

CITY of ALBUQUERQUE

SEVENTEENTH COUNCIL

COUNCIL BILL NO. _____ ENACTMENT NO. _____

SPONSORED BY:

1 **ORDINANCE**

2 **DEFINING AFFORDABLE HOUSING OPPORTUNITIES FOR ALBUQUERQUE'S**
3 **WORKING FAMILIES; DIRECTING AN ON-GOING FIVE YEAR STRATEGIC**
4 **WORKFORCE HOUSING PLAN AND NEEDS ASSESSMENT; REQUIRING**
5 **PROGRAM ELEMENTS; PROVIDING FUNDING IN THE CITY CAPITAL**
6 **IMPROVEMENT PROGRAM AND GENERAL OBLIGATION BOND PROGRAM;**
7 **CREATING A WORKFORCE HOUSING TRUST FUND; ASSURING THAT**
8 **RRESOURCES ARE DIRECTED TO FAMILIES ACCORDING TO INCOME AND**
9 **NEED; PROVIDING FOR A PACKAGE OF INCENTIVES TO SUPPORT THE**
10 **EFFICIENT AND COST EFFECTIVE PRODUCTION OF WORKFORCE HOUSING;**
11 **REQUIRING NOTIFICATION OF RESIDENTS IN LAND USE ACTIONS THAT**
12 **MAY RESULT IN DISPLACEMENT; REQUIRING THE REPLACEMENT OF**
13 **AFFORDABLE HOUSING LOST TO NUISANCE ABATEMENT DEMOLITION**
14 **ACTIONS, AND REQUIRING THE REHABILITATION OF AFFORDABLE HOUSING**
15 **BOARDED-UP THROUGH NUISANCE ABATEMENT ACTIONS; REQUIRING**
16 **WORKFORCE HOUSING BE INCLUDED AS AN ELEMENT IN CITY PLANS AND**
17 **INCORPORATED INTO THE PLANNED GROWTH STRATEGY**
18 **IMPLEMENTATION**
19 **BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF**
20 **ALBUQUERQUE**

21 **Section 1. FINDINGS**

22 **(A) The Albuquerque/Bernalillo County Comprehensive Plan's goal is to**
23 **increase the supply of affordable housing and ameliorate the problems of**
24 **homelessness and displacement; and**

25 **(B) The City's Five Year Consolidated Plan 2003 to 2007 shows that 33% of**

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1 all households in Albuquerque have some housing affordability problem and
2 nearly 80% of households whose income is under 50% of median income are
3 rent burdened or living in overcrowded conditions; and

4 (C) Through a combination of forces including rapidly rising land prices,
5 slow wage growth, declining real wages and increasing construction costs we
6 find that hardworking families, after paying the rent, are having difficulty
7 paying for the necessities of life; and

8 (D) There are an estimated 3,000 homeless individuals in Albuquerque
9 whose path to independent living depends upon permanent, affordable
10 housing; and

11 (E) The City of Albuquerque adopted R-05-255 calling for an update and
12 review of City affordable housing policy, interviews with Stakeholders,
13 analysis of best practices in other cities and consideration of innovative
14 approaches to addressing Albuquerque's affordable housing needs; and

15 (F) Working families having safe, decent and affordably priced housing in
16 stable neighborhoods is advantageous for personal success in school and
17 work and is therefore a prerequisite for the economic success of our
18 community; and

19 (G) Albuquerque can look to other regional western cities for models of
20 innovative and successful approaches to producing affordable housing to
21 meet the needs of its working families; and

22 (H) An increase in commitment to Workforce Housing will allow affordable
23 housing providers including the City to leverage additional funding from
24 foundations, financial intermediaries and other community resources; and

25 (I) Meeting the housing needs of working families through well designed,
26 quality built housing and apartments leads to stable, mixed income, diverse
27 neighborhoods and adds to the economic vitality of the community.

28 Section 2. SHORT TITLE. This Ordinance may be cited as the Workforce
29 Housing Opportunity Act (the "Act ").

30 Section 3. DEFINITIONS.

31 (A) Workforce Housing. Dwelling units serving residents and their
32 families whose annualized income is at or below 80% of the Area Median
33 Income for Albuquerque (AMI) as adjusted for household size and determined

1 by the U.S. Department of Housing and Urban Development, and whose
2 monthly housing payment does not exceed 30% of the households gross
3 monthly income under city eligibility standards or 33% under special
4 conditions to be defined in the Workforce Housing Plan. Dwelling unit is used
5 in this Act as defined in the Comprehensive City Zoning Code.

6 (B) A Workforce Housing Project or a Workforce Housing Subdivision. The
7 entire development in which at least 30% of the dwelling units meet the
8 definition of Workforce Housing.

9 (C) Workforce Housing meeting the requirements of the Workforce Housing
10 Opportunity Act. Workforce Housing Projects and Subdivisions that receive
11 funds and/or land from the Workforce Housing Trust Fund or other funding
12 sources or other incentives included in the Workforce Housing Plan as the
13 result of meeting eligibility criteria pursuant to that Plan.

14 Section 4. CREATION AND ADMINISTRATION OF THE WORKFORCE
15 HOUSING TRUST FUND (TRUST FUND).

16 (A) The Mayor is authorized and directed to set aside at least eight percent
17 (8%) of the biannual General Obligation Bond Capital Improvement Program to
18 be directed to the Trust Fund for the purpose of providing Workforce Housing.
19 All interest earnings of funds in the Trust Fund shall be reappropriated to the
20 Trust Fund. No funds in the Trust Fund can be appropriated or used for any
21 other purpose than as described in the Workforce Housing Opportunity Act.

22 (B) The Mayor is authorized and directed to seek additional funds from
23 other sources including but not limited to foundations, banks, other
24 governmental and quasi-governmental entities and financial intermediaries so
25 as to leverage City funds in order to expand the program.

26 (C) The Fund income and interest earnings shall be appropriated for the
27 purposes set forth in this Act after recommendation by the Mayor and
28 approval of the Council.

29 (D) Programming and Selection. The projects funded by the Trust Fund
30 shall be selected and programmed as provided below:

31 (1) Workforce Housing Trust Fund Committee (the "Committee"). There
32 is created a Committee which shall consist of fifteen members. The Mayor
33 shall appoint the members of the Committee with the advice and consent of

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1 the Council. The Council may, individually or as a whole, recommend
2 Committee appointees to the Mayor. The members shall include three
3 individuals who represent City approved, locally based, non-profit housing
4 development organizations; one representative of labor unions; two
5 representatives of neighborhood associations; three representatives of
6 financial institutions including financial intermediaries; two representatives of
7 business organizations; three representatives of advocacy organizations
8 representing the interests of low income working families and one architect or
9 planner with experience in urban design and affordable housing. All
10 individuals appointed shall fully support the purposes of the Workforce
11 Housing Opportunity Act. The Committee shall elect a Chairperson from
12 among its members. The Committee shall operate as set forth in §§ 2-6-1-1
13 through 2-6-1-5 ROA 1994.

14 (2) Workforce Housing Plan and Needs Assessment. The Committee,
15 with the staff support of the Family and Community Services Department (the
16 “Department”) or its successor and technical support from representatives of
17 the Office of Economic Development and the Planning Department, shall
18 develop a Five Year Workforce Housing Plan (the “Plan”), which shall be
19 updated every five years. The Plan shall be based on a thorough needs
20 assessment conducted by the Department showing the housing conditions of
21 families at and below 80% of median income broken out by community
22 planning areas, income classification, special needs, seniors, homeless and
23 addressing the displacement of low income families. The Plan shall identify
24 the change in the City of Albuquerque of the number of market rate and
25 affordable housing units, by income category and tenure, over the previous
26 five years. The Plan shall include all resources available to address
27 affordable housing needs including, but not limited to, CDBG, HOME, other
28 grants, the City General Fund, Enterprise Funds, other City Housing Funds,
29 State of New Mexico, and Low Income Housing Tax Credits, five year goals
30 and objectives and one year objectives, recommended strategies for
31 implementation and standards for monitoring and evaluation of completed
32 projects. The Plan shall include a matrix showing the annual and five year
33 housing production goals and objectives and organizations committed to its

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1 production. The Plan shall identify, based on housing market data standards,
2 City neighborhoods as “Stable”, “Declining”, or “Rising” and shall make it
3 clear that different housing and affordable housing strategies are being
4 pursued within the different categories of neighborhoods. The Committee
5 shall hold at least three public hearings on the draft plan prior to making
6 recommendations to the Mayor and the Council. The Committee shall consult
7 with and hold joint meetings as appropriate with City committees charged with
8 similar or overlapping missions (for example: the Affordable Housing
9 Committee and the Albuquerque Citizens Team (ACT)) to attempt to craft one
10 plan (e.g. Consolidated Plan) to satisfy all funding requirements for
11 addressing the needs of working families for affordable housing. The final
12 draft Plan shall be conveyed by the Mayor to the Council by a resolution within
13 12 months of the enactment of this Ordinance and the appointment of the
14 Workforce Housing Trust Fund Committee and shall be adopted by the
15 Council with or without amendments. The Plan shall be reviewed and progress
16 evaluated annually and a report sent to the Council.

17 (3) Priorities and Uses of Funds. At least fifty percent of the available
18 funds in any five year program shall be used for land acquisition for
19 Workforce Housing Projects and Subdivisions in areas designated as
20 Metropolitan Redevelopment Areas, Centers and Corridors and land zoned for
21 mixed use development under the yet to be approved zones called for in the
22 adopted Planned Growth Strategy (Planned Village Development, Transit
23 Oriented Development Centers and Corridors, Commercial Center, Campus,
24 Infill Development, and Conservation Subdivision). Up to fifty percent of the
25 available funds in any five year program may be used for zero to low interest
26 or, in certain cases, forgivable loans that meet the requirements of the
27 Workforce Housing Opportunity Act and fall within the geographic areas
28 described above. At least 25% of the funds shall be used for scattered site,
29 single-family housing purchase, rehab, lease-to-own and resale of existing
30 housing stock. The priorities for use of all funds shall be determined by
31 reference to the Program Elements as shown in Section 4 but in all cases the
32 following requirements shall be met.

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1 (a) Resources shall be allocated according to need with at least 50%
2 of all resources benefiting families at or below 50% of AMI and at least 30% of
3 all resources benefiting families at or below 30% AMI. Forgivable loans may be
4 considered for use only in projects benefiting families whose income is at or
5 below 30% AMI.

6 (b) Not more than 20% of resources shall be used for project related
7 soft development costs.

8 (c) Projects shall be sponsored by City approved, locally based, non-
9 profit housing development organizations. It is recognized that non-profits
10 will partner with for-profit builders and developers to accomplish Workforce
11 Housing projects. The rationale for requiring non-profit sponsorship is to
12 expand capacity of community based organizations that have a long term
13 interest in serving working families with affordable housing. Sponsorship
14 shall be demonstrated by substantial involvement of the non-profit in the
15 project as indicated by at least 20% of development fee going to the non-profit
16 and a long term management and ownership role if rental housing. Criteria for
17 approval of non-profits and sponsorship shall be included in the Workforce
18 Housing Plan.

19 (d) Dwelling units demolished or taken out of service for use by low
20 income families as the result of the City Nuisance Abatement actions shall be
21 programmed for replacement or rehabilitation as a high priority in the
22 Workforce Housing Plan.

23 (e) Projects receiving funding or land under the Workforce Housing
24 Opportunity Act shall leverage non-City funds by at least a 4 :1 ratio (non-City
25 to City resources). The Plan may make exception to this ratio for certain hard
26 to develop projects to be defined. Federal and State funds flowing through the
27 City are not considered City funds for purposes of this requirement.

28 (4) Project Priorities. The Committee shall develop a policy-based
29 ranking system so that proposed projects can be prioritized. The system of
30 ranking shall be included in the Workforce Housing Plan. Priority shall be
31 given to financially sound proposals that rank the highest according to the
32 priorities based on guidelines found in the Program Elements. The Committee
33 can establish minimum standards below which a project will not be approved.

1 The Department shall issue a standing request for proposals so that
2 developers have adequate time to secure land and formulate proposals for
3 City consideration.

4 Section 5. PROGRAM ELEMENTS. The following elements, among others,
5 shall be used to develop a priority setting and project ranking system for
6 development under the Act.

7 (A) Neighborhood Conditions. Workforce Housing should be designed,
8 located and integrated into the community so as to serve to stabilize that
9 neighborhood, with the long term goal of creating “Stable” neighborhoods,
10 not “Declining” or “Rising” ones. Thus, in a declining neighborhood, the goal
11 is to increase housing and other investment, enhance the neighborhood
12 image, upgrade the existing housing inventory, encourage higher income
13 families and serve as a catalyst for additional investment. In a neighborhood
14 with rising housing prices the goal is to preserve a mixed income environment
15 and avoid the dislocation of low income residents by creating a reserve of
16 permanent workforce housing protected from price increases and danger of
17 converting to market rate housing, allowing renters to own their housing, and
18 otherwise financially insulating low income residents from financial burdens
19 of gentrification while accruing its benefits.

20 (B) Design Criteria. Access to public transportation; jobs and housing
21 balance; pedestrian access to shopping, schools and recreation; retail in
22 close proximity to residential; energy efficient construction; water
23 conservation; Universal Design Standards, quality design and construction all
24 enhance the value of Workforce Housing and, as required, the design
25 standards in the approved zones called for in the adopted Planned Growth
26 Strategy.

27 (C) Preservation. Mechanisms are available for preserving existing and new
28 Workforce Housing. Neighborhoods with rising land values will most benefit
29 from tools that work for permanent affordability while shorter term
30 mechanisms will achieve goals of attracting investment into neighborhoods
31 that are experiencing declining land values. All rental housing shall be
32 permanently affordable. All ownership housing shall remain affordable for a
33 minimum of fifty years. Rental properties shall enter into a monitoring

1 agreement with the City or other entity as approved by the City to provide an
2 annual audit of compliance with affordability requirements. Income eligible
3 families will not be evicted from their dwelling unit if over time their income
4 increases above the eligible level. However, provision should be made to
5 relocate the family within a mixed income Workforce Housing project to a
6 market rate dwelling or adjust their rents appropriately if their income
7 warrants such a change.

8 (D) Link to Growth Management Plan. By prioritizing locations for
9 Workforce Housing to support infill, redevelopment and neighborhoods that
10 require remediation of infrastructure deficiencies the Workforce Housing Plan
11 should support the City growth management plan as defined by the Planned
12 Growth Strategy. Thus, Centers and Corridors as approved in the
13 Albuquerque Bernalillo County Comprehensive Plan, Metropolitan
14 Redevelopment Areas and development in approved mixed-use zones called
15 for in the adopted Planned Growth Strategy (Planned Village Development,
16 Transit Oriented Development Centers and Corridors, Commercial Center,
17 Campus, Infill Development, and Conservation Subdivision) provide location
18 sensitive opportunities for development of Workforce Housing. The Planned
19 Growth Strategy Land Use Assumptions shall be expanded to include targets
20 for the inclusion of affordable housing, according to the income categories
21 contained in this Act, within the PGS subareas. PGS growth management
22 implementation techniques shall include provisions for affordable housing.

23 Section 6. DEVELOPMENT INCENTIVES. Workforce Housing, if it meets the
24 requirements of this Act and the implementing rules and regulations, is
25 eligible for the following development incentives:

26 (A) Zoning.

27 (1) Density Bonus. Workforce Housing is eligible for a density bonus
28 under the Family Housing Development provisions of the Comprehensive City
29 Zoning Code.

30 (2) Permissive Uses. Workforce Housing Projects and Subdivisions
31 approved under this Act shall be permissive uses in all commercial, industrial
32 and manufacturing zones. This provision of the Act will not take effect until

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1 the appropriate hearings and recommendations are made by the
2 Environmental Planning Commission and Planning Department.

3 (B) Fee Rebates.

4 (1) Workforce Housing shall receive waivers of design review fees, the
5 utility expansion charge (based on approval of the Albuquerque Bernalillo
6 County Water Authority) and building permit fees.

7 (2) Workforce Housing meeting the requirements of this Act shall
8 receive full (100%) impact fee waivers consistent with the provisions of Bill
9 No. R/S R-04-159 and subsequent legislation.

10 (3) Fast Track Development Review. The City Engineer's Office, the
11 Municipal Development Department and the Planning Department shall
12 develop systems for tracking and expediting the city's review and approval of
13 subdivisions, building permits and other approval processes for Workforce
14 Housing.

15 (C) Ombudsman Program. An advocate for Workforce Housing shall be
16 appointed by the Mayor to facilitate the implementation of the Workforce
17 Housing Opportunity Act as it relates to the incentives listed in Section 6. In
18 addition, the Ombudsman shall provide a point of contact, shall endeavor to
19 streamline processes and facilitate improvements to the regulatory process to
20 reduce time and expense for Workforce Housing and will serve as a resource
21 on Workforce Housing for appropriate housing elements in new plans and
22 revisions to existing plans.

23 Section 7. NOTIFICATION OF TENANTS. In all City land use actions that
24 will result in the displacement of tenants, the applicant is required to notify the
25 residents affected by first class mail at least two weeks prior to the public
26 hearing on the action. If names of tenants impacted by displacement cannot
27 be readily obtained in a City directory then applicant may address tenants as
28 "Resident" in required notifications.

29 Section 8. WORKFORCE HOUSING REQUIRED ELEMENT IN PLANS. All
30 Plans which address an area that does or may include housing (e.g.
31 Metropolitan Redevelopment Plans, Neighborhood Sector Plans, Area Plans,
32 Corridor Plans) shall include a section addressing the need for Workforce
33 Housing and the means by which that need will be addressed in the plan area

1 and in accordance with the Five Year Workforce Housing Plan. This Section is
2 applicable to plans adopted after the effective date of this Act and to existing
3 plans that undergo a significant revision after the effective date of this Act, as
4 determined by the Planning Department, or its successor.

5 Section 9. RULES AND REGULATIONS. The Department of Family and
6 Community Services (DFCS) or its successor, or another city department as
7 designated by the Mayor, shall establish rules and regulations to provide for
8 implementation of this Act. The Mayor shall publish a draft of the rules and
9 regulations for public comment within 60 days of the adoption of the
10 Workforce Housing Plan.

11 Section 10. SEVERABILITY. If any section, paragraph, clause or provision
12 of the Workforce Housing Opportunity Act Ordinance shall for any reason be
13 held to be invalid or unenforceable, the invalidity or unenforceability of that
14 section, paragraph, clause or provision shall not affect any of the remaining
15 provisions of the Act.

16 Section 11. COMPILATION. Compilation This ordinance shall be
17 incorporated in and compiled as part of the Revised Ordinances of
18 Albuquerque, New Mexico 1994.

19 Section 12. EFFECTIVE DATE. This ordinance shall take effect five days
20 after publication by title and general summary.

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