Thursday evening Feb 18, 5:30-7:00 at the Epicenter (Broadway and Central) there will be a public meeting to review and comment on the elements of a “HNEDF”plan—the Housing and Neighborhood Economic Development Fund

The formerly known as "UDAG” (for Urban Development Action Grant) a program developed under then President Jimmy Carter. In the 1970s these funds provided cities an alternative to the exceptionally high interest rates (up to 17%!) of the time, and reflected the federal government's "urban renewal" mindset that government money, deployed at the neighborhood level could plausibly effect poverty. And appropriate to the time Albuquerque's most central neighborhoods -downtown and immediately surrounding (Martineztown, South Broadway, EDO, Barelas, and Sawmill)--showed the highest poverty census tracts. A boundary was drawn--dubbed the Pocket of Poverty--and these funds deployed within it for about 30 years. The decades-old fund has “recirculated” from loans to the Hyatt, Doubletree and some industrial projects in the 80s and early 90s.

Today, almost 4 decades later, economic and community development practitioners have learned there is not enough grant money to address poverty at the neighborhood scale, the city and the world have changed and this money has been very hard to use to make much of any difference to the lives of low income people—who now extend far beyond these neighborhoods throughout Albuquerque. The Living Cities work is an example of an innovative new approach to poverty. Other experiments are being developed nationwide.

In the last few years the little money left in the fund ($2.5M for Economic Development and $2.5M for housing) have gone unallocated and unspent—due to lack of departmental capacity and lack of fundable projects.

What we have today is an opportunity to spend down the funds—use them in ways that leverage other opportunities that could be long term game changers—the Bus Rapid Transit project, and efforts to drive residential and commercial development within a ½ mile radius of the 25 BRT transit stops—a tested and true strategy used successfully in dozens of other cities.

The leverage available now with other funds available at this point of time in ABQ’s history (e.g. a match to the recently awarded $860,000 federal transit oriented development grant) are substantial.

And there are no other funds to use from the city to help small businesses along the Central Ave Corridor during construction than these (all others are subject to the New Mexico gift of public funds prohibition. These funds are exempt from that).

The other uses proposed will also deliver tangible benefit to the low income residents and if successful could be scaled up in the future with other funds.

The meeting will present the proposed Economic Development expenditures below and what they can leverage and lead to.

It would be helpful to have people—especially who live in this boundary—to support these expenditures being written into a plan, to go to council April 4. And making expenditures for small businesses outside the boundary is a big change, and needs some advocates.

The meeting agenda, a budget/grid of the proposed elements is below, and after that, more details about each.

Thanks

**PUBLIC MEETING FOR INPUT ON**

**HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT FUND PLAN**

**Thursday, February 18, 2016**

**5:30 p.m. to 7:00 p.m.**

**Epicenter**

**101 Broadway, NE**

**Albuquerque, New Mexico**

**AGENDA**

1. Introduction of HNEDF Committee members and staff
2. Overview of Housing and Neighborhood Economic Development Fund
3. Break-out Group Discussions/Questions and Answers

Group 1: Economic Development Potential Elements
Group 2: Affordable Housing

Group 3: El Encanto

1. Committee Discussion
2. Adjourn

HNEDF Economic Development Elements (Summary 2-8-16)

*Areas added since last discussions are in green.*

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| --- | --- | --- | --- | --- |
|  | **Plan Element** | **Amount** | **Geography** | **Requirements** |
| 1.A.  | **Small Business Preparation in the Central Corridor Fund**  | Phase 1:$1 millionPhase 2: $450,000Phase 3: $450,000;$100,000 (if needed for staffing the Biz Advancement Team’s door to door outreach July16-Jun17)  | Phase 1 &2 Eligibility for Central Avenue addresses only, Phase 3 Extend eligibility 1 block N&S of Central. | Plan designates 2-3# of nonprofit Loan Administrators with demonstrated experience;If portion or all of $100K if able to be funded by other sources, it can be added to Phase 3 loan funds. |
| 1.B | **TOD Building Repositioning Fund** | $300,000 | Transit Oriented Development 5/8 mile circles from transit stops along Central (priority) and 4th St. (allowed) | 30% small grants; 70% low interest revolving loans to be managed by an experienced Loan Administrator |
| 1.C. | **Job Linkage Program** | $ 50,000  | Job seekers and holders residing in PoP only  | TalentABQ will work with partners in PoP to conduct an estimated 900 assessments, 750 skill up enrollees, 25 partner employers who will interview 300 for jobs based on their skills. |
| 1.D | **Builder 🡪Developer Project** | $150,000  | Recruit trainee class first from PoP, then broader ***if needed.*** | * Proprietary owner of proven training program to deliver training for up to 100 prospective developers, heavily recruited from PoP.
* Subsequent 2 day training for 40 to validate project ideas, formal application process for up to 7 “Small Development Fellows” for technical assistance support through successful financing and property acquisition.
* Include $30,000 for credit enhancements for a challenge grant pool for special situations (e.g. fixing up a historic building, challenged site, etc). In time, as model matures, such challenge grants could help push down costs so the program can aspire to add 5-10 targets of 80-100% AMI affordability.
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