



City of Albuquerque  
Richard J. Berry, Mayor

# 2008-2011 Workforce Housing Trust Fund Program Report



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## **INTRODUCTION**

The 2008-2011 WorkForce Housing Trust Fund (WFHTF) Report is in response to the requirements of O-2006-030, the Workforce Housing Opportunity Act. The Report provides a summary of the overall achievements of the WFHTF Program from 2008 through calendar year 2011, as well as provides an in-depth look into what makes the Program so successful. As well as providing the necessary statistics to illustrate the Program's success, it was decided to provide space and time for stakeholders of the Program to express their experiences of the Program in their own words.

Consequently, the heart of 2008-2011 WFHTF Report is based upon the insights and experiences of developers, managers, and residents of actual WFHTF Projects as captured in several interviews that took place during the early part of 2011. Interviews were conducted with four residents of the WFHTF demonstration project, Downtown @ 700 2<sup>nd</sup> and the Executive Directors of NewLife Homes, Sawmill Community Land Trust, and the Supportive Housing Coalition of New Mexico. Additional interviews were conducted with the Housing Development Director of the Supportive Housing Coalition of New Mexico, the Senior Project Manager for Romero Rose LLC; and the Building Manager at Downtown @ 700 2<sup>nd</sup>. Interviewees were chosen because of their experience with, and commitment to, high quality affordable housing in Albuquerque.

### **Interviewees:**

John Bloomfield, Executive Director, NewLife Homes  
Connie Chavez, Executive Director, Sawmill Community Land Trust  
Mark Allison, Executive Director, Supportive Housing Coalition of New Mexico  
Dory Wegrzyn, Housing Development Director, Supportive Housing Coalition of New Mexico  
Homer Robinson, Senior Project Manager, Romero Rose, LLC  
Celena Jensen, Monarch Property Management, Downtown @ 700 2<sup>nd</sup>  
Basil, Resident, Downtown @ 700 2<sup>nd</sup>  
Clair, Resident, Downtown @ 700 2<sup>nd</sup>  
Dennis, Resident, Downtown @ 700 2<sup>nd</sup>  
Lance, Resident, Downtown @ 700 2<sup>nd</sup>

### **Interviewer:**

Jason Coffey, Intern, City Of Albuquerque Planning Department, Urban Design and Development Division

### **Interview Questions:**

What is the importance of workforce housing trust fund monies?  
What is the neighborhood impact/revitalization?  
What are the reasons for green building?

What is the importance of supportive services?

What are the benefits of public space within the development?

What are the reasons for mixed income developments?

What are the effects of permanent affordability?

What are the benefits of public art/1% for the arts?

How the WFHTF program can be improved?

\* Residents of Downtown @ 700 2<sup>nd</sup> were asked why they chose to live there and to speak about their experience as a resident.

## WFHTF: HELPING THE VULNERABLE

Since 2008 over \$16,000,000.00 in WFHTF monies have been spent on 11 affordable housing development projects. Of these 11 projects, three projects (3) have implemented Land Banking activities while the remaining nine (9) projects have been funded to rehabilitate and/or construct quality affordable multi-family housing units. When completed, it is estimated that these projects will have added a minimum of 402 quality multifamily housing units to the City's inventory. Of these 402 units, 342 units will be affordable for households with incomes at or below 80% of the City's Median Family Income (MFI) with 239 of the 342 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 "A" below is a break down of the Median Family Incomes for the Albuquerque Metropolitan Statistical Area (MSA) for 2011 as published by the Department of Housing and Urban Development (HUD). Table "B" is a listing of Projects funded to date by the WFHTF Program disaggregated by Project type, number of total units, number of affordable units, and type of affordable unit.

Table "A": Albuquerque MSA 2011 MFI Limits

|                                   | 1 Person Household | 2 Person Household | 3 Person Household | 4 Person Household | 5 Person Household |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>30% of MFI Extremely Low</b>   | \$12,850.00        | \$14,650.00        | \$16,500.00        | \$18,300.00        | \$19,800.00        |
| <b>50% of MFI Very Low Income</b> | \$21,250.00        | \$24,400.00        | \$27,450.00        | \$30,500.00        | \$32,950.00        |
| <b>80% MFI Low Income</b>         | \$34,200.00        | \$39,050.00        | \$43,950.00        | \$48,800.00        | \$52,750.00        |

Table "B": WFHTF Project Listing

| Project Name               | Developer | Project Type            | Total # of Units | less than 30% MFI | 31% - 50% MFI | 51% - 80% MFI |
|----------------------------|-----------|-------------------------|------------------|-------------------|---------------|---------------|
| Artisan at Sawmill Village | SCLT      | Rental/New Construction | 62               | NA                | NA            | 60            |
| Barelas 7th and Iron       | SCLT      | Land banking            | 4                | TBD               | TBD           | TBD           |
| Blue Linx                  | SCLT      | Land banking            | TBD              | TBD               | TBD           | TBD           |
| Downtown @ 700-2nd         | SHC-NM    | Rental/New Construction | 71               | 18                | 36            | 5             |

|                            |                    |                         |            |           |            |            |
|----------------------------|--------------------|-------------------------|------------|-----------|------------|------------|
| Indian School and Broadway | GAHP               | Land banking            | TBD        | TBD       | TBD        | TBD        |
| Luna Lodge                 | NLH Inc            | Rental/Rehabilitation   | 30         |           | 30         |            |
| NLH4                       | NewLife Homes, Inc | Rental/New Construction | 48         | 15        | 33         | NA         |
| Rail Yards                 | COA                | Land banking            |            | TBD       | TBD        | TBD        |
| Sawmill Senior             | SCLT               | Rental/New Construction | 46         |           | 44         |            |
| Silver Gardens Phase I     | SHC-NM/Romero Rose | Rental/New Construction | 66         | 8         | 26         | 22         |
| Silver Gardens Phase II    | SHC-NM/Romero Rose | Rental/New Construction | 55         | 7         | 21         | 17         |
| Sunport Plaza              | SHC-NM             | Rental/Rehabilitation   | 20         |           | 20         |            |
| <b>Total:</b>              |                    |                         | <b>402</b> | <b>48</b> | <b>210</b> | <b>104</b> |

As illustrated by Table “B”, Programs such as the WFHTF are essential to ensuring that low income City residents do not fall victim to homelessness especially during times of economic recession. It is no small thing then, that during this current economic recession, WFHTF dollars supported the construction/rehabilitation of 342 affordable housing units for some of the City’s most vulnerable residents.

The following is a poem written by one of the residents of the City’s WFHTF Demonstration Project, Downtown@700-2nd. As the poem demonstrates, the WFHTF Program not only supports the construction of affordable housing units, it also supports City residents to obtain and maintain a place to call home.

*Thank you coalition for going on a mission,  
And building a place to live.*

*Four stories of wonder located under  
A group of people who give.*

*Living downtown in the city crown,  
Of buildings big and small.*

*You built a place of statute and grace,  
Which can be enjoyed by all.*

Dennis, S. Gray, March 29, 2010

## 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 importance of using WFHTF monies as gap financing cannot be stressed too much.

*Upfront debt must be kept low because over the long term our projects do not generate enough funds to pay off expensive loans, so avoiding commercial loans is very important. Work Force Housing Trust (WFHT) money can help keep us out of debt by providing us the gap funding we need to avoid having to borrow on the commercial market.*

**Mark Allison, Executive Director, NM-SHC**

This belief that WFHTF monies are essential to producing high quality affordable units is further echoed by the following statement.

*In hard economic times the equity market is tough but it helps investors come on board when we say we have WFHT money. Millions of dollars are brought in to the city by these projects. The City spends 1 dollar and developers spend 4. This creates jobs, creates gross receipts tax, and has an economic development aspect. Gap funding is the key to workforce housing money. The low income tax credits were worth about \$.67 on the dollar because of the market. The funding from workforce housing was key to making the project happen.* **Homer Robinson, Senior Project Manager, Romero Rose, LLC**

As articulated above, the WFHTF Program does ensure that WFHTF monies are used as effectively and efficiently as possible. As a result, for a little over 16 Million Dollars in Workforce Housing Trust Funds, the City has obtained over 66 Million Dollars in Project activities. Table “C” below illustrates how well WFHTF monies have been leveraged.

Table “C”: WFHTF monies leveraged

| Project Name                     | WFHTF \$               | TDC                    |
|----------------------------------|------------------------|------------------------|
| Artisan at Sawmill Village       | \$700,000.00           | \$10,171,877.00        |
| Barelas 7 <sup>th</sup> and Iron | \$304,000.00           | TBD                    |
| Blue Linx                        | \$1,038,000.00         | TBD                    |
| Downtown @ 700-2nd               | \$2,607,441.00         | \$12,399,604.00        |
| Indian School and Broadway       | \$1,281,500.00         | TBD                    |
| Luna Lodge                       | \$1,241,523.00         | \$4,339,523.00         |
| NLH4                             | \$1,051,561.00         | \$7,794,791.00         |
| Rail Yards                       | \$1,915,729.00         | TBD                    |
| Sawmill Senior                   | \$500,000.00           | \$9,190,475.00         |
| Silver Gardens Phase I           | \$1,898,412.00         | \$12,832,448.00        |
| Silver Gardens Phase II          | \$2,500,000.00         | \$8,983,668.00         |
| Sunport Plaza                    | \$996,601.00           | \$996,601.00           |
| <b>Total:</b>                    | <b>\$16,034,767.00</b> | <b>\$66,708,987.00</b> |

## **PROJECT PROFILES: CHANGING THE PERCEPTION OF AFFORDABLE HOUSING**

Because WFHTF monies are provided 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, bridging the gap between a small ordinary project and a larger fantastic project.

*“These projects could happen without workforce housing money but they wouldn’t look like this. The look, the time frame, the quality, the amenities, all made possible by the bond money.”*

**Connie Chavez, Executive Director of Sawmill Community Land Trust**

*“The goal is to change the negative perception about supportive housing developments by creating high quality projects that add value to all properties in the neighborhood. This includes the green building features as well as the careful consideration of design and materials.”*

**John Bloomfield, Executive Director of NewLife Homes, Inc.**

In order to better demonstrate the high quality of WFHTF supported Projects, four (4) of the 11 funded Projects were selected to be the subjects for a more comprehensive discussion on what makes the WFHTF Program so successful. The Affordable Housing Developments selected to illustrate an in-depth story of WFHTF outcomes are: the Downtown @ 700 2<sup>nd</sup>, the Silver Gardens Phase 1, the NLH4, and the Sawmill Senior Affordable Housing Developments.

## Downtown@700-2<sup>nd</sup>

Downtown@700-2<sup>nd</sup> is the WFHTF Program's Demonstration Project. It is a 71 unit, mixed-income, affordable, multifamily rental development project with 18 units dedicated to housing near homeless populations and persons with disabilities.



|                                       |
|---------------------------------------|
| Total Development Cost- \$12,399,604. |
| Amount of WFHTF funding- \$2,607, 441 |
| Number of units created- 71.          |
| 18 units at less than 30% of MFI      |
| 36 units at 31%-50% of MFI            |
| 5 units at 51%-80% of MFI             |
| 12 market rate units                  |

As with many of the WFHTF Projects, Downtown@700-2<sup>nd</sup> is very green in its design. In half the units, grey water from the showers and sinks is recycled and used to flush the toilets for the entire building. Additionally, an 80 panel solar thermal system creates hot water for the whole building. Consequently, although the property is 39,048 square feet and consists of office space and 72 housing units, it has a monthly gas bill of about \$600. One main goal of the project is to educate residents and guests about green technology so there are viewing ports in the ceiling to show the green infrastructure and a screen in the lobby to monitor the building's systems.

*"Green features make the building healthy for residents and reduce the long term operating and maintenance costs of the building."*

**Dory Wegrzyn, Project Manager, NM-SHC.**

Another important feature of Downtown@700-2<sup>nd</sup> is that the Project is a mixed income housing development with affordable and market rate units and has plenty of common space for residents to use. The lobby has a commercial space with plans to use that space for a restaurant/café in order to bring energy and more life to the lobby area as well as provide potential onsite jobs for residents. Additionally, the ground floor houses a computer lab and library and there is a large room available for public use. Every floor has a lobby/sitting area.

*In Downtown @ 700 2<sup>nd</sup> it is great to walk by the six screen computer room and see a UNM student, a formerly homeless guy, and a city employee all in one room. There is a need to mix incomes to create more acceptance of supportive housing. The idea is not concentrating the lower income folks into one place because that stigmatizes that population and the building where they are housed. Mixed income developments help to keep that from occurring.*

**Mark Allison, Executive Director, NM-SHC**

*"A lot of us just sit right there and talk (points to the lobby)... People play chess and grill, there are NA meetings, I'm trying to get an AA meeting started."*

**Lance, Resident of Downtown@700-2nd**



## Silver Gardens Phase 1



Total Development Cost- \$12,832,448.  
Amount of WFHTF funding \$1,898,412  
Number of units created- 66.  
8 units at less than 30% of MFI  
26 units at 31%-50% of MFI  
22 units at 51%-80% of MFI  
10 market rate units

Silver Gardens Phase 1 is a 66 unit mixed income affordable multifamily rental development project. Like the majority of WFHTF projects Silver Gardens has a very green design and is dedicated to providing safe and welcoming community spaces to residents.

*Green building is just smart Real-estate. Insulation, tight building envelopes, the windows, low VOC products. It is not just about cost saving but better health outcomes for residents. Smarter, better buildings. Homer Robinson*

Like Downtown@ 700-2<sup>nd</sup>, Silver Garden Phase 1 has both indoor and outdoor community spaces where residents can have meetings and/or just watch TV. In the summer residents can use the outdoor grills, enjoy the community garden, or relax near the community's Native American meditation pole.

Because the WFHTF Program works to provide housing for some of the City's most vulnerable populations, one main feature of WFHTF projects is onsite supportive services.

*We have onsite social services people who help the residents connect with the supportive services they want or need. Social services people on site also help serve as advocates for the residents if they are having trouble with management. There is a buffer between the management of the building, the folks who make sure the rent gets paid and the rules are followed, and the owners, so the residents are supported and have an advocate who can say. "Lets find a way to work this issue out", before someone gets evicted. Homer Robinson*



## NLH4



Total Development Cost- \$7,794,791.  
Amount of WFHTF funding- \$1,051,561.  
Number of units created- 48.  
    15 units at less than 30% of MFI  
    33 units at 31%-50% of MFI

Like all the other WFHTF Projects, NLH4 is a thoughtfully designed Project that works to push the envelope and redefine what affordable housing projects can be.

NLH4 is the last phase to be completed in a three phase development Project located on a 5 acre site. Phase 1 (NLH2) was completed in 2004 and Phase 2 (NLH3) in 2006. The 5 acre site is the largest supportive housing development in the state serving 120 residents in a mixed income one and two bedroom community. 60% of the residents have special needs, many of whom were formerly homeless. Rents range from \$69 to \$618 per month. 60% of the units serve residents at 30% area median income (AMI), and 40% of the units at 50% (AMI).

The NLH4 phase of the development won the MFA design competition in 2006 and reached the highest level of green building efficiency “LEED for HOMES” platinum, resulting in lower utility costs for residents. The campus environment provides many amenities including indoor/outdoor exercise areas, sand volleyball court, children’s playground, community garden, two community centers, and computers linked to neighborhood networks. The complex has an onsite property manager and case manager/service coordinator, and training will be provided in financial literacy and home ownership.

*Combining the three developments into one large campus takes advantage of economies of scale and offers the best safety and support opportunities for residents. The developments are designed to be inward facing and provide more opportunity for interaction amongst residence and added safety with more “eyes on the street”.*

**John Bloomfield, Executive Director, NewLife Homes, Inc.**

## Sawmill Senior



Sawmill Community Land Trust’s “Villa Nueva” Senior Housing is a 46 unit apartment complex that includes a community center for resident seniors. Besides being dedicated to ensuring that Albuquerque Seniors have a safe, affordable place to call home, Villa Nueva also provides facilities for services, education, recreation, and a leasing office for the residential units. This enables the residents to enjoy more social activities without the worry of transportation issues, while providing residents the resources to remain active members in the Sawmill community.

This development is set within the Sawmill Metropolitan Redevelopment Area, which is one of the oldest neighborhoods in Albuquerque and thus, has a resident population that is predominantly low-income. Senior housing was always part of the original master plan for redevelopment of the 27 acre site, which has since expanded to neighboring properties. When fully redeveloped, the Sawmill area will include office space, day care facility, community gardens/orchard, community plaza, and a neighborhood park with walking and bike trails that link to Albuquerque’s Rio Grande trail system. It is on its way to becoming a vital community area in which the residents of the Sawmill’s Villa Nueva can participate in daily activities right outside their homes.

As with all WFHTF projects, the Sawmill Senior Housing is a permanently affordable housing Project and thus, has the benefits of a permanently affordable housing community, as expressed in the statement below.

*The mechanisms of permanent affordability- the long term commitment- requires us to build quality building and the environmental and green technologies help to reduce cost over the long run but also help us meet our long term goals because these structures are going to last. Green building cost more up front and this where the workforce housing money is important, because we need the money upfront to meeting the long term- long haul commitments.* **Connie Chavez, Executive Director, Sawmill Community Land Trust.**

## WFHTF: SUPPORTING THE LOCAL ECONOMY

*In hard economic times the equity market is tuff but it helps investors come on board when we say we have WFHT money. Millions of dollars are brought in to the city by these projects. The City spends 1 dollar and developers spend 4. This creates jobs, creates gross receipts tax, and has an economic development aspect. Mark Allison*

As “Table D” below illustrates, WFHTF supported projects generated over 5 Million Dollars in Gross Receipt Tax within the state of New Mexico with over 1.6 Million Dollars of that in Gross Receipt Tax for the City of Albuquerque. That means when contrasted to the costs for the City to implement the WFHTF Program, i.e., costs associated with staff time, application materials, etc., the Program more than pays for itself.

“Table D”: Project Spending by Gross Receipt Tax Earned

|                         | <b>Project Spending<br/>* minus land costs</b> | <b>City<br/>2.2706%</b> | <b>State<br/>3.7750%</b> | <b>County<br/>0.6669%</b> | <b>Total GRT</b>   |
|-------------------------|--|-------------------------|--------------------------|---------------------------|--------------------|
| Sawmill Village         | \$19,709,186                                   | \$447,522               | \$744,022                | \$131,436                 | \$1,322,980        |
| NLH4                    | \$6,740,802                                    | \$153,058               | \$254,465                | \$44,953                  | \$452,476          |
| Silver Gardens Phase 1  | \$13,215,758                                   | \$300,080               | \$498,895                | \$88,133                  | \$887,108          |
| Downtown@ 700-2nd       | \$11,334,604                                   | \$257,366               | \$427,881                | \$75,588                  | \$760,835          |
| Luna Lodge              | \$3,739,523                                    | \$84,911                | \$145,841                | \$29,472                  | \$490,976          |
| Sawmill Senior          | \$9,190,475                                    | \$208,681               | \$358,429                | \$72,432                  | \$639,542          |
| Silver Gardens Phase II | \$8,983,668                                    | \$203,985               | \$350,363                | \$70,803                  | \$625,151          |
| Sunport Plaza           | \$996,601                                      | \$22,629                | \$38,867                 | \$7,854                   | <b>\$69,350</b>    |
| <b>Total:</b>           | <b>\$73,910,617</b>                            | <b>\$1,678,233</b>      | <b>\$2,818,763</b>       | <b>\$520,671</b>          | <b>\$5,017,667</b> |

In addition to adding money to the local economy in the form of Gross Receipt Tax, WFHTF supported projects also generated an estimated \$27,346,929 in indirect spending.

“Table E”: Indirect spending by Project

| <b>Project Name</b>           | <b>Indirect Spending</b> |
|-------------------------------|--------------------------|
| Sawmill Village               | \$7,292,399              |
| NLH4                          | \$2,494,097              |
| Silver Gardens Phase 1        | \$4,889,830              |
| Downtown@ 700-2 <sup>nd</sup> | \$4,193,803              |
| Luna Lodge                    | \$1,383,624              |
| Sawmill Senior                | \$3,400,476              |
| Silver Gardens Phase 11       | \$3,323,957              |

|               |                     |
|---------------|---------------------|
| Sunport Plaza | \$368,742           |
| <b>Total:</b> | <b>\$27,346,929</b> |

Lastly, another very important way that the WFHTF Program supports the local economy is by creating much needed employment opportunities for City residents in the form of direct and indirect jobs. Since 2008, at a time when the Housing Sector began losing jobs due to a sharp decline in the housing market, the WFHTF Program helped create over 943 local employment opportunities. As “Table F” demonstrates, the WFHTF Program not only helps to revitalize neighborhoods, it also works to support local economies.

*“Table F”: Direct and Indirect Jobs Created by Project*

|                               | <b># of Units</b> | <b>Direct Jobs Created</b> | <b>Indirect Jobs Created</b> | <b>Total Jobs Created</b> |
|-------------------------------|-------------------|----------------------------|------------------------------|---------------------------|
| Sawmill Village               | 146               | 194                        | 89                           | 283                       |
| NLH4                          | 48                | 64                         | 29                           | 93                        |
| Silver Gardens Phase I        | 66                | 88                         | 40                           | 128                       |
| Downtown@ 700-2 <sup>nd</sup> | 72                | 100                        | 46                           | 146                       |
| Luna Lodge                    | 30                | 40                         | 18                           | 58                        |
| Sawmill Senior                | 46                | 61                         | 28                           | 89                        |
| Silver Gardens Phase II       | 55                | 73                         | 34                           | 107                       |
| Sunport Plaza                 | 20                | 27                         | 12                           | 39                        |
| <b>Total:</b>                 | <b>483</b>        | <b>647</b>                 | <b>296</b>                   | <b>943</b>                |

## 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. In a downward economic cycle the importance of WFHTF money grows because it is able to stimulate development activity that may not otherwise be occurring.

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. Public art helps facilitate a positive shift in the perception of affordable housing by adding aesthetic and cultural value that enhances sense of place.

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 transitional 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.