

1 **Section 4. A new Section 26-3.1 SFCC 1987 is ordained to read:**

2 **26-3.1 [NEW MATERIAL] Short Title.** This article may be cited as the
3 “Affordable Housing Trust Fund Ordinance”.

4 **Section 5. A new Section 26-3.2 SFCC 1987 is ordained to read:**

5 **26-3.2 [NEW MATERIAL] Authority.** The Affordable Housing Trust Fund
6 Ordinance is enacted pursuant to the express statutory authority conferred upon municipalities to
7 enact a housing code pursuant to Section 3-17-6A(8) NMSA 1978; to enact ordinances pursuant
8 to its police power, Section 3-17-1B NMSA 1978; to provide for affordable housing pursuant to
9 subsections E and F of Art. 9, §14, of the N.M. Constitution and the Affordable Housing Act (§§
10 6-27-1 through 6-27-8 NMSA 1978) and in particular to provide a portion of the cost of financing
11 and/or authorizing housing assistance grants for the purpose of affordable housing pursuant to
12 Section 6-27-5 NMSA 1978 (2007), and pursuant to any and all such other authority as may be
13 applicable including but not limited to the city’s recognized authority to protect the general
14 welfare of its citizens. This section is adopted pursuant to the city of Santa Fe’s powers under its
15 municipal charter which was adopted effective March 15, 1998 pursuant to the Municipal Charter
16 Act Sections 3-15-1 to 3-15-16 NMSA 1978 and Article 10, Section 6 of the Constitution of New
17 Mexico.

18 **Section 6. A new Section 26-3.3 SFCC 1987 is ordained to read:**

19 **26-3.3 [NEW MATERIAL] Legislative Findings.** The governing body has
20 determined that:

- 21 A. The city should actively participate in the creation of a comprehensive housing
- 22 services delivery system that addresses the full continuum of housing needs from the homeless to
- 23 the homebuyer;
- 24 B. The cost of financing is an important factor in the total cost of housing;
- 25 C. The lack of affordable capital can be a significant barrier to the creation and

1 preservation of affordable housing and can be an obstacle in providing housing that addresses
2 multiple community housing needs and priorities; and

3 D. It is in the public interest to create the Affordable Housing Trust Fund.

4 **Section 7. A new Section 26-3.4 SFCC 1987 is ordained to read:**

5 **26-3.4 [NEW MATERIAL] Purpose.** The purpose of the Affordable Housing Trust
6 Fund Ordinance is to identify the initial source of funds which shall be dedicated to the
7 Affordable Housing Trust Fund (AHTF) and to restrict allowable uses of the AHTF to provide or
8 pay all or a portion of the costs of acquisition, development, construction, renovation or
9 conversion, financing, operation or owning affordable housing or infrastructure to support
10 affordable housing which meets agreed upon community housing goals and objectives. The
11 AHTF is not intended to be the sole source of funding for affordable housing and any activity or
12 project eligible for support from the AHTF is expected to develop additional sources of funds.

13 **Section 8. A new Section 26-3.5 SFCC 1987 is ordained to read:**

14 **26-3.5 [NEW MATERIAL] Definitions.**

15 *AHTF* means the affordable housing trust fund.

16 *Administrative procedures* refer to the administrative procedures adopted by resolution
17 that outline application, evaluation, and all other administrative procedures associated with the
18 AHTF.

19 *Affordable housing* means residential housing primarily for persons or households of low
20 or moderate income.

21 *Allowable uses* means those uses for the AHTF which are set forth in section 26-3.4.

22 *Community housing priorities* means priorities established from time to time by the
23 governing body to guide the allocation of funds from the AHTF.

24 *Comprehensive housing strategy* means a services delivery system that addresses the full
25 continuum of housing needs from the homeless to the homebuyer.

1 *Eligible households* means persons or households of low or moderate income as defined
2 in rules adopted by the New Mexico Mortgage Finance Association.

3 *Leverage* means the dollar value of other resources committed to projects for which an
4 application and approval has been received for a loan or grant from the AHTF. Each dollar
5 committed to the project that is not generated from the AHTF shall be considered as leverage.

6 *Office of Affordable Housing* means the department of the city of Santa Fe or its
7 successor administering affordable housing programs.

8 **Section 9. A new Section 26-3.6 SFCC 1987 is ordained to read:**

9 **26-3.6 [NEW MATERIAL.] Dedication.** The following shall be dedicated to the
10 Affordable Housing Trust Fund.

11 A. Tierra Contenta:

12 (1) All payments received from the sale of property in Tierra Contenta that
13 has been reserved for affordable housing as of the date of the passage of this ordinance;

14 (2) Thirty-five percent of all payments received from the sale of property in
15 Tierra Contenta received after the date of the passage of this ordinance; and

16 (3) All interest earned from the above.

17 B. All proceeds of loans that have been recorded against various affordable housing
18 units through the capital improvements program funds - infrastructure loan funds.

19 C. Principal and interest payments made by the borrowers to the city for outstanding
20 AHTF loans.

21 D. Proceeds from Shared Equity Liens which are realized when a Housing
22 Opportunity Program Home or Santa Fe Homes Program unit is sold on the open market.

23 E. All in-lieu of contributions or fractional payments received from developers as an
24 option to meet the Santa Fe Homes requirements.

25 F. Other funds that may be identified from time to time which are suitable and

1 appropriate for allocation to the AHTF. These may include on-going, dedicated funding sources
2 as well as one-time funding that is specifically approved by the governing body.

3 **Section 10. A new Section 26-3.7 SFCC 1987 is ordained to read:**

4 **26-3.7 [NEW MATERIAL] Use of the Affordable Housing Trust Fund.** The city
5 shall provide loans or housing assistance grants by using the AHTF to:

6 A. donate, provide or pay all, or a portion, of the costs of land for the construction
7 on the land of affordable housing;

8 B. donate, provide or pay all or a portion of the costs of conversion or renovation of
9 existing buildings into affordable housing;

10 C. provide or pay the costs of financing or infrastructure necessary to support
11 affordable housing projects; or

12 D. provide or pay all or a portion of the costs of acquisition, development,
13 construction, financing, operating or owning affordable housing.

14 **Section 11. A new Section 26-3.8 SFCC 1987 is ordained to read:**

15 **26-3.8 [NEW MATERIAL] Other Requirements.** Use of the Affordable Housing
16 Trust Fund shall comply with the following:

17 A. *Location.* Financing for projects shall be limited to developments located within
18 the city limits of Santa Fe or those properties which will be annexed into the city within six
19 months of application for funds.

20 B. *Beneficiaries.* The beneficiaries of the housing shall be limited to households of
21 low or moderate incomes. Lower income requirements may be established for specific projects to
22 meet community housing goals.

23 C. *Leverage.* All loans or housing assistance grants from the AHTF shall have a
24 minimum \$1.00 to \$3.00 leverage requirement. Sources of leverage may include other project
25 financing, federal community development block grants, federal HOME investment funds, low

1 income housing tax credits and owner equity or any other sources which are in accordance with
2 the approved administrative procedures. Financing and funding from other sources must be
3 committed prior to the release of AHTF funds.

4 D. *Terms of the Loan.* Loan terms will vary with the type of development proposal.
5 Loan terms and conditions will be outlined in the administrative procedures, which may be
6 amended and approved by the governing body from time to time.

7 E. *Restriction.* Funds loaned to an organization shall only be used for the activity or
8 project for which the loan was approved. The funds cannot be expensed (thereby reducing the
9 amount of the asset on the organization's balance sheet) except in cases where an unpreventable
10 loss occurs and when approved by the governing body.

11 **Section 12. A new Section 26-3.9 SFCC 1987 is ordained to read:**

12 **26-3.9 [NEW MATERIAL.] Affordable Housing Trust Fund Administration.**

13 A. The AHTF shall be administered by the office of affordable housing (OAH). The
14 administrative procedures for the AHTF shall be prepared by the OAH, shall be consistent with
15 the rules of the New Mexico Mortgage Finance Authority upon amendment of the rules in
16 conformity with the Act as amended in 2007 and shall be approved by the governing body.

17 B. All funds shall be allocated under a request for proposal that is conducted at least
18 annually and concurrently with the process used for the community development block grant
19 programs and is consistent with the provisions of this ordinance and administrative guidelines.
20 Loans and grants shall be disbursed according to standard city procurement practices.

21 C. Applications for funding shall be reviewed according to evaluation criteria
22 contained within the administrative procedures.

23 **Section 13. A new Section 26-3.10 SFCC 1987 is ordained to read:**

24 **26-3.10 [NEW MATERIAL.] Community Development Commission.** The
25 community development commission will provide funding recommendations to the governing

1 body concerning all loans and grants to be allocated under this ordinance.

2 **PASSED, APPROVED, and ADOPTED this 11th day of July, 2007.**

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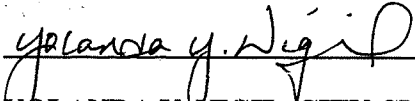
DAVID COSS, MAYOR

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7 **ATTEST:**

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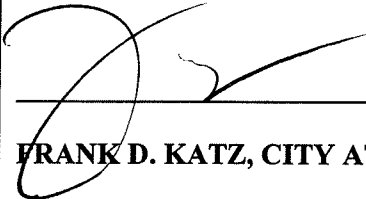


10 **YOLANDA Y. VIGIL, CITY CLERK**

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12 **APPROVED AS TO FORM:**

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15 **FRANK D. KATZ, CITY ATTORNEY**

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25 *mb/N/Ordinances 2007/Affordable Housing Trust Fund*