



# CITY OF SANTA FE

## Memorandum

**Date:** February 21, 2025

**To:** Governing Body, Finance Committee, Quality of Life Committee, Public Works and Utilities Committee

**From:** Johanna Nelson, Director of Office of Economic Development and Interim Director of Office of Affordable Housing *JN*

**RE:** Amending Ordinance No. 2021-10 to Extend Sunset from 2025 to 2030

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### EXECUTIVE SUMMARY:

This bill amends SFCC 1987, Section 11-14.5, to extend the specified sunset date of December 31, 2025, to December 31, 2030, with regards to depositing half of certain land sale revenues into the Affordable Housing Trust Fund (AHTF).

### BACKGROUND AND CONTEXT

Ordinance No. 2021-10 dedicated 50% of unrestricted revenue from the sale of City-owned land to the Affordable Housing Trust Fund (“AHTF”). This AHTF funding strengthens the City's ability to address Santa Fe's critical affordable housing needs. However, this dedication also results in a corresponding reduction in revenue for the Economic Development Fund.

Affordable housing has been a persistent challenge in Santa Fe for decades. Recognizing this, the City established the AHTF following the state of New Mexico's passage of the New Mexico Affordable Housing Act, which provided an exemption to the state's Anti-Donation Clause. Codified in SFCC 26-3, the AHTF enables public resources to be used for the following activities:

- The preservation, rehabilitation, operation, and construction of affordable housing units and emergency shelters.
- Financial assistance for income-qualified individuals through rental, mortgage, and down payment assistance programs.

Despite these efforts, the City continues to face significant barriers in ensuring a steady and reliable funding source for the AHTF.

### KEY ISSUE

The current revenue streams for the AHTF are limited and inconsistent. Historically, the fund has relied on development fees, the payoff of City-held affordability and fee waiver liens, and land sales in Tierra Contenta. These sources, however, are closely tied to fluctuations in the real estate and development markets, making them unpredictable and difficult to sustain.

While the dedication of certain resources to the Affordable Housing Trust Fund reduces revenue for the Economic Development Fund, it would prioritize housing affordability—a foundational issue that impacts economic growth, workforce stability, and overall quality of life in Santa Fe.




# CITY OF SANTA FE

## Memorandum

**ATTACHMENTS:**

Bill

Fiscal Impact Report

**Signature:**  [Johanna Nelson \(Feb 21, 2025 17:07 MST\)](#)

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# \_Amending Economic Development Fund Ordinance to Extend Sunset from 2025 to 2030 (Memo)

Final Audit Report


2025-02-22

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| Created:        | 2025-02-22                                   |
| By:             | PALMER ANDERSON (pcanderson@santafenm.gov)   |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAAV3z441cklbvZUMM3UK91osvLT3iS9iyh |

## "\_Amending Economic Development Fund Ordinance to Extend Sunset from 2025 to 2030 (Memo)" History

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2025-02-22 - 0:05:47 AM GMT- IP address: 63.232.20.2

 Document emailed to Johanna Nelson (jcnelson@santafenm.gov) for signature

2025-02-22 - 0:06:45 AM GMT

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2025-02-22 - 0:07:01 AM GMT- IP address: 174.240.20.215

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Signature Date: 2025-02-22 - 0:07:30 AM GMT - Time Source: server- IP address: 174.240.20.215

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2025-02-22 - 0:07:30 AM GMT