

**HOUSING AND NEIGHBORHOOD ECONOMIC
DEVELOPMENT FUND COMMITTEE
(UDAG)**

Tuesday, October 25, 2022

2:00pm to 3:30m

Meeting was held solely via Zoom

Members Present:	Members Absent:	City Staff:
Armijo, Frances (Chair)	Colonel, Gwen	Herrera, Jessica
Lopez, Jesse	Lopez, Margaret	Krantz, Yolanda
Nelson, Robert	Vigil, Deacon Robert	Lujan, Anna Marie
Nordhaus, Richard		Montoya, Monica
Plaza, Andrea		Padrino, Patricia
Sanchez, Pat		Webb, Cecila
Senye, Kelle		
	HR&A Staff:	Guests:
		Kevin Koegel
		Christine Rodgers

Quorum for meeting was met.

I. Call to order

Meeting called to order at 2:03 PM.

II. Welcome and Introductions

Crescendo Consulting

III. Changes/Additions to the Agenda

There were no changes to the meeting agenda. Richard Nordhaus requested to speak during committee business.

IV. Approval of Meeting Minutes

A review of the Minutes from the September 27, 2022 meeting was conducted.

- ❖ Kelle Senye motioned to approve the September 2022 minutes with proposed changes. The motion was seconded by Robert Nelson and unanimously carried.

V. Committee Business

- a. Project Planning Discussion

- i. Richard Nordhaus discussed his thoughts on the HNEDF Housing Rehabilitation project as presented in Exhibit 1.
- ii. City staff states that the City does have mechanisms to keep homes affordable by placing a Mortgage and Note and an affordability period on homes. If HNEDF decides to have a Rehab program it will be dedicated for the homes in the pocket of poverty.
- iii. Richard states he understands the affordability period but is not understanding what the actual proposal and terms are for the program.
- iv. Robert Nelson stated he is unsure of what the criteria is for the program and what would be the minimum threshold to partner with the City.
- v. City staff states that the structure of the program will be developed when the committee creates the RFP.
- vi. Richard states one issue is that the plan calls for nine categories of housing listed but there are no priority ranking listed. One thing that is called for in the plan is providing both rehabilitation and new affordable units. One problem is that there is a lack of affordable units. Doing rehab does not add to the housing stock. One way to get developers into the pocket of poverty is by offering incentives. Richard asks if the committee should pursue a variety of housing strategies.
- vii. Pat Sanchez states that there is not enough land to be an incentive for developers. Efforts should be made for the people who are living in the pocket of poverty and to improv the units they are already in.

❖ Frances Armijo Motion to proceed with the rehabilitation project. The motion was seconded by Pat Sanchez and opposed by Richard Nordhaus, Robert Nelson, Andrea Plaza and Kelle Senye; Motion Fails.

- viii. Richard states that the opposition is not to the rehab project but it needs more definition, what it is and how it is going to be done.
- ix. City staff states that if the committee is in favor of the rehabilitation program then the committee will work to develop a program that works for the pocket of poverty.

❖ Richard Nordhaus Motions to explore a rehabilitation program for the pocket of poverty to be defined through discussions with the committee and city staff. The motion was seconded by Robert Nelson and unanimously carried.

- x. City staff states that a two-year plan will need to be developed.

b. Past project update

- i. GAHP Barelas- Completed
Lots were developed and homes were created and sold.
- ii. USBC Broadway Vistas Grant-Complete
All developed condominiums were sold.
- iii. Silver Gardens Loan- Complete
Funds were paid back to the City of Albuquerque and the remainder of the loan was forgivable.
- iv. Villa de San Felipe Loan- Complete
Loan was paid in full.
- v. WESST Small Business Incubator Grant- Complete
All requirements for forgiveness was met.
- vi. Quatro Y Cabron Grant- Open

Project was complete in 2019. City staff contacted agency regarding requirements. Monitoring is scheduled to begin in April 2023.

vii. **USBC Bosque Youth Conservancy Corp. Loan- Open**

Of the total amount, \$209,000.00 was forgiven. \$91,000.00 could potentially be forgiven if job creation is verified. Monitoring will begin to determine eligibility. Per the agreement, \$300,000.00 is not forgivable and must be repaid. Payments were to begin in December 2007; no payments have been received. City staff is working to resolve.

c. **2023 Consolidated Plan Focus Group- Discussion facilitated by Crescendo consulting.**

VI. Announcements

Robert Nelson would like City staff to contact Diana at USBC.

VII. Public Comments

None

VIII. Summary of Decisions and Assignments

City staff will look at possible scopes of services for a rehab program and bring to committee. City staff will send the consolidated plan survey link to the HNEDF members. City staff will send an update on projects with the added number of units.

IX. Adjournment

With there being no further business, the meeting was adjourned at 3:23pm.

Next Meeting Date: November 29, 2022 at 2:00pm

<p>Chairperson's Signature: <u>Frances Armijo</u> Prepared by: <u>Jessica Herrera</u></p>	<p><small>DocuSigned by:</small> <i>Frances Armijo</i> <small>44825818495B4E5...</small></p>
---	--

Exhibit 1

Comments on the proposed HNEDF Housing Rehabilitation Project

Richard Nordhaus 10/24/22

The HNEDF committee is considering funding a home rehabilitation project in the PoP. This is clearly a viable and appropriate project. However, there are a number of issues and questions that the Committee should consider. Most importantly, will this effort effectively address the housing goals identified in the 10 Year Plan?

The Plan clearly states guiding principles, goals and criteria for housing that we should consider when we as we make decisions about projects.

Overarching Goal (Plan p.3)

- HNEDF funding will be prioritized for projects that provide long-term and sustainable benefits for low- and moderate-income residence of the Pocket of Poverty. The City will allocate funds to (1) new for-sale and rental housing construction; (2) housing rehabilitation; (3) housing technical services...

Relevant Goals (Plan p.3)

- Goal 1: produce and preserve housing units affordable for low-middle income residents.
- Goal 3: rehabilitate buildings and improve the facades for housing ...
- Goal 6: leverage private investment alongside HNEDF funds.

Evaluation Criteria (Plan p 25,26)

Some of the evaluation criteria relevant to housing include:

- Create long-term benefits for pocket residents.
- Leverage other funding sources.
- Complement rather than substitute for or duplicate funding sources that support existing programs.
- Coordinate efforts to develop public private partnerships.
- Coordinate housing and economic development activities for neighborhood revitalization.

The Plan clearly states that housing is a high priority and lists nine categories of housing that need to be built – rental, for sale, seniors, families, etc. The Plan also lists four categories of housing rehabilitation. However, the Plan provides no guidance on the priorities for which types of housing should be funded and does not help us determine whether rehabilitation or new housing is more desirable or effective.

As stated above the housing rehabilitation proposal clearly meets a high-priority need in the PoP, but it raises some questions.

- What would the scope of the program be? What portion of available HNEDF funding would be allocated?
- Does it provide long-term, sustainable benefits to residents of the PoP?
- Does it substitute or duplicate other funding sources? Could it be designed to complement rather than duplicate the city-wide rehab program?
- Does it leverage other funding sources?
- Would it displace other potentially beneficial projects?

The impact and long-term benefits of the proposed rehab program would be limited. A quick and dirty calculation - if half of the housing budget of \$3,042,694 were spent on rehabilitation at an average of \$30,000 per home, it would benefit less than 100 households or ¼ of 1% of the population of the PoP. While

it would certainly benefit those households, it would provide little systemic benefit to the PoP nor provide long term affordability.

The proposed PoP rehab program also appears to duplicate the city-wide rehab program under development by the DFCS that would be available to PoP residents without the expenditure of HNEDF funds. And, it does not leverage or complement other funding sources.

That is not to say that a robust rehabilitation program should not be pursued. Could it be designed so that an infusion of HNEDF funds could be used to complement and supplement the city-wide rehabilitation program in order to expand and reinforce it for residents of the PoP without covering the whole cost?

Adding new affordable housing for residents of the PoP was also identified as an urgent need by the Plan. Housing rehabilitation can do little to address this need. Nor can the HNEDF finance the full cost of affordable housing projects. But the HNEDF can provide seed money and supplemental funding to non-profit developers to help make projects feasible and affordable. The former Revolving Construction Loan Fund is a good example. HNEDF support provided bridge financing to non-profit of affordable housing projects with limited funds that could be used again.

Other housing strategies that support the development of affordable housing should be considered in addition to home rehabilitation for a balanced HNEDF housing program.