



Tim Keller, Mayor

May 10, 2022

To: Albuquerque Development Commission

From: Ciaran Lithgow, Redevelopment Project Manager

Subject: Case #2022-13 - Downtown Housing RFP (#01-2021) Selection

Summary In September 2021, MRA released the Downtown Housing RFP (RFP #01-2021) soliciting proposals for housing projects in the Downtown and Railroad MRAs. Developers were invited to propose projects that required gap funding in the face of rapidly escalating construction costs, caused by downstream effects of COVID-19. Total funding available from MRA was \$2.2M. MRA received two responses to the RFP, both of which were deemed responsive and met the goals outlined in the RFP.

- **Villa Agave by Baker Architecture & Design.**

Villa Agave will redevelop a former convent nursing home. The project will renovate the blighted property on the corner of 7th and Copper into at least 14 housing units. The project will also include streetscape improvements in the landscaping median/sidewalk verge. Construction can commence within 2 months of an executed development agreement (anticipated Summer 2022). Project completion estimated Summer 2023.



- **The Downtowner by REMBE Urban Design & Development.**

The Downtowner is a proposed new construction 5-story project on 1st and Silver. The project will include 153 multifamily units, 13 live-work units, coworking space, and a café. The project will break ground in late 2023, with anticipated completion in late 2025. ADC previously recommended The Downtowner for selection for RFP #03-2020, which would award the applicant with MRA-owned land at 101 Silver SW if an agreeable development agreement is reached.



A financial analysis indicated that both projects required subsidies to be financially feasible. MRA finds that it is able to fund both projects using the \$2.2M earmarked for the grant without necessitating a Selection Committee.



Findings:

- The MRA issued a Request for Proposals #01-2021 on September 23, 2021, soliciting proposals for housing projects in the Downtown and Railroad Metropolitan Redevelopment Areas.
- Legal notice was published in the Albuquerque Journal on October 11th, 2021 and October 18th, 2021.
- MRA received two responses to RFP #01-2022 (Villa Agave and The Downtowner), both of which were responsive to the RFP.
- Villa Agave supports the RFP Evaluation Criteria as follows:
 - Project Goals: The Downtowner meets the RFP Project Goals outlined below.
 - Elimination of blight. The Project redevelops an abandoned/unutilized former convent that has received complaints of squatting and deterioration.
 - Contributes to the goals outlined in the relevant MR Plan. Villa Agave meets the goals of the Downtown 2025 Metropolitan Redevelopment Plan by:
 - Expanding urban housing towards the goal of reaching 20,000 people living in the Downtown core by 2025; and,
 - Contributing to a walkable and vibrant Downtown district through blight remediation and streetscape improvements.
 - Increases housing density and options. This project will add at least 14 housing units to the Downtown core. The Villa Agave offers shared spaces like its central courtyard that are uncommon in typical apartment complexes.
 - Placemaking. The project will utilize agaves (its namesake) and desert willows throughout its landscaping palate. One or more statues will be added to the property in plain sight of pedestrians who might pass the development.
 - Supports local, small, minority, women, and disadvantaged business enterprises. The developer is a local business and will also serve as the general contractor.
 - Team experience. Baker Architecture & Design has demonstrated experience in other redevelopment Projects, with 27 years of experience as an architect and over 10 years of experience as a developer. His most notable recent Project is at 505 Central, a former Downtown office building converted into a successful Downtown food hall with 9 local vendors and 34 housing units.
 - Design & Sustainability. Villa Agave will offer a housing alternative that differentiates itself from a typical stacked apartment complex in scale and relation to the public sphere. This scale compliments the existing neighborhood, providing an appropriate transition from large downtown structures to the East and the single-family residences to the north and west. The Project also exemplifies sustainability by repurposing an existing building. Building reuse preserves the energy consumed by all of the processes associated with the original production of the building, including mining, processing, transporting, and constructing materials used to create the original building. Additional sustainability measures include new low-flow plumbing fixtures, energy efficient lighting, new HVAC, permeable materials in the parking lot, and a solar-ready roof.



- Financial Structure. A financial analysis identified that the project would be viable if the project receives the City's \$400,000 subsidy and redevelopment tax abatement.
 - Pro-forma assumptions were analyzed and determined reasonable.
 - The Applicant has no other development projects currently planned, with only ongoing obligations to existing properties which are fully stabilized.
- Financial Capacity. Project includes at minimum a 12% equity contribution from the Developer team. The Developer has demonstrated financial capacity and success in its other development endeavors.
- The Downtowner supports the RFP Evaluation Criteria as follows:
 - Project Goals: The Downtowner meets the RFP Project Goals outlined below.
 - Elimination of blight. This project develops a currently vacant property adjacent to several vibrant housing units, a grocery store, and the Alvarado Transit Station. Developing this dirt lot will contribute to vibrancy and prevent the accumulation of trash on the lot and eliminate dust during wind events.
 - Contributes to the goals outlined in the relevant MR Plan. The Downtowner meets the goals of the Downtown 2025 Metropolitan Redevelopment Plan by:
 - Expanding urban housing towards the goal of reaching 20,000 people living in the Downtown core by 2025; and,
 - Contributing to a walkable and vibrant Downtown district by creating a well-designed building that interfaces with planned upcoming projects including the Albuquerque Rail Trail.
 - Increases housing density and options. This project will add 168 housing units to the Downtown core at a density of 230 housing units per acre (the site is approximately 0.6 acres). At small sizes, the dwelling units will be naturally affordable to the Albuquerque workforce and provide a unique product in Downtown Albuquerque.
 - Placemaking. The high-density project will maximize the project site while providing a human scale street level experience with the corner café and live-work units.
 - Supports local, small, minority, women, and disadvantaged business enterprises. The members of the project team include several local entities including the developer, architect, and general contractor.
 - Team experience. Project will be owned and operated by REMBE Urban Design and Development, an experienced local development firm that has developed and managed over \$80 million in infill development projects in Albuquerque. The development team also includes Insight Construction and Mullen Heller Architecture, both experienced and qualified in their fields.
 - Design & Sustainability. The high-density project will maximize the project site while providing a human scale street level experience with the corner café and live-work units. The project is geared towards those who will utilize transit. Generous bicycle



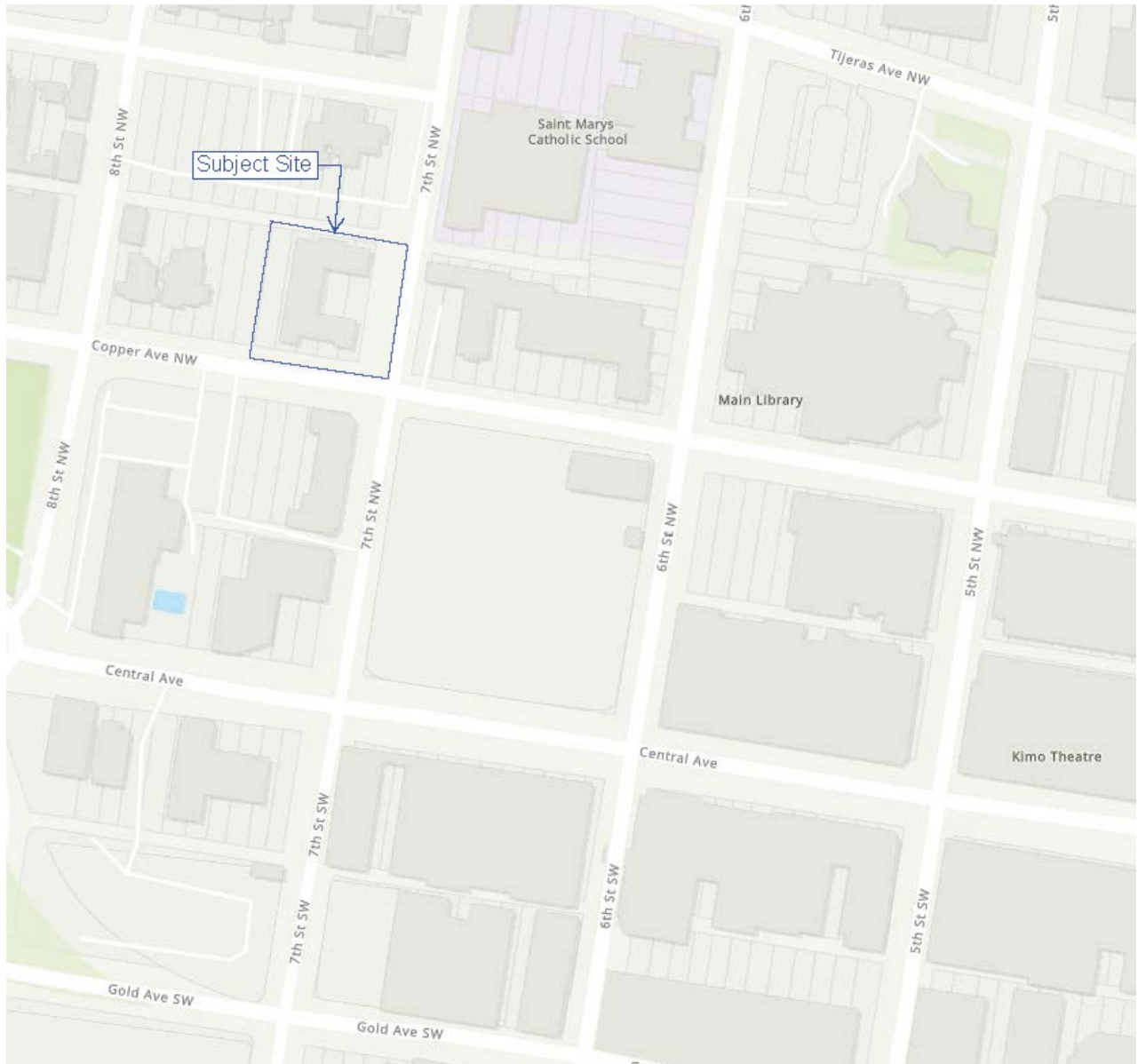
parking will be provided. Support for low parking ratios is provided in supporting documentation. The project includes several energy efficiency features including minimizing unit footprint, orientating the building to maximize passive solar gain, and implementing thermal and lighting controls to minimize energy loads during non-occupied hours.

- Financial Structure. An analysis performed by consultant Economic & Planning Systems identified that the project would be viable so long as the project receives the City's \$1.8M subsidy, land, and tax abatement.
 - Provided market analysis documents low vacancy rate and high demand for housing in downtown.
 - Pro-forma assumptions were analyzed and determined reasonable.
 - Financial structure includes securing a HUD 221(d)4 loan which provides favorable terms including longer amortization, lower interest rates, and higher loan-to-value ratios.
- Financial Capacity. Project includes an 19% equity contribution from the development team. the Developer appears to have sufficient funds to make the required equity investment under the HUD financing scenario. Additionally, a portion of the required equity would be in the form of a deferred developer fee partially financed by debt.

Recommended Motion: Based on the findings in the staff report, the ADC recommends selection of Villa Agave/Baker Architecture + Design and Downtowner/REMBE Urban Design and Development as the awardees of RFP #01-2021.



VILLA AGAVE LOCATION MAP





VILLA AGAVE CONCEPTUAL RENDERINGS



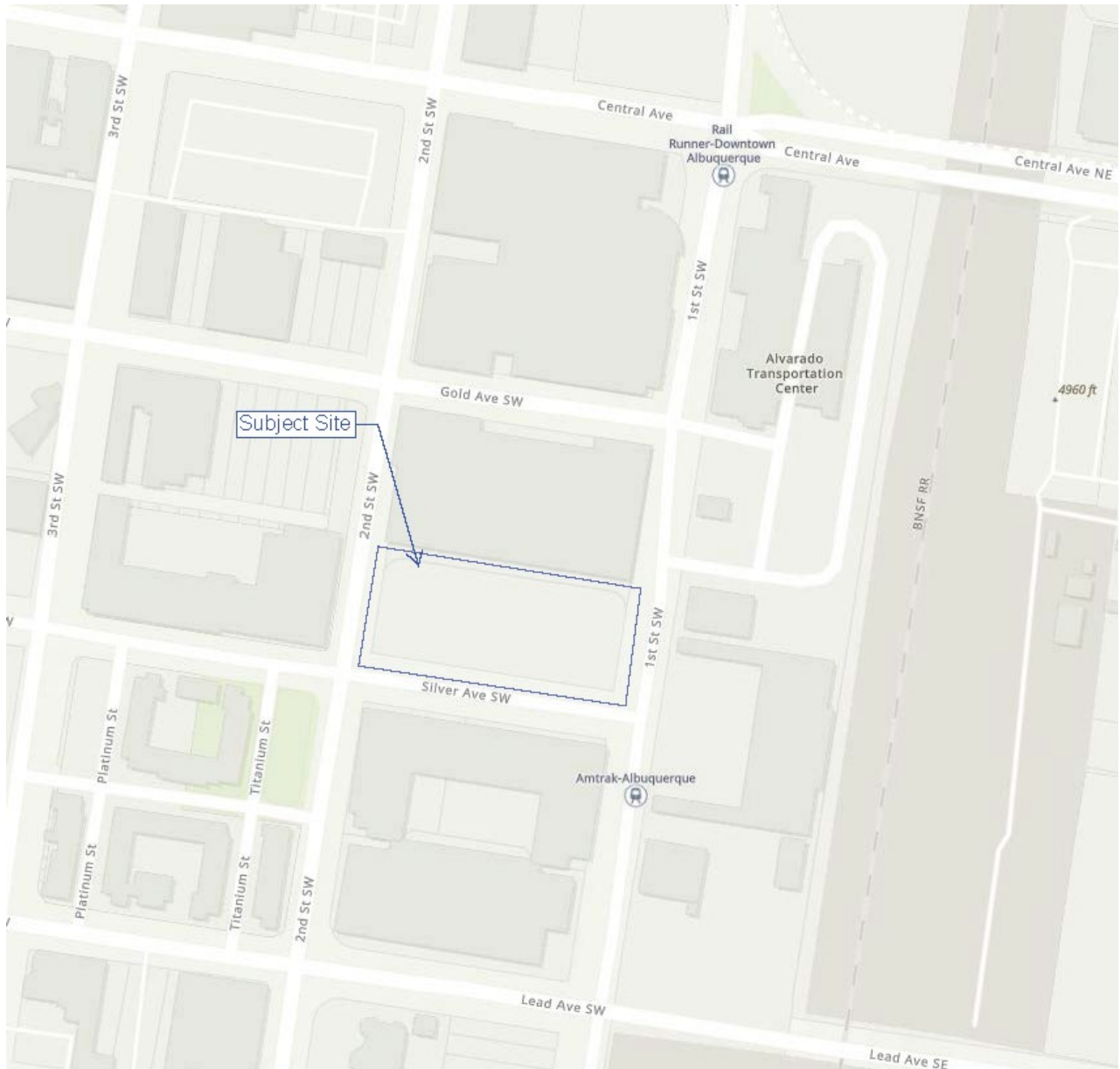


VILLA AGAVE RFP RESPONSE

To download the RFP response, click [here](#).



THE DOWNTOWNER LOCATION MAP





THE DOWNTOWNER CONCEPTUAL RENDERINGS





THE DOWNTOWNER RFP RESPONSE

To download the RFP response, [click here](#).