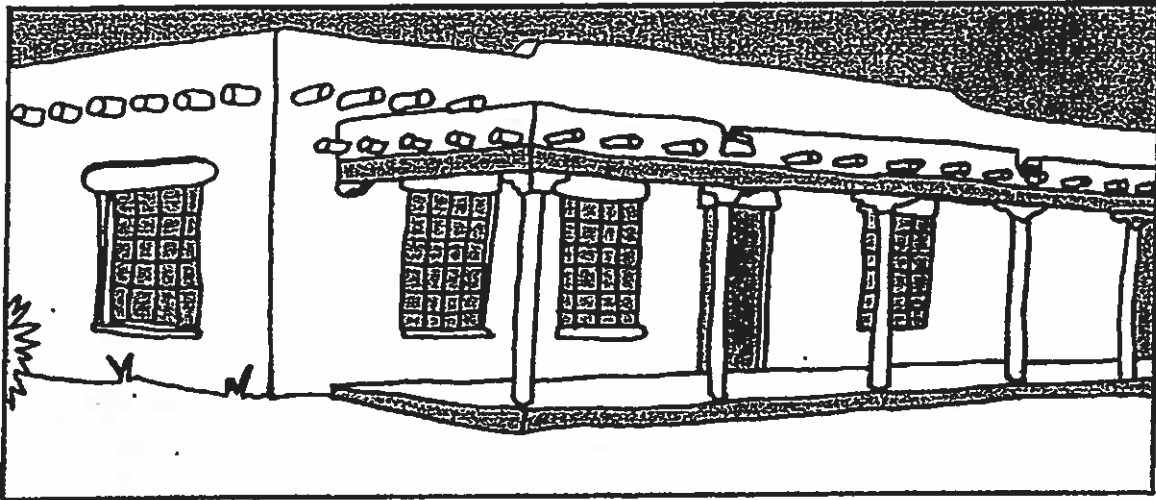


Figure 4-22.24 (above): Spanish/Pueblo Revival Style architectural detailing, including portal, canales and exposed vigas.

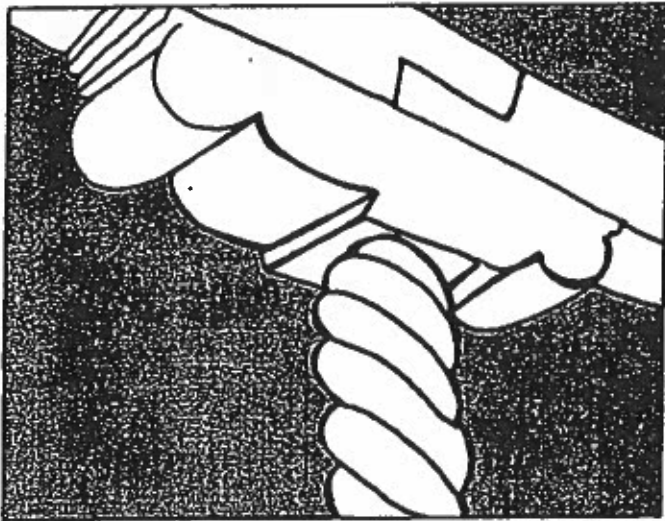


Figure 4-22.25 (left): Corbel characteristic of Spanish/Pueblo Revival Style architectural detailing.

**(6) Architectural detailing:**

(a) Detailing should be functional. Portales should provide protection from weather, canales should drain a roof area, and projecting vigas should reflect structural members within. Avoid "weaving" vigas. All exposed structural elements should express understanding of the traditional structural sense. Applied, non-functional structural elements (such as exposed viga ends where no viga beams are used for actual structural members) and other "applied" architectural details are not appropriate;

(b) Window and door moldings and exposed lintels are appropriate. Wood trim is minimal around window and door openings. A rounding effect or bullnosing should be used creating a transition from wall surface to window surface. Lintels above window and door openings are usually of wood;

(2) Light and shadow: Building masses should be arranged so that they cast shadows on each other and emphasize the contrast of light and shaded surface at corners. The suggestion as to the use of shadows shall not be construed as to override adjacent building owners' solar rights.

(3) Surface material and texture:

(a) Buildings shall be coated with mud plaster, stucco or related material that has a texture which simulates that of mud plaster;

(b) Stucco or related materials which express a smooth but massive surface shall predominate.

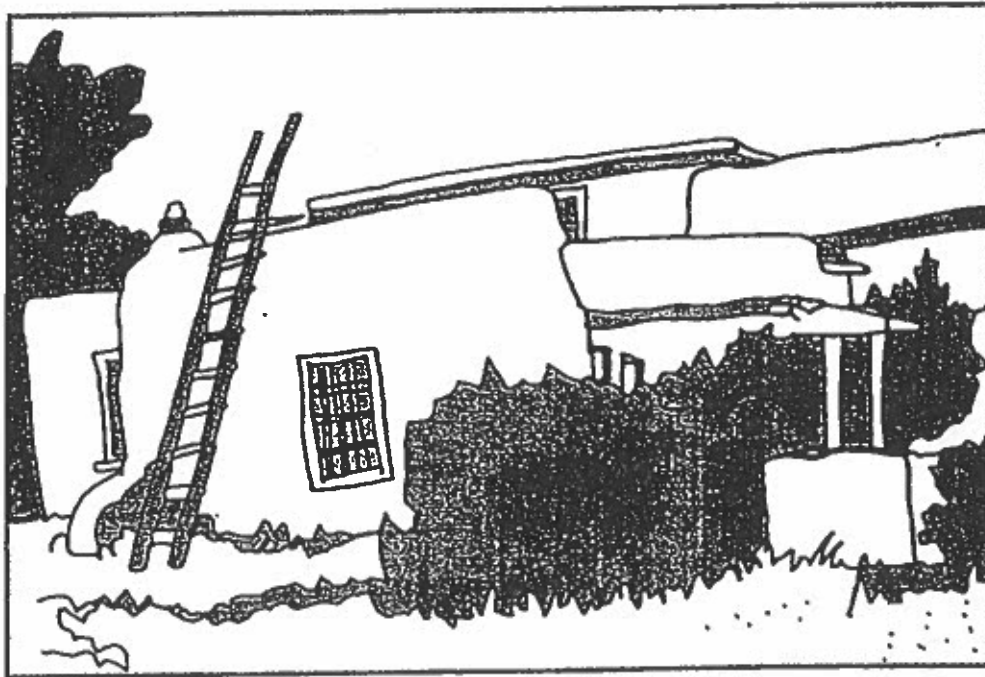


Figure 4-22.20: Spanish/Pueblo Revival Style structures are typically covered with stucco, have felt roofs with parapets and are one (1) story high.

(4) Color:

(a) Building surfaces shall be painted or stuccoed alike in off-white to medium brown, colors that predominantly found on the area of the town;

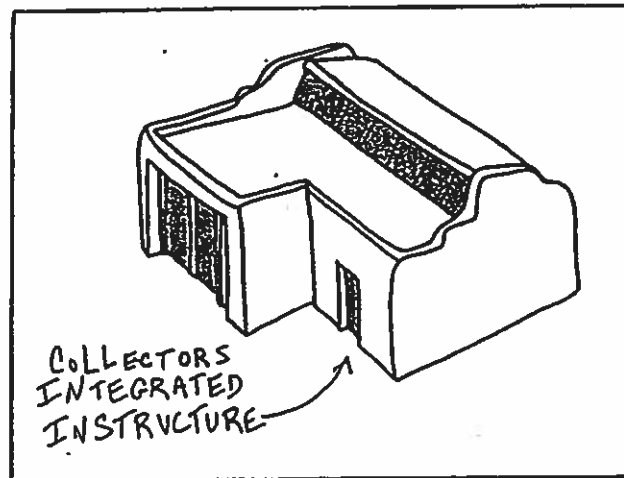
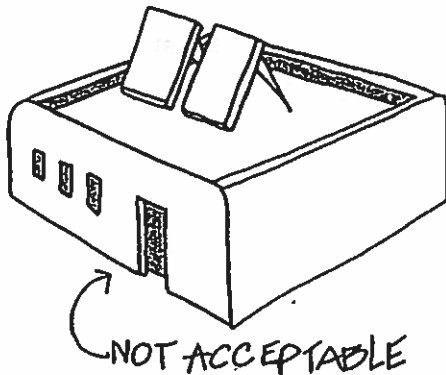
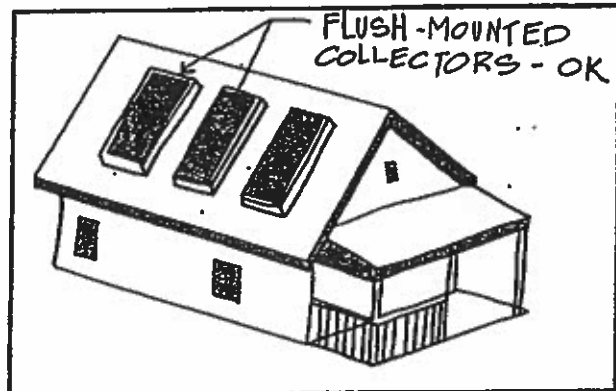
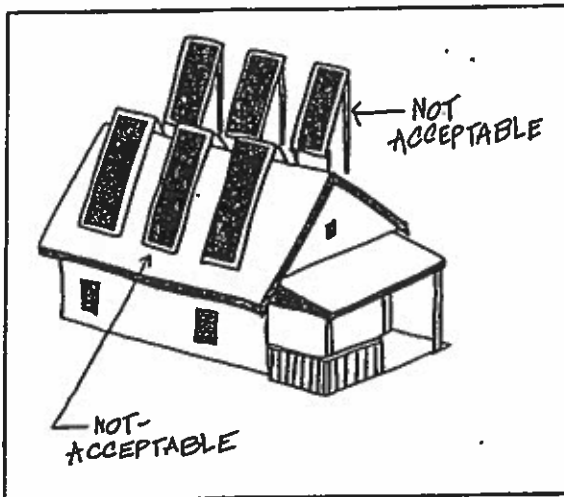
(b) Entries (wall areas below portales) may be emphasized by the use of off-white or other neutral tones complimentary to the predominant colors found in the area of the town. Window frames, door frames, and accent trims only, may be painted in various contrasting accent colors reminiscent of "Taos Blue", white or off-

(c) Portales should express exposed beams and columns with transitional devices such as corbels. Corbels may be ornamental.

(7) Solar Integration:

(a) The use of solar and other energy collecting and conserving features may be used;

(b) Solar features, such as trombe walls, sunspaces, greenhouses and clerestories should be hidden, and are best handled if they are integrated into the new structure. Skylights must not be visible;



Figures 4-22.26 and 4-22.27 (above): Non-acceptable solar integration for Spanish/Pueblo Revival Style structures in the Historic Overlay Zone.

Figures 4-22.28 and 4-22.29 (above): Acceptable solar integration for Spanish/Pueblo Revival Style structures in the Historic Overlay Zone.

(c) Solar hardware such as collectors, especially water heating collectors, shall not appear to have been set on roofs, walls or the ground as an afterthought. They shall be built into and integrated into the overall building design;

(d) Solar features that do not comply with the above shall be hidden from public view by a screening device or disguise. Screening methods include: sufficiently high parapets, roof-mounted apparatus, fences, berms, landscaping or buildings to block from public view, and ground-mounted apparatus;

(e) The use of glass areas for collectors, trombe walls, greenhouses, or direct solar gain is acceptable, provided the percentage of glass on the south elevation does not exceed seventy five percent (75%) of the total wall surface;

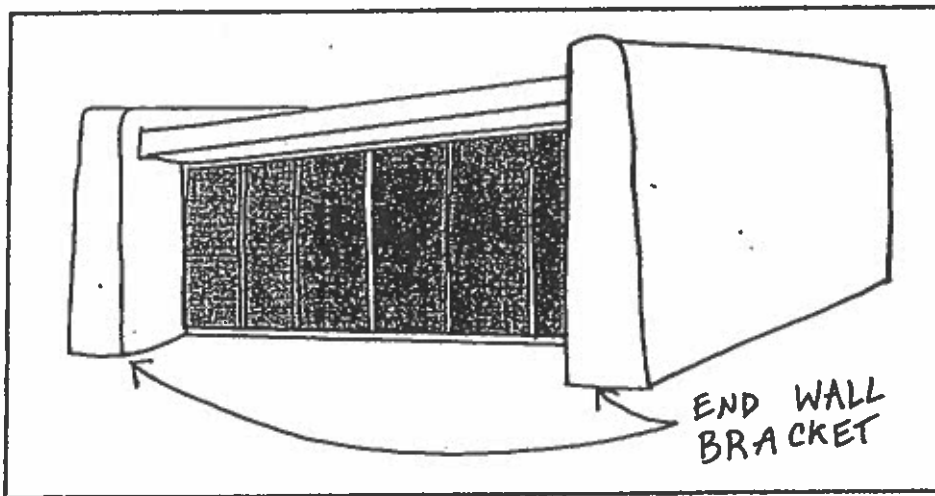


Figure 4-22.30: End walls used as a screening device for direct gain glass. The glass area, however, shall not exceed more than seventy five percent (75%) of the total wall surface.

(f) Reflected glare on nearby buildings, streets or pedestrian areas shall be avoided.

(8) Mechanical equipment:

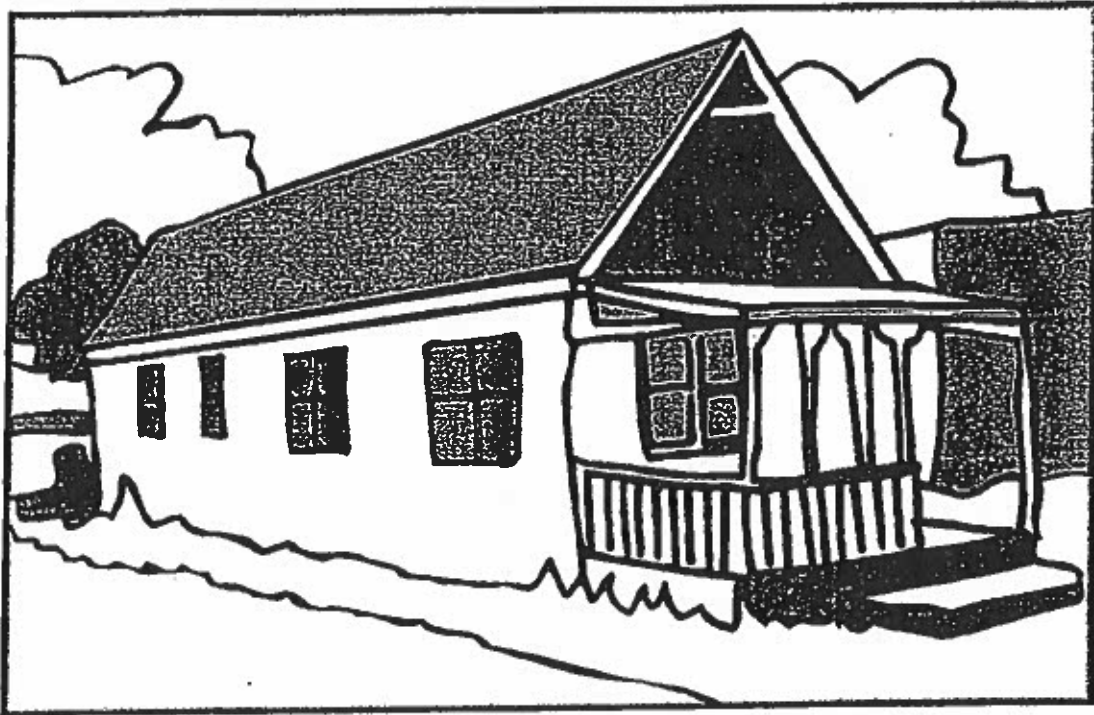
(a) Exterior mounted mechanical and electrical equipment, vents, solar hardware and satellite dishes shall be architecturally screened and, in particular, roof mounted equipment shall be of a low profile to minimize the screening problem;

(b) Roof-mounted satellite dishes, larger than twenty four (24) inches in diameter, are prohibited. Screening for ground-mounted satellite dishes shall be accomplished in a manner as described for solar hardware.

G. The Pitched-Roof Territorial Revival:

(1) Massing/scale:

(a) Buildings shall be designed to appear as single block, usually rectangular in shape;



Figures 4-22.31 and 4-22.32: Examples of Territorial Revival Style. Figure 31 (above) is a house near La Loma Plaza whose basic features include a metal pitched roof, wood porch and double-hung windows.

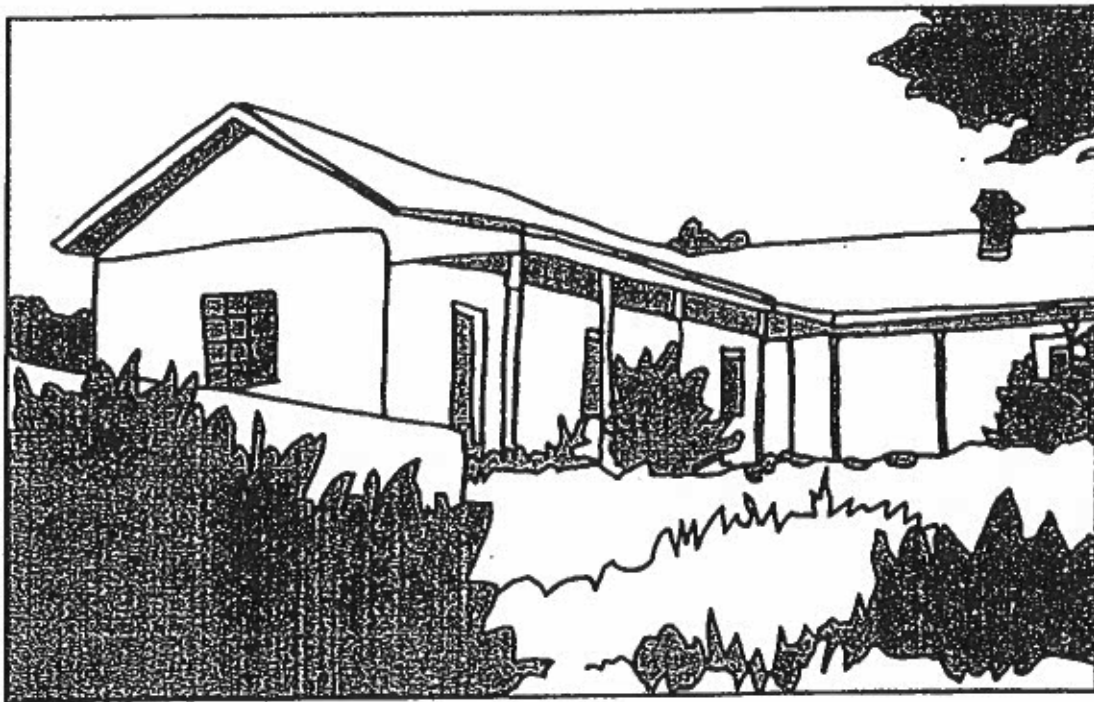






Figure 4-22.33: Example of Territorial-Revival Style.

(b) Multi-story additions are discouraged;

(c) A human scale should be achieved near ground level on larger buildings and along street facades and entry ways through the use of scale elements such as porches, doors, windows, columns (usually square) and railings;

(d) Buildings should not appear to be paneled with either rows or stacks of panels. A single wall plane should dominate any elevation;

(e) Porches are encouraged and shall be designed to appear as "attachments" to the main portion of the building. Porches should provide a transition between the outside street and the building interior.

(2) Materials and texture: Buildings shall be coated with mud plaster or a stucco material that has a texture which emulates that of mud plaster to express a smooth massive surface.

(3) Color:

(a) Building surfaces shall be painted or stuccoed alike in off-white to medium brown, colors that predominantly found in the area of the town;

(b) Woodwork shall be stained in natural wood tones, weathered wood tones, white or off-white. Window frames, door frames and accent trims may be

Painted in an accent color compatible with the predominant colors found in the area of the town.

**(4) Roofs:**

(a) Roofs shall be pitched, either gable or hip, with a substantial slope, but not to exceed 12:12 nor less than 4:12 in general conformity with existing adjacent neighboring buildings;

(b) Porch roofs shall have a slope of not more than 3:12;

(c) Roof material shall be composition shingles, roll roofing, plastic corrugated, or metal. Roof glazing, within the plane of the roof may be allowable, provided the total area does not exceed twenty percent (20%) of the roof area on any one elevation. Domed or pyramidal skylights are not allowed;

(d) Dormers are allowed to provide additional usable space in half-story areas. Dormer exterior walls should have wood shingles, horizontal wood siding or stucco. Dormer roofing material shall be consistent with the building roofing material;

(e) Flat skylights are acceptable.

**(5) Doors and windows:**

(a) Window shapes, arrangements and types shall be reminiscent of those found in similar historic structures.

(b) The combined door and window area of any publicly visible facade shall not exceed forty percent (40%) of the total area of the facade, except for the use of large display windows located under the porches of commercial buildings.

(c) Windows and doors may be topped by pedimented moldings and have wide wood borders.

(d) Windows shall be framed by wood casings. Doors shall be wooden or a combination of wood and glass.

**(6) Architectural detailing:**

(a) Porches should provide protection from the weather and be constructed of square or turned wood posts with simple detailing reminiscent of those found in similar historic structures;

(b) Porch railings shall have balusters of turned or square wood and should terminate at simple top and bottom rails;

(c) Shingles and horizontal wood siding or stucco may be used in gable ends and for dormers.

**(7) Solar integration:**

(a) Solar collection features incorporated into the building structure are not appropriate to this style and should be avoided;

(b) Solar hardware shall be flush with the roof and included in overall glazing allowances;

(c) Solar hardware such as collectors, especially water heating collectors, shall not appear to be set on roofs, walls, or the ground as an afterthought; and rather they shall be built into and integrated into the overall building design;

(d) Solar features that do not comply with the above shall be hidden from public view by a screening device or disguise. Screening methods include: fences, berms, landscaping or buildings to block from public view, and ground mounted apparatus;

(e) Residential use of glass areas for collectors, trombe walls, greenhouses, or direct gain is acceptable, provided the percentage of the glass on the south elevation does not exceed sixty-five percent (65%) of the total wall surface area.

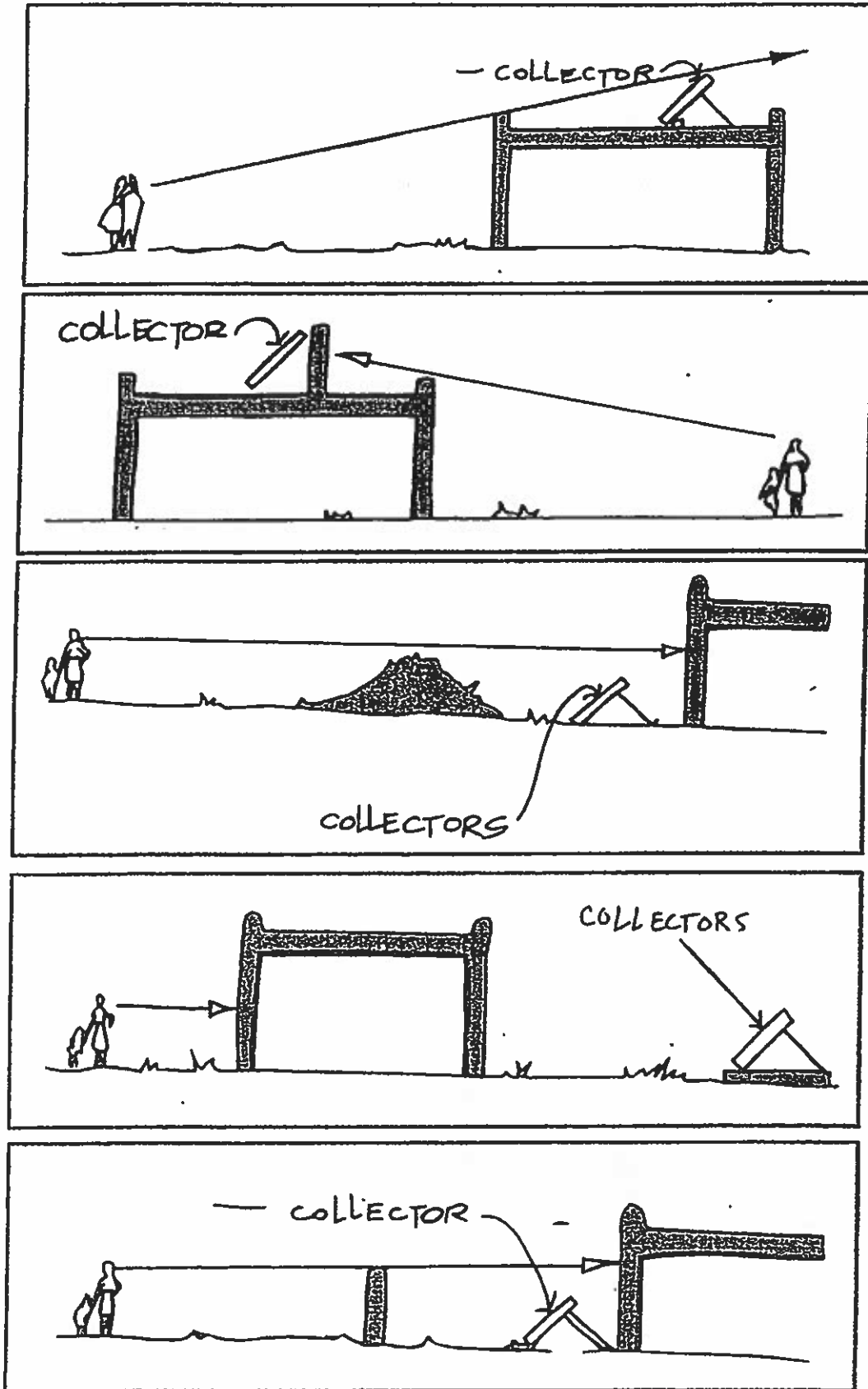
(f) Reflected glare on nearby buildings, streets or pedestrian areas shall be avoided.

**(8) Mechanical equipment:**

(a) Exterior mounted mechanical and electrical equipment, vents, solar hardware and satellite dishes shall be architecturally screened and, in particular, roof-mounted equipment shall be low-profile to minimize the screening problems;

(b) Solar hardware shall be mounted flush with the roof consistent with the roof pitch and profile and be included in overall glazing allowances;

(c) Roof mounted satellite dishes larger than twenty-four (24) inches in diameter are prohibited. Screening for ground-mounted satellite dishes shall be accomplished in a manner as described for solar hardware.



Figures 4-22.34, 4-22.35, 4-22.36, 4-22.37 and 4-22.38: Proper screening of ground-mounted solar hardware and satellite dishes in the Historic Overlay Zone.

TOWN OF TAOS, NEW MEXICO

ORDINANCE NO. 05-04

1 AN ORDINANCE AUTHORIZING THE USE OF AFFORDABLE HOUSING  
2 FUNDS TO BE AWARDED, LOANED OR OTHERWISE DISTRIBUTED PURSUANT  
3 TO THE AFFORDABLE HOUSING ACT FOR THE CHAMISA VERDE SUBDIVISION  
4 PROGRAM AND THE RELATED CHAMISA VERDE SUBDIVISION (PHASE I)  
5 PLAN; APPROVING THE CHAMISA VERDE SUBDIVISION (PHASE I) PLAN;  
6 DEFINING TERMS; AND AUTHORIZING THE EXPENDITURE OF AFFORDABLE  
7 HOUSING FUNDS IN CONNECTION THEREWITH.

8 WHEREAS, the Town of Taos (the "Town") is a municipal corporation duly organized  
9 and existing under the laws of the State of New Mexico (the "State"); and

10 WHEREAS, under an exception to the "anti-donation" clause as set forth in Article IX,  
11 Section XIV of the New Mexico Constitution, the Town is not prohibited from (i) donating land  
12 it owns for the construction on it of affordable housing; (ii) donating an existing building owned  
13 by the Town for conversion or renovation into affordable housing; or (iii) providing or paying  
14 the costs of infrastructure necessary to support affordable housing projects.

15 WHEREAS, the Affordable Housing Act, NMSA 1978 § 6-27-1 et seq. (the "Act") and  
16 New Mexico Finance Authority Affordable Housing Rules (the "Rules") implement the  
17 provisions of Subsections E and F of Section XIV of Article IX of the New Mexico Constitution;

18 WHEREAS, the Town Council ("Council"), the governing body of the Town, desires to  
19 implement an affordable housing program for the Town;

Legal

Tr. No. 9453  
TOWN OF TAOS,  
NEW MEXICO  
NOTICE OF ADOPTION OF ORDINANCE  
Notice is hereby given of the title and a general summary of the subject matter contained in Ordinance No. 05-04, duly adopted and approved by the Council (the "Council") of the Town of Taos, New Mexico (the "Town") on June 28, 2005 (the "Ordinance"), relating to the implementation by the Chamisa Verde Subdivision Program and related plans. Complete copies of the Ordinance are available upon request and payment of a reasonable fee during normal and regular business hours of the Office of the Town Clerk, Town Hall, 400 Camino de La Placita, Taos, New Mexico.  
The title of the Ordinance is:  
AN ORDINANCE AUTHORIZING THE

LEGALS

USE OF AFFORDABLE HOUSING FUNDS TO BE AWARDED, LOANED OR OTHERWISE DISTRIBUTED PURSUANT TO THE AFFORDABLE HOUSING ACT FOR THE CHAMISA VERDE SUBDIVISION PROGRAM AND THE RELATED CHAMISA VERDE SUBDIVISION (PHASE I) PLAN; APPROVING THE CHAMISA VERDE SUBDIVISION (PHASE I) PLAN; DEFINING TERMS; AND AUTHORIZING THE EXPENDITURE OF AFFORDABLE HOUSING FUNDS IN CONNECTION THEREWITH.

The following is a general summary of the subject matter contained in the Ordinance.

The Recitals to the Ordinance, provide that: (a) under an exception to the "anti donation" clause as set forth in Article IX, 14 of the New Mexico Constitution, the Town is not prohibited from (i) donating land it owns for the construction on it of affordable housing; (ii) donating an existing building owned by the Town for conversion or renovation into affordable housing, or (iii) providing or paying the costs of infrastructure necessary to support affordable housing projects; (b) the Affordable Housing Act, NMSA, 1978 § 6-274 et seq. (the "Act") implements the provisions of Subsections E and F of §14, Article IX of the New Mexico Constitution; and (a) the Mortgage Finance Authority (the "MFA") has reviewed and approved the form and terms of the Ordinance.

As proposed in the Ordinance: (1) the Council adopted Ordinance No. 05-03 establishing the Town's affordable housing program (the "Program") pursuant to the Act; (2) the Town is authorized to contribute and donate land, an existing building, and the cost of infrastructure necessary to support the affordable housing that is part of the Chamisa Verde Subdivision Program (the "Chamisa Verde Program") and the Chamisa Verde Subdivision (Phase I) Affordable Housing Plan (the "Phase I Plan"); (3) the Town is authorized to expend Affordable Housing Funds (as defined in Ordinance No. 05-03) in connection with the implementation of the Chamisa Verde Program and the Phase I Plan; (4) the Ordinance describes (i) the affordable home categories, (ii) the amount of Affordable Housing Funds available for Very Affordable Homes, Moderately Priced Homes and Market Rate Homes (as defined in the Ordinance) under the Phase I Plan, (iii) the terms, including security for repayment to the Town, under which a Qualifying Grantee (as defined in Ordinance N. 05-03) builder and home buyer would acquire a building lot and completed home, (iv) the builder requirements and applicant eligibility guidelines; and (5) the Ordinance provides that any recipients of housing assistance provided as part of the Chamisa Verde Program and the Phase I Plan will satisfy the requirements established in the Act and the MFA Affordable Housing Rules promulgated pursuant to the Act. This notice is given pursuant to Section 3-17-5 NMSA 1978. (Legal No. 9453; Pub. July 7, 2005)

1        WHEREAS, on \_\_\_\_\_, 2005, the Council adopted Ordinance No. \_\_\_\_ (the  
2 "Affordable Housing Ordinance") establishing an Affordable Housing Program pursuant to the  
3 Affordable Housing Act;

4        WHEREAS, the Affordable Housing Ordinance requires, among other things, a copy of  
5 an ordinance providing for the authorization of Affordable Housing Funds and/or the Housing  
6 Assistance Grants;

7        WHEREAS, the MFA has reviewed and approved the form and terms of this Ordinance  
8 prior to final adoption hereof.

9 BE IT ORDAINED BY THE TOWN COUNCIL, THE GOVERNING BODY OF THE TOWN  
10 OF TAOS, NEW MEXICO:

11        **SECTION 1. SHORT TITLE.** This article may be cited as the "Chamisa Verde  
12 Subdivision Program Ordinance."

13        **SECTION 2. PURPOSE.** Pursuant to Section 4(J)(1)(a) and (b) and other Sections of  
14 the Affordable Housing Ordinance, this Ordinance is adopted to provide the MFA with (a)  
15 documentation that confirms that the Town has an existing valid Affordable Housing Plan; (b) an  
16 ordinance which provides for the authorization of the Housing Assistance Grant, including the  
17 use of any Affordable Housing Funds, together with a written certification that the Chamisa  
18 Verde Subdivision Program is in compliance with Act and the Rules so that the MFA may  
19 confirm both that this Ordinance is in compliance with the Act, that the Application is complete,  
20 and that Qualifying Grantees are and will be the recipients of Affordable Housing Funds in  
21 connection with the Chamisa Verde Subdivision (Phase I) Affordable Housing Plan under the  
22 Act and the Rules, and authorizing the expenditure by the Town of Affordable Housing Funds in

1 connection with the Chamisa Verde Subdivision (Phase I) Affordable Housing Plan in  
2 connection with one or more Affordable Housing Projects.

3 **Section 3. GENERAL DEFINITIONS.** Unless specifically defined herein, all defined  
4 terms shall have the meanings ascribed to them in the Affordable Housing Ordinance. The  
5 following words and terms shall have the following meanings.

6 A. "Chamisa Verde Subdivision Program" or "Program" shall mean and refer to the  
7 Chamisa Verde Subdivision, an Affordable Housing Program, located within the municipal  
8 boundaries of the Town.

9 B. "Chamisa Verde Subdivision (Phase I) Affordable Housing Plan" or "Plan" shall  
10 mean and refer to the first phase of development of the Chamisa Verde Subdivision Program  
11 consisting of thirty-seven (37) Lots, which phase constitutes an Affordable Housing Plan.

12 C. "Market Rate Homes" shall mean any home constructed in connection with the  
13 Plan that can be sold at any price and to any buyer regardless of income.

14 D. "Moderately Priced Homes" shall mean any home constructed in connection with  
15 the Plan which must be sold at or below a maximum price established by the Town and must be  
16 sold to eligible Persons of Moderate-Income. Moderately Priced Homes qualify as Affordable  
17 Housing under the Affordable Housing Ordinance.

18 E. "Very Affordable Homes" shall mean any home constructed in connection with  
19 the Plan which must be sold at or below a maximum price established by the Town and must be  
20 sold to eligible Persons of Low-Income. Very Affordable Homes qualify as Affordable Housing  
21 under the Affordable Housing Ordinance.

22 **SECTION 4. GENERAL REQUIREMENTS.** Based upon the requirements set forth  
23 herein below, the Town is authorized to expend Affordable Housing Funds in connection with



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1 the implementation of the Chamisa Verde Subdivision Program and the related Chamisa Verde  
2 Subdivision (Phase I) Affordable Housing Plan as authorized herein. The following  
3 requirements shall apply to all Housing Assistance Grants and/or Affordable Housing Funds of  
4 the Town under the Plan:

5 A. Table I below describes the maximum price, maximum income, and minimum  
6 square footage for homes built in the three home categories. The Very Affordable Homes and  
7 Moderately Priced Homes may be built as units that have 2 bedrooms and 1 bathroom, 3  
8 bedrooms and 2 bathrooms, or 4 bedrooms and 2 bathrooms each with a specific price and  
9 square footage requirement. The Very Affordable Homes and Moderately Priced Homes must  
10 meet the price and square footage requirements indicated below and shall be sold to households  
11 with annual incomes as shown in the table below. The Market Rate Homes have no restrictions.  
12 However, all homes must meet the subdivision requirements, covenants, and Town of Taos code  
13 requirements which may limit the size of home that can be built.

14 TABLE I:

15	<u>Home Category</u>	<u>Maximum Home</u>	<u>Maximum Income</u>	<u>Minimum Square</u>
16		<u>Price</u>		<u>Footage</u>
17	Very Affordable			
18	• 2 bed, 1 bath	\$110,000	80% of AMI *	950
19	• 3 bed, 2 bath	\$120,000	80% of AMI *	1060
20	• 4 bed, 2 bath	\$126,000	80% of AMI *	1250
21	Moderately Priced	\$160,000	Up to 120% of AMI **	1300
22	Market Rate	No limit	No limit	No minimum

23 \* Taos County Area Medium Income (based upon actual household size)

1       \*\* Taos County Area Medium Income (based on household of 4 regardless of household  
2       size)

3       B.     All thirty-seven (37) Lots (collectively, the “Lots” and individually, a “Lot”)   
4       under the Plan will be sold at appraised value as determined by an appraisal of the Lots   
5       conducted at least annually. In order to help achieve the affordability objectives for the Very   
6       Affordable and Moderately Priced Homes, the Town will initially provide Affordable Housing   
7       Funds in the form of zero interest, deferred payment business loans to a Builder (“Business   
8       Loans”) secured by subordinate mortgages on the Affordable Housing homes constructed under   
9       the Program, and upon sale of the Affordable Housing homes to Qualifying Grantee home   
10      buyers, the Town will provide the benefit of the Affordable Housing Funds to home buyers in   
11      the form of zero interest, deferred payment home loans (“Home Loans”) secured by subordinate   
12      mortgages on the Affordable Housing homes purchased under the Program. The term “Loan” or   
13      “Loans” shall refer to Business Loans or Home Loans or both, as the context indicates. Business   
14      Loans are to be repaid to the Town if the Builder fails to timely build and sell a home to a   
15      Qualifying Grantee home buyer, and the Home Loans are to be repaid to the Town if the home   
16      owner sells to someone who is not a Qualifying Grantee, or if the home is not owner occupied as   
17      provided in Section 9 hereof. See: Section 5 below regarding Builder Requirements and   
18      Penalty. Builders or home buyers may be referred to herein as an “Applicant” or the   
19      “Applicants”. Lots sold for the Market Rate Homes will be sold at their full appraised value with   
20      no Loan from the Town. In addition to the requirements of the Plan for the use of Housing   
21      Assistance Grants and/or Affordable Housing Funds as set forth in this Ordinance, the Plan also   
22      requires that all Business Loans and Home Loans shall comply with applicable Truth-in-Lending   
23      and similar laws, rules and regulations under federal and State law.

1 Table II below describes the most recent appraised value of Lots under the Plan, the  
 2 amount of the Affordable Housing Funds (equal to the Loan), and the effective sales price of  
 3 each Lot by Home Category.

4

5 **TABLE II:**

6 <u>Affordable Home</u>	7 <u>Appraised Value</u>	8 <u>Affordable Housing</u> 9 <u>Fund (or Business</u> 10 <u>Loan) Amount</u>	11 <u>Effective Price</u> 12 <u>of Lot</u>
10 Very Affordable	\$31,000	\$19,000	\$12,000
11 Moderately Priced	\$31,000	\$ 7,500	\$23,500
12 Market Rate	\$31,000	None	\$31,000

13 The Affordable Housing Funds in the form of a zero percent Loan will enable homes to be built  
 14 and sold that are Affordable to the targeted income groups. Table III attached hereto as  
 15 Exhibit A, is an affordability analysis showing the approximate annual income needed to  
 16 purchase a home in the three home categories (for Very Affordable Homes the smallest, least  
 17 expensive home is used) as well as a calculation of what this income translates into as a  
 18 percentage of the area median income based upon household size.

19 C. By providing Affordable Housing Funds for the Very Affordable Homes and  
 20 Moderately Priced Homes, the Town will not realize revenue from the full value of the Lots at  
 21 the time of their initial purchase. The Town will sell Lots for the Very Affordable Homes at  
 22 \$19,000 less than their market value and will sell the Moderately Priced home Lots at \$7,500 less  
 23 than their market value. See Table IV Below. But the actual cost of the discount to the Town on

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1 these Lots is much less. This is because the actual cost of purchasing/developing the Lots, all of  
 2 which has been contributed by the Town, is approximately \$22,000 or \$9,000 less than their  
 3 current market value. Thus, the subsidy for the Very Affordable Lots will cost the Town only  
 4 \$10,000. The Town actually generates \$1,500 in "profit" from the sale of the Moderately Priced  
 5 Lots and \$9,000 on the Market Rate Lots. Assuming that Lots are sold in equal numbers for  
 6 each Home Category, the Town breaks even on its expenses while providing Lots for Very  
 7 Affordable Homes (below \$110,000) and Moderately Priced Homes (below \$160,000); and any  
 8 net profit to the Town will replenish funds to continue the Program.

9 TABLE IV:

10 Taos Chamisa Verde	11 Total for			
	Very Affordable	Moderate	Market	3 Lots (1 each)
12 Appraised Value of Lot	\$ 31,000	\$ 31,000	\$ 31,000	\$ 93,000
13 Town Subsidy	\$ (19,000)	\$ (7,500)	\$ -	\$ (26,500)
14 Effective Cost of Lot				
15 (Paid to Town)	\$ 12,000	\$ 23,500	\$ 31,000	\$ 66,500
16 Town Investment in Lot	\$ 22,000	\$ 22,000	\$ 22,000	\$ 66,000
17 Net Profit (Loss) to Town	\$ (10,000)	\$ 1,500	\$ 9,000	\$ 500

18  
 19 When the Builder of Very Affordable or Moderately Priced Homes sells a home to a Qualifying  
 20 Grantee home buyer, such buyer will close on the Home Loan in an amount equal to the  
 21 difference between 95% of the appraised value of the home and the Maximum Home Price  
 22 allowed (see Table I above). The appraised value of the home will be determined by appraisal of  
 23 the home model conducted at least annually. Home Loans will be inclusive of and not less than  
 24 the Affordable Housing Funds (represented by a Business Loan) for the Lot and will include

1 terms to prevent the rapid resale of homes in order to obtain a quick profit on Affordable homes  
2 purchased below market value without its repayment. Home Loans will be offered to a  
3 Qualifying Grantee home buyer under the Plan and may be assumed by a subsequent Qualifying  
4 Grantee home buyer, but will be due and payable in full upon sale to anyone who is not a  
5 Qualifying Grantee or if the home is not owner occupied as provided in Section 9 hereof.

6 **SECTION 5. BUILDER REQUIREMENTS AND PENALTY.** Each Builder shall  
7 be a Qualifying Grantee and shall be allowed to purchase unsold Lots upon the following  
8 conditions:

9 A. Each Builder or the contractor with whom the Builder contracts shall be a  
10 licensed New Mexico General Contractor who shall maintain its licensing throughout the  
11 construction period and during the one-year Builder's Warranty Period following completion of  
12 construction.

13 B. Each Builder and the contractor with whom the Builder contracts shall comply  
14 with all federal, state and local building codes and employment law requirements.

15 C. Each Builder may purchase a Lot for a Very Affordable Home or Moderate  
16 Income Home or if they wish to purchase a Lot for a market rate home then they shall be  
17 obligated to purchase either:

18 (1) three Lots and commit to build one (1) Very Affordable Home, one (1)  
19 Moderately Priced Home and one (1) Market Rate Home; or

20 (2) four Lots and commit to build two (2) Very Affordable Homes and two  
21 (2) homes that shall be either Moderately Priced or Market Rate or one of each

22 D. Each home shall be completed within one year of Building Permit Issuance.

1           E.     Each Builder or the contractor with whom the Builder contracts shall obtain Town  
2 of Taos Building Permits for each home and shall deliver a Certificate of Insurance for each,  
3 naming Town of Taos as a Mortgagee Insured under its liability, casualty, Builders Risk and  
4 Workers Compensation Insurance coverages.

5           F.     Each Builder shall build a home on each Lot, with landscaping consistent with the  
6 Chamisa Verde Subdivision Program Covenants and Design Guidelines.

7           G.     Each Builder shall deliver each home to its Buyer upon completion free and clear  
8 of any and all liens, mechanics liens and materialmen's liens.

9           H.     Each Builder shall provide proof of financial ability to build homes on the Lots  
10 which it is contracting to purchase specifying the categories of the homes to be built on the Lots  
11 being purchased.

12          I.     In the event the Builder sells, transfers or leases any Lot, Affordable Housing or  
13 an Affordable home to anyone who is not a Qualifying Grantee as defined in Town of Taos, New  
14 Mexico Ordinance 2005-3, there shall be and become due and payable a Chamisa Verde  
15 Subdivision (Phase I) Plan Non-Compliance Penalty (the "Penalty") an amount equal to:

16               (1)     All amounts payable under the Business Loan made by Town to the  
17 Builder as evidenced by: the subordinate Mortgage Note; the Subordinate Mortgage, the Loan  
18 Agreement and the Loan Guaranty, plus,

19               (2)     as applicable, an amount equal to three (3) times the Housing Assistance  
20 Grant and/or Affordable Housing Funds provided by the Town for a Very Affordable Home  
21 constructed or to be constructed by the Builder, or an amount equal to five (5) times the Housing  
22 Assistance Grant and/or Affordable Housing Funds provided by the Town for a Moderately  
23 Priced Home constructed or to be constructed by the Builder, plus,

1           (3) all reasonable costs and fees incurred by the Town in connection with the  
2 collection of the Penalty.

3           **SECTION 6. APPLICANT ELIGIBILITY GUIDELINES.** Applicants seeking to  
4 build or purchase the Very Affordable and Moderately Priced Homes provided by the Program  
5 must be Qualifying Grantees under the New Mexico Affordable Housing Act ("Act"), the  
6 Affordable Housing Rules of the MFA ("Rules") and under the Ordinance, and must submit an  
7 application on the form provided by the Town, together with all applicable schedules and such  
8 other information as may be required by the Town under the Ordinance. In addition, the home  
9 buyer Applicant must satisfy the following Plan eligibility standards, as applicable:

10           A. Applicants of Very Affordable Homes must have annual incomes of less than  
11 80% of the Taos County average median income based upon household size.

12           B. Applicants of Moderately Priced Homes must have annual incomes of less than  
13 120% of the Taos County average median income of a household of four regardless of household  
14 size. For 2004, this income limit is \$48,000.

15           C. The income of all household members who will occupy the property and are 18  
16 years or older shall be used to determine household income for Applicants regardless if this  
17 income is being used to qualify for financing to purchase the home.

18           D. Applicants' available assets that could be used for the purchase of a home cannot  
19 exceed \$50,000. Available Assets include savings, stocks, bonds, Individual Retirement  
20 Accounts, 401(k) accounts, 403(b) accounts, and other assets that could be used for the purchase  
21 of a home. Available Assets do not include PERA accounts and other assets that are not  
22 accessible before retirement.

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1           E.     Applicants' total assets, whether available or not, cannot exceed \$150,000. Total  
2 Assets include all real estate, available assets, trust funds, and any other asset owned, controlled,  
3 or dedicated to the Applicant. PERA accounts are not included in total assets.

4           F.     Upon closing on a home purchased under the Program, the Applicant cannot own  
5 any other residential property or other real estate (land, commercial property, etc.) that has a  
6 market value in excess of \$100,000.

7           G.     Applicants must also meet any one of the following criteria:

8               (1)    A first-time homebuyer. A first-time buyer cannot have had an interest in  
9 a main home during the 2-year period ending on the date of acquisition of the new home. If the  
10 buyer is married, the spouse must also meet this no-ownership requirement;

11               (2)    Any one who owned a home in the last two years but had transferred title  
12 to another party because of divorce or separation from the co-owner of the home;

13               (3)    Anyone who currently owns and occupies a manufactured home as his  
14 only residence; or

15               (4)    Any one who currently owns a home in a location outside of Taos County,  
16 but had previously lived in Taos County for a least ten years, and wishes to return to the Town.  
17 (The current home must be sold before or at the time of purchasing a home under the Program.)

18           H.     Applicants must provide a down payment of at least 2% of the purchase price in  
19 seasoned funds. Gifts and other homebuyer assistance is allowed, but cannot be used to meet the  
20 buyer's 2% obligation.

21           I.     Applicants must finance the purchase of the home with a "prime" mortgage loan  
22 which is defined as a mortgage loan with a interest rate that does not exceed 100 basis points



1 above the New Mexico Mortgage Finance Authority's Mortgage Saver rate and does not charge  
2 in excess of a 2% origination fee.

3 J. Applicants must complete at least six hours of homebuyer education in a program  
4 approved by the Town.

5 SECTION 7. AFFORDABLE HOUSING FUNDS. The Town shall provide  
6 Affordable Housing Funds, in the form of a zero percent deferred payment loan secured by a  
7 subordinate (or second) mortgage on the home, and in an amount equal to a portion of the value  
8 of an improved residential Lot under the Plan in order to provide Affordable Housing to Persons  
9 of Low or Moderate Income. The value of the improved Lot will be determined by an  
10 independent appraisal of a typical Chamisa Verde Affordable Housing Program Lot. The  
11 appraised value of a typical Lot shall be used to establish the value of all Lots provided for  
12 Affordable Housing for a 12-month period. The appraisal of a typical Lot shall be updated no  
13 less than every 12 months. Initially, the amount of the Affordable Housing Funds or Business  
14 Loan for a Very Affordable home Lot will be \$19,000. Initially, the amount of the Affordable  
15 Housing Funds or Business Loan for a Moderately Priced home Lot will be \$7,500. These  
16 amounts may be increased up to the market value of a Lot upon approval (by resolution) of the  
17 Council. No Affordable Housing Funds or Loans will be provided for Market Rate home Lots.  
18 The value of a Lot not covered by the Affordable Housing Funds or Business Loan will be  
19 reimbursed to the Town at the time a Lot is purchased by the Builder that contracted with the  
20 Town to build each home under the Plan. The Builder will pay for the Lot at the closing of the  
21 sale of the Lot to the Builder Applicant and the Business Loan will be executed by the such  
22 Applicant in favor of the Town in the amount of the Affordable Housing Funds.

1           **SECTION 8. OCCUPANCY GUIDELINES.**     All homes sold under the Plan must  
2 be owner-occupied. If a buyer of Affordable Housing at any time sells (except to a Qualifying  
3 Grantee), rents, or otherwise fails to occupy the Affordable Housing, the Home Loan (equal to  
4 the Affordable Housing Funds) shall become immediately due and payable to the Town.

5           **SECTION 9. LONG-TERM AFFORDABILITY.**   In order to guard against  
6 speculation on Affordable Housing which is sold below its fair market value, a Home Loan  
7 (represented by a note and subordinate mortgage) shall be attached to each home which shall  
8 provide that the note and mortgage shall become due upon sale to anyone who is not a  
9 Qualifying Grantee. The amount of the Home Loan will be in an amount equal to the difference  
10 between 95% of the appraised value of the home and the Maximum Home Price allowed (as  
11 indicated in Table I above) and not less than the Affordable Housing Funds (as indicated in  
12 Table II above).

13           The amount of the Affordable Housing Funds or Home Loan shall be due to the Town, or  
14 its agent, if the original buyer (or any subsequent buyer) of the home sells the home to anyone  
15 who is not a Qualifying Grantee, rents the home, or otherwise fails to occupy the property.

16           **SECTION 10. DOCUMENTATION.** Before closing on any Affordable Housing, the  
17 seller of the home must provide the Town (or its designee) the following documentation:

- 18           A.    The Applicant's Purchase Agreement;
- 19           B.    The Applicant's Mortgage Loan Application;
- 20           C.    Current Pay Stubs;
- 21           D.    2 most recent tax returns with W-2s;
- 22           E.    Current Bank Statements;

1 F. A certified statement from the Applicant that certifies the income information  
2 provided in the loan application is true, correct and complete; that the house to be purchased will  
3 be used as the potential home buyer(s) primary residence, and that the home buyer(s) does not  
4 own residential rental property; and

5 G. Certification that the Applicant has successfully completed homebuyer education.

6 **SECTION 11. PROCESS OF CERTIFICATION.** Once the Applicant has submitted  
7 the above documentation to the Town or its designee, the Town or its designee shall make a good  
8 faith effort to issue a Certification of Income and Eligibility within fifteen (15) business days.  
9 The Certificate will state whether or not the Applicant is eligible to purchase an Affordable home  
10 under the Plan. A copy of the Form of Certification of Income and Eligibility for Town of Taos  
11 – Chamisa Verde Subdivision (Phase I) Plan is attached hereto as Exhibit A and incorporated  
12 herein by this reference.

13 If additional information is necessary, the Town, or its designee may inspect the potential  
14 homebuyers file and/or request additional clarifying information. This shall be completed within  
15 the initial fifteen day evaluation period.

16 **SECTION 12. CLOSING.** At least ten (10) business days before the scheduled home  
17 closing date, Applicant will give the Town notification of the following:

18 A. The date and time of the closing; and

19 B. The name and location of title company closing the transaction.

20 C. The Town will deliver all necessary closing documents required for its Loan,  
21 including the deferred note and subordinate mortgage to the title company at least 24 hours prior  
22 to the scheduled closing. Upon closing, the title company will transmit a copy of the Settlement  
23 Statement (the HUD 1) that describes the details of the transaction.

1           **SECTION 13. PROGRAM AND PLAN MANAGEMENT.** On behalf of the Town,  
2 Homewise, Inc., a New Mexico Non-Profit Community Housing Development Organization,  
3 will manage compliance with these guidelines. Homewise, Inc. shall be paid \$2,000 for every  
4 Affordable Home closed under the Plan, payment of which will be paid by the seller of the  
5 home. Payment to Homewise, Inc. will be made at closing through the title insurance agency  
6 closing the transaction.

7           **SECTION 14. DISCRIMINATION PROHIBITED.** The development, construction,  
8 occupancy and operation of the Chamisa Verde Subdivision Program shall be undertaken in a  
9 manner consistent with principles of non-discrimination and equal opportunity, and the Town  
10 shall require compliance by all Qualifying Grantees with all applicable federal and State laws  
11 and regulations relating to affirmative action, non-discrimination and equal opportunity.

12           **SECTION 15. TERMINATION.** The Council may repeal this Ordinance and  
13 terminate the Town's Affordable Housing Program and any or all contracts undertaken in its  
14 authority. Termination shall be by ordinance at a public hearing or in accordance with the terms  
15 of the contract. If an ordinance or a contract is repealed or terminated, all contract provisions of  
16 the contract regarding termination shall be satisfied.

17           **SECTION 16. REPEALER.** All bylaws, orders, resolutions and ordinances, or parts  
18 thereof, inconsistent with this Ordinance are repealed by this Ordinance but only to the extent of  
19 that inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or  
20 ordinance, or part thereof, previously repealed.

21           **SECTION 17. SEVERABILITY.** If any section, paragraph, clause or provision of this  
22 Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or

1 unenforceability of that section, paragraph, clause or provision shall not affect any of the  
2 remaining provisions of this Ordinance.

3 SECTION 18. RECORDING; AUTHENTICATION; PUBLICATION;  
4 EFFECTIVE DATE. This Ordinance, immediately upon its final passage and approval, shall  
5 be recorded in the ordinance book of the Town, kept for that purpose, and shall be there  
6 authenticated by the signature of the Mayor or Mayor Pro Tem and attested to by the Town  
7 Manager or Town Clerk. This Ordinance shall be in full force and effect five (5) days after  
8 publication in accordance with Section 3-17-5 NMSA, 1978.

9 Passed, Approved, Signed and adopted this 28<sup>th</sup> day of June 2005.

10

11

12

*[Signature]*  
Mayor

13 ATTEST:

14 *Lamara*  
15 TOWN CLERK  
16 [SEAL]

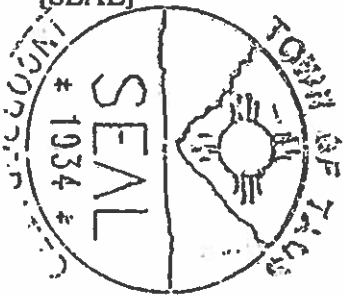


EXHIBIT ATABLE III:

## Taos Chamisa Verde

	Very Affordable	Moderate	Market
Appraised Value of Lot	\$ 31,000	\$ 31,000	\$ 31,000
Town Subsidy	\$ (19,000)	\$ (7,500)	\$ -
Effective Cost of Lot	\$ 12,000	\$ 23,500	\$ 31,000
Construction & Soft Costs	\$ 102,000	\$ 110,500	\$144,500
Administrative cost	\$ 2,000	\$ 2,000	\$ 2,000
Cost of sales (average of 3%)	\$ 3,600	\$ 4,620	\$ 12,420
Total Cost	\$ 119,600	\$ 140,620	\$189,920
Price	\$ 120,000	\$ 154,000	\$207,000
Difference	\$ 400	\$ 13,380	\$ 17,080
HOME or other Subsidy	\$ (10,000)	\$ -	\$ -
Effective Price	\$ 110,000	\$ 154,000	\$207,000

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Taos Chamisa Verde

	Very Affordable	Moderate	Market
Monthly P & I	\$642	\$899	\$1,241
Monthly Tax & Insurance	100	100	140
Total PITI	\$742	\$999	\$1,381
Income Needed	\$ 26,979	\$ 36,316	\$ 50,221
AMI HH of 1	96%	130%	179%
AMI HH of 2	84%	113%	157%
AMI HH of 3	75%	101%	140%
AMI HH of 4	67%	91%	126%
AMI HH of 5	62%	84%	116%
AMI HH of 6	58%	78%	108%

Assumptions

Cost per sq ft	\$ 85	\$ 85	\$ 85
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Taos Chamisa Verde

	Very Affordable	Moderate	Market
Home sq ft	1060	1300	1700
Average Cost of Sales	3%	3%	6%
Rate	5.75%	5.75%	6%
Term	30	30	30
Housing Expense Ratio	33%	33%	33%
Median Income for HH of 1	\$ 28,000		
Median Income for HH of 2	\$ 32,000		
Median Income for HH of 3	\$ 36,000		
Median Income for HH of 4	\$ 40,000		
Median Income for HH of 5	\$ 43,200		
Median Income for HH of 6	\$ 46,400		



EXHIBIT A

Homewise, Inc.  
1570 Pacheco Street Ste A-1  
Santa Fe, NM 87505

Certification of Income and Eligibility for Town of Taos – Chamisa Verde Subdivision  
(Phase I) Plan

Applicant \_\_\_\_\_ Co-Applicant \_\_\_\_\_

Based upon information submitted by the applicant(s) listed above, Homewise has determined and hereby certifies that the above applicants are:

\_\_\_\_\_ Eligible for the Town of Taos Affordable Housing Program\*  
\_\_\_\_\_ % of Area Median Income ("AMI") for Taos County  
\_\_\_\_\_ Meets all other eligibility requirements  
\_\_\_\_\_ Applicants must complete homebuyer education in a program approved by the Town of Taos. Complete Yes or No Date Scheduled \_\_\_\_\_

\_\_\_\_\_ Not Eligible for the Town of Taos Affordable Housing Program because  
\_\_\_\_\_ % of AMI for Taos County/Over income limit  
\_\_\_\_\_ Available assets and/or total assets exceed allowable limit  
\_\_\_\_\_ Owns another property with a market value in excess of \$100,000.00  
\_\_\_\_\_ Does not meet the first-time homebuyer criteria

**\*This Certification is not an approval or commitment for a loan. The applicant(s) should now begin working with a lender to acquire loan approval for the purchase of a home. The applicant(s) should be aware Town of Taos ("Town") eligibility guidelines that include but are not limited to the following:**

1. Eligible buyers must finance the purchase of the home with a "prime" mortgage loan which is defined as a mortgage loan with an interest rate not to exceed 100 basis points over the current Mortgage Finance Authority Payment Saver rate and does not charge in excess of a 2% origination fee.
2. Eligible buyers must provide a down payment of at least 2% of the purchase price from the buyer's own funds. Gifts and other homebuyer assistance are allowed, but cannot be used to meet the buyer's 2% obligation.
3. Eligible buyers must complete Homebuyer training and receive a certificate of completion prior to closing. Buyers are encouraged to attend training as early in the process as possible to maximize the benefits of learning about the homebuying process.

**CONTINUATION PAGE 21**

Applicant(s) understand that the willful concealment or intentional misstatement of material information regarding family size, income, assets, holdings, personal or real property, business or partnerships, royalties, child support, debt repayment or other eligibility criteria will result in immediate disqualification from the Town's Affordable Housing Program. Such intentional concealment or misstatement of material information also may subject an Applicant to civil and criminal penalties including, but not limited to, fine or imprisonment or both, the forfeiture of benefits received, foreclosure on a second mortgage loan and damages to the Town, its agents, successors and assigns, insurers and any other party which may suffer any loss due to willful concealment or intentional misstatement of material information

Applicant(s) authorize release of all lending and closing documents from the lender to Homewise, Inc. for the sake of monitoring the compliance with the Chamisa Verde Subdivision Program and the related Chamisa Verde Subdivision (Phase I) Affordable Housing Plan of the Town.

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<b>Applicant Signature</b>	<b>Date</b>	<b>Co-Applicant Signature</b>	<b>Date</b>
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<b>Homewise, Inc., Authorized Representative of the Town of Taos</b>	<b>Date</b>
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F. The Pueblo/Spanish Revival style.

(1) Massing/Scale: Buildings shall express a massive structural quality in appearance as opposed to a "curtain wall" appearance. Buildings over one (1) story shall be designed to appear more as an aggregation of smaller "building blocks" rather than a single large box or block.

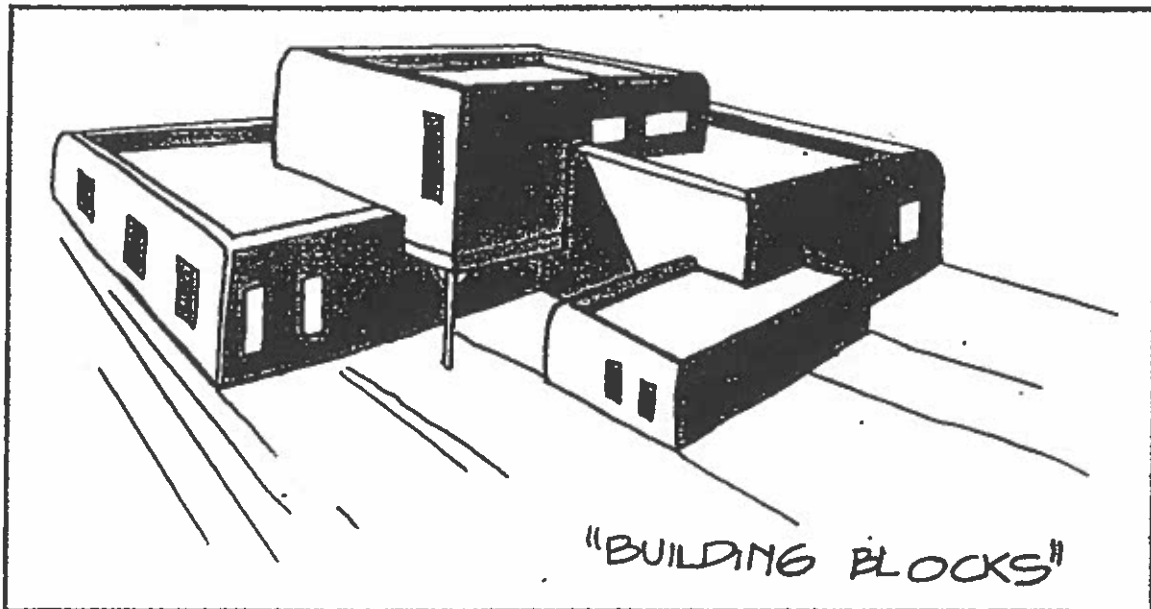
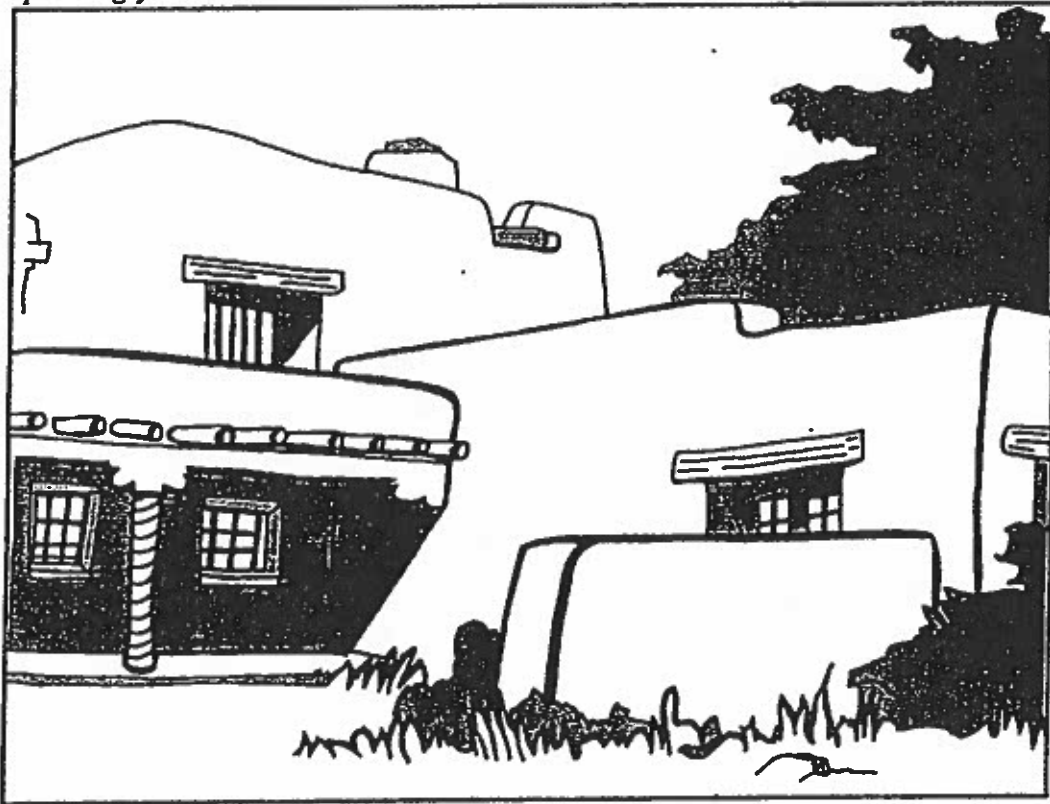


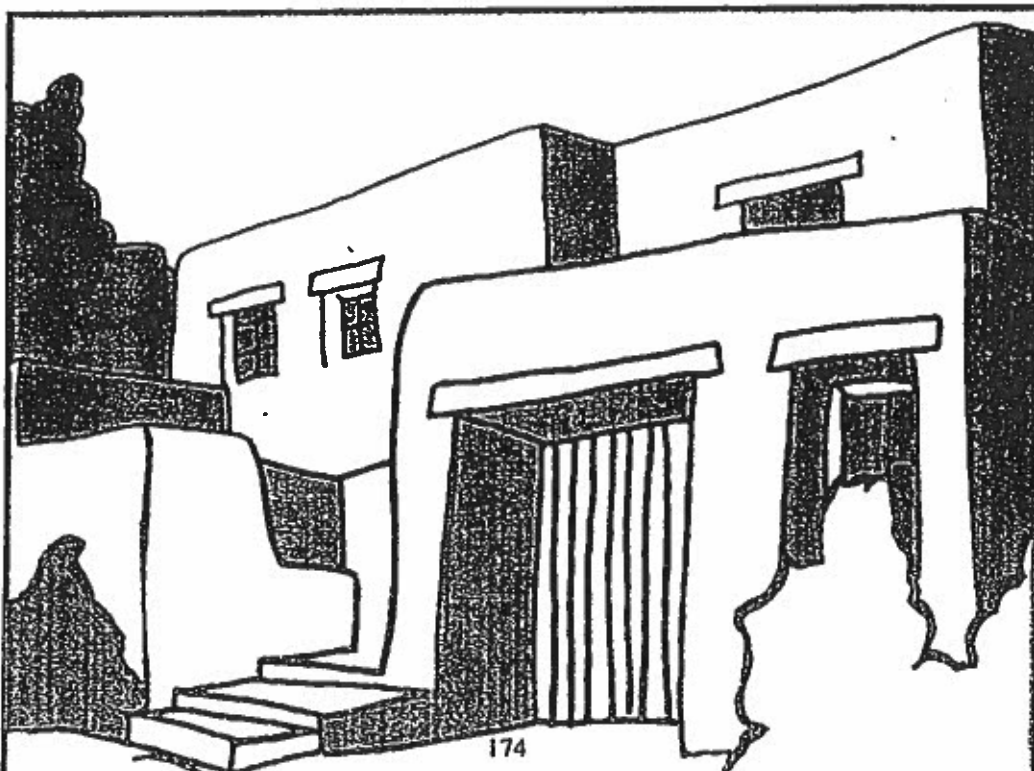
Figure 4-22.16: "Building blocks" appropriate to the Spanish/Pueblo Revival Style.

(a) Buildings shall be designed to be "wall dominated" so that building geometry is more defined by walls, and the roofs are visually less dominant in the overall design.

(b) Wall thickness shall be reflected at door and window openings. Columns, lintels and other exposed structural elements should be scaled in a correspondingly massive manner.



Figures 4-22.17 and 4-22.18: The Spanish/Pueblo Revival Style can be simple or complex. Figure 17 (above) includes elaborate detailing such as portales, canales and projecting vigas, while Figure 18 (below) relies on its forms and massing.



(c) Multi-story additions shall cause a building or structure to reach no more than a total of two (2) stories. Second story addition footprints shall not exceed fifty percent (50%) of the footprint of the existing buildings or structure. Second story additions shall be "stepped back" from the first story walls, set to the rear or side rear of the building or structure.

(d) Long, uninterrupted horizontal facades shall be avoided.

(e) The use of parapets is strongly encouraged. Buildings shall be topped by "flat"(moderately sloped) roofs obscured by parapets (firewalls). Dead flat roofs are not recommended. Parapets shall obscure the sloping roof surface on the front and side facades as proper drainage may allow. Alternative treatments should be consistent with the building style.

(f) Building cantilevers or other visually and apparently unsupported structures are not acceptable.

(g) A human scale should be achieved near ground level on larger buildings and along street facades and entry ways through the use of elements such as portales, zaguanes, windows, doors, columns (usually round) and beams. Portales should provide a transition between the outside street and the building interior.

(h) Courtyards and patios serve as protected enclaves of outdoor space which reinforce the sense of "plaza" and should be incorporated whenever possible.



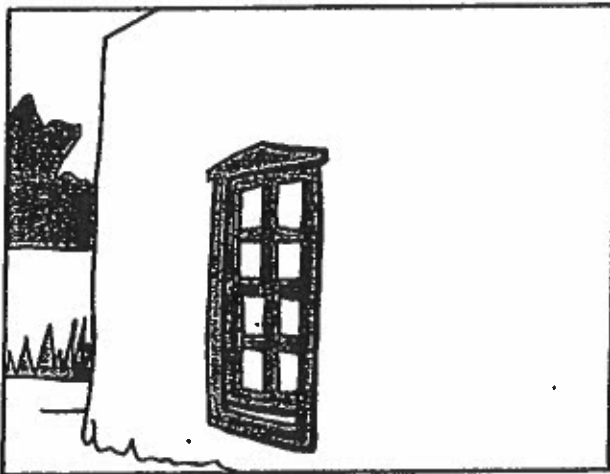
Figure 4-22 19 Portales provide a transition between the street and the building interior, and help create a human scale

white. Larger surfaces such as doors, columns, beams, and corbeles shall be stained in natural wood tones or weathered wood tones;

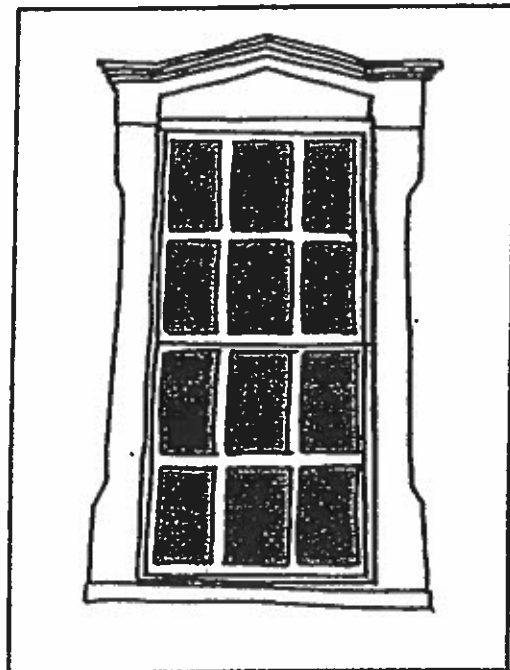
(c) Painting of buildings with bold patterns, checks, and using buildings as signs is prohibited.

(5) Doors and windows:

(a) Window shapes, arrangements and types should be reminiscent of those found in historic structures. Divided light windows are encouraged;



Figures 4-22.21 and 4-22.22: Divided light windows.



(b) The combined door and window area in any publicly visible facade shall not exceed forty percent (40%) of the total area of the facade, except for the use of large display windows located under portales of commercial buildings and some applications of solar features;

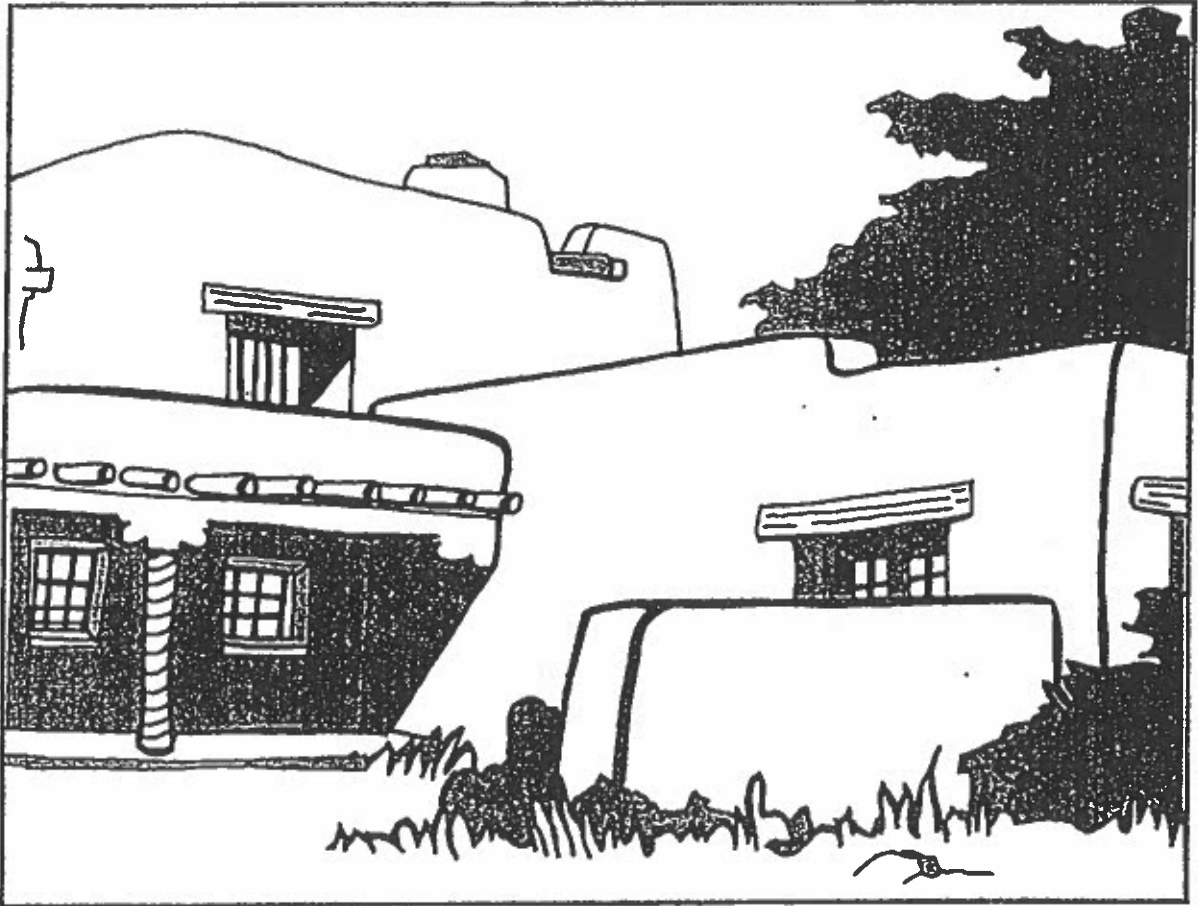
(c) In buildings constructed of masonry or adobe, recessed windows enhance the historic character and give the impression of greater wall thickness. No door or window in a publicly visible facade shall be located nearer than three (3) feet from the corner of the façade;

(d) Window openings or areas shall be bullnosed and framed by wood casings. Doors shall be wooden or a combination of wood and glass;

7.2.4

(e) For residential uses, large exposure of glass should not face streets and windows and should be vertical in proportion;

(f) Skylights should not be visible.



Figures 4-22.23: Example of recessed windows in Spanish/Pueblo Revival Style construction. All Spanish/Pueblo Revival Style structures should lack large exposures of glass.

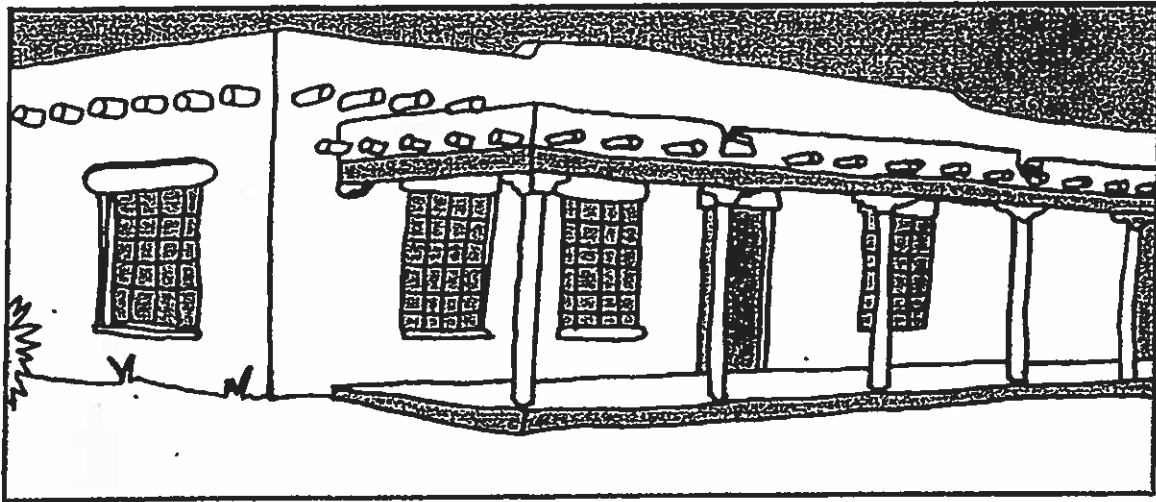


Figure 4-22.24 (above): Spanish/Pueblo Revival Style architectural detailing, including portal, canales and exposed vigas.

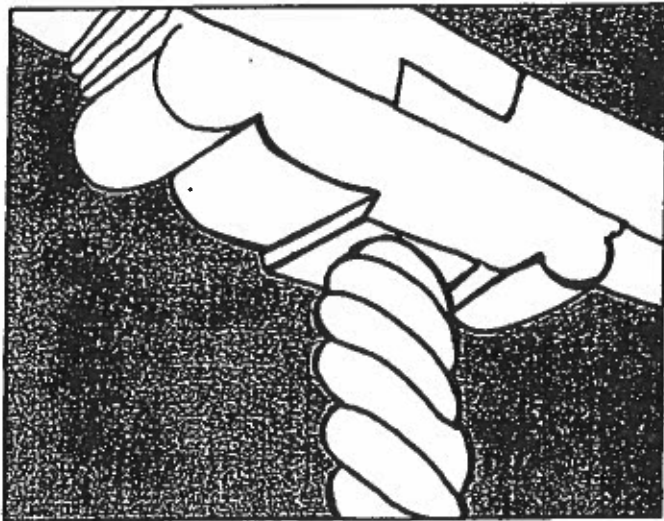


Figure 4-22.25 (left): Corbel characteristic of Spanish/Pueblo-Revival Style architectural detailing.

(6) Architectural detailing:

(a) Detailing should be functional. Portales should provide protection from weather, canales should drain a roof area, and projecting vigas should reflect structural members within. Avoid "weaving" vigas. All exposed structural elements should express understanding of the traditional structural sense. Applied, non-functional structural elements (such as exposed viga ends where no viga beams are used for actual structural members) and other "applied" architectural details are not appropriate;

(b) Window and door moldings and exposed lintels are appropriate. Wood trim is minimal around window and door openings. A rounding effect or bullnosing should be used creating a transition from wall surface to window surface. Lintels above window and door openings are usually of wood;



(2) Light and shadow: Building masses should be arranged so that they cast shadows on each other and emphasize the contrast of light and shaded surface at corners. The suggestion as to the use of shadows shall not be construed as to override adjacent building owners' solar rights.

(3) Surface material and texture:

(a) Buildings shall be coated with mud plaster, stucco or related material that has a texture which simulates that of mud plaster;

(b) Stucco or related materials which express a smooth but massive surface shall predominate.

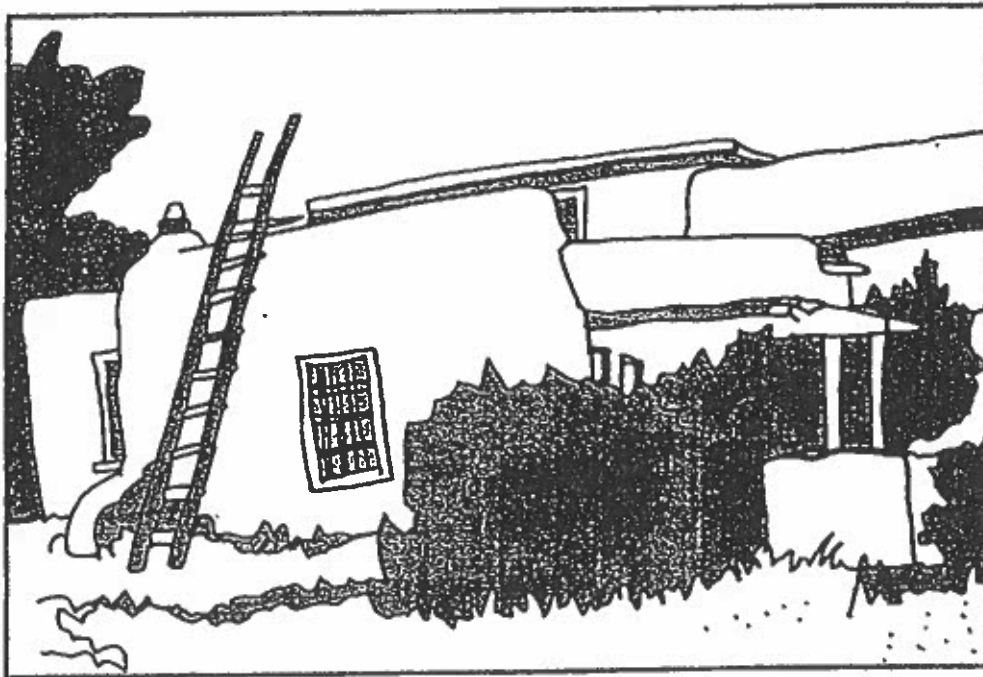


Figure 4-22.20: Spanish/Pueblo Revival Style structures are typically covered with stucco, have felt roofs with parapets and are one (1) story high.

(4) Color:

(a) Building surfaces shall be painted or stuccoed alike in off-white to medium brown, colors that predominantly found on the area of the town;

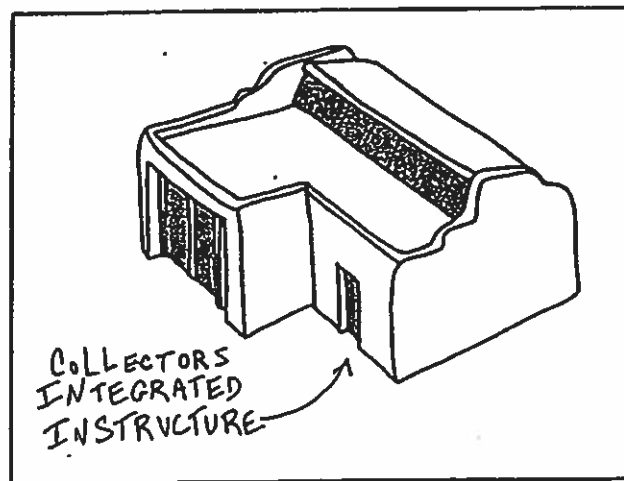
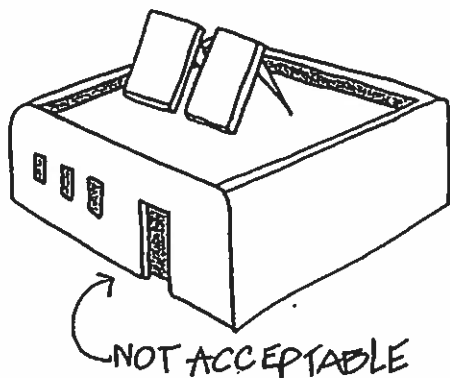
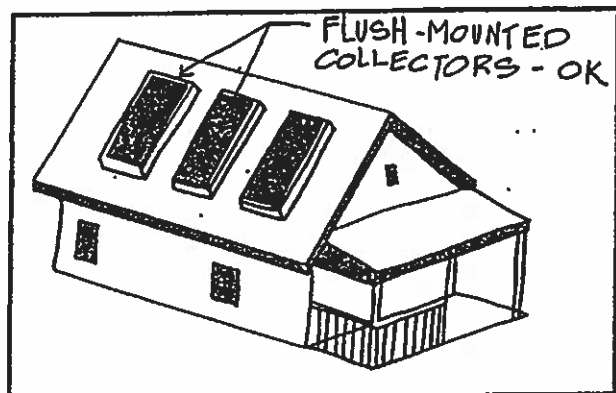
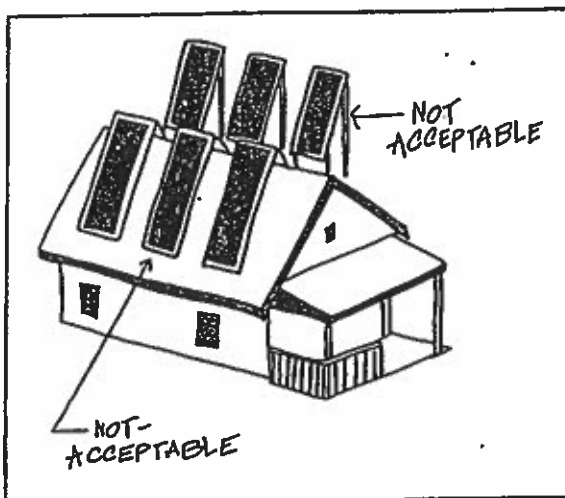
(b) Entries (wall areas below portales) may be emphasized by the use of off-white or other neutral tones complimentary to the predominant colors found in the area of the town. Window frames, door frames, and accent trims only, may be painted in various contrasting accent colors reminiscent of "Taos Blue", white or off-

(c) Portales should express exposed beams and columns with transitional devices such as corbels. Corbels may be ornamental.

(7) Solar Integration:

(a) The use of solar and other energy collecting and conserving features may be used;

(b) Solar features, such as trombe walls, sunspaces, greenhouses and clerestories should be hidden, and are best handled if they are integrated into the new structure. Skylights must not be visible;



Figures 4-22.26 and 4-22.27 (above): Non-acceptable solar integration for Spanish/Pueblo Revival Style structures in the Historic Overlay Zone.

Figures 4-22.28 and 4-22.29 (above): Acceptable solar integration for Spanish/Pueblo Revival Style structures in the Historic Overlay Zone.

(c) Solar hardware such as collectors, especially water heating collectors, shall not appear to have been set on roofs, walls or the ground as an afterthought. They shall be built into and integrated into the overall building design;

(d) Solar features that do not comply with the above shall be hidden from public view by a screening device or disguise. Screening methods include: sufficiently high parapets, roof-mounted apparatus, fences, berms, landscaping or buildings to block from public view, and ground-mounted apparatus;

(e) The use of glass areas for collectors, trombe walls, greenhouses, or direct solar gain is acceptable, provided the percentage of glass on the south elevation does not exceed seventy five percent (75%) of the total wall surface;

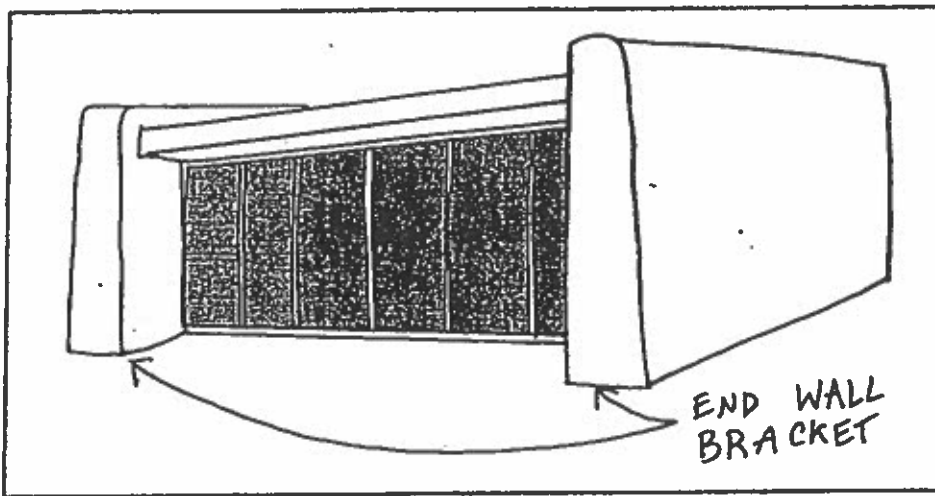


Figure 4-22.30: End walls used as a screening device for direct gain glass. The glass area, however, shall not exceed more than seventy five percent (75%) of the total wall surface.

(f) Reflected glare on nearby buildings, streets or pedestrian areas shall be avoided.

(8) Mechanical equipment:

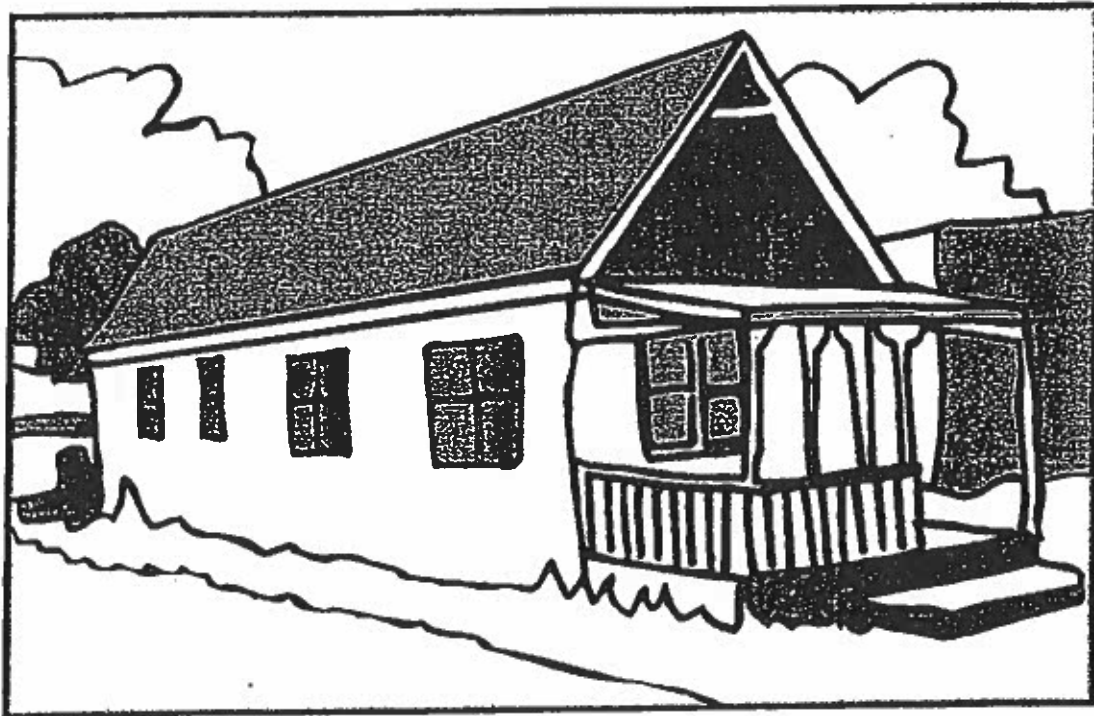
(a) Exterior mounted mechanical and electrical equipment, vents, solar hardware and satellite dishes shall be architecturally screened and, in particular, roof mounted equipment shall be of a low profile to minimize the screening problem;

(b) Roof-mounted satellite dishes, larger than twenty four (24) inches in diameter, are prohibited. Screening for ground-mounted satellite dishes shall be accomplished in a manner as described for solar hardware.

G. The Pitched-Roof Territorial Revival:

(1) Massing/scale:

(a) Buildings shall be designed to appear as single block, usually rectangular in shape;



Figures 4-22.31 and 4-22.32: Examples of Territorial Revival Style. Figure 31 (above) is a house near La Loma Plaza whose basic features include a metal pitched roof, wood porch and double-hung windows.

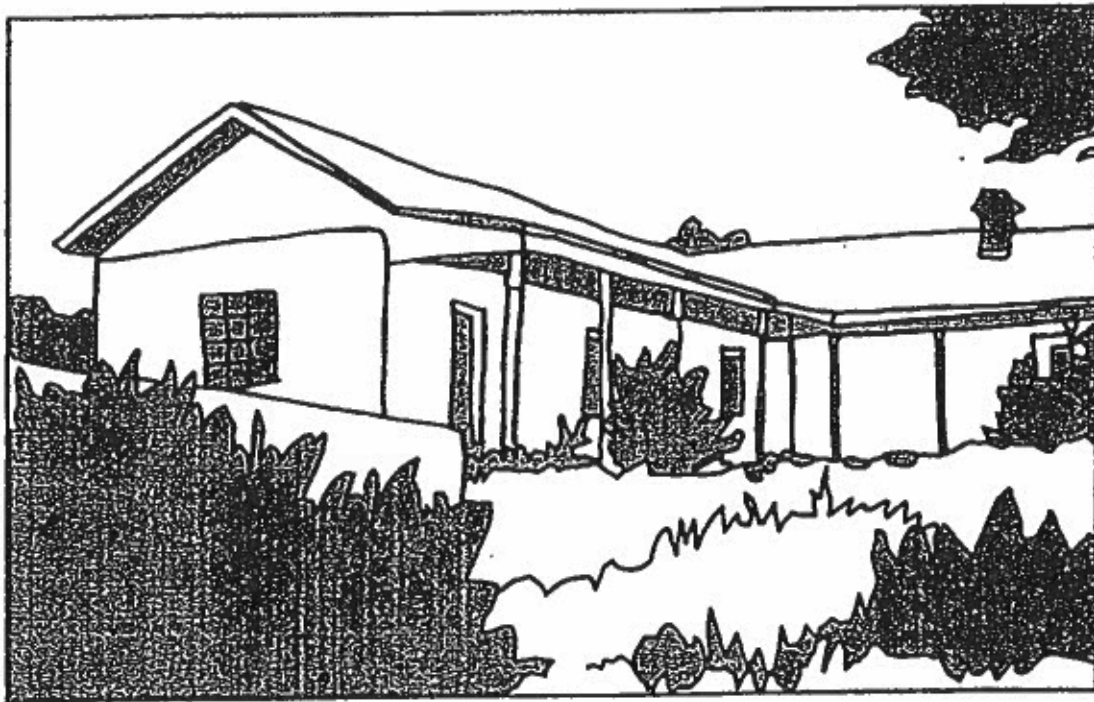




Figure 4-22.33: Example of Territorial-Revival Style.

(b) Multi-story additions are discouraged;

(c) A human scale should be achieved near ground level on larger buildings and along street facades and entry ways through the use of scale elements such as porches, doors, windows, columns (usually square) and railings;

(d) Buildings should not appear to be paneled with either rows or stacks of panels. A single wall plane should dominate any elevation;

(e) Porches are encouraged and shall be designed to appear as "attachments" to the main portion of the building. Porches should provide a transition between the outside street and the building interior.

(2) Materials and texture: Buildings shall be coated with mud plaster or a stucco material that has a texture which emulates that of mud plaster to express a smooth massive surface.

(3) Color:

(a) Building surfaces shall be painted or stuccoed alike in off-white to medium brown, colors that predominantly found in the area of the town;

(b) Woodwork shall be stained in natural wood tones, weathered wood tones, white or off-white. Window frames, door frames and accent trims may be

Painted in an accent color compatible with the predominant colors found in the area of the town.

**(4) Roofs:**

(a) Roofs shall be pitched, either gable or hip, with a substantial slope, but not to exceed 12:12 nor less than 4:12 in general conformity with existing adjacent neighboring buildings;

(b) Porch roofs shall have a slope of not more than 3:12;

(c) Roof material shall be composition shingles, roll roofing, plastic corrugated, or metal. Roof glazing, within the plane of the roof may be allowable, provided the total area does not exceed twenty percent (20%) of the roof area on any one elevation. Domed or pyramidal skylights are not allowed;

(d) Dormers are allowed to provide additional usable space in half-story areas. Dormer exterior walls should have wood shingles, horizontal wood siding or stucco. Dormer roofing material shall be consistent with the building roofing material;

(e) Flat skylights are acceptable.

**(5) Doors and windows:**

(a) Window shapes, arrangements and types shall be reminiscent of those found in similar historic structures.

(b) The combined door and window area of any publicly visible facade shall not exceed forty percent (40%) of the total area of the facade, except for the use of large display windows located under the porches of commercial buildings.

(c) Windows and doors may be topped by pedimented moldings and have wide wood borders.

(d) Windows shall be framed by wood casings. Doors shall be wooden or a combination of wood and glass.

**(6) Architectural detailing:**

(a) Porches should provide protection from the weather and be constructed of square or turned wood posts with simple detailing reminiscent of those found in similar historic structures;

(b) Porch railings shall have balusters of turned or square wood and should terminate at simple top and bottom rails;

(c) Shingles and horizontal wood siding or stucco may be used in gable ends and for dormers.

(7) Solar integration:

(a) Solar collection features incorporated into the building structure are not appropriate to this style and should be avoided;

(b) Solar hardware shall be flush with the roof and included in overall glazing allowances;

(c) Solar hardware such as collectors, especially water heating collectors, shall not appear to be set on roofs, walls, or the ground as an afterthought; and rather they shall be built into and integrated into the overall building design;

(d) Solar features that do not comply with the above shall be hidden from public view by a screening device or disguise. Screening methods include: fences, berms, landscaping or buildings to block from public view, and ground mounted apparatus;

(e) Residential use of glass areas for collectors, trombe walls, greenhouses, or direct gain is acceptable, provided the percentage of the glass on the south elevation does not exceed sixty-five percent (65%) of the total wall surface area.

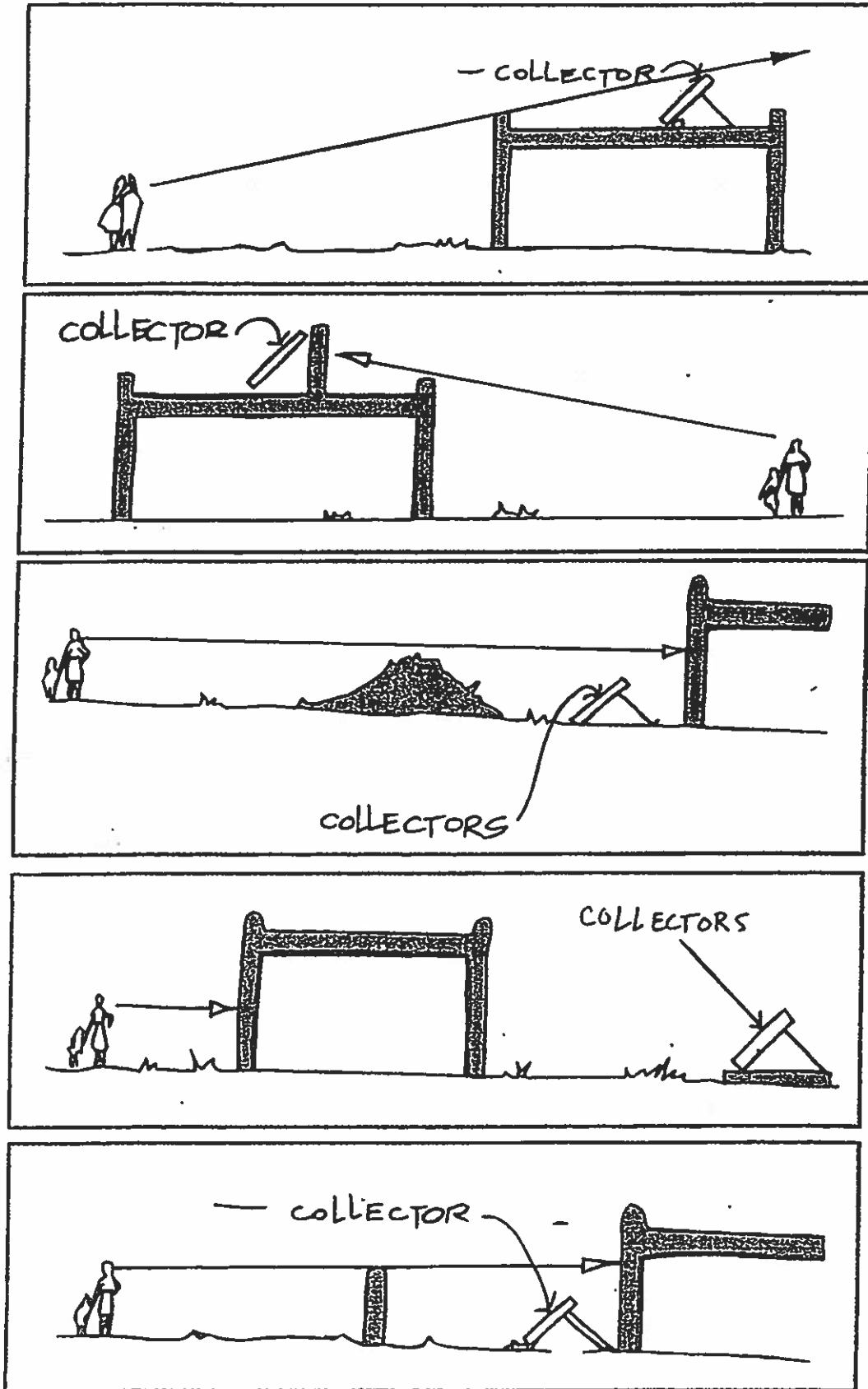
(f) Reflected glare on nearby buildings, streets or pedestrian areas shall be avoided.

(8) Mechanical equipment:

(a) Exterior mounted mechanical and electrical equipment, vents, solar hardware and satellite dishes shall be architecturally screened and, in particular, roof-mounted equipment shall be low-profile to minimize the screening problems;

(b) Solar hardware shall be mounted flush with the roof consistent with the roof pitch and profile and be included in overall glazing allowances;

(c) Roof mounted satellite dishes larger than twenty-four (24) inches in diameter are prohibited. Screening for ground-mounted satellite dishes shall be accomplished in a manner as described for solar hardware.



Figures 4-22.34, 4-22.35, 4-22.36, 4-22.37 and 4-22.38: Proper screening of ground-mounted solar hardware and satellite dishes in the Historic Overlay Zone.