COMMUNITY DEVELOPMENT COMMISSION MEETING

Wednesday, February 20, 2019
8:30 a.m. – 4:30 p.m.
500 Market Street; Roundhouse Conference Room

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: November 28, 2018
5. Affordable Housing Trust Fund (AHTF) and Community Development Block Grant (CDBG)
   2019 Funding Proposals (Jacqueline Beam)
   a. Applicant Presentations: 9:00 am
   b. Adjourn for Lunch: 12:00 pm
   c. Call to Order: 1:00 pm
   d. Applicant Presentations: until completed
6. Commission Discussion with staff analysis for 2019-2020 Program Year and Commission’s
   funding allocation recommendations (Jacqueline Beam).
7. Items from the Commission
8. Items from the Floor
9. Adjournment

PERSONS WITH DISABILITIES IN NEED OF ACCOMMODATIONS, CONTACT THE CITY
CLERK’S OFFICE AT 955-6520, FIVE (5) WORKING DAYS PRIOR TO MEETING DATE.

RECEIVED AT THE CITY CLERK’S OFFICE
DATE: February 13, 2019
TIME: 10:03 AM
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CITY OF SANTA FE
COMMUNITY DEVELOPMENT COMMISSION
MEETING
November 28, 2018

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ROLL CALL Quorum 1

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APPROVAL OF MINUTES: September 19, 2018 Approved 2

REQUEST FOR EXCEPTION TO RENTAL PROHIBITION
   a. Request approval to rent home located at 103 Catron Street, Unit 22 for 12-month timeframe on basis of extenuating circumstances – Isaac Lucero, HOP Homeowner at El Corazon Condo Community
      Approved [with staff's recommendations] 2-5

REQUEST APPROVAL OF UPDATED CDBG POLICIES AND PROCEDURES (Jacqueline Beam, Planner, Office of Affordable Housing)
   a. Program Income
   b. Section 3
   c. Monitoring Approved 5-7

DISCUSSION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND AFFORDABLE HOUSING TRUST FUND (AHTF) 2019-2020 FUNDING (Jacqueline Beam, Planner, Office of Affordable Housing, Alexandra Ladd, Director of Affordable Housing)
   a. Review of Funding History
   b. Priorities for 2019-2020 Program Year
   c. Recommended Changes for Request for Proposals (RFP) Scoring Criteria 7-9

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ADJOURNMENT Adjourned at 4:30 p.m. 9

Community Development Commission
Meeting: November 28, 2018
MINUTES OF THE
CITY OF SANTA FE
COMMUNITY DEVELOPMENT COMMISSION MEETING
Santa Fe, New Mexico

November 28, 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 3:30 p.m. at the Market Station Offices, 500 Market Street, Roundhouse Conference Room, Santa Fe, New Mexico.

Members Present:
Councilor Renee Villarreal, Chair
Paul Goblet
Ken Hughes
John Padilla

Members Absent:
Carla Lopez, excused
Willie Marquez, excused
1 vacancy

Staff Present:
Jacqueline Beam, Planner, Office of Affordable Housing
Alexandra Ladd, Director, Office of Affordable Housing

Others Present:
Isaac E. Lucero, Affordable Housing Program recipient under the City of Santa Fe’s “HOP” Lien Program

APPROVAL OF AGENDA

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

VOTE: The motion passed unanimously by voice vote.
APPROVAL OF MINUTES: September 19, 2018 meeting

MOTION: A motion was made by Commissioner Padilla, seconded by Commissioner Goblet to approve the Minutes of the September 19, 2018 CDC meeting as submitted.

VOTE: The motion passed unanimously by voice vote.

REQUEST FOR EXCEPTION TO RENTAL PROHIBITION
  a. Request approval to rent home located at 103 Catron Street, Unit 22 for 12-month timeframe on basis of extenuating circumstances – Isaac Lucero, HOP Homeowner at El Corazon Condo Community

(Copies of Memo dated November 21, 2018 from Alexandra Ladd, Director, Office of Affordable Housing to the Community Development Commission regarding HOP Homeowner Request to Rent Home were distributed in the Commissioners' packets. A copy is hereby incorporated to these Minutes as Exhibit ‘5a’.)

Ms. Ladd said her cover memo sums up what staff’s recommendations are. They are as follows:

ACTION REQUESTED
Consider request from Isaac Lucero, HOP Homeowner, to rent home located at 103 Catron Street, Unit 22 for a duration not to exceed 12-months.

BACKGROUND
Mr. Lucero purchased a home through the Housing Opportunity Program (HOP) in 2006. The subsidized price at the time he purchased the unit was $69,706 (sales price adjusted to accommodate HOA dues) and a lien amount of $290,294 was placed to secure the affordability of his home. Mr. Lucero rented his home in 2014/15 so that he could travel internationally. While he initiated a request to the City for approval, there is no record of the Community Development commission granting the exception for the initial rental period.

ITEM AND ISSUE:
The Santa Fe Homes Program (SFHP) ordinance allows for an exception to the rental prohibition as approved by the Office of Affordable Housing. Staff believes that this section is applicable in this situation, given that the HOP Ordinance is no longer the governing legislation. Staff also recommends that approval of this request is conditioned with the following:
  1. 12-month rental period (with a requirement that the homeowner (Isaac Lucero) contact the City within 30 days of the end of the term to certify that he is either in residence at the home or the home is vacant);
  2. The rent the homeowner charges cannot exceed the affordable housing program’s
required rents. For the unit (1 BR) to be affordable to a renter earning 65% of the area median income (the income under which the homeowner originally qualified for the program) the maximum allowable rent is $800, rounded (plus utilities);

3. The Homeowner uses a written lease agreement that is compliant with NM Uniform Owner Resident Relations Act and rely on resources provided through Legal Aid and other pro-bono legal entities to ensure that he and his tenant are aware of their rights and responsibilities as afforded under state law. A guide can be found at this link: https://nmhealth.org/publication/view/guide/278/.

Ms. Ladd noted that she and Mr. Lucero talked about this and he has agreed to the above conditions.

Copies of Isaac E. Lucero’s letter were distributed and reviewed. (A copy is hereby incorporated to these Minutes as Exhibit “5b”.)

Mr. Lucero is requesting that the Commission consider allowing him to rent his home temporarily while he sees his 19-month old daughter, who is currently living with her mother and mother’s family in the Philippines. He is making this request because it is very expensive to make the trip to the Philippines and the distance is so great. (Roughly $1,000.00 round trip flight and 24 hours of travel time from Albuquerque International Airport to their home in Northern Luzon, Philippines; 15-hour flight from Los Angeles to Manila, then 8-10-hour bus ride to her Province).

In Mr. Lucero’s letter, he explains that he purchased his affordable home through the City’s HOP Program at 103 Catron St., Unit 22, Santa Fe in 2006. He loves his home and is greatly appreciative of the HOP Program which has made ownership in the city obtainable to him. He states that the Program has truly been a blessing and his home is the family’s most significant asset. The only other great asset, is his and his fiancé’s future earning potential. With that being said, his life has changed a lot since 2006, when he purchased his home and entered into the HOP agreement. In 2006, 12 years ago, he was 27 and had no idea that he’d be 39 with his only child living in the Philippines. He met his wife-to-be in 2015.

Mr. Lucero is interested in renting his home to a teacher or young professional who may also be a candidate for affordable housing of their own in Santa Fe. He would like to rent his home with all of his furnishings in the unit so that moving back in will be easier. He is looking for a temporary reprieve of the HOP lien so that he can spend quality time with his daughter and wife-to-be. He states that it is not only the expense of the mortgage and HOA dues, but he also believes that leaving a home vacant for 6 months or more, is a risk of its own.

As mentioned previously, the Commissioners received copies of Mr. Lucero’s letter. They also received copies of a picture of him and his daughter. Ms. Ladd asked Mr. Lucero if he would like to add anything further.

Mr. Lucero said he thinks his letter is very inclusive of his situation. He explained that
he and his daughter talk on Facebook’s Messenger’s almost everyday but to be with her in person is very important to him. Also, his daughter’s mother is actively enrolled in college classes in the Philippines and they feel it is in their family’s best interest if she finishes her college degree before immigrating to the United States. They are working on immigration paperwork for his wife and daughter, but the process is lengthy. The college there is affordable and she also has assistance with daycare, which Mr. Lucero does not have here.

Chair Villarreal asked if there were any questions or comments.

Commissioner Goblet asked if there was a selection process, methodology, or are there people in cue that they are not aware of that the Commission can suggest as a potential lessee.

Ms. Ladd said they do not do this enough to have a methodology but she works with organizations in the housing authorities who work with people who qualify for rental assistance, but they cannot find units to rent because the units do not meet the housing quality standards, or the landlord won’t take a rental assistance voucher.

She said a rental assistance voucher would be a good thing for Mr. Lucero’s unit because he would not have to worry about the rent not getting paid while he is not here. Also, if there is anything wrong or going on, Mr. Lucero would be able to contact the provider of the rental assistance.

Ms. Ladd said they also talked a little about reaching out to the teacher’s union, or police officers’ union and she has some contacts for those.

Mr. Lucero said he would love that.

Commissioner Padilla said Ms. Ladd mentioned that a condition would be $800 per month and if the Commission makes a motion, would they need to reference this as a condition of approval.

Ms. Ladd said the Commission could reference staff recommendations.

Commissioner Padilla noted that it also says plus utilities. He asked if he understood that this would only be for a year.

Ms. Ladd said that is correct.

Mr. Lucero added that his requests is not to exceed 12 months.

Commissioner Hughes asked staff if there were other units in that development that are under this HOP Program.

Ms. Ladd said yes, they started out with 16 units. At that time, there was a requirement that 11% of the units had to be affordable. One unit was sold and they had a couple of
residents who paid their liens off as well so they are no longer affordable.

Commissioner Padilla asked her if she knew how many affordable units they presently have.

Ms. Ladd said she would have to check on that but she would say 10-12 units.

Chair Villarreal thinks it could be challenging to find a tenant for a year.

Ms. Beam said a student could be a possibility.

Commissioner Goblet asked Ms. Ladd if she would be vetting this person and certify their income.

Ms. Ladd said again, they have not done this kind of thing before and she does not want to assume the responsibility of finding the tenant or certifying their income. She is not a property manager.

Commissioner Goblet said somebody would have to certify their income.

Ms. Ladd said that would be up to Mr. Lucero.

**MOTION:** A motion was made by Commissioner Hughes, seconded by Commissioner Padilla to approve the exception (request to rent home located at 103 Catron Street, Unit 22 for a 12-month timeframe with the conditions listed in the staff’s recommendations/report).

Chair Villarreal said she would love to see Mr. Lucero work with the City’s providers to find a person with rental assistance voucher.

Mr. Lucero said he will reach out immediately. He noted that he is not leaving until February so he has plenty of time to reach out.

**VOTE:** The motion passed unanimously by voice vote.

**REQUEST APPROVAL OF UPDATED CDBG POLICIES AND PROCEDURES**

(Jacqueline Beam, Planner, Office of Affordable Housing)

   a. Program Income
   b. Section 3
   c. Monitoring

(Copies of the handout entitled: “CDBG 2018 Policies and Procedures Additions and Edits; Reporting and Fiscal Management Program Income” were distributed. A copy is hereby incorporated to these Minutes as Exhibit “6”.)
Chair Villarreal asked Ms. Beam to talk about this.

Ms. Beam said the main changes that were made were additions, as directed by HUD in their recent audit. They wanted to see some changes on how the City is handling program income and Section 3 requirements and the compliance monitoring of the requirements. With regards to the program income, HUD wanted the City to add more responsibility around the tracking of program income. The Section 3 requirements have more to do with holding the subrecipients to the same policies that HUD holds the City to, and they will be required to follow the same practices. This will be put in all the contracts. As far as monitoring is concerned, HUD wanted to see a timeline on when they will be monitoring and what that will look like. This has been added into the policies and procedures.

Chair Villarreal asked if these policies and procedures will be shared with the subrecipients.

Ms. Beam said they will share these with the subrecipients when she does the training that is coming up. However, these are the City’s internal policies and procedures. If approved, these will be submitted to HUD on December 7th.

Chair Villarreal asked if these have to go through City Council.

Ms. Beam said no.

Ms. Ladd commended Ms. Beam for her work on these. She said the City did have some policies and procedures but Ms. Beam did a great job in implementing HUD’s suggestions with these. It is also good to have written policies and procedures for the subrecipients to follow as well.

Commissioner Hughes said should these be approved, will there be training for the subrecipients so they will know what to do and second, remind him what Section 3 is again.

Ms. Beam said officially it is fair procurement across the board, if she could summarize it. “Section 3 represents the policy of the U.S. Department of Housing and Urban Development (HUD) for providing preference for new employment, training, and contracting opportunities created from the usage of covered funds to low-and very low-income residents and Section 3 businesses of the community where certain funds are spent (regardless of race or gender), and the businesses that substantially employ these persons.”

Commissioner Padilla commended staff for updating the policies and procedures and agreed that it gives the City and subrecipients a written rule to follow.

Chair Villarreal asked who is the Financial Analyst.

Ms. Beam said her name is Emily Pisula.
Ms. Ladd explained that the Financial Analyst is responsible for all financial and budgeting reporting which includes preparing annual budgets and schedules and approving draw down requests.

Chair Villarreal noted that the word “Albuquerque” City limits be changed under Section 3. She suggested that page numbers be added to the document.

**MOTION:** A motion was made by Commissioner Padilla, seconded by Commissioner Hughes to approve the updated CDBG 2018 Policies and Procedures for Program Income; Section 3 and Monitoring, with the comments noted during review: such as pagination and clarifying the word “Albuquerque”.

**VOTE:** The motion passed unanimously by voice vote.

**DISCUSSION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND AFFORDABLE HOUSING TRUST FUND (AHTF) 2019-2020 FUNDING**

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

a. Review of Funding History
b. Priorities for 2019-2020 Program Year
c. Recommended Changes for Request for Proposals (RFP) Scoring Criteria

Ms. Beam said in looking at the strategy and how they have approached this in the past, and in going through training with HUD - one of the main things that is brought up again and again - is to pick three projects that are done well and are the highest needs within the community/city that CDBG would best serve in those areas. Possibly looking at the Affordable Housing Trust Fund as a way to move some of those priorities.

She said this is something that staff has been discussing – how to strategize towards achieving that goal and streamline things to be more effective.

A handout on the funding history was distributed. Ms. Beam briefly reviewed the handout.

Ms. Ladd said staff needs to be clear about the Commissions’ priorities for 2019-2020 Program Year because they are going to start working on the RFP.

Commissioner Goblet said by narrowing it down to three projects, you lose the ability to deal with some of the challenges that they have.

Ms. Ladd said at this level of conversation, they are not talking about narrowing it by subrecipients, they are talking about narrowing it by activity/by project type.

Ms. Beam said the recommendations that staff has for this coming year (which can
change, as far as projects are concerned) would be: rehabilitation of existing units - and this is based on the highest needs within the city and how CDBG is most effectively used; new rental development and public facilities to support neighborhoods. Again, the three staff recommendations to focus CDBG funds are: 1) rehabilitation of existing units 2) new rental unit development and 3) public facilities to support neighborhoods.

Commissioner Hughes asked for an example of #3 (public facilities to support neighborhoods).

Ms. Ladd said, for example, the community medical facility that is going in for the Hopewell-Mann area. Things that support some cohesion and provide services to a neighborhood.

Commissioner Padilla said as the Commission is looking at this, they are looking at supporting or focusing categories, not subrecipients. He said he would hope that if they emphasize a specific category, it could create or stir up new applications or new applicants.

Commissioner Goble asked if there is an importance of how they prioritize these. He noted that the City has been talking about rental facilities for years.

Ms. Beam said it is ultimately the Commission’s decision. She mentioned that there are over 400 units in the City that could be rehabilitated.


Commissioner Hughes asked how much of this is “fee-in-lieu of”. He said his point is that the expectation is that they need to build more units—whether they are rental or not—because that is where the money is coming from. He thinks they need to reflect the high priorities in those areas.

Ms. Beam mentioned that the goals for the 2019-2020 Annual Action Plan stayed the same, as listed in the HUD Consolidated Plan.

She explained that the priorities that are made for the 2019-2020 Program Year will change the RFP and scoring criteria. She said the Commission can look at this for the next meeting.

Commissioner Padilla mentioned that this is a discussion agenda item and asked if staff was looking for some action from the Commission.

Ms. Ladd said staff wanted to make sure that the Commission was involved in the priorities for the 2019-2020 Program Year before the RFP and scoring criteria is done.

Commissioner Goble said he would accept staff recommendations because they are seeing these things first-hand and are much more aware of the needs in this community.
Commissioner Hughes said the Commission really needs to look at how they can support building new units.

Chair Villarreal said this not an action item but there seems to be general consensus to move forward with staff’s recommendations/priorities.

ITEMS FROM THE COMMISSION

Commissioner Hughes mentioned that he is working with Pete’s Place (Interfaith Shelter) on replacing the old lights. He connected city staff with the New Mexico State Extension office who assist those who need help with utilities.

Chair Villarreal asked for an update on the open house.

Ms. Ladd said she will research this further because she is working with several other departments and she can provide an update at the next meeting.

Ms. Ladd said the resolution to donate the 5-acre parcel of land on Siler Road for the Arts and Creativity Center will go to the Public Works Committee on December 10th and the Finance Committee on December 17th. It will go to City Council on January 9, 2019.

Ms. Beam announced that the City has been hosting the Santa Fe Art Institute Fellows Exhibit in collaboration with other various departments and their final exhibit is Friday, November 30th at 5:30 p.m.

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 Hughes, the meeting adjourned at 4:30 p.m.

Councilor Renee Villarreal, Chair

Respectfully submitted by:
Jo Ann G. Valdez, Stenographer