



Agenda

DATE 7/10/13 TIME 1:49 pm  
SERVED BY Kym Dicome  
RECEIVED BY [Signature]

## COMMUNITY DEVELOPMENT COMMISSION MEETING

Wednesday, July 17, 2013

3:30 p.m. – 5:00 p.m.

Main Post Office

120 South Federal Place

Main Conference Room

Third Floor, Room 326

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of the April 17, 2013 Minutes
5. Discussion and Decision of 2013-2014 CDBG Actual Grant Amount Allocation and the Reallocation of Carry Forward.
6. Presentation by Alex Ladd, Office of Affordable Housing, concerning the CDC's Role and Responsibility with the Santa Fe Homes Program.
7. Relocation of the September 4<sup>th</sup>, 2013 CDC meeting
8. Items from the Commission
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.**

**INDEX OF**  
**CITY OF SANTA FE**  
**COMMUNITY DEVELOPMENT COMMISSION**

**July 17, 2013**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE (S)</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 THE APRIL 17, 2013 MINUTES</b>		
	<b>Postponed</b>	<b>2</b>
<b>DISCUSSION AND DECISION OF 2013-2014 CDBG ACTUAL GRANT AMOUNT ALLOCATION AND THE REALLOCATION OF CARRY FORWARD</b>		
	<b>Motion passed</b>	<b>2-3</b>
<b>PRESENTATION BY ALEX LADD, OFFICE OF AFFORDABLE HOUSING, CONCERNING THE CDC'S ROLE AND RESPONSIBILITY WITH THE SANTA FE HOMES PROGRAM</b>		
	<b>Informational</b>	<b>3-4</b>
<b>RELOCATION OF THE SEPTEMBER 4<sup>TH</sup>, 2013 CDC MEETING</b>		<b>4</b>
<b>ITEMS FROM THE COMMISSION</b>		<b>5</b>
<b>ITEMS FROM THE FLOOR</b>	<b>None</b>	<b>5</b>
<b>ADJOURNMENT</b>	<b>Adjourned at 4:00 p.m.</b>	<b>5</b>

**MINUTES OF THE**  
**CITY OF SANTA FE**  
**COMMUNITY DEVELOPMENT COMMISSION MEETING**  
**Santa Fe, New Mexico**

**July 17, 2013**

A meeting of the City of Santa Fe Community Development Commission was called to order by Councilor Rebecca Wurzbarger, Chair on this date at 3:30 p.m. in the Main Post Office, Main Conference Room, Third Floor, Room 326, 120 South Federal Place, Santa Fe, New Mexico.

Roll Call indicated the presence of a quorum for conducting official business; as follows:

**Members Present:**

Councilor Rebecca Wurzbarger, Chair  
Rusty Tambascio, Vice Chair  
John Padilla  
Silas Peterson  
Annette Thompson-Martinez

**Member(s) Absent:**

Chris Graeser, resigned  
2 vacancies

**Staff Present:**

Kym Dicome, Housing and Community Development Department  
Alexandra Ladd, Housing and Community Development Department

**Others Present:**

Jo Ann G. Valdez, Stenographer

**APPROVAL OF AGENDA**

Approval of the Minutes of the April 17, 2013 Meeting was postponed.

**Commissioner Tambascio moved to approve the Agenda as amended.  
Commissioner Padilla seconded the motion. The motion passed unanimously by voice vote.**

## **APPROVAL OF THE MINUTES FOR THE APRIL 17, 2013 MEETING**

As noted above, approval of the Minutes of the April 17, 2013 Meeting was postponed.

## **DISCUSSION AND DECISION OF 2013-2014 CDBG ACTUAL GRANT AMOUNT ALLOCATION AND THE REALLOCATION OF CARRY FORWARD**

The Community Development Block Grant Program (CDBG) experienced a net increase in funding from FY 2012 to FY 2013. The FY 2012 HUD appropriations law directed that \$300 million of the CDBG funding appropriation be allocated for disaster recovery; this reduced the funding available for formula distribution in FY 2012 to \$2.94 billion. That set-aside for disaster recovery grants did not carry over to the FY 2013 Continuing Resolution, which provide \$3.07 billion for CDBG formula funding. After the mandatory reductions due to sequestration and an across-the-board recession, the result is a 4.4% increase in CDBG formula national funding levels from FY 2012 to 2013.

Ms. Dicome noted that there is \$63,422 that needs to be reallocated. The breakdown is as follows:

### **2013-2014 CDBG Allocation**

- |                          |   |
|--------------------------|---|
| 1. Estimate              | \$465,660 (based on 8% cut from 2012-2013 allocation)         |
| 2. Remainder after admin | \$372,528 (amount CDC allocated to projects in February 2013) |
| 3. Actual                | \$516,201   |
| 4. Remainder after admin | \$435,950   |
| 5. Difference            | $\$435,950 - \$372,528 = \$ 40,433$                           |

### **Carry Forward from Closed Projects**

- |                                |                  |
|--------------------------------|------------------|
| 1. Airport Road                | \$ 14,242        |
| 2. Homewise Septic Replacement | \$ 8,747         |
| <b>Total</b>                   | <b>\$ 22,989</b> |

[A handout on staff's recommendation for the reallocation of funding was distributed in the Commissioners' packets. A copy is hereby incorporated to these Minutes as Exhibit "A".]

After discussion, the following motion was made:

**Commissioner Thompson-Martinez moved to reallocate the CDBG funding as follows:**

*APPROVED CORRECTIONS:*

\$130,000 to Homewise DPA (\$30,000 increase)	<i>\$ 120,500 (\$ 20,500 INCREASE)</i>
96,711 to Habitat for Humanity-DPA (\$16,700 increase)	<i>96,700</i>
96,711 to Housing Trust – DPA (\$16,700 increase)	<i>96,700</i>
4,880 to Housing Trust – Stagecoach	
40,148 to Girls Inc. – Improvements	
12,500 to Youth Works!-Hopewell Youth	<i>\$ 22,000 (\$9500 INCREASE)</i>
10,000 to Youth Shelters Life Skills	
15,000 to SFPS Adelante Graduation Project	
30,000 to Kitchen Angels Special Meals	
<b>\$435,950 total in CDBG funding</b>	

**Commissioner Peterson seconded the motion. The motion passed with 1 abstention.** *(Commissioner Tambascio declared a conflict of interest and recused herself from voting and discussion on this agenda item.)*

**PRESENTATION BY ALEX LADD, OFFICE OF AFFORDABLE HOUSING,  
CONCERNING THE CDC’S ROLE AND RESPONSIBILITY WITH THE SANTA  
FE HOMES PROGRAM**

[Copies of the Memo from Alexandra Ladd, Special Projects Manager, Housing and Community Development Department dated July 10, 2013 were distributed in the Commissioners’ packets.]

Ms. Ladd presented the information from the Memo.  
(Please see Exhibit “B” for the specifics of this presentation.)

She explained that the Housing Opportunity Program (HOP) ordinance was adopted in 1998 as part of the City’s zoning code. It established that all proposed residential development provide a percentage of affordably-priced homes. The percentage varies from 11-16%, depending on the market price of the proposed development – the more expensive the homes, the higher the requirement. In 2005, HOP was superseded by the Santa Fe homes Program (SFHP) which simplified some of the regulatory details of HOP and effectively raised the percentage of affordable homes to 30% of (for-sale) developments and 20% of rental units. In 2011, Ordinance 2011-17 temporarily reduced the requirement to 20% of the homes in for-sale developments are priced affordably to respond to changing market conditions.

Ms. Ladd said although HOP is technically not the City’s current regulation, several

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Community Development Commission  
Meeting: July 17, 2013

agreements were outstanding at the time SFHP was adopted and they remain in effect. As per the HOP Administrative Procedures, the Community Development Commission is charged with granting approval for requests for alternate compliance and appeals to the City's administrative and decision making process.

The regulation allows for developers to request an alternate form of compliance "due to extreme hardship" as defined. In this event, the applicant may seek permission from the Community Development Commission to use an alternate means of compliance. Alternate means of compliance may be achieved through contribution of cash, in-kind resources, land, labor, and materials to be used in support of affordable housing.

Ms. Ladd noted that she attached excerpts from HOP Administrative Procedures, Appendix D: HOP In-Lieu Contribution Values (from HOP Administrative Procedures); updated HOP fee-in-lieu, based on 1995 figures, annual increase in Consumer Price Index and HOP Home Pricing – 2013.

The Commissioners were asked to review all this in the event that applicants may seek permission from the Community Development Commission to use an alternate means of compliance.

Commissioner Padilla asked if the agreement goes with the project.

Ms. Ladd said yes, it goes with the property.

Commissioner Padilla asked what happens to those projects that went bankrupt.

Ms. Ladd said there is an option for the buyer to come back to the Commission and propose an alternate.

Commissioner Padilla asked Ms. Ladd if she knew how many projects this will affect.

Ms. Ladd said she believes five to six projects could be affected.

Chair Wurzbarger requested that information be provided to the Commission on which projects had this agreement. Ms. Ladd agreed to provide this information to the Commissioners.

#### **RELOCATION OF THE SEPTEMBER 4<sup>TH</sup>, 2013 CDC MEETING**

This conference room is not available for the September 4, 2013 CDC meeting; therefore the meeting will be relocated somewhere at City Hall. Ms. Dicome will notify the Commissioners when she knows where the location will be.

### **ITEMS FROM THE COMMISSION**

Commissioner Peterson mentioned that he has a couple of prospects for new Commissioners. They both live in Santa Fe and therefore qualify to serve on the Commission. He was asked to submit the names to Kym Dicome, and possibly they can attend the next Commission meeting.

Commissioner Padilla announced that he has been appointed to the Planning Commission. He asked if there is a conflict of interest for him to serve on this Commission and the Planning Commission when they review and discuss funding and approval of projects.

Chair Wurzburger said there is a recusal process for this. She asked Commissioner Padilla to send her an e-mail about this and she will forward this question to the City Attorney.

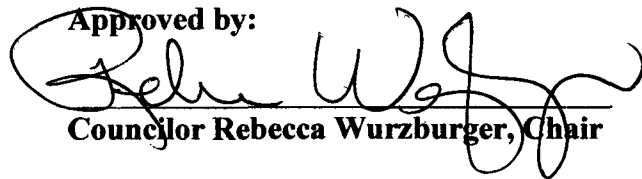
### **ITEMS FROM THE FLOOR**

There were no items from the floor.

### **ADJOURNMENT**

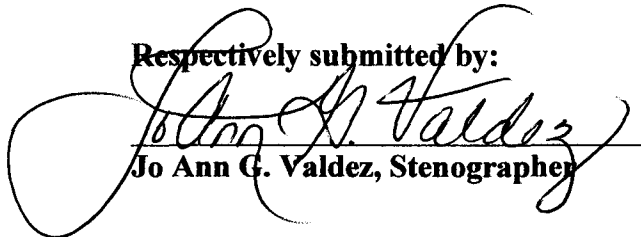
Its business being completed, Commissioner Padilla moved to adjourn the meeting, second by Commissioner Tambascio, the meeting adjourned at 4:00 p.m.

Approved by:



Councilor Rebecca Wurzburger, Chair

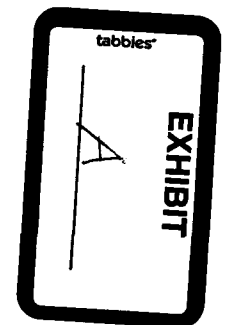
Respectively submitted by:



Jo Ann G. Valdez, Stenographer

Staff's Recommendations for Reallocation Funding  
2013-2014

	2013-2014	2013-2014	
	Allocations	Staff Recommended	Increase
Homewise - DPA	\$100,000	\$130,000	\$30,000
Habitat for Humanity - DPA	\$80,000	\$96,711	16,700
Housing Trust - DPA	\$80,000	\$96,711	16,700
Admin			22
Housing Trust - Stagecoach	\$4,880	\$4,880	0
Girls, Inc. - Improvements	\$40,148	\$40,148	0
Youth Works! Hopewell Youth	\$12,500	\$12,500	0
Youth Shelters Life Skills	\$10,000	\$10,000	0
SFPS Adelante Graduation Project	\$15,000	\$15,000	0
Kitchen Angels Special Meals	\$30,000	\$30,000	0
subtotal	372,528	435,950	\$63,422





#### 2013-2014 CDBG Allocation

- |                                      |  |
|--------------------------------------|--|
| 1. Estimate                          | \$465,660 (based on 8% cut from 2012-2013 allocation)    |
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| 3. Actual                            | \$516,201  |
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| 5. Difference \$435,950 - \$372,528= | \$40,433   |

#### Carry Forward from Closed Projects

- |                                |                 |
|--------------------------------|-----------------|
| 1. Airport Road                | \$14,242        |
| 2. Homewise Septic Replacement | <u>\$ 8,747</u> |
| 3. Total                       | \$22,989        |

Reallocation amount = \$40,433 + \$22,989 = XXXXXXXXXX



# City of Santa Fe, New Mexico

## memo

**DATE:** July 10, 2013

**TO:** Members of the Community Development Commission

**VIA:** Kate Noble  
Acting Director, Housing and Community Development Department

**FROM:** Alexandra Ladd, AICP  
Special Projects Manager, Housing and Community Development Department

**RE:** Explanation of HOP alternate compliance procedures

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### **ACTION REQUIRED**

For your information.

### **BACKGROUND**

The Housing Opportunity Program (HOP) ordinance was adopted in 1998 as part of the City's zoning code. It established that all proposed residential development provide a percentage of affordably-priced homes. The percentage varies from 11 - 16%, depending on the market price of the proposed development - the more expensive the homes, the higher the requirement. In 2005, HOP was superseded by the Santa Fe Homes Program (SFHP) which simplified some of the regulatory details of HOP and effectively raised the percentage of affordable homes to 30% of for sale developments and 20% of rental units. In 2011, Ordinance 2011-17 temporarily reduced the requirement to 20% of the homes in for-sale developments are priced affordably to respond to changing market conditions.

Both programs require that:

- Home prices are set to the Area Median Income (AMI) established by HUD annually and based on paying no more than 1/3 of one's income on housing costs
- Eligible buyers are income certified and complete homebuyer training and counseling through the Housing Trust or Homewise
- Long-term affordability is controlled by a lien based on the difference between the subsidized home sales price and the appraised value at the time of sale

## ITEM AND ISSUE

Although HOP is technically not the City's current regulation, several agreements were outstanding at the time SFHP was adopted and they remain in effect. As per the HOP Administrative Procedures, the Community Development Commission is charged with granting approval for requests for alternate compliance and appeals to the City's administrative and decision making process. See **Attachment A** for a full excerpt from the HOP Administrative Procedures.

The regulation allows for developers to request an alternate form of compliance "due to extreme hardship as defined. **In this event, the applicant may seek permission from the Community Development Commission to use an alternate means of compliance** *{Emphasis added}*." Alternate means of compliance may be achieved through contribution of cash, in-kind resources, land, labor, and materials to be used in support of affordable housing. See **Attachment B** for a description of how the in-lieu contribution is determined.

This value is updated based on the increase in the Consumer Price Index (which includes construction costs, materials and other variables). See **Attachment C** for a spreadsheet that updates the values established in Appendix D of the HOP Administrative Procedures. The HOP Home Pricing Schedule is also included for your information (**Attachment D**).

### Attachments:

- A: Excerpts from HOP Administrative Procedures
- B: Appendix D: HOP In-Lieu Contribution Values (from HOP Administrative Procedures)
- C: Updated HOP fee-in-lieu, based on 1995 figures, annual increase in Consumer Price Index (CPI)
- D: HOP Home Pricing - 2013

***Excerpted Sections:***  
**ADMINISTRATIVE PROCEDURES  
FOR THE CITY OF SANTA FE  
HOUSING OPPORTUNITIES PROGRAM (HOP)**

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*As described in Section 4 "Responsibility for Administration" of the HOP Administrative Procedures:*

- 4.8 Community Development Commission** - This city board shall be responsible for considering and acting upon requests for alternate means of compliance and upon appeals of decisions of the Office of Affordable Housing as described herein.

*As defined in Section 6 "Definitions" of the HOP Administrative Procedures:*

**Development Types:**

- A. Development Type "A" means a residential development in which the average price of 70% of the dwelling units for sale or for rent are affordable to households with incomes at or below 80 percent of the area median income, using a four person household for home buyers and a three person household for renters.
- B. Development Type "B" means a residential development in which all units for sale or for rent are affordable to a three person household with an income under 120 percent of the area median income unless the development is defined as a development type "A."
- C. Development Type "C" means a residential development in which (a) one or more units for sale or for rent are provided to be affordable to a three person household with an income above 120 percent of the area median income; and (b) the average price does not exceed a price affordable to a three person household with an income at 200 percent of the area median income.
- D. Development Type "D" means a residential development in which units for sale or rent are, on average, affordable to a three person household with an income over 200 percent of the area median income.

**Extreme Hardship** - A condition occurring as a direct consequence of the HOP ordinance which a) deprives a property owner of all economically viable use of the subject property taken as a whole or b) would require the property owner to lose money on the development taken as a whole and the property owner can demonstrate to the Community Development Commission's satisfaction that said loss will be an unavoidable consequence of the HOP requirement for construction of affordable housing.

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11. **ALTERNATE MEANS OF COMPLIANCE**

11.1 **Criteria for Allowing Alternate Approaches**

HOP requires that applicants provide HOP units on the property proposed for development. However, it is recognized that at times this approach may be infeasible due to extreme hardship as defined. **In this event, the applicant may seek permission from the Community Development Commission to use an alternate means of compliance {Emphasis added}.**

11.2 **Allowable Alternate Means of Compliance**

Contributions of cash or in-kind resources for affordable housing may be considered acceptable by the City as an alternate means of compliance. The Developer may provide cash, land, labor, materials or another in-kind contribution(s) acceptable to the City. The fair market value of the contribution(s) shall be equal to the In-Lieu Contribution Value for each affordable unit, which is not provided directly, as described in Section 12.

12. **DETERMINATION OF IN-LIEU CONTRIBUTION VALUES – Use the In-lieu fee calculations/requirements from SF Homes?**

The In-Lieu Contribution Value for each HOP unit which is not provided directly shall be determined as follows:

- 12.1 Contribution values for a particular development shall be the values in Appendix D, "HOP In-Lieu Contribution Values," which correspond to the type of development proposed.
- 12.2 The methodology for initially determining contribution values is contained in a 1995 report by The Enterprise Foundation, *Findings and Recommendations Regarding Housing Affordability Issues in the Proposed Housing Opportunities Program*. The recommended contribution values in that report were adopted as the initial values for calendar year 1995.
- 12.3 The initial 1995 values shall be adjusted annually at the beginning of each calendar year by a factor equal to the Consumer Price Index for New Mexico Urban Areas, or at the discretion of the Office of Affordable Housing Director, the values may be recalculated using another method, so long as the methodology is sound and described in detail in a written report available to the public.
- 12.4 The required In-Lieu Contribution Value for any contribution (including a staged contribution) shall be the amount in effect at the time that each contribution is due.
- 12.5 A 2% processing fee to the city shall be added to all fees in lieu of contributions for administrative costs.

**APPENDIX D: HOP IN-LIEU CONTRIBUTION VALUES****Effective February 24, 2005**

The following In-Lieu Contribution Values are the required value of cash or in-kind contributions for HOP developments that are not providing required affordable housing.

"Price class," "corresponding price range," and "corresponding range of monthly rents" refer to the proposed pricing of residential dwelling units to be built in the development. Please note that qualified HOP developments in Development Types "A" and "B" (defined in Section 6 herein) are not required to make in-lieu contributions.

"Corresponding income range" is provided only for illustrative purposes, and formed the basis for some of the calculations used to derive the contribution values.

**REQUIRED CONTRIBUTION VALUES FOR FOR-SALE HOUSING**

Development Type	Corresponding Income Range*	Corresponding Price Range	Contribution Value/Unit**
"C"	120%-200% of AMI	\$310,606-\$517,675	\$18,192
"D"	Over 200% of AMI	Over \$517,676	\$45,044

**REQUIRED CONTRIBUTION VALUES FOR RENTAL HOUSING**

Development Type	Corresponding Income Range*	Corresponding Range of Monthly Rents	Contribution Value/Unit
"C"	120%-200% of AMI	\$1,782-\$2,970	For specific fee contact Office of Affordable Housing. (505-955-6913)
"D"	Over 200% of AMI	Over \$2,970	For specific fee contact Community Services Dept. (505-955-6913)

\* "AMI" means area median income. Based on market data, typical household size is assumed to be three persons above 80 percent of median income.

\*\* The value per unit is multiplied by the partial unit requirement to determine the specific contribution, e.g. 0.86 (partial requirement) x value/unit = contribution, plus a 2% administrative fee.

**Updated HOP fee-in-lieu, based on 1995 figures, annual increase in Consumer Price Index (CPI)**

Year	CPI increase By %	Per Unit		With 2% admin fee	
		Type C	Type D	Type C	Type D
1995	(BASE)	\$ 18,192	\$ 45,044	\$ 18,556	\$ 45,945
1996	3.3	\$ 18,792	\$ 46,530	\$ 19,168	\$ 47,461
1997	1.7	\$ 19,112	\$ 47,321	\$ 19,494	\$ 48,268
1998	1.6	\$ 19,418	\$ 48,079	\$ 19,806	\$ 49,040
1999	2.7	\$ 19,942	\$ 49,377	\$ 20,341	\$ 50,364
2000	3.4	\$ 20,620	\$ 51,056	\$ 21,032	\$ 52,077
2001	1.6	\$ 20,950	\$ 51,872	\$ 21,369	\$ 52,910
2002	2.4	\$ 21,453	\$ 53,117	\$ 21,882	\$ 54,180
2003	1.9	\$ 21,860	\$ 54,127	\$ 22,297	\$ 55,209
2004	3.3	\$ 22,582	\$ 55,913	\$ 23,033	\$ 57,031
2005	3.4	\$ 23,349	\$ 57,814	\$ 23,816	\$ 58,970
2006	2.5	\$ 23,933	\$ 59,259	\$ 24,412	\$ 60,444
2007	4.1	\$ 24,531	\$ 60,741	\$ 25,022	\$ 61,955
2008	0.1	\$ 25,537	\$ 63,231	\$ 26,048	\$ 64,496
2009	2.7	\$ 25,540	\$ 63,237	\$ 26,051	\$ 64,502
2010	1.5	\$ 25,923	\$ 64,186	\$ 26,441	\$ 65,470
2011	3	\$ 26,701	\$ 66,111	\$ 27,235	\$ 67,434
2012	1.7	\$ 27,154	\$ 67,235	\$ 27,698	\$ 68,580

**HOP Home Pricing – 2013**

<b>Household Size</b>	<b>Area Median Income</b>	<b>% Median Income to Serve</b>	<b>Income per year*</b>	<b>Total Price</b>
3	\$58,800	65%	\$38,250	\$179,442
4	\$65,300	65%	\$42,450	\$199,279
5	\$70,550	65%	\$45,850	\$215,300

\*Rounded to nearest \$250