



**HOMELESS COORDINATING COUNCIL
Housing Committee
February 24, 2021
1:00-2:30 p.m.
Minutes**

Co-Chairs: Betty Valdez (BernCo Housing Dept, Executive Director), Renia Ehrenfeucht, (Professor/Chair Community and Regional Planning, UNM), Lisa Huval, (Deputy Director of Housing & Homelessness CABQ FCS Dept)

Attendees: Lisa Huval, (CABQ FCS Dept); Betty Valdez (BernCo Housing Dept); Leonette Archuleta (BernCo), Robert Baade (BHI Supportive Housing), Laura Norman (CABQ consultant), Felipe Rael (GAHP), John Ames (HopeWorks), Jolene Wolfley (CABQ Planning), Linda Bridge (ABQ Housing Auth), Councilor Isaac Benton (CABQ), Renia Ehrenfeucht (UNM Planning), Jenny Metzler (AHCH)

Item:	
Setting 5-year and annual affordable housing targets	<p>Welcome and introductions were made. Lisa Huval shared that co-chair Mark Childs has retired from UNM and is moving to Seattle. New UNM co-chair Renia Ehrenfeucht introduced herself and was welcomed.</p> <p>Laura Norman shared one recommended edit to the minutes; change 6th paragraph on page 2 beginning with “Jolene Wolfley” to read “Jolene Wolfley added that there was discussion about zoning code changes, but not changing zoning. Rezoning within an area of change is easier than within an area of consistency. The potential for affordable developers to pursue rezoning is a good idea/action step to pursue.” <u>Motion to approve minutes of 01.27.21 as amended was made by Felipe Rael, seconded by Isaac Benton. Motion to approve as amended passed.</u></p> <p>This meeting will be focused on setting clear, numerical targets. Lisa Huval shared screen with a matrix/tool to facilitate concrete discussion. What are we trying to achieve? What are the definitions (ie, ‘extremely low income’ means 30% of AMI and lower). First row in matrix is “Preservation of Existing..”</p> <p>Discussion followed specific to the \$10 million Affordable Housing Trust Fund increase request being made of the City; Isaac Benton asked whether that much money can be put out in LIHTC funding in 2 years. Is the Trust Fund being used to its maximum capability? There are not that many projects that happen in a year. Felipe Rael said that there would be two main opportunities; first, preservation of existing affordable housing units, and changes to the 4% LIHTC that might make more feasible. Linda Bridge said the \$10 million could be used for 4% tax credit projects and coupling with gap subsidy. For example, the 96-unit project in Martineztown</p>



project had a \$1.5 million gap in funding and could have used this funding. Felipe Rael said if really targeting 30% AMI and lower, those rents won't cover the debt which is where subsidy would help. Typically on a 4% bond deal, there is 60% AMI or lower target. Majority of funds have been used for 9% projects in the past, and rarely have these funds been used for buying property for rehabbing or land-banking.

Jenny Metzler said the Urban Institute study which has shaped the data and this committee's work was all pre-Covid; could be an even larger impact from pandemic. She believes focus should remain on the 30% and lower AMI population.

There is a challenge with inventory in the marketplace currently. Linda Bridge said that it is taking people longer to use vouchers once issued (could be not enough units available but also could have a Covid impact). Betty Valdez said she has 3,000 on her waiting list. Linda Bridge said 5,000 on her waiting list for Section 8 vouchers.

John Ames asked if there are ways to incentivize landlords with the funds to make current units available; tie renovations to vouchers. This would help with inventory issue. He said recently 800 units of inventory were lost in the market when developer bought them and does not want to accept vouchers. Isaac Benton said he will ask legal staff at the City to look at this idea and see how the anti-donation clause impacts.

Felipe Rael said they have put 350 offers on market rate projects within the last year and been outbid every time. A 7% rent growth is forecast for ABQ.

Linda Bridge said that the state level legislation pending related to source of income discrimination will make a difference, but landlords are finding ways around. They do it with selection criteria or high rents; they can screen out by requiring rental insurance.

Mentioned 811 Project Based Vouchers that complement other vouchers; John Ames asked if additional vouchers would help preserve inventory. Felipe Rael said only 58 units are funded with 811 Vouchers; state was looking to stabilize some supportive housing set aside units. VASH Voucher program through HUD is another option, where HUD allocates project based Section 8 voucher then VA provides case management.

Looked at second row of matrix, "**New Construction an Acquisition/Rehab..**," noting that the data is pre-Covid and the need is likely higher now. 15,500 gap of units of affordable housing for renter households with 30% AMI or below.

Isaac Benton pointed out that in roughly one decade that the Affordable Housing Trust Fund has been active, have built approximately 1,300 dwelling units. Higher end, tax credit projects, mixed income – not just 30% AMI or below.



<p>Updates on high impact strategies</p>	<p>Jolene Wolfley said the City is seeing a new apartment project come forward monthly, in the range of 100 to 200 units. She reminded the committee of the chart she shared last meeting showing developers that are adding inventory. It is a surge in building that hasn't been seen locally in a long time. Is there a trickle-down effect that benefits lower income renters?</p> <p>Renia Ehrenfeucht said that while she agrees the focus should be on 30% AMI and lower renters, but could possibly have something in strategies that makes linkages to help other segments too. Do have vacancies that are close to being affordable, per Urban Institute Report.</p> <p>Felipe Rael said that after the Great Recession was the only time ABQ has seen a decline rents. He doesn't anticipate any trickle down for lower income renters from Class A properties.</p> <p>Targets? Linda Bridge said if assume 2 or 3 tax credit projects a year (9% and 4% projects), realistically that would be 60 units a year for the 30% AMI and lower. Isaac Benton asked if decided to do more acquisition/rehab and bumped trust fund up to \$10 million, what would that do to these projections?</p> <p>Looked at third row of matrix, "Housing Vouchers." It was reiterated that some of the funds should get to the developers in order to incentivize them to accept vouchers. Lisa Huval said that ABQ general fund dollars are flexible and rules to do that could be set. John Ames pointed out that fair market rate and rate reasonableness are not the same thing. He said the City has already offered to help pay rental insurance.</p> <p>Betty Valdez said they looked at landlord incentives but don't have the room to do it financially. Linda Bridge said they have money set aside but have not yet launched their landlord incentive project. A trend that Betty Valdez said she is seeing is that the vouchers are being used in many of the same places; therefore, not de-concentrating voucher users as is desired.</p> <p><u>Before the next meeting two weeks from today, Lisa Huval will send out the partially completed matrix.</u> Will continue discussion and target setting at the next meeting.</p> <p>Lisa Huval shared that a good meeting occurred with UNM yesterday regarding their taking the lead on the key research question that came out of this committee; Renia Ehrenfeucht was there also. The task is to quantify the need for different types of permanent supportive housing (groups home, scattered site, etc.).</p>
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	Next meeting: March 10, 1:00-2:30 p.m.