

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

2 **RESOLUTION NO. 2010-48**

3 **INTRODUCED BY:**

4 Mayor Coss

5 Councilor Bushee

6 Councilor Wurzbarger

7 Councilor Romero

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10 **A RESOLUTION**

11 **APPROVING A WAIVER OF THE SANTA FE HOME PROGRAM REQUIREMENTS**
12 **FOR PHASE A-1 OF THE ARTYARD PROJECT LOCATED WITHIN THE RAILYARD**
13 **UPON THE FULFILLMENT OF CERTAIN CONDITIONS.**

14
15 **WHEREAS**, ArtYard is a three phase development within the Railyard that must comply
16 with the Santa Fe Homes Program (SFHP) requirements to provide SFHP (affordable) units
17 within the project; and

18 **WHEREAS**, the developer, ArtYard, LP, entered into an SFHP agreement with the City
19 (Item #06-0995 filed with the City Clerk) in December 2006 wherein the developer agreed to
20 provide two SFHP units and \$38,150 for the fraction of a unit required for Phase A-1 located on
21 Railyard Lease Parcel A 1; and

22 **WHEREAS**, Phase A-1 is substantially complete; however, Phase B-1 (commercial)
23 located on Railyard Lease Parcel B 1 and Phase A-2 (residential) located on Railyard Lease
24 Parcel A 2 are neither complete nor under construction; and

25 **WHEREAS**, one of the purposes of the SFHP is to foster economic integration by

1 requiring that developers provide SFHP units on the property proposed for development;

2 however, it is recognized that at times this may not be feasible; and

3 **WHEREAS**, in this event, the applicant may seek permission from the Governing Body
4 to comply with the SFHP through an alternative means of compliance acceptable to the City
5 based upon the finding that the purposes of the SFHP would be better served; and

6 **WHEREAS**, the SFHP also allows the Governing Body to grant a waiver of the SFHP
7 requirements based upon a finding that a condition of extreme hardship exists and cannot be
8 sufficiently alleviated by the alternate means of compliance; and

9 **WHEREAS**, extreme hardship, as defined in the SFHP, is a condition occurring as a
10 direct consequence of the SFHP which would require the property owner to lose money on the
11 development taken as a whole; and

12 **WHEREAS**, the law firm of Long, Pound & Komer, P.A. has submitted a request to the
13 City dated May 14, 2010 on behalf of ArtYard, LP and Century Bank, the project's financing
14 agent, for an alternate means of compliance to move the two SFHP units in Phase A-1 to Phase
15 A-2; and

16 **WHEREAS**, the request includes economic data demonstrating to the Governing Body's
17 satisfaction that the condition of extreme hardship cannot be sufficiently alleviated by the
18 alternate means of compliance; and

19 **WHEREAS**, the Governing Body adopted Resolution No. 2009-104 authorizing and
20 directing the City Manager to initiate discussions with the Santa Fe Railyard Community
21 Corporation and Railyard related entities to develop a variety of ideas and viable financial options
22 for development of the public and private spaces at the Santa Fe Railyard in accordance with the
23 Railyard master plan; and

24 **WHEREAS**, the Leasehold interest in Lease Parcel A-2 and Lease Parcel B-1 has been
25 appraised at \$290,000 and \$305,000 respectively, for a total appraised value of \$595,000; and

1 **WHEREAS**, if a waiver to the SFHP requirements is not granted, ArtYard, LP would be
2 required to make a cash payment totaling \$518,150 to the City in lieu of providing the two SFHP
3 units and fractional unit fee for Phase A-1; and

4 **WHEREAS**, the Santa Fe Railyard Community Corporation has identified a prospective
5 development opportunity for Lease Parcel A-2 and Lease Parcel B-1 to develop those lease
6 parcels in order to commence operations by the end of calendar year 2010; and

7 **WHEREAS**, the total appraised value of the Leasehold interests in Lease Parcel A-2 and
8 Lease Parcel B-1 exceeds the amount required to be paid by ArtYard LLP to the City as an
9 alternate means of compliance under the SFHP; and

10 **WHEREAS**, the Governing Body finds it desirable to release the developer from the
11 obligations of developing Phases A-2 and B-1 thereby allowing the Santa Fe Railyard
12 Community Corporation to proceed with the completion of the master plan that is critical to
13 fulfilling the economic, recreational and cultural goals of the city for the Railyard; and

14 **WHEREAS**, Century Bank has a recognized record supporting affordable housing in the
15 community, is committed to the success of the ArtYard project and to the success of the Railyard
16 and is willing to work with the City to promote the success of these endeavors.

17 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
18 **CITY OF SANTA FE that** the Governing Body approves a waiver of the SFHP requirements
19 for Phase A-1 upon the following conditions:

20 1. ArtYard, LP shall surrender the leases to Lease Parcels A-2 and B-1 to the Santa
21 Fe Railyard Community Corporation in order to effectuate the lease of said parcels to other
22 parties to further the City's economic, recreational and cultural goals for the Railyard and to
23 complete the Railyard.

24 2. City staff is directed to work with ArtYard, LP, Century Bank and the Santa Fe
25 Railyard Community Corporation to accomplish the Governing Body's direction described above

1 including, but not limited to, a revised SFHP agreement and other related documents.

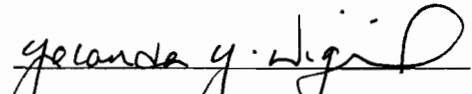
2 **AND BE IT FURTHER RESOLVED** that staff is directed to report back to the
3 Governing Body with further information regarding the prospective development opportunity for
4 Lease Parcel A-2 and Lease Parcel B-1 as to the project's correlation with the Railyard master
5 plan.

6 PASSED, APPROVED, and ADOPTED this 9th day of June, 2010.

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9 DAVID COSS, MAYOR

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11 ATTEST:

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14 YOLANDA Y. VIGIL, CITY CLERK

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16 APPROVED AS TO FORM:

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18 
19 GENO ZAMORA, CITY ATTORNEY

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25 Jp/ca/jpmb/2010 res/ArtYard SFHP waiver