



CITY OF SANTA FE

Santa Fe Living Wage & Housing Proposal

Governing Body Working Session

Executive Summary

- Santa Fe's future depends on population composition.
- Two key factors: affordable/workforce housing & wages.
- Progress has been made in housing, more needed.
- Proposal updates living wage comprehensively.
- Together: housing + wage → diverse, equitable, authentic Santa Fe.



Proposal for Updating the Living Wage

- Raise living wage to \$17.50/hour after 1-year assessment.
- Retain current provisions (tipped wages, employer categories).
- New formula: 50% Western CPI + 50% HUD Fair Market Rent.
- Annual increase cap: 5%. Floor: 0% (no decreases).



Background: Santa Fe's Living Wage

- Living wage ordinance enacted in 2003 (2nd U.S. city).
- Purpose: ensure decent, healthy lives for workers and families.
- 2003: County wages 23% below U.S. average cost of living 18% higher.



History of Wage Increases

- 2004: \$8.50/hour; 2006: \$9.50/hour.
- Since 2009 tied to Western Region CPI.
- Tips, health care, childcare count toward wage.
- Medicaid-funded non-profits exempt.
- 2025: living wage reached \$15/hour.



Housing Costs & the Living Wage

- Housing = largest burden for low-wage workers.
- Since 2016: rents +74%, home prices +80%, incomes +36%.
- 1/3 of households are rent burdened.
- Flat population: wealthier arrivals replacing long-term families.



Progress on Housing Supply

- Need: 3,270 new units by 2050 (not including unmet demand).
- Post-2008 recession: stagnation; since 2018: rebound (400+/yr).
- 2,500 multifamily units under construction; 4,000 in pipeline.
- 2025 rents rose only 0.5% vs. 2024.



Supply-Side Policies & Programs

- 3% excise tax on homes > \$1M (Affordable Housing Trust Fund).
- Updated inclusionary zoning for flexibility.
- \$3M/year allocated to Housing Trust Fund (3x matched).
- CDBG funds support low-income housing & homelessness programs.
- City land repurposed for affordable housing.



Adjusting the Living Wage

- Raise to \$17.50/hour after one year.
- Retains current provisions on tips & benefits.
- Annual formula: 50% CPI + 50% HUD rent index.
- First U.S. proposal linking housing costs to wage ordinance.
- Annual increase range: 0%–5%.



Projected Scenarios

Year	10th pct (0.00%)	50th pct (2.6%)	90th pct (5.0%)
2025	\$15.00	\$15.00	\$15.00
2026	\$15.00	\$15.00	\$15.00
2027	\$17.50	\$17.50	\$17.50
2028	\$17.50	\$17.96	\$18.38
2029	\$17.50	\$18.42	\$19.29
2030	\$17.50	\$18.90	\$20.26
2031	\$17.50	\$19.39	\$21.27
2032	\$17.50	\$19.90	\$22.33
2033	\$17.50	\$20.41	\$23.45
2034	\$17.50	\$20.94	\$24.62
2035	\$17.50	\$21.49	\$25.86



Stakeholders & Vetting

- Consulted: Chamber of Commerce, hospitality, hospital, nonprofits, unions.
- Finding: \$15/hr has limited impact; many pay higher already.
- Uncertainty in economy supports 1-year evaluation period.



Conclusion

- Santa Fe's character depends on residents who work & live here.
- Gap remains between wages & cost of living.
- Housing supply progress helps, but wage increase needed.
- Proposal updates ordinance to reflect today's realities.

