

ACTION SHEET
ITEM FROM FINANCE COMMITTEE MEETING OF 05/02/16
FOR CITY COUNCIL MEETING OF 05/11/16

ISSUE:

13. Request for Approval of a Resolution Establishing the Verde Fund to Reduce Systemic Poverty, Achieve Carbon Neutrality, and Empower Santa Fe's Workforce; Authorizing the Appropriation of 5% of the ¼% GRT Effective January 1, 2017; Directing the City Manager to Present a Plan to the Governing Body on Steps to Implement the Verde Fund Within 90 Days; and Allowing for a Public Hearing to Make Desired Changes to the Plan and Approve as Modified. (Mayor Gonzales) (Alexandra Ladd and Zackary Quintero)

Committee Review:

Public Works Committee (scheduled)	05/09/16
Sustainable Santa Fe (scheduled)	05/18/16
Children and Youth Commission (scheduled)	05/24/16
City Council (scheduled)	05/25/16

Fiscal Impact – Yes

The requested 5% of new GRT revenues is subject to approval by the Governing Body during budget discussions. If approved by the Governing Body, it would equate to approximately \$175,000 in FY 16/17 and \$350,000 in FT 17/18. Approval of this resolution would not by itself allocate said funding to the Verde Fund.

FINANCE COMMITTEE ACTION:

Approved as discussion item.

FUNDING SOURCE:

SPECIAL CONDITIONS OR AMENDMENTS

Approved with amendments.

STAFF FOLLOW-UP:

Approved with direction to staff.

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR VILLARREAL	X		
COUNCILOR IVES	X		
COUNCILOR LINDELL	X		
COUNCILOR HARRIS	X		
CHAIRPERSON DOMINGUEZ	X		

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2016-__ Verde Fund Substitute

SPONSOR(S): Mayor Gonzales

SUMMARY: The proposed resolution establishes the Verde Fund to reduce systemic poverty, achieve carbon neutrality, and empower Santa Fe's workforce; authorizing the one-time appropriation of \$300,000 of unbudgeted excess land use permit fees; directing the City Manager to present a plan to the Governing Body on steps to implement the Verde Fund within 90 days; and allowing for a public hearing to make desired changes to the plan and approve as modified.

PREPARED BY: Jesse Guillen, Legislative Liaison

FISCAL IMPACT: Yes

DATE: May 16, 2016

ATTACHMENTS: Memo
Substitute Resolution
FIR (amended)

City of Santa Fe, New Mexico

memo

Date: May 3, 2016

To: Mayor Javier M. Gonzales
Members of the Governing Body

Via: Matt Ross, Public Information Officer

From: Chris Sanchez, Youth and Family Services Division Director
Alexandra Ladd, Housing Special Projects Manager
John Alejandro, Renewable Energy Planner
Zack Quintero, Economic Development Specialist

Re: Resolution and FIR to Create the Verde Fund

ACTION REQUESTED

Consider approval of the attached resolution, which creates the Verde Fund to combat poverty and mitigate the impacts of climate change in the community.

BACKGROUND

Poverty and climate change present major threats to the economic, social, and environmental sustainability of the City of Santa Fe. They are policy challenges the city has a clear interest in solving, to promote social justice and equity, economic success, and public health and wellbeing. And the longer they go unaddressed the more difficult and expensive they will become to solve.

The Children, Youth and Families Community Cabinet, the Children and Youth Commission and the Human Services Committee are working in targeted ways to help families escape poverty, receive an education and join the workforce successfully. The Climate Action Task Force and the Sustainable Santa Fe Commission have set as our goal and are putting together a strategy to help us get to Carbon Neutrality by the year 2040.

The attached resolution begins by acknowledging the problems and their interrelated nature, and proposes a unified approach – a fund backed by city revenue that would invest, and leverage private investment, in projects that combat poverty and help increase our resiliency in the face of climate change.

City of Santa Fe, New Mexico

memo

ITEM AND ISSUE

The resolution directs the City Manager to draft a plan to create and implement the fund according to a set of best practices, complete with pro forma financial statements, clear goals and metrics for performance, and identification of potential private and public sector partners for collaboration, among other things.

The City Manager would then present his findings for Governing Body discussion and approval in a public hearing, giving the public the opportunity to weigh in on the investment.

As initial revenue the fund would receive, under the substitute resolution as drafted, \$300,000 in unbudgeted excess land use permit fees the Land Use Department is expecting to receive in fiscal year 2016/17. Any allocation to the Verde Fund would not occur until the fees are in hand and other priority allocations have been made.

The City Manager is further directed to identify possible sources for recurring funding in ensuring years, as the land use permit fees are a one-time source of initial funding to establish the Verde Fund and for use as leverage to secure additional funding from other sources.

As a budget line item, the Verde Fund is automatically subject to annual re-evaluation and re-approval as part of the budget discussions, giving the Governing Body significant oversight and ability to monitor the performance of the fund against the metrics set out by the City Manager.

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2016-__
Verde Fund

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2016-__ :

1. On page 1, lines 13-15 *delete* “**AUTHORIZING THE ONE-TIME APPROPRIATION OF \$300,000 OF UNBUDGETED EXCESS LAND USE PERMIT FEES [~~5% OF THE ¼% GRT EFFECTIVE JANUARY 1, 2017;~~]**”
2. On page 3, *delete* lines 3-4
3. On page 3, line 9 *delete* “that the Verde Fund is hereby created” and *insert* in lieu thereof “that the Verde Fund’s scope is hereby established”
4. On page 3, lines 16-18 *delete* “the one-time appropriation of \$300,000 to the Verde Fund from unbudgeted excess land use permit fees for Fiscal Year 2016/17” and *insert* in lieu thereof “an appropriation to the Verde Fund of up to twenty-five percent (25%) of the Human Services Fund beginning July 1, 2016”
5. On page 4, lines 2-3 *delete* “, and identify possible city sources to provide recurring funding for ensuing years”

Respectfully submitted,

Joseph M. Maestas, Councilor

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2016-__

INTRODUCED BY:

Mayor Javier M. Gonzales

A RESOLUTION

ESTABLISHING THE VERDE FUND TO REDUCE SYSTEMIC POVERTY, ACHIEVE CARBON NEUTRALITY, AND EMPOWER SANTA FE'S WORKFORCE; AUTHORIZING THE ONE-TIME APPROPRIATION OF \$300,000 OF UNBUDGETED EXCESS LAND USE PERMIT FEES [5% OF THE 1/4% GRT EFFECTIVE JANUARY 1, 2017]; DIRECTING THE CITY MANAGER TO PRESENT A PLAN TO THE GOVERNING BODY ON STEPS TO IMPLEMENT THE VERDE FUND [WITHIN 90 DAYS]; AND ALLOWING FOR A PUBLIC HEARING TO MAKE DESIRED CHANGES TO THE PLAN AND APPROVE AS MODIFIED.

WHEREAS, systemic poverty and climate change are two of the greatest threats to Santa Fe's long-term sustainability and prosperity; and

WHEREAS, Santa Fe is a desert community, adversely affected by climate change that leads to less water, drier land, and an increased vulnerability to devastating forest fires; and

WHEREAS, New Mexico is also one of the poorest states in the country, and despite its relative prosperity, Santa Fe is no exception: 38% of households in Santa Fe were "cost

1 burdened” in 2014, paying more than 30% of their income on housing; the City of Santa Fe has a
2 17.9% poverty rate; 70.7% of students in Santa Fe public schools are income-eligible for free or
3 reduced price meals; 13.5% of Santa Fe County residents and 23.9% of Santa Fe County children
4 are food-insecure; and Santa Fe County has an overall poverty rate of 14.2%, and a poverty rate
5 of 21% for children under the age of 18; and

6 **WHEREAS**, the United Nations Intergovernmental Panel on Climate Change has stated
7 repeatedly in climate studies that the poor and underemployed will feel the impacts of climate
8 change the most; and

9 **WHEREAS**, the Governing Body has taken steps to make fighting poverty and climate
10 change a top priority; and

11 **WHEREAS**, the Children, Youth and Families Community Cabinet, the Climate Change
12 Task Force have generated a range of ideas to address poverty and climate change; and

13 **WHEREAS**, the Children and Youth Commission and the Sustainable Santa Fe
14 Commission advise the City on programmatic ideas to address poverty and climate change; and

15 **WHEREAS**, the Children, Youth and Families Community Cabinet, the Climate Action
16 Task Force, the Children and Youth Commission, and the Sustainable Santa Fe Commission have
17 brought together and are composed of community members, city staff, financial experts,
18 education professionals, sustainability experts, private foundations, and social services advocates;
19 and

20 **WHEREAS**, the Governing Body desires to fund a program that quickly, efficiently, and
21 effectively combats poverty, mitigates the impact of climate change, and promotes economic and
22 environmental resiliency; and

23 **WHEREAS**, such a fund would permit further investment of public resources to leverage
24 private and non-profit sector involvement; and

25 **WHEREAS**, such a fund can provide for net-zero carbon emission housing, residential

1 and commercial energy-efficiency retrofits, environmental remediation, workforce training, and
2 economic development related to sustainability; and

3 **WHEREAS**, a recurring funding source is desirable to leverage ongoing private and
4 public sector investment and maximize the benefit to the community; and

5 **WHEREAS**, such a fund shall be structured to ensure proper transparency and oversight
6 of spending by the Finance committee, a targeted approach to programs, and data-driven metrics
7 to measure success.

8 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
9 **CITY OF SANTA FE** that the Verde Fund is hereby created, with the following stated goals:

- 10 1. Reduce systemic poverty throughout the city;
- 11 2. Achieve carbon neutrality in the city by 2040; and
- 12 3. Promote workforce empowerment and create opportunity for the under-
13 employed.

14 **BE IT FURTHER RESOLVED** that the Governing Body authorizes [~~an appropriation~~
15 ~~to the Verde Fund of five percent (5%) of the one quarter percent (1/4%) Municipal Gross~~
16 ~~Receipts Tax rate approved by Ordinance 2016-15, beginning January 1, 2017]~~ the one-time
17 appropriation of \$300,000 to the Verde Fund from unbudgeted excess land use permit fees for
18 Fiscal Year 2016/17.

19 **BE IT FURTHER RESOLVED** that the City Manager shall develop, in consultation
20 with the Sustainable Santa Fe Commission, a plan to implement the Verde Fund and present it to
21 the Governing Body [~~within 90 days of the effective date of this resolution~~] for consideration in a
22 public hearing. Such plan shall, at a minimum:

- 23 1. Define the mission and initial goals of the Verde Fund;
- 24 3. Develop action plans to achieve stated goals;
- 25 4. Establish metrics to measure success;

1 5. Identify potential private, non-profit, and public sector partners; and

2 6. Produce financial feasibility assessment and pro forma financial statements, and
3 identify possible city sources to provide recurring funding for ensuing years.

4 ~~**[BE IT FURTHER RESOLVED** that the Governing Body shall consider the plan in a~~
5 ~~public hearing, make desired changes, and approve the plan for implementation as modified.]~~

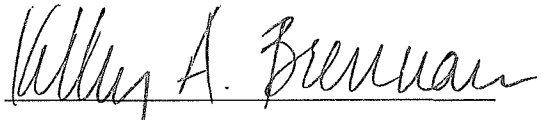
6 PASSED, APPROVED AND ADOPTED this _____ day of _____, 2016.

7 _____
8 JAVIER M. GONZALES, MAYOR

9 ATTEST:

10 _____
11 _____
12 YOLANDA Y. VIGIL, CITY CLERK

13 APPROVED AS TO FORM:

14 
15 _____
16 KELLEY A. BRENNAN, CITY ATTORNEY

**City of Santa Fe
Fiscal Impact Report (FIR)**

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X

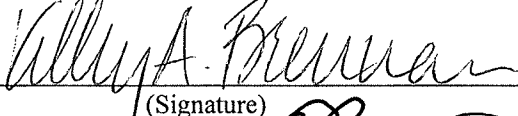
(A single FIR may be used for related bills and/or resolutions)

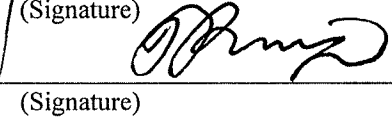
Short Title(s): **A RESOLUTION ESTABLISHING THE VERDE FUND TO REDUCE SYSTEMIC POVERTY, ACHIEVE CARBON NEUTRALITY, AND EMPOWER SANTA FE'S WORKFORCE; AUTHORIZING THE ONE-TIME APPROPRIATION OF ~~15% OF THE ¼% GRT EFFECTIVE JANUARY 1, 2017~~ \$300,000 OF UNBUDGETED EXCESS LAND USE PERMIT FEES; DIRECTING THE CITY MANAGER TO PRESENT A PLAN TO THE GOVERNING BODY ON STEPS TO IMPLEMENT THE VERDE FUND [WITHIN 90 DAYS]; AND ALLOWING FOR A PUBLIC HEARING TO MAKE DESIRED CHANGES TO THE PLAN AND APPROVE AS MODIFIED.**

Sponsor(s): Mayor Gonzales

Reviewing Department(s): Housing and Community Development

Persons Completing FIR: Zackary Quintero/Alexandra Ladd Date: 4/21/15 Phone: x6042/ x6346

Reviewed by City Attorney:  Date: 5/16/16
(Signature)

Reviewed by Finance Director:  Date: 5-16-2016
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:
This resolution establishes the Verde Fund within the City of Santa Fe with the goals of: reducing systemic poverty, addressing the 2040 carbon neutral goal, and promoting workforce empowerment. Staff will return with a report on how to implement and run the Verde Fund. An allocation of \$300,000 from unbudgeted excess land use permit fees will provide initial funding for FY 16/17. Thereafter, the City Manager is directed to identify possible recurring funding sources. This and other City investments in the Verde Fund shall be subject to Finance Committee review.

Section C. Fiscal Impact

- Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:
- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
 - b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
 - c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*
- 1. Projected Expenditures:**
- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
 - b. Indicate: "A" if current budget and level of staffing will absorb the costs
 "N" if new, additional, or increased budget or staffing will be required
 - c. Indicate: "R" – if recurring annual costs
 "NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
 - d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
 - e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: 

_____ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY <u>16/17</u>	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY <u>17/18</u>	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$300,000	<u>N</u>	<u>NR</u>	\$ _____	_____	_____	_____	_____
Total:	\$300,000			\$ _____				

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ _____		\$ _____			

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

The request is for a one-time appropriation of \$300,000 to a newly created Verde Fund from unallocated revenues that are projected to come into the General Fund from higher than normal Land Use Review and Permit fees. Thereafter, the City Manager is directed to identify possible sources to provide recurring funding for the Verde Fund.

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None identified.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The goal of the Verde Fund is to address several linked issues through one financing mechanism. If not approved, the City would not have a single avenue through which to tackle the issues of poverty, carbon neutrality, and workforce empowerment.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None identified.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

The impact of the Verde fund has the potential to increase Santa Fe's preparedness and resilience to climate change, improve the transition to energy sustainability, help fight systemic poverty, improve the skillsets and profile of Santa Fe's workforce, and foster long term economic mobility. This would positively benefit all facets of society and business in Santa Fe, especially for those with inequitable access to resources and community amenities.
