



HOMELESS COORDINATING COUNCIL
Housing Committee
April 21, 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), Laura Norman (CABQ consultant), Felipe Rael (GAHP), Comm O’Malley (BernCo), Linda Bridge (AHA), Jolene Wolfley (CABQ Planning), Councilor Isaac Benton (CABQ), Renia Ehrenfeucht (UNM Planning), Jenny Metzler (AHCH), Betty Valdez (BernCo), Robert Baade (BHI Supportive Housing), Izzy Hernandez (MFA), John Ames (HopeWorks), Guest Billy Eagle (CBRE)

Item:	
Lisa Huval Setting 5-year and annual affordable housing targets, identifying costs	<p>Welcome. Motion to approve minutes of 04.07.21 was made by Renia Ehrenfeucht and seconded by Robert Baade. Motion to approve passed.</p> <p>Continue working through matrix developing 5 year an annual targets, with focus on cost element today.</p> <p>Felipe Rael shared presentation of typical low income housing tax credit (9%) project; 80 unit project. Different scenarios, where units are combination of different AMI (average median income) residents. Projected total cost would be \$18.8 million (bank loans \$2.5 mil; city funds \$5.5 mil; GP liquidity \$100, LP liquidity \$10.85 mil). If a majority of the units are at 60% AMI, can support significant debt. There is a \$5.5 mill gap, with today’s construction costs. If the City wanted to support deeper affordability, it could be done for about \$900k more. These projects usually need to go out and seek additional resources, such as Nat’l Housing Trust Fund.</p> <p>Second scenario, 4% tax credit, 120 units in a qualified census tract. The gap is smaller. Still a sizable gap of \$3.6 million, but getting 120 units.</p> <p>Comm O’Malley pointed out that the AMI percentages are based on gross, which can still leave tenants rent burdened since they don’t take home their gross amounts of wages. More subsidies required to support the lowest income persons, so that they are not rent burdened.</p> <p>Building in qualified census tracts or difficult to develop areas allows for a basis boost. Goal in the committee’s matrix is to create 1,500 new units of affordable housing, which breaks</p>



<p>Rental Market Housing Trends</p>	<p>down to 300 new units over the next 5 years. If fully utilizing the 4% tax credit, need \$4.8 million gap funding for every 120 units. Felipe Real said to look at this another way, \$40,000 needed per unit. So, for 300 units, that would be \$12mil.</p> <p>Linda Bridge added that if want more 30% units than the 60/50/30% break down discussed, and if want to put them into high opportunity locations rather than qualified census tracts, the subsidy needed is going to grow.</p> <p>Felipe Rael said that qualified census tracts are the gray areas on the City’s action plan map; pink is priority for new construction. <u>Lisa Huval said will look at where census tracts are located, and at qualifying incomes, for next meeting.</u></p> <p>Jolene Wolfley welcomed Billy Eagle, guest presenter. Billy Eagle is senior vice president at CBRE; 14 years ago he moved here from Southern California. Has headed multi-family brokerage at CBRE for the last decade, selling approximately \$4.5 billion in apartments. Also coordinates an Albuquerque apartment market survey which surveys local apartment properties 3 times per year. Here today to provide insight to the private multi-family housing market. Albuquerque is one of the tightest housing markets in the nation currently. Rents are increasing due to short supply and high demand. Albuquerque has just less than 100,000 apartment units, catering to an MSA of 935,000 people. Just under a 1 to 10 ratio. Construction on market rate side increasing, infill supportable due to increasing rents. Construction costs increased about 35% in last 2 years; material costs primarily. Few parcels available in the Albuquerque MSA, so land cost increasing as well. About 1 to 2 years ago, land on the market rate side would cost \$12,000 to 17,000 per unit; now upwards of \$25,000 per unit. Constructions costs have gone from approximately \$120,000 to \$200,000 per unit. Instead of seeing 260 unit market rate apartment projects, which works well for economies of scale, seeing builds of between 40 and 150 units. With recent and project population growth, not enough units being developed. Projected need is 4,000 to be built, but only 1,700 market rate units are currently planned and only 600 affordable. Need to incentivize development in some way. Albuquerque rents have risen 7% in the last 15 months, but Albuquerque is still an affordable housing market in the top 50 U.S. Metros. Motel renovation and conversion is occurring in Albuquerque, and more of this could be done along Route 66 with incentives. The large majority of medium/large apartment complexes in Albuquerque are not owned locally.</p>
	<p>Next meeting: May 5, 1:00-2:30 p.m.</p>