

**FISCAL IMPACT REPORT**

**General Information:**

(Check)      **Bill:**   X                        **Resolution:** \_\_\_\_\_

**Short Title(s):**           Living Wage Ordinance Update          

**Sponsor(s):**           Mayor Alan Webber          

**Reviewing Department(s):**           City Attorney’s Office          

**Staff Completing FIR:**           Rod Gould, Senior Advisor and Public Engagement Coordinator          

**Date:**   8/26/2025        **Phone:**   505-637-1907  

**Reviewed by City Attorney:**           Erin McSherry                **Date:**   09/04/2025    
[Erin McSherry \(Sep 4, 2025 11:17:35 PDT\)](#)

**Reviewed by Finance Director:**           Emily K. Oster                **Date:**   09/04/2025  

**Summary:**

The proposed bill would amend SFCC 1987, Section 28, the Living Wage Ordinance, to increase the living wage in the city of Santa Fe, beginning January 1, 2027, to an hourly wage of seventeen dollars and fifty cents (\$17.50). The proposed bill retains the existing exceptions. Additionally, the bill establishes a new formula for calculating annual increases to the living wage by using an average of the rate increases United States Bureau of Labor Statistics’ Western Region Consumer Price Index (“Western Region CPI”) and the United States Department of Housing and Urban Development’s (“HUD”) fair market price rental of a two-bedroom unit in Santa Fe. Lastly, the annual adjustments to the living wage would be limited to five percent (5%) of the prior year’s wage, and the bill prohibits decreases to the wage, preventing the living wage from going down in the case of an economic crisis.

**Departments Affected:**

City Attorney’s Office, Finance Department, Economic Development Division, Tourism Division, Public Works Department, Public Utilities Department, Constituent Services, and Community Services Division.

**Consequences of Not Enacting Legislation:**

If this legislation is not adopted, then the City would not update its living wage law to calculate annual increases by using the average of the rate increases of the Western CPI and HUD’s fair market rental price of a two-bedroom unit in Santa Fe. The gap between what entry and low-skilled workers are paid and the annual wage required to live in Santa Fe would widen.

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

This legislation relates to adopted legislation aimed at increasing the supply of affordable housing in Santa Fe and making living and working in Santa Fe more affordable. Examples of such laws are the Santa Fe Homes Program, requirements for Low Priced Dwelling Units, Affordable Housing Trust Fund, and resolutions donating City-owned land, Community Development Block Grant Funding, and zoning ordinances providing density bonuses for affordable housing.

**Performance and Administrative Implications:**

None at this time.

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**Fiscal Implications:**

According to the most recent Position Organization Listing from the City's Human Resources Department for the pay period ending August 1, 2025, the City employs eighteen (18) employees whose hourly pay rate was less than \$17.50 per hour. These employees work mostly in Tourism, Public Works, and Public Utilities. There is one person in Community Services, who has a pay rate of \$16.9591 per hour. Although they all have a significant benefits package that places their compensation for Living Wage purposes above \$17.50, it is advisable to bring their base pay to that level. The amount needed to increase all eighteen (18) employees' hourly rates to \$17.50, including adding forty percent (40%) for benefits) annualized based on 2080 work hours in a year equates to \$13,467.71. The cost to contract for a study or studies to determine the effect of the Living Wage Ordinance would be \$50,000 and the study would be presented to the Governing Body no later than July 1, 2029. There also may be changes to the Gross Receipts Tax; however, the details are not currently known.

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**Fiscal Impact**

\_\_\_\_\_ Check here if no fiscal impact

**Expenditures**

<b>Expenditure Type</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>	<b>Require BAR (Y/N)</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>	<b>3-Year Total Cost</b>
<u>Personnel and Benefits*</u>	\$ _____	\$ <u>7,000</u>	\$ _____	<u>N</u>	<u>R</u>	<u>General</u>	
	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>							
<u>Contractual/ Professional Services</u>	\$ _____	\$ _____	\$ <u>50,000</u>			<u>Economic Development</u>	
<u>Operating</u>	\$ _____	\$ _____	\$ _____				\$ _____
<u>Total:</u>	\$ _____	\$ <u>7,000</u>	\$ <u>50,000</u>				\$ <u>57,000</u>

**Expenditure Narrative:**

The increase in the Living Wage is to take effect in early 2027. The \$7,000 in FYE 2027 is half the annual cost increase for the affected employees. The \$50,000 budgeted for FYE 2028 is allocated for the study to determine the effect of the Living Wage Ordinance.

**Revenue**

<b>Revenue Type</b>	<b>FYE 2025</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

**Revenue Narrative:**

None

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**Signature:**   
ROD GOULD (Sep 4, 2025 17:18:54 MDT)

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