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CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2026-__
Updating Fee in Lieu Affordability Requirements

Mayor and Members of the City Council:
In relation to Resolution No. 2026-__.

This amendment WILL change the caption. ____
This amendment WILL NOT change the caption. __X__

I intend to propose the following amendment(s),

CITY OF SANTA FE, NEW MEXICO
BILL NO. 2026-11
INTRODUCED BY:

Mayor Michael Garcia
Councilor Alma Castro
Councilor Pilar Faulkner
Councilor Lee Garcia

Amendment C – GREEN – M. Garcia

A BILL
RELATING TO THE SANTA FE HOMES PROGRAM AND REQUIREMENTS FOR
RENTAL UNITS; AMENDING SECTION 26-1.22 TO MAKE CERTAIN TECHNICAL
CHANGES, TO CLARIFY THE CALCULATION OF FEES PAID IN LIEU OF

10516.0

1 PROVIDING ON-SITE AFFORDABLE UNITS, TO AMEND THE FEE-IN-LIEU
2 CALCULATION TO USE THIRTY PERCENT OF THE AREA MEDIAN INCOME
3 INSTEAD OF SIXTY-FIVE PERCENT WHEN DETERMINING BASE FEE AMOUNT.

4 BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

5 Section 1. Section 26-1.22 of SFCC 1987 (being Ord. No. 2019-30, § 5) is
6 amended to read:

7 **26-1.22 - Requirements for SFHP rental units.**

8 A. If a SFHP developer obtained a residential building permit for a multifamily
9 residential development between January 1, 2016, and December 31, 2019, then
10 the developer shall pay a fee associated with such development [~~shall be assessed~~]
11 in accordance with SFHP administrative procedures. If applicable, the associated
12 [~~an~~] annexation agreement, subdivision plat, or development plan shall be
13 administratively amended to reflect the updated requirement and the owner or
14 developer, as applicable, shall record or file, as applicable, the amended document
15 [~~shall be recorded or filed, as applicable, by the owner or development~~]. Incentives
16 for SFHP developers as set forth in subsection 14-8.11 SFCC 1987 [~~will~~] are not
17 be available for these projects, other than the density bonus pursuant to subsection
18 14-8.11(G)(1).

19 B. [~~Effective January 1, 2020, and thereafter,~~] A SFHP developer that obtains a
20 building permit for a [~~multifamily~~] residential rental development after January 1,
21 2020, shall [~~comply with the SFHP ordinance by~~] either: pay[ing] a fee,
22 create[ing]e [~~LPDUs~~] Low Priced Dwelling Units ("LPDUs"), or provide
23 affordable on-site units as follows:

- 24 (1) *Fee in lieu.* [~~The~~] Except for small multifamily rental projects of twelve
25 (12) or fewer units, and as described by Section 26-1.22(B)(1)(d), SFHP

1 developers may pay ~~[of]~~ a fee in lieu of providing on-site affordable units,
2 assessed according to a ~~[n "affordability gap"]~~ calculation that determines
3 the base fee, which is the difference between ~~[a]~~ the FMR and the rent
4 affordable to a renter earning thirty percent (~~[65]~~ 30%) of the AMI.

5 (a) ~~[The steps of the calculation of the base fee amount t]~~ To calculate
6 the fee in lieu ~~[as more fully described in the administrative~~
7 ~~procedures, are as follows]:~~

8 (i) multiply the total number of units ~~[broken out by number~~
9 ~~of bedrooms)]~~ of each size, as defined by number of
10 bedrooms, by fifteen percent (15%) to determine the
11 number of affordable units that would have been required
12 to be built if not for the developer paying the fee;

13 (ii) multiply the number of affordable units required in the
14 previous step (including any decimal places) by the base
15 fee associated with each type of unit ~~[broken out by~~
16 ~~number of bedrooms)]~~ (determined by number of
17 bedrooms) to determine the monthly fee; and

18 (iii) multiply the monthly fee by twenty-four (24) months to
19 determine the total project fee.

20 (b) HUD's FMR will be used to establish the ~~[affordability gap]~~ "base
21 fee amount"~~]~~ relative to HUD's AMI data. ~~[Developers shall pay~~
22 ~~phased fee increases according to when projects are permitted as~~
23 ~~follows:~~

24 (i) ~~for units permitted on or before June 30, 2020, the base~~
25 ~~fee amount;~~

(ii) ~~for units permitted between July 1, 2020, and June 30, 2021, the base fee, increased by twenty percent (20%) fee increase;~~

(iii) ~~for units permitted between July 1, 2021, and June 30, 2022, the base fee, increased by forty percent (40%) fee increase;~~

(iv) ~~for units permitted between July 1, 2022, and June 30, 2023, the base fee, increased by sixty percent (60%) increase;~~

(v) ~~for units permitted between July 1, 2023, and June 30, 2024, the base fee, increased by eighty percent (80%) increase; and~~

~~(vi)~~ ~~[(f)]~~ For units permitted on or after July 1, 2024, the base fee[,], shall be increased by one hundred percent (100%).

(c) A SFHP developer that creates a vacation time share project or short term rental units shall be subject to the fees set forth in this subparagraph 26-1.22(B)(1);

(d) A small multifamily rental project that consists of twelve (12) or fewer units shall pay the base fee amount, which shall be calculated as the difference between a FMR and the rent affordable to a renter earning thirty percent (~~[(65)]~~ 30%) of the AMI, and shall not be subject to the phased fee increases set forth in subsection 26-1.22(B)(1)(b).

~~[(e)]~~ ~~No later than July 1, 2022 staff shall initiate a review of the provisions of subsection 26-1.22(B)(1), as established by~~

~~ordinance no. 2019 30, and shall present the findings to the governing body within six (6) months.]~~

- (2) *One-hundred percent (100%) LPDUs.* A[~~n~~] SFHP developer may create a development that consists of one-hundred percent (100%) LPDUs that shall comply with the requirements set forth in subsection 26-2.3;
- (3) *Fifteen percent (15%) affordable rental units.* A[~~n~~] SFHP developer may set aside [~~of~~] fifteen percent (15%) of on-site rental units for income certified renters as described in subsection 26-1.23(A); or
- (4) *Combination.* A[~~n~~] SFHP developer may combine two (2) or more of the preceding three (3) options if such a combination provides an equivalent and beneficial impact toward meeting identified housing needs, subject to approval by the office of affordable housing. If a developer chooses to provide a combination of the options, then the city shall provide the developer incentives set forth in subsection 14-8.11(G), as approved by the land use director.

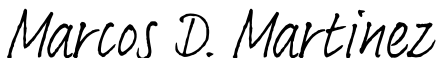
- C. The marketing, leasing, and occupancy of either an SFHP rental unit or an SFHP manufactured home lot that is rented shall conform to the criteria set forth in the administrative procedures. Rental rates shall comply with the rates set forth in subsection 26-1.24 SFCC 1987. SFHP rental units shall comply with the minimum size, unit type(s), and other structural requirements set forth in subsection 26-1.25 SFCC 1987. SFHP developers must obtain approval for the location of SFHP rental units. The units or manufactured home lots shall have compatible exterior architectural and landscaping appearance with other units in the development.
- D. Units or manufactured home lots available for SFHP rentals shall be described in a SFHP proposal in sufficient detail so that such units or manufactured home lots

can be identified after construction or creation and occupancy. SFHP tenants must meet eligibility requirements at the time they initially lease an SFHP unit.

Respectfully submitted,


MICHAEL J. GARCIA, MAYOR

APPROVED AS TO FORM:


[Marcos D. Martinez \(Sep 8, 2026 10:57:56 MDT\)](#)

MARCOS D. MARTÍNEZ, CITY ATTORNEY

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

ATTEST:

GERALYN F. CARDENAS, CITY CLERK

Legislation/2026/Bills/Updating Fee in Lieu and Affordability Requirements