



AGENDA

COMMUNITY DEVELOPMENT
COMMISSION
FEBRUARY 17, 2021 AT 3:30
PM
ATTEND VIRTUALLY

AMENDED AGENDA

SPECIAL PROCEDURES FOR THE COMMUNITY DEVELOPMENT COMMISSION MEETING

Attendance: In response to the State's declaration of a Public Health Emergency, the Mayor's Proclamation of Emergency, and the ban on public gatherings in excess of those permitted in the current Public Health Order, the Community Development Commission meeting will be held virtually.

To request meeting password, email tocandelariamartinez@santafenm.gov. Click or copy this address into your browser to join meeting: <https://santafenm.gov.zoom.us/j/94496618692>

Agenda: The agenda for the meeting will be posted at santafe.primegov.com/public/portal.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF MINUTES**

Minutes From the November 11, 2020 Meeting

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



AGENDA

COMMUNITY DEVELOPMENT
COMMISSION
FEBRUARY 17, 2021 AT 3:30
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- 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

- 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 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

6. MATTERS FROM STAFF



AGENDA

COMMUNITY DEVELOPMENT
COMMISSION
FEBRUARY 17, 2021 AT 3:30
PM
ATTEND VIRTUALLY

- a. Housekeeping and other items related to March 3 meeting, held by Zoom
7. **MATTERS FROM THE COMMITTEE**
8. **MATTERS FROM THE CHAIR**
9. **NEXT MEETING:**
10. **ADJOURN**

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521, five (5) working days prior to meeting date.



MINUTES

COMMUNITY DEVELOPMENT
COMMISSION
NOVEMBER 18, 2020 AT 3:30
PM
VIRTUAL MEETING

1. CALL TO ORDER

Meeting called to order at 3:31 PM

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

Others Attending:

Alexandra Ladd, Director - Office of Affordable Housing
Toniette Candelaria-Martinez, Office of Affordable Housing Staff

3. APPROVAL OF AGENDA

Community Development Commission Agenda 11/18/2020

MOTION: Member Torres moved, seconded by Member Padilla, to approve the Agenda.

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

For: Councilwoman Renee Villarreal, Member Paul Goblet, Member Ken Hughes, Member Carla Lopez, Member Willie Marquez, Member Rosario Torres, Member John Padilla

4. APPROVAL OF MINUTES

Community Development Commission Meeting Minutes 10/21/2020

MOTION: Member Marquez moved, seconded by Member Torres, to approve the Minutes.

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



MINUTES

COMMUNITY DEVELOPMENT
COMMISSION
NOVEMBER 18, 2020 AT 3:30
PM
VIRTUAL MEETING

For: Councilwoman Renee Villarreal, Member Paul Goblet, Member Ken Hughes, Member Carla Lopez, Member Willie Marquez, Member Rosario Torres, Member John Padilla

5. DISCUSSION AGENDA

MOTION: Member Lopez moved, seconded by Member Torres, to approve discussion (a.) as amended.

VOTE: The motion was approved as amended on the following Roll Call vote:

For: Councilwoman Renee Villarreal, Member Paul Goblet, Member Ken Hughes, Member Carla Lopez, Member Willie Marquez, Member Rosario Torres, Member John Padilla

MOTION: Member Lopez moved, seconded by Member Marquez, to approve discussion (b.) as presented.

VOTE: The motion was approved as presented on the following Roll Call vote:

For: Councilwoman Renee Villarreal, Member Paul Goblet, Member Ken Hughes, Member Carla Lopez, Member Willie Marquez, Member Rosario Torres, Member John Padilla

6. MATTERS FROM THE COMMITTEE

7. MATTERS FROM THE STAFF

8. MATTERS FROM THE CHAIR

9. **NEXT MEETING:** February 17, 2021

10. ADJOURN

Meeting adjourned at 4:53 PM

Toniette Candelaria-Martinez

Office of Affordable Housing Staff

Renee Villarreal, Chair



**CDBG Policies & Procedures Manual
City of Santa Fe**

Office of Affordable Housing

DRAFT

Chapter 1 – Introduction

- Purpose
- Scope

Chapter 2 – Planning

- Consolidated Plan/Action Plan and Analysis of Impediments
- Project Selection
 - Application Process
 - Eligible Activities & National Objectives
 - Awards and Written Agreements

Chapter 3 – Financial Management

- Grantee Budget (Grant and Program Income)
- Accounting System
- IDIS (including reconciliation with Accounting System)
- Procurement

Chapter 4 – Program Compliance

- Environmental Review
- Fair Housing & Nondiscrimination (including Section 3)
- Labor Standards

Chapter 5 – Monitoring

- Internal Review (within local government)
- Subrecipient Oversight
- Contractors

Chapter 6 – Reporting

- CAPER
- Federal Financial Report and Other Reports
- Audit

Chapter 7 – Closeout

- Completion in IDIS (Beneficiary Data)
- Records and Retention

Appendices

- Guide to National Objectives and Eligible Activities for CDBG Entitlements
- CDBG Subrecipient Agreement (Template)
- IDIS for CDBG Entitlement Communities Manual
- CDBG Matrix Codes Sheet
- CPD Monitoring Handbook, Chapter 3: CDBG Entitlements (and related checklists)
- Uniform Administrative Requirements, 2 CFR Part 200
- Other Federal Requirements (e.g. Conflict of Interest)
- Typical Grant Cycle Calendar

Chapter 1 – Introduction

- Purpose
- Scope

City of Santa Fe receives a yearly entitlement grant from the US Department of Housing and Urban Development (HUD) to carry out the Community Development Block Grant (CDBG) program. Upon acceptance of each annual grant award, City of Santa Fe contractually agrees to implement its local CDBG Program in accordance with the [Housing and Community Development Act of 1974](#), the CDBG program regulations found at [24 CFR 570](#) and other related laws, regulations and requirements. The intent of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. CDBG funds must be used for eligible activities that meet the national objectives of the CDBG Program. All CDBG awards are also subject to the Uniform Administrative Requirements detailed in [2 CFR Part 200](#).

Purpose

The purpose of this *CDBG Policies & Procedures Manual* is to establish a framework that guides the operation of the City of Santa Fe Community Development Block Grant (CDBG) Program.

This Manual is specifically designed to guide the administration and delivery of the City of Santa Fe's CDBG Program and to help CDBG funded recipients understand the requirements that apply to the use of federal funds. It provides an approach for making decisions, ensuring the program is operated in a fair and consistent manner, as well as providing all program participants with an understanding of how City of Santa Fe manages its local CDBG program.

Scope

As of source of local guidance, the manual's scope applies to all CDBG funds awarded to City of Santa Fe and used by funded entities. Content of the manual is organized around the life-cycle of an annual CDBG grant (known as a "Program Year") and its eligible activities or projects from initial planning through implementation to closeout. Use of the content follows the premise that CDBG program requirements -- regulatory, performance, administrative, financial, compliance and record keeping -- can be satisfied through timely preparation, completion and recording or filing of required documentation.

The information and materials within this manual are subject to change as local policy and HUD rules and regulations change. Moreover, the manual does not replace or amend any of the provisions in HUD's Grant Agreement and Certifications with City of Santa Fe, or any agreement executed between the City of Santa Fe and its funded entities. Should there be any disagreement between the executed agreements and this manual, the provisions contained within those agreements, executed contract(s), service level agreement(s) or memorandum(s) of understanding will take precedence.

Chapter 2 – Planning

- Consolidated Plan/Action Plan and Analysis of Impediments
- Project Selection
 - Application Process
 - Eligible Activities & National Objectives
 - Awards and Written Agreements

Before City of Santa Fe can address community needs with its CDBG funding, HUD regulations require an assessment of current conditions and a description of planned uses of the grant that respond to those needs. Although entitled to receive the CDBG funding, City of Santa Fe must also formally request from HUD the annual award of each grant. Planned uses of the CDBG funding are often shaped by a local process that notifies the community of available funds and invites proposals for possible activities and projects.

Consolidated Plan

The Consolidated Plan is a three to five-year plan which describes the community needs, resources, priorities, and proposed activities to be undertaken with the CDBG program in City of Santa Fe. It identifies the housing and community development needs, especially for its low and moderate income (LMI) residents, and strategies and resources to meet those needs. Elements include:

- A description of the entity responsible for overseeing the development of the Consolidated Plan and a description of the process undertaken to develop the plan;
- A housing and homeless needs assessment;
- A housing market analysis;
- A strategic plan; and
- A one-year Action Plan.

Stakeholder and public meetings are held during the planning process to garner information about the needs of the community and prioritizing the use of funds.

Both the Consolidated Plan and Annual Action Plan are first approved locally before their submission to HUD. The Consolidated Plan is published for a 30-day public review and comment period and then presented to City of Santa Fe governing body for consideration and approval. The Consolidated Plan must be submitted to HUD at least 45 days before the start of the program year. City of Santa Fe must also submit to HUD an annual update to the Consolidated Plan, referred to as an Action Plan that describes the specific proposed uses of CDBG funds for a 12-month program year beginning July 1 and ending June 30.

In addition to the Consolidated Plan, City of Santa Fe must also analyze impediments to fair housing choice and identify actions to address those impediments. This assessment is called an *Analysis of Impediments (AI)*. While it does not require HUD approval, the AI should be current through the same period as the Consolidated Plan and be updated periodically.

(Copies of all of the above referenced official documents for City of Santa Fe are available [here](#).) Additional information about the plans and study also appear at the HUD Exchange [here](#).

Project Selection

As previously stated, projects selected for CDBG funding must qualify as eligible activities that meet the national objectives of the CDBG program. The process of completing and submitting the Consolidated Plan and annual Action Plans helps City of Santa Fe determine what activities to fund during the upcoming program year. The application process is also shaped by a routine that notifies the community of available funds and invites proposals for possible activities and projects. When planned uses of CDBG funds are identified, City of Santa Fe takes necessary steps to qualify each activity and distributes part of its CDBG award to recipients that will assist in implementing the program. The basis for qualifying each project whether carried out directly by City of Santa Fe or by recipients to which it distributes funds, must be fully documented for HUD review. Because City of Santa Fe is ultimately responsible for any further allocation of funding, it must ensure that each funded entity demonstrates proper performance and compliance with applicable laws and regulations.

Application Process

City of Santa Fe's application cycle begins with an estimate of funding amounts for CDBG programs and ends with an announcement of recommended allocations. This process typically corresponds to the City's annual budget cycle. The process begins in November when the Community Development Commission meets to discuss and prioritize housing needs in the community as they relate the goals and priorities identified in the Consolidated Plan. Next, the City estimates total available resources based its average entitlement award, anticipated program income and other factors.

During the first week of January, an RFP is released that requests project applications. Scoring criteria addresses applicant capacity, how well the proposed project meets Consolidated Plan priorities, and financial viability of project. Housing staff holds a mandatory applicant training session in mid-January to ensure that applicants understand project eligibility as per CDBG regulations and other HUD requirements.

The RFP is made available for a period of time not to exceed 30 days. All applications must be received by the announced deadline; no exceptions are made. Funding requests are reviewed by staff to determine completeness and to ensure that all requirements would be met if proposed activities are funded. In late February, the Community Development Commission hosts presentations from applicants and convenes to make funding recommendations.

In alignment with the draft Annual Action Plan, staff drafts professional services agreements with subrecipients to allocate funding according to their proposed project. Contracts are presented to the City of Santa Fe's Governing Body for official review and approval. An announcement of the allocations is then made as part of the public comment period connected to the Annual Action Plan.

Eligible Activities & National Objectives

A key feature of the above process is qualifying each project for CDBG funding. Determination of eligibility and support of a national objective are paramount to the funding deliberation. This determination is best conducted through four steps with each one documented along the way.

Step #1:

The first step is to determine if the activity is included within the listing of eligible activities in the law, as amplified by CDBG regulations.

Step #2

The second step is to determine if the proposed activity falls within a category of explicitly ineligible or prohibited activities, despite its apparent inclusion within an authorized category.

Step #3

The third and arguably the most important step to City of Santa Fe is determining if the proposed activity can meet one of the national objectives of the program. Special attention should be paid to program criteria that limit how certain types of activities and beneficiaries can qualify under a particular national objective.

Step #4

The fourth step is to ensure that activities carried out with CDBG funds will not result in the City of Santa Fe violating its certification that at least 70% of CDBG expenditures will be for activities that are considered to benefit LMI income persons over a grantee specified period of one to three program years. This requirement is statutory and must be met by City of Santa Fe during this period.

CDBG regulations permit a wide variety of community, housing and economic development activities. A complete list of eligible activities should be reviewed with reference to the [“Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities”](#). Further guidance appears in the CDBG regulations at [24 CFR 570.201](#).

The basic eligible CDBG activities include, but are not limited to:

Housing

- Rehabilitation of low-income housing
- Homeownership assistance
- Acquisition, disposition, clearance, demolition, historic preservation
- Code Enforcement

Public Facilities

- Acquisition
- Construction / Reconstruction, Rehabilitation
- Installation
- Acquisition, disposition, clearance, demolition, historic preservation

Economic Development

- Microenterprise Assistance
- Commercial Rehabilitation
- Special Economic Development Activities to create or retain jobs

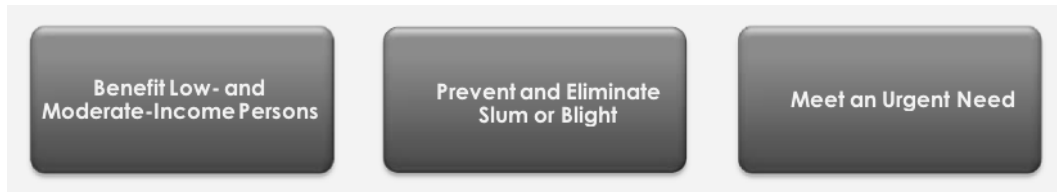
Public Services (15% limit)

- Job Training / Employment Services, Child Care
- Healthcare and substance abuse services
- Graffiti Removal
- Crime Prevention
- Fair Housing Counseling

Planning and Administration (20% limit)

- Development of the Consolidated Plan, Action Plan and CAPER
- General management, oversight and coordination
- Fair Housing activities
- Policy, planning, management and capacity building activities

Although the CDBG program includes a wide variety of eligible activities that may be selected, they may be undertaken only if the activity also meets one of the three permissible national objectives, including:

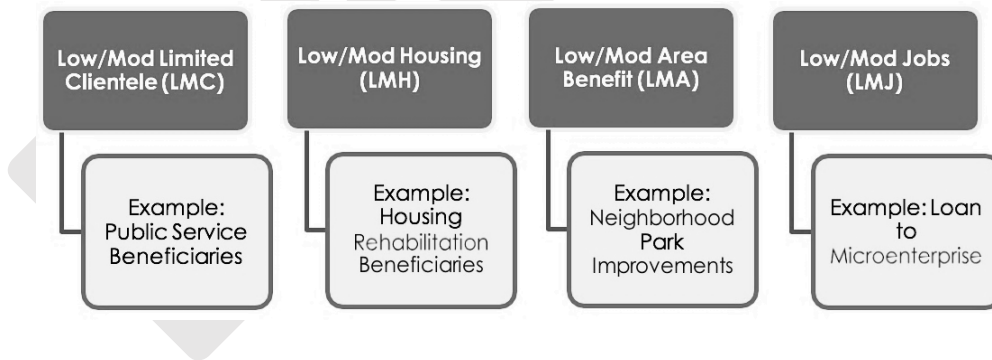


As indicated earlier, the CDBG statute and regulations requires that at least 70% of funds not used for program administration be spent on activities that meet the primary national objective of benefitting LMI persons. This requirement may be met during a one, two, or three-year period that is specified in the annual Action Plan certifications.

Within these three broad national objectives are subcategories that more specifically delineate how a national objective can be met. Due to regulatory limitations, there are certain national objective subcategories that are compatible with each eligible activity. A comprehensive table of eligible activities and permissible national objective subcategories appears in the [“Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities”](#) on pages 2-1 through 2-96 (with the compatible national objectives shown on a separate chart for each eligible activity).

- Benefit Low- and Moderate-Income Persons

There are four ways an activity can meet the LMI national objective:

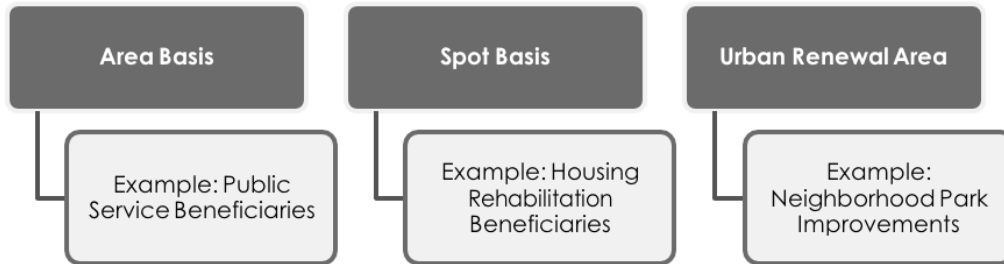


- Prevent and Eliminate Slums or Blight

The second of the CDBG national objectives has its roots in the Urban Renewal program, one of the major federal programs that were terminated and replaced with the CDBG program. Although the vast majority of people reside in areas that qualified for assistance under the Urban Renewal program were LMI persons, the principal focus of that program was to eliminate major slums and other areas of blight within the community and prevent the return of blight to the treated areas.

Because of concerns that the CDBG program might not allow the funding of such projects to continue, the national objective concerning slums and blight was created.

In developing the criteria for qualifying under this national objective, HUD has taken considerable care to ensure that eligible activities clearly eliminate objectively determinable signs of slums or blight in a designated slum or blighted area, or are strictly limited to eliminating specific instances of blight outside such an area (“spot blight”). There are three subcategories under this national objective:



- Meet an Urgent Need

Pursuant to CDBG regulations, to comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions that grantee certifies:

- Pose a serious and immediate threat to the health or welfare of the community,
- Are of recent origin or recently became urgent,
- The grantee is unable to finance the activity on its own, and
- Other resources of funding are not available to carry out the activity.

A condition will generally be considered of recent origin if it is developed or became critical within 18 months preceding the City of Santa Fe’s certification.

Awards and Written Agreements

As explained above, the applications will be presented to the City of Santa Fe for official review and approval after an administrative review determines that the proposed activities qualify as eligible and will meet one of the national objectives of the CDBG program.

Assuming the activities also address priority needs identified in the Consolidated Plan, the proposals will be incorporated as part of City of Santa Fe’s annual Action Plan submission to HUD.

Upon approval by HUD, City of Santa Fe can then make an award of CDBG funds to those entities that will assist in implementing the approved projects and activities.

Before disbursing funds to any organization that is carrying out CDBG activities on behalf of the City of Santa Fe, staff must prepare a written subrecipient agreement. All subrecipient agreements with the City of Santa Fe must contain a concise statement or scope of work that outlines an implementation plan for their CDBG activity. This statement, which will either be contained in or attached to the subrecipient agreement or MOU, must include a description of the activity to be performed, the national objective claimed, the location and intended beneficiaries (number and type), a schedule for completing the work and a detailed budget.

Furthermore, HUD stipulates that all written agreements with subrecipients include provisions on records and reports, program income, uniform requirements for federal awards, other program requirements (e.g. conflict of interest), suspension and termination and reversion of assets. These requirements, specified at [24 CFR 570.503](#), may vary over time and it is the responsibility of the City of Santa Fe to remain aware of revised requirements.

Subrecipients of CDBG funds must enter into the subrecipient agreement with the City of Santa Fe. Fully executed written agreements are required before any CDBG funds will be disbursed. This subrecipient agreement serves as a formal contract addressing the various policies outlined in this document, in addition to contract amount/term, reimbursement requests, quarterly reporting, monitoring, financial management guidelines, uniform administrative requirements, suspension and termination, reversion of assets, conflict of interest, and additional Federal standards. Additionally, each subordinate unit of City of Santa Fe receiving CDBG funds (that is, a separate department or office) must sign a Memorandum of Understanding (MOU) indicating an understanding of the items above.

Written agreements must remain in effect for the length of time that the subrecipient has control over any CDBG funds, including program income and assisted property. However, it is good practice to update subrecipient agreements annually to ensure the agreements are current with regulations and requirements. This process also allows an opportunity to revisit and clarify problem areas or issues.

The City of Santa Fe is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, subrecipients, or contractors does not relieve the grantee of this responsibility. The grantee is also responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts and for taking appropriate action when performance problems arise.

Chapter 3 – Financial Management

- Grantee Budget (Grant and Program Income)
- Accounting System
- IDIS (including reconciliation with Accounting System)
- Procurement

In Chapter 2, this manual described how the process of completing and submitting the Consolidated Plan and annual Action Plans help the City of Santa Fe determine what activities to fund during an upcoming program year with each annual grant award. The Action Plan establishes a budget for the annual CDBG allocation. The City of Santa Fe also adopts a local budget for the Fiscal Year (FY) that recognizes the grant as a separate revenue source and identifies all the activities that will be funded with CDBG dollars. It is essential that the CDBG revenues and expenditures are also reflected by grant year within the City of Santa Fe's local budget and accounting system.

The City of Santa Fe is responsible for stewardship of all their federal grant awards in a way that fully complies with federal guidelines and regulations. As a part of undertaking that stewardship, the City of Santa Fe staff will need to be familiar with the, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" found at [2 CFR Part 200](#). These regulations now govern the use of all federal funds. The CDBG regulations at [24 CFR 570.502](#) address the applicability of these uniform requirements to the CDBG program as well as describing other grant administration requirements.

All CDBG grantees and subrecipients must have financial management system in place that comply with the standards specified in [2 CFR Part 200.302](#). For a financial management system to meet federal standards, it must:

- Provide effective control over and accountability for all collections and disbursements, real and personal property and other assets
- Identify the source and application of funds for federally-sponsored activities
- Permit the accurate, complete and timely disclosure of financial results in accordance with HUD reporting requirements or, for subrecipients, grantee reporting requirements
- Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the Grantee or subrecipient

Grantees must employ financial management systems capable of generating regular financial status reports that indicate the dollar amount allocated (including budget revisions), obligated, and expended for each activity. The system must permit the comparison of actual expenditures and revenues against budgeted amounts. The City of Santa Fe must be able to isolate and trace every CDBG dollar received.

Not only CDBG Grantees, but also subrecipients must have financial management systems in place that comply with standards specified in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards specified in [2 CFR Part 200](#).

Grantee Budget (Grant and Program Income)

The City of Santa Fe needs to have accounting records that identify all HUD programs and awards received and expended. This requirement is met by specifying, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, HUD award identification number and year, HUD's agency name (as the awarding agency), and name of the pass-through entity, if any. (This requirement will most likely be addressed in the chart of accounts.) Also, City of Santa Fe's accounting records should contain information on annual CDBG awards, authorizations, obligations, unobligated balances, assets, expenditures, program income, and interest earned. The City of Santa Fe program and financial staff will be responsible for ensuring that budgets are appropriately set up and approved, that mechanisms are in place to track all revenues and expenses through the Munis system, including program income generated from the CDBG program. Additionally staff will have a firm understanding of how to use various HUD tools and guidance to ensure for managing the financial health of the program.

Program Income

The City of Santa Fe can reuse any revenue generated from projects undertaken with CDBG funding (known as program income) towards other eligible activities within the entitlement community. Also, any program income earned by a subrecipient can be retained by the subrecipient provided that, the CDBG written agreement allows retention of the program income by the subrecipient; the income is treated as additional CDBG funds; and the program income is subject to all applicable federal and local requirements.

As defined in [24 CFR Part 570.500](#), program income includes, but is not limited to, the following:

- Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
- Proceeds from the disposition of equipment purchased with CDBG funds;
- Gross income from the use or rental of real or personal property acquired by subrecipients/entities with CDBG funds, less costs incidental to generation of the income;
- Gross income from the use or rental of real property, owned by subrecipients/entities, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
- Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
- Interest earned on program income pending its disposition.

Subrecipients must track program income in their chart of accounts, using a segregated account for managing sources and uses. By the 15th day of the month following the end of the quarter, the subrecipient's program manager submits a report to the City that shows each transaction that generated program income and the subsequent transaction for which the program income was applied. Housing staff reviews the transaction for eligibility and then provides the report plus supporting documentation to the Finance Department. After Finance staff enters the program income into the City's chart of accounts so that it is reflected in the general ledger, Housing staff receipts the program income in IDIS and draws against the balance accordingly.

CDBG regulations require that, at the end of each program year, the City of Santa Fe must determine whether they have excess program income on hand and return any excess to its line of credit. If the program income balance is in excess of one-twelfth of the City of Santa Fe's most recent entitlement grant it must be remitted to the City of Santa Fe's line of credit as soon as practicable after the excess is determined.

Indirect Cost Allocation Plan Approval Process

In addition to the City of Santa Fe's fiscal responsibility to ensure that CDBG funds are used in accordance with all program requirements, all administrative costs that are charged to the federally awarded CDBG program should be closely reviewed. Any indirect costs for which a subrecipients requests reimbursement are unallowable unless an indirect cost allocation plan has been preapproved by the City of Santa Fe for a specific activity and contract. An approved indirect cost allocation must be in accordance with the requirements of the federal award to which they apply and [2 CFR Part 200, Cost Principles for Non-profit Organization, Appendix IV](#).

All costs included in the proposal must be properly allocable to federal awards on the basis of a beneficial or causal relationship between expenses incurred and the agreements to which they are allocated. The same costs that have been treated as indirect costs cannot be claimed as direct costs.

Accounting System

The City of Santa Fe is required to have accounting records that sufficiently identify the source and application of CDBG funds provided to them. To meet this requirement, the City of Santa Fe's accounting system should include at least the following elements:

- *Chart of accounts* – This is a list of account names and the numbers assigned to each of the account names. The names provide a description of the type of transactions that will be recorded in each account (e.g., an account titled “cash” denotes that only transactions affecting cash should be recorded in that account). The account number is required by most accounting software programs and is assigned to an account name to group similar types of accounts. For example, all asset accounts will begin with a “#1” and all liability accounts will begin with a “#2”. A typical chart of accounts will generally include the following categories: assets, liabilities, net assets/fund balance, revenues and expenses.

- *Cash receipts journal* - A cash receipts journal documents, in chronological order, when funds were received, in what amounts and from what sources.
- *Cash disbursements journal* - A cash disbursements journal documents, in chronological order, when an expense was incurred, for what purpose, how much was paid and to whom it was paid.
- *Payroll journal* - A payroll journal documents payroll and payroll related benefit expenses on salaries and benefits, including distinguishing between categories for regulatory purposes.
- *General ledger* - A general ledger summarizes, in chronological order, the activity and financial status of all the accounts of an organization. Information is transferred to the general ledger after it is entered into the appropriate journal. Entries transferred to the general ledger should be cross-referenced to the applicable journal to permit the tracing of any financial transaction.

All journal entries must be properly approved and supported by source documentation. Documentation must show that costs charged against CDBG were:

- Incurred during the effective period of the agreement with HUD;
 - Actually paid out (or properly accrued);
 - Expended on eligible items; and
 - Approved by the appropriate official(s) within the organization.
- Source documentation must explain the basis of the costs incurred and the actual dates of the expenditure. For example:
 - Source documentation for payroll would include employment letters, authorizations for rates of pay and benefits and time and attendance records.
 - Source documentation on supplies would include purchase orders or purchase requisition forms, invoices from vendors, canceled checks made to vendors, information on where the supplies are stored and the purpose for which they are being used.
- The City of Santa Fe ensures that its accounting records include reliable, up-to-date information on the sources and uses of CDBG funds, including:
 - Amount of federal funds received;
 - Current authorization of funds;
 - Obligations of funds;
 - Unobligated balances;
 - Assets and liabilities;
 - Program income; and
 - Actual expenditures broken down by the grant program and year for which the funds are derived and the activity on which the funds were used.

IDIS (including reconciliation with Accounting System)

The Integrated Disbursement and Information System (IDIS) is an electronic system that the City of Santa Fe uses to effectively fund and report on its CDBG program. IDIS also provides

HUD with timely information on both a grantee's performance and compliance. Grantees can use IDIS reports as a key tool to better manage its CDBG program. Guidance on the use of IDIS for activity setup, funding, drawdowns, accomplishment reporting as well as generating reports is available from a complete manual entitled [IDIS Online for CDBG Entitlement Grantees](#).

IDIS generates standard CDBG program reports that provide financial and performance information. There are 89 different "PR" reports available in a noncontiguous range from PR01 to PR110. The PR05 and PR07 provide drawdown details. Since Fiscal Year 2015, IDIS commits and disburses funds on a grant-specific basis, regardless of when the funds were appropriated. It does not use first in, first out methods as in the past.

eCon Planning Suite

The City of Santa Fe uses the [eCon Planning Suite](#) to integrate the development of its annual Action Plan and the IDIS activity setup and funding processes. This ensures that all of the key reporting elements of the grants management cycle are integrated into one system and ensures cohesiveness between the goals described in the Consolidated Plan and Action Plan and the outcomes tracked in IDIS and reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

Importantly, IDIS will also need to be reconciled with the City of Santa Fe's accounting system. Both systems of tracking funds must be coordinated and tell the same story about funding allocations and drawdowns. Obligations, expenditures, and program income submitted to HUD in the (CAPER), or other applicable reports must all reconcile with the accounting records.

As the City of Santa Fe or its subrecipients incur expenses, claims for payment are submitted, reviewed and approved for payment by appropriate CDBG program staff who then sends claims for payment to the Accounts Payable Division in the Finance Department. After checks have been issued for these claims, drawdowns of these expenses are completed in IDIS. To guide its effective use of IDIS, City staff refers to: [IDIS Training for CDBG Grantees](#).

Procurement

The City of Santa Fe is responsible for ensuring that its procurement of goods and services with CDBG funds conform to or exceed Federal procurement standards. It must also determine the adequacy of performance under subrecipient agreements and procurement contracts and take appropriate action when performance problems arise.

All procurements made in whole or in part with CDBG funds must comply with the applicable federal requirements found in [2 CFR Part 200.318](#) (General Procurement Standards). The requirements governing the purchasing process are designed to ensure that the City:

- Follows a **free and open competitive process** in securing those products or services.
- Properly **documents** its purchasing activities and decisions.

- Observe the special **rules for particular kinds of purchases** (small purchases, competitive sealed bids, competitive proposals, and sole source procurements).
- **Properly bond and insure** work involving large construction contracts and/or subcontracts.
- Use **local businesses** and contract **with small, minority and/or women-owned businesses** to the maximum extent feasible.

Matrix of Applicability: Rules and Types of Federal Award Recipients			
Rule	All federally funded recipients	Local governments and subrecipients	State governments and subrecipients
2 CFR Part 200.317, 322, 326, Appendix II		yes	yes
2 CFR Part 200.318 – 326, Appendix II		yes	limited to above
Debarment	yes	yes	yes
Davis-Bacon	yes, if program threshold met	yes, if program threshold met	yes, if program threshold met
Work hours and safety	yes	yes	yes
Equal opportunity	yes	yes	yes
Section 3	yes, according to thresholds	yes, according to thresholds	yes, according to thresholds

The City of Santa Fe should use whichever procurement policy is stricter, theirs or CDBG’s.

For more on expectations around Financial Management in the CDBG program and a useful checklist, see Exhibit 34-1 *Guide for Review of Financial Management and Audits* of the [CPD Monitoring Handbook 6509.2](#).

Chapter 4 – Program Compliance

- Environmental Review
- Fair Housing & Nondiscrimination (including Section 3)
- Labor Standards

Upon HUD approval of each annual Action Plan and issuance of a CDBG grant award, the letter of approval to the City of Santa Fe places conditions on the grant award. The City of Santa Fe is expected to ensure that its Community Development program complies with all related federal laws and regulations.

Standard conditions for the use of CDBG funds include provisions related to environmental review, fair housing and non-discrimination as well as labor standards. Because those three “cross-cutting” federal requirements are certain to apply to all CDBG grantees, they are detailed in this Chapter.

Uniform Relocation Act requirements and Lead-Based Paint Standards may also apply. Guidance for those two additional requirements appear in the Appendices. Links to the HUD Exchange for the full range of possibly applicable laws and regulations are provided as well.

Environmental Review

One standard condition relates to environmental review. The letter states that no CDBG funds may be spent on projects without conducting an environmental review and documenting that review in an ‘environmental review record’. The City of Santa Fe enters into a grant agreement with HUD making assurances that it will satisfy that condition. As such, the following procedure must be followed in conformance with those assurances, related HUD guidelines and federal law.

Among the applicable requirements:

- The National Environmental Policy Act (NEPA) of 1970 requires federal agencies to go through a formal process before taking any action anticipated to have substantial impact on the environment
- HUD regulations at [24 CFR Part 58](#) allow the assumption of authority to perform the environmental reviews by responsible entities (REs). Responsible entities are limited to states or units of general local government, such as a city or county. The responsible entity is accountable for the scope and content of the review and for making a determination of whether a CDBG funded activity has any significant environmental impact
- Other related federal environmental laws and authorities [View Resources](#)

HUD Guidance

HUD's regulations at 24 CFR 58.22 prohibit grant recipients and their partners from committing or spending HUD or non-HUD funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environment review once a project anticipates CDBG funding. This prohibition on "choice-limiting actions" prohibits physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions.

HUD has developed an online system for developing, documenting, and managing environmental reviews. It covers all levels of environmental reviews for CDBG funded projects and includes on-screen guidance for completing HUD environmental reviews. The City of Santa Fe staff who undertake environmental reviews may access the system referred to [HEROS - HUD's Environmental Review Online System](#).

Basic Environmental Review Procedures

These environmental review procedures must be completed for each CDBG funded program, project or activity carried out with HUD grant awards to the City of Santa Fe as applicable.

- Environmental Review Record (ERR)

The City of Santa Fe must prepare and maintain a written record of the environmental review undertaken for each project. This written record or file is called the Environmental Review Record (ERR), and it must be available for public review upon request.

- Depending on the project, the City of Santa Fe will require that a subrecipient, partner or other party cooperate in gathering information for the review.
- Planning staff will ask that a project sponsor provide information or complete an environmental review checklist based on the scope and content of a proposed project.
- Staff will utilize that information in determining how a project may be best considered for environmental review, or whether more detailed information will be needed to evaluate that question.

Funding applicants seeking to use grants for acquisition or construction projects should compile information for the ERR to the best of their knowledge and ability. The City of Santa Fe staff will be available to provide assistance, and will review the data gathered upon completion.

- Categories

The ERR will vary in length and content depending upon the level of review required for the categories of activities. The five levels of environmental reviews and examples of CDBG activities are as follows:

1. Exempt (Planning & Administration Activities)
2. Categorically Excluded from NEPA, not subject to the related laws and authorities (Delivery of Public Services)
3. Categorically Excluded from NEPA, subject to the related laws and authorities (Street Paving or Park Improvements)
4. Environment Assessment (Construction of Public Facilities)
5. Environmental Impact Statement (Large Scale Development Projects with Potential for Significant Impact)

- Process for Clearance

Depending on the required level of environmental reviews, staff will proceed to complete the environmental review procedures on behalf of the City of Santa Fe in the capacity of Responsible Entity (RE).

Appearing on the following page is a detailed flow chart for the environmental review process beginning with grantee defining the project, determining the necessary level of review, completing the appropriate assessment (with applicable consultation and noticing) and ending with a satisfactory ERR.

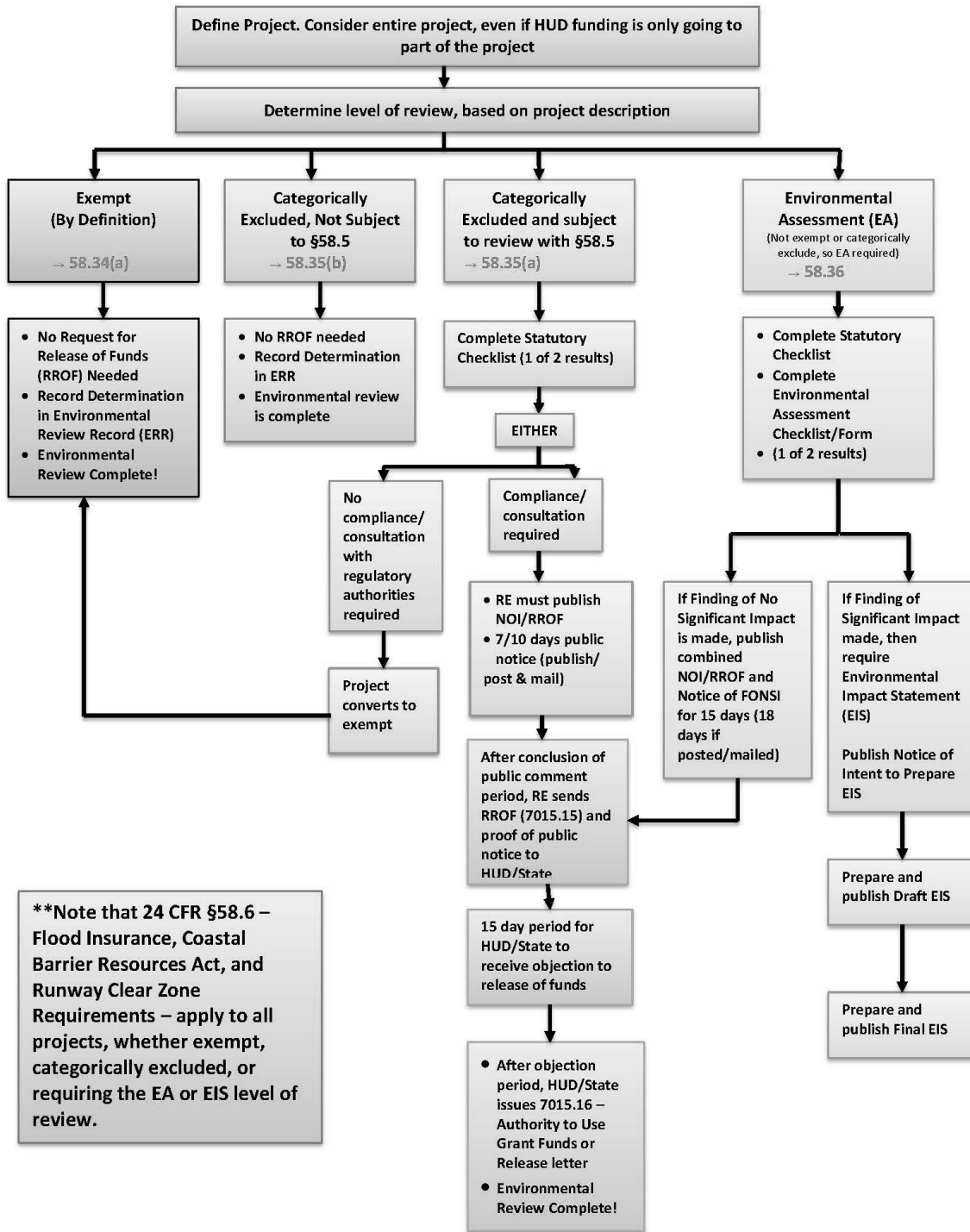
For a project site that meets HUD's environmental review standards, the typical outcome is to publish a notice known as a "Finding of No Significant Impact," or "FONSI" in the local paper. That FONSI allows the public to comment directly to HUD on the content of and methodology used to create the ERR for the project.

Following the comment period, any comments are considered by HUD and through the City of Santa Fe's formal request, the ERR may be approved. This is accomplished through a process known as the "Request for Release of Funds and Certification."

Public comments, concerns and appropriate resolution by the recipient are extremely important and must be fully documented in the ERR.

For the City of Santa Fe, the Mayor or City Manager is the certifying official and will sign the official document on behalf of the HUD grantee.

Environmental Review Process (To Be Conducted by Responsible Entity)



As indicated above, the ERR must contain all the environmental review documents, public notices (and proof of their publication), and written determinations or environmental findings required by 24 CFR Part 58 as evidence of review, decision making and actions pertaining to a particular project.

Depending on the level of review, the ERR will include evidence of analysis shown a the HUD Exchange [here](#). This may include the so called [Statutory Checklist](#) and [Additional Factors to Consider in an Environmental Assessment](#).

Documents included in the ERR must:

- Describe the project and each of the activities comprising the project, regardless of individual activity funding source;
- Evaluate the effects of the project or the activities on the human environment;
- Document compliance with applicable statutes and authorities; and
- Record the written determinations and other review findings required by 24 CFR Part 58.

NOTE: A full environmental assessment may take longer than expected, depending on project and site complexity. Each project sponsor is admonished to respect the prohibition on "choice-limiting actions" regarding physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions. The City of Santa Fe staff will discuss this process with project sponsors in more detail as they work through the environmental review process.

Fair Housing & Nondiscrimination (including Section 3)

When seeking HUD approval of CDBG funding, the City of Santa Fe also makes assurances that it will affirmatively further fair housing and ensure equal opportunity under [applicable federal laws](#). As such, the following procedure must be followed in conformance with those assurances, related HUD guidelines that enforce such federal law.

The applicable requirements include:

Federal and State Laws and Regulations	Fair Housing & Nondiscrimination	Accessibility	Equal Employment & Contracting
Title VI of the Civil Rights Act of 1964	X		
Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act)	X	X	
Section 109 of Title 1 of the HCD Act of 1974	X		X
The Fair Housing Amendment Act of 1988	X		
The Age Discrimination Act of 1975	X		
Section 504 of the Rehabilitation Act of 1973	X	X	X
The Americans with Disabilities Act of 1990 (ADA)	X	X	X
Section 109 of Title I of the HCD Act of 1974	X		X
The Equal Employment Opportunity Act			X
Section 3 of the Housing and Urban Development Act of 1968			X
Executive Order 11246			X
2 CFR Part 200 (Uniform Administrative Requirements)			X

Overview of Procedures

The City of Santa Fe and its subrecipient, partner or other parties must adhere to all the basic tenets of fair housing and equal opportunity regulations. Recipients are prohibited from practicing discrimination on the grounds of race, color, national origin, religion, sex, handicap, or familial status.

This prohibition applies to all project contractors or subcontractors. Beneficiary information should be requested, collected and necessary demographic data compiled, with a summarization of this information made available in the project file for public review.

Fair Housing

According to HUD's [Fair Housing Planning Guide](#), the broad objectives of Affirmatively Furthering Fair Housing (AFFH) can be interpreted to mean:

- Analyze and eliminate housing discrimination in the jurisdiction.
- Promote fair housing choice for all persons.
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy.
- Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

Accessibility

The City of Santa Fe shall abide by HUD regulations in Section 504, HUD's implementation of the American with Disability Act (ADA). The City of Santa Fe is to conduct a self-evaluation of accessibility to determine their current programs, services, policies, and practices meet the requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act.

Equal Opportunity

Nondiscrimination is a requirement of employment and employment practices. Employment opportunities may not be denied on the basis of race, color, national origin, sex, age, religion, familial status, or disability. Affirmative action and equal employment opportunity policies are fundamental aspects of CDBG funded activities.

The ADA modifies and expands the Section 504 Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

Section 3

Pursuant to [Section 3 guidance](#), direct recipients of HUD financial assistance must ensure that employment and other economic opportunities generated by that assistance is directed to low- and very low-income persons. This entails special outreach to such residents and businesses for those opportunities, setting goals and submitting reports to HUD for the purpose of determining the effectiveness. Direct recipients include entitlement communities and certain NOFA awardees that utilize HUD funding for construction and rehabilitation activities.

Within 3 months of the end of a fiscal year, the City of Santa Fe must annually submit HUD Form 60002 through HUD's on-line system Section 3 – Performance Evaluation and Registry System (SPEARS). SPEARS can be accessed [here](#).

Labor Standards

Similar to the assurances City of Santa Fe makes to HUD regarding environmental review and fair housing, it agrees to follow [federal labor standards](#) on CDBG funded projects. As such, the following procedure must be followed in conformance with those assurances, related HUD guidelines and federal law.

The applicable requirements include:

- The Davis-Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on non-housing federally assisted construction contracts over \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. Non-housing activities include construction or rehabilitation of a public facility (e.g., a homeless shelter or senior center), or installation of public improvements to support affordable housing or provide benefit to low-income neighborhoods (e.g. streets, water/sewer lines).

Federal Davis-Bacon prevailing wage rate requirements may also apply to a federally-assisted housing project if you are proposing a:

- CDBG-funded project that will involve rehabilitation of multifamily housing containing eight or more assisted units; or
- HOME-funded project that will build or rehabilitate 12 or more assisted units.

These requirements often have an impact on the cost of projects and carry with them significant record-keeping procedures. Applicants are encouraged to contact staff early in their project planning for further information if a proposed project will be subject to Davis-Bacon. If yours will be a covered project, your solicitation documentation will need to alert contractors that Davis-Bacon requirements apply, and will need to include the appropriate federal wage decision and other required labor provisions. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. Federal wage decisions will be made available by staff for project cost feasibility determinations upon request, or can be found [here](#).

Overview of Procedures

These specific procedures are used by the City of Santa Fe to assist contractors and subcontractors in meeting contractual labor standards responsibilities. All major administrative and procedural activities are described in the sequence they will occur as the construction project progresses. The word “employer,” as used below, refers to the prime contractor, each subcontractor, or each lower-tier subcontractor.

Payrolls and documentary evidence of compliance is required to be sent in the delivery procedure as follows:

- Each lower-tier subcontractor, after careful review, submits required documents to the respective subcontractor.
- Each subcontractor, after checking his own and those of each lower-tier subcontractor he may have, submits required documents to the prime contractor.
- The prime contractor, after reviewing all payrolls and documentation, including his/her own, and correcting violations where necessary, submits all certified payroll reports to grant administration staff.

Working Subcontractors Are Not Exempt From Receiving Prevailing Wage. Davis-Bacon Act regulations specifically stipulate that independent subcontractors are not exempt from receiving weekly prevailing wage for the classification of work that they perform. This is true regardless of any contractual relationship between the primary contractor and subcontractor. This means that it is the prime contractor's responsibility to ensure that a prevailing wage rate is paid to subcontractors performing on-site work. (Source: Department of Labor Relations Letters dated January 13, 1993 and December 2, 1996.)

Before Construction Begins

City of Santa Fe staff must ensure that the prime contractor has:

- Not been debarred or otherwise made ineligible to participate in any Federal or federally-assisted project (search for excluded contractors at www.sam.gov)
- Received the appropriate contract provisions covering labor standards requirements.
- Reviewed and understands all labor standards contract provisions
- Received the applicable wage decision as part of the contract.
- Requested and received the minimum wage for each classification to be worked on the project that was not included on the wage decision by completing the additional wage classification process and before allowing any such trade(s) to work on the project.

At Construction Start

City of Santa Fe staff must ensure that the contractor has:

- Notified staff of the construction start date in writing
- Has placed each of the following on a bulletin board that is prominently located on the project site and can be easily seen by workers (and replaced if lost or unreadable at any time during construction):
 - A copy of the Wage Decision

- “Notice to Employees” Poster
- Before assigning each project worker to work, has obtained the worker’s name, job classification, and best mailing address. (Note: It is no longer necessary to report an employee’s Social Security number on every certified payroll report. Only the last four digits of the employee’s SSN must be reported, and only on the first payroll report in which that employee worked on the Davis-Bacon covered project).
- Has informed each worker of:
 - His/her hourly wages (not less than the minimum wage rate for his/her work as stated on the Wage Decision);
 - Payment of overtime at the rate of time and one half for all work over 40 hours per week;
 - Fringe benefits, if any (see wage decision for any required), paid in cash or into an approved third-party trust; *and*
 - Permissible deductions from his/her pay and/or any deductions voluntarily requested in writing from the employee.

During Construction

City of Santa Fe staff must ensure that the contractor:

- Has not selected, assigned, paid different pay rates to, transferred, upgraded, demoted, laid off, and not dismissed any project worker because of race, color, religion, sex, or national origin or other Federal, state or local protected class.
- Must comply with all safety and health standards.
- Must pay all workers weekly
- Must submit weekly payroll reports prepared on either recommended form WH-347 (or on computerized printouts cleared by grant administration staff) and accompanied by the Statement of Compliance.

Weekly Payroll Review

City of Santa Fe staff must ensure that:

- Subcontractors and lower-tier subcontractors have promptly reviewed the weekly payroll for compliance with all labor standards requirements (using this checklist) and has made any necessary corrections
- The prime contractor has received all weekly payrolls or reports that no work was performed (refer to “No Work Performed” Notice) from each subcontractor or lower-tier subcontractor, has reviewed and requested necessary corrections and has submitted all payrolls, including his own, to grant administration staff within 7 work days of the last date of the respective work week.

After Project Completion

City of Santa Fe staff must ensure that:

Each employer keeps all weekly payroll reports on the project for no less than three years after the prime contractor's project completion date.

Periodic Report

Lastly, City of Santa Fe staff must ensure a report on labor standards compliance activity is submitted to HUD. As a HUD entitlement community that completes construction projects over \$2,000 in cost, City of Santa Fe is required to semi-annually submit the Semi-Annual Labor Standards Enforcement Report on HUD Form 4710, to HUD's Labor Relations Specialist. This action enables to HUD to satisfy its responsibilities under the Davis-Bacon and Related Acts (DBRA) and Contract Work Hours and Safety Standards Act.

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Chapter 5 – Monitoring

- Internal Review (within local government)
- Subrecipient Oversight
- Records to be Maintained

During the implementation of its CDBG program, City of Santa Fe's staff are responsible for internal reviews, oversight of subrecipients and ensuring that records demonstrating compliance with program requirements are maintained. Monitoring is not a one-time event, but rather an ongoing process during which staff have an opportunity to ensure their internal systems are sound and to build relationships with subrecipients. While monitoring activities differ depending on the type of CDBG program or project being administered, monitoring begins with determining whether projects are eligible and concludes with closing out grants and/or long-term monitoring of certain projects.

City of Santa Fe staff oversee the following subrecipient flow of activities to ensure compliance with CDBG regulations and procedures:

- Eligibility verification
- Procurement
- Pre-construction
- Construction
- Invoice/change order requests
- Project completion

The City of Santa Fe's monitoring process follows the standards and procedures detailed in HUD monitoring handbooks, guidelines, and technical assistance publications. See [CPD Monitoring Handbook 6509.2](#). The objectives are to ensure that subrecipients:

- Carry out their CDBG-funded projects in a timely manner, as described in their agreements (as modified or amended).
- Determine if any conflicts of interest exist in the operation of the CDBG program, per 24 CFR 570.611.
- Comply with all regulations governing their administrative, financial, and programmatic operations.
- Achieve their performance objectives within schedule and budget.
- Have continuing capacity to carry out the approved program or project.
- Maintain required records to demonstrate compliance with applicable regulations.
- Comply with the Federal monitoring requirements of 24 CFR 570.501(b) and with 2 CFR 200.328 and 2 CFR 200.331.

Internal Review (within local government)

An important part of monitoring is conducting regular internal soundness checks of the City of Santa Fe's policies, procedures, and systems. Conducting at least annual internal assessments will help the City of Santa Fe to: (1) ensure that its program is strong and efficient; (2) easily complete HUD-required reporting; and (3) prepare Grantee for monitoring visits from HUD.

Some questions that the City of Santa Fe should ask of itself during internal assessments include:

- What is the City of Santa Fe's system for ensuring that CDBG funds are used in accordance with program requirements?
- Does the City of Santa Fe maintain written procedures describing its management of the CDBG program?
- How are responsibilities for implementing and managing the CDBG program assigned and delegated?
- Who is in charge of the overall day-to-day administration of the program and does this person have appropriate authority to effect change or force actions to occur?
- If activities are carried out by multiple departments within the City of Santa Fe's governmental structure, do the departments communicate well, share information, and address concerns with performance?
- Has a system been developed/maintained to track the progress of each CDBG-funded project or activity with a timetable and scheduled completion dates?
- Does the program participant have an information system to collect the following data for the CAPER, with regard to the use and investment of CDBG resources? Does in-house information match information entered into IDIS for these data points?:
 - Physical location and geographic distribution?
 - LMI beneficiaries?
 - Racial/ethnic data (beneficiaries and displaced)?
 - Fair housing actions?
 - Housing characteristics?

Subrecipient Oversight

Monitoring of subrecipients should maximize limited grantee resources by directing efforts to those entities that are at the greatest risk for non-compliance. To ensure full compliance with the regulations, the City of Santa Fe takes a proactive approach to oversight, including desk and on-site monitoring that involves several tasks throughout the program year.

Desk Monitoring

The desk monitoring process involves an initial review of activities, and informs the City of Santa Fe's risk assessment which is used to determine which subrecipients will receive an on-site monitoring visit. To conduct a desk monitoring, City of Santa Fe staff review all the written data available in-house, and follow these steps:

- Step 1: Review subrecipient's application for CDBG funding
- Step 2: Review the subrecipient agreement.
- Step 3: Review any progress reports submitted during the current program year.
- Step 4: Review any drawdown requests made to date.
- Step 5: Review documentation of previous monitoring visits and copies of any audits by HUD or any independent party.

Risk Assessment

The annual risk assessment carried out by City of Santa Fe staff is key to developing the monitoring plan. The risk assessment is designed to match staff resources with the highest risk activities based on indicators of need and capacity among subrecipients. Decisions are made to ensure the integrity of programs, including identifying of the subrecipients to be monitored on-site and remotely, the program areas to be covered, and the depth of the review. The selection process should result in identifying those subrecipients and activities that represent the greatest vulnerability.

A list of subrecipient risk factors that should be considered in the assessment follows:

- Ongoing turnover or recent loss of experienced staff responsible for programmatic implementation or financial management
- The amount of the CDBG award
- Inaccurate, incomplete or late performance reports
- Inaccurate or untimely reimbursement requests
- City of Santa Fe staff experience persistent difficulties with managing the subrecipient
- Whether the subrecipient was monitored in the previous year
- The amount of program income a subrecipient generates from its activity

On-site Monitoring

The key document in the monitoring process is the subrecipient agreement. The agreement details all pertinent regulations, certifications and deliverables, as well as the schedule and budget that the subrecipient must comply with in carrying out project activities. The agreement, which incorporates the guidance provided by this manual, also details the performance measures that the subrecipient must meet, including the documentation required to substantiate both performance and compliance.

Staff will use the subrecipient agreement and HUD's CDBG subrecipient monitoring checklists for continuous oversight of project activities and to conduct onsite monitoring visits. The monitoring exhibits are found in HUD's [CPD Monitoring Handbook 6509.2](#).

Site visit monitoring procedures include the following sequence of events:

- A. Issue a Notification Letter:
 - 1. Confirm the dates and the scope of the monitoring;

2. Provide a description of the information you want to review during your visit; and
 3. Specify the expected duration of the monitoring, which of your staff will be involved, what office space you require, and what members of the subrecipient's staff you need to talk with.
- B. Conduct an Entrance Conference:
1. Subrecipient staff have a clear understanding of the purpose, scope and schedule of the monitoring
- C. Documentation, Data Acquisition and Analysis
1. Annotate a monitoring checklist or handbook with notes about particular case numbers, statistics or financial figures; and
 2. Review and analyze the subrecipient's written policies obtained from the file reviews, on-site inspection of projects, or discussions with subrecipient staff
- D. Conduct an Exit Conference with the following objectives:
1. To present preliminary results of the monitoring visit;
 2. To provide an opportunity for the subrecipient to correct any misconceptions or misunderstandings;
 3. To secure additional information from subrecipient staff to clarify or support their position;
 4. For any deficiency that the subrecipient agrees with, to provide an opportunity for subrecipient staff to report on steps they are already taking to correct the matter; and
 5. To give the subrecipient an opportunity for questions and additional technical assistance.
- E. Prepare a Follow-up Monitoring Letter
1. Include background information: contract number of grant monitored; date(s) of monitoring; names(s) of CDBG staff who conducted the review; scope of monitoring; names of local officials involved in the monitoring visit
 2. Describe any deficiencies (finding/concerns/recommendations defined below) formally and quickly in a letter that also includes corrective actions as appropriate.
 3. Create a permanent written record of what was found during the monitoring review.
 4. Document findings, which are non-compliance with the rules and regulations of the CDBG program and ensure each finding is:
 - a. Accurately identified;
 - b. Based on applicable law, regulation, or program policy;
 - c. Supported by the facts presented in the monitoring letter;
 - i. Identify corrective actions and timeframes for correction;
 - ii. Identify concerns, less serious deficiencies, with supportive information and specific recommendations for improvement.
 - iii. If appropriate, offer technical assistance.

The monitoring letter will be sent within 30 days of the monitoring visit or earlier, if possible, particularly if there are major findings. Subrecipients must respond in writing to any findings within 30 days after receipt of the monitoring letter. The response must include copies of supporting documentation demonstrating that corrective actions has been taken. Failure by the subrecipient to correct deficiencies may result in funds being withheld and possible restrictions on future grants.

Contractors

In addition to monitoring of subrecipients, the City of Santa Fe conducts regular oversight of contractors engaged to perform services as a result of procurement. This oversight generally follows the terms of the written agreement between the City of Santa Fe and the contractor. As noted in Chapter 4 on Program Compliance, a wide range of requirements must be met, documented and reported. Further details on this oversight depend also on the type of contract, its value and other circumstances.

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Chapter 6 – Reporting

- CAPER
- Federal Financial Report and Other Reports
- Audit

Toward the end of the grant cycle, the City of Santa Fe must address its obligation to report on use of CDBG funding. Reporting is a critical part of ensuring that CDBG funds are being used for the purpose for which they were intended. There are five major reports that staff need to prepare. Each have specific purposes, and guidance and tips on how to best meet the reporting requirements are included in the appendix. The City of Santa Fe has designated staff that is responsible to meet the reporting deadlines as mandated by regulations. The reports are due to HUD at various points throughout the year as indicated below.

Consolidated Annual Performance Evaluation Report (CAPER)

The CAPER explains how the City of Santa Fe is carrying out the housing and community development strategies, projects, and activities described in its Consolidated Plan and annual Action Plans. It is meant to report and assess the progress towards achieving strategic plan goals. City of Santa Fe staff prepare the CAPER annually, entering and submitting the report in IDIS as part of the [eCon Planning Suite](#). The CAPER reports data on beneficiaries and common indicators (such as number of persons, households, businesses, units, or beds assisted) for nearly all program activities. Along with financial information, these indicators demonstrate results as part of an outcome performance measurement system.

The CAPER is made available for a 15-day public review and comment period at the end of each program year, in addition to being discussed at no fewer than three (3) City Council advisory and Committee meetings. Public comment is solicited through brief surveys, print advertisements, and welcomed at a public hearing held during a meeting of the City of Santa Fe City Council. The City of Santa Fe must submit the locally approved CAPER to HUD no later than 90 days following the close of the program year. Failure to submit the CAPER may result in the suspension of funds or withdrawal and reallocation of funds as determined by HUD.

The CAPER submission includes preparation of the PR-26 Financial Summary Report, including the PR 26 Activity Summary Report. The report documents whether the City is in compliance with CDBG's primary objective which is to use funds primarily for the benefit of low- and moderate-income persons. The report also determines whether the City is in compliance with the limitations placed on administrative and public services costs. To prepare the report, the City. Steps for completing the report include generating the following microstrategy reports from IDIS:

- PR-03 CDBG Activity Summary Report
- PR-07 Drawdown Report by Voucher Number
- PR-09 Program Income Detail by Program Year and Program
- PR-26 Prior Year CDBG Financial Summary Report

Housing staff runs the initial reports from IDIS and reconciles them with what's been invoiced and reported by subrecipients. If any activities were improperly entered, corrections are made in IDIS, the reports are re-run and submitted to the Finance Department for review. This step is completed prior to the start of the public comment period to give the public a chance to review the draft report. Finance staff checks the reports against the general ledger, reconciles the report with the Munis accounting system, and submits the approved report to Housing staff. The updated information is used to generate the final report which is submitted to HUD as part of the CAPER.

Federal Financial Report and Other Reports

The City of Santa Fe's staff must ensure that expenditures of CDBG funds are drawn down from the U.S. Treasury on a timely basis, per [24 CFR 570.902](#). Staff must also prepare and submit four periodic reports during the program year: the Federal Financial Report, the Contract-Subcontract Activity Report, the Semi- Annual Labor Standards Enforcement Report, the Federal Funding Accountability and Transparency Act (FFATA) Report, and the Section 3 Summary Report.

Each report documents and certifies critical program compliance information that HUD uses to evaluate the City of Santa Fe's risk as part of its annual risk assessment process that determines which Grantees will receive on-site monitoring visits. For this reason, it is critical that each periodic report is prepared accurately and submitted to HUD in a timely manner.

Federal Financial Report

HUD requires CPD grant recipients to periodically submit reports on the financial progress of the CDBG grant. The IDIS Cash on Hand Quarterly Report is collected through the Federal Financial Report (PR 29). This report is submitted in IDIS and is due within 30 days after the end of each quarter. Since the City of Santa Fe operates its grants with HUD on a reimbursement basis, the report will consistently report either a zero balance or negative cash on hand. The instructions for this report form may be obtained [here](#).

The PR 29 is prepared after staff has pulled microstrategy reports from IDIS, including PR 07 and PR 09 which verify which expenses are documented in IDIS. Housing staff enters the information into the PR 29 report template, prints for review and approval by the Finance Department and the Housing Director, and then submits the report via the IDIS portal. The due dates for the PR 29 are as follows:

- Quarter 1 (covering 7/1 – 9/30) DUE: October 30
- Quarter 2 (covering 10/1 – 12/31) DUE: January 30
- Quarter 3 (covering 1/1 – 3/31) DUE: April 30
- Quarter 4 (covering 4/1 – 6/30) DUE: July 30

Contract-Subcontract Activity Report

HUD uses the Contract-Subcontract Activity Report (form HUD-2516) to monitor and evaluate MBE activities against the total program activity and the designated Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) goals. HUD requires the information to provide guidance, oversight and for the development of MBE and WBE goals. The report must be submitted to the Field Office's Fair Housing and Equal Opportunity (FHEO) representative within 30 days of the end of the federal Fiscal year.

Semi-Annual Labor Standards Enforcement Report

The City of Santa Fe prepares a Semi-Annual Labor Standards Enforcement Report (form HUD-4710) for the periods of October 1-March 31 and April 1-September 30. Each report is submitted to the Field Office Labor Relations Specialist within 7 calendar days after the end of the period covered, or upon request.

The Semi-Annual Labor Standards Enforcement Report provides information on contracts awarded that must comply with the Davis-Bacon Act and Related Acts and/or the Contract Work Hours and Safety Standards Act. Specifically, the report lists each project/contract awarded during the reporting period for which DBRA or CWHSSA is applicable.

The report also includes information on enforcement activities undertaken by the City of Santa Fe during the reporting period. The information reported on contracts (Part I) is separate from that reported on enforcement activity (Part II) and should only be reported to HUD on the HUD-4710 form once. For example, a contract should only be reported on the report corresponding to the period when the contract was awarded. Similarly, enforcement activity is aggregated and reported on the form covering the period when the enforcement activity took place. Therefore, enforcement activity may be reported for projects/contracts that appeared on any prior report as a contract awarded under Part I.

Section 3 Summary Report

The Section 3 Annual Report provides details on the City of Santa Fe's accomplishment towards the Section 3 goals prescribed at 24 CFR Part 135. The City of Santa Fe submits the Section 3 Annual Report online using the Section 3 Performance and Evaluation Registration System ([SPEARS](#)) as described in Chapter 4.

Audit

Audit requirements ensure independent review and full transparency. An audit does not just look at the numbers but looks at program performance and compliance. There are specific compliance requirements that are inspected in a CDBG audit. They include:

- Activities allowed and unallowed
 - National objectives fulfilled
 - Eligible activities funded
- Compliance with the Davis-Bacon Act
- Matching, level of effort and earmarking
 - Including at least 70% funds expended for LMI persons

- Compliance with Period of Available Federal Funds
- Procurement, suspension and debarment
- Program income
- Compliance with reporting requirements
- Subrecipient monitoring
- Special tests and provisions
 - Citizen participation
 - Environmental review
 - Rehabilitation is completed

Specific regulatory standards for audits are found at 2 CFR Part 200 Subpart E. Grantees and subrecipients that expend \$750,000 or more in federal awards during a fiscal year, must have a single or program-specific audit conducted.

When the audit is completed, City of Santa Fe must submit to the Federal Audit Clearinghouse the reporting package required by 2 CFR 200.507(c)(3) and the data collection form prepared in accordance with 2 CFR 200.512(b) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. To find out more information visit the webpage [here](#).

For a checklist of what is expected of the Grantee throughout the audit process, see Exhibit 34-1 *Guide for Review of Financial Management and Audits* of the [CPD Monitoring Handbook 6509.2](#).

Chapter 7 – Closeout

- Completion in IDIS (Beneficiary Data)
- Records and Retention

CDBG entitlement grants between HUD and a grantee are typically not closed out. Rather the grantee continues to receive ongoing allocations each year with congressional appropriations. However, where there are serious performance issues, HUD may close a grantee's program so that no additional funds are received (see 24 CFR Subpart O). Other special circumstances for closing grants between a grantee and HUD are described in Notice-CPD-14-02, *Closeout Instructions for CDBG Program Grants*. For instance, a metropolitan city that was a direct grantee may decide to relinquish its entitlement status in order to become part of an urban county. In this case, HUD may close the city's grant.

So, while it is unlikely that a grantee will need to close its CDBG grant with HUD, to complete the lifecycle of an activity funded by CDBG, City of Santa Fe staff must close out each activity. Activities cannot be closed out until a final invoice is submitted by the subrecipient and all monitoring activities have been completed.

Closeout is an integral internal management process by which programmatic, financial and management staff verify that appropriate records demonstrating compliance with all applicable HUD regulations are on file and ready for audit. These documents should provide a comprehensive record of project activities, beneficiaries, and total cost. The City of Santa Fe must maintain these records to demonstrate that it has met all of its obligations to HUD as delineated in the Action Plan certifications that are signed and submitted to HUD with Form PR 26.

Completion in IDIS (Beneficiary Data)

Staff implements closeout procedures as part of IDIS activity. This includes accomplishment reporting and completion as well as the preparation of the CAPER.

Accomplishments must be reported for all CDBG activities except those that do not meet a national objective. HUD expects all grantees to report activity accomplishments as they are realized, but at least quarterly. City of Santa Fe staff must report accomplishments for each program year the activity is open and at activity completion. (The only exception to quarterly/annual reporting is public facilities, which should not be reported until the facility is complete). Specific instructions appear in the IDIS Manual for CDBG Entitlement Communities.

City of Santa Fe staff will verify that records are available to demonstrate that each CDBG activity has complied with 24 CFR 570 and all City of Santa Fe procedures have been followed in the implementation of each activity.

The closeout process may vary between different activities. However, a best practice is presented in the steps below:

1. Receive final reimbursement request and final report from subrecipient, contractor or other entity. The final report should consist of the following:
 - Financial Information: This information summarizes all grant expenditures by activity as identified in the current project budget. All budget amendments should be submitted and approved prior to submitting the final report. If the report is submitted and grant funds remain at the end of a project, the subgrantee must follow the instructions contained in its written agreement or contact the City of Santa Fe for instructions.
 - Accomplishments Data: This element requires specific information regarding project impact. The subgrantee must maintain adequate records throughout the project lifecycle to successfully complete this section. The number of LMI beneficiaries must be listed in this section. Any changes between the proposed number of beneficiaries and the actual number of beneficiaries must be addressed.
Census tracts and/or block groups cited must correspond to the written agreement, unless otherwise noted. Demographic data for each census tract and block group must be reported. The subgrantee must provide updated information regarding the LMI benefit achieved by the project. For economic development projects, subrecipients must report on job creation and retention.
2. Verify financial and programmatic records and supporting documentation. This may involve preparing activity records for future audit by third parties. When working with subrecipients, ensure that subrecipient monitoring has been conducted to verify subrecipient files properly maintained and funds were properly invested. Any monitoring findings must be resolved.
3. Process the final reimbursement request to ensure timely payment of reimbursement requests.
4. Conduct the final IDIS drawdown by initiating a final draw of activity funds in IDIS.
5. Mark Activity “Complete” in IDIS, as appropriate, and provide for management review of programmatic and financial records prior to marking a particular activity “complete” in IDIS. See Records section below for information on records that should be maintained.

Records and Retention

City of Santa Fe staff should place complete documentation in the corresponding CDBG activity file, including, but is not limited to:

- Written agreements;

- Key accounting records;
- Supporting documentation;
- Correspondence and e-mails between and among related parties;
- Evidence of monitoring (monitoring letter, entrance conference sign-in sheet, monitoring results, supporting documentation etc.)

CDBG subrecipients must adhere to HUD's recordkeeping requirements as contained in [24 CFR 570.506](#). HUD funded records must be retained for five years after the completion of the program, in order to allow access for audit and public examination. If audit findings are not resolved, the records must be retained beyond the five years. The retention period starts when the annual or final expenditure report has been submitted or, for nonexpendable property, from the date of final disposition.

DRAFT

Appendices

- Guide to National Objectives and Eligible Activities for CDBG Entitlements
- IDIS for CDBG Entitlement Communities Manual
- CDBG Matrix Codes Sheet
- CPD Monitoring Handbook, Chapter 3: CDBG Entitlements (and related checklists)
- Uniform Administrative Requirements, 2 CFR Part 200
- Other Federal Requirements (such as Uniform Administrative Requirements and Lead-Based Paint Standards) *
- Typical Grant Cycle Calendar

* Standard conditions for the use of CDBG funds include provisions related to environmental review, fair housing and non-discrimination as well as labor standards. Because those three “cross-cutting” federal requirements are certain to apply to all CDBG grantees, they are detailed in body of these model policies and procedures. Uniform Relocation Act requirements and Lead-Based Paint Standards may also apply. Guidance for those two additional requirements appear in the Appendices. Links to the HUD Exchange for the full range of possibly applicable laws and regulations are provided as well.

HOLIDAY:
Independence Day July 3rd

JULY 2020

Summary

7/01—Program Year begins

Week 1—Reminders sent to subrecipients about Q report and invoices due no later than July 15; Set up days/times for prior year program site monitoring

Day 10—Request Admin/Staff report from Finance Dept

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month; Log into SPEARS to keep account current

Weeks of July 20, 27—Conduct Site Monitoring Visits

Third Wednesday—Community Development Commission meets (if necessary)

7/23 –Timeliness Report due to HUD

7/30—PR-29 due to HUD

7/31—Draw/Receipt in IDIS when Expense shows in GL and enter accomplishment data into IDIS

No later than 7/31—Final executed grant agreement with HUD; ERRs submitted; RROF approved

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
					HOLIDAY Office closed	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
			Final Reports + invoices DUE			
19	20	21	22	23	24	25
				Timeliness Report due to HUD		
26	27	28	29	30	31	
				PR-29 DUE		

AUGUST 2020

Summary

Week of August 3—Send out follow up letters from site visits

Day 10—Request Admin/Staff report from Finance Dept

8/14—CAPER draft available for review

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

Committee Review of CAPER:

- 8/19: CDC (quorum req'd)
- 8/26: Request to Publish
- 8/31: Finance

8/31—Public Notice Runs in Legal Section

- Notice of Public Hearing on 9/9
- 15-day Public Comment Period Begins

8/21—Submit Timeliness Report to HUD

8/31—Close out site monitoring

Sun	Mon	Tue	Wed	Thu	Fri	Sat
July 26	July 27	July 28	July 29	July 30	July 31	1
2	3	4	5	6	7	8
9	10	11	12	13	14 CAPER draft Available	15
16	17	18	19 CDC meeting	20	21 Timeliness Report due to HUD	22
23	24	25	26 Request to Publish	27	28	29
30	31 Finance Committee	Sept 1	Sept 2	Sept 3	Sept 4	Sept 5

SEPTEMBER 2020

HOLIDAY:
Labor Day Sept. 7th

Summary

Committee Review of CAPER (cont.)

- 9/2—Quality of Life

9/9—City Council Meeting

- CAPER Public Hearing

Day 10—Request Admin/Staff report from Finance Dept

9/14—End of Public Comment Period

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

Third Wednesday—Community Development Commission meets (if necessary)

9/23 –Timeliness Report due to HUD

9/28—CAPER due to HUD (submitted via IDIS) 90 days after the end of the program year (due on a business day)***

9/28—HUD Form 60002 is due with submission of CAPER

***DUE TO COVID, 180 DAY EXTENSION IN PLACE for PY19

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Aug 30	Aug 31	1	2 Quality of Life Meeting	3	4	5
6	7 HOLIDAY	8	9 City Council Public Hearing	10	11	12
13	14 Public Comment ENDS	15	16 CDC Meeting	17	18	19
20	21	22	23 Timeliness Report due to HUD	24	25	26
27	28 CAPER Submitted to HUD	29	30	Oct 1	Oct 2	Oct 3

HOLIDAY:
Columbus Day Oct. 12th

OCTOBER 2020

Summary

Week 1—Reminders sent to subrecipients about Q report and invoices due no later than Oct 15

10/05—HUD Form 4710 due by email to:
Karen Clark (Karen.Clark@hud.gov)

Day 10—Request Admin/Staff report from Finance Dept

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month; Log into SPEARS to keep account current

10/15—Log into SPEARS to keep current

Third Wednesday—Community Development Commission meets (if necessary)

10/23 –Timeliness Report due to HUD

10/30—PR 29 Submitted

10/31—Draw/Receipt in IDIS when Expense shows in GL and enter accomplishment data into IDIS

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Sept 27	Sept 28	Sept 29	Sept 30	1	2	3
4	5 HUD Form 4710 due	6	7	8	9	10
11	12 HOLIDAY	13	14	15 Log into SPEARS	16	17
18	19	20	21 CDC Meeting	22	23 Timeliness Report due to HUD	24
25	26	27	28	29	30 PR 29 DUE	31

NOVEMBER 2020

HOLIDAY:

Veteran's Day Nov. 11th

Thanksgiving Day Nov. 26th

President's Day Observance Nov. 27th

Summary

Day 10—Request Admin/Staff report from Finance Dept

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

11/18 –CDC Meeting to determine funding priorities

11/23 –Timeliness Report due to HUD

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10 Public Hear- ing 5PM	11 HOLIDAY	12	13	14
15	16	17	18 CDC Meeting *Quorum Required	19	20	21
22	23 Timeliness Report due to HUD	24	25	26 HOLIDAY	27 HOLIDAY	28
29	30	Dec 1	Dec 2	Dec 3	Dec 4	Dec 5

HOLIDAY:

Christmas Eve - 24th Closed
Closes at 12:00PM

Christmas Day - 25th Office
closed all day

New Year's Even - 31st Office
Closes at 12:00PM

DECEMBER 2020

Summary

Day 10—Request Admin/Staff report from Finance Dept

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

12/17 -3PM Meeting with Fran to review CDBG & AHTF RFPs
FRAN CANCELLED

12/23—Timeliness Report due to HUD

12/31—Final RFP for CDBG & AHTF for 2021-22 projects approved by Procurement

Sun	Mon	Tue	Wed	Thurs	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17 3-4 PM Meeting with Fran RE: CDBG & AHTF RFPs	18	19
20	21	22	23 Timeliness Report due to HUD	24 HOLIDAY Office closes at 12PM	25 HOLIDAY Office is closed	26
27	28	29	30	31 HOLIDAY Office closes at 12PM		

HOLIDAY:

Jan. 1st -New Year's Day Office closed

Jan. 18th -Dr. Martin Luther King Jr. Day Office closed

JANUARY 2021

Summary

01/04—Reminders sent to subrecipients about Q report & invoices due no later than Jan 15

01/04 - Finance Committee Meeting

01/27—CDBG/AHTF RFP Available

- Press release
- Website Posting

Day 10—Request Admin/Staff report from Finance Dept

01/13 -Governing Body Meeting

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month; Log into SPEARS to keep current

01/19 -Finance Committee Meeting

01/20—Community Development Commission meets TBD...

01/21—Mandatory CDBG/AHTF Training for Applicants TBD...

01/22—Timeliness Report due to HUD

01/27 -Governing Body Meeting

01/29—PR 29 Submitted in IDIS

01/29—Draw/Receipt in IDIS when Expense shows in GL and enter accomplishment data into IDIS

Sunday	Monday	Tuesday	Wed.	Thurs.	Friday	Saturday
					1 HOLIDAY Office closed	2
3	4 Finance Committee Meeting	5	6	7	8	9
10	11	12	13 Governing Body Meeting	14	15 Log into SPEARS	16
17	18 HOLIDAY Office closed	19 Finance Committee Meeting	20 CDC Meeting TBD	21	22 Timeliness Report due to HUD	23
24	25	26 CDBG/AHTF RFP Posted	27 Purchasing Issues RFPs Governing Body Meeting	28	29 PR 29 Report due to HUD	30
31						

FEBRUARY 2021

Summary

2/01 Finance Committee Meeting Week of Feb TBD—Staff reviews applications for completeness and assembles CDC packet

2/10 -Governing Body Meeting

2/12—CDBG/AHTF Mandatory Training

Day 10—Request Admin/Staff report from Finance Dept

Day 15—Review, approve, submit in-voices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

2/15 -Finance Committee Meeting

Week 3—Application Packet Posted and Packets Distributed to CDC

2/17—Deadline to submit written questions

2/19—Responses to written questions due

2/24—CDC Meeting & Submission of Proposals due

- Executive Session for Final Funding Recommendations

2/23—Timeliness Report due to HUD

2/24 -Governing Body Meeting

2/24 - 3/4—Proposal Evaluation

*City Staff & CDC Members

Sunday	Monday	Tuesday	Wed.	Thurs.	Friday	Saturday
	1 Finance Committee Meeting	2	3	4	5	6
7	8	9	10 Ack. of Receipt Form due Governing Body Meeting	11	12 Mandatory Training 8:30AM CDBG 1PM AHTF Application Posted & distributed	13
14	15 Finance Committee Meeting	16	17 CDC Meeting 3:30P - 5P	18	19	20
21	22	23 Timeliness Report due to HUD	24 Governing Body Meeting	25	26 to CDC Applications DUE	27
28						

**NEED TO ADD AAP TO CDC
AGENDA THIS MONTH!**

MARCH 2021

3/01—Begin drafting Annual Action Plan

3/01 -Finance Committee Meeting

Week of 3/01—Prepare draft PSAs for funded projects

3/4—Oral Presentation of Projects in AM & Recommendation of Awards in PM

3/4—CDC Meeting

3/08—Submit Contracts to Legal to be approved to form; begin drafting Annual Action Plan

Day 10—Request Admin/Staff report from Finance Dept

3/10 -Governing Body Meeting

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

3/15 -Finance Committee Meeting

3/17—CDC reviews/approves AAP Draft

3/17—Finalize DRAFT Contractual Agreements

3/23—Timeliness Report due to HUD

3/24 -Governing Body Meeting

3/26—Annual Action Plan Draft + PSAs are finalized for Packet Submission

- Memo updated
- PR26 report run, reconciled with GL, approved by Finance Dept

Sunday	Monday	Tuesday	Wed. Applicant Presentations	Thurs.	Friday	Saturday
	1 Begin AAP draft Finance Committee Meeting	2	3 8:30A-4P CDC Meeting *Quorum Req'd Recommendation of Awards	4	5	6
7	8 Submit PSAs to Legal	9	10 Governing Body Meeting	11	12 CDC Packet DUE	13
14	15 Finance Committee Meeting	16	17	18	19	20
21	22	23 Timeliness Report due to HUD	24 Governing Body Meeting	25	26 Annual Action Plan Draft DUE	27
28	29	30	31			

APRIL 2021

Summary

Week 1—Reminders sent to subrecipients about Q report and invoices due no later than Apr 15

04/05: HUD Form 4710 due (email to: Karen Clark, Karen.Clark@hud.gov)

Day 10—Request Admin/Staff report from Finance Dept

Week 2—Public Notice Runs in Legal Section

- Notice of Public Hearing (Date TBD)
- 30-day Public Comment Period Begins

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month; Log into SPEARS to keep current

Committee Review of AAP

- Quality of Life Committee 4/21
- Finance Committee 4/19

04/23—Timeliness Report due to HUD

04/30—Draw/Receipt in IDIS when Expense shows in GL and enter accomplishment data into IDIS

Sunday	Monday	Tuesday	Wed.	Thurs.	Friday	Saturday
				1	2	3
4	5 HUD Form 4710 is due Finance Committee Meeting	6	7 Quality of Life Meeting	8	9	10
11	12	13	14 CDC Agenda due Governing Body Meeting	15 Log into SPEARS	16	17
18	19 Finance Committee Meeting	20	21 CDC Meeting 3:30P-5P Quality of Life Meeting	22	23 Timeliness Report due to HUD	24
25	26	27	28 Governing Body Meeting	29	30	

NEED TO ADD AAP TO CITY COUNCIL AGENGA THIS MONTH!

MAY 2021

HOLIDAY:
Memorial Day May 31st

Summary

Week 1—AAP Public Comment Period ends; Public Hearing at City Council (Date TBD)

Day 10—Request Admin/Staff report from Finance Dept

5/14 –Annual Action Plan due to HUD 45 days prior to start of program year

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

5/21—Timeliness Report due to HUD

Sunday	Monday	Tuesday	Wed.	Thurs.	Friday	Saturday
						1
2	3 Finance Committee Meeting	4	5 Quality of Life Meeting	6	7 AAP due	8
9	10	11	12 CDC Agenda due Governing Body Meeting	13	14 Timeliness Report due to HUD	15
16	17 Finance Committee Meeting	18	19 CDC Meeting 3:30P-5P Quality of Life Meeting	20	21	22
23 30	24 HOLIDAY 31	25	26 Governing Body Meeting	27	28	29

JUNE 2021

Summary

Day 10—Request Admin/Staff report from Finance Dept

Week of June 7—Set up IDIS Projects

Week of June 14—Initiate ERRs in HEROS

Day 15—Review, approve, submit invoices to Accounts Payable; Timesheet, time/effort certifications prepared for prior month

Third Wednesday—Community Development Commission meets (if necessary)

Week of June 21—Prepare RROF for submission and Public Notice for release after grant agreement with HUD is executed

6/23 –Timeliness Report due to HUD

By June 30—Enter PSAs in Munis, request POs, set up project files

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Finance Committee Meeting	2 Quality of Life Committee Meeting	3	4	5
6	7 Set up IDIS Projects	8	9 CDC Agenda due Governing Body Meeting	10	11	12
13	14 Complete ERRs in HEROS	15	16 CDC Meeting 3:30P-5P Quality of Life Meeting	17	18	19
20	21 Prepare RROF Finance Committee Meeting	22	23 Timeliness Report due to HUD	24	25	26
27	28	29	30 Governing Body Meeting			

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2021-__

INTRODUCED BY:

Mayor Alan Webber

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.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. Section 18-11.3 of SFCC 1987 (being Ord. No. 1992-27, § 4, as amended) is amended to read:

18-11.3 - Definitions.

As used in this section.

1 *Accounts receivable unit* means the office, within the city of Santa Fe finance
2 department, that is responsible for issuing business registrations.

3 *Board* means the lodgers' occupancy tax advisory board established herein to make
4 recommendations for advertising, publicizing and promoting tourist-related attractions, facilities
5 and events to the governing body, keep minutes of its proceedings and submit its
6 recommendations, correspondence and other pertinent documents to the governing body.

7 *City* means the city of Santa Fe.

8 *City cashier's office* means the office, within the city of Santa Fe finance department,
9 where all monies owed the city are collected and deposited. All lodgers' tax remittance will be
10 collected and deposited in the cashier's office.

11 *City clerk* means the city clerk of Santa Fe, New Mexico.

12 *City treasurer* means the finance department director.

13 *Convention center fee* means the two percent (2%) increment imposed by the city under
14 the Civic and Convention Center Funding Act, Sections 5-14-1 to 5-14-15 NMSA 1978.

15 *Gross taxable rent* means the total amount of rent paid for lodging, not including the
16 state gross receipts tax or local sales taxes.

17 *Increment* means a specified unit of the total percent of occupancy tax or convention
18 center fee imposed where the unit is derived by dividing the percent tax imposed into separate
19 parts of one percent (1%) or portions of one percent (1%).

20 *Lodgers' tax* shall be used to collectively refer to the occupancy tax and convention
21 center fee.

22 *Lodging* means the transaction of furnishing rooms or other accommodations by a vendor
23 to a vendee who for a rent uses, possesses or has the right to use or possess any room or rooms
24 or other units of accommodations in or at a taxable premises.

25 *Lodgings* means the rooms or other accommodations furnished by a vendor to a vendee

1 by a taxable service of lodgings.

2 *Occupancy tax* means tax on lodging authorized by the Lodgers' Tax Act, Sections 3-38-
3 13 to 3-38-24 NMSA 1978.

4 *Permanent Resident* means that the occupant is using the property as his/her primary
5 residence with the intent to remain in and pay taxes in New Mexico.

6 *Person* means a corporation, firm, other body corporate, partnership, association or
7 individual, includes a property management company, includes an executor, administrator,
8 trustee, receiver or other representative appointed according to law and acting in a representative
9 capacity, but does not include the United States of America, the state of New Mexico, any
10 corporation, department, instrumentality or agency of the federal government or the state
11 government, or any political subdivision of the state.

12 *Rent* means the consideration received by a vendor in money, credits, property or other
13 consideration valued in money for lodgings subject to a lodgers' tax authorized in the Lodgers'
14 Tax Act and/or the Civic and Convention Center Funding Act.

15 *Taxable premises* means a hotel, [~~apartment, apartment hotel, apartment house,~~
16 ~~condominium, town home, casita, time share and fractional share lodge, lodging house, rooming~~
17 ~~house, motor hotel, bed and breakfast, guest house, guest ranch, ranch resort, guest resort, mobile~~
18 ~~home, motor court, auto court, auto camp, trailer court, trailer camp, trailer park, tourist camp,~~
19 ~~cabin, short term rental unit]~~ motel, or other premises for lodging that is not the vendee's
20 household or primary residence.

21 *Tourist* means a person who travels for the purpose of business, pleasure or culture to the
22 city of Santa Fe.

23 *Tourist-related events* means events that are planned for, promoted to and attended by
24 tourists.

25 *Tourist-related facilities and attractions* means facilities and attractions that are intended

1 to be used by or visited by tourists.

2 *Tourist-related transportation systems* means transportation systems that provide
3 transportation for tourists to and from tourist-related facilities, attractions and events.

4 *Vendee* means a natural person to whom lodgings are furnished in the exercise of the
5 taxable service of lodging.

6 *Vendor* means a person furnishing lodgings in the exercise of the taxable service of
7 lodging.

8 **Section 2. Section 18-11.8 of SFCC 1987 (being Ord. No. 1992-27, § 7, as**
9 **amended) is amended to read:**

10 **18-11.8 Exemptions.**

11 The occupancy tax or the convention center fee shall not apply to any portion of the gross
12 taxable rent:

13 A. If a vendee:

14 (1) Has been a permanent resident of the taxable premises for a period of at least thirty
15 (30) consecutive days [~~as evidenced by a lease or other long-term lodging documentation~~]; or

16 (2) Enters into or has entered into a written agreement for lodgings at the taxable
17 premises for a period of at least thirty (30) consecutive days;

18 B. If the rent paid by the vendee is less than two dollars (\$2.00) a day;

19 C. To lodging accommodations at institutions of the federal government, the state or
20 any political subdivision thereof;

21 D. To lodging accommodations at religious, charitable, educational or philanthropic
22 institutions, including [~~without limitation such~~] accommodations at summer camps operated by
23 such institutions;

24 E. To clinics, hospitals or other medical facilities; or

25 F. To privately-owned and operated convalescent homes, or homes for the aged,

1 infirm, indigent or chronically ill[~~§~~].

2 [G. — If the vendor does not offer at least three (3) rooms within or attached to a taxable
3 premises for lodging, or at least three (3) other premises providing lodging facilities regardless of
4 the number of rooms available at each taxable premises or a combination of these within the city.]

5 **Section 3. Section 18-11.17 of SFCC 1987 (being Ord. No. 1992-27, § 16, as**
6 **amended) is amended to read:**

7 **18-11.17 Use of lodger's tax monies.**

8 A. The proceeds of the occupancy tax [~~and convention center fee~~] shall be used to
9 defray costs as follows:

10 [~~A.~~]1. Not less than one-half ($\frac{1}{2}$) of the proceeds derived from the first three
11 percent (3%) increments and not less than one-fourth ($\frac{1}{4}$) of the proceeds of the tax in
12 excess of three percent (3%) increments shall be used for the purpose of advertising,
13 publicizing and promoting tourist-related attractions, facilities and events;

14 [~~B.~~]2. Proceeds of the fourth one percent (1%) increment of the tax not
15 otherwise allocated by subsection 18-11.17A SFCC 1987 shall be used by the city for
16 advertising, publicizing, promoting of tourist-related attractions, facilities and events,
17 specifically as they relate to nonprofit art activities, and nonprofit performing arts in
18 Santa Fe less administration costs. The funds shall be administered by the arts
19 commission as created in Section 6-1 SFCC 1987, or its successor.

20 [~~C.~~]3. After July 1, 1996, funds collected for use under paragraph A, herein,
21 and at least one-fourth ($\frac{1}{4}$) of funds collected for use under paragraph B, herein, must
22 be spent within two (2) years of the close of the fiscal year collected.

23 [~~D.~~]4. The proceeds in excess of the amount required by paragraph A, herein,
24 or allocated by the city, pursuant to paragraph B, herein, to be used for advertising,

1 publicizing and promoting tourist-related attractions, facilities and events may be used
2 for:

3 ~~[(1)]~~a. Collecting and administering the tax;

4 ~~[(2)]~~b. Audits;

5 ~~[(3)]~~c. Establishing, operating, purchasing, constructing, otherwise
6 acquiring, reconstructing, extending, improving, equipping, furnishing or
7 acquiring real property or any interest in real property for the site or grounds
8 for tourist-related facilities or attractions or transportation systems of the
9 municipality or the county in which the municipality is located;

10 ~~[(4)]~~d. Advertising, publicizing and promoting tourist-related
11 attractions, facilities and events of the municipality or county and tourist
12 facilities or attractions within the area;

13 ~~[(5)]~~e. Providing police and fire protection and sanitation service for
14 tourist-related events, facilities and attractions located in the respective
15 municipality or county;

16 ~~[(6)]~~f. Principal and interest of revenue bonds issued as authorized by
17 Section 3-38-23 or 3-38-24 NMSA 1978; or

18 ~~[(7)]~~g. Any combination of the foregoing purposes or transactions
19 stated in this section, but for no other municipal or county purpose.

20 ~~[E.]~~5. Proceeds of the fifth one percent (1%) increment of the tax shall be used
21 by the city for establishing, operating, purchasing, constructing, otherwise acquiring,
22 reconstructing, extending, improving, equipping, furnishing or acquiring real property
23 or any interest in real property for the site or grounds for a new convention center, major
24 reconstruction or addition to the current convention center, or adjoining parking
25 facilities. These funds may be used for construction of other tourism related facilities

1 as limited by state law. Authorized uses may also be the payment of principal and
2 interest in connection with and any other charges pertaining to revenue bonds issued
3 for any of the above purposes. At the end of each four (4) years from the date of the
4 enactment of this fifth one percent (1%) increment, the occupancy tax advisory board
5 (OTAB) shall review and assess this section, determine the status of the authorized uses
6 as stated in this paragraph [F]B, and make a recommendation to the governing body if
7 the tax shall continue to be accrued for these purposes or if the tax and accumulated
8 proceeds shall be applied to any other use as authorized in other subsections of this
9 section for lodgers' tax. The governing body shall make the final determination through
10 an amended ordinance if the use is to be changed. If no action is taken, the ordinance
11 for the fifth one percent (1%) increment shall continue as stated.

12 6. Proceeds from the occupancy tax that are collected based on the thirty-
13 first (31st) and subsequent days a vendee rents lodgings in taxable premises shall be
14 dedicated to the affordable housing trust fund.

15 [F.]B. The [P]proceeds of the [sixth one percent (1%) and the seventh one percent
16 (1%) increments of the tax (also referred to as a] convention center fee[.] may be used by the
17 city for the following:

18 1. The design, construction, equipping, furnishing, landscaping and other
19 costs associated with the development of a civic and convention center and adjoining
20 parking garage located within the city;

21 2. Payments of principal, interest or prior redemption premiums due in
22 connection with and any other charges pertaining to revenue bonds authorized by the
23 Civic and Convention Center Fund Act Sections 5-14-1 to 5-14-15 NMSA 1978
24 including payments into sinking fund or reserve fund required by the revenue bond
25 ordinance;

1 3. Costs of collecting and otherwise administering the tax, provided that
2 administration costs shall not be paid if there are current payments due pursuant to
3 paragraph F(2) of this subsection and that no more than ten percent (10%) of the revenue
4 collected in any fiscal year shall be used to pay administration costs;

5 4. Operation costs of the civic and convention center and adjoining
6 parking garage provided that no such costs shall be paid if there are current payments
7 due pursuant to paragraph F(2) of this subsection; and

8 5. Payments into a capital reserve fund established for the future payment
9 for capital maintenance and improvements and equipment replacement costs of the civic
10 and convention center and adjoining parking garage provided that:

11 a. No payments shall be made pursuant to this paragraph if there
12 are current payments due pursuant to paragraph F(2) of this subsection; and

13 b. At least once every five (5) years, the governing body shall
14 compare the amount of money in the fund with the expected future expenditures
15 from the fund and decide if the convention center fees may be reduced pursuant
16 to paragraph H of this section.

17 [G.]C. The ~~[sixth one percent (1%) and the seventh one percent (1%) increments of~~
18 ~~the lodgers' tax (also referred to as a] convention center fee[.]~~ shall be imposed only for the
19 period necessary for payment of principal and interest on revenue bonds issued to accomplish
20 the purpose for which the revenue is dedicated, but the period shall not exceed thirty (30) years
21 from the date of the ordinance imposing the fee.

22 [H.]D. The governing body may decrease the rate of the convention center fee if the
23 following are met:

24 (1) All required payments have been made pursuant to paragraph [F]B of
25 this subsection and the required levels of and estimated payments from any reserve

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fund, sinking fund or capital reserve fund can be sustained at a decreased rate;

(2) The decreased fee will not otherwise directly or indirectly impair outstanding revenue bonds issued under Section 5-14-13 NMSA 1978; and

(3) The local government division of the department of finance and administration of the state of New Mexico finds that the requirements of paragraphs [H]D(1) and (2) of this subsection have been satisfied and otherwise approves the fee decrease.

APPROVED AS TO FORM:

ERIN K. McSHERRY, CITY ATTORNEY

underscored material = new
[bracketed material] = delete

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2021-__

INTRODUCED BY:

Councilor Signe I. Lindell

Councilor Roman “Tiger” Abeyta

Councilor Carol Romero-Wirth

Mayor Alan Webber

Councilor Jamie Cassutt-Sanchez

AN ORDINANCE

AMENDING SECTION 11-14.5 SFCC 1987 TO DEDICATE HALF THE SALES FROM ANY SALE OR LEASE OF CITY-OWNED LAND AND BUILDINGS TO THE AFFORDABLE HOUSING TRUST FUND.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. Section 11-14.5 of SFCC 1987 (being Ord. No. 2000-16, § 5, as amended) is amended to read:

11-14.5 Dedication.

A. An amount of the general fund equal to a minimum of one-quarter of one percent (0.25%) of the city's share of the state gross receipts tax shall be allocated annually to the economic development fund beginning in the fiscal year 2000/01 budget. This allocation shall be increased by one-quarter of one percent (0.25%) each subsequent year until an allocation of one percent (1%) is attained in FY 2003/04. Thereafter, the allocation shall be maintained at one percent (1%) unless increased by other annual allocations the governing body approves contingent upon sufficient appropriations and authorization by the governing body.

1 B. ~~[All]~~ Half the net proceeds from any sale or lease of city-owned land and buildings
2 on or after January 1, 2021 shall be deposited into the economic development fund and half shall
3 be deposited in the Affordable Housing Trust Fund, as set forth in Section 26-3 SFCC 1987, subject
4 to the following provisions:

5 (1) *Railyard* property. Proceeds from the sale or lease of property on the
6 railyard property are exempted from the provisions of this section and shall not be
7 deposited in the economic development fund.

8 (2) *Santa Fe Estates*. Proceeds from the sale or the lease of the Santa Fe
9 Estates are exempted from the provisions of this section and are subject to appropriation
10 by the governing body.

11 (3) *Tierra Contenta*. Only the share of revenues from the sale of property in
12 Tierra Contenta which had been designated to reimburse CIP funds used for the original
13 purchase of Tierra Contenta shall be deposited in to the economic development fund (less
14 funds already allocated for a new southside library in the amount of five hundred thousand
15 dollars (\$500,000.00). These funds shall be reserved for capital projects and their related
16 expenses for projects authorized in subsection 11-14.5A SFCC 1987.

17 (4) *Existing agreements*. Agreements, ordinances and resolutions in force at
18 the time of adoption of this section which stipulate other uses for the proceeds of specific
19 transactions will exempt those transactions from the provisions of this section.

20 (5) *Enterprise funds*. Proceeds from the sale or lease of property belonging to
21 or associated with enterprise funds are exempt from the provisions of this section.

22 (6) *Airport Industrial Park*. Net proceeds from the sale or ease of property in
23 the Airport Industrial Park or other airport property, after all costs to build out all
24 phases of the park have been recovered, shall go to the support of the Santa Fe regional
25 airport.

1 (7) *Other.* Agreements for the sale or lease of city property which may be
2 subject to other restrictions as to revenue designations or uses are not subject to the
3 provisions of this section. Any such agreement must cite this subsection of this section in
4 the agreement in order to qualify for this exemption.

5 APPROVED AS TO FORM:

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7 _____

8 ERIN K. McSHERRY, CITY ATTORNEY

