

New Mexico



Barelas Regeneration Project

Barelas Neighborhood/Albuquerque, NM (2022)

In order to find investments that would best serve the 72 percent Latino community in Barelas, NM, nonprofit CDFI Homewise took to the streets and solicited community input through surveys, formed a resident advisory committee, and researched market data for input on key needs. Feedback revealed an urgent gap in early childcare access at local levels consistent with broader findings; statewide, a 60,000 seat gap meant one in two children lacked access. While subsidy programs could support childcare operations, they didn't cover pre-development building costs, and facility supply was simply not keeping pace with demand. Adding to this, findings identified needs for job training opportunities inclusive of those without college degrees.

Mixed-use investment responds to resident needs in culturally responsive ways.

With heightened needs for both services following the pandemic and a voiced concern for preserving the neighborhood's rich Latino heritage, Homewise spearheaded the Barelas Regeneration Initiative, a multiphase, mixed-use project in this historical neighborhood in downtown Albuquerque. The first phase of the mixed-use project is Koala Children's Academy, a five-star childcare provider, which opened in September 2023. Koala serves 55 children, infants through age five, and offers a bilingual curriculum, home-cooked meals, and extended hours for working families. It holds fifty percent of slots for children from low-income families.

Phase Two is 20,000 sq. ft. of community space nearby, the majority of which is leased to the Street Food Institute and serves as a kitchen incubator for commissary kitchen anchor tenants. The incubator not only creates accessible jobs within the culinary industry, but acts as a culturally engaging community center to draw residents together. A nonprofit gallery featuring local artists occupies the remaining space, along with entrepreneurs who need flexible lease rates to grow their businesses. Enterprise Financial CDE provided \$7.5 million in NMTC financing with Enterprise Bank & Trust as the NMTC investor.

In addition to addressing vital community needs, the project created 83 construction jobs and 114 permanent jobs. The flexibility of the NMTC - specifically its ability to fund predevelopment and hard construction costs - was instrumental in doubling infant placements in the Barelas neighborhood, subsidizing job training for budding caterers and food truck operators, and supporting culturally responsive community building. What's more, the project galvanized partners beyond neighborhood boundaries and spurred leadership in activities to expand childcare access across the state.

FINANCING

NMTC Financing: Enterprise Financial CDE: \$7.5 million
Equity Investor: Enterprise Bank & Trust
Total Project Cost: \$8.1 million

IMPACT

- 83 construction jobs created
- 114 permanent jobs created and retained

COMMUNITY

- Poverty Rate: 47%
- Median Income: 45% of the AMI
- Serves community that is 72% Latino

"There's a false narrative that you can have generational families and cultural places OR you can have economic development, but you can't have both. But that's not a winning strategy. These projects will bring much needed economic development and opportunities in a way that's familiar to, and resonate with, the community."

-Johanna Gilligan, chief external affairs officer, Homewise