

**SANTA FE COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
**SPECIAL MEETING**  
**September 8, 2023**

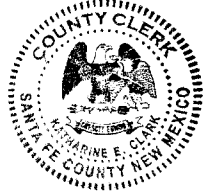
Anna Hansen, Chair - District 2  
Hank Hughes, Vice Chair - District 5  
Camilla Bustamante - District 3  
Justin Greene - District 1  
Anna T. Hamilton - District 4

COUNTY OF SANTA FE ) BCC MINUTES  
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Witness My Hand And Seal Of Office  
Katharine E. Clark  
County Clerk, Santa Fe, NM

Deputy *Katharine E. Clark*



SFC CLERK RECORDED 11/03/2023

**SANTA FE COUNTY**

**SPECIAL MEETING**

**BOARD OF COUNTY COMMISSIONERS**

**September 8, 2023**

1. A. This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 2:20 p.m. by Chair Anna Hansen in the County Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico.

**B. Roll Call**

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

**Members Present:**

Commissioner Anna Hansen, Chair  
Commissioner Hank Hughes, Vice Chair  
Commissioner Anna Hamilton  
Commissioner Camilla Bustamante  
Commissioner Justin Greene

**Members Excused:**

None

**C. Approval of the Agenda**

CHAIR HANSEN: Do we have any changes from staff?

GREG SHAFFER (County Attorney): No, Madam Chair.

COMMISSIONER BUSTAMANTE: Madam Chair, I move to accept the agenda as provided.

COMMISSIONER GREENE: And I'll second that.

CHAIR HANSEN: Okay, I have a motion from Commissioner Bustamante, a second from Commissioner Greene.

**The motion passed by unanimous [5-0] voice vote.**

**2. Miscellaneous Action Items**

A. **Request Approval of an Order Imposing Tax Rates on the Net Taxable Value of Property Allocated to the Appropriate Governmental Units within Santa Fe County for the 2023 Tax Year**

SFC CLERK RECORDED 11/03/2023

YVONNE HERRERA (Finance Director): Good afternoon, Madam Chair, Commissioners.

CHAIR HANSEN: Welcome, Yvonne.

MS. HERRERA: The order before you to do is for imposition of property tax rates on the net taxable value of property in Santa Fe County. State statute 7-38-33 requires the Secretary of DFA to issue a written order for the property taxable rates for governmental entities in New Mexico. The County received the electronic version of the order on September 1<sup>st</sup>, which was included in the packet materials for your review, as well as the Santa Fe County 2023 Tax Certificate.

The Board's responsibility is detailed in Statute 7-38-34 is to issue its own written order imposing the tax rates within five days of receipt of DFA's order, which will then be delivered to the County Assessor. In preparation for today's meeting the County was required to review the rates for accuracy. In addition, the County was also required to show the Tax Certificate with all governmental entities included in that certificate so that they can also check for accuracy.

The County worked with its financial advisor, RBC to review the County's debt service and an internal review of the operational rate used in the tools provided by DFA. All taxing entities were contacted and all positively confirmed their respective rates with the exception of Pojoaque Valley Schools, the City of Española, Northern New Mexico Community College and the Town of Edgewood.

Included in the packet materials was a summarized list of calculated mill rates by taxing entity. These rates represented the total rate including operational and debt service as applicable imposed on the residential and non-residential taxpayer. The attached certificate of mill rate computation change between 2023 and 2022 represents the change between tax rates of 22 and 23, and the direct impact to the taxpayer.

For county residents, residential and non-residential taxpayers received a decrease of \$5.60, and \$22.70 respectively, for a \$300,000 in market value of the home, which in turn ends up being \$100,000 of assessed value.

For debt service rate property owners will see a 50 cent increases per \$300,000 of market value of a home. This increase is due to the upcoming 2023 bond sale that the Board approved on August 29<sup>th</sup> and the respective debt service payment requirements that we have on January 2024 and July of 2024. With that, Madam Chair, I stand for any questions.

CHAIR HANSEN: Questions from the Board?

COMMISSIONER GREENE: Not so much of a question, Madam Chair, but just a thank you to everybody for explaining this to me. The Assessor's Office explained this in the past and I didn't know how the rubber hit the road but I was somewhat prepared for this and then thank you to Manager Shaffer for sending us a little briefing and really explaining our process in this because we're kind of new and this is our first rodeo for this issue. But I have no further questions and I think this is mostly pro forma and let's move on.

CHAIR HANSEN: Commissioner Hughes.

COMMISSIONER HUGHES: I will just say thank you for putting in the work. I don't have any questions.

CHAIR HANSEN: Yes, Yvonne, I know this was a little quick turnaround, especially considering we had Labor Day as a holiday this week. So I really appreciate the hard work that goes in to justifying. The people who did not verify the rates, what do we do about that?

MS. HERRERA: Madam Chair, once the Board issues an order they'll have to accept those rates.

CHAIR HANSEN: Okay. So they had ample time, I believe, to get back to you.

MS. HERRERA: Yes, Madam Chair.

CHAIR HANSEN: Commissioner Hamilton.

COMMISSIONER HAMILTON: Madam Chair, I'd move to approve.

COMMISSIONER GREENE: And I'll second.

CHAIR HANSEN: Okay, I have a motion from Commissioner Hamilton, a second from Commissioner Greene.

**The motion passed by unanimous [5-0] voice vote.**

CHAIR HANSEN: Thank you, Yvonne, once again, for getting this done and that we're now in compliance with DFA and they can look favorably upon us. So thank you very much, once again.

**2. B. Request Authorization for the County Manager to Negotiate and Execute an Assignment of the Real Estate Purchase Agreement Between the City of Española and La Vista del Rio Apartments**

CHAIR HANSEN: Commissioner Greene and Paul Olafson.

COMMISSIONER GREENE: Thank you, Madam Chair. This is an action item based on some of the discussion points that we've had in the past regarding the Vista del Rio up in Española. There's a memo that Paul will go over and I'll happily present a little bit more and answer questions afterwards but I'll hand it over to Paul to start the conversation. Thank you, Paul.

PAUL OLAFSON (Community Development): Madam Chair, Commissioners, the issue today is La Vista del Rio apartment complex appears to be available for sale, which might put tenants of the federally-subsidized complex at risk of being displaced and decreasing affordable housing supply within Santa Fe County if that sale is completed. County staff does not recommend that the County own or operate apartment complex because, among other reasons the apartment complex is a distressed property, estimated to require \$7 million in capital investment to rehabilitate it or refurbish it; there is likely to be no rental subsidy available to current tenants; the County lacks available human resources to manage the complex and the necessary renovations would jump to the front of the County's project list; and finally, the County ownership would result in an immediate expectation that apartment complex would be brought up to livable standards, regardless of whether other funding sources are identified and secured. So those are reasons that staff recommends not purchasing this as the County.

However, the County staff, is positioned to facilitate the purchase and

redevelopment of the property by a third party if it had the right to control the sale of apartment complex is assigned to the County. There are many federal and state programs that could support this and accordingly, Commissioner Greene is requesting and staff does not pursuing the assignment of a purchase agreement to the County for the express and sole purpose of potentially facilitating such development on terms and conditions that would be approved by the Board of County Commissioners after County staff solicits proposals from potential developers.

Just a little bit of background: the apartment complex was built in the 1980s. It is a low-income, federally-subsidized housing complex. It is within the incorporated portion of the City of Española but a portion of the City is located within the boundary of Santa Fe County. The complex is currently owned by Bosley Management out of Sheridan, Wyoming. There are approximately 15 units in the 49-unit complex are currently occupied. It is reported in the newspaper, *Rio Grande Sun*, that current residents have received discounted rent under a USDA program for rental assistance, and that limits the rent they can collect at 30 percent of the income of the renter. There's additional press reporting that the purchase agreement by the complex between the owner and the City of Española, the City has decided to not pursue that purchase. However, they have not terminated the sale agreement at this point to our knowledge.

There's some debate about the timing and the necessity to complete the transaction and the agreement reads that "The Closing for purchase of the property shall occur on a mutually agreeable date not later than ninety days after the expiration of the inspection period or the delivery of the Appraisal, whichever occurs later."

While staff does not recommend that the County become the owner or operator of this complex, receiving an assignment of the purchase agreement from the city would potentially allow the County time to issue a request for proposals to identify a suitable third party developer to whom the County could ultimately assign the agreement and complete an affordable housing project, with or without County assistance, pursuant to the Affordable Housing Act, also municipal housing law, and/or County Industrial Revenue Bond Act.

As Section 12 of the purchase agreement reads that "neither party may assign this agreement or duties hereunder without the express written consent of the other party, which consent shall not be unreasonably withheld," thus the point there is that the owner would have to agree, as would the City, to assign the purchase agreement to Santa Fe County from the City of Española.

In addition to any other contingencies that the County Manager may determine to be necessary or advisable, any assignment agreement would need to be conditioned on: the County being able to find an acceptable third-party developer to purchase and redevelop the property; providing sufficient time for the County to develop and issue an RFP, evaluate proposals, and negotiate with potential developers; providing sufficient time for the third-party developer to conduct inspections of the property, including, but not limited to: reviewing engineering reports, hydrology reports, draining and grading information, soil reports, utility reports, building plans and specification, plats, surveys, tax assessment and tax bills, schedule of lawsuits, and environmental assessments; allowing sufficient time for an appraisal to be completed; conducting other due diligence that may be necessary for the purchase; and the seller remaining responsible for the

property and complying with any USDA requirements during the pendency of term of the purchase agreement.

To be clear, the proposed assignment would NOT commit the County to purchase the apartment complex or contribute to its operations and maintenance, nor would it commit the County to provide any form of assistance to any developer ultimately chosen to buy and redevelop the complex. Finally, as detailed below, the only financial resources that County staff would recommend putting into the purchase agreement is \$5,000 in earnest money.

In addition, while the details of the assignment would need to be negotiated, a number of additional issues would also need to be addressed, such as the City's liability under the purchase agreement and the City's escrow monies in the amount of \$5,000. County staff would not object to the County providing \$5,000 to replace the City's money in escrow.

County staff is only supportive of trying to facilitate the redevelopment if Project Moxie, the nonprofit that is working with Anchorum St. Vincent as a housing consultant, is available to assist the County in preparing the RFP and evaluating proposals, and with such work being supported and paid for by Anchorum St. Vincent. Project Moxie is also working with the City regarding this project. Project Moxie's work with the City has thus far been funded by Anchorum St. Vincent. If the Board were to authorize the County Manager to negotiate and execute the assignment of the purchase agreement and other agreements to effectuate the purchase agreement, one additional agreement may be requested between the County and Anchorum St. Vincent to secure its continued funding of Project Moxie's work to search for a third-party developer who could purchase and redevelop the property.

Redevelopment costs for the complex are estimated to be in the neighborhood of \$7 million. These costs include such items as land acquisition, site improvements, construction, professional fees such as architect, engineers, attorneys, construction and permanent finance costs, soft costs for appraisals, environmental reports, etc., developer fees, and reserves. The estimated redevelopment costs are attached with the memo.

It's important to note that any redevelopment is not a guarantee that all units in the complex would remain affordable. That would be a point of discussion and part of the redevelopment proposals received and reviewed.

For the Board's awareness, the purchase agreement states, "All tenants that are legally occupying any apartment in the complex will have their lease honored for 180 days from the day of closing." Further, the purchase agreement acknowledges that the contract may require an amendment from the USDA to ensure there is correct language to remove the lien from the property and relieve the Seller of obligations.

Finally, while the proposed assignment and redevelopment facilitation will not result in an immediate outlay of County monetary resources, it will consume County staff bandwidth and time that would otherwise be dedicated to other County priorities. In addition, the proposals submitted in response to the RFP may well be a request for some sort of financial assistance from the County, pursuant to one or more of the laws mentioned previously, or by project-basing some of its housing choice vouchers at the redeveloped complex.

And again, to re-emphasize, any proposal may also include market rate units

mixed with affordable units. It is not a guarantee that every unit would be only affordable.

Nothing some other efforts around this project, separate and apart from this item, County staff is actively working with Project Moxie and Anchorum St. Vincent to meet the social determinants of health needs of existing residents through the CONNECT program, sponsored throughout Community Services Department and the County will continue to provide these services.

In addition, Housing Authority Division staff is working to ensure that interested tenants in the apartment complex that apply for the County's housing choice voucher program and public housing communities, subject to the normal rules and processes of anyone applying for those positions.

The action that is requested: Commissioner Greene respectfully requests authorization for the County Manager to negotiate and execute an assignment of the real estate purchase agreement between the City of Española and La Vista del Rio Apartments, including any other agreements to effectuate the purchase agreement. And attached with this memo is a copy of the purchase agreement between the City of Española and the apartment complex owner, as well as estimated redevelopment costs. And with that I would stand for questions.

COMMISSIONER GREENE: Thank you, Paul. To sort of start or continue the conversation from my position, I first want to thank the Chair and our fellow Commissioners for coming out on a special meeting today to hear this issue. I also want to thank staff for scrambling to get this prepared for today on short notice. And lastly, I want to thank the community. This has been a great experience working with the Española community, the City of Española, the delegation from Eric Chavez at Senator Ben Ray Lujan's office, Bobbie Ferrell over at Teresa Leger Fernandez' office, and some folks from over at Senator Heinrich's office who have all come in support of this. There's an additional letter from the delegation that has just been sent to the USDA, the Secretary of the USDA and the Inspector General, asking for a further investigation of the bad practices of this landlord who has let this property degrade to the point where some of the units are considered unsafe at this point.

So that is one part of this packet that is not in the original packet. We also have brought some letters of support. We have a letter of support from Senator Leo Jaramillo, and we have a letter of support from Representative Andrea Romero and Joseph Sanchez who represent the area up there in Española. We have some folks who have been part of the coalition, both in the crowd today, in the audience, as well as online that would like to testify in support of this and show their support of this action.

To reiterate what Paul said, this does not obligate us to almost anything. It is a \$5,000 earnest money deposit to put our name in the first position of the assignment of this purchase contract, and allows us to control the outcome of this and keeps it in play so that we can find the right redevelopment partner. It also, depending on that right redevelopment partner, as we negotiate it we can go find out our special position in this. It may not be any money, but as we've worked with, as you've seen in the past few months, how we worked with the Española Pathways Shelter. We were the conduit for money that went from the state, through Santa Fe County to support the Española Pathways Shelter, their homeless shelter a couple years ago, and now this year we did the

transitional housing project.

This is probably the best strength of Santa Fe County in this transaction is to provide this vetting of development partners and then putting together the potential agreement as well as then supporting them if they do seek state or federal money for this project. As I mentioned, this does not obligate us to buy it; it only gives us the right to help negotiate and find the right partner to make this thing happen.

I'll leave to some questions. I stand here for questions if we have it. Paul is here. We have Jennifer Romero here. I think Leandro Cordova would be able to answer some questions. I'm sure County Manager Shaffer would be able to answer questions as well if you have them.

CHAIR HANSEN: Thank you, Commissioner Greene. Questions?  
Commissioner Bustamante.

COMMISSIONER BUSTAMANTE: Madam Chair, Commissioner Greene and Paul, the questions that I have – so first, I actually want to jump back to the statement – the \$5,000 doesn't obligate the County to purchase it. What happens to the \$5,000 once it's committed if we were not to purchase it within the timeframe that it commits us to?

COMMISSIONER GREENE: So Madam Chair, Madam Commissioner, this is like a typical purchase contract where this is earnest money. There are some contingencies in this contract that would allow us to walk away and to reclaim this. This does not go to the owner; it goes to an escrow company. Earnest money is typically – you can apply for the money if you break off the contract through the legal means, but if you walk away and you don't perform that is out problem and we would lose the \$5,000. But if we perform and find a deficiency, can't find a third-party partner we would be able to say we couldn't do this. So there are contingencies in the contract that would allow us to reclaim that \$5,000.

COMMISSIONER BUSTAMANTE: Okay. And then the next question, so staff feels comfortable that you're capable of facilitating the purchase and identifying a third party. So there's a certain amount of risk involved with the \$5,000 but you feel that you have the capability to facilitate the purchase for the redevelopment that we actually have that capacity. It will take time. It does bump things to the front of the line that other projects are in line for but this – it's housing. And housing has a bit of urgency to it and it is a number one problem in our area. It's a hard one to discount. So if there's comfort in doing this, you feel comfortable that this would allow the County time to re-issue an RFP and look for someone who would redevelop in compliance with affordable housing and make sure that everything was within that structure to provide affordable housing yet again instead of doing something that would be outside of the scope of its current unfortunately degraded – but an improved affordable housing location. Is that true?

MR. OLAFSON: Madam Chair, Commissioner Bustamante, I think in staff – I want to say as a collector of staff as we've been discussing it from various departments and the Manager's Office and Legal, I think there's a lot of unknowns in this proposal and in this project. But if the cards line up and we're able to negotiate the right conditions to enter into this, I think, yes, we would be able to run a process to find a third-party developer. I would defer also to the Manager or anyone else if there's



additional comments to that question.

COMMISSIONER BUSTAMANTE: I guess the important part, Madam Chair and Paul –

CHAIR HANSEN: I'm going to go Manager Shaffer.

MANAGER SHAFFER: Thank you, Madam Chair and Commissioner. The short answer is yes, and we believe as is the case with the Nueva Acequia project that the County's proper role relative to bringing online or preserving additional affordable housing is through facilitating private development using tools and resources of our own as well as from other funding sources to help facilitate the development that the Board wishes to see in the community. I think what Paul was alluding to is that the challenging factors here are the fact that we don't own the property nor do we want to so we are dependent upon the cooperation of the existing owner and certainly the situation is complicated by the fact that you have existing residents and that there are some time constraints involved in that situation where there are suggestions of foreclosure proceedings going on as well.

So I don't want to suggest that success is guaranteed, but relative to your question about whether staff feels as if we have the capacity to try and coordinate this redevelopment effort, the short answer is yes, but as Paul said, we just want to make sure everyone's going forward eyes wide open that success is by no means a guaranteed outcome.

COMMISSIONER BUSTAMANTE: Thank you.

COMMISSIONER HUGHES: Madam Chair, I just have a couple comments. I'm generally in favor of this idea. I think it is the right way to go. We don't have the capacity to own it ourselves but if we can for a relatively small investment of money and a little larger investment of staff time facilitate the redevelopment of this property into something useful in our county I think that's worth pursuing. I would agree with Manager Shaffer's assessment that success is probably not guaranteed and it might even be a long shot. I think we get both the agreement of the owner and find a developer willing to take this on. And I think if we do find a developer they're going to ask for support from us because the property is in pretty bad shape as I understand if it needs \$7 million of renovation. At least passing through money, we might have to do to make it work if we want any of the apartments to be affordable.

The Santa Fe Community Housing Trust and I developed a number of affordable apartment buildings in Santa Fe and the mix that seemed to work really well was 75 percent market rate or low income but not very poor, and then 25 percent voucher holder people. And that way the apartments, enough people are paying rent to keep the apartments up with the maintenance and all that and also it creates an environment of working class people and not a place where everybody in the apartments has the same problems of being poor and having other issues.

And so I think that might be a good goal for us to go for. And so I guess – the other thing I wanted to say is I think that we can be brave in taking this on but I also think we realize that the USDA really let the community down by not monitoring this property and getting the owner to keep it up and let it fall into such disrepair. That's really disappointing. I think we should ask more of our federal government when they set up projects that they're going to follow through, but that's an issue for another day, I

suppose.

So I think my questions were actually answered by the previous questioner so I just wanted to add to it unless there's something I said that was not correct.

CHAIR HANSEN: Thank you, Commissioner Hughes. Commissioner Hamilton.

COMMISSIONER HAMILTON: Thank you. I have a few questions. I feel it's – this is an interesting solution, a compromise, maybe, that would help facilitate a mixed development, because I find it hard to imagine it will go all low-income because it's not financially sustainable, right? And if there was some – is that reasonable to assume? If there were some way to make this completely affordable it would have – was this that way already?

CHAIR HANSEN: Commissioner Greene.

COMMISSIONER GREENE: Thank you, Madam Chair, Madam Commissioner. So the short of it is that this project in its current format, if it changes hands, would lose its subsidies, and yes, it would lose that. But part of what we're trying to do is to find those partners that would want to find a mix of this. But there's also – if not a commitment, a desire from the USDA that came earlier this week or the end of last week that said that they would like this project to remain in the 5-15 program, which could, depending on the negotiations go with the USDA, bring more money to the project to redevelop it and it could end up being 100 percent affordable, but this goes into the – we're buying a little bit of time, we're going to talk to the USDA, we have our delegation in Washington putting some pressure on the USDA Secretary and the Inspector General, and there may be some accountability and guilt by USDA, to Commissioner Hughes' point, to maybe step up and put some money into this to keep it 100 percent affordable.

But this is all in the vision that we would go to a developer. Our goal would be probably at least 50 percent, certainly at a minimum keeping the current families and not displacing anybody, but maybe at 75 percent, maybe it's 80 percent low income affordability, and maybe it's 100 percent. So all those numbers need to be figure out in the next few weeks and months.

COMMISSIONER HAMILTON: So the very important question, and I'd like to hear what you have to say about this is if USDA remained involved, would it be strictly under the situation where we would be brokering and not buying? If it goes to USDA would we become more obligated to purchase this? And Paul, you had something else to add before I asked that question?

MR. OLAFSON: I think to add on to directly answer that question, I don't think we know how and what the ramifications of USDA continued involvement in this. It's not been clear to us what the USDA, at least to myself, what USDA might bring to the project or losing them, how that makes things pencil out differently. I know when we looked at it, to answer your first question, when we looked at it as a potential operator as the County, which we couldn't do through our affordable housing program; it would be a separate effort on top of that.

COMMISSIONER HAMILTON: I understand that.

MR. OLAFSON: Or through our Housing Authority I mean. We were not confident that the subsidies as presented currently through the USDA program would pencil out to make it affordable. And so I just want to agree with Commissioner Greene,

there are options that are on the table that could allow for elements of large elements of affordability, but the research and knowledge that we have to date, I would not have any confidence to say for sure that's going to happen.

COMMISSIONER HAMILTON: Right.

MR. OLAFSON: Or any number.

COMMISSIONER HAMILTON: And that was what I gathered from previous meeting presentations. And so where my questions, and I have discussed this including with the County Manager, but I just think there are important questions to get answered to this bigger venue. What happens – I've got two related questions. What happens if we don't find a developer? This property is pretty degraded. There could be developers we find who are able to do this. There are a lot of ifs. We're essentially paying for an option to control the sale, right? I have no problem with walking away from \$5,000 if we approve this. \$5,000 to me does not commit us to buy in this property to save this deal, and I have to go on record as saying I don't want to commit the County to \$7 million worth of renovations because we have other projects that come before this one. So this is one of those things that's why our CIP planning process is for.

So what are the implications to the County holding the bag? I'm just not familiar with this kind of relationship with the owner. Suppose the owner doesn't keep the property up? As things deteriorate who becomes responsible for further deterioration and what does the County do in terms of its ability to broker a sale? How much time do we give to this before we walk away? In other words, how much of a – I know there's some timeframe things laid out here but I don't necessarily know what precisely those timeframes are referring to.

I'm trying to get a box around what the County's – what the risk package looks like to the County and how we can address it, and when we walk away from it.

COMMISSIONER GREENE: Madam Chair, if I may, Jen Lopez from Project Moxie is also available to answer questions online. She's much clearer than I am, for sure, about this, and may have some answers and a little bit of a presentation. So if we can call on her as an expert she has been involved in this for as long as – since the beginning of this back in March when the call came out to help this and I know she's standing by.

MANAGER SHAFFER: If I could, before that.

CHAIR HANSEN: One moment, please, Jennifer. I'm going to the County Manager.

MANAGER SHAFFER: Those are great questions, Commissioner. The way we would structure it is – that's why we've been so transparent and so clear both in our presentation to the Board and we would also be with the current property owner is that there is no intent by the County to purchase this property. And so that would be something that we would clearly document in any proposed assignment to the County. So that should take care of the idea of any reasonable, let alone enforceable expectation that the County is going to buy the property, because that's not what we're seeking authorization to do.

Secondly, in the role that we're envisioning and again, further to – subject to appropriately documenting this, we're not operating the project in the interim while this is happening. Any liability remains with the owner and that was very much one of the

reasons why County staff does not recommend County ownership or operation because of the potential attendant liability, but again, we believe that that can be appropriately covered in the agreement and any such liability for compliance with USDA regulations or liability for non-compliance, whether to the USDA or whether to the existing tenants would remain the responsibility of the owner.

So I think from the staff perspective, we're comfortable that things can be documented in an appropriate way to make it clear the very limited role that the County is moving forward and willing to take on.

COMMISSIONER HAMILTON: Thank you.

CHAIR HANSEN: Okay. I'm going to go to Jennifer Lopez from Project Moxie. Welcome.

JENNIFER LOPEZ (via Webex): Thank you. I'll keep this short but sweet. So I'm a housing consultant based in Durango. I've got 23 years experience. Most of my work is New Mexico and Colorado, and I am currently under contract with Anchorum St. Vincent, and I just want to make sure that the Board of County Commissioners knows that Anchorum has been committed to this project once they received the call from the County for help, and that we will have an extended contract to continue working on this project.

It's a complex deal, but what you're being asked today is not. This is a very – I want to simplify the request The City of Española will assign the real estate contact to you all for a certain amount of time. Bosley would sign off on it, and then our team would help with the developer selection process, financial feasibility, etc. Eighty percent of the due diligence on this property has been completed so we know a lot. It's just complicated and I don't want to go in the weeds with anyone. What we're asking the County to do, what Commissioner Greene is asking the County to do, we do this often. So it's a very common practice for local governments that want to control real estate for one reason or another to put in an option to control it and assign it to a developer or another entity.

So very common practice. If 60 to 90 days from now we aren't able to find a developer we really haven't lost anything but our time, and again, Anchorum is paying for it. Maybe we can protect the \$5,000, but I want to be really clear, there has to be a little bit of negotiation with the seller, because it is not clear when the contract ends and so if you all say yes today, there will need to be that conversation with the owner to get clear on what the extended time period is for this contract.

I suspect because of all the incredible work that the delegation has done and the coalition has done and the community has done to raise awareness around this property and USDA, I think the owner is going to be more amendable to work with you or someone else and if it doesn't work with us, again, I don't know what we've lost, right? And we've got at least a couple of development entities interested. We would love to take this to the next level and see if there's an opportunity still to keep some of this affordable. Thank you.

CHAIR HANSEN: Thank you. You still have the floor.

COMMISSIONER HAMILTON: Okay. Thank you. I had one more question and that had to do with – because there was mention of if a developer is found there would have to be some commitment from the County, financial commitment to the

project, and I want some clarity on that. Because when it was first presented it was mentioned that the County could play a role of passing money through, which is a great role, right? If the state does capital money and gives the money for the development they can pass it through us – wonderful. But if we find a developer and now they’re going to – in order to have it, as they say, pencil out, we’re going to have to – we’re then committed to kick money in? That’s like not what’s on the table here, and I want to find out whether it becomes an automatic requirement once we find a developer.

MANAGER SHAFFER: Madam Chair, Commissioner, the answer is no, but again, we want to be transparent that the ask will likely be there. So there is no commitment that the County would provide resources, facilitate the issuance of tax-advantaged bonds, what have you, but we want to be upfront that there may well be such as ask, whether that’s \$500,000 as a grant or as a no interest or low interest loan to facilitate the purchase or the redevelopment, or whether it’s a request to potentially facilitate the issuance again of tax-advantaged bond. I want to be clear that that may well be what is requested, but by taking this action today, you’re not committing yourself to doing anything other than listening and considering any proposal that comes your way.

COMMISSIONER HAMILTON: Okay. I appreciate that. But then it becomes the gorilla in the room. Does a project like this ever find a developer if we don’t provide that sort of support? And if the answer is no then we’re just kicking the can down the road. So if – because I’d kind of like to lay it on the table that if I wanted to purchase this or pay for the development of this we’d approve that now. I don’t think that’s appropriate and I don’t want to commit to something now that’s doomed for failure if we don’t do that in the future. Does that make sense?

CHAIR HANSEN: Manager Shaffer, do you want to speak?

MANAGER SHAFFER: I can. I think the short answer is likely that – there are no affordable projects that I’m aware that happen without some sort of governmental subsidy from somewhere, whether that’s tax credits or tax-advantaged bond issuance, or grants from local governments or MFA. Somehow you’re going to see some sort of subsidy. I think the answer to that is yes. The question is who provides it, and I think that’s where all the unknowns are. As Commissioner Greene mentioned, there’s at least a possibility that most if not all of the resources come from the USDA. There’s a possibility that funds could come through the legislature, through the capital outlay process for affordable housing projects. There’s a possibility that the Governor may have funds available that are discretionary to her.

So again, the short answer is there’s going to have to be some governmental subsidy from somewhere, but the question of from where is the part that is unknown at this point in time. Relative to County resources, I think we had identified at least at the staff level, and I think this may have been a point of conversation during the budget hearings, though I would have to go back and look at that to confirm, there were amounts of non-recurring money that were not allocated intentionally in part to potentially provide funding for affordable housing opportunities. So again, I’d have to go back to assess what they were but that could be a source of funding that wouldn’t interfere with anything that you’re doing and in conversations with staff we had anticipated proposing being made available for affordable housing opportunities. But again, I just want to emphasize the point that nothing you’re doing today commits you to participating at that level at all, let

alone at any particular level, and that's part of the proposals and the work that will be done if we're authorized to go forward, and if we're able to secure agreement of the property owner to allow us to play that role.

That was a long answer to your question but I hope I answered it.

COMMISSIONER HAMILTON: Well, it brought up some good information, which I really appreciate because if there's a difference between not wanting to commit to the purchase and/or operating of this for the reasons that Paul laid out, right? Which I thought were clear. But taking an alternative approach that might facilitate how this proceeds as a successful mixed with affordable housing would be wonderful if when we get to the future point of development it doesn't at that time substantially impair our existing projects.

So if there is in fact money we've set aside that isn't committed to those, that's an interesting piece of information. But that would be the other question for Paul, like I know we can make the decision at that time but if it's an inevitable decision I wanted to get that on the table.

MANAGER SHAFFER: And I think if I could, just to reiterate one other point mentioned in the memo is that, and Jordan can speak to this as well. Part of the package could involve project basing housing choice vouchers at the facility. So we already have a housing choice voucher program, and there is an option of potentially basing those so that they're tied to a specific project, and that enables a developer to know that there is a source of subsidy that would come along.

So I just want to say there are a lot of unknowns and potential ways in which the County could support the redevelopment, none of which are on the table at this moment but would be the source of those discussions with the developer, once we are in those substantive discussions. And some of the sort support, if you will, from members of our state delegation as we talk to them, translating that into hard dollar commitments as to what they're willing to potentially provide to this project through the funds that are allocated to them through the capital outlay process.

COMMISSIONER HAMILTON: Right. Although often they won't provide funds if the County doesn't have skin in the game also, which in this case could be in-kind services, which is what we would be providing, but I guess that's up for negotiation. Thank you, Madam Chair.

CHAIR HANSEN: Okay. I have a few questions. This is between you and Jordan. How much staff time are we talking about? How much time have you already spent this week and getting up to this point where we are right now?

JORDAN BARELA (Housing Director): Madam Chair, thank you. There is some amount of staff time, and I think the consideration in terms of staff allocations really has to depend on what level of involvement we have. In terms of this particular model, identifying the development partner, going out to RFP, I would say of all the options we've discussed with the Board before, that is the least staff intensive. In conjunction with that, Project Moxie has been and we're hoping will continue to provide a lot of the groundwork, both in the model of this project in terms of going out to RFP to identify a private developer, in the same way that we're doing with the Nueva Acequia project.

So I think, again, of all the models we've looked at, this is probably the less

intensive, but we also do have a support system and structure and contractors in place that are very familiar with this process. So in areas where we need to lean on them and rely on them for assistance, they've been great in providing that assistance up to this point.

CHAIR HANSEN: And you're talking about Project Moxie and Anchorum?

MR. BARELA: Madam Chair, that's correct.

CHAIR HANSEN: And according to Ms. Lopez, they're willing to continue working in this regard?

MR. BARELA: Madam Chair, that is correct. That is my understanding.

CHAIR HANSEN: Okay. So my biggest concern is this getting pushed in front of Nueva Acequia. To me, that is a real project that we own that we can – that is going to actually really provide affordable housing and I don't want to see you going to the legislature, Commissioner Greene, and saying I have this project; I want all this money. And we go and I say, I want this project for Nueva Acequia and you get the money and I don't. I will be really unhappy. I'm just being upfront because that is what is important. That is a piece of property that we own and that I want to make sure is developed.

So if we have – so I have mixed feelings. I did support us going out and getting a developer and doing that process, but I really wanted to do it in house. I really wanted it to be a project that we owned because we would have been able to provide more housing if we owned it. So those are some of my serious concerns.

COMMISSIONER GREENE: May I address that, Madam Chair, very quickly.

CHAIR HANSEN: Commissioner Greene.

COMMISSIONER GREENE: Thank you, Madam Chair. So to address that, these are two different timelines. Nueva Acequia won't come online, even if we are very lucky, probably, for three to five years, right? If we were very good and very successful in this next legislative session to get 100 percent of the funding, that funding wouldn't come through to us until a year from now, if we were lucky, and then we would go through design-development and construction documents and construction, and we would probably be three to four years before –

CHAIR HANSEN: It is designed.

COMMISSIONER GREENE: It's not completely designed. It is conceptually designed. To do the construction documents would probably take another year at this point. So the other point is that this project here up in Española, I hate to say that yes, we are jumping ahead, but it is an occupied project that could be fully renovated in a year to 18 months and that we would have 49 units at a much more affordable cost, because it's just a redevelopment project. And they're two different timelines and it's not a one or the other. I think there's an argument to be made that the delegation from up north at the legislature are much more focused on this project and our delegation here in Santa Fe – it's a different constituency – would be more interested in Nueva Acequia or both.

And the same thing with the congressional delegation on getting congressional funding, might be more interested in this project up in Española because of the critical nature of this right now and how much attention they've put on it, and the fact that the

feds have sort of let us down.

So they're sort of apples and oranges. Maybe there are tangerines and nectarines, or peaches and –

CHAIR HANSEN: I hear what you're saying but the reality is Nueva Acequia is a really good project. It was supposed to be LEED certified, state of the art affordable housing. And it is what the kind of project that we need. And I don't mean to compare this but I just feel very strongly that yes, you're jumping ahead of a project that we have been working on for a long time, and it's going to take resources. I mean it's going to take resources away. It's going to take resources away from Nueva Acequia. It's going to take resources away from Bill Taylor, like getting things through Procurement is an issue for all of us.

And so it increases the workload. I agree; we need affordable housing. But I sit in Housing. I've sat in housing for six years and I've listened to when we have vouchers in Española, they don't want to take them in Española. They want to live in Santa Fe because the jobs are in Santa Fe. And so that's a real issue that I don't think that we're talking about. And if I'm wrong about the vouchers please correct me but I completely remember constantly hearing for the last six years or more that we have vouchers for Española and the people say no.

COMMISSIONER GREENE: I think Jenn Lopez has something to – she's working on both projects and would be a good person to answer this.

COMMISSIONER BUSTAMANTE: Commissioner Greene, if I may address an opportunity that became evident – with your permission.

CHAIR HANSEN: Go ahead, Commissioner Bustamante, and then I will go to you, Jenn Lopez.

COMMISSIONER BUSTAMANTE: Respectfully, I think that what's illuminated here, and that the timeline – it is out there. And I agree; both projects are worthy. But I also see the opportunity to leverage one against the other. This isn't a deficit. This is an opportunity. And what I'm hearing is that there's concern that if we fund one it won't fund the other. What I do hear, and I will say I am kind of disappointed that we have letters of support, because really I would have preferred to see letters of commitment. Commitment – when we hear, oh, there are so many who are already behind this, there would be letters of commitment for assuring that that funding and those things are done.

But that doesn't mean it can't happen. And in the interest of the concerns that you're raising, Chair Hansen, is that those commitments, if in fact we're going to do something that will improve and could have a real opportunity to improve quality of life in something that's been mismanaged, and I see it as an incredible risk, and risks are to be taken. It's something that we have an opportunity to improve. If I don't go to a deficit mentality it's a glaring opportunity to take that risk and then leverage, in the communication of the commitments I would like to see from those individuals whose jurisdiction this is in up north, to say, okay, to move forward with this in this area – it is our area; this is Santa Fe County, but this is also under the representatives and senators in that part of the region, that they would continue to move forward with the support that we're going to continue to be asking for on the project that we're already committed to with Nueva Acequia.



So I really see them as an opportunity to leverage one with the other, in the interest of supporting both projects, because housing is our biggest if it's not – it's the largest issue and we have an opportunity to leverage one against the other and not stand in the – we've only got 30 cents and which direction are we going to use that money for. We have a real potential, as it's already been speculated, that oil and gas next year is going to be comparable. If we have an opportunity to work on something that leverages and gets support collaboratively across the region, I say we take it. But I put that out there, hearing opportunity, not apples and oranges but a diverse crop system if you will. Thank you.

CHAIR HANSEN: I'm going to go to Jenn Lopez.

MS. LOPEZ: Just a couple of points. I've been working on Nueva Acequia since the beginning with Joseph, and I want to clarify a couple things. These are completely different financial models. Scale, there's just nothing – timelines are totally different. The biggest we have with Nueva Acequia is the local development conditions. Interest rates are up. Costs went up 40 percent. You lost your QCT. So when we started designing Nueva Acequia a year and a half ago, it's a gorgeous property, and then a lot of things that we don't have control over didn't go in the right direction. So you have a very large funding gap on that project.

That's what's going to dictate how it moves forward. You also have to compete for tax credits for that project, so I'm with Commissioner Greene. We'll get a developer next year; it will be great. They'll help us figure this out, but it's a couple years before that project's really going.

This in Española is an emergency. This is if we don't take action in the next few days or a week people are going to be displaced. We're also losing the opportunity to preserve something that's already there, and I know we don't talk about preservation enough in our industry but it really is the best investment you can make. Three, I'm not sure how we're going to do this but I've got about four different models for how it might happen. And so all we want today is the opportunity and the time to explore those different options and see if there's a path forward. That's really all we're asking today. Thank you.

CHAIR HANSEN: Thank you, Jenn. I appreciate that. Jordan and Paul, do you feel like you answered my question about resources?

MR. OLAFSON: Madam Chair, I think the discussion has illuminated. The Nueva Acequia project will move forward and it does have different challenges as Jenn or Project Moxie just explained that it is a different scale, it's a different place, and it's at a different point in development. I think the redevelopment of the Vista del Rio is certainly a different and a much more timely endeavor. It also is, to Commissioner Bustamante's comments, it does present risk and so to Manager Shaffer's comment, going into this eyes wide open is very important and to Commissioner Hamilton's comments earlier, there may be future pressures and expectations from the community, from the political realm and from residents there for the County's participation. That's part of the discussion. I think that's a healthy consideration.

But the project I think physically is do-able if the right partners and the right conditions come together. We don't have that right now so staff can tell you, yes, it is apples and oranges and this one is not going to take – as the conditions are right now

there's not perfect information to make that really clean prediction but Nueva Acequia will not stop or be dramatically impacted –

CHAIR HANSEN: Or sidelined.

MR. OLAFSON: Or sidelined, because of this project. If that's the direct answer to yours.

CHAIR HANSEN: Yes. That's important for me to hear because that's something that we've worked on for a long time. There's other properties in Santa Fe County that we have talked about working on. I also am wondering from Jennifer Romero about how she is dealing with working with the tenants in the building and I know that the CONNECT program has been working on this. Thank you for being here, Jenn.

JENNIFER ROMERO (Community Services): Madam Chair, Commissioners, the residents of La Vista del Rio qualify to benefit from the services from the CONNECT network. The services CONNECT provides are related to the social determinants of health – housing, utilities, transportation, personal safety, and behavioral health. Since we learned of the situation in March and over the past several months we participated in several meetings and outreach for the residents. The purpose of that is to provide one, information to the services that are available to those residents as Santa Fe County residents, and begin to directly work with them on any issues that they identify as needed.

Since then, several of our CONNECT partners, including Pathways Shelter have begun to work directly with those residents as their issues evolve. If these residents are displaced I believe they will need more navigation services, and we hope that that doesn't happen. But CONNECT is ready to participate and continue to serve the residents as much as needed.

CHAIR HANSEN: Thank you, and thank you for stepping in and helping them. Whatever happens it seems like whenever this property is purchased by anybody they have six months. That's what I'm reading.

COMMISSIONER GREENE: Yes, in general, Madam Chair, that is the agreement with the USDA, that regardless of whether it goes into foreclosure or a third party purchases it, or anybody buys it, that the USDA has a guarantee not to evict anybody without six months notice.

CHAIR HANSEN: So do you think in six months you can – I'm glad that you're already working with them. I think that's important. We have 15 families there.

COMMISSIONER GREENE: Seventeen at this point.

CHAIR HANSEN: According to the –

COMMISSIONER GREENE: I understand. It's 17 as of right now.

CHAIR HANSEN: Okay. So we have 17 families. Finding homes might be challenging.

COMMISSIONER GREENE: Close to impossible, Madam Chair. There's a 1,600 person waiting list for vouchers and there's no homes that accept vouchers really in the pipeline. So first off, these folks would be at the bottom of the list for vouchers. There's no skipping ahead for them. They're already in houses. If we buy this we would be able to secure the housing for these 17 families but also that we would have the other 30-whatever –

CHAIR HANSEN: Yes, but we're not buying this.

COMMISSIONER GREENE: No. We're working to find a buyer to preserve this property. If we preserve this project then 17 families would not be displaced and that we would have an additional 34, 32, homes that we would be able to place people into.

CHAIR HANSEN: Yes.

COMMISSIONER HAMILTON: Thank you, Madam Chair. Assuming everything goes swimmingly and we find a developer and these people aren't displaced until things have to be renovated, is it at all possible that this project and they get the money and everything, can in fact this project be renovated without displacing those families?

COMMISSIONER GREENE: It's hard to answer that, Madam Chair, Madam Commissioner. Yes. Because – one of the benefits of actually having some vacancies, because if this was a fully occupied project we wouldn't be able to play musical chairs with these tenants and so we could, first off, most of these tenants are in homes that are at least livable at this point. There's a few that we would probably want to consolidate into two buildings, and then we would go building by building. This project is made up of six buildings. We'd go building by building and renovate those buildings and then move those families into the newly refurbished buildings and then one by one, go through to bring them all up to the standards that we would hope that we would achieve.

CHAIR HANSEN: But that's up to the developer that you find.

COMMISSIONER GREENE: Or up to what we target as a development plan. If we say our goal is the least displacement possible, any developer that comes to us saying I've got a plan would hopefully match that desire.

CHAIR HANSEN: Jenn, what do you think?

MS. ROMERO: Madam Chair and Commissioners, I would say the situation for these residents has changed significantly over the last several months and the information we get continues to change. But CONNECT services are available to any Santa Fe County residents at any time. So as far as services go, whether it's an emergency, whether there is displacement happening, we've started to have conversations of what that might look like in pulling together some resources. We're hoping that that doesn't happen. That would be the worst case scenario. If we were able to keep residents where they would like to be, and that is at the apartments we will continue those efforts and work with them on other needs such as benefits enrollment, making sure that they have food, and those types of things.

CHAIR HANSEN: Okay. Thank you. I see Ms. Lopez turned on her cameral. Did you want to say something? You need to unmute. I don't know who unmutes you. Oh, you don't want to speak?

MS. LOPEZ: No. Thank you. I think it's well covered. I think everybody covered it really well. We don't have other resources to put folks and it's totally – one of the main requirements of a development partner at this point would be committing to keeping people in place. And so that's not an uncommon request and we do rehab in place on affordable housing all the time. So we're very comfortable with the idea that that would be part of what we do. Thank you.

CHAIR HANSEN: Thank you. So I recognize how important housing is. This is a number one thing that we're all concerned about because of the level of homelessness that we have in Santa Fe County. It is serious. It's the worst I've ever seen it for sure and I've lived here for 50 years. So I recognize that this is an important issue that we have to face and I am not risk-averse. I am more than willing to take risks. I believe in taking risks. I think that risks are important. That's where things happen, on the edge.

COMMISSIONER BUSTAMANTE: Madam Chair, in the spirit of that, call for the question.

CHAIR HANSEN: I'm going to let one more – Commissioner Hamilton has been waiting.

COMMISSIONER HAMILTON: Well, yes. Just in light of that and in light of the things that have been put forward, this could be an opportunity that's supportable. Being opportunistic can be important at times. But Paul used the terminology of going into it eyes wide open, and I think that we have to take the specific meaning from that, which means there's a big onus on finding a developer that is able to get the funding and be creative in a way that is not going to step back and say, hey, if the County doesn't fund this we'll walk away because we've kind of made that clear here. There are a lot of things we can provide, which is the facilitation of this and an important pass-through that don't interfere with other projects and so I just think that's another piece of looking for the right partner than shouldn't be forgotten. And before we go to a vote I just wanted to get that out on the table. Thank you, Madam Chair.

CHAIR HANSEN: Thank you.

COMMISSIONER GREENE: Madam Chair, out of respect for the folks that are here in the room to testify in support or against this, there are people online and in the room here that would like to speak and I hope that we can ask them have their voice heard right now.

CHAIR HANSEN: This isn't exactly a public hearing.

COMMISSIONER GREENE: Okay. My apologies for inviting people to speak, but I do know that there have been three or four developers, just to reiterate this, that have already come to review the project with Project Moxie, and the \$7 million that has been thrown out there is sort of considered a worst case scenario, and so developers have looked at this and looked at it and said it's between \$3 and \$4 million, but just to speak on behalf of this at this point, and I like to see Jenn's head nodding there. That's wonderful. So thank you for being up on high above us and nodding and sort of yes.

If that's the case and we're looking for a motion, I motion that we approve this as presented to authorize the County Manager to go ahead and seek the reassignment of this contract and to seek partners to redevelop this.

COMMISSIONER HUGHES: And I'll second it. I see others were just about to.

**The motion passed without opposition.**

CHAIR HANSEN: It looks like the ayes have it. Congratulations, Commissioner Greene. Any other final comments?

COMMISSIONER HAMILTON: I just want to commend the County Manager and the County staff that came up with this creative approach to solving a problem, making it a situation to take some advantage of and address the needs without going past where the Commission was willing to go in a short timeframe. That was remarkable.

CHAIR HANSEN: Yes, and I want to thank all the County staff who spent numerous hours working with Commissioner Greene that other projects got pushed back. So I hope, Commissioner Greene, you will be conscious and aware of that in the future.

COMMISSIONER GREENE: I will be, and I want to thank you all for your day today and thank staff for taking this on. And if you think this is creative, we're going to be twice as creative to get this thing over the finish line. So this will be great.

3. **Concluding Business**  
A. **Announcements**

CHAIR HANSEN: Any announcements?

COMMISSIONER BUSTAMANTE: Madam Chair, I'd like to announce, Viva la Fiesta.

CHAIR HANSEN: Yes. Viva la Fiesta. Fiesta has started. Commissioner Greene and myself and Treasurer Manzanares went to the open ceremonies and it was very nice to be able to say a few words and express Santa Fe County's support for the Fiesta, and Commissioner Greene made a short speech in Spanish, which I think was great. So I wish everyone a happy and blessed Fiesta and please be safe and don't drink. Thank you.

B. **Adjournment**

Upon motion and second, Chair Hansen declared this meeting adjourned at 3:37 p.m.


Approved by:

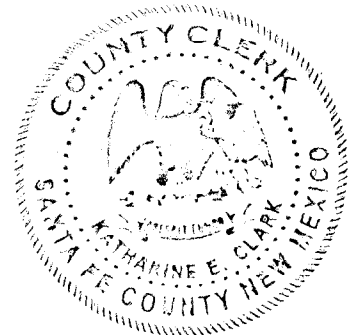
  
Anna Hansen, Chair  
Board of County Commissioners

ATTEST TO:

  
KATHARINE E. CLARK  
SANTA FE COUNTY CLERK

Respectfully submitted:

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



SFC CLERK RECORDED 11/03/2023