



Agenda

CITY CLERK'S OFFICE

DATE 9/13/17 TIME 12:07h

SERVED BY Alexandra Ladd

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COMMUNITY DEVELOPMENT COMMISSION MEETING

September 20, 2017
3:30 p.m. to 5:00 p.m.
500 Market Street, Suite 200
Roundhouse Conference Room

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: June 20, 2017 CDC
5. Discussion and Approval of DRAFT Assessment of Fair Housing Report (Alexandra Ladd)
6. Discussion and Approval of DRAFT Consolidated Annual Performance Evaluation Report (CAPER) for Program Year 2016-2017 (Alexandra Ladd)
7. Discussion and Approval of DRAFT 2017 Annual Action Plan, including Substantial Amendment to update 2017-18 CDBG funding amount (\$530,468) (Alexandra Ladd)
8. Items from the Commission
9. Items from the Floor
10. Adjournment

An interpreter for the hearing impaired is available through the City Clerk's office upon five days notice. Please contact 955-6521 for scheduling.

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CITY OF SANTA FE
COMMUNITY DEVELOPMENT COMMISSION
MEETING
September 20, 2017

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MINUTES OF THE
CITY OF SANTA FE
COMMUNITY DEVELOPMENT COMMISSION MEETING
Santa Fe, New Mexico

September 20, 2017

A meeting of the City of Santa Fe Community Development Commission was called to order by Councilor Renee Villarreal, Chair on this date at 3:36 p.m. in the Market Station Offices, 500 Market Street, Suite 200, Roundhouse Conference Room, Santa Fe, New Mexico.

There was a quorum present to conduct official business as follows:

Members Present:

Councilor Renee Villarreal, Chair
Ken Hughes
Carla Lopez
John Padilla

Member(s) Absent:

Paul Goblet, excused
2 vacancies

Staff Present:

Alexandra Ladd, Director, Office of Affordable Housing

Others Present:

Fritz Denny, Santa Fe Habitat for Humanity
Denise Benavidez, The Housing Trust
Molly Fitzpatrick, BBC Research & Consulting (via teleconference)
Sarah Geisler, Homewise
Willie Marquez, Santa Fe Habitat for Humanity
Ted Swisher, Santa Fe Habitat for Humanity
Mehgie Tabar, BBC Research & Consulting (via teleconference)
Deborah Tang, St. Elizabeth Shelter
Zack Thomas, The Housing Trust
Sharon Welsh, The Housing Trust
Jo Ann G. Valdez, Stenographer

APPROVAL OF AGENDA:

MOTION: A motion was made by Commissioner Lopez, seconded by Commissioner Padilla to approve the agenda.

VOTE: The motion passed unanimously by voice vote.

APPROVAL OF MINUTES: June 20, 2017 CDC

MOTION: A motion was made by Commissioner Padilla, seconded by Commissioner Lopez to approve the Minutes of the June 20, 2017 meeting as presented.

VOTE: The motion passed unanimously by voice vote.

DISCUSSION AND APPROVAL OF DRAFT ASSESSMENT OF FAIR HOUSING REPORT (Alexandra Ladd)

(Copies of the Memo from Alexandra Ladd, Director, Office of Affordable Housing to Finance Committee, Community Development Commission and City Council, dated September 11, 2017 were distributed. A copy is hereby incorporated to these Minutes as Exhibit "A".)

BACKGROUND:

As a condition of receiving funds from the Community Development Block Grant program, HUD requires certification that all grantees will "Affirmatively Further Fair Housing" (AFFH). HUD's newly appointed AFFH rule requires the completion of the AFH prior to submittal of the City of Santa Fe's next Consolidated Plan, due by June 30, 2018. The AFH effectively replaces the Analysis of Impediments to Fair Housing Choice (AI) study.

HUD's new AFFH rule requires that the City assess housing barriers and develop a plan for mitigating them. The AFH assesses historical and existing fair housing conditions, focusing on:

- Patterns of integration and segregation;
- Concentrated areas of poverty and how these relate to location of affordable housing and "access to opportunity";
- Disparities in how well residents from all parts of Santa Fe are able to access employment, quality education, transportation and environmentally healthy neighborhoods;
- Disproportionate housing needs.

ITEM AND ISSUE:

The report examines differences in housing needs and housing availability for residents of different races, ethnicities, family status, and disability, as well as income range. From the research and based on public input, strategies are presented in the AFH

that address potential barriers to housing choice, including mobility barriers, displacement, gentrification, segregation, and disparities in access to opportunity.

In order to build upon public comment collected during the City's most recent Analysis of Impediments planning process, completed in October of 2016, a detailed survey was distributed through stakeholder agencies, the City of Santa Fe website, and by word of mouth. Over 550 responses were collected. The study finds that Santa Fe has very low levels of segregation according to HUD's Dissimilarity Index, although segregation is on a slight upward trend.

Please see Exhibit "A" for the specifics of this presentation.

ACTION REQUESTED:

Approve the recommendations presented in the Assessment of Fair Housing (AFH) and associated research as required by HUD's Community Block Grant (CDBG) Program and the New Mexico Mortgage Finance Authority.

Mehgie Tabar and Molly Fitzpatrick of BBC Research Consulting out of Denver, Colorado were in attendance via tele-conference.

Ms. Ladd asked Ms. Tabar and Ms. Fitzpatrick if they could highlight some of the findings of the AFH.

Ms. Tabar introduced herself and Ms. Fitzpatrick. She said for those that do not know them, they are with BBC Research & Consulting. They are the firm that did the Analysis of Impediments (AI) to Fair Housing Choice study last year. She said for those of you not familiar with the Assessment of Fair Housing, she would like to point out a few ways that it differs from the AI study that was done last year. The AFH is a more comprehensive approach that focuses on the economic barriers, as well as the housing barriers. There is also the "access-to-opportunity" philosophy that they are focusing on, and that examines the neighborhood characteristics that might impact those housing barriers; and that's particularly examined in the case of protected classes. They used a lot of the information that they obtained through the Analysis of Impediments last year, including the community engagement process and they added a little more community engagement this year. They combined the two into the new AFH study.

She said the findings, which there are some overlaps from the AI last year, but the general findings were that there is a general lack of affordable housing throughout the City. She said there is difficulty using Section 8 vouchers in high-opportunity areas. There are also challenges with home conditions and that is mostly due to the condition of housing--it tends to be older in the City. There is a challenge with rising rents that disproportionately affects housing needs. When they looked at different populations of the City, there is also a lack of affordable housing for persons with disabilities.

Ms. Tabar noted that there were things that they heard through the stakeholders' surveys, the residents' surveys, the community open houses and public input, as well as the census data that informed these findings.

She said when they looked closer to the “access-to-opportunities”, they found that there were some issues with certain residents having access to high-performing schools; therefore schools were a big issue for many of the residents, as well as access to high-quality, high-paying full-time jobs. This is something, on a neighborhood level, that is a challenge for some residents, but maybe not all. She said this is something that should be considered when they are looking at the AFH and how to better improve access to opportunities for all residents.

Chair Villarreal asked if there were any questions from the Commission.

Ms. Tabar said they could also review the goals that they put together, if that would be helpful for the Commission.

Commissioner Hughes referred to pages 15 and 112, the tables on “Goals and Strategies”, in the column marked “Metrics, Milestones and Timeframe for Achievement”, and said they have none of those. These are quantifiable but they have none of that in there. They have a lot of stuff in there that is allottable, but it’s nothing that they can measure.

Ms. Tabar said in this round, these are options that they would recommend as goals and are not meant to be final strategies. She said after they receive public comments on the final version, they will go back and tighten this up and work with the City to make sure that they are actually putting in the detail, in terms of what really is going to be the metric; and the timeframe by which they are measuring.

Commissioner Hughes said once again, you’re not tightening up because you don’t have any. He suggested that BBC Research and Consulting work with Alexandra Ladd and look at the Consolidated Annual Performance Evaluation Report because on pages 3 and 5 of that report, they do the metrics quite well.

Chair Villarreal said there was a question about recommendations or ways to get around barriers and it didn’t list the fact that we have reinstated the Landlord/Tenant Hotline. She said they probably need to add that, unless it is not functioning.

Ms. Ladd said it is not functioning because they have to do a RFP for the services and presently they do not have the funding in the budget; however, they should get it in by the end of the calendar year and then they can do a RFP for services.

Chair Villarreal said the other thing is that there was a goal to get additional funding for emergency (short-term) rental assistance.

Ms. Ladd said she was told that the reserves were not in the budget and this could not be funded this year.

Chair Villarreal said OK, then they need to look into that too.

Ms. Tabar said if there are specific things that the Commission would like to include, such as the Landlord/Tenant Hotline and the short-term rental assistance, they could call these out pretty easily.

Chair Villarreal said she did not agree that we do not have segregation issues – but they look different in Santa Fe. She asked if they rate this particular item based on HUD metrics.

Ms. Tabar said yes, HUD provides data for them to use to evaluate that and some of the measures that they provide work better than others, particularly for Santa Fe. She said in Santa Fe, segregation tends to be more about country of origin, or national origin, as opposed to ethnicity because it is such a large Hispanic population. HUD also provides them maps to look at where people are based on national origin, but also based on ethnicity but some of their other measures of segregation, particularly, the similarity index is only focused on ethnicity and she does not think this does as good of a job in communities like Santa Fe.

Ms. Tabar said to some extent, they are limited by the data and there are certain metrics they have to use, but they can go back and look at the language they used to describe that to see if they can articulate that in a way that brings out that sort of nuance.

Ms. Tabar asked Chair Villarreal if there were specific things that she was looking for and expected to see.

Chair Villarreal said yes, socioeconomic divisions. She did not see this explicitly stated. She also did not see language that talks about segregation as it relates to country or national origin.

Ms. Tabar said they have a map or two in there but they will make sure to call this out more strongly. She said in terms of socioeconomic segregation, they can talk about this but - because low-income is not a protected class under the Fair Housing Act – it is not something that comes forward as a finding; but she thinks it is relevant to discuss it. She said they can go back and look at that language and ensure that they are articulating that in a little stronger way than they did at this first round.

Chair Villarreal said we are unique in that we are probably about 60% majority people of color and she thinks this is a factor. She would like this explained a little further, not only what is required by HUD, but what is unique to Santa Fe because she does not think it is telling the full story.

Ms. Tabar said they will try to see if they can draw that out.

Chair Villarreal asked Ms. Ladd if she got Commissioner's Hughes comments.

Ms. Ladd said yes.

She asked Ms. Tabar and Ms. Fitzpatrick what the deadline was for submitting comments on the AFH.

Ms. Fitzpatrick said they have to submit it to HUD by October 4th and they will include the public comments that they receive during the public comment period. She said they can take comments until the end of the month.

Ms. Ladd informed Ms. Fitzpatrick and Ms. Tabar that there are also some stakeholder agencies present and she would like to ask them if they have any questions or comments about the AFH.

Chair Villarreal asked them if they received notice of the public comment process and did any of them participate in giving input on this topic.

The stakeholders in the room said yes, they received notice of the public comment process and there were some public meetings.

Ms. Ladd mentioned that LifeLink participated in the public comment process and provided input. Also, some consumers of the stakeholder agencies also attended the public meetings and provided input.

Comments/Discussion:

Sharon Welsh said that she would say that the product of data gathering is of a lot of use to the providers who are represented here. She said she has been doing this a long time and she feels that Santa Fe could be a model for inclusionary zoning, but they would like to see more data on affordable housing as it relates to land use and zoning. She said this is a "red-button" issue nationwide and there have been a lot of scandals occur around the attempt to suppress the placement of affordable housing projects. She wanted to know if there was any particular focus on that.

Ms. Ladd said the AI may have covered this a little more in-depth, so maybe when they make the revisions to the draft AFH, they can add some more clarifying language around that. She said she knows that they have done a couple of analysis' that shows the huge need for multi-family units, but we only have a couple of acres that will support that kind of housing.

Ms. Fitzpatrick said they did a pretty extensive analysis last year around land use and zoning and they can incorporate this in a more meaningful way to the AFH. She said this is certainly worth including because they found that there there is room for improvement in the Zoning Code, in terms of creating more opportunities for multi-family and more affordable housing types through the Zoning Code and the review process, in particular.

Chair Villarreal said on that point, if there is a document from last year that they

could share with the Commission.

Ms. Ladd said it is on the City's website but she will make sure it gets distributed.

Commissioner Lopez said in follow up to Sharon Welsh's comments, she was also talking about putting it in a context across the country, right?

Ms. Welsh said yes, but she is not sure where they would come out on that issue statistically-speaking or if there are good stats on, but she does believe that inclusionary zoning is our saving grace in that regard. There is not a lot of inclusionary zoning nationwide and she questions if there is any data that they could point to the fact that this is an important or effective way to help our community from being segregated.

Ms. Ladd asked Ms. Fitzpatrick and Ms. Tabar if there was data or anything that they can point to that says this.

Ms. Fitzpatrick said she does not know off-hand. She said it is hard to compare inclusionary zoning data because people don't always report that, so it's hard to get data that shows this. However, they could easily mention Santa Fe as a model in terms of dedicating resources, dedicating land and having inclusionary zoning, as a way that they have been able to preserve the affordability that exists in the City. She said there is a section on Fair Housing and they can call this out more in that section. It may not be data-driven but it is certainly a best practice that they could highlight.

Chair Villarreal asked about the process for this.

Ms. Ladd said it will go to City Council on September 27, 2017, so the Commission will not see the changes to the AFH Report.

Chair Villarreal asked Ms. Ladd to send it out to the Commissioners when the changes are made or integrated. Any questions or comments should be sent to Chair Villarreal and she will take them to City Council.

MOTION: A motion was made by Commissioner Lopez, seconded by Commissioner Hughes to approve the DRAFT Assessment of Fair Housing Report.

VOTE: The motion passed unanimously by voice vote.

DISCUSSION AND APPROVAL OF DRAFT CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER) FOR PROGRAM YEAR 2016-2017 (Alexandra Ladd)

(Copies of the Memo from Alexandra Ladd, Director, Office of Affordable Housing regarding discussion and approval of the CDBG 2016-2017 Consolidated Annual Performance Evaluation Report (CAPER) were distributed in the Commissioners' packets. A copy is hereby incorporated to these Minutes as Exhibit "B".)

BACKGROUND:

The CAPER (Consolidated Annual Performance and Evaluation Report) reports the progress made in the expenditure of CDBG funds for Fiscal Year 2016-2017. As per CDBG regulations, funded programs support Santa Fe's affordable housing, public service and economic development initiatives. A summary of the projects funded and expended amounts was included with Exhibit "B".

ITEM AND ISSUE:

The Citizen Participation Plan, as approved by HUD, requires that Santa Fe residents be given adequate time (15 days minimum) to review the City's use of CDBG funds. The City complied with the HUD comment period requirements by making copies of the CAPER available and advertised to the public for review from August 28 through September 12, 2017. The copies were available at the Office of Affordable Housing, the Main Library, Genoveva Chavez Community Center, and the Southside Library. The report is also posted on the City's website. Other public meetings where the report will be discussed include:

- Request to Publish Notice of Public Hearing August 30, 2017, 5pm
- Finance Committee September 18, 2017, 5pm
- Community Development Commission September 20, 2017, 3:30 pm
- City Council Meeting Public Hearing September 27, 2017, 7pm

ACTION REQUESTED:

Staff requested approval of the *Draft* 2016-2017 CAPER, prepared for submittal to the Department of Housing and Urban Development (HUD).

Chair Villarreal asked if there were any questions on the CAPER and there were none.

MOTION: A motion was made by Commissioner Hughes, seconded by Commissioner Padilla to approve the *Draft* CDBG 2016-2017 Consolidated Annual Performance Evaluation Review (CAPER).

VOTE: The motion passed unanimously by voice vote.

DISCUSSION AND APPROVAL OF DRAFT 2017 ANNUAL ACTION PLAN, INCLUDING SUBSTANTIAL AMENDMENT TO UPDATE 2017-2018 CDBG FUNDING AMOUNT (\$530,468) (Alexandra Ladd)

(Copies of the (3 page) Memo from Alexandra Ladd, Director of Affordable Housing, dated September 20, 2017, regarding Approval of 2017-2018 CDBG *Draft* Annual Action plan, as revised August 28, 2017, were distributed in the Commissioners' packets. A copy is hereby incorporated to these Minutes as Exhibit "C".)

BACKGROUND:

CDBG is the Community Block Grant Program funded by the U.S. Department of

Housing and Urban Development (HUD). The CDBG Program provides, on an annual basis, an allocation of funds to local governments for a wide-range of eligible housing and community development activities. CDBG funds are allocated each year to cities with populations in excess of 50,000 and urban counties. The City of Santa Fe, along with 1,100 other cities in the country, is an "entitlement city" which means it automatically receives the federal money based on a formula that takes into consideration the community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth in relationship to other metropolitan areas.

ITEM AND ISSUE:

In order for the City to receive its annual CDBG allocation, it must submit an Annual Action Plan to the Department of Housing and Urban Development (HUD). The purpose of the Action Plan is to describe how federal funds will be allocated to housing and community development activities in Santa Fe based on the needs, priorities, goals and strategies identified in the 2013-2017 Consolidated Plan. HUD requires that the Action Plan is submitted to its office for a 45-day review and approval period prior to the start of the program year, HUD's notification of the City's entitlement grant was not made until mid-June. Three drafts of the Action Plan and funding recommendations were presented for public comment.

Based on the \$500,000 estimate, eight projects were recommended for funding by the Community Development Commission (CDC) on February 15, 2017. A detailed description of each project is in the Action Plan. Note that HUD allows a maximum of 15% of the CDBG allocation to be awarded to Public Service Projects and 20% for Grant Administration. The professional services agreements to implement the CDC's funding recommendations were presented to the Finance Committee (4/3/17); City Council-Request to Publish Notice of Public Hearing (3/8/17); Community Development Commission (4/19/17) and City Council-Public Hearing (4/26/17).

With the actual entitlement amount of \$530,468, the updated administrative cost is \$106,093, leaving \$24,375 to be allocated to eligible projects (in addition to the \$400,000). Additionally, the Office of Affordable Housing estimates that \$200,000 will be generated from program income which will then be recycled by the subrecipient back to the program from which the funds were generated. Because the subrecipients have been hugely successful using CDBG funds, the amount of Program Income must be used before entitlement funds. When projects are closed out at the end of the program year, entitlement funds are made available for reprogramming. The City proposes to use the program income managed by its subrecipients as follows:

Homewise Home Improvement	(\$ 60,000)
Homewise Down Payment Assistance	(\$110,000)
Housing Trust Down Payment Assistance	(\$ 30,000)

The actual expenditure of program income will be shaped by program activities over the year and will vary accordingly.

Ms. Ladd referred to Page 3 of the Memo noting that the Table includes the projects

that were approved by the Governing Body and CDC. She reviewed the table that identified current funding recommendations and proposed uses for program income and reprogrammable funds. The total available for reprogramming is \$278,106. The City will apply reprogrammable funds as follows:

50% (\$139,194) allocated to housing projects currently set up for the program year
50% (\$139,194) to cover any gaps in the upcoming construction project of Las Soleras Station, an 87-unit Low Income Housing Tax Credit that will break ground in late 2017 and be ready for lease during the 2018-2019 program year.

Commissioner Hughes asked what the asterisk next to the words: *Entitlement Funds* meant.

Ms. Ladd said these projects were approved at that level, as per the initial public comment process.

Copies of the *Worksheet for Community Development Commission – September 20, 2017* were distributed and reviewed.

Ms. Ladd noted that the total for the reprogrammed funds is not correct – it should be \$278,106 and not \$276,995. She will go back and check her numbers and correct it. The proposed breakdown for the reprogrammed funds is as follows:

\$48,718	Housing Trust Down Payment Assistance
\$48,718	Homewise Down Payment Assistance
\$29,230	Habitat for Humanity-Home Improvement
\$11,135	Homewise-Home Improvement
\$139,194	The Housing Trust (Las Soleras Station) Low Income Housing Tax Credit “gap” financing

ACTION REQUESTED:

Staff requested that the Committee review and approve the 2017-2018 *Draft Annual Action Plan*, as revised, to include the following:

- A) Allocation of 2017-2018 Community Development Block Grant (CDBG) funds (Total: \$400,000) to support eight funded projects (as approved on April 26, 2017);
- B) Allocation of administrative funds in the amount of \$106,093;
- C) Proposed uses for difference between estimated amount (\$500,000) and actual amount (\$530,468);
- D) Proposed uses for program income (\$200,000, as estimated);
- E) Proposed uses for reprogrammed funds (\$278,388)

Chair Villarreal asked if the Commissioners had any questions on the Action Plan.

Questions:

Commissioner Hughes asked if the down payment assistance is being used.

Ms. Ladd said this is one reason she encouraged the recipients to come today-so that they can answer any questions the Commission has but she believes that the Housing Trust has already obligated their current year's entitlement and she is sure that Homewise is close behind.

Sarah Geisler said Homewise is actually overcommitted and they are only in the first quarter of the year – but they anticipate that they are going to have program income.

Denise Benavidez of the Housing Trust said they are already overcommitted and that includes program income that they have received thus far.

Commissioner Hughes said he thought so because it is such a huge need, but he just wanted to make sure.

Ted Swisher of Habitat for Humanity said they have already committed half of their funds, three months in.

Willie Marquez said Habitat for Humanity also has 3-4 homes that are coming up in the next month or so; therefore, if everything goes right, they will be out of the \$60,000.

Chair Villarreal and Ms. Ladd asked if the recipients had any questions on the Action Plan.

Mr. Swisher said he reviewed the Plan and it looks fine.

Ms. Geisler said from Homewise's perspective, she is glad that they had the opportunity to reprogram some of the funds and that they will be going to the Low-Income Housing Tax Credit project that the Housing Trust is doing. She said it is a really important rental-housing need and we are lucky to have funds available for that.

Chair Villarreal said the timing of the Low-Income Housing Tax Credit applications and HUD's timing do not work. It would be helpful to have these projects coincide with Low-Income Housing Tax Credit applications so that they can be done in unison and collaboratively.

Commissioner Hughes asked about the costs for the Las Soleras Station project.

Ms. Welsh said did not know this amount exactly but the rules changed and dramatically limited the costs, and as a result, they could not have everything that they wanted. She said there will be issues with material due to the natural disasters and there will also be issues with labor because activity has really picked up regionally. There will be conflicts that naturally arise during the planning review processes, such as the Fire Marshal changed his mind about the access requirements. She noted that the master developer donated the land that was needed to create that fire access. Ms. Welsh offered to provide a status report on the project to the Commission. She said they were responsible

for making this project a reasonable possibility.

Chair Villarreal asked if there were any more comments or questions.

Commissioner Lopez asked for clarification – are they talking about what happened to the reprogrammed monies, or what to do with it.

Ms. Ladd said HUD indicated that it was not enough to say that you are going to use reprogrammed monies for activities that are currently eligible and funded. She said the Commission could approve what she is proposing for the reprogrammed monies, or they could change it. Again, she has a math problem but she will go back and figure it out.

Commissioner Lopez said she likes it because City Council hears about the rental housing needs in our community, as the Commission has been hearing it.

Ms. Ladd asked Chair Villarreal if she could have Deborah Tang of St. Elizabeth's Shelter speak about the Casa Cerrillos project because it looks like it is going to come in substantially underbudget. She said she would like the Commission to consider an amendment to the scope of work to add additional work for other things that need to be done there. This does not change the project type or the amount of funding (\$43,750) – it is still a rehab project of that facility. She would like the Commission's direction on whether or not it is a good idea to use the full amount of \$43,750 at Casa Cerrillos, understanding that it will go beyond the ventilation repair.

Commissioner Padilla asked if the scope of work - that was presented to the CDC and awarded the \$43,750 - would be expanded and still at the same property.

Ms. Tang said yes, the same property.

Ms. Tang explained what happened. St. Elizabeth's Shelter received estimates for the venting that came in at that \$43,750 and a contractor was selected to do the work but when they got in there, they realized that the problem was not as extensive as originally thought. The total cost was only \$8700.

Ms. Tang said the Casa Cerrillos facility is old and used to be an old apartment complex before they got it. The heaters in each of the units (30 units) are over 30 years old and a lot of them break down or do not work at all. They would like to put the remaining monies into some new heating units that are safer and up to date.

Commissioner Padilla said he had no problem in supporting the additional work but he does have a problem in approving the additional work without seeing what the work is. He would be a little leery in approving funding for a scope of work of replacing heaters – what are you going to replace it with?

Ms. Ladd explained that the Commission is not approving this today, she wanted the go ahead from the Commission to get the quotes for the extra work; to amend the

contract and then she will bring it back to the Commission for approval.

Commissioner Padilla asked if there were other priorities, or is a heating system the number one priority right now.

Ms. Tang said yes, it is number one, especially going into the fall and winter season.

MOTION: A motion was made by Commissioner Hughes, seconded by Commissioner Padilla to approve the 2017-2018 CDBG *Draft* Annual Action Plan, as revised (August 28, 2017), including Substantial Amendment to update the 2017-2018 CDBG funding amount (\$530,468).

VOTE: The motion passed unanimously by voice vote.

ITEMS FROM THE COMMISSION

There were no items from the Commission.

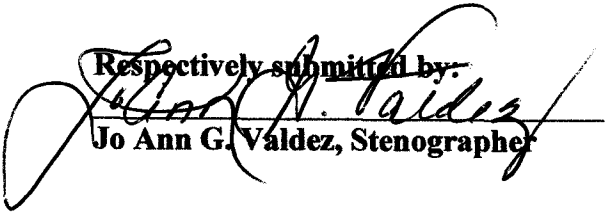
ITEMS FROM THE FLOOR

There were no items from the floor.

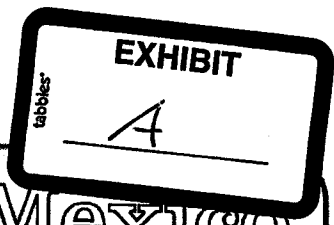
ADJOURNMENT

There being no further business before the Committee, the meeting adjourned at 5:00 p.m.

Respectively submitted by:


Jo Ann G. Valdez, Stenographer


Councilor Renee Villarreal, Chair



City of Santa Fe, New Mexico

memo

DATE: September 11, 2017

TO: Finance Committee – September 18, 2017
Community Development Commission – September 20, 2017
City Council – September 27, 2017

FROM: Alexandra Ladd, Director, Office of Affordable Housing *ALL*

ITEM: DISCUSSION AND APPROVAL OF ASSESSMENT OF FAIR HOUSING (AFH)

ACTION REQUESTED:

Approve the recommendations presented in the Assessment of Fair Housing (AFH) and associated research as required by HUD's Community Development Block Grant (CDBG) Program and the New Mexico Mortgage Finance Authority.

BACKGROUND:

As a condition of receiving funds from the Community Development Block Grant program, HUD requires certification that all grantees will "Affirmatively Further Fair Housing" (AFFH). HUD's newly approved AFFH rule requires the completion of the AFH prior to submittal of the City of Santa Fe's next Consolidated Plan, due by June 30, 2018. The AFH effectively replaces the Analysis of Impediments to Fair Housing Choice (AI) study.

HUD's new AFFH rule requires that the City assess housing barriers and develop a plan for mitigating them. The AFH assesses historical and exiting fair housing conditions, focusing on:

- Patterns of integration and segregation;
- Concentrated areas of poverty and how these relate to location of affordable housing and "access to opportunity";
- Disparities in how well residents from all parts of Santa Fe are able to access employment, quality education, transportation and environmentally healthy neighborhoods;
- Disproportionate housing needs.

ITEM AND ISSUE:

The report examines differences in housing needs and housing availability for residents of different races, ethnicities, family status, and disability, as well as income range. From the research and based on public input, strategies are presented in the AFH that address potential barriers to housing choice, including mobility barriers, displacement, gentrification, segregation, and disparities in access to opportunity.

Public Comment. In order to build upon public comment collected during the City's most recent Analysis of Impediments planning process, completed in October 2016, a detailed survey was distributed through stakeholder agencies, the City of Santa Fe website, and by word of mouth. A Spanish translator visited commercial areas with high concentrations of Spanish Speakers and assisted people with completing the survey in Spanish. Over 550 responses were collected. To inspire more in-depth discussion, a community meeting was held on August 16 at the Southside Library in Santa Fe. Again, the public input was correlated with the community meetings and outreach efforts from last year's study.

Findings and Fair Housing Challenges. The study finds that Santa Fe has very low levels of segregation according to HUD's Dissimilarity Index (DI), although segregation is on a slight upward trend. Public housing is distributed among several neighborhoods and most areas have good access to employment centers. HUD indices also show that the city is environmentally healthy. From the survey results, residents are generally appreciative of the environmental quality of the community but they worry about the price of housing, crime in high poverty areas, and would like more equitable distribution of quality parks and recreation facilities. Other challenges with fair housing implications include:

- Difficulty using housing choice vouchers (Section 8) in high opportunity areas
- Challenges with housing condition;
- Rising rents causing disproportionate housing needs;
- Lack of affordable, accessible housing for people with disabilities.

Access to Opportunity. The AFH is conducted through an "access to opportunity" lens which means that housing issues are considered hand in hand with economic equitability and quality of life issues. Residents identified the following as issues:

- Challenges accessing high performing schools;
- Lack of well-paying, stable, full time jobs, particularly for people with disabilities.

The AFH identifies several goals based on HUD's AFH Rule which asks that several contributing factors are considered:

- Limit or deny fair housing choice;
- Limit or deny access to opportunity;
- Negatively impact fair housing or civil rights compliance.

Recommended Goals. The following goals are presented in the AFH, along with accompanying metrics, milestones, and timelines for achievement:

1. Create affordable, quality housing that is geographically distributed throughout the city.
2. Preserve and improve existing housing occupied by low and moderate income renters and owners.
3. Continue to work to improve economic conditions of persons with disabilities.
4. Create more affordable, quality housing, including housing that is accessible to people with disabilities.
5. Improve access to high quality schools and public transportation.
6. Strengthen access to fair housing and knowledge of fair housing among residents and landlords.

City of Santa Fe, New Mexico

memo

DATE: September 11, 2017

TO: Finance Committee – September 18, 2017
Community Development Commission – September 20, 2017
City Council – September 27, 2017

FROM: Alexandra Ladd, Director, Office of Affordable Housing *ALL*

ITEM: DISCUSSION AND APPROVAL OF CDBG 2016-2017 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REVIEW (CAPER)

ACTION REQUESTED:

Approve the draft 2016-2017 CAPER, prepared for submittal to the Department of Housing and Urban Development (HUD).

BACKGROUND:

The CAPER (Consolidated Annual Performance and Evaluation Report) reports the progress made in the expenditure of CDBG funds for Fiscal Year 2016-2017. As per CDBG regulations, funded programs support Santa Fe's affordable housing, public service and economic development initiatives.

ITEM AND ISSUE:

The Citizen Participation Plan, as approved by HUD, requires that Santa Fe residents be given adequate time (15 days minimum) to review the City's use of CDBG funds. The City complied with the HUD comment period requirements by making copies of the CAPER available and advertised to the public for review from August 28 through September 12, 2017. The copies were available at the Office of Affordable Housing, the Main Library, Genoveva Chavez Community Center, and the Southside Library. The report is also posted on the City's website (www.santafenm.gov/affordable_housing). Other public meetings where the report will be discussed include:

- | | |
|---|----------------------------|
| • Request to Publish Notice of Public Hearing | August 30, 2017, 5pm |
| • Finance Committee | September 18, 2017, 5pm |
| • Community Development Commission (CDC) | September 20, 2017, 3:30pm |
| • City Council Meeting PUBLIC HEARING | September 27, 2017, 7pm |

A summary of the projects funded and expended amounts is provided in the following table. In cases where the funded activity generates program income (down payment assistance and home repair loans), the subrecipient must reuse the program income BEFORE entitlement funds are used.

Subrecipient/Project		Funded Amount	Drawn Amount	Balance Remaining
Adelante Elementary School Liaison		\$20,198.00	\$19,906.05	\$291.95
Kitchen Angels		\$20,000.00	\$20,000.00	\$0.00
Habitat for Humanity Home Repair		\$60,000.00	\$56,983.00	\$3,017.00
Homewise Home Improvement	Program Income	\$84,648.88	\$84,648.88	\$0.00
	Entitlement	\$15,000.00	\$6,164.81	\$8,835.19
Homewise Down Payment Assistance	Program Income	\$134,278.74	\$134,278.74	\$0.00
	Entitlement	\$80,000.00	\$12,083.65	\$67,916.35
Housing Trust Down Payment Assist.	Program Income	\$29,000.00	\$29,000.00	\$0.00
	Entitlement	\$120,000.00	\$120,000.00	\$0.00
NM Legal Aid Foreclosure Prevention/Assistance		\$10,000.00	\$2,940.82	\$7,059.18
St Elizabeth Casa Familia Facility Remodel*		\$50,000.00	\$22,160.00	\$27,840.00
Youth Shelters Street Outreach		\$20,551.00	\$20,551.00	\$0.00
YouthWorks Facility Improvement		\$26,000.00	\$26,000.00	\$0.00
CDBG Program Administration		\$127,128.08	\$115,107.00	\$12,021.08
TOTAL		\$796,804.70	\$669,823.95	\$126,980.75


*Project was extended into the 2017-2018 program year and additional funds were allocated in July 2017 to meet unexpected expenses related to bringing the building up to code.

City of Santa Fe, New Mexico

memo

Date: September 20, 2017

To: Request to Publish @ City Council (public meeting) – August 30, 2017
Community Development Commission (public meeting) – April 19, 2017
Finance Committee (public meeting) – October 2, 2017
City Council (public hearing) – October 11, 2017

From: Alexandra Ladd, Director, Office of Affordable Housing 

Re: Approval of 2017-18 CDBG Draft Annual Action Plan, as revised (August 28, 2017)

ACTION REQUESTED

Review and approve the 2017-2018 Draft Annual Action Plan, as revised to include the following:

- A) Allocation of 2017-2018 Community Development Block Grant (CDBG) funds (Total: \$400,000) to support eight (8) funded projects (as approved in April 26, 2017);
- B) Allocation of administrative funds in the amount of \$106,093;
- C) Proposed uses for difference between estimated amount (\$500,000) and actual amount (\$530,468);
- D) Proposed uses for program income (\$200,000, as estimated);
- E) Proposed uses for reprogrammed funds (\$278,388).

BACKGROUND

CDBG is the Community Development Block Grant Program funded by the U.S. Department of Housing and Urban Development (HUD). The CDBG Program provides, on an annual basis, an allocation of funds to local governments for a wide-range of eligible housing and community development activities. CDBG funds are allocated each year to cities with populations in excess of 50,000 and urban counties. The City of Santa Fe, along with over 1,100 other cities in the country, is an "entitlement city" which means it automatically receives the federal money based on a formula that takes into consideration the community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth in relationship to other metropolitan areas.

ITEM AND ISSUE

In order for the City to receive its annual CDBG allocation, it must submit an Annual Action Plan to the Department of Housing and Urban Development (HUD). The purpose of the Action Plan is to describe how federal funds will be allocated to housing and community development activities in

Santa Fe based on the needs, priorities, goals and strategies identified in the 2013-2017 Consolidated Plan. HUD requires that the Action plan is submitted to its office for a 45-day review and approval period prior to the start of the program year. However, for the 2017-18 program year, HUD's notification of the City's entitlement grant was not made until mid-June. Three drafts of the Action Plan and funding recommendations were presented for public comment:

- March 10, 2017 --April 11, 2017: provided information about allocations for 17-18 using the estimated funding amount of \$500,000
- July 24, 2017 - August 7, 2017: provided updated information regarding the final allocation amount of \$530,468. *(Note: the contingency language in the Plan addressing the difference in funding amounts from the estimated amount and actual amount was deemed insufficient by HUD and the Plan was returned to the City for edits.)*
- September 12, 2017 – October 13, 2017: provides updated language to address the use of all funds received by the City: entitlement (\$530,468); program income (\$200,000 estimated); and reprogrammed funds from prior years, included unexpended contract amounts (\$85,682.58) and reprogrammed funds from prior years (\$192,706.21).

Based on the \$500,000 estimate, eight (8) projects were recommended for funding by the Community Development Commission (CDC) on February 15, 2017. A detailed description of each project is in the Action Plan. Note that HUD allows a maximum of 15% of the CDBG allocation to be awarded to Public Service Projects and 20% for Grant Administration. The professional services agreements to implement the CDC's funding recommendations were approved according to the following schedule:

- Finance Committee (public meeting) – April 3, 2017
- City Council (Request to Publish Notice of Public Hearing) – March 8, 2017
- Community Development Commission (public meeting) – April 19, 2017
- City Council (Public Hearing) – April 26, 2017

With the actual entitlement amount of \$530,438, the updated administrative cost is \$106,093, leaving \$24,375 to be allocated to eligible projects (in addition to the \$400,000). Additionally, the Office of Affordable Housing estimates that \$200,000 will be generated from program income (PI) which will then recycled by the subrecipient back to the program from which the funds were generated. Because the subrecipients have been hugely successful using CDBG funds, the amount of program income is generally as much or more than entitlement funds. As per HUD requirements, the PI must be used before entitlement funds. When projects are closed out at the end of the program year, entitlement funds are made available for reprogramming. The City proposes to use the program income managed by its subrecipients as follows: Homewise home improvement (\$60,000); Homewise down payment assistance (\$110,000) and Housing Trust downpayment assistance (\$30,000). The actual expenditure of program income will be shaped by program activities over the year and will vary accordingly.

The total available for reprogramming is \$278,106 which is broken down by source and program year as follows:

- Unexpended Entitlement: \$85,682.58 (PY2016-17)
\$75,554.75 (PY2014-15)
~~\$59,869.61~~ (prior to 2014)
- Project Cancellation: \$12,000 (PY2016-17)
\$45,000 (PY2015-16)

The City will apply reprogrammable funds as follows: 50% (\$139,194) allocated to housing projects currently set up for the program year and 50% (\$139,194) to cover any gaps in the upcoming construction project of Las Soleras Station, an 87-unit Low Income Housing Tax Credit (LIHTC) that will break ground in late 2017 and be ready for lease up during the 2018-2019 program year. The following table identifies current funding recommendations and proposed uses for program income and reprogrammable funds.

Approved Projects (17-18)	Subrecipient	Entitlement Funds*	Program Income	Reprogrammed Funds	Total Funding Amount
Downpayment Assistance	Housing Trust	\$100,000	\$30,000	\$48,718	\$178,718.00
	Homewise	\$100,000	\$110,000	\$48,718	\$258,718.00
Home Improvement	Habitat for Humanity	\$60,000	n/a	\$29,230	\$89,230.00
	Homewise	\$21,250	\$60,000	\$11,135	\$92,385.00
Rental Rehabilitation	St Elizabeth Shelter (Casa Cerrillos)	\$43,750	n/a		\$43,750.00
Public Services	SFPS (Adelante Elementary School Liaison)	\$30,000	n/a		\$30,000.00
	Interfaith Shelter (Womens Summer Safe Haven)	\$24,449	n/a		\$24,449.00
	Youth Shelters & Family Services (Outreach Worker)	\$20,551	n/a		\$20,551.00
LIHTC "gap" Financing	The Housing Trust (Las Soleras Station)	n/a	n/a	\$139,194	\$139,194.00
		\$400,000.00	\$200,000.00	\$276,995.00	\$876,995.00

*Approved as per initial public comment process

Worksheet for Community Development Commission – September 20, 2017

Approved Projects (17-18)	Subrecipient	Entitlement Funds*	Program Income	Reprogrammed Funds	Reprogrammed Funds @ CDC	Total Funding Amount
Downpayment Assistance	Housing Trust	\$100,000	\$30,000	\$48,718		\$178,718.00
	Homewise	\$100,000	\$110,000	\$48,718		\$258,718.00
Home Improvement	Habitat for Humanity	\$60,000	n/a	\$29,230		\$89,230.00
	HomeWise	\$21,250	\$60,000	\$11,135		\$92,385.00
Rental Rehabilitation	St Elizabeth Shelter (Casa Cerrillos)	\$43,750	n/a	n/a	n/a	\$43,750.00
Public Services	SFPS (Adelante Elementary School Liaison)	\$30,000	n/a	n/a	n/a	\$30,000.00
	Interfaith Shelter (Womens Summer Safe Haven)	\$24,449	n/a	n/a	n/a	\$24,449.00
	Youth Shelters & Family Services (Outreach Worker)	\$20,551	n/a	n/a	n/a	\$20,551.00
LIHTC "gap" Financing	The Housing Trust (Las Soleras Station)	n/a	n/a	\$139,194		\$139,194.00
TOTAL		\$400,000.00	\$200,000.00	\$276,995.00		\$876,995.00