

City of Albuquerque Metropolitan Redevelopment Agency



Small Properties Disposal RFP #03-2025 Inquiries and Responses Posted July 1, 2025

Question (1): About a year ago, you sat in the ECM warehouse and told us that MRA could not donate land because of the statute under which MRA operates. Terry told us that capital outlay could not be used to buy land for housing. He was wrong, you were right.

We need an answer to the question about how the land in the RFP will be conveyed. Site control is critical to financing, and having a sense of how to finance a project is critical to design, planning, and programming a housing project.

The Metropolitan Redevelopment Authority is governed by Chapter 14, Article 8, Part 4 of the City of Albuquerque's Code of Ordinances, known as the Metropolitan Redevelopment Agency Ordinance.

Chapter 14-8-4-7 of the ordinance, Activities to be Undertaken Pursuant to Statutory Authority, subsection (B) states "with respect to the disposition or lease of real property carried out by the Metropolitan Redevelopment Agency, the provisions of Section 3-60A-12 NMSA 1978 shall apply."

That chapter states the following:

"A local government may sell, lease or otherwise transfer real property or any interest in real property acquired by it in a metropolitan redevelopment area and may enter into contracts with respect to the real property for residential, commercial, industrial or other uses or for public use or may retain such property or interest for public use in accordance with the metropolitan redevelopment plan, subject to any covenants, conditions and restrictions, including covenants running with the land and including the incorporation by reference in the covenants of the provisions of a metropolitan redevelopment plan or any part thereof, as it may deem to be in the public interest or necessary to carry out the purposes of the metropolitan redevelopment plan (emphasis mine)"

The section goes on, "the real property or interest shall be sold, leased, otherwise

transferred or retained at not less than its fair value for use in accordance with the Redevelopment Law. (emphasis mine)" And "a local government may dispose of real property in a metropolitan redevelopment area to private persons only in accordance with the procedures set out in this subsection." This includes an RFP and public notice about the expected use and development of the land.

If there are no adequate responses, then the local government may "dispose of the real property through reasonable negotiating procedures."

In the attached slide presentation, MRA suggests that it "can acquire land and allocate it for development to a private developer" and that "property can be contributed in exchange for community benefit" (emphasis mine). The words "allocate" and "contribute" don't appear anywhere in the statute or ordinance. Please correct me if I am wrong. And neither does the word "donation."

Can you please explain,

1. How will the land be legally conveyed to a private party for development of housing without being a qualified entity under the Affordable Housing Act? If it isn't a donation, what is it?
2. If you have "allocated" or "contributed" or "donated" land for housing in the past, what were the terms? Please send a list of those projects.
3. Clarify that you understand the basis of land donation under the AHA and how it would apply here and why you think it wouldn't if you think it doesn't. I commend City Attorney Lauren Keefe's memo on donating land. Of note in that memo.

"Any land that is donated must also be determined to be not essential for a municipal purpose pursuant to ROA 1994, § 5-2-1."

Has this land been "determined to be not essential?"

And finally, if it is a donation, please also note that "that grants can only be made to 'qualifying grantees.' See NMSA 1978, § 6-27-4. The qualifications for grantees are set out in full in the New Mexico Mortgage Finance Authority."

Unless you can explain thoroughly why the Affordable Housing Act does not apply and how you can make a donation of land under Section 3-60A-12 NMSA 1978, I'm having trouble understanding how this RFP can go forward as it is.

Maybe I am completely wrong and misdirected here. Please let me know so we can have a better idea how or if we will respond to this RFP.

Roger--
206-427-7707

Roger Valdez

Agency Response: The Metropolitan Redevelopment Agency exists because of a state statute that permits municipalities statewide to employ special tools within areas that City Council has declared as blighted or having slum conditions and for which a Plan has been approved. Within these areas, MRA can deploy a range of incentives for a wide variety of developments, as allowed under the law. Projects that receive MRA support are required to follow state and local laws pertaining to the NM Metropolitan Redevelopment Code and City's Metropolitan Redevelopment Ordinance. Whether other laws, such as the NM Affordable Housing Act, are applicable to a particular MRA project is fact specific to the project itself. If an RFP or awarded project does have an affordable housing component, MRA staff will work closely with the Department of Health Housing and Homelessness (HHH) on the RFP process and/or development agreement to ensure compliance with all relevant laws in order to ensure the sustainability and viability of the project.

The New Mexico State Legislature enacted the Metropolitan Redevelopment Code, Sections 3-60A-1 et seq. NMSA 1978, which conferred certain powers onto the City of Albuquerque, which the City enumerated under the Metropolitan Redevelopment Ordinance, ROA 1994, Sections 14-8-4-1 et seq. Pursuant to city ordinance and state law, the City is allowed to determine areas of blight and slum conditions, which then allows the City to create an MRA Plan approved by City Council. Upon the creation of an MRA Plan, the MRA can deploy a range of subsidies in MR Areas in ways that are nimbler than what may be normally allowed under state and local laws in non-MRA areas.

Disposition of real property owned by the City for redevelopment purposes is not subject to ROA 1994, § 5-2-1. Disposition of real property under the Metropolitan Redevelopment Ordinance follows the provisions of the Metropolitan Redevelopment Code, Sections 3-60A-1 et seq., and not the City's land disposal process. ROA 1994, § 14-8-4-7 (B). Therefore, MRA does not follow the City's non-essential property disposal processes in MRA areas when the disposition is for redevelopment purposes.

The development of the Small Properties Disposal program involved the review and input of three City departments and follows state and local legal requirements. MRA has engaged in disposal of parcels through a competitive RFP process for many years, which is required under 3-60A-12 NMSA 1978. MRA treats the value of the land in the disposal process as the subsidy for the project. As you yourself point out when you quote from the statute, MRA can contribute land to a development in exchange for community benefit. That is why we have an application process where Proposers are asked to describe the project's alignment to the relevant MRA Plan and to elaborate on community

benefits such as adding housing, placemaking/beautification, and sustainability.

To answer your questions:

1. How will the land be legally conveyed to a private party for development of housing without being a qualified entity under the Affordable Housing Act? If it isn't a donation, what is it?

This RFP is not providing any funding or resources for affordable housing so the Affordable Housing Act does not apply, and the RFP does not contemplate the donation of land. Upon award under the RFP, selected projects are subject to development agreements, which include claw backs of land and/or cash in the case that the developer fails to meet required timelines and/or deliverables. Land is not transferred until a project is fully funded, permits are approved, and construction has been scheduled.

If an awarded project includes aspects of affordable housing, then the development agreement and project will be required to follow applicable local and state rules and regulations related to affordable housing and the project. If an awarded project does not include aspects of affordable housing, then the development agreement and project will not be subject to any affordable housing rules and regulations.

Keep in mind that this RFP does not include any funding allocations related to affordable housing, so this RFP is not intended to qualify an entity or project for affordable housing. If an awarded project includes affordable housing and the awardee wishes to obtain affordable housing funding for the project, the awardee would need to qualify and be awarded under whatever process that funding is being provided through.

As for the donation question, under the NM Metropolitan Redevelopment Code, "the real property or interest shall be sold, leased, otherwise transferred or retained at not less than its fair value for use in accordance with the Redevelopment Law." § 3-60A-12 NMSA 1978. Under this law, real property may be sold, leased or transferred in exchange for use that is equivalent to the fair market value of the real property, and, therefore, would not be considered a donation, because the City would not be giving property away without return or consideration.

2. If you have "allocated" or "contributed" or "donated" land for housing in the past, what were the terms? Please send a list of those projects.

The terms of agreements vary depending on the goals and priorities laid out in the relevant MRA Plan. The Somos development currently under

construction at Alcazar and Central required affordable housing and community space. The Downtowner development in the planning stages downtown will require housing, but is not restricted to certain income levels. The Kathryn and San Mateo RFP that closes today requires housing and encourages a mix of uses at the site. Albuquerque Development Commission records public and you are welcome to look at the archive for more information on project details and which were recommended to City Council.

3. Clarify that you understand the basis of land donation under the AHA and how it would apply here and why you think it wouldn't if you think it doesn't.

The Affordable Housing Act does not apply to this RFP as this RFP is for metropolitan redevelopment and does not contemplate the allocation of any affordable housing funds, nor would any land disposition under this RFP be subject to the Affordable Housing Act. Any land disposition contemplated under this RFP will follow requirements established under the NM Metropolitan Redevelopment Code. If an awardee proposes an affordable housing project, then the development agreement will provide for the requirements of the project pursuant to applicable laws and regulations pertaining to affordable housing. Any land disposition that may occur pursuant to this RFP will not be linked to the affordable housing component of the project and instead will be tied solely to the redevelopment of land under the applicable MRA Plan and applicable laws.