

FISCAL IMPACT REPORT

General Information:

(Check) **Bill:** x **Resolution:** _____

Short Title(s): Updating Fee in Lieu and Affordability Requirements

Sponsor(s): Mayor Michael Garcia

Reviewing Department(s): Land Use Department, City Attorney’s Office

Staff Completing FIR: Faviola Chavez, Affordable Housing Director **Date:** 5/01/2026

Phone: (505) 690-4192

Reviewed by City Attorney: *Marcos Martinez* **Date:** 05/22/2026
[Marcos Martinez \(May 22, 2026 09:18:25 MDT\)](#)

Reviewed by Finance Director: *Andrea Phillips* **Date:** 05/22/2026
[ANDREA PHILLIPS \(May 22, 2026 10:07:48 MDT\)](#)

Summary:

If adopted, the proposed bill would amend SFCC 1987, Section 26-1.22, which establishes the requirements for developing rental units under the Santa Fe Homes Program (“SFHP”). The bill makes non-substantive technical updates and clarifications to the calculation of fees paid in lieu of providing on-site affordable units. It also makes a substantive change to the fee-in-lieu calculation by proposing the use of thirty percent (30%) instead of sixty-five percent (65%) when determining the calculation’s base fee amount.

Departments Affected:

Affordable Housing Department

Consequences of Not Enacting Legislation:

If this legislation is not adopted, SFCC 1987, Section 26-1.22, will not be updated to include clarifications and technical updates to the calculation of fees paid in lieu of providing on-site affordable units. There would also not be a decrease from sixty-five percent (65%) to thirty percent (30%) when determining the base fee amount in the fee-in-lieu calculation. This means that the amount collected for developing rental units under the Santa Fe Homes Program would remain status quo.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

Section 26-1.22, SFCC 1987, was last updated via Ordinance No. 2019-30.

Performance and Administrative Implications:

None at this time.

Fiscal Implications:

**Currently, the fee-in-lieu calculation uses a percentage of sixty-five percent (65%) to determine the “base fee” amount. The bill proposes to lower this amount to thirty percent (30%). The decrease in this

percentage would result in an increase in the amount the City of Santa Fe would collect from developers, should they opt to pay a fee in lieu of providing on-site affordable units. See the memo attachment “Example Calculations for SFHP” for sample fee-in-lieu calculations.

Fiscal Impact

** Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 2026	FYE 2027	FYE 2028	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

Expenditure Narrative:

** See "Fiscal Implications" narrative" above.

Revenue

Revenue Type	FYE 2026	FYE 2027	FYE 2028	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative: