

Re-recording to include EXHIBIT A  
**SANTA FE COUNTY  
 BOARD OF COUNTY COMMISSIONERS**

**RESOLUTION NO. 2024 - 062**

---

**A RESOLUTION ADOPTING THE SANTA FE COUNTY HOME REHABILITATION AND ENERGY EFFICIENCY PROGRAM REGULATIONS PROVIDING FOR THE PROVISION OF HOUSING ASSISTANCE GRANTS TO SUPPORT ALL OR A PORTION OF THE COST FOR RESIDENTIAL REHABILITATION PROJECTS, ENERGY EFFICIENCY UPGRADES, RESIDENTIAL CONNECTION TO PUBLIC UTILITY SYSTEMS AND RESIDENTIAL HAZARD REMEDIATION OR MITIGATION, INCLUDING AMERICANS WITH DISABILITY ACT HOME MODIFICATIONS FOR QUALIFIED AFFORDABLE HOMEOWNERS PURSUANT TO THE COUNTY'S AFFORDABLE HOUSING PLAN, SANTA FE COUNTY ORDINANCE 2023-05, THE NEW MEXICO AFFORDABLE HOUSING ACT AND THE NEW MEXICO MORTGAGE FINANCE AUTHORITY ACT RULES**

---

**WHEREAS**, the New Mexico Affordable Housing Act, NMSA 1978 6-27-1, et seq, ("Act") and the New Mexico Mortgage Finance Authority ("NMMFA") Affordable Housing Act Rules ("Rules") require that a county that makes housing assistance grants have a valid, existing affordable housing plan; and

**WHEREAS**, the Act and Rules further stipulate that a county establish a housing assistance grant ordinance, which conforms to the Act and Rules, and establishes processes, requirements and procedures related to the award of housing assistance grants issued by the county pursuant to the Act; and

**WHEREAS**, the Act and Rules mandate that a county's affordable housing plan and housing assistance grant ordinance be reviewed and approved by NMMFA to ensure their conformity with the requirements of the Act and Rules; and

**WHEREAS**, in June of 2023, Santa Fe County ("County") established a new Affordable Housing Plan ("Plan") and Housing Assistance Grant Ordinance ("Ordinance"), which were reviewed and approved by NMMFA; and

**WHEREAS**, on July 25, 2023, the Board of County Commissioners of Santa Fe County ("BCC") approved Santa Fe County Resolution No. 2023-083, which adopted the Plan, and adopted the Ordinance (as approved by NMMFA) as Santa Fe County Ordinance No. 2023-05; and

**WHEREAS**, the Plan provides multiple recommendations on programs and policies to increase the supply of affordable housing in Santa Fe County, focusing on the creation of new affordable housing projects and the preservation of current affordable housing in the community; and

SEC CLERK RECORDED 05/09/2024

**WHEREAS**, the Plan outlines several potential programs, including a home rehabilitation program, to better support access to affordable housing; and

**WHEREAS**, the Plan further identifies the community need for residential rehabilitation projects for affordable housing within the County, including improvements that result in utility and energy cost savings, which supports affordability through a reduction in long-term housing expenses; and

**WHEREAS**, the County has developed the Home Rehabilitation and Energy Efficiency (“HREE”) Program Regulations to effectuate the rehab program identified in the Plan; and

**WHEREAS**, the intent of the HREE Program is to provide safe, decent and affordable housing to qualified homeowners, and to promote the preservation of the current affordable housing stock within Santa Fe County; and

**WHEREAS**, Housing Assistance Grants provided through the HREE Program could be utilized for: (1) residential rehabilitation projects which upgrade the building envelope, (2) energy efficiency upgrades to reduce long-term utility expenses for the affordable home, (3) the connection of affordable homes to public utility systems, and (4) residential hazard remediation and mitigation projects, including Americans with Disabilities Act home modifications; and

**WHEREAS**, HREE Grants issued pursuant to the HREE Program Regulations could be used on various types of real estate, including single family homes, townhomes, condominiums, accessory dwelling units, and mobile or modular homes that are fixed to a permanent foundation and are assessed by the Santa Fe County Assessor as real property; and

**WHEREAS**, the HREE Program Regulations have been established to ensure conformity with the Act, Rules, Ordinance and Plan and are attached hereto as Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby approves and adopts the HREE Program Regulations attached and incorporated hereto as Exhibit A.

**PASSED, APPROVED AND ADOPTED, THIS 30<sup>TH</sup> DAY OF APRIL, 2024.**

**SANTA FE COUNTY  
BOARD OF COUNTY COMMISSIONERS**

By:   
Hank Hughes, Chair

REC CLERK RECORDED 5/05/2024

**ATTEST:**

*Katharine Clark*

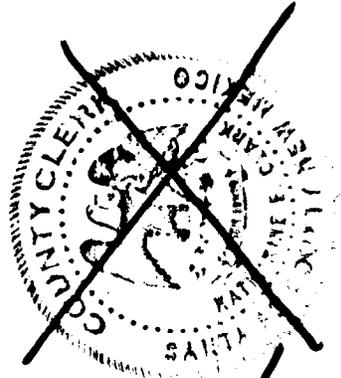
Katharine E. Clark  
Santa Fe County Clerk

Date: 05/01/2024

**Approved as to form:**

*Roger Puentes for*

Jeff Young  
Santa Fe County Attorney



COUNTY OF SANTA FE ) BCC RESOLUTIONS  
STATE OF NEW MEXICO ) ss PAGES: 3

I Hereby Certify That This Instrument Was Filed for  
Record On The 7TH Day Of May, 2024 at 11:20:28 AM  
And Was Duly Recorded as Instrument # 2033320  
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office  
Katharine E. Clark  
Deputy *Celeste Garcia* County Clerk, Santa Fe, NM

COUNTY OF SANTA FE ) BCC RESOLUTIONS  
STATE OF NEW MEXICO ) ss PAGES: 14

I Hereby Certify That This Instrument Was Filed for  
Record On The 6TH Day Of June, 2024 at 12:42:04 PM  
And Was Duly Recorded as Instrument # 2035255  
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office  
Katharine E. Clark  
Deputy *Celeste Garcia* County Clerk, Santa Fe, NM

REC  
CLERK  
RECORDED  
05/05/2024





# Santa Fe County Home Rehabilitation and Energy Efficiency Program Regulations

**Section 1. Short Title.** These Regulations may be cited as the Home Rehabilitation and Energy Efficiency (“HREE”) Program Regulations (“Regulations”).

**Section 2. Statutory Authority.** The HREE Program exists under the authority of Art. IX Section 14 of the New Mexico Constitution, the New Mexico Affordable Housing Act, NMSA 1978, Section 6-27-1, et seq. and Santa Fe County Ordinance No. 2023-05, and is consistent with the Santa Fe County’s 2023 Affordable Housing Plan, as approved by the New Mexico Mortgage Finance Authority (“MFA”) and the Santa Fe County Board of County Commissioners.

**Section 3. Effective Date.** These Regulations shall become effective immediately upon their filing with the Santa Fe County Clerk.

**Section 4. Purpose.** The Regulations shall establish program requirements and administrative process for HREE Grants provided by Santa Fe County to Qualifying Grantees to support all or a portion of the costs of: residential rehabilitation projects; energy efficiency upgrades of Qualified Homes; residential connection to public utilities; and mitigating or remediating residential hazards or providing for Americans with Disabilities (“ADA”) modifications for Affordable Homeowners or Affordable Landlords.

**Section 5. Scope.** The HREE Program shall apply within the jurisdictional boundaries of Santa Fe County.

## Section 6. Definitions.

“Act” shall mean the Affordable Housing Act, NMSA 1978, §6-27-1 et seq.

“Affordable Homeowner” shall mean a household whose income does not exceed 100% of the Area Median Income for Santa Fe County.

“Affordable Landlord” means a homeowner who leases a Qualified Home, for which the HREE grant is being requested, to a household who is receiving rental assistance or voucher subsidy from a Federal Government, State Government or Local Government housing program that provides assistance to households at or below 80% of AMI.

“Affordable Housing Plan” or “Plan” shall mean a plan pursuant to detailed research and analysis of the community and housing profile, including a review of land use and policy regarding

SFC CLERK RECORDED 06/06/2024

Exhibit A

land use, which produces a housing needs assessment for low- and moderate-income households in that locality.

**“Affordability Agreement”** shall mean the agreement between the County and the Qualified Grantee which details the affordable housing requirements pursuant to the HREE Program.

**“Affordability Period”** shall mean:

1. If the fair market value of any HREE Grant is from one dollar (\$1.00) to fourteen thousand nine hundred ninety-nine dollars and ninety-nine cents (\$14,999.99), then the affordability period shall be not less than five (5) years.
2. If the fair market value of any HREE Grant is from fifteen thousand dollars (\$15,000.00) up to and including forty thousand dollars (\$40,000.00), then the affordability period shall be not less than ten (10) years.
3. If the fair market value of any HREE Grant is greater than forty thousand dollars (\$40,000.00) up to and including fifty thousand dollars (\$50,000.00), then the affordability period shall be not less than fifteen (15) years.

**“Affordable Mortgage”** shall mean a mortgage, mortgage deed, deed of trust or other instrument creating a lien, subject only to title exceptions as may be acceptable to the County, on a fee interest in real property located within the County or on a leasehold interest that has a remaining term at the time of computation that exceeds or is renewable at the option of the lessee until after the maturity day of the Mortgage Loan.

**“American’s with Disabilities (ADA) Modifications”** shall mean interior or exterior construction projects intended to provide reasonable as safe access to the home for persons with disabilities, which includes but is not limited to the installation of wheelchair ramps, grab bars, roll in showers, modification of doorways to accommodate wheelchair access and modification of electrical switches.

**“Applicant”** shall mean an individual meeting the designated criteria set by the County for the HREE Program who has submitted application for financial assistance.

**“Area Median Income”** or **“AMI”** means the median income for the Santa Fe Metropolitan Statistical Area as adjusted for various household sized and published and revised periodically by the U.S. Department of Housing and Urban Development.

**“County”** shall mean Santa Fe County, New Mexico, a political subdivision of the State on New Mexico under the Constitution and laws of the State of New Mexico.

**“Energy Efficiency Upgrades”** shall mean the installation of photovoltaic (“PV”) systems, low-flow toilets, aerators, water heaters, furnaces, smart thermostats and home weatherization project, which support affordability through reduction in long term utility costs.

**“Hazard Remediation”** shall mean the remediation of mold, asbestos, lead based paint or ground water contaminants, if the Qualified Home utilizes as domestic well as its primary source of residential water consumption.

SFC CLERK RECORDED 06/06/2024

Exhibit A

**“HREE Application Form”** shall mean the uniform application created by the County for the purpose of submitting application for a HREE Grant under these Regulations.

**“HREE Eligible Project”** shall mean any project allowable pursuant to these Regulations and explicitly identified in Section 7.A.

**“HREE Grant”** shall mean the financial assistance provided by the County to a HREE Grantee for a HREE Eligible Project pursuant to the New Mexico Affordable Housing Act, NMSA 1978, Section 6-27-1, et seq. and Santa Fe County Ordinance No. 2023-05, and the Santa Fe County’s 2023 Affordable Housing Plan.

**“HREE Review Committee”** shall mean an independent committee established by the County for the purpose of reviewing Applications and making recommendations on the approval or denial on the award of HREE Grants to Qualified Grantees.

**“Federal Government”** shall mean the United States of America and any agency or instrumentality, corporate or otherwise, of the United States of America.

**“Federal Inspection Standards”** shall mean Habitability Quality Standards (“HQS”), National Standards for the Physical Inspection of Real Estate (“NSPIRE”) or other equivalent standards applicable to Federal, State or Local Government assisted housing programs.

**“Household”** shall mean one or more persons occupying a housing unit.

**“HUD”** shall mean the United States Department of Housing and Urban Development.

**“Local Government”** shall mean the County or incorporated municipalities operating within the County’s jurisdictional boundaries.

**“MFA”** shall mean the New Mexico Mortgage Finance Authority.

**“Ordinance”** shall mean Santa Fe County Ordinance No. 2023-05.

**“Qualified Grantee”** shall mean an individual who is qualified to receive assistance pursuant to the Ordinance and Regulations, and is approved by the County as meeting all HREE Program qualifying criteria..

**“Qualified Home”** shall mean a residential dwelling unit that has been deemed eligible by the County to receive HREE assistance.

**“Rehabilitation”** shall mean the renovation of a Qualified Home, which includes the repair or upgrade of the building envelope, including roof replacement, stucco and window replacement. For the purposes of the HREE Program, Rehabilitation shall not include routine or ordinary repairs, general maintenance, or construction components not related to the building envelope, unless those components are related to Hazard Remediation as identified in Section 5.A.4.

**“State”** shall mean the State of New Mexico.

SFC CLERK RECORDED 06/06/2024

**Section 7. Types of Housing Assistance Grants Allowable Under the HREE Program.**

- A. An Applicant may submit application to the County’s Office of Affordable Housing for a HREE Grant issued pursuant to the Regulations to pay all or a portion of the costs of:
1. Rehabilitation projects, which support the preservation of existing affordable homes by upgrading the building envelope, including roof replacement, stucco, and window replacement;
  2. Energy efficiency upgrades of affordable homes, which promote long term affordability through a reduction in utility costs, including but not limited to the purchase and installation of photovoltaic (“PV”) systems, high efficiency water heaters and furnaces, low-flow toilets, efficiency faucets and fixtures, aerators, smart thermostats and weatherization measures.
  3. Providing residential connection to public utilities, such as connection to public water and sewer systems, including infrastructure costs associated with the connection;
  4. Mitigating or remediating residential hazards, including lead based paint, mold, asbestos and ground water contaminants for Qualifying Homes with domestic wells, or providing for Americans with Disabilities (“ADA”) modifications for Qualified Grantees; or
  5. Some combination eligible expenditures listed in Section 7.A.1 through 7.A.4 above.

**Section 8. Maximum HREE Award Amounts and Limitations.**

- A. HREE grant awards shall not exceed fifty thousand dollars (\$50,000.00) for any Qualified Grantee or Qualified Home. The maximum award is inclusive of all HREE Eligible Project costs, including hard and soft costs, such as:
1. Any relevant testing costs,
  2. Costs of compiling needs assessments of the home,
  3. And any relevant project costs such as materials and labor related to the construction component of the project.
- B. Each Qualified Grantee or Qualified Home shall not be eligible for more than one (1) HREE Grant Award issued by the County. Once notified of their status as a Qualified Grantee, the approval period for the HREE Grant shall be valid for a twelve (12) month period.
1. A Qualified Grantee may submit an extension request of the HREE Grant approval period for good cause. Extension requests must be submitted in writing to the County’s Office of Affordable Housing prior to the expiration of the initial approval period. Extension request shall not be approved for an extension period that exceeds an additional six (6) months, or an approval period that exceeds eighteen (18) months in total. Prior to authorizing extension requests, the County or its designee shall re-

SFC CLERK RECORDED 06/06/2024

Exhibit A

evaluate the Qualified Grantee's eligibility under the HREE Program pursuant to Sections 9 and 10 of these Regulations.

**Section 9. Application Eligibility.**

A. The following Applicants are eligible under the Act, Ordinance and these Regulations to apply for HREE Grants:

1. All individuals who are at or below 100% of AMI for Santa Fe County, herein referred to as Affordable Homeowners. Applicants qualifying as Affordable Homeowners must meet the following criteria.
  - i. The Applicant must be the owner of the Qualified Home and provide proof of said ownership, including property deed, mortgage coupon, or County property tax bill; and
  - ii. The Applicant must verify through utility billings or State issued driver's licenses or identification cards, that the Qualified Home is the Applicant's primary place of residence; and
  - iii. The Applicant must not be delinquent on property taxes for the Qualified Home, which shall be verified through a Tax Certificate issued by the Santa Fe County Treasurer's Office; and
  - iv. If a mortgage or home equity loan is held on the Qualified Home, the Applicant must provide the most recent account statement from the lender verifying that the Applicant is not delinquent on loan payments.
2. All individuals who are not below 100% of AMI and/or do not use the Qualified Home as their primary residence, herein referred to as Affordable Landlords, but:
  - i. Wish to lease the Qualified Home to a person who is receiving rental assistance through a Federal, State or Local Government funded voucher program, but said home cannot not pass Federal Inspection Standards due to current home deficiencies; and
  - ii. Have demonstrated inability to fund the home improvements necessary to pass Federal Inspection Standards; and
  - iii. Have agreed to execute an agreement with the County to lease the Qualified Home to a household who is receiving rental assistance or voucher subsidy through a Federal Government, State Government or Local Government voucher program that provides rental assistance to households at or below 80% of AMI for the duration of the Affordability Period.

SFC CLERK RECORDED 06/06/2024

Exhibit A

1. The County or its designee shall be provided verification of voucher subsidy of the current tenant at the time of application and shall reevaluate the tenant's rental assistance status each year for the duration of the Affordability Period.
- ii. Applicants claiming Affordable Landlord status must also provide proof of ownership and verification that the Applicant is not delinquent on any mortgage or home equity loan payments or property taxes at the time of application.

**Section 10. Applications.**

A. *Process for Applying.* Applicants wishing to apply for a HREE Grant for any HREE Eligible Project, are required to submit to the County's Office of Affordable Housing the following (as applicable):

1. *HREE Application Form.* Applicants must provide a completed HREE Application Form including all required supporting documentation necessary for evaluating HREE Program eligibility of the Applicant and Applicant's home.
2. *Verification of Income and Assets.* All Applicants must provide the following documents for all adult household members over the age of 18 to ensure the Applicant's household does not exceed 100% of AMI pursuant to these regulations.
  - i. Paystubs,
  - ii. Verification of Employment,
  - iii. Social Security or Social Security Disability Insurance award letters,
  - iv. Verification of Child Support,
  - v. Copies of Bank Statements for the past three months,
  - vi. Copy of the Applicant's most recent tax return, and
  - vii. Copies of statements for all applicable investment accounts, such as money market accounts, stock and bond accounts, and all retirement accounts.
3. *Verification of Ownership.* Applicants shall provide proof of ownership of the home, including relevant deeds, mortgage coupons or property tax bills, verifying the Applicant is the owner of the property for which the HREE Grant is being requested. The Applicant shall also provide the most recent Assessment of Value or Market Analysis for the home.
4. *Verification of Primary Place of Residency.* Applicants must provide proof that the home is the Applicant's primary place of residence. Acceptable forms of documentation include, but are not limited to, copies of utility account statements and/or State issued driver's licenses or identification cards for the Applicant.
5. *Verification of Mortgage Loans, Home Equity Loans and Property Taxes.* Applicants must provide verification that they are not delinquent on the home's property taxes, or on any mortgage or home equity loans related to real estate for which the HREE Grant is being requested. As such, Applicants must provide:

SFC CLERK RECORDED 06/06/2024

Exhibit A

- i. A tax certificate issued by the Santa Fe County Treasurer's Office for the home; and
  - ii. Copies of the most current mortgage or home equity loan account statements for the home.
6. *Statement of Need for the HREE Eligible Project.* The Applicant shall provide a statement of need for the project. The statement of need shall contain the following elements:
  - i. An explanation of the home's deficiencies and the nature and scope of work for the HREE Eligible Project being requested pursuant to these Regulations.
  - ii. A statement identifying how the HREE Eligible Project will:
    1. ensure the home's long-term livability,
    2. mitigate substandard living conditions,
    3. provide for a reduction in housing costs through decreases in long term utility expenses,
    4. address residential hazards that pose a risk to the health and safety of home's occupants, and/or
    5. allow for equitable access to the home by current occupants based on disability status.
7. *Affordable Landlords.* If an Applicant is claiming status as an Affordable Landlord, the Applicant must also submit verification of the current tenant, which shall include:
  - i. A copy of the tenant's current lease agreement, and
  - ii. A copy of the tenant's current housing voucher or certification letter from the entity or agency issuing rental assistance on the tenant's behalf verifying their participation in the rental assistance program.
8. *Proof of Primary Residency for Affordable Homeowners.* If an Applicant is claiming status as an Affordable Homeowner, the Applicant must provide proof the home for which HREE Grant assistance is being requested is the Applicant's primary place of residence, which shall include:
  - i. A copy of the Applicant's current New Mexico Driver's License or Identification Card, and
  - ii. Copies of two current utility billings.

**Section 11. Review of Applications and Verification of Qualified Homes.**

- A. The County's Office of Affordable Housing shall review all initial Applications to ensure the Applicant meets baseline qualifying criteria as an Affordable Homeowner or Affordable Landlord. All relevant documentation shall be reviewed by the County, including the Applicant's ability to fund all or a portion of the project independent of financial assistance from the County.
- B. The following include HREE eligible housing types:
  1. Single family homes;

SFC CLERK RECORDED 06/06/2024

Exhibit A

2. Townhomes;
  3. Condominiums;
  4. Accessory Dwelling Units;
  5. Mobile or modular homes that are fixed to a permanent foundation and are assessed by the Santa Fe County Assessor's Office as real property.
- C. The County, or their designee, shall subsequently complete a needs assessment of the Applicant's home, complete any necessary testing and assess residential deficiencies.
- D. Once testing and assessment results have been completed, the County or its designee will complete a finalized scope of work and cost estimate for the HREE Eligible Project.
- E. If the County has determined a HREE Eligible Project is necessary for the Applicant's home, the home will be determined to be a Qualified Home, and the Application will proceed to the HREE Review Committee.

**Section 12. Underfunded HREE Eligible Projects.**

- A. If the County's, or its designee's, cost estimate for the HREE Eligible Project exceeds the maximum allowable award amount pursuant to these Regulations, the County's Office of Affordable Housing will notify the Applicant. In this situation, the Applicant can:
- a. Request an amendment to the scope of work that allows the project cost estimate to fall within the maximum allowable grant award, so long as that amendment does not significantly diminish the nature of the project in a manner that would not remedy the Qualified Home's deficiencies; or
  - b. Provide for an additional source of funding to complete the scope of work in its entirety.
- B. If the Applicant chooses to finance the project with additional sources of gap financing, the Applicant must provide proof to the County's Office of Affordable Housing that such financing has been secured prior to evaluation by the HREE Review Committee, and said funding must be provided to the project contractor, in full, prior to the execution of the Affordable Mortgage, Note and Affordability Agreements.

**Section 13. HREE Evaluation Committee.**

- A. The HREE Evaluation Committee will be comprised of 3 voting members and 1 alternate member, as appointed by the Santa Fe County Manager or their designee.
- B. The HREE Evaluation Committee will review and assess all completed HREE Applications, including:
1. The HREE Application Form and all required verification documents provided by the Applicant;
  2. Any relevant testing documentation provided by the County or its designee;
  3. The final scope of work and cost estimate as determined by the County or its designee.

SFC CLERK RECORDED 06/06/2024

Exhibit A

- C. The HREE Review Committee will subsequently make recommendation on the approval or denial of HREE Grant Awards.

**Section 14. Notice of HREE Award.**

- A. Following evaluation by the HREE Review Committee, the Applicant will be provided written notice by the County confirming or denying their status as a Qualified Grantee. This notice will be written on a form approved by the County and will confirm:
1. The Applicant's status as Qualified Grantee;
  2. The status of a unit as a Qualified Home;
  3. The final scope of work for the project, including all eligible project elements; and
  4. The final cost estimate and project budget.

**Section 15. Compliance - Affordability Agreements and Affordable Mortgages and Notes.**

- A. *Affordability Agreements.* Each HREE Grantee shall execute an Affordability Agreement or other restrictive agreement, as prescribed by the County Attorney, which conforms to the Act, Rules, MFA requirements, Ordinance and these Regulations. Minimally, the Affordability Agreement shall include:
1. The HREE Grantee will maintain the Qualified Home under their ownership and as their primary residency for the duration of the Affordability Period;
  2. If the Qualified Home is leased, notice of the intent to lease shall be made to the County, and the County or its designee shall verify that the proposed tenant is receiving Federal, State or Local rental subsidy through a voucher program or other form of rental assistance for the duration of the associated Affordability Period;
  3. If the property is transferred to another party through sale or other means, the County will be notified prior to the transfer to determine if the transferee meets the income qualifications of the Act, Act Rule, Ordinance and these Regulations, and to determine if the Affordable Mortgage and Note can be assumed by the transferee, or if the proposed transfer will require repayment of grant funds;
  4. Contractors assigned to complete HREE Eligible Projects, including needs assessments, testing and construction, will be procured by the County or its designee;
  5. Financial assistance provided through the HREE Grants will be provided directly to the contractor for work completed on the HREE Eligible Project following the evaluation of the any relevant post construction inspection reports and punch lists;
  6. Failure to comply with the terms of the Act, Rules, Ordinance or these Regulations will result in default of the terms of the Affordability Agreement, and such default shall require repayment of the HREE Grant funds; and

SFC CLERK RECORDED 06/06/2024

Exhibit A

7. Shall include processes related to the release of the Affordable Mortgage and Note following the termination of the Affordability Period or repayment of the HREE Grant Funds.
- B. *Affordable Mortgages and Notes.* Each HREE Grant shall be secured by an Affordable Mortgage and Note on the real estate for which the HREE Grant was issued in the amount of the total grant award. The terms for the Affordable Mortgages and Notes shall coincide with the required Affordability Period. Affordable Mortgages and Notes shall be duly recorded following their execution.

**Section 16. Environmental Reviews.**

- A. If the HREE Eligible Project is funded in whole or in part with funding from the Federal Government, an environmental review may be required in accordance with 24 CFR Part 50, 24 CFR Part 58 or other applicable section of the Federal Code of Regulations. All environmental reviews must be completed by a Responsible Entity, which can include a division of Local Government or MFA. All environmental reviews must be completed by the Responsible Entity prior the execution of the Affordable Mortgage and Note and authorization for the use of federal funds.

**Section 17. Procurement and Selection of HREE Contractors.**

- A. *State of New Mexico Procurement Code Compliance.* All contract awards related to the completion of the needs assessments, testing and project construction shall be completed in accordance with the State of New Mexico Procurement Code. Such procurements shall be conducted by the County or their designee.
- B. *HREE Contractor Requirements.* All HREE Contractors shall be bonded and insured, and shall provide the County verification of such, to include copies of their active business license. If the contractor is completing work on the HREE Eligible Project related to residential construction, a copy of the contractor's applicable contracting license shall also be provided. The contractor must also be willing to accept the terms of County payment for the HREE Eligible Project.
- C. *Selection of Contractor.* The County or its designee shall issue a procurement for qualified vendors to perform the services of the HREE Program. Such procurement can include a single or multiple awards for HREE Contracting Services. Only HREE Eligible Contractors awarded a contract through the County procurement process shall be eligible to complete HREE Eligible Projects.

**Section 18. Execution of Project.**

- A. *Project Management and Notices to Proceed.* The County, or its designee, shall manage and oversee the HREE Eligible Project and issue a Notice to Proceed to initiate project

SFC CLERK RECORDED 06/06/2024

Exhibit A

construction. The County, or its designee, shall work with the Qualifying Grantee and the HREE Contractor in relation to project scheduling and execution.

- B. *Change Orders.* Any change orders related to the HREE Eligible Project shall be reviewed by the County, or its designee, and must be approved by the County prior to approval. Additional work related to change order requests shall be related to unforeseen circumstances and must be related to the original nature of the HREE Eligible Project. However, in no circumstance shall the change order be approved to exceed the maximum allowable grant amount of \$50,000.00 and shall not increase the total project costs by more than ten percent (10%).
- C. *Payment of Invoices.* All invoices related to HREE Eligible Project shall be provided to the County or its designee for evaluation. The County or its designee shall confirm that invoices for work completed coincide with the authorized scope of work.
- D. *Notice of Substantial Completion and Walkthrough.* The HREE Contractor shall provide the County, or its designee, notice when the HREE Eligible Project has reached substantial completion. The County, or its designee, shall subsequently completed a walkthrough of the project and complete a final punch list with the HREE Contractor.
- E. *Project Inspections.* If the HREE Eligible Project requires final inspection from a Division of Local Government, public or private utility company, or the State of New Mexico Constructions Industries Division, that inspection report must be provided to the County for evaluation prior to the issuance of final payment.

**Section 19. Project Closeout.**

- A. *Certification of Completion.* Following the issuance of final payment, the County shall issue the Qualified Grantee a Certificate of Project Completion. The issuance of the Certificate of Project completion shall confirm that all authorized work pursuant to the HREE Eligible Project has been completed and final payment has been issued.
- B. *Warrantees.* All warrantees provided by the contractor for work completed shall be in the name of the Qualified Grantee. The County shall not maintain, or otherwise make claims, for warrantees related to HREE Eligible Projects. It shall be the responsibility of the Qualified Grantee to maintain warrantees and to make warrantee claims for work completed following the issuance of the Certification of Completion.
- C. *Release of Affordable Mortgages and Notes.* The County or its designee shall monitor all HREE Grant Awards issued pursuant to these Regulations, and shall issue a Release of Mortgage following the expiration of the Affordability Period or after confirming receipt of payment for the principal balance of the HREE Grant amount.

**Section 20. Program Evaluation and Additional Guidance.**

- A. *Evaluation of HREE Program Regulations.* Periodically, but no less than once annually, the County's Office of Affordable Housing shall evaluate these Regulations to ensure the effective execution of the HREE Program. The County shall evaluate market data and

SFC CLERK RECORDED 06/06/2024

Exhibit A

relevant information related to HREE Eligible Projects, and shall make recommendations on changes to these Regulation to the Board of County Commissioners, if required.

B. *Additional Guidance and HREE Eligible Project Guidebooks.* The County's Office of Affordable Housing shall adopt and publish supplemental information and additional administrative guidance related the HREE Program through the creation of HREE Eligible Project Guidebooks. These Guidebooks shall be made available to the general public and shall outline the details and requirements of the various sub-components of the HREE Program, including:

1. Construction standards for HREE Eligible Projects,
2. Testing requirements for Hazard Mitigation projects,
3. Types of remediation systems allowable under the HREE Program,
4. Potential requirements of energy audits, and
5. Energy efficiency standards for HREE Eligible Project costs.

These Guidebooks shall be created in accordance with current industry standards and best practices, and shall be reviewed and updated no less than once annually to ensure their consistency with current market conditions, new technologies and current industry standards. Information contained in the Guidebooks shall not supersede or contradict the provisions of these Regulations.

SFC CLERK RECORDED 06/06/2024