

SANTA FE COUNTY

BOARD OF COUNTY COMMISSIONERS

SPECIAL MEETING

September 13, 2016

Miguel Chavez, Chair - District 2
Henry Roybal, Vice Chair - District 1
Kathy Holian - District 4
Liz Stefanics - District 5

Robert A. Anaya, Chair - District 3, Excused

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I. This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 11:08 a.m. by Chair Miguel Chavez in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

II. Roll Call

Roll was called by Deputy County Clerk Vicki Trujillo and indicated the presence of a quorum as follows:

Members Present:

Commissioner Miguel Chavez, Chair
Commissioner Henry Roybal, Vice Chair
Commissioner Kathy Holian
Commissioner Liz Stefanics

Members Excused:

Commissioner Robert A. Anaya

III. Approval of Agenda

CHAIRMAN CHAVEZ: So we now have approval of the agenda. Are there any changes or additions?

KATHERINE MILLER (County Manager): Mr. Chair, just for the study session, we just have the two presentations and discussion items. So there are no amendments to the agenda.

COMMISSIONER HOLIAN: Mr. Chair.

CHAIRMAN CHAVEZ: Commissioner Holian.

COMMISSIONER HOLIAN: I move for approval of the agenda.

COMMISSIONER STEFANICS: Second.

CHAIRMAN CHAVEZ: There's a motion and a second. Any further discussion? Hearing none.

The motion passed by unanimous [4-0] voice vote.

IV. Presentation, Discussion and Approval of the Program for the Santa Fe County Administration Complex Project

MARK HOGAN (Public Works): Thank you, Mr. Chair, Commissioners. I'm quite excited today to be here with our first presentation of the County Administrative Office Complex. We're wrapping up the programming phase and the purpose of the programming phase is to define all the users, i.e., us, the County, our needs and articulate those. So what I'm going to present to you is a summary of some of the key decision points. It's supported by an executive summary which I think is in each of your packets and then that is supported by an even weightier document that has the appendix where all the nuts and bolts and calculations were contained.

So what I'd like to do us just start off on our summary of the decision points. Okay, so this first slide just explains the purpose of the program document and then the four key decision points. The first one is the space allocation for each department. Then we'll go to the decision of whether this building is renovated or restored, and then the approval of where the functions are located in the two facilities – one being this facility and the other one being the new one. There you can on the map to the right. The new facility is referred to as the Grant Street Offices and Old Admin is how we refer throughout this presentation to this building. And the last decision point will be what will be the quantity of parking provided.

This is a summary of some of the objectives that were identified in 2012 when the Commission voted to move forward with this project. The intention was to vacate lease space that we're paying market rents for, consolidate our administration functions, complete more of a three-campus plan. We won't be able to accomplish that completely but we want the administrative functions concentrated downtown. Reduce County dependency on City parking, create centrally located facilities with easy public access, long-term leveraging of County assets, create short-term revenue stream for the County, and maintain the traditional use of original County building and chambers, maintain tradition of civic offices in downtown Santa Fe and improve efficiency of County operations.

Space allocation is the first decision point and without asking you to read through all the text here I'll just tell you the column on the right is a list of all the affected departments, most of which are already downtown, some of which are being brought to downtown, such as HR, some of Risk. This 111,000 – I'm just going to use 112,000 for speaking terms, is the size requirement based on our update of the program study, and that represents 11.5 percent increase over the feasibility study that was done in 2013. Obviously, the number of square feet is going to affect our cost and we'll be getting to that a little bit later

The next decision is the discussion on whether we renovate or restore this building. The admin building is a historic building. It was designed by celebrated architect John Gaw Meem, and I'd like to introduce Nancy Wirth who's at my left and she's the daughter of John Gaw Meem and has some things to share with us.

NANCY WIRTH: Good morning, and thank you all very much for inviting me to come and share with you a kind of exciting idea that has been going around. I am the daughter of John Gaw Meem, the architect of the original 1938 County

Courthouse. He designed both the Zimmerman Library at the University of New Mexico with help from the WPA craftsmen and the County Courthouse simultaneously and both have absolutely amazing architectural features.

For instance, there are wonderful, wonderful hand-carved beams throughout all the public spaces in this building, hand-carved corbels. If we just look up at the ceiling for a minute you'll see extraordinary examples of corbels and beams and a lovely pattern in between the beams. All the doors in the building – or maybe not in the building, but all the doors in the public spaces are custom doors designed by my father and built by extraordinary craftsmen.

This is a wonderful building and it has received many honors. In 1968 it was placed on the State Register of Cultural Properties. Shortly thereafter, it was placed on the National Register of Historic Places as part of a multiple listing of all the buildings that my father did. It's also on the list of significant New Deal buildings in the United States.

Now you saw in the last slide the U-shaped footprint of the way the building was. It surrounded a north-facing courtyard – there it is – or placita. In 1970 a decision was made to infill that placita with a two-story addition because the County needed more office space, understandably. But the effect of that was of course that the U-shaped footprint became pretty much of a rectangle. Light and air were lost from 18 windows which opened into the placita, creating dark halls and artificially lit workplaces, and the charming placita was lost. The original north-facing entry sequence was lost, and an unwelcoming façade on Johnson Street was created.

So I am here to say that because the timing is so incredibly right you have before you a phenomenal opportunity to restore the building back to its original U-shaped footprint as conceived by John Meem. You have in the back of the packets that Mr. Isaacson is passing out [*Exhibit 1*] a rendering which is here where all can see what the placita used to look like.

So how would the decision to restore the building to its original design affect people? If the infill was removed the building would be filled with light and air, enhancing the work spaces, the work environment for County employees and visitors. A gracious entry sequence would be recreated as we see in this from Johnson Street opening into the building in front of the amazing double stairway, which is an architectural feature which we will probably never see again because it would be too expensive to build two stairways but it is very beautiful, especially surrounded with the wonderful balustrade of rope-like carvings.

I think maybe in 1970 the architect who put in that two-story infill left the extraordinary, enormous corbels which are probably ten or twelve feet wide, and they're now still in the County Attorney's office and in the two offices beside it. I think he maybe left them there thinking, well, some day perhaps the County is going to decide to return this beautiful little placita back to the building.

And finally, how would the decision to restore the building to its original design benefit the community? Most importantly, Santa Fe County would restore an iconic building for the County to celebrate. I believe that it would stimulate tourism, people who wanted to come to Santa Fe to see New Deal buildings, like the Park Service and like this wonderful building and perhaps the Federal Courthouse to see the murals on the walls.

In the restoration significant architectural features would be restored and reused. Light and air would be welcomed into the building. The naturally lit halls and public spaces might provide places for displays of county history. It could almost be something akin to a County museum. So your important building, if returned to its original, gracious condition would proudly be the jewel in the crown of Santa Fe County. And I think it's fair to say that my father would join me in asking you to give careful and thoughtful consideration to this extraordinarily timely idea.

Thank you and I'm happy to answer any questions.

MR. HOGAN: Thank you, Nancy.

CHAIRMAN CHAVEZ: And I think – I'm sure there will be questions later. I do appreciate your presentation and the idea that you bring forward, but I think in the interests of time let's go through the presentation and save questions for later. Thank you for being here.

MR. HOGAN: Thank you, Mr. Chair, Commissioners. Also, to just catch up on something, I was remiss in some of my introductions. To my right is James Horn with Spears Horn Architect, our lead consultant on this project. Don Door is with him as well who handled a bunch of the programming and Beverly Spears is also here in the audience. So –

CHAIRMAN CHAVEZ: And Mark, if I could, for the record, we have a letter from Historic Santa Fe Foundation and a letter from the Old Santa Fe Association and I'd like to enter those into the minutes. *[Exhibit 2]* Whatever we have we could enter into the minutes. We have another letter from the National New Deal Preservation Association. So thank you for that correspondence.

MR. HOGAN: Mr. Chair, there's another handout that was intended to be folded into the packet and it summarizes some of the points that Nancy made regarding the benefits of restoration over renovation, and those are listed as historic issues and benefits to the County and also the community benefits which I think Ms. Wirth handled well so I won't back through those.

The other important part is understanding the cost of this restoration. We're putting together all of the costs of it because essentially there's about 7,500 square feet that is contained in the two additions that we are discussing removing. We have a rare opportunity to be able to relocate that in a new building as long as we're doing it at this phase of the programming stage where we can say, well, let's take that space and put it in the new building. So we have some place to put it.

So the column summarizes some of the costs including the added A&E fees, added demolition, exterior and interior restoration. There's some space that we had plugged in costs for remodeling that will be removed so we do have about \$1.1 million savings on not renovating the space that was proposed to be removed. And then addition that space to the Grant Streets adds approximately \$2.4 million. So the added cost of taking this approach to the project is \$3.7 million.

With that I will move to the next decision point and they are related to this conversation because the two scenarios called for under renovation of this building, the three departments would remain here – Administrative Services, Human Resources and Procurement. In the case of we proceeded with the restoration, those three departments would move to the new building and the other ones listed in black would be the ones that

would stay here, including the County Attorney, County Commissioners, County Manager and Finance, and those all would be going into the renovated building and then Grant Street on the right will show the functions that would go there.

Under the restoration scenario, that's the bottom left and right column, and you can see that Administrative Resources, Human Resources and Procurement would move to the new building under this restoration scenario. And to make sure everybody's clear on that I'll just pause and see if there's any questions.

COMMISSIONER STEFANICS: Okay, so I'm a little confused about the buildings. So we're considering this the old administration building?

MR. HOGAN: This we're referring to –

COMMISSIONER STEFANICS: The Grant building is – okay. So with the restoration we would add functions under the restoration?

MR. HOGAN: Mr. Chair, Commissioner, that's correct. We'd add functions to the Grant Street – the functions that would be located in Old Admin would be relocated to the Grant Street Complex.

COMMISSIONER STEFANICS: Thank you.

CHAIRMAN CHAVEZ: So basically, in the restoration of this building we're reducing the existing footprint and moving office space from here to the new administration building that allows us to fully restore this building to close to its original footprint.

MR. HOGAN: That's correct. Any other questions on that point before I move to the next? Okay. The next discussion has to do with parking appropriation. The information on the left talks about the feasibility study and what had been allocated for staff. On the right side is an update based on the programming information. The original 2013 feasibility study always treated fleet parking like it would be handled either as part of the parking available or off-site. This really brings the focus onto fleet.

We do have enough parking available at the Grant Street level, which the section above, there's two scenarios. The public parking would come in on Grant Street as this elevation here shows, and the other one, the other diagram shows Grant Street level, Griffin Street level, and then a below-grade level, and that really is the difference here that we're looking at, that we can provide 222 spaces between the Grant Street level and the Griffin Street level. There's about a 60-space requirement for fleet parking and if we were to accommodate fleet at this site it would add 60 spaces at a cost of about \$1.5 million to the project. And again, I can pause for questions if there's any clarifications that are necessary on that point.

Moving on then I will go to the cost summary and the way this is organized it has the Old Admin costs on the top and the Grant Street building additions below that. The column on the left side is the baseline costs, which is essentially the updated program with no additional bells and whistles. For Old Admin, if we do the restoration we're identifying the added fees of \$257,000 for A&E and the restoration costs of \$1.12 million. The reason why those numbers are slightly different from the way we organized them before is because we had the additional building space for Grant Street on our last summary but on this one it goes into the Grant Street category.

So anyway, on that one we are looking at the added area for the space displaced from this building costing \$2.6 million. The added A&E fees, including the ones for the

additional space at the new building are \$643,000, and then the additional parking number at \$1.5million. the \$32 million at the left at the bottom is our baseline costs as updated by the current program and the column to the right at \$38 million is the cost with all the bells and whistles. I'm not sure if the Manager would like to take it from there on that point or have me explain what our discussion had been at the end of our presentation.

MS. MILLER: Mr. Chair, thank you, Mark. Mr. Chair, Commissioners, the other thing on this proposed addition or these baselines, it does not include FF&E, which in our original estimates we do have a total project cost to include FF&E and things we actually need in order to get into the building and fully functional. That's approximately another \$3 million on either one of those sets and numbers.

But don't fret, because we actually had anticipated back in 2013 when we talked about this project, about a \$32 to \$36 million in total with FF&E before we talked about doing the renovations to this building in the sense of restoring it. So I think that the thing to look at is the difference between the two is about \$6 million and what I think that we'd like to do is work to a number that includes an additional \$6 million, whether you look at it including the FF&E or not. If you add FF&E, the proposed additions, that would be \$4 million.

I think that's a bit of a stretch for us. I think \$38 million for both facilities and the timeline that we have to do it is a reachable figure, and the reason I say that is we, if you recall in July, we did a refunding of old bonds, old GRT bonds and we saved almost \$6 million in net present value and the reduction in our interest costs. Another item that we did differently than what we had anticipated when we first put the whole hold-harmless GRT in place to do this project was that we would borrow \$25 million starting this year.

Well, in looking at the project we really don't need to borrow all of that right now, so we don't need to borrow that for about two years. We don't need to issue those bonds for about two years. So we will save \$2 to \$2.5 million in debt service per year before we actually need to do that. So there's an additional \$4 to \$5 million there. So we've gone through – I've gone through it with Carole in Finance, gone over these figures with Mark, so I think that the number we really need to work towards for an all-in project cost is around \$38 million.

Also in our original proposal to the Board in 2013 we looked at selling two of our facilities. That's the HR building over by West Alameda, on West Alameda at the little business square there, and also our Community Services building off of Galisteo. I do believe – and that two of those combined was about \$2.5 million was an estimate on the sales price of those, about \$800,000 for the property on West Alameda and a little over \$1.5 million for the property on Galisteo.

Sticking with a \$38 million number we do not have to sell those building if the County were to repurpose them or lease them for something else. So that's the other reason that I think we should target the \$38 million and scale it back to that figure as opposed to \$41 million for both buildings and FF&E. So with that, I think what we did come up with is a possible way to get there and I'll turn that back over to Mark.

MR. HOGAN: Thank you. So, Mr. Chair, Commissioners, the discussion that we had at the end of that working backwards from the \$38 million and subtracting out the FF&E we looked at the areas where we had seen escalation in costs on the programming and we mentioned that there was an 11.3 percent growth in square footage.

The other number that we saw grow was the estimated cost per square foot for new construction.

So the numbers that are included here also have a contingency in there. We think that by the time that we get to the completion of schematic design we'll have a better opportunity to really scrutinize the space requirements per department and get back some of the 11.3 percent space increase. One of the other things that was part of that also at our preliminary discussion, there was a request for some possible museum space, so this number also includes 3,200 square feet that would be applied to some type of a space – we're calling it flex space so it could be used for any number of different purposes at the new Grant Street Complex.

So that's why we think we've got some areas where we can sharpen our pencils and tighten down and work with using that \$38 million and still accomplish all the objectives for the project. Some of the parking places we'll be able to look at more efficiently to see how those are distributed but I think we can probably come up with a parking plan that accommodates staff as well as fleet and significantly meet the requirements for parking.

MS. MILLER: And Mr. Chair, Commissioners, to add to that, I also talked to the City. Their parking structure right across the street is not full in the evenings and even during the day, and the issue with fleet is we do have employees come in in their own vehicle but then they leave with a County vehicle. So there's not necessarily two spaces taken up during the whole day. So what we discussed with the City was a – and we already currently have contracts with the City in some of their parking garages but just having a lease of some spaces that gave us that flexibility with our fleet and our staff, so that if we actually had a full parking lot we could go over and use the City's parking structure during the day.

The manager was much more amenable to that because when you look at the cost of a space, 60 spaces at a million and a half it's a long time before that is recovered in a lease agreement as far as the spaces. So we thought we'd probably – that was one area where we could cut back, not go with another floor in the parking, plus that comes with its risk as we know from the other courthouse, going down an extra floor.

So we think that's the area where we we'd like to cut back as well as in the space allocation for the department and to the comment about the flex space, that came up like a museum, but as Ms. Wirth pointed out, this building itself and the hallways really could serve as a museum and having – with the artwork in the hallways really opening up and brightening up the hallways so we didn't really need to have an extra space for that, that we would utilize the actual walls in this building and that we'd have the flex space for some of the things like the Chairman had mentioned about some type of possible incubator space if needed, but flexible space that could be used for what's appropriate at the time.

As we well know, by the time this building would be completely renovated and we'd have everybody in their proper offices, that's four or five years out. So things may change as to what the needs are for that flex space. And so that's why we just said we'd plan it more as a flex space as opposed to just some very specific item.

CHAIRMAN CHAVEZ: The only thing I would add to that I guess, regarding the flex space, knowing that the built environment reflects who and where we

are. Our furniture and architecture is very unique. And so this flexible space could in some way, through economic development support the cottage industry that's so active in producing hand-made, quality items whether it be furniture or weaving or whatever. Whatever it is. But is there a role that local government can play in promoting and supporting that cottage industry, and I think again, using public buildings, this being one example, I think lends itself to that.

I know that when I'm here on days other than County Commission days there are many members of the public that come in to look at this building and to look at the architecture and I think they're drawn into the building because of the uniqueness of the façade and the outside exterior. And so we're fortunate that we have those features and I just hope that we can continue to build on those. So I just wanted to expand on that for just a minute. Are there any other comments or questions at this time from the other members? Commissioner Stefanics.

COMMISSIONER STEFANICS: Thank you, Mr. Chair. I think that if my first question was about money and you've explained that we can pretty much afford this. So the second one would be about having the adequate space that we needed for all of the services that we had planned. And that's been answered. So the only other comment I have is regarding what the Chairman just said, and I think there's a variety of ways of looking at the arts that you're talking about, and rather than – and I think that those decisions could be made later. But rather than providing an economic development within a government body or an official building we could actually have living arts presentations in the museum space, scheduled on an ongoing basis.

So I just want to throw that different idea out, because as a governmental body there are all kinds of rules about the collection of money, the depositing of money, etc. and it does change things, so I just want us to be flexible about looking at how to accommodate bringing in the traditional arts and the living arts that are still going on.

But based upon the discussion, as long as we can afford it and as long as it can accommodate our needs my understanding is that restoration is a feasible option. So I'm interested in hearing what other people have to say.

CHAIRMAN CHAVEZ: Commissioner Holian and then I'll go to Commissioner Roybal.

COMMISSIONER HOLIAN: Thank you, Mr. Chair. I just want to say that I'm strongly, strongly supportive of restoring this building. We have a really, truly unique opportunity at this time to do this and it would be an incredible gift to the community; to the people who work in this building it would just be so much more wonderful being inside the building, to have it restored the way it was and have more air and light and so on. And it's also an incredible gift to people who are visiting the community. As it is, whenever I have friends or relatives who are coming to visit me I always take them to this building and give them the tour of the murals and just the wonderful architecture. I'm so proud of this building.

In Santa Fe we have a lot of old historical buildings, most of them though are churches, and when you think about governmental buildings, we don't have that many great old historical governmental building. Look at where City Hall is. I would much rather be in this building than in City Hall. We have a really great Round House. That's for sure, and then the old Park Service building is a wonderful, wonderful building too.

But again, I think that this – we just have a real special opportunity here and we should not pass it up. Thank you, Mr. Chair.

MS. MILLER: Mr. Chair, I wanted to add, just to refresh the Board's memory of how we did come up with the financing. We had appropriated in fiscal year 2013 \$7 million of capital outlay gross receipts for the project. Then we had anticipated bonding for \$25 million, which consisted of \$32 million. And then we had the sale of the properties around \$2.5 million. As I said, I took out counting on the sale of the two buildings considering some of the discussions that we're having in other areas of the county relative to possible facilities for other initiatives and said let's just not count on that, even though those decisions are still to be made.

What we did in July is we issued \$6 million of the \$25 million that we were going to borrow. So we still have about \$19 million to borrow but we would not do all of that until two to three years from now. The debt service on the \$6 million we have runs around \$500,000, \$550,000, so we will save \$2 to \$2.5 million a year of what we had set aside to pay for the debt service over the next 2 ½ years, and that's where that additional capital will come from to fund the project, so the additional \$6 million.

COMMISSIONER HOLIAN: Mr. Chair.

CHAIRMAN CHAVEZ: Yes.

COMMISSIONER HOLIAN: I just want to add something. If we saved anything I think we should possibly reconsider the below-grade level parking, because I think that \$1.5 million, it would take a lot of years of leasing spaces to really make up the difference on that. And I know from the new County Courthouse the below-grade parking caused nothing but problems. And so I have a feeling that it would actually end up costing more than \$1.5 million to do that. So that would be the thing that I would be most open to giving up. Thank you.

MS. MILLER: And Mr. Chair, that would be our recommendation as well.

CHAIRMAN CHAVEZ: I guess my only concern is that again we have the opportunity to do it now. We won't be able to go back and do it later. I don't know that we should get ourselves caught up completely in comparing the two projects because we've not gone through the site analysis on the site that we're talking about now. I think that we're not as constrained on this site from what I can tell as the new courthouse. So I'd be a little concerned about that. I'd be willing to give it up but I don't want to lose that opportunity because you know that parking in the downtown area will and is always going to be a challenge. So I don't want that to be a missed opportunity either, I guess is my just maybe comment on that detail. And so, Commissioner Roybal, did you have anything that you wanted to add at this time?

COMMISSIONER ROYBAL: I would like to say that I would also stand in support of restoration of this building. Just the fact, the historical heritage that we'd be gaining and just the historical inventory that was actually talked about in the presentation is something that, as we say sometimes time is of the essence and it seems like this is the appropriate time for us to work on that, so I would definitely stand in support. Thank you.

CHAIRMAN CHAVEZ: Well, I guess I'm going to do a disclaimer before I make my – state my position. I have a background, in case some of you don't know, in restoration of antique furniture. I built custom New Mexico furniture indoors. I spent probably the last four years with John Eddy who is in the audience here and other

restoring the San Miguel Mission to its original mud plaster walls. And so I appreciate and understand the significance in restoration. I also drive a 54 Chevy. So I like the classics.

So it's going to be very hard for me to speak against restoration of any shape or size or color but that's my disclaimer. I think that in this case we have an opportunity to restore a building that is a classic. Many of my – a lot of my furniture is influenced by the WPA pieces and the programs that were in place then that are sorely missed now, needed now. And so we have a value-added feature when we restore a building like this and the value-added components are numerous. I won't even list them. I think some of them have already been mentioned. And so for us to miss this opportunity I think would be a really once in a lifetime opportunity, my lifetime anyway, because these chances don't come around too often. And they cost a little bit more and it may mean that we have to put more thought into it but in the long run it will be well worth it. So that's my position on whether we restore or renovate.

MR. HOGAN: Mr. Chair, if I might add a note too regarding some of the artisan spaces and things like that, we actually hope through the site design and planning to make many places available for vendors or craftsman and things like that and that includes the outside environment around the building as well as some spots in the building. So that's something that we're going to be designing with that in mind. Thank you.

CHAIRMAN CHAVEZ: Any other questions, comments? Manager Miller, do you have anything you want to add at this time?

MS. MILLER: Mr. Chair, not as far as a presentation. I think what we would be looking for from the Board today is a motion to approve the space allocation, with it in mind that we try to – that this is where the entity, each office would go, our County offices based on each building, approve the goal to restore this building, and to do all of that within a budget of \$38 million.

COMMISSIONER STEFANICS: Mr. Chair, I had a –

CHAIRMAN CHAVEZ: Yes.

COMMISSIONER STEFANICS: Mr. Chair, members of the County Commission, we might look like heroes if we would consider something else. In this building, if we put the museum on the ground level and we made public bathrooms for visitors to our city, since they are not being accommodated by the City of Santa Fe. So if – I'm not asking that we go outside of the budget parameters but I am asking if that would be something that could be investigated and it would actually bode well with our tax dollars.

CHAIRMAN CHAVEZ: It's another need in our community. Definitely. It's one of the most asked questions I think at Bienvenidos.

MS. MILLER: Mr. Chair, it would bode well with the employees to have bigger bathrooms as well. They're pretty minimal in this building.

COMMISSIONER HOLIAN: Toilets that work.

CHAIRMAN CHAVEZ: Okay, so that's a point well taken. I would support that as well. So we need a couple of motions then. I'd entertain either one motion or a series of motions.

COMMISSIONER STEFANICS: Mr. Chair, I'll take a stab. I'll move to

direct and approve a restoration of the historic building with the changes in the plans, and keeping the budget at the \$38 million mark.

COMMISSIONER HOLIAN: Second.

CHAIRMAN CHAVEZ: And would the motion also include direction to staff to investigate the public restrooms?

COMMISSIONER STEFANICS: Well, that's included, but that's not directive.

CHAIRMAN CHAVEZ: Okay.

COMMISSIONER STEFANICS: That's an investigation.

CHAIRMAN CHAVEZ: Okay, so we have a motion. We have a second. Any further discussion? Hearing none.

The motion passed by unanimous [4-0] voice vote.

CHAIRMAN CHAVEZ: Thank you all for being here and I want to thank the audience for attending this morning.

MR. HOGAN: Mr. Chair, we will at the schematic design phase, which will be our next benchmark, we'll come back and show how much space and how much parking will be accomplished for \$38 million.

CHAIRMAN CHAVEZ: Thank you. So we're going to stay here and I'm going to go ahead and we want to roll into the next portion of our afternoon, which is our regular agenda, and we have that in front of us. I'd like to call this meeting to order if I could.

COMMISSIONER STEFANICS: Mr. Chair, we still have another item. The affordable housing.

CHAIRMAN CHAVEZ: Not on this special meeting. Oh, yes. I'm sorry.

V. Presentation, Discussion and Non-Final Direction on Possible Amendments to the Affordable Housing Requirements of Chapter 13 of the Santa Fe County Sustainable Land Development Code (SLDC) [Exhibit 3: Staff Recommendations]

ROBERT GRIEGO (Planning Manager): Mr. Chair, Commissioners, for this item staff will provide a status of the affordable housing ordinance review.

CHAIRMAN CHAVEZ: So we're following the handout that you provided?

MR. GRIEGO: Yes. Commissioners, also in your packet we have information in your packet, specifically regarding this item including the staff report with recommendations. The report for the affordable housing focus group meeting, which includes an executive summary.

So on July 26th the Board held a discussion regarding the affordable housing ordinance. Staff presented a white paper to the Board that identified specific issues and options regarding affordable housing regulations. The Board also directed staff at this meeting to get input from stakeholders regarding the proposed options. The County hired some facilitators, Carl Moore and Jesse Lawrence, to conduct the affordable housing

stakeholder meeting. As part of this process the affordable housing stakeholder report is in your packet. Carl Moore will present the summary and outcomes of the affordable housing stakeholder meeting.

CARL MOORE: Thank you. Good morning. It was our pleasure to meet with a group of people who were very knowledgeable about affordable housing to consider what you had early charged the Department of Planning to consider. What you have in your packet in the report is the list of people who participated and if you get a chance you might want to review it but there were 14 people including County staff, developers, people who are in the business of providing affordable housing. It really does reflect people in this community who have the most experience and knowledge about this issue.

We met on August 18th and took up the agenda that was in the white paper that the staff had presented to you, and what you have in this longer document here, in the left hand column – well, at the top you have your goals for affordable housing that's driving this conversation, and then in the left-hand column the proposed items that then became the agenda for the focus group on the 18th.

What you have in the middle column next to that and across from those items is what the focus group, or how the focus group responded to those items and what they had to say about what staff's recommended. You also at the bottom of the page have other ideas that came out of the focus group discussion. And what you have in the right-hand column and I presume is our purpose today are the County staff recommendations based on how the focus group responded and their own wisdom about what was necessary for revision of the regulations for affordable housing. So this is a summary of really what's included in the longer document.

CHAIRMAN CHAVEZ: Any questions to Carl at this time?
Commissioner Stefanics.

COMMISSIONER STEFANICS: Mr. Chair, I think some of the members of our audience are just receiving a copy right now and I would be interested, if there are any people – are you going to take public comment?

CHAIRMAN CHAVEZ: We can. We'd have to set up the podium, I think.

COMMISSIONER STEFANICS: Well, it's a small group, but I'm just wondering, since we're – and it's non-directive, non-final direction it says. I know that we've been looking to modify our requirements, so that doesn't concern me. I just am wondering if some of the people in the audience participated and so on. So maybe you could address that, Robert. If those entities interested in developing affordable housing were involved.

CHAIRMAN CHAVEZ: And maybe we could ask that question louder. Is there anyone here that would want to speak on this issue? So I see two or three. So maybe that will set the stage, but Robert, why don't you go ahead and respond to Commissioner Stefanics' question and then we can allow for some public comment.

MR. GRIEGO: Mr. Chair, Commissioner Stefanics, yes. We, with the affordable housing focus group we tried to make sure that we had representation from both developers, agencies who provide affordable housing, and we also had an affordable housing homeowner that participated in that process. So it looks like there are some folks here that would like to speak on this. In your packet are specific recommendations. If I

may I might want to kind of go over the items.

CHAIRMAN CHAVEZ: Let's finish your presentation and then we'll have some discussion and then after that allow for public comment.

MR. GRIEGO: Okay. Item 1 in your staff report was amending the income range requirements and specifically we're talking about income range 1. In your packet we have three options, Option A would be to include Income Range 1 and Income Range 2, to combine them to reduce the burden of Income Range 1 from a couple of different perspectives, both part of the Board discussion that we've had before and the focus group discussion. This was an option that we'd like to consider.

Option B would also – one of the options that came forward from the affordable housing group meeting was that we weight Income Range 1 at a higher rate in order to reduce the burden for providing affordable housing for this Income Range. So we have an example of each of these options in your packet. But for instance, the County current affordable housing requirements for a major project, meaning 25 or more units, has a requirement of 15 percent total affordable housing, distributed at 3.75 percent in each of the four Income Ranges. So for the first example, Option A, that would require instead of having 3.75 in Income Range 1 and Income Range 2, there would be 7.5 in Income Range 1 and 2 combined. We'd still recommend maintaining Income Range 1 and maintaining Income Range 2. This would then linked to the weighted example. With that, if Income Range 1, if the developer were to provide homes in Income Range 1 they would be weighted at a one to one ratio. So for each Income Range 1 home that was built they would get a credit for an additional unit. So that would reduce the requirements for the other Income Ranges.

So for the example on 1.B, if they built three they would receive three credits, so then the requirements for each of the other Income Ranges would be reduced by one, so instead of being required to develop 12 affordable housing units they would be required to develop nine affordable housing units with the three credits for the Income Range 1 that they bought.

In the spreadsheet one of the items that we identified, Option A and Option B can be combined in order to maintain some level of housing for Income Range 1. So if the developer chose to build in Income Range 1 and they weighted it they would be able to use that as an Income Range. So one of the options that we have is to allow both Option A and B as part of the amendments to this. Then Option C for Income Range 1 would be just a reduction in the total amount required for Income Range 1. That would then increase the units in the percentage required in the other Income Ranges.

The next item would be long-term affordability, how we address long-term affordability. I'm not sure how the Board wants to consider it. Do you want to consider each item separately?

CHAIRMAN CHAVEZ: Yes. I think so.

MR. GRIEGO: So for Income Range 1 that's what we have is a proposal for that item.

CHAIRMAN CHAVEZ: So I have a question, and I guess this goes more to the layout of the development itself. Are the affordable units dispersed throughout the development or are they clustered in areas within the development?

MR. GRIEGO: The regulations, the affordable housing ordinance does

require a dispersion of the affordable housing units. Integration is what it's called.

CHAIRMAN CHAVEZ: So it's like an inclusionary-type zoning.

MR. GRIEGO: Yes. That's correct. It's inclusionary zoning, so within the development that comes in they have to show some level of integration of the affordable units.

CHAIRMAN CHAVEZ: So then any questions or recommendations on the amended Income Range requirements? Commissioner Stefanics.

COMMISSIONER STEFANICS: Yes. You haven't really commented on D, which is allow both Option A and Option B. Or I didn't listen. Sorry.

MR. GRIEGO: Commissioner Stefanics, yes. Option D would be the piece where we would still try to address Income Range 1. If we only went with Option A, if they combine the Income Ranges we may not see any housing units for 65 and below. So by combining A and B, that would give an incentive for a developer to provide homes in Income Range 1.

COMMISSIONER STEFANICS: Thank you.

CHAIRMAN CHAVEZ: So that's the weighted example.

MR. GRIEGO: That's correct.

COMMISSIONER STEFANICS: Well, Mr. Chair, before I'd want to weigh in I'd want to know if there's anybody here in the audience who's against it.

CHAIRMAN CHAVEZ: Well, that's where I was going to go next. You've completed your staff report, Robert?

MR. GRIEGO: Yes. For that item. Yes, that's correct.

CHAIRMAN CHAVEZ: So then let's go to public comment. There were three individuals that raised their hands and if you're wanting to comment now you can come forward. So then do you want to go ahead and use this time now to share your comments with us? So join us here. We don't have a podium set up so just –

WARREN THOMPSON: Thank you, Mr. Chair and Commissioners. I participated in this meeting, I guess it was, that Carl and Jesse facilitated and I thought it was a very helpful and really a hopeful process. There was a lot of good dialogue that went on and while we didn't reach any final conclusions I felt with a little more work we could have.

In terms of these three proposals, the one that would be most attractive would be proposal A. That's very simple and it really fixes the problem of Tier 1 which is very burdensome.

CHAIRMAN CHAVEZ: So the Tier 1 is the 65 percent of the area median income?

MR. THOMPSON: Yes, sir. We're losing over \$100,000 per unit delivering those units and it's very difficult.

CHAIRMAN CHAVEZ: So staff is recommending combining ranges 1 and 2 to maintain overall percentage of affordable units. Does that –

MR. THOMPSON: That helps tremendously.

CHAIRMAN CHAVEZ: Go ahead.

MR. THOMPSON: On proposal B, my fear on this is that where those – if I build a Tier 1 where it's going to get allocated. I'm afraid it will get allocated to Tier 4 where we're actually making a profit, so that doesn't really help us at all. So if it got

allocated – if we built one Tier 1 and it counted for two Tier 1s or something along that line then that would make sense to me. If you got two for one there on the Tier 1 level. But giving us credit for one that we don't lose as much money on doesn't help as much. So if you're going to keep all four tiers in place I think you should get two credits for each one of the Tier 1s you build.

CHAIRMAN CHAVEZ: So I guess we note that for the record and for future discussion.

MR. THOMPSON: Really at some point from the developer's perspective there's a maximum amount of money you can lose on affordable housing and somehow we have to address that. What's the maximum loss that we can sustain? And we don't do that in this, but that's really where we need to get at some point is how do we set our maximum loss as prices change, as things go on? Thank you for listening.

CHAIRMAN CHAVEZ: So let me understand something, Robert. Even though we're asking the developers to commit to a certain percentage, are they not receiving any other reduction in permit fees or offsite improvements or anything like that? Density bonuses or something?

MR. GRIEGO: Mr. Chair, there are some incentives built into the affordable housing ordinance and there are some costs that are waived for this including development fees. I think one of the other items that we've identified for consideration is reviewing the affordable housing incentives with the developers. We have a developer subsidy for instance that allows a subsidy for developers who provide these affordable units but currently that subsidy – we have funding for that, we have availability of that program, but that program has not been utilized. So it may be a matter of adjusting the program so it does function for the developers.

CHAIRMAN CHAVEZ: Okay. And I know that that's not going to take away the burden completely because you do have to show a profit at some point, but we also have to be willing to invest and subsidize, if you will, this portion of housing because of the cost of housing related to the income disparities. So I just wanted to touch on that for a bit. Thank you, Robert. Next, please.

DANNY MARTINEZ: Mr. Chair, members of the Commission, my name is Danny Martinez. I represent three major developments in the Eldorado area for a total of 21 affordable housing requirements. Of these 21 they are all within the income ranges 1 through 4 based on some previous affordable housing agreements that we have. The concern that we have is of the 21, there is very limited compensation back for extension of public utilities. And again the problem here is the way the affordable housing ordinance is written it talks about connection to County municipal services. There are no County municipal services.

Eldorado Water charges \$13,500 per water tap. We have had numerous discussion with this water company. There's no breaks from the water company. There's no breaks for affordable housing. They don't even care about affordable housing. So that's the beginning of the problem. Then we get into sewer. And again, in our particular case in one of the developments we are proposing a wastewater treatment facility that would take care of the sewer within our development. Again, there's no mechanism in affordable housing for developments outside of the County's municipal service district.

I've brought this up in a number of BCC meetings that nobody seems to want to

address. We've talked to staff and nobody seems to want to address it. Again, if you can't have the incentive of providing financial support for these utilities outside of the County's municipal service area then it makes affordable housing pretty much impossible. Of the 21 units that we are committed to try and put in our developments we're looking at a cost of over \$500,000 just for water services. That's an extreme amount of money.

Plus, in our case, one of the developments had five Income Range 1 units – big loss. We calculated our total loss in affordable housing at close to \$3.5 million. And again, we call it a loss because the County has no incentives outside of the district municipal services. So again, we've asked for somebody to respond to us in this; we have not gotten any favorable response at this point.

In regards to the transferring of affordable housing, our only other choice is to transfer them to our one development that can handle affordable housing. The rest of them are based on minimum 2.5-acre lots. Again, with the high price of the water, all the other utility services, the costs just keep climbing and it's really making affordable housing almost impossible. To date there has not been a single affordable housing project or unit built outside of these municipal boundaries.

What's the problem? I just pointed it out. There's absolutely no incentives outside of the boundaries. So again, we agreed to comply when we got our approvals. We have worked with staff. We want to do affordable housing but under the circumstances, the existing code does not allow outside to work. And again, these are extreme costs. In one particular case our first unit is going to be an Income Range 2 unit and this is on a 2.5-acre parcel. The loss to the developer on something like that is close to \$145,000. It's not peanuts. It's a lot of money when you start talking losses.

In a previous 10th Circuit Court ruling that was between the County and developers of the Eldorado area the 10th Circuit Court ruled that there was no standing because nobody had been injured. But in this ruling 23 times it stated that compensation would be due for the implementation of affordable housing. So again, is the County prepared to compensate for affordable housing? This is what I'm saying. There's just no solid communication regarding areas outside of the municipal boundaries.

If there was a way to make this work, this is the process right here. But the problem is is one meeting between developers and representatives does not satisfy it. There's questions here and I do apologize I didn't make the meeting because of an illness in my family, but there's a lot more to than just one meeting. There should be additional meetings. Staff should be taking into consideration these particular concerns about being outside of these boundaries. Until we get this resolved you'll never see affordable housing in Eldorado. You'll probably see our three major developments die because of affordable housing. And again, if you can't work with a utility like Eldorado Water and get them on board then it's a losing cause because at \$13,500, that's a chunk of change, just for water. It doesn't even talk about anything else – just water.

So again, in the code it has to break it out further than just within the County service area. It's never been done and we've asked it to be looked at and it hasn't been looked at. Again, that first meeting – I didn't attend. I did read the sheet over here, but it doesn't solve the problems. It doesn't answer all the concerns. If I'm in Rancho Viejo, they've got community water; they've got community services that are provided by the

County. We don't. We don't have any of this. So I would only ask that this first meeting would be only a stepping stone to more meetings that have to be held in order to satisfy areas outside of the service area.

CHAIRMAN CHAVEZ: Thank you, Mr. Martinez. Any others that would want to comment on any items that you have to bring to our attention? I think now would be the time to do it. And then I want to ask staff and the facilitators to respond to some of the comments that were made previously.

KURT HILL: Thank you, Commissioners. My name is Kurt Hill. I'm first vice president of the Santa Fe Association of Realtors. I'm chair of their government affairs committee. I don't have anything to say about the income levels. Warren certainly covered that well, but I would like you to make sure that this is not the last step in discussing affordable housing. I was not part of the focus group. I'd like to be considered at a focus group in the future. We did have staff there.

But I'd like you to look at this from a little bigger picture from the consumer and there's a lot of success stories out there for affordable housing. Unfortunately, there are also some not so successful stories out there. People that are under water, people that have three and four liens on their property, can't get out of a property they're in right now because of these liens. I've asked our group of realtors, there's about 800 members in the Santa Fe Association of Realtors, I've asked us to collect some stories that are a success and maybe the other side of the coin, just to bring to this body, also to the City.

We're just trying to come up with some ways that actually work for the consumer, and so we would like to see – be given an opportunity to present these problems, the pluses as well. Just to see if we can really become a little bit more consumer-centric. It has to work for the developers. Warren does a great job. We have some really dedicated souls out there doing this. We have some realtors – I know there's a misconception that all realtors are selling high-end property. That just can't be true. We have a lot of us that have been working affordable housing for many years.

I've grown up in this town, been a realtor for 30-some years and I tell you. I've sold to a lot of friends that are in the affordable housing category and it's tough. And to get somebody burdened with undue liens, I have a family right now I'm working with has four liens on their affordable housing condo that they bought. They're totally upside down. Their family has grown. They can't get out of the property that they're in to go into a larger home. I know there's a lot more stories. I'm going to collect those as part of our association, present those in maybe some kind of tabulated form or just discuss them. But they're out there. I don't want to throw the baby out with the bathwater. There's a lot of good success. So thank you for your efforts and I would encourage you to make this just one step in forming new policy.

CHAIRMAN CHAVEZ: Good. Thank you. Robert, you're on.

MR. GRIEGO: Thank you, Commissioner. In regard to the incentives for housing, I think staff would propose that we continue to work with the focus group, identify appropriate stakeholders and have that conversation. There are existing incentives in the affordable housing ordinance that could be used for affordable housing specifically in regard to Mr. Martinez' point that the developments can get a density bonus outside of the County's water service area, so the density bonus is an incentive.

They also have an ability to get a developer subsidy again. We need to look at the

developer subsidy and see why developers aren't using it but it is part of the regulations that we have now. There's other incentives that are out there which. Relief from development fees is another one that we have, so we do have a relief from development fees in our ordinance. Specifically, the project was identified. There is a settlement agreement currently that we are bound by in regard to the project that was brought up. So I just wanted to point that out to the Board.

In regard to continuing to work with the development community and also have other appropriate stakeholder, I think that's the best approach that we do. We need to have the potential homeowners. One of our concerns is that if we – that we don't shut anybody out. Again, if we have regulations now for Income Range 1 that there is some mechanism that we can still address that in one way or another.

There's a couple of other recommendations that we have in our staff report that's identified also on the sheet to address the affordable housing requirements. One of the items on there is in regards to rentals. We want to make the rental element of the affordable housing ordinance more functional so developers can use that instead of requiring those developers or the property owners to get a lien on the property. The other – again, the County would hold that silent lien on the property. The property owner wouldn't have to pay it until such time as they want to sell the property.

But another option is rentals. We have been reviewing the rental option as well. With the rental units, if the County were to address rental units there are mechanisms where the County, instead of requiring the affordable housing units as for sale the County could allow the rental units in accordance or in coordination with the Housing Authority so there would be a mechanism for somebody to have a property that could be used for rental units to meet the County affordable housing regulations.

So that's one of the options that we've provided as a recommendation. Another recommendation in regard to the Income Range 4 homes is that these homes, many times they're market rate homes. The County does require an affordability lien on the properties so even if the home is sold as a market rate unit and the County is required to hold a lien on that property I think the recommendation would be to all the Income Range 4 homes to be sold by a developer without the requirement of the mortgage or lien in favor of the County. If the County were to consider this staff would recommend that we still certify income eligibility in order to ensure that the home was sold to an Income Range 4 buyer at the price as established in accordance with our regulations.

So that would be an amendment that we would recommend to move forward with this. It would allow the developer to sell the Income Range 4 homes with only the requirement that the County review those.

The other requirement, the other regulation that we wanted for the Board to consider would be to look at the affordability lien. There's certain non-profit organizations who were part of our focus group. Sometimes they have liens that they provide to the property owners. Those liens, if instead of the County owning the lien, if the non-profit organization would hold the lien then this would allow the units to be counted in accordance with our affordable housing regulations. So instead of the County owning the lien, allowing the non-profit to do that. That would also facilitate the program and allow the non-profits to do that.

And our final recommendation, again, is to review the incentives in accordance

with the stakeholders to address existing and potential incentives in order to make the affordable housing incentives work.

CHAIRMAN CHAVEZ: Thank you, Robert. I'm going to go to Commissioner Stefanics.

COMMISSIONER STEFANICS: Thank you, Mr. Chair. I have a series of questions. Number one, I think there has to be some more meeting. I think there are some more comments that might come from the work group. I looked at the list of who participated and it seemed to have covered a variety of people. But when you say six-month update here in your memo, Robert, which six-month update are you talking about? In 2016 or 2017?

MR. GRIEGO: Mr. Chair, Commissioners, when we presented this in July we were proposing to bring this forward along with the SLDC six-month amendments.

COMMISSIONER STEFANICS: In 16?

MR. GRIEGO: In 16, with the current process.

COMMISSIONER STEFANICS: That's my question. I do think there are some things here – well, first let me say, I think that you all do a great job. But I do think that we are being far too hesitant to do some of the things that would alleviate some of our waiting lists for rentals. And I don't know if we're just being too cautious. I don't know if there are not developers who want to build and then non-profits who want to run the facilities but we have a high demand for more low-income rental units in Santa Fe City and County. And we're the County and we have some responsibility.

On our Section 8 housing list we have how many people?

JOSEPH MONTOYA (Interim Housing Director): Over 2,000.

COMMISSIONER STEFANICS: Over 2,000. There's a need for rental housing. And I understand that a developer does not want to be a manager perhaps of a rental housing development or maybe they do. But I would just like to see us take some steps and not be too cautious. We are – in eight years we haven't gotten one concrete step further. I'm just amazed. And if it continues like this we're going to go another four to eight years. So I don't know that – I could weigh in on some of these things right now but it sounds like you might want to have some more discussion with members of the audience. I also don't want to delay what we're doing with the SLDC, so that's why I was asking you, are you talking about 16 or 17, because I think 17 was dealing with hard rock mining. But Katherine, can you lend me some light on this timeline? Or Penny?

MS. MILLER: Mr. Chair, Commissioners, one thing we need to do relative to the affordable housing Chapter 13 is that the actual chapter is not cohesive with the rest of the code so we have all those technical changes to be done, that we have to make. So our hope was that while we're doing the current code update to make those significant technical changes that we need to do for it to work and have some of these components. I agree there's always a lot of discussion around the rental market and we really need to find some type of alternative means of compliance that would be suited for the rental market and I think that's something we could try to focus on. Whether we could come up with something that could go into the code this round, I don't know. I did not attend the meeting as to how far they got on that. I've had some discussions with staff about possibilities and I think there are some possibilities, but I think as far as needing to adopt some changes with this 2016 revision we definitely need to do that at a minimum,

do the cleanup language.

And then it would also be good to do the tiers. I think giving a deadline of coming up with something on the rental alternatives or something in that area would also be ideal. I just don't know if we would be far enough along this fall on the alternatives.

CHAIRMAN CHAVEZ: Would you want to respond, Penny? Maybe you have some – maybe you can fill a few gaps in the discussion.

PENNY ELLIS-GREEN (Growth Management Director): Mr. Chair, Commissioners, I think our intention was if there's something the Commission like us to see to work on very quickly that we could bring it in this round of changes. If there's other things that are going to a lot more discussion, more direction and more time drafting then we could come back later with that, but I think some of the items that staff, that Robert and Rosemary have looked at being able to make a change fairly quickly would be the Income Range 1 and Income Range 4 changes and allowing non-profits to hold the liens. That could at least be a start.

As far as the rentals, as long as we write it in that rentals could be allowed it may need some additional discussion as far as how that's done. Obviously, with a buyer, you're actually income-verifying a buyer, whereas with rentals, that's a little bit more difficult to do. But working with the Housing Authority we could probably do that. So I think what we're looking for today is is there a direction that you would like us to start making some of these changes that could come along at the end of the month with the SLDC and then this year, through the approval process, and other areas that you would like us to continue having the dialogue. I think even if we're taking something through this year we could still continue to go back and work with that group and anyone additional as we've drafted some proposed language and worked through the specific language so we have that coordination.

CHAIRMAN CHAVEZ: So the idea that you would have additional stakeholder meetings as a group or one on one is something that you are willing to entertain as we move forward?

MR. GRIEGO: Yes, Commissioner. I think that would be an approach that we could certainly be able to do based on direction from the Board.

CHAIRMAN CHAVEZ: Because one of your recommended actions is to review incentives with stakeholders to address existing and potential incentives. I think that kind of captures that piece of it. We just can't do it all right now, but I think that discussion is going to be ongoing anyway. It's not going to be etched in stone because policies and procedures and ordinances change. I think the market maybe some day would change so that we don't have to worry about who can afford a house and who can't. Wouldn't that be nice? But maybe that's something else we can work on.

MR. MOORE: I just wanted to comment that almost to a person the participants in the focus group had enthusiasm for additional meetings. They realized they had come to a point, hadn't quite resolved it and there was more to do. So there was a readiness for that.

CHAIRMAN CHAVEZ: One meeting always leads to another from what I can tell. So I think, Commissioner Stefanics.

COMMISSIONER STEFANICS: I'm interested in hearing what the rest of my colleagues think about this.

CHAIRMAN CHAVEZ: So then we'll go to Commissioner Holian and then to Commissioner Roybal.

COMMISSIONER HOLIAN: Thank you, Mr. Chair. So, Carl, I wanted to ask you about these recommendations that are in our packet here. Do you feel that the committee or the task force did support these? That they really would like to see us move forward? Because they don't seem like major, huge changes. They seem sort of straightforward and logical.

MR. MOORE: Our sense is that indeed they did support this direction, and then it was codified by staff as to what specifically that would be and that's what you find in the third column.

COMMISSIONER HOLIAN: So I agree with going forward in drafting – since we're updating our Sustainable Land Development Code anyway and we are updating the affordable housing chapter you might as well incorporate these changes that we're actually recommended. Like I say, they're not major changes. They seem fairly straightforward and logical. As far as the Income Range requirements, I tend to like Income Range Option A, and the reason is it's just simple. It's much simpler than the other ones. So that's just my take on it. Thank you.

CHAIRMAN CHAVEZ: Commissioner Roybal.

COMMISSIONER ROYBAL: First I'd like to thank everybody that actually worked on this and has put in their time and brought recommendations and also all of our speakers today that actually brought other comments forward. But I also would tend to agree with Commissioner Stefanics in saying that I think we do need additional meetings and I'd like to see the realtors involved as well. I think that we have a really high demand for low income housing and we really need to figure it out and get to the point where we can supply this to all of our constituents that are in need. Thank you.

CHAIRMAN CHAVEZ: So I apologize for my confusion earlier. We've had a good discussion on this item. It is listed as an action item. Do I hear a motion to that effect or do we want to do something different?

COMMISSIONER STEFANICS: Mr. Chair.

CHAIRMAN CHAVEZ: Yes.

COMMISSIONER STEFANICS: I do want to weigh in. I do like both Option A and B on adjusting the income levels and I am fine with the Income Range 4 to be sold by the developer and the flexibility. But I would just encourage us to move ahead. And so I don't know if my colleagues would go along with A and B or only A.

CHAIRMAN CHAVEZ: Well, I think you some make that in the form of a motion and that could be part of the action that we would take this afternoon.

MR. GRIEGO: Mr. Chair, can I address that point specifically?

CHAIRMAN CHAVEZ: Sure.

MR. GRIEGO: In regard to that, I don't think, again, you would still be able to do A if you combined A and B. So again, A would still be there. The requirement would be the same. So A and B would actually be an additional thing that could be used at the discretion of the developer.

CHAIRMAN CHAVEZ: So that's D under staff recommendation, which says allow both Option A and B. Is that correct?

MR. GRIEGO: That's correct.

COMMISSIONER HOLIAN: Mr. Chair, I'm in agreement with that, so maybe I can make a stab at a motion.

CHAIRMAN CHAVEZ: Sure.

COMMISSIONER HOLIAN: That we direct staff to go forward with drafting the amendments to the affordable housing chapter of the SLDC and as far as the Income Range options, to allow Income Range Option A and B. And then also under the long-term affordability, draft an amendment for allowing homes to be sold by the developer without a requirement for a mortgage or lien, and also to allow the affordability lien to be held by a non-profit organization, with the other caveats. And I'm also in favor of allowing rental units as an alternative to meeting the affordable housing requirements, and let's see. On the last one – the last one, amend affordable housing incentives? What exactly would that amount to?

MR. GRIEGO: Review – Mr. Chair, Commissioner Holian, the last one would be to review the incentives with the stakeholders to address the existing affordable housing incentives and get additional input from them to address those issues.

COMMISSIONER HOLIAN: Oh. And I think we should move forward with that as well. So I'm including all of that in my motion.

CHAIRMAN CHAVEZ: That's a motion. I would second that motion and ask for any further discussion. Hearing none.

The motion passed by unanimous [4-0] voice vote.

CHAIRMAN CHAVEZ: So that concludes staff's report. Do you have any other comments, Manager Miller that you want to make at this time?

MS. MILLER: Mr. Chair, I would just like to add that there's a lot we can do with our Housing Authority. We just need to get the Housing Authority at the table with the developers to look for ways to incentivize building what I'd call even investment properties for investors. [inaudible] to meet the requirements of our Public Housing Authority [inaudible].

CHAIRMAN CHAVEZ: And that would deal with being income certified and all that goes along with that.

MS. MILLER: Mr. Chair, correct. The problem is – a lot of the discussion revolves around, for the inclusionary zoning and what we've done, the home is sold to the affordable buyer, but that doesn't work with a rental property. So what we have to look at is whether you could sell to an investor that's then required to rent at a range that is an affordable renter, that's income certified by our Public Housing Authority and that property, along with the property owner are geared towards our 2,000-person waiting list.

And so I think that's the piece that we haven't really connected that I think we have a good opportunity to do.

COMMISSIONER STEFANICS: Mr. Chair.

CHAIRMAN CHAVEZ: Yes.

COMMISSIONER STEFANICS: I'm also wondering, and I don't think we should discuss it today, Ms. Miller, but I'm wondering if there could be some thought given to whether or not there's any LEDA integration into incentives, especially if you're talking about having to develop water or sewer systems, etc. So that's just an idea to put

on the table. Thank you.

CHAIRMAN CHAVEZ: Okay, before we go to adjournment, I know Mr. Thompson you were sort of wanting to add to the discussion. Are you okay? Go ahead and share your thoughts with us and then we'll move to adjournment.

MR. THOMPSON: On the tier 4 income, we have provided to staff. We've got 35 people that are income certified through Homewise that bought market-rate units and we haven't – we're trying to get credit for those. We haven't been able to do that so far. What this requirement does is makes the buyer goes through an income certification process. We have for the last two years had in place a \$1,000 incentive for upgrades for people to come in and get certified. We haven't had one person take us up on that.

So we're going to have to pay them even more to come down here. From my perspective if we're offering a product below the threshold price, what more can you ask for? Those products are being offered and we're selling them – obviously we're selling them. We had over 35 of them through Homewise. So this is broken. Somehow it needs to get fixed.

CHAIRMAN CHAVEZ: Okay. So, Robert, respond and then we'll move to adjournment because I think that obviously there's going to be an ongoing debate. There's too many variables in this equation to really nail down all at once. So respond and then I think after that we know that you're committed to additional stakeholder meetings. The discussion will continue in an open forum, community meetings and one on one with stakeholders and developers. We've already pretty much committed to that.

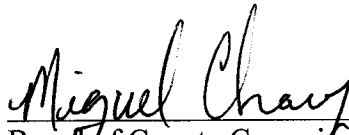
MR. GRIEGO: Yes, Mr. Chair. I think that's an important part, again, meeting with the developers and understanding that perspective. Again, from a staff perspective and meeting the County goals we wanted to make sure that the homes, even if they're sold at a certain price, that they're sold to people that are within the Income Range that there to meet our goals to address workforce housing. So I think it's part of our review overall, but we do have goals for affordable housing that we're trying to meet and that's addressing workforce housing needs in the county.

CHAIRMAN CHAVEZ: Good. Okay. Thank you. Again, thank you for all attending. It was a good discussion, not near finalized but moving at least forward in some degree.

VI. Adjournment

Having completed the agenda and with no further business to come before this body, Chair Chavez declared this meeting adjourned at 12:47 p.m.

Approved by:



Board of County Commissioners
Miguel Chavez, Chair

ATTEST TO:


GERALDINE SALAZAR
SANTA FE COUNTY CLERK 10/11/2016



Respectfully submitted:



Karen Farrell, Wordswork
453 Cerrillos Road
Santa Fe, NM 87501

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 31

I Hereby Certify That This Instrument Was Filed for
Record On The 12TH Day Of October, 2016 at 09:30:32 AM
and Was Duly Recorded as Instrument # 1806828
Of The Records Of Santa Fe County



Deputy  Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM

Does SFC Renovate or Restore Old Admin?

Historic Issues

- Old Admin was constructed as the County Court Courthouse and once contained all Santa Fe County functions in one building.
- The infill of the Placita is the only significant alteration to the exterior of the original building.
- The unique architectural elements of the building are still largely intact
- The building is an outstanding example of Santa Fe Style architecture.
- The historic character of the building is a integral part of the history of Santa Fe County.

Benefits to Santa Fe County

- Unique Opportunity to reverse the effects of time on a structure that is iconic in the evolution of Santa Fe County's history.
- Restoration will improve the quality of the building and the interior environment for County staff and members of the public.
- The restored building will make a significant improvement to Johnson Street and with the O'Keefe Museum located directly across the street, will significantly improve the draw for locals and visitors alike.
- Restoration will address the integrity of the structure and extend the useful life of the building.

Community Benefits

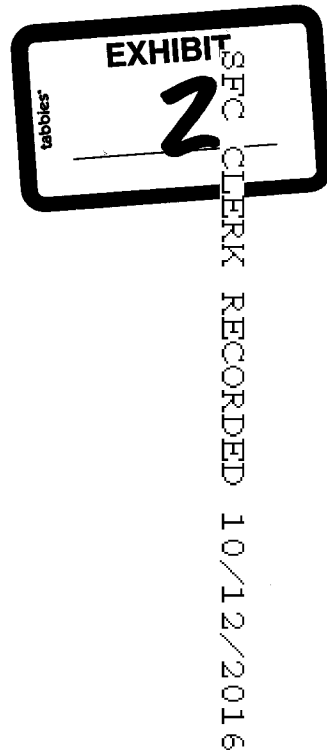
- Promotes Economic Development by improving historical draw to Santa Fe.
- Will create symbiotic benefits with the O'Keefe museum.
- Strengthens the inventory of historic structures downtown.

Costs to Santa Fe County

- | | |
|-------------------------------------------|------------------------|
| • Added A&E Costs (both Buildings) | \$ 257,733.80 |
| • Added Demolition and Repair | \$ 864,800.00 |
| • Added Exterior / Interior Restoration | \$ 1,285,000.00 |
| • Subtracted Interior Remodel | (\$ 1,114,233.00) |
| • Added space to Grant Avenue | \$ 2,426,102.00 |
| • Total Added Cost for Restoration | \$ 3,719,412.80 |



Old Administration Building with Placita
(pre -1976)



Historic Santa Fe Foundation
454 Canyon Road
Santa Fe, NM 897501

September 11, 2016

To Whom it May Concern:

The Historic Santa Fe Foundation writes in strong support of a project to repair, maintain and restore the old Santa Fe County Courthouse, designed in 1939 by the southwest's most famous architect, John Gaw Meem.

In particular, the Foundation urges the proposal to remove an addition made to the building in the 1970's that presently occupies the original entry *placita* on the building's north side. The addition, while providing much-needed office space at the time of construction, resulted in both the loss of an elegant and impressive approach to the Court, and also in the loss of brilliantly crafted Spanish Pueblo Revival decoration at the facade's doors, windows and balconies. To restore the original entry experience, and the formerly elegant entry facade, would delight Santa Fe's local population, and would enhance our community's national reputation for outstanding historic preservation leadership.

Sincerely,

Alan "Mac" Watson, Chairman, Board of Directors,
Historic Santa Fe Foundation



OLD SANTA FE ASSOCIATION

SFC CLERK RECORDED 10/12/2016

September 8, 2016

To: The Commissioners of Santa Fe County

Dear Commissioners:

I am writing as the President Pro-Tem of the Old Santa Fe Association, now celebrating 90 years of active participation in Santa Fe's community life.

I am writing specifically in regard to the matter scheduled to come before the Commission on September 13, 2016 concerning the proposal to restore the original north facade, in connection with the County's restoration project, of the Old County Courthouse, designed by John Gaw Meem and built in 1938.

Most Santa Fe County residents have a long, personal connection to the building; it is where we have registered to vote, paid property taxes, applied for marriage certificates and building permits, among other things. It has had a central place in our public lives and is always a distinguished place to visit, albeit with unfortunate alterations over the years, most significant being the two story office addition which filled in the original elegant entry of the Johnson Street Façade, which was, in fact, the original entry to this Courthouse, incorporating many fine details and fenestration which provided a great deal of natural light to the interior.

The prospective restoration of this important community building offers a prime opportunity to remove this unfortunate addition, which filled in and obscured the original entry courtyard and facade, at a time when the County apparently needed additional office space. Now, with a new County office building, to be built on the present site of the closed Steve Herrera Courthouse at Griffin and Catron Streets, we believe it is time to restore the Johnson Street entry to the Old Courthouse.

It goes without saying that John Gaw Meem was the most distinguished designer of public (and private) buildings in Santa Fe and environs during the 20th century, practicing distinctive Revival styles in materials and details, though original and modern in their layout and functionality. Meem's original design for this fine example of his public work should be honored by restoring the original entry way and courtyard. This restoration will make a fine addition to our downtown and serve as a focal point of Santa Fe's historic streetscape.

On behalf of the Board of the Old Santa Fe Association, we urge your support of this proposed restoration which will be brought before you on September 13, by Meem's daughter, Nancy Meem Wirth. Thank you for your consideration of this important proposal.

Sincerely,

Randall S. Bell

Randall S. Bell

President, Pro Tempore, Old Santa Fe Association.

Preserving Santa Fe Since 1926

P.O. Box 1055, Santa Fe, NM 87504 • www.oldsantafe.org



NATIONAL NEW DEAL PRESERVATION ASSOCIATION

*******NEW MEXICO CHAPTER*******

P. O. Box 602, Santa Fe, NM 87504-0602

Phone/Fax 505) 473-3985 Cell 505) 690-5845 newdeal@cybermesa.com

www.newdeallegacy.org

Sept. 9, 2016

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Yvonne Herrera Lewis

Joe McKinney

Lori Musil

Nancy Noble

Tey Mariana Nunn

Shannon Papin

Jo Ella Redmond

Terry Reynolds

Jerry Rogers

Stan Rosen

Dear Santa Fe County Commissioners,

The National New Deal Preservation Assoc. and its NM Chapter are in full support of the desired restoration plans for the Santa Fe County Courthouse. Its original funding was provided by a New Deal program-Public Works Administration (PWA) but the manual labor to build it around 1938 was provided by another New Deal program-Works Projects Administration(WPA). One should not overlook the amount of fine craftsmanship that was done originally on both the exterior and interior of this building by our outstanding Spanish woodcarvers of that era. The building sits in an area of Santa Fe that is abundant with New Deal buildings and public art ...all still serving this city and county after 75 plus years. Such a fact can only fill each of us with pride that our government spending was so wisely carried out then with planning, designing and construction of buildings that would provide needed employment then and continue to serve our families with employment opportunities for many over the years that have followed. By so doing, they have carried out the public governmental services needed for all in this county. May we use such wisdom today.

It is important to note that the original building design included a placita that had to have taken into strong consideration the fact that such an area was desirable in terms of employee productivity by providing them a nearby peaceful space to get away to during their work breaks from their desks and files and have the opportunity to breathe the fresh air, briefly relax their minds and ultimately carry out their duties more wisely. Likewise the same relief opportunity for the constituents that might find it necessary to spend time in the building while enduring personal stressful situations. May this wise and considerate plan be re-implemented allowing the current and future county staff and constituents to have such a valuable outlet. Thus once again a space away from daily work schedules and the downtown area that is surely even more congested than when the building was first built.

May you plan and implement with the wisdom of your elders.

Respectfully,

Kathryn A. Flynn, Exec. Director,

National New Deal Preservation Assoc. and NM Chapter

SFC CLERK RECORDED 10/12/2016

Santa Fe County Affordable Housing Review and Recommendations to Board of County Commissioners September 13, 2016

2015 SGMP GOALS FOR AFFORDABLE HOUSING		
<ul style="list-style-type: none">• Goal 46: Effectively and efficiently provide adequate, affordable workforce housing for Santa Fe County residents.• Goal 47: Support the development of affordable housing in appropriate locations with adequate public facilities and services.<ul style="list-style-type: none">◦ Strategy 47.2.1: Ensure all affordable units be integrated with market units.• Goal 48: Support long-term housing affordability and occupancy through public and private partnerships.		
PROPOSED ITEM	FOCUS GROUP RESPONSE	COUNTY STAFF RECOMMENDATION
Adjust Income Range levels / Adjust Income Range 1.	Supported with more discussion and analysis of impacts.	Options: <ul style="list-style-type: none">a. Combine Income Ranges 1 and 2 and maintain overall percentage of affordable units.b. Weight Income Range 1 so each would receive credit for an additional affordable housing unit.c. Reduce the percentage of homes required for Income Range 1.d. Allow both Option a. and option b.
Allow Income Range 4 homes to be sold by developer with only a requirement that County certifies income eligibility and homeowner counseling.	Supported with more analysis and caution about ensuring that homes are sold at appropriate prices to appropriate buyers.	Allow Income Range 4 homes to be sold by developer without a requirement for a mortgage or lien in favor of the County. Require income eligibility certification and home sold to Income Range 4 buyer at target housing price.
Allow rental units as an alternative means of compliance to meet affordable housing requirements.	Affordable rental should be supported, but homeownership strategies and rental strategies should be separate. Needs more research.	Provide flexibility to allow rental units as an alternative to meeting the affordable housing requirements.
Expand inclusionary zoning requirements to include multi-family residential units.	Opposed for various reasons, including possibility that it would discourage multi-family development, need for more information about appropriate level of affordability in multi-family, and need to consider long-term affordability.	No Change.
Amend areas required for Affordable Housing to SDA-1 only, perhaps with a requirement for subdivisions outside of SDA-1 to include a fee in lieu.	Opposed because it would put the affordable housing burden on a smaller area of the county.	No Change.
Partner with the Housing Authority or a non-profit to address rental requirements.	Supported, but should wait until more work is done to develop affordable rental strategies.	Allow rental units and establish rental requirements in affordable housing regulations. Partner with the Housing Authority to qualify and certify income eligibility for affordable rental unit.
Allow non-profits to hold liens in place of Santa Fe County.	Supported if use of funds is aligned with the County's affordable housing mission.	Allow affordability lien to be held by nonprofit organization in place of Santa Fe County in accordance with approved criteria, with funds used for direct assistance.
Amend affordable housing incentives.	Supported.	Review incentives with stakeholders to address existing and potential incentives.
OTHER IDEAS FOR CHANGE SUGGESTED DURING AFFORDABLE HOUSING FOCUS GROUP		
<ul style="list-style-type: none">• Simplify the ordinance, making it easier for developers and the public to understand.• Spread the burden of funding for affordable housing more broadly, e.g. through GRT or property taxes.• Create a flexible mechanism so prices are adjusted regularly based on AMI and interest rates.• Ensure that the costs of affordable housing don't become too onerous on developers.		

