

# CITY of ALBUQUERQUE

## SEVENTEENTH COUNCIL

COUNCIL BILL NO. F/S O-06-8 ENACTMENT NO. \_\_\_\_\_

SPONSORED BY: Debbie O'Malley & Isaac Benton

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 **RESOURCES 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 MAY**  
12 **RESULT IN DISPLACEMENT; REQUIRING THE REPLACEMENT OF**  
13 **AFFORDABLE HOUSING LOST TO NUISANCE ABATEMENT DEMOLITION**  
14 **ACTIONS, AND REQUIRING THE REHABILITATION OF AFFORDABLE**  
15 **HOUSING BOARDED-UP THROUGH NUISANCE ABATEMENT ACTIONS;**  
16 **REQUIRING WORKFORCE HOUSING BE INCLUDED AS AN ELEMENT IN CITY**  
17 **PLANS AND 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. SHORT TITLE. This Ordinance may be cited as the Workforce**  
22 **Housing Opportunity Act (the "Act ").**

23 **Section 2. FINDINGS.**

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

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1 (B) The City's Five Year Consolidated Plan 2003 to 2007 shows that 33% of  
2 all households in Albuquerque have some housing affordability problem and  
3 nearly 80% of households whose income is under 50% of median income are  
4 rent burdened or living in overcrowded conditions; and

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

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

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

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

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

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

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

29 Section 3. DEFINITIONS.

30 (A) *Workforce Housing*. Dwelling units serving residents and their families  
31 whose annualized income is at or below 80% of the Area Median Income for  
32 Albuquerque (AMI) as adjusted for household size and determined by the U.S.  
33 Department of Housing and Urban Development, and whose monthly housing

1 payment does not exceed 30% of the household's gross monthly income under  
2 city eligibility standards or 33% under special conditions to be defined in the  
3 Workforce Housing Plan. Dwelling unit is used in this Act as defined in the  
4 Comprehensive City Zoning Code.

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

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

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

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

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

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

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

30 (1) *The Affordable Housing Committee (the "Committee")*. The  
31 Affordable Housing Committee shall serve as the advisory committee to  
32 develop the Workforce Housing Plan and Needs Assessment and shall  
33 conduct an annual review of Plan progress.

1                   (2)     ***Workforce Housing Plan and Needs Assessment.*** The  
2     Committee, with the staff support of the Department of Family and Community  
3     Services (the Department) or its successor and technical support from  
4     representatives of the Office of Economic Development and the Planning  
5     Department, shall develop a Five Year Workforce Housing Plan (the Plan),  
6     which shall be updated every five years. The Plan shall be based on a  
7     thorough needs assessment conducted by the Department showing the  
8     housing conditions of families at and below 80% of median income broken out  
9     by community planning areas, income classification, special needs, seniors,  
10    homeless and addressing the displacement of low income families. The Plan  
11    shall identify the change in the City of Albuquerque of the number of market  
12    rate and affordable housing units, by income category and tenure, over the  
13    previous five years. The Plan shall include all resources available to address  
14    affordable housing needs including, but not limited to, CDBG, HOME, other  
15    grants, the City General Fund, Enterprise Funds, other City Housing Funds,  
16    State of New Mexico, and Low Income Housing Tax Credits, five year goals  
17    and objectives and one year objectives, recommended strategies for  
18    implementation and standards for monitoring and evaluation of completed  
19    projects. The Plan shall include a matrix showing the annual and five year  
20    housing production goals and objectives and organizations committed to its  
21    production. The Plan shall address expansion of the capacity of the non-profit  
22    housing development organizations and identify resources necessary to carry  
23    out needed expansion. The Plan shall identify, based on housing market data  
24    standards, City neighborhoods as “Stable” “Disinvesting”, or “Gentrifying”  
25    and shall make it clear that different housing and affordable housing  
26    strategies are being pursued within the different categories of neighborhoods.  
27    The Committee shall hold at least three public hearings on the draft plan prior  
28    to making recommendations to the Mayor and the Council. The Plan shall  
29    serve as the housing component of the Consolidated Plan after review and  
30    comment by the Albuquerque Citizen Team. The final draft Plan shall be  
31    conveyed by the Mayor to the Council by a resolution within 12 months of the  
32    enactment of this Ordinance and shall be adopted by the Council with or

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without amendments. The Plan shall be reviewed and progress evaluated annually by the Committee and a report sent to the Council.

(3) *Priorities and Uses of Funds.* At least fifty (50) percent of the available funds in any five year program shall be used for land acquisition for Workforce Housing Projects and Subdivisions in areas designated as Metropolitan Redevelopment Areas, Centers and Corridors and land zoned for mixed use development under the yet to be approved zones called for in the adopted Planned Growth Strategy (Planned Village Development, Transit Oriented Development Centers and Corridors, Commercial Center, Campus, Infill Development, and Conservation Subdivision). Up to fifty (50) percent of the available funds in any five year program may be used for zero to low interest or, in certain cases, forgivable loans that meet the requirements of the Workforce Housing Opportunity Act and fall within the geographic areas described above. At least 25% of the funds shall be used for scattered site, single-family housing purchase, rehab, lease-to-own and resale of existing housing stock. The priorities for use of all funds shall be determined by reference to the Program Elements as shown in Section 5 but in all cases the following requirements shall be met.

- a) Resources shall be allocated according to need in any five year program with at least 50% of all resources benefiting families at or below 50% of AMI and at least 30% of all resources benefiting families at or below 30% AMI. Forgivable loans may be considered for use only in projects benefiting families whose income is at or below 30% AMI.
- b) Not more than 20% of resources shall be used for project related soft development costs as defined by the Plan.
- c) Projects shall be sponsored by City approved, locally based, non-profit housing development organizations. It is recognized that non-profits will partner with for-profit builders and developers to accomplish Workforce Housing projects. The rationale for requiring non-profit sponsorship is to expand capacity of community based organizations

1 that have a long term interest in serving working families  
2 with affordable housing. Sponsorship shall be  
3 demonstrated by substantial involvement of the non-profit  
4 in the project as indicated by at least 20% of development  
5 fee going to the non-profit and a long term management  
6 and ownership role if rental housing. Criteria for approval  
7 of non-profits and sponsorship shall be included in the  
8 Workforce Housing Plan.

9 d) Projects receiving funding or land under the Workforce  
10 Housing Opportunity Act shall leverage non-City funds by  
11 at least a 4:1 ratio (non-City to City resources). The Plan  
12 may make exception to this ratio for certain hard to develop  
13 projects to be defined. Federal and State funds flowing  
14 through the City are not considered City funds for  
15 purposes of this requirement.

16 (4) *Project Priorities.* The Committee shall develop a policy-based  
17 ranking system so that proposed projects can be prioritized. The system of  
18 ranking shall be included in the Workforce Housing Plan. Priority shall be  
19 given to financially sound proposals that rank the highest according to the  
20 priorities based on guidelines found in the Program Elements. The Committee  
21 can establish minimum standards below which a project will not be approved.  
22 The Department shall issue a standing request for proposals so that  
23 developers have adequate time to secure land and formulate proposals for  
24 City consideration.

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

28 (A) *Neighborhood Conditions.* Workforce Housing should be designed,  
29 located and integrated into the community so as to serve to stabilize that  
30 neighborhood, with the long term goal of creating “Stable” neighborhoods,  
31 not “Disinvesting” or “Gentrifying” ones. Thus, in a disinvesting  
32 neighborhood, the goal is to increase housing and other investment, enhance  
33 the neighborhood image, upgrade the existing housing inventory, encourage

1 higher income families and serve as a catalyst for additional investment. In a  
2 neighborhood with increasing housing prices the goal is to preserve a mixed  
3 income environment and avoid the dislocation of low income residents by  
4 creating a reserve of permanent workforce housing protected from price  
5 increases and danger of converting to market rate housing, allowing renters to  
6 own their housing, and otherwise financially insulating low income residents  
7 from financial burdens of gentrification while accruing its benefits.

8 (B) *Design and Location Criteria.* Access to public transportation; jobs  
9 and housing balance; pedestrian access to shopping, schools and recreation;  
10 retail in close proximity to residential; energy efficient construction; water  
11 conservation; Universal Design Standards, quality design and construction all  
12 enhance the value of Workforce Housing and, as required, the design  
13 standards in the approved zones called for in the adopted Planned Growth  
14 Strategy.

15 (C) *Preservation.* Mechanisms are available for preserving existing  
16 and new Workforce Housing. Neighborhoods with rising land values will most  
17 benefit from tools that work for permanent affordability while shorter term  
18 mechanisms will achieve goals of attracting investment into neighborhoods  
19 that are experiencing declining land values. All rental housing shall be  
20 permanently affordable. All ownership housing shall remain affordable for a  
21 minimum of fifty years. Rental properties shall enter into a monitoring  
22 agreement with the City or other entity as approved by the City to provide an  
23 annual audit of compliance with affordability requirements. Income eligible  
24 families will not be evicted from their dwelling unit if over time their income  
25 increases above the eligible level. However, provision should be made to  
26 relocate the family within a mixed income Workforce Housing project to a  
27 market rate dwelling or adjust their rents appropriately if their  
28 income warrants such a change.

29 (D) *Link to Growth Management Plan.* By prioritizing locations for  
30 Workforce Housing to support infill, redevelopment and neighborhoods that  
31 require remediation of infrastructure deficiencies the Workforce Housing Plan  
32 should support the City growth management plan as defined by the Planned  
33 Growth Strategy. Thus, Centers and Corridors as approved in the

1     **Albuquerque Bernalillo County Comprehensive Plan, Metropolitan**  
2     **Redevelopment Areas and development in approved mixed-use zones called**  
3     **for in the adopted Planned Growth Strategy (Planned Village Development,**  
4     **Transit Oriented Development Centers and Corridors, Commercial Center,**  
5     **Campus, Infill Development, and Conservation Subdivision) provide location**  
6     **sensitive opportunities for development of Workforce Housing. Additional**  
7     **criteria such as low enrollment schools shall be considered in developing a**  
8     **priority ranking system. The Planned Growth Strategy Land Use Assumptions**  
9     **shall be expanded to include targets for the inclusion of affordable housing,**  
10    **according to the income categories contained in this Act, within the PGS**  
11    **subareas. PGS growth management implementation techniques shall include**  
12    **provisions for affordable housing.**

13       **Section 6. NOTIFICATION OF TENANTS. In all City land use actions that**  
14    **will result in the displacement of tenants, subject to federal and state law as**  
15    **appropriate, the applicant is required to notify the residents affected by first**  
16    **class mail at least two weeks prior to the public hearing on the action. If**  
17    **names of tenants impacted by displacement cannot be readily obtained in a**  
18    **City directory then applicant may address tenants as “Resident” in required**  
19    **notifications.**

20       **Section 7. WORKFORCE HOUSING REQUIRED ELEMENT IN PLANS. All**  
21    **Plans which address an area that does or may include housing (e.g.**  
22    **Metropolitan Redevelopment Plans, Neighborhood Sector Plans, Area Plans,**  
23    **Corridor Plans) shall include a section addressing the need for Workforce**  
24    **Housing and the means by which that need will be addressed in the plan area**  
25    **and in accordance with the Five Year Workforce Housing Plan. This Section is**  
26    **applicable to plans adopted after the effective date of this Act and to existing**  
27    **plans that undergo a significant revision after the effective date of this Act, as**  
28    **determined by the Planning Department, or its successor.**

29       **Section 8. RULES AND REGULATIONS. The Department of Family and**  
30    **Community Services or its successor, or another city department as**  
31    **designated by the Mayor, shall establish rules and regulations to provide for**  
32    **implementation of this Act. The Mayor, shall publish a draft of the rules and**



1 regulations for public comment within 120 days of the adoption of the  
2 Workforce Housing Plan.

3 Section 9. SEVERABILITY. If any section, paragraph, sentence, clause,  
4 word or phrase of the Workforce Housing Opportunity Act is for any reason  
5 held to be invalid or unenforceable by any court of competent jurisdiction,  
6 such decision shall not affect the validity of the remaining provisions of this  
7 ordinance. The Council hereby declares that it would have passed this  
8 ordinance and each section, paragraph, sentence, clause, word or phrase  
9 thereof irrespective of any provision being declared unconstitutional or  
10 otherwise invalid.

11 Section 10. COMPILATION. This ordinance shall be incorporated in and  
12 compiled as part of the Revised Ordinances of Albuquerque, New Mexico 1994.

13 Section 11. EFFECTIVE DATE. This ordinance shall take effect five days  
14 after publication by title and general summary.  
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