

**SUMMARY OF ACTION
COMMUNITY DEVELOPMENT COMMISSION MEETING
800 MARKET STREET, ROUNDHOUSE CONFERENCE ROOM
WEDNESDAY, NOVEMBER 20, 2019, 3:00 PM**

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**COMMUNITY DEVELOPMENT COMMISSION MEETING
800 MARKET STREET, ROUNDHOUSE CONFERENCE ROOM
WEDNESDAY, NOVEMBER 20, 2019, 3:00 PM**

1. CALL TO ORDER

The meeting of the Community Development Commission was called to order by Commissioner John Padilla, at 3:30 pm, on Wednesday, November 20, 2019, at Market Station, 500 Market Street, Roundhouse Conference Room, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT

Councilor Renee Villarreal, Chair (Arrived later)
John Padilla
Rosario Torres
Ken Hughes
Willie Marquez

MEMBERS ABSENT

Paul Goblet, Excused
Carla Lopez, Excused

OTHERS PRESENT

Alexandra Ladd, Director, Office of Affordable Housing
Elizabeth Martin for Melissa Byers, Stenographer

3. APPROVAL OF AGENDA

MOTION A motion was made by Commissioner Torres, seconded by Commissioner Marquez, to approve the agenda as presented.

VOTE The motion passed unanimously by voice vote.

4. APPROVAL OF MINUTES

A. JULY 17, 2019

Commissioner Torres noted a clarification to her comments.

MOTION A motion was made by Commissioner Hughes, seconded by Commissioner Marquez, to approve the July 17, 2019 minutes as

amended.

VOTE The motion passed unanimously by voice vote.

B. OCTOBER 16, 2019

Commissioner Hughes noted a correction on page 5 of the minutes.

Commissioner Torres noted on page 4, a clarification in her comments that she finds it is problematic where the tenants are going to go after the ten year period.

MOTION A motion was made by Commissioner Hughes, seconded by Commissioner Torres, to approve the October 16, 2019 minutes as amended.

VOTE The motion passed unanimously by voice vote.

5. REVIEW AND RECOMMEND APPROVAL OF PROPOSED AMENDMENTS TO SFCC 26-3, MODIFYING THE FUNDING CYCLE FOR THE SANTA FE HOMES PROGRAM.

Ms. Ladd said at the last meeting we went into a lot of detail about the other two sections being amended. We need to consider and vote on this section today.

Ms. Ladd reviewed the packet material.

Commissioner Hughes asked in terms of when we approve expenditures do they go to City Council or does it stop here.

Ms. Ladd said all contracts go to City Council. It is usually a concurrent item with the plan. Any use of funds, even for contracts below the threshold, go to City Council.

Commissioner Torres asked going back to the third option, is it possible to rewrite the compliance period language. To her it says they will be moved. Is there a way to change that so it says it is an option.

Chair Padilla said that is not in this section. We have already approved that.

Ms. Ladd said the language you are reading is in the memo and is not the legal language. The language in the Ordinance is much simpler and we will elaborate on that in the administrative procedures.

Commissioner Torres asked how will that process take place and when will we have a voice in it.

Ms. Ladd said the Ordinance goes to City Council on December 11th, then she will start working on the administrative procedures. It will come to this Body first before it goes to Council.

Chair Padilla said we can dig deeper into the language at that time.

MOTION A motion was made by Commissioner Hughes, seconded by Commissioner Marquez, to approve the amendments.

VOTE The motion passed unanimously by voice vote.

6. DISCUSSION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND AFFORDABLE HOUSING TRUST FUND (AHTF) 2020-2021 FUNDING PRIORITIES.

A. REVIEW OF FUNDING HISTORY

Ms. Ladd said every year in November this group discusses funding priorities. For the last couple of years the Commission has prioritized bricks and mortar affordable rental housing. The market can be incentivized to provide part of the solution and the work of this group and leveraging investments and focus on higher needs is where we can be the most effective in creating the most successful outcomes.

Ms. Ladd reviewed the material in the packet.

B. PRIORITIES FOR 2020-2021 PROGRAM

Ms. Ladd said for 2020-2021 we can tweak the priority levels. She thinks for CDBG funds rental assistance is the lowest priority, but for our other funding sources it is the highest priority. The refinancing services is a medium priority for CDBG, but low for other funding priorities that are better met with different resources. We will review the draft. Feel free to tweak the priority levels.

Chair Padilla asked is this prioritization format how we have done this in the past.

Ms. Ladd said this is part of the HUD planning document. The scoring criteria goes into the RFP.

Commissioner Hughes said you started by saying that most recently the highest priority has been bricks and mortar, especially for rentals. There are a lot of high

priorities here that are not related to that. It seems we need to take some things that are rated high and make them medium. We need to go through this and knock some down that are now rated high.

Commissioner Marquez said he agreed.

Chair Padillo said let's go one by one and see if we are in agreement.

1. Rental Vouchers

Currently CDBG funds are rated as low and other funds are rated as high.

Commissioner Hughes recommend lowering the priority to medium under other funding.

Ms. Ladd said the locally funded vouchers are immediate action.

Commissioner Hughes said compared to building new stuff it is on the demand side, not the supply side.

Commissioner Marquez said he agreed with medium.

Commissioner Torres said she thinks lowering the priority will make a big hole in services. It may increase people living in a shelter or a car.

Chair Padilla said if we moved it to low he thinks it would effect it, but at medium it is still important to us.

Mr. Hughes asked how about medium on both of them.

Ms. Ladd said she did not want to make it medium under CDBG funding because those funds do not support that use. The process is clunky, limited and hard to administer. Esperanza did rental assistance through CDBG and it was not easy. They did not apply for it again.

Commissioner Torres said if there is another way to provide assistance she is okay with that.

The Commissioners agreed to lower the priority level for other funding to medium.

2. Emergency Shelter

Currently CDBG funds are rated as medium and other funds are rated as high.

Ms. Ladd said this is to maintain the current capacity. We used CDBG funds for the Interfaith Women's Shelter expansion. We want to keep people alive who are in dire straits.

Chair Romero asked is there any need to change the priorities.

Ms. Ladd said we used CDBG funds for the expansion of the Interfaith Women's Shelter. She would like to change the priority level of other funding to low since we can't use it for services or administrative expenses.

The Commissioners agreed to lower the priority level of other funding to low.

3. Support Services for Homeless or People at Risk of Homelessness

Currently CDBG funds are rated as high and other funds are rated as high.

Ms. Ladd said she recommends a low rating for other funds. We can't use trust funds for services.

The Commissioners agreed to lower the priority of other funding to low.

4. Refinancing Services and Support for Current Homeowners

Currently CDBG funds are rated as medium and other funds are rated as low.

Ms. Ladd said this is for financial counseling for current homeowners on fixed incomes and who want to refinance or who have gotten into problems and need financial counseling.

Councilor Villarreal arrived at the meeting.

The Commissioners agreed to leave the current priority designation the same.

5. Provision of Rental Units and Support Services for Low Income and Very Low Income Renters

Currently CDBG funds are rated as high and other funds are rated as high.

Commissioner Hughes asked is this supply or demand or both.

Ms. Ladd said both. It provides units and helps with support services.

The Commissioners agreed to leave the current priority designation the same.

6. Rental Rehabilitation

Currently CDBG funds are rated as high and other funds are rated as medium.

Ms. Ladd said it is just as important to improve existing inventory. She recommends other funds be raised to high.

The Commissioners agreed to raise the priority level of other funds to high.

7. Down Payment Assistance

Currently CDBG funds are rated as high and other funds are rated as high.

Ms. Ladd said we have always considered this as a high priority because it is such an effective use of funds. It is easy to administrator. As a Body you could change it.

Commissioner Torres asked is it limited to first responders or can teachers and others benefit from this.

Ms. Ladd said that is just an example. They can all qualify through the Essential Worker Rule.

Commissioner Hughes said he recommends moving other funds to medium. Our highest priority is to build or rebuild stuff.

The Commissioners agrees to lower the priority level of other funds to medium.

8. Homebuyer Training and Counseling

Currently CDBG funds are rated as low and other funds are rated as high.

Ms. Ladd said this reflects the fact that we use administrative funds to provide the service to communities in a contract. It is the way it is because that is how we use the funds to have a robust program.

Councilor Villarreal asked wouldn't they provide that service anyway.

Ms. Ladd said they would, but when we give them local funds to do that they are

able to leverage Federal funds.

Commissioner Hughes said he thinks other funds should go to medium. We could fund this after doing new stuff.

The Commissioners agreed to lower the priority level of other funds to medium.

9. Homeowner Rehabilitation Programs, Energy- Efficiency Upgrades, Accessibility Retrofits

Currently CDBG funds are rated as high and other funds are rated as high.

Ms. Ladd said these funds are both rated high because it is a way to keep people in their homes. It covers a lot of bases.

Commissioner Hughes said he thinks it is justified. It is physical.

Chair Padilla said the energy upgrade capacity is a high mark. He thinks they both should stay at high.

Commissioner Torres asked do we have a way of knowing if having used these funds has prevented gentrification in neighborhoods.

Ms. Ladd said we have not tracked that. Habitat would tell you it helps people stay in there homes for a few years.

Commissioner Torres said usually as soon as a neighborhood starts to deteriorate developers start to offer money to homeowners for their properties and they consider selling, not understanding that they will not find something comparable with the money they receive. If this helps prevent that it is a strong reason for this remaining a high priority. There are neighborhoods in Santa Fe where movement in that direction is already happening. What is going to happen to those families.

Commissioner Marquez said some of the things we did in doing repairs through Habitat included if we did a window we did energy efficient window and brought it up to standards. Some of them are even to the point of doing some solar. At least that program does upgrade to energy efficient.

Commissioner Hughes asked could adding low cost solar to the Need Name be considered under this category.

Ms. Ladd said she would check on that.

Chair Padilla said he would consider that as an energy efficiency upgrade.

Commissioner Hughes said the City Housing Trust is putting solar in every project they can. It is amazing.

The Commissioners agreed to leave the current priority designations the same.

10. Construction of Affordably-Priced Homes for Homeownership

Currently CDBG funds are rated as high and other funds are rated as high.

Ms. Ladd said we could make other funding low. She doesn't think it will be an issue for awhile.

Commissioner Hughes asked when it says home is that single family or a unit.

Ms. Ladd said a unit.

Commissioner Hughes said someone may need a subsidy to pencil out a project. Keep it at medium.

The Commissioners agreed to leave the current priority designations the same.

11. Fair Housing Outreach

Currently CDBG funds are rated as medium and other funds are rated as medium.

Ms. Ladd said this is there to make HUD happy.

The Commissioners agreed to leave the current priority designations the same.

12. Diversity of Housing Types

Currently CDBG funds are rated as high and other funds are rated as high.

Ms. Ladd said we trying to support a housing market that does not look like it has for years.

Chair Padilla said if we look at St. Michaels that will be high density projects.

Commissioner Hughes said we desperately need other types of housing.

Chair Padilla said this would incentivize our nonprofits to think more creatively about housing developments such as tiny houses. It gives the ability to look at something different. He recommends that we leave both at high.

The Commissioners agreed to leave the current priority designations the same.

Councilor Villarreal assumed the Chair responsibilities.

C. RECOMMENDED CHANGES FOR REQUEST FOR PROPOSALS (RFP) SCORING CRITERIA

Ms. Ladd asked if there were any recommendations for changes in the scoring criteria.

Chair Villarreal said this looks the same as last year.

Ms. Ladd said yes, it is the same as last year. We did some tweaking last year to make it more relevant to what we want to see.

Ms. Ladd said it was always said that the Trust Fund criteria was to be used in a manner that 50% was used for homeownership. That was never in the code. We will go by the code.

Commissioner Marquez said that made it harder for us, so that is a good move.

Chair Villarreal said our funding is usually reactionary to challenges we have. It does not really address systemic root causes.

Commissioner Hughes asked how about changing the language to say addresses underlying root causes.

Commissioner Torres asked on the occasions where money has been returned has it been reallocated.

Ms. Ladd said yes.

The Commissioners agreed to change the language on the CDBG Criteria and Weighted Values to “underlying root causes” and to remove the word “systemic.”

Chair Villarreal said she never liked weighted values because they are

subjective.

Commissioner Torres said she thinks the budget weighted value should be higher.

Ms. Ladd said the budgets are presented to us on a budget form for specific programs.

Commissioner Marquez asked are you saying raise the value.

Commissioner Torres said yes, higher. She would make the value for budget 20% and the value of Performance Measure/Work Plan 20%.

Commissioner Padilla said with a higher weight we may see a more detailed budget.

Commissioner Hughes said there should be a budget justification too.

Ms. Ladd said we can add a budget narrative.

The Commissioners agreed to change the CDBG Evaluation Criteria and Weighted Values sheet to reflect a change in the weighted value of the Budget to 20% and to add that a budget narrative is required and to change the weighted value of Performance Measure/Work Plan to 20%. Also percent will be added to each of the weighted values.

Chair Villarreal said we are moving now to the Affordable Housing Trust Fund Criteria sheet.

Ms. Ladd said the affordability criteria is what is allowed under the New Mexico Affordable Housing Act. 120% of median income in Santa Fe is \$84,400. A median priced home in Santa Fe is \$400,000.

Commissioner Hughes said the rule of thumb is 30% of income.

Ms. Ladd said yes.

Commissioner Torres asked do we ever ask if they had something in their last audit that needed to be fixed

Ms. Ladd said yes, they have to be in good standing and provide a copy of their most recent audit. It is part of the application.

Commissioner Hughes said we need to add a budget narrative.

Ms. Ladd said she will add that in the application.

There was discussion regarding language changes to the Trust Fund Evaluation Criteria and Weighted Values.

The Commissioners agreed to make the following changes: add the requirement of a budget narrative as a box on the application, change the wording on both the Trust Fund and the CDBG Evaluation Criteria and Weighted Values sheets to “Addresses underlying needs in the community”, capitalize the words Experience, and Affordability and take the capitalization off of words requirements, experience and soundness.

Ms. Ladd said thank you everyone. This has been very helpful.

7. ITEMS FROM THE COMMISSION

Commissioner Hughes said he was in Austin touring developments. Most amazing was the housing project to make homes for the homeless. There are 150 units going up currently. It is funded by investors and is called Community First. They came up with a home that is printed out with a 3D printer on site. They are all tiny houses. 150 square feet. It was impressive. Residents can be addicted to drugs or alcoholics and be there. They have shared meals and shared bathrooms. It was very inspirational. He would be interested in talking to homeless providers and see what we could do in Santa Fe. It is Christian based, but all religions are there.

Commissioner Padilla said it is open to anyone and they are forced to be in the community and communicate. There are all kinds of people there. He pulled up an article about the community on his phone and showed it to other Commissioners.

Commissioner Marquez said the large units are 350 square and the small one is 150 square feet.

Commissioner Hughes asked would our code allow that.

Ms. Ladd said she would have to check.

Commissioner Padilla said in Austin there is no zoning where this is.

Chair Villarreal said she was on a ride along earlier with the Police and we had an arrest. That is why she was late.

8. ITEMS FROM THE STAFF

Ms. Ladd said regarding vacancies, she will check with the City Clerk regarding

terms

Chair Villarreal said we don't want placeholders, we want active people with different perspectives and who take attending meetings seriously enough to make most meetings. We need to let people know we have a vacancy.

Ms. Ladd said there will be no meeting in December.

Commissioner Torres asked about the time for the City Council meeting on December 11th and said she would like to plan to be there.

Ms. Ladd said there will be a public hearing at the City Council meeting at 7:00 pm for the Ordinance.

Chair Villarreal asked Ms. Ladd if she was fully staffed.

Ms. Ladd said we are about to post the Project Specialist position. We have upgraded the position to Senior Planning for CDBG which included planning and reporting. We have someone who is managing the fiscal side.

9. ITEMS FROM THE FLOOR

None

10. ADJOURNMENT

There being no further business before the Commission the meeting adjourned at 4:45 pm.

Councilor Renee Villarreal, Chair



Elizabeth Martin, Stenographer