



## Who Needs Affordable Housing in Santa Fe?

**WE DO! For many reasons:**

### **It houses *us*.**

- Civil servants, police officers, firefighters; public works employees;
- Teachers, librarians, clergy, social workers, day care providers, therapists;
- Medical providers including EMTs, nurses and technicians;
- Veterans, students, retirees handicapped;
- Bank tellers, retail clerks, cashiers, cooks, waiters; nursing home staff;
- Custodians, bus drivers, hotel workers, construction workers;
- Many other families who earn less than 120% of the median income for Santa Fe.

### **It's good for business.**

- Affordable housing is critical to the health of local business.
- Without affordable housing businesses struggle to attract qualified workers.
- When workers live in the community where they work they spend their paychecks locally rather than taking it with them when they go home. In 2007, 640 members of the local workforce moved outside of Santa Fe County, many of them to Rio Rancho, in order to purchase a home. These employees took over \$21 million in annual local spending with them.

### **It eases traffic and is good for the environment.**

- Families being priced out of their communities are moving farther and farther from their jobs.
- "Smart growth" urban planning that includes mixed-income housing is part of the traffic solution, allowing middle-income workers to live closer to their jobs.

### **What is Affordable Housing?**

- A mix of homeownership and rental housing for people who make less than 120% of Santa Fe's median income. A recent needs analysis showed that there is not enough housing for families in this income range.
- The proposed housing to be developed by local nonprofit and for profit developers incorporates green design to reduce the carbon footprint of the housing.

### **Who will be helped most in the next few years?**

There is a critical shortage of housing for policeman, nurses, firefighters and other emergency personnel. Many of these workers commute to Santa Fe from as far away as Rio Rancho. In the first few years of the program, there will be an emphasis on helping these critical personnel live in Santa Fe, so that they can respond quickly when we need them.

## How does this ONE TIME tax work?

A ONE TIME tax on the sale of houses that is equal to 1% of the amount of the sale in excess of \$750,000. Houses that sell for less than \$750,000 would not be taxed, and those that sell for more than \$750,000 would only be taxed on the amount over \$750,000. This kind of ONE TIME tax is called a real estate transfer tax.

### ONE EXAMPLE:

Formula: House Sale Price:	\$ 800,000.00
Minus threshold price:	<u>750,000.00</u>
Amount subject to tax:	\$ 50,000.00
1% ONE TIME tax:	\$ 500.00

## Why is a real estate transfer tax the preferred funding mechanism?

- 37 states already use real estate transfer taxes and many cities and states use the tax to fund affordable housing projects, so it is a proven mechanism for creating a steady stream of income to fund affordable housing
- Only people who are buying or selling property worth more than \$750,000 would pay the tax. Other potential revenue sources such as the gross receipts tax or property taxes can be a burden to low-income people.

## How can we be sure the funds will go to affordable housing?

- The Real Estate Transfer Tax must be enacted by a vote of the people in Santa Fe. Once enacted, by law the City must use the funds for affordable housing.
- The only way to change the use of the funds would be with the approval of the voters at another election.
- Funds generated by the tax would be placed in a separate Affordable Housing Trust Fund. Funds would then be distributed each year to help fund eligible affordable housing projects.

## What are some examples of projects that would be funded?

- Down payment assistance for first time homebuyers to help with the purchase of a home.
- Purchase of land for the development of affordable housing
- Grants to underwrite the cost of constructing affordable apartments

**FOR MORE INFORMATION OR TO SUPPORT AFFORDABLE HOUSING IN SANTA FE CONTACT US AT 982-9000.**

### **Organizations United for Affordable Housing in Santa Fe**

**New Mexico Coalition to End Homelessness  
New Mexico Conference of Churches  
Santa Fe Living Wage Network  
Somos Un Pueblo Unido  
Family Justice Campaign  
New Mexico Voices for Children**