

City of Santa Fe Five Year Affordable Housing Strategic Plan



Prepared by Root Policy Research for:
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SECTION I. Community and Housing Profile

This section provides an overview of the City of Santa Fe demographic and housing environment to set the context for the housing needs assessment. The section is organized around demographic and economic trends, shifts in household characteristics, and housing costs and vacancies.

Primary Findings

Key findings of this section include:

Population Trends

- From 2016 to 2020, there was a low or negative population growth trend that changed due to the pandemic. Between 2019 and 2021, the county's population increased by approximately 4,800, and 70% of the growth was observed in the City of Santa Fe, resulting in the addition of nearly 3,500 residents.
- Based on IRS data, it appears that more households are moving into the county than leaving. The data also suggest that higher income households are relocating to the area, while those with middle incomes are moving out. Specifically, in 2016, the average adjusted gross income for households coming in was approximately \$74,900, while the average for those leaving was around \$74,800. However, as of 2021, the average adjusted gross income for incoming households has risen to about \$100,800, while those leaving have an average of \$73,400.
- Although national aging trends suggest an increase in median age, the City of Santa Fe has seen a decrease in median age from 44.9 in 2019 to 42.5 in 2021. From 2015 to 2019, population growth was more prominent among those aged 65 to 84. However, between 2019 and 2021, growth was observed in the 35 to 44 age group, which is more likely to include households with children under 15.

Income Changes

- Overall household income increased by 13%, driven by a substantial 33% increase in renter median income, while median owner income increased by only 2%. Income growth was significantly higher among larger households of 3 or more persons, and income growth was also higher among younger households.
- The income distribution among owners and renters has shifted between 2015 and 2021, but the shift has been much more pronounced among renters than owners. Between 2015 and 2021, the share of renters with income below \$25,000 decreased from 37% to 24%, while the share of renters with income over \$75,000 increased from 18% to 30%. By comparison, the share of owners with income below \$25,000

decreased from 15% to 13%, while the share of owners with income over \$75,000 increased from 41% to 47%.

Employment

- Aside from the pandemic induced contraction, the city's employment levels have been stable since 2015. Overall, employment in the county slightly decreased between 2015 and 2022. This decrease was largely driven by a drop in state and local government employment. On the other hand, the professional and business services sector experienced robust growth. Despite employment stagnation in the City of Santa Fe and Santa Fe County, surrounding counties saw significant employment growth. The City of Santa Fe's main industries: public administration; health care and social assistance; retail trade; and accommodation and food services largely depend on a labor pool located outside the city.
- The number of workers who work from home has increased in recent years. While 5-year estimates show moderate growth in the number of workers who work from home, 1-year estimates show a much larger increase in remote work. According to 1-year estimates, there has been a surge of almost 8,000 remote workers in the last year. The sudden shift in work from home trends is primarily due to a considerable increase in remote workers aged between 25 to 44. In 2015, they accounted for only 5% of all remote workers, but in 2021, they account for 43%.

Age Distribution

- Between 2015 and 2021 the City of Santa Fe added 6,400 households. The increase occurred almost exclusively among owner households and the average household size decreased among both owner and renter households. Renter households exhibit a larger shift in demographic characteristics. They are now twice as likely to be between ages 35 to 44, slightly more likely to be living alone, and slightly less likely to be living in family households without children.
- While the overall ownership rate increased from 63% to 69%, the ownership rate among those aged between 35 and 44—residents considered to be in prime homebuying years— decreased from 63% in 2015 to 57% in 2021.

Market Conditions and Housing Costs

- Building activity steeply declined during the Great Recession, and the development of single-family homes has not reached pre-recession levels. Since 2019, permitting for multifamily structures with 5 or more units has rapidly accelerated.
- According to ACS data, median gross rent in the City of Santa Fe increased by 28% between 2015 and 2021, rising from \$970 to \$1,245. According to CoStar data, the average asking price per unit is \$1,419.

- The median list price in the City of Santa Fe in June 2023 was \$650,000. The majority of homes listed were detached (64%) and the median price for such homes was \$1,100,000. Around a third (36%) of listed homes were attached (condos, townhomes, multifamily) and those homes were significantly more affordable—with a median price of around half of the price of detached homes—at \$500,490.
- According to CoStar data the rental vacancy rate in the City of Santa Fe stands at 4% as of June 2023. Units priced below \$2,000 have a very low average vacancy rate of 3% or less, indicating an extremely tight rental market for these more affordable units. According to ACS 1-year estimates, the homeowner vacancy rate decreased from 3.1% in 2015 to 1% in 2021.
- The low vacancy rates reflect the inability of supply to keep pace with demand for housing across the region. According to ACS data, Santa Fe County added 9,510 households between 2015 and 2021 and only 5,815 housing units. The City of Santa Fe added 6,462 households but only 4,925 housing units during this period.

Demographic Characteristics

The following overview of recent demographic and economic trends highlights key changes in the City of Santa Fe that are driving housing demand. Given that the City of Santa Fe annexed territory that included approximately 13,000 new residents in 2014, a large portion of the analysis will use 2015 as the baseline comparison year for a more relevant analysis.

Population trends. Figure I-1 shows population trends in the county and the city from 2010 to 2021. According to the American Community Survey (ACS) estimates, the county's population increased by around 10,500 between 2010 and 2021.

Due to pandemic disruptions, 1-year ACS estimates are not available for 2020, and the table shows 5-year estimates for 2020, which are constructed using data from the 2015 to 2020 period and are likely an undercount. Nevertheless, the overall numbers show that in the city, between 2016 and 2020 population growth was low or negative and growth accelerated with the pandemic. Between 2019 and 2021, the population in the county increased by around 4,800 and over 70% of the growth occurred within the City of Santa Fe, which added almost 3,500 residents.

Figure I-1.
Total Population and Year-Over-Year Population Change, 2010-2021

	City of Santa Fe			Santa Fe County		
	Population	# Change	% Change	Population	# Change	% Change
2010	68,157	-	-	144,606	-	-
2011	68,634	477	1%	145,648	1,042	1%
2012	69,211	577	1%	146,375	727	0%
2013	69,969	758	1%	147,423	1,048	1%
2014	70,291	322	0%	148,164	741	1%
2015	84,112	13,821	20%	148,686	522	0%
2016	83,881	-231	0%	148,651	-35	0%
2017	83,763	-118	0%	148,750	99	0%
2018	84,605	842	1%	150,056	1,306	1%
2019	84,700	95	0%	150,358	302	0%
2020*	84,418	-282	0%	150,319	-39	0%
2021	88,196	3,778	4%	155,201	4,882	3%

Note: *5-year estimates used for 2020.

Source: ACS 1-year and 5-year estimates, and Root Policy Research.

Figure I-2 shows trends from Santa Fe County migration data based on year-to-year address changes reported on individual income tax returns filed with the IRS. Inflows represent the number of new households who filed a return in the county and filed a return in a different county the previous year and outflows are the number of households who filed a return in a county other than Santa Fe and had filed a return in Santa Fe the previous year. The data also provide the total adjusted gross income, which allows the estimation of the average adjusted gross income¹ for inflow and outflow returns each year.

Since 2016, the inflow of returns exceeds the outflow, suggesting positive net migration into the county. Additionally, the gap between the average adjusted gross income of inflow and outflow returns has been increasing over time, indicating higher income households moving into the county and middle income households moving out. In 2016, the average adjusted gross income among households coming into the county was around \$122 higher than the average adjusted gross income among households leaving the county; in 2020 and 2021 this difference increased to around \$60,000 and \$27,000, respectively.

¹ Adjusted Gross Income (AGI) is defined as gross income minus adjustments to income. Gross income includes your wages, dividends, capital gains, business income, retirement distributions as well as other income. Adjustments to Income include such items as Educator expenses, Student loan interest, Alimony payments or contributions to a retirement account.

Figure I-2.
Santa Fe County Migration Trends

Tax Filing Years	Outflow		Inflow	
	Number of Returns	Average Adjusted Gross Income	Number of Returns	Average Adjusted Gross Income
2015-2016	3,755	\$74,818	4,131	\$74,941
2016-2017	4,816	\$68,425	5,656	\$85,087
2017-2018	3,946	\$72,337	4,508	\$81,911
2018-2019	3,910	\$73,768	4,568	\$94,533
2019-2020	4,066	\$79,517	4,831	\$140,774
2020-2021	4,365	\$73,477	4,768	\$100,819

Note: IRS Statistics of Income (SOI) program and Root Policy Research.

Source: Data do not represent the total U.S. population because many individuals are not required to file an individual income tax return. The County-to-County outflow migration files represent the migration flows from the origin state and county, in year one, to the destination state and county, in year two. Tax returns with an Individual Taxpayer Identification Number (ITIN) issued by the IRS are included.

The data indicate that lower income households—with incomes below \$50,000—tended to relocate to counties such as Rio Arriba, San Miguel, Torrance, Doña Ana, Valencia, and other parts of the state. Higher income households—with incomes above \$100,000—tended to come from other states such as California, Colorado, Texas, Washington, Arizona, and New York, as well as from Los Alamos County.

Figure I-3 shows the distribution of in-migrants to Santa Fe County by age compared to the age distribution of current Santa Fe County residents according to ACS estimates. Residents moving into Santa County skew younger, they are around twice as likely to be between 18 and 24 years old and between 35 and 44 years old and are less likely to be 55 and over.

Figure I-3.
Age Distribution of Residents
Moving into Santa Fe County
from Outside, 2021

Note:

Population 1 year and over in the United States.

Source:

ACS 1-year estimates and Root Policy Research.

Age Cohort	Current Distribution	In-migrant Distribution
1 to 4 years	4%	1%
5 to 17 years	15%	11%
18 to 24 years	7%	16%
25 to 34 years	12%	8%
35 to 44 years	14%	27%
45 to 54 years	11%	13%
55 to 64 years	12%	9%
65 to 74 years	15%	10%
75 years and over	9%	4%

Age. According to ACS estimates, the median age in the City of Santa Fe in 2021 was 42.5, down from 44.9 in 2019, and 44.1 in 2015.

Figure I-4 shows the age distribution in the City of Santa Fe in 2015, 2019, and 2021. Notably, between 2019 and 2021 the share of residents between ages 25 and 44 increased from 23% to 27%, while the share of residents aged 45 to 64 decreased from 28% to 23%. Despite national aging trends, the share of residents 65 and older decreased slightly between 2019 and 2021.

Figure I-4.
City of Santa Fe
Age Distribution,
2015, 2019, and
2021

Source:

ACS 1-year estimates and Root Policy Research.

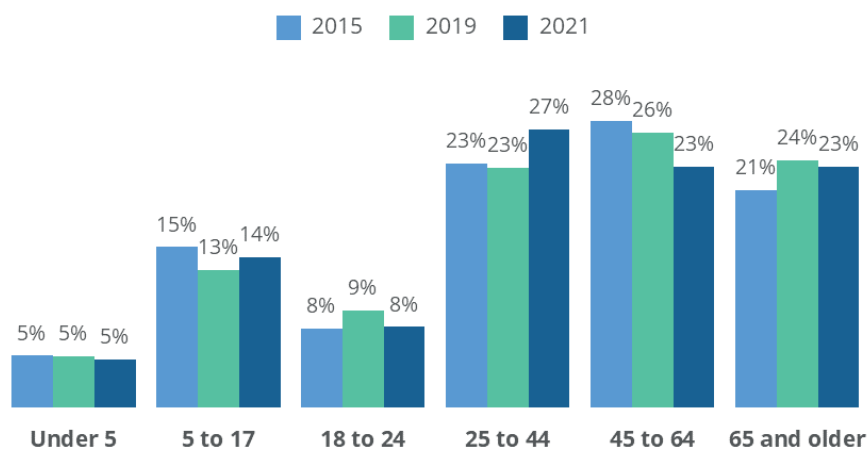
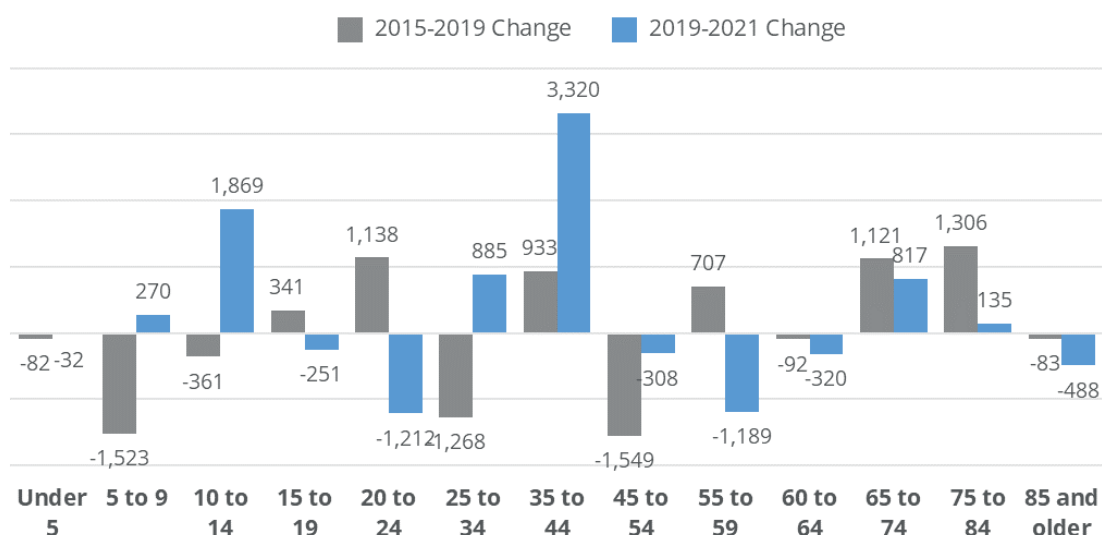


Figure I-5 shows the change in population by age group between 2015 and 2019 and between 2019 and 2021. Between 2015 and 2019 population growth was more pronounced in the 65 to 84 age categories, while between 2019 and 2021, the increase was pronounced in the 35 to 44 age group, residents in that age category are likely to have children under 15.

Figure I-5.
Change in Population by Age Group, 2015 to 2019 and 2019 to 2021



Source: ACS 1-year estimates and Root Policy Research.

Race/Ethnicity. In the City of Santa Fe, the share of residents who identify as non-Hispanic White has remained relatively stable since 2015, increasing from 40% to 41% in 2021. The percentage of residents who identify as Hispanic decreased rapidly between 2019 and 2021, from 54% to 50%. The share of residents of other races increased from 5% in 2019 to 9% in 2021, driven by a substantial increase in the number of residents who identify as multi-racial.

Figure I-6.
City of Santa Fe Race and Ethnicity, 2015, 2019, and 2021

	2015		2019		2021	
	Population	% of Total	Population	% of Total	Population	% of Total
White alone	34,037	40%	34,403	41%	36,080	41%
Hispanic of any race	45,884	55%	45,775	54%	44,316	50%
AIAN alone	976	1%	1,156	1%	1,678	2%
Asian alone	997	1%	1,445	2%	1,360	2%
Black/African American alone	931	1%	782	1%	827	1%
Two or more races	1,007	1%	848	1%	2,982	3%
Other	280	0%	291	0%	953	1%

Note: Alone refers to non-Hispanic and of a single race, AIAN refers to Native American or Alaska Native.

Source: ACS 1-year estimates and Root Policy Research.

Income. Figure I-7 shows income changes between 2015 and 2021 for all households as well as by tenure, household size, and age of the householder. Overall household income increased by 13%, and this was driven by a large increase in renter median income of 33%, while median owner income increased by only 2%. Income growth was significantly higher among larger households of 3 or more persons, and income growth was also higher among younger households.

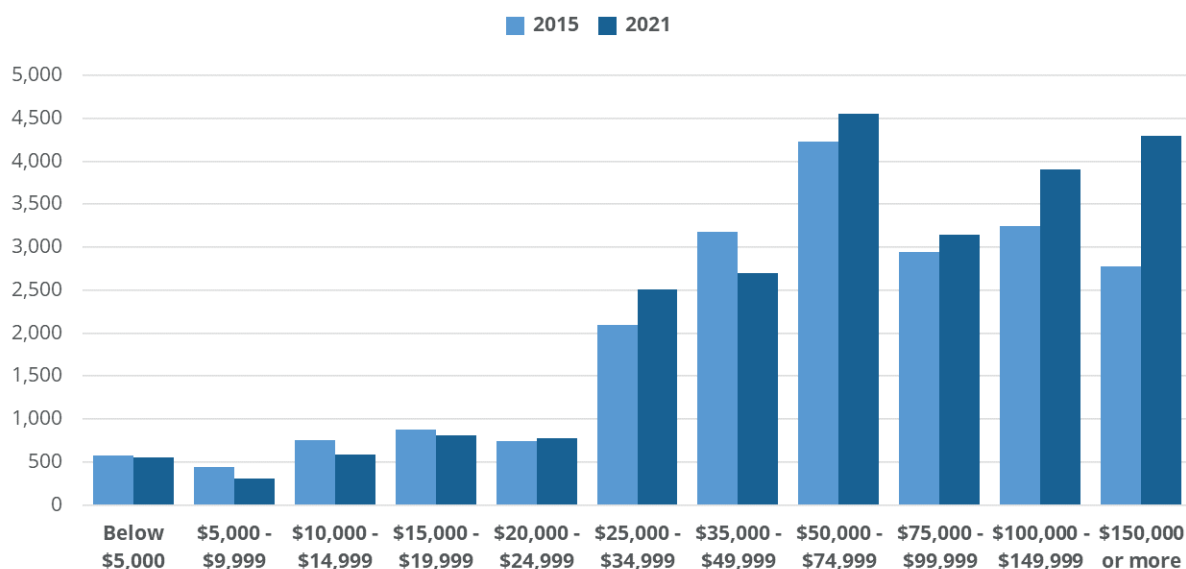
Figure I-6.
City of Santa Fe Median Income, 2015 and 2021

	Median Income		2015-2021 Change	
	2015	2021	Amount	Percent
All Households	\$53,635	\$60,517	\$6,882	13%
By Tenure				
Owner	\$65,247	\$66,511	\$1,264	2%
Renter	\$37,790	\$50,247	\$12,457	33%
By Size				
1-person household	\$37,158	\$41,101	\$3,943	11%
2-person household	\$72,032	\$74,102	\$2,070	3%
3-person household	\$60,321	\$91,568	\$31,247	52%
4-person household	\$62,048	\$87,938	\$25,890	42%
5-person household	\$56,610	\$73,601	\$16,991	30%
6-person household	\$44,188	-	-	-
By Age				
Householder under 25 years	\$26,000	\$50,033	\$24,033	92%
Householder 25 to 44 years	\$50,516	\$61,272	\$10,756	21%
Householder 45 to 64 years	\$53,560	\$74,639	\$21,079	39%
Householder 65 years and over	\$56,909	\$58,324	\$1,415	2%

Source: ACS 1-year estimates and Root Policy Research.

Figures I-8 and I-9 show how the income distribution among owners and renters shifted between 2015 and 2021. Both figures show a shift to higher income brackets, but the shift is much more pronounced among renters than among owners.

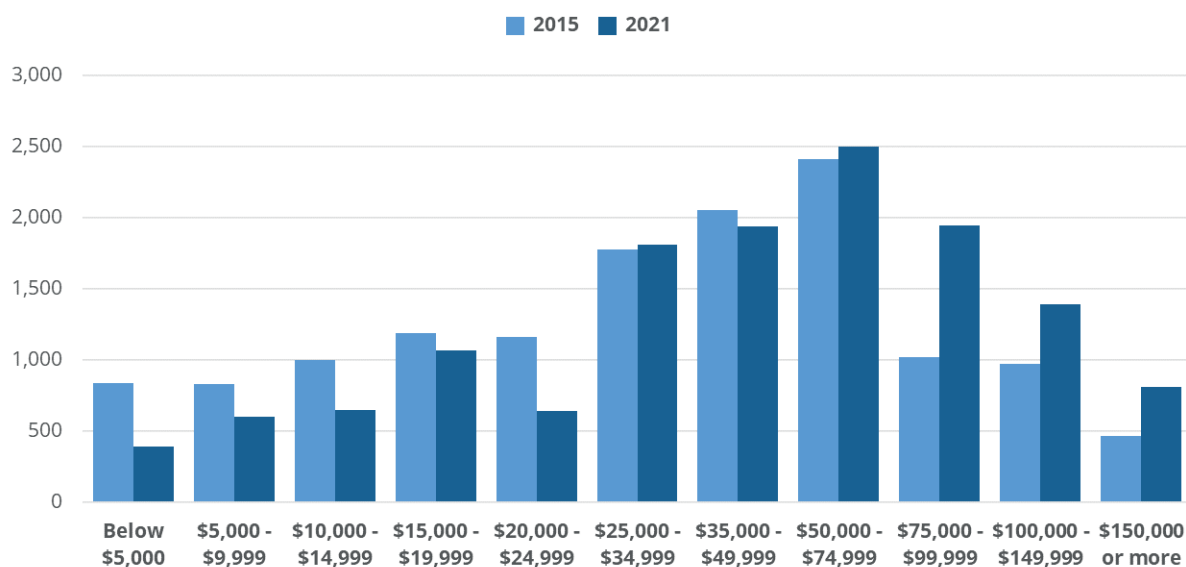
Figure I-8.
Owner Income Distribution, 2015 and 2021



Source: ACS 5-year estimates and Root Policy Research.

Between 2015 and 2021, the share of renters with income below \$25,000 decreased from 37% to 24%, while the share of renters with income over \$75,000 increased from 18% to 30%. By comparison, the percentage of owners with income below \$25,000 decreased from 15% to 13%, while the share of owners with income over \$75,000 increased from 41% to 47%.

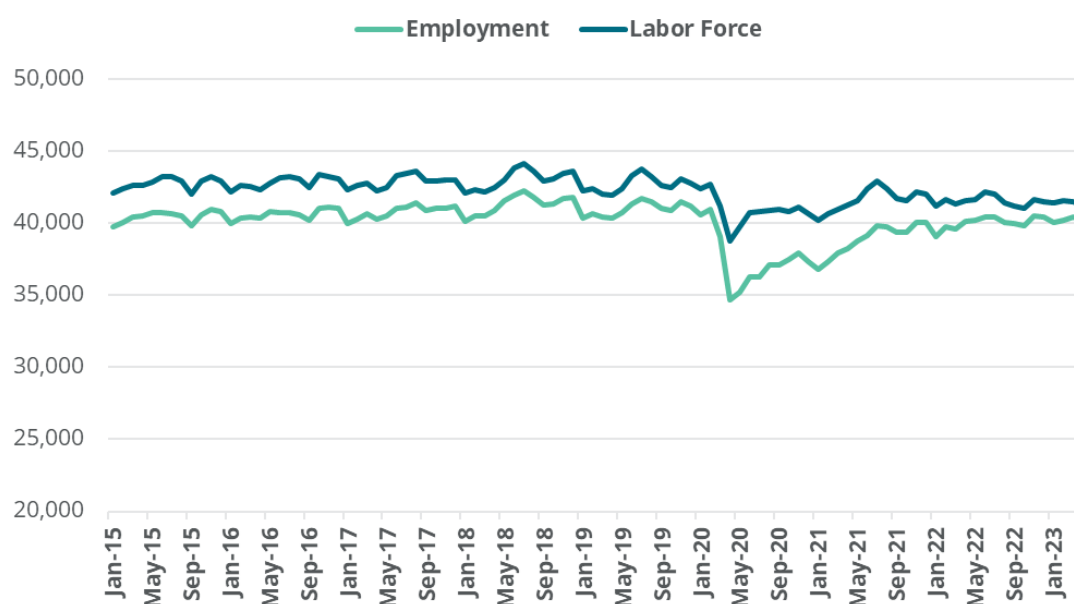
Figure I-9.
Renter Income Distribution, 2015 and 2021



Source: ACS 5-year estimates and Root Policy Research.

Employment. Following national trends, the labor force and employment in the City of Santa Fe contracted during the pandemic and as of April 2023, stood slightly below pre-pandemic levels. Labor force and employment levels in the city have remained largely flat since 2015.

Figure I-10.
City of Santa Fe Employment and Labor Force



Source: BLS Local Area Unemployment Statistics from the Current Population Survey and Root Policy Research.

Figure I-11 shows the average annual employment by industry in the County for 2015 and 2022 according to the Quarterly Census of Employment and Wages. Overall, employment in the county slightly decreased between 2015 and 2022. This decrease was primarily driven by a drop in state and local government workers; the education and health services; trade, transportation, and utilities; financial and manufacturing sectors also experienced employment declines. On the other hand, the professional and business services sector experienced robust growth.

Figure I-11.
Santa Fe County Average Annual Employment, 2015 and 2022

	Employment		2015-2022 Change	
	2015	2022	Amount	Percent
All Industries	61,229	60,250	-979	-2%
Goods Producing	3,765	4,147	382	10%
Natural resources and mining	313	373	60	19%
Construction	2,588	2,976	388	15%
Manufacturing	865	799	-66	-8%
Service Providing	40,716	41,480	764	2%
Trade, transportation, and utilities	10,321	9,821	-500	-5%
Information	816	926	110	13%
Financial activities	2,381	2,262	-119	-5%
Professional and business services	4,507	5,560	1,053	23%
Education and health services	10,317	9,648	-669	-6%
Leisure and hospitality	9,819	10,557	738	8%
Other services	2,555	2,705	150	6%
Public Administration	16,749	14,623	-2,126	-13%
Federal government	943	960	17	2%
State government	8,793	7,504	-1,289	-15%
Local government	7,013	6,159	-854	-12%

Source: BLS Quarterly Census of Employment and Wages and Root Policy Research.

Figure I-12 shows the average annual wages by industry in the County for 2015 and 2022 according to the Quarterly Census of Employment and Wages. Overall, average wages increased by 27% between 2015 and 2022, driven by an increase in average wages in all industries except natural resources and mining; and financial activities.

Figure I-12.
Santa Fe County Average Annual Wages, 2015 and 2022

	Wages		2015-2022 Change	
	2015	2022	Amount	Percent
All Industries	\$43,370	\$55,194	\$11,824	27%
Goods Producing	\$38,171	\$48,504	\$10,333	27%
Natural resources and mining	\$51,581	\$43,878	-\$7,703	-15%
Construction	\$36,424	\$49,996	\$13,572	37%
Manufacturing	\$38,551	\$45,102	\$6,551	17%
Service Providing	\$41,301	\$53,165	\$11,864	29%
Trade, transportation, and utilities	\$33,211	\$43,225	\$10,014	30%
Information	\$45,949	\$95,334	\$49,385	107%
Financial activities	\$107,467	\$105,262	-\$2,205	-2%
Professional and business services	\$54,684	\$67,201	\$12,517	23%
Education and health services	\$45,908	\$60,044	\$14,136	31%
Leisure and hospitality	\$23,732	\$34,957	\$11,225	47%
Other services	\$36,152	\$48,924	\$12,772	35%
Public Administration	\$49,569	\$62,848	\$13,279	27%
Federal government	\$67,633	\$83,421	\$15,788	23%
State government	\$54,092	\$68,676	\$14,584	27%
Local government	\$41,470	\$52,541	\$11,071	27%

Note: Data represent nominal wages.

Source: BLS Quarterly Census of Employment and Wages and Root Policy Research.

Longitudinal Employer–Household Dynamics (LEHD) data in Figure I-13 shows the number of jobs in the City of Santa Fe for 2015 and 2019. The number of jobs in the city remained flat between 2015 and 2019. In 2019, the top industries in the city were accommodation and food services; health care and social assistance; public administration; and retail trade, which combined account for 59% of jobs in the city. Between 2015 and 2019 the health care and social assistance; public administration; retail trade; and educational services industries lost over 2,100 jobs, with over 50% of lost jobs concentrated in the public administration industry. The accommodation and food services; professional, scientific, and technical services; administration and support; construction; and arts, entertainment, and recreation industries added over 2,300 jobs.

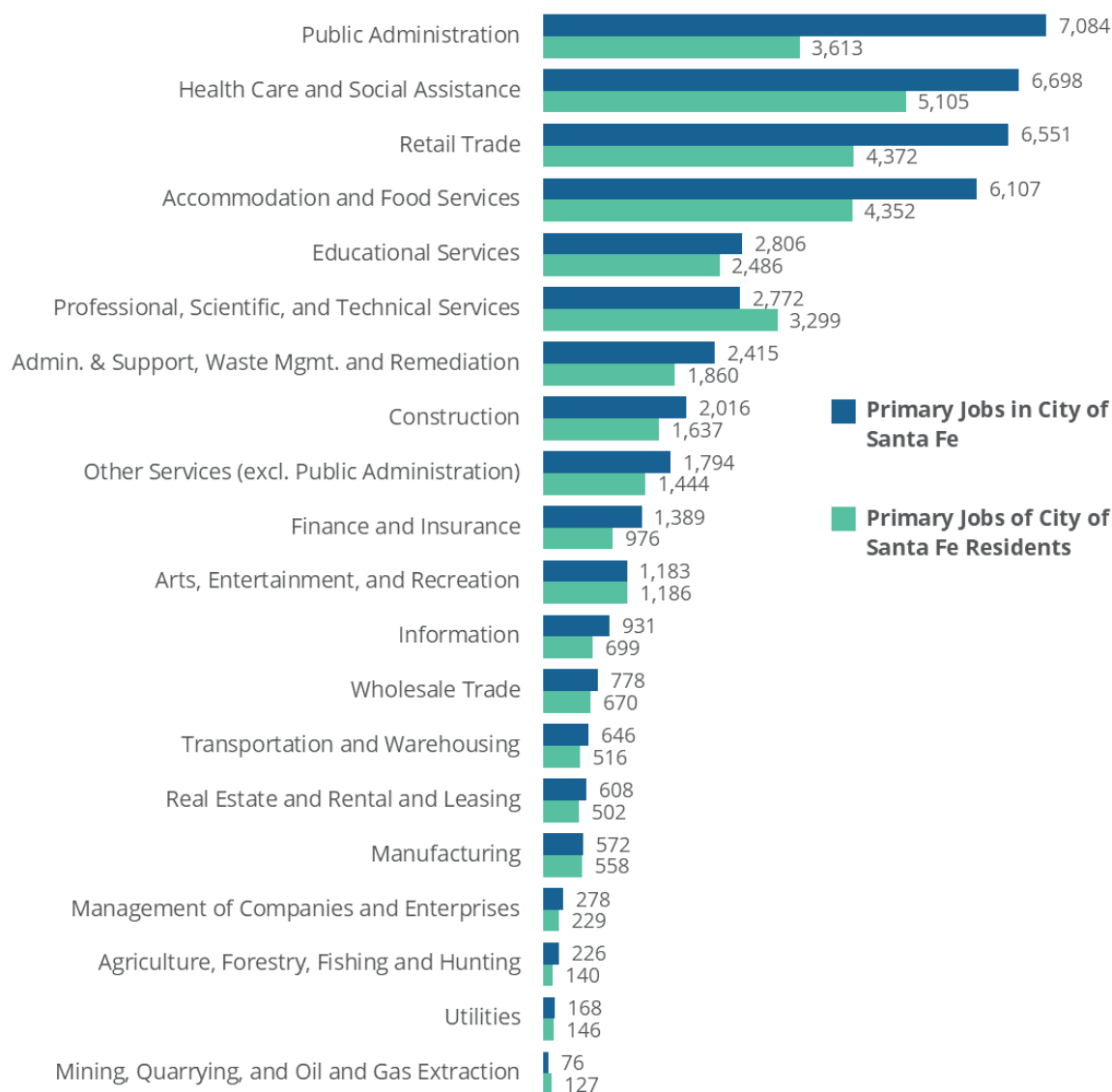
Figure I-13.
City of Santa Fe Jobs by Industry, 2015 and 2019

NAICS Industry Sector	2015 Jobs	2019 Jobs	Change in Jobs	
Total	49,053	49,092	39	
Accommodation and Food Services	6,924	7,449	525	
Health Care and Social Assistance	7,664	7,271	-393	
Public Administration	8,290	7,133	-1,157	
Retail Trade	7,152	7,079	-73	
Educational Services	3,536	2,995	-541	
Professional, Scientific, and Technical Services	2,278	2,946	668	
Admin. & Support, Waste Mgmt. and Remediation	2,091	2,680	589	
Construction	1,956	2,194	238	
Other Services (excl. Public Administration)	2,022	2,002	-20	
Finance and Insurance	1,518	1,425	-93	
Arts, Entertainment, and Recreation	1,039	1,327	288	
Information	1,065	1,028	-37	
Wholesale Trade	769	815	46	
Transportation and Warehousing	738	682	-56	
Real Estate and Rental and Leasing	730	645	-85	
Manufacturing	638	622	-16	
Management of Companies and Enterprises	255	302	47	
Agriculture, Forestry, Fishing and Hunting	92	246	154	
Utilities	192	169	-23	
Mining, Quarrying, and Oil and Gas Extraction	104	82	-22	

Note: All jobs.

Source: LEHD and Root Policy Research.

Figure I-14 compares the number of resident workers in the City of Santa Fe with the number of primary jobs in the city by industry. As shown in the Figure, the City of Santa Fe's main industries: public administration; health care and social assistance; retail trade; and accommodation and food services largely depend on a labor pool located outside the city.

Figure I-14.**Primary Jobs in City of Santa Fe v. Primary Jobs of City of Santa Fe Residents, 2019**

Note: A primary job is defined as the one job for each worker that provides the most earnings.

Source: LEHD and Root Policy Research.

Figure I-15 shows estimates of commuting patterns according to LEHD data. LEHD data shows the location of the job and place of residence of workers but does not account for remote work patterns. The number of in-commuters to the City of Santa Fe increased by over 600 between 2015 and 2019, increasing the share of primary jobs filled by in-commuters from 53% to 55%. Around 30% of in-commuters come from Albuquerque, Rio Rancho, and Eldorado at Santa Fe Census Designated Place (CDP). The number of out-commuters increased by over 1,000, increasing the share of workers who commute out of

the city from 37% to 40% in 2019. Around 33% of out-commuters work in jobs located in Albuquerque and another 9% work in jobs located in Los Alamos, Rio Rancho, and Española.

Figure I-15.

Place of Primary Jobs and Workers' Place of Residence, 2015 and 2019

Place	2015	2019	Change
Where workers employed in City of Santa Fe live:	45,249	45,098	-151
City of Santa Fe	21,263	20,487	-776
Albuquerque City	4,179	4,309	130
Rio Rancho City	1,859	2,066	207
Eldorado at Santa Fe CDP	1,263	1,024	-239
La Cienega CDP	691	832	141
Agua Fria CDP	592	643	51
Las Vegas City	450	407	-43
Española City	379	396	17
Tres Arroyos CDP	309	339	30
Los Alamos CDP	311	273	-38
All Other Locations	13,953	14,322	369
Estimated in-commuters	23,986	24,611	625
Estimated % of jobs filled by in-commuters	53%	55%	2%
Where workers who live in City of Santa Fe work	33,652	33,917	265
City of Santa Fe	21,263	20,487	-776
Albuquerque City	4,249	4,397	148
Los Alamos CDP	365	421	56
Rio Rancho City	394	404	10
Española City	466	377	-89
La Cienega CDP	77	180	103
Agua Fria CDP	139	177	38
Las Cruces City	152	171	19
Cañoncito CDP	87	162	75
Las Vegas City	112	152	40
All Other Locations	6,348	6,989	641
Estimated out-commuters	12,389	13,430	1,041
Estimated % of workers who out-commute	37%	40%	3%

Note: A primary job is defined as the one job for each worker that provides the most earnings.

Source: LEHD and Root Policy Research.

LEHD data for 2020 capture the pandemic induced employment contraction, but data on employment recovery and the shift in the labor market caused by the pandemic has yet to be captured since 2021 data are not available.

Work from home trends according to ACS data are shown in Figure I-16. While 5-year estimates show moderate growth in the number (1,961) and share (4 percentage points) of workers who work from home, 1-year estimates show a much larger increase in remote work. According to 1-year estimates, the number of remote workers increased by almost 8,000 and the share of workers who work from home increased by 19 percentage points, from 8% to 27%.

Figure I-16.
City of Santa Fe Work from Home Trends, 2015-2021

	2015	2016	2017	2018	2019	2020	2021	2015-2021 Change
ACS 5-year estimates								
Workers living in City of Santa Fe	40,418	39,495	39,967	40,534	40,803	40,503	42,069	1,651
Worked from home	3,028	2,699	2,501	2,562	2,908	3,560	4,989	1,961
% of workers working from home	7%	7%	6%	6%	7%	9%	12%	4%
ACS 1-year estimates								
Workers living in City of Santa Fe	41,082	40,987	39,758	41,249	42,661	N/A	41,719	637
Worked from home	3,187	2,497	N/A	N/A	4,476	N/A	11,180	7,993
% of workers working from home	8%	6%	-	-	10%	-	27%	19%

Note: Workers 16 years and over.

Source: ACS 1-year and 5-year estimates, and Root Policy Research.

Figure I-17 shows the age distribution of remote workers. According to 1-year estimates, the large shift in work from home trends is driven by large increases in remote workers between ages 25 to 44 who used to account for 5% of all remote workers in 2015 and account for 43% of remote workers in 2021.

Figure I-17.
City of Santa Fe Work
from Home Trends by Age
Group, 2015-2021

Note:

Workers 16 years and over.

Source:

ACS 1-year and 5-year estimates, and Root
 Policy Research.

	2015	2021	2015-2021 Change
ACS 5-year estimates	3,028	4,989	1,961
16 to 19 years	97	58	-39
20 to 24 years	154	355	201
25 to 44 years	391	1,580	1,189
45 to 54 years	601	801	200
55 to 59 years	540	362	-178
60 to 64 years	552	527	-25
65 years and over	693	1,306	613
ACS 1-year estimates	3,187	11,180	7,993
16 to 19 years	144	65	-79
20 to 24 years	133	389	256
25 to 44 years	169	4,858	4,689
45 to 54 years	791	2,803	2,012
55 to 59 years	332	749	417
60 to 64 years	473	612	139
65 years and over	1,145	1,704	559

Despite the stagnation of employment in the City of Santa Fe and Santa Fe County, employment in the broader labor market area has expanded. According to QCEW data, between April 2015 and April 2023 employment in the surrounding counties of Bernalillo, Los Alamos, Mora, Rio Arriba, Sandoval, San Miguel, Taos, and Tarrant increased by over 34,000. Even excluding Bernalillo, employment expanded by almost 12,000 in the rest of the counties.

Household Characteristics

Between 2015 and 2021 the number of households in the City of Santa Fe grew by 19%, adding around 6,400 households. The increase occurred almost exclusively among owner households and the average household size decreased among both owner and renter households.

Figure I-18.
Households and Household Size, 2015 and 2021

	Households				Household Size		
	2015	2021	# Change	% Change	2015	2021	# Change
City of Santa Fe	34,179	40,641	6,462	19%	2.41	2.14	-0.27
Owners	21,402	27,861	6,459	30%	2.55	2.29	-0.26
Renters	12,777	12,780	3	0%	2.19	1.82	-0.37
Santa Fe County	60,642	70,152	9,510	16%	2.40	2.17	-0.23
Owners	42,530	52,206	9,676	23%	2.47	2.28	-0.19
Renters	18,112	17,946	-166	-1%	2.23	1.88	-0.35

Source: ACS 1-year estimates and Root Policy Research.

Existing households. The number of households by household type is shown in Figure I-19. The distribution between family and nonfamily households remained stable between 2015 and 2021. As expected, given the age distribution changes, the number of married couple family households drove most of the growth in family households, while the number of householders living alone drove most of the nonfamily household growth.

Figure I-19.
City of Santa Fe Household Type, 2015 and 2021

Household Type	Total Households				Distribution	
	2015	2021	# Change	% Change	2015	2021
Total	34,179	40,641	6,462	19%	100%	100%
Family households	18,903	22,288	3,385	18%	55%	55%
Married-couple family	12,423	15,063	2,640	21%	36%	37%
With own children under 18 years	3,803	5,178	1,375	36%	11%	13%
No own children under 18 years	8,620	9,885	1,265	15%	25%	24%
Other family	6,480	7,225	745	11%	19%	18%
Male householder, no wife present	1,655	2,100	445	27%	5%	5%
With own children under 18 years	855	956	101	12%	3%	2%
No own children under 18 years	800	1,144	344	43%	2%	3%
Female householder, no husband present	4,825	5,125	300	6%	14%	13%
With own children under 18 years	2,327	3,422	1,095	47%	7%	8%
No own children under 18 years	2,498	1,703	-795	-32%	7%	4%
Nonfamily households	15,276	18,353	3,077	20%	45%	45%
Householder living alone	12,996	15,513	2,517	19%	38%	38%
Householder not living alone	2,280	2,840	560	25%	7%	7%

Source: ACS 2010 and 2021 5-year estimates, and Root Policy Research.

Tenure. Figures I-20 and I-21 display household demographic characteristics for owners and renters. Compared to 2015, owners in the City of Santa Fe are slightly more likely to be ages 35 to 44, live in family households with children, and less likely to identify as Hispanic.

Figure I-20.
City of Santa Fe Owner Household Demographics, 2015 and 2021

	2015		2021		# Change
	Number	Percent	Number	Percent	
Total Households	21,402	100%	27,861	100%	6,459
Age of Householder					
Ages 15-24	77	0%	720	3%	643
All householders 25 and over	21,325	100%	27,141	97%	5,816
Ages 25-34	1,433	7%	2,418	9%	985
Ages 35-44	2,654	12%	4,064	15%	1,410
Ages 45-64	9,022	42%	9,739	35%	717
Ages 65 and older	8,216	38%	10,920	39%	2,704
Household Type					
Family household without children	9,019	42%	10,374	37%	1,355
Family household with children	4,576	21%	7,143	26%	2,567
Nonfamily household - living alone	6,761	32%	8,635	31%	1,874
Other non-family household	1,046	5%	1,709	6%	663
Ethnicity					
Non-Hispanic White	11,353	53%	14,632	53%	3,279
Hispanic	9,349	44%	11,118	40%	1,769

Note: ACS 1-year estimates were not available for other racial categories.

Source: ACS 1-year estimates and Root Policy Research.

Renter households exhibit a larger shift in demographic characteristics. They are now twice as likely to be between ages 35 to 44 and slightly more likely to be living alone and slightly less likely to be living in family households without children.

Figure I-21.
City of Santa Fe Renter Household Demographics, 2015 and 2021

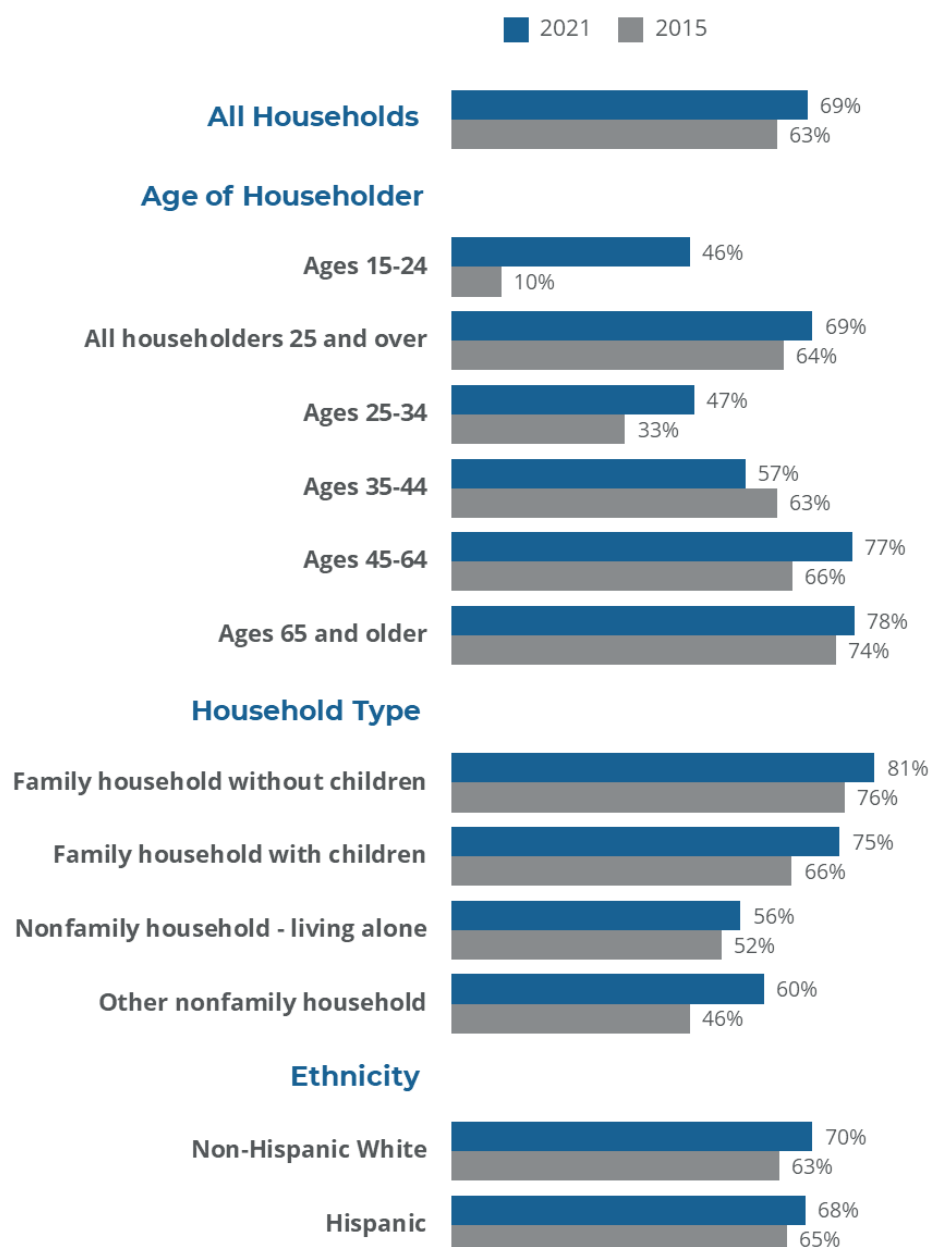
	2015		2021		# Change
	Number	Percent	Number	Percent	
Total Households	12,777	100%	12,780	100%	3
Age of Householder					
Ages 15-24	723	6%	850	7%	127
All householders 25 and over	12,054	94%	11,930	93%	-124
Ages 25-34	2,859	22%	2,758	22%	-101
Ages 35-44	1,579	12%	3,120	24%	1,541
Ages 45-64	4,736	37%	2,889	23%	-1,847
Ages 65 and older	2,880	23%	3,163	25%	283
Household Type					
Family household without children	2,899	23%	2,358	18%	-541
Family household with children	2,409	19%	2,413	19%	4
Nonfamily household - living alone	6,235	49%	6,878	54%	643
Other non-family household	1,234	10%	1,131	9%	-103
Ethnicity					
Non-Hispanic White	6,650	52%	6,420	50%	-230
Hispanic	5,124	40%	5,189	41%	65

Note: ACS 1-year estimates were not available for other racial categories.

Source: ACS 1-year estimates and Root Policy Research.

Figure I-22 shows how ownership rates have changed in the City of Santa Fe. The overall ownership rate increased from 63% to 69%. Ownership rates increased across all household types, and across ethnicity, the ownership rate also increased for all age groups except those aged between 35 and 44, residents who are considered to be in prime homebuying years.

Figure I-22.
City of Santa Fe Ownership Rates, 2015 and 2021



Note: ACS 1-year estimates were not available for other racial categories.

Source: ACS 1-year estimates and Root Policy Research.

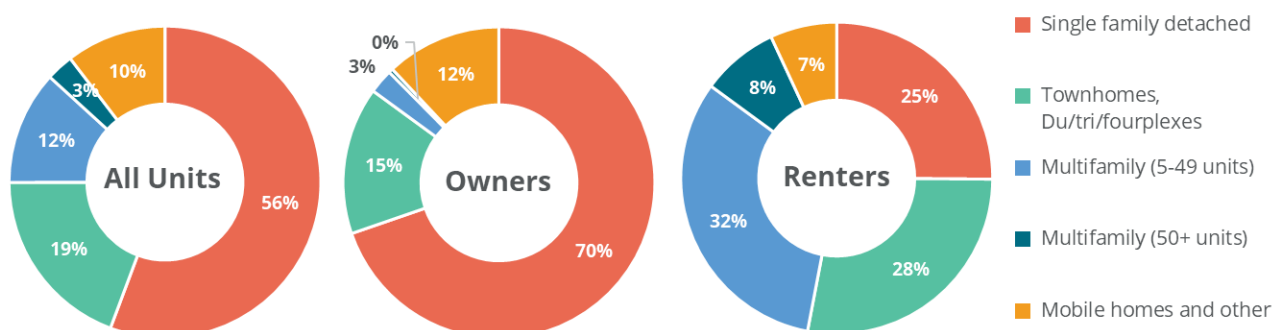
Housing Market Analysis

As shown in Figure I-23, over half (56%) of the occupied housing stock in the City of Santa Fe is comprised of detached single-family homes, followed by townhomes and du-/tri-/fourplexes (19%) and apartment buildings with less than 50 units (12%). The vast majority of owners (70%) live in single-family detached homes. The majority of renters (60%) live in

multifamily units including townhomes, du-/tri-/fourplexes (28%), and apartment buildings with 5 to 49 units in the structure (32%). One in four renters live in single-family detached homes (25%) and 8% live in apartment buildings with more than 50 units in structure.

Figure I-23.

City of Santa Fe Occupied Housing by Type and Tenure, 2021

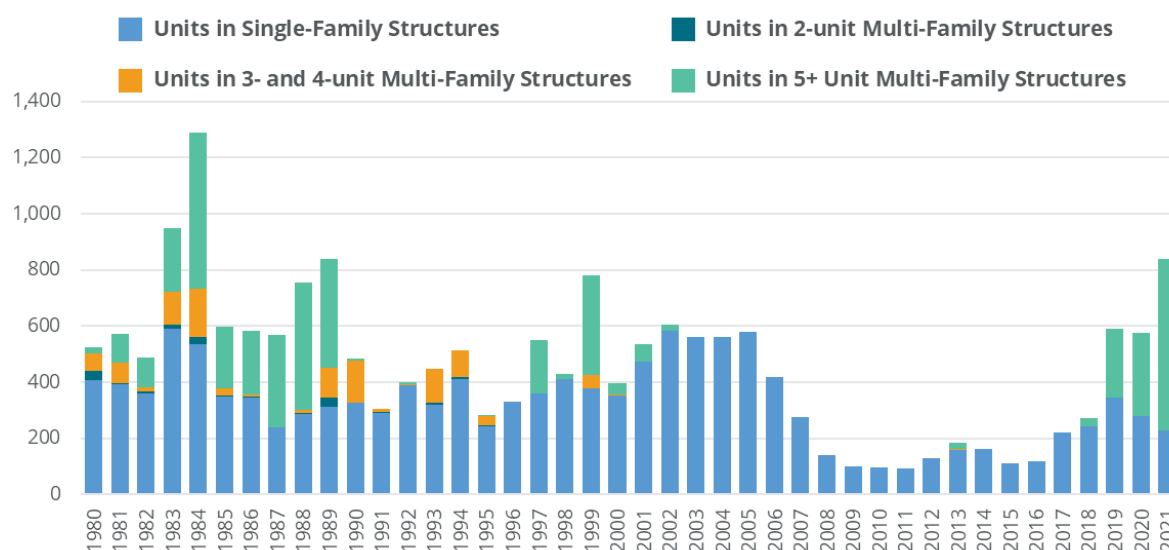


Note: Data are for occupied housing units.

Source: 2021 1-year ACS and Root Policy Research.

Building permit trends since 1980 are shown in Figure I-24. Development was strong in the 1980s, and the housing types permitted were more diverse. Development, particularly of multifamily structures with 5 or more units slowed through the 1990s and 2000s, and single family development peaked again in 2005. Building activity steeply declined during the Great Recession and the development of single family homes has yet to reach pre-recession levels. Since 2019, permitting for multifamily structures with 5 or more units has rapidly accelerated.

Figure I-24.
City of Santa Fe Building Permits, 1980-2021



Source: U.S. Census Building Permits Survey and Root Policy Research.

Housing costs and affordability. Figure I-25 shows the affordable home price for owner households earning the median income compared to the typical home value according to Zillow, the income for 2022 is linearly forecasted using income trends from 2015 through 2021. The gap between what households can afford and home values has skyrocketed with the increase in home prices and interest rates. In 2021, the gap was already large at close to \$225,000 and it is estimated to have increased to close to \$370,000 in 2022.

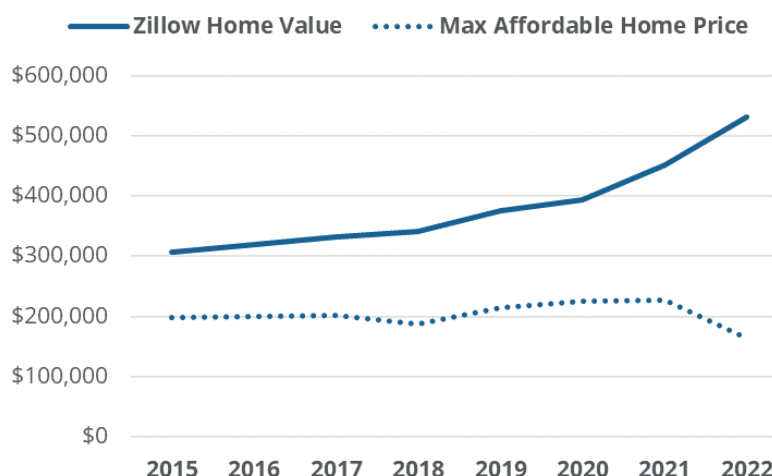
Figure I-25.
Zillow Home Value V.
Affordable Home Price
for Owner Households
at Median Income

Note:

Assumes households spend 30% of their income on housing, a 30-year mortgage at the annual average mortgage rate, a 10% down payment, and 35% of monthly payment is used for property taxes, utilities, and insurance.

Source:

ACS 1-year estimates, Zillow ZHVI, Freddie Mac annual average fixed mortgage rates, and Root Policy Research.



The gap in affordability for renters has also expanded. In 2018 the gap between what households earning the median renter income could afford and the typical rent according to Zillow was around \$200; the estimated gap has increased to around \$550 in 2022.

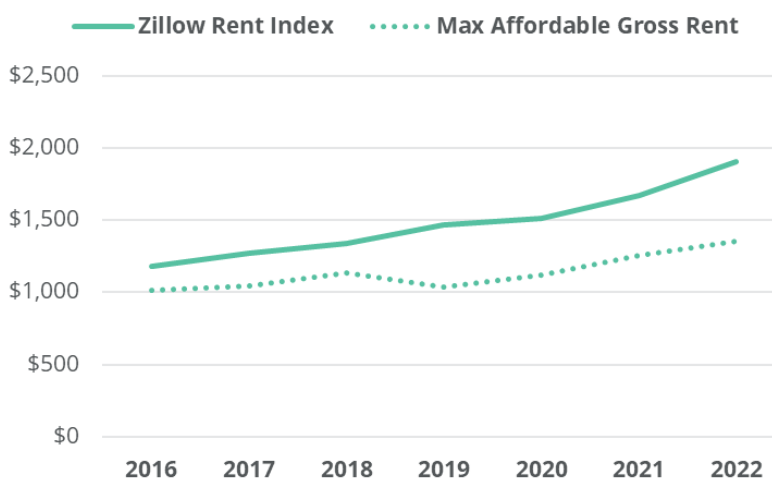
Figure I-26.
Zillow Rent Index V.
Affordable Rent for
Renter Households at
Median Income

Note:

Assuming households spend 30% of their income on housing.

Source:

ACS 1-year estimates, Zillow ZORI, and Root Policy Research.



Rents. According to ACS data, the median gross rent in the City of Santa Fe increased by 28% between 2015 and 2021, going from \$970 to \$1,245.

Figure I-27.
Median Gross Rent, 2015 and
2021

Source:

ACS 1-year estimates and Root Policy Research.

	2015	2021	Percent Change
City of Santa Fe	\$970	\$1,245	28%
Santa Fe County	\$951	\$1,166	23%

Figure I-28 shows median gross rent by number of bedrooms and the income required to afford rent without spending more than 30% of income on rent. Percent rent increases

were larger for 2-bedroom units, and the income required to afford a 2-bedroom unit increased from around \$39,000 in 2015 to close to \$55,000 in 2021.

Figure I-28.
City of Santa Fe
Rental Affordability,
2015 and 2021

Note:

Data for units with 5 bedrooms or more are not available for 2021.

Source:

ACS 1-year estimates and Root Policy Research.

Rental Size	Median Rent		Income Required		Percent Change
	2015	2021	2015	2021	
Studio	\$691	\$958	\$27,640	\$38,320	39%
1 bedroom	\$833	\$1,028	\$33,320	\$41,120	23%
2 bedrooms	\$986	\$1,373	\$39,440	\$54,920	39%
3 bedrooms	\$1,194	\$1,429	\$47,760	\$57,160	20%
4 bedrooms	\$1,613	\$1,815	\$64,520	\$72,600	13%

ACS data present rents for all occupied units; therefore, they do not present an estimate of what renters looking for units might encounter in the market. According to CoStar data, the average asking price per unit is \$1,419. The average asking price per unit is higher for market rate units, at \$1,659 and it is \$953 for affordable units as of June 2022.

Sale prices. According to ACS data, the median home value in the City of Santa Fe increased 29% between 2015 and 2021, from \$271,000 to \$349,900. This estimate is calculated by asking homeowners for the value of their home and is likely to be lower than the price encountered by buyers in the market. According to HMDA data—which are collected by the Federal Financial Institutions Examination Council (FFIEC) and contain loan application records with information on income, loan terms, loan purpose, and outcomes of loan applications²—the median value of properties purchased with a mortgage in the city was \$415,000, up 17% from the median value of \$355,000 in 2018.

Figure I-29 shows the characteristics of a snapshot of homes listed for sale in the City of Santa Fe in June 2023. The median list price was \$650,000. Only 11% of the city's homes were priced below \$400,000; the majority of homes listed (57%) were priced above \$600,000. The majority of homes listed were detached (64%) and the median price for such homes was \$1,100,000. Around a third (36%) of listed homes were attached (condos, townhomes, multifamily) and those homes were significantly more affordable—with a median price of around half of the price of detached homes—at \$500,490.

Regarding characteristics, the median square feet of homes listed was 1,940 square feet with a median of 3 bedrooms and 2.5 baths. Attached homes tend to be smaller and newer than detached homes.

² HMDA data are reported by lending institutions and are one of the best readily-available sources of mortgage applications and purchase transactions. Analysis includes mortgages for homes sold with a mortgage for first lien home purchases purposes.

Figure I-29.
City of Santa Fe
Home Listings, June
2023

Note:

Attached refers to townhomes, multifamily, and condo/co-op.

Source:

Redfin Real Estate Data, and Root Policy Research.

	Attached	Detached	Total
Total Homes			
Number	68	119	187
Percent of all Homes	36%	64%	100%
Median Price and Price Distribution			
Median Price	\$500,490	\$1,100,000	\$650,000
Less than \$400,000	19%	6%	11%
\$400,000-\$499,999	31%	10%	18%
\$500,000-\$599,999	16%	13%	14%
\$600,000-\$699,999	15%	13%	13%
\$700,000-\$799,999	6%	2%	3%
\$800,000 and more	13%	56%	41%
Characteristics (Median)			
Square feet	1,573	2,215	1,940
Number of Beds	2	3	3
Number of Baths	2.0	2.5	2.5
Year Built	1998	1985	1992

Vacancy rates. According to ACS 1-year estimates, the City of Santa Fe rental vacancy rate decreased from 9.9% in 2015 to 6.2% in 2021. According to CoStar data, the rental vacancy rate in the City of Santa Fe stands at 4% as of June 2023. Figure I-29 shows the vacancy rates for units at different price brackets. Units priced below \$2,000 have a very low average vacancy rate of 3% or less, indicating an extremely tight rental market for these more affordable units.

Figure I-30.
City of Santa Fe Rental Vacancy Rate by
Unit Price, June 2023

Source:

CoStar Real Estate Data and Root Policy Research.

	Vacancy Rate
Overall	4%
Below \$1,000	2%
\$1,000-\$1,499	2%
\$1,500-\$1,999	3%
\$2000 and over	7%

According to ACS 1-year estimates, the homeowner vacancy rate decreased from 3.1% in 2015 to 1% in 2021. Figure I-27 shows months of supply in the for sale market in Santa Fe County. Months of supply refers to the number of months it would take for the current

inventory of homes on the market to sell given the current pace of home sales and historically, 6 months of supply or more has historically been associated with slower price appreciation while a lower level of months of supply is associated with an acceleration in price growth and in the county months of supply stood at 2.7 in May.

Figure I-31.

Santa Fe County Months of Supply, Feb 2020-May 2023

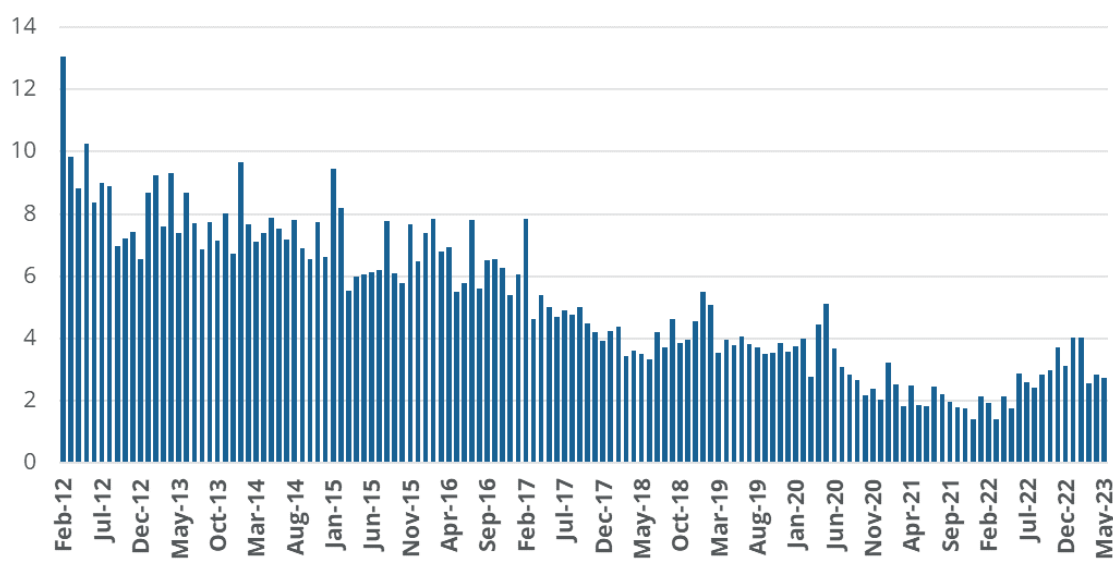


Figure I-32.
Vacant Units, 2015 and 2021

	City of Santa Fe				Santa Fe County			
	2015	2021	# Change	% Change	2015	2021	# Change	% Change
Total	6,142	4,605	-1,537	-25%	11,235	7,540	-3,695	-33%
For rent	1,440	849	-591	-41%	1,987	1,272	-715	-36%
Rented, not occupied	343	75	-268	-78%	463	319	-144	-31%
For sale only	689	288	-401	-58%	1,263	398	-865	-68%
Sold, not occupied	262	332	70	27%	586	360	-226	-39%
For seasonal, or recreational use	2,106	1,848	-258	-12%	4,288	2,435	-1,853	-43%
Other vacant	1,302	1,213	-89	-7%	2,648	2,756	108	4%

Source: ACS 1-year estimates and Root Policy Research.

SECTION II. Housing Needs Assessment

This section discusses housing needs in the City of Santa Fe market for both ownership and rental properties as well as needs among special populations. An affordability gaps analysis is also included to identify any possible mismatches in housing supply and demand. The section also includes projected housing needs by tenure.

Primary Findings

Key findings from this section include:

- According to 2021 ACS estimates, 6,559 renter households and 8,192 owner households were cost burdened (spending 30% or more of household income on housing).
- Over half (53%) of renters are cost burdened and although the rate of cost burden has not increased from the 2015 rate, the rate of severe cost burden (spending 50% or more of household income on housing) among renters increased from 26% in 2015 to 33% in 2021.
- Among owners the rate of cost burden has increased from 23% to 29%, driven by an increase in severe cost burden from 9% in 2015 to 16% in 2021.
- The rate of cost burden continues to be extremely high among very low income residents, but there has been a significant increase in cost burden and severe cost burden rates among middle income households.
- According to 2019 data from HUD's Comprehensive Housing Affordability Strategy (CHAS) data, 62% of elderly households (members aged 62 or older) with incomes under 80% AMI were cost burdened, with 37% experiencing severe cost burden.
- According to stakeholders, based on shelter utilization and current permanent supportive housing occupancy, between 300 and 2,000 residents are currently homeless in the City of Santa Fe. A growing proportion of these residents are "hidden homeless"—individuals who are typically working and are staying with friends or family (couch-surfing), staying in hotels/motels, or living in their vehicles, but have no prospects for permanent housing, these residents generally do not access support services and are difficult to quantify.
- According to ACS estimates, there are 1,105 overcrowded households (with more than one occupant per room) of those, 204 are severely overcrowded (with more than 1.5 occupants per room).

- There are an estimated 8,610 households containing a person with a disability in Santa Fe. Overall, 37% of households that contain a member with a disability have one or more housing problems. By that measure, 3,198 households containing a person with a disability have some type of housing need.
- An analysis of affordability by industry shows that the average wage worker in just six industries in Santa Fe can afford the median rent in the city. Conversely, the median sale price in the city is out of reach for the average worker in all industries. Even with two workers per household; only workers in the information and financial services industries can afford the median home price.
- A rental affordability gaps analysis shows that there is an estimated shortage of 1,210 units affordable for households with income at 30% AMI or below, and a shortage of 1,087 units affordable for households with income between 30% and 50% AMI. Cumulatively, there is a shortage of 2,297 units affordable for households with income below 50% AMI.
- Between 2018 and 2022, the affordability gap expanded to higher incomes. In 2018 and 2022 around 20% of renters had income between 100% and 150% AMI; in 2018 31% of home sales were sold in their affordability range but this share dropped to just 9% in 2022.
- According to population projections, the city will require 1,702 ownership units and 1,045 rental units to accommodate household growth by 2030. Overall, around 1,100 units affordable to households under 80% AMI will be needed, including around 530 ownership units and around 570 rental units. However, recent population and household formation trends suggest that these estimates may be an underestimate and should be considered a lower bound. Additionally, these units are needed to accommodate year-round residents and do not account for demand in second homes.

Existing Needs

This section includes trends in cost burden, overcrowding, and homelessness as well as needs among other special groups including the elderly, female headed households, residents with disabilities, and the workforce.

Cost burden. The most common definition of affordability is linked to the idea that households should not be cost burdened by housing. A cost burdened household is one in which housing costs—the rent or mortgage payment, plus taxes and utilities—consumes more than 30% of monthly gross income, decreasing the flexibility for households to manage other expenses (e.g., childcare, health care, transportation, food costs, etc.). Spending more than 50% of income on housing costs is characterized as severe cost burden and puts households at high risk of homelessness. High rates of cost burden restrict the extent to which households can contribute to the local economy.

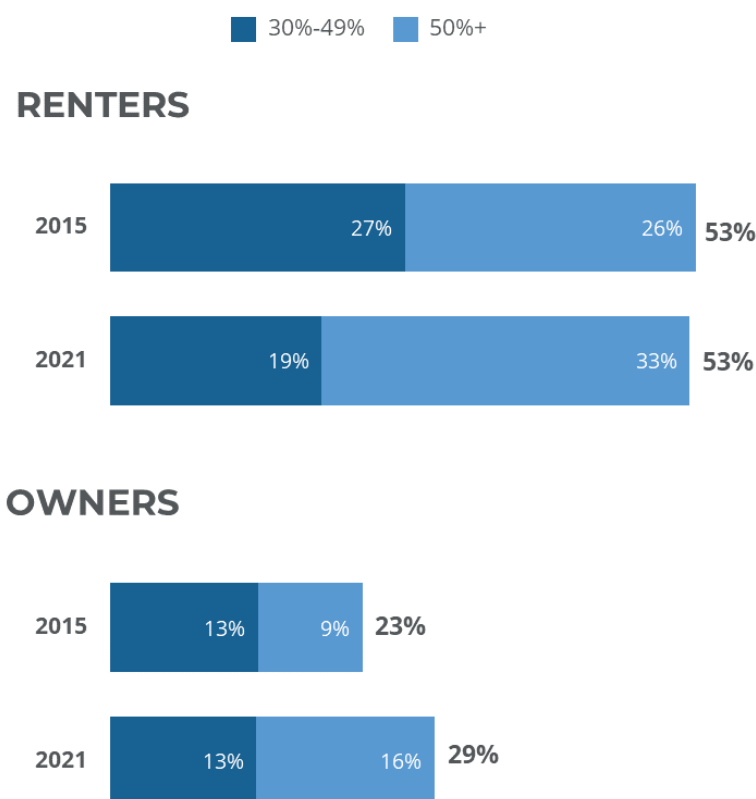
Data show that cost burden is the most prevalent housing problem among city of Santa Fe residents. Figure II-1 shows the cost burden rate by tenure in the city. Over half (53%) of renters are cost burdened and although the rate of cost burden has not increased from the 2015 rate, the rate of severe cost burden among renters increased from 26% in 2015 to 33% in 2021. Households spending 50% or more of their income on housing are considered at risk of homelessness. These households have limited capacity to adjust to rising home prices and are vulnerable to even minor shifts in rents, property taxes, and/or incomes.

Among owners the rate of cost burden has increased from 23% to 29%, driven by an increase in severe cost burden from 9% in 2015 to 16% in 2021. According to 2021 ACS estimates 6,559 renter households and 8,192 owner households were cost burdened.

Figure II-1.
Cost Burden by Tenure,
City of Santa Fe, 2015
and 2021

Source:

ACS 2015 and 2021 1-year estimates and
 Root Policy Research.



As shown in Figures II-2 and II-3 the rate of cost burden continues to be extremely high among very low income residents, but there has been a significant increase in cost burden and severe cost burden rates among middle income households. Between 2015 and 2021, among households with income between \$50,000 to \$75,000 the rate of cost burden has increased from 14% to 30% among renters and from 24% to 31% among owners; and severe cost burden increased from 4% to 19% among renters with income between \$35,000 and \$50,000.

Figure II-2.
Cost Burden by Tenure and
Income 2015 and 2020

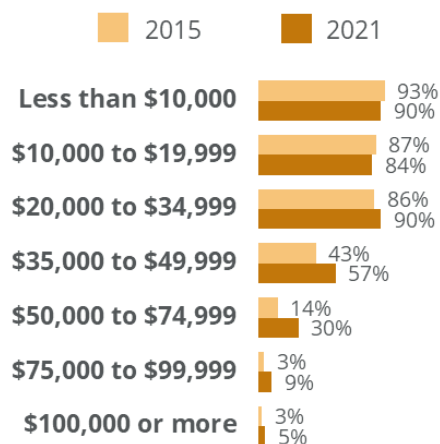
Note:

Data represent the percent of households paying 30% of income or more in housing costs.

Source:

ACS 2015 and 2021 5-year estimates and Root Policy Research.

RENTERS



OWNERS

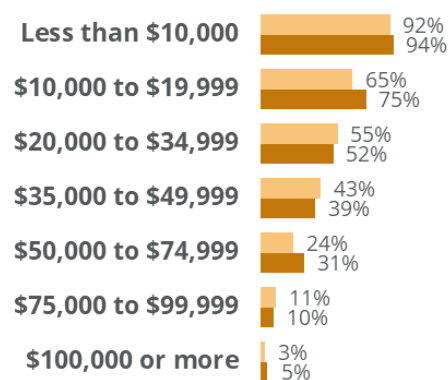


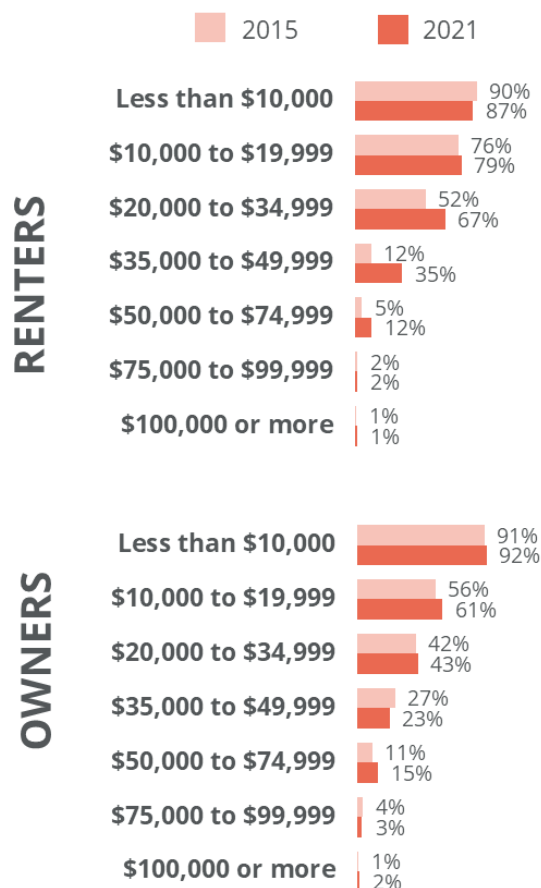
Figure II-3.
Severe Cost Burden by Tenure
and Income 2015 and 2020

Note:

Data represent the percent of households paying 50% of income or more in housing costs.

Source:

ACS 2015 and 2021 5-year estimates and Root Policy Research.



Housing for the elderly population. The estimated number of residents 65 and older increased from 19,966 in 2019 to 20,470 in 2021. According to 2019 data from HUD's Comprehensive Housing Affordability Strategy (CHAS) data, of the elderly households—defined as those with a member aged 62 or older—with income under 80% AMI, 62% are cost burdened, and 37% are severely cost burdened. Senior households may be less able to cope with increasing housing costs (rents for renters and property taxes for owners) as they are more likely to be living on a fixed retirement income. Most seniors desire to age in place but may need accessibility modifications as they age and may need additional support services in order to properly maintain their homes and property. Many may also require transportation services and in-home health care at certain stages.

According to the resident survey, respondents who indicated they are over age 65 and ranked “more affordable rental housing” as the top priority rated “Programs to help households pay for security deposits/first or last month rent requirements” as the most needed program in the city.

Female headed households. There are about 13,700 female headed households in the city of Santa Fe. Of those, an estimated 3,852 households have children. The poverty rate for these households is 47%—much higher than the citywide poverty rate of 13%. The 498 female headed households with children living in poverty are the most likely to

struggle with rising housing costs and may need unique support given the challenges they face.

Homelessness. In 2021 there were 79 unsheltered homeless individuals counted during the Point in Time count in Santa Fe County. There were another 239 persons who reported residing in an emergency shelter in the County, 35 residing in transitional housing, and 310 in permanent supportive housing. According to the 2022 Point in Time Count, there were 58 unsheltered homeless individuals counted in Santa Fe County. The 2022 Point in Time Report does not report the number of persons residing in an emergency shelter, residing in transitional housing, or residing in permanent supportive housing for Santa Fe County. According to stakeholders, based on shelter utilization and current permanent supportive housing occupancy, between 300 and 2,000 residents are currently homeless in the City of Santa Fe. Many of these residents are the “hidden homeless,” who are individuals who are typically working and are staying with friends or family (couch-surfing), staying in hotels/motels, or living in their vehicles, but have no prospects for permanent housing, these residents generally do not access support services and are difficult to quantify, however, whenever affordable housing is available, they represent a large part of the demand for it.

Overcrowding. According to ACS estimates, there are 1,105 overcrowded households—with more than one occupant per room— of those, 204 are severely overcrowded—with more than 1.5 occupants per room. Overcrowding in housing poses threats to public health and safety, strains public infrastructure, and highlights the need for affordable housing. Rates of overcrowding are higher among renter households. An estimated 2% (594) of owner households are overcrowded, compared to 4% (511) of renter households.

Special needs. This section summarizes special interest populations with unique or severe housing needs. These populations include people with disabilities, large families, limited English proficient households, residents with substance abuse disorders, and victims of domestic violence.

- **Disability.** There are an estimated 8,610 households containing a person with a disability in Santa Fe. About 4,270 households include a person with a hearing or vision impairment, 4,530 include a person with an ambulatory limitation, 3,195 include a person with a cognitive limitation, and 3,245 include a person with a self-care or independent living limitation (note there is overlap in the specific types of disabilities as some people/households have more than one limitation). Overall, 37% of households that contain a member with a disability have one or more housing problems. By that measure, 3,198 households containing a person with a disability have some type of housing need. According to the resident survey, respondents that indicated they or someone in their household has a disability ranked “more affordable rental housing” as the top priority. Within that priority, they indicated “Increase

resources for residents to avoid displacement” as the program most needed in Santa Fe.

- *Large families.* CHAS data indicate there are 1,095 large family households under 80% AMI in Santa Fe, 49% of which are cost burdened and 20% severely cost burdened. Large households may also be more susceptible to overcrowding, though CHAS data do not provide enough detail to quantify the number of large family households that are overcrowded.
- *Limited English proficient households.* An estimated 1,574 Santa Fe households have limited English proficiency (LEP), meaning they do not speak English fluently. The most common languages spoken by LEP households are Spanish (93% of all LEP households); 6% speak Asian and Pacific Island languages. The 13% of limited English proficient households that are living in poverty are most likely to have acute housing needs.
- *Substance abuse.* According to the 2021 National Survey on Drug Use and Health 17.3% of the population 18 or older had a substance abuse disorder during the previous year. Applying national incidence rates to the Santa Fe population estimates that approximately 11,760 people have a substance use disorder. According to national incidence rates 7.6% of the population 18 and older are classified as needing illicit drug use treatment; applying this rate to the Santa Fe population estimates that approximately 4,985 people need illicit drug use treatment. People who suffer from alcohol/other drug abuse require counseling and rehabilitation services and may also need recovery homes or transitional sober living facilities.
- *Victims of domestic violence, dating violence, sexual assault, and stalking.* National incidence rates indicate that 32% of women and 24% of men aged 18 or older have experienced contact sexual violence, physical violence, or stalking with intimate partner violence-related impact in their lifetime. Annual incidence rates—meaning the proportion of people who have experienced contact sexual violence, physical violence, or stalking with intimate partner violence-related impact in the previous year—are 3.1% for women and 3% for men. In Santa Fe, applying these rates suggest that 2,178 residents are likely to have experienced some type of domestic violence, dating violence, sexual assault and/or stalking in the previous year. National statistics show that 13.4% of women and 5.3% of men experiencing intimate partner violence are in need of housing services. In Santa Fe, these statistics suggest that 211 victims of domestic violence require housing services each year. According to data from the National Alliance to End Homelessness (endhomelessness.org), the supportive and housing services needed by domestic violence victims may vary, but most need health care and counseling immediately following a crisis and continued mental health support to assist with the traumatic stress related to the violence. Victims may also require assistance with substance abuse and mental health issues, both of which are common among domestic violence victims. Affordable housing is also critical. The

National Alliance to End Homelessness argues that a “strong investment in housing is crucial [to victims of domestic violence]so that the family or woman is able to leave the shelter system as quickly as possible without returning to the abuse.”

Workforce housing. As the major industries in the City of Santa Fe continue to grow and expand, the city will likely experience greater housing affordability challenges. Given rising housing prices, many employees will seek less expensive housing outside of Santa Fe, forcing residents to commute longer distances.

Figure II-4 shows the housing that Santa Fe’s industry workers can afford in 2022 based on the average earnings in each industry. Median rent and median home price were used to measure if households can participate in Santa Fe’s housing market.

- The average wage worker in just six industries in Santa Fe can afford median rent in the city.
- Conversely, the median sale price in the city is out of reach for the average worker in all industries. Even with 2 earners per household only workers in the information and financial services industries can afford the median home price.

This analysis provides greater insight into Santa Fe’s economic trajectory—if industry workers are unable to afford a home in the city or median rent, it is more likely that they will leave the area to find affordable housing elsewhere. In addition, if workers are unavailable, it will be harder for the area to attract primary employers.

Figure II-4.
Housing Workers Can Afford, Santa Fe County, 2022

Industry	Median Annual Earnings	Max Affordable Rent	Can Afford Median Rent?	Max Affordable Home Price	Can Afford Median Home Price?	Can Afford Median Home Price with 2 Earners per Household?
Goods Producing						
Natural resources and mining	\$43,878	\$1,097	no	\$124,088	no	no
Construction	\$49,996	\$1,250	no	\$141,390	no	no
Manufacturing	\$45,102	\$1,128	no	\$127,549	no	no
Service Providing						
Trade, transportation, and utilities	\$43,225	\$1,081	no	\$122,241	no	no
Information	\$95,334	\$2,383	yes	\$269,606	no	yes
Financial activities	\$105,262	\$2,632	yes	\$297,683	no	yes
Professional and business services	\$67,201	\$1,680	yes	\$190,046	no	no
Education and health services	\$60,044	\$1,501	yes	\$169,806	no	no
Leisure and hospitality	\$34,957	\$874	no	\$98,859	no	no
Other services	\$48,924	\$1,223	no	\$138,358	no	no
Public Administration						
Federal government	\$83,421	\$2,086	yes	\$235,916	no	no
State government	\$68,676	\$1,717	yes	\$194,217	no	no
Local government	\$52,541	\$1,314	no	\$148,587	no	no

Note: Median rent was \$1,419 and median sale price was \$475,000. Mortgage assumptions include 6.5% interest rate, 35% monthly payment for ownership costs, and 10% down payment. The calculation for two earners per household assumes both earners work in the same industry.

Source: Bureau of Labor Statistics QCEW, CoStar, Home Mortgage Disclosure Act, Freddie Mac, and Root Policy Research.

Gaps Analysis

A modeling effort called a gaps analysis examines how the housing market is meeting the current residents' affordability needs. The gaps analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is "oversupplying" housing at that price point. Conversely, if there are too few units, the market is "undersupplying" housing at that price point. The affordability gaps analysis completed for the City of Santa Fe addresses both rental affordability and ownership opportunities for renters looking to buy.

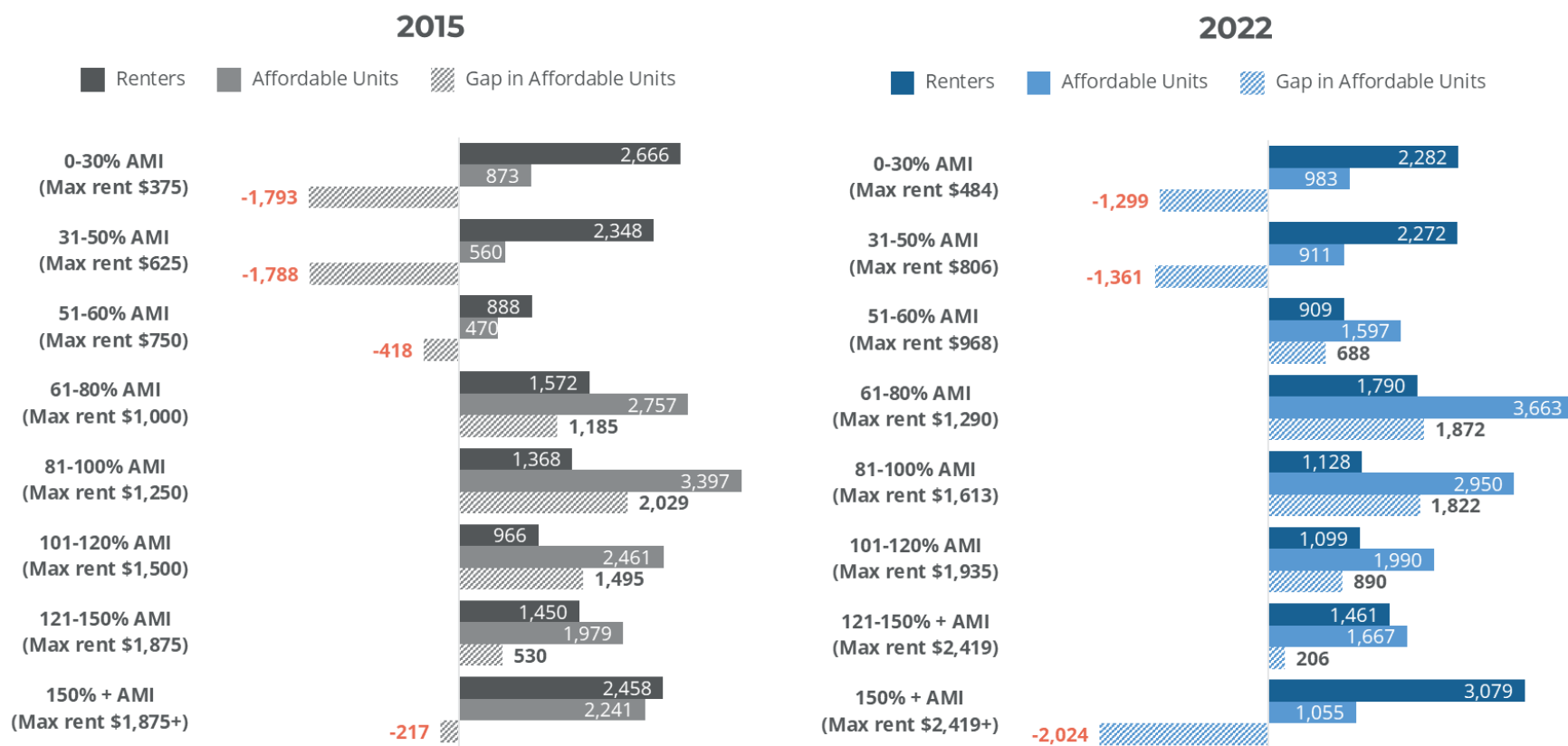
The gaps analysis is intended to evaluate affordability needs among current residents, not the need for additional housing to accommodate future or potential residents.

Gaps in the rental market. The rental gaps analysis compares the number of renter households, household income levels, the maximum monthly housing payment they can afford, and the number of affordable housing units in the market.

The "Gap in Affordable Units" bars in Figure II-5 show the difference between the number of renter households and the number of rental units affordable to them at that price point. Negative numbers indicate a shortage of units at specific AMI levels; positive units indicate an excess of housing at that price point. Affordability gaps are shown by household AMI ranges published by HUD for a 2-person household in 2015 and 2021. The rental affordability gaps analysis in Figure II-5 shows that:

- According to 2022 data, there is an estimated shortage of 1,299 units affordable for households with income at 30% AMI or below, and a shortage of 1,361 units affordable for households with income between 30% and 50% AMI. Cumulatively, there is a shortage of 2,660 units affordable for households with income below 50% AMI.
- Between 2015 and 2022 the shortage of units for households under 60% AMI has decreased and this has been driven by a decrease in the number of low income renters. The City's investments in affordable housing have helped maintain the supply of affordable units that would have otherwise migrated to higher price brackets under the tight current market conditions. However, many low income renters who are no longer able to find affordable available rental units in Santa Fe and middle income renters who have not been able to transition into homeownership—due to the steady rise in home prices and recent increases in mortgage interest rates— have moved out of the city or county and the city has experienced an influx of higher income renters and owners.
- The gap shown for renters with income over 150% AMI in 2022 suggests those renters are spending less than 30% of their income on housing. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

Figure II-5.
City of Santa Fe Rental Gaps, 2015 and 2022



Note: Household AMI is based on limits published by HUD for a 2-person household. Assumes a household spends a maximum of 30% of their income on housing costs.

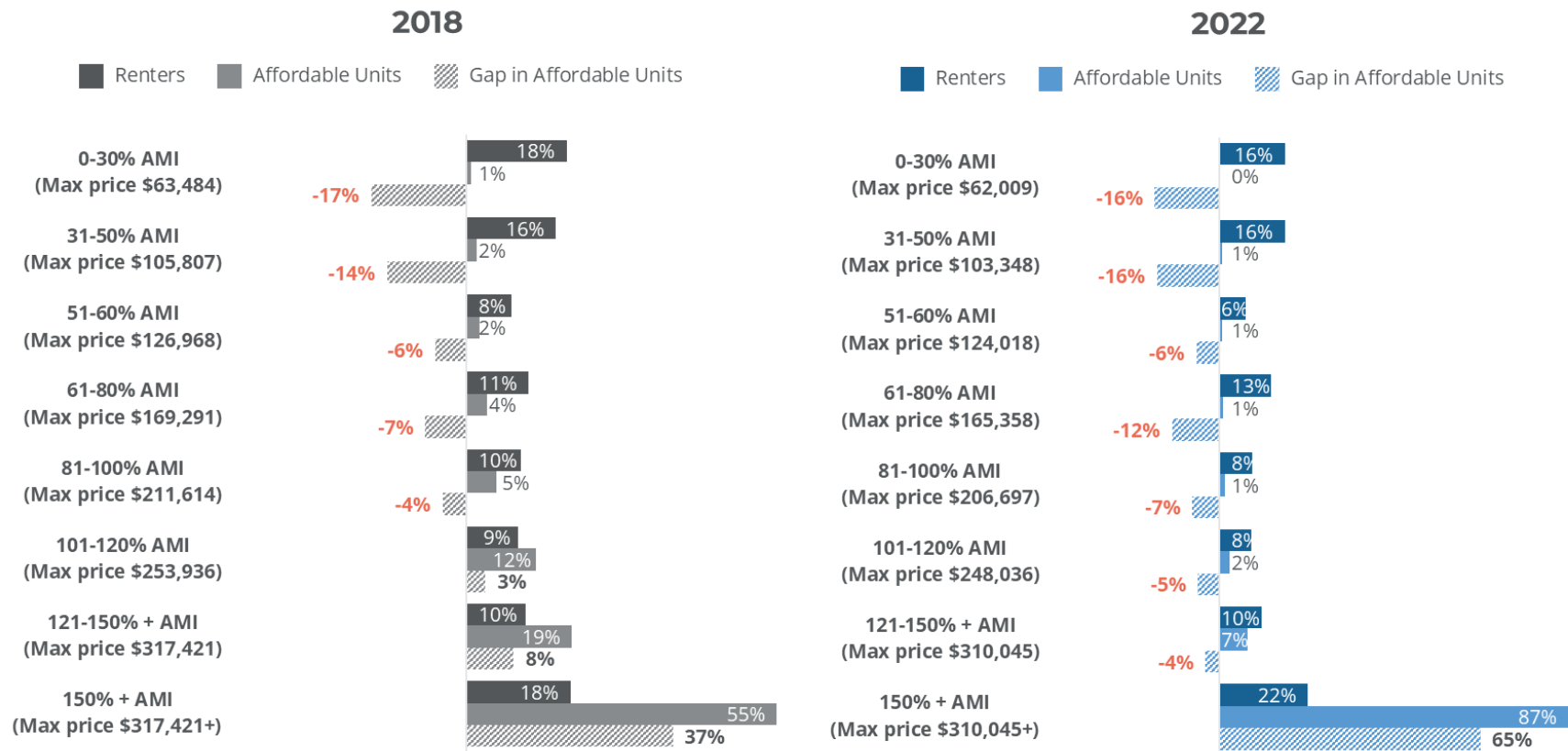
Source: ACS 2015 and 2022 5-year estimates, HUD Income Limits, and Root Policy Research.

Gaps in the ownership market. The for-sale gaps analysis demonstrates the affordability mismatch between prospective buyers (current renters) and available product (Figure II-6). Similar to the rental affordability gaps analysis, the model compares renters, renter income levels, the maximum monthly housing payment they can afford, and the proportion of for sale units in the market that were affordable to them.

The 2022 renter income distribution is used to determine the demand of ownership gaps because the analysis intends to capture renters' ability to purchase a home (as opposed to measuring existing owners' ability to buy and sell). Supply is measured by the number of home purchase mortgages originated in the city in 2022, according to Home Mortgage Disclosure Act (HMDA) data. As shown in Figure II-6:

- For sale affordability gaps are concentrated among households with income less than 100% AMI, but persist for households with income up to 150% AMI.
- Around 60% of renter households have income below 100% AMI but only 4% of units were sold in their affordability range.
- Between 2018 and 2022, the affordability gap expanded to higher incomes. In 2018 and 2021 20% of renters had income between 100% and 150% AMI; in 2018 31% of home sales were sold in their affordability range but this share dropped to just 9% in 2022.

Figure II-6.
City of Santa Fe For-Sale Affordability Gaps, 2018 and 2022



Note: Max affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 3.85% for 2018 and 5.34% for 2022. Ancillary costs (property taxes, insurance, HOA, etc.) are assumed to account for 35% of monthly payments. Household AMI is based on limits published by HUD for a 2-person household.

Source: ACS 2015 and 2022 5-year estimates, HUD Income Limits, Home Mortgage Disclosure Act (HMDA) data, and Root Policy Research.

Projected Needs

This section estimates the number of housing units needed to accommodate population growth through 2030, using population and household projections prepared at the county level for the New Mexico Mortgage Finance Authority. The assumptions made include the share of county households living in the city (57%) remaining constant, and the ownership and income distribution in the city remaining constant. However, recent population and household formation trends suggest that these estimates may be an underestimate and should be considered a lower bound. Additionally, these units are needed to accommodate year-round residents and do not account for demand in second homes.

Figure II-7 shows the number of projected households that the city can expect to accommodate by 2030. This will require 1,702 ownership units and 1,045 rental units.

Figure II-7.
Units Needed to Accommodate
Projected Household Growth by 2030,
by Tenure, City of Santa Fe

Note:

Holds the city's share of county population and City's ownership rate constant. Assumes a two percent vacancy rate for ownership units and a five percent vacancy rate for rental units.

Source:

UNM Geospatial and Population Studies, NMMFA Housing Strategy, CHAS 2019 estimates, and Root Policy Research.

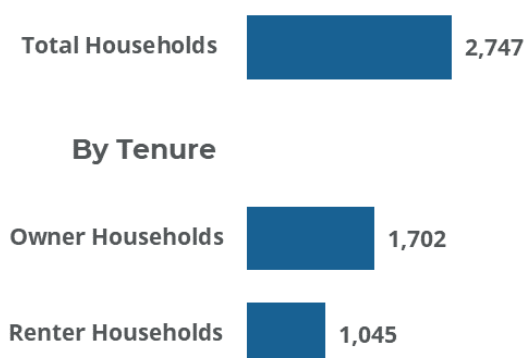
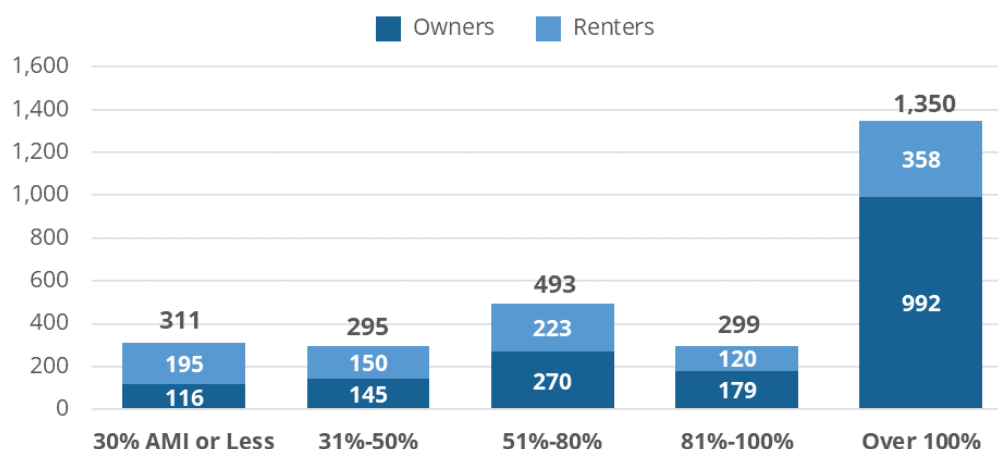


Figure II-8 shows the number of units needed by tenure and AMI, based on the city's AMI distribution provided by HUD's Comprehensive Housing Affordability Strategy (CHAS) most recent data. The estimates indicate over 300 units will be needed to accommodate households with income at 30% AMI or below, almost 300 units will be needed to accommodate households with income between 31% and 50% AMI, and almost 500 units will be needed to accommodate households with income between 51% and 80% AMI.

Overall, around 1,100 units affordable to households under 80% AMI will be needed, including around 530 ownership units and around 570 rental units.

Figure II-8.
Units needed to Accommodate Projected Household Growth by 2040, by Tenure and AMI, City of Santa Fe



Note: Holds the city's share of county population and City's ownership rate and income distribution constant. Assumes a two percent vacancy rate for ownership units and a five percent vacancy rate for rental units.

Source: UNM Geospatial and Population Studies, NMMFA Housing Strategy, CHAS 2019 estimates, and Root Policy Research.

Figure II-9 shows housing affordability calculations by AMI and household size, based on HUD's 2023 AMI calculations. The combination of higher interest rates and elevated home prices in Santa Fe make ownership units' affordability targets unattainable without subsidies. A two-person household's home purchase affordability ranges from \$58,000 at 30% AMI to \$260,000 at 120% AMI, far exceeding current market prices.

Figure II-9.
Housing Affordability by AMI and Household Size, 2023

	30% AMI	50% AMI	80% AMI	100% AMI	120% AMI
One Person Household	\$17,950	\$29,900	\$47,800	\$66,920	\$80,304
Max Affordable Rent	\$449	\$748	\$1,195	\$1,673	\$2,008
Max Affordable Home Price	\$50,763	\$84,558	\$135,179	\$189,251	\$227,101
Two Person Household	\$20,500	\$34,150	\$54,600	\$76,480	\$91,776
Max Affordable Rent	\$513	\$854	\$1,365	\$1,912	\$2,294
Max Affordable Home Price	\$57,974	\$96,577	\$154,410	\$216,287	\$259,544
Three Person Household	\$24,860	\$38,400	\$61,450	\$86,040	\$103,248
Max Affordable Rent	\$622	\$960	\$1,536	\$2,151	\$2,581
Max Affordable Home Price	\$70,305	\$108,596	\$173,782	\$243,323	\$291,987
Four Person Household	\$30,000	\$42,650	\$68,250	\$95,600	\$114,720
Max Affordable Rent	\$750	\$1,066	\$1,706	\$2,390	\$2,868
Max Affordable Home Price	\$84,841	\$120,615	\$193,012	\$270,359	\$324,430
Five Person Household	\$35,140	\$46,100	\$73,750	\$103,248	\$123,898
Max Affordable Rent	\$879	\$1,153	\$1,844	\$2,581	\$3,097
Max Affordable Home Price	\$99,377	\$130,372	\$208,566	\$291,987	\$350,385

Note: Mortgage assumptions include 6.5% interest rate, 35% monthly payment for ownership costs, and 10% down payment.
 Assumes households spend 30% of their income on housing costs.

Source: HUD 2023 AMI calculations, Freddie Mac, and Root Policy Research.

These estimates do not account for the housing demand by Santa Fe workers who wish to live in Santa Fe but cannot afford it. As was shown in Section I, Figure I-14 around 24,600 workers commuted into the city in 2019. The sectors with the highest demand for in-commuting are public administration, education and health services, leisure and hospitality, and trade, transportation, and utilities.

Figure II-10 below shows housing affordability calculations for those industries assuming one, one and a half, and two workers per household. Again, based on average income levels and home prices in Santa Fe, ownership units' affordability targets are unattainable without subsidies.

Figure II-10.
Housing Affordability by Industries of In-Commuters

	Income	Max Rent	Max Price
One Worker per Household			
Trade, transportation, and utilities	\$43,225	\$1,081	\$122,241
Education and health services	\$60,044	\$1,501	\$169,806
Leisure and hospitality	\$34,957	\$874	\$98,859
State government	\$68,676	\$1,717	\$194,217
Local government	\$52,541	\$1,314	\$148,587
1.5 Workers per Household			
Trade, transportation, and utilities	\$64,838	\$1,621	\$183,362
Education and health services	\$90,066	\$2,252	\$254,708
Leisure and hospitality	\$52,436	\$1,311	\$148,289
State government	\$103,014	\$2,575	\$291,325
Local government	\$78,812	\$1,970	\$222,880
Two Workers per Household			
Trade, transportation, and utilities	\$86,450	\$2,161	\$244,482
Education and health services	\$120,088	\$3,002	\$339,611
Leisure and hospitality	\$69,914	\$1,748	\$197,718
State government	\$137,352	\$3,434	\$388,434
Local government	\$105,082	\$2,627	\$297,174

Note: Mortgage assumptions include 6.5% interest rate, 35% monthly payment for ownership costs, and 10% down payment. Assumes households spend 30% of their income on housing costs. Income derived from 2022 average annual wages, assuming workers in each household work in the same industry.

Source: Bureau of Labor Statistics QCEW, Freddie Mac, and Root Policy Research.

SECTION III. Community Engagement

This section reports the findings from the community engagement used to inform this study and the 2023-2027 Consolidated Plan. A Resident survey, resident focus groups, stakeholder focus groups, and interviews were conducted for this study. Altogether, 42 residents and stakeholders representing 12 local organizations, services providers, and private industry stakeholders participated in focus groups and interviews. Additionally, 475 residents responded to the survey.

Resident Survey Findings

This section reports the findings from the resident survey conducted to support the Consolidated Plan and the Strategic Housing Plan. The City of Santa Fe Office of Affordable Housing and Root Policy Research are grateful to the residents who shared their perspectives by participating in this survey. The survey gathers input on the housing and community needs that should be prioritized for funding.

The resident survey was available online, in both English and Spanish, and promoted by the City of Santa Fe. The survey was available between February 23rd, 2023, and March 24th, 2023.


[Living Here](#)
[City Team](#)
[Your Government](#)
[Sustainability](#)

Provide Your Feedback On Community Housing Needs

23 Feb, 2023

The City of Santa Fe's Office of Affordable Housing invites community members to participate in a survey to provide input for the 2023 Consolidated Plan for housing in Santa Fe. The survey, available in English and Spanish, is open through 5 p.m. on Friday, March 24, and be found at the following links:

- [English Survey](#)
- [Spanish Survey](#)

Every year, the City of Santa Fe receives funds from the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program. Programs supported through these funds provide much-needed affordable rental units, direct subsidy for homebuyers and homeowners, public facility improvements, and public services. The Housing Resident Survey is designed to receive input on the housing and community needs that should be prioritized for the HUD funding. The survey results will then be used to inform and create a new 5-year Consolidated Plan identifying housing and community needs, priorities, goals, and strategies, as well as how federal, state, and local funds will be allocated to housing and community development activities.

Explanation of terms. Throughout this section, several terms are used that require explanation.

- “Tenure” in the housing industry means rentership or ownership. Survey participants were asked to select the option that best describes their current housing situation, “Owner” includes residents who selected “I own my home” and “Renters” include residents who selected “I rent an apartment or house.” “Other/Unstable Housing” includes residents who selected “I rent a room in an apartment or house”, and residents who indicated “My housing situation is not stable.”
- “Over 65” includes residents who indicated their age is over 65 years.
- “Disability” indicates that the respondent or a member of the respondent’s household has a disability of any type—physical, mental, intellectual, developmental.
- Survey participants were asked to select the racial, ethnic, or cultural group that they most consider themselves to be a member of. “White” represents non-Hispanic white, and “Other Race” represents residents who selected Asian/Asian American, Black/African American, Native American, American Indian, or Alaska Native, Native Hawaiian or other Pacific Islander, and those who indicated their racial, ethnic or cultural group was not listed. These responses were grouped together due to the low number of responses each individual group gathered.

Sampling note. The survey respondents do not represent a random sample of the city’s population. A true random sample is a sample in which each individual in the population has an equal chance of being selected for the survey. The partnership model used to promote the survey prevents the collection of a true random sample. Important insights and themes can still be gained from the survey results, however, with an understanding of the differences among resident groups and the city overall. Overall, the data provide a rich source of information about residents’ perspectives on funding priorities.

A total of 475 residents participated. Survey sample sizes and selected characteristics are shown in Figure III-1. Compared to the population in the city, the survey collected more responses from renters (34% v. to 31%), from households with income between \$50,000 and \$99,000 (43% v. to 31%), from residents with a household member with a disability (23% v. 13%), and from White non-Hispanic households (61% v. 41%).

Figure III-1. Resident Survey Sample Sizes and Selected Characteristics

Note:

Numbers do not aggregate because respondents did not choose to provide a response to all demographic and socioeconomic questions.

Source:

City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

	Number of Responses
Total Responses	475
Tenure	
Owner	239
Renter	125
Other/Unstable Housing	29
Income	
Less than \$25,000	38
\$25,000 up to \$49,999	71
\$50,000 up to \$74,999	100
\$75,000 up to \$99,999	46
\$100,000 or more	83
Other Characteristics	
Over 65	116
Disability	89
White	204
Hispanic	93
Other Race	37

Primary Findings

The survey asked participants to complete three exercises related to priorities, strategies, and programs related to housing and community needs. Main findings from residents' input include:

Priorities

Survey participants were asked to rank the top 5 items they felt are most needed in Santa Fe. The top three responses were:

- More affordable rental housing;
- More affordable homeownership; and
- Responding to homelessness.

Strategies

After choosing their top 5 priorities, survey participants were asked to rate a list of programs associated with each of the priorities chosen. The participants rated programs

on a scale of 1 to 5 where 5 indicated the programs needed the most and 1 the programs needed the least. The highest rated programs among the three top priorities were:

- **More affordable rental housing:**
 - *Programs to help households pay for security deposits/first or last month rent requirements, and*
 - *Increase resources for residents to avoid displacement.*
- **More affordable homeownership:**
 - *Starter homes (smaller and affordable) for first-time homebuyers, and*
 - *Programs to help households get downpayment assistance to buy a house.*
- **Responding to homelessness:**
 - *Expand funding for case management and wrap-around services (mental health, substance abuse, employment, etc.) for people transitioning out of homelessness, and*
 - *Increase the inventory of Permanent Supportive Housing (PSH) rental homes for people transitioning out of shelters and very low income renters at risk of homelessness.*

Programs

The survey also asked participants, “If you were in control of the City's budget, how would you spend resources to meet housing needs in our community?” and were given the option to distribute coins to the strategies they believed are most effective. The top three answers were:

- “Increasing affordable rental housing opportunities;”
- “Building infrastructure to support the construction of affordable housing;” and
- “Helping people become homeowners.”

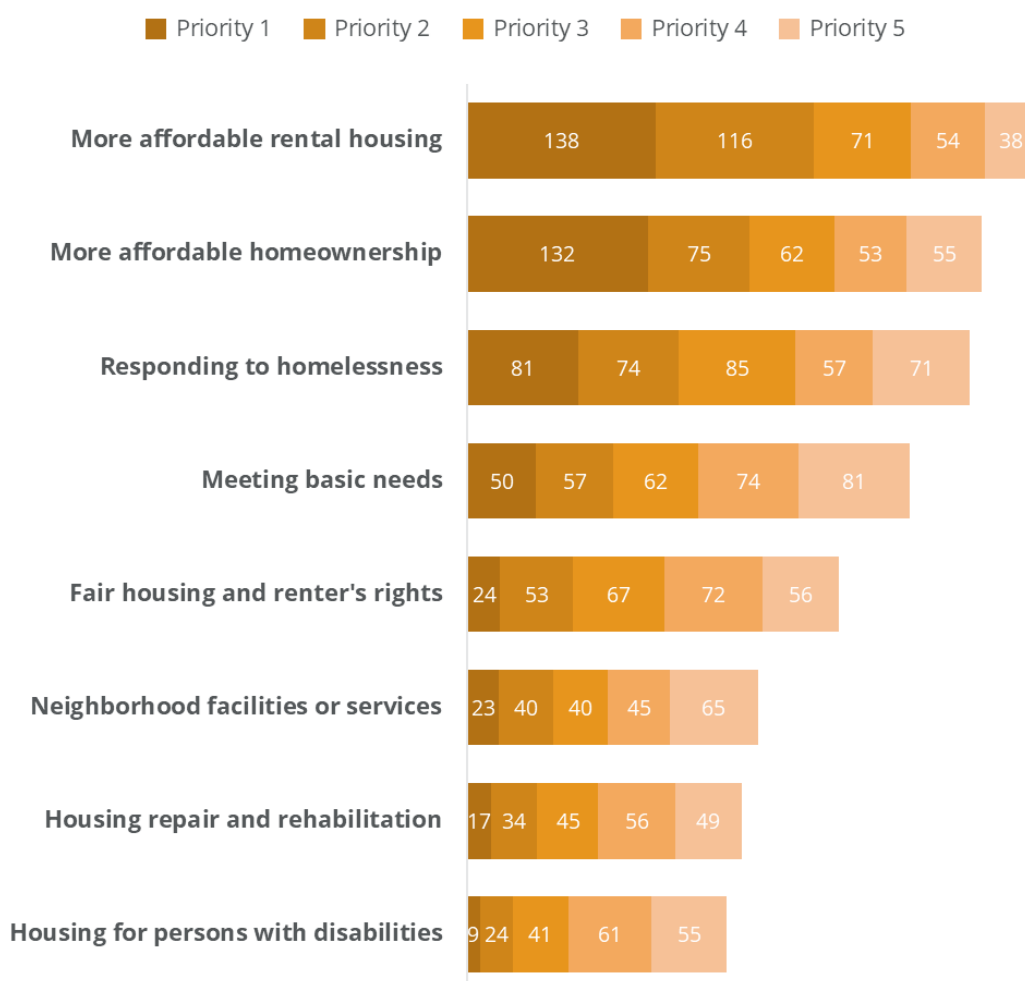
Priority Ranking

Survey participants were asked to rank the top 5 items they felt are most needed in Santa Fe. Figure III-2 shows the number of times each priority received a certain priority rank. As shown in the figure, the top three responses were:

- More affordable rental housing;
- More affordable homeownership; and
- Responding to homelessness.

Over half (53%) of respondents ranked “more affordable rental housing” as priority number 1 or number 2; 44% of respondents ranked “more affordable homeownership” as priority number 1 or priority number 2; and 33% of respondents ranked “responding to homelessness” in their top 2 priorities.

Figure III-2.
What do you feel is most needed in Santa Fe?



Note: n=475.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Strategy Rating

After choosing their top 5 priorities, survey participants were asked to rate a list of programs associated with each of the priorities chosen. The participants rated programs on a scale of 1 to 5 where 5 indicated the programs needed the most and 1 the programs needed the least.

- **More affordable rental housing.** The top two programs that received the highest average rating were “Programs to help households pay for security deposits/first or last month rent requirements” and “Increase resources for residents to avoid displacement.” These options received high average ratings across tenure, income, and household characteristics. Among residents whose living situation is other/unstable housing, the answer with the highest average rating was “Programs to help households pay for security deposits/first or last month rent requirements.” Households with income of less than \$25,000 assigned higher average ratings to all programs compared to all participants, particularly to “More Section 8 or rental subsidies.” Among households with a member with a disability, the answer with the highest average rating was “Increase resources for residents to avoid displacement.”
- **More affordable homeownership.** The top two programs that received the highest average rating were “Starter homes (smaller and affordable) for first-time homebuyers” and “Programs to help households get downpayment assistance to buy a house.” Among residents with income between \$25,000 and \$49,999 and Hispanic respondents, a top answer was also “Programs to help households get a loan to buy a house.”
- **Responding to homelessness.** The highest rated answers for this category of programs were “Expand funding for case management and wrap-around services (mental health, substance abuse, employment, etc.) for people transitioning out of homelessness” and “Increase the inventory of Permanent Supportive Housing (PSH) rental homes for people transitioning out of shelters and very low income renters at risk of homelessness.” All programs under this category received high average ratings and were generally high across tenure, income categories, and household characteristics.
- **Meeting basic needs.** The highest rated answers for this category of programs were “Improve access to social services such as mental health counseling, addiction treatment, job training/placement” and “Improve access to health care or dental care, medications.” Again, ratings of programs under this category were fairly uniform across tenure, income, and household characteristics, although households with income of less than \$25,000 assigned higher average ratings to all programs compared to all participants, particularly to “More services for seniors/persons with disabilities to be able to live independently” and “More food pantries, food delivery services, and quality grocery options.”

- ***Fair Housing and Renter's Rights.*** The highest rated answer for this category of programs was “Design landlord licensing program for the purposes of improving adherence to landlord/tenant law and housing quality conditions.” Residents with income of less than \$25,000 also assigned high average ratings to “More resources for persons experiencing discrimination in housing market-related transactions” and (along with renters) to “Invest in eviction prevention services and a renter's rights hotline.”
- ***Neighborhood Facilities or Services.*** The highest rated answers for this category of programs were “Invest in neighborhood maintenance including sidewalks, streetlights, roads, weeds in the public right-of-way, etc.” and “Improve areas for children to play or for residents to walk or to gather outside.” The rating of programs under this category were fairly uniform across tenure, income, and household characteristics.
- ***Housing repair and rehabilitation.*** The highest rated answer for this category of programs was “Invest in programs to help pay for repairs to make homes safe and comfortable to live in.” Compared to all survey participants, renters and participants of other race assigned higher rating to “Invest in programs to help pay for energy efficiency improvements” and “Invest in programs to help pay for accessibility modifications.”
- ***Housing for persons with disabilities.*** The highest rated answers for this category of programs were “Invest in housing options that support the ability of seniors to age in place” and “Locate housing for people with disabilities near transportation, educational opportunities, and economic opportunities.” The rating of programs under this category were fairly uniform across tenure, income, and household characteristics.

For a complete list of figures and data related to the public engagement process, please see Appendix A

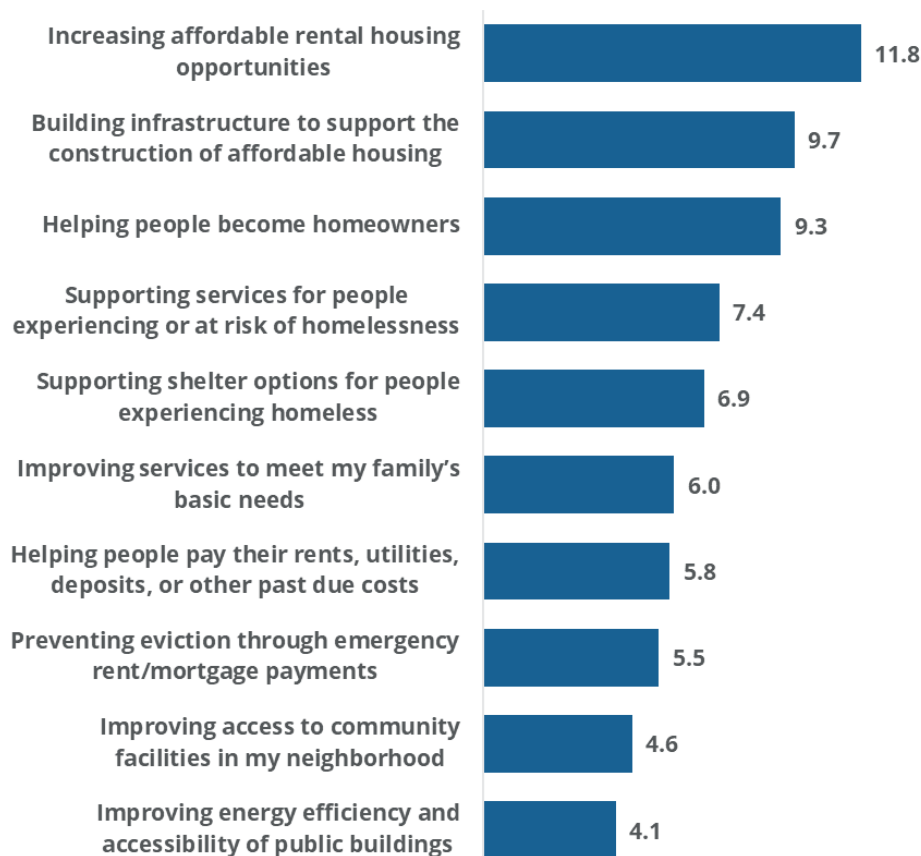
Budget Allocation

The last exercise of the survey asked participants “If you were in control of the City’s budget, how would you spend resources to meet housing needs in our community?” and were given the option to distribute coins to the strategies they believed are most effective. Five coins had a value of 50 and five had a value of 1, with a total value of 55. The top three answers were:

- “Increasing affordable rental housing opportunities” with an average of 11.8;
- “Building infrastructure to support the construction of affordable housing” with an average of 9.7 and
- “Helping people become homeowners” with an average of 9.3.

Figure III-3.

If you were in control of the City’s budget, how would you spend resources to meet housing needs in our community?



Note: n=342.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Resident Focus Groups Findings

A total of 42 residents participated in 6 focus groups held to discuss housing needs and solutions in Santa Fe. Participants were recruited with the help of local organizations that provide different types of housing support, including: LifeLink, Youth Shelters (through the Street Outreach and STAR programs), Consuelo's Place, Siler Yard, and the Lived Experience Advisory Board.

Housing challenges. Participants noted that groups with particularly challenging housing situations, include people of color, Native Americans, and LGBTQIA+ populations. The most pressing challenges discussed by participants included:

- *Lack of affordable housing.* Santa Fe residents are concerned about the lack of affordable housing options. Waiting lists are lengthy and available options are in areas without public amenities. This forces many to live in unsafe conditions or stay with relatives. Participants attributed the long waiting lists to the lack of affordable housing being built. New housing developments are primarily aimed at higher-income households, leaving low-income residents with limited options. It can take over a year to find permanent housing, making it challenging to transition out of shelters. Neighborhood opposition, especially among homeowners, to new housing development, particularly affordable housing, has an outsized influence on the housing development process in the city.
- *Difficulty connecting residents with services.* According to the feedback from several participants, it can be difficult to provide resources and services to individuals who are experiencing homelessness. Furthermore, some participants expressed their concerns about the City's communication regarding their efforts to support this population. They emphasized the need for more information about programs and assistance in navigating the system.
- *Issues with landlords.* Some participants in Santa Fe shared negative experiences with their landlords. They expressed frustration with the limited options available to renters to address issues with their landlords and would like to see more action by the City to enforce tenant rights. One participant reported that their landlord unexpectedly raised the rent a week after signing the lease. Others mentioned landlords refusing to respond to maintenance requests. Participants believe that property managers hold too much power in the housing market, making it difficult for individuals with criminal records to find housing. Landlords often reject applicants upon discovering their criminal record. Additionally, some participants spoke about a landlord-tenant hotline that used to be free but now costs \$45, creating a barrier for those seeking assistance.
- *Difficulty using housing vouchers.* Participants noted that the process of obtaining and utilizing housing vouchers in Santa Fe is challenging due to the reluctance of landlords

and property management companies to rent to voucher holders. The lack of affordable housing in the city further exacerbates this issue. One participant shared their personal experience of being homeless for ten years and despite receiving a housing voucher, they have been unable to use it as there is a shortage of available units that accept vouchers. Another participant revealed that the wait time for an apartment can range from 9 months to two years. Discrimination against voucher holders was also reported, with some landlords ignoring requests for repairs, leaving tenants in substandard living conditions due to the scarcity of suitable housing options.

- *Other barriers to rental housing.* Participants shared other obstacles that hindered their search for a rental property. These included rising application fees and deposits, which can accumulate quickly, especially when landlords demand upfront payment of the first and last month's rent. Additionally, issues related to pets were a challenge. One participant expressed that many apartment complexes have restrictions on the weight of pets. Another participant shared a personal experience where they had to leave their apartment after a new property management company took over and implemented new regulations on pet ownership. Another impediment is the requirement that tenants have an income that is at least three times the rent amount, which limits the availability of affordable housing for people on fixed incomes, such as SSDI.

Participants also discussed different housing and services solutions they would like the City to implement. For a complete narrative of focus group findings, please refer to Appendix A.

Stakeholder Consultation

Stakeholders representing 12 local organizations, services providers, and private industry shared their expertise in several topics related to housing.

Housing needs and barriers. Stakeholders noted that Santa Fe is currently facing a housing crisis due to a surge in demand—the city has desirable amenities that attract residents from all over the country, many of whom are cash buyers. As a result, home values are skyrocketing, and the local housing market is not keeping up with demand. This mismatch has made it difficult for residents to afford housing. Stakeholders noted that adding to the problem is the employment growth in Los Alamos, which is putting further pressure on the housing market. Additionally, with the pandemic allowing for more work from home opportunities, many people from more expensive places are moving to Santa Fe.

According to stakeholder engagement, the lack of housing inventory has created an affordability crisis in the city that impacts low and moderate income households. They also noted that workforce housing is lacking; the current housing choices are not adequate for workers in the middle of the income distribution—earning between \$50,000 and \$70,000. Leadership positions often come with the struggle to find affordable housing. For example, many residents with a bachelor's degree and a job still cannot afford to live independently.

The lack of affordable housing impacts the ability of businesses to attract and retain employees in most sectors except in the high wage sectors of the economy. Social workers, case managers, and all the workers who provide supportive services are themselves cost burdened and/or enduring long commutes and in need of better housing options. Furthermore, a lot of workers were destabilized during covid, and rehousing them in the current market is very difficult. Stakeholders noted they have observed that many individuals in their early post-college years or in their 30s have or are planning to relocate to a new state. Meanwhile, those remaining in their current location are often doing so due to their careers or family ties and are opting to move to nearby areas such as Rio Rancho, Albuquerque, or Española to find more affordable housing options.

Stakeholders shared that even with downpayment assistance, the lack of supply of affordable homes and the cost of existing homes on the market makes purchasing a home out of reach for people, even qualified buyers. They mentioned that a lot of people go through homeowner education training only to find out they can't afford anything in the market. Demand for downpayment assistance is strong, but the combination of higher interest rates and high prices is making it infeasible for first time homebuyers to enter the market.

According to stakeholder engagement, land use and zoning regulations constrain the ability to increase housing supply. The land use approval processes are a big barrier to infill, and having zone changes go through city council creates barriers to housing. Lengthy

processes add significant costs to development; holding costs can be in the range of \$10,000 per month, adding \$300,000 to \$500,000 of extra costs due to the lack of appropriate zoning.

Stakeholders also raised concerns about neighborhood opposition affecting approvals for affordable developments. Stakeholders noted there is a stigma associated with affordable housing developments and higher density development, and neighborhood associations make strong efforts to impede such development. Additionally, historic overlays and highway protection overlays present land use barriers to affordable housing. Historic preservation regulations pose challenges for those without adequate financial means to afford the associated home repair and maintenance costs. For households that are not wealthy, selling the properties may be the best option.

Some stakeholders noted that current housing developments are not meeting the needs of the community, as the focus is on high-end units that do not address the pressing need for affordable homes. Building starter homes has become unprofitable due to high land costs, contributing to the lack of options for potential homeowners who can afford homes in the \$300,000 range.

Challenges in the rental market were also discussed, including high costs and difficulties in finding suitable accommodation, particularly for families with low incomes. Many families find themselves doubled or tripled up in shared housing situations, facing the risk of eviction.

Stakeholders emphasized the need for public investment in the south side of the city. They called for the establishment of community centers, plazas, community gardens, and main streets to create spaces for residents to gather and connect. Investments in infrastructure, including road improvements, paved streets, and expansion of sewer and utilities, were highlighted as essential to support the growth and development of the south side of the city. They also emphasized the importance of collaborative efforts between local organizations, service providers, and private industry to create affordable and accessible housing options for all residents in all parts of the city. Public investment in infrastructure and community spaces was identified as vital for fostering inclusive and sustainable growth in the city. Additional needs, barriers and solutions are included in Appendix A.

SECTION IV. Land Use and Policy Review

This section discusses land use, zoning, and other barriers and constraints to affordable housing development in the city of Santa Fe. Additionally, an analysis of housing development feasibility and affordability is included to illustrate the minimum zoning densities required to achieve affordable housing development for both homeownership and rental housing.

Primary Findings

Key findings from this section include:

- Stakeholders identified several current barriers to affordable housing development in Santa Fe, most notably the current land use approval process, lack of available land, low densities for residential development, and community/neighborhood opposition to development.
- The single-family development feasibility analysis found that a significant subsidy is required for households up to 120% of area median income to be able to purchase a home at their respective affordability level (Figure IV-2).
- The multifamily development feasibility analysis shows that a range of subsidies is required for households up to 120% of area median income to be able to rent a unit at their respective affordability level (Figure IV-4).

Introduction

Beginning in February 2023, the City of Santa Fe undertook a review and update of the city's Land Development Code (LDC). The LDC establishes zoning districts, identifies allowed land uses, sets development and design standards, and lays out procedures for considering and approving development applications. According to the City:

"The goal of the project is to prepare a new LDC with clear and consistent regulations that is easy to understand and simple to administer. The project offers an opportunity for a comprehensive review of regulations that have been amended at various times over the years, and will help ensure consistency and provide clear guidance, so that development aligns with the community's needs and desires for future growth."

As such, with the City undergoing an extensive review of its Land Development Code, this section focuses primarily on information provided by stakeholders during the community engagement process for the Housing Strategic Plan.

Barriers to Housing Development

To inform both the City of Santa Fe's Consolidated Plan and Housing Strategic Plan, a variety of stakeholders were consulted to better understand current barriers to housing

development and recommendations. Below is a summary of the stakeholder feedback related to significant development barriers impacting affordable housing development.

Land use approval/Development review processes. In general, stakeholders felt the City's current land use approval process could be greatly improved. One stakeholder felt that there is a mismatch between the current zoning code and getting affordable housing developed, noting that "every affordable housing project in the last five to seven years has had to be rezoned." This stakeholder added that because of the rezoning process, "it can take an additional one to two years [for the development] and can cost between \$60,000-\$100,000 if you're working on a development plan concurrently." Stakeholders feel a more streamlined land use approval process, particularly for affordable housing, is needed.

One stakeholder expressed frustration at the uncertainty of the development review process. One stakeholder expressed their concern that the City requires developers to submit highly specific "permit-level" documents before obtaining a permit, without any guarantee that their plans will be approved. The stakeholder also shared that providing this level of detail does not protect the developer from further requests or requirements. Stakeholders emphasized the importance of having clarity about what is required at each stage of the development review process to reduce costs.

Maximum density. Some stakeholders shared that they felt the City's zoning code is outdated. One stakeholder noted that 75% of the land in Santa Fe is zoned at 5 units (or less) per acre, with most of that land zoned for one unit per acre. They felt that with the City's current zoning, it "makes it hard to address [affordable housing] needs." One stakeholder referenced the County of Santa Fe's recent affordable housing plan and how well they presented how allowing more density can help defray overall development costs.

Overlay zones. Overlay zones were identified as a significant land use barrier to affordable housing. One stakeholder felt that "protecting views and historical settings" is coming at the expense of new affordable housing. One area cited by stakeholders that could accommodate more affordable, dense housing that is currently in an overlay protection district is Old Pecos Trail.

Inclusionary zoning. One stakeholder felt the City did a good job with its inclusionary zoning requirements but thought they should be refined to make them easier to meet.

Availability of land. One stakeholder felt that one major challenge is developing housing at economies of scale. They felt that the City should be providing guidance on finding land for future affordable housing and making it available for development through a land banking program. The stakeholder felt the City's Affordable Housing Trust Fund (AHTF) could help seed this type of program. Another stakeholder said that while the city has great infrastructure, there is no land available to build. They felt that "land and political will" are currently missing around building more affordable housing.

Administration of housing funds and programs. A few stakeholders felt that in addition to administering housing funds and programs, the City should lead in collecting data on the local housing market. Specifically, one stakeholder suggested the City fund a rental study to better understand what types of units are being rented, for how much, etc. They added that "if you get enough data, you can extrapolate about what's going on." One stakeholder felt it would be a good use of funding to start tracking this data. Another stakeholder felt that if the City had more data to utilize, it would better position them to "strategically drive funding and policy decisions [around affordable housing development]."

Other development constraints. Several stakeholders highlighted that on top of land use and zoning barriers, other major issues impacting affordable housing development are ongoing supply chain issues, the high cost of construction, and community opposition to affordable housing development.

Neighborhood opposition. Several stakeholders highlighted neighborhood pushback as a significant barrier to affordable housing development in Santa Fe. One stakeholder stated that "We [the city of Santa Fe] haven't been building housing...a lot of it is NIMBYism and lowering density in projects because of neighborhood pushback and zoning."

According to the stakeholders, the process of development has become highly confrontational, where the developer is required to satisfy every possible concern to "make all of your neighbors happy." This has, in turn, given a small group of residents more influence to resist housing projects near them, and increased costs and time for the developer. One stakeholder added that "the process is designed to address every possible hypothetical fear."

Stakeholders also advocated for a new approach to quantifying the impact of new development on an area and integrating this approach into the development process. One stakeholder said that traffic, infrastructure costs, and lack of water are arguments brought up consistently as reasons against development, but they are not backed by research. This stakeholder felt that "misinformation around development is spreading." Stakeholders felt there should be a more holistic, neutral approach to assess the impacts a development would have on the neighborhood/community. One stakeholder suggested integrating a "community impact analysis" into the City's development process, which would include analyses of economic development impacts, sustainability, and other city-identified goals guided by the general plan.

Another stakeholder wanted to see the Early Neighborhood Notification (ENN) system re-evaluated. They felt that an alternative to this system could be to have City staff proactively conduct outreach around contentious infill projects with all neighbors around a development. This would ensure that you heard from a representative sample of the community and not just residents opposed to the development. This stakeholder added that the Seattle Office of Neighborhood Outreach has a good example of this program to model.

Stakeholders also felt that the City needed to facilitate strategies around better educating the community on growth and development, particularly around misinformation targeting affordable housing development. For example, one stakeholder noted that the lack of water is used frequently as a reason people oppose affordable housing. They added that the same resistance is not present against larger, low-density homes despite affordable housing complexes using less water than luxury homes.

One stakeholder felt that the culture around development has shifted, where people from different standpoints have the “greenlight” to nitpick development. “There’s a feeling that neighbors will take over the project and the developer has to make all these concessions, which ends up creating a lot of expenses. Don’t know that anything ends up better.” This stakeholder felt this culture has gotten worse over the last few years.

One stakeholder estimated that in the last few years, approximately 300-400 units of affordable housing have not been built because of pushback from neighborhood associations. They added that “the current development context is currently framed around a no-growth mindset, which leads to a growth pattern with unintended consequences.”

Housing Development Feasibility Analysis

To describe the development costs required to build new affordably-priced housing, the following analyses focused on the prices that low- and moderate-income buyers or renters can pay for housing without being cost burdened. Figure IV-1 shows housing affordability calculations by AMI and household size, based on HUD’s 2023 AMI calculations.

Figure IV-1.
Housing Affordability by AMI and Household Size, 2023

	30% AMI	50% AMI	80% AMI	100% AMI	120% AMI
One Person Household	\$17,950	\$29,900	\$47,800	\$66,920	\$80,304
Max Affordable Rent	\$449	\$748	\$1,195	\$1,673	\$2,008
Max Affordable Home Price	\$50,763	\$84,558	\$135,179	\$189,251	\$227,101
Two Person Household	\$20,500	\$34,150	\$54,600	\$76,480	\$91,776
Max Affordable Rent	\$513	\$854	\$1,365	\$1,912	\$2,294
Max Affordable Home Price	\$57,974	\$96,577	\$154,410	\$216,287	\$259,544
Three Person Household	\$24,860	\$38,400	\$61,450	\$86,040	\$103,248
Max Affordable Rent	\$622	\$960	\$1,536	\$2,151	\$2,581
Max Affordable Home Price	\$70,305	\$108,596	\$173,782	\$243,323	\$291,987
Four Person Household	\$30,000	\$42,650	\$68,250	\$95,600	\$114,720
Max Affordable Rent	\$750	\$1,066	\$1,706	\$2,390	\$2,868
Max Affordable Home Price	\$84,841	\$120,615	\$193,012	\$270,359	\$324,430
Five Person Household	\$35,140	\$46,100	\$73,750	\$103,248	\$123,898
Max Affordable Rent	\$879	\$1,153	\$1,844	\$2,581	\$3,097
Max Affordable Home Price	\$99,377	\$130,372	\$208,566	\$291,987	\$350,385

Note: Mortgage assumptions include 6.5% interest rate, 35% monthly payment for ownership costs, and 10% down payment. Assumes households spend 30% of their income on housing costs.

Source: HUD 2023 AMI calculations, Freddie Mac, and Root Policy Research.

Single Family Housing Development. The starting point for the analysis of housing development scenarios focused on affordability as a function of area median income. Figure IV-2 presents an analysis of varying densities on one acre of land for single family housing development. The homes are assumed to be 2,000 square feet for one and four dwelling units/acre and 1,500 square feet for seven and ten units/acre. Affordability levels are based on the AMI for a 2-person family.

Figure IV-2.
Single Family Development Feasibility Analysis

	Very Low Density 1 DU/ac	Low Density 4 DU/ac	Medium Density 7 DU/ac	Max Density 10 DU/ac
Number of Units	1	4	7	10
Land (incl. Site Work/Infra.) Cost/Unit	\$268,000	\$215,500	\$168,500	\$127,000
Building Construction Costs/Square Foot	\$200	\$200	\$200	\$200
Average Square Feet/Unit	2000	2000	1500	1500
Permit/Application Fees/Unit	\$3,940	\$3,820	\$3,820	\$3,820
Development Cost Estimate				
Total Finished Land Cost/Acre	\$268,000	\$862,000	\$1,179,500	\$1,270,000
Total Permit Costs	\$3,850	\$15,400	\$22,064	\$31,520
Building Construction Costs	\$400,000	\$1,360,000	\$1,680,000	\$2,200,000
Construction Loan Interest Total	\$32,000	\$108,800	\$134,400	\$176,000
Soft Costs	\$140,770	\$469,240	\$603,193	\$735,504
Sales Costs	\$42,331	\$510,876	\$564,026	\$769,752
Total Development Cost	\$886,851	\$3,326,316	\$4,183,183	\$5,182,776
Total Cost/Square Foot	\$443	\$416	\$398	\$346
Development Cost/Unit	\$886,851	\$831,759	\$597,598	\$518,278

Source: Root Policy Research Estimates.

The scenario illustrates that homebuyer subsidy is needed at all income levels and in every development scenario for potential homebuyers at 120% AMI and below (Figure IV-3). As discussed in Section II of this report, for-sale affordability gaps are concentrated among households with income less than 100% AMI, but are also experienced by households with income up to 120% AMI. Additionally, the proportion of homes sales affordable to renter households between 100% and 120% AMI in Santa Fe dropped from 12% in 2018 to 2% in 2022.

Several factors discussed at the beginning of this section, including but not limited to, higher construction costs, high interest rates, lack of available land, and zoning barriers, continue to impact the ability to develop affordable, single-family home options. As the scenario shows, even building at higher densities requires significant subsidy to ensure affordability, even at higher levels of the median household income spectrum.

Figure IV-3.
Affordability Gaps for Single Family Home Development, City of Santa Fe

Gap between Development Cost and Affordable Prices (assumes a 2-person household)	Very Low Density 1 DU/ac	Low Density 4 DU/ac	Medium Density 7 DU/ac	Max Density 10 DU/ac
Total Development Cost/Unit	\$886,851	\$831,759	\$597,598	\$518,278
30% AMI Affordable Price	\$57,974	\$57,974	\$57,974	\$57,974
<i>Affordability Gap/Surplus</i>	-\$828,877	-\$773,785	-\$539,624	-\$460,304
50% AMI Affordable Price	\$96,577	\$96,577	\$96,577	\$96,577
<i>Affordability Gap/Surplus</i>	-\$790,274	-\$735,182	-\$501,021	-\$421,701
80% AMI Affordable Price	\$154,410	\$154,410	\$154,410	\$154,410
<i>Affordability Gap/Surplus</i>	-\$732,441	-\$677,349	-\$443,188	-\$363,868
100% AMI Affordable Price	\$216,287	\$216,287	\$216,287	\$216,287
<i>Affordability Gap/Surplus</i>	-\$670,564	-\$615,472	-\$381,311	-\$301,991
120% AMI Affordable Price	\$259,544	\$259,544	\$259,544	\$259,544
<i>Affordability Gap/Surplus</i>	-\$627,307	-\$572,215	-\$338,054	-\$258,734

Source: HUD 2023 AMI calculations and Root Policy Research estimates.

Multifamily Housing Development. As discussed in Section II of this report, affordable multifamily development is a significant need, particularly for extremely-low and very-low income renter households in Santa Fe. Figure IV-4 presents the development costs for a multi-family development at four different density levels.

Figure IV-4.
Multifamily Development Feasibility Analysis

	Medium Density 7 DU/ac	Medium Density 10 DU/ac	Medium/High Density 14 DU/ac	High Density 20 DU/ac
Number of Units	7	10	14	20
Development Cost Estimate				
Land (per acre)	\$440,000	\$440,000	\$462,000	\$554,400
Site Work/Infrastructure	\$350,000	\$400,000	\$420,000	\$420,000
Construction	\$1,469,300	\$2,099,000	\$2,350,880	\$3,358,400
Construction Financing	\$110,198	\$157,425	\$176,316	\$251,880
Professional Fees	\$90,580	\$129,400	\$181,160	\$258,800
Soft Costs	\$248,523	\$323,290	\$355,617	\$476,608
Project Reserves	\$42,000	\$60,000	\$84,000	\$120,000
Developer's Fees	\$421,990	\$570,812	\$696,857	\$963,809
Total Development Cost	\$3,172,591	\$4,179,927	\$4,726,830	\$6,403,897
Development Cost/Unit	\$453,227	\$417,993	\$337,631	\$320,195
Monthly Operating Expenses (OPEX)				
Debt Cost (permanent financing)	\$16,886	\$22,247	\$25,158	\$34,084
Operating Costs	\$3,792	\$5,417	\$7,583	\$10,833
Vacancy Rate	5%	5%	5%	5%
Rent Required to cover OPEX	\$3,109	\$2,912	\$2,462	\$2,364

Source: Root Policy Research estimates.

The scenario illustrates that rental housing can be developed between approximately \$320,000 to \$450,000 per unit with rents between approximately \$2,400 to \$3,100. While building multifamily housing at higher densities helps lower the amount of rent needed to cover operating costs per unit (which is assumed to translate into lower rents), the scenario shows that even a slight subsidy is still needed for renters at both 100% and 120% AMI levels with the current costs of development.

Figure IV-5.
Affordability Gaps for Multifamily Home Development, City of Santa Fe

Gap between rent required to cover costs and affordable rents (assumes a 2-person household)	Medium Density 7 DU/ac	Medium Density 10 DU/ac	Medium/High Density 14 DU/ac	High Density 20 DU/ac
Rent required to cover OPEX	\$3,109	\$2,912	\$2,462	\$2,364
30% AMI Affordable Rent	\$513	\$513	\$513	\$513
<i>Affordability Gap/Surplus</i>	-\$2,596	-\$2,399	-\$1,949	-\$1,851
50% AMI Affordable Rent	\$854	\$854	\$854	\$854
<i>Affordability Gap/Surplus</i>	-\$2,255	-\$2,058	-\$1,608	-\$1,510
80% AMI Affordable Rent	\$1,365	\$1,365	\$1,365	\$1,365
<i>Affordability Gap/Surplus</i>	-\$1,744	-\$1,547	-\$1,097	-\$999
100% AMI Affordable Rent	\$1,912	\$1,912	\$1,912	\$1,912
<i>Affordability Gap/Surplus</i>	-\$1,197	-\$1,000	-\$550	-\$452
120% AMI Affordable Rent	\$2,294	\$2,294	\$2,294	\$2,294
<i>Affordability Gap/Surplus</i>	-\$815	-\$618	-\$168	-\$70

Source: Root Policy Research estimates.

Analysis of Current Zoning to Support Affordable Housing Development. The City of Santa Fe has approximately 27,700 acres dedicated to residential housing within its city limits (Figure IV-5); however, the amount of land zoned at densities to support affordable housing development remains inadequate. Over three quarters (76%) of the residential land (both developed and undeveloped) in the city is zoned for residential housing at densities of five dwelling units per acre or less. This is comparable to a similar analysis in the City's 2017 affordable housing plan (78% of land zoned at densities of 5 DU/acre or less).

Figure IV-6.
Residential Zoning Districts by Number of Acres, City of Santa Fe, 2023

Zoning Category	Number of Acres	Percent of Total
RR Rural Residential	107.7	
R1, (PUD) Single-Family 1 DU/ac	13,598.5	
R2, (AC), (DT), (PUD) Single-Family 2 DU/ac	1,380.5	
R3, (PUD) Single-Family 3 DU/ac	2,048.6	
R4, Single-Family 4 DU/ac	391.0	
R5, (AC), (DT), (PUD), Single-Family 5 DU/ac	3,555.2	
RC5, RC5AC Compound	20.3	
Total Residential Zoning @ 5DU or less	21,102	76%
R6, (PUD), Single-Family 6 DU/ac	334.8	
R7, (I), (PUD), Single-Family 7 DU/ac	400.3	
R8, Single Family 8 DU/ac	31.7	
RC8, RC8AC Compound	202.4	
R10, (PUD), Multi-Family 10 DU/ac	107.3	
R12, (PUD), Multi-Family 12 DU/ac	435.7	
PRC, PRRC, Planned Community	3,649.1	
Total Residential Zoning @ 6 DU or more	5,161	19%
R21, (PUD), Multi-Family 21 DU/ac	898.6	
R29, (AC), (PUD), Multi-Family 29 DU/ac	191.5	
Total Multi-Family Zoning @ 21 DU or more	1,090	4%
RAC, Residential Arts & Crafts	39.5	
MHP, Mobile Home Park	309.8	
Other Residential	349	1%
Total Residential Acres by Zoning Category*	27,703	

Source: City of Santa Fe and Root Policy Research.

SECTION V.

Goals, Policies, and Quantifiable Objectives

This section begins with a discussion of why it is important to address housing needs, and a review of existing housing resources and programs to address the continuum of need in Santa Fe. Using analysis in previous sections, this section depicts a production and services plan and provides strategy recommendations for the City to consider in developing its funding and programming priorities to address housing needs.

Why Work to Address Housing Needs?

A balanced housing stock supports housing options for each stage of life to help residents thrive. Accommodating housing preferences or needs accommodates a full “life cycle community”—where there are housing options for each stage of life from career starters through retirees—which in turn supports the local economy and contributes to community culture. Current trends in market prices are putting homeownership goals in the city out of reach for low/middle-income households. As housing prices continue to increase faster than incomes, it is harder for residents to find housing options that fit their needs or budgets. Additionally, this lack of affordability amplifies housing instability; and fuels the displacement rates among lower-income residents. Actions to sustain the housing supply will also help preserve Santa Fe’s identity; these include stabilizing housing prices, preserving both market-rate and subsidized housing affordability, and increasing the inventory of price-restricted homes will also help preserve the identity of Santa Fe itself.

The City of Santa Fe’s focus is to improve and sustain affordable housing across a range of housing types and choices, including rental, homeownership, and those experiencing homelessness or at risk of becoming homeless. A functional housing market provides a range of housing options by price, type, and size to meet the needs of everyone in the community. The analysis in previous sections identifies top-level needs for affordable housing in the City of Santa Fe, including:

- An estimated 6,559 renter households and 8,192 owner households are cost burdened. The rate of cost burden continues to be extremely high among very low-income residents, but there has been a significant increase in cost burden and severe cost burden rates among middle income households.
- An estimated shortage of 1,210 units affordable for households with income at 30% AMI or below, and a shortage of 1,807 units affordable for households with income between 30% and 50% AMI. Cumulatively, there is a shortage of 2,297 units affordable for households with income below 50% AMI.
- An expanding for sale affordability gap. In 2018 and 2021 9% of renters had income between 100% and 120% AMI; in 2018 12% of home sales were sold in their affordability range but this share dropped to just 2% in 2022.

The City's Direct Interventions

The City recognizes that lack of affordable housing impedes the ability of households to be self-sufficient and invest in economic growth for their families. To this end, it has deployed substantial resources (beyond federal funding), implemented regulation, and dedicated programming toward affordable housing in the community.

- ***Santa Fe Homes Program (SFHP).*** SFHP is the City's inclusionary zoning program, codified in SFCC-26.1. It requires all residential developments to include a percentage of affordably priced units which is calculated based on a homebuyer or renter paying no more than 1/3 of their monthly income toward their housing costs, including utilities. For single-family owner-occupied homes, 20% of new homes must be priced affordably, and 15% of rental units. The incentives for this program are a 15% density bonus to the site's underlying zoning, waivers for utility hook-up fees, water bank credits, and reductions for building permit fees. When affordable homes are sold to income-certified homebuyers, a lien is placed on the home as an affordability control. If the home is sold or transferred, the lien is recycled to another income-certified buyer or repaid to the City. In 2016, the City Council amended the ordinance was amended to allow multi-family rental developers to pay a fee based on an "affordability gap" calculation (market rent less affordable rent = "market affordability gap"). The City deposits the revenues from these fees Revenues collected from multi-family projects are deposited into the Affordable Housing Trust Fund (AHTF). Additional amendments made the requirements applied to rental projects more flexible, simplifying income ranges and raising the income limits for the on-site affordable homes.
- ***Low Priced Dwelling Units (LPDU).*** These homes are also governed by city code (SFCC26.2) also governs another type of affordably-priced housing that and are considered below market but at a slightly higher price point than SFHP homes. They are specifically priced for affordably to homebuyers at 100%AMI (homeownership) whose income doesn't exceed 120% AMI and rented at rents affordable to an 80%AMI renter.
- ***Affordable Housing Trust Fund (AHTF).*** There are different small revenue streams to fund the AHTF. These include is funded through development revenues, market-gap fees from multifamily rental developments paid by developers, any payoff of City-held liens, and land sales from Tierra Contenta. The City disburses this funding Residents of moderate income below 120% of Area Median Income (AMI) are considered eligible for assistance. Funds are disbursed through community partners for activities to benefit income-eligible residents according to the NM Affordable Housing Act. In recent years, community partners and used to supported down payment assistance, home repair, rental assistance, and other projects related to the preservation, construction, or creation of affordable housing.

The City Council, in recent years, augmented the small revenue streams with a minimum balance of \$3,000,000, through additional budget from the City's general fund. In fall of 2023, voters overwhelmingly approved (by over 70%) a ballot measure to add an excise tax to the transfer of homes sold for greater than \$1,000,000. The tax is imposed on the buyer's side of the transaction and is calculated at 3% of the amount over \$1,000,000. (For instance, a \$1,500,000 sale would pay 3% of \$500,000 or \$15,000.) This ordinance is now pending in the court system as a concurrent lawsuit from a group of Santa Fe realtors halted the tax before the ordinance went into effect.

- *Donation of City-owned Land.* Another way the City also supports housing supply is through eligible the donation of City-owned land donation agreements. Over the last five years, the rental housing supply increased with 197 tax credit apartments were built on City-donated lots or received direct funding from the City. Each of these projects has units set aside for extremely low-income renters, many of whom have recently experienced homelessness. One of the projects is the first 100% solar tax credit project in the State of New Mexico and will serve as a model for others to follow. Presently, the City is in the process of finalizing a donation agreement for two more parcels that will provide building sites for approximately 65 homeownership homes.

The Ecosystem of Affordable Housing in Santa Fe

Rather than managing services or housing units directly, the City has actively built the capacity of a robust network of nonprofit services providers and affordable housing builders. This approach ensures that every need on the housing continuum from the person experiencing homelessness to the homeowner can be addressed. Bureaucratic systems do not have to be expanded, nor does program effectiveness need to be subject to public budgeting processes or political will. Importantly, because they were provided through community-based partners, housing services can be timely, nimble, accessible (particularly to populations wary of government) and responsive to emerging needs.

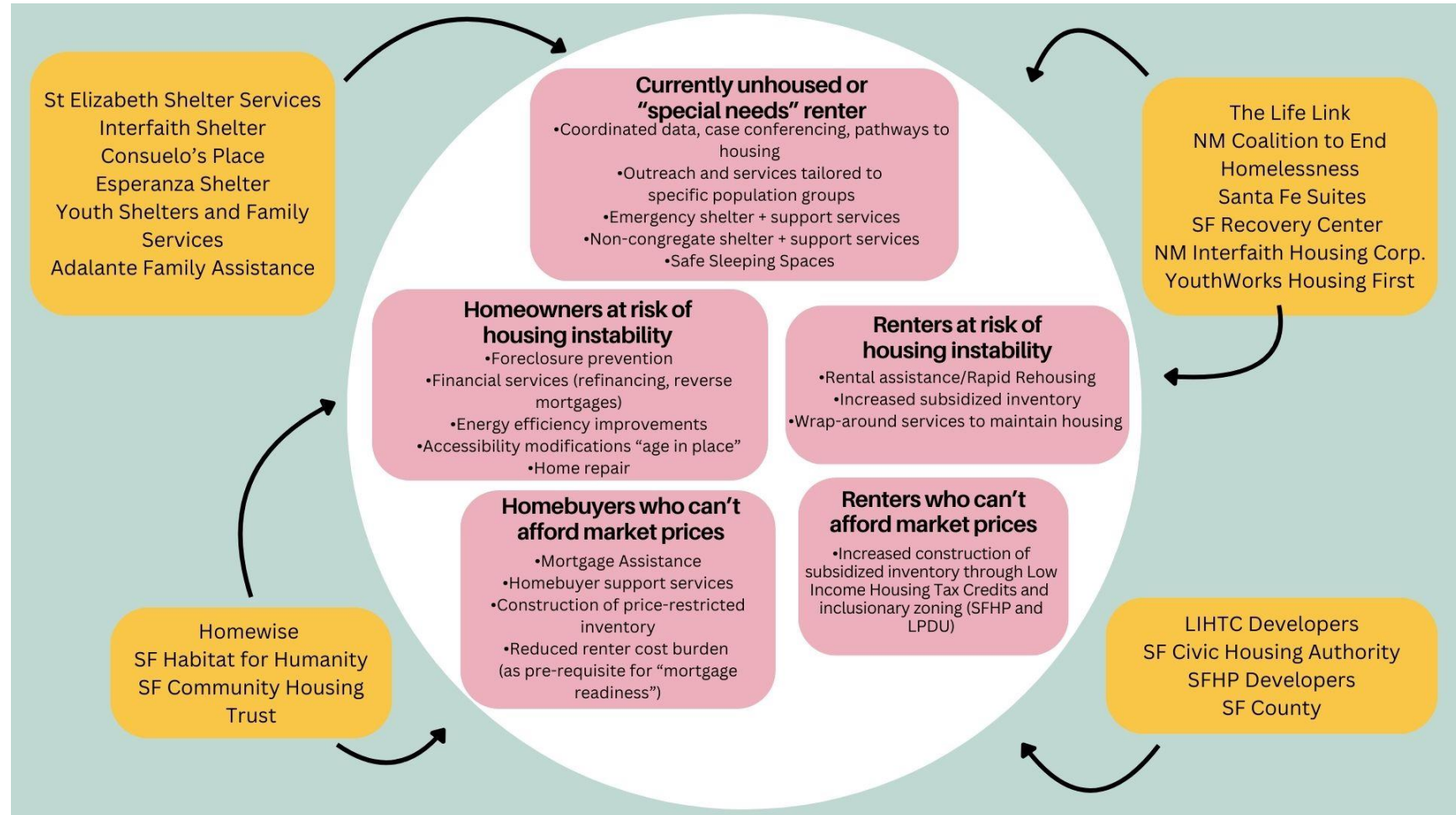
The Housing Needs Continuum. As described in the previous section, a functional housing market provides a range of housing options by price, type, and size to meet the needs of everyone in the community. It is a dynamic system that reflects progressive interventions and effective partnership networks. Changing circumstances and market conditions may affect the ability of an individual to find the solution for their housing issues, requiring a non-linear and coordinated response across all types of housing interventions.

As depicted on the following page, the City relies on its community partners, including services providers and housing developers to serve the continuum of needs. The City seeks to leverage investments to address existing gaps in the housing continuum to considers its role to leverage investment in the areas where gaps in the continuum are felt and where the biggest impact is achieve the most impact.

Santa Fe Continuum of Need and Affordable Housing Ecosystem

Figure V-1.

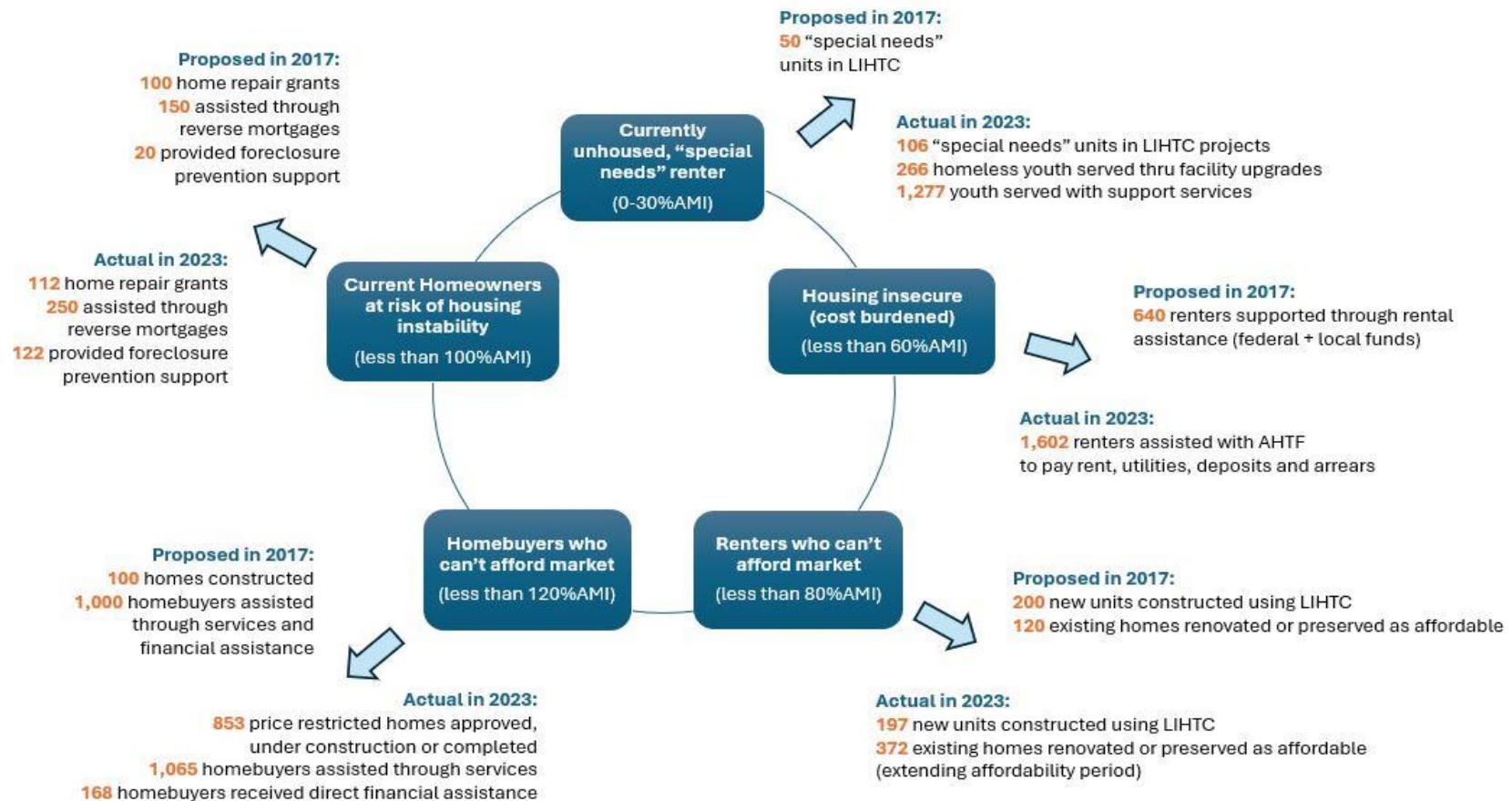
Santa Fe Continuum of Need and Affordable Housing Ecosystem



2017 Plan Update.

This document was last updated in 2017. Since then, the City implemented its strategic housing plan with substantial accomplishments as shown below.

Figure V-2.
2017 Plan Update



Consolidated Plan 2023 Goals

The Department of Housing and Urban Development (HUD) requires local governments receiving Community Development Block Grant (CDBG) funds to complete a Consolidated Plan every 5 years. The Consolidated Plan serves as a basis for the City's CDBG funding allocation process and for assessing performance on an annual basis.

The City's most recent Consolidated Plan was completed in 2023 through which the following priority needs and associated goals were identified as priorities for the expenditure of CDBG funds over the next five years. In order to ensure that uses of the City's local funds are aligned with federal funds, the principles presented in this Plan are required to be consistent with the Consolidated Plan.

Figure V-3.
Consolidated Plan Priority Needs and Goals Summary

Priority Need #1	<i>Ending Chronic Homelessness</i>
Goals	1A Increase Availability of Supportive Services 1B Expand Options for Overnight Shelter, including Non-Congregate 1C Increase/Improve Street Outreach and Support 1D Increase Availability of Permanent and Supportive Housing
Priority Need #2	<i>Ensuring Housing Stability for All (& Reducing Cost Burden)</i>
Goals	2A Expand Choice for Affordable Rental Opportunities 2B Expand Choice for Affordable Homebuying Opportunities 2C Improve Condition and Preserve Affordable Rental Housing
Priority Need #3	<i>Ensuring Homeownership is Sustainable</i>
Goals	3A Provide for Owner-Occupied Rehabilitation 3B Provide for Energy Efficiency and Accessibility Retrofits 3C Maintain Financial Stability for LMI Homeowners
Priority Need #4	<i>Improving Social Determinants of Health and Address Emerging Needs</i>
Goals	4A Increase Economic Opportunities for LMI Populations 4B Expand Public Facilities and Infrastructure for LMI Populations 4C Expand Access to Open Spaces, Parks and Transportation 4D Increase Programming to Prevent Displacement

Source: City of Santa Fe 2023-2028 Consolidated Plan.

Production Plan 2024

The combination of non-profits, market offerings, and public investments by the City of Santa Fe will continue working to meet the identified needs. Figure V-4 outlines the City of Santa Fe's proposed Production Plan for the next five years. The city's production goals aim to address a portion of the need based on the city's budget, capacity, and goals identified in the city's most recent Consolidated Plan.

Figure V-4a
Production Plan – Very Low-Income Renters or Those Experiencing Homelessness

Type of Housing Tenure with Qualitative Need with AMI Ranges	Current and Projected Quantitative Need	Five Year Service and Programming Goals	Five Year Production Goals
Very low-income renter or experiencing homelessness - 30% AMI and under <i>Audience: All ages (youth, adult, seniors)</i> Households need direct financial subsidy and social services to be navigated to and access appropriate units and ongoing support to maintain their housing situations.	3,000 households are currently likely to need supportive rental units. 300 additional households will need supportive units by 2040.	Develop a centralized housing navigation hub to help residents with various housing insecurity find appropriate units from congregate and non-congregate shelter to permanent supportive housing (PSH) Support 300 unhoused or unstably housed attain PSH through rental assistance, landlord liaison programs	Construction of 100 "special needs" rental homes in LIHTC projects, ADU's, or newly rehabbed multifamily projects Establishment of permanent non-congregate shelter facility with 60 rooms/beds to house up to 100 individuals (including children) Additional Safe Outdoor Spaces (SOS) (100 shelters) to accommodate non-traditional shelter options.

Figure V-4b
Production Plan – Severely Cost Burdened Renters

Type of Housing Tenure with Qualitative Need with AMI Ranges	Current and Projected Quantitative Need	Five Year Service and Programming Goals	Five Year Production Goals
Severely cost-burdened renter (paying more than 50% of their income on housing costs) - 80% AMI and under <i>Audience: All ages (youth, adult, seniors)</i> Households need direct subsidy and robust support services to stay in affordably-priced units. They need rent restricted and/or subsidized units, monthly assistance, rapid rehousing support, arrears, and eviction prevention support.	3,500 households are likely to need financial assistance or price-restricted rents to afford their rental costs 200 additional households will need support by 2040	Support 1,000 renters with eviction-prevention support, through the CONNECT program or community development partners Establish landlord-tenant counseling programs and supporting 50 households to prevent evictions or other court-involved proceedings Replace federal recovery fact funds with a dedicated funding stream (\$500,000) for local rental assistance and eviction prevention programs Reduce housing provider and private landlord concerns about renting to "higher risk" tenants through a pilot collaboration to cover damages and other liabilities	Construction of 300 rental homes in LIHTC, Section 811, ADUs, or small scale (20 homes or less) multifamily (includes master-planned areas - Midtown and Tierra Contenta) Preservation of long term affordability restrictions of 150 current units through building improvements or other recapitalization efforts 10% increase in issuing building permits for market projects with set-aside affordable rental homes (especially in districts with fewer affordable homes)

Figure V-4c
Production Plan – Cost Burdened Renters

Type of Housing Tenure with Qualitative Need with AMI Ranges	Current and Projected Quantitative Need	Five Year Service and Programming Goals	Five Year Production Goals
Cost burdened renters (paying more than 30% of their income on housing costs) - 30-80% AMI <i>Audience: Adults and seniors</i> Households can't afford to rent with the high market conditions and are not in the homeownership market. They need affordably priced units through landlord engagement and other "missing middle" strategies	2,500 households are likely to need financial assistance, restricted rents, or lower-market rental opportunities 250 additional households will need support by 2040	Support 1,000 renters with tenant-based rental support, through the CONNECT program or community development partners Support 2,500 households with children with housing, social services, and other public service supports Develop a landlord engagement toolkit to complement the landlord engagement pilot program Engage 50 small-scale, local landlords in the landlord engagement pilot program	Construction of 300 rental homes in LIHTC, Section 811, ADUs, or small scale (20 homes or less) multifamily (includes master-planned areas - Midtown and Tierra Contenta) Increase affordable rental housing supply with 250 "naturally occurring" units by engaging small-scale, local landlords with: ■ ADU conversions with set asides for dedicated vouchers ■ Other home repair programs ■ Converting existing rentals to long term tenant relationship

Figure V-4d

Production Plan – Low- and Moderate-Income Renters, Prospective Homebuyers

Type of Housing Tenure with Qualitative Need with AMI Ranges	Current and Projected Quantitative Need	Five Year Service and Programming Goals	Five Year Production Goals
Low- and moderate-income renters, prospective homebuyers - 80 - 150% AMI <i>Audience: Adults</i> There is a limited market for these renters to transition to homeownership. They need homebuyer support services and greater supply at the lower end of the market (either “naturally occurring” affordability or subsidized prices)	4,900 households cannot afford to buy a home and transition to homeownership 250 additional households are likely to be facing this challenge in 2040	Continue investments in homebuyer education to support 4,000 residents' pathway to homeownership Expand capacity for alternative homeownership models (land trust, co-housing, employer assisted, shared equity) especially in master-planned communities (Midtown, Tierra Contenta)	350 newly constructed homeownership units, priced affordably as per SFHP or LPDU or other subsidy 150 home purchases subsidized through mortgage assistance (new + existing) 40 homes kept affordable through restricted sales, building improvements, conversions, or other housing preservation efforts Provide density bonuses, or other incentives, for market rate projects that include affordable homeownership homes in higher cost neighborhoods

Figure V-4e
Production Plan – Cost burdened Homeowners

Type of Housing Tenure with Qualitative Need with AMI Ranges	Current and Projected Quantitative Need	Five Year Service and Programming Goals	Five Year Production Goals
Cost burdened homeowners (paying more than 30% of their income on housing costs) 100% AMI and under <i>Audience: Adults and seniors</i> Households need home repair and other housing quality improvements, including accessibility, “age in place” retrofits, energy efficiency upgrade, refinancing and foreclosure prevention services to be able to stay in their homes.	5,600 households may be vulnerable to not being able to maintain homeownership 150 additional households are likely to be facing this challenge in 2040	Support 400 households with home repair and other homeowner housing upgrades Support 150 households with foreclosure prevention programs Engage 150 households with financial empowerment services to find financial assistance to reduce monthly housing costs - including HECM/ reverse mortgage financing	250 newly constructed "missing middle" homes for smaller households, including ADUs 100 homes made or kept affordable through energy-efficiency upgrades, accessibility improvements, reverse mortgages

Recommendations

The following list of recommendations can be implemented to complement the current range of programs the City has to meet affordability needs. These are organized under three principles:

- Increasing housing production to grow strategically and sustainably; and
- Increasing housing stabilization to mitigate against displacement pressures; and
- Sustaining and expanding opportunities for residents with the highest housing instability risks.

Increasing Housing Production to Grow Strategically and Sustainably

Land Donation. The scarcity of developable land is a major driver of housing costs. The City should maximize the available land resources through efficient infrastructure investment and continued efforts to redevelop several of its underused corridors that have infrastructure and could support rental housing, while also providing easy access to transportation. These include the Siler Road corridor and the Midtown Local Innovation Corridor District, or Midtown LINC, at St. Michael's Drive.

Land Use Reform. Current zoning laws in the city do not support the development of higher-density housing, which is essential for reducing housing costs. Therefore, as the City embarks on an extensive code rewrite, it should focus on removing barriers to housing production, updating outdated zoning standards (such as parking and height restrictions where appropriate), incentivizing redevelopment of underused corridors and commercial/institutional areas (making code requirements more flexible), and supporting incremental infill. Additionally, creating multi-use zoning districts with variable densities would enable developers to produce what more rapidly filters into "naturally occurring" affordable housing, such as attached homes, smaller-scale multi-family buildings, etc. This approach to development would likely engage neighbors. The City recognizes there is a need for more transparency, alternative engagement practices, and elevating the voices of those in need of housing (not just neighbors opposed to change).

Incremental Infill. The City should also explore how to support Santa Fe homeowners in constructing new accessory dwelling units (ADUs), casitas, or rehabilitating existing garages into appropriate property for family or rental use. Methods may include connecting residents to federal financing policies that help owners finance ADU construction, as well as developing toolkits for property owners. For both the land development code re-write and the City's support of housing development, it would be beneficial to use social media tools, provide information in formats and language that the general public understands, and find new engagement opportunities (improving language accessibility, considering meeting places and times, etc.).

Regional Housing Policy. Addressing infrastructure challenges and preventing fragmented responses to regional challenges is often ineffective unless there is a robust commitment

to coordination across jurisdictional boundaries. For example, although Santa Fe and Santa Fe County have stable employment growth, the surrounding counties have seen an increase in employment, specifically Los Alamos National Laboratory, which has added pressure to the housing market across the region. Therefore, the city should consider partnering with neighboring counties to develop a regional strategy that addresses these challenges.

During COVID, a coalition of funders was established (S3), involving the City, County and local philanthropic organizations to ensure that resources were leveraged effectively for the purpose of stabilizing the housing of vulnerable residents and preventing COVID outbreaks in unhoused populations. This approach has proved effective, supporting the conversion of two motel properties into permanent housing with supportive services available for special needs tenants.

Other Costs. Finally, some of the major obstacles to housing supply are the increase in construction costs, building materials, and interest rates, which are beyond the control of city officials. However, the city can take proactive steps to expand support and financing channels for housing development to alleviate some of these challenges. Continued investment of affordable housing trust funds is a key strategy for ensuring that below market housing development is possible.

Figure V-5a.
Recommendations for Increasing Housing Production to Grow Strategically and Sustainably

Promote and support the efficient utilization of land resources	
Policy Recommendation(s)	
Funding Source(s)	City of SF General Funds (Office of Affordable Housing), City of SF Affordable Housing Trust Funds
Action(s)	■ Continue redevelopment efforts of underused corridors ■ Create an inventory of City land holdings that could be used for the development of affordable housing ■ Expand on critical infrastructure and predevelopment work to support future housing construction at the Midtown LINC ■ Expand on critical infrastructure and predevelopment work to support future housing construction for Tierra Contenta
Associated Con Plan Goal(s)	2A Expand Choice for Affordable Rental Opportunities, 2B Expand Choice for Affordable Home Buying Opportunities, 4B Expand Public Facilities and Infrastructure for LMI Populations, 4C Expand Access to Open Spaces, Parks, and Transportation
Update Land Development Code (LDC) and implement improvements to community engagement	
Policy Recommendation(s)	
Funding Sources	City of SF General Fund (Office of Affordable Housing, Planning and Land Use Department)
Action(s)	■ Focus LDC update to make new residential development more efficient and easier to execute. Key projects include infill, redevelopment, and building conversions to residential uses. ■ Develop policies and procedures to make ADU construction and conversions easier for homeowners to understand and undertake ■ Refine data measurements and quality to more accurately characterize current and anticipated residential supply ■ Streamline development processes to reduce construction project timelines while retaining quality and safety ■ Refine community engagement events and opportunities in the development oversight process
Associated Con Plan Goal(s)	2A Expand Choice for Affordable Rental Opportunities, 2B Expand Choice for Affordable Home Buying Opportunities, 3A Provide for Owner Occupied Housing Rehabilitation, 4A Increase Economic Opportunities for LMI Populations,

Figure V-5b.
Recommendations for Increasing Housing Production to Grow Strategically and Sustainably

Policy Recommendation(s)	
Expand regional coordination through existing networks as well as establishing new processes	
Funding Sources	General Funds (City, County), ARPA (Connect)
Action(s)	■ Sustain funding and partnership for the city-county CONNECT network and continue participation in the S3 Coalition ■ Expand partnerships with government partners (County, State, Federal) to improve housing supply production across the housing continuum, including housing navigation services to open pathways to permanent housing stability (i.e. not just for persons experiencing homelessness). ■ Create an affordability preservation plan based on an inventory of existing affordable rentals to ensure that currently subsidized units remain affordably priced after their current compliance periods. ■ Consider a regional housing partnership that promotes coordination and resource-sharing across jurisdictions
Associated Con Plan Goal(s)	1A Increase Availability of Supportive Services, 1B Expand Options for Overnight Shelter Beds, 1D Increase Available Permanent Supportive Housing, 2A Expand Choice for Affordable Rental Opportunities, 2B Expand Choice for Affordable Home Buying Opportunities, 2C Improve Condition and Preserve Affordable Rental Housing, 3A Provide for Owner Occupied Housing Rehabilitation, 3B Provide for Energy Efficiency Upgrades and Accessibility Retrofits, 3C Maintain Financial Stability for LMI Homeowners, 4A Increase Economic Opportunities for LMI Populations, 4D Increase Programming to Prevent Displacement
Policy Recommendation(s)	
Expand support and financing channels for housing development	
Funding Sources	City of SF AHTF (Office of Affordable Housing), Philanthropic, LIHTC, Recovery Funds, New Markets Tax Credits, State of NM Opportunity Fund, Affordable Housing Trust Fund
Action(s)	■ Support development partners' applications for State and Federal Programs such as New Market Tax Credits, Choice Neighborhoods program, Historic Tax Credits, and Opportunity Zone investments ■ Continue leveraging local funds to attract and retain larger housing investments (LIHTC, private funders, etc.) ■ Increasing total investments in new housing development from the AHTF and its expanded revenue sources
Associated Con Plan Goal(s)	2A Expand Choice for Affordable Rental Opportunities, 2B Expand Choice for Affordable Home Buying Opportunities, 3B Provide for Energy Efficiency and Accessibility Retrofits, 4A Increase Economic Opportunities for LMI Populations, 4B Expand Public Facilities and Infrastructure for LMI Populations, 4C Expand Access to Open Spaces, Parks, and Transportation,

Focusing Investment Across the Spectrum of Housing and Community Development Needs

Continued investment in low- and moderate-income neighborhoods. Acknowledging that access to public services and infrastructure—such as libraries, health clinics, community centers, public transit—is key for low-income households to retain housing stability, the City should continue capital improvement projects that address infrastructure gaps in low- and moderate-income neighborhoods, such as ensuring safe pedestrian and bicycle access like the Safe-Routes-To-School project.

Strategies for mobile home communities. Mobile homes represent an important stock of affordable housing, many residents of mobile home communities experience challenges due to frequent increases in lot rent, fees, and utility costs, which can lead to their displacement. To tackle this issue, some communities are opting to collectively buy and own the land, a strategy proposed by the non-profit organization Resident Owned Communities USA. This group provides financial and technical support to a network of co-ops in different states.

Displacement mitigation. Continue providing assistance to homeowners with necessary repairs. Among low-income renters, a local support would be the reestablishment of free, bilingual landlord/tenant counseling services. The current provider charges a fee that is unaffordable for those most in need of assistance. This may be remedied by the City providing financial subsidies for the program and/or working with another entity to develop a program.

Figure V-6a.
Recommendations for Focusing Investment Across the Spectrum of
Housing and Community Development Needs

Policy Recommendation(s)	
Continued investment in low- and moderate-income neighborhoods	
Funding Source(s)	AHTF, CDBG, City/County Human Services funding, NM Capital Outlay, other federal/state infrastructure funds
Action(s)	■ Support the CONNECT program ■ Expand home repair and weatherization services to reduce utility and other housing costs, while furthering sustainability and housing preservation goals ■ Employ and enact strategies from the Midtown Community Development Plan to strengthen existing communities surrounding the Midtown Redevelopment Corridor ■ Focus infrastructure and transportation improvements in existing neighborhoods with lowest incomes and greatest social services need.
Associated Con Plan Goal(s)	2A Expand Choice for Affordable Rental Opportunities, 2B Expand Choice for Affordable Home Buying Opportunities, 2C Improve Condition and Preserve Affordable Rental Housing, 3A Provide for Owner Occupied Housing Rehabilitation, 3B Provide for Energy Efficiency Upgrades and Accessibility Retrofits, 3C Maintain Financial Stability for LMI Homeowners, 4A Increase Economic Opportunities for LMI Populations, 4B Expand Public Facilities and Infrastructure for LMI Populations, 4C Expand Access to Open Spaces, Parks, and Transportation, 4D Increase Programming to Prevent Displacement
Policy Recommendation(s)	
Implementation of strategies for mobile home and subsidized housing communities	
Funding Sources	AHTF, CDBG, HOME, FHA (Title 1), VA, NM EnergySmart Weatherization
Action(s)	■ Expand home repair services to reduce utility costs and expand programs to support renters at subsidized properties. ■ Support alternative homeownership models (e.g. land trust, shared equity) that promote community ownership ■ Engage advocates and legislators to explore "right of first refusal and notification" laws at a statewide level to preserve existing parks and other vulnerable households ■ Implement "Landlord Engagement" toolkit to increase inventory and improve quality of rental homes
Associated Con Plan Goal(s)	3A Provide for Owner Occupied Housing Rehabilitation, 3B Provide for Energy Efficiency Upgrades and Accessibility Retrofits, 3C Maintain Financial Stability for LMI Homeowners, 4B Expand Public Facilities and Infrastructure for LMI Populations, 4D Increase Programming to Prevent Displacement

Figure V-6b.
Recommendations for Focusing Investment Across the Spectrum of
Housing and Community Development Needs

Policy Recommendation(s)	Improvement of housing stability for residents facing displacement pressure.
Funding Sources	CDBG, AHTF, HOME, FHA (Title 1), VA, NM EnergySmart Weatherization,
Action(s)	■ Support current homeownership by reducing long-term energy costs, supporting "age in place" or special needs modifications, funding emergency repair and home improvements necessary for continued occupancy, and reducing long-term financial risk (refinancing, reverse mortgages, emergency foreclosure prevention) ■ Sustain funding for downpayment assistance and homebuyer support services (including homebuyer education) ■ Replace federal recovery fact funds with a dedicated funding stream to sustain local rental assistance and eviction prevention programs ■ Seek outside funding and/or technical assistance programs to support nontraditional ownership models and other grassroots wealth building opportunities
Associated Con Plan Goal(s)	1D Increase Availability of Permanent and Supportive Housing, 2A Expand Choice for Affordable Rental Opportunities, 2B Expand Choice for Affordable Home Buying Opportunities, 2C Improve Condition and Preserve Affordable Rental Housing, 3A Provide for Owner Occupied Housing Rehabilitation, 3B Provide for Energy Efficiency Upgrades and Accessibility Retrofits, 3C Maintain Financial Stability for LMI Homeowners, 4A Increase Economic Opportunities for LMI Populations, 4D Increase Programming to Prevent Displacement

Sustaining and Expanding Services for Residents with Highest Housing Instability Risks.

Solutions around homelessness. While identifying appropriate housing is the core to support persons experiencing homelessness, it is vital to coordinate service delivery to adequately support the holistic needs. The City of Santa Fe is an active member in the S3 coalition, which came from the COVID-19 pandemic, has built housing and support services resources for persons experiencing chronic and episodic homelessness as well as capacity building for persons with lived experience.

Permanent Supportive Housing. Using Covid funds, the City moved quickly to fund the acquisition of the Santa Fe Suites Hotel, which was converted into 120 units of affordable housing—40 apartments for chronically homeless individuals and 80 apartments for low-to moderate-income individuals.

Non-congregate Shelter. At the onset of COVID, the City converted an empty dormitory at the Midtown property into short term, non-congregate shelter for unhoused residents, those needing to isolate because of COVID, and those released from institutional settings without a safe place to go. Since then, on a nightly basis, 60 vulnerable people (including families with children) have had safe shelter with 25% of households attaining long-term and affordable housing as a direct result of robust navigation services. The non-congregate shelter is proving to be a better pathway out of homelessness in Santa Fe and nationally.

Safe Spaces for Sleeping. Sites that offer safe places to sleep (either in pallet shelters or camping spots) can provide a healthier alternative to encampment sites and other unsheltered living situations. Importantly these sites can help services providers locate their clients and connect the people staying there to an array of supportive services. Sites, such as Camp Hope in Las Cruces, provide residents privacy, security, and vital sanitary services, electricity, water, and food.

Rental Assistance and Voucher Programs. Using local funds ensures that rental assistance programs can be nimble and flexible and meet the needs of tenants where they're at, rather than requiring them to meet onerous eligibility criteria for federal assistance. The assistance could be used for a variety of needs including rent, utilities, rental/utility arrears, rental deposits, etc. Given the lengthy development process for the creation of new, rent-restricted homes, rental assistance helps low-income renters compete for units and provides more options.

Landlord Engagement. Additionally, the City should consider working on landlord recruitment and programs to develop partnerships with private landlords and property managers—which is especially helpful in tight rental markets where there is a critical need for quick housing placements. The City should consider providing incentives such as bonus payments, extra security deposits, risk mitigation funds, or payments for holding vacant units for people experiencing homelessness. The City could also consider supporting training programs for social workers and housing advocates to help manage and expand landlord relationships.

Figure V-7.

Recommendations for Sustaining and Expanding Opportunities for Residents with Highest Housing Instability Risks

Policy Recommendation(s) Employ alternative solutions for ending homelessness	
Funding Source(s)	AHTF, CDBG, City/County Human Services Funding, Casa Connection and other state funds
Action(s)	■ Developing a housing navigation hub that aligns coordinated social supports to a housing first model ■ Sustaining funding and partnership in coordinated efforts through the Coalition to End Homelessness; efforts may include participating in shared resource databases and other data-driven initiatives, including the Built for Zero model ■ Increasing locations and capacity to expand pilot programs such as the Safe Outdoor Spaces
Associated Con Plan Goal(s)	1A Increase Availability of Supportive Services, 1B Expand Options for Overnight Shelter Beds, 1C Increase and Improve Street Outreach and Support, 1D Increase Available Permanent Supportive Housing, 4B Expand Public Facilities and Infrastructure for LMI Populations, 4D Increase Programming to Prevent Displacement
Policy Recommendation(s) Expand rental assistance and voucher programs	
Funding Sources	City of SF Affordable Housing Trust Funds, Rapid Rehousing, Linkages, HCV
Action(s)	■ Developing a dedicated funding stream for tenant and project based rental assistance programs
Associated Con Plan Goal(s)	2A Expand Choice for Affordable Rental Opportunities, 2C Improve Condition and Preserve Affordable Rental Housing, 3A Provide for Owner Occupied Housing Rehabilitation, 3B Provide for Energy Efficiency Upgrades and Accessibility Retrofits, 4D Increase Programming to Prevent Displacement
Policy Recommendation(s) Expand landlord engagement	
Funding Sources	City of SF General Funds (Office of Affordable Housing), City of SF Affordable Housing Trust Funds
Action(s)	■ Create a funding stream for landlord / tenant counseling ■ Create a pilot landlord collaboration program similar to the statewide MFA program and formalize landlord liaison roles to increase available housing stock
Associated Con Plan Goal(s)	1C Increase and Improve Street Outreach and Support, 1D Increase Available Permanent Supportive Housing, 2A Expand Choice for Affordable Rental Opportunities, 2C Improve Condition and Preserve Affordable Rental Housing, 3A Provide for Owner Occupied Housing Rehabilitation, 3B Provide for Energy Efficiency Upgrades and Accessibility Retrofits, 3C Maintain Financial Stability for LMI Homeowners, 4D Increase Programming to Prevent Displacement

Appendix A

Priority Ranking

Survey participants were asked to rank the top 5 items they felt are most needed in Santa Fe. Figures A-1 to A-3 show the top 5 priorities by tenure, income, and other household characteristics. For the most part, different types of respondents also ranked affordable housing and homeownership, as well as responding to homelessness, as their top priorities. Residents living in other or unstable housing situations ranked “fair housing and renter’s rights” higher than other survey participants and owners, respondents with income of \$100,000 or more, and respondents from other race were more likely to rank “neighborhood facilities or services” as a top priority.

Figure A-1.
What do you feel is most needed in Santa Fe? By Tenure

All and by Tenure

All	Owner	Renter	Other/Unstable Housing
1 More affordable rental housing	1 More affordable rental housing	1 More affordable rental housing	1 More affordable rental housing
2 More affordable homeownership	2 More affordable homeownership	2 More affordable homeownership	2 More affordable homeownership
3 Responding to homelessness	3 Responding to homelessness	3 Responding to homelessness	3 Fair housing and renter's rights
4 Meeting basic needs	4 Meeting basic needs	4 Fair housing and renter's rights	4 Responding to homelessness
5 Fair housing and renter's rights	5 Neighborhood facilities or services	5 Meeting basic needs	5 Meeting basic needs

Note: n=475.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-2.
What do you feel is most needed in Santa Fe? By Income

By Income

Less than \$25,000	\$25,000 up to \$49,999	\$50,000 up to \$74,999
1 More affordable rental housing	1 More affordable rental housing	1 More affordable rental housing
2 Responding to homelessness	2 More affordable homeownership	2 More affordable homeownership
3 More affordable homeownership	3 Responding to homelessness	3 Responding to homelessness
4 Fair housing and renter's rights	4 Meeting basic needs	4 Meeting basic needs
5 Meeting basic needs	5 Fair housing and renter's rights	5 Fair housing and renter's rights

\$75,000 up to \$99,999	\$100,000 or more
1 More affordable rental housing	1 More affordable rental housing
2 More affordable homeownership	2 More affordable homeownership
3 Responding to homelessness	3 Responding to homelessness
4 Meeting basic needs	4 Meeting basic needs
5 Fair housing and renter's rights	5 Neighborhood facilities or services

Note: n=475.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-3.
What do you feel is most needed in Santa Fe? By Household Characteristics

By Household Characteristics

Over 65	Disability	White
1 More affordable rental housing	1 More affordable rental housing	1 More affordable rental housing
2 More affordable homeownership	2 Responding to homelessness	2 More affordable homeownership
3 Responding to homelessness	3 More affordable homeownership	3 Responding to homelessness
4 Meeting basic needs	4 Meeting basic needs	4 Meeting basic needs
5 Fair housing and renter's rights	5 Fair housing and renter's rights	5 Fair housing and renter's rights

Hispanic	Other Race
1 More affordable homeownership	1 More affordable rental housing
2 More affordable rental housing	2 Meeting basic needs
3 Responding to homelessness	3 Responding to homelessness
4 Meeting basic needs	4 More affordable homeownership
5 Fair housing and renter's rights	5 Neighborhood facilities or services

Note: n=475.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Strategy Rating

After choosing their top 5 priorities, survey participants were asked to rate a list of programs associated with each of the priorities chosen. The participants rated programs on a scale of 1 to 5 where 5 indicated the programs needed the most and 1 the programs needed the least.

Figures A-4 to A-11 show the results of this exercise for all survey respondents and by tenure, income, and household characteristics.

Figure A-4.
Which programs are most needed in Santa Fe? (More Affordable Rental Housing)

More Affordable Rental Housing	Programs to help households pay for security deposits/first or last month rent	Increase resources for residents to avoid displacement	More rehousing services for victims of domestic violence	Programs to help households pay rent, utilities, or past due costs	Encourage landlords to accept Section 8/housing vouchers	More Section 8 or rental subsidies
All	4.1 	4.1 	4.0 	4.0 	3.9 	3.9 
Tenure						
Owner	3.9 	3.9 	3.9 	3.7 	3.7 	3.6 
Renter	4.5 	4.4 	4.2 	4.4 	4.3 	4.2 
Other/Unstable Housing	4.5 	4.5 	3.8 	4.6 	4.0 	4.3 
Income						
Less than \$25,000	4.7 	4.6 	4.7 	4.6 	4.6 	4.7 
\$25,000 up to \$49,999	4.5 	4.3 	3.9 	4.4 	4.1 	4.1 
\$50,000 up to \$74,999	4.0 	4.0 	3.9 	3.9 	3.8 	3.7 
\$75,000 up to \$99,999	4.1 	3.9 	4.1 	3.6 	3.9 	4.0 
\$100,000 or more	3.8 	4.1 	3.9 	3.7 	3.7 	3.4 
Other Characteristics						
Over 65	4.1 	4.0 	3.9 	3.9 	4.0 	3.9 
Disability	4.2 	4.3 	4.1 	4.1 	4.1 	4.0 
White	4.2 	4.2 	4.1 	4.2 	4.1 	4.0 
Hispanic	4.0 	4.2 	4.0 	3.8 	3.9 	3.9 
Other Race	4.0 	3.9 	3.9 	3.8 	3.6 	3.5 

Note: n=339.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-5.
Which programs are most needed in Santa Fe? (More Affordable Homeownership)

More Affordable Homeownership	Starter homes (smaller and affordable) for first-time homebuyers		Programs to help get downpayment assistance		Programs to help households get a loan to buy a house		Housing for residents looking to downsize		Housing for larger households, with four or more bedrooms	
All	4.6		4.4		4.4		3.4		3.0	
Tenure										
Owner	4.5		4.2		4.2		3.3		3.0	
Renter	4.6		4.6		4.5		3.4		3.1	
Other/Unstable Housing	4.7		4.7		4.6		3.5		2.8	
Income										
Less than \$25,000	4.6		4.7		4.6		3.3		3.8	
\$25,000 up to \$49,999	4.6		4.7		4.7		3.7		3.1	
\$50,000 up to \$74,999	4.5		4.3		4.3		3.2		2.7	
\$75,000 up to \$99,999	4.6		4.3		4.1		3.4		2.9	
\$100,000 or more	4.6		4.3		4.2		3.3		3.0	
Other Characteristics										
Over 65	4.5		4.0		4.1		3.6		2.7	
Disability	4.7		4.6		4.5		3.3		3.4	
White	4.6		4.3		4.3		3.4		2.8	
Hispanic	4.5		4.7		4.7		3.4		3.7	
Other Race	4.5		4.3		4.1		3.6		2.8	

Note: n=138.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-6.
Which programs are most needed in Santa Fe? (Responding to Homelessness)

Responding to Homelessness	Funding for case management/ wrap-around services for people transitioning out of homelessness	Increase the inventory of PSH rental homes for people transitioning out of shelters and at risk of homelessness	Expand outreach to bring more people into shelter and improve connections to services	Invest in motels/other properties to be converted into non-congregate shelters and used for longer term stays
All	4.6	4.4	4.2	4.2
Tenure				
Owner	4.5	4.2	4.1	4.0
Renter	4.8	4.6	4.4	4.3
Other/Unstable Housing	4.4	4.4	4.2	4.2
Income				
Less than \$25,000	4.8	4.7	4.7	4.3
\$25,000 up to \$49,999	4.5	4.5	4.2	4.2
\$50,000 up to \$74,999	4.6	4.4	4.1	4.2
\$75,000 up to \$99,999	4.8	4.5	4.4	4.2
\$100,000 or more	4.4	4.1	4.2	3.9
Other Characteristics				
Over 65	4.7	4.4	4.3	4.3
Disability	4.5	4.3	4.1	4.2
White	4.6	4.4	4.2	4.2
Hispanic	4.6	4.6	4.4	4.1
Other Race	4.3	4.0	3.9	3.9

Note: n=306.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-7.
Which programs are most needed in Santa Fe? (Meeting Basic Needs)

Meeting Basic Needs	Improve access to social services (mental health counseling, job training)	Improve access to health care or dental care, medications	More services for seniors/persons with disabilities to live independently	More food pantries, food delivery services, and quality grocery options
All	4.5 	4.4 	4.2 	3.9 
Tenure				
Owner	4.4 	4.3 	4.1 	3.9 
Renter	4.6 	4.6 	4.4 	4.2 
Other/Unstable Housing	4.9 	4.8 	4.1 	3.8 
Income				
Less than \$25,000	4.7 	4.8 	4.5 	4.6 
\$25,000 up to \$49,999	4.6 	4.5 	4.3 	4.0 
\$50,000 up to \$74,999	4.6 	4.4 	4.2 	3.8 
\$75,000 up to \$99,999	4.4 	4.5 	4.2 	4.0 
\$100,000 or more	4.4 	4.3 	3.9 	4.0 
Other Characteristics				
Over 65	4.5 	4.5 	4.3 	4.0 
Disability	4.5 	4.5 	4.3 	4.0 
White	4.5 	4.5 	4.2 	4.0 
Hispanic	4.5 	4.5 	4.3 	4.0 
Other Race	4.4 	4.3 	3.8 	4.0 

Note: n=264.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-8.**Which programs are most needed in Santa Fe? (Fair Housing and Renter's Rights)**

Fair Housing and Renter's Rights	Design landlord licensing program for improving adherence to landlord/tenant law	More resources for persons experiencing discrimination in housing market-related transactions	Invest in eviction prevention services and a renter's rights hotline
All	4.2 	4.0 	4.0 
Tenure			
Owner	4.0 	3.9 	3.7 
Renter	4.4 	4.2 	4.3 
Other/Unstable Housing	4.5 	3.8 	4.1 
Income			
Less than \$25,000	4.6 	4.7 	4.7 
\$25,000 up to \$49,999	4.3 	4.0 	4.2 
\$50,000 up to \$74,999	4.1 	3.7 	3.8 
\$75,000 up to \$99,999	3.9 	4.1 	3.7 
\$100,000 or more	4.0 	4.2 	3.7 
Other Characteristics			
Over 65	4.2 	4.0 	3.9 
Disability	4.4 	3.8 	3.9 
White	4.2 	4.0 	4.1 
Hispanic	4.3 	4.2 	4.0 
Other Race	4.3 	4.1 	4.1 

Note: n=212.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-9.**Which programs are most needed in Santa Fe? (Neighborhood Facilities or Services)**

Neighborhood Facilities or Services	Neighborhood maintenance (sidewalks, streetlights, roads)	Improve areas for children to play/ residents to walk/ gather outside	Increase public amenities (libraries, parks, community centers)	Improve neighborhood's access to reach bus stops/bike paths	Reduce neighborhood pollution and environmental hazards
All	4.4	4.2	4.1	3.9	3.9
Tenure					
Owner	4.5	4.2	4.1	4.0	3.9
Renter	4.4	4.3	4.0	3.7	4.1
Other/Unstable Housing	4.6	4.1	3.7	3.8	3.8
Income					
Less than \$25,000	4.6	4.1	4.0	4.1	4.2
\$25,000 up to \$49,999	4.6	4.1	3.8	3.8	4.0
\$50,000 up to \$74,999	4.5	4.4	4.1	3.8	4.1
\$75,000 up to \$99,999	4.4	4.4	4.1	4.3	4.2
\$100,000 or more	4.5	4.3	3.9	4.1	3.7
Other Characteristics					
Over 65	4.6	4.3	4.2	3.9	3.7
Disability	4.4	4.3	4.3	3.7	4.1
White	4.4	4.2	4.2	4.0	4.0
Hispanic	4.5	4.5	4.1	3.9	4.0
Other Race	4.4	4.4	4.0	3.7	4.1

Note: n=179.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-10.
Which programs are most needed in Santa Fe? (Housing Repair and Rehabilitation)

Housing Repair and Rehabilitation	Programs to help pay for repairs to make homes safe		Programs to help pay for energy efficiency improvements		Programs to help pay for accessibility modifications	
All	4.2		4.1		3.9	
Tenure						
Owner	4.2		4.1		3.9	
Renter	4.3		4.2		4.2	
Other/Unstable Housing	4.3		4.1		3.6	
Income						
Less than \$25,000	4.5		4.2		3.8	
\$25,000 up to \$49,999	4.3		4.0		4.0	
\$50,000 up to \$74,999	4.3		3.9		4.0	
\$75,000 up to \$99,999	4.0		4.2		4.1	
\$100,000 or more	4.0		4.1		3.8	
Other Characteristics						
Over 65	4.2		4.1		3.9	
Disability	4.5		4.1		4.0	
White	4.2		4.1		3.9	
Hispanic	4.5		4.2		4.1	
Other Race	4.3		4.5		4.3	

Note: n=158.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-11.
Which programs are most needed in Santa Fe? (Housing for Persons with Disabilities)

Housing for Persons with Disabilities	Invest in housing options that support the ability of seniors to age in place		Locate housing for people with disabilities near transportation, educational/ economic opportunities		Home visitation services to support aging adults/persons with disabilities to live independently		Invest in programs to help pay for accessibility modifications	
All	4.4		4.4		4.3		4.2	
Tenure								
Owner	4.3		4.3		4.1		4.2	
Renter	4.6		4.4		4.4		4.3	
Other/Unstable Housing	4.6		4.4		4.5		4.1	
Income								
Less than \$25,000	4.4		4.2		4.4		4.4	
\$25,000 up to \$49,999	4.5		4.7		4.4		4.5	
\$50,000 up to \$74,999	4.5		4.4		4.3		4.3	
\$75,000 up to \$99,999	4.5		4.5		4.4		4.1	
\$100,000 or more	4.4		4.4		4.0		4.2	
Other Characteristics								
Over 65	4.3		4.2		4.1		4.2	
Disability	4.3		4.3		4.1		4.3	
White	4.3		4.4		4.2		4.3	
Hispanic	4.7		4.6		4.4		4.3	
Other Race	4.4		4.2		4.1		4.3	

Note: n=150.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

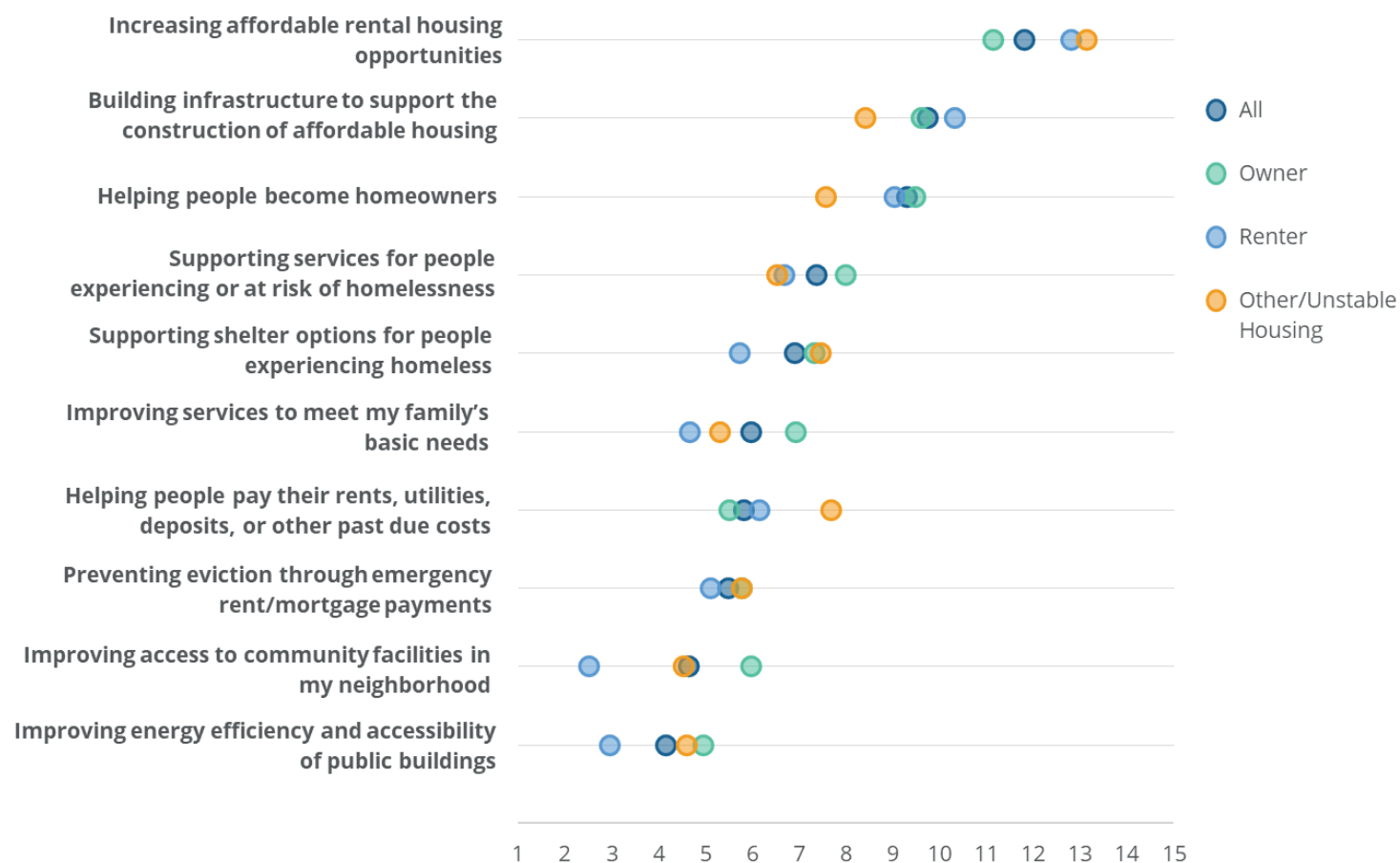
Budget Allocation

The last exercise of the survey asked participants “If you were in control of the City's budget, how would you spend resources to meet housing needs in our community?” and were given the option to distribute coins to the strategies they believed are most effective. Five coins had a value of 50 and five had a value of 1, with a total value of 55.

Figures A-12 to A-14 show the average for each category by tenure, income, and household characteristics. The figures show respondents living under other/unstable housing situations were assigned a more value on average to “Helping people pay their rents, utilities, deposits, or other past due costs.” Compared to higher income respondents, residents with income of less than \$25,000 assigned more value on average to “Increasing affordable rental housing opportunities,” “Helping people pay their rents, utilities, deposits, or other past due costs,” and “Preventing eviction through emergency rent/mortgage payments.” Among other household characteristics, households of other race assigned more value on average to “Increasing affordable rental housing opportunities,” “Helping people become homeowners,” “Supporting shelter options for people experiencing homeless,” and “Improving access to community facilities in my neighborhood.”

Figure A-12.

If you were in control of the City's budget, how would you spend resources to meet housing needs in our community? By Tenure

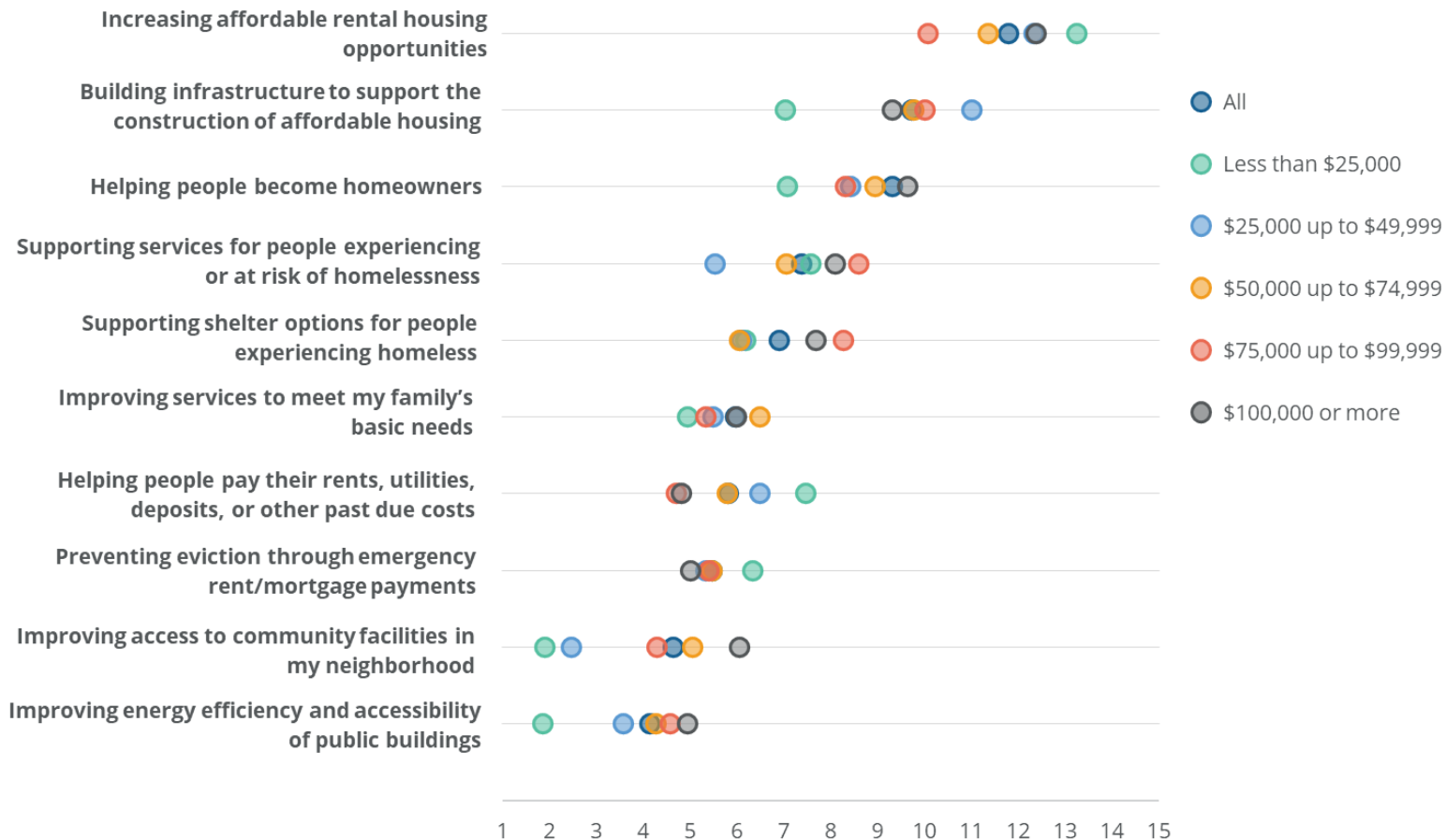


Note: n=342.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-13.

If you were in control of the City's budget, how would you spend resources to meet housing needs in our community? By Income

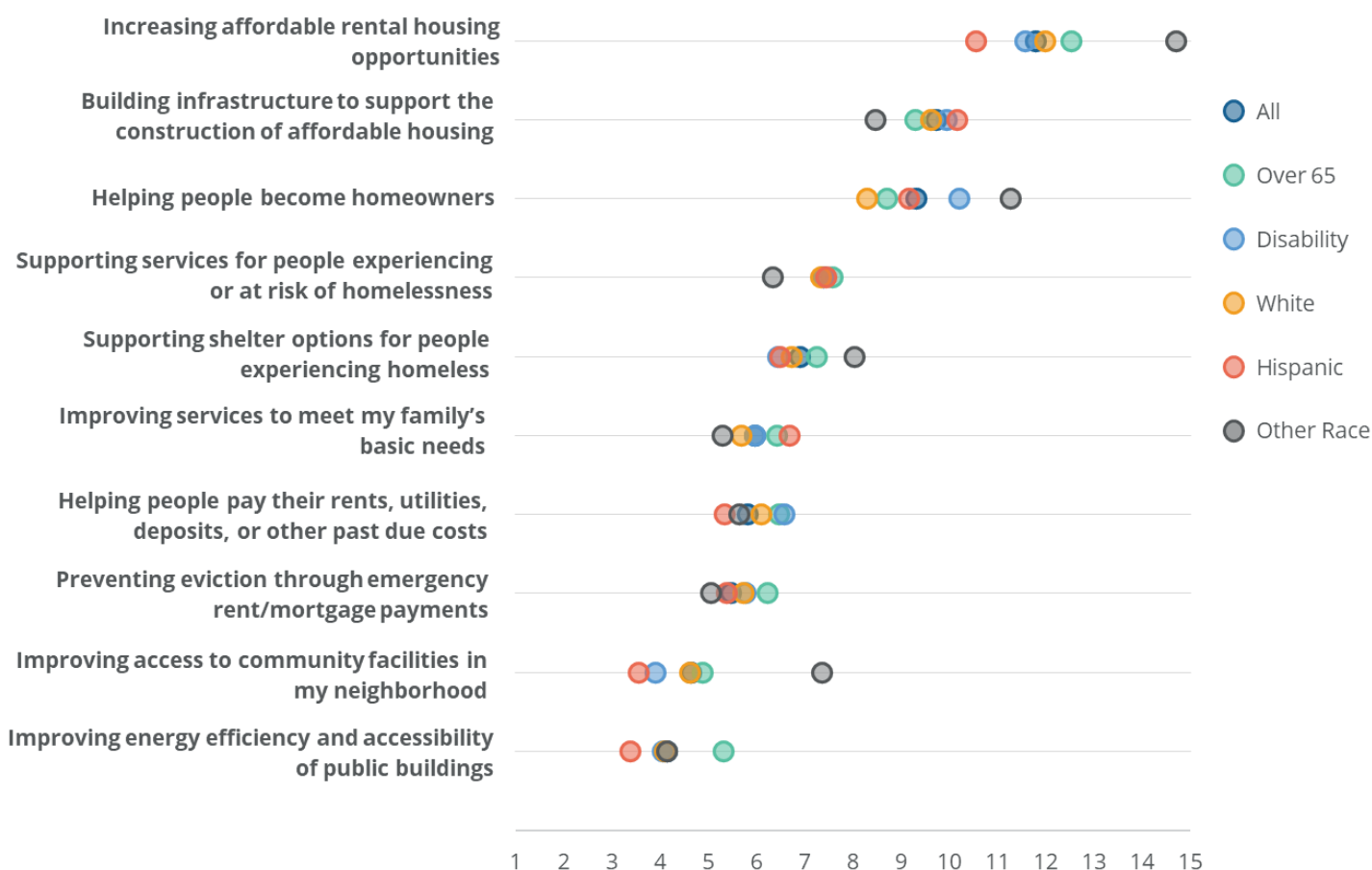


Note: n=342.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research.

Figure A-14.

If you were in control of the City's budget, how would you spend resources to meet housing needs in our community? By Household Characteristics



Note: n=342.

Source: City of Santa Fe Office of Affordable Housing Resident Survey, and Root Policy Research

Resident Focus Groups Findings

Homelessness. During the discussion, participants expressed their concern about the worsening homelessness situation in Santa Fe, compared to five years ago. One participant estimated that there are around 1,000 permanently homeless people in the area. They highlighted the significant needs of this population related to mental health and/or addiction and emphasized the necessity for more accessible medical services. Additionally, participants noted that the number of homeless adults aged 75 and above has also significantly increased and requires more attention.

Some of the focus group participants had either experienced homelessness or were currently homeless. Among their top priorities was public safety. They emphasized that people experiencing homelessness in Santa Fe, especially young individuals, are frequently subjected to crime and require better law enforcement services. One participant suggested that the City should appoint an attorney dedicated to protecting the rights of homeless people, stating that "our rights are violated without recourse or accountability." Participants also shared that they are always on high alert to ensure personal safety and safeguard their belongings from theft. For instance, some participants reported that their bicycles or personal documents were stolen multiple times. They noted that this constant stress over safety adversely affects their health. Participants added that the shortage of Santa Fe police officers exacerbates the homelessness situation and poses one of the biggest challenges for this population.

One participant who is currently experiencing homelessness noted that homelessness can happen for various reasons, including job loss during the pandemic and unexpected situations like losing a home after a relationship ends. Lack of housing makes it difficult for some to maintain stability, even if they don't struggle with substance abuse.

Navigating systems of care. Participants noted that the various layers and systems of care available for individuals facing homelessness, mental health challenges, and/or substance abuse issues were not effectively connected. Specifically, one participant highlighted a major disconnect between certain hospitals and shelters in Santa Fe. According to the participant, some hospitals only keep patients for a maximum of 14 days, regardless of their physical, emotional, or mental state, and release them back into the community. This, in turn, forces shelters to act as overflow facilities for those still in need of intensive care. Several participants expressed frustration with the lack of assistance from case managers at some hospitals in connecting them with necessary services.

During the discussion, participants shared their struggles with navigating the housing system and how it caused them stress. Missing appointments meant starting the process from the beginning, which was frustrating for them. Additionally, they talked about the high expectations that homeless individuals have to meet to obtain and keep housing while receiving assistance. The process of finding housing, employment, and resources was time-

consuming and exhausting, especially with the various requirements and procedures of different organizations. One participant believed that having a place to live is the most effective harm reduction program.

Shelters. Participants noted they would like to see more non-congregate options available in the city, adding that they present a better option for people with PTSD or who are recovering from an addiction and in need of privacy. A participant noted, for example that the non-congregate shelter was a game changer for their recovery. They shared that “having a private room was huge in helping me get grounded again. Just to have a bed, being able to shut the door, and feel safe was a huge aspect in my recovery.” Another participant shared that when you have a mental illness and have to share space with other people, “it’s really challenging to get better.”

Permanent supportive housing. Participants expressed a significant need for more permanent supportive housing. One participant noted that HUD requires people utilizing linkages vouchers to have case management support; however, if someone has a PSH voucher, case management is suggested, but not required. This participant felt that “without that support, it is much easier to fall back into homelessness.”

Public transportation improvements. Public transportation in Santa Fe was identified as a significant concern by participants, who expressed the need for improvements to the system. Participants noted the difficulty of aligning schedules with bus schedules due to service reductions. Participants highlighted the impact this had on punctuality, particularly in relation to getting to work on time. Safety enhancements and increased security on buses were suggested by a few participants.

Despite recognizing the challenges posed by the pandemic, there was still a strong desire for better bus service. Several participants echoed the sentiment that service reductions had negatively affected the efficiency and consistency of the current bus system. While one participant considered the system to be satisfactory given the circumstances, they expressed a desire for expanded coverage across the city. Participants noted how the lack of a more comprehensive bus system hinders access to services, for example one participant mentioned the sole Medicaid-accepting optometrist is located outside the bus service area.

Transportation was also identified as a significant need for younger individuals experiencing homelessness. Although residents under 18 are able to take the bus for free, the requirement for an ID to ride the bus for free poses challenges for them, as they lack parental guardians to help them obtain IDs. Participants expressed that if the City could facilitate obtaining IDs through the STAR program or allow the use of school IDs, it would greatly assist these individuals.

Some participants shared experiences they deemed discriminatory. Instances were recalled where individuals under 18 with state IDs were not allowed to ride the bus for free. Another participant recounted a situation where a bus driver refused to accommodate their stroller or car seat. Some participants also raised concerns about buses not stopping for individuals experiencing homelessness.

Language accessibility was raised as an important factor in increasing bus ridership. The availability of transit information and signs in Spanish was suggested to encourage more individuals to take the bus. Lastly, participants expressed a desire for the reopening of routes 6, 22, and 24.

Other amenities or improvements. One participant who lives at Siler Yard said the area “has more of an industry feel” than traditional neighborhood character. They articulated a desire to see more crosswalks in the area, as well as more parks. A couple of other participants expressed a desire to see more affordable supermarkets and doctor’s offices/health clinics in the areas surrounding Siler Yard. Another participant wanted to see more public showers and bathrooms available for people experiencing homelessness.

A resident of Siler Yard expressed that the neighborhood has more of an industrial vibe than a traditional residential feel. They expressed a need for more crosswalks and parks in the area. Other participants also shared their desire for affordable supermarkets and healthcare facilities near Siler Yard. Furthermore, a participant suggested the need for more public restrooms and showers to cater to the homeless population.

Some of the participants highlighted the challenge of accessing the internet, which can hinder their job search. One participant pointed out the scarcity of public WiFi spots in Santa Fe. Additionally, the group expressed their interest in having more opportunities for apprenticeships and programs related to technology, mechanics, and welding. A few young participants shared their positive experiences with Youthworks and how it helped them earn money while pursuing their GED and other programs such as culinary and construction training. One participant believed that having more programs like this would benefit them by learning new skills and increasing their chances of finding better employment in the future.

Solutions. Participants discussed different solutions they would like the City to implement.

Housing solutions. Attendees emphasized the need for the City to give priority to preventing displacement, particularly among residents of mobile home parks. They expressed concern that these parks offer some of the few remaining affordable housing options and that corporations may purchase them, leading to the displacement of residents.

Many participants expressed their approval of implementing stricter regulations on short-term rentals. They stated that the surge in short-term rentals has contributed to the city's lack of affordable housing. One participant expressed how short-term rentals have diminished the availability of rental properties, leading to a hike in rental prices as outsiders flock to the city. Another attendee added that AirBnbs occupy the prime locations, leaving the less desirable options for locals. A third participant shared that essential workers are unable to reside in Santa Fe anymore, which has resulted in long commutes, and short-term rentals were partly to blame for the situation.

Participants also shared their approval of source of income protections, sharing that while searching for housing online, a significant portion of the listings mentioned that they do not rent to households with housing vouchers. Participants also shared that those receiving vouchers are subject to incredibly high standards.

Some participants feel that using LifeLink's resources comes with several obstacles and rules to overcome. They desire more effective advocacy from housing support workers during disputes with landlords and eviction threats.

During the discussion, attendees emphasized the necessity of strong political commitment from leaders to expand the availability of affordable housing and reduce homelessness rates. Many expressed the desire for local political figures to be more receptive to investing in unconventional housing solutions and innovative approaches. Additionally, participants urged political leaders to raise public awareness about the realities of homelessness and to provide greater protection and assistance to those affected. Furthermore, there was significant interest in examining successful housing programs from other cities and states to help address the homelessness crisis.

Another suggestion shared was to make use of its existing properties and assets to create more affordable housing options. They pointed out that the high cost of housing has made it difficult to maintain the quality of life that used to be possible in Santa Fe. Additionally, a few participants suggested that the Santa Fe Arts and Design campus could be repurposed to provide shelter and support to individuals experiencing homelessness or other health issues. They felt that the campus could be renovated to accommodate people at different stages of life and different levels of need.

During a discussion on safe camping options, a participant proposed using a secure warehouse or vacant lots where individuals could establish small campsites with assigned patrols to monitor and safeguard their belongings. Another participant revealed living in a van on private property and having to trespass to access their vehicle. They expressed that having a safe place to camp would have eliminated the need for such actions.

Pursue creative and innovative housing solutions. Participants had several creative and innovative ideas to increase affordable housing development in Santa Fe including:

- Participants wanted to see existing housing development models in Santa Fe replicated, including Siler Yard and Santa Fe Suites.
- Attendees suggested that City resources should be used to provide incentives for landlords to increase the number of available rental units for voucher holders. A participant who has been homeless for their entire life shared their experience of moving between shelters. They emphasized the need for landlords and the City to work together in identifying the obstacles to accepting vouchers and finding solutions to overcome them. The participant suggested that incentives or insurance could be effective measures to encourage landlords to accept vouchers. A couple of participants suggested the City support a program that provides money (and other incentives) to homeowners to build out their garages, and then someone with a housing choice voucher could occupy the unit.
- During the discussion, a participant proposed constructing culturally-specific communities and demonstration projects for tiny homes. Seniors and Native communities were identified as specific populations for these communities. The advantages of tiny house communities were also highlighted, including reduced barriers to entry for homeless individuals.
- Some participants expressed their desire for the construction of housing that caters specifically to the Native population. They mentioned their personal struggle with PTSD, which they believe was caused by their experience as a Native American in the system throughout their life. The participant acknowledged the cultural differences between Native and non-Native populations and highlighted the higher likelihood of harassment that Native people face in Santa Fe. They suggested that the City explore a program in Washington State that offers aid to Native individuals who are homeless.
- Several participants mentioned rent control as a strategy they wanted to see the City pursue to help address the lack of affordable housing.

Services solutions. Many participants expressed the need for more support and resources to be directed toward service providers and shelters. One example of such support is the Youth Shelters' Street Outreach Program, which offers a safe place for individuals to sleep, socialize, and charge their phones. Additionally, a participant shared how volunteering at the Chainbreaker Collective helped them receive a free bus pass, which proved to be a lifesaver during their time of homelessness. Without the ability to ride the bus in the winter, they could have suffered from frostbite. Participants greatly value the services provided by these programs as they contribute significantly to their safety and overall wellbeing.

Many participants expressed the desire for increased support and resources for the existing shelters. Some individuals suggested establishing Consuelo's Place as a permanent facility at the former Santa Fe University of Art and Design campus, which would be developed into a comprehensive homeless service center. The proposed center would

feature secure outdoor areas, mobile hygiene units, cooking facilities, therapy centers, healthcare, and rehabilitation services. Furthermore, several participants emphasized the need for additional non-congregate shelter units to be made available.

Participants also expressed their desire for the creation of new shelters to accommodate the homeless population. The long waiting lists for existing shelters were a point of concern. One participant pointed out that some members of the Santa Fe community wish to eliminate homelessness, yet they are not willing to construct additional housing. Increasing the number of safe havens for individuals experiencing homelessness could potentially alleviate these issues and provide them with an alternative to living on the streets.

Participants expressed the need for more effective promotion and communication of supportive services for individuals experiencing homelessness. They highlighted the importance of not just increasing the availability of services but also ensuring that these services are accessible to those who need them. One participant suggested the creation of a centralized location or "one-stop shop" where individuals can receive all the necessary support. They emphasized the need for greater collaboration among service providers to make this a reality. Another participant proposed the use of billboards as a means of informing individuals about the available services. The participants noted that many individuals are unaware of the resources available to them and stressed the importance of governments taking a more active role in disseminating this information. They suggested that governments should be the primary source of information and communication for individuals seeking support services.

Participants had several suggestions related to the provision of supportive services, including:

- Their desire for more focus on the availability of mental health services. One individual highlighted that there is a shortage of programs for individuals over 21 who require ongoing mental health support. Additionally, the participants emphasized the importance of service providers adopting trauma-informed care approaches when assisting homeless individuals.
- Participants also mentioned that while there are crisis services available, there are not as many preventative services available. Participants thought it would be advantageous to invest more in making preventative services available for populations in need.
- Participants suggested creating more opportunities for homeless individuals to pursue education and job training, potentially through a City-sponsored program that would pay them while they learn new skills. Some proposed pairing job training with redevelopment of City-owned buildings into housing. Many recommended replicating

successful job training programs like Youthworks, which provide work experience and support in finding employment.

Finally, residents were asked to share their vision for the City of Santa Fe if they were mayor for a day; participants had several suggestions related to the provision of basic life services, including:

- Greater availability of childcare care, specifically infant care;
- Longer hours for the library;
- Better quality public schools;
- More affordable retail options;
- More community centers and after-school activities for children, including music, art, and other creative activities;
- More recreational opportunities;
- Reduced cost or free laundry services;
- More mentorship programs for the youth;
- Build better relationships with tribal governments to better serve Native residents;
- Provide more job opportunities, food options, shelters, and aid to address homelessness;
- Make use of civic institutions' unused spaces;
- Expand services throughout all areas of the city to mitigate gentrification and displacement;
- Implement a universal voucher program to help people experiencing homelessness meet their basic needs;
- Establish more local farms and community gardens to foster a sense of community and provide access to fresh, low-cost food;
- Reinstate all previously eliminated public transportation routes;
- Utilize the Chavez Center as a physical space to provide a variety of services during the winter; and
- Offer financial literacy and credit-building classes, along with a variety of city-sponsored classes to improve life skills.

Stakeholder Consultation

Homelessness. According to stakeholder consultation, elderly single person households, specifically females, are increasingly becoming homeless or at risk of

homelessness in Santa Fe. Finding rental units for these low-income households who tend to be on a fixed income is becoming increasingly difficult. Stakeholders noted an increase in people who have some income but cannot afford housing and can't afford a safety net — one participant called them the “hidden homeless.” Because of the “in-between” space that this population falls in, a lot of them end up on the street or living in their cars. According to stakeholders, rental units that are affordable to formerly homeless families and individuals who are receiving rapid re-housing assistance is the top need among these residents. It is extremely difficult in the current market to find units for residents transitioning out of homelessness. In addition, the current market with very low vacancy rates makes landlords less willing to accept tenants with prior experiences of homelessness.

Major barriers to securing housing and support services identified by stakeholders were mental illness and a history of trauma. Stakeholders revealed that many individuals seeking shelter arrive without receiving adequate treatment for their mental health conditions. Additionally, a significant portion of the homeless population has experienced trauma, which compounds their challenges and often leads to their needs going unaddressed. The strict regulations imposed by the Department of Housing and Urban Development (HUD) create further barriers for those attempting to access housing vouchers and support services. Many individuals served by the shelter may have faced eviction or were asked to leave previous housing situations, making it even more challenging to find stable accommodations.

According to stakeholders, based on shelter utilization and current permanent supportive housing occupancy, the number of homeless residents in Santa Fe is estimated to range from 300 to 2,000 individuals. Among these, the “hidden homeless” present a unique challenge. Often employed and residing with friends or family, staying in hotels or motels, or living in their vehicles, they lack prospects for permanent housing and do not typically access support services. However, whenever affordable housing becomes available, they constitute a substantial portion of the demand for such accommodations.

Service needs and institutional capacity. Stakeholders emphasized the necessity for increased investment in substance abuse and rehabilitation programs. Substance abuse can significantly contribute to homelessness and housing instability among special needs populations. By strengthening and expanding these programs, individuals struggling with substance abuse can receive the necessary treatment and support, thereby reducing their vulnerability to eviction and homelessness.

Stakeholders noted more affordable housing was the top housing need among all special needs populations; in addition, they noted these populations are vulnerable to housing instability and displacement; therefore, preservation of the current affordable housing stock is crucial for special needs households to remain housed in the City. Once such households move out of the city in search of more affordable housing, transportation and

lack of reliable internet access present a barrier to accessing the services they need, which are physically concentrated in the city.

Stakeholders identified the importance of providing information and signs in Spanish around public transit to enhance accessibility for the diverse population in the city. Additionally, case management and access to supportive services have been highlighted as critical components to achieving housing stability for residents with mental illness, special needs, or substance abuse issues. Collaborative efforts between case managers and landlords can address problems and manage symptoms, which contribute to sustained housing for vulnerable populations.

According to stakeholder and resident engagement, there is a need for more collaboration across systems and agencies. Ensuring that medical facilities are aware of available resources will enable them to guide patients exiting healthcare facilities to appropriate organizations that can provide the necessary support. Additionally, they noted the need to develop more permanent supportive housing, a crucial resource that currently lacks sufficient supply to meet the community's needs.

According to stakeholders, internet access is a critical concern for many low-income families. While the lack of providers is not the primary issue, the cost of internet services remains a significant barrier. Families relying on the Lifeline program, which covers only one wireless or wireline account per household, often face challenges due to limited connectivity. Moreover, families living outside city limits struggle to find adequate and affordable internet access, affecting their ability to access essential services and educational resources.

Stakeholders highlighted that residents living in mobile homes are particularly burdened by high utility bills, leading to cost challenges and energy burdens. The lack of energy-efficient options, coupled with maintenance issues like rodents and insects in public housing, negatively impacts residents' living conditions and health. Addressing these challenges is crucial to improving the overall quality of life for low-income families and special needs households.

In discussing goals, stakeholders noted that over the next five years, they plan on expanding resources and strengthening connections for vulnerable populations. Priorities include increasing access to affordable housing options, mental health services, substance abuse treatment programs, and support services for seniors. Addressing the fentanyl crisis and enhancing affordable housing opportunities for the clients served are central goals. Additionally, improving transportation options and internet access will play pivotal roles in ensuring accessibility to services and resources.

Solutions and recommendations. The following are recommended solutions and strategies based on stakeholder input to address the affordable housing crisis and housing development challenges in Santa Fe.

Stakeholders emphasized the potential of shared living arrangements to accommodate single persons and elderly individuals on fixed incomes. Supporting shared housing options, where residents can access rooms instead of entire units, can provide cost-effective and accessible housing solutions for these vulnerable populations. The City should explore policies and incentives to encourage the development and utilization of shared living spaces. Stakeholders also suggested promoting the construction of ADUs within the city by developing off-the-shelf drawings to make it easier for people to construct ADUs on their properties.

The need for more affordable smaller apartments priced around \$600 to \$800 was highlighted by stakeholders to address overcrowded living conditions and housing affordability. The City should play a bigger role in supporting LIHTC applications and setting up a rental database to accurately assess the rental market.

Additionally, stakeholders expressed the importance of diversifying housing options to include missing middle housing and casitas used for permanent residency rather than short-term rentals.

Stakeholders also noted that equitable distribution of affordable housing will ensure that residents from various neighborhoods have access to essential amenities and services, promoting inclusivity and avoiding disproportionate burdens on specific communities and called for having affordable housing options available in all parts of the city, not solely clustered in the southside.

According to stakeholders, rents might soften with the recent increase in multifamily construction. However, the undersupply of units over the last decade means that the filtering process will be very slow, and prices are not expected to drop significantly.

Another concern is that the rise in interest rates will increase the cost of borrowing and will slow down home building, increasing price pressures again. Rising interest rates also decrease affordability among potential home buyers as the costs of mortgages increase. Given an anticipated slowdown in home building, stakeholders note that affordable housing preservation along with increased funding for services and program interventions (such as providing rental assistance, supporting the development of rental units, continuing down payment, counseling, and training for low-income homebuyers, and providing support services for low-income homeowners, including refinancing, foreclosure prevention, and home repair) is crucial.

Affordable housing would benefit from a model that incorporates a more holistic community impact analysis—including looking at economic development, sustainability, and other City-identified goals—and is guided by an updated general plan. The empowerment of existing residents to veto or lower the density of infill projects lifts up the voices of existing residents at the expense of lower income residents who would benefit from more affordable housing and pushes new development to the outer rings of the city. Stakeholders would like to see a more proactive outreach approach to development from the City, one which takes into account the needs of residents who need affordable housing. An example of community outreach that the city could look into was Seattle.

Stakeholders suggested investing in renter's rights and tenant education programs, as individual landlords sometimes lack knowledge of the law. During the COVID pandemic, many tenants were understanding if tenants were late on rent, knowing that the necessary funds were available. However, now that the funding has dried up and the moratorium has been lifted, landlords are becoming more aggressive with evicting tenants for late payments. This will result in more families getting evicted, especially with high rent prices and increased demand.

Stakeholders recommended exploring a real estate transfer tax as a means to capture destabilizing cash offers and stabilize entry-level affordable homes. Land banking can also be utilized to secure land for future affordable housing projects, ensuring a steady supply of available land for housing development.

To expedite the development of affordable housing, stakeholders stressed the need to streamline zoning and development processes. Revisiting the city's zoning code, increasing density allowances, reducing parking requirements, and implementing administrative zoning changes can support affordable housing projects and create a more efficient development process.

Stakeholders emphasized promoting transit-oriented development and reducing the reliance on private vehicles. Integrating public transportation options and creating community-centric design with plazas and public spaces throughout the city can foster vibrant and walkable neighborhoods that accommodate diverse populations.

Stakeholders noted that collaboration and trust-building between stakeholders, community members, and local government are essential to effectively address affordable housing issues. The city should continue to support successful projects such as hotel conversions and mimic the flexibility of pandemic relief funding. Additionally, they should promote more inclusive community conversations, engage diverse voices, and actively involve residents in decision-making processes that can lead to a more equitable and sustainable approach to housing development.