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

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DRAFT: SUBJECT TO APPROVAL

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

June 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 3:45 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
Paul Goblet
Ken Hughes
Carla Lopez
John Padilla

Member(s) Absent:

2 vacancies

Staff Present:

John Alejandro, City of Santa Fe Renewable Energy Planner
Alexandra Ladd, Director, Office of Affordable Housing

Others Present:

Rebecca Baran-Rees, MoGro Mobile Grocery
Heather Vigil-Clark, YouthWorks
Jim Podesta, St. Elizabeth Shelter
Deborah Tang, St. Elizabeth Shelter
Mark Vanderlinden, Homewise
Daniel Werwath, New Mexico Interfaith Housing
Jo Ann G. Valdez, Stenographer

APPROVAL OF AGENDA

Commissioner Lopez moved to approve the Agenda. Commissioner Goblet seconded the motion. The motion passed unanimously by voice vote.

APPROVAL OF MINUTES: April 19, 2017 CDC

Alexandra Ladd made the following change/clarification to the Minutes of the April 19, 2017 CDC meeting:

Page 5, 2nd paragraph, 3rd sentence was changed to read: *“She said, in the past, the City’s Affordable Housing Office, in partnership with LifeLink funded a rental assistance program, first through the Affordable Housing Trust Fund and then through the Office of Affordable Housing General Fund budget, which was subsequently reduced by \$100,000.”*

Commissioner Goblet moved to approve the Minutes of the April 19, 2017 meeting as amended. Commissioner Hughes seconded the motion. The motion passed unanimously by voice vote.

DISCUSSION AND APPROVAL OF A RECOMMENDATION TO INCREASE CDBG FUNDING FOR THE ST. ELIZABETH CASA FAMILIA SHELTER TO ENSURE COMPLIANCE WITH CODE (Alexandra Ladd)

[Copies of the Memo dated June 9, 2017 to the Community Development Commission from Alexandra Ladd, Director of the Office of Affordable Housing regarding Community Development Block Grant (CDBG) Increase to FY16-17 Project – Casa Familia Facility Upgrade were distributed in the Commissioners’ packets. A copy is hereby incorporated to these Minutes as Exhibit “A”.]

ITEM AND ISSUE

In 2016, St. Elizabeth was granted CDBG funds to support the remodel of Casa Familia, its shelter for women and children. The intent of the remodel was to improve the security of the front entrance, enhance operations by adding designated and private counseling space, and address some other upgrades needed for the aging building. In the course of getting building permits, it emerged that several code issues needed to be resolved to bring the building into compliance with current code requirements. The Board of Adjustment approved the code variances as well as a special use permit; however, the building’s lack of an updated fire suppression and sprinkler system remains an issue.

In the meantime, unexpended funds from prior year programming were made available to be reallocated in the amount of \$200,000 approximately. Staff advised St. Elizabeth to procure contractor quotes and to present a request for additional funding for consideration by the Community Development Commission. The letter and quotes are attached.

STAFF RECOMMENDATION

Staff recommends funding the project increase. Given the past investment of time and resources, it would be a loss at this point for the project to falter or stall because funds could not be raised from other sources. This remodel ensures that the facility will continue serving some of the most vulnerable residents of Santa Fe.

Ms. Ladd noted that the CDBG allocation announcement was made and the City will receive \$530,000 in CDBG funding.

She said Jim Podesta and Deborah Tang are present from St. Elizabeth Shelter to answer any questions the Commission might have.

Chair Villarreal asked if there were any questions.

Questions/Comments:

Commissioner Goblet asked if this was being done simply because of code.

Ms. Ladd said yes.

Commissioner Goblet asked why people did not know about the sprinklers.

Ms. Ladd said this building has been repurposed multiple times throughout the years and is an aging building that has some inadequacies.

Ms. Tang said it would be great to have a sprinkler system and would be a safety feature for everyone.

Commissioner Lopez asked if this facility was off of Cerrillos Road.

Ms. Tang said no, it is 1604 Berry Street.

Mr. Podesta said it is off of Cerrillos Road.

Chair Villarreal asked if the facility was updated to Fire Code as well and did the Fire Marshall talk about this during the inspection.

Mr. Podesta said no, not to his knowledge.

Chair Villarreal noted that there is a new National Fire Code update and she is assuming that there are new requirements for fire suppression and sprinklers.

Ms. Tang said they are happy that the sprinklers will get done.

Chair Villarreal asked if there were any questions and there were none.

Commissioner Hughes moved to recommend to the Governing Body the approval of the funding increase request in the amount of \$66,278 (to bring the Casa Familia Shelter into full compliance with the code regulations). Commissioner Lopez seconded the motion. The motion passed unanimously by voice vote.

DISCUSSION AND APPROVAL OF FUNDING RECOMMENDATIONS FROM RFP 17/22/P (“Poverty and Climate Solutions”) for two projects (Alexandra Ladd):

- a. Homewise SOL Fund (\$100,000)**
- b. Verde Community Impact Collaborative/Youthworks (\$200,000)**

[Copies of the Memo dated June 9, 2107 to the Community Development Commission from Alexandra Ladd, Director of the Office of Affordable Housing regarding Professional Services Agreements (PSAs) awarded through the Poverty and Climate Solutions RFP (2140.22140) were distributed. Copies of the PSA’s were attached. A copy is hereby incorporated to these Minutes as Exhibit “B”.]

BACKGROUND

In May of 2016, the Governing Body approved Resolution 2016-42 which established the Verde Fund and called for a one-time appropriation of \$300,000. Proponents were asked to address the following goals:

- Reduce systemic poverty throughout Santa Fe
- Achieve carbon neutrality
- Promote workforce empowerment and create opportunity for the unemployed

ITEM AND ISSUE

Staff released an RFP in January of 2017 that called for providing “*a specific set of integrated, wrap-around services that strengthen the housing, healthcare, education, transportation, food, and employment opportunities...while reducing energy use and lowering carbon emissions*”.

Four proposals were received and two projects were selected as finalists by the Evaluation Committee. Upon a second interview, the Committee opted to fund two of the projects which best met the proposal guidelines of lowering “living costs for low-and-very-low income people while also providing options to lower energy use.” Based on this, the proposed scopes of work in the attached PSAs were negotiated, a summary of which follows:

Homewise SOL (Solar Opportunity Loan) Fund

The SOL Fund makes solar obtainable for households with moderate incomes by bringing down the primary barrier to solar energy which are the up-front costs and installation costs. Through access to low-cost, fixed rate loans, many of these households will find that their loan payments are lower than their prior energy bills. Homewise proposes to leverage \$100,000 of the Verde Fund financing to leverage \$400,000 of additional capital for a total investment of \$500,000 into the SOL Fund. This amount represents 20 homes converting to solar energy (\$25,000/home) and prevents 89 tons of carbon from being released into the atmosphere each year. Funding will be reserved for owner households earning less than 80% of the area median income (AMI). Additionally, Homewise will offer a sliding scale in interest rates for loan recipients, bringing down interest rates to 3% for very-low income households.

by the Finance Committee last night, the proposal looked at a \$25,000 per house cost for installing these systems; what they wrote – and this was based on the follow up interview that the Evaluation Committee had with Homewise – into the Agreement is that there would be five (5) homes retrofitted or PV installations completed with the \$100,000; looking at a \$20,000 per house cost/expense. She informed Mr. Vanderlinden that Kate said \$20,000 last night when she was presenting at the Finance Committee meeting, so there are two amounts floating out there.

Mr. Vanderlinden said he is sure that Kate was referring to \$20,000 as an average cost.

Chair Villarreal said her concern last night is looking at solarizing homes that may need basic infrastructure improvements first, whether it is roofing or electrical needs before they can even put solar. She was worried that they would not be able to get low-income families to be able to do solar installations because of those other needs.

She said they talked about how the CDBG funding that they approved in other grant cycles would help with those home improvements needs and Homewise would be part of that-they would facilitate that support. She said this made her feel better but she is with the mindset that if they are supporting people with 80% AMI or below, that they try to concentrate on those that really do need the assistance, but to keep in mind that their homes also need support. This was her concern and she felt that Homewise answered that well enough for her to feel like this could move forward.

Chair Villarreal said it was only five homes that would get supported through this grant. She asked Mr. Vanderlinden if he could explain how they calculated that leveraged amount.

Mr. Vanderlinden said they also have the Solar Opportunity Loan Fund (SOL), which was funded by some private individuals who wanted to support solar improvements and the City wanted them to try and target a lower-income clientele to the extent that they can. They were also looking for a match so this is a good partnership to be able to put the City's money together with the existing SOL Fund. They have nearly \$600,000 in the SOL Fund and they can use this to match funds and they can use both funds for the same customers.

Chair Villarreal asked if it was new homes that are being constructed by Homewise that they are getting people into, or are these existing homes.

Mr. Vanderlinden said they can do both. In fact, they have a new emphasis now on the homes that they build where they are really trying to push solar for the customers that are buying a newly constructed home.

He said to-date, they have been much more successful in doing retrofits for existing homeowners.

Chair Villarreal asked if the Commissioners had any questions.

Commissioner Hughes asked Mr. Vanderlinden how many people are trained per year in homeownership.

Mr. Vanderlinden said he works on the other end of it, so he has a number on the top of his head on how many were successful. Last fiscal year, Homewise did 416 first mortgages.

Commissioner Hughes said when Homewise provides that, do they talk about the SOL Fund as an option.

Mr. Vanderlinden said yes absolutely, but typically the SOL Fund has been used for retrofits for the most part. The total that they did through the Home Improvement Program was between 50-60 home improvement loans.

Commissioner Hughes referred to page 2 of the proposal noting that Homewise indicated that they would use existing mechanisms for education and outreach to promote access to the SOL Fund. He asked if that means they are going to take care of the marketing.

Mr. Vanderlinden said yes.

Commissioner Hughes said if Homewise is going to handle that, he would think that they could be able to drive a better bargain than what they are currently getting. He said this is something to keep in mind to bring down the costs of the solar panels.

Commissioner Hughes said 20 homes is a good start but he thinks they can do a lot more than that because they could probably do a home for \$12,000-\$14,000. Also, technology is changing so rapidly and it is better to go with a smaller system that meets the appropriate needs. He said it might be interesting to use the Verde Fund to try and stimulate a solar industry that is a different niche and an enormous need.

Commissioner Goblet asked if they will identify the structural needs, and will they know what they are getting into before they embark on a solar installation project.

Chair Villarreal asked John Alejandro, the City's Renewable Energy Planner to speak on this.

Mr. Alejandro said the City's building permitting division wants a safe structure first before anything is done on top of a structure, so the solar companies will do an assessment of the roof.

Commissioner Goblet asked if there were checks and balances.

Mr. Alejandro said yes, absolutely, the City will not permit anything unless the

structure is sound.

Chair Villarreal said her point is that they are missing out on people who do not have a structurally sound home to even utilize solar. She said there is a process to ensure the home is structurally sound but she is hoping that Homewise will intervene at the point that they realize that there is an inability to put solar panels. She hopes that Homewise will be able to use other CDBG funds to help with these improvements.

Mr. Vanderlinden said they can use CDBG home improvement funds for those who are eligible for home improvement loans.

Ms. Ladd added that in the interview process with the Evaluation Committee, one of the points that the Homewise team made that she thought was really compelling, was that right now one of the barriers to people actually completing the project of getting a PV system was either a roof or financing issue. She said with Homewise inserting themselves in this process, it is smoothing some of that pathway out for certain homeowners.

Chair Villarreal said another thing that the Finance Committee recommended was that Homewise make sure to work with solar companies that actually help the homeowner go through the process of getting tax credits and showing them what the best options are for them.

Mr. Vanderlinden said the solar contractors have indicated that this is not their expertise.

Commissioner Lopez asked if the Finance Committee approved this.

Chair Villarreal said yes.

Commissioner Hughes asked what is this Commission's role in this.

Ms. Ladd said the Commission is recommending approval to the Governing Body.

Chair Villarreal asked if there was a motion to approve Homewise's request.

Commissioner Goblet moved to approve the funding recommendations from RFP 7/22/P ("Poverty and Climate Solutions") for Homewise SOL Fund in the amount of \$100,000. Commissioner Lopez seconded the motion.

Discussion:

Commissioner Hughes offered a friendly amendment to page 1 of the proposed Agreement to change the number 20 to **40**. It will read:

2) *Homewise will leverage an additional \$400K in capital to further finance up to 40 additional loans, targeting households that make less than 80% of AMI, for the purchase of a solar photovoltaic (PV) system.*

Mr. Alejandro said he did not believe that advisory bodies can make amendments to contracts.

Chair Villarreal said this is a recommendation for an adjustment to the PSA/contract.

Ms. Ladd said they should probably have a minimum number as well.

Commissioner Hughes said they could say “no less than 20 and up to 40 loans.”

Chair Villarreal asked Mr. Vanderlinden if the adjustment makes sense.

Mr. Vanderlinden said from Homewise’s perspective, they have a bit of an issue – the number 20 was derived from the dollars from their existing average of \$20,000 per loan and the 40 number will require them to come up with another \$400,000.

Commissioner Hughes said then they need to look at number B-1 (*Program Deliverables*) of the contract and suggested that it read: *1) Homewise will utilize \$100K from the Verde Fund to provide no less than 5 loans and up to 10 loans targeting households that make less than 80% AMI, for the purchase of a solar photovoltaic (PV) system.”*

Chair Villarreal said Ms. Ladd can explain this to City Council.

Commissioner Hughes asked when this item will go before City Council.

Ms. Ladd said next Wednesday, June 28th.

Commissioner Goblet asked what the intent is – is it to try to be an economic catalyst here from saying no less than 5 loans and up to 10 loans.

Commissioner Hughes said that is part of it because there are so many people who are not getting solar loans based on the price. This also gives them a chance to come up with a different business model.

Mr. Alejandro explained that it was difficult for Homewise to negotiate a price with the provider.

Chair Villarreal asked Commissioner Hughes to attend the City Council meeting.

Motion passed unanimously by voice vote.

Youthworks/Verde Community Impact Collective (VCIC)

VCIC is a collaboration of nine partner agencies that proposes concrete deliverables in several areas: improving food security, reducing carbon emissions through weatherization, addressing climate change threats through fire risk management, and

addressing youth homelessness. Each partner agency provides resources and support for the activity related to them. Additionally, the project proposes to connect over 40 youth to jobs in weatherization, culinary arts, greenhouse management, and fire prevention. Providing energy efficiency services to 40 homes has the potential to offset 36 tons of carbon emissions per year.

Ms. Ladd said when they wrote the RFP, they were looking particularly at what are creative collaborations that the community could bring to the table, specifically leveraging different efforts of various organizations. She said the Verde Community Impact Collaborative/Youthworks did an amazing proposal, so the Evaluation Committee felt that it was unique and getting at to the objective of the RFP, which is what is the intersection between poverty and climate change.

Commissioner Lopez moved to approve the Verde Community Impact Collaborative/Youthworks project in the amount of \$200,000. Commissioner Hughes seconded the motion.

Chair Villarreal mentioned that she asked for a budget at the Finance Committee meeting so they can understand how the breakdown would be.

Ms. Vigil-Clarke said as soon as this gets approved by this Commission, she is grasping this now to get it running. She introduced Rebecca Baran-Rees of MoGro, which is one of the partners of this project.

Ms. Baran-Rees said this project is great because many of the partners have worked together and ideally, they will be able to affect the low-income households.

Commissioner Lopez asked about the nine partner agencies.

Commissioner Hughes noted that they are listed on page 1, item 1.

Ms. Baran-Rees said the Commission should keep in mind that some agencies will be in-kind partners.

Chair Villarreal asked if Food Depot-Dashing Delivery a part of this.

Ms. Baran-Rees said it is either Dashing Delivery or an additional delivery service. She is not 100% certain on that.

Ms. Ladd said Dashing Delivery was sort of thought of as a placeholder, so it is written and/or another transportation provider.

Commissioner Hughes asked Ms. Baran-Rees what she did for MoGro.

Ms. Baran-Rees said she is the Project Director and she is housed at the Santa Fe Community Foundation. She said this is a mobile grocery access program that works in

tribal and urban areas between here and Albuquerque. They work specifically with the low-income community and partner with La Familia Medical Clinic. They also do a drop at City Hall and plan to drop food boxes at low-income housing areas.

Ms. Ladd referred to Item 1A of the Agreement noting that the Scope of Services includes that VCIC will *create a well-organized and transparent management and coordination structure to ensure effective delivery of programs with the partners.*

Commissioner Hughes asked who will be the responsible party for the weatherization services.

Ms. Baron-Rees said Youthworks will be responsible for that.

Commissioner Padilla referred to page 3, Item C2 where it states that eight (8) weatherization crew jobs will be created and asked Ms. Baron-Rees to talk about that.

Ms. Baron-Rees said she cannot talk about this because someone else wrote this.

Ms. Ladd offered to clarify that.

Commissioner Padilla said it would be good to document all aspects of this.

Motion passed unanimously by voice vote.

ITEMS FROM THE COMMISSION

Commissioner Padilla mentioned that the American Institute of Architecture Santa Fe Chapter is presenting "Canstruction Santa Fe" which is a program that is done to feed hungry families while celebrating the great impact movies and television have had in our state. The proceeds will benefit the Food Depot and this event will be hosted by the Santa Fe Place Mall. The goal this year was to raise 20,000 lbs. of food which will equate to 17,000 meals but 70,000 lbs. of food have been raised. They have seven construction sculptures that are erected at the Santa Fe Place Mall. All seven teams were required to acquire \$2500 from sponsorships to pay for the structures. The theme this year was "We can be Heroes". A tribute was made to the Code Talkers. Judging can be done at the Canstruction Santa Fe website and the judging ends tomorrow, June 21st. The awards program will be on Monday.

ITEMS FROM THE FLOOR

Daniel Werwath of New Mexico Interfaith Housing said he wanted to talk to the Commission about rental housing and the dire need for affordable rental housing. He said the data shows that they have had a 23% increase in multifamily rents in the last two years and the vacancy rate is now below 2%. He said this is not what he is here to talk about today but it is time, on the City level, to have a plan to address this.

Mr. Werwath said he wanted to talk to the Commission today about the Low-Income Housing Tax Credit program. He explained that the State made some drastic changes to the program in the last year and these changes have made it very hard for Santa Fe to be competitive because they are making a lot of this points-awarded subsidy competition based on how inexpensively you can build housing; and this disadvantages Santa Fe because we have higher building costs than almost anywhere in the State. This means that they have to raise more outside funding to compete for funding.

He said the main sources of funding that the City has to support affordable rental construction would be the Community Development Block Grant funds or the Affordable Housing Trust Funds. The timeline of these things currently is set up so that the application for tax credit funding and the application for City funding happen simultaneously. He said it would be good if the City could look at creating some kind of staggered funding cycle that allows tax credit projects to be able to apply for additional subsidy funds and have them secured by the time that the February application date for tax credit projects comes around. He said this really comes down to the leveraging of funding sources.

Mr. Werwath respectfully requested that the Commission consider – during the public comment period of the Mortgage Finance Authority (MFA) qualified allocation plan for tax credits – writing a letter to MFA highlighting the fact that this type of search for cost efficiency discriminates against the highest cost communities who often have the highest affordability issues. Therefore, there is some inherent inequity in that.

Ms. Ladd noted that she has also heard this from other developers.


Chair Villarreal said she is willing to work with Ms. Ladd on this.

ADJOURNMENT

Its business being completed, Commissioner Hughes moved to adjourn the meeting, second by Commissioner Goblet, the meeting adjourned at 5:00 p.m.

Councilor Renee Villarreal, Chair

Respectively submitted by:


Jo Ann G. Valdez, Stenographer