



City Council
of the
City of Las Cruces

Special Meeting

January 29, 2013
3:00 P.M.

Council Chambers, City Hall

MEMBERS PRESENT:

STAFF:

- 14 Mayor Ken Miyagishima
- 15 Councillor Miguel Silva, District 1
- 16 Councillor Greg Smith, District 2 (via telephone)
- 17 Councillor Olga Pedroza, District 3
- 18 Councillor Nathan Small, District 4
- 19 Councillor Gill Sorg, District 5
- 20 Councillor Sharon Thomas, District 6

- Robert Garza, City Manager
- Harry (Pete) Connelly, City Attorney
- Esther Martinez-Carrillo, City Clerk

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23 Mayor Miyagishima called the meeting to order and asked for a moment of silence. Mayor
24 Miyagishima led the Pledge of Allegiance.

28 Councillor Sorg Moved to Allow Councillor Smith to attend the meeting via telephone and
29 Councillor Silva Seconded the motion.

33 Mayor Miyagishima called for the roll on the Motion to Allow Councillor Smith to attend the
34 meeting via telephone and it was Approved. 6-0 Councillor Small was absent.

I. RESOLUTION(S) AND/OR ORDINANCE(S) FOR DISCUSSION

- 40 (1) Resolution No. 13-109: A Resolution Approving a Budget Adjustment to the City Adopted
41 Fiscal Year 2013 Budget for an Affordable Housing Project

1 Councillor Thomas Moved to Approve Resolution No. 13-109 and Councillor Sorg Seconded the
2 motion.

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6 Jan Lauterbach, Housing Development Coordinator gave an overhead presentation and said at the
7 January 22nd meeting Council directed staff to allocate funds to support a Low Income Housing Tax
8 Credit project submitted by Tierra Del Sol Housing Corporation, known as Crosstown Station. This
9 resolution proposes to transfer funds in the amount of \$200,000 from the Vehicle Acquisition Fund
10 to the Affordable Housing Trust Fund with specific allocation to the Crosstown Station project.
11 There will be a future agreement developed between the City of Las Cruces and Tierra Del Sol
12 stating that the use of funds is subject to the project receiving tax credit funding from the New
13 Mexico Finance Authority. The agreement will also outline the loan terms which shall be made in
14 keeping with the HOME Rental Loan Policies, with the exception of the loan interest rate.

15

16 Councillor Small said this is a very important step for the redevelopment of the Downtown and
17 affordable housing is extremely important for our community.

18

19 Councillor Thomas said we haven't used the Affordable Housing Trust Account before so does this
20 money have to be paid back?

21

22 Jan Lauterbach said that is how we are approaching it right now. This is a new fund and Council
23 hasn't passed any procedures for it yet.

24

25 Councillor Thomas said I would like for the procedures for this fund to be set up very soon.

26

27 Robert Garza, City Manager said that is something that we need to do and we will be coming
28 forward with some recommendations on how this fund is used.

29

30 David Dollahon, Chief Planning Administrator said according to the Affordable Housing Ordinance
31 we have to have at least 50% of the funds go out as a loan with interest earnings.

32

33 Mayor Miyagishima asked what is our interest rate?

34

35 David Dollahon said that is to be determined.

36

37 Councillor Thomas said I do think it is important that we look at putting additional funds into this
38 fund because affordable housing is desperately needed in our community.

39

40 Councillor Small said we need to remember that affordable housing is workforce housing so these
41 are folks that will be working in our community.

42

1 Councillor Sorg said I think that once we get this fund going that we need to have specifications on
2 the types of housing this will be used for, the income levels, the cost of rentals and the cost of the
3 homes.

4

5 Jan Lauterbach said it would be used for affordable housing which is for incomes that earn 80% or
6 less than the area median income.

7

8 Councillor Pedroza said I think we should also look at having solar energy options for the affordable
9 housing units.

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11 Councillor Silva said I can't support this project because I think it is bad government. I do think this
12 is a great project and we do need affordable housing but we need to have a process in place on how
13 we are to allocate these types of funds. Mr. Garza has been working hard with staff to incorporate
14 efficiencies within the departments and he is continuing to direct staff to save money so what
15 message would we be sending to them; that they are saving money just so this elected body can
16 support a project on a whim. We need to have a process in place to allocate this funding otherwise
17 we are going to have everyone up here asking for money at every meeting. The first resolution that
18 was brought before us last week we had the option of splitting the money between the two entities
19 and I asked Ms. Garcia if she'd accept half of the funding and she said no, she wanted the entire
20 \$200,000 so I would have voted to only give it to the other entity that was suggested by staff. I just
21 don't think we should allocate money on a whim so I just can't support this resolution.

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23 Councillor Smith said I believe there are a number of good reasons that this bears for us stepping out
24 our normal realm.

25

26 Mayor Miyagishima said I want to commend the Council and staff for coming up with this idea so
27 that two projects could move forward instead of one. I see no reason why we can't move forward
28 with this and put the money in the Trust Fund so if they are successful then the money is there. We
29 can have a future work session to discuss some of the concerns that were brought up by Councillor
30 Silva and to discuss some of the affordable housing issues.

31

32 Councillor Sorg said I agree that we need to get this organized. How much money is in the Vehicle
33 Acquisition Fund?

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35 Robert Garza said there is an Exhibit "A" attached to this resolution that has the fund summary. If
36 this is approved today then there will be a remaining balance of \$3.7 million.

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38 Councillor Silva asked how much of that \$3.7 million is available for special projects?

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1 Robert Garza said that fund is a sinking fund that is to be used for the purchase of vehicles but when
2 we sold the Club Fusion property we agreed to put that money into this fund until Council
3 determined how to use it.

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5 Councillor Small said affordable housing for the workforce community is key to helping our
6 community develop in a positive direction.

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10 Mayor Miyagishima called for the roll on the Motion to Approve Resolution No. 13-109 and it was
11 Approved. 6-1 Councillor Smith, Councillor Pedroza, Councillor Small, Councillor Sorg, Councillor
12 Thomas and Mayor Miyagishima voted Aye. Councillor Silva voted Nay.

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16 Meeting Adjourned at 3:31 p.m.

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