

INVESTMENT CONNECTION



FEDERAL RESERVE BANK *of* KANSAS CITY

Community Development Investment and Lending Partnership

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Community Development Investment and Lending Partnership

New Mexico
May 12, 2022

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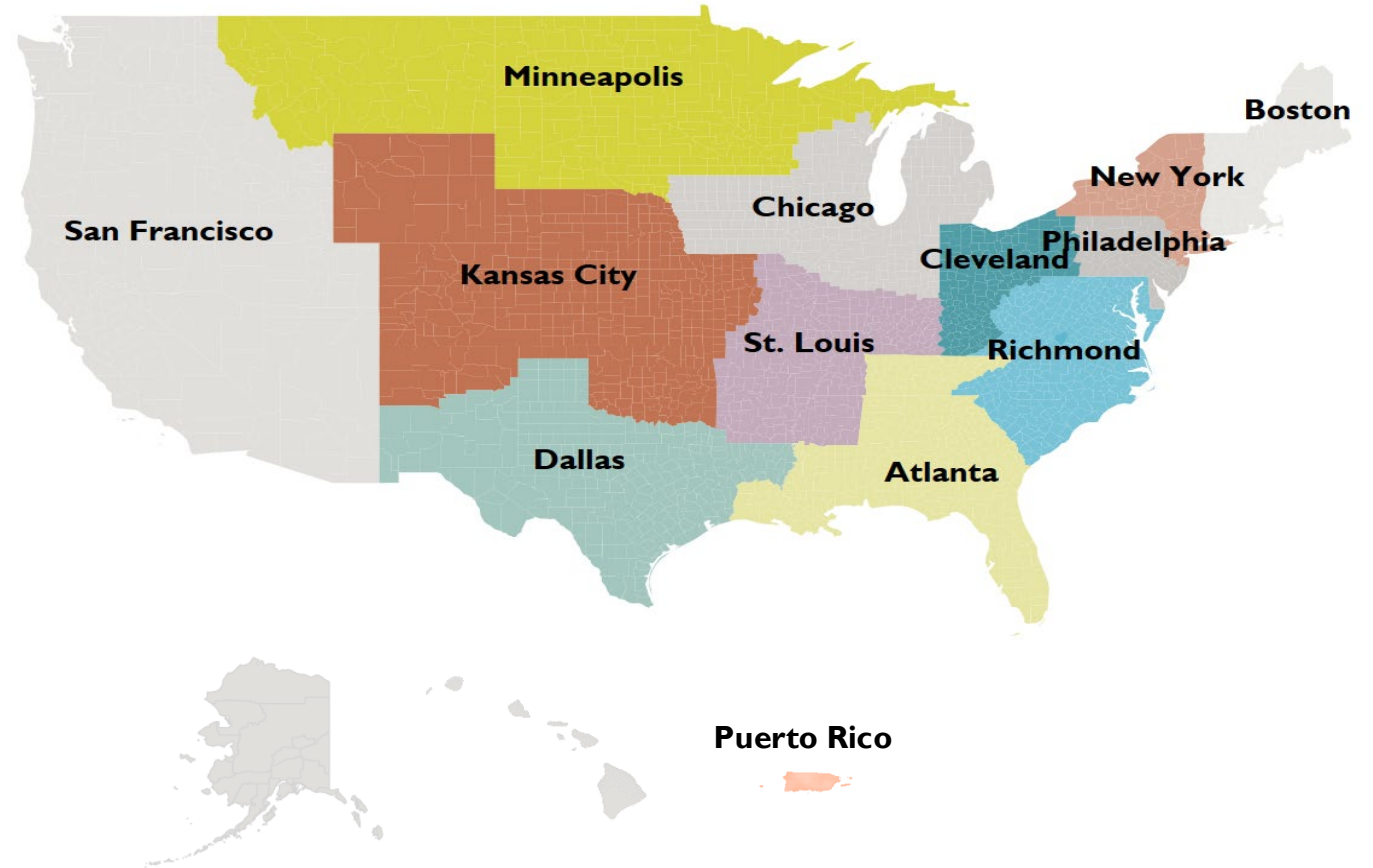
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Expansion of Investment
Connection in 2019

Federal Reserve Banks of:

- Atlanta
- Cleveland
- Dallas
- Minneapolis
- New York
- Richmond
- St. Louis



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Funder Response Forms Evaluations

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Barelas Regeneration Initiative

Mike Loftin, Chief Executive Officer

Johanna Gilligan, Senior Director, Community Development

Homewise Inc.



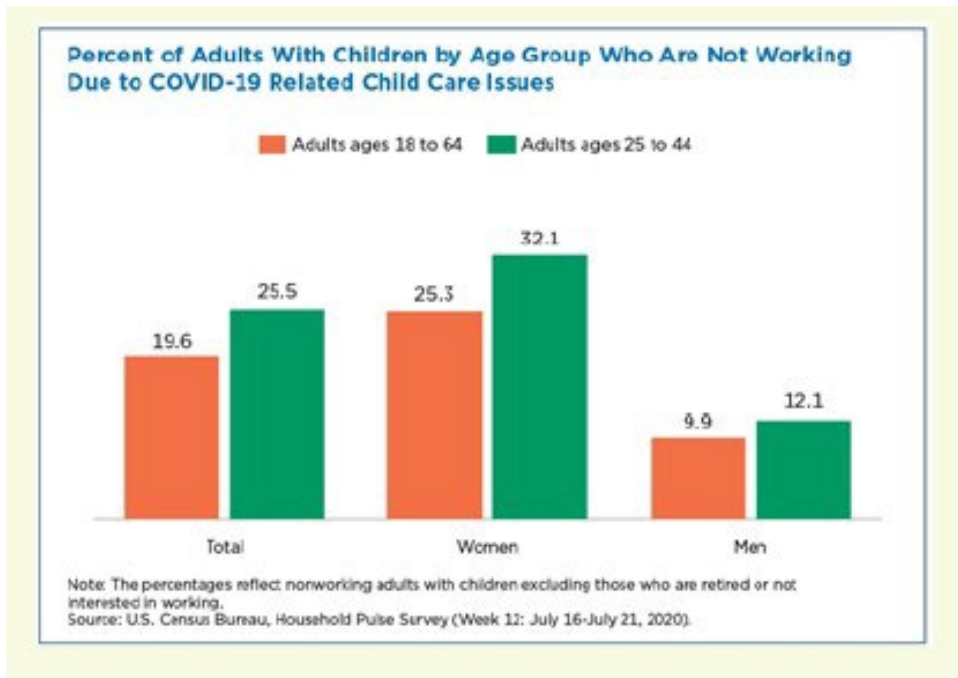


Economic Impacts

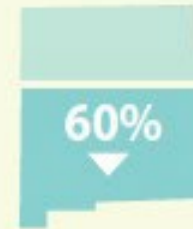
Seeking \$1MM+ in impact investment & \$500K in project subsidy

Investments in high quality early childhood education can **generate up to \$7.30 per dollar invested.**

The Koala Children's Academy will create **60 new daycare slots**, and up to 50% will be free to low-income families.



COVID-19 has been punishing, especially to restaurants and food services. The New Mexico Restaurant Association estimates we may lose one-third of restaurants.



In New Mexico, 60% fewer small businesses in the leisure and hospitality sector were open this January compared with a year prior.

Shared infrastructure, such as commissary kitchens, are a **great investment to help local businesses launch.**

The Barelás Central Kitchen will provide **space for up to 30 food businesses** to launch and grow by providing affordable kitchen space and training.

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**Workforce Development: Community Integrated Employment and
Digital Inclusion for Adults with Disabilities**

Nanette Martinez, Director of Adult Services

Las Cumbres Community Services, Inc.

Workforce Development and Digital Inclusion for Adults with Intellectual and Developmental Disabilities (IDD)

Las Cumbres Community Services first began with Adult Services programming in 1970 which served as the backbone for many of the agency's growing services

Until COVID-19 – When everything changed especially for Community Integrated Employment Opportunities

Current Needs Include Expansion of Partnerships and Access to Digital Technology



Adult Services Employment Program Vision Moving Forward

Enhance infrastructure to better reach our clients using more effective resources

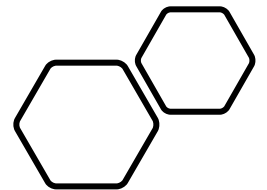
Goals include:

- Increase provision of services to expand our employment base and staff support
- Reach more potential employment partners
- Access for clients and staff to iPads and laptop and acquisition of Avail software
- Provision of additional training for clients and staff
- Increased independence, interpersonal relationships and participation in community life



Collaborative Partnerships with Funders Will Help to Promise Growth

- Digital software available to offer enhanced self-reliance to adults with IDD to meet job requirements and build skill development
- Provision of new tools and increased ability for clients to grow within a career
- Salary assistance for development specialists, job trainers, and direct support personnel
- Requesting financial assistance in the amount of \$150,000



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**An Entrepreneur's Guide to Conquering the Impact of COVID-19 on
Small Businesses**

George Kenefic, Director of Enterprise

New Mexico Community Development Loan Fund, Inc.



New Mexico Community Development Loan Fund

To provide loans and assistance to improve the economic and social conditions of New Mexicans

In our 32 years of operations, we have made **2,061 loans** to small and micro-businesses throughout New Mexico, **11,761 jobs** created or preserved, and are closing in on 400 active loans in 2022.

- In the aftermath of the COVID-19 pandemic our Technical Assistance (TA) has provided further insight into the situation our clients' businesses are in as they face up to the current challenges.
- Through our TA program we are developing this guide to offer guidance to distressed entrepreneurs, to help them decide what steps to take in their businesses to improve their situation.
- We expect our effort will have to continue evolving to address those challenges because we expect the disruptive effects to linger for years to come.



New Mexico Community Development Loan Fund

- **WHAT**

Pervasive and persistent disruption more pronounced than the Great Recession, possibly even the 2008 events. Questioning enterprise viability faced with market uncertainty and changes in customer habits, an existential threat that's causing distress and confusion.

- **WHO**

Our audience is any established small business or microbusiness that is distressed, confused and disoriented by the market's turn of events.

- **OUR RESPONSE**

“An Entrepreneur’s Guide to Conquering the Impact of COVID-19 on Small Business”, a self-paced program to guide our entrepreneurs to a workable outcome.



New Mexico Community Development Loan Fund

- **WHAT IT LOOKS LIKE**

A professionally produced 5-part webinar series, each webinar topic providing 4-5 podcasts in English, which will be translated to Spanish, for a total of 50 podcasts.

Promoted through our website, viewer access and distribution through YouTube.

- **OUR ASK** **\$60,000** = 1 “season” of the program

- **EXPECTED OUTCOME**

Aiding in the adaptation and repositioning of distressed small and micro-businesses so they may prosper in these uncertain times.

Additional information: George Kenefic, Director of Enterprise george@loanfund.org

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Fathers Building Futures

Serena Sierra-Fazio, Director of Program Services

Fathers Building Futures

Fathers Building Futures



Fathers Building
Futures

A True Second Chance

- ❖ Our mission is “to ensure parents and families experiencing barriers from incarceration receive the best opportunities for stability — emotionally, socially, and financially.”
- ❖ We serve fathers leaving incarceration with peer mentors and community case workers
- ❖ Our work training program is the only one of its kind in the state of New Mexico
- ❖ We focus on sustainable and high wage employment because it is the leading indicator of success after incarceration



Pathway to Careers

- ❖ On the job training and work skills development within our workshop
- ❖ Parenting, Financial Literacy, and Soft Skills Classes
- ❖ Peer to peer mentorship throughout and after our program
- ❖ Work certifications and job placement



Employment Partners:

Catholic Charities, All-Out Plumbing, NM Contractors Association, Tyson Meats, National Roofers, Iron Steel Workers, Affordable Solar, Louie & Sons Plumbing, Paradise Power/Solar, Sacred Winds Communication, Roadrunner Food Bank, and Central New Mexico Community College

Investment

- ❖ In New Mexico, recidivism **costs** the state **\$260 million each year**
- ❖ That amount translates to the state paying **\$45,000 per inmate**
- ❖ At \$45,000 a year for **30 clients** that Fathers Building Futures prevents from recidivating, Kansas City Federal's \$100,000 investment saves New Mexico communities **\$1.35 million**

Funds Requested	\$100,000
Salaries- Existing/New Employees	\$25,000
Client Wages & Materials	\$75,000

Success

Since our establishment in 2012, 88% of Fathers Building Futures clients have completed our program totaling over 400 graduates

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Youth Workforce Development and Conservation Program

Ben Thomas, Executive Director

Rocky Mountain Youth Corps





Ben Thomas, Executive Director
Rocky Mountain Youth Corps
575.751.1420 x27
ben@youthcorps.org

**Funding request: \$10,000
Investment/Grant**

Now accepting application
2022 Summer season

*Work Safe. Take Pride. Make a
Difference*

www.youthcorps.org



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Closing the Wealth Gap

Ann Lyn Hall, Chief Executive Officer

Prosperity Works

Prosperity Works – Closing the Wealth Gap



- 20 year proven work in community
- Ending poverty and out-of-poverty high impact strategies
- Our mission is **economic prosperity for all New Mexicans**
- Purposeful partnership with financial institutions and non-profits throughout New Mexico in urban and rural areas.
- Assets stabilize families, increase agency, and strengthen communities.

Individual Development Accounts



- Matched savings accounts for low-income people
- Sustained savings over time combined with financial capability training & an asset plan
- Coaching to support goal attainment
- Eligible savings goals: home ownership, home repair, capitalize a small business, higher education, & purchase vehicle to get to work

Results = relationship with financial institution and long term savings habits developed

Request: \$100,000 grant for matching funds



Impact



Research from Urban Institute about our work using randomized, control study found:

- 52% increase in homeownership rates
- 53% increase in business ownership rates
- 25% reduction in the number of financial hardships related to utilities, housing or health
- 47% decline in the use of alternative check-cashing services
- Helps families get out of poverty in 18 months

We believe that direct, high-impact investments in hard-working, committed individuals and families are the best investment you can make.

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New Mexico Broadband Collective

Danielle Lajoie, Senior Program Coordinator

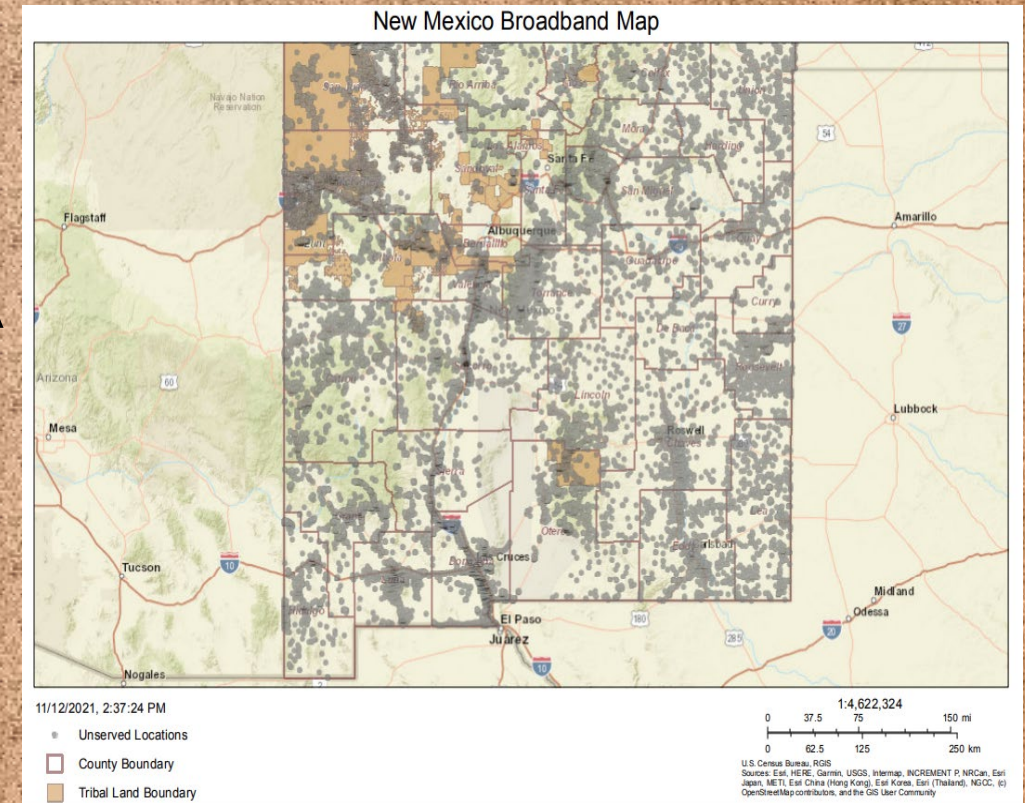
Groundworks

Kimball Sekaquaptewa, Chief Technology Director

Santa Fe Indian School

A CALL TO ACTION: PARTNERING WITH THE NM BROADBAND COLLECTIVE THROUGH A \$250,000 GRANT TO SUPPORT BROADBAND ACCESS AND DIGITAL EQUITY IN NEW MEXICO

**ALL new Mexicans cannot
enjoy equitable health,
educational, economic and
environmental outcomes
while more than 1 in 5 don't
have affordable broadband**



The Collective centers the needs of rural and Native American communities in New Mexico in which the poverty rate is 19.6% (USDA Economic Research Service) and 31% (New Mexico Voices for Children) respectively.

THE OTHER DIGITAL DIVIDE

Many NM Tribal, Rural, Lower-Income and Communities of Color Lack Resources to Complete Steps Necessary to Access Federal and State Funding:

- **Establishing leadership**
- **Building a community movement**
- **Assessing circumstances, assets and alternative solutions**
- **Completing feasibility studies**
- **Developing strategic broadband plans**
- **Creating network design or engineering plans**

GAPS THAT PHILANTHROPY, SOCIAL SECTOR AND FINANCIAL SECTOR CAN FILL

According to State of New Mexico and Congressional Delegation Representatives, Philanthropy Can Best Help By:

- **Supporting technical assistance**
- **Helping communities apply for and secure federal funds (specifically, grantwriters and matching funds)**
- **Supporting regional and collaborative efforts to take hold and flourish**
- **Facilitating coalition building, consensus-building and inclusion of community voices in policy**
- **Integration of digital inclusion plans in local and statewide economic development efforts**

NM BROADBAND COLLECTIVE SOLUTIONS

Broadband Equity Fund



- Managed by New Mexico Foundation
- Grants up to \$75,000
- Non-profit Organization, Pueblo / Tribe / Nation, County, City / Town
- Support community & regional efforts to develop collaboration and complete steps to compete for federal and state funding

Technical Assistance and Grantwriting Fund



- Managed by Groundworks New Mexico
- Provide funding and access to consultants and grantwriters to support prioritized hard-to-connect communities
- Address gaps in capacity, especially in smaller and most rural communities

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Down Payment Assistance for Low-Income Homeownership

Doug Champlin, Executive Director

Heidi Byrd, Development and Communications Director

Greater Albuquerque Habitat for Humanity

Greater Albuquerque Habitat for Humanity

Vision: A world where everyone has a decent place to live.

Mission: Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

Who we Serve, and Why is Down Payment Asst. Important?

- ❑ We serve the 30% - 60% Area median income range families
- ❑ Typically, do not have large down payment on their own
- ❑ Habitat / Habitat Homeowners in partnership for long term
- ❑ Help's new homeowners stay within the Affordability Target Range
- ❑ Help's provide growth area for future increases in taxes & Insurance

Challenges Facing Affordable Housing Initiatives

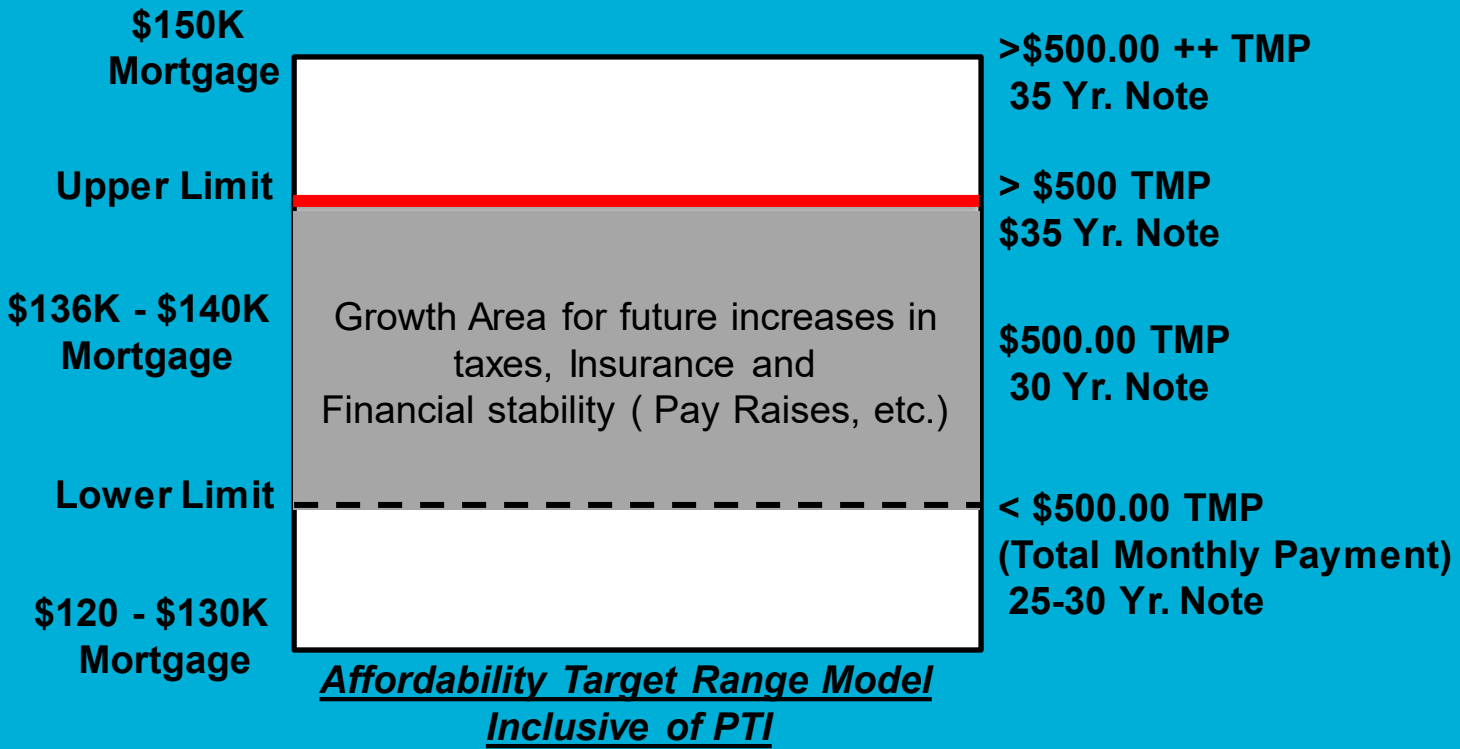
- ❑ Availability of Land (Developed)
- ❑ Higher Land Cost
- ❑ Increasing utility infrastructure cost.
- ❑ Increasing Home Const. Mat'ls. Cost



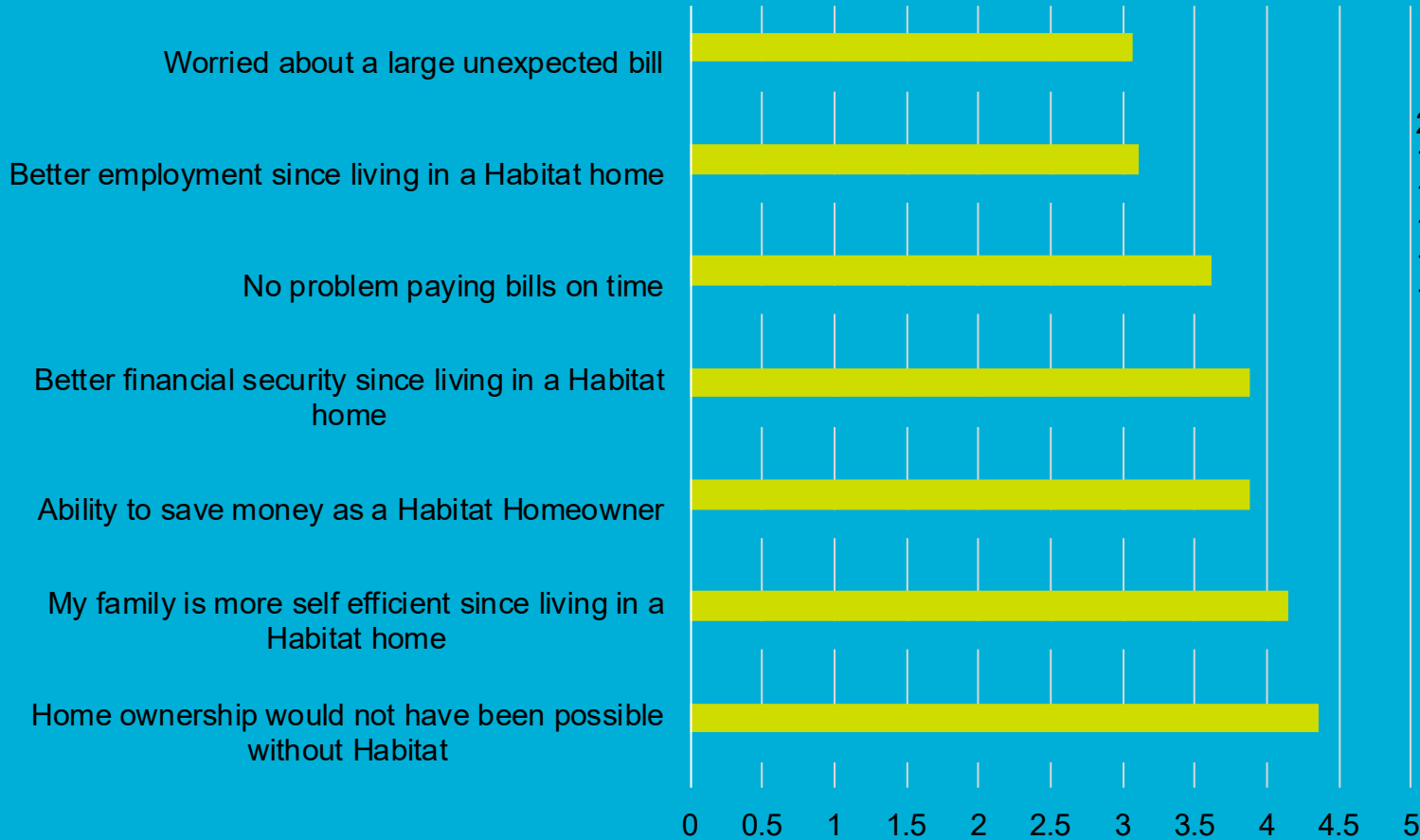
Higher Cost of Housing

Request of Funds

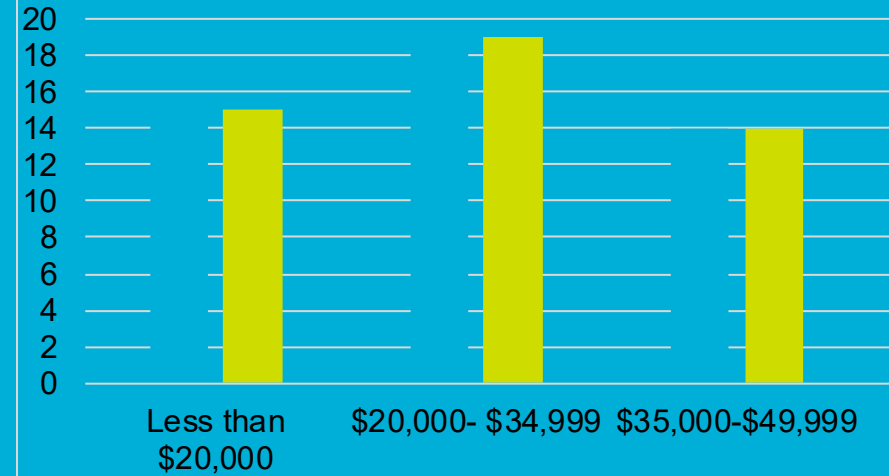
- ❖ \$5K to \$7K Down Payment assistance Per Home, for 7 Houses on Clifton/Williams Project. (6/22 – 12/23)
- ❖ Total Request of Funds - \$35K - \$49K



Financial Impact of Owning a Habitat Home



Average Income Of Habitat Homeowners



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Funder Response Forms
Evaluations
Share Your Connections!

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Ariel Cisneros

Ariel.Cisneros@kc.frb.org

303-572-2601

Share Your Connections!

Investment Connection Website:

<https://www.kansascityfed.org/community/investmentconnection>

CRA OneSource Website:

<https://www.kansascityfed.org/community/cdi/craonesource>

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*Thank you for participating in
Investment Connection New Mexico!*