

MINUTES OF THE
SANTA FE COUNTY COMMISSION:
AFFORDABLE HOUSING MEETING

October 25, 2011

This meeting of the Santa Fe County Commission regarding Affordable Housing was called to order at approximately 11:12 a.m. by Commission Chair Virginia Vigil in the County Legal Conference Room, Santa Fe, New Mexico.

A quorum was present as follows:

Members Present:

Commissioner Virginia Vigil
Commissioner Liz Stefanics, Vice Chair
Commissioner Danny Mayfield

Members Excused:

Commissioner Kathy Holian
Commissioner Robert Anaya

Staff Present:

Darlene Vigil, Affordable Housing Administrator
Katherine Miller, County Manager
Rachel Brown, Assistant County Attorney
Rosemary Bailey, Affordable Housing Staff
Penny Ellis-Green, Assistant County Manager
Jack Kolkmeier, Growth Management Director
Chris Barela, Constituent Liaison

Others Present:

JoAnne Vigil Coppler, Santa Fe Realtors Association
Donna Reynolds, Santa Fe Realtors Association
Francis Ong, Housing Authority Member
Warren Thompson, Developer
Patrick Thomas, Santa Fe Realtors Association

III. APPROVAL OF THE AGENDA

Commissioner Mayfield moved to approve the agenda. Commissioner Stefanics seconded and the motion passed by unanimous [3-0] voice vote.

IV. APPROVAL OF MINUTES: September 27, 2011

Upon motion by Commissioner Mayfield and second by Commissioner Stefanics, the minutes were unanimously [3-0] approved as submitted.

V. GUEST SPEAKER: Santa Fe Association of Realtors [Exhibit 1]

By way of introduction, Commissioner Stefanics stated the Commission had expressed a desire to hear from various sectors of the community vis-à-vis affordable housing. JoAnne Vigil Coppler from the Santa Fe Realtors Association distributed the quarterly property statistics. [Exhibit 2] She reviewed the current market conditions highlighting information on the affordable housing and inclusionary zoning dialogue.

Referring to the property statistics, she said they are broken up by houses, condos, mobile homes, etc. and both city and county are included. There continues to be downward pressure on prices, about ten percent lower. Single-family homes sales are up slightly. Land sales have dropped about 40 percent. New listings in the Santa Fe region decreased nearly 16 percent to 687 and inventory levels shrank by 21 percent to 1,794 units, meaning the supply side is going down. She reviewed other statistics including median price sales, days on the market and overall affordability.

In response to questions from Commissioner Mayfield, Ms. Coppler stated the statistics include short sales and foreclosures. She added four percent of active sales were listed as bank-owned, and eight percent were short sales. It is projected that the situation will not stabilize until 2013.

Ms. Coppler invited the Commissioners to the quarterly media breakfast where the statistics are brought out.

Donna Reynolds, Santa Fe Realtors CEO, stated they would be happy to send the property information to the Commissioners, and that information is also available on the website.

Ms. Coppler indicated they have received funding for an affordable housing dialogue to develop public policy and the technical team, comprised of many local entities have considered initiatives such as a sustainable County housing fund for rehabilitation of old homes, new sources of funding for GO bonds dedicated to housing, tapping unused New Mexico Mortgage Finance Authority funds, working with Community Investment Program funds, coordinating a National Housing Trust fund proposal, exploring ways to increase the effectiveness of inclusionary zoning laws, and developing a housing data repository. Thus far, \$3,000 has been gathered toward the data repository effort.

The Santa Fe Realtors are involved with the Coalition to End Homelessness in lobbying for a local option property tax increase to support affordable housing programs, however, this failed in the last session.

Regarding inclusionary zoning, Ms. Coppler stated the City has reduced their ratio of affordable housing from 30 to 20 percent and have decreased their fee-in-lieu. She recognized that the County has established a focus group to look at these issues and she reviewed

recommendations from the National Association of Realtors regarding percentages, triggering size of development, and other issues regarding inclusionary zoning.

Ms. Coppler confirmed that the Realtors Association has a representative on the affordable housing focus group.

Commissioner Stefanics brought up the subject of using County funds to build in the city. The idea is to keep money flowing and building in the city brings no gross receipts back to the County. Ms. Coppler agreed it would be appropriate to focus on the county first. Ms. Reynolds suggested collaborating with the City. She said the Housing Dialogue group is in the process of putting together a report and taking a lead on the data repository effort.

VI. Focus Group Update

Ms. Vigil said the focus group continues to look at an inclusionary zoning ordinance with a 16 percent requirement for 5 to 24 parcels, and 30 percent for over 25 units. At the retreat possible amendments to this were broached. The focus group consists of developers, realtors, community members and homeless advocates. She noted bankers aren't willing to provide funding for developments requiring 30 percent affordable housing as it doesn't "pencil out." Homes are now being built within the County-designated price points.

Issues that arose in the focus group in addition to reduction of the percentage were emphasis on proximity to facility and services to bring down prices, rental properties, loan guarantees, infrastructure support and developer incentives. The suspension of the Inclusionary Zoning Ordinance was discussed. Staff developed two recommendations: reduce the required percentage to the Community College District number – 15 percent; and that there be no requirement for developments with fewer than ten lots.

Ms. Vigil pointed out that as the code rewrite proceeds the sustainable development areas will be more clearly defined and bonding and CIP options clarified. There is interest in exploring all avenues, not just the purchase of homes.

In response to Commissioner Stefanics' questions about the SDAs, Growth Management Director Jack Kolkmeier said the SDAs are mapped but not officially adopted. There appears to be a consensus for retaining the SDA boundaries and changing the percentages.

Commissioner Stefanics asked about the pending ordinance regarding extension of master plans. Mr. Kolkmeier said it was his understanding the master plans would remain the same; otherwise they would require amendment.

Commissioner Mayfield asked how many homes have been sold under the Inclusionary Zoning Ordinance. Ms. Vigil said the original Community College District went into effect in 2002 and 179 homes were built under that ordinance. The 30 percent requirement came in in 2006 and 15 homes have been built, with only one developer participating. The last closing was in 2008. Commissioner Mayfield asked if any of those homes had been foreclosed and Ms. Vigil said she would check. They are currently soliciting feedback from the previous participants.

Chair Vigil said she supported staff's recommendations but stated loopholes would arise from the "fewer than ten lot" provision. She asked what would prevent serial developments designed to circumvent requirements for affordable housing. Mr. Kolkmeier suggested a procedural prohibition from the time the lots were created. He recognized the problem but said there has to be some cut-off point.

Penny Ellis-Green indicated serial subdivisions are a problem for everything, including fire protection and roads. She recommended including a provision in the code that only a one-time division was allowed, or an eight or ten-year waiting period.

Chair Vigil said a community response needs to occur and wondered what could be done legally. She asked that staff develop a title and general summary encompassing the 15 percent so that the Commission could start evaluating the concepts.

Commissioner Stefanics asked if the City's lowering its requirements had a sunset provision. Ms. Vigil said she understood it was for three years.

Ms. Miller said she thought it applied to existing approvals. Commissioner Stefanics stated it is important that the City and County be on the same page. Ms. Miller said the County's focus is different in that it has to do with new approvals. Mr. Kolkmeier noted they could look at collaborative projects in adjacent designated growth areas.

Chair Vigil pointed out that most of the developable land is in the County and much depends on the finalization of the annexation agreement. The City's perspective on affordable housing is on infill. She reiterated her call for a change to 15 percent and a trigger of ten lots, with the proviso serial subdivisions can be avoided.

Commissioner Mayfield asked if there was consensus from the focus group on the recommendations. Ms. Vigil said in general most agreed with the options.

Commissioner Mayfield asked about Las Campanas vis-à-vis affordable housing, and Ms. Vigil said that is pre-ordinance, and the majority of the affordable housing fund came from their fee-in-lieu. Commissioner Mayfield asked if fee-in-lieu was an option in the new proposal. Ms. Vigil said the focus group primarily discussed the percentage, the trigger size and proximity to facilities.

VII. MATTERS FROM THE PUBLIC

Warren Thompson from Rancho Viejo stated that in the last three years the median price of a home sold in Rancho Viejo has come down from \$348,000 to \$239,000, bringing the numbers into the affordable housing tier. Thus 62 houses have been sold priced within the affordable housing range that do not qualify for affordable housing. In the La Entrada Subdivision 15 units have been sold under the 30 percent requirement. As it stands, 66 percent of the homes sold are now affordable. "We're trying to support the 30 percent program with 30 percent of our sales, and it quite honestly doesn't function."

Mr. Thompson said they are providing workforce housing but the losses they have to sustain in Tiers 1 and 2 cannot be offset by the houses they are selling. He noted 34 percent

of the land is in open space and 33 percent has gone to institutions such as churches and schools, so 67 percent of the land has provided no return on investment. Of the 34 percent remaining to support the infrastructure, 30 percent has to be affordable. He pointed out that Rancho Viejo has provided 67 percent of the affordable housing in the County's program, but some accommodation needs to be made.

In response to questions from the chair Mr. Thompson explained that many of those purchasing homes at the low market rate would qualify through the program but prefer to avoid the restrictions. He said at inception they studied the market and the units sold well. As time passed, the engineers began to design to the ordinance. The latest subdivision doesn't look like the others where the affordable housing is integrated. "In La Entrada, it looks affordable." Now it is more difficult to sell the market rate homes because they went too far.

Patrick Thomas indicated all 62 homes in the affordable sold are lived in by full-time residents and the majority, possibly 80 percent came from Homewise. Homewise advises their clients who can afford to to buy market rate homes and avoid the restrictions, such as shared equity. "They were in the price range that would have qualified for the affordable product...but we don't get credit as far as the ordinance is concerned."

Mr. Thompson expressed his desire to work with staff, share data, so that it fits the market and the ordinance works, meets the needs of the County and calls them to continue developing.

Commissioner Stefanics asked what detriment there would be if buyers didn't have to go through the County. Ms. Miller said one option is to get rid of Tiers 3 and 4. Saying they had no input on staff's alternatives, Mr. Thompson stated getting rid of 3 and 4 would help, but the situation is complex. He asked that they be able to work with staff.

Chair Vigil asked that Mr. Thompson make a presentation at the next meeting.

VIII. MATTERS FROM THE BOARD

None were offered.

VIII. EXECUTIVE SESSION

There were no issues.

IX. ADJOURNMENT

Chair Vigil declared this meeting adjourned at 12:07 p.m.

Approved by:

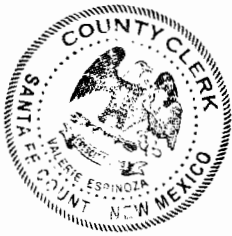
Board of County Commissioners
Virginia Vigil, Chair



ATTEST TO:
Valerie Espinoza y VT
VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Respectfully submitted:

Debbie Doyle, Wordswork



COUNTY OF SANTA FE) AFFORDABLE HOUSING MIN
STATE OF NEW MEXICO) ss PAGES: 6

I Hereby Certify That This Instrument Was Filed for
Record On The 9TH Day Of January, 2012 at 02:48:54 PM
And Was Duly Recorded as Instrument # **1656876**
Of The Records Of Santa Fe County

Merelle Witness By Hand And Seal Of Office
Valerie Espinoza
Deputy _____ County Clerk, Santa Fe, NM

SFC CLERK RECORDED 01/09/2012