

EC-15-450

**CITY OF ALBUQUERQUE**  
Albuquerque, New Mexico  
Office of the Mayor




Mayor Richard J. Berry

**INTER-OFFICE MEMORANDUM**

September 28, 2015

**TO:** Rey Garduño, President, City Council

**FROM:** Richard J. Berry, Mayor 

**SUBJECT:** 2015 Workforce Housing Trust Fund Report

The 2015 Workforce Housing Trust Fund (WFHTF) Report provides a summary of the overall achievements of the WFHTF Program from 2008 to 2011, and provides an in-depth look into what makes the program so successful.

WFHTF monies are often used as gap financing for multi-million dollar housing development projects. These funds make it easier for housing developers to bring in other investors and reduce the amount of high interest loan that they would otherwise have to take. This in addition to allowing the developers to incorporate long term energy efficient amenities into their designs help keep the housing affordable for longer periods of time.

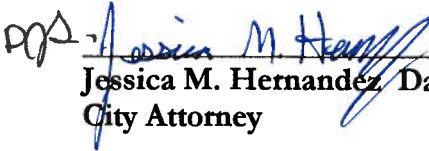
The Workforce Housing Trust Fund Program is funded by a biannual voter approved City bond. From 2007 through 2013, \$32,500,000 in WFHTF has been approved to further affordable housing opportunities. The City's Department of Family and Community Services has administered the funds by contracting with non-profit developers to create new housing opportunities. The City has committed approximately \$31.4 Million to leverage over \$200 Million in project activities. WFHTF Projects have generated \$2,439,803 in gross receipt taxes for the City of Albuquerque, and a total of more than \$3.6 Million in gross receipt taxes in the State of New Mexico. In addition WFHTF supported projects have generated an estimated \$37,350,580 in indirect spending and helped to create over 1,184 employment opportunities.

**Legislation Title: 2015 Workforce Housing Trust Fund Report**

**Recommended:**

**Approved as to Legal Form:**

  
\_\_\_\_\_  
Robert J. Perry      10/23/15  
Chief Administrative Officer      Date

  
\_\_\_\_\_  
Jessica M. Hernandez      10/13/15  
City Attorney      Date

**Recommended:**

  
\_\_\_\_\_  
Douglas H. Chaplin, Director      9/29/15  
Dept. of Family & Community Services      Date

## **Cover Analysis**

### **1. What is it?**

The 2015 Workforce Housing Trust Fund (WFHTF) Report provides a summary of the overall achievements of the WFHTF Program from 2012 through 2015 as well as provides an in-depth look into what makes the program so successful.

### **2. What will this piece of legislation do?**

Report the success of the Workforce Housing Trust Funds Program since its inception.

### **3. Why is this project needed?**

This is necessary to show that the Community Development Division has met the requirements of administering Workforce Housing Trust Funds and to give the City of Albuquerque an opportunity to review the benefits of this program and to show their continued support.

### **4. How much will it cost and what is the funding source?**

There are no costs associated with this legislation

The Workforce Housing Trust Fund Program is funded by a biannual voter approved City bond.

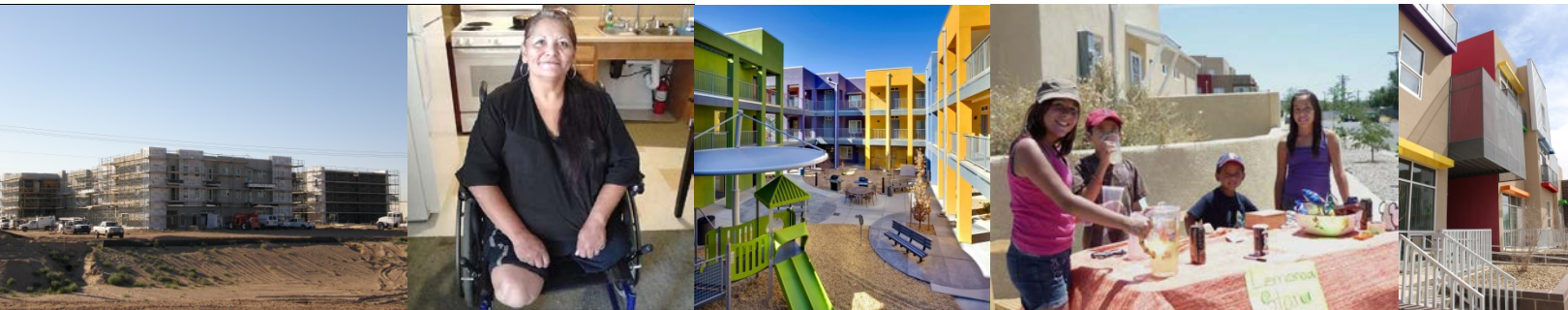
### **5. Is there a revenue source associated with this legislation? If so, what level of income is projected?**

There is no revenue source associated with this legislation.



City of Albuquerque  
Richard J. Berry, Mayor

# 2015 Workforce Housing Trust Fund Program Report



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## INTRODUCTION

The 2015 Workforce Housing Trust Fund (WFHTF) Report is in response to the requirements of O-2006-030, the Workforce Housing Opportunity Act. The Workforce Housing Trust Fund is administered by the City's Department of Family and Community Services (DFCS).

In 2007, the voters of Albuquerque passed 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 to \$2.5 Million. Therefore, since its inception, the citizens of Albuquerque have approved \$32.5 Million for the Workforce Housing Trust Fund.

The Report provides a summary of the overall achievements of the WFHTF Program since 2012, when the last report was completed.

## WFHTF: HELPING THE VULNERABLE

Since 2007, approximately \$31.4 Million in WFHTF have been committed to increase the supply of Affordable Housing opportunities in the City of Albuquerque. The result is 15 Affordable Housing Development activities, to rehabilitate and/or construct quality affordable multi-family housing units. The remaining three (3) activities are for future development of affordable housing and are considered Land Banking projects. Through the third quarter of 2015, the completed Affordable Housing Developments have created 705 total multi-family housing units. Of these 705 units, 611 units will be 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 "A" below is a breakdown of the Median Family Incomes for the Albuquerque Metropolitan Statistical Area (MSA) for 2015 as published by the United States Department of Housing and Urban Development (HUD). Table "B" is a listing of Projects funded to date by the WFHTF Program disaggregated by Project type, number of total units, number of affordable units, and type of affordable unit.

*Table "A": Albuquerque MSA 2015 MFI Limits*

	<b>1 Person Household</b>	<b>2 Person Household</b>	<b>3 Person Household</b>	<b>4 Person Household</b>	<b>5 Person Household</b>
<b>30% of MFI Extremely Low</b>	\$12,500	\$14,250	\$16,050	\$17,800	\$19,250
<b>50% of MFI Very Low</b>	\$20,800	\$23,800	\$26,750	\$29,700	\$32,100
<b>80% MFI Low Income</b>	\$33,250	\$38,000	\$42,750	\$47,500	\$51,300

As illustrated by the table below, Workforce Housing Trust Funds 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 recession. WFHTF dollars supported the completion of 611, new affordable housing units, for some of the City's most vulnerable residents.

Agency	Project Name	Total Units	Affordable Units	Project Type	WFHTF	Federal HOME/CDBG	City Land Contribution (Value)	TDC
Greater Albuquerque Housing Partnership	Plaza Feliz	66	55	Rental		\$ 2,850,000.00	\$ 620,000.00	\$ 12,290,007.00
Greater Albuquerque Housing Partnership	Plaza Cuidana	68	55	Rental	\$ 2,581,500.00	\$ 121,196.00	N/A	\$ 13,698,236.00
Habitat for Humanity	Trujillo Road	16	16	Owner		\$ 826,580.63	N/A	\$ 1,926,580.63
Newlife Homes	NLH4	48	48	Rental	\$ 1,051,561.00	\$ 200,000.00	N/A	\$ 6,965,802.00
Newlife Homes	Luna Lodge	30	30	Rental	\$ 1,241,523.00		N/A	\$ 4,339,523.00
Newlife Homes	Sundowner	71	60	Rental	\$ 2,112,908.00		N/A	\$ 8,846,479.00
New Mexico AIDS Services	1023 Central/ Sleepy Hollow	10	10	Rental		\$ 1,578,802.00	N/A	\$ 1,879,772.00
Sawmill Community Land Trust	Villa Nueva/ Senior	46	44	Rental	\$ 544,000.00		N/A	\$ 9,190,475.00
Sawmill Community Land Trust	Artisan @ Sawmill Village	62	60	Rental	\$ 760,000.00		N/A	\$ 10,171,877.00
Sawmill Community Land Trust	Barelas 7th & Iron	4	4	Owner	\$ 907,516.00	\$ 200,000.00	N/A	\$ 944,766.93
Supportive Housing Coalition	Downtown @ 700 2nd	72	59	Rental	\$ 2,607,441.00			\$ 12,399,604.00
Supportive Housing Coalition/Romero Rose	Silver Gardens Phase I	66	56	Rental	\$ 1,898,412.00			\$ 13,215,758.00
Supportive Housing Coalition/Romero Rose	Silver Gardens Phase II	55	45	Rental	\$ 2,500,000.00			\$ 8,983,668.00
Supportive Housing Coalition	Sunport Plaza Phase II	20	20	Rental	\$ 1,118,390.00		N/A	\$ 1,118,390.00
YES Housing/Romero Rose	Casitas de Colores	71	49	Rental	\$ 2,774,500.00	\$ 1,524,500.00		\$ 16,272,415.00
<b>TOTALS OF COMPLETED PROJECTS</b>		<b>705</b>	<b>611</b>		<b>\$ 20,097,751.00</b>	<b>\$ 7,301,078.63</b>	<b>\$ 620,000.00</b>	<b>\$ 122,243,353.56</b>
Greater Albuquerque Housing Partnership	Cuatro Senior Housing	56	55	Rental		\$ 2,416,000.00	N/A	\$ 12,171,350.00
YES Housing/Silverman	Imperial Building	74	60	Rental	\$ 3,350,000.00			\$ 16,428,141.00
Sawmill Community Land Trust	Madera Crossing	57	23	Rental		\$ 4,149,288.00	N/A	\$ 12,645,820.00
Greater Albuquerque Housing Partnership	Casa Feliz	85	85	Rental		\$ 2,600,000.00	\$ 355,800.00	\$ 15,002,556.00
Newlife Homes	Gateway 66	76	60	Rental	\$ 1,800,000.00			\$ 12,868,672.00
Catholic Charities	Generations at West Mesa	54	45	Rental	\$ 2,000,000.00		\$ 405,500.00	\$ 9,836,663.00
COA	Railyards	TBD	TBD	Land Banking	\$ 1,915,729.00		TBD	TBD
Sawmill Community Land Trust	Blue Linx	TBD	TBD	Land Banking	\$ 1,069,140.00		TBD	TBD
COA	3525 4th Street NW	TBD	TBD	Land Banking	\$ 1,200,000.00		TBD	TBD
<b>TOTALS OF PENDING PROJECTS</b>		<b>402</b>	<b>328</b>		<b>\$ 7,984,869.00</b>	<b>\$ 9,165,288.00</b>	<b>\$ 761,300.00</b>	<b>\$ 78,953,202.00</b>
<b>CUMULATIVE TOTALS OF COMPLETED AND PENDING PROJECTS</b>		<b>1107</b>	<b>939</b>		<b>\$ 31,432,620.00</b>	<b>\$ 16,466,366.63</b>	<b>\$ 1,381,300.00</b>	<b>\$ 201,196,555.56</b>

## WFHTF: A MECHANISM FOR GAP FINANCING

In addition to funding the rehabilitation and/or new construction of affordable housing units for vulnerable populations, the WFHTF 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 that 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 WFHTF Program does ensure that WFHTF monies are used as effectively and efficiently as possible. Therefore, the City's contributions of approximately \$31.4 Million in Workforce Housing Trust Funds and over \$16 Million in HOME funds will result in approximately \$201 Million 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" below illustrates that WFHTF have been leveraged more than the required 4:1 ratio, on completed development projects.

*Table "C": WFHTF monies leveraged (Completed Development Projects)*

<b>Project Name</b>	<b>WFHTF \$</b>	<b>TDC</b>
Artisan at Sawmill Village	\$760,000	\$10,171,877.00
Casitas de Colores	\$2,774,500	\$16,272,415.00
Downtown @ 700-2nd	\$2,607,441	\$12,399,604.00
Luna Lodge	\$1,241,523	\$4,339,523.00
NLH4	\$1,051,561	\$7,794,791.00
Plaza Ciudadña	\$2,581,500	\$13,698,236.00
Silver Gardens Phase I	\$1,898,412	\$12,832,448.00
Silver Gardens Phase II	\$2,500,000	\$8,983,668.00
Sundowner	\$2,112,908	\$8,846,479.00
Sunport Plaza Phase II	\$1,118,390	\$1,118,390.00
SCLT Villa Nueva	\$544,000	\$9,190,475.00
Barelas 7 <sup>th</sup> and Iron (Home Ownership)	\$907,516	\$944,766.93
<b>Total:</b>	<b>\$20,097,751</b>	<b>\$106,592,672.93</b>

## ADDITIONAL DFCS COMMITMENTS

The CUATRO Senior Housing and Imperial Building projects have received 2014 Low Income Housing Tax Credit allocations from the New Mexico Mortgage Finance Authority (MFA) and are currently under construction.

The Madera Crossing project received a 2014 Low Income Housing Tax Credit allocation from the MFA. Subsequently, that allocation was rescinded by the MFA, due to financing issues. The developer modified the project and secured alternate funding sources to allow the project to continue on. The project is planning to break ground in 2015.

The Casa Feliz project received a 2015 Low Income Housing Tax Credit allocation from the MFA and is planning to break ground by the end of 2015.



The Gateway 66 project has been unsuccessful in receiving a Low Income Housing Tax Credit allocation from the MFA for the past two tax credit rounds. This project is currently on hold until financing issues can be resolved.

The Generations at West Mesa, senior housing project, plans to apply to the MFA for Low Income Housing Tax Credits for the 2016 round.

Finally, the City has acquired a property located on north 4<sup>th</sup> Street that has been a nuisance on the community. \$1.2 Million was designated by City Council to acquire the 5 acre parcel in 2014. The environmental remediation of contaminated soils was completed in the third quarter of 2015. The City plans to administer a Request for Proposals in 2016 to identify possibilities of future affordable housing development.

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

Because WFHTF 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, 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 the a testament to how the City can leverage its funding and create a greater, more positive impact on the some of the most-deserving communities of Albuquerque, rather than being the sole funder of small housing projects.

Since the last WFHTF Report, seven (7) additional multi-family housing developments and one (1) single-family, homeownership development, have been successfully completed. The following Affordable Housing Developments illustrate the creation of quality, affordable housing developments that are a result of WFHTF. Luna Lodge, Silver Gardens Phase II, Sunport Plaza Phase II, Artisan at Sawmill Village, Sundowner, Plaza Ciudana, Casitas de Colores, and SCLT Barelas.



**PLAZA CIUDANA-** Located at 312 Indian School Rd NE, Albuquerque, NM 87102, the project consisted of the construction and management of a one, two, and three-story

multi-family building, on a previously acquired property, also funded by the City's Workforce Housing Trust Funds. In particular, the Project included the construction of a 68-unit affordable, multi-family housing project for City residents who are at or below 60% of the Area Median Income (AMI). Of the 68 units, 5 units are for households at or below 40% of Area Median Income (AMI), 34 units are for households at or below 50% of AMI, 17 units are for households at or below 60% AMI, and 12 units are Market Rate units, 1 unit of which Market Rate units, is for the use of an on-site manger. At least five (5) units are set aside for persons with special needs. Additionally, the Developer provides courses in financial literacy and homebuyer counseling and education classes to residents.



**LUNA LODGE-** Located at 9119 Central Ave NE, Albuquerque, NM, 87123. Luna Lodge consists of a 30 unit multifamily, mixed use affordable rental development for low income households at or below 50% of the Area Median Income (AMI). Of the 30 units, 20 are one bedroom units, 10 are 2 bedroom units and 10 of the 30 units are set aside for persons with mental and/or physical disabilities. The Project consisted of the rehabilitation of the historic “Luna Lodge” motel into a 14 unit apartment complex and the construction of sixteen additional units on an adjacent lot on the backside of the current “Luna Lodge” site. Additionally, the Project houses a community room that serves as a small business incubator for a commercial kitchen/café and double as a meeting venue for residents.



**SUNDOWNER-** Located at 6101 Central Ave NE, Albuquerque, NM, 87108. Sundowner consists of a 71 unit multifamily, mixed-income affordable rental development for extremely low income households at or below 30% of the Area Median Income (AMI), very low income households at or below 50% AMI and also household with incomes above 80% AMI. Of the 71 units, 44 are efficiency units, 15 are one-

bedroom units, 11 are 2-bedroom units, 1 is a 3-bedroom unit and 18 of the 71 units are set aside for persons with mental and/or physical disabilities. The Project consisted of the rehabilitation of the historic “Sundowner” motel into a 71 unit apartment complex. Additionally, the Project houses a community room that will serve as a meeting venue for residents and 3,400 SF commercial/retail space along Central Avenue.



**Artisan at Sawmill Village-** The first phase of the Sawmill Village Apartment development, is located at 1751 Bellamah Avenue NW, Albuquerque, New Mexico 87104. The Project consists of a two building, 62 unit development. The Artisan at Sawmill Village includes a total of 60 affordable housing rental units, including 39 one-bedroom, 6 two-bedroom and 15 three-bedroom units for families earning 50% or less of the AMI

**Sunport Plaza Phase II-** Located at 1325 Wellesley Dr. SE, Albuquerque, NM, 87106, the Project consists of the rehabilitation of a 20 unit affordable rental development for low income households at or below 50% of the Area Median Income (AMI). Of the 20 units, 12 are one (1) bedroom units and eight (8) are studio units. This 20 unit building had remained vacant for many years prior and is the fourth, and final, building of the Sunport Plaza Apartments property to be rehabilitated.





**Silver Gardens Phase II-** Located generally between First and Second Streets on Silver Avenue, SW. The Project consists of fifty-five units of affordable mixed-income and service-enhanced housing, serving primarily residents of the Pocket of Poverty (“POP”). Specifically, the affordable units consists of seven (7) units designated for residents at or below 30% of the median income; twenty-one (21) units designated for residents at or below 50% of the median income and seventeen (17) units designated for residents at or below 60% of the median income. The Project includes all predevelopment activities required to fully develop the second phase of the Silver Gardens Project. Of the remaining ten (10) units, nine (9) are leased at market rate and one (1) designated for an onsite Project manager.



**Casitas de Colores-** Located generally between Second and Third Streets on Lead Avenue, SW. The Project consists of 71 units, including 49 affordable units, creating a mixed-income housing development, serving families in the downtown area. All of the Affordable units are at or below 50% AMI. Specifically, 15 units are at or below 30% AMI, 17 units are at or below 40% AMI, and 17 units are at or below 50% AMI.



**SCLT Barelás-** Located on the outer boundary of downtown, SCLT Barelás is in the Barelás Neighborhood near the intersection of 7<sup>th</sup> Street and Iron Avenue, SW, where a dilapidated old motel had been a blight on the community. The buildings were demolished and replat into four, narrow, 25 foot lots. This infill development has transformed this former nuisance, into four, two-bedroom homes for persons at or below 80% AMI. The construction of the project was completed in 2015 and all four homes have been sold.

#### WFHTF: SUPPORTING THE LOCAL ECONOMY

As “Table D” below illustrates, WFHTF supported projects generated more than \$7 Million in Gross Receipt Tax within the state of New Mexico with nearly \$2.5 Million of that in Gross Receipt Tax for the City of Albuquerque. When compared to the costs for the City to implement the WFHTF Program, i.e., costs associated with staff time, application materials, etc., the Program more than pays for itself.

“Table D”: Project Spending by Gross Receipt Tax Earned

	Project Spending * minus land costs	City 2.2706%- 2.2875%	State 3.7750%- 3.9000%	County 0.6669%- 0.8125%	Total GRT
Artisan at Sawmill Village	\$10,486,591	\$283,767	\$395,869	\$69,935	\$749,571
NLH4	\$6,740,802	\$153,058	\$254,465	\$44,953	\$452,476
Silver Gardens Phase 1	\$13,215,758	\$300,080	\$498,895	\$88,133	\$887,108
Downtown@ 700-2nd	\$11,334,604	\$257,366	\$427,881	\$75,588	\$760,835
Luna Lodge	\$3,739,523	\$84,911	\$145,841	\$29,472	\$490,976
Villa Nueva (Sawmill Senior)	\$9,190,475	\$208,681	\$358,429	\$72,432	\$639,542
Silver Gardens Phase II	\$8,983,668	\$203,985	\$350,363	\$70,803	\$625,151
Sunport Plaza Phase II	\$996,601	\$22,629	\$38,867	\$7,854	\$69,350
Casitas de Colores	\$16,272,415	\$467,832	\$364,624	\$132,213	\$964,669
Plaza Ciudadana	\$12,703,236	\$290,587	\$495,426	\$103,214	\$889,227
Sundowner	\$7,296,479	\$166,907	\$284,563	\$59,284	\$510,754

<b>Total:</b>	<b>\$100,960,152</b>	<b>\$2,439,803</b>	<b>\$3,615,223</b>	<b>\$753,881</b>	<b>\$7,039,659</b>
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In addition to adding money to the local economy in the form of Gross Receipt Tax, WFHTF supported projects also generated an estimated \$37,350,580 in indirect spending.

*“Table E”: Indirect spending by Project*

<b>Project Name</b>	<b>Indirect Spending</b>
Artisan at Sawmill Village	\$3,878,990
NLH4	\$2,494,097
Silver Gardens Phase 1	\$4,889,830
Downtown@ 700-2 <sup>nd</sup>	\$4,193,803
Luna Lodge	\$1,383,624
Villa Nueva (Sawmill Senior)	\$3,400,476
Silver Gardens Phase 11	\$3,323,957
Sunport Plaza	\$368,742
Casitas de Colores	\$6,019,166
Plaza Ciudadana	\$4,698,927
Sundowner	\$2,698,968
<b>Total:</b>	<b>\$37,350,580</b>

Lastly, another very important way that the WFHTF Program supports the local economy is by creating much needed employment opportunities for City residents in the form of direct and indirect jobs. Since 2008, at a time when the Housing Sector began losing jobs due to a sharp decline in the housing market, the WFHTF Program helped create over 1,184 local employment opportunities. As “Table F” demonstrates, the WFHTF Program not only helps to revitalize neighborhoods, it also works to support local economies.

*“Table F”: Direct and Indirect Jobs Created by Project*

	<b># of Units</b>	<b>Direct Jobs Created</b>	<b>Indirect Jobs Created</b>	<b>Total Jobs (One-Time)</b>
Artisan at Sawmill Village	62	82	37	119
NLH4	48	64	29	93
Silver Gardens Phase 1	66	88	40	128
Downtown@ 700-2 <sup>nd</sup>	72	100	46	146
Luna Lodge	30	40	18	58
Villa Nueva Sawmill Senior	46	61	28	89
Silver Gardens Phase II	55	73	34	107
Sunport Plaza	20	27	12	39

Casitas de Colores	71	94	43	137
Plaza Ciudadana	68	90	41	131
Sundowner	71	94	43	137
Total:	609	813	371	1,184

## 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, WFHTF has been able to stimulate development activity that may not otherwise be occurring. Along with the WFHTF, 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 choosing 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. WFHTF money helps supplement the up-front cost of building green and the green features help create better health outcomes and lower long-term operational costs. Lowering the operational costs assist developers meet permanent affordability requirements and insures WFHTF dollars create long term benefits. Permanently affordable housing works to financially stabilize individuals, families and the work force 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 transitional housing. On-site social service coordinators serve as advocates for residents and enhance the safety and support necessary for successful outcomes. Positive outcomes also are supported by the public 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 of low income helps to ease the stigmatization of affordable housing developments and humanizes income differences.

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

