

Villa Consuelo Senior Living

INTENT TO SUBMIT

Affordable Housing Trust Fund (AHTF) Application

As of February 2, 2018, Santa Fe Civic Housing Authority intends to submit a 2018 application for the Affordable Housing Trust Fund (AHTF) to the city of Santa Fe for the rehabilitation of the Villa Consuelo Senior Living Community.

Sponsor Information

Applicant Name: Santa Fe Civic Housing Authority

Developer Name: Santa Fe Civic Housing Authority

Owner Name: Villa Consuelo SF

Contact person for all entities above is: Ed Romero; 505-988-2859; edromero@sfcha.com

Project Information

Villa Consuelo Senior Center

1200 Camino Consuelo, Santa Fe, NM, 87505

100 Units, Senior Housing

Built in 1978

Applying for a \$75,000 CDBG

Contact person: Ed Romero; 505-988-2859; edromero@sfcha.com

2018-2019 AHTF APPLICATION

General Information

Applicant Name(s): Ed Romero
Address: 664 Alta Vista St
Federal Tax ID #: 81-5365965
City Business Lic#: 18-00067971
NM CRS#: 01-505902-002
City/State/Zip Code: Santa Fe, New Mexico 87505
Telephone: 505-988-2859
Project Contact: Ed Romero
Email Address: edromero@sfcha.com

Amount Requested: \$ 75,000

Type of Applicant:

Partnership Corporation Non-Profit* Other

* Non-profit must provide proof of non-profit status. This proof includes submittal of current registration as charitable organization with the NM Attorney General's Office, covering the most recent Fiscal Year, or proof of exemption. Information can be obtained online at <https://secure.nmag.gov/coros/>. Verification should be in the form of the first page of the "NM Charitable Organization Statement."

Project Name: Villa Consuelo
Project Address (if applicable): 1200 Camino Consuelo
City/State/Zip Code: Santa Fe, NM 87507

Priority Project

Select one of the categories your project falls under:

Rental Vouchers - Provide supported rental vouchers (includes access to counseling, health services, case management, and other services) to renters earning less than 50%AMI;

Emergency Shelters including permanent supported shelter housing - Development, construction, and preservation of shelter/permanent supported rental facilities, including infrastructure improvements;

Provision of Rental Units and Support Services for Low Income (up to 50% AMI) and Extremely Low Income Renters (less than 30% AMI) - Acquisition, conversion, preservation and new construction of tiered income multi-family rental properties; including infrastructure or one-time emergency rental assistance;

Downpayment Assistance/Increase of Ownership Opportunities - Down payment assistance in the form of soft-second mortgage that "buys down" principal amount of loan to lower monthly payment; Acquisition, conversion, preservation and new construction of homeownership housing;

Homeowner Rehabilitation Programs, Energy Efficiency Upgrades, Accessibility Retrofits - Acquisition, conversion, and preservation of affordable housing that accommodates needs of current householders.

Project Description:

Please provide a narrative of your project. Specifically who will be served, anticipated outcomes, etc. (If needed continue on a separate sheet)

(See Narrative Attachment)

2018-2019 AHTF APPLICATION GENERAL NARRATIVE DESCRIPTION OF PROJECT

Project Name: Villa Consuelo

Project Address: 1200 Camino Consuelo, Santa Fe, NM 87507

Villa Consuelo should be selected for a AHTF funds because it will preserve the project's long term affordability and rental assistance contract while creating 100 units of aging-in-place senior housing in Santa Fe. The development team is experienced with complex rehab-in-place projects and has a track record of strong financial support. The project is financially feasible without the benefit of other MFA loans, which will allow MFA to deploy those scarce resources to other projects.

General Characteristics:

The Villa Consuelo project is an existing federally subsidized multi-family development built in 1978. Santa Fe Civic Housing Authority currently owns the project and proposes to transfer the property to the new proposed entity, Villa Consuelo SF, LLC, through a 99-year lease. The project currently has a Section 8 HAP Contract covering 100 units (100% of the total units), which was entered into by SFHCA and HUD in 1978 through the Section 8 New Construction Program. The elderly low-income residents currently pay 30% of the adjusted income towards rent. SFCHA intends to transfer and renew the contract in order to continue to preserve the affordable housing at Villa Consuelo. The elderly low-income residents will continue to qualify for occupancy and will pay no more than 30% of their income.

Villa Consuelo has not received substantial rehabilitation since its construction and placed in service date in 1978, which was 40 years ago. If selected to receive a reservation of 2018 tax credits, the property, which has 100 one-bedroom units for senior households, will receive over \$8 million of rehabilitation including the replacement or improvement to the plumbing and HVAC systems, in addition to the replacement of windows, original floor coverings, original kitchens, and original bathrooms. There will also be a focus on increasing the navigation space in order to allow residents to age in place by standardizing the unit layouts to be configured the same as the ADA units. Exterior and site improvements include new larger covered patios for each unit, replacing the structurally unsound current small patios. The units will maintain a Northern New Mexico style and adhere to the character of the neighborhood. New insulation and roofs, in addition to significant drainage and xeriscape landscape improvements, were done 5-10 years ago and are not part of the scope of work. A HERS rating of at least 75 is targeted and if funds are available, additional energy efficiencies may be achieved. The **cost reasonableness** is comparable to other senior rehabilitation projects undertaken by the development team with similar scopes of work. The development team is committed to renovating the project for long term sustainability. A detailed cost was obtained from the General Contractor, which requested preliminary bids from subcontractors, in order to present a viable and realistic project application. A detailed scope of work is included at A **Phase I**

environmental site assessment report will be obtained prior to closing and construction work. No recognized environmental conditions are anticipated.

There will be a new office building with offices for on-site management and provision of services as well as meeting space. This building will also contain the central laundry. There will be tables and benches located outside the community building plus an outdoor grill. The community building, as well as all units, will incorporate Universal Design. **Services to be provided** on site include bi-monthly health and nutrition education, quarterly blood pressure/health screening, quarterly computer training, bi-monthly social events, and quarterly financial literacy training per the QAP requirements. These enrichment services will be provided on site at no charge to the residents. A service coordinator will also be on-site at least two days per week for a minimum of 10 hours per week. In addition to these services and on-site community space, there is a public use Senior Center owned by SFCHA adjacent to the development. It will be retained by SFCHA outside of the partnership, which allows SFCHA to continue to receive city support for services provided at the center. Per the terms included in the long term lease, the center will be available for exclusive use by the residents of Villa Consuelo up to 12 times per year. The community center has a central community room with commercial kitchen facilities, and a private office/meeting space.

SFCHA will also serve as the developer/sponsor of the proposed Villa Consuelo project and will be the sole member of the proposed managing member of the LLC, which will hold the lease for the land and buildings. Site control is currently held by SFCHA – the sole member of the managing member - through a deed to the property. A lease has been executed to transfer the leasehold interest to the new LLC.

SFCHA and its development team members have a successful track record of development, including recent projects Village in the Bosque, Santa Fe Community Living, Villa Alegre, Campo, Villa Hermosa, and Pasa Tiempo. SFCHA and its partners strive to create affordable housing developments that provide a safe, sustainable, and affordable to the residents while maintaining financial feasibility over the long term. SFCHA provides and coordinates social services at all of the properties. SFCHA also has a related party property management firm that manages the affordable housing portfolio. Pavilion Construction has worked with SFCHA on many of the rehab projects and understands the delicate balance of renovating apartments around the senior residents. Nationally, Pavilion has completed 74 projects with total contract value of nearly \$333 million. SFCHA and development partners have sought to bring each project to completion on time and on budget, but as previous projects have been complex rehabilitation projects, there have been unforeseen delays and budget overages. In each instance, SFCHA has structured or re-structured the financing plan to solve the problems, often lending the project subordinate deferred payment cash flow only loans in order to create a top quality affordable housing development.

Market conditions/Readiness/Site Suitability: With the AHTF funds **the project is ready to proceed**, as no land use approvals are needed from the City. The site is suitable for development, as it has been

an operating property for 40 years. It has no development issues. **SFCHA currently has a 2 year waiting list for senior affordable housing**, which shows that there is a **significant need within the City of Santa Fe** to preserve this housing. There are three developments nearby, two family and one senior development. Villa Consuelo operates at 2% vacancy and has not been impacted by the proximity of the other developments. Villa Consuelo is **located near a central commercial corridor**, Cerrillos Road, which contains many service and transit amenities including a dental office, Wal-mart, Walgreens, several banks and restaurants, and Home Depot.

Financing: Villa Consuelo is requesting \$75,000.

1. Funding:

How will the AHTF allocation be used for this project? What additional funding sources are secured or will be secured upon receipt of allocation? The City of Santa Fe requires financing from other sources to be committed prior to the release of funds from the AHTF.

The AHTF allocation will be used in conjunction with other funding sources to rehabilitate the 100 units of aging-in-place senior housing at 1200 Camino Consuelo. Deferred cash flow only lease payment, and deferred developer fee are secured and will be leveraged for this project. Villa Consuelo is a federally subsidized multi-family development built in 1978 and has not received substantial rehabilitation since its construction.

Leveraging/Matching Requirement:

\$3 to \$1 Leveraging: for every \$1 allocated through the AHTF, at least \$3 from other sources will be expected (leveraged funds can include long term mortgages, other sources of grants, owner equity, proceeds from Low Income Housing Tax Credits, or the current value of land); organizational resources should be used to provide \$1 of match (See Exhibit A for example) Briefly Describe:

The amount to be leveraged for this project is \$3,181,559. The two sources to be leveraged are:

- 1) Deferred cash flow only lease payment (seller carryback) - \$3,000,000**
- 2) Deferred developer fee - \$ 181,559**

The HTF leverage percentage is at 99.5%

(see attached leverage worksheet, Schedule D & A)

Project Budget and/or Development Pro-Forma: demonstrate use of leveraged and matching funds as well as evidence that operating budget is sufficient to administer the proposed program/project (please attach documents as well as give brief overview below):

The amount to be leveraged for this project is \$3,181,559. The two sources to be leveraged are:

- 3) Deferred cash flow only lease payment (seller carryback) - \$3,000,000**
- 4) Deferred developer fee - \$ 181,559**

The HTF leverage percentage is at 99.5%

(see attached leverage worksheet, Schedule D & A)

**2018 MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE A: DEVELOPMENT COST BUDGET**

Project Name: Villa Consuelo

Date: 2/1/2018

Total Units: 100

Low Income Units: 100

*Round figures to nearest dollar

	TOTAL ACTUAL COST	COMMERCIAL	RESIDENTIAL	FEDERAL HTC REQUESTS ONLY	
				ACQUISITION BASIS	REHAB/NEW CONSTRUCTION BASIS
PERMANENT FINANCING COSTS					
Bond Premium	-				
Credit Report	-				
Origination\Discount Points	30,000		30,000		
Credit Enhancement					
Title and Recording	25,000		25,000		
Legal	20,000		20,000		
Costs of Bond Issuance					
Pre-Paid MIP					
Reserves and Escrows					
Other (e)	-				
SUBTOTAL	75,000	-	75,000		
SOFT COSTS					
Market Study	8,500		8,500		128,530
Enviromental	6,000		6,000		128,530
Tax Credit Fees	86,750		86,750		
Appraisal	6,000		6,000		128,530
Hard Relocation Costs	75,000		75,000		
Accounting/Cost Certification	25,000		25,000		
Other (f)	105,000		105,000		128,530
SUBTOTAL	312,250	-	312,250	-	514,120
SYNDICATION					
Organization					
Bridge Loan	-		-		
Tax Opinion					
Other (g)	-				
SUBTOTAL	-	-	-		
TDC before Dev. Fees & reserves	14,791,401	-	14,791,401	4,575,000	9,835,771
RESERVES					
Rent Up					
Operating	338,881		338,881		
Replacement					
Escrows/Working Capital					
Other (h)					
SUBTOTAL	338,881	-	338,881		
DEVELOPER FEES					
Developer Fee	1,384,796.19		1,384,796	448,472	936,325
Consultant Fee					
Education Consultant					
SUBTOTAL	1,384,796	-	1,384,796	448,472	936,325
Total Development Cost (TDC)	16,515,078	-	16,515,078	5,023,472	10,772,096

Leveraging Resources Worksheet

Total development cost	\$ 16,515,079
Amount or value and description of leverage	
Deferred cash flow only lease payment (Seller carryback)	3,000,000
Deferred Developer Fee	181,559
City of Santa Fe HTF grant	75,000
	-
	-
SFCHA Contribution/total development cost	3,181,559
HTF leverage percentage	99.5%
<p>The amount or value of the resource must be listed as a source on Schedule A-1 and, when not a cash contribution, as a cost on Schedule A. Total development cost must be as listed on Schedule A.</p>	

2. Need/Benefit & Project Feasibility:

Demonstrate, using data-based analysis, that there is a clear connection between the proposed project/program and adopted Priority(s), and evidence that the proposed project/program meets current and future market demands. Provide narrative below
(use additional sheets as necessary):

There is a shortage of Senior Housing developments in the City of Santa Fe. Waiting lists for housing have year long waits and will remain that way until further housing developments are established. The site is suitable for development, as it has been an operating property for 40 years. It has no development issues. SFCHA currently has a 2 year waiting list for senior affordable housing, which shows that there is a significant need within the City of Santa Fe to preserve this housing. There are three developments nearby, two family and one senior development. Villa Consuelo operates at 2% vacancy and has not been impacted by the proximity of the other developments. Villa Consuelo is located near a central commercial corridor, Cerrillos Road, which contains many service and transit amenities including a dental office, Wal-mart, Walgreens, several banks and restaurants, and Home Depot.

What is the timeline for the project?

The estimated time to complete the rehabilitation project is one (1) year.

Site Information (if applicable)

If your proposed project include acquisition, conversion, preservation and new construction of homeownership or rental housing, please provide the following information.

Site control is or will be in the form of*: Deed Option

Lease (Term 99 Years) Purchase Contract Other (explain)

* If project is recommended for funding, proof of site control must be provided before funds are disbursed.

Expiration Date of Contract, Option, or Lease 12/2116
(month/year)

Site Description:

Area of Site: 4.1 acres or 178,596 square feet

Is site zoned for your development? Yes No Zoning__R29__

If no, is site currently in the process of re-zoning?

Yes No Re-Zoning_____

When is zoning issue to be resolved? _____ (month/year)

Has the City approved the site plan and/or plat? Yes No

If yes, provide a copy of the site plan/plat.

Are there any other development reviews and approvals required? Yes No

If yes, explain:

List any required reports or studies underway or completed such as soils report, environmental assessment, traffic study)

Lead Paint, Radon, & Asbestos

Has the City issued the building permit? Yes No

Are all utilities presently available to the site? Yes No

If no, which utilities need to be brought to the site?

Who has responsibility of bringing utilities to site? _____

Describe briefly how the project will meet the City of Santa Fe's green code, what the anticipated HERS will be for newly constructed/renovated dwellings and/or how other green building criteria will be met. If relevant, describe how the project is consistent with other priorities such as access to opportunity and employment areas, transportation routes, walkability, redevelopment and infill.

The dwellings will be rehabilitated with compliance to the Green Building Practices. High-efficiency lighting, Energy Star compliant appliances, HVAC insulation, and Radon control. A HERS rating of at most 75, additional energy efficiencies may be achieved. There will also be a focus on increasing the navigation space in order to allow residents to age in place by standardizing the unit layouts to be configured the same as the ADA units. Villa Consuelo is centrally located with entertainment, public transportation, grocery, and shopping. The central location allows tenants to have easy access to whatever resource they may need. This makes Villa Consuelo an attractive residence that people would be happy to live in. There will be no shortage of potential tenants.

3. Affordability:

Outline the affordability time period for this project based on the following: (i.e. loans to \$14,999 – 5 years, \$15,000 to \$40,000 – 10 years, 40,001-\$ 100,000 – 15 years and over \$100,000 – 20 years). Describe any efforts to deepen affordability so that the project can serve a wider diversity of income earners.

Rent for these housing units will be affordable at 30% of adjusted gross income.

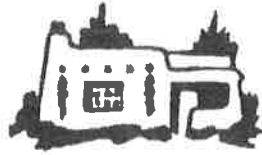
4. Demonstrated Capability/Organizational Capacity/Partnerships & Collaboration

Describe the expertise of your organization and past projects to provide the type of housing or programs proposed for funding. Also, include any partnerships and/or collaboration with other organizations that will expand and deepen access to the housing/services offered through the project:

Our agency has implemented many quality programs to promote economic development throughout the City of Santa Fe. The programs provided include: Rental Housing Subsidy Programs, Supportive Services Division (SSD), Family Self-Sufficiency Program, and Individual Development Accounts (IDA) Program. (See Attached Resume)

Describe your staffing and attach resumes of key personnel:

The staff has an extensive background in project development and program administration that target low income individuals. Mr. Ed Romero, Executive Director, and Mr. David Martinez, Deputy Director, are visionary leaders interested in providing opportunities for all communities in the Santa Fe Civic Housing's area of operations. (See Attached Resume)



Santa Fe Civic Housing Authority

Resume and Business Profile 2018

The Santa Fe Civic Housing Authority was created in 1961 as an autonomous Agency to build and operate housing for the low to moderate income families in the City of Santa Fe. In 1988, our Agency became a non-profit entity. Today, we operate programs throughout northern New Mexico.

The Mission of the Santa Fe Civic Housing Authority is to improve the living environment of low to moderate income families we serve by creating and sustaining safe, decent and affordable housing that fosters stability and increased self-sufficiency. Our Agency promotes personal, economic and social upward mobility by providing individuals and families the opportunity to make the transition from subsidized to non-subsidized housing. Our mission emphasizes the efficient and successful management of our resources in today's time of transition. Over the past twenty years, our Agency has collaborated with local non-profit agencies to make significant progress toward this mission.

Our vision is to develop a TEAM initiative aimed at continued growth and improvement of the Santa Fe Civic Housing Authority (SFCHA) for the purpose of optimizing all possible resources toward completion of our Mission. The SFCHA must become more entrepreneurial as it moves in this direction. We aim to have an entrepreneurial-ship position as we explore ways to balance our responsibilities as a public agency with flexibility and willingness to take risks that successful entrepreneurial organizations take. Changes in the organization will continue to be required in order to achieve our vision.

Our values, as stewards of the public trust, dictate that we must pursue our mission and responsibilities of service, teamwork, and respect. We aspire to achieve the values of excellence, collaboration, innovation and appreciation.

Expertise in our staff has extensive experience in project development and program administration that target low-income individuals. **Mr. Ed Romero, Executive Director**, is a visionary leader and is interested in providing opportunities for all communities in the Santa Fe Civic Housing's area of operation which serves much of northern New Mexico in Santa Fe County, Rio Arriba County, San Miguel County, and Los Alamos County. Quality programs have been put into place that promotes economic development opportunities.

Programs Provided:

Our Agency manages the following **Rental Housing Subsidy Programs**: Public Housing, Housing Choice Rental Subsidy Vouchers, and Mainstream Vouchers which provide rental assistance to qualified disabled applicants. We also administer a TBRA Program, Tenant Based Rental Assistance which provides utility and deposit assistance.

The Santa Fe Civic Housing Authority takes pride in its collaborated efforts with community leaders, service providers, faith-based agencies, and non-profit organizations by providing services beyond rental housing assistance. Our Agency's **Supportive Services Division (SSD)** works extensively with community leaders and local agencies to provide referral services and coordinate other public and private resources to assist participating families we serve to achieve self-sufficiency and independence.

One of our strongest initiatives is our **Family Self-Sufficiency Program**. Our Agency has had a Family Self-Sufficiency program since 1997. The program is designed to help assisted families gain strengths to become economically self-sufficient by obtaining job training, education, life skills, money management and homeownership education/counseling, which, in turn, would assist them with becoming employed or getting a higher paying job and eventually becoming free of public assistance.

In October 2006, our Agency established an **Individual Development Accounts (IDA) Program** as a member of the NM Community Action Consortia. The program targets low-income families and gives them incentives to multiply savings 4X1 and potentially achieve long-term financial stability.

Services for our Seniors:

Our Agency has Senior Centers at every one of our elderly housing sites. The City of Santa Fe provides elderly services at these sites to the community at large. The City's Division of Senior Services and our Agency collaborate to provide support services and activities to enhance quality of life and aging in place.

Investing in our Neighborhoods:

The Santa Fe Civic Housing Authority continues to diversify by investing in rental properties and providing affordable housing and meeting a critical need in the city of Santa Fe.

Cielo Azul

Cielo Azul was a community-wide collaborative project acquired and remodeled to allow existing senior residents to remain in their homes. This project was acquired from the Church of the Holy Faith and in doing so allowed their residents to avoid financial hardship or displacement due to the high cost of living. This project sits in a desirable neighborhood close to the downtown district. There are 16 duplex units now occupied by residents that pay approximately 30% of their income toward their housing expense. There were several non-profit agencies that worked with the Authority to make this a successful community venture.

Triangle District Project (Villa Esperanza)

The Triangle District Project (Villa Esperanza) is an on-going community project for neighborhoods bound by Cerrillos Road, St. Francis Drive and St. Michaels Drive. SFCHA partnered with the "Triangle Group", made up of professionals who came together and conducted a study of the triangle area focusing on neighborhood revitalization. The Triangle District is the poorest neighborhood in the city of Santa Fe with 91% of area residents falling within the low or moderate-income category. This neighborhood is distinct in character and home to a mix of people that reflects the native Santa Fe. There is a higher concentration of younger residents in this neighborhood than in the rest of the city though there are many elderly residents who have lived in the District their entire adult lives. The Villa Esperanza Project is comprised of multiple initiatives designed to bring together a strong unified community. The need for a Resource Center, proven an effective tool in the revitalization process in other cities, has made SFCHA a key player in the project. SFCHA is investing in the project with a Community Center in the Hopewell-Mann neighborhood. The Community Center will place an increased value on education as it increases quality of life for Santa Fe residents. Educational and workforce development programs will be well coordinated, providing services that will meet the needs of the city's business sector.

Villa Alegre Family, Villa Alegre Senior, Camp Alegria, and Camino Del Campo Phase IV

Continuing the success and the much needed revitalization of our growing communities in New Mexico, our Agency continues to work toward the development of projects that will provide affordable housing throughout northern New Mexico. Our recent success is the redevelopment of a three phase project. Villa Alegre (Family), a 60 unit multi-family housing mixed income development, and Villa Alegre Senior Apartments, 51 unit affordable senior development, Campo Apartments, a 29 unit affordable senior and near elderly development, and Camino Del Campo Phase IV, a 10 unit market rate complex for the elderly, all of which are fully occupied.

Village in the Bosque

Village in the Bosque (VITB) is located in Bernalillo, NM and is in the “lease up” process after spending the 2015 year under construction. This project started out with 76 multi-family units, 52 of which were discovered to be in the FEMA Flood Plain and had to be demolished. The end result was the rehabilitation of 24 units and the construction of 74 new units ranging from one to four bedrooms as well as a 20 unit village designated for seniors. This multi-family mixed income development received new infrastructure and landscaping as well as rooftop photovoltaic panels.

Santa Fe Community Living

This tax credit project was a five site 120 unit renovation done through the Rental Assistance Demonstration program. These sites are: Agua Fria (6 units), Cerro Gordo 25 units), Gallegos Lane (25 units), Hopewell/Mann (40 units), Senda Lane (24 units). Agua Fria and Senda Lane were built in 1991 so they needed the least amount of repair and updating yet these two sites were outfitted with new flooring, cabinets, water heaters, appliances and LED lighting. Hopewell/Mann, Gallegos Lane and Cerro Gordo were gut rehabs that received new insulation, windows, doors, appliances, flooring, stucco and site amenities such as exterior LED lighting, parking lots and sidewalks. These three sites have photovoltaic panels on the rooftops to use solar energy for heating, air conditioning, hot water and lighting. This project is in the final stage of lease-up and currently at 97% capacity.

Financial Management

Our Agency’s Financial Audits have not reflected any significant audit findings over the last five years, and our Agency is in full compliance with state and federal requirements. Additionally, our financial statements reflect sound financial standing. There isn’t any identity of interest relationship associated with the development of this project.

Board of Commissioners:

Chairperson Michael Gonzales
Commissioner Lynne Canning
Commissioner Gerard Gonzales
Commissioner John Wheeler
Tenant Commissioner Therese Abeyta

Senior Staff:

Ed Romero, Executive Director
David Martinez, Deputy Director
Anna Chavez, Administrative Services Supervisor
Sonya Carrillo, Housing Programs Director

Mayor:

Javier Gonzales
Mayor, City of Santa Fe
200 Lincoln Avenue, PO Box 909
Santa Fe, NM 87504-0909

Legal Counsel:

Carla Skeen, Attorney at Law

For more information about the Santa Fe Civic Housing Authority, contact our office.

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