

## Executive Summary

- The Santolina Developers expect to achieve the annual targets of 761 new housing units, 1,866 additional residents, and 1,500 new jobs per year by full buildout of the Santolina Master Plan;<sup>1</sup>
- The City of Albuquerque averaged 1,457 new residential building permits per year in the period from 2010 to 2022 – building permit activity serves as a proxy for housing stock growth;
- If the housing stock in Albuquerque grew by 1% per year, which is in line with the historical average, a realistic expectation is that the city will add an average of 1,540 additional building permits per year over the next decade;
- The Bernalillo County population grew from 662,564 to 672,508 in the period from 2010 to 2022, an increase of almost 10,000; this is equivalent to an increase of 828 inhabitants per year over the same period;
- Bernalillo County is expected to grow in population by 22,544 over the next 20 years, or 1,127 new inhabitants per year;
- Albuquerque Metropolitan Statistical Area (ABQ MSA) Employment grew by 0.9% (3,191 per year) over the last decade, and is expected to grow by 0.6% or 2,396 new jobs per year over the next five years (2023-2028);
- If Santolina were to achieve its stated targets, it would account for 49% of new housing, 165% of population growth, and 62% of employment (based on forward expectations);
- Upon our review of recent demographic and economic data, we think the Santolina targets are likely overstated;
- In this report, BBER offers an alternative scenario for the Santolina Development with more probable targets for housing, population, and employment growth;
- Having evaluated available historical data, BBER offers the following annual targets as more realistic expectations: 154 new housing units per year, 374 additional inhabitants annually, and 240 new jobs per year (over the next 50 years);
- Bernalillo County approved the creation of the Santolina TIDD, which allocates 45% of county revenues reimbursable to the Developer;
- Having completed a pro forma analysis of the capital cost to provide public facilities (schools, community centers, etc.) and services (public safety, transit, water and sewer, etc.) to Santolina, the capital costs to New Mexico governments appear to exceed potential revenues (when taking the TIDD into account); With the data available to BBER, researchers were not able to estimate the ongoing cost to provide public services and to maintain and operate public facilities on an ongoing basis, or the ongoing potential tax revenues/benefits;
- BBER recommends future research focus on the potential cost to operate and maintain public services in Santolina as informed by recent demographic and economic trends;

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<sup>1</sup> The cumulative totals for the Santolina development by full buildout are 38,045 (housing units), 93,300 (population), and 75,006 (jobs).