

26-3 AFFORDABLE HOUSING TRUST FUND.

26-3.1 Short Title.

This section may be cited as the "Affordable Housing Trust Fund Ordinance." (Ord. #2007-23, §4)

26-3.2 Authority.

The Affordable Housing Trust Fund Ordinance is enacted pursuant to the express statutory authority conferred upon municipalities to enact a housing code pursuant to Section 3-17-6A(8) NMSA 1978; to enact ordinances pursuant to its police power, Section 3-17-1B NMSA 1978; to provide for affordable housing pursuant to subsections E and F of Art. 9, §14, of the N.M. Constitution and the Affordable Housing Act (§§6-27-1 through 6-27-8 NMSA 1978) and in particular to provide a portion of the cost of financing and/or authorizing housing assistance grants for the purpose of affordable housing pursuant to Section 6-27-5 NMSA 1978 (2007), and pursuant to any and all such other authority as may be applicable including but not limited to the city's recognized authority to protect the general welfare of its citizens. This section is adopted pursuant to the city of Santa Fe's powers under its municipal charter which was adopted effective March 15, 1998 pursuant to the Municipal Charter Act Sections 3-15-1 to 3-15-16 NMSA 1978 and Article 10, Section 6 of the Constitution of New Mexico. (Ord. #2007-23, §5)

26-3.3 Legislative Findings.

The governing body has determined that:

- A. The city should actively participate in the creation of a comprehensive housing services delivery system that addresses the full continuum of housing needs from the homeless to the homebuyer;
- B. The cost of financing is an important factor in the total cost of housing;
- C. The lack of affordable capital can be a significant barrier to the creation and preservation of affordable housing and can be an obstacle in providing housing that addresses multiple community housing needs and priorities; and
- D. It is in the public interest to create the Affordable Housing Trust Fund.
(Ord. #2007-23, §6)

26-3.4 Purpose.

The purpose of the Affordable Housing Trust Fund Ordinance is to identify the initial source of funds which shall be dedicated to the affordable housing trust fund (AHTF) and to restrict allowable uses of the AHTF to provide or pay all or a portion of the costs of acquisition, development, construction, renovation or conversion, financing, operation or owning affordable housing or infrastructure to support affordable housing which meets agreed upon community

housing goals and objectives. The AHTF is not intended to be the sole source of funding for affordable housing and any activity or project eligible for support from the AHTF is expected to develop additional sources of funds. (Ord. #2007-23, §7)

26-3.5 Definitions.

AHTF means the affordable housing trust fund.

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

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

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

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

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

Eligible households means a person or households of low or moderate income as defined in rules adopted by the New Mexico Mortgage Finance Association.

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

Office of Affordable Housing means the department of the city of Santa Fe or its successor administering affordable housing programs.
(Ord. #2007-23, §8)

26-3.6 Dedication.

The following shall be dedicated to the Affordable Housing Trust Fund.

A. Tierra Contenta:

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

(2) Thirty-five percent (35%) of all payments received from the sale of property in Tierra Contenta received after the date of the passage of this section; and

(3) All interest earned from the above.

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

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

D. Proceeds from shared equity loans which are realized when a Housing Opportunity Program Home or Santa Fe Homes Program unit is sold on the open market.

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

F. All in-lieu-of contributions received from developers of qualifying residential projects within the Midtown LINC Overlay District, as defined in Section 14-5.5(D) SFCC 1987, shall be applied only within the following locations:

(1) The Midtown LINC Overlay District;

(2) Qualified Census Tracts (as defined by the US Department of Housing and Urban Development) adjacent to the boundaries of the Midtown LINC Overlay District;
or

(3) Existing residential developments adjacent to the boundaries of the Midtown LINC Overlay District.

G. Other funds that may be identified from time to time which are suitable and appropriate for allocation to the AHTF. These may include on-going, dedicated funding sources as well as one-time funding that is specifically approved by the governing body. (Ord. No. 2007-23, § 9; Ord. No. 2016-39 § 21)

Editor's Note: Section 26-3 was originally adopted July 11, 2007 and amended in its entirety October 26, 2016 by Ord. No. 2016-39.

26-3.7 Use of the Affordable Housing Trust Fund.

The city shall provide loans or housing assistance grants by using the AHTF to:

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

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

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

D. Provide or pay all or a portion of the costs of acquisition, development, construction, financing, operating or owning affordable housing.
(Ord. #2007-23, §10)

26-3.8 Other Requirements.

Use of the affordable housing trust fund shall comply with the following:

A. *Location.* Financing for projects shall be limited to developments located within the city limits of Santa Fe or those properties which will be annexed into the city within six (6) months of application for funds.

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

C. *Leverage.* All loans or housing assistance grants from the AHTF shall have a minimum one dollar (\$1.00) to three dollars (\$3.00) leverage requirement. Sources of leverage may include other project financing, federal community development block grants, federal HOME investment funds, low income housing tax credits and owner equity or any other sources which are in accordance with the approved administrative procedures. Financing and funding from other sources must be committed prior to the release of AHTF funds.

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

E. *Restriction.* Funds loaned to an organization shall only be used for the activity or project for which the loan was approved. The funds cannot be expensed (thereby reducing the amount of the asset on the organization's balance sheet) except in cases where an unpreventable loss occurs and when approved by the governing body.
(Ord. #2007-23, §11)

26-3.9 Affordable Housing Trust Fund Administration.

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

B. All funds shall be allocated under a request for proposal that is conducted at least annually and concurrently with the process used for the community development block grant

programs and is consistent with the provisions of this section and administrative guidelines. Loans and grants shall be disbursed according to standard city procurement practices.

C. Applications for funding shall be reviewed according to evaluation criteria contained within the administrative procedures.
(Ord. #2007-23, §12)

26-3.10 Community Development Commission.

The community development commission will provide funding recommendations to the governing body concerning all loans and grants to be allocated under this section. (Ord. #2007-23, §13)