

Dear Santa Fe County residents:

The first meeting of the year had no real controversial issues. To some extent, it was preparation for the coming year. For one thing we passed the resolution that sets out the ground rules for the public meetings of the Board and of various committees under the authority of the County. This includes setting "reasonable notice" for those meetings prior to when the meeting occurs. The Board also determined which Commissioners would sit on which Committee, Board, or Authority that the County participates in. We have not quite finalized that latter task. However, I will be a member of the Solid Waste Management Authority, the Buckman Direct Diversion Board, the Regional Planning Authority (of which I am currently Chair), and the Energy Task Force. I may also participate in the North Central Regional Transit District board, but that has not been settled yet.

I would like to announce in this e-mail that I will be running for reelection this year. I will try not to include political news in the e-mail messages that I send out to my County e-mail list. However, if you would like to be on my "political list," please let me know. I will send out to that list any messages that are relevant to the campaign.

I will add, though, that I am running for reelection because I would like to continue to make a positive difference in this community. I feel that I now have some experience under my belt, and I feel that I can be more effective at accomplishing initiatives that I would like to see happen. It takes a while to figure out how things work at the County. I still believe that an important focus for this community is to become more self-sufficient and more sustainable. To that end, I am particularly interested in the issues of water, energy, and local food. I feel that our success in any of these endeavors will depend on our working together effectively as a community.

Please, as always, feel free to pass this on to anybody else whom you think might be interested. I am always open to comments and suggestions.

Below are highlights of several of the items on our agenda that are of general interest.

Sincerely,
-Kathy

Settlement between the County and Cow Springs and Cattle Co. (Joe Miller):

The County and Joe Miller have come to a mediated settlement that will put several legal cases involving these two parties to rest. Joe Miller has been in conflict with the County for many years now. (In fact, I can remember this as an ongoing dispute back in the days when I was on the County Development Review Committee.) The crux of the conflict has been the issue of the County requirement for affordable housing for new developments. Mr. Miller has always been of the opinion that this requirement is not constitutional. Since this has been going on for quite a while, the taxpayers of Santa Fe County have been paying rather a lot for various fees related to fighting these cases in court.

The settlement (which was approved unanimously by the Board) revolves around an agreement for affordable housing to be included in Mr. Miller's Cimarron Village development. He will be allowed to move all the affordable housing required in the Spirit Wind and Tierra Bello developments to Cimarron Village. The number of affordable units in Cimarron Village will be equal to 15% of the total units in all three developments (a number calculated to be 17 units). These units will be in three different price ranges, and Mr. Miller may choose to make some of them rentals. However, If he does rent any of the units, the rental payment must not exceed the amount that an affordable buyer would make as a monthly mortgage payment.

The reason that the County settled for a 15% figure for affordable units is that we are in the process of lowering the current requirement for all developers to that amount. (This issue will be expanded upon in an item below.) In addition, alternative means of compliance with the affordable housing requirement is already permitted by ordinance in the County. One of the alternative means of compliance is for a developer to move affordable home requirements from one development to another.

As I understand it, Mr. Miller is currently planning to provide the affordable homes in Cimarron Village in the live/work mixed-use part of the development. He is also considering building an adjoining senior housing project in that area, some part of which may also be affordable. However, the senior housing is not part of the agreement.

There are a couple of other interesting features of this agreement. One is the the County is granting Mr. Miller a density bonus of nine units. (The County often provides density bonuses in conjunction with affordable housing development.) In addition, Mr. Miller is agreeing to build energy efficient units which will meet Energy Star standards that are verifiable by a third-party rating.

If Mr. Miller does not abide by provisions of the agreement -- timely construction of affordable units, constructing with energy efficiency measures, etc.) -- the County will halt all construction on the developments and refuse to grant plat approvals for future phases.

I feel that this agreement is a positive step. It settles a number of ongoing lawsuits that have been costing quite a bit of money, and the agreement is consistent with what we are going to be asking of other developers with regard to affordable housing.

Affordable Housing Ordinance:

Very few real-estate developments are going forward in the County at this time. In addition, very few applications for Master Plans are coming into our Land Use Department. The prices of the few new houses that are being built have dropped significantly. In fact, there are more houses in the "affordable" range than there have been in many years; many of these affordable homes are not ones that developers have been mandated to build through the County's affordable housing ordinances (also known as "inclusionary zoning").

In 2006, Santa Fe County adopted an inclusionary zoning ordinance that requires new development projects in the central and northern parts of the County to provide affordable housing. (The original purpose of this ordinance was to address the affordability gap in the region.) Subdivisions of 25 lots or more are required to provide 30% affordable units, whereas subdivisions of between 5 and 24 lots are required to provide 16%.

The Board of County Commissioners voted unanimously to publish title and general summary of an amendment to the 2006 ordinance that contains the following modifications:

1) the required percentage of affordable homes is reduced from 30% to 15% for projects of 25 homes or more,

2) the required percentage of affordable homes is reduced from 16% to 8% for projects of 5 to 24 homes,

3) the alternative means of compliance for providing affordable homes is expanded,

4) the affordability lien held by the County is reduced by 10%.

I believe that there is general agreement among the Commissioners that it is appropriate to ease up on the strict affordable housing requirements, given the current market conditions and the current sales prices in the County.

Here are a couple of comments about my philosophy on affordable housing (I am not representing anyone else): I believe that it is very important for people who work in a community to be able to live in that community, if they so choose. Unfortunately, during the last couple of decades, it has been difficult for people who make the average salary in our community to be able to afford to buy the average-priced house. I also feel that it benefits the whole community to have people who work here be able to live here -- think emergency personnel. So the burden to provide affordable housing should not just be borne by the developers: I would like to see the County help out more directly.

Having said that, though, the current state of the market has changed the reality of the situation all on its own. And I am not sure how housing prices will rise again in the near future to what they were at their overheated peak.

Fire Department Presentation:

Fire Department Chief David Sperling made a presentation to the Board, outlining the structure, duties, and ongoing challenges of the County Fire Department.

As probably most of you know, we have more volunteer firefighters in our Department than career firefighters. In fact, according to Chief Sperling, we have 320 volunteers in 14 different Fire Districts at this point in time.

Another interesting bit of information that Chief Sperling passed on is that there were 6,673 calls to the Fire Department this last year -- as compared to 2,051 in 2002.

One development in the Fire Department that I find very positive is the formation of a wildland division. The staff in this division have been very helpful, in this last terrible year of drought, by going out to the communities that are particularly vulnerable to give talks and demonstrations on how people living in those areas can improve their safety. In addition, they have visited those areas to assess fire risk for each house they could reach, and there are maps on the County website that show that information. I would particularly like to thank Krys Nystrom and Captain Buster Patty for their help this last year in providing information at community meetings.

Chief Sperling also talked a bit about ongoing challenges, probably the biggest of which is to stabilize funding for the Department. For example, additional resources are needed for ongoing training of both volunteer firefighters and career staff. The Department is also currently working to complete Project 48, an initiative started under Chief Holden (who left last year) for the purpose of bringing on a total of 48 new career firefighters. There are still 9 positions that have been budgeted for this, but are currently unfunded. In addition, Chief Sperling mentioned that there is a need for additional administrative services for the volunteer fire departments, but it is not clear right now where the funding will come from for this.

As we on the Commission begin to consider next year's budget, I am sure that funding in the Fire Department will be one of the important topics.

I am very proud of our Fire Department. This last year was particularly difficult, and they rose to the challenges. Many, many fires that could so easily have gotten out of control were stopped before major damage was done. Sadly, though, two fires in particular in our region did do a great deal of damage. They started in areas where they were not noticed until so much land was on fire that it was impossible to put them out. This illustrates how important it is to make that call to 911 right away if you see anything suspicious!

Rio Quemado Stabilization Project:

I am pleased to report that Santa Fe County has received a \$46,000 loan/grant from the Water Trust Board for designing, planning, and implementing restoration in the Rio Quemado watershed. The Board voted unanimously to publish title and general summary for an ordinance to accept this loan/grant, the procedure required for accepting this type of grant.

The Rio Quemado is a tributary of the Rio Santa Cruz, and is the source of water for a number of acequias from Chimayo to La Mesilla. The purpose of the project put forward in the grant application is to devise a bank stabilization and vegetative management plan on a small portion of the upper Santa Cruz River below the reservoir. The project consists of three parts:

- 1) Vegetative management plan and infrastructure improvements to address debris issues that have led to flooding on the Chimayo Plaza,

2) Address severe erosion and sediment issues on La Puebla ditch, downstream of the Martinez Arriba Acequia, and

3) Improvements to the stream diversion for La Cueva ditch.

The approved funding structure consists of a grant of \$41,400 and a loan in the amount of \$4,600 (10% of total) at a rate of 0% over a 20-year term. (There is also a 0.25% administrative fee.)

I really want to commend our staff, particularly our County Hydrologist Karen Torres, for putting this grant application forward. It is precisely the kind of project that will help us to make the most efficient use of the water that we do have. This project also contains research and monitoring components that will help us learn how to best remediate areas with high erosion and dense non-native invasive plant cover in other parts of the County. In putting together the application, there was also a real effort made to bring in the local stakeholders to help with setting goals and priorities.

Annual Audit of County Financial Report:

Santa Fe County completed its first-ever Comprehensive Annual Financial Report, and the results of this report were documented and presented to the Commissioners at our last meeting.

The report was produced by an independent auditor (Heinfeld Meech & Company) and expressed an unqualified or "clean" opinion on the financial statements and on compliance requirements for the major federal award programs that the County has been part of. In addition, the County's internal control of financial reporting had no material weaknesses or noncompliance with required standards.

Indeed, the County has improved significantly during the last fiscal year. Six prior year findings were eliminated, although there are still five that remain.

The current findings are as follows:

1) The County Assessor's Office is not in complete compliance with the Property Tax Code.

RESPONSE: The Office of the Assessor agrees with the finding and is continuing to address and work on correcting it with the implemented CAMA program and internal auditing.

2) The Utilities Fund is an enterprise fund (i.e., should at least be breaking even), yet is reporting an operating loss of roughly \$500,000.

RESPONSE: It is important to note that this operating deficit has improved by \$350,000 over the previous year, and the Utilities Division has a plan to gradually increase the customer base over the next 5 years.

3) An Elected Official (the former Sheriff) was convicted for misuse of County property for personal benefit.

RESPONSE: When aware of the situation, the County Manager immediately contracted for a forensic examination to determine the value of the theft and to get recommendations for stronger controls. The County then took immediate steps to address internal control weaknesses that were identified by the forensic examination.

4) The accounting records include \$682,618 of property taxes receivable that cannot be substantiated and appear to relate to Fiscal Years 2003 and earlier.

RESPONSE: The balances are being researched and most likely relate to 2002 and 2003 delinquent accounts.

5) County case and investment accounts held by the County Treasurer are not accessible for inquiry by the County Finance Division on a daily basis. (They are provided monthly by the Treasurer's Office to the Finance Department.)

RESPONSE: The Treasurer's Office and the Finance Department will work together to properly document formal procedures that identify internal controls so that account information can be provided whenever needed to the Finance Department.

The internal financial controls in the County have really been improving since I have been in office. I give our Finance Director Teresa Martinez and her staff credit for this. Also, our County Manager Katherine Miller, who has a strong background in finances, has been instrumental in creating an environment in which these improvements can occur.

Closure of Part of Rail Trail:

The following was not discussed at our meeting, but I am including this information as an advisory to those of you who use the Rail Trail.

A portion of the Santa Fe Rail Trail located between the Rabbit Road Trailhead (milepost 13.2) and the Spur Trail (milepost 11.5) has been closed (as of January 12th) in order to improve a 1.7 mile section of the trail.

This is the first phase of the improvement which will include constructing an improved natural surface on the Rail Trail right-of-way of the Santa Fe Southern Railroad. Santa Fe County Open Space and Trails Program has contracted with Meridian Construction of Albuquerque, N.M. for this phase of the project, and construction is expected to last approximately 120 days.

Trail users should plan an alternate route during this trail construction and closure.

For more information on this project contact Scott Rivers, Project Manager, 505-992-9867 or srivers@santafecounty.org<<mailto:srivers@santafecounty.org>>.

Transfer Stations:

Here is another public service announcement:

County Transfer Stations have begun to accept antifreeze. This service is now at those stations that currently accept oil at no cost to county residents. The County is still working on how to handle batteries.

-Kathy Holian
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