



# City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909  
www.santafenm.gov

*Alan Webber, Mayor*

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1  
Alma G. Castro, District 1  
Michael J. Garcia, District 2  
Carol Romero-Wirth, District 2  
Lee Garcia, District 3  
Pilar F.H. Faulkner, District 3  
Jamie Cassutt, District 4  
Amanda Chavez, District 4

**DATE:** September 4, 2025

**TO:** Mayor Alan M. Webber and Committees:  
Quality of Life, Finance, and Governing Body

**FROM:** Terry Lease, Asset Development Manager

TJL

**VIA:** Johanna Nelson, Office of Economic Development, Director

JN

**ISSUE:** Disposition of Property Known as Las Estrellas Tract 6A

**ITEM AND ISSUE:**

The Office of Economic Development, Asset Development, respectfully requests your review and approval of a Donation Agreement between the City of Santa Fe and Homewise, a private, not-for-profit, New Mexico Corporation, to donate Las Estrellas Tract 6A for development as affordable housing. (Terry Lease, Asset Development Manager, tjlease@santafenm.gov).

**BACKGROUND AND SUMMARY:**

On January 25, 2023 the Governing Body approved Resolution 2023-4 that, among other things, adopted a strategy for donating or selling a property identified as Las Estrellas Tract 6A for an affordable housing project. The resolution provided for the removal of Tract 6A from the Las Estrellas Residential Covenants (“Residential Covenants”), or to limit assessments for Tract 6A to support greater affordability. On January 31, 2025 City entered into a Professional Services Agreement with Attorney Garrison to act as declarant for the City.

As provided for in the resolution, a request for qualifications was drafted and issued in December of 2023 by the Office of Affordable Housing. RFQ submissions were received and scored by a panel of City staff. In March 2024 the Homewise submission was identified and selected as the finalist based on the evaluation criteria in the RFQ, and negotiations of a donation agreement began shortly thereafter. Negotiations for the terms of the donation agreement concluded in March of 2025.

This Donation Agreement, if approved, requires Homewise to: obtain approval of a development plan from the Planning Commission or other required City entities, secure all land use entitlement approvals required to develop the site, adhere to the Las Estrellas Master Plan, and include deed restrictions that assures an affordability period of no less than 45-years. Homewise will also be required to comply with the City of Santa Fe Land Use Code, and other applicable local, state and federal regulations. The Donation Agreement incorporates the RFQ and the Homewise RFQ submission.

**ACTION:** Approval of a Donation Agreement between the City and Homewise for the donation of Las Estrellas Tract 6A for development as an affordable housing project.

**PRIOR APPROVALS AND SUPPORTING INFORMATION:**

**FUNDING SOURCE:**

**Fund Name/Number:** None - Donation

**Munis Org Name/Number:**

**Munis Object Name/Number:** *Andy Hopkins*

**Budget Officer / Designee:** \_\_\_\_\_ **Date:** 09/08/2025

**Budget Officer Comment/Exceptions:** \_\_\_\_\_

**ATTACHMENTS:**

1. Donation Agreement
2. Resolution

**REAL ESTATE DONATION AGREEMENT**

This REAL ESTATE DONATION AGREEMENT (“**Agreement**”) is made and entered into as of the date of the last signature (“**Effective Date**”), by and between the CITY OF SANTA FE, a municipality chartered under the laws of New Mexico, (“**City**” or “**Donor**”) and HOMEWISE, a private, not-for-profit, New Mexico Corporation (“**Donee**”), collectively the “**Parties**”.

**WHEREAS**, a City may donate land or money for the construction, renovation, or purchase of affordable housing pursuant to NM Const. Art. IX, Section 14 and NMSA 1978, Section 6-27-1, et seq.; and

**WHEREAS**, it is the policy of the City to provide incentives and encourage proposals that support the production, acquisition and redevelopment of affordably priced homes in mixed income developments; and

**WHEREAS**, Donor is the fee simple owner of Tract 6A in the Las Estrellas Subdivision, Santa Fe, NM (“**Site**”), and on January 25, 2023, the City’s Governing Body approved Resolution 2023-4, as amended (“**Resolution 2023-4**”), that provides for, among other things, donating or selling the Site to a developer certified as a “Qualifying Grantee” under the New Mexico Affordable Housing Act. The resolution also provided for the sale of 7-tracts of undeveloped land in the same subdivision (“**7-tracts**”); and

**WHEREAS**, the Site and 7-tracts are all subject to: 1) Residential Declaration of Covenants, Conditions, and Restrictions (“**Residential Covenants**”); 2) Non-Residential Covenants, Conditions, and Restrictions (“**Non-Residential Covenants**” and, collectively, (“**Covenants**”); and 3) the Las Estrellas Master Plan (“**Master Plan**”), which governs the area’s zoning, density, minimum requirements for affordable housing, and the location of open spaces; and

**WHEREAS**, the City as “Declarant” under the Covenants affecting the Site and 7-Tracts has the right to release and remove Site from the Residential Covenants, but not the Non-Residential Covenants; and

**WHEREAS**, the Site is the subject of the Request for Qualifications (“**RFQ**”), identified as “RFQ # Tract 6A 23-02”, which was released on December 11, 2023; and

**WHEREAS**, Donee submitted a submission to the RFQ, and the Evaluation Committee subsequently selected the Donee based on the cumulative score on the evaluation criteria in the RFQ as a development partner, and eventual owner of the Site, which decision will be presented to the Governing Body for consideration and potential approval; and

**WHEREAS**, the sale or donation of the Site conforms to the City’s Five-Year Strategic Housing Plan “Affordable Housing Element,” which was adopted in conformance to the Affordable Housing Act by Ordinance No. 2007-23 pursuant to the express statutory authority conferred upon municipalities to enact a housing code in NMSA 1978, Section 3-17-6(A)(7); and

**WHEREAS**, the City of Santa Fe acknowledges the Donee as a "Qualified Grantee" for purposes of local affordable housing ordinances and compliance with the New Mexico Affordable Housing Act; and

**WHEREAS**, Resolution 2023-4 requires that the City to retain its rights and duties as Declarant under both the Covenants and Master Plan until such time that Donee notifies Donor to either remove the Site from the Covenants prior to selling the 7-tracts, or the City shall request the Las Estrellas Residential Association Board and master Association Board limit assessments of the Site, which may affect or delay the closing of the sale of the 7-tracts; and

**WHEREAS**, Donee submitted written notice to the Donor to the RFQ manager on March 11, 2024, requesting the City remove Tract 6A from the Residential Covenants in order to meet the 40% affordability commitment in the Donee's RFQ submission.

**WHEREAS**, this is an "arm's length" transaction, and no identity of interest exists between the Donor and the Donee, their staff, board of directors, or elected officials; and

**WHEREAS**, Donee acknowledges that the City has no obligations or responsibilities with regard to development of the Site other than the transfer of the Site for those purposes.

**Now therefore, it is agreed as follows:**

**1. SITE**

The Site is identified as Tract 6A of the Las Estrellas Subdivision in Santa Fe, New Mexico, containing approximately 19.736 acres of undeveloped land, and is depicted in the attached Exhibit A and further described in the attached **Exhibit A1 ("Site")**. The Site is located immediately south of Veteran's Memorial Highway (NM 599) on Ridgetop Road. It is part of the Las Estrellas community, which is zoned as a Planned Residential Community (PRC).

**2. DONOR'S OWNERSHIP**

Donor represents that it is the sole fee simple owner of the Site and has all necessary authority to sell or donate the Site. There are no other contracts for sale or options involving the Site and no other party has any right, title, or interest in the Site and there are no leases affecting or relating to the Site. Between the date Donor executes this Agreement and the Settlement, Donor shall not subject the Site to or consent to any leases, liens, encumbrances, covenants, conditions, restrictions, easements, rights of way, or agreements, or take any other action affecting or modifying the status of title or otherwise affecting the Site without the written consent of the Donee.

**3. EFFECTIVE DATE**

The date upon which this Agreement shall be finally executed by the authorized representative of Donee and Donor shall be the effective date ("Effective Date") hereof.

**4. REQUIREMENTS OF DONEE**

A. Donor hereby agrees to convey to Donee and Donee hereby agrees to accept the donation from Donor, and Donee agrees to complete the following conditions within five (5) years of the execution of this agreement:

- i Donee shall successfully obtain approval of its development plan from the Planning Commission or other required City entity;
  - ii Donee shall secure all land use entitlement approvals required to develop the Site;
  - iii Subject to approval by Donor, Donee shall submit a Proof of Funds letter issued by an FDIC insured bank, investment bank, or other financial institution as proof of having obtained all financing needed to accomplish the project, or that Donee has the monetary resources to cover all costs;
- B. Donee has executed a Quitclaim Deed from Donee to Donor, included in this document as **Exhibit B** (the “Donee Deed”), conveying back to Donor all interest in the donated real estate and any improvements thereon if Donee does not complete the requirements in Section 4A of this Agreement within five (5) years of the execution of this Agreement. Said deed shall be escrowed by the Donor in case of default of any of said requirements, which will trigger formal notice of default, which shall be delivered by Donor to Donee (the “Default Notice”). Donee shall have thirty (30) days after delivery of the Default Notice to cure the default; or, if the cure requires more than thirty (30) days, Donee shall not be in default if Donee immediately initiates steps to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical, but in no event later than ninety (90) days after delivery to Donee of the Default Notice. In the event Donee fails to cure the default within the applicable time period set forth in the immediately preceding sentence, at which time the Donee Deed shall be filed by Donor into the real estate record of the Santa Fe County Clerk, effectively terminating this Real Estate Donation Agreement and vesting title to Site back to Donor.

Donee, as the Donor’s agent under Section 26-1.18 (“Affordability controls on SFHP homes; rental prohibition”), shall at all times comply with the City of Santa Fe Homes Program requirements and processes for imposing and administering affordability liens, including dedicating any funds ever received for repayment of an affordability lien entered into pursuant to this Agreement to the purposes approved for the City’s Affordable Housing Trust Fund. At the time of this Agreement, those purposes are (i) donating, provide or pay all, or a portion, of the costs of land for the construction on the land of affordable housing; (ii) donating, provide or pay all or a portion of the costs of conversion or renovation of existing buildings into affordable housing; (iii) providing or pay the costs of financing or infrastructure necessary to support affordable housing projects; or (iv) providing or pay all or a portion of the costs of acquisition, development, construction, financing, operating or owning affordable housing.

**5. REQUIREMENTS OF DONOR**

As the Donee provided written notice to Donor to remove the Site from the Residential Covenants to meet the affordability criteria in the RFQ, Donor as Declarant under the Covenants, or Donor’s representative shall;

- A. Release and remove the Site from the Residential Covenants within 90 days of the effective date of this agreement.
- B. If Donor, or Donor’s representative, has not successfully completed A, above, within 90-days of the Effective Date, Donee may either:
  - i. Terminate this Agreement by providing written notice to Donor.
  - ii. Extend Donor’s time period to perform 5.A. above, by written agreement, with successive automatic 90-day renewals. Such automatic renewals shall continue until

- written notice from Donee to Donor is received terminating said automatic renewals.
- iii. Donee, with written notice to Donor, may withdraw Donee's request to remove the Site from the Residential Covenants.

## **6. ACTIONS OR SUITS**

Unless set forth by Donor in an attachment to this Agreement, Donor warrants and represents that there are no actions or suits in law or equity or proceedings by any governmental agency now pending or, to the knowledge of the Donor, threatened against Donor in connection with the Site, and there is no outstanding order, writ, injunction, or decree of any court or governmental agency affecting the Site.

## **7. PROFFERS AND COMMITMENTS.**

Donor represents there has not been made and will not be made, without Donee's prior written consent, any proffers or other commitments relating to the Site, which would impose any obligation on Donee or its successors and assigns, after Settlement as described in Paragraph 9, below, to make any contribution of money or dedications of land or to construct, install, or maintain any improvements of a public or private nature on or off the Site.

## **8. OTHER AGREEMENTS.**

Donor warrants and represents that the execution and delivery of this Agreement, the completion of the transaction(s) contemplated hereby, and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, or conflict with, any agreement, indenture, or other instrument to which Donor is a party or by which it or the Site is bound, or any judgment, decree, order, or award of any court, governmental body, or arbitrator, or any law, rule, or regulation applicable to Donor.

## **9. SETTLEMENT.**

- a. Settlement and delivery of possession shall be within forty-five (45) business days of execution of this Agreement, allowing a reasonable time for preparation of documents ("Settlement"). Settlement shall be held at the offices of Stewart Title Company, as the "Settlement Agent", or at such other place as the parties may agree. Donor shall deliver to Donee, at Settlement, a fully executed Deed, conveying the Site in fee simple to Donee ("Deed"). Donee will pay for all costs associated with the closing.
- b. Donor shall deliver to Donee at Settlement an affidavit, on a form acceptable to Donee or Donee's title insurance company, signed by Donor, that no labor or materials have been furnished to the Site within the statutory period for the filing of mechanics' or materialmen's liens against the Site, or if labor or materials have been furnished during the statutory period, an affidavit that the costs thereof have been paid in full.
- c. Donor agrees to deliver to Donee or Settlement Agent the following at or prior to Settlement:
  - (i) The fully executed Special Warranty Deed, see example as **Exhibit C**;
  - (ii) The signed closing or settlement statement prepared or approved by Settlement Agent;  
and
  - (iii) Any other documents reasonably required by Settlement Agent or Donee.
- d. Donee agrees that 40% of all units built on the Site will be sold at an affordable price to low-and-moderate income households ("affordable homes"). Donee agrees to record a Land Use Restriction Agreement on the property substantially in the form of **Exhibit D** that will ensure an affordability period of no less than forty-five years for the affordable homes. The LURA shall be

recorded when the specific lots that the affordable homes will be located on have been identified.

**10. TITLE.**

The Site shall be conveyed free from all mortgages, deeds of trust, liens, security interests, and other financial encumbrances.

**11. EXPENSES OF SETTLEMENT.**

- a. Donee shall pay for its own attorney's fees as well as other charges customarily paid by a Donee of real estate in New Mexico.
- b. Donee shall pay for the preparation of any documents it is required to provide hereunder, and its own attorney's fees as well as other charges customarily paid by a Donor of real estate in New Mexico.
- c. All real estate taxes, assessments, utility charges, and rent, if any, shall be prorated as of the date conveyance is executed.

**12. USE OF SITE.**

Donee shall use the Site solely for the purpose of developing for sale housing, of which 40% of units will be sold to low-to-moderate income households, as provided for in the RFQ and RFQ Submission.

**13. DEFAULT.**

In the event of any default, the non-defaulting party shall be entitled to pursue any remedies at law or inequity in connection with the default of the other party. The election to terminate this Agreement under the terms hereof shall not constitute a default.

**14. PRIOR AGREEMENTS MERGER.**

This Agreement supersedes any and all prior understandings and agreements between the parties and constitutes the entire agreement between them. No representations, warranties, conditions, or statements, oral or written, not contained herein shall be considered a part hereof. This Agreement may not be amended, altered, or modified except by an instrument in writing signed by the party sought to be charged therewith.

**15. NOTICES.**

Any notices required or permitted to be given hereunder shall be deemed to have been properly given if sent by United States certified or registered mail, return receipt requested, postage prepaid, or if delivered in hand, as follows:

If delivered or mailed to

Donor:

City of Santa Fe  
Attn. City Attorney's Office  
PO Box 909  
Santa Fe, NM 87504-0909

With a copy to: City of Santa Fe  
Attn. Asset Development Manager  
PO Box 909  
Santa Fe, NM 87504-0909

Donee: Homewise, Inc.  
Attn. Ms. Lisa Huval  
500 2nd Street  
Albuquerque, NM 87102

**16. GOVERNING LAW.**

Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all terms and provisions hereof shall be construed and enforced in accordance with the laws of the STATE OF NEW MEXICO.

**17. CERTIFICATES AND DOCUMENTS INCORPORATED.**

The following certificates and documents are incorporated herein to the extent they are consistent with the terms and conditions of this Agreement:

- a. RFQ # Tract 6A 23-02.
- b. Donee RFQ submission dated January 29, 2024.
- c. Donee written notice to request that Tract 6A be removed from Residential Covenants to meet the affordability threshold in the RFQ submission.

**18. MISCELLANEOUS.**

Subject to the provisions hereof, this Amended Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors, and permitted assigns. No assignment of this Amended Agreement shall be permitted except with the written consent of the other party, which consent shall not be withheld unreasonably. The warranties, representations, and terms of this Amended Agreement shall survive delivery of the Deed and shall not be merged therein.

**19. EXECUTION OF CONVEYANCE.**

The approval and execution of this Donation Agreement grants the authority to fully execute the conveyance of the property via Deed by the Mayor.

*[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]*  
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]





# EXHIBIT A To the Donation Agreement

**NOTES:**

1. THIS PLAN IS A PRELIMINARY PLAN AND IS NOT TO BE USED FOR CONSTRUCTION OF ANY IMPROVEMENTS UNLESS THE CITY OF SANTA FE APPROVES THE PLAN AND THE CITY ENGINEER ISSUES A PERMIT TO CONSTRUCT.
2. THE CITY OF SANTA FE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED IN THIS PLAN.
3. THE CITY OF SANTA FE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED IN THIS PLAN.
4. THE CITY OF SANTA FE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED IN THIS PLAN.
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8. THE CITY OF SANTA FE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED IN THIS PLAN.
9. THE CITY OF SANTA FE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED IN THIS PLAN.
10. THE CITY OF SANTA FE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED IN THIS PLAN.

**FLOOD ZONE NOTE:**

THE CITY OF SANTA FE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED IN THIS PLAN.

*Lot Split of*

**"S.W. Part Remainder" Tract**  
Las Estrellas Subdivision  
**TRACT 5C, TRACT 5D,  
TRACT 5E & TRACT 6A**

Proposed Sections 11, 12, 13 & 14  
T. 17 N., R. 9 E., S. 10 E. M. 10  
Santa Fe County, City of Santa Fe and the  
County of Santa Fe, New Mexico

Section 11: 0.00 Acres  
 Section 12: 0.00 Acres  
 Section 13: 0.00 Acres  
 Section 14: 0.00 Acres  
 Total: 0.00 Acres

SHEET 1 OF 2  
 A. S. L. (10/10/10) 10/10/10

**HIGH DESEIT SURVEYING, INC.**  
PROFESSIONAL SURVEYING

**DEVELOPER/AGENT:**

*City of Santa Fe*

**CITY OF SANTA FE REVIEW:**

*[Signature]*

**UTILITY SIGNALMAN:**

*[Signature]*

**Site**

**UTILITY SIGNALMAN:**

*[Signature]*

**DEVELOPER/AGENT:**

*City of Santa Fe*

**CITY OF SANTA FE REVIEW:**

*[Signature]*

**UTILITY SIGNALMAN:**

*[Signature]*

**Site**

**UTILITY SIGNALMAN:**

*[Signature]*

**DEVELOPER/AGENT:**

*City of Santa Fe*

**CITY OF SANTA FE REVIEW:**

*[Signature]*

**UTILITY SIGNALMAN:**

*[Signature]*

**Site**

**UTILITY SIGNALMAN:**

*[Signature]*



**EXHIBIT A1**  
**To the Donation Agreement**

**“TRACT 6A”**

A CERTAIN PARCEL OF LAND KNOWN AS “TRACT 6A”, CONTAINING 19.736 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 11 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON “LOT SPLIT OF THE SOUTHWEST PART REMAINDER TRACT, LAS ESTRELLAS SUBDIVISION, TRACT 5C, TRACT 5D, TRACT 5E & TRACT 6A”, PREPARED BY DEAN SHRADER, NMPS, 12451, AND RECORDED ON OCTOBER 4, 2007, IN PLAT BOOK 665, PAGES 47-48, AS INST. #1501993, RECORDS OF SANTA FE COUNTY, NEW MEXICO.



ACCEPTANCE by the CITY OF SANTA FE, of donation of real estate.

CITY OF SANTA FE

\_\_\_\_\_  
ALAN M. WEBBER, MAYOR

ATTEST:

\_\_\_\_\_  
ANDRÉA SALAZAR, CITY CLERK

**ACKNOWLEDGMENT**

STATE OF NEW MEXICO            )  
  )ss.  
COUNTY OF SANTA FE            )

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ by Alan M. Webber, Mayor of the City of Santa Fe.

Seal:

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**EXHIBIT A (to EXHIBIT B)**  
**Special Warranty Deed from Donee to Donor**

A parcel of land lying and being situate within the municipal limits of the City and County of Santa Fe, State of New Mexico, being more particularly described as follows:

**“TRACT 6A”**

**A CERTAIN PARCEL OF LAND KNOWN AS “TRACT 6A”, CONTAINING 19.736 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 11 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON “LOT SPLIT OF THE SOUTHWEST PART REMAINDER TRACT, LAS ESTRELLAS SUBDIVISION, TRACT 5C, TRACT 5D, TRACT 5E & TRACT 6A”, PREPARED BY DEAN SHRADER, NMPS, 12451, AND RECORDED ON OCTOBER 4, 2007, IN PLAT BOOK 665, PAGES 47-48, AS INST. #1501993, RECORDS OF SANTA FE COUNTY, NEW MEXICO.**





**EXHIBIT A (to EXHIBIT C)**  
**Sample Quitclaim Deed**

A parcel of land lying and being situate within the municipal limits of the City and County of Santa Fe, State of New Mexico, being more particularly described as follows:

**“TRACT 6A”**

**A CERTAIN PARCEL OF LAND KNOWN AS “TRACT 6A”, CONTAINING 19.736 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 11 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON “LOT SPLIT OF THE SOUTHWEST PART REMAINDER TRACT, LAS ESTRELLAS SUBDIVISION, TRACT 5C, TRACT 5D, TRACT 5E & TRACT 6A”, PREPARED BY DEAN SHRADER, NMPS, 12451, AND RECORDED ON OCTOBER 4, 2007, IN PLAT BOOK 665, PAGES 47-48, AS INST. #1501993, RECORDS OF SANTA FE COUNTY, NEW MEXICO.**

**EXHIBIT D**  
**To the Donation Agreement**  
**Land Use Restriction Agreement (LURA)**

**DECLARATION OF**  
**AFFORDABLE HOUSING**  
**RESTRICTIVE COVENANT**

- I. This Land Use Restriction Agreement (“LURA”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and between the City of Santa Fe, a New Mexico municipal corporation (“the City”), and Homewise, Inc., a New Mexico Nonprofit Corporation (“Donee”).
- II. The City has donated to Donee the Property described below for the purpose of construction by Donee of for-sale housing units (“Units”). The City requires the Donee to restrict the use of such property pursuant to the terms hereof as a condition of donating the property. Therefore, in consideration of the donation from the City to the Donee, the Donee agrees that the real estate located in the County of Santa Fe State of New Mexico and more specifically described on Exhibit A hereto (the “Property”) is subject to the following restrictions:
- i. The original homebuyers of the homes built on the lots listed in Exhibit A shall be persons or households of low or moderate income within the meaning of New Mexico Statutes Annotated Chapter 6, Article 27 and consistent with Santa Fe City Code Chapter 26 (“Eligible Homeowner”).
  - ii. The City will deliver to Donee a release of this LURA with respect to each Unit on or before the date of the sale of the Unit.
  - iii. Upon sale of a Unit to an eligible homebuyer the Donee shall place a lien on the Unit via a subordinate mortgage and note signed by the eligible homebuyer(s) that shall:
    - a. Be approved as to form by the Donor.
    - b. Be equal to the difference between the appraised value of the Unit or 95% of the appraised value of the Unit and the effective affordable price for the homebuyer.
    - c. Be non-amortizing and carry a rate of zero percent interest
    - d. Establish an affordability period of no less than 45 years.
    - e. Require that if the eligible homebuyer sells the home prior to the expiration of the affordability period, Homewise shall have the right of first refusal to purchase the home for a formula price and, if Homewise does not exercise its right of first refusal, then the Donor may exercise the right. If neither Homewise nor the Donor exercise the right of first refusal, then the lien shall require that the eligible homebuyer make a good faith attempt to sell the home to another income qualified buyer approved by Homewise or the Donor and the income qualified buyer shall assume the lien. The lien shall further state that if the eligible homebuyer is unable to find another income qualified buyer, the lien shall be repaid to Homewise, dedicated to the approved purposes for the City’s Affordable Housing Trust Fund. At the time of this Agreement, those purposes are (i) donating, provide or pay all, or a portion, of the costs of land for the construction on the land of affordable housing; (ii) donating, provide or pay all or a portion of the costs of conversion or renovation of existing buildings into affordable housing; (iii) providing or pay the costs of financing or infrastructure necessary to

support affordable housing projects; or (iv) providing or pay all or a portion of the costs of acquisition, development, construction, financing, operating or owning affordable housing.

f. Require the buyer to complete the Questionnaire adopted in Appendix E of the City of Santa Fe Administrative Procedures, as updated, assessing the effectiveness of the Santa Fe Homes Program.

III. This LURA is for the benefit of, and is enforceable by, the City.

IV. This LURA shall run with the land and expire on the date that is 45 years after the date of recordation of this LURA in the records of Santa Fe County, New Mexico or when the LURA is released as described in section II.ii, whichever is soonest, at which point this LURA shall be of no further force or effect with no further action being required of the City, Donee or any then owner of any portion of the Property.

**BY:**

CITY OF SANTA FE

\_\_\_\_\_  
ALAN M. WEBBER, MAYOR

ATTEST:

\_\_\_\_\_  
ANDRÉA SALAZAR, CITY CLERK

**ACKNOWLEDGMENT**

STATE OF NEW MEXICO            )  
  )ss.  
COUNTY OF SANTA FE            )

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ by Alan M. Webber, Mayor of the City of Santa Fe.

Seal:

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_



**EXHIBIT A (to EXHIBIT D)**  
**Donation Agreement Land Use Restriction**

A parcel of land lying and being situate within the municipal limits of the City and County of Santa Fe, State of New Mexico, being more particularly described as follows:

**[List specific lots that affordable homes will be located on. Number of specific lots must equal 40% of total units that will be built].**

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2023-4**

3 **INTRODUCED BY:**

4  
5 Councilor Michael Garcia

6 Councilor Renee Villarreal

7 Mayor Alan Webber

8  
9  
10 **A RESOLUTION**

11 **ADOPTING A STRATEGY FOR DONATING OR SELLING, AT BELOW-MARKET**  
12 **VALUE, A PROPERTY IDENTIFIED AS “LAS ESTRELLAS TRACT 6A” TO A**  
13 **DEVELOPER CERTIFIED AS A “QUALIFYING GRANTEE” UNDER THE NEW**  
14 **MEXICO AFFORDABLE HOUSING ACT TO DEVELOP SANTA FE HOMES**  
15 **PROGRAM HOMES, LOW-PRICED DWELLING UNITS, OR UNITS PRICE-**  
16 **RESTRICTED THROUGH ANOTHER AFFORDABLE HOUSING SUBSIDY; AND**  
17 **APPROVING AN ANNOUNCEMENT TO SELL THE REMAINING SEVEN LAS**  
18 **ESTRELLAS LOTS WITH A LOCAL PREFERENCE.**

19  
20 **WHEREAS**, it is a policy goal of the City of Santa Fe (“City”) to provide incentives and  
21 encourage proposals that support the production, acquisition, and redevelopment of affordably  
22 priced homes in mixed-income developments; and

23 **WHEREAS**, according to Santa Fe Housing Act Coalition, market-rate rents in Santa Fe  
24 have increased by almost 50% since 2014, and 65% of Santa Fe renters cannot afford the median  
25 priced home; and

1           **WHEREAS**, according to the Santa Fe Association of Realtors’ Summer 2022 quarterly  
2 property statistics report, the median sales price in Santa Fe increased over 20% since 2021; and

3           **WHEREAS**, on December 17, 2019, the City and Santa Fe Estates, Incorporated, a New  
4 Mexico corporation (“Santa Fe Estates”) terminated a 90-year-old development and profit-sharing  
5 agreement between the parties, which resulted in the City reacquiring fee simple title to 250.1 acres  
6 in the Northwest Quadrant of the City (“Las Estrellas”); and

7           **WHEREAS**, Las Estrellas consists of nine tracts of land: Tract NPR1, Tract NPR3, Tract  
8 NPR4, Tract NPR5, Tract NPR6, Tract NPR7, Tract 2, Tract 6A, and Tract 8B-1A; and

9           **WHEREAS**, these nine tracts of land are all subject to certain covenants, conditions, and  
10 restrictions and the Las Estrellas Master Plan, which governs the area’s zoning, density, minimum  
11 requirements for affordable housing, and the location of open spaces (“Master Plan”); and

12           **WHEREAS**, the Governing Body wishes to sell seven of the nine parcels in Las Estrellas  
13 (Tract NPR1, Tract NPR3, Tract NPR4, Tract NPR5, Tract NPR6, Tract NPR7, and Tract 2) to a  
14 purchaser who will develop the parcels according to the applicable covenants, conditions,  
15 restrictions, and Master Plan; and

16           **WHEREAS**, for the seven parcels it intends to sell, the Governing Body wishes to offer a  
17 preference to local purchasers; and

18           **WHEREAS**, in addition to the local preference and applicable restrictions, the Governing  
19 Body wishes to obtain at least the appraised value of the seven parcels; and

20           **WHEREAS**, while the City retains ownership of Las Estrellas, it is also the “Declarant”  
21 under both the Residential the Declaration of Covenants, Conditions and Restrictions (“Residential  
22 Covenants”) and Non-Residential (AKA "Master") Declaration of Covenants, Conditions, and  
23 Restrictions (“Non-Residential Covenants”); and

24           **WHEREAS**, the Governing Body wishes to make Tract 6A available for an affordable  
25 housing project; and

1           **WHEREAS**, the eighth parcel is designated “Community Services”, and, therefore, the  
2 City will retain it for one of the following uses: Police, Fire, Library, Administrative Offices, or  
3 Recreational Uses; and

4           **WHEREAS**, as the "Declarant" under the Residential Covenants affecting the property  
5 (including Tract 6A), the City has the right to remove Tract 6A from the Residential Covenants  
6 (but not the Non-Residential Covenants); and

7           **WHEREAS**, in addition, or in lieu, the City may request the Las Estrellas Residential  
8 Association and/or Master Association Board limit the assessments for Tract 6A to support greater  
9 affordability; and

10           **WHEREAS**, the City intends to donate or sell at a discount Tract 6A as identified in the  
11 attached Exhibit A and Exhibit B for the development of homes that meet the definition in SFCC  
12 1987, Sections 26-1 and 26-1 as “Santa Fe Homes Program Homes” (“SFHP”) or Low Priced  
13 Dwelling Units” (“LPDU”), or other affordability definitions either as rental units, owned units, or  
14 land trust homes.

15           **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
16 **CITY OF SANTA FE**, that the City Manager shall create an Evaluation Committee that will  
17 release a Request for Qualifications (“RFQ”) and select a “Qualified Grantee,” or a consortium that  
18 includes a “Qualified Grantee,” to develop Tract 6A for residential uses, offering a mix of housing  
19 types, tenures, and affordability levels. The City shall award a disposal contract pursuant to the  
20 RFQ based on the following evaluation criteria, as applied to the applicants’ proposed project(s):

- 21           • Funding Feasibility – the proposed project budget is realistic, funds are leveraged at  
22           least at a 3:1 ratio from other committed funding sources, revenue is sufficient to  
23           accomplish the proposed project.
- 24           • Need/Benefit and Project Feasibility – the project concept is responsive to  
25           current/future market demand and the applicant provides a realistic timeframe for the

1 completion of the proposed activities.

- 2 • Affordability – the proposed project effectively meets the income eligibility  
3 requirements of the New Mexico Affordable Housing Act, and the applicant describes  
4 how it will achieve affordability targets; how the applicant and/or the City may monitor  
5 the project over time for compliance; and how the applicant will secure.
- 6 • Organizational Capacity and Management – the applicant adequately demonstrates  
7 experience and expertise in this type of housing construction, including work samples  
8 and funding commitments.
- 9 • Innovative Design and Sustainability Targets – the applicant demonstrates the ability  
10 to design and construct buildings that achieve high standards of sustainability, have  
11 innovative designs, and exceed the green building criteria in City code.

12 **BE IT FURTHER RESOLVED** that, based on the criteria above, the Evaluation  
13 Committee shall identify a development partner and potential future owner of Tract 6A, in order  
14 for staff to prepare an agreement regarding the proposed project for approval by the Governing  
15 Body.

16 **BE IT FURTHER RESOLVED** that the City Manager shall order an update to the  
17 November 16, 2021 appraisal, of Tract 6A and an updated appraisal for the seven parcels it intends  
18 to sell.

19 **BE IT FURTHER RESOLVED** that the City Manager shall develop a Real Estate  
20 Donation Agreement and Special Warranty Deed for Governing Body approval, imposing a land  
21 use restriction that will ensure an affordability period of no less than forty-five years and that will  
22 run concurrently with any requirements imposed by any other subsidy provider, to be executed  
23 upon transfer of Tract 6A.

24 **BE IT FURTHER RESOLVED** that, if the Qualifying Entity that is awarded Tract 6A  
25 deems it necessary to provide affordable housing, the City shall either remove Tract 6A from the

1 Residential Declaration of Covenants, Conditions, and Restrictions, prior to selling the other seven  
2 parcels, or the City shall request the Las Estrellas Residential Association Board and Master  
3 Association Board limit the assessments on Tract 6A.

4 **BE IT FURTHER RESOLVED** that the Governing Body approves the public  
5 announcement of sale for the seven parcels of Las Estrellas with the following minimum criteria:

- 6 1. a minimum bid of the appraised price or higher;
- 7 2. documentation of financial ability to pay for the land; and
- 8 3. documentation of financial viability to develop the land in accordance with the  
9 Master Plan.

10 **BE IT FURTHER RESOLVED** that the City will select a purchaser for the seven parcels  
11 of Las Estrellas as follows:

- 12 1. Requiring the minimum criteria, listed above;
- 13 2. Applying a local preference for local purchasers of up to six percent (6%), which  
14 is consistent with the weight of the local preference offered in City and State  
15 procurement; and
- 16 3. Selecting the offer that meets the minimum criteria and offers the highest purchase  
17 price, as adjusted by the local preference.

18 **BE IT FURTHER RESOLVED** that, to receive the local preference, a purchaser must  
19 meet one or both of the two following criteria, which may result in a cumulative six percent (6%)  
20 local preference if both criteria are met:

- 21 1. Hold a current City of Santa Fe or Santa Fe County business license, and have held  
22 said license for the proceeding three (3) years, to receive a three percent (3%) local  
23 preference, or
- 24 2. Provide a New Mexico Tax and Revenue Department Resident Business  
25 Certificate to receive a three percent (3%) local preference.

1           **BE IT FURTHER RESOLVED** that the purchase agreement shall stipulate that, in the  
2 event the purchaser is awarded a local preference, the purchaser shall not sell the property for a  
3 period of three (3) years, unless selling to a buyer who meets the qualifications for an equal or  
4 greater percentage of the local preference offered in the Request for Qualifications, except that the  
5 sale of developed homes or ready-to-build individual plots to individual homeowners is permitted.  
6 The purchase agreement shall require the purchaser to secure this requirement with a letter of credit  
7 in the amount of 2% of the contracted purchase price.

8           **BE IT FURTHER RESOLVED** that the purchase agreement shall stipulate that a  
9 purchaser awarded a local preference shall begin development of the property, including spine  
10 infrastructure, engineering, and utility development, within five (5) years of the completion of  
11 purchase and shall require the purchaser to secure compliance with this requirement with a letter  
12 of credit in the amount of 1% of the contracted purchase price.

13           PASSED, APPROVED, and ADOPTED this 25<sup>th</sup> day of January, 2023.

14 

15 \_\_\_\_\_  
16 ALAN WEBBER, MAYOR

17 ATTEST:

18 

19 \_\_\_\_\_  
20 KRISTINE MIHELIC, CITY CLERK

21 APPROVED AS TO FORM:

22 

23 \_\_\_\_\_  
24 ERIN K. McSHERRY, CITY ATTORNEY

25 *Legislation/2022/Resolutions/2023-4 (R) Las Estrellas Tract 6A Disposition*

**Signature:** 

**Email:** tjlease@santafenm.gov

**Signature:**   
Johanna Nelson (Sep 5, 2025 13:31:29 MDT)

**Email:** jcnelson@santafenm.gov