



Affordable Housing Resolutions Address Urgent Needs

Mayor Requests \$1.8 Million for Affordable Housing Trust Fund

Mayor Joined by Councilors Romero-Wirth, Abeyta, Garcia, Cassut-Sanchez, Lindell, and Rivera in Introducing City Work Plan for Managing Equitable Growth and Development

Because the creation of affordable housing is both an urgent need and a high priority for Santa Fe, Mayor Alan Webber requested approval of a Budget Adjustment by the Finance Committee at its meeting on Monday, March 22. The budget adjustment provides an additional \$1.8 million to the Affordable Housing Trust Fund (AHTF) to bring the total funding for the fund to \$3 million in the current fiscal year. The FY2022 budget will include a similar appropriation to support the purposes of the AHTF. The Public Works Committee will consider the Budget Adjustment on March 29, 2021, and the Governing Body is scheduled to consider it on March 31.

Mayor Webber and City Councilor Carol Romero-Wirth also introduced a Resolution on Monday to establish a work plan for the Governing Body that will ensure the long-term stability of the AHTF, amplify the connection between housing and social service benefits, and create a structure for the City to plan for future growth and equitable development so that housing is available for all residents, regardless of income or type of housing needed.

The Resolution stipulates that the plan will incorporate other essential components of livability, equity, and sustainability, including infrastructure investment, utilities, social policy, environmental, economic, and other quality of life factors. Involving

City Council committees offers a way for all members of the Governing Body to participate in the process of shaping policy, and will also provide opportunity for public input.

"This is a good day for Santa Fe," said Mayor Webber. "When we create more housing we create more choice and give people a place to put down roots. We're devoting resources and ability and being creative about making progress to help Santa Fe grow without losing our essential quality of life."

At the budget hearing on March 10, many members of the public identified affordable housing as the City's most pressing priority. The Budget Amendment Resolution is an urgent response to that urgent situation, and the work plan Resolution is a blueprint for planning a sustainable future for Santa Fe.

Recent years have seen significant progress in housing starts. From 2009 to 2016, the Land Use Department of the City of Santa Fe issued an average of 214 permits a year for dwelling units. From 2017 to 2020, the department has issued an average of 736 permits a year; current estimates indicate that there are between 3,000 and 4,000 new housing units in the City's approval, permitting, and construction pipeline.

Last year, the Governing Body approved a major revision to the Inclusionary Zoning Ordinance that increased the fee-in-lieu-of provision. As a consequence, this past year the Affordable Housing Trust Fund received an infusion of approximately \$1.4 million, the largest single increase since the creation of the fund in 2007.

Despite this progress, according to the City's most recent housing needs analysis (2018), there remains a shortage of rental homes. Almost half of our renter population is rent-burdened (paying more than 30% of monthly income to cover their housing costs); and home prices have risen beyond the ability of median-income renters to afford mortgages.

In addition, the COVID-19 pandemic and the subsequent economic shutdown have amplified affordability issues as cost-burdened renters lost jobs or experienced loss of income and now owe several months' worth of rent, making them vulnerable to eviction when the federal, state, and local moratoria on evictions are lifted.

The AHTF provides the City with a variety of mechanisms for responding to such needs. Recommendations from Affordable Housing Director Alexandra Ladd for the use of this money include eviction prevention and mortgage foreclosure prevention measures, as well as the possibility for capital investment to address the needs of those currently without stable housing.

The investments in the AHTF by the Budget Adjustment proposed on Monday will bring the fund up to a target floor level of \$3 million, which leverages up to \$9 million of financing capacity. Among measures to be taken up under the work plan, the Quality of Life Committee, chaired by Councilor Romero-Wirth, will look into funding options for social policies and wrap-around services that need to accompany additional affordable housing. The Land Use Department will coordinate broader planning initiatives around the affordable housing agenda.

Mayor Webber's co-sponsors of the work plan Resolution are: City Councilors Romero-Wirth, Abeyta, Garcia, Cassut-Sanchez, Lindell, and Rivera. The Finance Committee will consider it on April 5, Quality of Life will take it up on April 7, Public Works on April 12, and the Governing Body on April 14.

Councilor Romero-Wirth said: "Today's budget adjustment demonstrates our commitment to getting funding for the Affordable Housing Trust Fund, and the work plan Resolution, which has several co-sponsors, will enable us to find the right mix of funding mechanisms to achieve our goals. Whatever path we take, the process will be intentional and analytical."

Councilor Signe Lindell said: "It's happening. This is the issue we're all committed to and now we're getting traction with it. The administration and the Council will find a way to move forward. People deserve to be housed, that's the bottom line. We're here to help projects get traction and find funding."

Housing advocate Daniel Werwath, Executive Director of New Mexico Inter-faith Housing, calls the AHTF "one of the most important tools we have. This is a big step.... We can double the housing impact we can have in a year."

Mike Loftin, CEO of Homewise, applauds the "whole-spectrum" approach of the plan, which he says will promote economic development because if more people who work in Santa Fe can afford to live in Santa Fe, they will spend money locally.

Mayor Webber credits local housing groups and Affordable Housing Director Alexandra Ladd for decades of advocacy and policy making that are now resulting in an improved forecast.