

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2017-8

3 INTRODUCED BY:

4
5 Councilor Carmichael A. Dominguez

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10 A RESOLUTION

11 DIRECTING STAFF TO PROVIDE A REPORT TO THE GOVERNING BODY
12 REGARDING "FEE IN LIEU OF" AFFORDABLE HOUSING REVENUES.

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14 WHEREAS, the City of Santa Fe strives to provide affordable housing for all its
15 residents; and

16 WHEREAS, since 1998, it has adopted a number of programs, resolutions, and
17 ordinances in order to achieve that goal; and

18 WHEREAS, in 2005, the City adopted Ordinance Number 2005-30(A), the Santa Fe
19 Homes Program, in order to increase the supply of affordable housing within the Santa Fe area
20 for residents and businesses; encourage the construction of affordable housing in all areas of the
21 City in accordance with the general plan; strengthen the unique heterogeneous character of the
22 Santa Fe area by providing a full range of housing choices for all ages, incomes, and family
23 sizes; ensure that residents and future generations can afford to reside within the Santa Fe area;
24 ensure that the affordable housing opportunities are available for those who work and wish to
25 live in the Santa Fe area; encourage the maintenance of the long term affordability of housing

1 units within the Santa Fe area; provide affordable housing wherever city utilities are extended
2 beyond city limits; foster economic integration by encouraging the availability of a range of
3 housing opportunities in new developments in the Santa Fe area; and provide the benefit of
4 home equity to homeowners of affordable housing similar to those in market rate housing for
5 such purposes as college education and retirement needs and in turn encouraging pride in
6 ownership and maintenance of the affordable housing unit by allowing access to that home
7 equity; and

8 **WHEREAS**, the Governing Body has found that affordable housing furthers geographic
9 and community balance through providing a range of housing opportunities throughout the City;
10 that the lack of affordable housing is detrimental to the health, safety and welfare of the City's
11 residents; that the private housing market has not provided adequate affordable housing
12 opportunities for persons and households with incomes below the area median income; that
13 federal and state funds for the construction of new affordable housing are insufficient to fully
14 address the problems of affordable housing within the City; and that the City needs to continue
15 implementation of inclusionary zoning and other affordable housing programs; and

16 **WHEREAS**, in response to the great recession, during which many local, small scale
17 developers and builders went out of business or left the community entirely, the City Council
18 amended the Santa Fe Homes Program (SFCC 26-1) to allow applications for owner-occupied
19 subdivisions of ten or fewer units to pay a fee-in-lieu by right without necessitating City Council
20 approval of a form of alternate compliance; this amendment was made permanent in 2014; and

21 **WHEREAS**, in response to rising demand for rental units in Santa Fe, a lack of new
22 construction of market rental units, and historically high occupancy rates of over 95%, the City
23 Council further amended SFCC 26-1 to allow market multi-family developers to pay a fee in lieu
24 by right without necessitating City Council approval of a form of alternate compliance; this
25 amendment sunsets in 2020, with a required analysis of the effects of the ordinance in 2019; and

1 **WHEREAS**, according to SFCC 26-3, all such fees are to be deposited in the Affordable
2 Housing Trust Fund to provide or pay all or a portion of the costs of acquisition, development,
3 construction, renovation or conversion, financing, operation or owning affordable housing or
4 infrastructure to support affordable housing which meets agreed upon community housing goals
5 and objectives; and

6 **WHEREAS**, the City reports on an annual basis the use of all funds in the Affordable
7 Housing Trust Fund to the New Mexico Mortgage Finance Authority to ensure compliance with
8 the New Mexico Affordable Housing Act which provides an exemption to the NM Anti-Donation
9 Clause for the specific uses outlined in SFCC 26-3; and

10 **WHEREAS**, it is the duty of the Governing Body to insure that all such fees are being
11 collected and that they are being used for their intended purpose.

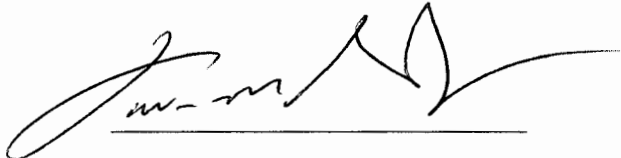
12 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
13 **CITY OF SANTA FE** that within sixty (60) days of adoption of this resolution, the Office of
14 Affordable Housing shall prepare a report for the Governing Body that shall contain the following
15 information:

- 16 1. The amounts of fees-in-lieu as obligated through the Santa Fe Homes Program
17 and Housing Opportunity Program Agreements entered into between 2005 and
18 2016, and any other form of alternate compliance that does not result in
19 affordable housing units being delivered on site.
- 20 2. The revenues from fees collected by the City through inclusionary zoning and
21 deposited into the Affordable Housing Trust Fund.
- 22 3. A pipeline report that shows the amounts obligated and the amounts collected
23 and explains any discrepancies between the two.
- 24 4. The uses of the fees by affordable housing activities.
- 25 5. Recommendations for how to document financial hardship in cases where a form

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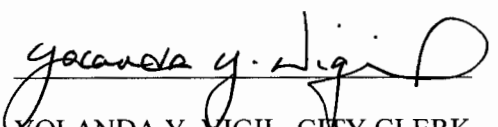
of alternate compliance is being proposed under the Santa Fe Homes Program.
These recommendations will be proposed to the Governing Body, with proposed
amendments to Section 26-1 SFCC 1987 to follow.

PASSED, APPROVED AND ADOPTED this 25th day of January, 2017.



JAVIER M. GONZALES, MAYOR

ATTEST:



YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:



KELLEY A. BRENNAN, CITY ATTORNEY