

**THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

RESOLUTION NO. 2021 - 050

Introduced by:
Commissioner Hank Hughes and Commissioner Anna Hamilton

**A RESOLUTION
PRIORITIZING THE UPDATING OF THE SANTA FE COUNTY AFFORDABLE
HOUSING PLAN AND CONFIRMING THE BOARD OF COUNTY COMMISSIONERS'
COMMITMENT TO THE CREATION OF A COUNTY AFFORDABLE HOUSING
TRUST FUND AFTER ADOPTION OF THE UPDATED PLAN**

WHEREAS, in 2004, the New Mexico State Legislature enacted the Affordable Housing Act, NMSA 1978, Chapter 6, Article 27, to allow local governments to donate resources to create and maintain affordable housing in their communities; and

WHEREAS, the purpose of the Affordable Housing Act is to implement the provisions of Subsections E and F of Article 9, Section 14 of the constitution of New Mexico, which Subsections enshrined the State's commitment to ensuring that all New Mexicans have access to decent, safe, and sanitary housing; and

WHEREAS, the Affordable Housing Act mandates the creation of an affordable housing plan by a county or municipality making housing assistance grants, and Santa Fe County ("County") has an approved Affordable Housing Plan and is currently developing updates to its Affordable Housing Plan to be considered in 2021; and

WHEREAS, the Affordable Housing Act and the current County Affordable Housing Plan are consistent with the idea of an affordable housing trust fund, which may become an ongoing dedicated source of public funding to support the development and preservation of affordable housing and increase opportunities for families and individuals to access decent affordable homes and rentals (Housing Trust Fund Project, Center for Community Change); and

WHEREAS, the County's updated Affordable Housing Plan will help establish funding needs for new, revised, or existing affordable housing programs and will evaluate potential funding sources for a County Affordable Housing Trust Fund ("Housing Trust Fund"); and

WHEREAS, affordable housing is defined by the U.S. Department of Housing and Urban Development ("HUD") as housing that costs no more than 30% of a household's gross

monthly income, but approximately 44% of renters in Santa Fe County pay over 30% of their annual household income toward their rent (UNM Bureau of Business and Economic Research); and

WHEREAS, there is an estimated shortage of more than 7,340 rental units in the Santa Fe Metropolitan Statistical Area (Santa Fe Housing Report, Santa Fe Association of Realtors, 2020); and

WHEREAS, the annual point-in-time count of homeless people shows that there were 407 unhoused people in Santa Fe County on a single night in January 2020, an increase over previous years and the continuation of an upward trend that started in 2018 (Santa Fe Housing Report, Santa Fe Association of Realtors, 2020); and

WHEREAS, average rental prices in Santa Fe County rose by 11.7 percent, from \$930 in 2017 to \$1,038 in 2019, which is much higher than New Mexico as a whole, where average rental prices rose by 4 percent between 2017-2019 or from \$763-\$791 (Santa Fe Housing Report, Santa Fe Association of Realtors, 2020); and

WHEREAS, Santa Fe County has a vacancy rate of 2.87%, which is well below the 5% vacancy rate that indicates a supply-constrained market (Santa Fe County Housing Data, 2020); and

WHEREAS, the 2019 median price of a single-family home in Santa Fe County was \$527,500; and

WHEREAS, a family would need an income of \$120,000 a year to afford a median-priced home, but Santa Fe County's median household income was only \$61,200 in 2019 (Santa Fe Housing Report, Santa Fe Association of Realtors, 2020), meaning that more than 70% of Santa Fe County residents cannot afford a single-family home (UNM Bureau of Business and Economic Research, 2020); and

WHEREAS, in 2019, the median mortgage payment for Santa Fe County residents was \$1,577.00 a month, meaning that, based on Santa Fe County's median household income, only about 50% of Santa Fe County residents can afford median mortgage payments (UNM Bureau of Business and Economic Research, 2020); and

WHEREAS, the lack of affordable housing in Santa Fe County contributes to 37.8% of workers commuting into Santa Fe County for employment (U.S. Census Bureau, 2017), which labor importation exemplifies displacement, gentrification, economic hardship, environmental

impacts, loss of culture, and under-investment in local school districts, workforce, and businesses; and

WHEREAS, County leadership during the Strategic Plan Retreat in 2018 identified the need and desire to create the Housing Trust Fund to help alleviate the affordable housing crisis: and

WHEREAS, funds from the Housing Trust Fund could potentially be used to leverage federal funding from the Low-Income Housing Tax Credit program, the National Housing Trust Fund, the HOME program, and other programs to increase the positive impact of the Housing Trust Fund; and

WHEREAS, the Board of County Commissioners (Board) of the County desires to: 1) prioritize the update to the County Affordable Housing Plan, and 2) confirm its commitment to exploring the creation of the Housing Trust Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board that County staff is directed to present an updated Affordable Housing Plan to the Board for potential adoption by December, 2021. The updated Affordable Housing Plan should include the specific housing programs to be funded, the necessary level of funding to make the programs effective, and the funding sources that could potentially be used to fund each program.

BE IT FURTHER RESOLVED that the Board will consider creation of the Affordable Housing Trust Fund with dedicated funding sources after adopting an updated Affordable Housing Plan.

BE IT FURTHER RESOLVED that, while the Board recognizes that further analysis will be necessary to evaluate potential funding sources and further steps necessary to dedicate any viable funding sources ultimately chosen by the Board, the following have tentatively been identified as possible funding sources for the Affordable Housing Trust Fund:

1. A portion of the gross receipts tax revenue attributable to short term rentals;
2. A percentage of future increases in property tax revenue;
3. The difference between the annual amount budgeted for the Low-Income Taxpayer's Property Tax Rebate and the annual amount paid to the New Mexico Taxation and Revenue Department for that rebate pursuant to Section 7-2-14.3(I) NMSA 1978 (2003);

4. Revenue from the Occupancy Tax imposed on temporary lodging stays in excess of 30 days, should the Lodgers' Occupancy Tax Ordinance, Ordinance No. 1999-10, as amended, be amended to impose the Occupancy Tax on temporary lodging stays in excess of 30 days; and
5. A recurring general fund appropriation in the County budget.

BE IT FURTHER RESOLVED that, separate from the Affordable Housing Trust Fund, the current Board is willing to consider use of bond financing for affordable housing projects when it is legally permissible to do so.

PASSED, APPROVED, AND ADOPTED ON THIS 25th **DAY OF** May
2021.

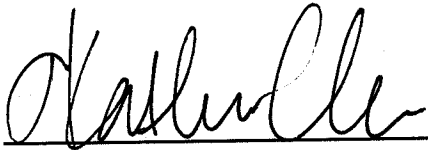
**BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**


Henry P. Roybal, Chair
Santa Fe County Board of County Commissioners



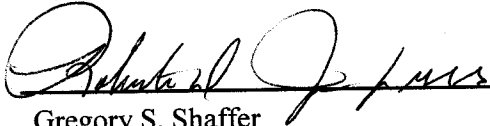
SFC CLERK RECORDED 05/26/2021

ATTESTATION:


Katharine E. Clark
Santa Fe County Clerk

Date: 05/26

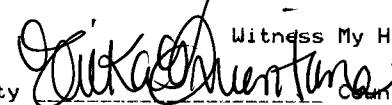
Approved as to form:


Gregory S. Shaffer
Santa Fe County Attorney

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 4

I Hereby Certify That This Instrument Was Filed for Record On The 26TH Day Of May, 2021 at 10:24:37 AM And Was Duly Recorded as Instrument # 1954366 Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office

Deputy County Clerk, Santa Fe, NM
Katharine E. Clark