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1 (F) The Workforce Housing Trust Fund created in accordance with the
2 City's Workforce Housing Opportunity Act, and the state's Affordable Housing
3 Act and Rules, has created over 900 units of affordable housing over the
4 period of 2007 to present, generated over four times the City contribution in
5 private investments and supported near 1,500 construction jobs; and

6 (G) In order to maintain production of workforce housing to meet the
7 needs of working families an adequate and stable source of funding is
8 required.

9 § 14-9-3 APPLICABILITY.

10 This article is applicable to any Workforce Housing Project or Workforce
11 Housing Subdivision assisted with Workforce Housing Trust funds. Other
12 funds leveraged for a Trust Fund assisted project or subdivision will be
13 subject to this article as well as the requirements and terms of the other
14 funding source(s). When there is a conflict the most restrictive requirements
15 and terms shall apply.

16 § 14-9-4 DEFINITIONS.

17 For the purpose of this article, the following definitions shall apply unless
18 the context clearly indicates or requires a different meaning.

19 AFFORDABLE HOUSING PLAN. The Affordable Housing Plan is that
20 component of the City's Five Year Consolidated Plan approved by the MFA
21 prior to adoption by the City Council which defines and documents affordable
22 housing needs in Albuquerque and establishes housing priorities for all City
23 housing funds, including but not limited to, Workforce Housing Trust Funds,
24 Community Development Block Grant funds and HOME Investment
25 Partnerships funds.

26 PERMANENT AFFORDABILITY. Permanent Affordability is defined as two
27 consecutive ninety-nine (99) year periods in during which a rental property
28 funded through Workforce Housing Trust Funds will be restricted to renting a
29 certain number of apartment units to low and moderate income households.
30 Restrictive covenants or land use restrictions are filed on the assisted
31 property to ensure compliance.

32 WORKFORCE HOUSING. Dwelling units serving residents and their
33 families whose annual income is at or below 80% of the Area Median Income

1 for Albuquerque (AMI) as adjusted for household size and determined by the
2 U.S. Department of Housing and Urban Development. For rental housing
3 monthly housing payment should not exceed 30% of the imputed income limit
4 applicable to such unit or 35% under special conditions to be defined in the
5 Workforce Housing Plan. For homeownership the home should be purchased
6 under a Qualified Residential Mortgage as defined by the Consumer Financial
7 Protection Bureau. A Qualified Residential Mortgage is a mortgage with terms
8 that take into account the borrower’s ability to repay the loan and includes
9 loans that meet the standards of Fannie Mae, Freddie Mac, Federal Housing
10 Administration or Veterans Administration. Subprime loans and similar loans
11 contain terms, including but not limited to interest rates higher than prime
12 loans, adjustable interest rates or mortgage terms over 30 years, which may
13 cause the borrower to have difficulty repaying a mortgage. “Dwelling unit” is
14 used in this article as defined in the Integrated Development Ordinance (see §
15 14-16-7).

16 **WORKFORCE HOUSING MEETING THE REQUIREMENTS OF THE**
17 **WORKFORCE HOUSING OPPORTUNITY ACT.** Workforce housing projects,
18 subdivisions, and programs that receive funds and/or land from the Workforce
19 Housing Trust Fund as the result of meeting eligibility criteria pursuant to the
20 Affordable Housing Plan.

21 **WORKFORCE HOUSING PROJECT or WORKFORCE HOUSING**
22 **SUBDIVISION.** The entire development in which at least 30% of the dwelling
23 units meet the definition of workforce housing.

24 **§ 14-9-5 CREATION AND ADMINISTRATION OF THE WORKFORCE**
25 **HOUSING TRUST FUND.**

26 (A) Beginning with the 2017 General Obligation Bond Program, the
27 Mayor is authorized and directed to set aside up to 8% of the biannual General
28 Obligation Bond Capital Improvement Program, up to a maximum of
29 \$10,000,000 per two-year cycle, to be directed to the Trust Fund for the
30 purpose of providing workforce housing. This set aside shall be presented as
31 a separate bond question which solely addresses permanently affordable
32 rental housing and affordable homeownership assistance which includes the
33 contribution of land upon which the unit will be constructed, down payment

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1 assistance loan or any other type of direct or indirect financial assistance that
2 enables the homebuyer to qualify for a Qualified Mortgage. If this question is
3 turned down by the voters no CIP funds from that election shall be spent on
4 workforce housing. All interest earnings of funds in the Trust Fund shall be re-
5 appropriated to the Trust Fund. No funds in the Trust Fund can be
6 appropriated or used for any other purpose than as described in the
7 Workforce Housing Opportunity Act.

8 (B) The Fund income and interest earnings shall be appropriated for the
9 purposes set forth in this article after recommendation by the Mayor and
10 approval of the Council.

11 (C) Programming and Selection. The projects funded by the Trust Fund
12 shall be selected and programmed as provided below:

13 (1) The Affordable Housing Committee. The Affordable Housing
14 Committee (Committee) shall serve as the advisory committee to develop the
15 Workforce Housing Plan and Needs Assessment and shall conduct an annual
16 review of Plan progress.

17 (2) Workforce Housing Plan and Needs Assessment. The Committee,
18 with the staff support of the Department of Family and Community Services
19 (the Department) or its successor and technical support from representatives
20 of the Office of Economic Development and the Planning Department, shall
21 develop a Five Year Workforce Housing Plan also known as the Affordable
22 Housing Plan, which shall be updated every five years. The Affordable
23 Housing Plan shall be in accordance with the Affordable Housing Act (NMSA
24 1978, § 62-7-1 et seq.) (Act), and the Affordable Housing Act Rules (Rules). The
25 Affordable Housing Plan shall be based on a thorough needs assessment
26 conducted by the Department showing the housing conditions of families at
27 and below 80% of Area Median Income broken out by community planning
28 areas, income classification, special needs, seniors, and homeless, and
29 addressing the displacement of low income families. The Affordable Housing
30 Plan shall identify the change in the City of Albuquerque of the number of
31 market rate, affordable and non-affordable housing units, by income category
32 and tenure, over the previous five years. The Affordable Housing Plan shall
33 include all resources available to address affordable housing needs including,

1 but not limited to, CDBG, HOME, other grants, the City General Fund,
2 Enterprise Funds, other City Housing Funds, State of New Mexico, and Low
3 Income Housing Tax Credits, and New Market Tax Credits, five year goals and
4 objectives and one year objectives, recommended strategies for
5 implementation and standards for monitoring and evaluation of completed
6 projects. The Affordable Housing Plan shall include a matrix showing the
7 annual and five year housing production goals and objectives and
8 organizations committed to its production. The Affordable Housing Plan shall
9 address expansion of the capacity of the non-profit housing development
10 organizations and identify resources necessary to carry out needed
11 expansion. The Affordable Housing Plan shall identify, based on housing
12 market data standards, City neighborhoods as "stable", "disinvesting", or
13 "gentrifying" and shall make it clear that different housing and affordable
14 housing strategies are being pursued within the different categories of
15 neighborhoods. The Committee shall hold at least three public hearings on the
16 draft Affordable Housing Plan prior to making recommendations to the Mayor
17 and the Council. The Affordable Housing Plan shall serve as the housing
18 component of the Consolidated Plan after review and comment by Committee
19 and submitted for review and approval to the New Mexico Mortgage Finance
20 Authority. The Affordable Housing Plan shall be conveyed by the Mayor to the
21 Council by a resolution every five years in accordance with requirements
22 promulgated by the U.S. Department of Housing and Urban Development and
23 shall be adopted by the Council with or without amendments. The Affordable
24 Housing Plan shall be reviewed and progress evaluated annually by the
25 Committee and a report sent to the Council.

26 (3) Priorities and Uses of Funds. When feasible and practical available,
27 funds in any General Obligation Bond biannual program shall be used for land
28 acquisition for workforce housing projects and subdivisions only in areas
29 designated as Metropolitan Redevelopment Areas, Centers and Corridors, and
30 within 660 feet of an area mapped in Centers and Corridors per the
31 Comprehensive Plan. Funds in any General Obligation Bond biannual
32 program may be used for zero to low interest or, in certain cases, loans that
33 may be forgivable for multi-family rental projects that meet the requirements

1 of the Workforce Housing Opportunity Act and fall within the geographic areas
2 described above. Funds may be used for scattered site, single-family housing
3 purchase, homeownership assistance, rehab, lease-to-own and resale of
4 existing housing stock. The priorities for use of all funds shall be determined
5 by reference to the program elements as shown in § 14-9-5, but in all cases the
6 following requirements shall be met.

7 (a) Resources shall be allocated according to need in any General
8 Obligation Bond biannual program with the goal that 50% of all resources
9 benefiting families at or below 50% of AMI and 30% of all resources benefiting
10 families at or below 30% AMI. Loans that may be forgivable may be considered
11 for use only in multi-family rental projects benefiting families whose income is
12 at or below 30% AMI. Income Averaging as defined under Section 42 of the
13 IRS Code as authorized by the Consolidated Appropriations Act of 2018 is
14 permissible for multi-family rental projects utilizing Low Income Housing Tax
15 Credits subject to approval by the New Mexico Mortgage Finance Authority.

16 (b) Not more than 20% of resources shall be used for project
17 related soft development costs as defined by the Affordable Housing Plan.

18 (c) Workforce housing projects shall be accomplished by City
19 approved builders and developers including an individual; a government
20 housing agency; a for-profit organization, including a corporation, limited
21 liability company, partnership, joint venture, syndicate or association or a
22 nonprofit organization. Criteria for approval of projects shall be promulgated
23 by the Family and Community Services Department.

24 (d) Projects receiving funding or land under the Workforce
25 Housing Opportunity Act shall leverage non-City funds by at least a 4:1 ratio
26 (non-City to City resources). The Affordable Housing Plan may make
27 exception to this ratio for certain hard to develop projects as defined in the
28 Affordable Housing Plan and that would otherwise be financially impact
29 without such an exception. Federal and state funds flowing through the City
30 are not considered City funds for purposes of this requirement.

31 (e) Any Workforce Housing Trust funds used to benefit an
32 individual or a household directly, such as homeownership assistance or

1 homeowner housing rehabilitation will be subject to recapture or resale
2 provisions at the time of sale or refinancing of the affected property.

3 (4) Project Priorities. The Committee shall develop a policy-based
4 ranking system so that proposed projects can be prioritized. The system of
5 ranking shall be included in the Affordable Housing Plan. Priority shall be
6 given to financially sound proposals that rank the highest according to the
7 priorities based on guidelines found in the Program Elements. Priority with
8 respect to newly constructed projects shall also be given to proposals that
9 demonstrate a commitment to energy efficiency and utility conservation. The
10 Committee can establish minimum standards below which a project will not be
11 approved. The Department shall issue a standing request for proposals so that
12 developers have adequate time to secure land and formulate proposals for
13 City consideration.

14 § 14-9-6 PROGRAM ELEMENTS.

15 The following elements, among others, shall be used to develop a priority
16 setting and project ranking system for development under this article.

17 (A) Neighborhood conditions. Workforce housing should be designed,
18 located and integrated into the community so as to serve to stabilize that
19 neighborhood, with the long term goal of creating "stable" mixed-income
20 neighborhoods, not "disinvesting" or "gentrifying" ones. Thus, in a
21 disinvesting neighborhood, the goal is to increase housing and other
22 investment, enhance the neighborhood image, preserve a mixed-income
23 environment by upgrading the existing housing inventory, encourage higher
24 income families and serve as a catalyst for additional investment. In a
25 neighborhood with increasing housing prices the goal is to preserve a mixed
26 income environment and avoid the dislocation of low income residents by
27 creating a reserve of permanent affordable rental workforce housing protected
28 from price increases and danger of converting to market rate housing,
29 allowing renters to own their housing, and otherwise financially insulating low
30 income residents from financial burdens of gentrification while accruing its
31 benefits.

32 (B) Design and Location Criteria. Access to public transportation; jobs
33 and housing balance; pedestrian access to shopping, schools and recreation;

1 retail in close proximity to residential; energy efficient construction; water
2 conservation; Universal Design Standards, quality design and construction all
3 enhance the value of workforce housing and, as required, the standards of the
4 applicable zone in the Integrated Development Ordinance.

5 (C) Preservation. Mechanisms are available for preserving existing and
6 new workforce housing. Neighborhoods with rising land values will most
7 benefit from a balance of tools that work toward permanently affordable rental
8 housing, in addition to a shorter term mechanism that will achieve the goals of
9 attracting investment into neighborhoods that are experiencing declining land
10 values. All rental housing shall be permanently affordable. Trust Funds used
11 for homeownership assistance shall be subject to recapture or resale
12 provisions. No funds from sources other than the biannual General Obligation
13 Bond Capital Improvement Program or interest earnings of such shall be
14 considered as part of the Trust Fund nor shall such funds from other sources
15 be subject to the requirement of permanent affordability. Rental projects
16 funded in part from the Trust Fund and in part from other sources shall be
17 subject to the requirement of permanent affordability.

18 Trust funds used for homeownership assistance shall be subject to
19 recapture or resale provisions. Homebuyer assistance is a direct subsidy to
20 the homebuyer and includes funds for down payment, closing costs,
21 rehabilitation costs or other financial assistance provided directly to the
22 homebuyer. The maximum homeownership assistance for any individual
23 homebuyer will be \$20,000. This maximum amount may be adjusted annually
24 by the Department of Family and Community Services by a maximum of 5%.
25 The homeownership assistance must be repaid if it is provided directly to the
26 homebuyer. Upon resale the seller may sell to any willing buyer at any price.
27 If the new buyer of the property has an income at or below 80% AMI, the
28 homeownership assistance may be assumed by the new buyer. The
29 homeownership assistance will be secured by a promissory note and
30 mortgage. The terms of the promissory note will be at zero percent interest
31 with the repayment of the principal balance due upon the resale, refinance or
32 failure to occupy the property. Once the Trust Funds are repaid to the City the
33 property is no longer subject to any Trust Fund restrictions. The funds

1 returned to the City shall be deposited in the Trust Fund account and shall be
2 used for future Trust Fund eligible activities.

3 Rental properties shall enter into a monitoring agreement with the City or
4 other entity as approved by the City to provide an annual audit of compliance
5 with affordability requirements and the Affordable Housing Act, NMSA 1978, §
6 6-27-1 et seq. Audits will take into account the requirements of all funding
7 sources and those requirements may conflict. Federal requirements preempt
8 these ordinances. For purposes of this ordinance, income eligible families will
9 not be evicted from their rental dwelling unit if over time their income
10 increases above the eligible level. However, provisions should be made to
11 relocate the family within a mixed income workforce housing project to a
12 market rate dwelling or adjust their rents appropriately if their income
13 warrants such a change.

14 (D) Link to Growth Management Plan. In developing and adopting the
15 Affordable Housing Plan, there should be consistency with and support for the
16 City's growth management plan as defined by the adopted Planned Growth
17 Strategy and Comprehensive Plan. This requirement for consistency and
18 support is not intended to mandate the development of workforce housing,
19 specific distribution or locations for workforce housing but may be a factor in
20 such decisions.

21 §14-9-7 NOTIFICATION OF TENANTS.

22 In all City land use actions that will result in the displacement of tenants,
23 subject to federal and state law as appropriate, the applicant is required to
24 notify the residents affected by first-class mail at least two weeks prior to the
25 public hearing on the action. If names of tenants impacted by displacement
26 cannot be readily obtained in a City directory, the applicant may address
27 tenants as "resident" in required notifications.

28 § 14-9-8 RULES AND REGULATIONS.

29 The Department of Family and Community Services or its successor, or
30 another City department as designated by the Mayor, shall establish rules and
31 regulations to provide for implementation of this article. The Mayor, shall
32 publish a draft of the rules and regulations for public comment within 120
33 days of the adoption of the Workforce Housing Plan.

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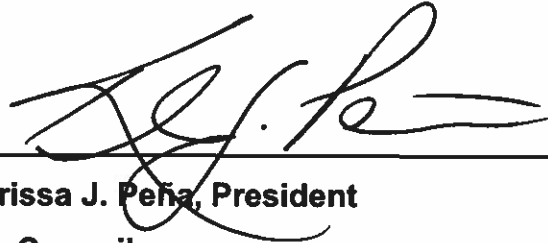
1 SECTION 2. SEVERABILITY CLAUSE. If any section, paragraph, word or
2 phrase of this ordinance is for any reason held to be invalid or unenforceable
3 by any court of competent jurisdiction, such decision shall not affect the
4 validity of the remaining provisions of this ordinance. The Council hereby
5 declares that it would have passed this ordinance and each section,
6 paragraph, sentence, clause, word or phrase thereof irrespective of any
7 provision being declared unconstitutional or otherwise invalid.

8 SECTION 3. COMPILATION. The amendments set forth in Section 1 above
9 shall amend, be incorporated in and made part of the Revised Ordinances of
10 Albuquerque, New Mexico, 1994.

11 SECTION 4. EFFECTIVE DATE. This ordinance shall take effect five days
12 after publication by title and general summary.

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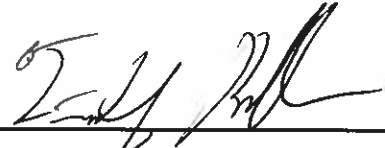
1 PASSED AND ADOPTED THIS 17th DAY OF June, 2019
2 BY A VOTE OF: 9 FOR 0 AGAINST.

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8 **Klarissa J. Peña, President**
9 **City Council**

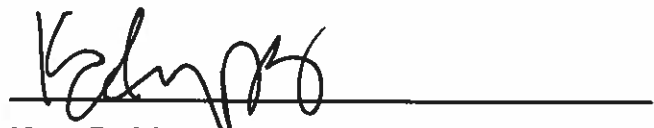
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12 APPROVED THIS 2 DAY OF July, 2019

13 **Bill No. O-19-62**

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18 **Timothy M. Keller, Mayor**
19 **City of Albuquerque**

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22 **ATTEST:**

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24 **Katy Duhigg, City Clerk**

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