

**SUMMARY INDEX
PLANNING COMMISSION MINUTES
MARCH 18, 2021**

ITEM	ACTION TAKEN	PAGE(S)
A. Roll Call	Quorum Present	1
B. Pledge of Allegiance	Recited	1
C. Approval of Agenda	Approved as published	2
D. Approval of Minutes	None	2
E. Findings & Conclusions	Approved	2-4
F. Old Business	None	4
G. New Business	None	4
H. Staff Communications	Comments	4-24
I. Matters from the Commission	Comments	24-25
I. Adjournment	Adjourned at 9:20 pm	25

MINUTES OF THE CITY OF SANTA FE PLANNING COMMISSION
Thursday, March 18, 2021 - 6:00 pm
VIRTUAL HEARING

CALL TO ORDER

A regular meeting of the City of Santa Fe Planning Commission was called to order by Chair Gutierrez on the above date at approximately 6:00 p.m. at a virtual meeting.

A. ROLL CALL

Roll Call indicated the presence of a quorum for the meeting.

Members Present

Commissioner Brian Patrick Gutierrez, Chair
Commissioner Mark Hogan, Vice Chair
Commissioner Janet Clow, Secretary
Commissioner Amanda Chavez
Commissioner Pilar Faulkner
Commissioner Lee Garcia (arrived at 6:18 pm)
Commissioner Jessica Lawrence
Commissioner Carly Piccarello
Commissioner Dominic Sategna

Members Absent

Others Present:

Mr. Elias Isaacson, Land Use Director
Mr. Noah Berke, Planning Manager
Mr. Michael Prinz, Assistant City Attorney
Ms. Melissa D. Byers, Stenographer

NOTE: All items in the Committee packet for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Land Use Department.

B. PLEDGE OF ALLEGIANCE

Commissioner Clow led the pledge of allegiance.

C. APPROVAL OF AGENDA

MOTION: Commissioner Hogan moved, seconded by Commissioner Faulkner to approve the agenda, as presented.

VOTE: The motion passed by unanimous roll call vote with Commissioners Chavez, Clow, Faulkner, Hogan, Lawrence, Piccarello and Sategna voting in favor and none voting against.

D. APPROVAL OF MINUTES

None

E. APPROVAL OF FINDINGS/CONCLUSIONS

1. Case #2020-2999. 4250 Cerrillos Road Santa Fe Place Mall Apartments Development Plan.

MOTION: Commissioner Clow moved to postpone, seconded by Commissioner Lawrence to approve the Findings of Fact and Conclusions of Law, as presented.

Commissioner Clow said she believed the vote should have been approved subject to all conditions, including staff's recommendations on the sidewalk and parking, instead of denying the application. She wanted to consider a motion to rescind the vote at the April 1 meeting.

Commissioner Faulkner said these are the Findings of Fact now. They would do a different Findings and Facts if the vote is different at the next meeting.

Commissioner Clow explained they are simply postponing the vote on the Findings. The agenda on April 1st will have a motion to rescind for consideration. If the Commission agrees to consider the motion to rescind that will open the case up again.

Commissioner Faulkner said she wasn't at the meeting. She wasn't sure she could vote.

Chair Gutierrez asked the attorney if Commissioner Faulkner and Commissioner Chavez who were both absent at the meeting could vote and should this be postponed to a date certain.

Mr. Berke responded that those who were not at the meeting could abstain from the vote.

Attorney Prinz said it was fine if the two Commissioners voted to postpone or not.

Commissioner Sategna understood the proposal but thought what was missing was for the Commissioners to state the criteria for voting the way they did. He asked Vice Chair Hogan if he wanted to speak to that before considering the motion to rescind and the consideration of the vote in favor of it.

Vice Chair Hogan agreed commissioners could have been more succinct on stating the reasons for denial, but the conversation was clear in stating their concerns. He wasn't sure postponing the findings was right. That might open up conversation to reconsider and generate a new set of Findings.

Commissioner Clow explained she consulted with Ms. Paez who told her to postpone the findings and ask to put it on the next agenda. Then they would address the issue of the motion to rescind and reconsider. Ms. Jenkins is aware of this and would be present at that meeting.

Vice Chair Hogan indicated he would be absent at the next meeting and wanted to be sure it is on the record.

Attorney Prinz explained either way is permissible. They could approve the Findings of Facts and later re-examine them. But it would probably be easier to rewrite the Findings if rescinded at the next meeting than rewrite them if approved tonight.

Vice Chair Hogan commented the Commission should establish the facts of why the project was denied and then establish the facts for the reasons those would be rescinded and reconsidered. That should be captured in the meeting minutes as well as the Findings.

Chair Gutierrez said he thought Ms. Paez believed the record would be cleaner if delayed until they see where the motion to rescind was lacking. There is a motion with a second on the floor. He called for the vote.

VOTE: The motion failed on a roll call vote with Commissioners Clow, Lawrence and Piccarello voting in favor; Commissioners Hogan and Sategna voting against; and Commissioners Chavez and Faulkner abstaining.

MOTION: Commissioner Hogan moved, seconded by Commissioner Sategna, to approve the Findings of Fact and Conclusions of Law as presented.

Commissioner Sategna reiterated that his vote to move this forward was because everyone voted in favor at the time the motion was presented. He pointed out although he personally voted yes, it is important to state whether the criteria are met or not when voting. But that should not trigger rescinding a vote to reconsider the decision.

Commissioner Lawrence noted this is just the approval of the Findings and Conclusions of the last meeting. Procedurally, postponing or approving the Findings was fine. If the Commission decides to rescind and make a different decision, they would rescind these findings at that time.

VOTE: The motion passed by majority roll call vote with Commissioners Clow, Hogan, Lawrence, Piccarello and Sategna voting in favor; none voting against; and Commissioners Chavez and Faulkner abstaining.

Commissioner Clow clarified this would be on the agenda and she would move to rescind on April 1, to reconsider the decision.

Commissioner Garcia joined the meeting at 6:18 pm

Commissioner Faulkner asked if she and Commissioner Chavez would vote if this were rescinded and the project is reviewed.

Chair Gutierrez asked that Mr. Burke to present that question to Ms. Paez.

Mr. Berke replied the case will be reheard again, but he will discuss with Ms. Paez and get an answer to the question.

F. OLD BUSINESS

None.

G. NEW BUSINESS

None.

H. STAFF COMMUNICATIONS

1. Informational Presentations, Eli Isaacson, Land Use Department Director:

- “Understanding Chapter 26, the City’s regulatory and financial framework for supporting affordable housing.” Alexandra Ladd, Director of Office of Affordable Housing

Ms. Ladd provided an on-screen presentation.

Ms. Ladd provided her background of over eight years with the City. She explained the Office of Affordable Housing enforces and implements the Santa Fe Homes program, Chapter 26, also containing a fair housing section. They work with local nonprofits to improve programming for services and funding for programming projects.

The Office of Affordable Housing does not manage any housing or provide direct services or finances. They rely on their nonprofit and community partners’ network. The partners use city provided funding to leverage other funds in a way the City could not.

She provided an overview of inclusionary zoning stating the goal is to encourage development and availability of housing that would be affordable to a broad range of incomes. The 1998 Housing Opportunity Program was passed by the City and was one of the first inclusionary zoning programs in the country. The more expensive the project, the more affordable units have to be provided. Developers building affordable models did not have to comply with the program.

In 2006 the Santa Fe Homes Program was implemented to simplify HUD because of the many variables and negotiation was case-by-case. A standard of 30% for affordable homeownership and 15% for rental houses was written into a new ordinance. In 2014 amendments were made because of the housing burst and requirements were lowered to the current 20% level for home ownership. That became permanent in 2016 along with a fee in lieu option for multi-family rental with a 4 year sunset was implemented. In 2019 they created four options to encourage developers and offset the market pressure to maximize value.

In addition to the requirements, they created incentives: a 15% density bonus if all elements of the code can be met and fee waivers and reductions for different development, permitting, utility expansion and charges. If the title is transferred, the City is paid back for that labor. The developer signs a Santa Fe Homes Program proposal which is in the Planning Commission packet, which is not legally binding. It just outlines the requirement. The actual agreement is not done until after final entitlements and is on the title of the property. If the project is approved but sold before development, the next owner is still obligated.

Fee waivers are applied at the building permit phase. The biggest misunderstanding is that the developer can opt to pay a fee in lieu. Paying a fee is the required form of compliance under limited and specific circumstances. The Governing Body made an allowance for small projects to pay a fee for multifamily rent or occupied, or combination projects. They try to work with the developer to make compliance happen.

The financial assistance made available through their partners is how they support the consumer's ability to afford the housing. They receive annual CBDG funding of about \$600,000 for low and moderate income. The majority of funds used for housing is for down for payments to lower the amount of the loan. Public facilities such as emergency shelters, childcare centers, and social and public services are capped at 15 percent. The Affordable Housing Trust Fund revenues are based on fee in lieu of and pay off of liens and land sales in Tierra Contenta and average most years about \$400,000. The process to receive the funds is in the Code and must comply with the New Mexico Affordable Housing Act. About 50% of the funds are used for homeownership, down payment assistance or home-improvement; 40% for rental assistance and construction and 10% homeless shelters or upgrades to permanent housing facilities. That may change in the next few months due to the pandemic.

All funding is leveraged and must meet requirements and is handled more as an investment. She provided statistics on affordability. They have looked at vacant land undeveloped and it will not meet their housing needs. Density is the only option for affordability to be passed on to the consumer. The Accessory Dwelling Unit (ADU) rules were made more flexible to create more options for housing incremental infill. The STR regulations required the collected revenue to be applied to affordable housing. Several sites have been chosen to dispose of City-owned land in support of affordable and all different types of housing.

Demographics show that single-family development will always be a needed product but less of an economic driver than in the past. People are seeking smaller homes closer to transit, services and amenities. HomeWise did outreach on their project on Aqua Fria and people told them they wanted small flexible spaces where they could run businesses from their homes, with one bedroom. That is what was designed; a single family subdivision with mixed use on the front of the property. That will become a significant part of the market going forward.

The City is looking at permanent housing options for people they provide for in homeless shelters. That can only be effective if supportive services are provided in alignment with the unit. That type of person needs all of the services to take care of the various needs including social needs.

Commissioner Sategna noted in administering, Chapter 26 says, *"The Office of Affordable Housing shall work with the Planning and Land Use Department to eliminate conflict and duplication in the permitting and the development approval process"*. He asked Ms. Ladd how she works with the Land Use Department and what impediments she sees in the Land Use Code.

Ms. Ladd said she is on the development review team and constantly communicating with colleagues across the City and in the Land Use Department on each project. The key to housing being more affordable or less costly is to increase density,

but there isn't community buy-in on that. Also, density doesn't do a lot of good if it is on the edge of town. We want density close to town where people don't have to own a car to have their needs met. They can walk or bike or take a bus.

Commissioner Sategna asked what impediments she sees specific to the Land Use Code that would make the most difference.

Ms. Ladd explained there are complicated process issues and uncertainty and outdated requirements. The drainage requirements for example were developed before good technology for water catchment. You may not need as much drainage area if you do a better job of catching the water. That in turn, increases the building footprint and number of units that can be provided on-site. Some of the setbacks and step backs can be intimidating in terms of space and take away from building. Some of those requirements could be on a case-by-case basis. There is a lot of underdeveloped land along the corridors, currently as parking lots. Her dream is to densify the corridors with mixed-use housing because they already have transit and access to things people need.

Commissioner Sategna asked Ms. Ladd to address the discriminatory practices brought up that are baked into city zoning. He didn't understand what was being done to address that. He asked if she was working with Land Use on those types of conflicts.

Ms. Ladd replied the statistic she showed looks at zoning by acre. When only one out of every 5 acres is at a high enough density to support affordable development, they are talking about subsidizing development. Affordable Housing can subsidize development and pay for expensive development, and not pass that on to the consumer. But they also want to see affordability happening in the marketplace. That is not going to happen if only one out of every 5 acres can support affordable development.

Ms. Ladd believed zoning is a form of institutionalized exclusion and it has had disparate impact on people of color and low income. Research has shown that to be true. Other cities have taken drastic steps to remediate that by abolishing single-family zoning or redeveloping an area with a different mindset. That may not be appropriate for Santa Fe, but they took a step in the right direction developing the Link overlay for Saint Mike's. They should do that in other places and determine the barriers in the way of infill development and greater density.

Commissioner Lawrence asked if Ms. Ladd had researched and has data in Santa Fe of the impacts of inclusionary zoning and related housing programs. National studies show it increases housing prices or affects supply or potentially limits the diversity of the community.

Ms. Ladd said she did research when the 30% requirement was in place in 2012. Few communities had a requirement that high. When the requirement was lowered to 20%, developers told her they could make those numbers work. But it is different for home ownership than a rental. The developers work closely with nonprofits, HomeWise

or the Housing Trust and buyers are basically handed to them prequalified and with financing. The developers don't have a lot of marketing costs and can write losses on the units into their budget. There is not a lot of negative impact there.

Ms. Ladd said on the rental side, there was no rental development because of the inclusionary zoning. Developers have told her they wouldn't even consider Santa Fe because there is no way to make the numbers work. It is not the cost to build it is that they have to take a loss every month and that loss is compounded over the number of units. That is a loss out of pocket, unlike taking a loss on a home you sold for less than market rate. The proof is in the concept. When the City allowed a fee in lieu of, the market opened up and now there are a lot of new rental units. Most are market priced, but it will help the log jam.

She found inclusionary zoning research shows it clearly works in high-value, very high dense situations in cities like Chicago or San Francisco. The number of units allow the loss to be spread out over the market rate. It is almost unworkable in low-density on the rental side.

Commissioner Garcia said he gets a lot of questions, especially from those on the southside if anything can be done about rental prices. They are trying to live and work in Santa Fe. People have also asked him why the Commission approves so many developments. He has explained there isn't enough inventory. He asked how they get the word out about the assistance provided by the Affordable Housing Trust Fund to help reduce rent. People want to work and live in Santa Fe and we don't want them driving to Albuquerque every day.

Ms. Ladd replied she didn't have a good answer. The funds go through a service provider, most of which serve a specific constituency. The City does not assist with outreach. Adelante at Santa Fe Public Schools uses their funds to work with the homeless; YouthWorks assists disconnected youth. The system is not great to assist with help paying rent unless the person is approved for long-term like a Section 8 voucher. People have nowhere to go and are stuck paying more rent if they stay in Santa Fe. At some point she thought the market will soften and property owners will be financially motivated to keep their tenants because there will be more options for people.

Although most people feel they don't make enough money, they probably would not qualify for the programs, especially the federal programs. One study looked at the income of First Responders in Santa Fe which was a big issue. They couldn't afford to live in Santa Fe, but most of them earned too much money to qualify for assistance.

Commissioner Garcia said he would challenge someone to look at how their outreach can help these people and a way the City could provide a percentage of assistance.

Vice Chair Hogan said Ms. Ladd provided an update a couple of years ago and

demand was around 3500 units and during that time the Commission has approved many more units. He understands the demand has also expanded and the current building rate seems such a contrast of where they were. He asked if the rate of building was keeping pace with the rate of demand.

Ms. Ladd suggested Director Isaacson answer but added for low income renters such as those Commissioner Garcia mentioned, the marketplace would never produce enough units.

Director Isaacson said it seems like they have approved a lot of units and they have. There are about 2200 units currently under construction and another 1700-1800 have been approved and awaiting permits to begin construction with 700 that are yet to come before the Commission. The City is making strides, but the demand is growing as more units are provided. They haven't been able to close the gap.

Vice Chair Hogan replied, then we shouldn't worry that we are approving too much too fast.

Ms. Ladd agreed, especially coming out of the pandemic. The world has changed radically. Los Alamos National Labs is expanding and will bring in 2000 employees in the next year or so. There will be pressure to provide units across the market.

Vice Chair Hogan said particularly in the Midtown Link, they are trying to increase density with five-story units. He asked if there is any place like that, that is carefully placed that has an appetite for height.

Ms. Ladd deferred to Land Use.

Director Isaacson said the Presbyterian Hospital in Las Soleras; the site slopes and at the rear it measures 75 feet in height, six stories with roof appurtenances. There may be opportunities for more of that type of building. But currently the only places that allow height is for the affordability and relationship to the public realm in landscaping, etc.

Commissioner Faulkner said her son who turned 18 cannot find an apartment at either low-income or market rate. She hadn't realized the seriousness until he started looking. Santa Fe has a lot of retirement community but also a lot of youth, especially college-age, that want to stay here. They are unable to because of the lack of housing. She thought the City would not hit capacity anytime soon because of COVID.

She added many of her family work for Los Alamos National Labs and the Lab is buying up apartment complexes and office buildings. They want to keep as many of their administrative people. They are putting them in Santa Fe, Albuquerque and Pojoaque, wherever there is availability. LANL has housing issues and Santa Fe will have to contend with that as well.

Commissioner Faulkner said as a Commissioner the focus should be that things valued in the 70s and 80s no longer meet their needs. Zoning has to be addressed in a way that allows density and height not only because it is needed, but because sprawl is a bad idea. The Council and the Commission is in a unique position as the bridge of decision-makers between how to build and live in a town, versus the reality that we are a city now and have different needs and values.

Commissioner Faulkner asked for the record if Director Isaacson thought it true in order to get the infrastructure needed to sustain our population, density becomes an issue. There is a formula between density and infrastructure allowances and opportunities.

Director Isaacson said he agreed. He said speaking generally they have seen in other communities that is a hidden cost of sprawl. Sprawl low density does not generate the revenues needed to extend the infrastructure to the edge of the city. Low density development puts strain on the city's resources and its ability to provide services to its constituents.

Director Isaacson explained there is a sweet spot with density in which you can grow, and development subsidizes the density adequately to meet the needs of the future developments. He doesn't have a number specifically, but low density development does not allow long-term infrastructure improvements and constituents are left holding the bag.

Commissioner Faulkner said one concern she has is zoning doesn't allow infill in many places that would be best for density; that is walkable and accessible to employment, dining, etc. and builds community. The City zoning seems to prefer pushing things to the peripheral and eliminates many reasons that would encourage developers to build these types of units. The people who live there are isolated from resources and amenities that could benefit from density. The challenge is decision-makers who want to keep their neighborhoods like the quaint town they bought their home in and exactly how it has been for years. The City can no longer tolerate that, and it is not strategically sound and does not make for good development.

Commissioner Piccarello asked about the middle range, the people who don't qualify for assistance but have a hard time affording to live in Santa Fe. She asked how changes to the City's rental code would affect those demographics. She wondered how they could track the loss they have seen over the last year.

Ms. Ladd replied she didn't have a good answer. Allowing multifamily developers to pay for the in lieu of certainly loosened the inventory issue. But they don't know the long-term benefits or downsides for that. Once they have the census data they can look at changes in the demographics in terms of age and profession, etc. but it is difficult to know. There have also been some positives like people moving to Santa Fe for jobs, etc.

Commissioner Piccarello said the census data only gives a big picture. It would be helpful to understand what the housing crisis means. She thought Commissioner Faulkner's point that as a homeowner you may not even know it is happening. She has coworkers that have moved out of Santa Fe or those who have moved to Santa Fe but have had to switch rentals every six months because of rent increases. Things are changing quickly. She asked to follow up later on how they can track some of the questions and get data to collectively understand the issue.

- "Land Use and Housing Affordability." Daniel Werwath, Santa Fe Housing Action Coalition

Mr. Werwath gave a presentation. He indicated he was mostly speaking on behalf of the Housing Coalition. He cofounded the organization a few years ago, mostly to bring together large diverse groups of people, housing nonprofits, large employers, Chamber of Commerce, the Homebuilders Association, etc., to advocate for housing. People who move away or are forced out of town because of affordability usually do not complain to their City Councilors. He has worked in affordability in Santa Fe since 2003 and is following the work his father did in the 90s. His father was a consultant with the City and helped set up some of the initial affordable housing programs.

Mr. Werwath said he has worked in nonprofit housing programs, policies and housing development. Currently he is building the Siler Yard Project supported by the City by land donation and Housing Trust fund monies. He brings a unique perspective to his advocacy, housing development and policy work from his experience.

Some think the nature of the housing problem is a single affordability problem. However, two problems are happening simultaneously. The largest one is that the federal government does not treat housing as a right. Unlike food stamps or Medicare when you meet eligibility criteria, and those services are funded. About one fifth of people will never earn enough to afford basic housing, including the disabled, elderly and very low income. Local governments have to cover the gap. Santa Fe is unique that both the City and nonprofits support working on housing and the private sector does through inclusionary incentives.

The second problem is the supply and demand crisis and is where housing impacts professional jobs such as nurses in the rental market. The problem trickles down, ultimately affecting everyone, but most are lower income. Affordable housing becomes harder to do because of the need for subsidization increases. His focus is mostly supply and demand because the City controls the production of housing through zoning and quasi-judicial boards such as the Planning Commission.

He reviewed statistics; a zero percent rental vacancy rate since 2014; about 2500 units of very affordable housing is needed and currently only about 100 units are built a year. Market rates in apartments increased almost 50% in the 5 year period following the

drop in vacancy. The census data shows more than 10,000 households pay more than 30% of their income for housing before the pandemic. Also, there is an enormous outside pressure on the homeownership and rentals. The fourth quarter 2020 median sales price for a home was \$606,000, which is unprecedented. Santa Fe is close to \$500,000 and a nearly 30% year-on-year increase.

In addition, they have the challenge of construction costs that have never been higher. The demand for housing along with the 2009 economic downturn and climate driven natural disasters have driven material costs up. They see younger professionals with coastal incomes moving in. The lack of housing becomes a threat for gentrification and displacement of locals and local workers. A graph of housing production showed a divergence of housing units versus population that started around 2010. Now they are making up for eight or nine years of not developing enough housing to keep up with growth.

Santa Fe has a very developed codified process. The ENN (Early Neighborhood Notification) process, he believes is detrimental. It pitches an "us versus them" even though the intent is to create more collaborative process around development. Santa Fe has wild levels of exclusionary zoning policies. They have discussed inclusionary where new housing has to include affordability, but many places are exempt from affordable housing with low density zoning, historic overlays, etc. Santa Fe's Land Use Code is very complex and layered much of which works cross purpose to each other. It hasn't been aligned so you understand hierarchy and priorities. It lacks long-term growth planning that would normally identify growth areas and the hierarchy; that affordable housing is more important than views but not as important as parking, etc. They have not looked at the Code comprehensively in the last 25 years.

On the affordable housing side subsidies are shrinking and more people require housing. Local funding sources are highly variable and depend on things like fees in lieu. Which is never enough and not enough to allow multiyear planning. The costs on the Siler Yard Project went up almost 1 1/2 million dollars because of the pandemic. Significant costs are a big challenge all the way around.

He reviewed how housing affordability could be increased by increasing housing inventory, resetting prices to the highest capacity to pay, and density. Density sets the floor for how expensive housing can be particularly in Santa Fe with high land costs and high exactions built into the Land Use Code. We require a lot of drainage, off-site improvements, etc. The developer builds roads, sewers and all of that impacts housing and has unintended consequences.

He has worked the past two years to get \$3 million a year dedicated to the City's Affordable Housing Trust Fund. That would have changed the rental assistance they could have used early in the pandemic to help families. Subsidized housing benefits from more housing supply and the fewer people needing assistance, the less subsidy is needed. By lowering the cost of housing development and infrastructure requirements,

that benefits affordable housing, homeless shelters, market rate housing and helps everyone.

Housing density also benefits by making infill projects more financially feasible; creating economies of scale that make construction cost less. It is better for climate change because of the lower water and energy consumption and traffic and increases public transportation feasibility and non-vehicular transportation. Towns the size of Santa Fe that have adopted density policies tend to be better for the neighborhoods. It increases amenities and has more diversity in economic, racial and age. That avoids things like overcrowded schools on one side of town and empty schools on the other. Exclusionary housing policies have more corollary negatives.

Mr. Werwath said he created a math example after watching the hearing on the Zia Station development with the debate of two versus three stories. He added up all the costs involved on his current project totaling \$3.2 million dollars. The project is 15.5 unit per acre density and about \$50,000 costs per unit. If he dropped one third of the density it increased the per unit cost by \$25,000. In addition, usually what is not considered is it increases the per unit fixed cost 50%. That means less revenue and smaller mortgage with higher costs and less money to pay for it. Also, people often don't consider the operational costs to run an apartment complex at almost \$500 per unit, per month. Even with no mortgage there is the cost for water, sewage, trash, utilities, staffing, etc.

The density constraints were reviewed. Zoning; how many units or uses and setbacks, as well as infrastructure requirements like wide roadways, parking, open space, drainage, pondage, that takes up site area. One of the biggest problems the Commission could impact is the constraint of *downzoning*. The process by which in public hearing they whittle away the density that makes it so developers cannot achieve the full density they are entitled to under zoning. It is a product of unequal access to public processes and strong organized neighborhood opposition to growth and development. Density correlates closely with affordability, race, income and age.

Three photographs were shown of R5 and lower zoning categories and the affordable housing produced. A density analysis of density and race shows lower density areas correlate with neighborhoods of white, wealthy and older people.

Huge swaths of the City, mostly in the southwest sector, have been told they must bear the brunt of solving the housing crisis. Also, meeting economies of scale is an unintended consequence of inclusionary zoning. Providing financially feasible affordable housing has pushed growth and development to the edge of the City. That has overcrowded schools and segregated the City around race, age, and income. Those are things to look at when planning long-term growth, housing equity, equal distribution of affordable housing, and ensuring every part of the City contributes to solving the housing crisis.

Exclusionary zoning of R5 or lower is a vast majority of residential land use. Overlay districts like historic zoning and highway corridor zoning, suppress and is like a downzoning. The Special Use Permit for more densely zoned areas require a special use permit hearing to achieve full zoning density. This is a subjective process where neighborhoods can thwart underlying zoning and drives growth to certain areas of the City. A big complaint they hear is, "It doesn't feel right for our community." In reality, we don't allow other types of multifamily developments like triplexes in residential neighborhoods. So gentle density cannot happen and pushes development into commercial areas. Commercial areas are on very costly land requiring large economies of scale to make building feasible. Much of that is an unintended consequence of code environment.

Mr. Werwath reviewed a quick breakdown: About 14% of residential land is dense enough for affordable home ownership development. Around 5% is dense enough for affordable rental development, prior to the pandemic. The City is trying to solve a giant problem with very little land, and we are not given the tools to solve the problems in productive ways.

One of the big ways is to approach zoning differently. That should be a priority for the Land Use Department and growth planning. The City is five years past when they should have started working on affordability issues and we have a 10 year window to respond to climate change and get to net zero energy development. They should be updating the future land use map for denser infill, where the schools are not full and there are a lot of parks and open spaces and plenty of roads. There should be community consensus on where to do denser development. That hasn't been done and we can't answer these questions and the Planning Commission has been trying to solve these problems. And everyone is disappointed. They have to identify where denser infill can be done and done in a way that preserves character in town and addresses equity and climate issues.

They should consider gentle density and liberalizing the accessory dwelling units by loosening setback or height requirements. They should look at allowing triplexes in single-family zoned neighborhoods and neighborhood level rental units. Also, multifamily design guidelines should be looked at that push development into commercial areas. They should look at exclusionary zoning and the impediments to affordability building, not by eliminating historic overlays or low-density zoning, but discussing those impacts to schools, economics, segregation. And they should expand overlays like Midtown Link up to Cerrillos Road to Siler and supersede the HPC. They should consider more focused, innovative land-use in more areas of the city. That hopefully leads to more infill in parking lots that have less impact on existing neighborhoods but provides needed housing.

He also encouraged the Planning Commission to look at the inequities in the land use process. The public hearing processes were designed to benefit white male landowners and they should remember they are not seeing the big picture from those in the hearing room. The Commission's job is not to defend those who show up. It is to

determine whether something complies with our laws and code. Not to protect neighborhoods more than the code provides. The question by Commissioner Hogan of have we built enough housing and should we be improving it, is not a question for the Planning Commission. That is not their job to decide, it is to decide if a project meets land-use requirements.

The ENN process is an adversary process that makes it hard to come to collaborative decisions. Santa Fe is a free-time democracy. A lot of people who participate have the luxury of time to participate, but many working families with small children can't do that. They need to consider whether everyone has equal access. It is unequal and not fair that lower income people who need housing assistance have to show up in front of appointed bodies to be heard and understood as a valued stakeholder in the process. While 20-40 people might show up around a project with a negative motivation to be there, there are thousands who don't show up because they support the project.

Mandatory notification is required for neighbors of a project, but we don't ask people who are underhoused and paying high rents if they want to live in that neighborhood. Neighborhood associations tend to have a specific viewpoint and there is no democratic decision-making involved. They should be thinking about how to make neighborhood associations more a focus of democracy in conversations instead of no growth. We need to stop rewarding counter factual arguments on traffic and infrastructure and the sewer lines that lowers density and hurts affordability.

The Commission is quasi-judicial, and their Land Use Code is how they create equality among landowners. If they allow opinions about growth and development and protecting neighborhoods that are not baked into code they get differential benefits for from project to project. That is why more developments are on the southside and there is almost no affordable housing and infill in the urban core of the City.

There are ways to solve community involvement problems, facilitated planning processes are an example. Planners are assigned to work between developers and communities to create positive solutions. Proactive outreach on a contentious large scale project like Zia where they send people out to get objective data. The ENN process should be based on more community impact analysis model and be more facilitative.

The guidelines for neighborhood associations should be updated. Neighborhood associations have to be sent notices within 300 feet of a project. There is no requirement under City rules for making decisions democratically to support or not support. The requirement says, "reasonable noticing", which can include a flyer on a telephone pole. Requirements could be they have to hold a meeting and vote and show evidence of that. That would get the neighborhoods talking and lead to more complex conversations.

There are unintended consequences. The denial of the El Rio Project went from 128 units to over 300 units with no affordable units a few years later when finally

approved. Site requirements and off-site improvements need to be reviewed and the parking code is from the 80s. Parking is expensive to build and when asking for more, you replace housing. Water retention has to be feasible and open space is another that has huge costs impacts. Infrastructure liability is another huge issue, and the City owns the upkeep, maintenance, and the repaving costs.

Chair Gutierrez asked the Commissioners to hold their questions until after Mr. Gemora's presentation.

- "Affordable Housing – A Land Use Perspective." Carlos Gemora, Current Planning Planner Senior

Carlos Gemora shared a PowerPoint presentation.

He reported the cost per person for those commuting from Rio Rancho or Albuquerque to Santa Fe is \$5000-\$7000 per person. A HomeWise study in 2007 showed \$306 million in lost revenue in the City's economy. One of the hardest things for business owners is finding employees who live and stay in Santa Fe. Environmental and social costs is huge with resource intense transportation practices and sprawling development. Families are disconnected and youth are moving out of Santa Fe because they cannot afford to stay, segregating the community based on race and income.

There are many different strategies and different spectrums in the Affordable Housing issue and a housing subsidy will always be needed. His focus is on middle and long term strategies. Housing shortage is an exclusion of families and the majority of the workforce. Higher income households can displace lower income households. Average housing cost in Santa Fe are about half a million dollars and are worse in the County.

The intent of the Land Use Code is to maximize community welfare of the residents, but it minimizes the negative effects of the new developments or residents. The unintended result is very expensive regulations on new development and a costly cumbersome approval process. The Code encourages developers to build expensive rather than affordable and results in a lack of affordable housing and an unhealthy system. Code regulations and different processes for development approvals and entitlements add costs. The result of some land-use practices is higher prices. Sprawl pushes development to the fringes of town, creates exclusive zones in areas expensive to develop or infill. Costs are passed on to the residents and all of the parks, roads, sewers etc., become liabilities for the City to maintain. The City has no way to pay for the cost to maintain them and it also results in higher resident transportation costs.

This comes down to values and the values are unclear. That results in debates on current regulations in the processes at the ENN, in the Planning Commission, and for City staff. Values can conflict and have different priorities and that requires trade-offs. The last comprehensive general planning to look at values of the community was over 25 years ago. At that time, a top priority was Affordable Housing and the cost of living. The

highest concerns were uncontrolled growth and development, the loss of older environment and open space, traffic congestion and parking. Those issues could be seen as an opposition to large, tall and dense projects.

The Santa Fe Downtown Vision Plan said housing is of value in the historic district and downtown. But we also want more community uses, more parking, more open space, less height and less massing. They identified that housing is valued but is not as important as the preservation of historic or architectural character. So, you can have more housing, as long as it is invisible.

Despite all of Santa Fe's strategies, the housing issue has become worse. To have more affordable housing we need more housing. That conflicts with the opposition of different projects and views. That requires reconciliation, balance and community discussions and facilitative leadership. Long-term questions need to be answered; how to prioritize the different values and strategies, and how those values affect and relate to one another. The answers have to come from the community. It requires ranking the current priorities, considering what discomforts we are willing to accept and how flexible we are to meet those priorities.

His focus with the Planning Commission working group is to consider how to include affordable units into market redevelopments and improve the housing ecosystem. Strategies could be to allow more market rate redevelopment which allows efficient land-use and makes the middle market more affordable. On the lower end of the spectrum, they need to determine ways to provide incentives and subsidies. Nonprofits do not have resources to satisfy the demand for subsidized housing. The Land Use Code can be amended in strategic, targeted ways to create affordability and streamline approvals for small projects. They can look at flexible design guidelines for increased height and lot coverage, decreased parking and setbacks. They could also reduce development fees to make development feasible.

Chair Gutierrez thanked all of the presenters for great information. He opened the floor to Commissioners for questions.

Commissioner Faulkner asked if funding could be found to help offset the infrastructure costs of projects. Excavation, water, electricity among other things required to develop and build housing is expensive.

Mr. Werwath responded that he has worked with communities that have leveraged funds to pay for infrastructure. It is an incentive-based approach rather than regulatory. A good capital improvement fund is a good example, and the funds can only be spent on public infrastructure. If 10% of that is set aside for Affordable Housing, it could provide a couple million dollars a year that could be used for incentives. A bill that is moving through City Council would dedicate half of land sales to the Affordable Housing Trust Fund.

The Coalition released a report in January of ways to fund the Housing Trust Fund. We could give incentives if a builder accepts Section 8 vouchers after someone builds a guest house or to long term rented. We have to invest in things we want to see rather than hoping we get them from economic processes, which have unintended consequences.

Ms. Ladd said the City has done that, specifically Old Las Vegas Place and through CIP funded the infrastructure. Liens were put on each house to pay back the City once the house was sold.

Commissioner Faulkner said when she started on the Commission and visited other cities, she looked at how they resolved some of these issues. Santa Fe is putting density in places that have no infrastructure or amenities to handle the density being built. If density isn't in the right location it becomes dangerous for a city. The more dense areas, are lower income areas that have more social injustice. She sees in Santa Fe that the NIMBY (Not in My Back Yard) so strong that density is put in the worst possible places. Places where there is a food desert, transit is lacking, and impossible to walk anywhere.

Regarding the ENNs, there are less polarizing ways to engage the community. Currently the ENN sets a stage for conflict between the community and the developer. It would be helpful to have more proactive facilitation of ENNs and meetings with the purpose of bringing parties together.

Mr. Berke reminded the Commission of the federal program called Opportunity Zones. They are areas designated that have accounts that will fund infrastructure improvements when Affordable Housing and specific types of targeted development are built. The developer has the burden to supply infrastructure in an area with none and that adds to their costs. And because they continue to expand on the fringes, they try to infill areas where there is already infill.

Commissioner Faulkner said the City has some funds that have a lot of money in them, such as the Utility. She wanted to find how that could be used to build infrastructure. There are opportunities, they just need to think out of the box.

Commissioner Garcia thanked the presenters. He said a lot of this was discussed with Accessory Dwelling Units (ADU). Often the Planning Commission is asked to make an exception, as an example, Zia Station. He challenged them to look at the Code in Chapter 14 because it was developed in 1990s. Change is not an optional event; it happens and the better we can adapt the more successful we will be in the future. It will take more time on the zoning districts. They have discussed amending the Land Use Code for years.

He asked lastly, how people who need help get the information they need and what outreach is done. He agrees with Commissioner Faulkner about the housing availability.

Mr. Werwath addressed Commissioner Garcia and noted that the Santa Fe Housing Coalition website has a resource locator. Entering the type of housing assistance needed will bring up a list of providers in the community. It includes local organizations and the issues they are working on. And on the big issue of middle housing; people who earn too much to get subsidized housing but not enough for market rate. That is being addressed with the new inclusionary zoning rules around rental housing. A proposal like Zia Station has rental housing targeted toward the middle people. They are leaning on for profit developers for that and hopefully the Commission will see future projects before them.

Commissioner Sategna asked Mr. Gemora if he did the diagrams in his presentation. He said it was the best diagramming he has seen and communicated very well. He thanked Mr. Gemora for his presentation.

Mr. Gemora explained he worked with a graphic artist and modified some of it. He asked them to create the happy and sad faces.

Commissioner Sategna asked to confirm the comprehensive equity land use urban planning would target more inclusion of Affordable Housing, market rate developments, and improve the housing eco-systems targeted projects.

Mr. Gemora replied he personally focused on that for a specific project. He looked at incentives for affordable housing and land use efficiencies. This was more about how he has worked on the issue of Affordable Housing. Director Isaacson can address the long-range vision of the Land Use Department.

Commissioner Sategna thought it interesting how much time Mr. Gemora spent talking about the conflict of the values of the community versus the Code and what is needed. He thought everyone did a great job highlighting the serious problem but wasn't sure how well it is being addressed. To Mr. Werwath's point, we are close to or past the deadline to make an impact on the issue.

Commissioner Sategna said bringing targeted projects to the Commission rather than dealing with the big problem is an interesting point. He pointed out that the General Plan and some current land use speak to values that the Commission constantly has to make decisions on as a quasi-judicial body. If only targeted projects come before the Commission and the community stance is NIMBY and "no" against height and density, the Commission is held to the General Plan. Which many people argue is outdated. Yet Mr. Gemora made the point that a lot of the corridors that restrict density have values that the Planning Commission has to make decisions about. There is the law of the land that the Planning Commission is held to, and the values as pointed out, that we are pinned against.

Commissioner Sategna asked Mr. Gemora what he thought was the best path forward to match revisions with the need for affordable housing, in terms of gaps in policy.

Mr. Gemora agreed he is correct on a more general, systematic and strategic perspective. They have to get back into the General Plan and values and have a facilitative community-based plan in processes. In absence of that, they do that piecemeal and work on those projects as able. One strategy in the meantime is to work on a package that looks at ways to incentivize Affordable Housing in market redevelopments.

Commissioner Sategna said he appreciated what Mr. Gemora said on the radio about affordable housing. He asked if he thought that is sufficient to deal with the problem.

Mr. Gemora replied to make systematic changes to affordable housing, they have to make systematic changes to land use. He doesn't decide where there are community resources or where to invest resources. That is up to the community to decide the number of resources and how much this issue is a priority. From that, staff's capability is to make those changes.

Commissioner Sategna addressed Mr. Werwath and thanked him for his presentation. He thanked him for pointing out an amendment in Code preventing affordable housing and how to make it more affordable by incentivizing developers and taking some of those costs to find long-term solutions. He said Mr. Werwath focused on details of the Land Use Code but skirted over the General Plan. He asked what he sees in updates to the General Plan that would make a difference to affordable housing.

Mr. Werwath explained a big problem was that the General Plan is a 25-year-old document with layers of code that has happened over time. The Zia Station conversation is an example where there is an overlay district that was put in, in 1996. The commuter rail line didn't exist and is a huge change in condition. In lieu of not having an update, we have to go through complex processes referred to by the Commission as an "exception". They are mechanisms we created to legally deal with where situations have changed significantly since Code was adopted.

He said we can't have it all and the General Plan, growth planning conversations is how they prioritize what they are willing to give up, to have something else. The conflict the Commission sees in public hearings is really a lack of consensus around general planning concepts. He would like to see an incremental approach around General Plan and growth planning. It is not just funding the Affordable Housing Trust Fund; it is funding the Affordable Housing Department, the Land Use Department, in order to get in front of this. One challenge is Santa Fe's hyper regulated land-use environment. It is not possible to proactively stay on top of every aspect of the code because it is so big and complex. One way to get to more constructive conversations is to have community values conversations and shared language around the various meanings.

Mr. Werwath continued, the other large issue is the land availability and the lack of densely zoned land. That is why they see secondary consequences such as

overcrowded schools on the south side and the Commission sees rezonings. In many communities, the future land use map reflects the land's future uses. That signals the community's intention and lowers tension around things like rezoning. That is where growth planning is most urgent, because it is climate and affordability. They should start parallel processes like developing a Parks master plan and do pieces of the General Plan. When done incrementally, city departments could update chapters on a regular basis.

He said Santa Fe passes code without understanding context and they should be creating a living document that can be iterative and updated incrementally. We are adding a lot of apartments quickly at a scale people are not used to. And the commercial guidelines are horrible. They will end up on a pendulum swing of not building enough housing for 10 years and having a building spurt and a huge backlash and then clamping down. He wants to get to the point of adding incremental housing and steady housing all the time and how to add two and three duplexes, guest houses, and apartment complexes in appropriate areas. That is where growth planning and the General Plan really matters.

The City needs shared language as a community and shared understandings to communicate effectively. Especially where systematic growth and development are not a benefit to a certain group. They need to put that cultural piece in their basket. Also, we talk about preserving architectural types as a way of preserving culture, but dropped the ball that culture is people. If we don't also have affordable housing, we will lose culture and have a bunch of nice looking buildings with no people in them. They need to take the conversations out of the context of development plan hearings on specific developments. Nothing gets resolved and people go away disappointed. That is where growth planning is really important.

Commissioner Sategna said he answered his next question on the Planning Commission having to make these decisions. It is not a long-term solution. The larger conversations and engaging the community would best be done with updates to the General Plan. He encouraged the modification of the Land Use code.

Commissioner Clow asked Ms. Ladd about her comment that a big resource of the City is vacant land and plans are in the works for more of that.

Ms. Ladd explained the City intends a disposition of city-owned land fairly soon and sites have been picked out. The bulk of City-owned land is undeveloped for a reason and is either taken up with easements or undevelopable. The best land is on Siler Road where Mr. Werwath's project is, but the City hasn't determined the use yet. She agreed being able to buydown the cost of land should be done as much as possible.

Commissioner Hogan added that building affordable housing on City-owned land enabled them to receive a \$10 million grant for a few hundred thousand dollars. He would like a redevelopment agency to look at all of the City's land, like Siler Road, the Northwest quadrant and parcels scattered throughout. He is concerned the City may need to acquire land for long-term housing and possibly acquire properties that are contentious

development sites. It is one of the City's best tools and it gives nonprofit developers like himself the chance to be competitive for state funding. He would like to see that in the form of a program.

He wanted to consider land-swaps with the schools. The cost of land is a big issue. The City can identify donations that will make areas affordable that would otherwise not be. They need to think of future generations and about land banking long-term and acquiring sites for future housing.

Commissioner Chavez said their presentations were wonderful and important. She works in education and is an advocate in the southside community. She sees the issue with affordable housing firsthand with the children in her community. She appreciated the conversation around the General Plan and the ideas presented.

She is concerned that the community have an equitable voice. Their decisions were built on a specific group who asked for what they want. In afterthought she is hearing about those who do not have a voice. She wondered if they could capitalize on the nonprofit partnerships to have those voices heard. The nonprofits could inform people about the intent of the City's plans and development. They could then voice what they want to see for Santa Fe's future. She has to seek them out, as a community advocate, they don't come to her. People trust the partners and they can get information and talk with them about the processes and that might make them more willing to be part of that process. Then the General Plan would truly represent all of Santa Fe, especially in the highly populated southside area who really need to be heard.

Vice Chair Hogan said the issues affecting growth in Santa Fe are the same ones that have been on the table for 30 years. Thankfully, they keep looking at different ways to approach the problems. Sometimes that requires them to say no to those who want to stop the progress. He appreciated the presentations and their opinions and candor.

Commissioner Piccarello agreed the presentations were wonderful and well prepared. She appreciated the amount of work and ideas on incremental updates.

Commissioner Faulkner suggested if possible, that the presenters stay until Matters from the Commission because of the topic.

Commissioner Sategna asked to state his questions and give his final thoughts rather than ask questions, due to the time. He wanted more discussion or have on the record, more on the focus on density and density in corridors. All of the options to address that have been mentioned. Commissioner Sategna said his concern is the focus on corridors and density that density also brings gentrification. They put people in there and bring in more amenities and there is more demand, and with more demand, costs go up. He would like to hear how that is addressed in other cities.

Commissioner Sategna said he is also interested in when there could be a community survey for the Planning Commission to consider. That could be codified and would be really helpful, especially if there is an update to the General Plan prioritizing that.

He was also concerned about a comment that only 700 units are pending. He asked if any long-term analysis was done on whether those units coming will sufficiently deal with this crisis. He hasn't heard about any analysis or if solutions are proposed. As a Planning Commissioner, we make decisions on individual cases. Secondly, we are supposed to make policy recommendations to the Governing Body. He said he could spend all night asking questions on policy. Things that would make a difference that the Commission could contribute to, versus understanding this complex issue. He thanked everyone for their time and the presentations.

Chair Gutierrez asked if staff had anything.

Director Isaacson said they would share things during the Matters from the Commission.

Mr. Berke said he wanted to point out the presentations are informational. It is to inform the Commission about subjects that staff feels are relevant to decisions. There are policy ad hoc subcommittees formed and written into Code who make decisions for policy and who make suggestions to the Commission and Governing Body. He said he wanted the Commission to understand this is informational and for their education.

Chair Gutierrez said passion plays into this. It has been years since they have had a planning session. He thanked everyone.

Commissioner Sategna said he appreciated Mr. Berke's perspective but would point out there are a lot of people interested in making policy recommendations for the Commission. While familiar with the ad hoc committees, like the long-range planning committee, they have not been active. The committee requires additional positions and requires advocacy from the Land Use Department and that is not in a place to deal with these issues.

Commissioner Sategna said he hasn't heard anything publicly about steps taken by the Land-use Department to update the General Plan or to address these issues brought up tonight. Commissioner Sategna said he believed everyone is interested in making a huge difference, not just learning about it.

Chair Gutierrez asked Mr. Isaacson if possible to have an update for the Commissioners.

I. MATTERS FROM THE COMMISSION

- Discuss proposed creation of an Ad Hoc Planning Policy Study Group, consisting of a non-quorum of Planning Commissioners appointed by the Chair, pursuant to SFCC Section 14-2.3(G). (Chair Brian Gutierrez)

Director Isaacson said his recommendation is to have an ad hoc committee as identified in Chapter 14 requirements on membership composition. That involves approval by the Mayor of appointments by the Governing Body. Short of that, he recommended creating an ad hoc subcommittee of the Planning Commission. Chapter 14 allows that and permits up to four members of the Commission to sit on that. That is recommended for the interim and could transition over time to the more formal committee like the Long-Range Planning committee.

He said to Commissioner Sategna's point, he anticipates the budget including meaningful, comprehensive growth management. He will reinstate in the budget for land-use code updates. An RFP was in place for late March or April but was brought back. It is for a multiphase, multi-year effort to update the Land-Use Code.

He acknowledged the divergence from the General Plan and the Land Use Code and that the General Plan is stuck in 1999. Significant changes were made to the Land Use code in 2012 that did not keep pace with the long-range vision values and principles in the General Plan. A robust planning process is needed, and Mr. Werwath spoke about why that is so important. Then the General Plan can be used as a tool for making recommendations to make the Land Use Code current. And the Commission will have the right policies to make their decisions.

That project will involve the community and come to the Planning Commission for guidance before being adopted. He was aware of the frustration that progress wasn't made sooner but intends now to fund that again.

Chair Gutierrez indicated that part of the reason they haven't had sessions like these the last couple of years, is that the Director was busy. He brings in significant sources of GRT and has been keeping the City going during the pandemic. They can shift focus now to the committee.

He noted that four Commissioners can participate on the subcommittee. He asked anyone interested to send an email to Mr. Berke before next Wednesday.

Commissioner Faulkner suggested polling Commissioners to see how many are interested.

Chair Gutierrez asked those interested to send an email. If more than four people are interested, it will fall on the Chair to appoint committee members.

- Notice of intent to make a Motion to Rescind the Commission's March 4, 2021 decision to deny Case #2020-2999, 4250 Cerrillos Road; Santa Fe Place Mall Apartments Development Plan. (Commissioner Janet Clow)

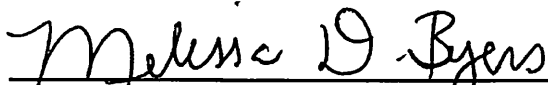
Commissioner Clow said the record is clear that the motion to rescind will be on the next agenda and should be noticed for the next meeting.

Commissioner Hogan asked to be excused from the next meeting as he will be out of town.

J. ADJOURNMENT

Adjourned at 9:20 pm.

Submitted by:



Melissa D. Byers, Stenographer for
Byers Organizational Support Services

Approved by:



Brian Gutierrez, Chair