



Council Action and Executive Summary

Item # 10 Ordinance/Resolution# 12-092

For Meeting of _____
(Ordinance First Reading Date)

For Meeting of December 5, 2011
(Adoption Date)

TITLE: A RESOLUTION APPROVING A RECONSTRUCTION PROJECT AND EXCEPTIONS TO THE CITY'S HOME REHABILITATION HANDBOOK FOR THE RESIDENCE LOCATED AT 1305 ROOSEVELT STREET.

PURPOSE(S) OF ACTION: Approve the demolition and construction of a single-family home under the City's Home Rehabilitation Program.

COUNCIL DISTRICT: 3		
Drafter/Staff Contact: Ray Sartin	Department/Section: Community Development / Neighborhood Services	Phone: 528-3027
City Manager Signature:		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

Carmela Maestas, who owns the residence located at 1305 Roosevelt Street, has applied to participate in the City's Home Rehabilitation Program. The family consists of Ms. Maestas, her daughter, Dolores Castillo and Ms. Castillo's two sons. The family has an annual income that is 71% of the area median income for a family of four. Due to the condition of the house, the family is living in an apartment and the house has been deemed uninhabitable by the Las Cruces Police Department's Codes Enforcement Unit.

Staff evaluated the dwelling for rehabilitation and decided that due to deficiencies with the structure (summarized below), demolishing and reconstructing the home would be the most economically viable solution.

Structural condition:

1. Deterioration of utility and mechanical systems installed in 1952.
2. Extensive wood rot and mold throughout the structure due to large openings in the roof for several years.

Due to the extent of the repairs needed, the present home rehabilitation program guidelines do not allow sufficient funding to make the structure habitable for Ms. Maestas and her family; therefore, staff is requesting that the City Council authorize the demolition and reconstruction of the Maestas' house.

City Council approval is required for all proposed demolition and reconstruction projects per the City's Home Rehabilitation Program guidelines. Additionally, exceptions to the program guidelines are necessary from the City Council in order to make the project affordable to the homeowner. These exceptions can be granted by the City Council in approving the proposed, attached Resolution.

The approvals and exceptions requested are summarized as follows:

1. City Council approval of a "Substantial Rehabilitation Project" for the demolition and reconstruction of the Maestas' home at 1305 Roosevelt Street.
2. Granting exception to the Home Rehabilitation Program guidelines as follows:
 - a. Higher than normal loan-to-value ratio;
 - b. Different terms for the home rehabilitation loan and grants provided; and
 - c. Accelerated forgiveness rate for the grants, up from \$1,000 per year to \$5,000 per year upon project completion.

Attachment "B" provides an outline of all the exceptions proposed that are detailed within the body of the proposed resolution. If approved, Ms. Maestas will receive a newly constructed home that complies with all Zoning and Building Code requirements, along with affordable terms and conditions related to the City's requirements.

SUPPORT INFORMATION:

1. Resolution.
2. Attachment "A", Work write-up.
3. Attachment "B", Home Rehab Program exceptions and detailed structural information.
4. Attachment "C", Appraisal.
5. Attachment "D"; Property survey.
6. Attachment "E"; Pictures of the current home.

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from:
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

The staff is proposing to use uncommitted balances from both the Program Year 2010 CDBG funds that were set-aside for home rehabilitation projects. As per HUD regulations, the City must utilize and expend the oldest available funds for projects.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
Community Development	20184300-722195-10210	\$155,169.53	\$183,154.38	\$27,984.85	Other home rehab projects

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Resolution to grant the necessary exceptions to the City's Home Rehabilitation Program and provide funding to allow for the demolition and reconstruction of Ms. Maestas' home.
2. Vote "No"; this will not approve the Resolution to grant the necessary exceptions to the City's Home Rehabilitation Program, nor will it provide funding to allow the demolition and reconstruction of Ms. Maestas' home.
3. Vote to "Amend"; further direction would come from City Council.
4. Vote to "Table"; and provide direction to staff.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. N/A

RESOLUTION NO. 12-092**A RESOLUTION APPROVING A RECONSTRUCTION PROJECT AND EXCEPTIONS TO THE CITY'S HOME REHABILITATION HANDBOOK FOR THE RESIDENCE LOCATED AT 1305 ROOSEVELT STREET.**

The City Council is informed that:

WHEREAS, the Home Rehabilitation staff has processed the application for the Home Rehabilitation Program for Ms. Carmela Maestas, whose house is located at 1305 Roosevelt Street; and

WHEREAS, the homeowner and her family have an annual income of \$30,850.51, which is 71% of the area median income for a family of 4; and

WHEREAS, the house is in an extensive state of disrepair and the structure has been deemed uninhabitable by City Codes Enforcement; and

WHEREAS, staff concluded that it was more economically feasible to demolish and reconstruct the structure; and

WHEREAS, to determine the cost of the new home, staff received six bids from qualified contractors, two of which are acceptable bids for \$132,231.32 and \$145,169.53. Per HUD and City regulations, acceptable bids should not be greater than 10% or less than 15% of staff estimate, which is \$133,861.53; and

WHEREAS, staff took into account the highest of the acceptable bids, as the homeowner will not make a choice of contractors until City Council acts upon this Resolution; and

WHEREAS, Home Rehabilitation staff is requesting City Council approval for additional funding in the amount of \$155,169.53 to demolish and reconstruct the structure, contingency funds, and pay for soft cost and relocation expenses per the City-adopted Home Rehabilitation Program Handbook, as amended; and

WHEREAS, the appraised value of Ms. Maestas proposed new home is \$135,000, which includes 4 bedrooms and 2 bathrooms; and

WHEREAS, the value of the new home is not sufficient to secure the City's investment; and

WHEREAS, the City Council has the authority to approve additional funding and to grant exceptions to the Home Rehabilitation Program guidelines.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the Substantial Rehabilitation Project (demolition and reconstruction of a new home) for Ms. Carmela Maestas at 1305 Roosevelt Street, per the City's Home Rehabilitation Program guidelines, is hereby granted and approved.

(II)

THAT the Home Rehabilitation Project is hereby granted the following Home Rehabilitation Handbook exceptions, which will allow Ms. Maestas to receive funding under the program guidelines for the following activities, dollar amounts and program exceptions:

- a) An exception to Chapter VIII, Part B-4 of the City's Home Rehabilitation Handbook, for Substantial Rehabilitation for the property at 1305 Roosevelt Street, owned by Carmela Maestas, for a total investment not to exceed \$155,169.53;
- b) An exception to Chapter VI, Part C-2, Loan-to-Value Ratio of the Home Rehabilitation Handbook in excess of 95%, to provide a Deferred Payment Loan to Ms. Maestas for a maximum of

\$135,000.00, the appraised value of the new home;

- c) An exception to Chapter VIII, C-1, Terms of the Loan of the Home Rehabilitation Handbook to increase the maximum grant allowance from \$17,000.00 to a maximum of \$20,169.53; and
- d) An exception to Chapter VII, Part E-4, Program Costs-Grants of the Home Rehabilitation Handbook to allow the owner, Ms. Maestas, to have a grant for a maximum of \$20,169.53 to be forgiven at a rate of \$5,000.00 a year rounded to the next highest \$5,000.00 whole dollars.

(III)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2011.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

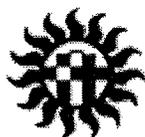
APPROVED AS TO FORM:



City Attorney

VOTE:

- Mayor Miyagishima: _____
- Councillor Silva: _____
- Councillor Smith: _____
- Councillor Pedroza: _____
- Councillor Small: _____
- Councillor Sorg: _____
- Councillor Thomas: _____



City of Las Cruces

Owner: Carmela Maestas Date: September 19, 2011
 Address: 1305 Roosevelt, Las Cruces, NM 88001 Application #: 1503
 Date of walk- thru: 09-14-2011 Phone: 575-496-6933

TO ALL CONTRACTORS:

All work must conform to the general specifications of the Building Codes, and Zoning Laws. Contractor is required to meet all setbacks requirements when planning construction. **All required permits** in accordance with the Municipal Code of the City of Las Cruces must be secured, **with copies to the Home Rehabilitation staff**, prior to the start of any demolition or construction on this project.

WARNING: Due to the potential presence of **LEAD BASED PAINT** in this project contractors are required to use Lead Safe Work Practices.

WORKMANSHIP: All work shall be neatly done in a workmanlike manner and shall be uniform in appearance. All work and materials must conform to the Construction Standards of the Home Rehabilitation Handbook. Contractors shall be responsible for any work that does not meet Home Rehabilitation Standards. The Contractor will provide all material unless otherwise specified. Changes in material and/or work requirements will not be accepted for payment unless given prior approval in writing by Rehab Coordinator, Homeowner, and the community Development Director. No work is to be performed before receiving such approval.

At the time of Final Inspection all warranties and guarantees for any new appliances that have been installed shall be filled out and dated to include name, address, and dealer where appliances were purchased. All inspection permits shall be delivered and all building debris and trash must be removed from the job site before final inspection. The Contractor, Home Rehab. Coordinator and Homeowner shall be present at final inspection.

Work Write-up

Contractor is to verify all information at job site. All measurements and / or estimations are for staff use only. Bidding contractors are responsible for taking their own measurements for the purpose of calculating their bids and meeting setback requirements. Failure to do so may result in disqualification.

Accepted by Home Owner: _____ Date: _____

GENERAL CONDITIONS:

SCOPE OF WORK: *Demolition and removal of existing dilapidated dwelling and debris, preparation of site and the reconstruction of a dwelling with a new concrete foundation, to include the carport, storeroom, sidewalks, driveway, and the construction of a 15'X27' addition.*

RECONSTRUCTION OF DWELLING: Reconstruct a dwelling in accordance with approved plans and work write-up. The dwelling is a single family residential unit, four (4) bedrooms, two baths, of approximately one thousand five hundred square feet (1,500). A model plan is provided with this work write-up as the standard for construction.

ALL QUALIFIED BIDDERS MUST PRESENT COMPLETE PLAN SETS TO INCLUDE, SITE PLAN, ELEVATIONS, ROOF PLAN, GLAZING SCHEDULE, FLOOR PLAN, ELECTRICAL, PLUMBING, ETC., AFTER THE BID OPENING, WITHIN ONE WEEK OF NOTIFICATION, FOR HOMEOWNER REVIEW. THE CONTRACTOR CHOSEN BY THE HOME OWNER MUST APPLY FOR DEMOLITION AND BUILDING PERMITS ON THE SAME DAY THE CONTRACT IS SIGNED. HOME REHAB STAFF AND THE HOMEOWNER MUST APPROVE PLANS PRIOR TO SIGNING THE CONTRACT.

Demolition/ Site Preparation:

Demolition & Removal: *Remove all building components and debris of existing building, including the existing slab, and drive way. Disconnect all existing utilities. The contractor is responsible for the cost and arraignments to have any utilities moved, removed, reconnected, and to provide for temporary utilities connections needed for construction.*

Site Grading: Prepare site for the reconstruction of the dwelling. Remove any vegetation interfering with construction, clear the front and back yards entirely of all debris and vegetation, other than grass or mature trees that do not interfere with construction. Dispose of all in approved manner and location. Grade, level, and raise the lot, as required. Provide and install compacted fill, as needed to ensure drainage of surface water away from the structure, to approved location. Provide ponding as required.

Total: \$ _____

Concrete:

Foundation: Construct a concrete floor for the new building, slab on grade, with turn down footings that will meet or exceed all applicable codes.

Apron & Pads: Construct a 36" wide concrete apron around the entire dwelling only. The apron is to be 4" thick sloped to 3 ½" away from the dwelling. Construct two 60"X60" concrete pads, one at each entry, level with the interior. Provide ramps as necessary to ensure there are no steps between the sidewalk, driveway, and the front entry.

Total: \$ _____

Framing:

Exterior Walls: Will be 2X6 wood frame construction. Install all bracing, blocking, backing, sealing, and sheathing to meet or exceed all applicable code minimums.

Interior Walls: Will be wood frame construction. Install all bracing, blocking, backing, etc, to meet or exceed all applicable code minimums. Backing must be installed in frame walls for grab bars in the shower and both toilets.

Roofing: Build a pitched roof, of 3" in 12" pitch over entire structure and car port. New roof structure to be 2" x 4" trusses. Install 7/16" plywood or 7/16" OSB wafer board decking with clips. Extend the roof overhang at least to cover the porches at the front and back doors, with 4"x6" supporting post and complete as specified here. Install two layers of felt paper, as required in the IRC R905.2.2 and R905.2.7, and new white, asphalt composition Owens Corning® or approved equal, 20 year warranty, 3 tab shingles. Eaves are to extend to twelve-inch (12") overhang on the north and south sides of the building and sixteen (16) on the east and west ends. Adjust overhang as needed to meet set back requirements. Install 6" x 3/8" fascia, and 16" x 3/8", soffit. Install soffit vents at eight-foot (8') intervals, with insulation baffles, and install metal corners on fascia and "H" molding at joints. All soffit, fascia, carport, and porch ceilings will be covered with, (textured) wood grain Masonite® or pre-approved equal material. No wafer board fascia or soffit will be accepted. Install all necessary metal edgings, flashing, roof jacks, fire blocking, ventilation (no turbines), etc., as required for a new roof.

TOTAL: \$ _____

Insulation:

Wall Insulation: Install R-19 or better, "blown-in-blanket" insulation in all exterior walls. Seal all sill plates, door and window perimeters, certified by the insulator. **Attic Insulation:** Install blown fiberglass insulation in attic space, to yield an R-38 or better. Insure proper attic ventilation by installing insulation baffles at every soffit vent. Seal all wall and ceiling penetrations to ensure an airtight air barrier.

Ensure complete coverage and yield by installing *depth markers. Ensure one (1) inch clearance above insulation at soffit vent locations by installing baffles. Include insulation of storeroom.

TOTAL: \$ _____

* Attic insulation installed without depth markers will, not be accepted.

Exterior Doors:

Install three (3) 3/0, MASONITE®, RELIABUILT® or approved equal, doors, one at the front entrance, one at the rear entrance, and one into the storage room. Doors are to be, six panels, **Energy Star**® rated, 1-3/4" thick, 24 gauge galvanized steel. The door onto the back porch is to be a "Ranch Style" with window. Doors are to be pre-hung, hung plumb, true and square with equal margins, fit tightly against stops, and have no play in strike plate/lock assembly. Provide and install single cylinder dead bolts and lever handle lock sets, on all doors and peephole on front door. All locks will be keyed alike.

TOTAL: \$ _____

Stucco:

Stucco: Prepare entire exterior walls for application of stucco. A minimum of 2 ply felt Jumbo Tex® or approved equal must be applied throughout exterior walls with a minimum overlap of six inches (6") between layers and a minimum overlap of sixteen inches (16") on joints. Install self-furring 17-gauge stucco mesh on walls with appropriate nails or staples. Corner bead must be applied on all corners and plaster stop on all openings and where there is a material change, to stop and retard cracks. Apply scratch/brown, and color coats of plaster and stucco. Scratch and brown coats shall be cured a minimum of forty-eight (48) hours between applications and seven (7) days between the brown and color coats. Color coat with elastomeric synthetic stucco or approved substitute. Stucco gable ends. Install stucco to meet all applicable codes, and the manufactures installation requirements. The owner to select the color of the stucco.

TOTAL: \$ _____

Electrical:

Wiring & Fixtures: Provide a complete new electrical system. System must meet all applicable code requirements. Include the installation of switches, receptacles, and light fixtures. Include the installation of two (2) 240 volt receptacle outlets, one for the dryer and one for the range. Owner is to select light fixtures within a \$350 allowance, and "Energy Efficiency Requirements" of the NM Electrical Code. Owner is to be consulted on all fixture locations and type prior to installation. Provide light and electrical receptacle outlets in the store room. Connect all equipment and appliances to the electrical system.

Exhaust: Install a 30" GE®, or approved equal range exhaust hood, with back-draft damper, to match kitchen appliances. The range hood is to include a working light and a variable speed, quiet fan. Provide and install two (2) **ENERGY STAR®** rated bathroom exhaust fans. Exhaust fans are to be wired to come on with the light in the bathrooms.

Other: Install a door bell at the front entrance. Install one television cable and one (1) telephone jack outlet. Bedrooms, kitchen, and living room are to be provided with listed boxes for ceiling fans. New receptacle outlets and switches shall be installed to meet the accessibility reach requirements per ANSI, A117-1, and the homeowner's preference. Install one (1) carbon monoxide detector. Contact the utility company for the meter disconnect and re- installation.

TOTAL: \$ _____

HVAC System Design:

Provide heat loss analysis, system design and heating equipment sizing using ACCA Manual J & S, prior to permitting. Provide duct system design using ACCA Manual D, prior to permitting.

TOTAL: \$ _____

HVAC:

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Air conditioner: Install a new evaporative air conditioner on a stand, on the existing concrete pad, outside the west wall. A/C is to be a single pad type, minimum 6,000 cfm, with a minimum 3/4 horse power, two-speed motor and new THERMOSTATIC switch. A/C must be on the El Paso Electric list for the High Efficiency Cooling Program for rebate. **Provide the homeowner with all documentation needed to apply for the rebate.**

Heating: Install a new, *Energy Star*® rated, forced air, direct vent, natural gas furnace, and heating system. Furnace to be a sized by the contractor with a minimum 90% efficiency rating, complete with new DIGITAL, PROGRAMMABLE thermostat. **Provide system design using ACCA Manual J & S, prior to permitting.**

Duct System: Install a complete new, metal, duct distribution system, in the attic. Sized by the HVAC contractor to meet or exceed the standards of ACCA Manual D. Ensure duct extends to all rooms, install new adjustable air supply registers, and return air duct to hallway, or living room, with register. Connect duct of the furnace and A/C with vibration free connectors and dampers for season change. **Provide system design using ACCA Manual D, prior to permitting.**

Exhaust to exterior: Install duct for new exhaust fans and a kitchen range exhaust. Install a 4" round dryer vent with back draft damper. Connect ducts to equipment. All exhaust equipment must have back draft dampers installed.

General for new work: Provide one seasonal start up of the new furnace and one for the new A/C, one at the final of the Rehab project, for the current season, and at the next seasonal change when requested by the owner.

No work may be concealed without the inspection approval of the Mechanical Inspector.

TOTAL: \$ _____

Plumbing:

Water Distribution: Install a one inch water supply from the water meter to the dwelling. Install, rough-in, and top-out the interior water distribution system. Connect water lines above the slab to all plumbing fixtures, and appliances. Provide and install two (2) hose bibs, on opposite ends of the building, one at the location of the A/C. Install copper water supply, with valve, to the A/C. Provide water supply for and connect to the ice maker. Insulate water lines in outside exterior walls above slab and in the attic.

Drain, Waste, and Vent Systems: Install DWV grade PVC sewer piping and connect to the City of Las Cruces sewer stub at the property line. Install a complete drain, waste, and vent system of schedule 40 PVC for all plumbing fixtures, including cleanouts. Connect waste pipes to all plumbing fixtures.

Gas Distribution: Install complete new natural gas piping system from the meter to the dwelling. Install a new gas piping system throughout interior of the dwelling, Provide outlets for the range, furnace, wtr/htr, and dryer. Connect to all gas appliances. Install a valve and cap on any unused gas outlets. All piping is to be sized by the contractor to meet code minimums. The contractor is responsible for requesting the new gas service line and meter from the City.

Laundry: Provide and install one (1) washer box with faucets, connect drain and hot and cold water to the faucets.

Water heater: Install a 40 gallon, Natural Gas, Energy Star rated, water heater.

Plumbing Fixtures:

Toilets: Install two (2), 17"-19" tall, white, elongated toilets with seats. **Lavatories:** Install two (2), new Delta®, chrome, single handle faucets. With escutcheons, chrome pop-up drain, P-trap, and water supply valves. **Shower:** Install drains and shower pan for a 36"x60" tile roll in shower, in the master bath, install new, Delta®, single lever shower valve for the shower. The threshold is to be a 1/2" high, beveled, roll over. **Bathtub:** Install a one piece, five foot fiberglass bathtub, with full surround, in the hall bath, install a new, Delta, single lever tub and shower valve for the bathtub. **Kitchen sink:** Install a new, stainless steel, double bowl, kitchen sink, minimum 18 gauge and 8" deep. Install a new Delta® or approved equal, lever handle, deck mounted, chrome faucet. Include water connections, basket strainers, p-trap, and shut offs.

No work may be concealed without the inspection approval of the Mechanical Inspector.

TOTAL: \$ _____

Windows:

Install Jeld Wen®, Low-E, vinyl, Energy Star ® rated for this area, windows with screens. All windows are to be hung plumb true and square. Bedroom windows must be installed to meet emergency egress requirements. Install safety glass as necessary. Install according to schedule below:

LOCATION	QUANTITY	WINDOW SIZE
Living Room	1	5050 Slider
Bedrooms	4	3050 Single Hung
Kitchen Sink	1	3030 Slider
Front Entry	1	3050 Single Hung
TOTAL:	7	

Install two (3), double pane skylights, one in the hallway at the laundry, and one (1) in each bathroom.

TOTAL: \$ _____

Carpentry:

Trim: Install C-100 base board in all rooms, closets, and doors. All joints are to be cut to fit and be tight. Fasten trim work with the appropriate nails, fasteners, or adhesives. All nails are to be countersunk and filled. No materials that are split or otherwise defective will be accepted. Material used should be mill finished and sanded.

Closets: Construct two (2) linen closets, as shown on the plan. Construct one pantry in the kitchen as shown. Linen closets and pantry will have a minimum four (4) 12" or 16" shelves in place. Construct one (1) clothes closet in each bedroom. Construct one laundry closet, 36" x 60", interior dimensions. All clothes closets must have appropriate shelving, hanger rods, and supports. Clothes closets will have 12"x 3/4" smooth bull nose shelving and minimum 1"x4" backing. Hanger rods will be 1" ridged steel conduit or wood, with rod brackets at ends, and center supports on all shelving over 4' in length.

TOTAL: \$ _____

Drywall/Tile:

Interior Walls & Ceilings: Install 1/2" sheetrock on all interior walls, and ceilings, including the closets and storeroom. All new sheetrock is to be taped, bedded, and feathered, to conceal all joints and fasteners, finished with a brocade, or knockdown texture, and prepared for paint.

Shower & Tub Area: Install 1/2" cement board, including the ceiling of the shower enclosure. Notify the Home Rehab Coordinator to inspect the cement board installation before covering with tile. Install a ceramic tile enclosure, to include the ceiling, soap dish, and complete enclosure for the shower. The threshold and entry to the shower will be a 1/2" beveled roll over the full width of the shower. Tile pattern and color is to be selected by owner.

Air Barrier: Sheet rock will be installed above or behind any furred out areas on the warm side of the framing and sealed air tight before furred out framing is installed, i.e. duct chase or fur down over cabinets, etc.,

TOTAL: \$ _____

Interior Doors:

Doors: Doors will be 1 3/8", pre-hung, Masonite®, raised six panels, hollow core doors. Include all hardware and privacy locks, with lever handles, to bedrooms and bathroom door. Install four (4) bedroom doors, Three (3) bathroom doors, (1) one pantry, and one (1) linen closet door in the central hallway. **All interior passage doors will provide a minimum, 32" clear opening.**

Bi-fold Doors: Will be 1 3/8" thick, hollow core, raised six panels, Masonite® doors. Install four (4) closet doors, one (1) in each bedroom, one (1) for the laundry closet, one (1) furnace closet, and one (1) linen closet door, in the front hallway. Include all hardware and handles on doors.

All units are to be hung plum, true, and square with equal margins. Include all hardware, trim, and lever handles on doors. All molding and trim around door is to be installed and prepared for paint to Home Rehab standards.

TOTAL: \$ _____

Flooring:

Tile: Install tile throughout the entire house, new tile will be, no-wax vinyl composite tile (VCT), meeting FHA specifications for residential use. Vinyl tile will be selected by owner from maximum allowance of \$16.00 per square yard installed.

Floor Prep: Preparation should include cleaning and treatment of floors. Sweep floors clean and remove spots of paint, grease, dirt, and other foreign matter. Fill holes, cracks, joints, and indentations in the floors. Floor preparation must be smooth and approved by staff and the floor covering provider prior to installation. No flooring in the storeroom.

TOTAL: \$ _____

Painting:

Interior: Prepare and paint the entire interior of the house to include all rooms, ceilings, walls, shelves, the inside of the exterior doors, all closets, the furnace closet, all baseboard and trim. The kitchen, bathrooms, and laundry rooms are to receive a minimum of two (2) coats of semi-gloss latex enamel, to cover, more if required for a neat appearance. Living room, bedrooms, hallways, storeroom, and closets are to receive two (2) coats of satin latex to cover. The whole of the interior is to receive one color. The color is to be selected by the owner.

Exterior: Paint all exterior wood, and metal surfaces with one (1) coat primer and two (2) coats exterior latex enamel as required for a neat appearance. Exterior paint will include fascia, soffit, doors, doorframes, posts of porches, carport, trim, metal edge, drip edge, etc. All is to receive one color. The color is to be selected by the owner.

Other: Install address on the fascia, and at the street. The numbering requirements are to meet the minimum required by the City of Las Cruces Building Code, ARTICLE I. Section 30-1.

TOTAL: \$ _____

Cabinets and Countertops:

Kitchen Cabinets: Install wall and base cabinets in the kitchen, as shown on the plans. Cabinets will have doors stiles of solid wood and veneered plywood panels. Frames will be solid wood stiles, 1/4" veneered plywood sides, and metal or plastic corner bracing. Drawers shall be made of wood and cabinets will have a factory finish and all appropriate hardware. All units are to be hung plum, true, and square with no margins between joints. All knobs, hinges, and shelves will operate properly and have no visible defects. **Countertops:** Install a countertop on the kitchen base cabinets. New counter tops will be of plastic laminate material with rolled edge and four-inch back splash. New counter tops will be screwed to base and have cutouts for sinks when applicable. Owner will select color and style.

Lavatory Cabinets: Install two (2), two piece, 36", vanity base cabinet, with countertop, and integral sinks, one in each bathroom.

TOTAL: \$ _____

Appliances:

Kitchen Range: Contractor will supply and install a 30" self-cleaning gas or electric range. Natural gas range must have electronic ignition; no standing pilot will be accepted. The home owner is to select the range within a \$600.00 allowance.

Refrigerator: Contractor will provide and install an 18.1 cubic ft. or larger frost-free Energy Star® rated refrigerator. The home owner is to select the refrigerator within an \$800.00 allowance. Contractor will install all necessary water piping, shut-off valve, etc., as to complete installation.

Other: Any appliance must be approved by Home Rehabilitation Coordinator and Home Owner.

TOTAL: \$ _____

Other:

Grab Bars: Install 1 ½" chrome grab bars in the master bathroom. One (1), 42", horizontally across the back wall of the shower, two (2), 36" vertically, one on each end of the shower, one (1), 24", horizontally above the toilet, and one (1), 24", on the side wall next to the toilet .

Accessories: Provide and install one (1) 24"X 24"X 4" glass mirrored medicine cabinet over each vanity cabinet. Install a wall mounted chrome toilet paper dispenser and two (2), two foot, chrome towel racks in each bathroom. Location provided by homeowner.

Fencing: Replace any fencing removed or damaged during construction.

TOTAL: \$ _____

General for all work:

Provide any hardware, labor, or materials required to complete as a new installation, meeting all minimum code requirements. The equipment and systems installations are to meet or exceed the manufactures installation requirements and the IRC. Repair or replace any materials damaged or removed during construction or demolition, to original condition or better.

Clean up:

Clean exterior and interior of all windowpanes and frames. Clean all plumbing fixtures. Vacuum all carpeting, clean all flooring, and leave all porches and walks in a broom clean condition. Remove all paint spills, drywall mud, plaster, etc., from all surfaces

• Include Performance Bond of 3% in Total¹⁵¹

SIGHT PREP/DEMO	\$	_____
CONCRETE	\$	_____
FRAMING	\$	_____
INSULATION	\$	_____
EXTERIOR DOORS	\$	_____
STUCCO	\$	_____
ELECTRICAL	\$	_____
HVAC System Design	\$	_____
HVAC	\$	_____
PLUMBING	\$	_____
WINDOWS	\$	_____
CARPENTRY	\$	_____
DRYWALL/TILE	\$	_____
INTERIOR DOORS	\$	_____
FLOORING	\$	_____
PAINTING	\$	_____
CABINETS & COUNTER	\$	_____
APPLIANCES	\$	_____
OTHER	\$	_____
Sub Total:	\$	_____
Tax:@ 7.5625 %	\$	_____
Total:	\$	_____

TOTAL LENGTH OF TIME NEEDED TO COMPLETE THIS PROJECT.

CALENDAR DAYS: _____

INCLUDES _____ ADDENDUMS.

Construction Company

Contractor

Telephone Number

Signature

Date

This bid price guaranteed for 60 days after the bid closing date.



City of Las Cruces
Community Development
Memorandum

To: Mayor and City Council of the City of Las Cruces

From: Ray Sartin, Housing Development Coordinator

Subject: Home Rehabilitation Exceptions and Detailed Structural Information

Date: November 21, 2011 File No.: M-11-244

Ms. Carmela Maestas, who owns the home located at 1305 Roosevelt Street, has applied to participate in the City Home Rehabilitation Program. The house has been deemed uninhabitable by the Las Cruces Police Department's Codes Enforcement Unit. Ms. Maestas has an annual income of \$30,850.51; which is 71% of the area median income.

Staff evaluated the dwelling for rehabilitation and decided that due to deficiencies with the structure, summarized below, demolishing and reconstructing the home would be more economically feasible.

Existing Structural Deficiencies:

1. The existing concrete slab was tested for strength to see if new construction could be placed on the existing concrete. Concrete must be able to withstand 2,500 pounds per square inch (PSI) of pressure to meet the building code. The concrete at 1305 Roosevelt was tested to withstand only 1,736 PSI, making it necessary to replace the entire concrete slab and footings.
2. All the mechanical systems: gas (potential hazard), water, sewer (sanitation), and electrical (potential hazard), interior and exterior are original and in very poor condition. Most from 1970, leading to the necessity for their complete replacement.
2. The roof is almost entirely deteriorated and missing, allowing copious amounts of rain and snow to enter the dwelling with no exit point.
3. Many of the dwellings interior frame and roof supports are deteriorated, due to the entrance of water that stands in the building until it finally evaporates.
4. The interior of the dwelling is seriously contaminated with mold.

The present home rehabilitation guidelines do not allow funding in excess of \$57,000, which is insufficient to improve the living conditions of Ms. Maestas home; therefore, staff is requesting that the City Council authorize extra funding to demolish and reconstruct Ms. Maestas home.

Staff estimates the total cost to reconstruct the home to be \$155,169.53 as follows:

1. Demolition and reconstruction of the homeowner's dwelling at a cost of approximately \$145,169.53 per bids received on October 13, 2011.
2. Soft cost \$2,000.
3. Contingency funds for approximately \$8,000

To determine the cost of the new reconstructed home, staff requested and received five bids from qualified contractors. Per HUD and City regulations, acceptable bids should not be greater than 10% or less than 15% of staff estimate, which is \$133,861.53. Two bids fell within this parameter; one for \$132,231.32 and another for \$145,169.53. Staff took into account the highest of the acceptable bids, as the homeowner will not make a choice of contractors until City Council takes action on the proposed Resolution. The contractors will honor their bids until December 12, 2011. Due to the confidentiality issues associated with the procurement process, staff is unable to share detail on the actual bids received other than what is provided above.

The appraised value of the proposed new home is \$135,000, with a size of approximately 1,500 square feet with four bedrooms and two bathrooms. The value of the new home is not sufficient to secure the City's investment.

In addition to the City Council required action to approve the demolition and reconstruction of the home, staff is requesting that the City Council authorize the following exceptions to be able to assist the Maestas family with an energy efficient, safe and sanitary home:

1. An exception in accordance with Chapter VIII, Part B-4 of the City's Home Rehabilitation Handbook which allows City Council to grant an exception to allow for a "Substantial Rehabilitation Project" above the maximum funding limits of \$57,000 set in Chapter VII, Part E-1-5 and Chapter VIII A-B, for the demolition and reconstruction of the Maestas home at a total investment not to exceed \$155,169.53. Any surplus funding will be refunded to the Home Rehabilitation Program account.
2. An exception to Chapter VI, Part C-2 – Loan-to-Value Ratio of the Home Rehabilitation Handbook, which reads: "The loan-to-value ratio for any property shall not be greater than 95% for a grant or a grant made in combination with a loan or deferred payment loan". The estimated cost of \$155,169.53, which is 121% of the maximum loan to value ratio of \$128,250.00 that should apply, since the home only appraised at \$135,000, so by granting this exception, the City will be able to grant Ms. Maestas a \$135,000 Deferred Payment Loan needed to cover the majority of the demolition, construction, relocation and soft cost expenses.
3. An exception to Chapter VIII, Part C-1 –Terms of the Loan of the Home Rehabilitation Handbook. This section sets the terms for home rehabilitation loans and due to the income of Ms. Maestas; she would qualify for a deferred

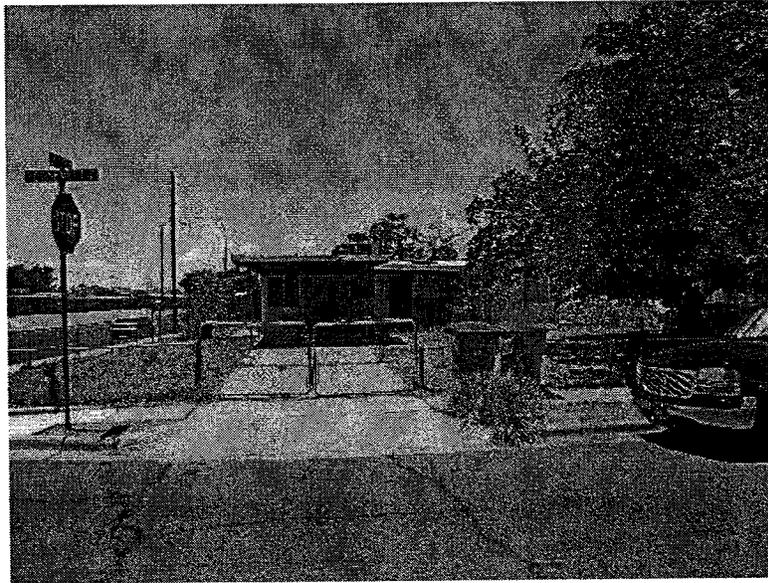
payment loan of \$135,000, (exception requested above) and grants not to exceed \$17,000. By granting this exception, the City will be able to provide the remaining \$20,169.53 needed to rehabilitate her home in the form of grants, to prevent Ms. Maestas from losing equity in her home and putting her in more debt than the appraised value of her home.

4. An exception to Chapter VII, Part E-4 -Program Costs-Grants of the Home Rehabilitation Handbook. This section sets the rate of forgiveness for all grants in that "All combined grants (i.e. soft cost plus any of items 2a, 2b, 2c,) shall be forgiven at the rate of \$1,000.00 per year rounded to the next highest \$1,000.00 whole dollars." By granting this exception the City would be able to accelerate the forgiveness period to \$5,000.00 a year, so that Ms. Maestas will be able to gain back equity in her home in a more timely fashion.

Staff is requesting that the approximate amount of \$155,169.53 be provided to Ms. Maestas, \$135,000 be given as a Deferred Payment Loan (DPL) due upon sale or transfer; and a grant for \$20,169.53 to be forgiven at a rate of \$5,000 a year rounded to the next highest \$5,000.

Borrower/Client	Carmela Maestas	File No.			
Property Address	1305 Roosevelt St				
City	Las Cruces	County	Dona Ana	State	NM Zip Code 88001-2344
Lender	City of Las Cruces				

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Borrower/Client	Carmela Maestas	File No.	
Property Address	1305 Roosevelt St		
City	Las Cruces	County	Dona Ana
		State	NM
		Zip Code	88001-2344
Lender	City of Las Cruces		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- Self Contained (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Summary (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Use (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
- Unless otherwise indicated, I have performed no services regarding the subject property within the prior three years, as an appraiser or in any other capacity.

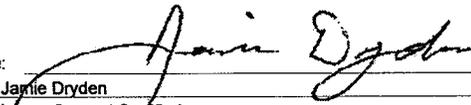
Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

This report is intended for loan analysis. It is not intended for any other use.

This report is intended for use only by City of Las Cruces and their secondary market agent. Use of this report by others is not intended by this appraiser.

APPRAISER:

Signature: 

Name: Jamie Dryden

Designation: General Certified

Date Signed: 7/21/2011

State Certification #: 385-G

or State License #: _____

State: NM

Expiration Date of Certification or License: 04/30/2013

SUPERVISORY APPRAISER (only if required):

Signature: _____

Name: _____

Designation: _____

Date Signed: _____

State Certification #: _____

or State License #: _____

State: _____

Expiration Date of Certification or License: _____

Supervisory Appraiser inspection of Subject Property:

Did Not Exterior-only from street Interior and Exterior

Effective Date of Appraisal: 07/20/2011

Uniform Residential Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property. Property Address 1305 Roosevelt St City Las Cruces State NM Zip Code 88001-2344

I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. The contract is for construction only, land not included. The borrower already own's the land.

Note: Race and the racial composition of the neighborhood are not appraisal factors. Neighborhood Characteristics One-Unit Housing Trends One-Unit Housing Present Land Use %

Market Conditions (including support for the above conclusions) It is the opinion of this Appraiser, based on sales and market activity for the past few years, that property values, supply/demand and marketing time are as reflected in the Neighborhood section.

Utilities Public Other (describe) Electric Water Gas Sanitary Sewer Off-site Improvements - Type Street Alley

General Description Foundation Exterior Description materials/condition Interior materials/condition Units One One with Accessory Unit Concrete Slab Crawl Space

Improvements Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Fan Hood Finished area above grade contains: 6 Rooms 4 Bedrooms 2 Bath(s) 1,497 Square Feet of Gross Living Area Above Grade

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File #

There are 11 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 129,000 to \$ 229,900		There are 18 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 48,000 to \$ 178,200	
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2
Address	1305 Roosevelt St Las Cruces, NM 88001-2344	1653 Spruce Ave. Las Cruces	1740 Winton Dr. Las Cruces
Proximity to Subject		0.21 miles NE	1.79 miles W
Sale Price	\$ Not Listed	\$ 117,000	\$ 152,000
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 82.51 sq.ft.	\$ 109.43 sq.ft.
Data Source(s)		MLS #812000	MLS #1100733
Verification Source(s)		CH Records	CH Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing		SF	
Concessions		None	
Date of Sale/Time		07/27/2010	
Location	Average	Average	
Leasehold/Fee Simple	Fee Simple	Fee Simple	
Site	.14 Acre	0.09 Acre	+10,000
View	Average	Average	
Design (Style)	Ranch	Swstrn	
Quality of Construction	Average	Average	
Actual Age	Proposed	6 Years	+5,820
Condition	Proposed	Average	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	6 4 2	6 3 2	6 3 2
Gross Living Area	1,497 sq.ft.	1,418 sq.ft.	+4,300
Basement & Finished	N/A		
Rooms Below Grade	No Basement	No Basement	
Functional Utility	Average	Average	
Heating/Cooling	FA/Evap	FA/Refig	-1,500
Energy Efficient Items	None	None	
Garage/Carport	1-Carport	1-Garage	-1,000
Porch/Patio/Deck	CovPor	CovPor	
Landscaping	Some Ft & Bk	Some Ft & Bk	
Fencing	Fencing	Fencing	
Fireplace	0- Fireplace	1- Fireplace	-1,500
Net Adjustment (Total)			\$ 16,120
Adjusted Sale Price of Comparables		Net Adj. 13.8 % Gross Adj. 20.6 %	\$ 133,120
		Net Adj. 7.3 % Gross Adj. 15.1 %	\$ 140,900
		Net Adj. 3.4 % Gross Adj. 6.6 %	\$ 135,300

did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Data Source(s) MLS & CH Records

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
Data Source(s) MLS, CH Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	None	None	None	None
Price of Prior Sale/Transfer				
Data Source(s)	CH Records	CH Records	CH Records	CH Records
Effective Date of Data Source(s)	07/20/2011	07/20/2011	07/20/2011	07/20/2011

Analysis of prior sale or transfer history of the subject property and comparable sales None

Summary of Sales Comparison Approach **While there are other homes the same size and quality as the subject in the area, none are of newer construction, thus the reason for using sales from outside the area, and one older sale. The sales used were felt to be the best available at the time of this report. Final estimate of value is based on all three comparables.**

Indicated Value by Sales Comparison Approach \$ **135,000**

Indicated Value by: Sales Comparison Approach \$ **135,000** Cost Approach (if developed) \$ **152,900** Income Approach (if developed) \$ **N/A**

Most weight has been given to the Market Approach. However, the Cost Approach does support this value.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ **135,000**, as of **07/20/2011**, which is the date of inspection and the effective date of this appraisal.

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Uniform Residential Appraisal Report

File #

The definition for Market Value is from page A-105 of the 2010-2011 USPAP book.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
 Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The estimated site value is based comparable land sales from the subject area, and similar areas.

COST APPROACH

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	=\$ 25,000
Source of cost data	Local Building Cost	DWELLING	1,497 Sq.Ft. @ \$ 80.00 = \$ 119,760
Quality rating from cost service	Effective date of cost data Present		N/A Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)		Porch	= \$ 500
The Cost Approach reflects replacement cost utilizing the Appraiser's knowledge of the market. The estimated site value is based on lot sales from the area and/or nearby similar type areas. See attached Sketch		Garage/Carport	264 Sq.Ft. @ \$ 10.00 = \$ 2,640
Addendum for square footage calculations.		Total Estimate of Cost-New	= \$ 122,900
		Less Physical	
		Functional	
		External	
		Depreciation	= \$()
		Depreciated Cost of Improvements	= \$ 122,900
		As-is Value of Site Improvements	= \$ 5,000
Estimated Remaining Economic Life (HUD and VA only)	60 Years	INDICATED VALUE BY COST APPROACH	= \$ 152,900

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ N/A Indicated Value by Income Approach
 Summary of Income Approach (including support for market rent and GRM)

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached
 Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
 Legal Name of Project
 Total number of phases Total number of units N/A Total number of units sold
 Total number of units rented Total number of units for sale N/A Data source(s)
 Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.
 Does the project contain any multi-dwelling units? Yes No Data Source
 Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.
 Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.
 Describe common elements and recreational facilities. N/A

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Uniform Residential Appraisal Report

File #

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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Uniform Residential Appraisal Report

File #

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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Uniform Residential Appraisal Report

File #

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

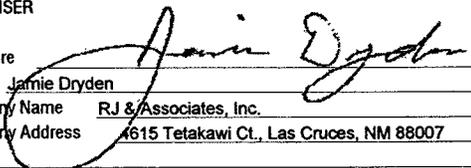
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Jamie Dryden
 Company Name RJ & Associates, Inc.
 Company Address 4615 Tetakawi Ct., Las Cruces, NM 88007
 Telephone Number 575-644-5262
 Email Address jamiedryden08@comcast.net
 Date of Signature and Report 7/21/2011
 Effective Date of Appraisal 07/20/2011
 State Certification # 385-G
 or State License # _____
 or Other (describe) _____ State # _____
 State NM
 Expiration Date of Certification or License 04/30/2013

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

1305 Roosevelt St
Las Cruces, NM 88001-2344
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 135,000

LENDER/CLIENT

Name _____
 Company Name City of Las Cruces
 Company Address 700 N. Main St., Las Cruces, NM 88005
 Email Address _____

SUBJECT PROPERTY

- Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

Market Conditions Addendum ¹⁶³ to the Appraisal Report

File No.

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **1305 Roosevelt St** City **Las Cruces** State **NM** ZIP Code **88001-2344**
 Borrower **Carmela Maestas**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	10	1	7	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.67	.33	2.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings			11	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)			4.7	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	106,750	155,000	147,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	118	587	98	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	111,000	159,967	149,500	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	118	587	98	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	96	97	98	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **None**

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. **Las Cruces MLS**

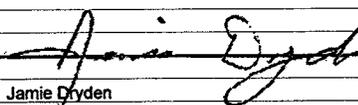
Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.
I feel the market is very stable in the Las Cruces area.

If the subject is a unit in a condominium or cooperative project, complete the following: Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

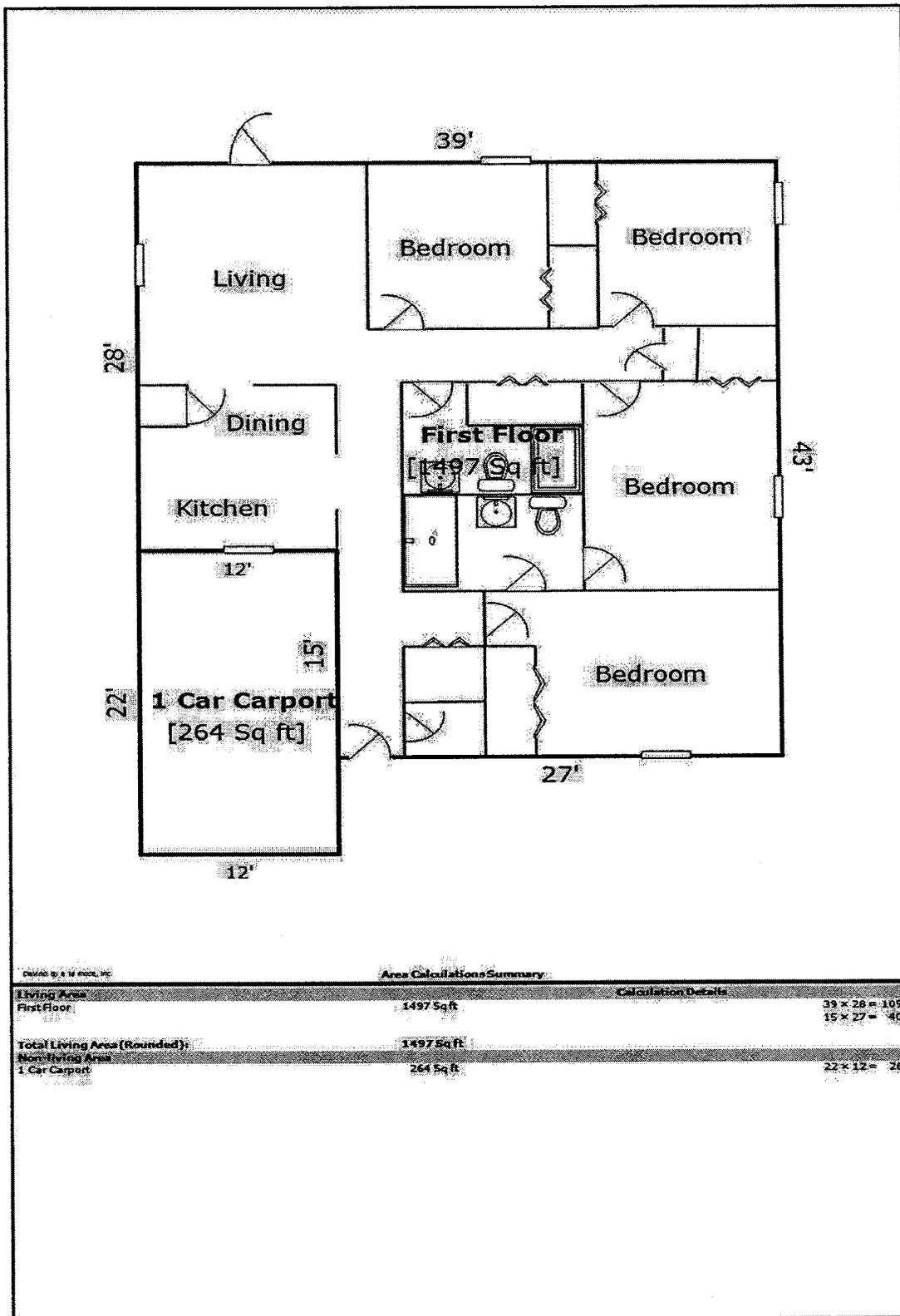
Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature 	Signature
Appraiser Name Jamie Dryden	Supervisory Appraiser Name
Company Name RJ & Associates, Inc.	Company Name
Company Address 4615 Tetakawi Ct., Las Cruces, NM 88007	Company Address
State License/Certification # 385-G State NM	State License/Certification # State
Email Address jamiedryden08@comcast.net	Email Address

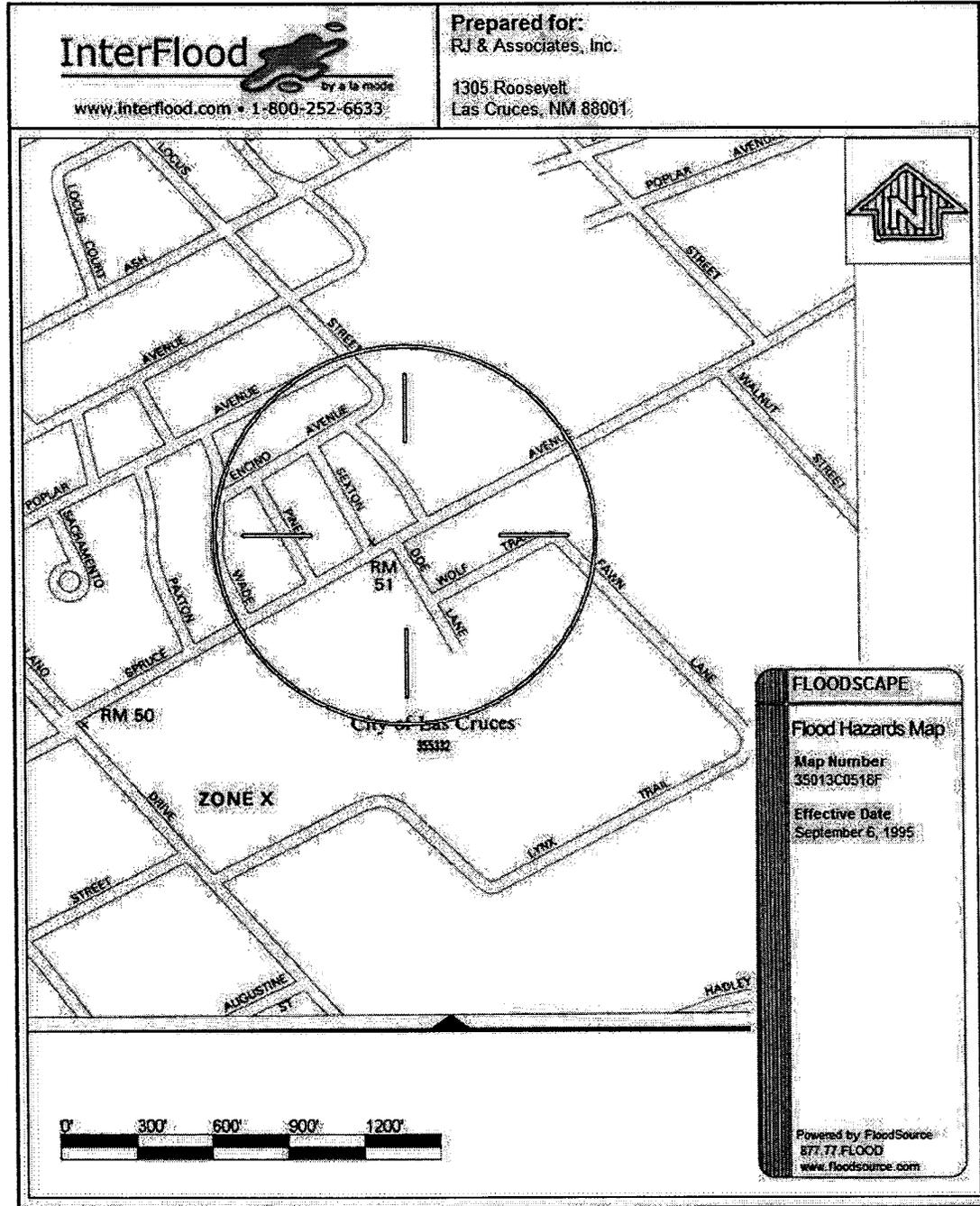
Building Sketch (Page - 1)

Borrower/Client	Carmela Maestas		
Property Address	1305 Roosevelt St		
City	Las Cruces	County Dona Ana	State NM
Lender	City of Las Cruces		Zip Code 88001-2344



165 Flood Map

Borrower/Client	Carmela Maestas			
Property Address	1305 Roosevelt St			
City	Las Cruces	County Dona Ana	State NM	Zip Code 88001-2344
Lender	City of Las Cruces			



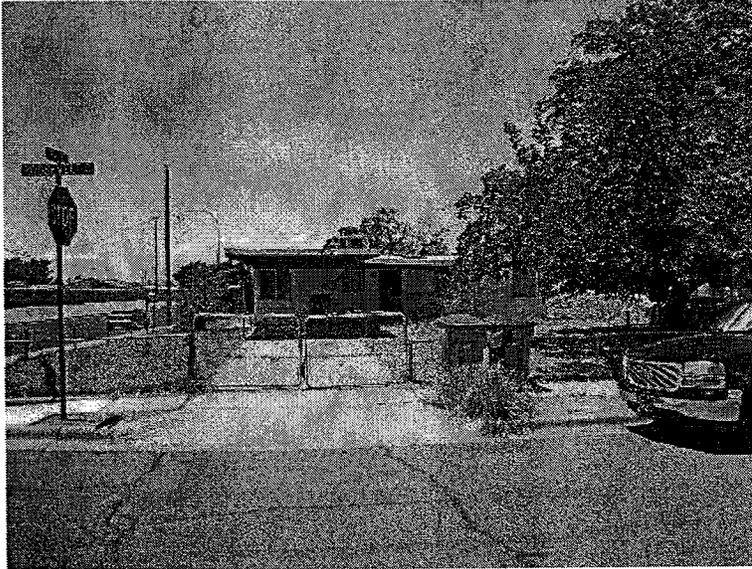
166
Location Map

Borrower/Client	Carmela Maestas				
Property Address	1305 Roosevelt St				
City	Las Cruces	County	Dona Ana	State	NM Zip Code 88001-2344
Lender	City of Las Cruces				



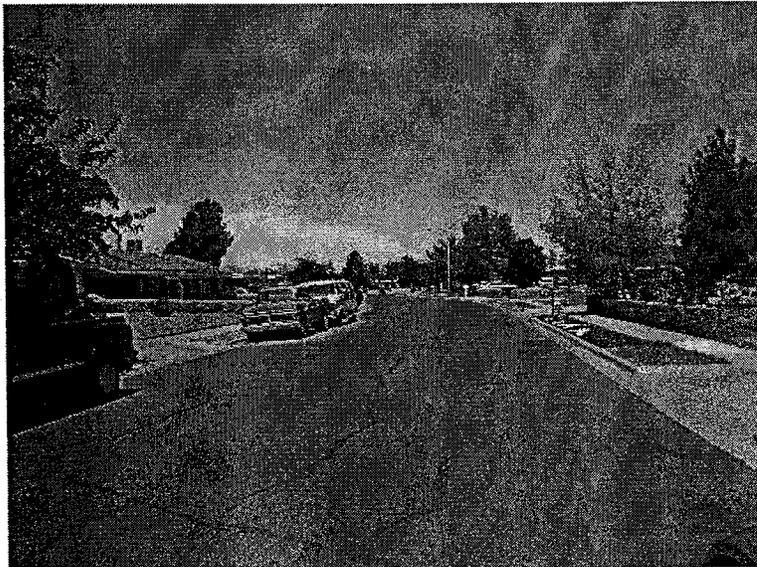
Subject ¹⁶⁷ Photos Page

Borrower/Client	Carmela Maestas				
Property Address	1305 Roosevelt St				
City	Las Cruces	County	Dona Ana	State	NM
Lender	City of Las Cruces				
				Zip Code	88001-2344



Subject Front

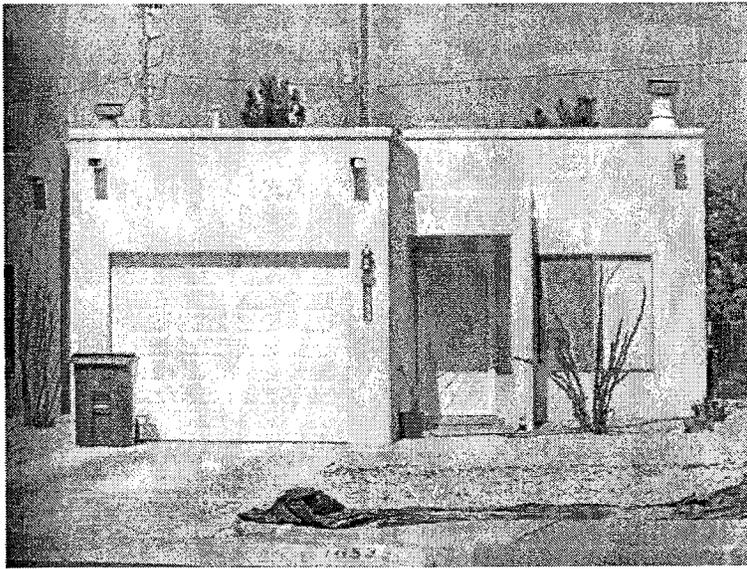
1305 Roosevelt St
Sales Price Not Listed
GLA 1,497
Total Rooms 6
Total Bedrms. 4
Total Baths 2
Location Average
View Average
Site .14 Acre
Quality Average
Age Proposed



Subject Street

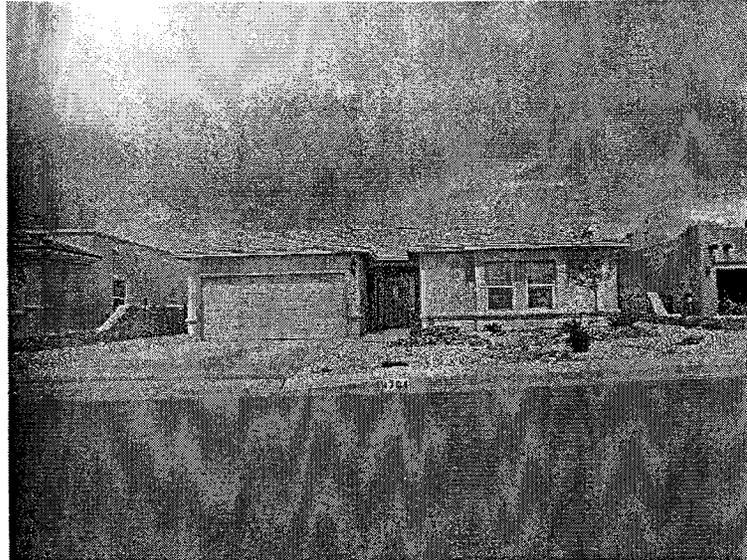
168
Comparable Photo Page

Borrower/Client	Carmela Maestas		
Property Address	1305 Roosevelt St		
City	Las Cruces	County	Dona Ana
Lender	City of Las Cruces	State	NM
		Zip Code	88001-2344



Comparable 1

1653 Spruce Ave.
 Proximity 0.21 miles NE
 Sale Price 117,000
 GLA 1,418
 Total Rooms 6
 Total Bedrms 3
 Total Bathrms 2
 Location Average
 View Average
 Site 0.09 Acre
 Quality Average
 Age 6 Years



Comparable 2

1740 Winton Dr.
 Proximity 1.79 miles W
 Sale Price 152,000
 GLA 1,389
 Total Rooms 6
 Total Bedrms 3
 Total Bathrms 2
 Location Superior
 View Average
 Site 0.14 Acre
 Quality Average
 Age New

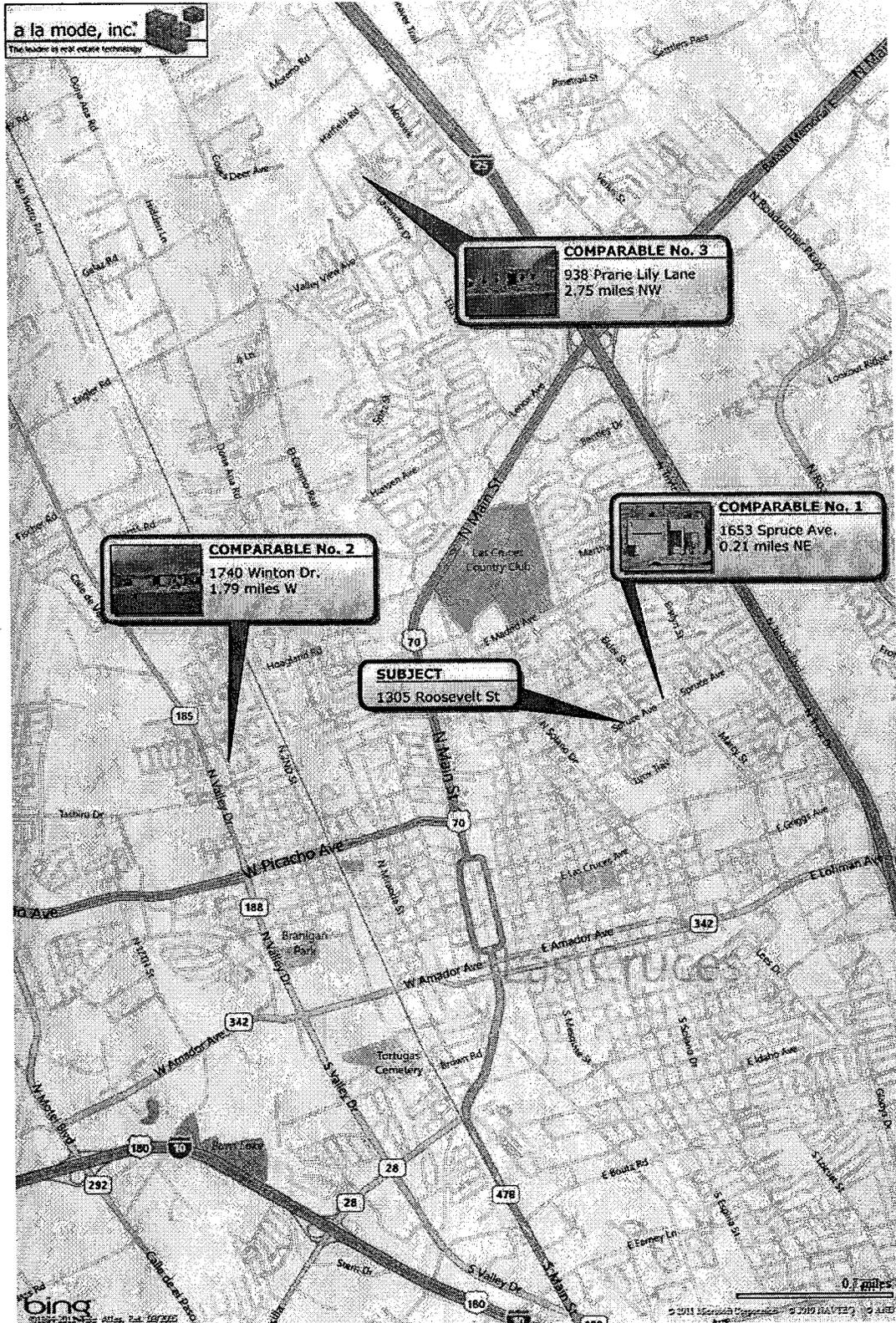


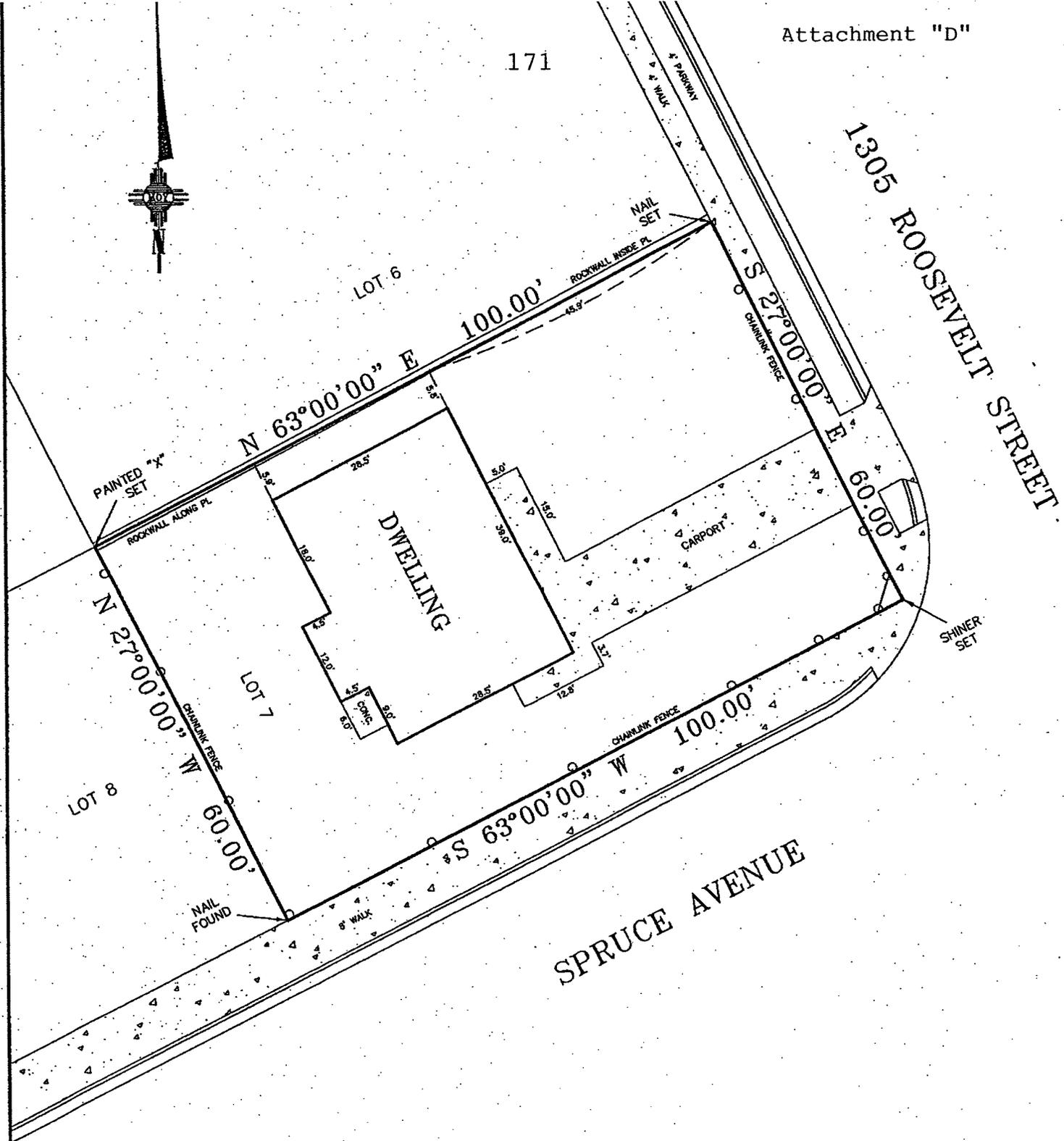
Comparable 3

938 Prairie Lily Lane
 Proximity 2.75 miles NW
 Sale Price 140,000
 GLA 1,456
 Total Rooms 6
 Total Bedrms 3
 Total Bathrms 2
 Location Average
 View Average
 Site 0.15 Acre
 Quality Average
 Age 1 Year

168 Comparable Sales Map

Borrower/Client	Carmela Maestas		
Property Address	1305 Roosevelt St		
City	Las Cruces	County	Dona Ana
		State	NM
		Zip Code	88001-2344
Lender	City of Las Cruces		

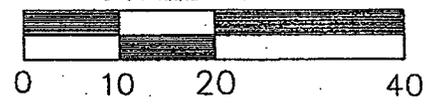




NOTE:

FLOOD ZONE "X"; AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOOD PLAIN, IN MAP NO 35013C0632 F, EFFECTIVE SEPTEMBER 6, 1995.
 THIS SURVEY MAKES NO GUARANTEES AS TO THE ACCURACY OF THE ABOVE INFORMATION. THE LOCAL F.E.M.A. AGENT SHOULD BE CONTACTED FOR VERIFICATION.

SCALE: 1"=20'

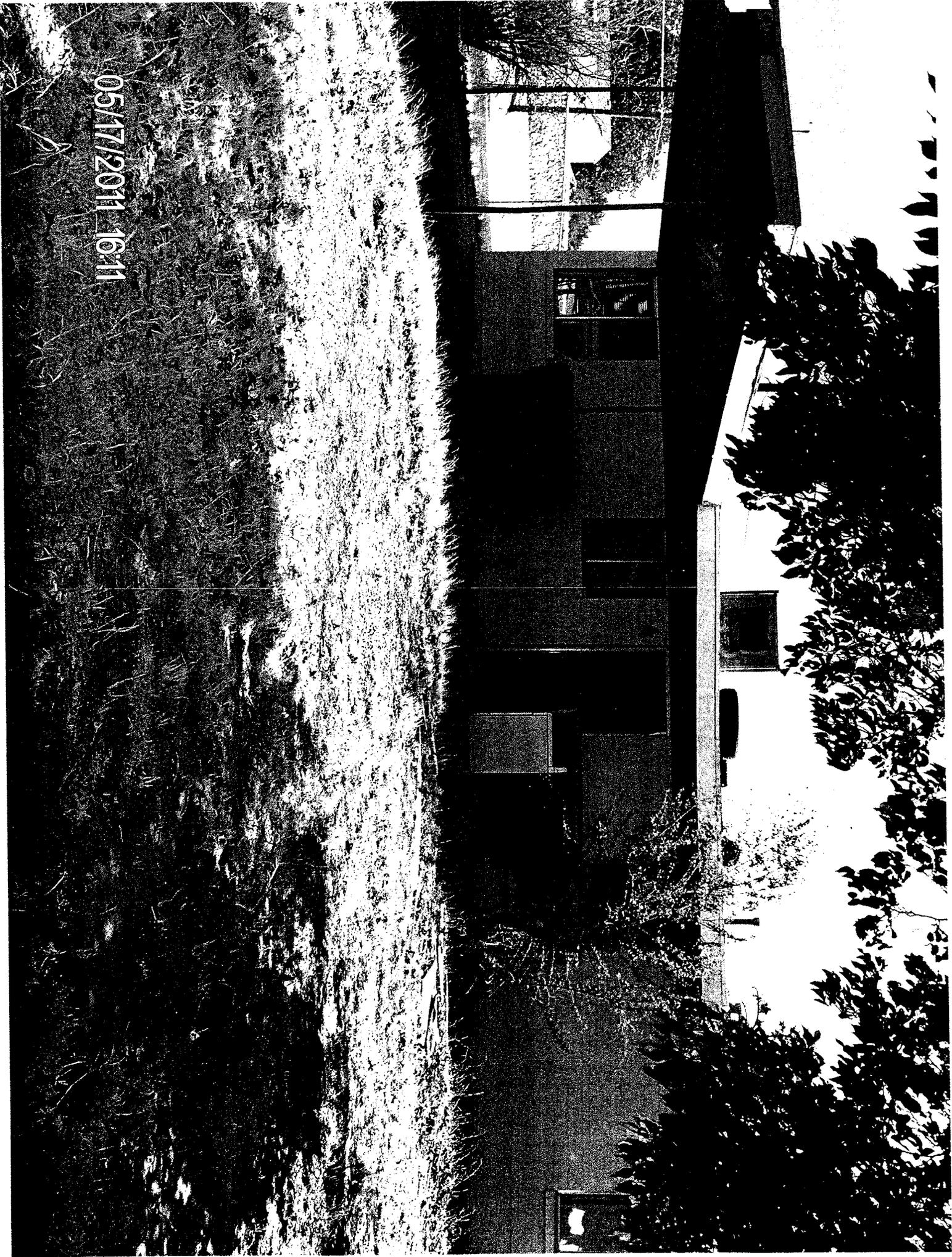


PLAT OF SURVEY
 SHOWING THE LOCATION OF IMPROVEMENTS
 ON LOT 7, BLOCK "H"
 WASHINGTON HEIGHTS SUBDIVISION
 FILED JULY 25, 1957, IN PLAT RECORD 7
 PAGE 57, DONA ANA COUNTY RECORDS



MOY SURVEYING INC.
 414 N. DOWNTOWN MALL
 LAS CRUCES, NEW MEXICO
 88001

05/17/2011 16:11

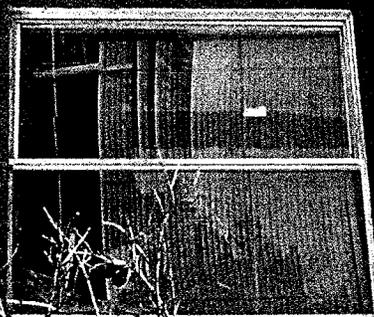
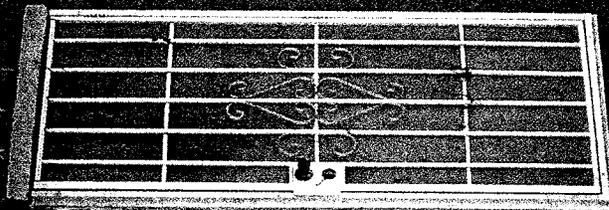


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05/17/2011 18:10

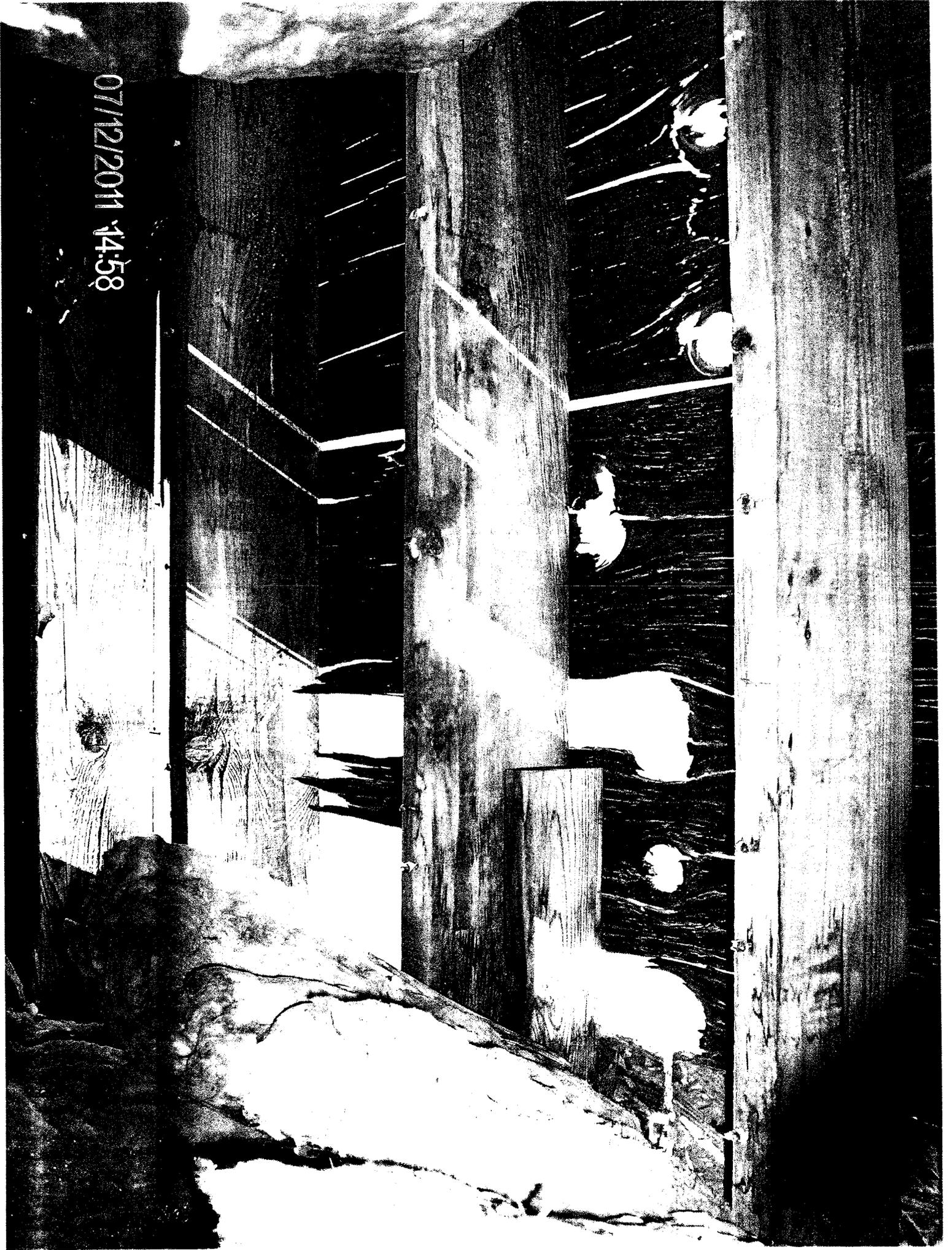


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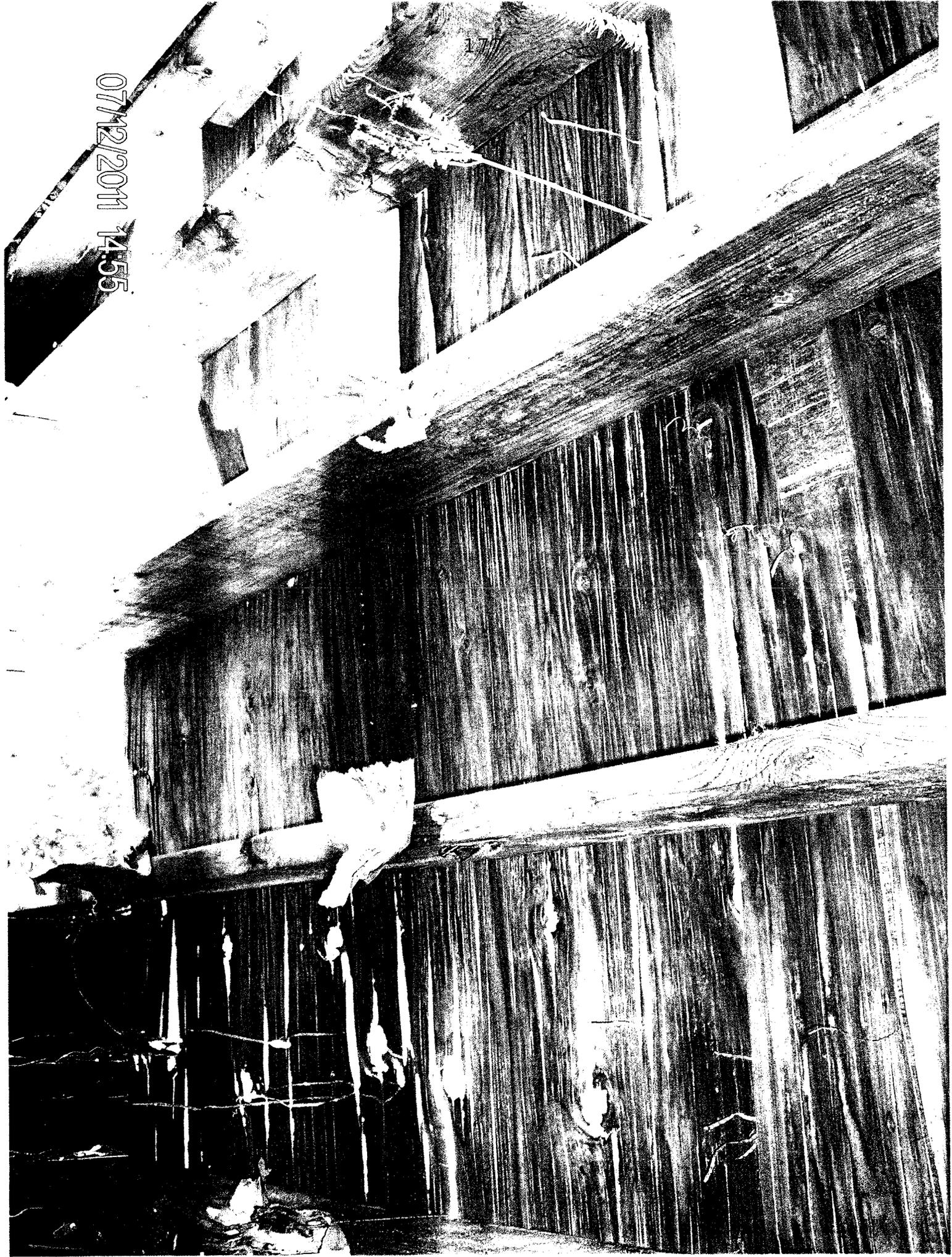
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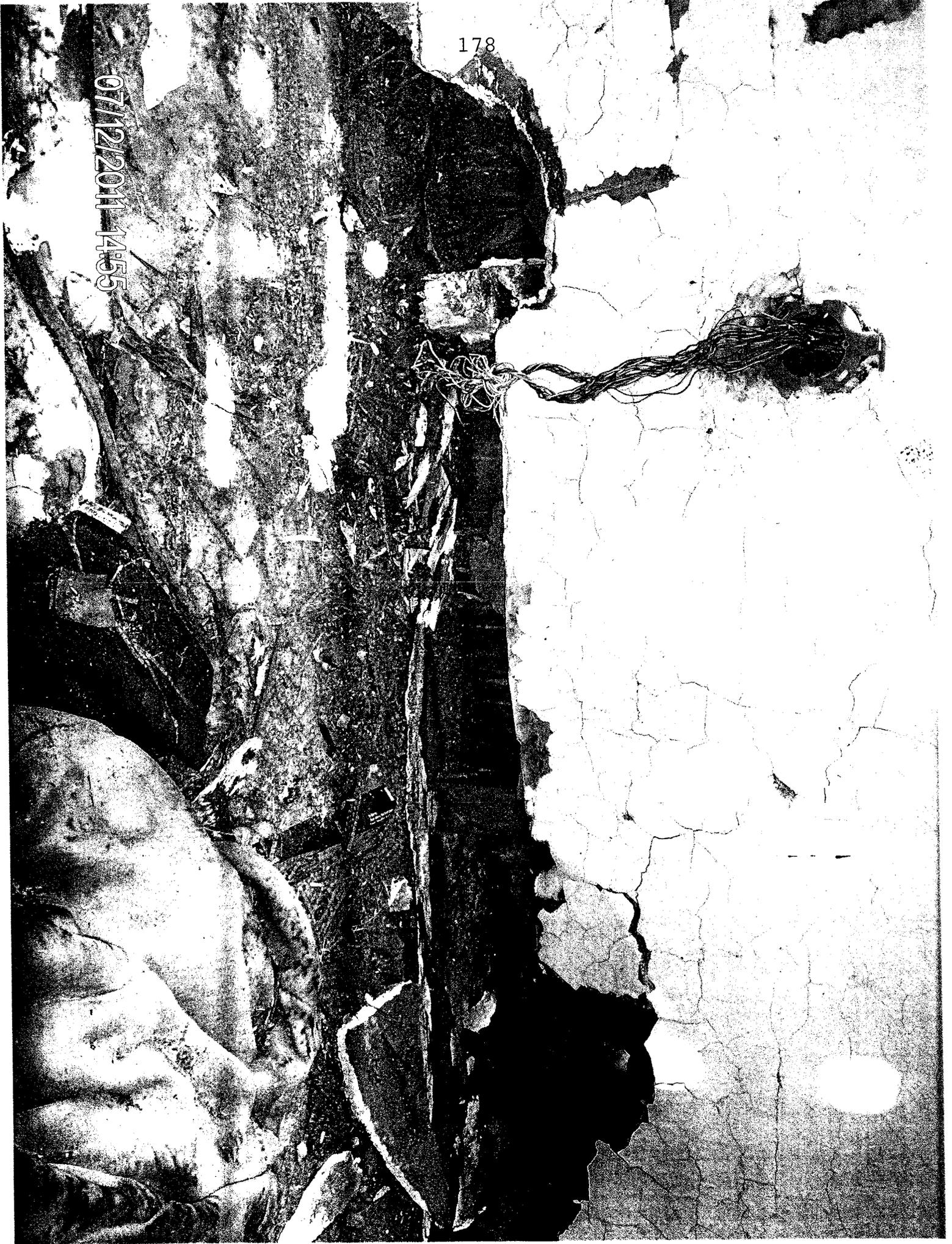
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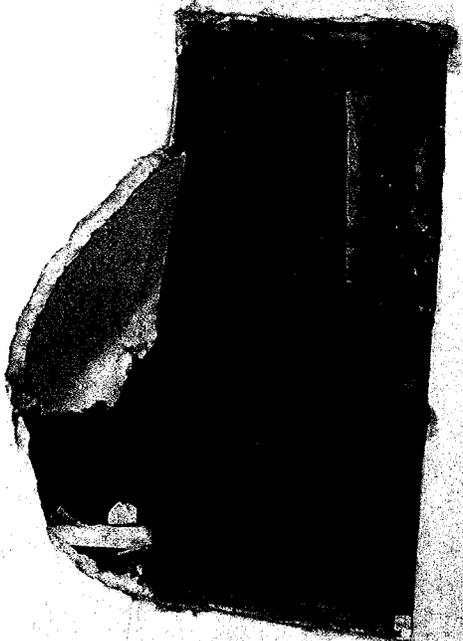
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07/12/2011 14:59



07/12/2011 14:56



07/12/2011 14:57

