



# CITY OF SANTA FE

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**DATE:** May 30, 2025  
**TO:** Mayor Alan Webber and City Councilors  
**CC:** Mark Scott, City Manager *Mark Scott*  
Mark Scott (May 30, 2025 15:24 MDT)  
**FROM:** Henri Hammond-Paul, Community Health and Safety Department Director *H. Hammond-Paul*

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## **ITEM AND ISSUE:**

Termination of Lease with Interfaith Community Shelter to End Month-to-Month Tenancy at 2801 Cerrillos Road (Pete's Place)

## **RECOMMENDED ACTION**

Approve terminating the City's Lease with Interfaith Shelter Group (Interfaith). Approval would result in the City Manager sending the attached, written notice to Interfaith Community Shelter Group to terminate the lease for 2801 Cerrillos Road (Pete's Place). The lease provides for a month-to-month tenancy if Interfaith remains on site after a four-year term. The four-year term ended on October 14, 2024. In accordance with state law and the original lease start date (the 14th of the month), the earliest effective termination date would be July 20, 2025 if notice is issued on June 3. The City is recommending giving Interfaith through the end of July 2025 to vacate the premise, providing 48 days of notice.

## **BACKGROUND**

The City entered into a lease agreement with Interfaith on October 14, 2020. The Lease expired on October 31, 2024. Since that time, Interfaith has remained in lawful possession of the premises on a month-to-month basis, pursuant to Section 3(B) of the original lease agreement. The Interfaith Community Shelter (ICS) and its board, staff, and volunteers have provided valuable—and life-saving—services to our community over many years. We recognize and respect that legacy.

## **LEASE STATUS AND NOTICE**

Under New Mexico law and the expired lease terms, either party may terminate the month-to-month tenancy by providing at least 30 days' written notice prior to the next periodic rental date. Upon approval, the City would deliver notice promptly, with the tenancy ending no sooner than 30 days from the next monthly rental anniversary.

## **NEXT STEPS**

Upon approval of termination, a formal notice of termination will be delivered to the Chair of the Board and the Executive Director of Interfaith Community Shelter Group. City staff will be available for transition coordination during this period.



# City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909  
[www.santafenm.gov](http://www.santafenm.gov)

*Alan Webber, Mayor*

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1  
Alma G. Castro, District 1  
Michael J. Garcia, District 2  
Carol Romero-Wirth, District 2  
Lee Garcia, District 3  
Pilar F.H. Faulkner, District 3  
Jamie Cassutt, District 4  
Amanda Chavez, District 4

June 4, 2025

Korina Lopez  
Executive Director  
Interfaith Community Shelter Group  
2801 Cerrillos Road  
Santa Fe, NM 87507

*Re: Lease Termination at 2801 Cerrillos Road*

Dear Executive Director Lopez,

This letter serves as formal notice that the City of Santa Fe is concluding the current month-to-month tenancy for the premises located at 2801 Cerrillos Road, governed by the lease agreement entered on October 14, 2020. In accordance with New Mexico law, this notice provides at least thirty (30) days' notice of termination. The effective date of termination shall be July 31, 2025, providing 48 days' notice.

Given the change in needs and the impact on the community that has risen to emergency proportions, an operator for the Cerrillos location, specializing in the ability to de-escalate potentially dangerous situations and maintain community safety is needed. During a transition to a new operator, the goal will be to stabilize operations, ensure continuity of care for guests, and improve outcomes for the broader community.

The City will work with you to establish a respectful and coordinated timeline for transition, with the shared goal of minimizing disruption for guests and staff.

The Interfaith Community Shelter Group has been essential in meeting the needs of some of the city's most vulnerable residents, contributing great value to Santa Fe for nearly twenty years. The City is committed to working with Interfaith Community Shelter to help you continue your important work in our community. We hope your board, volunteers, and supporters in the Interfaith Leadership Alliance will come together to identify a new location—one that aligns with your mission and allows you to thrive independently.

Sincerely,

Henri M. Hammond-Paul  
Director, Department of Community Health and Safety

**LEASE AGREEMENT  
BETWEEN  
THE CITY OF SANTA FE AND**

This LEASE AGREEMENT (Lease Agreement) is made and entered into on this 14th day of October, 2020, by and between the CITY OF SANTA FE, a municipal corporation (City or Lessor) and the Interfaith Community Shelter Group, a Non-Profit Corporation (Lessee), collectively the "Parties".

WHEREAS, the City wishes to support the communities most in need population by supporting Lessee's mission.

**WITNESSETH:**

In consideration of the Lessee's promises herein, Lessor hereby gives Lessee a Lease Agreement, revocable and terminable as hereinafter provided, to enter on, make use of, (and develop) the real property of Lessor as follows:

**1. PREMISES**

Lessor allows Lessee to use and occupy, subject to the terms and conditions of this Lease Agreement, the real property located at 2801 Cerrillos Road, Santa Fe, NM. The leased property (the Premises), consists of approximately 6,082 square feet of heated floor space with a building of metal construction, on approximately 0.5051 acres of real estate as more fully described shown on Exhibit A of this Lease Agreement, attached hereto and made a part hereof.

Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises or as to the use which may be made thereof.

**2. EFFECTIVE DATE**

This Lease Agreement shall become effective on November 1, 2020, (the Effective Date).

**3. LEASE TERM**

A. Term. The term of this Lease Agreement shall commence at 12:00 a.m. on the Effective Date. The term of this Lease Agreement is four (4) years.

B. Holdover after expiration. In the event Lessee remains in possession of the Premises after the expiration of the Term of this Lease Agreement, such possession may be continued as a month-to-month tenancy. During any such month-to-month tenancy, the Rent due shall be prorated and payable on a monthly basis in advance of the first day of each month, provided

that Services shall be provided in the same month and not in advance. All the terms and conditions of the Lease Agreement shall be otherwise applicable during any such month-to-month tenancy.

#### **4. USE OF PREMISES**

A. Conditions of Use. Lessee shall use the Premises solely for the specific purpose of operating the InterFaith Community Shelter at Pete's Place subject to the following conditions:

- i. Lessee may only use the Premises for a residential homeless shelter, for the provision of day resource services provided by other agencies serving the homeless, for the provision of meals to the homeless, for uses ordinarily ancillary or incidental to the shelter and these service (including, without limitation, parking and storage), and as a safety net service for City of Santa Fe residents ages 18+ and their children;
- ii. Lessee shall participate in the Coordinated Entry System via the New Mexico Coalition to End Homelessness by administering the coordinated assessment tool (VI-SPDAT) for a minimum of 25% of clients served annually and participating in community case conferencing.
- iii. Lessee must ensure that clients are served from underserved communities with a priority serving low to very low income households;
- iv. Lessee must meet the service guideline as delineated in the Rent Section below.
- v. Only Lessee's clients and staff are allowed to reside at the Premises. No other persons are allowed to reside at the Premises;
- vi. No individuals who are acting in a way that is a danger to others shall be allowed to remain on the Premises. Lessee will seek assistance from St. Vincent's hospital or other appropriate service provider for individuals who are a danger to themselves;
- vii. No alcohol or drugs (other than those prescribed by physicians for Lessee's clients) are allowed to be used or present on the Premises;
- viii. Lessee's clients who violate the above terms while residing at the Premises shall be physically escorted off the property by Lessee or the Santa Fe Police and shall not be allowed to return until it is determined by Lessee's staff that they have been through a detox program and/or that they will follow the shelter's rules and their return will not pose a danger to others;
- ix. Lessee shall deploy security cameras at the Premises;

- x. Lessee shall staff the Premises twenty-four (24) hours per day and seven (7) days per week; and
- xi. Lessee's residents and staff shall be advised to park only in the on-site parking lot or in other lawful locations.
- xii. The City, in partnership with the Lessee, will hold at least two (2) meetings per year with businesses and neighbors located within a 1/2 mile radius of the premise to discuss community concerns and priorities. The City and the Lessee will invite all Governing Body members, the City Manager, and appropriate City staff. Notice of the meeting shall state the purpose of the meeting.

B. Improvement of the Premises. Lessee may, with the prior written consent of Lessor and at no cost to Lessor, make minor improvements to the Premises as it deems necessary in furtherance of the intended use of the Premises as provided in Section 4.A above

C. Trade Fixtures. All trade fixtures installed by Lessee after the Effective Date of this Lease Agreement shall remain the property of Lessee, who may remove the same upon termination of this Lease Agreement, provided that removal shall be done in such a manner as not to injure or damage the Premises.

In the event that Lessee fails to remove said trade fixtures after receipt of notice from Lessor to do so, Lessor may remove and dispose of the same as it sees fit and Lessee agrees to sell, assign, transfer, and set over to Lessor all of Lessee's right, title and interest in and to said trade fixtures and any personal property not removed by Lessee.

D. Repairs and Maintenance. Lessee shall not cause or permit any waste, damage or injury to the Premises or to any improvements made to the Premises. Lessee shall, at its sole expense, keep and maintain the Premises in good and clean condition at all times and shall be responsible for the costs of any and all required repairs, replacements, and capital improvements that arise during the Term of this Lease Agreement. Repairs and replacements required to be made by the Lessee shall be made promptly as and when necessary and shall be at least equal in quality of materials and workmanship to that originally existing in the Premises. The Lessee shall maintain the grounds along the entire perimeter of the building.

Lessor reserves the right to inspect the Premises at any time during the Term of this Lease Agreement to verify Lessee's compliance with this Section 4.D. In the event Lessee fails to maintain the Premises at a standard acceptable to the Lessor, as determined in Lessor's exercise of reasonable judgment, Lessor may terminate this Lease Agreement in accordance with Section 12 herein.

E. Compliance with Laws. Lessee's use of the Premises shall at all times be in compliance with the City of Santa Fe Municipal Code and other applicable local, state and federal regulations including but not limited to compliance with the City of Santa Fe Integrated Pest Management Policy (§ 10-7 SFCC 1987) (the Pest Management Policy).

## 5. RENT

A. Base Rent. Lessee, for and in consideration of this Lease and the demise of the Premises by Lessor to Lessee, hereby agrees and covenants with Lessor to pay the annual fair market rental value of Sixty Thousand, Seven Hundred, Fifty and 00/100 Dollars (\$60,750.00) ("Rent"), as established by an appraisal report prepared by American Property - Consultants & Appraisers, Inc. on June 1, 2010 (showing an annual rental value of \$54,000/year) plus 12.5 percent of that appraised rental value.

B. Services as Rent. Services are defined as 1) providing overnight shelter; 2) providing food and serving meals; 3) providing day resource services, and 4) providing safety to the indigent citizens of the City and County of Santa Fe. During the term of and in consideration of the Lease, in lieu of Rent Lessee shall provide the Services to indigent citizens of the City and County of Santa Fe, for free, the value of which shall equal or exceed the Rent in each year of the Term of this Lease. Any excess in the value of Services delivered in any year over Rent for that year shall constitute a credit ("Rent Credit") to the Lessee for the offset of Rent in any other year in which Rent does not exceed the value of the Services.

C. Proof of Services Provided. Lessee shall, on or before September 30th of each Lease year hereunder, submit to the Lessor a statement itemizing the kind and value of Services rendered to the citizens of the City and the County of Santa Fe during the prior Lease year. The value of Services used to offset Rent shall be the value of all Services provided for free minus the amount of any governmental subsidy or payment received by Lessee for providing such Services. Such statements shall be in a form and contain such information as Lessor in its reasonable discretion may require. Lessor may, in its sole and absolute discretion, request such reasonable additional non-confidential information and documentation as it deems necessary to evaluate Lessee's statement of values and types of services.

D. Rental Services Amount Shortfall. Should the value of the Services not equal or exceed the Rent in any year, Lessee shall make up the rental shortfall by paying the City monetary rent; provided that any Rent Credit shall first be applied to offset such shortfall and monetary rent shall be due only for any remaining shortfall. Notwithstanding anything to the contrary in the foregoing sentence, the Lessor and the Lessee may agree in writing that the Lessee may provide additional Services to offset any shortfall remaining after the application of the Rent Credit, and agree to negotiate in good faith to determine the nature, extent and timing of such additional Services. Any remaining deficit in Rent, shall be paid in cash to the Lessor via the Lessor's cashier office, Room 114, 200 Lincoln Ave., Santa Fe, NM.

E. No compensation by Lessor. In no event shall Lessor be required at any time, including, without limitation, the end of the Lease term, to compensate the Lessee in any way for excess Services; it being further provided that, without in any way limiting the generality of the foregoing, in the event of termination of this Lease, Lessee shall forfeit any accrued, but unpaid or unapplied Rent Credit.

6. **UTILITIES & SERVICES**

Beginning on the Effective Date and until the termination of this Lease Agreement, the responsibility and costs for providing utilities and services to the Premises shall be the responsibility of the Lessee and all natural gas, electricity, domestic water, and sanitary sewer service, telephone, cable or satellite television, wired or wireless internet, security alarm services, security video services, security monitoring services, solid waste collection services, cleaning, and repair services, including landscape maintenance, shall be coordinated and paid for by Lessee. Any utilities or services not specified herein shall be the responsibility of the Lessee.

7. **TAXES**

Lessee shall pay all taxes levied and assessed, if any, upon any personal property, fixtures and improvements belonging to Lessee and located upon the demised Premises, and all leasehold and possessory interest taxes levied or assessed by any proper taxing authority.

8. **SUBLEASE, ASSIGNMENT OR TRANSFER**

Lessee shall not sublet, assign, or otherwise transfer this Lease Agreement, without the prior written consent of Lessor, which Lessor may withhold for any or no reason. Any such actions taken by Lessee shall result in the immediate termination of this Lease Agreement.

9. **INSURANCE**

Lessee shall at all times maintain and provide adequate insurance coverage which includes, without limitation, each of the following:

A. Casualty Insurance. Lessee shall carry and maintain in full force and effect during the term of this Lease Agreement casualty insurance in an amount sufficient to restore and replace existing structures and improvements if lost or damaged by any form of casualty. Lessee shall cause the City of Santa Fe to be named as an additional insured on such policy of insurance.

B. Liability Insurance. Lessee shall carry and maintain in full force and effect during the Term of this Lease Agreement, liability insurance covering bodily injury and property damage, in a form and with an insurance company acceptable to Lessor, with limits of coverage not less than as stated in the New Mexico Tort Claims Act for each person injured and for each accident

resulting in damage to property, against all claims and lawsuits arising from Lessee's use of the Premises. Lessee shall cause the City of Santa Fe to be named as an additional insured on such policy of insurance.

C. Worker's Compensation Insurance. Lessee shall carry and maintain in full force and effect during the Term of this Lease Agreement, workers' compensation insurance at statutory limits for its employees working at the Premises. Lessee shall cause the City of Santa Fe to be named as an additional insured on such policy of insurance.

D. Certificates of Insurance. Prior to the Effective Date of this Lease Agreement, and thereafter at any time during the Term of this Lease Agreement that Lessor requests, Lessee shall provide Lessor with certificates of insurance for each policy evidencing that the coverage required hereunder is current. Such policy shall provide that the coverage evidenced thereby shall not be terminated or modified for any reason without thirty (30) days prior written notice to the Lessor. A certificate or policy which states that failure to give such notice imposes no obligation on the part of the insurer shall be unacceptable to Lessor, and Lessee shall be responsible for removing such language from such certificate or policy.

#### 10. INDEMNIFICATION

Lessee shall indemnify, hold harmless and defend Lessor from all losses, damages, claims or judgments, including payment of all attorney's fees and costs, on account of any suit, judgment, execution, claim, action or demand whatsoever arising from damages occurring on the Premises and Lessee's use of the Premises hereunder, including use of the Premises by Lessee's employees, agents, representatives, contractors, agents, guests, invitees or permitted assigns.

#### 11. EASEMENTS

Lessor reserves the exclusive right to grant access, utility or other easements on or through the Premises. Lessor shall notify Lessee in writing prior to Lessor's grant of any easement through the Premises.

#### 12. TERMINATION

A. Lessor may terminate this Lease Agreement upon Lessee's failure to comply with any material provisions contained herein. Prior to termination, Lessor shall hand deliver or mail notice to Lessee via certified or registered mail specifying:

- i. the breach;
- ii. the action required to cure the breach;
- iii. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to Lessee, by which such breach must be cured; and

- iv. that failure to cure such breach on or before the date specified in the notice will result in termination of the Lease Agreement.

B. Lessee may terminate this Lease Agreement with written notice to Lessor at least thirty (30) days prior to the termination date.

**13. NOTICE**

Any required notice will be deemed delivered, given and received (i) when personally hand delivered, or (ii) five days after the same are deposited in the United States mail, postage prepaid, registered, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor:  
City Manager  
City of Santa Fe  
P. O. Box 909  
Santa Fe, NM 87504

To Lessee:  
Interfaith Community Shelter Group  
Executive Director  
2801 Cerrillos Road  
Santa Fe, NM 87507

**14. NO WAIVER**

No waiver of a breach of any of the provisions contained in this Lease Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provisions.

**15. SEVERABILITY**

In the event that one or more of the provisions contained in this Lease Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

**16. ENTIRE AGREEMENT**

The foregoing constitutes the entire Lease Agreement between the Parties, represents their entire understanding, and defines all of their respective rights, title, and interests as well as all of their duties, responsibilities and obligations. Any and all prior lease agreements and understandings between the Parties related to the Premises, if any, are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the Parties.

**17. BINDING EFFECT**

This Lease Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

**18. LITIGATION EXPENSE**

In the event of litigation between the Parties, if Lessor is the prevailing party, Lessee shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which Lessor shall incur in enforcing this Lease Agreement or in recovering any and all damages caused to the Premises by Lessee, or Lessee's contractors, agents, employees or permitted assigns.

**19. HEADINGS**

The section headings contained in this Lease Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Lease Agreement.

**20. APPLICABLE LAW; VENUE**

In any action, suit or legal dispute arising from this Lease Agreement, Lessee agrees that the laws of the State of New Mexico shall govern. The Parties agree that any action or suit arising from this Lease Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

**21. AMENDMENT**

This Lease Agreement shall not be altered, changed or modified except by an amendment in writing executed by the Parties hereto

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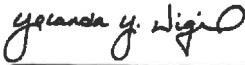
**IN WITNESS WHEREOF**, the parties have executed this Lease Agreement as of this  
14th day of October, 2020.

**LESSOR:  
CITY OF SANTA FE**



ALAN WEBBER, MAYOR

**ATTEST:**



YOLANDA Y. VIGIL, CITY CLERK

GB Mtg 10/14/2020

  
GC

**APPROVED AS TO FORM FOR LEGAL SUFFICIENCY:**



Andrea Salazar for (Oct 19, 2020 09:34 MDT)

ERIN K. MCSHERRY, CITY ATTORNEY

**APPROVED AS TO FINANCE:**



MARY T. MCCOY, FINANCE DIRECTOR

