



Agenda

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DATE 12/19/13 TIME 2:15pm

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PLANNING COMMISSION
Thursday, January 9, 2014 - 6:00pm
City Council Chambers
City Hall 1st Floor - 200 Lincoln Avenue

- A. ROLL CALL**
- B. PLEDGE OF ALLEGIANCE**
- C. APPROVAL OF AGENDA**
- D. APPROVAL OF MINUTES AND FINDINGS/CONCLUSIONS**

MINUTES: December 19, 2013

FINDINGS/CONCLUSIONS:

Case #2013-111. Presbyterian Healthcare Services Development Plan and Variances.

- E. OLD BUSINESS**
- F. NEW BUSINESS**

1. An ordinance relating to the Santa Fe Homes Program ("SFHP"); amending Section 14-8.11 SFCC 1987 to make permanent the current percentage requirements of the SFHP; amending Section 26-1 SFCC 1987 to update the Legislative Findings, to establish the schedule for payments in lieu of constructing units for SFHP development with two through ten total units, to make permanent the current percentage requirements of the SFHP and to make various other changes to the SFHP ordinance. (Councilor Wurzburger) (Alexandra Ladd)
2. Case #2013-119. Lot 6A, Plaza la Prensa, Southwest Business Park Final Subdivision Plat. James W. Siebert and Associates, Inc., agents for Carmel LLC, Final LLC, SF South LLC, and State Properties of NM LLC, request Final Subdivision Plat approval for 3 lots on 6.54± acres located at 37 Plaza la Prensa. The property is zoned BIP (Business Industrial Park) and is located within the Phase 2 Annexation Area. (Tamara Baer, Case Manager)

- G. STAFF COMMUNICATIONS**
- H. MATTERS FROM THE COMMISSION**
- I. ADJOURNMENT**

NOTES:

- 1) Procedures in front of the Planning Commission are governed by the City of Santa Fe Rules & Procedures for City Committees, adopted by resolution of the Governing Body of the City of Santa Fe, as the same may be amended from time to time (Committee Rules), and by Roberts Rules of Order (Roberts Rules). In the event of a conflict between the Committee Rules and Roberts Rules, the Committee Rules control.
- 2) New Mexico law requires the following administrative procedures to be followed by zoning boards conducting "quasi-judicial" hearings. By law, any contact of Planning Commission members by applicants, interested parties or the general public concerning any development review application pending before the Commission, except by public testimony at Planning Commission meetings, is generally prohibited. In "quasi-judicial" hearings before zoning boards, all witnesses must be sworn in, under oath, prior to testimony and will be subject to reasonable cross examination. Witnesses have the right to have an attorney present at the hearing.
- 3) The agenda is subject to change at the discretion of the Planning Commission.
***Persons with disabilities in need of special accommodations or the hearing impaired needing an interpreter please contact the City Clerk's Office (955-6520) 5 days prior to the hearing date.**

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CITY OF SANTA FE
PLANNING COMMISSION
January 9, 2014

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| CALL TO ORDER/ROLL CALL | Quorum | 1 |
| APPROVAL OF AGENDA | Approved | 1-2 |
| <u>APPROVAL OF MINUTES AND FINDINGS/CONCLUSIONS</u> | | |
| MINUTES – DECEMBER 19, 2013 | Approved [amended] | 2 |
| <u>CASE #2013-111. PRESBYTERIAN HEALTHCARE SERVICES DEVELOPMENT PLAN AND VARIANCES</u> | Approved | 2 |
| OLD BUSINESS | None | 2 |
| <u>NEW BUSINESS</u> | | |
| AN ORDINANCE RELATING TO THE SANTA FE HOMES PROGRAM (“SFHP”); AMENDING SECTION 14-8.11 SFCC 1987, TO MAKE PERMANENT THE CURRENT PERCENTAGE REQUIREMENTS OF THE SFHP; AMENDING SECTION 26-1 SFCC 1987, TO UPDATE THE LEGISLATIVE FINDINGS, TO ESTABLISH THE SCHEDULE FOR PAYMENTS IN LIEU OF CONSTRUCTING UNITS FOR SFHP DEVELOPMENT WITH TWO THROUGH TEN TOTAL UNITS, TO MAKE PERMANENT THE CURRENT PERCENTAGE REQUIREMENTS OF THE SFHP AND TO MAKE VARIOUS OTHER CHANGES TO THE SFHP ORDINANCE | Recommend partial approval | 3-14 |
| <u>CASE #2013-119. LOT 6A, PLAZA LA PRENSA, SOUTHWEST BUSINESS PARK FINAL SUBDIVISION PLAT. JAMES W. SIEBERT AND ASSOCIATES, INC., AGENTS FOR CARMEL LLC, FINAL LLC, SF SOUTH LLC, AND STATE PROPERTIES OF NM LLC, REQUEST FINAL SUBDIVISION PLAT APPROVAL FOR 3 LOTS ON 6.54± ACRES, LOCATED AT 37 PLAZA LA PRENSA. THE PROPERTY IS ZONED BIP (BUSINESS INDUSTRIAL PARK) AND IS LOCATED WITHIN THE PHASE 2 ANNEXATION AREA</u> | Approved w/all conditions a/a | 14-16 |

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| ADJOURNMENT | | 17 |

**MINUTES OF THE MEETING
OF THE
PLANNING COMMISSION
January 9, 2014**

A regular meeting of the City of Santa Fe Planning Commission, was called to order by Chair Tom Spray, at approximately 6:00 p.m., on Thursday, January 9, 2014, in the City Council Chambers, City Hall, Santa Fe, New Mexico.

A. ROLL CALL

MEMBERS PRESENT:

Commissioner Tom Spray, Chair
Commissioner Michael Harris
Commissioner Signe Lindell
Commissioner Lawrence Ortiz
Commissioner Dan Pava
Commissioner Angela Schackel-Bordegary
Commissioner Renee Villarreal

MEMBERS EXCUSED:

Commissioner Lisa Bemis
Commissioner John Padilla

OTHERS PRESENT:

Matthew O'Reilly, Director, Planning Department
Tamara Baer, Planner Manager, Current Planning Division – Staff liaison
Kelley Brennan, Assistant City Attorney
Melessia Helberg, Stenographer

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

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF AGENDA

MOTION: Commissioner Lindell moved, seconded by Commissioner Pava, to approve the Agenda as presented.

VOTE: The motion was approved unanimously on a voice vote, with Commissioners Harris, Lindell, Ortiz, Pava and Villarreal voting in favor of the motion, no one voting against, and Commissioner Schackel-Bordegary absent for the vote. [5-0].

Commissioner Schackel-Bordegary arrived at the meeting

D. APPROVAL OF MINUTES AND FINDINGS/CONCLUSIONS

1. MINUTES – DECEMBER 9, 2013

The following corrections were made to the minutes:

Page 13, paragraph 3, line 3, correct as follows: "... the Commission condition become a..."

Page 14, paragraph 1, line 3, delete the comma between "Bobby" and "George."

Page 21, paragraph 5, correct as follows: "Chair Spray said he agreed in part."

Page 8, paragraph 6, line 2, correct as follows: "...the last time and will not vote for it this time."

Page 15, paragraph 13, line 3, correct as follows: "... [inaudible] roof run-off."

MOTION: Commissioner Villarreal moved, seconded by Commissioner Lindell, to approve the minutes of the meeting of December 9, 2013, as amended.

VOTE: The motion was approved unanimously on a voice vote, with Commissioners Harris, Lindell, Ortiz, Pava, Schackel-Bordegary and Villarreal voting in favor of the motion and no one voting against [6-0].

2. FINDINGS/CONCLUSIONS

CASE #2013-111. PRESBYTERIAN HEALTHCARE SERVICES DEVELOPMENT PLAN AND VARIANCES.

A copy of the Findings of Fact and Conclusions of Law in Case #2013-111 Presbyterian Healthcare Services Development Plan, prepared by staff, is incorporated herewith to these minutes as Exhibit "1."

MOTION: Commissioner Villarreal moved, seconded by Commissioner Pava, to approve the Findings of Fact and Conclusion of law in Case #2013-111, Presbyterian Healthcare Services Development Plan and variances, as presented by staff [Exhibit "1"].

VOTE: The motion was approved unanimously on a voice vote, with Commissioners Harris, Lindell, Ortiz, Pava, Schackel-Bordegary and Villarreal voting in favor of the motion and no one voting against [6-0].

E. OLD BUSINESS

There was no old business.

F. NEW BUSINESS

1. **AN ORDINANCE RELATING TO THE SANTA FE HOMES PROGRAM ("SFHP"); AMENDING SECTION 14-8.11 SFCC 1987, TO MAKE PERMANENT THE CURRENT PERCENTAGE REQUIREMENTS OF THE SFHP; AMENDING SECTION 26-1 SFCC 1987, TO UPDATE THE LEGISLATIVE FINDINGS, TO ESTABLISH THE SCHEDULE FOR PAYMENTS IN LIEU OF CONSTRUCTING UNITS FOR SFHP DEVELOPMENT WITH TWO THROUGH TEN TOTAL UNITS, TO MAKE PERMANENT THE CURRENT PERCENTAGE REQUIREMENTS OF THE SFHP AND TO MAKE VARIOUS OTHER CHANGES TO THE SFHP ORDINANCE (COUNCILOR WURZBURGER). (ALEXANDRA LADD)**

A Memorandum dated December 20, 2013, with attachment, to the Planning Commission – January 9, 2014, from Alexandra Ladd, Special Projects Manager, Housing and Community Development Department, regarding *Amendments to the Santa Fe Homes Program (SFHP) – Chapter 14*, is incorporated herewith to these minutes as Exhibit "2."

The staff report was presented by Alexandra Ladd. Please see Exhibit "2" for specifics of this presentation. Ms. Ladd said she is asking for input and a recommendation from the Commission on the Ordinance, specifically Items #1 and #2 on page one of her Memorandum [Exhibit "2"].

Public Hearing

Speaking to the Request

There was no one speaking to this request.

The Public Testimony Portion of the Public Hearing Was Closed

Chair Spray asked Ms. Brennan if the Commission is being asked for a specific recommendation only for the two items in Section 1 and Section 2 of the Ordinance.

Ms. Brennan said, "It is correct Chair Spray that you have the jurisdiction to review changes, Ordinance Changes in Chapter 14, and to the extent this affects Chapter 14, those are the sections that you are reviewing."

The Commission commented and asked questions as follows:

- Commissioner Lindell said, referring to the chart on page 3 of 4, said in 2011, "we took the Tier 2... we were at 10% requirement on home sales and the change now is to make that 5%. Am I reading that right."

Ms. Ladd said, "Yes. I can explain the rationale behind that. When the 2011 amendment was made reducing the requirement from 30% to 20%, previously the 10% had been distributed across those

3 income ranges. In 2011, it was taken out of the highest, at that time, which was income Tier 4. They just struck out the 10% from there and left 10% in Tiers 2 and 3. But one of the things that is also in the Ordinance, is a sort of encouragement, an incentive for essential workers. So what City Council had decided was that it was very important to provide housing for the people who felt like they couldn't afford what they wanted in our community, teachers, police officers, firefighters. But many of them made too much money to qualify under the program. So what the City Council decided, and this was before 2011, was that those types of essential workers could earn more and buy the Tier 4 house, so they could earn in the Tier 5. But once the City struck the 10% out of Tier 4, that becomes sort of a moot point. There's no way to provide that incentive for them. So that was one rationale."

Ms. Ladd continued, "The other is that for homebuyers to qualify for many of the HUD down-payment assistance sources, CDBG and the Homes Program, as well as some of the programs that the MFA runs from the State level, is they can't earn more than 80%, so by striking the requirement out of Tier 4, these people can't qualify for a lot of the down-payment assistance either, because they earn just a little too much. But they still don't really earn enough to afford a market rate home. So the other part of that rationale was let's get some homes priced for them, so if they're not able to get down-payment assistance, they will still be able to buy a house in that income range."

- Commissioner Lindell said, "My inclination is to want to talk about going back to 30%, rather than the 20%, but this is.... We had a sunset of June 2014 on the amendment we're looking at, and now we're being asked to codify that permanently, correct."

Ms. Ladd said this is correct.

- Commissioner Lindell said, "I really hope the Commission makes a recommendation not to do that. Maybe we could look to extend this for a couple more years, but once we have codified those rates we've got them. That's it. And I think going back ends up... it's very, very hard for affordable housing with that. I think that 5% with the 50-65 ami which is the Area Average Median Income... I've worked in affordable housing for years, and it makes it very, very, very tough for those folks to have any consideration of buying a home. So a compromise position that I would propose on this is that we extend... is it an amendment that we have at this point... what was it before that we had."

Ms. Ladd said it was an Ordinance, but it had a sunset date in it.

- Commissioner Lindell said, "I would ask that we would extend the sunset date on that Ordinance and watch over the next couple years to see what happens with the market, because, I think to make this permanent... I think that it's a mistake and I don't think we know in the next couple years where the market's going to end up. I know things are moving in the right direction right now, but I also know that when people are in that 50-65 ami, that's a very, very tough income range to purchase a home."

- Commissioner Harris said, "I just had a couple of specific questions. I was not part of the Commission in working on this previously, and I find it somewhat complex, it's hard to follow."

Ms. Ladd said, "I find it complex."

- Commissioner Harris said, "My instinct is to go with the 10%. I think that we have still a relatively flat market, and I think that 20%.... I always have a hard time sorting out exactly who pays for this. What's your experience Ms. Ladd."

Ms. Ladd said, "The private developer subsidizes the units that they provide."

- Commissioner Harris said, "In most peoples' understanding, it's really coming out of the developer's pocket. Is that what you think."

Ms. Ladd said yes, and there are other subsidy sources layered on top of that.

- Mr. Harris said, "Just reading through this I know there's a mix there. Granted, it is dependent upon the market place, but it seems to me most likely..... and you have to understand that I've been part of the business, although I haven't really developed property for 10 years. The last development we did was 22 units on an acre, so it was very dense and we had an average sale price of around \$200,000, but that preceded these requirements. But my own experience is, if the market place will bear it, that the subsidy essentially would go to, in this 80%... or it would have to be drawn from the housing prices in the other 70-80%, if the market will bear it. I don't know if the market will bear it right now, quire frankly, and to me, that's an argument for extending it to 20%. If we had a much better market, and the people I've talked to have said it's not terribly robust out there, then perhaps it's appropriate to increase it knowing that most likely the developer is going to try to spread that subsidy of 20-30% to the remaining buyers. In fact, I think that's really how it works. That's, quite frankly, what I would try to do if I were to develop a property under this rule."

Ms. Ladd said, "I did a lot of research on what inclusionary zoning programs looked like in other communities. And the community is aware a 30% requirement works. Our community does not support super, super high density development, and have very high values, so San Francisco is a good example. And it's so hard to know, because this program was adopted at the 30% and then, virtually two years later, the market pretty much crashed for everything. So I would never venture a guess as to what the effect on either of those things was. I do know that if you were looking at it objectively, we don't really support the kind of density here that makes the 30% super, super easy to do. And I've talked to a lot of the local development community and even the nonprofits, and the 20% number sort of anecdotally works for everybody in a way that the 30% number also anecdotally did not. For what that's worth."

- Commissioner Harris said, "That's kind of my instinct too, but again, I haven't run any numbers on any *pro forma* associated with development, but I think it would be a hard, difficult problem. On

page 11, there is a reference back to Chapter 14, 14-8.11(G)(2), and I copied that and forgot to bring it. But basically, I'm sure Ms. Baer probably knows what I'm referring to. This reference allows for a 15% increase in density. Correct."

[STENOGRAPHER'S NOTE: There was no audible response to the Commissioner's question, but someone seemed to indicate he is correct.]

- Commissioner Harris continued, "Describe to me how that would work. So let's just say we have a situation at the 20%, that's today's mark, and then, please explain how would that work.

Ms. Baer said, "If someone wants to increase their density over the base zoning it allows, then they can go 15% higher as long as they provide those extra units in compliance with the Santa Fe Homes Program."

- Commissioner Harris said, "So the extra units... does that mean.... but still you're at a 20% mark."

Ms. Baer said, "No. That's in addition to the 20% or whatever it is previously that required, as a baseline, if you want to add density over what would normally be allowed, then you have to make those additional units also in compliance."

- Commissioner Harris said, "So, if you had a 10 unit subdivision, zoned appropriately, and you're working against the 20% mark, today's number, but the increased density, the 15%, and I realize point five rounds up and things like that, but those additional units, 15% or however many there are, have to be part of the affordable housing program. Is that what it says."

Ms. Baer said, "That's correct, unless it's a portion of a unit and then you can pay the fee on the portion."

- Commissioner Harris said, "Quite frankly, I looked at it with a developer's frame of reference and thought well, there's a tradeoff. It's not necessarily an incentive to go ahead and develop that property, but there is a tradeoff to the costs associated with meeting the 10% affordable. That's what I took it, but it seems like I misinterpreted that a bit, because you're still providing those extra units at below market rate."

Ms. Baer said that's correct.

- Commissioner Lindell said, "So let's take Commissioner Harris's example of 10 units.... so let's go back to Commissioner Harris's example of 10 units, so they would have to provide 2 units as affordable units. Correct."

Ms. Baer said, "Currently, if you're going up to 10 units you actually don't have to do that. That's the current regulation, because the number is so few. If you used 100 units, that's a good example. So you have 100 units you're allowed under whatever the density is, and then you would have to provide 20 that were within the program."

- Commissioner Lindell said, "What about my 15 units that fall into my bonus category. My extra density category. Can those all just be regular market units."

Ms. Baer said, "No, those also have to be in compliance with the Santa Fe Homes Program."

- Commissioner Lindell said, "Then every one of those has to be affordable."

Ms. Baer said, "Yes, and I would defer to Ms. Ladd to explain how the various tiers work, because that's beyond me."

- Commissioner Lindell said, "I do know how that works. My point is this. I'm not opposed to the 20%. I have no opposition to that whatsoever. What I'm opposed to, is changing within the Ordinance how the percentages are broken down within the different ami's. That's my opposition to this. I'm perfectly willing to extend what we already have, but I really don't want to make it permanent, and I really don't want to make the change to, particularly in the 50-65% ami, to take that down to 5%. Thank you."

- Chair Spray said, "On page 2 of your presentation, the second paragraph had a nice breakdown of the pro-active and integrative approach to affordable housing. I'd like to ask a couple of questions about that to give me some context in working with that. We've got 3,300 affordable homes that have been made available, as I'm reading from that. About 1/3 of that, 1,150, were built in Tierra Contenta. That's accurate, right."

Ms. Ladd said yes.

- Chair Spray asked, "Can you elaborate for me a little bit on the 390 homes that were built as the result of annexation agreements and other negotiations."

Ms. Ladd said, "The first example, or the most obvious example is Nava Adé, and that happened before HOP, the inclusionary zoning program. And there have been a couple of others, but I can't think of the names off the top of my head. I can look that up for you if you want to know what the other ones were. There aren't too many, but they are big enough that they resulted in a number of units."

- Chair Spray said, "I am curious as to how the law works with the HOP and the Homes Program, which we talk about in some of the next lines here. 540 homes were priced affordably because of City incentives. Were they sold. I don't know what does that mean exactly, 540 homes were priced..."

Ms. Ladd said, "That refers to the Type A and Type B for the HOP Program. So those were developments where the developer agreed to keep the sales prices at a certain level. So, for the Type A's, they got all the incentives because they were basically affordably priced, so they got all

of the qualifying incentives. For a Type B, they didn't have to provide any housing and they got a limited number of the incentives. The idea was the market creating the affordable housing without the regulations."

- Chair Spray said, "Then approximately 90 homes were built in compliance with HOP's regulations. How is that different."

Ms. Ladd said, "That is the percentage requirement of HOP. HOP is a little complicated in that there were 4 tiers of development. So the developer would come in, propose their project, and according to the proposed price of the homes, they were either a Type A, Type B, Type C, or Type D. Type D being the super high end project and C being highish and then B being medium market priced, and A being actually at an affordable level. For a type C development, the developer provided 11% of the units at an affordable price and the price was affordable to.... they averaged them over the affordable units so buyers earning 65% of area ami were served through HOP. And for the Type D development, the developer provided 16% affordably priced units."

- Chair Spray said, "Then the 1,000 multi-family homes, that's apartments."

Ms. Ladd said, "Yes, and that's mostly low income housing tax credits."

- Chair Spray said, "And those were built for renters with low and moderate incomes. Was that the result of the SFHP."

Ms. Ladd said, "No. Low income housing tax credit projects aren't subject [to this requirement]."

- Chair Spray said, "Okay, so that was part of that. The one thing I'm seeing from the project is 27 homes were sold as required. I don't want to say that's it, but that is it."

Ms. Ladd said, "Yes. A chunk of it are the homes that the Santa Fe Community Housing Trust built for the senior co-housing project on Cerrillos, there was sort of a big chunk of that."

- Chair Spray said, "Out of all this stuff, and all this effort and all this political energy expended to that, that's what we have. That's all we got from that."

Ms. Ladd said, "Yes. We still have Cen-Tex providing some homes through the program, and I think their requirement is actually from their annexation agreement. There's a couple of small projects off Lopez Lane, Casa Bonitas, so there are a few, and they are moving forward."

- Chair Spray said, "There are FHP requirements as part of that, and they'll build some more out of that. This is my opinion, of course, but there's not an overwhelming number. And it would appear that the market has adjusted appropriately, because we all remember what it was a few years ago. The market has made the adjustment and has provided, I assume, that other level of affordable housing."

Ms. Ladd said, "It's so hard to know exactly what is going on, because of what happened in the market, and the Land Use staff can verify this. The number of building permits for single family homes just pretty much dropped off the map over the last few years. People were accessing housing in different ways, and then suddenly houses that people wouldn't have been on the buy for before, they could afford. And a lot of that had to do with what was going on with short sales and foreclosure."

- Chair Spray said, "There is complexity in the law itself, but I think it relates to the efficacy of the entire effort as well. There's so many pieces here from different areas, some of which were done in counting the 3,300 without this at all, whether you sunset it or whatever you do with it..... whatever percentage Commissioner Lindell talks about. I just don't think.... those are very surprising to me."

Ms. Ladd said, "We usually talk about affordable housing in the way that there is a toolbox to achieve affordability, because you can have a home that's priced affordably, but if your home buyer is not trained and doesn't have down payment assistance to buy down their mortgage, then they get into an unaffordable payment. So you're sort of looking at it from a lot of different ways."

- Chair Spray said, "As you know, I was a former Chair of the Affordable Housing Roundtable, and I am familiar with those issues, but this is a great opportunity to be able to look at it, and I thank you for doing that and for shedding some light on that."

Ms. Baer said, "I need to correct a comment I just made, because I'm looking at the specific language in the Code. Chapter 14 doesn't specify that the additional 15% need to be within the affordable homes program. So, since we don't administer that program, it's not something we typically calculate. We just calculate the number of housing you can build. So I would ask Ms. Ladd to clarify whether that additional 15% bonus has to comply or doesn't."

- Chair Spray asked Ms. Ladd to comment.

Ms. Ladd said, "Since I've started in this job, I don't think we've had a single situation where anyone has gotten that far and actually wanted the density bonus. I can't think of a good example of where the density bonus was utilized. In the past, usually the developer was given quite a bit of flexibility in terms of how those units were priced, and they were always encouraged to throw in an affordable unit, and I think for the most part, there was willingness to do that. I would have to go back through the files to try to find one."

Mr. O'Reilly said, "I don't believe in the past, the density bonus was ever applied in a way that required all of the density to comply with the Ordinance. Speaking from personal experience working in the private sector, there were people in the past in Ms. Ladd's position long ago, who would do a new calculation as to the total density and then take 20% of that total. So if the density allowed 100, they would go to 115 and then take 20% of the 115, and that's how they did that. I also seem to remember a time when they would calculate the 20% or 30% or whatever based on the 100 and then the 15% density bonus could be anything the developer wanted."

Mr. O'Reilly continued, "In the original days of the inclusionary zoning ordinance, almost 20 years ago, the intent of the density bonus was to offset losses the developer might take in having to provide houses at the low market rate. And so the idea that all of that bonus be used to provide 100% affordable houses, would have been in conflict with that. That's why I say, we're not exactly sure how the affordable housing office has applied this specifically in the past, but I cannot recall a density bonus where the entire bonus had to be used for the affordable program."

- Commissioner Harris said, "I am relieved to hear there seems to be quite a bit more flexibility, and maybe it's worth it, not necessarily now, to have a discussion of Chapter 14 to say how that percentage can be used. To me, it's a tradeoff. And as you said, 20 years ago the thinking was that there are costs to the developer associated with this and the density increase is a trade-off. To my way of thinking, I think it should be a 20% increase. If there's a 20% requirement for affordable housing, then I would think it would be worth consideration for a 20% increase. And I realize there are problems with that by the time you meet parking, streets, landscaping.... it would be hard to achieve. I am glad to hear that all of the percentage isn't going to a certain program. Quite frankly, I think it should go to the market place overall."

Mr. O'Reilly said, "We are at a disadvantage because the staff who were here when the original ordinance was created aren't here any more. The original inclusionary zoning ordinance had two tiers at 11% and then 17%. And I believe that the 15% density bonus was a holdover from the time when the requirements were even lower than they are now, and that's why they picked that number which was between the 11% and 17% when the Ordinance came into being. That is the ordinance which was amended in 2005 when we went to 30%"

- Commissioner Lindell said, "It is my understanding that there is a 15% density bonus that can be built at market rate. Secondly, on the affordable unit, there is consideration on those units in terms of fees. Is that not correct?"

Mr. O'Reilly asked, "Were you asking if fees are waived for the affordable units?"

- Commissioner Lindell said yes.

Mr. O'Reilly said, "Oh yes indeed. For any affordable units there are waivers of all kinds of fees, starting at the development approval level through building permit, utility expansion charges, impact fees. All of those things are either waived or reduced for affordable units."

- Commissioner Harris said, "I noticed this as well, but the reduction in impact fees or the whole fee structure is applicable only to the affordable units. Correct."

Mr. O'Reilly said, "This is correct. Taking the example of the 100 units. If the development application fee for 100 unit subdivision was \$20,000 and 20% of it had to be affordable, we would charge the \$20,000 minus 20% - we would subtract \$4,000 from that. And then it moves on from there when you get into other fees, and utility expansion charges, all of which are reduced or waived completely for affordable units."

- Commissioner Harris said, "In closing, I also was struck by the paragraph referenced by Chair Spray, and I'm glad he walked you through this Ms. Ladd. What it seems to say... and I realize there is a toolbox.... but what it seems to say that is this whole program hasn't necessarily worked that well. That would be my take. If it only ended up with 27 homes. To me, it's a very generous program. There are other incentives for the homebuyer. They get a little of the 5% of equity on the 95% appraised value, and they can do upgrades to the tune of \$5,000. There are a number of things in there that really incentivize the potential buyer. And I have to wonder if there are some real structural problems in the Ordinance so that it doesn't deliver the results people expected that it would."

Ms. Ladd said, "This is my opinion, but I think that the non-profits who are creating our affordable buyers for the most part, in order to be eligible for most of our subsidy sources, the buyers have to go through those programs, including a private developer who builds affordably priced homes. Their buyers need to be certified through the non-profits as well. I think what happens is that the non-profits steer the buyers toward the housing they are building, understandably so, and most of those houses have been in Tierra Contenta, so the 27 units are not all the production since the Ordinance was passed. There is a force moving buyers away from the SF Homes Program homes which haven't been created."

- Commissioner Lindell said, "Having worked in affordable housing, there are many more than 27 homes that were sold. And however the numbers are broken down or wherever that 27 comes from, what I do know personally is that there were more than 27 houses sold through that program. I personally in 5 years sold more than 150. So whatever the source, certainly Cen-Tex participated in that program and a lot were sold through that program. Homewise is building their own homes, and most of their homes fall within that. And as Ms. Ladd was saying, those may not be reflected, but it is a lot more than 27 homes. And even if it was only 27 homes, there still are 27 families that got a home that never thought they would have a home, and each home is a major, major victory for the City."
- Chair Spray said, "There may be some confusion on how those are counted, what is part of the program and what is the efficacy of the program. I would agree with those 27 folks it would be great. Perhaps, it would have been easier simply to cut them a check to be able to do that, and not have to do that, and they might have qualified in a different way. "

Ms. Ladd said, "I just wanted to clarify that for most of the Cen-Tex homes, those properties were brought into the annexation agreements from years and years and years ago. So, to say that the Santa Fe Homes Program hasn't had any influence on those, I probably shouldn't have represented it that way, although that is the way the data is tracked, because we take the SF Homes Program requirements and put them on top of what the original annexation agreement said. So yes, the Santa Fe Homes Program is creating that affordability, but the requirement came from something else, if that makes any sense."

- Commissioner Villarreal asked Ms. Ladd to explain the process to get input on the Ordinance, noting Ms. Ladd says, "Local builders, developers and housing advocates concur with their discussion. How did you all facilitate that process."

Ms. Ladd said, "We did a big focus group meeting last March, to just toss it out there and say what do you guys think. And the rest of the input was less formal than that, based pretty much on me having conversations. And Council Wurzbarger feels very strongly about this, and she's pretty hooked in with that community. And I sent the proposed changes in draft form to many of the non-profit advocates and developers to ask if there are any red flags and how does this look. And I got pretty much universally positive feedback to that."

- Commissioner Villarreal said, "When you're talking about housing advocates, you're talking about the non-profits that provide affordable housing options, not necessarily the general public, like what anyone would think about that if it were to change. Did you have any kind of general public input as well."

Ms. Ladd said, "Other than advertising the forum as a public meeting, we did not have specific public input, but as you can see, we are going to four other committees."

- Commissioner Villarreal said, "I was thinking about the paragraph that Chair Spray was talking about, the breakdown. Since the 1990's I think about how many people since the 1990's have actually moved away from Santa Fe to live somewhere else, to be able to live affordably, and then have to commute to Santa Fe. It would be interesting to find out that number in comparison to the number which was provided for affordable housing. I do agree with my colleague, Commissioner Lindell, about maybe not looking at the permanency factor tonight. And I would be open to looking at an amendment if possible."
- Chair Spray said there is nothing to amend at this time.
- Commissioner Villarreal said she is speaking of another option.

Ms. Baer said, "What's interesting about the density bonus is that in the places where it works, where you see it working, is in cities where you get the density by going vertical. And you simply can't do that in Santa Fe and that's why we don't see it more often."

MOTION: Commissioner Lindell moved, seconded by Commissioner Villarreal, that this Commission recommend to the City Council, with respect to Item #1 of Action Requested, to recommend to the City Council to leave the Ordinance as it currently stands, and extend the sunset period another two years to 2016; and with respect to Item #2 of Action Requested, to recommend approval to the City Council to clarify applicability to specify conversion from commercial uses to residential is also subject to SFHP (Chapter 14-8.11(D))."

CLARIFICATION OF MOTION BY CITY ATTORNEY BRENNAN. Ms. Brennan said, "As I understand, the motion, it is to basically extend the Sunset provision and keep it the way it is. But when you say include the second point, do you mean recommend approval of that provision."

Commissioner Lindell and Villarreal said, "Yes."

DISCUSSION: Commissioner Schackel-Bordegary said, "I'll try, I'll stumble through this. This is admittedly one of the more complex areas of planning. And this is a planning issue, because it is difficult to quantify the results of the individual tools within the tool box, and leaves it to policymaking bodies to decide which tool to sharpen, which to throw in the basement, and which to pull out. And I guess I'm definitely in a quandary about this because I, first of all, feel I don't fully understand it. But I understand the bigger picture, that shows on the one hand..... and I'm inclined to go with more tools and more strength in encouraging a desired result which is affordable housing. And Lord knows that's the number one issue in this town, and goes hand in hand with livable and meaningful employment. We don't solve one without also working on the other. So I tend to want to be more pragmatic in expanding chances for more affordable housing."

Commissioner Schackel-Bordegary continued, "That said, it is difficult to quantify and tease out what has led to the affordable housing we have now in Santa Fe, and what didn't lead to more now. On the other hand, I also believe in symbolism, and the fact that Santa Fe had one of the first inclusionary zoning ordinances in the country and what we've learned over the past 20 years. Although, obviously, we still don't really know. We can tinker with things, and it resonates with me that in Santa Fe, in this stage and particularly at this time with our economy, we're slogging along. Some improvements in some markets, not these markets. The higher end markets. That we would not make that statement, in this year, 2014, maybe in 2016, to reduce the requirement from 30% to 20%. I don't know, but those are two sides of this issue.

Commissioner Schackel-Bordegary continued, "And I can appreciate the expertise and knowledge of both Commissioners who have spoken on this. Commissioner Harris from the building private sector side, and Commissioner Lindell who has helped people get into homes and who knows how that particular area works. So I would like to hear from the rest of the Commission where we see this right now in our community. Thank you."

Chair Spray asked Ms. Brennan if the motion on the floor is appropriate, and if she heard what he said.

Ms. Brennan said, "Yes. If your question is, is the motion appropriate to extend the sunset, yes, as a recommendation. You're being asked to evaluate this portion of the Ordinance."

CLARIFICATION OF REQUESTED ACTION: Chair Spray said, "As I understand it, a yes vote on this motion means that we are asking that the 20% threshold be kept in place through June 2016, and that we recommend approving the clarification of the applicability of specific conversion from commercial uses to residential."

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

For: Commissioners Villarreal, Lindell, Ortiz and Pava.

Against: Commissioners Harris and Schackel Bordegary.

[4-2]

2. **CASE #2013-119. LOT 6A, PLAZA LA PRENSA, SOUTHWEST BUSINESS PARK FINAL SUBDIVISION PLAT. JAMES W. SIEBERT AND ASSOCIATES, INC., AGENTS FOR CARMEL LLC, FINAL LLC, SF SOUTH LLC, AND STATE PROPERTIES OF NM LLC, REQUEST FINAL SUBDIVISION PLAT APPROVAL FOR 3 LOTS ON 6.54± ACRES, LOCATED AT 37 PLAZA LA PRENSA. THE PROPERTY IS ZONED BIP (BUSINESS INDUSTRIAL PARK) AND IS LOCATED WITHIN THE PHASE 2 ANNEXATION AREA. (TAMARA BAER, CASE MANAGER)**

A Memorandum, with attachments, prepared December 30, 2013, for the meeting of January 9, 2014, is incorporated herewith to these minutes as Exhibit "3."

An aerial photograph and photographs of the site, presented for the record by Jim Siebert, are incorporated collectively herewith to these minutes as Exhibit "4."

Recommendation: The Land Use Department recommends Approval with conditions as outlined in this report [Exhibit "3."]

Tamara Baer presented information in this case. Please see Exhibit "3," for specifics of this presentation.

Public Hearing

Presentation by the Applicant

Jim Siebert, 915 Mercer, Agent for the owner was sworn. Mr. Siebert said, "Just to give you a little history. If you recall, on this project there are 3 existing buildings on this property now. And what we are doing is dividing those 3 buildings into 3 lots to allow for the future sale to the individual governmental entities that either are in there now or could be in the future."

Mr. Siebert handed out some exhibits [Exhibit "4"].

Mr. Siebert said, "We are asking for consideration of the one condition that says the homes must be site built. And we have no objections, and in fact the covenants already provide that manufactured homes are not permitted. We would like the opportunity to provide modular homes on the site, because modular homes in this particular area are not that uncommon. What we have done is to show where there are actually existing mobile homes adjoining this particular residential subdivision. Now some of these mobile homes are on permanent foundations, some are not, but I think what we are trying to inform you is that modular units would be in keeping in the residential character of the area."

Mr. Siebert continued, "The other thing, I guess, is the modular homes these days, are, a lot of the components are site built, so at what point does it become a site built structure. You have to build the footings, the stem wall, and a lot of times it comes out you and either it has no stucco or some stucco on it and the final coats are applied on site, and the garages are always built on site because you can't trailer those."

Mr. Siebert said, "So I guess the consideration that we are requesting from the Commission is that we are in internal agreement to prohibiting manufactured homes, but we would like the opportunity to provide for modular homes on the residential lots that surround this particular development. And I'll answer any questions you have."

Speaking to the Request

There was no one speaking to the request.

The Public Testimony Portion of the Public Hearing Was Closed

Chair Spray asked Mr. O'Reilly for a more specific definition of a modular home versus a site built home.

Mr. O'Reilly said, "A modular home... I can read you the definition in the Code. A modular home is a prefabricated structure built to all applicable building codes and used as a permanent building or dwelling unit, that does not have permanent or temporary axles of its own and is connected permanently to an on-site foundation made exclusively for that modular home or building. A modular home is exactly equivalent to a site built home, except that it comes to the site in one or more pieces. It differs from a manufactured home. A manufactured home is often transported to the site on a vehicular chassis. And staff would be in agreement that modular homes would be acceptable."

Chair Spray asked, "In terms of what the approvals might be, would that change what we have under the conditions that we have in front of us right now, Ms. Brennan."

Ms. Brennan said, "It's assembled on site. I think that we could specifically say that it included modular housing as defined in the Code, site built and modular housing as defined in the Code."

Chair Spray asked Mr. Siebert if that condition would be acceptable to him and his clients.

Mr. Siebert said, "Yes, it would."

Commissioner Lindell asked Ms. Brennan to state the new condition to which the Applicant just agreed.

Ms. Brennan said, "The owners shall agree to a condition on the plat that residential construction on Lots 2, 3, 4, 5 and 6 shall be site built. Site built housing and modular housing as defined in Chapter 14, is acceptable for this site."

MOTION: Commissioner Lindell moved, seconded by Commissioner Villarreal, to approve Case #2013-119, Lot 6A, Plaza la Prensa, Southwest Business Park Final Subdivision Plat, with all conditions of approval as recommended by staff, with the amendment to Condition of Approval #2, so that it reads as follows: The owners shall agree to a condition on the plat that residential construction on Lots 2, 3, 4, 5 and 6 shall be site built. Site built housing and modular housing as defined in Chapter 14, is acceptable for this site."

VOTE: The motion was approved unanimously on a voice vote, with Commissioners Harris, Lindell, Ortiz, Pava, Schackel-Bordegary and Villarreal voting in favor of the motion and no one voting against [6-0]

G. STAFF COMMUNICATIONS

Ms Brennan introduced Zachary Shandler who will be working in the Land Use area. She said he is doing a great job on behalf of the City.

Mr. Shandler said he looks forward to working in the area of Land Use.

Responding to the Chair, Ms. Brennan said she still is the Interim City Attorney, noting the City Attorney typically will be appointed after the election in March by the new Mayor.

Ms. Baer said last night at the City Council meeting, the City Council upheld the appeal to the City Council on the Aguafina Subdivision Plat and variances.

Ms. Brennan said, "The issue was the variance of the through road from Rufina to Aqua Fria, versus three driveways on cul-de-sacs."

Ms. Baer said, "So there was a variance that was also denied and the preliminary subdivision plat was denied by the [Planning] Commission. They appealed those two points because they couldn't go forward without the variance, and the City Council upheld the appeal and unanimously let them move forward. They granted the variance, so it will be coming back here as a Final Subdivision Plat."

O'Reilly said, "I just wanted to remind the Commission that as of 8 days ago, this Commission is now responsible for 13,200 more residents, 4,100 acres of additional City property and 4,445 additional homes as the result of the Phase 2 annexation."

H. MATTERS FROM THE COMMISSION

Commissioner Pava asked, "Has the Impact Fee Ordinance that we reviewed in December gone up to the Governing Body yet."

Mr. Reilly said, "The Impact Fee Ordinance that you reviewed continues to move forward, and has one more Council committee to move through, and it will then go to the City Council for final approval. It was scheduled for a hearing for final approval by the City Council last night. The sponsor postponed the Ordinance and is proposing a substitute bill which probably will be heard in February 2014, and the substitute bill likely will differ from the bill originally put forth."

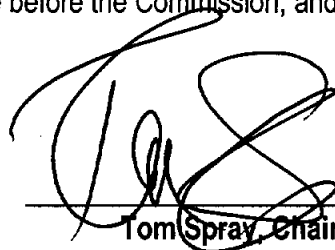
Commissioner Pava said, "As you know, I Chair the Long Range Planning Subcommittee. In continuing conversations, that Subcommittee.... and on my own I've thought... I would like to ask if it might be the pleasure of my fellow Commissioners, and if staff would be conducive to what I would call some additional educational sessions.... not specifically from staff from Long Range Planning or anything like that, but in general, since we have alternate Thursdays, which typically aren't used, or perhaps another time..... as Commission study sessions on general planning issues. This wouldn't require necessarily a quorum or anything, because it would be a study session. And I would be more than happy, if my fellow Commissioners wanted, to work up some proposed ideas. For example, Jim Hays is on our Long Range Development Subcommittee, and Jim has made an excellent presentation, very entertaining, because it's slides, and it shows, over time, work for example, that Jim has done in arroyos on his developments, with permaculture changes and stuff like that. We're not talking about educating about City Ordinances, but maybe best practices, what other places do. And so I would put forth, if it was the pleasure of my fellow Commissioners that I would certainly be happy to work with staff, if staff was conducive, to maybe putting a suggested list of topics together, and then eventually, over time, commit to some presentations, not on a rigorous schedule because I don't want to impose. I think it would augment and assist us in our duties as Commissioners and build rapport."

Chair Spray asked Commissioner Pava to continue to work on this and come up with something that makes sense.

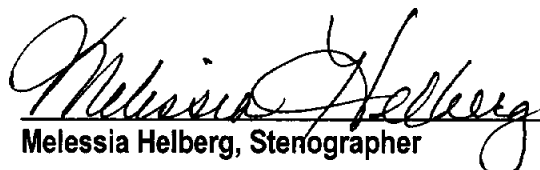
Commissioner Pava said he doesn't intend to increase staff work load and will work carefully with staff about how to do this. He said this is something else we can do, and he is suggesting short sessions of an hour. He said he is open to any and all suggestions for topics. He said we can apply lessons learned to some of the reviews that we do.

I. ADJOURNMENT

There was no further business to come before the Commission, and the meeting was adjourned at approximately 7:20 p.m.



Tom Spray, Chair



Melessia Helberg, Stenographer

City of Santa Fe
Planning Commission
Findings of Fact and Conclusions of Law

Case #2013-111

Presbyterian Healthcare Services Development Plan

Owner's Name – Presbyterian Healthcare Services

Agent's Name – JenkinsGavin Design & Development, Inc.

THIS MATTER came before the Planning Commission (Commission) for hearing on December 19, 2013 upon the application (Application) of JenkinsGavin Design & Development, Inc., as agent for Presbyterian Healthcare Services (Applicant).

The Applicant seeks development plan approval for the construction of an approximately 33,000 square-foot medical facility offering primary and urgent care (the Project) on 6.71± acres located at 454 St. Michael's Drive west of Botolph Road (Property). The Property is zoned C-1 (Office and Related Commercial) and is located within the South Central Highway Corridor Protection District established pursuant to Santa Fe City Code (Code) §14-5.5(A). The Applicant is also seeking variances to Code §14-8.10(C)(1) to permit the placement of two monument signs within the 50-foot setback from the St. Michael's Drive public rights-of-way established by Code §14-5.5(A)(4)(a)(iii) and to Code §14-8.10(G)(2) to permit a wall sign exceeding 32 square feet in size (collectively, the Variances).

Development plan approval is required because the Project has a gross floor area in excess of 30,000 square feet.

After conducting a public hearing and having heard from staff and all interested persons, the Commission hereby FINDS, as follows:

FINDINGS OF FACT

General

1. The Commission heard testimony and took evidence from staff, the Applicant, and members of the public interested in the matter.
2. The Commission has the authority under Code §14-2.3(C)(1) to review and decide applications for development plan approval.
3. Code §14-3.8(C)(2)(b) provides for variance requests associated with a development plan to be reviewed concurrently and approved or denied by the land use board that reviews the development plan.
4. Code §14-2.3(C)(3) provides for the Commission to hear and decide requests for variances pursuant to Code §14-3.16 when the request is part of a development plan request requiring Commission review.

Exhibit "1"

5. Code §14-3.8(B)(1) requires Early Neighborhood Notification (ENN), notice and a public hearing on development plans in accordance with the provisions of Code §§14-3.1(F), (H) and (I).
6. Code §14-3.1 sets out certain procedures to be followed on the Application, including, without limitation, (a) an ENN meeting [§14-3.1(F)(2)(a)(iv)] and (b) compliance with Code Section 14-3.1(H) notice and public hearing requirements [Code §14-3.1(H)(1)(a)-(d)].
7. Code §14-3.1(F) establishes procedures for the ENN meeting, including (a) scheduling and notice requirements [Code §14-3.1(F)(4) and (5)]; (b) regulating the timing and conduct of the meeting [Code §14-3.1(F)(5)]; and (c) setting out guidelines to be followed at the ENN meeting [§14-3.1(F)(6)].
8. An ENN meeting was held on the Application at 5:30 p.m. on October 15, 2013 at the Residence Inn Conference Room.
9. Notice of the ENN meeting was properly given.
10. The ENN meeting was attended by representatives of the Applicant, City staff and approximately 20 interested others and the discussion followed the guidelines set out in Code Section 14-5.3.1(F)(6).
11. Commission staff provided the Commission with a report (Staff Report) evaluating the factors relevant to the development plan and Variances and recommending approval by the Commission, subject to certain conditions set out in said report (the Conditions).

The Development Plan

12. Pursuant to Code §14-3.8(B)(3)(a), approval of a development plan by the Commission is required prior to new development with a gross floor area of thirty thousand square feet or more located within any zoning district within the City.
13. The Project includes new development with a gross floor area of approximately 33,000 square feet.
14. A development plan is required for the Project.
15. Code §14-3.8(B)(4) requires that development plans described in §14-3.8(B)(3) must be reviewed by the Commission.
16. The development plan for the Project is required to be reviewed by the Commission.
17. Code §14-3.8(C)(1) requires applicants for development plan approval to submit certain plans and other documentation that show compliance with applicable provisions of Code (the Submittal Requirements).
18. The Applicant has complied with the Submittal Requirements.
19. Code §14-3.8(D)(1) sets out certain findings that must be made by the Commission to approve a development plan, including:
 - (a) That it is empowered to approve the development plan for the Project [§14-3.8(D)(1)];
 - (b) That approving the development plan for the Project does not adversely affect the public interest [§14-3.8(D)(1)]; and
 - (c) That the use and any associated buildings are compatible with and adaptable to buildings, structures and uses of the abutting property and other properties in the vicinity of the Project [§14-3.8(D)(1)].