



# Agenda

## COMMUNITY DEVELOPMENT COMMISSION MEETING

**Wednesday, October 16, 2019**

**3:30 p.m. – 5:00 p.m.**

**500 Market Street; Roundhouse Conference Room**

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: September 4, 2019
5. Approval of 2020 Committee Meeting Schedule
6. Review and Recommend Approval of Proposed Amendments to SFCC 26-1 and SFCC 26-2, Modifying the Rental Requirement for the Santa Fe Homes Program (Alexandra Ladd, Office of Affordable Housing, [aaladd@santafenm.gov](mailto:aaladd@santafenm.gov))
7. Items from the Commission
8. Items from the Staff
9. Items from the Floor
10. Adjournment

**PERSONS WITH DISABILITIES IN NEED OF ACCOMMODATIONS, CONTACT THE CITY CLERK'S OFFICE AT 955-6520, FIVE (5) WORKING DAYS PRIOR TO MEETING DATE.**

**RECEIVED AT THE CITY CLERK'S OFFICE**

**DATE: October 9, 2019**

**TIME: 11:59 AM**

**SUMMARY OF ACTION  
COMMUNITY DEVELOPMENT COMMISSION MEETING  
500 MARKET STREET, ROUNDHOUSE CONFERENCE ROOM  
WEDNESDAY, OCTOBER 16, 2019, 3:30 PM**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
<b>CALL TO ORDER</b>		<b>1</b>
<b>ROLL CALL</b>	<b>QUORUM</b>	<b>1</b>
<b>APPROVAL OF AGENDA</b>	<b>APPROVED</b>	<b>1</b>
<b>APPROVAL OF MINUTES</b>	<b>APPROVED</b>	<b>1-2</b>
<b>APPROVAL OF 2020 COMMITTEE MEETING SCHEDULE</b>	<b>APPROVED</b>	<b>2</b>
<b>REVIEW AND RECOMMENDED APPROVAL OF PROPOSED AMENDMENTS TO SFCC 26-1 AND SFCC 26-2, MODIFYING THE RENTAL REQUIREMENT FOR THE SANTA FE HOMES PROGRAM.</b>	<b>APPROVED</b>	<b>2-7</b>
<b>ITEMS FROM THE COMMISSION</b>	<b>INFORMATION/DISCUSSION</b>	<b>8-9</b>
<b>ITEMS FROM THE STAFF</b>	<b>INFORMATION/DISCUSSION</b>	<b>9</b>
<b>ITEMS FROM THE FLOOR</b>	<b>NONE</b>	<b>9</b>
<b>ADJOURNMENT</b>	<b>ADJOURNED</b>	<b>9</b>

**COMMUNITY DEVELOPMENT COMMISSION MEETING  
500 MARKET STREET, ROUNDHOUSE CONFERENCE ROOM  
WEDNESDAY, OCTOBER 16, 2019, 3:30 PM**

**1. CALL TO ORDER**

The meeting of the Community Development Commission was called to order by Councilor Renee Villarreal, Chair, at 3:36 pm, on Wednesday, October 16, 2019, at Market Station, 500 Market Street, Roundhouse Conference Room, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT**

Councilor Renee Villarreal, Chair  
John Padilla  
Rosario Torres  
Paul Goblet  
Ken Hughes  
Willie Marquez

**MEMBERS ABSENT**

Carla Lopez, Excused

**OTHERS PRESENT**

Alexandra Ladd, Director, Office of Affordable Housing  
Elizabeth Martin for Melissa Byers, Stenographer

**3. APPROVAL OF AGENDA**

**MOTION** A motion was made by Commissioner Goblet, seconded by Commissioner Torres, to approve the agenda as presented.

**VOTE** The motion passed unanimously by voice vote.

**4. APPROVAL OF MINUTES  
SEPTEMBER 4, 2019**

Ms. Ladd said her first name is misspelled on page 1 and on page 2 she has some edits she will email to Ms. Martin. On the top of page 3 she gave confusing

information. The Medical Center funds were proposed to be used for the pre-development and design services, then they were expanded. The work was completed. It had not begun serving people at that time. On page 6 it should be median income.

**MOTION** A motion was made by Commissioner Torres, seconded by Commissioner Hughes, to approve the minutes as amended.

**VOTE** The motion passed unanimously by voice vote.

## **5. APPROVAL OF 2020 COMMITTEE MEETING SCHEDULE**

Chair Villarreal said the proposed schedule is in your packet.

Ms. Ladd said it is the third Wednesday just as the prior year was.

There was discussion about the requirement of a quorum at every meeting and the language on the calendar denoting quorum required. Ms. Ladd will change the notation to read HUD required deadline rather than quorum required.

**MOTION** A motion was made by Commissioner Goblet, seconded by Commissioner Torres, to approve the 2020 meeting schedule with the revised notations.

**VOTE** The motion passed unanimously by voice vote.

## **6. REVIEW AND RECOMMENDED APPROVAL OF PROPOSED AMENDMENTS TO SFCC 26-1 AND SFCC 26-2, MODIFYING THE RENTAL REQUIREMENT FOR THE SANTA FE HOMES PROGRAM. Alexandria Ladd**

Ms. Ladd stated that her memo regarding this item is included in the meeting packet. She reviewed the memo information. The amendment, which is red lined by the City Attorney's Office, is also included in the packet.

Commissioner Padilla said this references options one, two and three, but can they take pieces of each of them and make a fourth option.

Ms. Ladd said yes, absolutely. In the Ordinance is a section on alternate compliance.

Commissioner Padilla said if the City Planning staff is looking at other incentives that would be significant especially in the time and money it takes to go through the

approval process. Any incentives they can come up with to expedite a project that identifies delivering affordable units is significant for developers to buy into.

Ms. Ladd said option 4 in the changes describes a combination of the options. That is the idea for compliance.

Commissioner Hughes said on page 15, toward the end of section 5, it talks about manufactured home lots available for rentals. Does that recognize the lease cost people have to pay to site their manufactured home in a mobile home park.

Ms. Ladd said the way the Ordinance is written manufactured home lots are tricky because the City does not want to encourage them because it does not build equity for the people, but it is one of our more affordable rental options. The Ordinance does not address the rent. When a lot is created it is treated the same as other lots.

Commissioner Hughes said there is a trend nationally for a consolidation of ownership in mobile home parks. They are raising these ground rents 50% to 30% a year. It is bad. Is there a way to acknowledge that cost of living in this formula.

Ms. Ladd said she will think about that. In the situation where the renter is renting a lot, but owns the home, they are vulnerable to rent increases because they cannot move the home.

Commissioner Hughes suggested that on page 21 LPDU is spelled out as Low Priced Dwelling Unit. It is mentioned on page 21, line 6 and page 22 line 12. Also on page 2 it should say developer may pay.

Commissioner Hughes asked where are we now. Which option is closest to where we are now.

Ms. Ladd said right now we have 14% set aside. In her opinion, for a market rate developer, there is no way to succeed in helping the lowest tier. She flattened that out rather than have three tiers to comply with.

Ms. Ladd said LPDU is defined earlier in the document on page 5

Commissioner Hughes recommend that Ms. Ladd get with the lawyers and put all the definitions in one place, combined into one section.

Commissioner Goblet said he loves that you are trying to do a number of things here, but in option 1 you said you met with some developers to get some feedback on the 20% a year and the feedback was, by and large, positive.

Ms. Ladd said the feedback was that unofficially they could absorb more cost as part of the construction costs. They preferred a reliable increase that they could plan

for.

Commissioner Goblet said he was really pleased that short term rentals don't qualify. That is a growing challenge. How do you keep this into home ownership rather than all the short term stuff.

Ms. Ladd said on the rental side we are seeing employers leasing a block of rooms in a complex and renting them for a shorter term such as to traveling nurses. We are saying they can't do an Airbnb in a rental unit. It is tricky.

Commissioner Torres said under option 3, the compliance period has ten years effectiveness, but after that the owner can work with housing providers to find a suitable housing site to move the tenant to.

Ms. Ladd said the subsidy in this project will be attached to the renter not the project. At some point in time we want the compliance period to not be restrictive. When the Housing Authority was remodeling units, HUD had a strict protocol that tenants cannot be put out on the street. They had to go find the tenants a place to move to. That is challenging. The subsidy provider will have to work with the tenant to find another place.

Chair Villarreal asked is there a way to say something specific rather than they will work with the subsidy provider. Say something like the goal is to keep them there or they have to find something for them before they have to move.

Ms. Ladd said this is tough. Because the subsidy is attached to the renter they have support through the subsidy provider to find the next unit. We could add language such as in any case where displacement could be avoided, that is preferable.

Commissioner Torres said it is up to you to find housing and it is based on people who take vouchers and have the units available. HUD does not help you find a place.

Ms. Ladd said we are going to have to look at the subsidy providers and maybe find a way to look at what the incentive would be for the owner of the property to keep the tenants if possible. We do want to make sure in the agreement that they cannot turn someone out unless they have a place to go to.

Commissioner Marquez said there should be a 90 day period where that will be discussed before moving out. Would that be part of the contract with the subsidy provider. It should be in here as part of the agreement with the manager and the provider. They do need to figure out some way of subsidizing them to stay if possible.

Ms. Ladd said we will address this in the administrative procedures. That is still to be worked on.

Commissioner Marquez asked do we have anyone coming up on their 10<sup>th</sup> year in this situation now.

Ms. Ladd said no, the market has never been able to make that work.

Commissioner Torres said she agrees on land fees for people that own manufactured homes. She has seen those rents be \$700 to \$900 and then they tack on utilities and restrictions. We need to make that more consumer friendly.

Ms. Ladd said she will double check with Land Use. She thinks the City does not allow new rental manufactures home parks to be permitted. She will check on that.

Commissioner Hughes said he thought a new one was going up near the Buddhist Temple on Airport Road.

Ms. Ladd said she will find out from Land Use.

Commissioner Hughes said we should have that discussion, but as a separate discussion.

Chair Villarreal asked will you get back to us on that topic. It should be specific in the Ordinance.

Ms. Ladd said she would get back to them at the next meeting. Additionally anything that requests a development plan or pulls a building permit will be under this Ordinance. They pull permits for manufactured homes from CID with the State so this would not be triggered. She will keep working on it and will bring it up with Land Use.

Commissioner Torres asked relative to manufactured homes, what happens when the owner of the land can make more money selling the land thereby evicting everyone there.

Commissioner Goblet said the market place is the market place. If you own a piece of property you should be able to do with it what you need to do.

Chair Villarreal said she did not know if they would have control over that.

Ms. Ladd said the Commission could assist with funding for relocation possibly.

Commissioner Padilla said what you have right here is good. You need to be prepared on the mobile home discussions because they may come up. The Commission has asked about the ability to require the developer to have some way of protecting the mobile home owners if the desire is to sell the property. We can't tell a property owner what they can do with their property and he is a firm believer in that. We can regulate.

Commissioner Hughes said there are a variety of laws that are land related.

Commissioner Padilla said he is saying it would be good for Ms. Ladd to have that information in her pocket if asked. He agrees with her that in the Administrative Procedures Manual is where the idea of protection after ten years should be somehow with language about starting to work early with people approaching their ten year date. That is where you do it. When this is approved we have projects out there approved under older guidelines. Are those projects able to come back and restructure their agreements.

Ms. Ladd said yes. There is language to that effect.

Chair Villarreal asked you mean projects approved, but not constructed.

Mr. Padilla said yes, have not gone vertical yet.

Ms. Ladd said there was an Ordinance in 2010 where if you got your initial approvals under one set of requirements and did not build right away you are allowed to administratively amend your agreement. That is kept in here, but got moved around. She will find the specific section where that is shown.

Commissioner Padilla said please get back to the Commission with where to find that. It should be in there. He would like to confirm it.

Chair Villarreal said she thinks the memo is very helpful. It is especially helpful to have the background for explaining this to someone. It is very succinct. Reminder her what 65% AMI looks like numbers wise versus 120%.

Ms. Ladd said it is roughly half.

Chair Villarreal asked half of what.

Ms. Ladd said AMI is the statistic where half of the population earns more than that and half earns less. 65% is 65% of that number.

Chair Villarreal said so it is the lower income bracket.

Ms. Ladd said yes.

Chair Villarreal said and so 120% is higher income.

Ms. Ladd said yes.

Ms. Ladd explained that the Affordable Housing Act allows people to be assisted up to 120% of median income.



Chair Villarreal asked what is HH.

Ms. Ladd answered household.

Chair Villarreal asked when the incentives piece talks about density bonus does that bonus require that 15% of the units are also rent restricted.

Ms. Ladd said they are extras. If the zoning allowed for 100 units, the affordability applies to 100 units with a density bonus that allows for 15% at market rate.

Chair Villarreal asked is Land Use thinking about incentives for energy efficiency. If it is affordable it will be energy efficient or include solar.

Ms. Ladd said we have Green Code requirements for homeowner units. The developer pays the extra cost and the homeowner is getting the benefits. On the rental side Daniel Werwath is able to deepen the affordability of his project because he is solarizing it.

Commissioner Hughes said so is Ed Romero's project.

Ms. Ladd said there are incentives not offered by the City as well.

Chair Villarreal asked will this be part of the incentive package tonight at Planning. She recommends that it be stated that we would like to see more of those types of operations. She feels we should go there.

Ms. Ladd said yes. We know right now that commercial uses and multi-family use less energy per person, but not overall. She is hearing from homebuilders that before we crank up requirements we need to do some cleanup on language for multi-family developments. There is more bang for buck if we can start energy efficiencies on the commercial side as well.

Chair Villarreal said she can see benefit for affordability if renters pay less in utility costs.

Ms. Ladd said there is a utility allowance built into it. That helps with affordability. We need to do it.

Commissioner Torres said where she just moved to in Alta Vista, it was just remodeled by the Housing Authority and she was told that for the next six months there will be no utility bills. It is all electric powered by solar. That could even go beyond six months.

Commissioner Hughes said there will be a credit reflected on the bills.

Commissioner Hughes said he encourages people to encourage efficiency at the same time.

Ms. Ladd said it is important to keep that on the top of their heads.

Chair Villarreal said these definitions are confusing.

Ms. Ladd said they are original formal code and from HUD.

Commissioner Padilla said on page 12, 26-1.22 line 24, it talks about the developer residential permit for multi-family and a fee and plat requirements regarding updated documents. Is that speaking to what you were looking for.

Ms. Ladd said yes.

**MOTION** A motion was made by Commissioner Hughes, seconded by Commissioner Marquez, to approve the amendments as stated in the packet.

**VOTE** The motion passed unanimously by voice vote.

Ms. Ladd explained that in section 26-3 the only changes are in response to affordable housing developers who pointed out our funding cycle is not aligned with their application cycle. We will add that to the November agenda for approval.

## **7. ITEMS FROM THE COMMISSION**

Commissioner Hughes said you are all invited to his retirement party on the 29<sup>th</sup>, at his office at 9:30 am.

Everyone congratulated him on his retirement.

Commissioner Marquez asked on the funds you get through HUD and the money we have put aside, if a project is already started sometimes the money is not coming in. Is the money coming in at the time they need it.

Ms. Ladd said we have had some issues this year. For the Habitat home repairs we have to do an extra detailed review. Habitat is waiting for money. We did it twice and HUD said both times that it was not what they wanted. The second issue is that the City is in the process of making huge system changes and that delays payment. We don't expect to have what happened this year happen again. HUD is also releasing the funds a lot later than they used to.

Commissioner Marquez said the timing is important. He has a few concerns about that. Hopefully this will be the only year for that.

#### **8. ITEMS FROM THE STAFF**

Ms. Ladd said in November we will discuss funding priorities for the upcoming funding cycle. It is up to you all if you want to have the meeting.

Chair Villarreal said it is scheduled for November 20<sup>th</sup>. We could also approve the section 26-3 and maybe you would have more information on the city property.

Ms. Ladd said yes.

Chair Villarreal said we need to have that meeting in November.

Ms. Ladd said we have identified seven sites for housing. There are four that are immediately available. We will do an RFP and see what comes from that. If it is affordable housing the land is free.

Commissioner Padilla asked do you anticipate push back from neighborhoods.

Ms. Ladd said yes, but we will do it a bit differently. The plan is to do an open house. Each site will have a station for discussion and education.


#### **9. ITEMS FROM THE FLOOR**

None

#### **10. ADJOURNMENT**

There being no further business before the Commission the meeting adjourned at 5:05 pm.

  
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Councilor Renee Villarreal, Chair

  
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Elizabeth Martin, Stenographer