

City of Albuquerque Affordable Housing Policy

City Calls for Update of Policy: R-05-255. In April, 2005, the City Council unanimously agreed that a review of existing policy and development of a new and innovative approach was required in the area of affordable housing policy.

■Review City Policy. The results of the review are discussed below. But overall there is little to show for years of policy initiatives. The Family Housing Development Program, a voluntary inclusive zoning program, has been placed in suspension by the City. The Comprehensive Plan adopted by the City and County calls for an end to homelessness, decent and safe housing for all but has no implementation mechanism. The federal funds received by the City are largely allocated for housing rehabilitation for existing owners and the development of ownership housing for families earning 60% to 80% of median income.

■Interview stakeholders. A stakeholders list was developed representing 27 organizations and including: public officials, homebuilders, financial intermediaries, advocacy organizations, non-profit housing providers, neighborhood associations, unions and for profit developers. Individuals were interviewed and the best of their thinking, their concerns and their experience was incorporated into draft legislation expressing a new and more aggressive policy direction. The draft legislation was reviewed by the stakeholder group and again their concerns were the basis for revisions prior to submittal of the legislation to the City Council.

■Look at best practices in other cities. Five western cities, known for innovative approaches to affordable housing were selected for more in depth analysis. These were Santa Fe, Portland, Seattle, San Diego and Denver/Boulder.

■ Consider innovative approaches. The list of possible approaches included in R-05-255 were examined for inclusion in new City of Albuquerque policy as were the experiences of the five cities.

What can we learn from other cities?

- Santa Fe-Affordable Housing Roundtable, Inclusionary Zoning, Housing Trust Fund and Land-Banking: Santa Fe has had success in creating affordable housing with a multi-pronged approach. The City's Housing Opportunity Program was recently amended to a 30% affordability requirement coupled with development incentives including density bonus, fee waivers and zoning variances applicable to rental and for sale housing. A fee in lieu provision allows developers to contribute to the Housing Trust Fund after demonstrating extenuating circumstances. The Trust Fund is managed by the Affordable Housing Roundtable, a formalized collaboration of non-profits and the City government. Tierra Contenta is a master-planned 1400 acre land-banking effort of the City set up to operate under non-profit management to create mixed income housing along with shopping, recreation and schools. At full build out Tierra Contenta will accommodate 3,800 households.
- Denver/Boulder-Preservation, Inclusionary Zoning and Economic Development approach to affordable housing. The Boulder approach to affordability is a strong inclusionary zoning ordinance that requires 20% of the units to be permanently affordable. Developers can opt to dedicate offsite units as affordable, donate land or make cash contributions to the city's affordable housing trust fund. Denver's inclusionary zoning law requires 10% affordable units with minimum 15 year deed restrictions. The administration of Mayor John Hickenlooper recently has joined a growing national movement to redefine affordable housing as an economic development issue. In order to capitalize on this approach the Office of Housing and Neighborhood Development has been reorganized under the Office of Economic Development thus giving the issue greater visibility and higher priority within the City.
- San Diego-Single Residential Occupancy (SRO) and Affordable Housing Trust Fund. The City's actions to preserve and generate new construction brought San Diego national acclaim in the late 1980's. The small unit housing serving primarily seniors on fixed incomes and low wage service workers required changes to building and zoning codes as well as some low interest loans to encourage private builders and developers to produce SRO housing. The benefits include encouraging downtown residency, keeping workers close to employment, reducing congestion, and reducing

homelessness and institutionalization. San Diego's Affordable Housing Trust Fund, administered by the San Diego Housing Commission, is funded by a variety of mechanisms including: commercial development linkage fees; revenues from the Transient Occupancy Tax [a local lodgers tax) and in lieu fees. Distributions from the Fund are based on an Annual Plan. Funds can be used for a broad range of needs including grants and loans for housing production and training and administrative support for non-profits. Recently, the City's separately incorporated but closely city-linked Redevelopment Agency has joined forces with the Housing Commission to generate \$55 million of assets to address the near crisis affordable housing situation in San Diego. The extra resources will, in part, be generated through use of tax increment financing from the City's 12 redevelopment districts. The additional housing will in turn help to revitalize and stabilize blighted neighborhoods.

- Seattle-Setting goals based on need, focused property tax levy and public, private and non-profit partners working together have created an affordable housing network regarded as one of the best in the country. In 2004, for every \$1 of City funding spent on development of affordable rental housing, another \$4 was leveraged from other sources. The Seattle Office of Housing believes that this leverage is based on partnerships with other agencies and private lenders as well as a strong network of non-profit housing developers. The Seattle Housing Development Consortium is a trade association formed by non-profit housing developers and others to advocate for housing initiatives to advance the availability of affordable housing for low and moderate income families in the region. Seattle voters have been responsive to the need for addressing an increasing affordability gap by passing a property tax mil levy that will generate additional resources of \$86 million over 7 years. These efforts are a multi-pronged approach to trying to meet affordability goals generated from the City/County Comprehensive Plan, the Washington State Growth Management Plan and the Seattle neighborhood plan that allocates housing targets by neighborhood.
- Portland-Support network for non-profits and semi-independent redevelopment and housing agency. The Portland Development Commission(PDC) is well know for its aggressive approach to redevelopment and affordable housing makes use of a strong State tax increment financing law, a low interest loan pool and strong partnerships with developers, investors, neighborhoods, land owners and non-profit housing developers to produce affordable housing in its 11 redevelopment zones. Created by voters in 1958, PDC serves as the affordable housing, economic development and redevelopment agency of the City of Portland. While the agency is separately incorporated with a governing board of 5

volunteer citizens, its members are appointed by the Mayor with the consent of the City Council. In addition to the PDC, the Portland affordable housing developers are viewed as highly productive. One informant sees this as an outgrowth of a strong support network resulting from: a non-profit support structure (coalition or trade agency); non-profit legal assistance entity and a non-profit housing development technical assistance agency. Despite these obvious strengths, the Portland tri-county region has not been able to keep up with the growing demand for affordable housing and a Blue Ribbon Committee has recently recommended an additional funding source from a 1% real estate transfer tax to be levied on residential real estate.

Current Conditions: Policy Level

Policy weak, plans inadequate and regulations burdensome. The Albuquerque/Bernalillo County Comprehensive Plan states “the supply of affordable housing, shall be preserved and increased and the opportunity to obtain ... housing for a reasonable proportion of income assured.” In fact, given the resources available, the City continues to fall behind in meeting that goal. The City fails to monitor or assure an adequate supply of multi-family zoned housing. Lower level neighborhood and redevelopment plans are not required to address housing affordability. Almost 80% of households with earnings under 50% of area median income (\$24,400 for family of 3 in 2004) were considered rent burdened.(City of Albuquerque Consolidated Plan 2003-2007) In plain language, 37,000 hard-working Albuquerque families could not afford the necessities of life after paying their rent. (Number of households under 50% AMI and rent burdened is based on 2004 population/income estimates, US Census, BBER, UNM)

In 2000, the City implemented the Family Housing Development Program to address housing affordability. The program provided fee waivers, a density bonus and fast-track approvals in exchange for developers providing affordable housing to families under 80% of Area Median Income (AMI). The Program worked moderately well for 4 years and then was put on hold as the main fee waiver, the Utility Expansion Charge (UEC), formerly controlled by the City and now under the auspices of the Albuquerque/Bernalillo Utility Authority had been withdrawn. There were problems with the

program while still functioning: it only served families that could afford ownership housing, generally earning between 60 and 80% of AMI (\$29,000 to \$39,000 for family of 3); the density bonus was rarely used and considered over-regulated; people questioned whether the fast-track really worked and too much of the housing produced under the program was in the SW Mesa thus adding to sprawl and segregation of low income families in that quadrant. In the 2003 Annual Report to the City Council on the Family Housing Development Program (FHD) the City Affordable Housing Committee recommended that the Program be replaced with a system of impact fee waivers for affordable housing.

On July 1, 2005, the City implemented its impact fee program. Most of those interviewed believe that the affordable housing fee waivers will produce few units of affordable housing given restrictions of location, zoning and mixed income. However, the City is now working on the Planned Village Development, Infill Development Zones, and other mixed-use zones that will make this incentive more readily available. There is also skepticism that the 5 year affordability requirement will give Albuquerque a long term solution to housing low and moderate income families.

Needs assessment should be upgraded. The City Consolidated Plan produced every 5 years contains the most comprehensive statement regarding the need for affordable housing. Stakeholders believe that a more detailed statement, more widely disseminated and with more data about special needs populations would serve as a more influential planning tool.

Goals and actions to address affordable housing focus on existing resources. The cities studied were focused on need and how to create resources and capacity to address the needs. Particularly in the case of Seattle and Portland, strong planning laws at the state level force the city to address the needs in a realistic way. State growth management legislation in Washington calls for the allocations of population, employment and housing growth to cities and city sub-areas within regions. The regulations also require each city and sub-area to accept a fair share of affordable housing. Albuquerque

housing planning is based on existing resources and how best to use them rather than on how to address the need.

Past studies and task force recommendations have not received support. Discussions with stakeholders revealed frustration with past efforts to expand resources and remove regulatory barriers to affordable housing. Lack of implementation was seen as lack of support from the top management and political leadership. Future planning efforts need to get the involvement of community leaders from the beginning and incorporate educational components.

Current Conditions: Resources Inadequate and Mismatched with Needs

- . The resources are largely expended on ownership housing and not where the greatest need is, families living on incomes under 50% of median income and renting.
- 80% of families under 50% median income are rent burdened (approx. 37,000 households). Of the approximately \$32 million programmed for affordable housing over the 5 years of the latest Consolidated Plan 2003-2007, \$3.2 million is for multi-family and emergency shelters, the balance is directed toward housing rehab, ownership housing and first time homebuyers. Though the need for these expenditures is well justified the allocation of resources is to the easiest to serve rather than where the greatest need is.
- National trends indicate that most affordable housing is resulting from Low Income Housing Tax Credits and through Inclusionary Zoning regulations. Neither of these approaches to affordable housing production are being employed by the City of Albuquerque. The tax credit projects in Albuquerque are with a few exceptions private sector efforts and not part of the City's Consolidated Plan.
- Housing prices are rising faster than incomes. The Albuquerque Progress Report 2004, prepared by the City Indicators Progress Commission demonstrates the negative trend in households paying

more than 30% of income for housing (rent burdened). The data from 1990 to 2000 shows that for renter families earning \$10,000 to \$19,000, 56% were rent burdened in 1990 and 80% rent burdened in 2000. The data for other income categories under 80% of AMI and for owner families all show significant jumps in housing costs versus income. Given the recent run-ups in housing prices and tightening market rents the data of 2000 to 2010 is anticipated to paint an even more negative situation.

- Federal funds are diminishing. The core of the national response to housing affordability has been federal funding for public housing, Section 8 vouchers, Community Development Block Grant (CDBG), Low Income Tax Credits and HOME funds. These funds have been targeted for reduction or elimination by the current administration and have been gradually declining relative to inflationary housing costs for many years. Lately with the 10 to 20% per year increases in construction costs and the assault on HUD funding most jurisdictions are looking to local resources.

Current Conditions: Loss of Housing

Displacement: not replacing affordable units lost.

- Nuisance abatement is demolishing and boarding up motels and houses serving low income families. Discussions with several stakeholders have raised the issue that at the same time the City is taking needed action to rid neighborhoods of blighting influences it is removing housing serving the lowest income families.
- With rising land prices, trailer parks are converting to high end subdivisions with potential for displacement of residents. Del Rey Mobile Home Park is an example of this displacement; one where the residents found out what was happening to their affordable homes and fought back. Even at Del Rey, however, success is relative and over 300 units of affordable mobile home housing will be lost – more than 5 year’s production in the City’s programs. Other mobile home parks have disappeared quietly, without a fight.
- Gentrification in downtown neighborhoods is displacing tenants and making communities which have traditionally served low

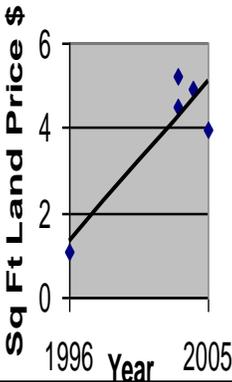
income residents unaffordable. Rising land prices are fueled by a nationwide demographics (the boomers) and structural changes in the economy (the creative class) and resulting in greater interest in living in diverse downtown urban environments. These market forces are being heightened by the recent implementation of impact fees. Fees favor the Downtown neighborhoods with already built roads, water and sewer lines and therefore low to no fees. As investment dollars flow into Albuquerque housing prices are rapidly rising.

An example is the Sawmill/Wells Park neighborhoods as shown in the graphs below. Prices have increased at over 400% in industrial land over the 10 year period from 1996 to 2004 and 150% in resale housing over the same period. (Based on study using MLS data by Sawmill Community Land Trust) Though the numbers are only from one quadrant of the downtown neighborhood, based on stakeholder interviews, this is not an isolated phenomena and may be understated compared with the DNA and Barelás. Lastly, it should be noted that these figures do not include the price increases experienced in 2005.

Impacts of these increases are not entirely known but likely are loss of community as the younger generation with new families look to the Westside for starter homes instead of locating near their grandparents in the older neighborhoods. Crowded Westside schools and empty seats in the inner city schools are an additional cost of the internal migration that fuels part of the housing boom.

Rising Property Values

**Sawmill/Wells Park Industrial Sq Ft
Land Prices**



LEGEND

1996 -City Purchase from Duke City Lumber 27 acres at \$1.05/sq ft

2003 -Lumber Products Purchase from GE Capital 4 acres at \$4.50/sq ft

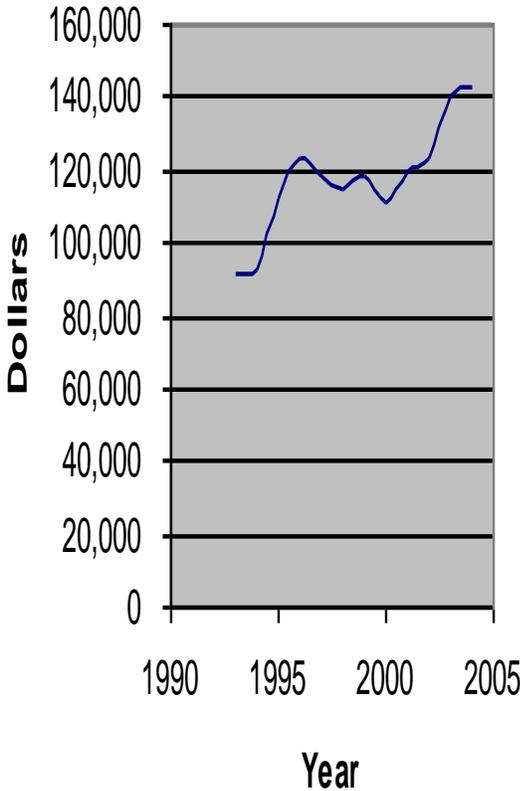
2003 -Avalon Investments Purchase from Blueher Lumber 6.1 acres at \$5.20/ sq ft

2004 -SCLT contract for sale with Griffin Partners for Ponderosa Products site 7.45 acres at \$4.93 sq ft

2005 -ABQ Realty sale of property 6.92 acres at \$3.98/ sq ft

Price Change over 10 years = 443% increase, representing 44%/year over period

**Sawmill Wells Park Homes Sales
Prices 1993-2004**



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- Sale of public rental housing. Additional research would be required to determine the Albuquerque outcome of the HUD Program known as HOPE VI designed to eliminate the negative impacts of public housing. In some cases nationally this program has resulted in displacement and loss of community.
- City requirements for notification of land-use action does not extend to non-owner residents.
- There is inadequate data on displacement but many stakeholders report it as a growing problem.

Current Conditions: Non-Profit Housing Developers

Non-profit housing developers don't have adequate support to carry out their mission. There are signs of a difficult working relationship between the City and the non-profits and there is a lack of a sense of common mission and partnership. The non-profits face difficult regulatory hurdles, scarce resources in maintaining operating effectiveness and difficulty in securing land and resources to produce quality affordable housing. City staff are faced with obstacles as well. These include: scarce resources, political mandates that sometimes conflict with effectively carrying out the mission; difficult and costly regulations and unreasonable delays in approvals. On the positive side and with some exceptions, the non-profits, have strong community connections, knowledge needed for production of affordable housing and a strong motivation to meet the community's needs. On the City side, many staff are professionally competent, committed and knowledgeable of funding sources and city and federal regulations.. Overall the housing delivery system is overly competitive, over regulated, lacks vision and a compelling long term strategy and resources to implement it.

- Inadequate production. In Portland, Santa Fe and Seattle there is significant reliance on non-profit housing developers, often partnering with for-profit developers/builders, to accomplish affordable housing goals. Notable in these cities is an aggressive pursuit of resources, a sense of partnering and a support network for the non-profits. Though we need to beware of the pitfalls of a bottom-line/production approach as it can lead to placement of families in housing without the needed social infrastructure to make sure they are successful, the affordable homes created are an important measure of what is being accomplished. Production goals integrated with a community development approach is most likely to result in success for both the individual family unit and the community. Unfortunately because of the difficulty of easily defined metrics of social capital (effective trust relationships within the community) it is almost totally forgotten in the conversation, the funding and the implementation of affordable housing.

It is also a mistake to focus only on producing new housing. What can be done to help families stay in their neighborhoods and in the houses of their parents and grandparents. How can we alleviate the dislocation and stress put on whole neighborhoods as prices rise beyond the capability of children and grandkids to buy a house in the neighborhoods of their birth? The remedies, though not simple, lie with careful attention to protecting the public's investment in affordability and building a reserve of permanently affordable housing removed from the speculative market. Such mechanisms as the community land trust and deed restrictions (several states have adopted legislation supporting long term deed restrictions) would assure that the affordability of a house is protected for the long run.

These mechanisms work best when there is a community based non-profit charged with the task of managing the sales and resales over the generations and protecting the community's investment in affordable housing. Funding non-profits to do acquisition/rehab in the older neighborhoods coupled with permanent affordability mechanisms is another approach. Some communities have funded

affordable housing new construction with revenues from real estate transfer taxes or in lieu payments in the case of inclusionary zoning requirements. These revenue streams can be funneled to trust funds and to non-profits to make sure the money gets used for the creation of housing for working families.

- Too dependent on City. The City controls a substantial part of the resources available for affordable housing. For example, all HUD resources go through the City. The Housing and Neighborhood Economic Development Fund created originally from a HUD grant and the Metropolitan Redevelopment Fund are both City funding sources and can be used to support affordable housing as part of neighborhood redevelopment. State appropriations are directed first to the City and subsequently through contracts to non-profits to carry out the work. However, there are resources through other entities: financial intermediaries (Enterprise, Fannie Mae, Federal Home Loan Bank, NM Community Development Loan Fund and NM Mortgage Finance Authority, among others). All of the funding sources, whether City, City-controlled or non-City are difficult to acquire for a variety of reasons: highly competitive; rural rather than urban focus; special requirements to utilize and require special expertise. The local non-profits that have become self sufficient or independent have done so by moving the focus of their work out of Albuquerque.
- Don't leverage available funds. Utilizing a small amount of City funds or City controlled federal funds to control or generate a larger amount of other funding (State, Federal, private lender, foundation) is referred to as leveraging available funds. This is seen as desirable from the City perspective as it wants as big a return on its investment as possible. The difficulties related to leveraging are sometimes due to lack of experience. But even where there are qualified professionals it may be difficult or impossible to leverage "other" funds if access is highly competitive and the developer cannot gain control of a piece of land for the year or two it may take to make applications and close on a construction loan.
- City bureaucracy divisive and sometimes a roadblock; lack of support for non-profit housing developers. Non-profit

stakeholders endure months of waiting for documents to be signed to release funds, contracts and project approvals and difficulty in determining what funding is actually available are two issues widely discussed in the non-profit housing community. The lack of information about funding availability and the scarcity of resources heightens competitiveness among the non-profits limiting potential cooperation. There is limited legal, financing and development technical assistance. The city regulatory mindset contributes to the difficulty of creating innovative housing solutions. The development process is difficult and all developers know that difficulty. Trying to create affordable housing is doubly so.

A model for getting beyond the bureaucratic logjam is the Santa Fe Roundtable where the non-profits are at the table, know what resources are available and work cooperatively with each other and the City to figure what can be achieved in the upcoming time period. Another model is Portland, Oregon where the city has helped fund non-profit technical, legal and advocacy support organizations all of which contributes to increasing capacity and getting the job done.

Recommendations: Planning

Development of Strategic Plan to set context and goals. Establish affordable housing goals in relation to the amount of affordable housing needed and in relation to the income levels and life cycle of Albuquerque's residents. Establish housing goals in the context of the over-arching goal of stable neighborhoods. Keep track of conditions in relation to these goals. Identify the causes of the trends found.

- ❑ See the attached Workforce Housing Opportunity Act for a description of the plan content, process, program elements.
- ❑ Strong enough to survive changes in City administrations. An affordable housing program needs to be consistent over time since

development takes time and requires knowable rules that can be relied upon.

- Place resources according to need.
- Translate goals to production by year and organization.
- Translate goals into other objectives that are consistent with the causes of the loss in market rate affordable housing identified.
- Comprehensive-permanent solutions not just shelters
- Frame issue as economic development. Nationally we are seeing less emphasis on affordable housing and a movement toward workforce housing or the realization that affordable housing is really an economic development issue. Housing is a basic human need. If safe and decent housing is not available at an affordable price (for low and moderate income families HUD has defined the standard at about 30% of total income) then other necessities of life will not be obtainable. Family stability, the health, safety and educational success of children and the ability of adults to hold a job and function effectively may be in jeopardy. Families often will commute long distances to gain access to safe, decent and affordable housing. These families may, as a result, need additional cars to get to work and school thus unwittingly adding to the real cost of housing.
- Frame Housing as a Stewardship of Public Tax Dollars Issue: There are the public costs of such “affordable housing” requiring new schools, roads and bridges. Keeping working families close to their workplace by supporting the family with affordable housing achieves jobs-housing balance, reduces costs for the household and reduces public costs as well.

Low and moderate income families at all income levels are working families. If they are not working they are likely to be elderly or disabled. They may be receiving income from social security or other program related to disability. Whether currently working or not working through no fault of their own, they need and deserve to have decent, safe and affordable housing. The following table from the City Consolidated Plan 2003 to 2007 shows the occupations typical of working families at various income groups.

The table below indicates HUD’s lower income groupings for a household of four members based on the median income in 2002, matched with the incomes of persons working in representative occupations in the City of Albuquerque. The median income for a family of four in Albuquerque in 2002 is \$51,000.

**Figure 1.2
Income Definitions and Representative Occupations**

Income Level	Definition	Income Range for Family of Four	Representative Occupations
Extremely Low Income	0-30% of median income	\$0 - \$15,300* (up to \$7.35/hr)	Fast food cook Pre-School Teacher Cashier Janitor
Low Income	31-50% of median income	\$15,301 – \$25,500 (\$7.36 to \$12.26/hr)	Retail salesperson Bank teller Home Health Aide Roofer
Moderate Income	51-80% of median income	\$25,501 - \$40,800 (\$12.27 to \$19.62/hr)	Teacher Police officer Fire fighter Carpenter
Middle Income	81-95% of median income	\$40,801 - \$51,000 (\$19.63 to \$24.52)	Architect Safety engineer Veterinarian Registered Nurse

*HUD Median Income for Albuquerque MSA effective 2/06/02

- ❑ Need involvement and buy-in of Mayor, Council, FCSD, Planning Dept., Office of Economic Development, non-profits, private sector business and neighborhoods.

Recommendations: Resources

- Land Banking/Housing Trust Fund-A trust fund should be created to provide an ongoing source of revenue for development of affordable housing to meet the needs of low and moderate income families. The purpose of the fund is to acquire land and to provide gap financing for the creation of workforce housing. Acquisition of

land is critical to creation of affordable housing. Several well known and laudable examples of the land-banking are: Tierra Contenta in Santa Fe (1400 acres); Seven Bar Ranch in NW Albuquerque (90 acres); Arbolera de Vida in Downtown Albuquerque (27 acres) and Villa de San Felipe in Downtown Albuquerque (3 acres). Each of these is an example of successful and aggressive action on the part of the municipality. The acquisition was able to freeze the cost of land until it could be developed. Each project involved partnerships with the City and a non-profit or for profit or both in the development and build-out of the property.

Besides land acquisition, part of the resources should be made available at zero to low interest rates for eligible projects. In some cases, workforce housing serving families with incomes less than 30% of AMI may need forgivable loans to make a project work.

In order to take advantage of the entrepreneurial capacities of the private sector, the City could issue a standing request for proposal based on the Workforce Housing Plan (as defined in the attached ordinance) and encourage non-profit affordable housing developers, as sponsors, along with their builders/developer partners, as needed, to respond by identifying developable parcels and development plans. The City would then evaluate proposals and award resources based on the merits of the project.

- GO Bonds-a number of potential revenue sources were reviewed in order to provide ongoing funding for the trust fund to be created by the attached ordinance. The pros and cons of each were evaluated. They included: Lodgers Tax Fund; real estate transfer tax; cash in lieu from an inclusive zoning ordinance. Each of these would require State statutes or City ordinances and would encounter significant opposition from a powerful special interest group. The GO Bonds have a regular cycle, knowable resource increase from cycle to cycle based on growth in the tax base and reassessments and have funded other types of needs based on a percentage (art and bike trails).

Though there are always more requests for funding than funds available housing is among the most basic of basic needs and deserves a place at the table. What's more the program as defined in the attached ordinances has the merit of a) taking advantage of existing infrastructure by favoring infill and redevelopment; b) bringing entry level and working families into neighborhoods that often have empty seats in classrooms thus reducing school impacts; c) increasing the tax base at minimal marginal cost relative to edge development; d) keeping workers close to workplaces thus reducing traffic and demand for new roads and bridges. Lastly, it should be pointed out that use of GO Bonds for housing has a precedent in downtown redevelopment. This was done under the State of New Mexico Metropolitan Redevelopment Code. If additional legal flexibility is required the City might consider the recent change in the State Constitution exempting affordable housing from the anti-donation clause.

- City land-The City should consider making surplus land, land being used for surface parking lots and air rights above structured parking lots for workforce housing projects.
- Project weighting performance criteria. See Program Elements.
- Leverage national foundation commitment for grants and program related investment based on new City investment. The Enterprise Foundation, Fannie Mae and McCune Foundation all can provide guidance on how to do this. Conversations need to take place with key funders and consultants on how to package a proposal from the City. Collaboration with financial intermediaries and local non-profit housing developers will likely yield opportunity with large national foundations and additional resources to match the City GO Bond funds.
- General Fund for expanding non-profit capacity, community education and appropriate long range planning.
- Demonstration Project on City land combining mix of incomes, uses and good urban design.
- City offers condemned properties to non-profits for affordable housing development.

Recommendations: Regulatory

- **Package of Incentives:** UEC and impact fee waivers; permissive zoning for Workforce Housing projects in commercial and manufacturing zones; density bonus; fast-track approval process; and an affordable housing ombudsman
- **Mandatory replacement** of affordable units lost to nuisance abatement.
- **Mandatory notice to tenants** where zone change or subdivision action may lead to displacement.

Recommendation: Program Elements

- **Neighborhood Conditions** –affordable housing used as tool tailored to neighborhood conditions. In declining neighborhoods, market demand for housing is weak and affordable housing programs may be targeted at increasing neighborhood desirability, fostering more economic diversity, and preventing housing deterioration through rehabilitation and housing conservation subsidies. In gentrifying neighborhoods, market demand for housing is strong, rental units are being converted to ownership ones, housing costs are rising, and market rate affordable housing is being lost. In these neighborhood, programs that create and maintain permanent affordable rental and fee simple housing are needed.
- **Urban Design** -affordable housing in context of access to jobs, public transit, walkable, mixed income, mixed use neighborhoods.
- **Location:** sensitivity to transportation costs of commuting.
- **Preservation** of housing- longevity of affordability matched to neighborhood conditions.
- **Community Education:** density, design, mixed-income. mixed-use, community land trusts, workforce housing are potential topics.
- **Organizing**-encourage benefiting families to participate in housing development process.
- **Link to Growth Management Plan**-support infill, redevelopment and Centers and Corridors, neighborhoods with infrastructure

deficiencies and districts that favor mixed use pedestrian and public transportation oriented development.

Recommendations: Non-profit capacity building

- Non-profit housing advocacy organization needs financial support to become viable voice for change.
- Technical assistance for non-profit business planning and expansion of development capacity.
- Revise organizational framework so City and non-profits see each other as partners and the non-profits see each other as collaborators instead of competitors.
- Create framework for accountability to accompany additional funding.

Legislation: Ordinance

- Needs Assessment and Strategic Plan
- Program Elements
- Role of Non-profits
- Land-banking/Housing Trust Fund
- Designate resources according to need
- Package of Incentives
- Notification of tenants requirement
- Replacement of units lost requirement
- Affordable housing required element in City adopted plans (e.g. neighborhood, corridor, center, area) and integrated into the Planned Growth Strategy.

Legislation: Resolution

Expand non-profit capacity: funding for technical assistance, non-profit advocacy, funding for constituent participation in projects and advocacy and additional operating funds.

FCSD and Planning funding for ombudsman, strategic planning effort, demonstration project, leverage support from foundations, financial intermediaries, local banks.

Call for Demonstration Workforce Housing: a mixed income collaborative housing development on City land in downtown or major transit corridor

Include UEC in incentive package: Abq/Bernalillo County Water Utility Authority.

Next Steps

Most of the ideas in the attached Workforce Housing Opportunity Act and the accompanying resolution are the result of conversations with stakeholders and review of the five city examples. In order for the ideas in this legislation to really generate workforce housing of the quality and dynamism required to attract investment and be embraced by neighborhoods wider debate and understanding is needed. Ultimately such exposure takes time but the dividends can be high in community and political support. This wider exposure can take the form of a town hall, a series of open public hearings or funding the educational components of the proposed legislation.