



CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor


EC-19-366

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

March 1, 2019

TO: Klarissa J. Peña, President, City Council

FROM: Timothy M. Keller, Mayor 

SUBJECT: 2018 Workforce Housing Trust Fund Report

The 2018 Workforce Housing Trust Fund (WHTF) Report provides a summary of the overall achievements of the WHTF Program from 2016 through 2018, and provides an in-depth look into what makes the program so successful.

WHTF dollars are often used as gap financing for multi-million dollar housing development projects. These funds make it easier for housing developers to bring in other investors and reduce the amount of high interest loan that they would otherwise have to take. This in addition to allowing the developers to incorporate long term energy efficient amenities into their designs help keep the housing affordable for longer periods of time.

The Workforce Housing Trust Fund Program is funded by a biannual voter approved City bond. From 2007 through 2017, \$40,738,000 of WHTF bonds have been approved to further affordable housing opportunities. The City's Department of Family and Community Services has administered the funds by contracting with non-Profit developers to create new housing opportunities. Along with its federal grants, the City has committed approximately \$39.4 Million of WHTF to leverage more than \$240 Million in project activities.

SUBJECT: 2018 Workforce Housing Trust Fund Report

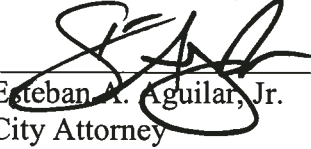
Approved:

Approved as to Legal Form:



Sarita Nair
Chief Administrative Officer

3/23/19
Date

PP 

Esteban A. Aguilar, Jr.
City Attorney

3-18-19
Date

Recommended:



Carol M. Pierce
Director

3-4-19
Date

Cover Analysis

1. What is it?

The 2018 Workforce Housing Trust Fund (WHTF) Report provides a summary of the overall achievements of the WHTF Program from 2016 through 2018.

2. What will this piece of legislation do?

Report the success of the Workforce Housing Trust Funds Program.

3. Why is this project needed?

This is necessary to show that the Community Development Division has met the requirements of administering Workforce Housing Trust Funds and to give the City of Albuquerque an opportunity to review the benefits of this program and to show their continued support.

4. How much will it cost and what is the funding source?

There are no costs associated with this legislation. The Workforce Housing Trust Fund Program is funded by a biannual, voter-approved City bond.

5. Is there a revenue source associated with this Plan? If so, what level of income is projected?

There is no revenue source associated with this legislation.



City of Albuquerque
Timothy M. Keller, Mayor

2016-2018 Workforce Housing Trust Fund Program Report



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INTRODUCTION

In 2006, the City of Albuquerque created the Workforce Housing Trust Fund through the passage of the Workforce Housing Opportunity Act (O-2006-030). This Ordinance defined, prioritized and provided the framework to fund the Workforce Housing Bond in the City's Capital Improvement Program and General Obligation Bond Program.

The Act, referencing the City's 2003-2008 Consolidated Plan, recognized that "33% of all households in Albuquerque have some housing affordability problem and nearly 80% of households whose income is under 50% of median income are rent burdened or living in overcrowded conditions" and "there are an estimated 3,000 homeless individuals in Albuquerque whose path to independent living depends upon permanent, affordable housing." More recently, according to the *2017 Albuquerque Point in Time Count*, there are approximately 1,318 homeless individuals in Albuquerque on any one night. Additionally, 52.3% of all renters in Albuquerque are rent burdened (*2017 Assessment of Fair Housing*). Therefore, there continues to be an overwhelming need for Affordable Housing opportunities in Albuquerque.

Workforce Housing is defined in the Act as "Dwelling units serving residents and their families whose annualized income is at or below 80% of the Area Median Income for Albuquerque...and whose monthly housing payment does not exceed 30% of the imputed income limit applicable to such unit..."

The Workforce Housing Trust Fund has been administered by the City's Department of Family and Community Services (DFCS), since 2007, when the voters of Albuquerque passed Workforce Housing Bond in the amount of \$10 Million. That amount was also passed in subsequent bond years (2009, 2011). However, due to an overall reduction in bonding capacity in 2013, the bond amount was reduced and has fluctuated over the last several bond cycles, as illustrated below:

BOND CYCLE	WFHTF AMOUNT
2007 GO	\$ 10,000,000.00
2009 GO	\$ 10,000,000.00
2011 GO	\$ 10,000,000.00
2013 GO	\$ 2,500,000.00
2015 GO	\$ 4,450,000.00
2017 GO	\$ 3,788,000.00
TOTAL	\$ 40,738,000.00

This report provides a summary of the overall achievements of the WFHTF Program from 2016-2018 and "Table A" below provides a comprehensive list of projects funded since the inception of the Workforce Housing program. The rows highlighted in orange indicate that the City contributed WFHTF towards a Land Banking project for future development of Affordable Housing or are currently under development.

Table A: Affordable Housing Commitments

Year Completed	Agency	Project Name	Total Units	Affordable Units	Project Type	WFHIF	Federal HOME/CDBG	City Land Contribution (Value)	TDC
2007	COA	Railyards	TBD	TBD	Land Banking	\$ 1,915,729.00		TBD	TBD
2010	Supportive Housing Coalition	Downtown @ 700 2nd	72	59	Rental	\$ 2,607,441.00			\$ 12,399,604.00
2010	Supportive Housing Coalition/Romero Rose	Silver Gardens Phase I	66	56	Rental	\$ 1,898,412.00			\$ 13,215,758.00
2011	Newlife Homes	NLH4	48	48	Rental	\$ 1,051,561.00	\$ 200,000.00	N/A	\$ 6,965,802.00
2011	Sawmill CLT	Villa Nueva/ Senior	46	44	Rental	\$ 544,000.00		N/A	\$ 9,190,475.00
2011	Sawmill CLT	Artisan @ Sawmill Village	62	60	Rental	\$ 760,000.00		N/A	\$ 10,171,877.00
2011	Sawmill CLT	Blue Linx	TBD	TBD	Land Banking	\$ 1,069,140.00		N/A	TBD
2012	Greater Albuquerque Housing Partnership	Plaza Feliz	66	55	Rental		\$ 2,850,000.00	\$ 620,000.00	\$ 12,290,007.00
2012	Newlife Homes	Luna Lodge	30	30	Rental	\$ 1,241,523.00		N/A	\$ 4,339,523.00
2012	Supportive Housing Coalition/Romero Rose	Silver Gardens Phase II	55	45	Rental	\$ 2,500,000.00			\$ 8,983,668.00
2012	Supportive Housing Coalition	Sunport Plaza Phase II	20	20	Rental	\$ 1,118,390.00		N/A	\$ 1,118,390.00
2013	Newlife Homes	Sundowner	71	60	Rental	\$ 2,112,908.00		N/A	\$ 8,846,479.00
2013	New Mexico AIDS Services	1023 Central/ Sleepy Hollow	10	10	Rental		\$ 1,578,802.00	N/A	\$ 1,879,772.00
2013	Habitat for Humanity	Trujillo Road	16	16	Owner		\$ 826,580.63	N/A	\$ 1,926,580.63
2014	Greater Albuquerque Housing Partnership	Plaza Ciudadana	68	55	Rental	\$ 2,581,500.00	\$ 121,196.00	N/A	\$ 13,698,236.00
2014	YES Housing/Romero Rose	Casitas de Colores	71	49	Rental	\$ 2,774,500.00	\$ 1,524,500.00		\$ 16,272,415.00
2015	Sawmill CLT	Barelas 7th & Iron	4	4	Owner	\$ 907,516.00	\$ 200,000.00	N/A	\$ 944,766.93
2015	COA	3525 4th Street NW	TBD	TBD	Land Banking	\$ 1,200,000.00		TBD	TBD

2016	Greater Albuquerque Housing Partnership	Cuatro Senior Housing	56	55	Rental		\$ 2,416,000.00	N/A	\$ 12,171,350.00
2016	Sawmill	Madera Crossing	57	23	Rental		\$ 4,149,288.00	N/A	\$ 12,645,820.00
2016	YES Housing/Silverman	Imperial Building	74	60	Rental	\$ 3,375,000.00			\$ 16,428,141.00
2017	Greater Albuquerque Housing Partnership	Casa Feliz	89	89	Rental		\$ 2,600,000.00	\$ 355,800.00	\$ 15,002,556.00
CANCELLED-12/31/15	NewLife-Homes	Gateway-66	76	60	Rental	\$ 1,800,000.00			\$ 12,868,672.00
2018	Family Housing Development Corp.	Casa Grande	32	24	Rental		\$ 1,900,000.00	\$890,000	\$ 6,154,443.00
2018	Greater Albuquerque Housing Partnership	The Sterling Downtown	107	106	Rental	\$ 4,000,000.00			\$ 16,469,246.00
Awarded UHTC in 2017	Catholic Charities	Generations at West Mesa	54	45	Rental	\$ 2,000,000.00		\$405,500	\$ 9,836,663.00
Awarded UHTC in 2017	YES Housing	Solar Villa Preservation	100	100	Rental	\$ 2,400,000.00			\$ 19,515,174.00
Acquired in 2017	COA	Inca NE Apartment Acquisition	12	12	Rental	\$ 862,500.00			TBD
2020	YES Housing	Nuevo Atrisco	80	68	Rental	\$ 2,500,000.00			\$ 15,752,859.00
	CUMULATIVE TOTALS		1366	1193		\$ 39,420,120.00	\$ 18,366,366.63	\$ 1,865,800.00	\$ 246,219,605.56

WFHTF: HELPING THE VULNERABLE

Since 2007, approximately \$39.4 Million in WFHTF have been committed to increase the supply of Affordable Housing opportunities in the City of Albuquerque. The result is 28 Affordable Housing Development activities and/or Land Banking activities for future development, to rehabilitate and/or construct quality affordable multi-family housing units. Currently, the City-funded Affordable Housing Developments have created or are in the process of creating a total of 1366 total housing units. Of these units, 1193 units are designated as “Affordable” for households with incomes at or below 80% of the City’s Median Family Income (MFI), with the majority of units being affordable to some of the City’s most vulnerable households, City residents with incomes at or below 50% of the City’s (MFI).

“Table B” below is a breakdown of the Income Limits for the Albuquerque Metropolitan Statistical Area (MSA) for 2018 as published by the United States Department of Housing and Urban Development (HUD).

Table B: Albuquerque MSA 2018 Income Limits

	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
30% of MFI Extremely Low	\$13,650	\$15,600	\$17,550	\$19,500	\$21,100
50% of MFI Very Low	\$22,750	\$26,000	\$29,250	\$32,500	\$35,100
80% MFI Low Income	\$36,400	\$41,600	\$46,800	\$52,000	\$56,200

Workforce Housing Trust Funds program and HUD’s HOME Investment Partnership Program are essential to ensuring that low-income City residents do not fall victim to homelessness especially during times of economic challenges. WFHTF dollars have supported the completion of new affordable housing units, as well as preserved existing affordable housing units for some of the City’s most vulnerable residents.

WFHTF: A MECHANISM FOR GAP FINANCING

In addition to funding the rehabilitation and/or new construction of affordable housing units for vulnerable populations, the WFHTF Program is crucial to ensuring that affordable housing units within the City of Albuquerque are of high quality and are places that people want to call home. One way that the program has been so successful in producing high quality units is through its ability to provide gap financing for large, multi-million dollar housing development projects.

The WFHTF Program does ensure that WFHTF monies are used as effectively and efficiently as possible. Therefore, the City’s contributions of approximately \$39.4 Million in Workforce Housing Trust Funds and over \$18 Million in HOME funds or other local funds will result in approximately \$246,220,605 in Total Development, once all are completed. This Total Development amount will likely increase, as three of the activities are Land Banking that have yet to be developed. “Table C” below illustrates that WFHTF have been leveraged more than the required 4:1 ratio, on completed development projects and those highlighted in orange, which have been funded and are currently in the construction or financing stages of development

TABLE C: Leveraging Workforce Housing Trust Funds

Project Name	WFHTF	TDC
Downtown @ 700 2nd	\$ 2,607,441.00	\$ 12,399,604.00
Silver Gardens Phase I	\$ 1,898,412.00	\$ 13,215,758.00
NLH4	\$ 1,051,561.00	\$ 6,965,802.00
Villa Nueva/ Senior	\$ 544,000.00	\$ 9,190,475.00
Artisan @ Sawmill Village	\$ 760,000.00	\$ 10,171,877.00
Luna Lodge	\$ 1,241,523.00	\$ 4,339,523.00
Silver Gardens Phase II	\$ 2,500,000.00	\$ 8,983,668.00
Sunport Plaza Phase II	\$ 1,118,390.00	\$ 1,118,390.00
Sundowner	\$ 2,112,908.00	\$ 8,846,479.00
Plaza Ciudadana	\$ 2,581,500.00	\$ 13,698,236.00
Casitas de Colores	\$ 2,774,500.00	\$ 16,272,415.00
Barelas 7th & Iron	\$ 907,516.00	\$ 944,766.93
Imperial Building	\$ 3,375,000.00	\$ 16,428,141.00
The Sterling Downtown	\$ 4,000,000.00	\$ 16,469,246.00
Generations at West Mesa	\$ 2,000,000.00	\$ 9,836,663.00
Solar Villa Preservation	\$ 2,400,000.00	\$ 19,515,174.00
Inca NE Apartment Acquisition	\$ 862,500.00	\$ 1,862,500.00
Nuevo Atrisco	\$ 2,500,000.00	\$ 15,752,859.00
	\$ 35,235,251.00	\$ 186,011,576.93

PROJECT PROFILES: CHANGING THE PERCEPTION OF AFFORDABLE HOUSING

Because WFHTF are usually approved early in the development process, local housing developers are able to demonstrate to lenders and financial partners that they are serious about the successful completion of their projects and have the backing of the City of Albuquerque. This in turn allows Developers to gain the additional financing needed to design large development projects with multiple unit types, inviting community spaces, environmentally green features, located in target areas. This is gap funding at its finest, as it truly bridges the gap needed to make a large affordable housing development come to fruition. It is the a testament to how the City can leverage its funding and create a greater, more positive impact on some of the most-deserving communities of Albuquerque, rather than being the sole funder of small housing projects.

Since the last WFHTF Report, ten (10) additional multi-family housing developments have been funded. The following Affordable Housing Developments illustrate the creation of quality, affordable housing developments that are a result of leveraging City WFHTF and HUD HOME Investment Partnerships funding. The developments include: Cuarto Senior Housing, Madera Crossing, Imperial Building, Casa Feliz, Casa Grande, The Sterling Downtown, Solar Villa Preservation, Inca NE Apartment Acquisition, Generations at West Mesa, and Nuevo Atrisco.



CUARTO SENIOR HOUSING- Located at 1319 4th St. NW, Albuquerque, NM 87102. Cuarto is a 56 unit (55 Affordable units) multi-family development targeted for seniors with 5% of the units set aside for special needs clients. There is a unit mix of 1,2 and 3 bedrooms, targeting residents at or below 30%, 40%, 50% and 60% of AMI. Cuatro was funded with HUD HOME funds and was completed in 2016.



MADERA CROSSING- Located at 1701 Bellamah Avenue NW, Albuquerque, NM 87104. Madera Crossing is a 57 unit mixed-income (23 Affordable, 34 Market Rate) multifamily housing project. The project serves a populations earning at or below 50%, 60%, 80%, AMI, with a mix of two and three bedroom apartments. Madera Crossing was funded with HUD HOME funds and was completed in 2016.



IMPERIAL BUILDING- Located at 205 Silver Avenue SW, Albuquerque, NM 87102. The Imperial Building is a 74 unit multi-family rental apartment complex in the heart of downtown Albuquerque. The Imperial provides affordable and market rate housing for households including those with special needs. The ground floor has a wide range of retail spaces and service uses anchored by the Silver Street Market grocery store. The Imperial consists of 8 units at or below 30%, 36 units at or below 50%, 16 units at or below 60% of AMI and 20% for special needs households. There are 14 units at market rate, which are set as unrestricted. The Imperial was funded with Workforce Housing funds and was completed in 2016.



CASA FELIZ- Located at 519 San Pablo SE, Albuquerque, NM 87108. Casa Feliz consists of 89 units which are 100% affordable for incomes at 30%, 50% and 60% AMI. The development is marketed towards seniors with special needs, or families with children, with a unit mix of 1, 2 and 3 bedroom units. Casa Feliz was funded with local funds from the sales proceeds of City-owned land and was completed in 2017.



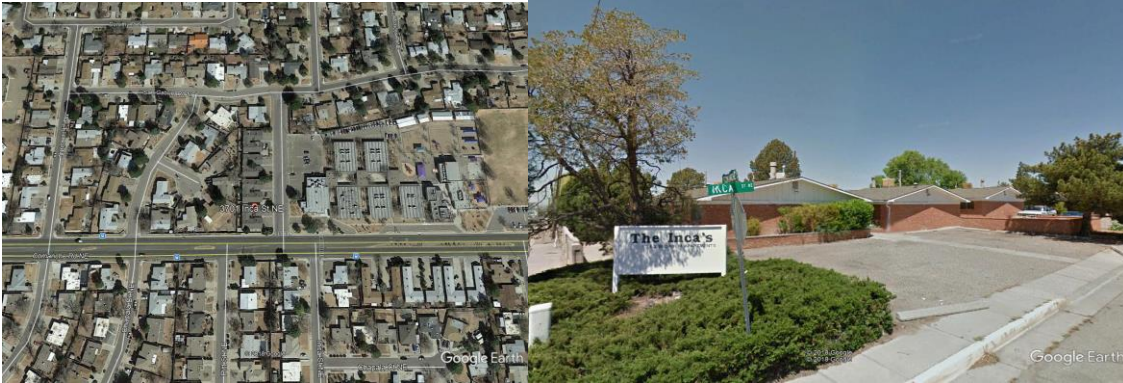
CASA GRANDE- Located at 2500 Central Avenue NW, Albuquerque, NM 87102. Casa Grande is located adjacent to and is part of the El Vado redevelopment project. Casa Grande consists of a mixed community that includes affordable housing, market rate, housing and commercial space. It consists of 32 mixed income (24 Affordable, 8 Market Rate) residential units on the former Casa Grande Restaurant site. The Casa Grande location was also identified as a priority area for affordable housing, better vehicle pedestrian and bicycle access and improved street scapes. Casa Grande creates a community within a community, but still provides a direct connection to the surrounding neighborhoods. It supports improving rental property in the area and preserving structures of historic significance. Casa Grande consists of 24 units, which are designated for persons who are at or below 80% AMI. Of the 32 units, 4 units shall be for households at or below 50% AMI. 12 units shall be for households at or below 60% AMI and 8 units shall be for households at or below 80% AMI. The remaining are designated for market rate households. Casa Grande was funded with HUD CDBG-R towards the acquisitions and HUD HOME funds towards the construction, which was completed in early 2018.



THE STERLING DOWNTOWN- Located at 800 Silver SW, Albuquerque, NM 87102. The Sterling includes 106 affordable units for city residents who are at or below 60% AMI. Of the 106 units, 6 units shall be for households at or below 30% AMI. 48 units shall be for households at or below 50% AMI, 52 units shall be for households at or below 60% AMI and 1 unit will be designated for an onsite manager. Also 5% of 107 total units are designated for households with special needs. The income of the household shall not exceed 60% of the AMI. The Sterling was funded with Workforce Housing funds and was completed in 2018.



SOLAR VILLA PRESERVATION- Located at 1135 Texas Ave. NE, Albuquerque, NM 87110. The Solar Villa currently serves seniors over the age of 62 and disabled individuals at very low income. The purpose of the project is to rehabilitate and maintain an affordable, low income, multi- family housing rental development. Of the 100 total units, 99 units will remain affordable to residents at or below 50% AMI, 60% AMI, and 1 unit shall be leased at market rate. The project will continue to use the project based Section 8 rental subsidy, ensuring that it's residents pay only 30% of their income. Solar Villa was funded with Workforce Housing funds and is scheduled to be completed by the end of 2018.



INCA NE APARTMENT ACQUISITION- Inca Street Development, is 3 separate single story 4-plex apartment buildings located at 3701, 3705, and 3711 Inca Street NE, Albuquerque, NM 87111. The Project consists of the substantial rehabilitation and management of the three (3), multi-family buildings, landscaping, access, parking lots and grounds located on property. The Project includes the improvements of 12 residential units, including three (3) 1-bedroom, six (6) 2-bedroom, and three (3) 3-bedroom rental housing units between the 3 buildings, designed to serve families at or below 60% AMI, with children. The acquisition of Inca was funded with Workforce Housing funds and the project has been awarded HUD HOME funds for the rehabilitation. Inca is currently under construction.



GENERATIONS AT WEST MESA- Located at 5710 Avalon NW, Albuquerque, NM 87105. Generations at West Mesa consists of a variety of homes for independent seniors, and seniors caring for their grandchildren. The project is arranged to flow with the existing neighborhood. Most are composed of single story buildings, the apartments feel like the bordering residential homes in size and arrangement. The project consists of 54 units, 45 Affordable and 9 Market Rate. Of the 45-affordable units, 18 units are for households at or below 30% AMI, 9 units at or below 50% AMI, and 18 units at or below 60% AMI. Generations was funded with Workforce Housing funds and is currently under construction.



NUEVO ATRISCO- Located at 7909 Central Avenue NW, Albuquerque, NM 87121. The project consists of an 80 unit, mixed income/mixed use community consisting of 1, 2 and 3 bedroom apartments. Of these 80 units there will be 68 affordable and 12 market rate units. Nuevo Atrisco is designed for families with children, containing (21) 1-bedroom, 1 bath units, (42) 2 bedroom, 2 bath units, and (17) 3 bedroom 2 bath units. Nuevo Atrisco was funded with Workforce Housing funds and is currently in the financing compliance stage of its LIHTC award.

CONCLUSION

Work Force Housing Trust Fund money provides vital gap funding for affordable housing developments and is leveraged 4 to 1 creating positive multipliers for the City Of Albuquerque. Even in a challenging economic environment, WFHTF has been able to stimulate development activity that may not otherwise be occurring. Along with the WFHTF, the public/private partnership model has proven to be invaluable to providing new affordable housing opportunities in Albuquerque.

These projects strive to be assets to their neighborhoods so careful consideration is taken choosing building materials and design elements. The goal is to change the community's perception of what affordable housing can be. The installation of public art at many of these developments helps to facilitate a positive shift in the perception of affordable housing by adding aesthetic and cultural value that enhances sense of place.

In addition, the use of green building technology in these developments helps attract builders and developers. WFHTF money helps supplement the up-front cost of building green and the green features help create better health outcomes and lower long-term operational costs. Lowering the operational costs assist developers meet permanent affordability requirements and insures WFHTF dollars create long term benefits. Permanently affordable housing works to financially stabilize individuals, families and the work force and shows a long term commitment to the success of the community.

Providing supportive services to residents is a method for increasing the effectiveness of housing. On-site social service coordinators serve as advocates for residents and enhance the safety and support necessary for successful outcomes. Positive outcomes also are supported by the public space in these developments, which provides an added amenity, fosters social interaction and enhances the sense of community for residents. Another factor aiding successful outcomes and reshaping public perception of affordable housing is the mixed income component. Not concentrating people of low

income helps to ease the stigmatization of affordable housing developments and humanizes income differences.

The positive impact that WFHTF has had in providing quality, affordable housing to the residents of Albuquerque is undeniable.