



# Agenda

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**PUBLIC WORKS/CIP & LAND USE  
COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
MONDAY, JUNE 6, 2011  
5:15 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM MAY 23, 2011 PUBLIC WORKS COMMITTEE MEETING

**CONSENT AGENDA**

6. CIP #872 – AIRPORT ROAD SAFETY IMPROVEMENTS PROJECT
  - REQUEST FOR APPROVAL OF AWARD OF BID NUMBER 11/09/B AND CONSTRUCTION AGREEMENT WITH DAVID MONTOYA CONSTRUCTION, INC. FOR BID LOTS 1 & 2, AND BID ALTERNATIVE 2 IN THE AMOUNT OF \$802,113 PLUS \$65,673 NEW MEXICO GROSS RECEIPTS TAX FOR A TOTAL AMOUNT OF \$867,786 **(DESIRAE LUJAN)**

**Committee Review:**

Finance Committee (Approved)

05/31/11

Council (Scheduled)

06/08/11

7. SANTA FE RAILYARD COMMUNITY CORPORATION
  - REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 3 IN THE AMOUNT OF \$96,000
  - REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT REQUEST (BAR) **(ROBERT SIQUEIROS)**

**Committee Review:**

Finance Committee (Scheduled)

06/20/11

Council (Scheduled)

06/29/11

8. PARKING FACILITIES SECURITY SERVICES

- REQUEST FOR APPROVAL OF RFP 11/21/P AND PROFESSIONAL SERVICES AGREEMENT WITH CHAVEZ SECURITY INC. IN THE AMOUNT \$507,774.58 FOR MUNICIPAL PARKING FACILITIES, SANTA FE COMMUNITY CONVENTION CENTER, MUNICIPAL LIBRARIES AND MUNICIPAL COURT **(WALTER ROYBAL)**

**Committee Review:**

Finance Committee (Scheduled)	06/20/11
Council (Public hearing)	06/29/11

**DISCUSSION AGENDA**

9. SANTA FE HOMES PROGRAM

- REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-8.11(F) SFCC 1987 TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM (SFHP); AMENDING SECTION 26-1.8 TO INCLUDE A TEMPORARY 70% REDUCTION IN SFHP FEES FOR SFHP DEVELOPMENTS WITH TWO THROUGH TEN TOTAL UNITS; AND AMENDING SECTION 26-1.15 SFCC 1987 TO TEMPORARILY REDUCE THE PERCENTAGE OF THE REQUIRED NUMBER OF FOR SALE SFHP HOMES IN A DEVELOPMENT **(COUNCILORS WURZBURGER, ORTIZ, TRUJILLO AND DOMINGUEZ) (MELISA DAILEY)**
- REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE ADMINISTRATIVE PROCEDURES FOR THE SANTA FE HOMES PROGRAM (SFHP) TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM AND TO AMEND THE CALCULATION OF FRACTIONAL UNIT FEES FOR DEVELOPMENTS WITH TWO THROUGH TEN UNITS AND 11 OR MORE UNITS **(COUNCILORS WURZBURGER, ORTIZ, TRUJILLO AND DOMINGUEZ) (MELISA DAILEY)**

**Committee Review:**

Finance Committee (Approved)	04/18/11
Planning Commission (Approved)	05/05/11
Council (Request to publish – Approved)	04/27/11
Business & Quality of Life (Approved)	05/10/11
Council (Public hearing – Postponed)	05/25/11
Council (Public hearing)	06/08/11

10. MATTERS FROM STAFF

11. MATTERS FROM THE COMMITTEE

12. NEXT MEETING: **MONDAY, JUNE 27, 2011**

13. ADJOURN

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

**SUMMARY OF ACTION  
CITY OF SANTA FE  
PUBLIC WORKS/CIP & LAND USE COMMITTEE  
Monday, June 6, 2011**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
CALL TO ORDER	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2
APPROVAL OF MINUTES FROM THE MAY 23, 2011, PUBLIC WORKS COMMITTEE MEETING	Approved	2
<b><u>CONSENT AGENDA DISCUSSION</u></b>		
<b><u>SANTA FE RAILYARD COMMUNITY CORPORATION:</u></b>		
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 3 IN THE AMOUNT OF \$96,000	Approved	3-4
REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT REQUEST	Approved	3-4

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**END OF CONSENT AGENDA DISCUSSION**

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**ITEM**

**ACTION**

**PAGE**

**DISCUSSION AGENDA**

**SANTA FE HOMES PROGRAM:**

REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-8.11(F) SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM (SFHP); AMENDING SECTION 26-1.89 TO INCLUDE A TEMPORARY 70% REDUCTION IN SFHP FEES FOR SFHP DEVELOPMENTS WITH TWO THROUGH TEN TOTAL UNITS; AND AMENDING SECTION 26-1.15 SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE OF THE REQUIRED NUMBER OF FOR SALE SFHP HOMES IN A DEVELOPMENT

Approved [amended] 4-14

REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE ADMINISTRATIVE PROCEDURES FOR THE SANTA FE HOMES PROGRAM (SFHP) TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM AND TO AMEND THE CALCULATION OF FRACTIONAL UNIT FEES FOR DEVELOPMENTS WITH TWO THROUGH TEN UNITS AND 11 OR MORE UNITS

Approved 4-14

MATTERS FROM STAFF

None 14

MATTERS FROM THE COMMITTEE

Information/discussion 15

NEXT MEETING: MONDAY, JUNE 27, 2011

15

ADJOURN

15

**MINUTES OF THE  
CITY OF SANTA FE  
PUBLIC WORKS/CIP & LAND USE COMMITTEE  
Monday, June 6, 2011**

**1. CALL TO ORDER**

A meeting of the Public Works/CIP & Land Use Committee was called to order by Councilor Carmichael Dominguez, Chair, at approximately 5:15 p.m., on Monday, June 6, 2011, in the Council Chambers, City Hall, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Councilor Carmichael Dominguez, Chair  
Councilor Christopher Calvert  
Councilor Miguel Chavez  
Councilor Rosemary Romero  
Councilor Ronald S. Trujillo

**OTHERS ATTENDING:**

Isaac Pino, Public Works Director  
Bobbi Mossman, Public Works Department  
Melessia Helberg, Stenographer

There was a quorum of the membership for conducting official business.

**NOTE: All items in the Committee packet for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Public Works Department.**

**3. APPROVAL OF AGENDA**

Mr. Pino noted a correction on Item #8, noting under Committee Review, it should be Council "Scheduled" instead of "Public Hearing."

**MOTION:** Councilor Trujillo moved, seconded by Councilor Romero, to approve the agenda as amended.

**VOTE:** The motion was approved unanimously on a voice vote.

**4. APPROVAL OF CONSENT AGENDA**

**MOTION:** Councilor Calvert moved, seconded by Councilor Romero, to approve the following Consent Agenda, as amended.

**VOTE:** The motion was approved unanimously on a voice vote.

**CONSENT AGENDA**

**6. CIP #872 – AIRPORT ROAD SAFETY IMPROVEMENTS PROJECT.**

- A. REQUEST FOR APPROVAL OF AWARD OF BID NUMBER 11/09/B AND CONSTRUCTION AGREEMENT WITH DAVID MONTOYA CONSTRUCTION, INC., FOR BID LOTS 1 & 2, AND BID ALTERNATIVE 2 IN THE AMOUNT OF \$802,113 PLUS \$65,673 NEW MEXICO GROSS RECEIPTS TAX, FOR A TOTAL AMOUNT OF \$867,786. (DESIRAE LUJAN)**

**Committee Review: Finance Committee (Approved) 05/02/11; and Council (Scheduled) 06/08/11.**

**7. *[Removed for discussion by Councilor Calvert]***

**8. PARKING FACILITIES SECURITY SERVICES**

- A. REQUEST FOR APPROVAL OF RFP 11/21/P AND PROFESSIONAL SERVICES AGREEMENT WITH CHAVEZ SECURITY, INC., IN THE AMOUNT OF \$407,774.58 FOR MUNICIPAL PARKING FACILITIES, SANTA FE COMMUNITY CONVENTION CENTER, MUNICIPAL LIBRARIES AND MUNICIPAL COURT. (WALTER ROYBAL)**

**Committee Review: Finance Committee (Scheduled) 06/20/11; and Council (~~Public Hearing~~ Scheduled) 06/29/11.**

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**END OF CONSENT AGENDA**

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**5. APPROVAL OF MINUTES FROM THE MAY 23, 2011, PUBLIC WORKS COMMITTEE MEETING.**

**MOTION:** Councilor Romero moved, seconded by Councilor Calvert, to approve the minutes of the meeting of the May 23, 2011 Public Works Committee meeting, as presented.

**VOTE:** The motion was approved unanimously on a voice vote.

## **CONSENT AGENDA DISCUSSION**

7. **SANTA FE RAILYARD COMMUNITY CORPORATION**
- A. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 3 IN THE AMOUNT OF \$96,000.**
- B. **REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT REQUEST (BAR). (ROBERT SIQUEIROS)**
- Committee Review: Finance Committee (Scheduled) 06/20/11; and Council (Scheduled) 06/29/11.**

Councilor Calvert said Page #2 of the Contract says this is for \$200,708, and asked if this is the total including the \$96,000.

Mr. Siqueiros said no. The \$200,708 was for the two previous contracts, \$66,000 for the Events Coordinator and \$4,000 for a survey. He said the archaeology study was \$1.3 million. He said the \$96,000 reflects only the last two contracts for the SFRCC and has nothing to do with the archaeological study.

Councilor Calvert said it is difficult to know where the \$96,000 fits in the overall contract.

Mr. Siqueiros said there were so many amendments to the contract that the City Attorney suggested that we start over with a new contract toward the end of last year. Responding to Councilor Calvert, Mr. Siqueiros said the total amount of the contract is \$1.325 million.

Councilor Calvert asked the reason we have to pay in advance.

Mr. Siqueiros said this request is to secure the money, noting they have been paid increments, and they won't be paid until the study is complete.

Councilor Romero asked if this is just to encumber the money, and Mr. Siqueiros said this is correct.

Councilor Calvert said then this is a request for the budget, but they won't be paid until we get the product, and Mr. Siqueiros said this is correct.

Councilor Calvert asked if they will be paid anything now, or if the entire \$96,000 will be paid when the final product is received.

Richard Czoski said it is like any other contract. As we incur costs it is passed to City. He said they have been paying for archaeology since 2004, and this is the end of it.

Councilor Calvert said there can't be much left to be done.

Mr. Czoski said compared to what they've accomplished, this is correct. He said they found 5,000 artifacts which they are now cataloguing, analyzing and putting in the final report. He said they are in the final report phase at this point.

Councilor Calvert said then the \$96,000 will go mostly for that purpose and Mr. Czoski said yes.

**MOTION:** Councilor Calvert moved, seconded by Councilor Romero, to approve this request.

**VOTE:** The motion was approved unanimously on a voice vote.

## **DISCUSSION AGENDA**

### **9. SANTA FE HOMES PROGRAM**

- A. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-8.11(F) SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM (SFHP); AMENDING SECTION 26-1.89 TO INCLUDE A TEMPORARY 70% REDUCTION IN SFHP FEES FOR SFHP DEVELOPMENTS WITH TWO THROUGH TEN TOTAL UNITS; AND AMENDING SECTION 26-1.15 SFCC 1987, TO TEMPORARILY REDUCE THE PERCENTAGE OF THE REQUIRED NUMBER OF FOR SALE SFHP HOMES IN A DEVELOPMENT (COUNCILORS WURZBURGER, ORTIZ, TRUJILLO AND DOMINGUEZ). (MELISA DAILEY)**
- B. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE ADMINISTRATIVE PROCEDURES FOR THE SANTA FE HOMES PROGRAM (SFHP) TO TEMPORARILY REDUCE THE PERCENTAGE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM AND TO AMEND THE CALCULATION OF FRACTIONAL UNIT FEES FOR DEVELOPMENTS WITH TWO THROUGH TEN UNITS AND 11 OR MORE UNITS (COUNCILORS WURZBURGER, ORTIZ, TRUJILLO AND DOMINGUEZ). (MELISA DAILEY)**

**Committee Review:** Finance Committee (Approved) 04/18/11; Planning Commission (Approved) 05/05/11; Council (Request to Publish) Approved 04/27/11; Business & Quality of Life (Approved) 05/10/11; Council (Public Hearing) Postponed 05/25/11; and Council (Public Hearing) 06/08/11.

A copy of "Santa Fe Homes Program ("SFHP") Proposed Amendments, Bill No. 2011-15," is incorporated herewith to these minutes as Exhibit "1."

Melisa Dailey reviewed the information in her Memorandum of May 27, 2011, which is in the Committee packets.



*The Committee commented and asked questions as follows:*

- Councilor Calvert said on page 2, lines 9 and 10, it talks about the 15% for rental units, and on line 15, it talks about 15% again.

Ms. Dailey said there are no changes proposed for rental.

- Councilor Calvert said it is underlined on lines 9 and 10 like it is a change.

Ms. Byers said it is underlined because everything in the first paragraph is submitted as new material, otherwise the rental units wouldn't be in effect for this 3 year term.

- Councilor Calvert said, but nothing's changing in the rental units.

Ms. Byers said this is correct. She said paragraph 2 would remain the same after the 3 years, noting she can delete the underline if he would like.

- Councilor Calvert said it is included with changes, but nothing changes and it sort of muddies the water a little to mention it at all.

Ms. Byers said it is unlined. She said where it says it is effective in 2014, if we don't put it in paragraph 1, then from 2014 there will be no mention of the rental.

- Councilor Calvert said then you have changed what is there and substituted this.

Ms. Byers said yes. What is there is what currently is in paragraph 2.

- Councilor Calvert said then you're saying if it isn't mentioned in paragraph 1, that's the new sentence that talks about rental, otherwise it won't be mentioned in the whole ordinance.

Ms. Byers said it won't be mentioned for this 3 year term we're talking about.

- Councilor Calvert said he doesn't see that's a problem because we're not changing it. If it is in the ordinance elsewhere already, and if we're not changing the rental units, then to put it in here and talk about it now and in 2 years when nothing's changing seems unnecessary.

Ms. Byers said she can remove the underlines and strike where she has the 15% in the second paragraph.

- Councilor Calvert said he believes that will make it more clear.
- Chair Dominguez noted one of the sponsors is here and suggested Councilor Calvert can continue his questions, and we can then address his concerns when the sponsor talks about the changes.

- Councilor Calvert said his understanding is that the reason we're doing this is for economic development and to stimulate the local housing industry. He is unsure what this will get us unless we have some restriction or a condition about using local contractors and suppliers, and not selling projects to production builders, otherwise he can't see the benefit to the local community in exchange for the reduction in the number of the required affordable units.
  - Chair Dominguez asked if this a rhetorical question, or a question to staff.
  - Councilor Calvert said it's something he had requested previously and both sponsors said they would like to entertain something like that, but he doesn't see it, so his question is directed to staff and/or the sponsors.
  - Chair Dominguez reiterated he would like the sponsor to have the opportunity to speak to all of the concerns.
  - Councilor Calvert said, since this is for 3 years, he would ask for an annual review, not just a review in one year, to be sure things are working as we intended. Responding to the Chair, Councilor Calvert said he isn't ready to make a motion.
  - Councilor Romero said there was an original resolution which proposed changes, which was sponsored by Councilor Wurzbarger. Councilor Romero said the changes he have proposed are more in line with what we're trying to do, which is to encourage new development on a smaller scale. She asked staff to walk through the proposed amendments, noting Councilor Calvert would like to include something about using local contractors. She said she discussed this with the staff and there were a variety of reasons we couldn't go that route, and asked staff to review the proposed language about local contractors. She said she is okay with including an annual review.
  - Chair Dominguez said then Councilor Romero is asking staff to speak to something that isn't part of any information in the packet.
  - Councilor Romero said this is correct, and just to be clear about the reason those changes aren't included in the bill, so we can answer that question and lay that issue to rest, and hopefully to get support for the changes.
- Nick Schiavo said there was a challenge around ensuring that the entire development would be built by local contractors. He said when a home is built there are as many as 8 subcontractors. Staff felt there would be challenge, and it was unclear who that burden would fall on to assure that every contractor and subcontractor would be based in Santa Fe. He said we got a ruling last year that "local" is Santa Fe County.
- Councilor Romero they felt, in discussing the change in the number of affordable homes, that developments of less than 10 which fit in the general plan and going for infill, perhaps we couldn't "get it in on smaller contractors. There was more of a chance that some of these smaller developments would use more local contractors because it's a smaller development. But again,

we're being hopefully optimistic that there's no way to put it into writing that we would require them to have local contractors, but it's my sense that if it's a small development that we have a greater chance of the developer using local businesses, rather than the large scale developers... it's an economy of scale. They're going to bring in their contractors, use their materials, so I still feel that the number, less than 10 homes, would give us a good chance at getting some of these local contractors working."

- Councilor Calvert said he was directing his comments mainly to the reduction from 30 to 20% on the larger projects. He agrees that on the smaller projects there is a tendency to use more local contractors. However, with the larger projects, for example Centex, they bring in the labor, materials and ship out the profits, and asked what we get from that in consideration for reducing the number of affordable units. He doesn't see we get much of anything. He said he believes we could do some sort of a certification process that as a condition of getting this relief, they would certify that they used local contractors and provide a signed statement at the end. If there was a need for an exception "they could get an exception."
- Chair Dominguez said we don't need to get into a full debate about that now, unless he has specific language to propose, or he can provide amendments at the next meeting.

Mr. Pino said having had the largest production builder in the County for several years, quite the opposite of what Councilor Calvert has said is true. He said when there is a large production it is a lot easier to hire small contractors than the other way around. He said the prices go too high the other way around. It gets much more competitive when you can offer someone 30-40 hours in two months as opposed for 2-3 houses for an entire year. He said one of the current realities for smaller contractors is their inability get the needed insurance, bonds and things that a builder wants to have, particular in homebuilding. So if a roof or foundation is bad, there is something to fall back on with the contractor. He said the reality is that some of the smaller contractors as well as the larger ones may be owned by somebody locally, "but I guarantee that they're not staffed by anybody locally. So, I don't know what you're really achieving by making it imperative that the local square get covered on the board."

Mr. Pino continued, "And then, as far as the top tier is concerned, the biggest challenge for the last 3 years is that the market has come down so low that it competes with the top tier. So, the top tier buyer would opt to go ahead and get a conventional loan, and not deal with all of the attachments that go with being an affordable buyer. And so, even if you didn't pass this, the local developers or any developer in Santa Fe, is going to have a difficult time selling those homes in the top tier any way. So, they would never be able to, or for a very long time, certify that they have them sold, because the buyers would want to come in at market rate instead of the program, unless they really needed down-payment assistance. That's a game changer for a lot of buyers."

Mr. Pino continued, "And so, as you've continued to deliberate this, I would encourage you to really flush out the part about the local contractors, and as much as we would like to help them, it may be more of a handicap to someone trying to get houses built if they're required. If they're encouraged, and there is an incentive, and builders love to get incentives, if there's some sort of

incentive you can build into this that could be provided to them for having used local contractors to the greatest extent possible, then they've got a motive now to go ahead and try to do that as much as possible for their costs. So I would encourage you just to think along those lines as you're coming up with ways to put this into place."

- Chair Dominguez thanked Mr. Pino for the information, noting there certainly is a science to the industry, and Mr. Pino was in it for some time, and his input is valuable – right, wrong or indifferent.

**MOTION:** Councilor Romero moved, seconded by Councilor Trujillo, to approve Item 9(A), with the annual review as proposed by Councilor Calvert.

**DISCUSSION:** Councilor Chavez said "experience speaks volumes," and he appreciates Mr. Pino's experience and insight, because he knows what the market does and doesn't do. He said the City just approved a bid to a contractor in Alameda, outside of Santa Fe County, but no one raised an issue on that one. He has been raising the issue of purchasing materials outside the State for a parks project, so we talk about local, but we don't always follow through, even when we can do so.

Councilor Chavez said, "This is getting pretty dicey. I mean you talk about handicapping the builder, but what about staff time to monitor and track all of this. Maybe we have time for that kind of stuff, I'm not sure. My questions that I jotted down in studying this to get here, I have a question of how many jobs this will generate and whether they really are local or not. That's nothing new. To do a fee-in-lieu, when we've just gone through a very very uncomfortable budget process, right.... So, there's fee-in-lieu. We're going to reduce impact fees 70%."

Ms. Dailey said they aren't really impact fees, but are the affordable housing fees. She said there will be fees only, and the affordable units will be reduced.

Councilor Chavez said then we might be putting some people to work, but we're not getting the number of single family-units that he thinks we need. He said we have no way of knowing if this will happen within the time frame we think it will. He said, "This is a crap shoot. That's all it is." He said this affordable housing programs has gone through a number of iterations, but in essence has stayed the same. He believes this changes it too much, even though we do need to do something to respond to the economy to try to compensate for that. It seems it might be better at this time just to weather the storm and "ride it out." He said he isn't ready to vote on any of this at this point in time, and can't support it, commenting he is unsure where this goes next.

Chair Dominguez said it goes to Council for a Request to Publish and then to Council for a public hearing.

Councilor Trujillo said we have discussed that there is a specific time frame which is 3 years, and in those 3 years whoever is building these homes have to pull a permit and build within that time frame. His concern is if those houses aren't built within that time frame, the remaining part that hasn't been built should revert to 30%. This is his question.

Mr. O'Reilly said he hasn't seen the final ordinance. However, his understanding is that the trigger for reduction from 30% to 20% for the entire development happens when a residential permit is pulled for that residential development. This means, for example, a development of 20 homes, which normally would be required to provide 6 affordable units, if they come in and pull a residential building permit for one home, that would lock in the requirement to do only 20% going forward. This would mean they would be required to build only 4 units instead of 6."

Councilor Trujillo asked, if they did not build the homes within the 3-year time frame, does the subdivision revert to the original 30%. He said they could build the top tier right away.

Mr. O'Reilly said, as written, Mr. Trujillo is correct. It would not revert back to 30% for the remaining units which are not constructed.

Councilor Trujillo said this is his concern, and believes they should have to build in 3 years, if not they can't take advantage of the 20%. He asked this question of Councilor Wurzbarger. He said apparently his concern has not been addressed.

Councilor Trujillo said he will support this ordinance only if that condition is in place.

Mr. O'Reilly said the ordinance provides that a building permit must be pulled, and to get that building permit the developer must have built the subdivision infrastructure, which is a lot of expense. He said this isn't the case where someone could pull a residential building permit and not have spent hundreds of thousands, if not millions of dollars, to first build out the infrastructure in the development. He said in this sense, there is economic benefit in terms of GRTs, jobs and other things, because the Division will not issue a residential building permit unless the subdivision is pretty much complete.

Councilor Chavez said the timeframe to issue a permit is one thing. He said we are talking about pulling a building permit after a 20 lot subdivision is all laid out in place. In most cases, a permit expires in a year and can be renewed after that. He asked how that fits into this.

Mr. O'Reilly said a residential building permit expires in one year, and a person can ask for and receive administrative extensions. He said another thing to remember, for example, in the case of a 10 lot subdivision, it is likely that all of those units could be built out in a 3-year window. But, on a 100 lot subdivision, he believes it highly improbable that all 100 units or 20% or 30% of those units could all be built out in the 3-year timeframe. He said Mr. Pino can speak to the velocity of the market and how fast people can build and sell homes.

Councilor Chavez said there is not a list of projects in the packet which are pending, waiting for this to happen and asked if there is such a list.

Ms. Dailey said she has a list and can put it in the Councilor's boxes tomorrow morning.

Councilor Chavez said developers have to follow the inclusionary zoning and all of the affordable units cannot be built in one section, and Ms. Dailey said this is correct.

Councilor Chavez said right now the market rate units pay for the affordable units, so typically they would do the affordable in the middle or at the end.

Ms. Dailey said this isn't correct, and they are required to provide them at the same rate as the market rate units.

Councilor Chavez said then they can't wait for those "on the rooftops," to start the affordable units, and Ms. Dailey said they are not supposed to.

Councilor Chavez said he knows this, but it sometimes happens that way.

Ms. Dailey said she isn't aware of that happening, although there is one development she needs to check on, which is a small development.

Chair Dominguez said there seems to be a little conflict between the information staff has and what you might have, and we all should be on the same page.

Councilor Chavez said he is raising the question, and we need to look at that.

Ms. Dailey said the only one she needs to check is that small development, but the large producers aren't holding back on building the affordable units.

Councilor Chavez said many times, in terms of affordability and quality, there is very little correlation and it depends on the builders and the contractors, and the punch list on the affordable units sometimes is not finished. He spoke about his daughter's experience in the Evergreen Subdivision which is a Homewise project, and that punch list went on for a year, which is typical at times for all construction. He said for those who can least afford it, the quality should be there, but it isn't always the case.

Councilor Calvert said, regarding the pulling of a permit as the trigger, it is conceivable that a developer could pull one building permit 3 years into the process, so when this expires in 2014, they can delay that for 2 years, and it could be 4 years before something is built. He said this brings him back to his question for the reason we are doing this. What is the aim, the purpose, if it isn't to stimulate the local building community and for economic development. He doesn't see this will do that within the 3-year period. He said this may make little or no difference to people's incentive to do something, unless we make some infrastructure funds available as an incentive to move forward.

Councilor Calvert said, "If it truly means one building permit gets the rest of the development exempt, or into one of those special conditions, it could be 5-years out before anything is even built, and it would apply to everything in the development."

Mr. O'Reilly said, "Just again, to be clear. In the City of Santa Fe in a, let's just use a 100-lot subdivision as an example, okay, that would be a big one, let's use that. The cost to develop a subdivision of 100 lots is going to be somewhere between \$2.5 and \$4 million, perhaps even \$4 million, depending on the terrain and where the site is located. \$25,000 to sometimes \$50,000, in the case of the Homewise Project on Old

Las Vegas Place, it was well beyond that because of the terrain and other issue. If a developer has to spend, let's say \$4 million to build out a subdivision before he can even pull a permit, a residential building permit, I would think that that is significant economic activity, more than likely done by local contractors over the course of, at least a year, if not longer to build that out. So there is immediate impact were a developer or builder wanting to take advantage of this. So, just something to bear in mind. Someone would have to make that decision, that I'm going to spend \$2.5, \$3, \$4 million on infrastructure just so I can pull a residential building permit and reduce my affordable housing percentage down from 30 to 20. So, it's not just one permit, it would be all the permits required to do all that subdivision and infrastructure work."

Councilor Calvert gets the point that no one is likely to play that game when they have that much money already invested, but again, whether or not they move forward depends more than anything on the financial and lending market. He said this won't be enough incentive to make them go through the development of the whole subdivision just to get the 10% reduction.

Mr. O'Reilly said if there was a builder who is waiting for a reason to proceed, apart from the market, this is something that could spur him on to do that, because of this incentive. If there is no loan or financing pending, then this probably wouldn't make someone move forward. He thinks this is meant to create that incentive to move forward and create everything that goes with it – jobs, GRTs and such.

Councilor Calvert said we're reducing the number of affordable units that they would have to build when, in fact, the best moving part of the market probably has been in the lower end, but the surplus probably is in the higher end. So, we're giving them an incentive to go and build more units at the higher end where there already is a surplus.

Councilor Romero said, "I hadn't brought this forward. Initially, it was brought forward by Councilors Wurzbarger, Trujillo, Dominguez and Ortiz, and I think the idea is, and they can speak to it themselves, but I think it was to stimulate the economy. But I do note that the amendments I have proposed really are compromise amendments. They are, I think, a place that would be easy to administer. They are based on the current reality. And I would agree, Councilor Calvert, that having gone through that SHO initiative, the major problem really is around financing. But I thought from a compromise language perspective that the changes I was bringing forth I thought were workable. I think they are worth a try for 3 years, rather than the 2 years which was originally proposed. I think it's guarded optimism for sure. I don't know where it's going to go, but I think the sunset clause in this gives us the ability to go back to what we had."

Councilor Romero continued, "I heard Councilor Wurzbarger say 30% of nothing is nothing, but I don't want to look at it from that perspective. I'm hopeful that some of these smaller developers might be able to do something. I think it's worth a try to see what we can do given the economy. From a staff perspective, I think administering this might be easier. We will see, but it's very guarded optimism that we're going to be able to accomplish anything. I think it was a good compromise, what we came up with on the changes that I proposed. So I just wanted folks to understand where it came from. I think it's still worth moving forward with these changes."

Councilor Trujillo said, "Then I guess what I would like to know, is there going to be a choice for these contractors, meaning, okay, we're giving you this incentive, you know, 20% for 3 years. But, what if one contractor says, I'd rather just stick with the 30%. My whole thing is dealing with the 3 years." He said the houses built during this time now become affordable. He said there needs to be a penalty if the contractor doesn't produce as agreed.

Councilor Romero clarified that what is moving forward, if we don't accept the amendments, will go back to the original proposal of 15%.

Chair Dominguez said the motion is to approve with the amendments.

Councilor Calvert asked if Councilor Romero's amendments are included in the substitute bill.

Chair Dominguez said there is a substitute bill in the packet and the No. 9 amendment sheet.

Ms. Byers said the substitute bill includes all of the amendments on the page.

Councilor Calvert said then we are being asked to weigh-in on the substitute bill here.

Chair Dominguez said this is correct, and that is the motion for approval.

Chair Dominguez thanked staff for their work on this. He said the City of Santa Fe, as he speaks with elected officials in other parts of the country, has one of the most progressive inclusionary zoning laws in the country. He said we have been very proud of that. He said he doesn't look at this as a deviation from that. He thinks this respects and recognizes that our economic climate has changed. He said, in his opinion, this is way to help to address some of that. He said whether it is perfect is in the eye of the beholder. He said we can cut this issue up in many different ways and make it as politically positive or poisonous as we want to, because it's just one of those issues that has been happening in this community for many, many, many years. He said, in terms of the one years, he was thinking initially, that we could tie it to some economic benchmarks. He said some called for a building moratorium for many years, and quite frankly this is a moratorium occurring now because of the economy. He said his idea was if the economy didn't improve after two years, this would continue, and he is okay with the one year review.

Councilor Calvert said what he suggested was an annual review.

Chair Dominguez doubts it will change that much over the 3 years, but we will have benchmarks, and some data to indicate to us the effectiveness of this effort. He said this really is about economic development from his perspective. He said whether local or otherwise, right now not much of anything is happening, so locals have less chance unless we get something on the books and in motion.

Chair Dominguez said, "In terms of mass producers like Centex, we can't forget that it's not just the people specifically in the building industry that help stimulate the economy. We have surveyors, the people who work in the closing offices. You have the guy who delivers the refrigerator. All those things add up. Not to mention, as staff has said, the amount of permit fees that are being paid for. And to kind of address part of



Councilor Trujillo's concern, my idea was to kick this end when the bond was applied for, or submitted, or anything else. But if you're going to submit money for a bond to get a building permit, well, then that shows to me that you've got some interest in completing your project. And you're not going to invest all that money, and then just walk away from it. You're going to do everything you can to make sure that you get that money back and that you fulfill the terms of the contract. And so I see it really as an economic development tool."

Councilor Dominguez continued, "And I guess the only other thing is that we need to not forget that right now, what we have isn't necessarily working, and we can continue to do more of the same. But I think any effort to try to do something is better than no effort at all. And, so that's one of the things that I'm applauding and one of the reasons why I'm supportive of this, even with the compromise amendments that Councilor Romero has come up with, because, after all if you don't have 5 votes, you can't do much of anything. So, I'm not sure... we'll have plenty of time... well not plenty of time, but we'll have some time to have more debate on this issue. I would encourage the Committee members to get any questions they have for staff. I'm sure some of it's going to be political, but nonetheless, you know, it's been scheduled for a public hearing at Council. And, so I'll call the question. Actually, I want a Roll Call."

**VOTE:** The motion as amended with the annual review as proposed by Councilor Calvert, was approved on the following Roll Call Vote:

**For:** Councilor Romero and Councilor Trujillo.

**Against:** Councilor Calvert and Councilor Calvert.

The resulting vote was a tie and Chair Dominguez voted in favor of the motion.

**Explaining his vote:** Councilor Trujillo said, "I will vote yes to move it on, but I do want staff to look at the questions I've raised, if it can be a choice, or what happens if the contractor does not fulfill the completion of building out, what would happen with some of those homes that should have been part of the 30%, now 20%, would they become affordable housing for people."

**Explaining his vote:** Councilor Chavez said, "I'm going to vote no and explain my vote again. I do agree that we have a model program and it has stood the test of time. It's weathered many court challenges. We've tried to change it here more than once. Very forward thinking, and I think it should stay, and should weather this storm. We had a different staff sort of evaluation of this in the debate that we had here just in the past couple of hours, so that kind of leads me to believe that still we're, you know, hoping and being optimistic, but I'm going to vote no at this time, and see where the discussion goes, and see what changes. But I just don't see it's going to result in the number of homes that we need in the right price range or jobs. So, I vote no."

**Explaining his vote:** Councilor Calvert said, "Yeah, I'm going to vote no right no. And I don't have that much of a problem with the less than 10, but it's sort of that and the other are.. it's sort all or none lumped in here together, and I'm still not comfortable with that part of it. And so, for that reason, I'll vote no at this time."

**Explaining his vote:** Chair Dominguez said, "Well I will say that we've got a different storm brewing. We've been living in a different storm for a number of years now, and I'm sure we will weather this one, and once we weather it, we, hopefully, will get back to a better place, and so I vote yes."

Ms. Byers asked, with regard to the annual review, if he wants the 3-year review as well, or just an annual review over the three years.

Chair Dominguez said it is for an annual review, yearly.

Ms. Byers said then she will remove the 3-year review and insert an annual review.

Councilor Calvert said before Wednesday's Council meeting, he would like staff to provide the list of candidates which would be able to take advantage of these changes.

Chair Dominguez said staff said they could provide that in the boxes tomorrow, and if it isn't provided, the sponsors need to make sure that is done.

Ms. Dailey said she can send that information by email tomorrow morning if the Chair would like.

Chair Dominguez said she can provide it tomorrow by any method, just as long as we have it tomorrow, so people can't say they didn't get the information.

Ms. Dailey said she will do both – email and hand delivery to the boxes.

**MOTION:** Councilor Romero moved, seconded by Councilor Trujillo, to approve Item 9(B).

**VOTE:** The motion was approved unanimously on the following Roll Call vote:

**For:** Councilor Trujillo, Councilor Romero,

**Against:** Councilor Calvert.

**Not participating in the vote:** Councilor Chavez.

**Explaining his vote:** Councilor Calvert said, "No for the same reasons."

## **10. MATTERS FROM STAFF**

There were no matters from staff.

**11. MATTERS FROM THE COMMITTEE**

Councilor Trujillo there has been tagging by new gangs on the south side of Camino Consuelo by the arroyo, by Kearney Elementary, noting he has not seen these symbols previously. He said he would appreciate very much if Mr. Pino would ask the Police Department go there and take pictures, and then to get rid of the graffiti as soon as possible.

**12. NEXT MEETING: MONDAY, JUNE 27, 2011.**

Chair Dominguez reminded the Committee of the Public Hearing on the Redistricting on that same day, noting the rest of the Governing Body will be invited and asked Mr. Pino to be sure Ms. Mossman gets that invitation sent to the rest of the Governing Body.

Chair Dominguez said he has asked for an update on the Parks Bond for a number of months, and he understands staff is almost ready to do that.

Mr. Pino said that will be on the agenda at the next meeting.

Chair Dominguez said we need that information as we go through the CIP list, so that things will fall into place.

Councilor Romero said Yolanda Vigil did send a memorandum to the Councilors with a list of the meetings, and encouraged Councilors to attend meetings not in their districts, because those will be interesting as well.

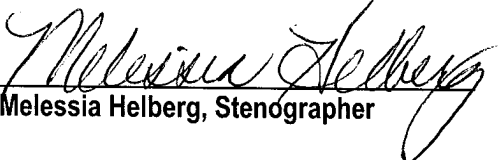
Responding to Councilor Chavez, Councilor Romero said only one location has changed from the original suggestion. She said District 2 will be meeting at the Santa Fe Public Schools Administration Building, noting Monica Roybal was in District 1. She said District 2 had a challenge in finding a place to meet, but that has been resolved.

**13. ADJOURN**

There being no further business to come before the Committee, and having completed its agenda, the meeting was adjourned at approximately 6:20 p.m.

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**Carmichael A. Dominguez, Chair**

  
Melessia Helberg, Stenographer