

1 CITY OF SANTA FE, NEW MEXICO

2 BILL NO. 2010-10

3 INTRODUCED BY:

4
5 Councilor Wurzbarger

6 Councilor Romero

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9
10 AN ORDINANCE

11 AMENDING VARIOUS SECTIONS OF ARTICLE 26-1 REGARDING THE SANTA FE
12 HOMES PROGRAM IN ORDER TO INCREASE THE MAXIMUM INCOME OF
13 ELIGIBLE BUYERS TO 120% OF AREA MEDIAN INCOME; TO ALLOW THE
14 GROUPING OF SANTA FE HOMES PROGRAM UNITS; AND TO MAKE SUCH
15 OTHER CHANGES AS ARE NECESSARY.

16
17 BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

18 Section 1. The following definitions in Section 26-1.5 SFCC 1987 (being Ord.
19 #2005-30(A), §34 as amended) are amended to read:

20 *Income range* means the range of annual incomes used in the determination of eligibility
21 of an SFHP home buyer or an SFHP tenant. The income ranges are:

22 Income range 1: fifty percent (50%) or less of area median income

23 Income range 2: more than fifty percent (50%) but not more than sixty-five percent
24 (65%) of area median income

25 Income range 3: more than sixty-five percent (65%) but not more than eighty percent

1 (80%) of area median income

2 Income range 4: more than eighty percent (80%) but not more than one hundred percent
3 (100%) of area median income

4 Income range 5: more than one hundred percent (100%) but not more than one hundred
5 and twenty percent (120%) of area median income

6 **Section 2. Section 26-1.15 SFCC 1987 (being Ord. #2005-30(A), §44) as**
7 **amended is amended to read:**

8 **26-1.15 Required Number of For Sale SFHP Homes in a Development.**

9 A. Thirty percent (30%) of the total number of dwelling units or manufactured home
10 lots offered for sale in an SFHP development shall be SFHP Homes, as follows:

11 (1) [~~Ten percent (10%)~~] 7.5% of the total dwelling units or manufactured
12 home lots shall be sold at or below the affordable home price or affordable manufactured
13 home lot price, as applicable, for income range 2.

14 (2) [~~Ten percent (10%)~~] 7.5% of the total dwelling units or manufactured
15 home lots shall be sold at or below the affordable home price or affordable manufactured
16 home lot price, as applicable, for income range 3, [~~and~~]

17 (3) [~~Ten percent (10%)~~] 7.5% of the total dwelling units or manufactured
18 home lots shall be sold at or below the affordable home price or affordable manufactured
19 home lot price, as applicable, for income range 4, and

20 (4) 7.5% of the total dwelling units or manufactured home lots shall be sold
21 at or below the affordable home price or affordable manufactured home lot price, as
22 applicable, for income range 5.

23 B. If an applicant exceeds the percentage in income range 2 or income range 3 as set
24 forth above, the requirement in any higher income range may be reduced by the same percentage.

25 C. The whole number resulting from this calculation shall be the number of SFHP

1 homes required to be constructed or SFHP manufactured home lots to be created. If the
2 calculation described results in a fraction of a unit, this obligation shall be satisfied as set forth in
3 the administrative procedures. Nothing herein shall prohibit a developer from building a greater
4 number of SFHP homes or creating a greater number of SFHP manufactured home lots than
5 specified herein. Such additional units shall meet all the requirements as an SFHP home or
6 manufactured home lot to be considered an SFHP home or manufactured home lot. The SFHP
7 developer shall receive the fee waivers described in subsection 14-8.11 G,(2) for such additional
8 units so long as those units meet all SFHP requirements.

9 D. In any development with a mix of rental and ownership units or manufactured
10 home lots, the number of SFHP rental units or rental manufactured home lots shall be in the same
11 proportion as the number of non-SFHP rental units or rental manufactured home lots and likewise
12 with ownership units or ownership manufactured home lots.

13 E. In any development with a mix of detached and attached ownership units, the
14 mix of SFHP units shall be in the same proportion as the mix of non-SFHP units.

15 F. In the event that two (2) or fewer SFHP Homes or SFHP manufactured home lots
16 are required, the SFHP Homes or manufactured home lots shall be affordable to income range 3
17 or income range 2.

18 **Section 3. Section 26-1.16 SFCC 1987 (being Ord. #2005-30(A), §45) is**
19 **amended to read:**

20 **26-1.16 Determination of Affordable Home Price.**

21 A. To ensure the SFHP homes are affordable, the affordable home prices below are
22 calculated to ensure that the sum of principal and interest payments, taxes, property insurance and
23 mortgage insurance does not exceed thirty-three percent (33%) of the monthly income of the
24 assumed household size in each applicable income range.

25 B. Except as provided in this section below, at the time of enactment of this chapter,

1 the affordable home price for each income range shall be:

	Affordable Home Price	Affordable Home Price	Affordable Home Price	Affordable Home Price	Affordable Home Price
Income Range	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Income Range 2	\$74,500	\$85,000	\$97,000	\$109,000	\$122,000
	<u>\$84,750</u>	<u>\$92,000</u>	<u>\$105,250</u>	<u>\$118,250</u>	<u>\$131,500</u>
Income Range 3	\$100,500	\$111,000	\$126,000	\$142,000	\$158,000
	<u>\$112,500</u>	<u>\$119,500</u>	<u>\$136,750</u>	<u>\$153,750</u>	<u>\$170,750</u>
Income Range 4	\$125,500	\$136,000	\$155,000	\$175,000	\$194,000
	<u>\$140,000</u>	<u>\$147,250</u>	<u>\$168,250</u>	<u>\$189,250</u>	<u>\$210,250</u>
<u>Income Range 5</u>	<u>\$176,750</u>	<u>\$184,000</u>	<u>\$210,250</u>	<u>\$236,500</u>	<u>\$262,750</u>

2 C. Except as provided in this section below, the affordable manufactured home lot
 3 price shall be twenty-five percent (25%) of the affordable home price for a 3 bedroom home for
 4 each applicable income range, as follows:

Income Range	Affordable Manufactured Home Lot Price
Income Range 2	\$27,250 <u>\$29,563</u>
Income Range 3	\$35,500 <u>\$38,438</u>
Income Range 4	\$43,750 <u>\$47,313</u>
<u>Income Range 5</u>	<u>\$59,125</u>

5 D. Beginning in 2006 and every year thereafter, the office of affordable housing
 6 shall review and adjust the affordable home price and affordable manufactured home lot for each

1 applicable income range and home size based on the changes in area median income from the
2 previous twelve (12) months. However, every three (3) years thereafter at a minimum, the
3 governing body shall review the methodology for calculating annual increases and make
4 appropriate adjustments if necessary. The office of affordable housing shall report to the
5 governing body within thirty (30) days of adjusting the affordable home price and affordable
6 manufactured home lot price.

7 E. The affordable home price and affordable manufactured home lot price shall be
8 reduced pursuant to administrative procedures in order to limit the impact on SFHP home buyers
9 of fees assessed by condominium, common area, or homeowner associations. The affordable
10 home price or affordable manufactured home lot price shall be reduced so that the buyer's
11 mortgage or manufactured home loan principal amount and, accordingly, the buyer's monthly
12 mortgage payments, are reduced by an amount equal to the assessed fee in excess of seventy-five
13 dollars (\$75.00).

14 F. Pursuant to administrative procedures, the affordable home price may be
15 increased at the request of the SFHP home buyer by the price of allowable option upgrades, not to
16 exceed the maximum option upgrade allowance.

17 G. At the time of the enactment of this chapter, the maximum option upgrade
18 allowance shall be no greater than five thousand dollars (\$5,000.). Beginning in 2006 and every
19 year thereafter, the office of affordable housing shall review and adjust the maximum option
20 upgrade allowance based on changes in the area median income for the previous twelve (12)
21 months. Permissible items to be included in the maximum option upgrade allowance shall be
22 determined pursuant to administrative procedures.

23 H. Pursuant to administrative procedures, the affordable home price may be
24 increased by the amount of the approved energy efficiency adjustment.

25 **Section 4. Section 26-1.17 SFCC 1987 (being Ord. #2005-30(A), §46) is**

1 amended to read:

2 **26-1.17 Design, Unit Types, Siting, Warranty Requirements for SFHP Homes.**

3 A. The SFHP homes shall be constructed according to the minimum requirements
4 for bathrooms and areas of habitable residential space described below:

Unit Type	Minimum Number of Bathrooms	Minimum Area
Studio	1	750 square feet
1 Bedroom	1	850 square feet
2 Bedrooms	1	1,000 square feet
3 Bedrooms	2	1,150 square feet
4 Bedrooms	2	1,250 square feet

5 Habitable space shall be defined and calculated in accordance with the city's building
6 code, except that the minimum area of SFHP homes may be greater than minimum building code
7 requirements.

8 B. The SFHP homes shall meet the following distribution:

9 (1) The distribution of SFHP unit sizes shall be as follows:

Unit Size	Required Percentage of SFHP Homes
Studio, 1 Bedroom and 2 Bedroom	25%
3 Bedroom	50%
4 Bedroom	25%

1 (2) The SFHP developer may request approval from the office of affordable
2 housing to provide a mix of unit sizes that varies from the above. Factors that may be
3 considered as a basis for approving a different unit size mix include, but are not limited
4 to:

5 (a) A different mix would better match the mix of non-SFHP homes
6 within the development.

7 (b) A different mix would better match the consumer demand for
8 SFHP homes.

9 C. The minimum sizes specified in this subsection shall not apply to units converted
10 from existing rental units to ownership units. In such developments, the mix of size and type of
11 SFHP Homes offered for sale shall be in proportion to the mix of non-SFHP homes offered for
12 sale.

13 D. SFHP homes at different price levels and of different home sizes shall be
14 ~~[dispersed evenly among the non-SFHP homes and be]~~ evidenced by designation of home lots at
15 time of plat recording for each phase of development. The office of affordable housing shall
16 approve the designation of SFHP home lots and may approve up to 30 SFHP units clustered in
17 one area/phase.

18 E. The SFHP homes shall be similar in architectural and landscaping appearance to
19 the non-SFHP homes.

20 F. The seller of an SFHP home shall provide a warranty of at least one year
21 covering defects in materials and workmanship in addition to any manufacturers' warranties or
22 warranties provided by a contractor or subcontractor, such as warranties on roofing and
23 appliances. The minimum one year warranty on defects in materials and workmanship shall not
24 preclude the seller or any person from providing a warranty of longer period. No developer,
25 seller, general contractor, subcontractor or other person shall be permitted to request that an

1 SFHP homebuyer sign a waiver of the required warranty. Any such waiver shall be considered
2 null and void.

3 **Section 5. Section 26-1.21 SFCC 1987 (being Ord. #2005-30(A), §50 as**
4 **amended) is amended to read:**

5 **26-1.21 Eligibility of SFHP Buyers.**

6 A. The household income of an SFHP homebuyer shall not exceed the defined
7 income ranges as set forth in subsection 26-1.5 except as set forth in paragraph E. below.

8 B. The household income of an SFHP manufactured home lot buyer shall not
9 exceed the defined income ranges as set forth in subsection 26-1.5 for a 3-person household,
10 regardless of the household size of the SFHP buyer except as set forth in paragraph E. below.

11 C. SFHP homebuyers and SFHP manufactured home lot buyers shall also meet
12 additional eligibility criteria established in the administrative procedures.

13 D. An SFHP home may not be sold to a household which is smaller than the
14 following household sizes unless the office of affordable housing approves in writing a smaller
15 minimum household size:

Unit Size	Minimum Household Size
Efficiency/studio	1 person household
1 Bedroom	1 person household
2 Bedrooms	1 person household
3 Bedrooms	2 person household
4 Bedrooms	3 person household

16 ~~[E. An eligible buyer meeting the criteria of emergency worker, first responder,~~
17 ~~teacher or related educational employees in Santa Fe County whose household income exceeds~~
18 ~~one hundred percent (100%) of area median income (AMI) but does not exceed one hundred~~

1 ~~twenty percent (120%) of AMI shall be eligible to purchase an SFHP unit in income range 4.~~

2 ~~(1) The status of the buyer as an emergency worker or first responder shall~~
3 ~~be noted on the certificate of eligibility and shall be verified by the office of affordable~~
4 ~~housing.~~

5 ~~(2) The office of affordable housing shall maintain a list of occupations that~~
6 ~~meet the requirement of emergency worker, first responder or essential worker, which~~
7 ~~shall include:~~

8 ~~(a) Police officers;~~

9 ~~(b) Nurses;~~

10 ~~(c) Emergency medical technicians;~~

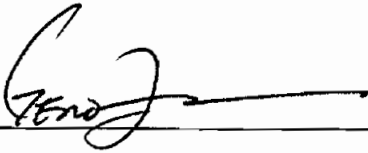
11 ~~(d) Firefighters;~~

12 ~~(e) Other health and safety workers whose services are~~
13 ~~crucial to community safety in an emergency situation; and~~

14 ~~(f) Teachers and related educational employees.~~

15 ~~(3) All other eligibility requirements shall apply.]~~

16 APPROVED AS TO FORM:

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19 GENO ZAMORA, CITY ATTORNEY