

MINUTES

1. **CALL TO ORDER**

Start Time: 3:34PM

2. **ROLL CALL**

Members Present:

Councilor Renee Villarreal
Member Paul Goblet
Member Ken Hughes
Member Carla Lopez
Member Willie Marquez
Member John Padilla
Member Rosario Torres

Members Excused:

Others Attending:

3. **APPROVAL OF AGENDA**

4. **APPROVAL OF CONSENT AGENDA**

5. **APPROVAL OF MINUTES**

Minutes From the November 11, 2020 Meeting

MOTION: Member Hughes moved, seconded by Member Marquez, to approve the item as presented.

VOTE: The motion was on the following Roll Call vote:

For:

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Against:

EXECUTIVE SESSION

6. CONSENT AGENDA

7. DISCUSSION AGENDA

- a. Review and Approval of DRAFT Policies and Procedures for CDBG (Alexandra Ladd, Director, Office of Affordable Housing, agladd@santafenm.gov)

MOTION: Member Hughes moved, seconded by Member Padilla, to approve the item with added suggestions.

VOTE: The motion was on the following Roll Call vote:

For:

Against:

Alexandra Ladd: The Draft Policies for CDBG were provided by a HUD Consultant who we are going to enter into a contract with to help us get all of our management framework up to snuff. This is the template that he recommends that subrecipients use. We've adapted it. We've added things our field office had us add and we created that calendar at the end because that felt like it was a little easier to manage. Just conceptually keep things straight. This will help CDC members to make recommendations for us to help manage these funds. I'm glad we did this. We've had versions of the Policies & Procedures in the past, but this is really comprehensive and it's almost an education in it of itself to read all of the requirements pulled into one place. It's still a live document. This is not finalized but I wanted to see if there's any discussion about any of the items in the policies and procedures and with your blessing go ahead and add a few tweaks and finalize it so we have it in place by the time we start our new program year.

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Commissioner Torres: I didn't really see anything that really said how the Commission itself plays a role in this and I thought that should be part of the draft.

Alexandra Ladd: Absolutely. Now that you say that, I believe there's one very small paragraph or a couple of sentences but I think we should probably put some more detail in that. That's a very good point. I think its buried in the section where how we talk about how the RFP works but thank you. We will definitely do that.

Madam Chair Villarreal: Great point Commissioner Torres. I thought the same thing: I thought shouldn't there be more about the process we go through to award GDBG grants.

Commissioner Padilla: The procedures put together are drafted from what model and are they a HUD format and where was the model from to create this draft and what were the major changes that you saw from the draft?

Alexandra Ladd: The template was provided by a HUD consultant -its a private consultant who is under contract with HUD. He also, this particular person, use to work for HUD. He was the Community Planning & Development Director. Basically what he did was say what is the one useful document that every grantee could use because they all have their own version and they might catch certain things and alot of detail and completely miss other things which is certainly the case with us. He drafted it based on his knowledge. We made some changes so far. There was some language that wasn't 100% applicable to us -I mean 99% of it is, but we definitely edited it to localize it. We will continue doing that. I would like every time we think of something or have a situation that we need to figure out, go ahead and go in there and add language so that the next person in the job knows what to do.

Commissioner Padilla: Sure. So the Policies & Procedures manual is a living document that can change as our needs change or our requirements changes for agencies or how we administer the funding? Thank you that is very good information.

Commissioner Lopez: What happens next with these?

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Alexandra Ladd: Thank you for asking that. If you all feel like it does a pretty good job of addressing providing a guideline/lifeline/lifeboat... something to City Staff. The other intention too is that when a new person takes over the job, they're handed this tool kit... So if you all are comfortable with it and give me your blessing to go on and finalize it but with the understanding that it is a live document and as we come into particular situations we will continue to add information into the document. I just wanted to make that HUD knew that you all had reviewed it and approved of it and then if we make any big significant changes, of course I would bring that back to you for review and approval but the incidental tweaks here and there, I'm hoping I can just do that as we move forward.

Commissioner Lopez: Alexandra, for your purposes; do you think that it really works?

Alexandra Ladd: I think it serves as a reference guideline which is good. We didn't even have all of that information in one place so that's super helpful. It's not going to cover every single situation... so there are still lots of places where we will have to research specific situations but at least this gives us some links in there where you can actually go right to the regulation and read what it says. So its very helpful.

Commissioner Lopez: Thank you.

Commissioner Padilla: Alexandra the other thing that I feel this does is it really gives the Commissioners an understanding as especially when a new Commissioner comes on, (you know) just a orientation; they're always thrown or introduced to so many programs. Whats the policy & procedures of that program for reviewing/granting/funding/etc. ... So this is very good on both ends. Not only for the public but also for the Commissioners as we deliberate. So thank you.

Madam Chair Villarreal: Ms. Villarreal asks Commissioner Goblet since we can't see you, do you have any questions?

Commissioner Goblet: No I'm fine with it and I agree with Padilla; you know; somebody new comes on this Commission, you're starting at ground zero so I think this will help new people as much as we go through our existing roles.

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Commissioner Torres: I'm also wondering if there shouldn't be a statement in this document that talks about the relationship of this Commission with other City Departments? In other words: our recommendations, where else do they go? And so, what would be the whole circle for our recommendations to get to City Council? I think that would be helpful also for new Commissioners to really understand how the City works from one department to the next.

Alexandra Ladd: I'm wondering if maybe we can do a decision framework graphic in there that shows the flow work of how the recommendations from this Committee go to the Governing Body eventually.

Commissioner Torres: (Gestures a thumbs up) and says yeah.

Alexandra Ladd: Ok, that would be easy. That's great. Thank you.

Madam Chair Villarreal: Alexandra is this document required by HUD?

Alexandra Ladd: Yes. HUD requires policies & procedures... which is why this Consultant said this would be really helpful that communities at least had a starting point.

Madam Chair Villarreal: Thank you and do you feel like this document is more for City Staff Policies & Procedures or for the potential applicants of the CDBG funds?

Alexandra Ladd: That's a great question. I think both: I think there are certain aspects that don't apply to the subrecipients at all but we do require that subrecipients have their own policies & procedures when it comes to CDBG funds. It's mostly focused on their financial cash management to make sure they're not just putting CDBG funds in their cookie jar. And what I've done with new subrecipients is refer them to the older ones who have more established policies & procedures... but I think from this set of policies & procedures, we could probably distill a specific set of what would apply to a subrecipient and then when we have new ones we can actually hand them a template...

Madam Chair Villarreal: Thank you. Yeah, they are very thorough. I think that some of it didn't apply. There were sections about the environmental procedures they have to go through which I hadn't seen before.

Alexandra Ladd: Some of that does apply

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Madam Chair Villarreal: But for us, as Commissioners. Like reading I was like: what is that? But it was good to know that we actually send those out to potential grantee partners. Like all the stuff we don't see but you do. It was good to see it all in one place. Thanks to Staff and the Consultant for helping with that.

- b. Consideration of Bill No. 2021-__: An Ordinance Amending Section 18-11.3 SFCC 1987 to Amend the Definition of Taxable Premises to Make it Consistent with State Statute and to Add a Definition for Permanent Resident; Amending Section 18-11.8 to Make the Section Consistent with State Statute; and to Amend Section 18-11.17 to Clarify the Difference Between the Occupancy Tax and the Convention Center Fee, and to Dedicate the Occupancy Tax Collected on the Thirty-First and Subsequent Days to the Affordable Housing Trust Fund. (Mayor Webber) (Randy Randall, TOURISM Santa Fe Director; rrandall@santafenm.gov, 955-6209; Andrea Salazar, Assistant City Attorney: asalazar@santafenm.gov, 955-6303)

Committee Review:

Community Development Commission: 2/17/21

Occupancy Tax Advisory Committee: : 3/23/21

Quality of Life Committee: 4/7/21

Governing Body (request to publish): 4/14/21

Finance Committee: 4/19/21

Governing Body (public hearing): 5/12/21

MOTION: Member Hughes moved, seconded by Member Lopez, to motion to recommend the Community Development Commission forward this on to the Occupancy Tax Advisory Committee, subject to clarification of all the concerns raised today

VOTE: The motion was on the following Roll Call vote:

For:

Against:

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Mayor Webber: Randy Randal (Executive Director of Tourism) identified this development and I'm happy to be the spokesperson for it. If Councilwomen Villarreal wants to sign on and co-sponsor to help make it happen, I think it's a good thing. [Mayor read's email from he received from Randy Randall RE: the story behind this ordinance...] Lodger's tax 1st change was to eliminate the out of date exemption for a rental with less than 3 rooms. This was designed in the 1970s to exempt any tiny Bed & Breakfast operations. With the advent of short term rentals as an industry as enabled by the web and platforms, it provided a loophole that too many could claim and have an unfair pricing advantage to the many that do have to charge the Lodger's Tax. So it provided a loophole for little tiny operations but now those are just as lucrative under the platforms that air B&B and others that have set up. So that loophole is being plugged. The 2nd change was to allow Lodger's Tax to be charged on all rentals that are not for permanent and primary residential use, regardless of the length of stay. Before that change, rentals of over 30 days in length were exempt from Lodger's Tax. The tax on the period of time on over 30 days however, does not have the use restrictions on other Lodger's Tax collected and can be used in any way the municipality wishes, provided it is specified in Ordinance. So the changes in addition to some wording clean-ups will eliminate the small rental exemption, allow the City to collect Lodger's Tax on all rentals that are not for primary residence and specify the affordable housing trust fund as the recipient for the collection of Lodger's Tax is from 30 days on. So there are three components to this: two are very similar and the third is the designation of where the money would go. The two things that are being done is plugging loopholes from prior exemptions for collecting the tax. Those loopholes need to be changed because the industry has changed for short term renters. And then the last thing that is specified: we need to say where we would want the tax revenues to go. ... We've had a vigorous and all hands on agreement that we're looking for a variety of ways to add revenue to the Affordable Housing Trust Fund and it's probably not going to be once source of revenue. We need a number of different potential revenue streams. This would be a new revenue stream. It wouldn't be taking money away from an existing program and it would add revenue to the Affordable Housing Trust Fund so that we could continue to provide (the trust fund) help to people in our community who are looking for assistance with affordable housing in all the different ways that Alexandra

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does now but it would just add revenue into that stream. So that is what this is about. I think its a clean up. It's a loophole plugger and its a new revenue stream for the Affordable Housing Trust Fund.

Madam Chair Villarreal: [Ms. Villarreal asks Richard Brown is there is anything he would like to add]

Richard Brown: No. I'm in agreement with Mayor on that and I thank Randy for that narrative because I'm also looking at the housing trust fund as it relates to the next item #C.

Madam Chair Villarreal: [Ms. Villarreal asks the CDC members for any questions/clarifications]

Commissioner Goblet: Is there any idea of what this would amount to in dollars and cents? Is there some sort of data out there that would suggest what this might produce?

Mayor Webber: That's a great question. I honestly don't have that projection from Randy and I'm not sure there's an easy basis for making a projection. Some of it depends on what happens with short term rentals going forward. I know you're aware that the Governing Body has adopted a new series of (or a new approach) to both enforcing our short term Ordinance and also updating it. Councilwoman Villarreal was instrumental in making that happen. We think there will be (potentially) some folks who will convert their short term rentals into longer term rentals in which we wouldn't get the revenue but we would have more housing for people. I did not get from Randy an estimate of what the revenue would be from the plugging of the holes from the Lodger's Tax and I'm not sure there's a way to estimate that until it's put into effect and we can get some data.

Commissioner Goblet: Thank you very much.

Commissioner Lopez: In the title it mentions to clarify the difference between the Occupancy Tax and the Convention Center Fee and I didn't quite get why that is in there? I missed that?

Mayor Webber: Yeah, it sure does. I think that may have been what Randy was referring to when he said that there was language clean ups. In the email he sent me, he said that one of the things that the Ordinance does is to...; he said the changes made in addition to some wording clean up will eliminate small rental exemption. I'd have to go back and parse the

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language myself. I think you noticed something I didn't do my homework on but that might be one of those areas where the language needed to be clarified so there wasn't any confusion about what was being covered and where it was going and what the difference in what the tax was being applied was.

Commissioner Lopez: I mean it seems like that Convention Center part is just dangling, right?

Mayor Webber: Yes.

Commissioner Lopez: Ok. I know I'm probably stating the obvious but its just that they're just making it line up with State Law. Right?

Mayor Webber: Yes. That's correct.

Commissioner Lopez: And we get to use it for Affordable Housing?

Mayor Webber: Yes. The jist of it is that we're trying to come into alignment with State Statute. Then the CDC could say: "We don't want it to go to Affordable Housing Trust Fund. We want it to go to the Economic Development Dept. for uses as they see fit." Randy asked me my personal preference and based on the conversations that we've been having at the meetings of the Governing Body and the interested in providing of the revenue streams for Affordable Housing Trust Fund, it seemed to me it passed a number of tests that I think are worth while as we try to design those revenue streams. One is: it's new revenue. So unlike some of the other items, it doesn't take money away from anything. It's new money and it is presumably sustainable. Over time we'll continue to see revenue streams come our way. It is that local preference so we get to decide if we want to bolster Affordable Housing Trust Fund resources: this is a way to do it.

Commissioner Lopez: Ok and so far there's no co-sponsor's right? Do you think there are going to be other Councilors who are going to want to use this money for something else? I can't imagine, given the tone in the City right now but maybe?

Mayor Webber: I hope everybody will see it as an opportunity to sign on. We've had the Quality of Life Committee (in particular) had a really robust conversation about all the different sources of funding for the Affordable Housing Trust Fund. It was, there were 3 or more presenters. We had the

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Housing Coalition and Homewise. The chain breakers talking about the coming need to deal with the potential of evictions. So this struck me as an opportunity that we could all get behind.

Commissioner Lopez: But so far you don't know if you have co-sponsors or not?

Mayor Webber: In many ways I'm an inefficient source of getting co-sponsors, but I will work on that. Hopefully we'll have more folks joining in.

Madam Chair Villarreal: It also just got introduced, Commissioner Lopez. So it hasn't made it through Committee yet. This is the first Committee that's heard this item. So that's another reason.

Commissioner Lopez: Okay. Thank you.

Madam Chair Villarreal: Any other questions from the Commission? [None.] ...I don't see any other hands. I do want to say: I just had a couple of questions. I'm not sure who can answer this but it just got introduced. I think what would help, what you just gave us Mayor Webber, would be the information that Mr. Randall provided. That that would need to be in a Memo to explain the change and why this is occurring and just some background info. We just saw the Ordinance. That's all that was provided in the packet material so if you have some kind of Memo that would explain the change that would be helpful. I have a question about: if you go on page 5 of the Ordinance and it talks about the breakdown of the proceeds from Occupancy Tax. It essentially breaks it down; one half of the proceeds derive from the first three increments. It goes on and on. It has very specific breakdowns. And then when it gets to the new language about the funding that would go towards the Affordable Housing Trust Fund: it just says proceeds from the Occupancy Tax. So it doesn't actually specify how much. And it says proceeds from the Occupancy Tax that are collected based on the 31st and subsequent days of vendee rents. I don't quite understand what that means? Do you know any more about what that – because all the other language specifications above are percentage. It's very specific and then it goes this and it just says proceeds. So how do we determine what that would look like, taken from the Occupancy Tax?

Mayor Webber: I don't know. Rich do you know? My reading of it is: because its a new tax source, it would be starting after day 31 – all of

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those tax proceeds would be dedicated to the Affordable Housing Trust Fund. In other words, it's not a percentage, it is the sum total of all those new tax revenues. And since we don't know how to – it is day 31 through how ever long you stay – They're just making it an open ended transfer of the tax into the Affordable Housing Trust Fund in its sum total.

Madam Chair Villarreal: Rich did you have any more to add to that?

Richard Brown: Yes. I'm in agreement with Mayor. I think that you're right: that maybe we need some clarity so I made a note to get that clarified so that it is clear because they do have specific percentages previously so that proceeds number could get some clarity around the numbers. But data wise, that's the one part that we're trying to collect is the data: What's the average beyond the 31 day stay now that we are on a new period with short term rentals.

Madam Chair Villarreal: Exactly. So that would be helpful. And then to make this gender neutral, there's a definition: Permanent Resident. It says His or Her. I think we should just change it to Their Primary Residence. It's easier. And I think Commissioner Marquez had a question.

Commissioner Marquez: It got answered. On that one. Rich answered it as far as I think it would have to be a specific and not just leave it open and that was my concern on the question before. Sorry about that.

Madam Chair Villarreal: Thank you. [Calls on Commissioner Torres]

Commissioner Torres: When I was reading the draft, there was some strike outs like on page 3; where it's defining Taxable Premises and then in another place so I thought that keeping those different types of dwellings might make it clear. Other than; it just says Taxable – around midway/page 3; it says Taxable Premises means a Hotel and then it has all of the strikeouts. Motel or other Premises for lodging. Is that sufficient or do we need all the other types of rentals defined? I'm not sure? That was the question I had as I was reading that.

Madam Chair Villarreal: Does anyone want to take a stab at that? My understanding is that, with this change, all those - what is considered "permanent housing," is not taxable so they struck it. So now, Taxable Premises – the only Premises that would be taxed is Hotel; Motel; and

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Other Premises for lodging that is not a household or primary residence. So they took out apartments, condos, town homes... Am I correct in that understanding? Mayor Webber or Rich?

Mayor Webber: I think so but I think it's worth running this back in front of our City Attorney's Office to make sure the definitions and the strike outs are all clear so we don't mislead or confuse anybody.

Commissioner Torres: Because I was wondering about Airbnb's. Is that not taxable?

Mayor Webber: They are taxable.

Commissioner Torres: And so where does that fit in this? It's not a Motel. It's not a Hotel. So, anyway?

Mayor Webber: It's already being taxed. Airbnb's are already subject to taxes.

Commissioner Torres: Okay.

Madam Chair Villarreal: Maybe that should be added though because that is a Taxable Premise? And then on your point Commissioner Torres, maybe all those definitions of what is a "Permanent Residence" – Maybe that needs to be moved somewhere as a definition?

Commissioner Torres: Yeah, I was a little confused as I was reading.

Richard Brown: Yeah, and if I could Madam Chair? I think that on page 3, line 22: they talk about Lodging. They sort of separate them out but we will get the Legal person Andrea - she's not here today; we can have her come and do a further explanation of those two errors.

Commissioner Torres: Okay. Thank you.

Madam Chair Villarreal: Any other questions? [Calls on Commissioner Marquez]

Commissioner Marquez: Quick question: My concern was on that same statement that the Taxable Premises means where you put the Hotel and Motel and taken everything else out, shouldn't there be (since the Mayor said) that these were things that were brought that were going to be taxable but have not been taxable before. So shouldn't that be clarified so that we're adding other taxable motels or hotels or premises other than

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the ones that are already being taxed? Should that be clarified or is that clarified to everybody?

Mayor Webber: Rich is taking careful note. I think we'll run this back to the City Attorney's Office to make sure we haven't accidentally left something out or put something in that doesn't belong on there. Thanks for calling that out.

Madam Chair Villarreal: Any other questions? Comments? So given that there is some clarity that's still needed, this is still in draft form. What does the Commission feel comfortable with at this time for this item? Do we want to -it doesn't necessarily... it just says Consideration. Alexandra, does that mean we are voting to make a recommendation or -other options?

Alexandra Ladd: I believe that you are voting... I don't believe you're voting on approval. I think you might be making a recommendation. So you could recommend that the bill is forwarded to the next City Committee, and you have some recommended amendments and/or clarifications. And then at the next City Committee, those amendments would be... so that's what I think. I'm not a parliamentarian so Rich, would you agree that they are making recommendation for issues to clarify?

Richard Brown: Yes. I think that they're making recommendations too because there's a couple of things to clarify and there's a couple of Committee Meetings that come after this. So this is sort of like, I want to add this to your review of the next Committee. And then what I want to do is have the legal person sort of redline these so that before the 23rd, your questions are included in any of the draft because this is a draft form.

Commissioner Hughes: It goes to Occupancy Tax Advisory Committee next.

Richard Brown: Yes, Occupancy Tax Advisory next.

Commissioner Hughes: It's recommend notes that are subject to the legal definitions/clarifications that –

Richard Brown: Yes. I have two notes that we need a Memo from Randy/the clarifying Memo; and then also that we need to clarify the

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taxable premises; and then are there any other premises that need to be defined because there's a lot crossed out there.

Mayor Webber: Rich if you're going to be the note taker, I heard a couple of other useful suggestions: One was to address the question about whether or not there is a way to forecast what the revenues would actually be. The answer may be: No., but at least we ought to acknowledge that was a comment we need to take seriously. The other question was the one raised by Councilwoman Villarreal about when it says proceeds: Are we talking about, is that by definition (all proceeds) or is there some tweakage there that needs to happen with the amount or the percentage or making it clear that its all proceeds as they are collected.

Richard Brown: Yes. I also have that she asked to clarify permanent resident is there.

Mayor Webber: Yes.

Richard Brown. I do have that down.

Madam Chair Villarreal: [Calls on Commissioner Padilla]

Commissioner Padilla: The other question that came up was the question in reference to clarification of Airbnb's... BRBO's, etc. ...

Mayor Webber: Yes. If people are already being taxed: Where does that show up or does it need to show up? Is it something that needs to be specifically referenced so that we know this is applying to plugging a loophole where those folks are not yet, or haven't been taxed. Existing platform and short term rental vendors.

Commissioner Padilla: Correct and Madam Chair, did Commissioner Hughes make a motion?

Madam Chair Villarreal: I think he got cut out but one point that I need to make: I think we lost a Commissioner? I think Commissioner Goblet has disappeared. I don't know if he called back in or... I just noticed his -

Alexandra Ladd: He just sent me an email saying he was having tech problems. Not sure if he's going to try to come back?

Madam Chair Villarreal: Okay. Do we have enough people?

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Alexandra Ladd: Yes.

Commissioner Hughes: There is enough. Commissioner Lopez had a question, right?

Madam Chair Villarreal: Commissioner Hughes, before you make a motion, I think Commissioner Lopez had a question.

Commissioner Lopez: The Convention Center Fee needs to be clarified. That's it for me.

Madam Chair Villarreal: And why it was eliminated?

Commissioner Lopez: Or why is it in there at all?

Mayor Webber: Does it need to be referenced and what is the dangling modifier?

Madam Chair Villarreal: Okay. Any other clarifications before we make a motion? [There are none] Okay. Commissioner Hughes do you want to –

Commissioner Hughes: I recommend the Community Development Commission forward this on to the Occupancy Tax Advisory Committee, subject to clarification of all the concerns raised today.

Commissioner Lopez & Commissioner Padilla: I'll second.

Madam Chair Villarreal: Who did a second? I heard Commissioner Lopez first. Can I get a role call?

[role call]

Madam Chair Villarreal: Great. The motion passes. We'll move on to item 5c ...

Commissioner Goblet had technical problems and didn't rejoin the call until after role call was completed

- c. Consideration of Bill No. 2021-__: An Ordinance Amending Section 11-14.5 SFCC 1987 to Dedicate Half the Sales From the Sale or Lease of City-Owned Land and Buildings to the Affordable Housing Trust Fund. (Councilor Lindell, Councilor Abeyta, Councilor Romero-Wirth, Mayor Webber, and Councilor Cassutt-Sanchez) (Alexandra Ladd, Office of

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Affordable Housing Director: agladd@santafenm.gov, 955-6346; Rich Brown, Community and Economic Development Director: rdbrown@santafenm.gov, 955-6625)

Committee Review:

Community Development Commission: 2/17/21

Public Works and Utilities Committee: 2/22/21

Quality of Life Committee: 3/3/21

Governing Body (request to publish): 3/10/21

Finance Committee: 3/15/21

Governing Body (public hearing): 4/14/21

MOTION: Member Hughes moved, seconded by Member Torres, to motion to recommend to approve the Ordinance as presented.

VOTE: The motion was on the following Roll Call vote:

For:

Against:

Madam Chair Villarreal reads Item # 5c... Rich: you're going to take this one first or -

Richard Brown: Madam Chair I'm going to have Alexandra speak to it and then I have an interest from an economic development stand point in land sales so I can provide some advisory to it.

Madam Chair Villarreal: Hit away Alex.

Alexandra Ladd: This Ordinance – I feel like it's fairly straight forward. What its suggesting is that half of the revenues collected through the sale or lease of City owned land that aren't already exempted for special uses. So if you look in the Ordinance there's a big long list of the Airports and Enterprise Funds and various other places where those funds are used. So if a use is not specified to be exempted like that, then half of it – right now 100% of it goes into the Economic Development Fund. This Ordinance proposes taking 50% of that and putting it into the Affordable Housing Trust Fund. A couple of things: I do know we did a Fiscal Impact

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Analysis / this Fiscal Impact Report to look at. Well historically, what does that number look like? And historically over the last several years, we haven't actually really generated much in the way of revenue from land sales that wasn't already exempted. So the land sales (right now) we would have to assume: a zero impact. For rental and lease revenue, it's about \$300,000 per year (in general) average, over the last five years. That's \$150,000 gain in the Affordable Housing Trust Fund. \$150,000 loss into the Economic Development Fund which represents about 15% of the funds normal revenue. So there's a little bit of a policy priority weighing: You know, do you deprive one child of dinner so you can feed the other one?

Richard Brown: Sophie's choice.

Alexandra Ladd: Yes, Sophie's choice as Rich calls it. But, you know: it is clearly a choice. Of course I welcome any extra revenue into the Affordable Housing Trust Fund but I also recognize that the work that's funded through the Economic Development plan is super important and well. There is a lot of overlap between the success of our two programs as when they support each other and not when they're at odds with each other. I would say. I think there was – well Rich, you're going to talk about land sales? ... I'm trying to think if there was anything else specific on the Affordable Housing side but I don't think so. I'll let Rich talk and then we could have some questions.

Richard Brown: I want to state for the record: I do support this policy change. As Alexandra said, there is kinda of a balance between how do you feed the quality of life through housing but at the same time you use economic development to grow quality of life. So we need to find ways to make all those work. While we recognize that sometimes we want to do what the other programs we do – We see that this new way (in light of the fact that we are in a pandemic in an economic collapse), this is probably important because we haven't seen the bottom of it yet. Having said that, the lease hold monies of revenue that could be shared as kind of first trouch of money that could be put into the Housing Trust – I'd like Alexandra to speak to intermediate need vs. medium need vs. long term need because we have to address those things to where we have a finite amount of parcels and assests to sell. As you see from this document that a lot of it doesn't belong or doesn't run into as a windfall into the economic development fund. Right now our biggest land sale is the northwest

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quadrant. As I've said over the past couple of weeks to many of Council at Committee that all of our properties are not clean. They're not shovel ready. They have lots of issues and those issues could mean that they are a 6 to 9 month process to get them to the shovel ready stage. So when you put all those factors in, again I think its a great idea but I want to make sure that there's clarity that this may not be a – Once it's signed, all of a sudden money starts flowing into a trust fund. It is a long metered process to get it there and so as Alex and i talked about, we need to be strategic about other ways to find funding sources beyond just these land sales. So again, I'm in agreement of what we're trying to do. I think that the leasing of revenue will help fund the trust fund but when we get to the land sale side, it will be a finite number and it could take a little while. I want to make sure we set expectations on how we can spend. And with that I've asked Alex to talk about intermediate need, medium need and long term need as it relates to the fund.

Alexandra Ladd: Thanks Rich. I think what I started thinking about was if someone handed me a million dollars, what would I do with it? This group has talked about this several times. There is going to be an impending housing instability crisis beyond what we have before the pandemic because we're going to see people getting evicted because they can't pay for 10 months worth of rent once the eviction moratoria expire. I sorta feel like the immediate need is to keep people housed and to restore their housing stability to whatever extent we can use those funds to do that. In a lot of ways, helping people stay current on rent and mortgage is – I don't want to say its an easy thing to do, but its much easier to do that than it would be to get somebody rehoused. It also makes our landlords hold to because they are not collecting rent. They have mortgages due for the most part. So there is this trickle down kind of impact if we don't take care of it. So that would be sort of my immediate let's make sure that we don't have this huge crusingdo of people losing their houses situations. I think the more medium range goals are to continue to build on the capacity of our housing provider framework to work together to provide solutions. I think we've had a great example of the Santa Fe Suites where we were able to mobilize funds very very quickly and bring together partners to make this really complicated project happen. It's time for the community to participate in that. I'm sort of envisioning that the City could provide more of this financing piece to these aquisitions but create a business model that's sustainable so they don't have to come back to the

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City year after year. The City ATM, you know like: I need more money – So that's really my intermediate goal. We have to figure out how to replicate some of these successful models that we've had so that the City doesn't always have to be the linch pin to everything housing related. I think in the longer term, we're really looking at more land development and looking at how do we open up land. Whether its new, greenfilled development, Tierra Contenta Phase III – or whether its redeveloping our cooridors that now have huge parking lots that are really really under used. You know, how do we focus on growing our City in a way that's helpful for our City economically but also helpful for our community health and sustainable. You know, we're not extending new infrastructure for miles and miles to the horizon that we can actually complete that sustainablility circle through new developing certain areas.

Richard Brown: Madam Chair? If I can add just one more thing that Alex said. I used the word that came from Finance Committee/Finance World of Capital Stack. So when we think about our long term sustainable ideas, think about what I call a Capital Stack. It means: foundations. Look at foundations. Look at philanthropy. Look at maybe HUD. Look at CDBG. I don't know, but we'll look at all these different funding sources packed with – Federal Grants; Economic Development Grants; etc. So we need to look at the Capital Stack to say what are all the sources coming in that align to this goal we have (Housing for all. Affordable Housing for all) and it ties into economic development. There is a cycle between recruiting businesses, expanding businesses and having places for people to live if we're giving them jobs. So that's kind of where I say as we get to this Capital Stack, we need to also find partners who are aligned with that mission who can bring funding to the table so that when we get to our finite amount of land, that we're not just running it dry. Even though now we're at the engine running and the grass is being cut.

Madam Chair Villiarreal: Thank you, Rich and thank you, Alexandra. The other thing I wanted to add and why this particular item came about. It wasn't a new concept. It was actually proposed in the task force (the Mayor's Task Force on Affordable Housing) as one of the possibilities to consider. I think it got pushed even further forward as a consideration because there were some of us pushing for the idea of taking a percentage of the GRT that came from the gross receipts tax that came from short term rentals, that would then be directed at affordable housing

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trust fund. Our Finance Staff indicated this may not be the best source because it would take from General Fund which is basically what we heavily rely on for just any general operating. As well, they said they could not determine the amount of the GRT revenue that came from short term rentals. I'm still perplexed by that but its hard to extract it from what the City – excuse me: what the State give us – so it's a lot more complex. So this was a little bit, I guess cleaner direction of funding sources. The only thing that I guess I would ask (and maybe some other Commissioners have this same concern): How does that then affect your budget, Rich? And the funding amount that doesn't go to Economic Development, how does that then affect your Department?

Richard Brown: Thank you, Madam Chair. It affects us as I look back out to short/medium/longterm: it affects us from a stand point that my goal (right now – and the Mayor and I have had this long conversation about me predicting an earth quake...) is that I'm trying to figure out how to stimulate the economy. Some of this funding could be used in those ways but at the same time, I know that we have to sort of look at our homeless issue or our eviction crisis that's coming. And so, to the point I just said earlier, I also need to be strategic about our capital stack. Should I be looking at Federal Grants? You know, our new Administration is trying to figure out how to help out all small cities, how to help businesses – So I also would have to sort of take what I have (or take what I didn't have) and say: Try to find a new path because Housing is a part of our Community Development Department. So Economic Development and Housing do come together and if this helps us in that cycle again, then I need to find new areas to look at and that monies that she was talking about from the lease revenue... there's probably monies that are used under discretionary basis. Sponsoring accelorators. Sponsoring the the Angels Club. Sponsoring events with the Chamber of Commerce. So I can look at it and say: how can I be more strategic and say maybe I just need to partner with them and we all go out and get a Regional Federal Grant and use that for technical services or using grants for business growth and expansion. So I know that my work is cut out for me and I support Alex's platform here. And so that's kind of where that first trunch of money would come from. Keeping in mind that we do have a very large piece of land at the northwest quadrant that will be a high and huge windfall. If that happens, basically the Housing Trust Fund is on its way. So we will win: both of us because the trunch is about four million dollars

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in appraised value for this land. If we can get it to shovel ready process, we can get it in front of the Council to put it up for sale and Public Notice. Then from there at least we have a little bit. She won't be using it as dividends but she'd be using it for her medium and long term efforts. And so that will help me from a stand point of the things I'm trying to do to keep the economy stimulated and to get it in a sustainable fashion. So I realize that I have some work cut out for me if I'm in support of this policy.

Madam Chair Villarreal: Thank you, Rich and I think it goes hand in hand with it is inter-twined and inter-sectional if we don't have economic growth – Well we wouldn't have economic growth if we didn't actually have people living here and staying here. I guess one of the long-term pieces is that I would see as one of the points is that we actually have a reduction of the number of people living outside of Santa Fe that work here. I mean right now it's about 60% so to me that's the long term vision in my mind. Does any one have questions or any comments? [Ms. Villarreal calls on Commissioner Padilla]

Commissioner Padilla: Rich, question for you: You referenced the Northwest Quadrant as a Windfall or an Opportunity for a huge win for the City. It is a large parcel. I was involved years ago when the whole development of the northwest quadrant was proposed. Huge report. A lot of studies done on that. I'm sure they're on the shelf somewhere collecting significant dust but that always happens and those need to get brushed off and move forward with. I think you're right: I would agree with you. It is a great opportunity. One of the things I remember from all of the time spent in Committee Meetings and Community Meetings with that was the challenge of the infrastructure; Utilities; Roads; Connectivity to existing transportation routes, etc. That was a huge challenge and the challenge coming just from the grade change from 599 on up and then on down as to the southern tips as to the northwest quadrant. So when you say "shovel ready," – Can you clarify what you meant by shovel ready? I see that as a developer, an entrepreneur being able to come in and planning and designing their concept/their ideas and have utilities, roads, infrastructure in place. I see that as shovel ready. Can you kind of explain your term of shovel ready?

Richard Brown: Thank you for that question. Yes so shovel ready I meant the same thing you were just saying is that right now the northwest quadrant is raw land. And as I said earlier, all of our properties have some

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that we have to resolve. It will take months to clarify. When we think about a parcel like northwest quadrant (or even the Midtown Campus), when we think about these parcels; we have to think about what is the current land value that we'll get the best out of? And in its current state, we still have parks. We still have lots of terrain that we could put affordable housing on. We still have to figure out the access from 599 so you're not going into Casa Solana. And you still have to figure out what the actual infrastructure – or what they call horizontal infrastructure which is pipes and electric and all that stuff... You have to figure all that out. We have to make the decision – and the investment, actually – to understand with the Mayor, is this an investment we make to get the best value out of it, but secondly, if we do that we get a better shovel ready project because its not master plan. So someone's going to come in and say, "Well you know if you only had the electrical grid done or road from 599, gosh I'd give you 4.5 million dollars. Right, and so what I have to think about, how do I come up with five-hundred thousand dollars maybe to invest in it so we come half-way. So shovel ready to me means that the other parcel we have (which is called the Santa Fe Estates which is just north of this parcel –) it has a master plan. It has all-way ready to go. This one doesn't. So when I mentioned earlier that we have this expectation where we're going to put money in a trust fund, I wanted to let you know that just the northwest quadrant – it may take 18 months before we get to a place where the value that it is right now could be doubled. Could be one and a half, if we do some investment work in getting it up to that residual value that we want to send it through. So that's what I meant by shovel ready is that it might be that 100% or versus right now: its about 40.

Commissioner Padilla: Follow up question if I may Madam Chair? Question for you, Alex and I guess Rich also: Say we were able to spend the northwest quadrant off and sell it and have a significant sale from it, will that money go to the affordable trust fund? I might not have heard clearly where it would go. And Alex, if it does go toward the Affordable Trust Fund, how do we get the best value for that? And therefore, getting units, houses, places for people to live. How can we – what's the quickest way and the best way to get to that?

Alexandra Ladd: That's a great question. So if this Ordinance is approved, 50% of that sales proceed would go into the Affordable Housing Trust Fund. So then the uses would be governed by our City Code Chapter

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26-3 and the NM Affordable Housing Act. So we would meet– we have (obviously we’re about to meet and make funding recommendations in a couple of weeks) so we would have all of that framework already set up to fund programs right out the door. We could make a policy decision to focus those funds in a different way or in a specific way. Any future development in the northwest quadrant would have to comply with the Affordable Housing Regulations. So 20% Home ownership, 15% of Multi-families. So the Community Development Commission would likely be in the driver’s seat to make a recommendation to say, “Any proceeds from that sale are going to be used at that parcel either as downpayment assistance or to help capitalize the construction of new rental housing.” So there are a lot of options down the road, but basically it would be in that Affordable Housing Trust Fund the way all of you are familiar with it.

Commissioner Padilla: I guess the final question is, at some point – I know we’ve been talking about this. I’ve been on the Commission for many years, always talking about Brick & Mortar. You know, Sticks & Stucco. Getting units built and so forth. Do you ever see an opportunity for us to actually do that or to support a project that actually, the end result is putting people in houses, in apartments, etc. ...? Do you ever see that, Alex?

Alexandra Ladd: Madam Chair, members of the Commission: Yes. This program year we got three projects actively supported through the Trust Fund – The Siler Yard (65 units), Calle Resolana (the Housing Authority project which will add 45 units), and then we’re also supporting the Housing Authority’s Rental Rehab of the Country Club Apartments (I believe) through the Trust Fund. So yes there’s – I think last ... well it seems every year we have the same conversation when it comes to (maybe not every year) but we have a similar conversation when it comes time to make the funding recommendation which is funding the sticks and bricks. Is that a longer term investment for us versus just saving lives as we can. Which right now (coming out of the pandemic) we need to do that. No doubt but I think to your point, you know the northwest quadrant is certainly a longer timeframe anyway so it gives us some time to kind of strategize how the City’s investment could really leverage the most affordability.

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Madam Chair Villarreal: Let's see. I saw Commissioner Hughe's hand up and then Commissioner Marquez after.

Commissioner Hughes: Yes, thank you Madam Chair. Quick question to the Mayor. If we get a COVID Relief package from the Biden Administration and it comes down with money to state local governance, would you see anyway that there might be some more funds for Affordable Housing out of that?

Mayor Webber: Absolutely. Rich's term of the Capital Stack concept. It includes a number of things that we can't count on but we outa be advocating for them. The 1.9 trillion dollars that is being debated in D.C. right now, if it stays the way it is under the current description of how the dollars would be allocated, we would for the first time as a City, be eligible for direct assistance from the Federal Government under kind of a CARES ACT Provision and that would absolutely go into the CONNECT Network and into the Affordable – it might not go directly into the Affordable Trust Fund but it would certainly go to the issue that we're all talking about. Which is the eviction cliff that folks are facing; the social determinant of health issue that we're all acknowledging based on COVID-19; ripping the bandaid off our human and social needs. In other conversations that Alexandra and Rich and I have been involved in, we're really (I think) constructively saying (and the Santa Fe Suites is a good example) that housing in the absense of social program is not an ample solution. If we had put people into the Santa Fe Suites property and there were no other services, I think its likely that numbers of those people would end up back on the street. It would be a very temporary measure to provide housing but not support services, counseling, other things that keep them safe, secure and able to get on to their feet. So I think what's happening is really constructive. I think its a productive moment for us to assess a lot of variables. Alot of overlapping for us. In this conversation the other day, our City Manager (Jarel) was saying let's look at it as a vendiagram. There's the housing part, the physical housing part. There's the social services part that's important. And then Alexandra raised the issue of how does that all fit into a larger construct of growth managment and healthy neighborhoods because you could just have a lot of projects and no social services and they don't work. You could have a lot of projects and they're not – we really don't take advantage of the (or we don't take into consideration) the growth management issues that we

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all care about because we want projects that destroy the livability of Santa Fe over time. And we don't want projects (or under thought projects) that leave people and neighborhoods at odds with each other. So I think we're at a real moment of truth here where we have the ability to look strategically at how those elements overlap as a Venn diagram. The best example we have right now (and I was just on a zoom call before I joined you) is an evaluation of our Built For Zero effort with the homeless/helping people who are experiencing homelessness through Built For Zero. And the thing that I like about that approach is that it's strategic. It is all inclusive. It is measurable. It is data driven. And so it's a great example of how social policy, housing policy, and City resources all come together with partners. For the first time, really have a comprehensive look at ending chronic and veteran homelessness. If we move that upstream into affordable housing and people who need support who are not experiencing homelessness but who could experience if we don't intervene, or people who are tenuously housed. I think we begin to see the evolution of a real care process that goes end to end. Rather than being set by the go. I hope that's where we're headed.

Commissioner Hughes: Thank you, Mayor. I'm assuming that means: Yes.

Mayor Webber: Yes. Sorry about that. I just get excited about this because if we get money from the Feds, money from the state, I think we're on the cusp of doing great things. So, Yes.

Madam Chair Villarreal: Thank you. Commissioner Marquez. And just so you know, we have 10 minutes and both Rich and I have to be in a Quality of Life Committee and we have one more Housekeeping Item on our Agenda but please –

Mayor Webber: [Jokingly says] Don't ask me any more questions...

Madam Chair Villarreal: Commissioner Marquez, go ahead.

Commissioner Marquez: I'll make mine quick. As you know, some of my not objective but most important part of being on this Commission is not just the – how can I say rentals or housing the homeless, or getting some of that. Mainly (and I should say all of it is important to me) but is the renovation, the repairs, the remodel... the existing properties that around our City that are in major need of them being able to not just live

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comfortably but to have a house that they can be (it gives me the chills... you know how I am on this stuff). We haven't really talked about any of that through this stuff so I think that when we get to our regular meetings we can kinda decide, well this money will go to renovation or Sunrise that are building homes but not the ones that are already there that are existing that man I tell you what: They are so important to me and something has to be done but not just on the regular homes or regular apartments or whatever we're working on.

Richard Brown: Madam Chair can I adress a little bit of that because he brought something – I got chills too.

Madam Chair Villarreal: Absolutely.

Richard Brown: He brought up something that was really important to me is that as I talk about stimulating the economy and Commissioner Marquez brought up a good point that we're trying to figure out how to invest money in job training that would focus on young people, veterans, single mothers, new comers, etc. ... who could be trained to help us bring our housing up to a spate where its affordable. You can age in place. It's just another place for us because when we think about our community, we have an hour glass of a City. We have a lot of people of 60. We have a lot of people under 18 and both of them need to live and work together. And so to your point I think that's sort of a bigger strategy around community development is that I can do double benefit if I make the investment in job training. Work with the Community College. Work with our local Partners. Find funding where we can train folks to say, you don't need to be a blood transfusion person. We have about 800 houses that need an update. A roof or new window or painting or whatever. This is job training too. This is like a life skill. And so you are correct. That is sort of our long term way where we see what quality of life means. Provide a house. Provide a job. Then that job can turn in a way to make an income that can keep you here a little longer. So I think you're on the right spot. And so I think as I move into the next fiscal year and you know, lobby the Mayor and Finance Committee, to make sure my funding's the same. We do see that as sort of a way to address some of the need that just this Committee is talking about.

Commissioner Marquez: Thank you.

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Madam Chair Villarreal: I think Commissioner Marquez always reminds us how important the rehabilitation of existing homes is not just new homes. I think that's the point you were also making Commissioner Marquez about making sure we take care of the people that are already here and how we support any existing homes. Commissioner Torres, sorry I didn't see the hand over there.

Commissioner Torres: I was just clapping in agreement.

Madam Chair Villarreal: Thank you. Any other comments, questions? If not, what's the pleasure –

Commissioner Hughes: I move to approve the Ordinance.

Madam Chair Villarreal: Okay, sorry. Move to recommend by Commissioner Hughes. A second by Commissioner Torres. Any other discussion? Seeing none, Toni can I get a role call.

[role call]

Madam Chair Villarreal: Commissioner Goblet is excused. Great. Thank you all. Motion passes. Thank you for the conversation. Thank you for joining us, Rich and also Mayor Webber. And we just have some house keeping stuff from staff. So Alex, do you want to join us or go ahead.

8. PRESENTATION

9. MATTERS FROM STAFF

A. Housekeeping and other items related to March 3 meeting, held by Zoom

Alexandra Ladd: Sure. Madam Chair, members of the Commission. we are still working out with our Procurement people what this will look like. What the electronic submission looks like because usually its paper and we have all those copies and the three hole punches and – so what I'm going to ask all of you to think about is if you are comfortable reviewing everything electronically, that's great. If you're not, if you would like paper copies or paper copies of part of it, please let us know. We will find out because I don't even know at this point – Is Procurement emailing this stuff or are they posting it or – We don't know yet so we will find out and

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we will send out a clarifying email to explain exactly the technology. I did mention when Commissioner Goblet emailed me to say that he's having tech problems: Please try to figure out your tech problems for March 3 okay. So hopefully because it will be an all day zoom meeeting. So we will conduct it like we have our normal physical meeting where I will be managing the waiting room as the applicants are coming up for their perscribed time. I will be letting them in as when the group that's presenting has left. So it should feel fairly similar the way it it always does. We also still want to buy you guys lunch. So I think that'll make a couple of the items make a little more sense. And other than that. Stay tuned. We will send out all the information via email, probably the beginning of next week. And we'll wing it. It'll be our first time doing it by zoom and hopefully everything goes ok.

Richard Brown: Madam Chair, can I add one more thing?

Madam Chair Villarreal: Sure.

Richard Brown: I want to allow everyone for allowing me to attend this meeting today. It was a good meeting. As you know, I'm the new Director of Community Development and if I don't bomb tonight, I do have a presentation that talks about Community Development in a whole better picture. In another date I'd like to come back and do this presentation so you can see where all the different departments synergize together to become Community Development and it'll take about 15, 20 mintutes of presentation and I can answer all of your questions. I just wanted to add that for matter of staff.

Madam Chair Villarreal: You could watch what he says on YouTube and listen to that presentation that we'll have in just a bit. Alexandra did you want us to let you know if we want a hard copy? And how hard is that to put together a hard copy because I'm actually thinking, given the amount of information that we have to go through, that it might be easier to have a hard copy.

Alexandra Ladd: Yes. I was thinking of that as well.

Madam Chair Villarreal: I see Ken going "Boo" but I'm so tired of looking and reading from screens I think it would help me to have a hard copy. Commissioner Torres says, "yes." Commissioner Marquez says, "yes." Commissioner Lopez. What about Commissioner Padilla? Yes and

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Commissioner Hughes says, “no.” Right? Okay. It’s a tree we’re killing, I know. It’s hard. It’s just hard because PrimeGov doesn’t work well for me these days writing notes and annotations. They dissappear so I’d rather just be able to write them down. So if that gives you a sense, Alex and Toni.

Alexandra Ladd: That’s helpful and we may try to see if our duplicating room can help. If they could produce the copies and then you all would make arrangements with that Staff to go to City Hall and pick them up or we could arrange something else. That may be the easiest way to do it. We’re not really going to the office all that much. I would hate to go and have the printer jam up because it hasn’t been used in 6 months and then we’re pulling our hair out. We’ll figure all that out and we’ll get information back to you. I appreciate that. I love paper and I can’t print anything at home so I’ve got sticky notes all over everything...

Madam Chair Villarreal: Did any one have questions for Alex or anything about our next meeting or marathon meeting we’ll have too? Toni do you have questions for us? Alright. I’m seeing none; anything from the Committee? Matters from the Commission? No, I see none. Alright. Our next meeting is March 3 and we start at 8:30 or 9?

Alexandra Ladd: It depends on how many applicants, but between 8:30 and 9. We’ll figure that out.

10. **MATTERS FROM THE COMMITTEE**

11. **MATTERS FROM THE CHAIR**

12. **NEXT MEETING:**

3/03/2021 8:30 AM

13. **ADJOURN**

End Time: 5:01 PM



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