



Converting Hotels/Motels to Housing



Community Meeting December 6, 2022

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FAMILY AND COMMUNITY SERVICES | 12.06.2023



Converting Hotels/Motels to Housing Community Meeting

Agenda

December 6, 2022, 5:30pm – 7:00pm

Meeting Purpose: To provide information and answer questions about the City's goal of converting hotels/motels to housing

5:30pm – 5:50pm: Visit Poster Boards, Talk with City Staff, Write Down Questions

5:50pm – 5:55pm: Welcome by Carol Pierce, Director, Dept. of Family & Community Services

5:55pm – 6:00pm: Overview of Presentation and Question & Answer Format, Maria Wolfe, Meeting Facilitator

6:00pm – 6:15pm: Presentation by Lisa Huval, Deputy Director of Housing, Dept. of Family & Community Services

6:15pm – 7:00pm: Question & Answers, facilitated by Maria Wolfe.

6:55pm – 7:00pm: Wrap Up

Rising Costs of Housing

Nearly half of ABQ renters are 'cost-burdened' meaning they spend over 30% of their income on housing. We need to increase housing supply and diversity of housing types in our city.

20%

Rent Increase from 2021

\$1,235

Average
Apartment Rent

20%

Median Home Cost
Increase from 2021

\$339K

Median House Price

Sources: 1. [realtor.com](https://www.realtor.com) 2022.
2. [rentcafe.com](https://www.rentcafe.com) 2022.
3. [apartmentlist.com/research/national-rent-data](https://www.apartmentlist.com/research/national-rent-data) 2022.



The City of Albuquerque is launching Housing Forward ABQ, an urgent initiative to strengthen access to housing and spur conversion and construction of much-needed new housing for all income levels.

Sets goal of creating 5,000 additional units over what private market would normally produce by 2025

Why Motel / Hotel Conversions?

- Faster than new construction
- More cost-effective than new construction
 - Cost per unit, new: ~\$300,000
 - Cost per unit, renovated motel: ~\$100,000
- Repurposes underutilized and/or problematic properties
- Conversions have been successful in Albuquerque, Santa Fe, and other communities



Our Vision



- Basic but safe apartments
- Professionally managed by a property management company
- Mixed-income communities – some units will have lower rents affordable to low-income households, others will be market rate
- On site service coordinator
- Located throughout town, not all in one place
- Public-Private partnerships
- Sustainable

Kitchen Requirements

- Current zoning allows for reduced kitchen requirements for projects funded through FCS
 - Stove, oven, or range not required
 - Fridge, countertop, and kitchen sink still required
- Zoning change under consideration would open this up to all conversions



What It Is Not



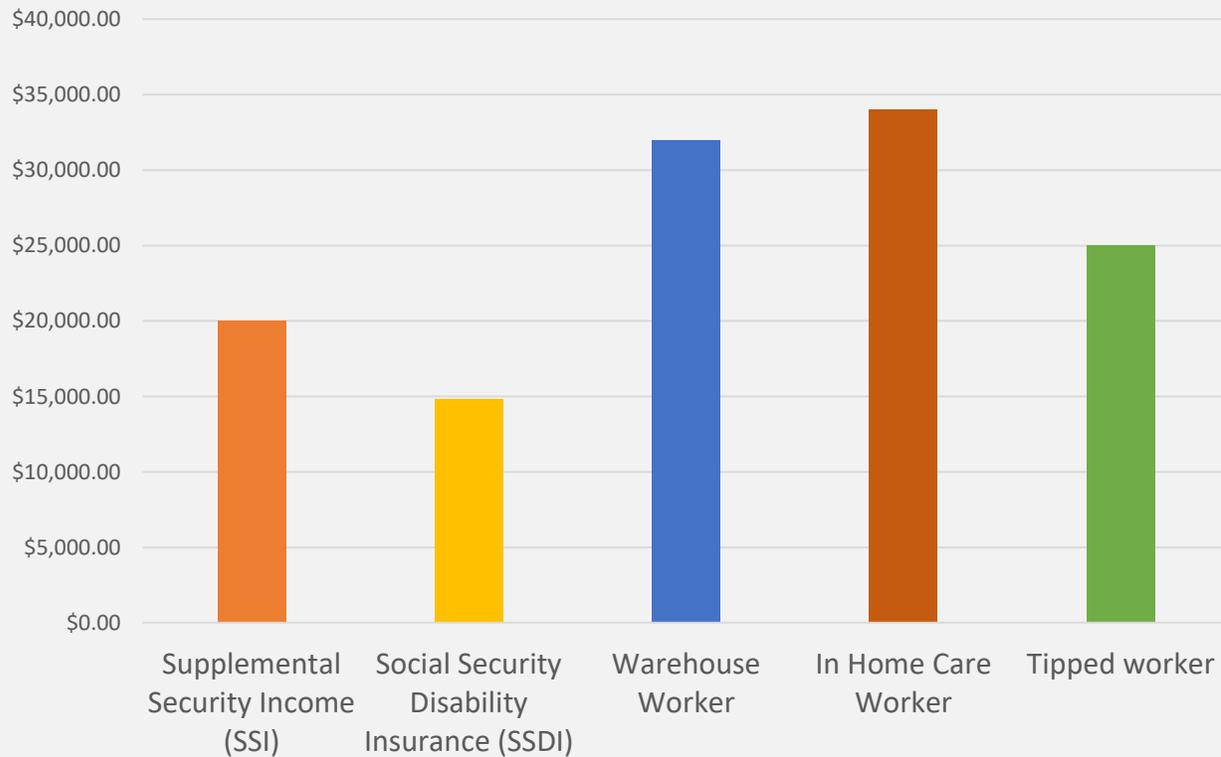
- Not only for people experiencing homelessness
- Not an emergency shelter
- Not a transitional housing program

WHAT IT IS: Safe, affordable apartments that will help address our community's housing shortage.

Who Will Be Served?



Qualifying Incomes



Fair market rate for an efficiency apartment: \$666 per month

This is naturally affordable for single adults who earn \$27,000/year, 50% of the Area Median Income

Some units will be subsidized to be affordable to those making \$16,000/year, 30% of the Area Median Income

Sundowner Apartments (ABQ)



Formerly a 110 room motel, rehabilitated in 2014
71 total units, 60 are affordable

Owned/operated by a nonprofit



Luna Lodge (ABQ)



30 units, all affordable. Converted in 2013



Santa Fe Suites (Santa Fe)

120 units

Owned and operated by a
local non-profit



Lamplighter (Santa Fe)

Conversion in process

Will be 58 units, owned and operated by a non-profit



Bray's Crossing (Houston)

149 fully furnished efficiency
apartments

A rehabilitated nuisance property

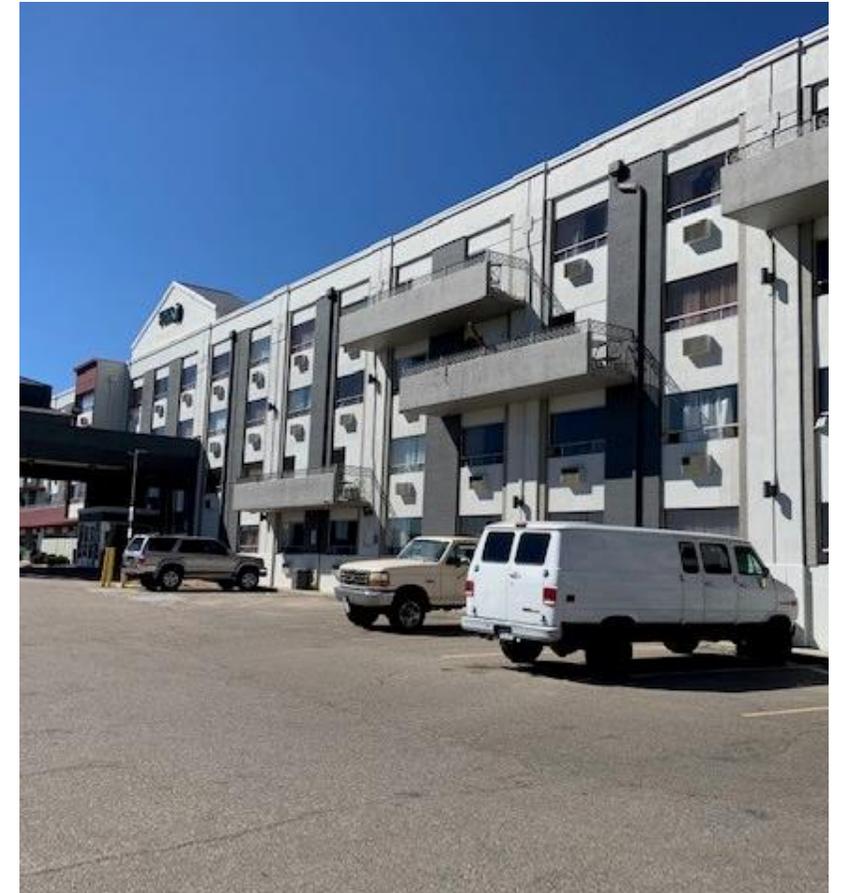
Owned/ operated by a nonprofit



Fusion Studios (Denver)

ONE
ALBUQUE
RQUE

139 furnished efficiency apartments





The Path Forward



Several possible paths, all of which the Department of Family & Community Services is considering:

- City can acquire motel, contract with a contractor/architect to complete renovations, and then identify entity to own and operate through a competitive Request for Proposal (RFP) process.
- City can acquire motel, and then identify an entity to rehab, own and operate through a RFP process. The RFP would include funding to rehab the motel.
- City can issue an RFP to select one or more entities to acquire, rehab, own and operate a motel.
- Currently, City has funding available to complete at least two motel conversions.