

ACTION SHEET
ITEM FROM FINANCE COMMITTEE MEETING OF 03/21/16
FOR CITY COUNCIL MEETING OF 03/30/16

ISSUE:

32. Request for Approval of a Resolution Contributing Property and Resources to New Mexico Inter-Faith Housing Community Development Corporation for Development of the Santa Fe Arts+Creativity Center Low Income Housing Tax Credit Project Pursuant to the Affordable Housing Act. (Councilors Rivera and Trujillo, Mayor Gonzales and Councilors Ives, Dominguez and Bushee) (Alexandra Ladd)

Committee Review:

Community Development Commission (approved)	02/17/16
City Business Quality of Life Committee (approved)	02/17/16
Public Works Committee (approved)	02/22/16
City Council (scheduled)	03/30/16

Fiscal Impact – Yes: \$1,524,600 (Land Value)

FINANCE COMMITTEE ACTION:

FUNDING SOURCE:

SPECIAL CONDITIONS OR AMENDMENTS

Move forward with no recommendation.

STAFF FOLLOW-UP:

With direction to staff.

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR VILLAREAL	X		
COUNCILOR IVES	X		
COUNCILOR LINDELL	X		
COUNCILOR HARRIS	X		
CHAIRPERSON DOMINGUEZ			

**ACTION SHEET
ITEM FROM THE
PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING
OF
MONDAY, FEBRUARY 22, 2016**

ITEM 16

REQUEST FOR APPROVAL OF A RESOLUTION CONTRIBUTING PROPERTY AND RESOURCES TO NEW MEXICO INTER-FAITH HOUSING COMMUNITY DEVELOPMENT CORPORATION FOR DEVELOPMENT OF THE SANTA FE ARTS+CREATIVITY CENTER LOW INCOME HOUSING TAX CREDIT PROJECT PURSUANT TO THE AFFORDABLE HOUSING ACT (**COUNCILORS RIVERA, TRUJILLO, MAYOR GONZALES AND COUNCILOR IVES**) (**ALEXANDRA LADD**)

PUBLIC WORKS COMMITTEE ACTION: Approved

FUNDING SOURCE:

SPECIAL CONDITIONS / AMENDMENTS / STAFF FOLLOW UP: Add Councilors Dominguez and Bushee as sponsors

VOTE	FOR	AGAINST	ABSTAIN
CHAIRPERSON TRUJILLO			
COUNCILOR BUSHEE	X		
COUNCILOR DIMAS	Excused		
COUNCILOR DOMINGUEZ	X		
COUNCILOR IVES	X		

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2016-____
Arts + Creativity Center

SPONSOR(S): Councilors Rivera and Trujillo, Mayor Gonzales and Councilors Ives, Dominguez and Bushee

SUMMARY: The proposed resolution contributes property and resources to New Mexico Inter-Faith Housing Community Development Corporation for development of the Santa Fe Arts+Creativity Center low income housing tax credit project pursuant to the Affordable Housing Act.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: Yes

DATE: March 16, 2016

ATTACHMENTS: Amendment
Resolution
Exhibit A
FIR

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2016-__
Arts+Creativity Center

Mayor and Members of the City Council:

We propose the following amendment(s) to Resolution No. 2016-__:

1. On page 3, after line 10, *insert* the following new paragraph:

“**BE IT FURTHER RESOLVED** that staff shall work to relocate any city uses currently housed on the parcel of land to adjacent locations.”

Respectfully submitted,

City Staff

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION 2016-__

INTRODUCED BY:

Councilor Christopher M. Rivera	Councilor Ronald S. Trujillo
Mayor Javier M. Gonzales	Councilor Peter N. Ives
Councilor Carmichael Dominguez	Councilor Patti Bushee

A RESOLUTION

CONTRIBUTING PROPERTY AND RESOURCES TO NEW MEXICO INTER-FAITH HOUSING COMMUNITY DEVELOPMENT CORPORATION FOR DEVELOPMENT OF THE SANTA FE ARTS+CREATIVITY CENTER LOW INCOME HOUSING TAX CREDIT PROJECT PURSUANT TO THE AFFORDABLE HOUSING ACT.

WHEREAS, it is the policy of the City of Santa Fe to provide incentives and encourage proposals that support the production, acquisition and redevelopment of rental housing in mixed income developments; and

WHEREAS, the City's Housing Needs Assessment (2013) identified an urgent need for rental housing serving households below fifty percent of area median income; and

WHEREAS, the planning and predevelopment of the Santa Fe Arts + Creativity Center Low Income Housing Tax Credit Project (the "Project") has been supported by City Council Resolutions 2014-13 and 2015-24; and

WHEREAS, the city intends to donate a parcel of land as shown in the attached Exhibit A of a size that is sufficient for the Project which will serve households earning from thirty to sixty percent

1 of median income, with at least fifty affordable live/work rental units, and a portion of market rate
2 live/work rental units not to exceed fifteen percent of the total project, dedicated outdoor amenities,
3 green space, and shared facilities for residents; and

4 **WHEREAS**, the land that the City intends to donate for the Project is located in both a
5 majority Low- and Moderate-Income Census Tract and a Qualified Census Tract as designated by the
6 U.S. Department of Housing and Urban Development; and

7 **WHEREAS**, the proposed land donation and the Project conform to the City of Santa Fe
8 Five-Year Strategic Housing Plan "Affordable Housing Element" adopted in conformance to the
9 Affordable Housing Act by Ordinance No. 2007-23 pursuant to the express statutory authority
10 conferred upon municipalities to enact a housing code pursuant to Section 3-1 7-6A(8) NMSA 1978;
11 to enact ordinances pursuant to its police power, Section 3-17-1 B NMSA 1978; to provide for
12 affordable housing pursuant to subsections E and F of Art. 9, §14, of the New Mexico Constitution
13 and the Affordable Housing Act (§§ 10 6-27-1 through 6-27-8 NMSA 1978) and in particular to
14 provide a portion of the cost of financing and/or authorizing housing assistance grants for the purpose
15 of affordable housing pursuant to Section 6-27-5 NMSA 1978 (2007), and pursuant to any and all
16 such other authority as may be applicable including but not limited to the city's recognized authority
17 to protect the general welfare of its citizens; and

18 **WHEREAS**, the City also intends to provide additional donations related to City
19 development water budget fees, impact fees, construction permit and plan review fees, water and
20 wastewater utility expansion charges and other valuable incentives to the Project; and

21 **WHEREAS**, the above referenced donations will be contributed to the Project without debt
22 or interest pursuant to the terms of a land use regulatory agreement.

23 **NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE**
24 **CITY OF SANTA FE** that the City will provide to the Project the donations as described above in an
25 amount equal to at least ten percent (10%) of the Project's development costs as a direct grant to the

1 Project in furtherance of a competitive LIHTC application. The City's donations shall be made in the
2 form of a grant subject to the terms of a land use regulatory agreement requiring an affordability
3 period of forty-five (45) years running concurrently with requirements imposed by the New Mexico
4 Mortgage Finance Authority and specifying the requirement for consistency with the Low Income
5 Housing Tax Credit program requirements serving targeted low income clientele.

6 **BE IT FURTHER RESOLVED** that City staff is directed to work with the Project
7 developer to bring forward to the governing body an application to rezone the donated parcel to an
8 appropriate commercial zoning category to accommodate the proposed uses for the site, including
9 multi-family residential and shared community spaces.

10 **AND, BE IT FURTHER RESOLVED** that the City Council of the City of Santa Fe hereby
11 directs city staff to provide an executed copy of this resolution to Santa Fe County.

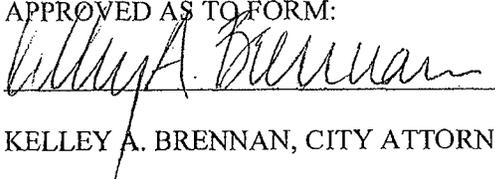
12
13 PASSED, APPROVED and ADOPTED, this _____ day of _____, 2016.

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15 _____
16 JAVIER M. GONZALES, MAYOR

17 ATTEST:

18 _____
19 YOLANDA Y. VIGIL, CITY CLERK

20
21 APPROVED AS TO FORM:

22 
23 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2016/Arts+Creativity Center*



City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X (A single FIR may be used for related bills and/or resolutions)

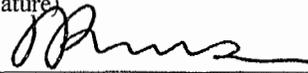
Short Title(s): A Resolution Contributing Property and Resources to New Mexico Inter-Faith Housing Community Development Corporation for Development of the Santa Fe Arts+Creativity Center Low Income Housing Tax Credit Project Pursuant to the Affordable Housing Act.

Sponsor(s): Councilor Rivera, Mayor Gonzales, Councilor Trujillo

Reviewing Department(s): Housing and Community Development; Asset Development Office

Persons Completing FIR: Alexandra Ladd; Matthew O'Reilly ^{MGO} Date: 2/12/16 Phone: x 6346; x 6213

Reviewed by City Attorney:  Date: 2-12-16
(Signature)

Reviewed by Finance Director:  Date: 2-12-2016
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:

The Resolution expresses the support of the City Council for donating a 5-acre parcel of land located on Siler Road for the purposes of constructing a Low Income Housing Tax Credit (LIHTC) apartment project. The 5-acre parcel is currently part of the City-owned complex and per the Resolution would support a minimum of 50 affordable units and a number of market rate units, designed as live/work spaces for entrepreneurs and other creative professionals. Specifically, the Resolution also directs staff to work with the project developer to bring forward a rezoning application for the donated parcel.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns

_____ CHECK HERE IF NO FISCAL IMPACT

1	2	3	4	5	6	7	8
Expenditure Classification	FY <u>2015/16</u>	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY <u>2016/17</u>	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ <u>1,524,600</u> (Land Value)	_____	NR	Econ. Dev.
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

1	2	3	4	5	6
Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____
Total:	\$ _____	_____	\$ _____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

The project contemplated by the Resolution is proposed to be constructed on five (5) acres of city-owned property and to consist of a minimum of fifty (50) rental units that will comply with the affordability requirements of the Low Income Housing Tax Credit program and a number of market rate rental units along with outdoor amenities and shared facilities for residents and possibly the wider community. The total construction cost of the project has been estimated at \$13 to \$15 million. Based on the above the total contribution of the city is calculated below:

Land Donation (A)

The land donated by the city has an estimated fair market value of \$6.00 to \$8.00 per square-foot. Assuming a middle value of \$7.00 per square-foot the total value of the land donation would be: **\$1,524,600**

Affordable Housing Fee Waivers (B)

City code currently provides for a number of fee waivers for affordable housing construction projects. Assuming that sixty (60) affordable housing units will be constructed, the total fee waivers are detailed below:

<u>Impact Fee Waivers (60 units X \$2,457):</u>	<u>\$ 147,420</u>
<u>Building Permit Fees waived (Assuming \$10 million attributable to affordable units):</u>	<u>\$ 45,493</u>
<u>Building Plan Review Fees waived (50% of Permit Fees):</u>	<u>\$ 22,747</u>
<u>Secondary Permit Fees waived (estimated electrical, mechanical, plumbing, etc.):</u>	<u>\$ 5,000</u>
<u>Wastewater UEC waived (60 units X \$561):</u>	<u>\$ 33,660</u>
<u>Water UEC waived [60 units X (\$2,103 - \$800)]:</u>	<u>\$ 78,180</u>
<u>Development Review Fees waived (Assuming \$10 million attributable to affordable units):</u>	<u>\$ 18,000</u>
<u>HOMES Program requirements/Fees waived (Estimated):</u>	<u>\$ 50,000</u>
<u>TOTAL Waived Fees/Charges:</u>	<u>\$ 400,500</u>

TOTAL CITY CONTRIBUTION (A + B): **\$1,925,100**

The Resolution does not propose to change existing code provisions related to affordable housing. Therefore in terms of changes in projected revenue or expenditures the Affordable Housing Fee waivers, while beneficial by reducing development costs, can be considered revenue/expenditure neutral to the city as they represent the city's current expectations related to affordable housing construction. As such these waiver amounts are not included in Section C of this report.

Further, although beyond the scope of this FIR, the construction of the proposed project would certainly have wider fiscal benefits to the city through increased construction revenue associated with the market rate segment of the project and other secondary economic effects of the project's development.

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None identified.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The donation of the parcel is integral to putting together a successful application for LIHTC funding. The donation provides the opportunity to win application points for a "municipal contribution" and without it, the application is not likely to outscore other competitive projects. If LIHTC funding is not awarded, the Arts+Creativity Center as currently contemplated will not be constructed.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None identified. The Governing Body previously authorized a property donation up to five (5) acres for this project.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

Current demographic statistics and rental market data reveal that there is potential shortage of over 2,000 rental units in Santa Fe. This number is arrived at by comparing the number of renters by income category to the number of units rented at levels that are affordable to those same income categories. A project such as the A+CC serves to meet this inventory gap for affordable rental units as well as providing space that is especially designed to support home-occupation based business, and supplemental spaces for potentially for light manufacturing activities, performance-based art, visual displays and related retail. The wider benefit of this project is to be a catalyst for redevelopment in the area where in addition to historically industrial are appearing a variety of creative uses. The project's central location and proximity to transit, trail systems and nearby amenities place it in an area suitable for redevelopment.