

Property donations helping nonprofits such as The Life Link own their buildings

By Teya Vitu tvitu@sfnewmexican.com Jun 14, 2021, Updated Jun 15, 2021



Donations to Santa Fe nonprofits don't need to stop with the checkbook.

Donated buildings and land also can benefit nonprofits.

The Life Link wasn't looking to own its building, but a call from Santa Fe-based Realty Gift Fund led to The Life Link closing May 12 on the purchase of half the building the nonprofit occupies on Luana Street.

"This was our first property donation in Santa Fe," said Bruce Geiss, chief operating officer at Realty Gift Fund, which has accepted 22 property donations across the country and provided the sale funds to nonprofits across the country and in Santa Fe.

“Through the work we did [with The Life Link],” Geiss continued, “we discovered that there are several nonprofits in Santa Fe looking for property.”

And Realty Gift Fund is interested in matching Santa Fe property owners with local nonprofits, Geiss said.

The owner of The Life Link building, who asked to remain anonymous, offered to donate \$75,000 of the \$350,000 sale price to The Life Link via Realty Gift Fund. Normally, Realty Gift Fund would sell the property to someone, and most of the sales funds would go to one or more nonprofits.

This was the first time the buyer was the same entity getting the donation. The Life Link used the \$75,000 donation as a down payment. The sale price had been lowered from \$385,000, and The Life Link landed one of the first Homewise loans in a new program to help nonprofits buy their own buildings.

“We have a mortgage payment of \$1,400,” The Life Link CEO Michael DeBernardi said. “It made all the sense in the world.”

A year ago, Homewise and the New Mexico Small Business Investment Corp. launched a commercial loan program designed to enable nonprofits and small businesses to own their buildings. The loans carry a 5 percent interest rate, have down payments as low as 10 percent and have “very long terms” up to 20 years, said Johanna Gilligan, community development director at Homewise.

Two such loans have closed for The Life Link and Por Vida Tattoo in Albuquerque, she said.

“The thing we’re trying to do is create long-term stability for nonprofits and businesses,” Gilligan said.

The Life Link occupies half of the 5,200-square-foot building it leases from Santa Fe County and now owns the other half of the building, which the nonprofit leased for \$3,000 a month from 2013 to 2018 with a federal grant.

The same owner had owned the whole building but sold half of it in 2010 to Santa Fe County, which in turn has leased it to The Life Link to carry out psychosocial services for the county.

DeBernardi will fill the empty half of the building with people from some of the departments at The Life Link's headquarters on Cerrillos Road.

"We've been bursting at the seams," DeBernardi said. "We converted two bathrooms into office space. We added people during the pandemic, but they are working at home. What are we going to do when we open again?"

Owning 2,600 square feet gave The Life Link breathing room.

"This agency, in part because of this deal, is coming out of this pandemic stronger, which not many nonprofits can say," DeBernardi said. "Buying property was not on our radar at all. Bruce cold called us."

Geiss, Santa Fe real estate broker Jay Grab and Chase Magnuson in Houston launched Realty Gift Fund four years ago as an intermediary between property owners and nonprofits.

"The property is gifted to us," Geiss explained. "We become the owner. We sell it. We grant the money to nonprofits chosen by the donors."

Geiss was puzzled with what to do with the donation offer of the Luana Street building. It wasn't ideal for retail, restaurant or typical office uses. Only a nonprofit would want it.

Geiss called eight nonprofits and two were interested, including The Life Link. Homewise didn't want to buy it but mentioned the new commercial loan it had for

nonprofits. Other nonprofits mentioned they are interested in acquiring property, if not the Luana Street building.

Santa Fe Youth Shelters & Family Services this month is departing its building with a drop-in center for its street outreach program.

“We are looking for a place for a drop-in center and welcome space for LGBTQ+ youth experiencing homelessness,” Executive Director Shelly Felt said. “Ideally, 2,000 square feet, but we could make do with something smaller, as long as the zoning allowed us to have a drop-in center.”

Felt said Youth Shelters could also use duplexes and triplexes to house youths.

Santa Fe YouthWorks wants to create its own commercial kitchen. The organization uses the commercial kitchen at El Rancho de las Golondrinas to prepare food for the cafe there as well as 1,500 meals a day for the indigent and homeless, Executive Director Melynn Schuyler said.

“You can’t produce this many meals and for the cafe [in 1,800 square feet],” she said. “We need 4,000 square feet with a walk-in fridge and freezer. We transport everything into town. We have eight minivans going in and out of town a day.”

Schuyler said she is willing to accept land, retrofit an existing building or build a new building.

“Any partner that wants to help us accomplish this, we are calling for help,” Schuyler said.

Until now, Realty Gift Fund sold donated buildings and sent nonprofits a check, usually for about 90 percent of the sale price. The Life Link deal added a new tool: Give the nonprofit the building itself — or have a system in place if the donor wants cash back.

“Now we have a way to donate buildings,” Geiss said. “We provide down-payment assistance. I send them to Homewise for a loan.”