



Tim Keller, Mayor

12/19/2024

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**To:** Albuquerque Development Commission

**From:** China Osborn, Redevelopment Project Manager

**Subject:** Housing Conversion RFP #01-2025 – ADC Case #2024-16

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**Executive Summary.** On July 26, 2024, the Metropolitan Redevelopment Agency (“MRA”) issued RFP #01-2025 (“RFP”), offering up to \$4 million in gap funding for a project that would convert an existing non-residential building (e.g. hotel or office) to residential use, and with at least 20% of the units affordable to households at or below 80% AMI.

The RFP was open to any Metropolitan Redevelopment Area (MR Area) and required projects to meet the goals of the relevant MR Area Plan, as well as obtain the minimum required points in the Community Benefit Matrix (10 points). The RFP closed on September 27, 2024, at 5:00 PM, and three submittals were received.

During the review process, one of the submittals was deemed ineligible to continue with the process, as the ownership of the property was changing and would not meet the site control requirements of the RFP. Therefore, two proposals remained under consideration by the Advisory Committee, the “Park Central Apartments” project for the conversion of an existing vacant office building at Central Ave and San Mateo Blvd into approximately 155 housing units and the “Lomas Towers” project for the conversion of an existing partially vacant office building on Lomas Blvd between 2<sup>nd</sup> and 3<sup>rd</sup> Streets into 100 housing units. Given the merit of both projects and the fact that the Committee scored them similarly, the final recommendation of the Advisory Committee was to split the available funds evenly between the two projects.

**Background.** On or before the RFP deadline of September 27, 2024, staff received three responsive proposals, which were forwarded to the RFP Advisory Committee:

***Proposal 1: Park Central Apartments***

The project proposal was submitted by Silverstone Equity Partners LLC to redevelop the currently vacant Two Park Central Tower, located at 300 San Mateo Blvd NE, in the Near

Heights Metropolitan Redevelopment Area, into 101 mixed-income multi-family residences (later revised to 155 units). The proposal includes approximately 66 affordable units at 80% AMI or below (later revised to 77 units). The project application was deemed complete by MRA staff and the applicant submitted for 12 points in the Community Benefit Matrix.



*Figure 1: Rendering Park Central Apartments, courtesy of Equiterra Regenerative Design (final design subject to change)*

### ***Proposal 2: Lomas Tower***

The project proposal was submitted collectively by Lincoln Avenue Communities, Fairview Housing Partners LTD, and Geltmore LLC to redevelop the currently partially vacant Wells Fargo Tower, located at 200 Lomas Blvd NW, in the Downtown 2025 Metropolitan Redevelopment Area, into 100 multi-family residences affordable at 70% AMI or below. The project application was deemed complete by MRA staff and the applicant submitted for 21.5 points in the Community Benefit Matrix.



*Figure 2: Façade Option, courtesy of Dekker Architecture  
(final design subject to change)*

### ***Proposal 3: El Don***

The project proposal was submitted by 2222 Central LLC to redevelop the El Don Motel, located at 2222 Central Ave SW, in the Historic Central Metropolitan Redevelopment Area into 20 permanent housing residences affordable at 60% AMI. The project application was deemed complete by MRA staff and the applicant submitted for 20 points in the Community Benefit Matrix.



*Figure 3: El Don Motel, courtesy of Google Images*

**Review Process.** After its initial review of the proposals, the RFP Advisory Committee requested that the applicants submit additional information, including updated financial information and site control documents. The review committee also asked that the

applicants submit a narrative indicating how they would fill any financial gap if their project was awarded less than the original asking amount. All three respondents to the RFP initially agreed to submit the additional information to the Advisory Committee by the deadline of November 27<sup>th</sup> at 5:00 PM MT. Both the Park Central Apartments and Lomas Tower applicants submitted the additional information requested. The applicant for the El Don project, however, informed MRA staff via email on November 22, 2024 that they would be selling the project to another investor. Neither the previous applicant nor the new investor submitted the required information, including the required site control documents, thereby disqualifying the application from continuing with the RFP selection process. A letter to that effect has been sent to the applicant.

MRA staff forwarded the additional information from the remaining two project proposals to the Advisory Committee, which deliberated on the additional information on December 5, 2024. On December 9, 2024 the Advisory Committee forwarded its recommendation to MRA staff to split the award evenly between the two remaining applicants, finding both applications to be very close in scoring. Additionally, the recommendation to split the award was in response to uncertainties around both of these projects, including significant potential financing gaps, which make the chance of project completion unclear for each. The Advisory Committee also recommended that if one of the awardees fails to meet the timelines and milestones agreed to in the final development agreements, the City should reserve the right to reallocate the remaining funding to the other Housing Conversion project, pending City Council approval, or to distribute the remaining balance via another Housing RFP. If both projects fail to meet the timeline, funds shall revert back to MRA and HHH, respectively.

**Review Criteria:**

1. The Park Central Apartments and the Lomas Tower projects adequately meet the RFP Threshold Criteria as follows:
  1. **Located in an eligible Metropolitan Redevelopment Area.**  
Park Central Apartments: The project is located in the Near Heights Metropolitan Redevelopment Area.  
Lomas Tower: The project is located in the Downtown 2025 Metropolitan Redevelopment Area.
  2. **Creates at least 10 new affordable housing units, a minimum of 20% of units must be affordable to households at or below 80%.**  
Park Central Apartments: The project creates 155 new dwelling units of which 77 or 49.7% are proposed to be affordable at 80% AMI or below.

Lomas Tower: The project creates 100 new dwelling units of which 100% are proposed to be affordable at 70% AMI or below.

3. **Must demonstrate site control in the form of a deed, long-term lease, or an exclusive option to purchase/lease that expires no sooner than nine months after the due date of the RFP.**

Park Central Apartments: The applicant submitted a deed in the developer's name at the time of submittal.

Lomas Tower: The applicant submitted a purchase agreement that expires January 31, 2025. This agreement also outlines an option to purchase the adjoining parking lot, which is separately owned and has been leased to Wells Fargo.

2. The Park Central Apartments and the Lomas Tower projects advance the goals of the Evaluation Criteria as follows:

1. **Alignment to relevant Metropolitan Redevelopment (MR) Area Plan.**

Park Central Apartments: The project's residential and mixed-use components align with the goals of the Near Height MR Area Plan, including a proposed neighborhood coffee shop and community green space, contributing to the area's transformation into a vibrant "destination" with an international theme. By providing affordable housing options and fostering economic opportunities, Park Central Apartments helps stabilize low-income neighborhoods and promotes inclusivity and diversity within the community.

Lomas Tower: The project adds residential and retail components that further the goals of the Downtown 2025 MR Area Plan, by contributing to the creation of urban housing and adding components of healthy, pedestrian-first neighborhoods.

2. **Increases housing affordability**

Park Central Apartments: The project will provide approximately 77 affordable units at 80% AMI or below, out of a total of 155 units.

Lomas Tower: The project will provide 100 units of affordable housing at 70% AMI or below.

3. **Meets City housing goals**

Park Central Apartments: The project addresses significant housing needs within the community, particularly in the context of the University of New Mexico (UNM) and the expanding UNM Hospital Complex. With a projected creation of 155 housing units, the project contributes to alleviating the acute



shortage of multifamily housing in the area, catering to the diverse needs of students, faculty, and medical professionals associated with UNM.

Lomas Tower: The project provides dense housing in the urban center, meeting the city's housing goals for downtown.

**4. Alignment with Community Benefit Matrix**

Park Central Apartments: The applicant scored the project at 12 points, two points above the minimum of 10 points in the Community Benefit Matrix.

Lomas Tower: The applicant scored the project at 21 points, 11 points above the minimum of 10 points in the Community Benefit Matrix.

**5. Development team experience.**

Park Central Apartments: The applicant submitted substantial development experience with over 640 new residential units and just under a total of 600,000 sf of construction in both residential and non-residential developments.

Lomas Tower: The applicant submitted substantial development experience with 201 residential units developed and over 500,000 sf of construction in both residential and non-residential developments.

**6. Project schedule.**

Park Central Apartments: The applicant submitted a project schedule, with project completion approximately 1 year from the start of construction.

Lomas Tower: The applicant submitted a project schedule, with project completion approximately 18 months from the start of construction.

**7. Financial plan.**

Park Central Apartments: The applicant submitted a financial plan and is estimating financial stabilization in 2028.

Lomas Tower: The applicant submitted a financial plan and is estimating financial stabilization in 2027.

**8. Incorporates Universal Design (Bonus).**

Park Central Apartments: At least 5% of the affordable units will be ADA accessible, providing accessibility features to accommodate individuals with Disabilities.

Lomas Tower: The proposal does not specify what percent, if any, of the units will incorporate universal design standards.

**Recommendation:**

That the ADC approve the RFP 01-2025 award of \$2 million in gap financing to the Park Central Apartments housing conversion project (Silverstone Equity Partners LLC) and \$2 million in gap financing to the Lomas Tower housing conversion project (Lincoln Avenue Communities, Fairview Housing Partners LTD, and Geltmore LLC) and directs that MRA

staff proceed with negotiations with the respective developers for each project on the development agreements and to return to the ADC to present the negotiated development agreements, subject to the following findings and one condition of approval.

**Findings:**

1. As provided in the New Mexico State Metropolitan Redevelopment Code and the Metropolitan Redevelopment Agency Ordinance for the City of Albuquerque, MRA issued a Request for Proposal #01-2025 on July 26, 2024, soliciting housing conversion redevelopment project proposals for any Metropolitan Redevelopment Area due on September 27, 2024.
2. Legal notice was published in the Albuquerque Journal on September 14<sup>th</sup> and September 21<sup>st</sup> of 2024.
3. MRA initially received three (3) responsive proposals to RFP 01-2025 and sent the applications to the RFP Review Committee. The Advisory Committee requested additional clarifying information from all the applicants, to which they agreed. However, the El Don proposal was deemed ineligible to continue with the review process after not responding to the request for clarification and deciding to transfer ownership of the building to another investor.
4. The two (2) final responsive proposals to RFP 01-2025 are the Park Central Apartments, located at 300 San Mateo Blvd NE, for 155 mixed-income multi-family residences, including approximately 77 affordable units at 80% AMI or below, and the Lomas Tower project, located at 200 Lomas Blvd NW, in the Downtown 2025 Metropolitan Redevelopment Area for 100 multi-family residences, affordable at 70% AMI or below.
5. The Park Central Apartments and the Lomas Tower projects adequately meet the Threshold Criteria, by being located in an eligible Metropolitan Redevelopment Area, creating at least 10 new affordable housing units of which a minimum of 20% of units are affordable to households at or below 80%, and demonstrating site control in the form of a deed, long-term lease, or an exclusive option to purchase/lease that expires no sooner than nine months after the due date of the RFP.
6. The Park Central Apartments and the Lomas Tower projects advance the goals of the Evaluation Criteria including alignment to the relevant Metropolitan Redevelopment Area Plan, increasing housing affordability, meeting the City

housing goals, alignment with the Community Benefit Matrix, having adequate development team experience, presenting a reasonable project schedule and financial plan, and Incorporating Universal Design, where applicable.

7. The RFP Advisory Committee, after reviewing all eligible proposals recommended unanimously dividing the available funds between the Park Central Apartments and Lomas Tower projects, awarding \$2 million in gap financing to each project.

**Condition of Approval:**

1. No later than 6 months from the date of ADC approval, the applicant shall complete the negotiation of the terms of the development agreement with MRA and return to the ADC for approval of the final development agreement.

**Attachments:**

- A. RFP 01-2025 (Housing Conversion)
- B. Park Central Apartments Project Proposal
- C. Park Central Apartments Supplemental Material
- D. Lomas Tower Project Proposal
- E. Lomas Tower Supplemental Material
- F. Advisory Committee recommendation letter