



# Agenda

## Economic Development Advisory Committee

Market Station at the Railyard  
500 Market Station, Suite 200

Tuesday, October 22, 2019  
11:00 AM

- I. PROCEDURES
  - A. Roll Call
  - B. Approval of Minutes
    - 1. September 11, 2019
  - C. Approval of Agenda
  - D. Approval of Consent Agenda
- II. CONSENT AGENDA
  - A. Request for Approval of 2020 EDAC Meeting Calendar, Fabian Trujillo, Office for Business Growth Manager, [trujillo@santafenm.gov](mailto:trujillo@santafenm.gov), 505-955-6912)
- III. ACTION ITEMS
  - A. Consideration of Bill No. 2019-27: An Ordinance amending various sections of the Santa Fe Homes Program, Section 26-1 SFCC 1987, to revise the requirements for a multi-family so that developers can choose from a menu of compliance options; removing the sunset provision and increasing the fee-in-lieu as determined by an "Affordability Gap Calculation"; determining the requirements for "Low-Priced Dwelling Units" that comply with the Santa Fe Homes Program; Amending Section 26-3 SFCC 1987 to permit alternative funding cycles for administration of the Affordable Housing Trust Fund; and other such changes to the Santa Fe Homes Program as needed. (Mayor Webber, Councilor Ives) (Alexandra Ladd, Office of Affordable Housing Director, [agladd@santafenm.gov](mailto:agladd@santafenm.gov); 505-955-6346).

### Committee Review:

Community Development Commission (scheduled)	10/16/19
Public Works Committee (scheduled)	10/28/19
City Council (request to publish) (scheduled)	10/30/19
Finance Committee (scheduled)	10/4/19

**IV. INFORMATIONAL ITEMS**

- A. Office of Economic Development Update – Rich Brown, Director, Office of Economic Development, [rdbrown@santafenm.gov](mailto:rdbrown@santafenm.gov); 505-955-6625.

**V. EXECUTIVE SESSION ;**

**IV. ITEMS FROM THE COMMITTEE**

**V. ITEMS FROM STAFF**

**VI. ITEMS FROM THE CHAIR**

**VII. ITEMS FROM THE PUBLIC**

**VIII. ITEMS NEXT MEETING DATE – November 13, 2019**

**Persons with disabilities in need of accommodation, contact the City Clerk's office at 955-6520, five (5) working days prior to meeting date.**

<b>RECEIVED AT THE CITY CLERK'S OFFICE</b>	
<b>DATE:</b>	<b>October 16, 2019</b>
<b>TIME:</b>	<b>4:28 AM</b>

**SUMMARY OF ACTION  
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE  
MARKET STATION AT THE RAILYARD  
500 MARKET STATION, SUITE 200  
TUESDAY, OCTOBER 22, 2019, 11:00 AM**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
CALL TO ORDER		1
ROLL CALL	QUORUM	1
APPROVAL OF MINUTES SEPTEMBER 11, 2019	APPROVED	1-2
APPROVAL OF AGENDA	APPROVED	2
APPROVAL OF CONSENT AGENDA	APPROVED	2
<b><u>CONSENT AGENDA</u></b>		
REQUEST FOR APPROVAL OF 2020 EDAC MEETING CALENDAR	APPROVED ON CONSENT	2
<b><u>ACTION ITEMS</u></b>		
CONSIDERATION OF BILL NO. 2019-27: AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE SANTA FE HOMES PROGRAM, SECTION 26-1 SFCC 1987, TO REVISE THE REQUIREMENTS FOR A MULTI-FAMILY SO THAT DEVELOPERS CAN CHOOSE FROM A MENU OF COMPLIANCE OPTIONS; REMOVING THE SUNSET PROVISION AND INCREASING THE FEE-IN-LIEU AS DETERMINED BY AN "AFFORDABILITY GAP CALCULATION"; DETERMINING THE	APPROVED	2-5

**REQUIREMENTS FOR "LOW-PRICED DWELLING UNITS" THAT COMPLY WITH THE SANTA FE HOMES PROGRAM; AMENDING SECTION 26-3 SFCC 1987 TO PERMIT ALTERNATIVE FUNDING CYCLES FOR ADMINISTRATION OF THE AFFORDABLE HOUSING TRUST FUND: AND OTHER SUCH CHANGES TO THE SANTA FE HOMES PROGRAM AS NEEDED.**

**INFORMATIONAL ITEMS**

<b>OFFICE OF ECONOMIC DEVELOPMENT UPDATE - RICH BROWN, DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT</b>	<b>INFORMATION/DISCUSSION</b>	<b>5-6</b>
<b>EXECUTIVE SESSION IF NECESSARY</b>	<b>NONE</b>	<b>6</b>
<b>ITEMS FROM THE COMMITTEE</b>	<b>NONE</b>	<b>6</b>
<b>ITEMS FROM STAFF</b>	<b>NONE</b>	<b>6</b>
<b>ITEMS FROM THE CHAIR</b>	<b>NONE</b>	<b>6</b>
<b>ITEMS FROM THE PUBLIC</b>	<b>NONE</b>	<b>6</b>
<b>NEXT MEETING</b>	<b>NOVEMBER 13, 2019</b>	<b>6</b>
<b>ADJOURN</b>	<b>ADJOURNED</b>	<b>6</b>

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE  
MARKET STATION AT THE RAILYARD  
500 MARKET STATION, SUITE 200  
TUESDAY, OCTOBER 22, 2019, 11:00 AM**

**I. PROCEDURES**

**A. CALL TO ORDER**

The meeting of the Economic Development Advisory Committee was called to order by Councilor Roman Abeyta, Chair, at 11:00 am on Wednesday, October 22, 2019 at Market Station at the Railyard, 500 Market Station, Suite 200, Santa Fe, New Mexico.

**MEMBERS PRESENT**

Councilor Roman Abeyta, Chair  
Robert Lurcott  
Kim Abeyta-Martinez  
John Fiens  
Sean O'Shea  
Ryan Cordova  
Kate Kennedy  
(1 vacancy)

**MEMBERS ABSENT**

Holly Bradshaw-Eakes, Excused  
Dr. Camilla Bustamante, Excused

**OTHERS PRESENT**

Rich Brown, Director, Economic Development Department, City of Santa Fe  
Alexandra Ladd, Director, Office of Affordable Housing  
Fabian Trujillo, Economic Development, City of Santa Fe  
Liz Camacho, Economic Development , City of Santa Fe  
Melissa Byers for Elizabeth Martin, Stenographer

**B. APPROVAL OF MINUTES  
SEPTEMBER 11, 2019**

**MOTION**      A motion was made by Mr. Fiens, seconded by Mr. Lurcott, to approve the minutes as presented.

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

**C. APPROVAL OF AGENDA**

**MOTION** A motion was made by Mr. Fiens, seconded by Ms. Kennedy, to approve the agenda as presented.

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

**D. APPROVAL OF CONSENT AGENDA**

**MOTION** A motion was made by Ms. Kennedy, seconded by Mr. Fiens, to approve the consent agenda.

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

**II. CONSENT AGENDA**

**A. REQUEST FOR APPROVAL OF 2020 EDAC MEETING CALENDAR  
Fabian Trujillo**

Approved on consent.

**III. ACTION ITEMS**

**A. CONSIDERATION OF BILL NO. 2019-27: AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE SANTA FE HOMES PROGRAM, SECTION 26-1 SFCC 1987, TO REVISE THE REQUIREMENTS FOR A MULTI-FAMILY SO THAT DEVELOPERS CAN CHOOSE FROM A MENU OF COMPLIANCE OPTIONS; REMOVING THE SUNSET PROVISION AND INCREASING THE FEE-IN-LIEU AS DETERMINED BY AN "AFFORDABILITY GAP CALCULATION"; DETERMINING THE REQUIREMENTS FOR "LOW-PRICED DWELLING UNITS" THAT COMPLY WITH THE SANTA FE HOMES PROGRAM; AMENDING SECTION 26-3 SFCC 1987 TO PERMIT ALTERNATIVE FUNDING CYCLES FOR ADMINISTRATION OF THE AFFORDABLE HOUSING TRUST FUND; AND OTHER SUCH CHANGES TO THE SANTA FE HOMES PROGRAM AS NEEDED. Mayor Webber, Councilor Ives, Alexandra Ladd**

Ms. Ladd reviewed her memo in the packet regarding the background and the substantial changes.

Chair Abeyta asked is there a certain number of units this refers to.

Ms. Ladd said right now there is a small project fee.

Chair Abeyta asked is that over 10 units.

Ms. Ladd said correct.

Chair Abeyta asked is that in the building permit language.

Ms. Ladd said yes.

Chair Abeyta said let's say they do 100 units. That developer can do whatever he wants.

Ms. Ladd said you can only get 15% if you provide 15%.

Chair Abeyta asked 15 units.

Ms. Ladd said yes. The rent on those units is going to be restricted. They will have to work with a rental assistance provider.

Chair Abeyta asked on the other 85 units they can charge the 3<sup>rd</sup> option.

Ms. Ladd said those are market rate.

Chair Abeyta asked how do we insure the rents continue to be at this level.

Ms. Ladd said there is a ten year compliance period that is mandated.

Chair Abeyta asked what if it is sold.

Ms. Ladd said the obligation goes with the transfer.

Chair Abeyta asked is there a 15% density bonus under all the options.

Ms. Ladd said yes. The 15% density bonus will not always be allowed because of Land Use restrictions.

Mr. Lurcott said he noticed that in one of the articles he has seen about this the developers were not happy with the five year increase for the in lieu of.

Ms. Ladd said it was the first proposed increase they really hated. This revised increase schedule is more acceptable.

Mr. Lurcott said the candidates for the subsidized units, are there services for them available generally.

Ms. Ladd said they have an entity that is income certifying them. The proposed model is based on what is going on in the home ownership side.

Mr. Lurcott asked are those services gateway services.

Ms. Ladd said in some situations that is the role of the counselor.

Mr. O'Shea said of the 100 units, the 15 are affordable. Is it based on the unit itself or the renter.

Ms. Ladd said they are allowed to do that on the home ownership side. On the rental side it is going to cost more to down grade a unit.

Mr. O'Shea asked what if it is a three story unit.

Ms. Ladd said she did not think the market would support that. They may decide from a management perspective that they should have designated units.

Mr. O'Shea said it seems like you would have the old rent controls.

Ms. Ladd said to be competitive they need the whole project to be maintained.

Mr. O'Shea said it seems that option 2 would work best. Is there a portal or assistance to be provided to developers.

Ms. Ladd said they don't need help doing proformas. She had one developer say that each of these options almost work. The City's job is going to be to just come in and nudge the plans over the line. Part of the inclusionary zoning is housed in the Land Use Code. Land Use is going back to make the process work better.

Mr. Fiens said he appreciates the challenge. It sounds like the 2016 instrument was flawed. You can't divide a given structure into suitable combinations for different types of needs. He doesn't like when developers have a choice. Consumers lose. It concerns him. There are extraordinary circumstances in Santa Fe. He has never seen where there is more demand with this lack of supply. Developers will jack the rent up. It will not be creating a quality of life.

Ms. Ladd said without this market intervention would be happening.

Mr. Fiens said government is the referee. He sees that it has been attempted to be done. He is not saying this is wrong. He is asking if there are moves on the table for preventing high and low.

Ms. Ladd said there is no answer to his point. In her personal opinion, on the rental side, inclusionary zoning works.



Mr. Fiens said he likes option 2. Where is the thorough rent stabilization in this study.

Mr. Cordova asked about the 15%. Why isn't it 70/30.

Ms. Ladd said 15% is the original requirement. It is the minimum.

Mr. Cordova asked will projects be subject to additional incentives.

Ms. Ladd said all the incentives are in Chapter 14. The development community is a resource.

Chair Abeyta asked what is going on with the money.

Ms. Ladd said every year we do a new RFP. Most of the new housing is happening in District 4.

Chair Abeyta said we are not putting 100s of units in.

Ms. Kennedy asked what about how expensive it is for developers and the additional planning and expenses with the new guidelines.

Ms. Ladd said under option 2 and 3 the fees they have to pay are reduced. We are still working on the process side of the equation.

Mr. Fiens said if we continue to have significant issues there is potential fallout.

Ms. Ladd said option 2 and 3 are going to be maintained over time. On the home ownership side, they always have the option to amend the agreement.

Mr. Lurcott asked what about the use of trust funds. They are used for affordable projects.

Ms. Ladd said that is correct. They don't have implementation capacity to do that.

**MOTION** A motion was made by Mr. Lurcott, seconded by Ms. Abeyta-Martinez, to approve the Bill.

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

#### **IV. INFORMATIONAL ITEMS**

**A. OFFICE OF ECONOMIC DEVELOPMENT UPDATE - RICH BROWN,  
DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT**

Mr. Brown introduced himself giving his background and some ideas moving forward.

Mr. Fiens asked about the lack of licenses and said we have a great opportunity for Buy Santa Fe.

**V. EXECUTIVE SESSION IF NECESSARY**

None

**VI. ITEMS FROM THE COMMITTEE**

None

**VII. ITEMS FROM STAFF**

None

**VIII. ITEMS FROM THE CHAIR**

None

**IX. ITEMS FROM THE PUBLIC**

None

**X. NEXT MEETING  
NOVEMBER 13, 2019**

**XI. ADJOURN**

There being no further business before the Committee the meeting adjourned at 12:39 pm.

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Councilor Roman Abeyta, Chair



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Elizabeth Martin, Stenographer