



Policy Memorandum

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To: Councilor Patricia Feghali

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Subject: Dedicated City Employee Housing

POLICY QUESTION

How could the City of Santa Fe create or incentivize the creation of dedicated municipal employee housing within the City of Santa Fe?

BACKGROUND

At present, cost of living and a lack of plentiful housing that is affordable and accessible in Santa Fe, New Mexico, has made it difficult for municipal employees to find long-term housing within city-limits. While there is ample research dedicated to the specific subject of affordable housing, cities providing housing for public servants is a more limited point of inquiry, specifically in the United States. This memorandum will analyze several examples of municipalities that have undertaken or have policy models in order to provide housing specifically for public servants. Other programs such as housing incentives are also discussed.

SUMMARY

Housing for Public Servants Provided by Municipalities and/or Other Governments

There are several municipalities in the United States that have explored the dedication of housing to public servants. This type of housing is also commonly referred to as “workforce housing”. There is no singular accepted model for workforce housing, but this memorandum will provide multiple viable policy examples.¹

In New York City, the “DC 37 Municipal Employees Housing Program” is a union-run program that is meant to help eligible public sector union members find housing. It was established in 2005 and essentially functions as a program that provides personal guidance to unionized municipal

¹ “Fruition Communities,” Fruition Communities, November 27, 2024, <https://myfruition.com/clients/government/municipalities>.

employees in New York City on home buying. The program provides resources such as personalized guidance for first-time home buyers, guidance on how to access affordable housing resources, information on housing for seniors, and educational webinar opportunities.² The program does not directly subsidize employee housing.

The California Department of Housing and Community Development (“CDHCD”) outlines its stated purpose on its website, saying: “The Employee Housing Program oversees the construction, maintenance, use, and occupancy of privately-owned or -operated employee housing facilities providing housing for five or more employees to assure their health, safety, and general welfare.”³ The employee housing administered by this department is privately-owned housing for five or more employees under specified circumstances. This program is enforceable through California’s Employee Housing Act (“EHA”), which regulates housing provided by employers. In this context, EHA housing is owned and operated by employers. EHA housing is subject to specific EHA regulations and standards that must be met by the employers who own and operate this housing.⁴

Smaller cities in the United States have also pursued or are in the process of developing workforce housing. For example, the town of Vail, Colorado, began its workforce housing program in 1998. Most of this housing is dedicated to seasonal employees and “critical” year-round employees, including police officers and heavy equipment operators such as snow-plow drivers. The town of Vail also provides an Employee Home Ownership Program (“EHOP”) which is meant to assist full-time employees in purchasing a primary residence. EHOP is essentially a loan-servicing program for down payment and/or closing costs on a home, in the value of no more than \$200,000, to be paid off over a maximum period of 15 years.⁵ For employees who rent, the town of Vail offers interest free loans of up to \$2000 for move-in expenses. The loans are paid through payroll deductions over a six-month period.⁶

The town of Oak Bluff, Massachusetts, began planning for municipal workforce housing in 2023. Oak Bluff’s interest came on the heels of other coastal Massachusetts towns reserving affordable housing specifically for municipal employees. Nantucket, for example, put in a request to the state of Massachusetts’ Executive Office of Housing and Livable Communities (“EOH”) to give permanent preference to municipal employees on a publicly funded affordable housing project for newly developed affordable housing units.⁷

² “DC 37 Housing Program,” Dc37.net, 2026, <https://www.dc37.net/benefits/housing/>.

³ “Employee Housing | California Department of Housing and Community Development,” Ca.gov, 2021, <https://www.hcd.ca.gov/building-standards/employee-housing>.

⁴ California Health and Safety Code, Division 13, Part 1, § 17000 – 17062.5.

⁵ Town of Vail Employee Home Ownership Program - EHOP® Amortized Loan Product Guideline.

⁶ “Employee Housing Opportunities | Vail, CO,” Vail.gov, 2020, <https://www.vail.gov/government/departments/human-resources/employment/employee-housing-opportunities>.

⁷ Eunki Seonwoo, “Oak Bluffs Considers Housing Municipal Workers,” The Martha’s Vineyard Times (The Martha’s Vineyard Times, December 18, 2023), <https://www.mvtimes.com/2023/12/18/oak-bluffs-considers-housing-municipal-workers/>.

As of 2025, ground has been broken in Oak Bluff on 60 new units specifically for municipal employees. The development is a partnership between the Island Housing Trust (“IHT”) and a private investment firm. IHT is a non-profit community land trust dedicated to affordable housing.⁸ Regarding financing for the project, “[c]ommitted funding for the new housing community includes approximately \$11 million in permanent and workforce housing financing from MassHousing, \$27.3 million from the allocation of federal and state Low Income Housing Tax Credits by the [Executive Office of Housing and Livable Communities](#) (EOHLC), \$6 million in direct support from EOHLC, \$3.6 million through IHT, and \$750,000 through the town of Oak Bluffs. [Stratford Capital Group, LLC](#), is the tax credit investor and syndicator and [Rockland Trust Company](#) is the construction lender”.⁹

Other municipalities opt to provide incentives and indirect supports which don’t build or provide the housing itself. Newark, New Jersey and Little Rock, Arkansas are examples of cities using such indirect incentives. Newark offers municipal employee housing assistance program that loans of up to \$10,000 at zero interest for the purpose of purchasing a home in the city of Newark.¹⁰ The city of Little Rock has adopted a similar incentive system, wherein a one-time payment of \$5,000 is given to new employees to assist with the purchase of a home, or \$2,500 for rental assistance.¹¹

Preexisting Programs in the State of New Mexico

The state of New Mexico and individual municipalities in New Mexico operate workforce housing programs. At the state level, the program is officially called the Opportunity Enterprise housing Development Program. It is a \$125 million fund dedicated to housing. The function of this fund is to provide low-cost financing for development of rental and non-rental workforce housing, in addition to infrastructure financing for traditional affordable housing projects. The first round of funding makes \$30 million available for disbursement.¹² The fund was started in 2024, and the most recent round of applications for this fund closed on May 14th of 2026. It has not yet been announced when the next round of applications for funding will be open.

Multiple New Mexico municipalities have local workforce housing options. The village of Ruidoso currently has one workforce housing development being built, the Elk Meadows Workforce Housing Development. The project is a partnership between the village of Ruidoso, Enriched Communities LLC, and the New Mexico Housing & Community Development

⁸ “About Us – Island Housing Trust,” [ihmv.org](https://www.ihmv.org/about/), 2026, <https://www.ihmv.org/about/>.

⁹ “Ground Broken for the Development of 60 New Affordable and Workforce Rental Homes in Oak Bluffs on Martha’s Vineyard,” [Masshousing.com](https://www.masshousing.com/en/press/2025-07-17-tacknash-kill), 2025, <https://www.masshousing.com/en/press/2025-07-17-tacknash-kill>.

¹⁰ Michael Neal and Daniel Pang, “Research Report How Higher Mortgage Interest Rates Can Widen Racial Gaps in Housing Wealth the Case of Newark, New Jersey,” 2022.

¹¹ “WANTED: Public Employees Who Live Where They Work,” [Governing](https://www.governing.com/archive/gov-government-employee-housing-loans-residency-requirement.html), July 3, 2019, <https://www.governing.com/archive/gov-government-employee-housing-loans-residency-requirement.html>.

¹² “Governor Announces Launch of Workforce Housing Program - Office of the Governor - Michelle Lujan Grisham,” Office of the Governor - Michelle Lujan Grisham, September 4, 2024, <https://www.governor.state.nm.us/2024/09/04/governor-announces-launch-of-workforce-housing-program/>.

Corporation. Although the development is described as workforce housing,¹³ it does not appear to be reserved specifically for village employees. Rather, the development appears to be housing catered towards both low- and middle-income local residents. Red River, New Mexico operates workforce housing properties known as Golden Eagle Lodge and Elk Ridge. Prices for units at these properties range from \$300 per month to \$1000 per month.¹⁴ The construction of these units was funded with a \$1.6 million workforce housing grant from the state. Angel Fire, New Mexico, also provides opportunities to apply for workforce housing on the village’s website.¹⁵ Angel Fire’s workforce housing was funded by a grant from the New Mexico Mortgage Finance Authority, also known as Housing New Mexico, with the project itself being managed by the village’s public works director.¹⁶

RECOMMENDATIONS

There are a variety of ways in which municipalities can approach municipal workforce housing. The greatest limitation to this type of housing revolves mostly around what a city can afford, and/or what sort of financing a municipality can obtain from outside sources for the sake of municipal workforce housing.

Programs that Focus on Access to Resources and Education: The City could create a program similar to the DC 37 Municipal Employees Housing Program in New York City, which provides directions and educational resources for municipal employees seeking to become first-time homebuyers, among other housing-related topics.

Employer Operated Housing Programs: Although California’s EHA is a state-level regulation, the City could implement legislation that establishes employer-operated housing within the City. This would allow the City to operate and maintain its own stock of housing for municipal employees.

Loans for Municipal Employees: the City could also offer the types of interest free home loans that other municipalities offer as a means of incentivizing municipalities to live within city limits.

Partnerships with Non-profits and Other Public and Private Bodies: Direct subsidization and operation of municipal workforce housing will likely require partnerships with locally-based non-

¹³ “Village of Ruidoso Municipal Government,” Village of Ruidoso Municipal Government, June 21, 2025, <https://www.ruidoso-nm.gov/news-info/4g3s43lnjzm9yfd829b8y5f2n28d63>.

¹⁴ “Workforce Housing,” Red River NM, 2026, <https://www.redrivernm.gov/community/page/workforce-housing>.

¹⁵ “Angel Fire Workforce Housing Rental Application Open Now,” Angelfirenm.gov, 2022, <https://www.angelfirenm.gov/m/newsflash/Home/Detail/721?arc=1028>.

¹⁶ Ellen Miller-Goins, “Model for Enchanted Circle? Angel Fire Accelerates Infrastructure, Workforce Housing,” Santa Fe New Mexican, May 11, 2025, https://www.santafenewmexican.com/news/local_news/model-for-enchanted-circle-angel-fire-accelerates-infrastructure-workforce-housing/article_7bd5fb2e-fa3a-45a2-a281-89e7504847a9.html.

profit organizations, such as community land trusts, and other public bodies at the state level. Additionally, the city should apply to grants and other programs provided by the state of New Mexico whenever such grants and/or programs become available, as demonstrated by other municipalities in the state.

Taking Advantage of State of New Mexico Opportunities: The City may also consider looking into the preexisting opportunities at the state level. Because the Opportunity Enterprise housing Development Program funds through the state are dedicated to developers and non-profits seeking to build affordable workforce housing, decision makers should coordinate with local non-profits and eligible developers to clarify how to acquire these funds in Santa Fe.
