



SANTA FE HOUSING ACTION COALITION

AR-2021

AN ANNUAL REPORT

LETTER FROM THE ED



Over the past year, the Santa Fe Housing Action Coalition has striven to create and sustain real and significant positive impact on housing and housing affordability in Santa Fe. As we have always done, we have focused our efforts on engaging in critical research, thoughtful debate, intentional community engagement, and targeted advocacy. And, as always, this is not nearly enough.

Last year, we marched on in the midst of a global pandemic where any semblance of certainty or security had been removed and replaced with a nagging anxiety that - at any moment - the bottom could fall out. And, indeed, it did for many.

More of us got sick. More of us lost our shelter and homes. More of us didn't have enough to eat. More of us couldn't make ends meet.

But we also had hope and determination. While the year presented challenges, it also presented opportunities. And we took those opportunities.

This report is less a collection of numbers and grim statistics and more a reflection of who we are as a Coalition, what we've done this year, and the path that we have ahead of us.

Over the last year, I have been immensely proud to see City and County leadership, community stakeholders and the public working together to listen and to make necessary change.

I have been proud to see the Coalition work together with our partners across the City, County and State to understand the needs of our communities and push for solutions that can adequately address them. I have been proud of our determination, even as we have faced the headwinds of the individual realities that challenged and will continue to challenge us all.

And I have been so grateful for the opportunity to be part of the progress we have made together in creating and implementing solutions that adequately address the challenges and needs of our communities. I am inspired and invigorated by the great work of so many of our community organizations, partners and colleagues and am looking forward to continuing our work together. Together, we can effect the real and necessary change we wish to see in Santa Fe.

Thank you so much for your continued support and engagement.

Michael Barrio

THE COALITION



SANTA FE
HOUSING
ACTION
COALITION

The Santa Fe Housing Action Coalition (SFHAC) is a diverse community coalition dedicated to expanding the accessibility and affordability of quality housing options in Santa Fe through systemic change that benefits all residents. The Coalition has come together to address the many issues currently impeding the accessibility of housing for all who want to live in Santa Fe by organizing, convening, educating and mobilizing stakeholders to advocate for more community-responsive housing and land use policy.

The Coalition exists to advocate for any group facing obstacles to affordable housing access in our community, in all neighborhoods in our community. Within these groups, the Coalition recognizes that the lowest income groups require and deserve the most assistance, and our focus on education, advocacy, resources and interventions reflects that belief. As a result, Coalition membership is 100% comprised of groups working on affordable housing issues or whose constituencies are directly impacted by housing instability in our community. As such, our priority is and has always been for collaborative work with a diverse array of individuals, organizations, communities and leaders in order to truly make the necessary, beneficially impactful, and sustainable changes we need to address the housing crisis in Santa Fe.

SFHAC firmly believes that our entire community is impacted by the affordable housing crisis, and that we all have a role in working towards lasting change. Since the Coalition's inception, our approach has been to bridge the gap between technical expertise and those with housing challenges by providing fact and need-based community education and advocacy, ultimately enacting systems change. Through public awareness campaigns, workshops, training, public forums, white papers and a strong community, political, and digital presence, we have worked to create an inclusive forum for learning and receiving input that informs a looping, continuously refined process for the development and support of solutions and initiatives that are designed to address the housing and affordability issue in Santa Fe.

Over the years and as a result of our work, a diverse prohousing constituency has resulted, with SFHAC connecting seemingly disparate groups like developers, landlords, employers, educators, renters, commuters, families, advocates for vulnerable populations, and others with shared interests in affordable housing. This is our greatest strength.

A COMMUNITY OF PARTNERS

The Coalition actively partners with community leaders, stakeholders, advocacy partners and direct-service organizations to help identify current work and initiatives in Santa Fe and across the state, our own community needs, concerns and questions so that we can get a clearer and more comprehensive understanding of the housing landscape that is also sensitive to the unique cultural, financial, and geographical identities & perspectives of the many communities that make up Santa Fe.

Our aim is to catalyze and empower the policy change that can positively and substantively address our housing crisis and we can only do this through active communication and collaboration with the diverse organizations, stakeholders and communities that make up and represent our City. Collaboration and communication among our many partners - in Santa Fe and across the State of New Mexico - is critical to creating successful models that have the potential to be leveraged in communities across the state and this learning process provides the foundation for our mission and work.

The partners in our collaborative work include our members, as well as the University of New Mexico, NM Legal Aid, NM Center for Law & Poverty, the NM Mortgage Finance Authority, the Friends of Architecture, and various advocacy groups across the State of New Mexico. Our role, together as a Coalition, is to continue to advocate for and demand policy change that positively and substantively impacts the affordable housing landscape in Santa Fe and engage and educate their constituencies about these issues. Our collaborative work includes sharing initiatives, research, and messaging that can augment our shared goals so that we aren't working at cross-purposes and can realistically achieve our goals.

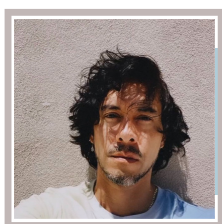


Ultimately, the Coalition and it's network come together to:

- advocate for policy/policy change that works to address and alleviate the housing crisis in Santa Fe;
- cultivate and maintain a streamlined and coordinated collaborative effort to move our shared agenda in New Mexico by committing to regular communication and knowledge-sharing between partners regarding our work and the various components we target as individuals;
- cultivate and maintain trust and respect with our partners and the communities we serve;
- collectively advocate for policy change that creates the just, equitable and sustainable communities we hope to achieve.

As an organization, SFHAC is made up of a diverse 23 member Steering Committee, led by a full-time Executive Director, and overseen by a 5-member Leadership Committee comprised of members from the Steering Committee (members are nominated and terms served at 2yr intervals).

- Executive Director - Michael Barrio, contributes to macro-strategy and policy priority determination/finalization, implements Coalition initiatives and drives Coalition mission.
- Leadership Committee - the Leadership Committee is responsible for providing for core oversight and executive decision making when explicitly authorized by the full Steering Committee and 1) sets the course for the Coalition, ensuring priorities are in line with the direction of the Coalition; 2) oversees the Coalition's current and future activities through a due diligence and risk management lens; 4) and provides fiscal oversight and approval of budget and expenses.



the executive director
Michael Barrio

the leadership committee

Daniel Werwath, Volunteer, Committee Chair, Executive Director at NM Housing Trust & CEO/President at NM Interfaith Housing

Anji Estrellas, Volunteer, Committee Member, Executive Director at Esperanza Shelter

Donna Reynolds, Volunteer, Committee Member, Government Affairs Director, Santa Fe Realtors Association

Miles Conway, Volunteer, Committee Member, Executive Director at Santa Fe Area Home Builders Association

Robert Morlino, Volunteer, Committee Member, Marketing Director at Homewise

MISSION-BASED, PURPOSE-DRIVEN

The current affordability crisis and attendant policy and structural shortcomings, inconsistencies, and inequities that create and impact our housing environment serve as the purpose and drive of our Coalition. The lack of affordable housing in Santa Fe - especially for renter households below 80% of the area median income (AMI) and those seeking homeownership with incomes below 120% AMI - necessitates the development & implementation of models and approaches that can adequately address our ongoing housing crisis. We approach our work with the acknowledgement that the lowest income groups in our community require and deserve the most assistance, and that communities experiencing housing instability are always the experts concerning their unique needs and issues and are best positioned to lead and help determine the futures of their communities. We believe our approach and focus on resources and interventions reflects these tenets and beliefs.

As we move forward, we will continue to identify and engage peers and allies via sustained engagement and collaboration with organizations and coalitions across the state that share our vision and are focused and working on initiatives to create the just, inclusive and equitable communities we hope to see across New Mexico.

We have tailored our approach to creating and sustaining long-term systemic change to focus on creating research and community engagement models that:

1. inform and are informed by community current and emerging needs;
2. encourage engagement and participation with City, County and State-level decision making processes;
3. and strive to coordinate with and provide elected officials, community leaders & stakeholders, advocates, non-profit organizations and the business community with the necessary data and technical expertise to ensure policy change that cultivates the just, equitable and sustainable communities we seek to create.



WORK IN 2021 | YEAR IN REVIEW

2021 was a fast-paced year full of challenges and opportunities that the Coalition met with grit and determination. As a result of the trust, partnership and collaboration of our many members, stakeholders, advocates and community leaders, our work and approach was rewarded with policy reform, community education & engagement success in the form of:

- Commitment from the City to identifying a dedicated funding source for funding the City of Santa Fe's Affordable Housing Trust Fund at a minimum of \$3m per year and, included in the FY22 Budget are an immediate investment of \$3m, an additional \$75k for an eviction hotline, \$200k for growth management planning, and \$150k to support updating the land use code in FY22;
- In-depth research and reporting that outlined the current state of housing in Santa Fe and the avenues for collaborative approaches to addressing the crisis;
- Creating and hosting a monthly web-series ([the breakdown](#)) that exclusively discusses and examines housing issues that impact Santa Fe and the State of New Mexico;
- Collaboration with the New Mexico Department of Finance & Administration to create awareness and provide assistance in applying for the Emergency Rental and Mortgage Assistance Program (ERMAP). ERMAP was designed to provide temporary, emergency rental and mortgage assistance grants to qualifying households in order to assist in preventing evictions and foreclosures for households who have been effected by the COVID Pandemic. The County staff provided the necessary expertise to administer the program, which was overseen by the Santa Fe County Housing Authority, as well as the County's Office of Affordable Housing. All funding was distributed on a first-come, first-serve basis. In total the program received 281 applications, 177 of which were approved. This included 46 mortgage approvals and 131 rental grants that averaged \$3,466.59 each. A total of \$613,586.40 was expended on the ERMAP program.
- Santa Fe County partnered with Pathways Shelter in Espanola to provide the first shelter for the homeless in northern Santa Fe County and Espanola. Santa Fe County purchased a 14-unit facility formerly known as Eagle Village Hotel, which will provide housings units to individuals who may be at risk for housing insecurity and may be COVID positive, or at risk of contracting the COVID virus, and are in need of shelter to safely quarantine and recover. The project is consistent with the intent of the CARES Act which has the goal to directly mitigate the impact of the COVID pandemic on vulnerable populations through the use of federal funds administered by local municipalities and organizations.

YEAR IN REVIEW, CONT.

- Siler Yard officially went online at the tail-end of the year. The development is an innovative nonprofit-driven project that works “at the intersection of urgent affordable housing and economic development needs in Santa Fe, New Mexico”. The project combines highly affordable live/work rental housing co-located with a community makers-space, all amplified through on-site resources for economic development and support. Work began on Siler Yard in June 2020 and is located on a city-donated redevelopment site on Siler Road. The project is funded by a \$10.4 million competitive Low-Income Housing Tax Credit and a \$5.2 million, 40-year, Section 221(d)(4) mortgage – both U.S. Department of Housing and Urban Development programs for affordable housing. The project received \$600,000 in permit and fee waivers from the city of Santa Fe, which also contributed \$400,000 in infrastructure funding and 4.3 acres of land that was appraised at \$1.1 million. There is also \$650,000 from the Federal Home Loan Bank of Dallas issued through Century Bank, New Mexico Inter-Faith Housing is reinvesting its \$430,000 developer fee into the project, and \$350,000 in individual and business donations are funding the solar power.
- Together with the Santa Fe Chamber of Commerce, the Coalition co-hosted the 2022 Santa Fe Mayoral Forum at the Lensic Performing Arts Center. The event took place over two nights in early October and had an audience of over 400 live attendees. The second night of the forum (with a program co-developed with our membership and the general public) focused explicitly on the housing and affordability issues that have come to characterize Santa Fe.

This work directly contributes to cultivating and maintaining inclusive and equitable communities by supporting & creating systems-level change for affordable housing policy which creates a response for adequately addressing our ongoing affordability crisis. We aim to do this by educating the community and policy makers, organizing stakeholders to highlight the connections between housing and health care, public safety, education, economic development and local government services in Santa Fe County, connecting housing insecure families with policy development processes, and providing technical expertise in the development of new policy that makes the just, inclusive & equitable communities we hope to build possible.

THE ISSUE: HOUSING IN SANTA FE

Santa Fe is the most expensive city to live in in New Mexico and median home prices have skyrocketed to over \$575k. There are virtually no rentals in the city - vacancy rates have remained below 5% since 2014, leading to over a 46% increase in market rate rents between 2014 and now - and what we do have is too expensive for working families. And, over the years, we've witnessed Santa Fe's high cost of housing and commercial spaces push our workforce out of the city. Currently, the City lacks more than 5,000 units of affordable rental housing and rental vacancy rates are less than 3 percent for the third year in a row, pushing rental rates up over 30 percent in the last three years. But wait - there's more.

The Santa Fe Area Realtor's recent State of Housing Report notes that, in 2021, home prices and rental rates continued to climb while the City continued to struggle with historic, record-low inventories in the housing market. Housing affordability is a primary concern as rental rates and both single-family home and condominiums/townhome prices have increased. Up to 65% of Santa Fe residents can't afford to purchase a market-rate home and half of renters are considered cost-burdened. This is what we mean when we talk about a housing crisis in Santa Fe.

Two distinct issues are at the core of our housing crisis:

1. First, the Federal Government only provides enough resources to state and local governments to meet the needs of approximately 20% of the lowest income households, many of whom will never be able to afford even the least expensive market rate housing. This leaves an 80% gap that state and local governments are left to figure out how to address.
2. The second problem is a function of basic supply and demand within the Santa Fe real estate ecosystem. In situations where housing supply is lacking, housing prices reset to the highest capacity to pay - which is exactly what recent SFAR reports have outlined. We have a healthy supply of developable land, yet we have failed to grow our housing stock in step with population growth. Add high pressure from outside housing demand from second homebuyers, retiree's, and relocating remote workers who aren't reliant on local wages for their capacity to pay, and housing costs start to skyrocket. This particular issue tends to impact higher wage workers, but functionally prices out the lowest income households in the community, exacerbating the first affordability problem.

QUICK LOOK

Typically, affordable housing is defined as housing costs that don't exceed 30% of a household's income. This standard is dependent on income level and housing expenses. And let's keep in mind that households with low incomes might not be able to even find housing priced at 30% or even 50% of their income. According to the recent New Mexico Affordable Housing Needs Assessment, almost 41% of New Mexicans fall into the low income or below low income categories. So that means that low income households in New Mexico are cost burdened if their total monthly housing expenses exceed \$1,068.

Try finding a place to live in Santa Fe for less than \$1,068 a month today. With a family. During a pandemic.

Speaking of burdens, 'cost burden' is a measure of housing affordability. So when we say that a household is "cost-burdened," this means they pay more than 30% of their income in housing costs while extremely cost-burdened households pay more than 50%. Cost burden for renters and homeowners can differ widely but the fundamental difference is that renters typically have much lower incomes than homeowners overall. In New Mexico, for example, the median household income for renters is \$30,817 as compared to \$58,417 for homeowners.

Now let's add another layer: The National Low Income Housing Coalition (NLIHC) looks at rental affordability by comparing hourly wages with "housing wages." The NLIHC defines housing wage as "the hourly earnings needed to spend less than 30% of income on housing cost." In its 2019 report, NLIHC found that the average New Mexican renter earns \$13.41 per hour and the housing wage needed to afford a modest, market-rate, two-bedroom apartment is \$16.34. That means the average housing wage gap for a two-bedroom apartment in New Mexico is about \$2.93.

The housing wage gap is the largest in - you guessed it - Santa Fe, at \$7.06. This gap is driven both by a low supply of housing stock and high demand. And, as housing costs continue to outpace wage growth, eviction becomes an increasingly grim reality for low-income families and individuals. While there are a number of reasons a landlord might pursue eviction, an inability to pay rent is the primary reason.

As the Chainbreaker Collective points out in a recent report, the accumulation of rent-debt during the course of the pandemic has dramatically increased the number of families and households that are at risk of being evicted. In fact, the accumulation of rent-debt is a looming threat to more than 2,800 households in Santa Fe County, according to a recent US Census Household Pulse Survey, in the form of eviction and a marked increase in those that are unhoused, forced into unstable housing situations, or pushed out of Santa Fe altogether. As of early June 2021, Santa Fe County had the highest estimated rent debt per household in New Mexico, with an average of about \$3,400 per household.

Research shows that evictions not only cause families to lose their homes, but they also radically upend a family's stability. Eviction is associated with truancy, job loss and depression and court records of eviction make it more challenging for low- and moderate-income families to secure housing in the future. At the beginning of the year, the 2021 New Mexico Sheltered Point-In-Time (PIT) count recorded 940 people who were residing in Emergency Shelters on the night of January 25th; an increase of ~16% from the 808 persons in the 2020 Sheltered PIT count.

FOUNDATIONAL
ISSUES & THE PATH
TO DISPLACEMENT

HOUSING STOCK

On a more positive note, a City of Santa Fe June 2021 pipeline report showed that roughly 5,000 residential units are either under construction or in the development pipeline, in addition to 760 completed since 2019. The department was issuing an average of around 500 construction permits and conducting some 2,000 construction inspections per month. While much of this new housing is out of reach for many working families, its high new construction quality, amenities, and in some cases premium locations should help ease pressure that higher income renters were placing on what was more traditionally moderate-priced rental housing. Still, there is an urgent need for more affordable housing inventory along with the market-rate building boom.

THE BIG PICTURE

The data provided above and in this section illustrates a couple of very important points:

1. Santa Fe is, indeed, experiencing a housing crisis. Low housing stock, high rental rates and home prices, a global pandemic, the “Zoom Boom”, systemic inequity, low wages, bureaucracy, politics, local government capacity issues, gentrification and NIMBYs (to name a few) have helped to create a storm we can no longer ignore. We have a lot of work to do.
2. We can do something to address all of these issues. Together with the incredible organizations, partners, and leaders in Santa Fe, we can work to develop solutions and models that can adequately address our housing crisis. We have some ideas for how we can shake things up.

FOR MORE INFORMATION

- [US Census Bureau ACS1-Year Estimates 2019 - Housing & Financial Characteristics](#)
- [Santa Fe Area Realtors State of Housing Report 2021](#)
- [NM Mortgage Finance Authority Housing Needs Assessment 2021](#)
- [2020 Santa Fe County Housing Data](#)
- [Beyond Recovery, a PolicyLink; Chainbreaker Collective; and Homes For All \(a project of Right To The City Alliance\) report](#)



MOVING FORWARD

As we look ahead to the new year, our work is guided by two distinct pillars: targeted inquiry and specific areas of policy focus. These pillars will support and guide our strategies and approach to the development, coordination, implementation, evaluation, and advocacy for solutions and initiatives specific to the housing and affordability issue in Santa Fe.

Support Systems

1. How can we best assist/support the City and County in improving the development review process for simplified and efficient turnaround, and upgrade current community engagement practices (such as Early Neighborhood Notification requirements) to include more voices from diverse stakeholders at public hearings, while promoting more neighborhood responsive development?
2. How can we best assist/support local leadership in creating a framework to identify and achieve affordable housing goals?
3. How can we best support tenant resources and the accessibility of information about their rights under state and federal laws and encourage policy change that provides sufficient protection for renters?



2021 Adopted Priorities

1. **FUND THE TRUST FUND**: The City of Santa Fe's Affordable Housing Trust Fund is a powerful and flexible tool to address chronic housing shortages. We advocate for the fund to have permanent and dedicated sources of funding each year. Community housing advocates agree that the City of Santa Fe must dedicate at least \$3 million a year to the Affordable Housing Trust Fund to ensure our housing interventions rise to the scale of the problem and address a range of housing needs from homelessness through foreclosure. Likewise, we advocate for Santa Fe County to implement a trust fund mechanism to make access to housing funds more transparent and effective and serve the unique housing needs outside the urban area of Santa Fe.
2. **ZONING REFORM** – We strongly advocate for The City to work to adopt equitable and sustainable approaches to current and future growth by ending low-density zoning and combating urban sprawl. Additionally, we encourage The City to update the future land use map to identify areas that have the social and physical infrastructure to support higher density housing. In an effort to provide alternatives to large apartment complexes, explore reversing exclusionary zoning policies like very low density housing and allowing a mix of housing types (duplex, multiplex etc) in all neighborhoods.
3. **SUPPORT LOCAL HOUSING PROGRAM GOALS** – Assist local leadership in creating a framework to identify and achieve affordable housing goals. Track progress in the efforts being made to achieve housing goals and understand arising or changing needs. Local governments should be held accountable for creating annual goals for housing services and affordable unit production that fit into a strategic framework that will address identified needs. The exercise of setting goals is critical for tracking the outcomes of housing programs and investments and creates a context for interactive policy and program development.
4. **CITY AFFORDABLE HOUSING LAND DONATION** – Promote the creation of new affordable housing development through the identification and systematic annual donation of City-owned parcels for income restricted rental housing development, as well as the preparation of land for specific affordable housing development products.
5. **STREAMLINE DEVELOPMENT REVIEW** – Identify methods to improve the City's development review process for simplified and efficient turnaround, and upgrade current community engagement practices (such as Early Neighborhood Notification requirements) to include more voices from diverse stakeholders at City public hearings, while promoting more neighborhood responsive development. The City should conduct community impact analysis of larger developments that scores development impact based on community needs & goals such as affordability, environmental and climate sustainability, equity, and economic development.
6. **RENTER RIGHTS** – Fund and support tenant resources and information about their rights under state and federal laws. Pass state law changes that provide more protection for renters, including “curing” rights.
7. **ENCOURAGE NEW FINANCING TOOLS FOR CDFI's** – Identify new funding sources for affordable housing through Community Development Financial Institutions and other funding mechanisms to support innovative affordable housing programming, as well as support methods of improved financing for Accessory Dwelling Units.

A NOTE ON COLLABORATION

During the coming year, we anticipate that the Coalition's collaborative approach will have coalesced into a much more coordinated effort among community stakeholders and non-profit organizations as a result of our continued discussions and will necessarily include targeted, core areas of concern (perhaps organized by region) to determine initiative or issue leads that can be responsible for driving collaboratively-crafted policy initiatives. There is currently a lot of discussion surrounding partner collaboration and there are serious efforts (and there has been some progress) to formalize and solidify what this looks like as we continue our work together.

As always, the Coalition's work is guided by the principles of critical inquiry, education, collaboration, equity and advocacy and we look forward to continuing our work together with our partners and communities.



PROGRAMS & RESOURCES

The City Santa Fe and Santa Fe County have extensive programs to support affordable housing creation, services and investments. The below does NOT represent an exhaustive list but, rather, includes program highlights over the past year.

The City of Santa Fe has four main pillars of affordable support including General Fund money for homeownership services, the Affordable Housing Trust Fund that supports a wide range of housing activities, Federal Community Development Block Grant funds, and our inclusionary housing programs.

The City's Affordable Housing Trust Fund (AHTF) was established in 2005. The AHTF has had significant impact in the community and, in program year 2020 - 2021, the City invested an additional \$1.8m to bring the fund up to the recommended \$3m per year. In October, The City of Santa Fe made \$3 million available from the AHTF to support affordable housing with funds going to low to moderate-income residents who applied.

Community Development Block Grant (CDBG) funds are awarded to the City by the US Department of Housing and Urban Development (HUD). This flexible block grant can be spent on a range of community, housing and economic development activities which local communities prioritize. In the current completed program year, public services funded through CDBG proposed to serve 1,245 households and served almost three times that number (3,417). Twenty-two (22) households were served through downpayment assistance, exceeding the goal of 17, funded primarily through program income earned by the subrecipients (Homewise and the Housing Trust). Nine rental units were acquired, continuing to serve 9 very low income renters. Shelter providers proposed providing shelter beds to 299 individuals experiencing homeless and exceeded that proposal by almost double (583).

The Santa Fe Homes Program is a type of inclusionary housing program that requires a certain percentage of all newly built housing provide a set aside for affordable housing. The requirement for homeownership projects is that 20% of new projects with 10 units or more be reserved for households earning less than 100% of the area median income.

For more details and information on CDBG and the Santa Fe Homes Program, please visit the [City of Santa Fe's Office of Affordable Housing website](#).

acknowledgements

a special thank you to the people and organizations that make this work possible. thank you for all you do for our communities!

- The Santa Fe Community Foundation
- PNM Resources Foundation
- the McCune Charitable Foundation
- Anchorum St. Vincent
- the Nusenda Foundation

