

**CITY OF ALAMOGORDO, NEW MEXICO
HOUSING AUTHORITY BOARD
SPECIAL MEETING MINUTES
6:30 P.M., COMMISSION CHAMBERS
TUESDAY, AUGUST 9, 2011**

**RON GRIGGS, CHAIRMAN
ED COLE, VICE CHAIRMAN
MARION LEDFORD, MEMBER
JOE FERGUSON, MEMBER
ROBERT RENTSCHLER, MEMBER
JOSH RARDIN, MEMBER**

**AARON RANCE, MEMBER
NINA WALKER SAENZ, MEMBER
MARK ROATH, CITY MANAGER
STEPHEN THIES, CITY ATTORNEY
RENEE CANTIN, SECRETARY
MAGGIE PALUCH, HOUSING MANAGER**

CALL TO ORDER & ROLL CALL

Chairman Griggs called the meeting to order at 6:30 p.m. Roll call was taken and Member Rance, Rentschler, and Cole were absent. The Secretary announced there was a quorum present.

UNFINISHED BUSINESS

1. **Approve Minutes of the June 28, 2011 Special Meeting of the Housing Authority Board.**
(Renee Cantin, Secretary)

Member Ferguson moved to approve the minutes of the April 26, 2011 Special Annual Meeting. Member Saenz seconded the motion. Motion carried with a vote of 5-0-0.

NEW BUSINESS

2. **Consider, and act upon, HA Resolution 2011-04 requesting approval of the Original Annual Statement for the 2011 Capital Fund.** *(Evelyn Huff, Property Manager)*

Chairman Griggs read the item and asked if any one had comments.

City Manager Roath brought to the attention of the board that HUD allocates annually capital funds and operation funds for the Housing Authority. They allocated for this year \$303,530.00. The allocation as proposed by the staff and supported by the board previous action is to allocate \$60,706.00 which I believe is 20% of the allocation and the remaining allocation would be the Alta Vista bathroom remodel for \$61,753.00. The roof replacement of \$171,071.00 and the replacement of appliances for approximately \$10,000.00 for the total of \$303,530.00. We ask for Board approval to approve this item and approve the resolution so that we can get this allocation.

Member Ferguson moved to approve HA Resolution 2011-04 requesting approval of the Original Annual Statement for the 2011 Capital Fund. Member Rardin seconded the motion. Roll call vote was taken. Motion carried with a vote of 6-0-0.

3. **Consider, and act upon, HA Resolution 2011-05 revising the Housing Authority budget for Fiscal Year 2011-2012.** *(Evelyn Huff, Property Manager)*

Chairman Griggs read the item and asked for comments.

Assistant City Manager McNeile said this resolution is to carry over capital funds that were specified for projects for the previous years in to fiscal year 2012. In addition HUD has mandated that all Housing Authorities try to have 100% occupancy by the end of September in order to utilize these funds.

Vice Chairman Cole joined the meeting at 6:38 p.m. prior to the vote for both Resolutions.

Member Ferguson moved to approve HA Resolution 2011-05 revising the Housing Authority budget for Fiscal Year 2011-2012. Member Saenz seconded the motion. Roll call vote was taken. Motion carried with a vote of 6-0-0.

4. Discussion, and possible action, related to the disposal of 1305 Filipino Avenue and 1907 Alaska Avenue by holding a public auction. (Evelyn Huff, Property Manager)

Chairman Griggs read the item and asked for comments.

Ms. Paluch said she held a meeting with Jim Randall from JR Auction LLC on July 26. At that meeting he had advised me that you would be able to auction the homes and he would be able to provide those services for us. There would be approximately \$1,000.00 per signage and for advertising. The auctioneer fee would be 5% of the total sales price for each home but that also includes the open house the weekend before the auction and those are usually on Saturday. A PHA representative would also be there but his representative would be there to help organize every one. He would also hold two more open houses at each property before we actually hold the auction. He would suggest holding it in September when he would be free and a \$500.00 refundable deposit would be put down for any one that would bid just so that we assure that some one really wants the home. There would also be a 10% down payment. There may be some issues with the Statute.

Chairman Griggs said City Attorney that is the same question that I have. City Attorney Thies said the State Statute does provide that the property has a value in excess of \$25,000.00 we have to have an appraisal done on the property before we can sell it. If you were to sell it at an auction or in any manner and you would accept less than appraised value. You have to make a finding why you are willing to except less than appraised value. What I would suggest that you might want to set a minimum and I am not sure how Mr. Randal would address that whether we start the auction below the minimum and work up in the action process. There is the requirement that we have to sell the property by Ordinance and that takes about two months.

Member Rardin asked what was the appraisal value of both of those. Both were \$38,000.00 each. One has foundation problems and it is falling apart. City Attorney Thies said you may not want to talk about that in open session. If we are trying to sell the property for the maximum amount of money. Member Rardin said not the appraised value but the issues with the foundation.

Ms. Paluch commented that the house as it stands right now has a bunch of the floors that are torn up and you can actually see down into the flooring area. We were going to fix some of those issues, for liability reasons, so that when there walking around their not stepping over gaping holes. Chairman Griggs said one of the recent opportunities the Commission had to sell some property we sold it by sealed bid. I don't know if that might not be a better approach than this. Member Rardin said can you get around the appraisal value on a sealed bid. City Attorney Thies said if you sell it for less than appraised value you have to make a finding why you are willing to except less than appraised value.

Chairman Griggs said and we could if we set a minimum as well and if we didn't get the bids we could reconsider but we could take that initial approach. Like Member Rardin I would like to see some of the issues disclosed where people knew that they were there when they were coming in to bid. Member Rardin asked how old the appraisals are. Ms. Paluch said they are only four months old. They are very recent. When you voted on them in April we had just received the appraisals.

Chairman Griggs asked if there is an immediate need to sell. Ms. Paluch said no, the reason I went with proposing a live auction is because I felt with the field bid we may not drum up enough excitement. If we actually have a bunch of people show up at the homes maybe we can get some more bids. No, there is no urgency. The only thing that I feel a little bit urgent about is that we really need to figure out what were doing with this program and the first thing to do is to dispose of these

homes and then we are going to evaluate in house what we want to do with this program. Right now we have seven homes that are vacant and I have one person, one applicant to put in the home. That's it. I can't get anyone to apply and I have people dropping out of the program right and left. I have a couple right now that will probably drop out here very shortly. We are going to have to decide what we are going to do with it and that's the only urgency that I have. I feel like if we dispose of these two maybe we can move forward with other plans.

Member Ferguson asked if there would be any real estate agent that would take us as a 5% because they will pay for all the advertisement and we don't have to pay a \$1,000.00 and say its sold for appraised value and put it on a three month deal and see if they can sell it. Ms. Paluch said she could do that. Member Ferguson said why don't we do that so we don't have to pay Jimmy a thousand dollars. That would be upfront plus 5% of the sales.

Member Saenz said when the houses were bought were they aware of the problems with the houses and does that affect the appraisals price. Ms. Paluch said yes, the appraisal price of \$38,000.00 individually is as is. When we came to you for all the upgrades that needed to be done we did a second appraisal what the homes would be worth after the upgrades. But because we have to pour so much money into them we decided to dispose of them.

Member Rardin asked what was wrong with 1907 Alaska Avenue. That had foundation problems too or no. Ms. Paluch said it has some issues with the front foundation where the porch is. The support is actually pulling down the house. There was also a major, major flood and so there is water damage threw out the house and the piping has always been an issue and we think there may be some roots from the trees in the back yard that have grown threw the piping because the bathroom and kitchen have a hard time draining. Vice Chairman Cole said other than the plumbing it was left unfinished at least looking through the window is the way I observe it. Has it been finished? Ms. Paluch said no. Vice Chairman Cole asked the City Attorney the appraised value and I do not know, with the conditions of the home and state regulations value of homes how can you appraise a home that has deteriorated as both of these are or upkeep of the home has not taken place. How does that affect the appraised value.

City Attorney Thies replied that what generally happens is that there is improvements that need to be made there is a deduction on the value of the house. They will find a house that is comparable in size and age and they will take some deductions for those improvements.

Vice Chairman Cole asked if this is appraised value that you have included the deduction. Ms. Paluch said yes at \$38,000.00. Member Rardin asked how many square feet is the one on Filipino verses the one on Alaska. Are they about the same size. Ms. Paluch said they are about the same size. I believe the one on Filipino is about 1,200 and the one on Alaska is around 1,000.

Chairman Griggs said City Attorney Member Ferguson suggested that listing this with a real estate agent can then be appraised value can the realtors fees be deducted from that if you get that price or do you have to get a price that is appraised value plus realtors fees. City Attorney Thies said I conclude the appraise value is \$40,000.00 the realtor took 5% off top and that works out to be \$2,000.00. Yes, you would deduct that so it would be a net.

Chairman Griggs said what you indicated is that if you sold it for appraised value the other stuff can come off the price so you get the \$38,000 when you take the fees off. Secretary on the property that we sold on Black Street do you remember the cost of the process for sealed bids. Secretary Cantin responded, no sir that was paid through Community Development or Planning so I am not exactly sure what that charge was.

Member Rardin asked what would be a legitimate reason to deduct or sell it below the present price. City Attorney Thies said the condition of the property is already reflected in the appraised value. Member Rardin said those houses are not worth \$38,000.00 to me. The one on Alaska maybe but

the one on Pilipino didn't look like it would be worth that. City Attorney Thies said how could we justify for not selling it for \$38,000.00 when it was appraised at \$38,000.00. Member Rardin said that's what I mean what could we use to justify that. City Attorney Thies said the appraisal took into consideration the condition of the property. Member Rardin said you know as well as I do the property is only worth what some body is willing to pay for it regardless of what the appraises at. City Attorney Thies confirmed that.

Member Rardin said so there's no way around the State Statute. City Attorney Thies said you have to make a specific finding why you are willing to sell for less than appraised value. Member Rardin said so if it went to auction and the highest bidder was \$22,000.00 does that show that, that is the most that somebody is willing to pay for it. City Attorney Thies said at that point in time.

Chairman Griggs said my personal feeling is the sealed bid approach. Member Ferguson said the other thing is that we don't get bids that are high enough to meet the appraised value on stuff and the thing is just going to sit and it is going to be worth less and less all the time and we are just going to have to hold on to it two or three years and now its going to appraise for way lower.

Member Ferguson moved to list it with a broker for three months with a maximum commission of 5%.

City Attorney Thies said we have to enter into a listing agreement with a broker and they would limit it to three months. Chairman Griggs said do we have a reason to pick one broker over another.

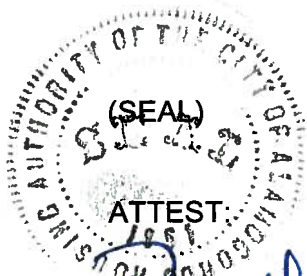
Member Rentschler joined the meeting at 6:57 p.m.

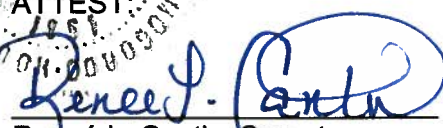
City Attorney Thies said no because of the price. Lets say we get \$38,000.00 the commissions is not going to exceed so we would have to go out for proposals. Chairman Griggs said so we can leave that up to staff to find the appropriate. City Manager Roath said we would contact several people.

Member Saenz seconded the motion. Motion carried with a vote of 7-0-0.

ADJOURNMENT

Member Rardin moved to adjourn at 6:58 p.m. Member Cole seconded the motion. The motion carried with a vote of 7-0-0.



ATTEST:

Rerieé L. Cantin, Secretary


Chairman Ron Griggs

*(Prepared by Cameron Stern, Deputy City Clerk/Records & Archives Clerk)
Approved at the Special Housing Meeting held on October 25, 2011.*