



City of Albuquerque  
Timothy M. Keller, Mayor

# 2020 Workforce Housing Trust Fund Program Report



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## INTRODUCTION

In 2006, the City of Albuquerque created the Workforce Housing Trust Fund (WHTF) 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 (GO) Bond Program. However, through the administration of the program it was determined that there needed to be several changes to the Workforce Housing Opportunity Act to correct inconsistencies with the State of New Mexico's Affordable Housing Act and local laws, as well as, to better administer the funding for potential home ownership projects. In July 2019, the City Council passed both the Affordable Housing Implementing Ordinance (O-19-61) and the amended Workforce Housing Opportunity Act Ordinance (O-19-62).

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 *2019 Albuquerque Point in Time Count*, there are approximately 1,524 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 (AMI) 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 the 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	WHTF 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
2019 GO	\$ 5,000,000.00
<b>TOTAL</b>	<b>\$ 45,738,000.00</b>

This report provides a summary of the overall achievements of the WHTF Program from 2020 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 WHTF money towards a Land Banking project for future development of Affordable Housing, some of which are now under development.

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**Table A: Affordable Housing Commitments**

Year Completed	Agency	Project Name	Total Units	Affordable Units	Project Type	WHTF	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		\$ 6,965,802.00

2011	Sawmill CLT	Villa Nueva/ Senior	46	44	Rental	\$ 544,000.00			\$ 9,190,475.00
2011	Sawmill CLT	Artisan @ Sawmill Village	62	60	Rental	\$ 760,000.00			\$ 10,171,877.00
2011	Sawmill CLT	Blue Linx	TBD	TBD	Land Banking	\$ 1,069,140.00			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			\$ 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			\$ 1,118,390.00
2013	Newlife Homes	Sundowner	71	60	Rental	\$ 2,112,908.00			\$ 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		\$ 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		\$ 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		\$ 12,171,350.00
2016	Sawmill	Madera Crossing	57	23	Rental		\$ 4,149,288.00		\$ 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
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
2018	YES Housing	Solar Villa Preservation	100	100	Rental	\$ 2,400,000.00			\$ 19,515,174.00
2020	Catholic Charities	Generations at West Mesa	54	45	Rental	\$ 2,400,000.00		\$405,500	\$ 9,836,663.00
2020	COA	Inca NE Apartment Acquisition	12	12	Rental	\$ 862,500.00	\$ 2,400,000.00		\$ 3,262,500.00
2020	YES Housing	Nuevo Atrisco	80	68	Rental	\$ 2,990,000.00			\$ 15,752,859.00
Awarded in 2/2020	Greater Albuquerque Housing Partnership	Luminaria Senior	92	77	Rental		\$ 3,248,123.00		\$ 20,653,240.00
Awarded in 12/2020	Greater Albuquerque Housing Partnership	Hiland Plaza	92	75	Rental		\$ 3,586,842.65		\$ 18,347,535.00
Approved by Council 10/2020	Sawmill Community Land Trust	Acquisition of Single-Family Home in Foreclosure	1	1	Owner	\$ 125,000.00			\$ 125,000.00
City's FY21 Budget	Sawmill Community Land Trust	Subsidies to Homebuyers	25	25	Owner	\$ 500,000.00			\$ 500,000.00
RFP Development	COA	Cibola Loop			Rental		\$ 2,355,996.79	\$1,439,000	
Procurement Underway	COA	3525 4th Street NW			Rental/Owner/Econ	\$ 3,500,000.00		\$1,200,000	
<b>CUMULATIVE TOTALS</b>			<b>1255</b>	<b>1099</b>		<b>\$ 44,435,120.00</b>	<b>\$29,957,329.07</b>	<b>\$ 4,910,300.00</b>	<b>\$ 309,749,270.56</b>

## WHTF: HELPING THE VULNERABLE

Since 2007, more than \$40 Million in WHTF money has been committed to increase the supply of Affordable Housing opportunities in the City of Albuquerque. The result is 33 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 1,569 total housing units. Of these units, 1,364 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 2020 as published by the United States Department of Housing and Urban Development (HUD).

**Table B: Albuquerque MSA 2020 Income Limits**

	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
<b>30% of MFI</b> <b>Extremely Low</b>	\$14,550	\$17,240	\$21,720	\$26,200	\$30,680
<b>50% of MFI</b> <b>Very Low</b>	\$24,200	\$27,650	\$31,100	\$34,550	\$37,350
<b>80% MFI</b> <b>Low Income</b>	\$38,750	\$44,250	\$49,800	\$55,300	\$59,750

The WHTF 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. WHTF money has 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.

## **WHTF: A MECHANISM FOR GAP FINANCING**

In addition to funding the rehabilitation and/or new construction of affordable housing units for vulnerable populations, the WHTF 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 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 WHTF Program ensures that WHTF monies are used as effectively and efficiently as possible. Therefore, the City's contributions of more than \$40 Million in Workforce Housing Trust Funds and nearly \$30 Million in HOME funds or other local funds will result in more than \$300,000,000 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" on the following page illustrates that WHTF money has 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

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### **TABLE C: Leveraging Workforce Housing Trust Funds**



Project Name	WFHTF	TDC
<b>Railyards</b>	\$ 1,915,729.00	<b>TBD</b>
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
Blue Linx	\$ 1,069,140.00	TBD
Plaza Feliz		\$ 12,290,007.00
Luna Lodge	\$ 1,241,523.00	\$ 4,339,523.00
Silver Gardens Phase II	\$ 2,500,000.00	\$ 8,983,668.00
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1023 Central/ Sleepy Hollow		\$ 1,879,772.00
Trujillo Road		\$ 1,926,580.63
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
<b>3525 4th Street NW</b>	\$ 1,200,000.00	<b>TBD</b>
Cuatro Senior Housing		\$ 12,171,350.00
Madera Crossing		\$ 12,645,820.00
Imperial Building	\$ 3,375,000.00	\$ 16,428,141.00
Casa Feliz		\$ 15,002,556.00
Casa Grande		\$ 6,154,443.00
The Sterling Downtown	\$ 4,000,000.00	\$ 16,469,246.00
Solar Villa Preservation	\$ 2,400,000.00	\$ 19,515,174.00
Generations at West Mesa	\$ 2,400,000.00	\$ 9,836,663.00
Inca NE Apartment Acquisition	\$ 862,500.00	\$ 3,262,500.00
Nuevo Atrisco	\$ 2,990,000.00	\$ 15,752,859.00
Luminaria Senior		\$ 20,653,240.00
Hiland Plaza		\$ 18,347,535.00
Acquisition of Single-Family Home in Foreclosure	\$ 125,000.00	\$ 125,000.00
Subsidies to Homebuyers	\$ 500,000.00	\$ 500,000.00
Cibola Loop		
3525 4th Street NW	\$ 3,500,000.00	
	\$ 44,435,120.00	\$ 309,749,270.56

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

Because WHTF awards 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, and 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 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 2019 WHTF Report, three (3) multi-family housing developments have completed construction and are now operational and two (2) additional multi-family housing projects have been procured, obtained City funding and are either under construction or awaiting a LIHTC award. Additionally, the City has chosen to utilize WHTF to reinvest in a homeownership project previously funded by the City.

The following Affordable Housing Developments illustrate the creation of quality, affordable housing developments that are a result of leveraging City WHTF and HUD HOME Investment Partnerships funding. The three developments completed in 2020 include: Inca Apartment Acquisition/Rehabilitation, Generations at West Mesa senior housing development, and Nuevo Atrisco apartments.



**INCA NE APARTMENT ACQUISITION/REHABILITATION-** 3701, 3705, and 3711 Inca Street NE, Albuquerque, NM 87111, are 3 separate single story 4-plex apartment buildings. The Project consists of the substantial rehabilitation and management of the three, multi-family buildings, landscaping, access, parking lots and grounds located on the property. The Project includes the improvements of twelve residential units, including three 1-bedroom, six 2-bedroom, and three 3-bedroom rental housing units between the three buildings, designed to serve households with children at or below 60% AMI. The acquisition

of Inca was funded with WHTF money and the project was also awarded HUD HOME funds for the rehabilitation. Was completed in March 2020 and is intended to serve single-parent households with children.



**GENERATIONS AT WEST MESA-** Located at 5710 Avalon NW, Albuquerque, NM 87105. Generations at West Mesa consists of a variety of apartments for seniors, including seniors caring for their grandchildren. The project is arranged to flow with the existing neighborhood. Most are composed of single-story buildings and the apartments feel like the bordering residential homes in size and arrangement. The project consists of 54 apartments, of which 45 are affordable and nine are market rate apartments. Of the 45-affordable units, 18 units are for households at or below 30% AMI, nine at or below 50% AMI, and 18 units at or below 60% AMI. Generations was funded with WHTF and was completed in January 2020.



**NUEVO ATRISCO -** Located at 7909 Central Avenue NW, Albuquerque, NM 87121. The project is an 80-unit, mixed income/mixed use community consisting of one-, two- and three-bedroom apartments. Of these 80 apartments, there will be 68 affordable and 12 market rate units. Nuevo Atrisco is designed for households with children, containing 21 one-bedroom, one-bath apartments, 42 two-bedroom, two-bath apartments, and 17 three-bedroom, two-bath units. Nuevo Atrisco was funded with WFHTF and was completed in September 2020.

## FUTURE PROJECTS UNDERWAY

The first multi-family housing project underway, was procured in 2019 and awarded \$3,248,124 of HOME funding in February 2020. The **Luminaria Senior Community** project is a mixed-income project is located at 10600 Central Avenue SE, and will consist of 92 residential units, 77 of which are affordable. The Project received a 2020 Low Income Housing Tax Credit (LIHTC) allocation from the New Mexico Mortgage Finance Authority and is scheduled to begin construction in early 2021.

The next project funded with WHTF in 2020, was a reinvestment in a long-time City partnership with Sawmill Community Land Trust (SCLT) to support its **Arbolera de Vida** project. The SCLT made the City aware of a home in the foreclosure process, which SCLT could not financially acquire, but needed to remain part of the land trust. In October 2020, City Council approved \$125,000 of WHTF towards the acquisition of the single-family home which will be acquired by the City to be administered and sold by SCLT to an income-qualified homebuyer and thus, remain within the land trust.

Additionally, the City also chose to include a contract with SCLT or \$500,000 of WHTF in the City's 2021 Budget to provide additional subsidies to qualified homebuyers in the existing **Arbolera de Vida** project. These WHTF subsidies are capped at \$20,000 per household and are intended to be in addition to any existing HOME subsidies in the units. The total amount of combined HOME and WHTF subsidies are capped at \$50,000, per SCLT policies and will provide additional opportunities to homebuyers choosing to live on the land trust.

In 2020, there were three Requests for Proposals (RFPs) released to procure future WHTF and HOME projects. The scope of the first RFP was for multi-family rental housing developments. This RFP resulted in the funding of \$3,586,842.65 of HOME funds towards the development of the **Hiland Plaza** apartments. The mixed-income project is located at 5000 Central Avenue SE, and consists of 92 residential units, 75 of which are affordable. The Project has been approved by City Council in December 2020 and is seeking a Low Income Housing Tax Credit (LIHTC) award from the New Mexico Mortgage Finance Authority in its 2021 LIHTC round.

The scope of the second RFP was for a single-family homeownership development on the City-owned **Cibola Loop** site, a 5-acre parcel near Ellison and Cibola Loop NW, that was purchased with CDBG dollars in 2018 for affordable housing. This RFP was released in July 2020 and was the second time it was released (the first in 2019 and was subsequently cancelled due to proposals in contrast to federal regulations). Unfortunately, there were no responses to this re-release in 2020, due to the increasing costs of construction, such a project was deemed to be ineligible as a HOME project. Therefore, since an affordable

homeownership project on the Cibola Loop site is not feasible, DFCS has is now considering a medium-density rental housing development exclusively for Seniors. A Senior Rental Housing RFP is planned to be released in 2021.

In September 2020, DFCS issued the **Brown Property** RFP to develop the property located at 2525 4<sup>th</sup> NW. This 5-acre lot was purchased with WHTF dollars in 2015 as a land-banking activity and its RFP includes \$3,500,000 towards the development of affordable housing on the site. The RFP deadline which originally was planned for October 2020, was subsequently extended to February 2021, due to the COVID-19 pandemic and its Public Health Order.

## 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, the WHTF has been able to stimulate development activity that may not otherwise happen. Along with the WHTF, 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 to choose 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. WHTF money helps supplement the upfront cost of building green and the green features help create better health outcomes and lower long-term operational costs. Lowering the operational costs assists developers in meeting permanent affordability requirements and insures WHTF dollars create long-term benefits. Permanently affordable housing works to financially stabilize individuals, families and the workforce 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 security and support necessary for successful outcomes. Positive outcomes are also supported by the common 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 with low incomes helps to ease the stigmatization of affordable housing developments and humanizes income differences.

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