

# SANTA FE ASSOCIATION OF REALTORS®

## MEMORANDUM

### Revised County Sustainable Growth Management Plan Santa Fe, New Mexico

November 8, 2010

#### BACKGROUND

Santa Fe County is proposing to revise and update its current General Plan with a new plan entitled “The Sustainable Growth Management Plan.” The 2010 SGMP Final Draft is proposed as “a comprehensive revision and update of the Santa Fe County Growth Management Plan (General Plan) adopted in 1999.”<sup>1</sup> The Santa Fe Association of REALTORS® has reviewed earlier drafts of the SGMP and is providing an Analysis chart below that lists previously identified concerns about the 2010 SGMP Final Draft. Following the chart, please find a more detailed review providing ways to improve Chapter 12 as requested by County staff, remaining concerns and comments regarding the recently released Fiscal Impact Analysis and Costs of Sprawl sections.

#### ANALYSIS

ISSUE	2010 SLDP FINAL DRAFT (JUNE, 2010)	SGMP FINAL REVISED DRAFT (NOVEMBER, 2010)
<b>Adequate Public Facilities and Financing Element (Chapter 12)</b>	<i>Critique Made:</i> The 2010 SLDP Final Draft’s approach to public facility financing is poorly supported and its concepts are insufficiently integrated.	<i>Preliminary Review:</i> This chapter appears to contain only minor modifications and the concerns about both the comprehensibility and the approach to Adequate Public Facility (APF) provision and financing therefore remain as previously stated. [See Chapter 12 comments below.]

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<sup>1</sup> 2010 SGMP Final Draft at 1.

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<b>Cumulative Impact Assessment</b>	<i>Critique Made:</i> Policy 40.6 in the 2010 SLDP Final Draft requiring that the APF assessment “ensure that the cumulative impacts of development are measured and considered,” is undefined as to scope and the SGMP Final Revised Draft does not provide any guidance as to how “cumulative impacts of development” are to be “measured and considered.”	<i>Preliminary Review:</i> The SGMP Final Revised Draft appears to contain several revisions that remove certain policy requirements for the consideration of “cumulative impacts” for specific projects. The plan does retain requirements for the County to consider cumulative impacts through its land use planning processes and in the development of its regulations, which are the appropriate opportunities for consideration of cumulative impacts of development.
<b>Financing for Indirect Impact</b>	<i>Critique Made:</i> Policy 41.1 in the 2010 SLDP Final Draft that requires that new development provide for and finance improvements consistent with the degree of impact to public services and/or infrastructure <i>indirectly</i> attributed to the project, may not be authorized under the New Mexico statutes.	<i>Preliminary Review:</i> The SGMP Final Revised Draft appears to no longer contain the reference to new development having to provide for or finance improvements for indirect impacts.
<b>Binding Principles</b>	<i>Critique Made:</i> The 2010 SLDP Final Draft’s proposed “Binding Principles” are unnecessary and questionable as the basis for consistency determinations under the New Mexico statutes.	<i>Preliminary Review:</i> The SGMP Final Revised Draft has been revised to eliminate the concept of “Binding Principles.” It retains the former “Binding Principles” as “Principles for the Sustainable Growth Management Plan,” but the former language that suggested some form of consistency requirement appears to have been eliminated.
<b>Levels of Service</b>	<i>Critique Made:</i> The 2010 SLDP Final Draft’s explanation of levels of service (“LOSs”) for the APF program is inadequate and confusing.	<i>Preliminary Review:</i> The existing and adopted LOSs still need clarification. In particular, common metrics need to be used in both the existing LOSs and the adopted LOSs to better understand and appreciated disparity between the current and proposed LOSs. [ <i>See comments below.</i> ]

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<b>Consistency Review Requirements</b>	<i>Critique Made:</i> The 2010 SLDP Final Draft proposes consistency review requirements that are potentially burdensome.	<i>Preliminary Review:</i> The SGMP Final Revised Draft appears to retain a reference to the plan being used as a measure of consistency for development applications. [See comments below.]
<b>Growth Projections Data</b>	<i>Critique Made:</i> The 2010 SLDP Final Draft's analysis of future growth in the County is based on what appears to be questionable data.	<i>Preliminary Review:</i> In response to the Association, the County has asserted that the data used in the SGMP is the best available. <sup>2</sup> However, at the very least, the plan should incorporate some discussion about the implications of future annexation into the SGMP and how this annexation could affect the County's planning. The absence of this discussion is a significant omission.
<b>Development Review Procedures</b>	<i>Critique Made:</i> The 2010 SLDP Final Draft creates a complex administrative process for development review and approval that will increase the cost of development and may be difficult for the County to implement.	<i>Preliminary Review:</i> The administrative procedures for development review and approval appear to remain unchanged. This is disappointing since there is no assurance that the County will attempt to limit the potential impact of these procedures on property owners and developers as it prepares the land development code to implement the plan.
<b>Automatic Standing for Appeals by Community Organizations</b>	<i>Critique Made:</i> The 2010 SLDP Final Draft should include additional standing requirements for administrative appeals by Community Organizations (COs).	<i>Preliminary Review:</i> The automatic standing for COs to appeal decisions appears to have been eliminated.

<sup>2</sup> The County's response to the Association was made in the form of a matrix of responses to comment, which is available on the County's website at: [http://www.santafecounty.org/growth\\_management/sgmp](http://www.santafecounty.org/growth_management/sgmp)

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<b>Maps</b>	<i>Critique Made:</i> The County has not made available larger scale copies of the maps for public review and/or provided a web-based GIS application for viewing the maps in greater detail.	<i>Preliminary Review:</i> The County’s website now contains individual electronic versions of the maps that allow for viewing in more detail.

**APF and Financing Element (Chapter 12) — Ways to Improve:**

This chapter should be improved so that it is more comprehensible and demonstrates a more integrated and equitable approach to APF provisioning and financing. We recommend the following modifications:

1. **Key Issues and Keys to Sustainability:** Keep as is.
2. **Critical Findings Section:** Delete the following subsections:
  - Adequacy and Concurrency (12.2.6);
  - Special Assessments and Improvement Districts (12.2.7);
  - User or Impact Fees (12.2.8);
  - Exactions and Dedications (12.2.9); and
  - Develop Agreements (12.2.10).

*Rationale:* The discussions are not “findings,” but are more representative of potential approaches. Also, the text of these sections is largely repeated later in the chapter.

3. **Fiscal Impact Analysis and Costs of Sprawl Sections:** These sections (12.3.4 and 12.3.5) should be worked in as subsections of the section entitled “Encourage Positive and Avoid Negative Fiscal Impacts” (Section 12.3.2). In addition, all of the “Costs of Sprawl subsections should be removed until the separate study, which has just recently been released by the County, has been fully reviewed by the public and properly integrated into the SGMP.

*Rationale:* As discussed in more detail below, the County has not provided a sufficient opportunity for the public to fully review the costs-of-sprawl study and its implications on the SGMP.

4. **APF Section:** The sections on Capital Improvement Plan (12.3.6), Adequate Public Facilities (12.3.7), and Adopted Levels of Service to Meet Adequacy of Public Facilities (12.3.8) should be moved into as subsections of Section 12.3.3 (Maintain Adequate Public Facilities).  
*Rationale:* This suggested modification will help better organize the specific discussion points under the recommendation to “Maintain Adequate Public Facilities.”
  
5. **Funding Capital Facilities and Operating Services (Section 12.3.9):** Renumber to be Section 12.3.4. In addition, the introductory language should be revised to more clearly recognize the need to integrate these different funding sources appropriately to ensure that new development is not subjected to multiple fees and potentially required to bear a disproportionate burden of the cost of providing services.  
*Rationale:* As discussed in our August Memorandum, the County needs to revise these sections, and the accompanying policies and strategies, to demonstrate a more coordinated and integrated approach to APF financing that will ensure that requirements will be applied equitably to new development in the County.
  
6. **Impact Fees:** The Impact Fee section (12.3.10) should be worked into the section that discusses User or Impact Fees as a funding source (currently section 12.3.9.2 or, if the suggestions above are followed, 12.3.4.2).  
*Rationale:* This change will eliminate duplicative discussions by consolidating the impact fee discussion in one place, under the section on funding.

**Levels of Service — Ways to Improve:**

The SGMP Final Revised Draft retains the inconsistent discussion of levels of service for public facilities. To assist with the public’s review of the levels of service, the County should provide a new chart for this section, which combines the existing and proposed adopted levels of service. The data that will be input into the new chart will need to be corrected to ensure that the units for the existing levels of service are the same as those for the adopted levels of service.

**Unnecessary Consistency Review Requirement:**

The SGMP contains the following reference to the plan being used as a measure of consistency for development applications:

Policy 52.2: The SGMP will be the guiding document to the SLDC and all other codes and regulations within the County. The SGMP is the standard against which all development applications, the SLDC, other applicable ordinances, codes, regulations and decisions are made.<sup>3</sup>

As discussed in the Santa Fe Association of REALTORS® August Memorandum, the requirement for consistency reviews for individual development applications is unnecessary, because all ordinances, maps and regulations are required to be consistent with the Plan, which obviates the need to re-evaluate a proposed project for consistency with the SGMP.

### **Fiscal Impacts and Costs of Sprawl Study — New Concern:**

The County has made available a new study, entitled the “Fiscal and Costs-of-Sprawl Impacts of 2010-2030 Projected Growth on the County of Santa Fe and Santa Fe County/Other Public School Districts,” dated 20 October 2010, and prepared by the Center for Urban Policy Research, Edward J. Bloustein School of Planning and Public Policy, Rutgers, the State University of New Jersey (the “Study”). This Study appears to be a more elaborate examination of these issues than the abbreviated discussions that appear in Chapter 12 of the current SGMP and in several prior drafts of the plan.

Unfortunately, the County has released this Study giving the public only a very brief opportunity to review and comment. This narrow window makes it difficult to examine the Study in adequate detail. However, one concern that is immediately apparent upon our preliminary review of the study is the apparent characterization of all of the “costs of sprawl” as public costs. The Study states:

An analysis of the net costs of public service provision involves three basic steps: the calculation of (1) costs, (2) revenues, and (3) net fiscal impact. This is done for the primary local service provider (Santa Fe County) using its information on basic fiscal indices.

Fiscal impacts have been calculated earlier on in detail for Santa Fe County and the Santa Fe County Public School District/Other School Districts. This costs-of-sprawl fiscal analysis supplements the earlier analysis of the fiscal impacts of development on Santa Fe County by attempting to estimate the additional savings if more public service-sensitive land development were to take place, as recommended by the Sustainable Growth Management Plan (SGMP). This public service-sensitive land development would emphasize bringing new development closer in, clustering development, having higher-density development, and attracting additional participants to pay for development—the latter requiring special assessments for existing residents, and impact fees and public improvement districts (PIDs) for new residents.<sup>4</sup>

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<sup>3</sup> SGMP Final Revised Draft at 257 (emphasis added).

<sup>4</sup> Study at 69.

The “costs-of-sprawl savings” section identifies savings attributed to land conversion, road construction, water/wastewater service, and structure costs (residential and nonresidential). Many of these costs (and the projected savings) would not necessarily be publicly-attributed costs. For example, land and structure costs are generally born by a project developer. In addition, where private roadways are proposed, or onsite water or wastewater service is proposed, many of these costs will be privately absorbed. It is unclear; therefore, how savings attributed to compact development will necessarily translate into County savings for infrastructure. The Study itself recognizes this shortcoming in its discussion of the cost of sprawl savings by stating “The savings shown in figure 18 are savings to government, homebuyers and citizens; they are not allocated to any one group.”<sup>5</sup>

To the extent that the County is using the costs-of-sprawl savings to reduce the potential cost implications of an APF program, such savings could be beneficial to property owners or land developers because it lowers the overall cost of public facilities needed for new development. However, in the absence of a better explanation of how the calculated savings attributed to SGMP growth (compared to sprawl-type of growth) will translate to public facility savings for the County, it would appear that this Study is overstating the benefits of the proposed SGMP growth on County services.

***Recommendation:*** The Association requests that the County provide additional time to review the Study prior to adoption of the SGHP Final Revised Draft. In addition, the County should also reconsider whether the Study’s conclusions are supported sufficiently enough to use as part of the foundation for the proposed APF financing program.

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<sup>5</sup> Study at 71. **Note:** The referenced figure appears to show Government savings value of \$36,358,020, although there is no explanation for how this figure is derived, particularly in light of the quoted statement above.