



Agenda

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COMMUNITY DEVELOPMENT COMMISSION MEETING

Wednesday, May 16, 2018

3:30 p.m. – 5 p.m.

500 Market Street; Caboose Room

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: April 18, 2018
5. Discussion and Approval of the City's Draft 2018-2023 Consolidated Plan and Draft 2018 HUD Annual Action Plan for the First Program Year (Jacqueline Beam)
 - a. Report on Citizen Participation Plan for ConPlan (Jacqueline Beam)
6. Report from CDC Working Group (Alexandra Ladd, Jennifer Billig, Jacqueline Beam)
7. Items from the Commission
8. Items from the Floor
9. 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
April 18, 2018

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

April 18, 2018

A meeting of the City of Santa Fe Community Development Commission was called to order by Councilor Renee Villarreal, Chair on this date at 4:00 p.m. at the Genoveva Chavez Community Center, Community Room, Santa Fe, New Mexico.

Members Present:

Councilor Renee Villarreal, Chair
Paul Goblet
Ken Hughes
Carla Lopez
Willie Marquez
John Padilla

Members Absent:

Olivia Moreno-Carlson

Staff Present:

Jacqueline Beam, Planner
Alexandra Ladd, Director, Office of Affordable Housing

Others Present:

Mollie Fitzpatrick, BBC Research & Consulting
Councilor Jo Anne Vigil-Coppler
Joseph Montoya, County of SF, Executive Director, County Housing Authority
Zack Thomas, SF Community Housing Trust
Jo Ann G. Valdez, Stenographer

APPROVAL OF AGENDA

The Agenda was amended to add Approval of the Minutes of the January 17, 2018 CDC meeting.

MOTION: A motion was made by Commissioner Hughes, seconded by Commissioner Marquez to approve the agenda as amended.

VOTE: The motion passed unanimously by voice vote.

APPROVAL OF MINUTES: January 17, 2018 CDC meeting

MOTION: A motion was made by Commissioner Lopez, seconded by Commissioner Marquez to approve the Minutes of the January 17, 2018 CDC meeting.

VOTE: The motion passed unanimously by voice vote.

APPROVAL OF MINUTES: February 13, 2018 CDC meeting

MOTION: A motion was made by Commissioner Goblet, seconded by Commissioner Marquez to approve the Minutes of the February 13, 2018 CDC meeting.

VOTE: The motion passed unanimously by voice vote.

**DISCUSSION AND APPROVAL OF THE CITY'S DRAFT 2018-2023
CONSOLIDATED PLAN AND DRAFT 2018 HUD ANNUAL ACTION PLAN FOR
THE FIRST PROGRAM YEAR (Jacqueline Beam)**

Ms. Ladd said this is the first draft of the Plan and the agenda item probably should have been for discussion only. She explained that staff will gather some public input tonight on the 2018-2023 Consolidated Plan and then it will go to the Finance Committee. In the meantime, staff will also get more input from the stakeholder organizations and include the data into the Plan. Staff would like the Commission to have a meeting in the month of May so that they can bring back the final Plan for approval at that time.

Chair Villarreal asked if the agenda should be adjusted to reflect this.

Ms. Ladd said she thinks they probably should.

Chair Villarreal asked what the timeline is in terms of staff getting approval.

Ms. Ladd said the Plan is due 60 days after the City finds out what the allocation will be but they do not know what the City's allocation is yet. However, there will be a final public hearing on May 30th.

Chair Villarreal said so, that means we should call this a discussion.

Ms. Ladd said yes, because this is not a final copy.

Chair Villarreal said approval of the final draft of the Consolidated Plan can be made at the May 16th CDC meeting. The Commission will also have input from the other committees by then.

Commissioner Lopez asked if the Commission needs to amend the agenda.

Commissioner Hughes said no, because it says “Discussion and Approval” and the Commission does not have to approve it today.

a. Report on CDBG Funding Allocations from 2013-2017 (Jacqueline Beam)

Ms. Ladd said this is to let the Commission know that staff mapped out the investments for CDBG (5 years) and Affordable Housing Trust Fund (10 years). The maps were available for review.

Chair Villarreal asked if the charts show the neighborhoods that were affected or where the organizations were located.

Ms. Ladd said it shows where the actual investments were made.

Ms. Beam said it shows the home improvements from CDBG and the down payment assistance from CDBG for the past five years, and the Affordable Housing Trust Fund for the past 10 years. It also shows the public services facilities for the last five years.

Questions:

Commissioner Padilla said coming out of the CDC February meeting, where the Commission distributed funds, they were not sure what the final numbers would be. He asked if they have the final number.

Ms. Ladd said no, they are moving forward with the contingency language that basically says that they will distribute the funds proportionally across all the funded activities, if the City gets more than projected. If they get less, they will reduce it.

b. Citizen Participation Plan (Jacqueline Beam)

[Copies of the *City of Santa Fe 2018-2022 Consolidated Plan Citizen Participation Plan Timeline* were distributed. A copy is hereby incorporated to these Minutes as Exhibit “5b”.]

Ms. Beam said this is HUD’s timeline - that they require the City to use in order to ensure that the City is informing the citizens about the Plan and giving them an opportunity to give feedback.

Ms. Beam reviewed the timeline for the Consolidated Plan. Please see “*Exhibit 5b*” for the specifics.

Ms. Beam noted that the meeting notification and fliers were emailed to the CDC Members; a press release was published by the City on April 11th and fliers were printed in Spanish and English and distributed to:

- City Hall (2 locations)
- Fort Marcy
- Main Library (2 locations)
- Senior Center
- Southside Library
- GCCC
- Llano Library
- Santa Fe Civic Housing Authority
- Homewise
- Housing Trust

Ms. Beam said staff will be gathering the input from the public and then this draft, we will call it “Draft 1” will be available for public review tomorrow. The Request to Publish to City Council will be done on April 25th and a public notice of the Plan will be published in *The New Mexican* and *The Albuquerque Journal* on April 30th. May 29th will be the end of the public review period and there will be a public hearing on the 2018-2022 Consolidated Plan at City Hall on May 30th at 7:00 p.m. She explained the Amendment Process. She said if there is a “substantial amendment” to the Consolidated Plan or Action Plan, this process will need to be repeated.

Chair Villarreal asked what would be considered a “substantial amendment”.

Ms. Ladd said any change in activities as represented in an Annual Action Plan that has already been approved by HUD for called and/or re-programmed funds over \$30,000. These changes require a formal citizen participation process as noted in the **Public Notice** table above; and any addition of activities that are not part of an Annual Action Plan as already approved by HUD, preceded by the formal citizen participation process as noted in the Public Notice table.

Chair Villarreal asked if there were any questions on the Timeline. She asked staff who is on the stakeholders’ list.

Ms. Beam said it is all of the organizations that have been funded in the past or who are currently being funded. Also, the working group community members, as well as the CDC Members, and any of the people that have shown interest in the past, such as the County, are on this list.

Commissioner Padilla mentioned that he asked Ms. Beam if he could forward the names of the members of the Local Chapter of the American Institute of Architects, and it did go out. He said it was distributed to 133 individuals, both architects, associate members and allied members. He noted that a lot of his colleagues are involved with tax-credit housing projects.

Ms. Beam said the chambers were included and the email lists from the City and

County meetings.

Commissioner Lopez asked if all the chambers were included, to include the Green Chamber and the Hispanic Chamber.

Ms. Beam said she did not know this at the top of her head but she will check.

Commissioner Lopez asked her if the Homebuilders' Association was included.

Ms. Beam said yes.

Commissioner Marquez asked if this included the realtors too.

Ms. Ladd said yes, they were part of the City and County email lists.

c. Housing Data Update (BBC Associates)

Ms. Ladd noted that the City worked with BBC Associates on the Housing Data project.

Ms. Ladd introduced Mollie Fitzpatrick of BBC Associates.

Ms. Fitzpatrick said the Commission probably has seen a lot of these data points because the City has done several housing studies but she will be giving a quick refresher and give some updates from the 2016 data as well, which is the most recent data that they can get from community surveys and census data.

Ms. Fitzpatrick said in general, the populations are pretty steady in terms of race and ethnicity. In 2016, there was a slight increase in the Hispanic population, but this is mainly due to the annexation that was done.

Chair Villarreal asked what the percentages are.

Ms. Fitzpatrick said for 2016, 54% is the Hispanic population; 42% were Non-Hispanic/White; and the other 5% are residents identifying themselves as a racial or ethnic minority.

She referred to the age distribution for 2016 noting that approximately 20% are children; 20% are millennials (18-34 years of age); approximately 40% are middle age (35-64 years of age) and about 21% are seniors, up a little from 2014 and 2010.

Ms. Fitzpatrick noted that Santa Fe has a stable homeownership rate (at 61%) and there has not been much change in the homeownership rate.

She gave an overview of the data for home prices and incomes. Home prices in 2016, seem to have gone up and there was a little boost in home sales, particularly in the

single-family detached homes. There was also a little bump in rents and renter income have gone up since 2010.

Santa Fe's housing market was in recovery mode for many years after the housing market downturn. Recent trends show rising rents and home prices. For most residents, these increases have been manageable, as their incomes have also increased and buyers have benefited from historically low interest rates. Yet the rise in poverty-level residents, most of whom are renters, has led to a shortage of affordable rentals: 2,435 units priced below \$625 per month. There were 4,626 renters who earn less than \$25,000 in 2016.

Ms. Fitzpatrick said in the gap analysis, they compare the demand for and supply of housing by income level (distribution of incomes of the renters) that are currently living in Santa Fe, how much they can afford for rent; and how many rental units exist in that price range. She noted that the shortage in units in this gap point in 2011 was about 3,000, down to 2400 in 2014 and there was a little bump in 2016 but not as high as in the 2011 gap point.

Ms. Fitzpatrick reported on the disproportionate impact of the housing burdens noting that Hispanic households are slightly more likely than non-Hispanic white households to have housing problems. African American households are the most likely to experience severe cost burden (spending about 50% of their income for housing). Large family households are the most likely household type to experience any of the four housing problems (likely due to a higher propensity to be overcrowded). Non-family households are the most likely to be severely cost burdened.

Ms. Fitzpatrick referred to the Housing Needs table noting that it is from the Affordable Housing Study that was done in 2016. She said it quantifies the existing housing needs, the specific household types that may be facing challenges, but it also projects this five years forward.

She reviewed the Identified Challenges listed in the Affordable Housing Plan as follows:

Rental Gap: Despite rising incomes for some renters, there is a shortage of 2,600 rental units priced below \$625 per month (compares to gap of 3,000 in 2011 and in 2014). The greatest need is for units priced between \$375 and \$500 a month.

Density and affordability: The amount of land that is zoned at densities to support affordable development is inadequate. 16% of residential zoning can support affordable homeownership; of only 5% can support affordable multi-family zoning.

Housing condition: Over 400 homes are in substandard condition (incomplete kitchen/plumbing facilities) and are in probable need of rehabilitation.

Ms. Fitzpatrick reviewed the Identified Challenges listed in the Fair Housing Plan as follows:

Housing issues disproportionately impact protected classes:

- Lack of affordable housing located throughout Santa Fe.

- Difficulty using Housing Choice Vouchers in high opportunity areas.
- Challenges with housing condition.
- Rising rents causing disproportionate housing needs.
- Lack of affordable, accessible housing for persons with disabilities.

Access to Opportunity issues:

- Challenges accessing high performing schools.
- Lack of lack of well-paying, stable, full time jobs limits economic opportunity.

Ms. Fitzpatrick asked if there were any questions and there were none.

Ms. Ladd asked Ms. Fitzpatrick to send out this summary to the Commissioners.

Ms. Fitzpatrick agreed.

Commissioner Padilla said it is pretty clear that we are experiencing problems with the gap in rentals. He asked Ms. Fitzpatrick if there was anything that stood out that would be unique to Santa Fe.

Ms. Fitzpatrick said all communities have some type of rental gap - that is a really hard market to serve - but she thinks it is really impressive that the gap is going down.

Commissioner Hughes asked if the 64% owner/rental ratio is typical.

Ms. Fitzpatrick said yes, the 64% is pretty typical. They also do not know for sure the proportion of renters who would like to own.

Thomas Zack mentioned that the data that they are encountering and the numbers they use to make their numbers work, show that rents are going up. He noted that Santa Fe has been named one of the tightest markets in the country and any alleviation they are seeing is probably coming from people leaving. He said there are no multi-family homes in Santa Fe and development is not meeting the demand.

Commissioner Marquez asked if it could be that people are going to the County and working in Santa Fe but driving to Rio Rancho. He asked if there was any affect, as far as that is concerned.

Mr. Zack said he did not have that data but there is a lot of long distance commuting going on.

Chair Villarreal asked Joseph Montoya to answer the question.

Mr. Montoya said the vacancy rate is one of the indicators for rental needs and they estimate that over 64% of the population that works in Santa Fe do not live in Santa Fe.

However, they do not have the breakdown of whether they are renters or homeowners.

Commissioner Goblet said there is no land for development.

Commissioner Lopez said there is also no water.

d. Highlights of the Draft Plan (City Staff and BCC)

Ms. Ladd suggested that the Commission devote the next meeting to discuss the highlights of the Draft Plan. The Commissioners were asked to send in their comments on the Consolidated Plan to staff.

PRESENTATION OF CITY/COUNTY PRODUCTION STRATEGY FOR MULTIFAMILY HOUSING (Alexandria Ladd and Joseph Montoya, County of Santa Fe)

[A handout on the *City/County Working Group Rental Housing Strategy for Santa Fe and Santa Fe County "Exhibit 6"* were distributed and reviewed.]

Mr. Montoya explained that City and County staff have been working on the issue of rental housing and collectively, they have been able to bring in the Chamber of Commerce, the Homebuilder's Association, the Renter's Association, the Home Building Council and non-profit organizations who are currently working on rental housing through the Housing Trust and other individuals involved in this particular area. They discussed ideas on how to come up with affordable rental housing.

The Working Group's goal is to have 5,000 rental units available to families and individuals earning 100% of Area Median Income (AMI) or less within five years. The desired outcomes are to "*apply approximately \$1 billion in capital funding to make 350 acres throughout the metro area developable and/or incentivized for infill with all necessary infrastructures, entitlements, incentives and appropriate pricing subsidies*".

Mr. Montoya reviewed the handout. Please see Exhibit "6" for the specifics of this presentation.

Mr. Montoya said they will be presenting this to the Board of County Housing Authority, which includes members of the Board of County Commissioners next Tuesday at 1:00 p.m. at the County Legal Conference Room, 2nd Floor.

Commissioner Lopez asked what happens after it is presented to the County.

Mr. Montoya said they plan to have a retreat to identify issue that they want to tackle.

Commissioner Padilla asked if this will be presented to the Governing Body.

Mr. Montoya said yes.

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

ITEMS FROM THE COMMISSION

Commissioner Lopez noted that she would not be at the next CDC meeting.

Chair Villarreal acknowledged Councilor Jo Anne Vigil-Coppler and thanked her for attending the meeting.

ITEMS FROM THE FLOOR

There were no items from the floor.

ADJOURNMENT

Its business being completed, Commissioner Padilla moved to adjourn the meeting, second by Commissioner Goblet, the meeting adjourned at 5:30 p.m.

Councilor Renee Villarreal, Chair

Respectively submitted by:


Jo Ann G. Valdez, Stenographer