EXHIBIT B

Conditional Use Approval

APPROVAL CRITERIA

The project submitted with this application for Conditional Use Permit meets the three (3) Approval Criteria established by the Land Use Development Code *"LDC"), as listed in the SFCC § 14-2.1F2.IV. These criteria are:

1. ***That the land use board has the authority under the section of Chapter 14 described in the application to grant a conditional use approval;***

   a. The project, located at 2395 Richards Avenue, is zoned R-1. Per the attached "Planning and Land Use Department Determination Memo," effective as of August 10, 2026, a Micro Community is allowed under the Group Living Category in SFCC §14-5.2(D), Table 5-1: Summary Table of Allowed Uses, with approval as a conditional use. As indicated in the memo. the Land Use Department has determined that a micro-community is materially similar to the use "boarding, dormitory, monastery, or convent" and falls within its own category under Group Living, called Micro Community. [See Exhibit C – Micro Community Policy].

   b. Per SFCC §14-2.1F.2, Table 2-1: Summary Table of Review Procedures, the Board of Adjustment or the Planning Commission are designated as the two decision-making bodies authorized to review, and grant or deny, applications for conditional use approval.

Table 2-1: Summary Table of Review Procedures

Table Abbreviations
R = Review
REC = Recommendation
REP = Report
D = Decision
A = Appeal
[ ] = Public hearing
*** = See individual procedures for addtl. detail**

Decision-Making Bodies
PLUD = Planning and Land Use Director
ARC = Archaeological Review Committee
HDRB = Historic Districts Review Board
BOA = Board of Adjustment
PC = Planning Commission
GB = Governing Body
rfrd. = Referred

Procedure	Section	PLUD	ARC	HDRB	BOA	PC	GB
Plan Amendment							
General Plan Amendment	§14-2.1C	R / REP				R / REC	R / [D]
Ordinance Amendments							
Annexation	§14-2.1D.1	R / REP				R / REC	R / [D]
Code Text Amendment	§14-2.1D.2	R / REP	R / REC*	R / REC*		R / REC	R / [D]
Rezoning	§14-2.1D.3	R / REP	R (if rfrd.)	R / REC (if rfrd.)		R / REC	R / [D]
Subdivision Procedures							
Subdivision of Land	§14-2.1E	R / REP R / D*				R / D A*	A
Development Review Procedures							
Certificate of Occupancy	§14-2.1F.1	R / D*					
Conditional Use Approval	§14-2.1F.2	R / REP			R / [D]	R / [D]*	A
Construction Permit	§14-2.1F.3	R / D*					
Development Plan	§14-2.1F.4	R / REP R / D*				R / D A*	A
Master Plan	§14-2.1F.5	R / REP				R / REC	R / [D]
Residential Condominium	§14-2.1F.6	R / D			A		
Utility Conformity Review	§14-2.1F.7	R / REP R / D*				R / D* A*	A
Archaeology and Historic Preservation Procedures							

2. That granting the conditional use approval does not adversely affect the public interest, and;

Santa Fe, like many cities in New Mexico, has experienced a surge in the unhoused over the last two years and it is estimated that between 500 and 800 people are homeless in our community. The City is working to implement two initiatives to immediately impact this problem, one of which is the micro-community[1] (sometimes known as a pallet shelter or a Safe Outdoor Space).

The City has been working for many years to make this a reality. The following resolutions show the intent of the City to address the unhoused issue in order to positively impact the public good:

- Per Resolution No. 2023-16, Resolution to provide safe sleeping spaces as a shelter option for those whom standard shelter options are not feasible. This solution includes private non-congregate sleeping quarters with access to showers, bathrooms, laundry facilities, meals, and connections to services (including case managers).
- Per Resolution No. 2025-38, the City identified 2395 Richards Avenue as a site for a micro-community containing up to fifty units for family use. The resolution also states that the Governing Body must reauthorize operations after three (3) years for it to continue operations.
- Per Resolution No. 2025-64, City Council requires a micro-community within each of the four geographic districts that make up our City.
- Per Resolution No. 2026-22, the City passed a resolution to include seniors at the 2395 Richards Avenue micro-community.

2395 Richards Avenue is a great example of the work continuing to become a reality. The pilot project for non-congregate shelters within the City is the Arroyo Chamiso Micro-Community located at the Christ Lutheran Church (City Council District 2). With 10 units and additional support structures, it opened in 2024 and is directly adjacent to Fire Station No. 4. With no emergency calls in the two plus years it is has operated, there is ample evidence that micro-communities offer a vital first step, helping unhoused individuals and families transition from the streets into a safe and secure environment. This is in keeping with the City's General Plan by improving housing and opportunities for community members at all economic levels. As such, granting this conditional use approval does not adversely the public interest, because of the following:

a. Situated between the Genoveva Chavez Community Center (GCCC) and Fire station No. 7, the 2395 Richards Avenue Micro-Community is located on previously developed land (it was once home to the charter school Academy for Technology and the Classics) and is within City Council District 4. To the east is a skate park, while to the north are the Arroyo Chamisos Disc Golf Course, the Arroyo Chamisos community trail, and of course, the arroyo itself. The site is primarily surrounded by City, county, and state-owned property, with the exception being the privately-owned Forked Lightning Raquet Club, directly to the south across Brenner Way. Beyond these properties are single-family residences. [See Exhibit D – Vicinity Map].

   Though the site is not mixed-used, it is surrounded by mixed-uses including public outdoor space, the GCCC, the fire station, and the tennis club. The project will enhance opportunities for community integration and social balance in a healthy and mutually beneficial way. Unhoused individuals are already using the adjacent trails and camping in the arroyo. By creating a small, sheltered, and thoughtful community in an area where homelessness is already occurring, there is a much stronger likelihood that current homeowners and micro-community residents will have an opportunity to meet and interact with each other in a more dignified and equitable manner. [See Exhibit E – Site Context Dwg].

b. Micro-communities are required to have an onsite, 24/7 operator. This includes case management, more permanent housing navigation, behavioral and physical health services, employment assistance,

[1] Lynn, Natash, August 3, 2026. https://www.krqe.com/news/new-mexico/city-of-santa-fe-looking-to-tackle-homelessness-through-two-initiatives/

transportation services, means, and connections to other community resources. The City describes its micro-communities as temporary, services-supported environments intended to help residents stabilize and transition into permanent housing.[2]

By providing private shelter for populations that may not be adequately served by traditional shelters, the 2395 Richars Avenue Micro-Community broadens the housing and shelter choices available to Santa Fe residents across different ages, household compositions, and income levels. While this does not necessarily support economic development in a traditional manner, its contribution is the creation of an additional non-congregate shelter option and a service supported pathway toward permanent affordable housing. Ultimately, housing leads to economic stability.

c. The site was selected, in part because it is close to Kearney Elementary School and not too far from Santa Fe High School. This should provide opportunities for previously unhoused students to return to school fed and ready to learn. This is an important aspect of supporting the public interest.

3. That the use and any associated buildings are compatible with and adaptable to buildings, structures and uses of the abutting property and other properties in the vicinity of the premises under consideration.

2395 Richards Avenue is owned by the City. At 2.001 acres, it is the ideal size for a temporary community meant to assist with getting the unhoused off the street in an innovative manner. As noted in the previous section, with the exception of the Forked Lighting Racquet Club, it is surrounded by City, state, and county properties. [See Exhibit F – Project Context Dwg].

The proposed use and its associated buildings are residential in nature, and are compatible with and adaptable to buildings, structures, and uses of the abutting properties, because:

a. A "Micro-Community" is an allowed use under the category of Group Living in an R-1 zoning, with approval of a decision-making body, such as the Board of Adjustment, through the conditional use approval process.

b. By definition, a micro-community is a "*coordinated and site-managed collection of portable or prefabricated sleeping units, with communal cooking, gathering, lavatory, and hygiene facilities, used to provide temporary shelter and access to on-site supportive services.*"

c. The project is designed to comply with applicable R-1 district standards, including a seven-foot (7') front setback, five-foot (5') side setbacks, a fifteen-foot (15') rear setback, and the applicable maximum lot-coverage requirements. Overlaying the building setbacks is a fifteen-foot (15') required landscape easement on the east, west, and north sides, and an existing sixty-six foot (66') road right of way/utility easement on Brenner Way. Proposed structures total 6,485 square feet – or approximately 7.5% of the lot – well under the maximum lot coverage of 40%.

d. The structures associated with 2395 Richards Avenue are temporary in nature, both for the users and for the land. Per City GIS, 2395 Richards Avenue is slated to become community park in the future. This Micro-Community is meant to fill an immediate need; it is not intended to be permanent housing.

Specifically, only three of the structures are considered "permanent" in that they require concrete foundations – these are the community buildings. The hygiene structures, which consist of the bathrooms and showers, are considered semi-permanent and do not require foundations but will have plumbing and sewer lines attached. The sleeping structures are all temporary and do not require permanent foundations. The semi-permanent and temporary structures are on adjustable feet so that they can be placed on uneven terrain and so drainage can continue underneath the structures. [See Exhibit G – Pallet Infographics]. Four additional storage containers are planned for the site for use by the site operators; these may be Conex-style shipping containers, or pre-built storage sheds. The site storage is only meant for storage and will not be used for habitation. [See Exhibit H – Site Plan (AS-101)].

There will be fifty-one (51) structures on site, broken down per the following chart.

[2] https://santafenm.gov/homelessness/santa-fe-homelessness-response-resources/micro-communities?utm_source=chatgpt.com

				Totals	
Structure Type	**Use**	**Model Name**	**SF per Unit**	**Qty**	**Total SF**
Temporary	Sleeping	Sleeper 120	126	11	1,389
		Sleeper 64	66	21	1,382
		ADA Sleeper 120	126	4	505
	Admin	Office (120)	126	3	379
		Office (64)	66	1	66
Semi-Permanent	Hygiene	Two Stall Bath/Shower	108	4	433
		ADA Bathrooms	108	2	217
		Laundry Unit	108	2	217
Permanent	Community	Community Structure	419	3	1,258
Temporary	Storage	Pre-Fabricated (Conex?)	160	4	640
			TOTAL	**51**	**6,485**

e. Overall, the project's small-scale structures, internal open spaces, perimeter screening, controlled access, and proximity to existing civic and recreational uses will help it remain compatible and adaptable to the character of the surrounding area. [See Exhibit H – Site Plan (AS-101) and Exhibit K – Project Renderings].