



Tim Keller, Mayor

06.07.2024

To: Albuquerque Development Commission

From: Jennifer Jackson, MRA Manager

Subject: Somos Redevelopment Tax Abatement – Case #2024-5

Executive Summary. Sol Housing (formerly the Greater Albuquerque Housing Partnership) (“Applicant”) has applied for a Redevelopment Tax Abatement (“RTA”) for the Somos affordable housing project. The project is governed by a Development Agreement with MRA to provide the MRA-owned land at Central & Alcazar, which was recommended for approval by ADC on 11/16/2023 and approved by City Council on 12/4/2023.

Somos will be a 70-unit affordable housing complex on the approximately 1-acre site. The project will also include 1,791 square feet of commercial space. Eighty-four percent of the housing units will be income-restricted units.

Value of RTA. The current property tax bills for the property is \$0, since it is currently owned by the City (as a non-taxed entity). Following completion of the Project, the new annual property tax amount is estimated to be \$81,647. The estimated value of the property tax abated on the Project would be \$73,482 annually, or \$514,376 over a period of 7 years (taxes abated minus annual MRA fees).

Detailed report of Application. The following section details how the project meets the RTA Threshold Criteria and Evaluation Criteria.

RTA Threshold Criteria

Criteria	Staff Evaluation
MR Area. Projects must be located in a Metropolitan Redevelopment Area with an Approved Metropolitan Redevelopment Plan.	The project is located in the Near Heights MR Area. City Council adopted the University Area Metropolitan Redevelopment Plan in 2000.
Site Control. Applicant must have site control.	The applicant has site control in the form of a Development Agreement with the Metropolitan Redevelopment Agency.
Minimum Project Size. The scope of the Project must meet <u>one</u> of the following criteria: <ul style="list-style-type: none"> • A minimum of eight additional (new or converted space from a different use) residential units are created; <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • A minimum of 10,000 sq. ft. of commercial space is created or put into active use 	The Project meets one of the minimum project sizes: <ul style="list-style-type: none"> • The project adds 70 housing units.

Community Benefit. A Project must achieve a minimum Community Benefit score of 100 based on the Community Benefit Matrix in Appendix B.	The project scores 200 points. See the Community Benefits Matrix below for details.
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Community Benefit Criteria	Points Earned
Sustainability	
<u>On-Site Solar.</u> Rooftop will be built to be solar-ready with necessary electrical infrastructure and structural support.	20
<u>EV Charging Stations.</u> Project includes at EV charging stations (at least 5% of on-site parking spots).	15
<u>Shift to Electric.</u> Project only includes electrical appliances (no gas hookups).	5
<u>Encourages alternative transportation.</u>	25
<ul style="list-style-type: none"> Includes a dedicated ride share loading space Provides a parking ratio less than 0.8 parking spaces per unit 	
<u>Efficient Unit Sizes.</u> All bedrooms are 570 square feet (less than the 600sf required).	20
Economic Development	
<u>Generates Gross Receipts Taxes.</u> Project adds at least 1,000 sf of retail space.	15
<u>Creates missing-middle development.</u> The project is a medium-size infill project that adds an exciting texture to the urban core. <i>Project adds 70 units.</i>	15
<u>Adds Density.</u> Projects in MRA are in areas of change. MR areas should maximize the allowable density to create vibrant urban districts. 50 – 99.99 dwelling units/acre – 25 points <i>The Project adds density at 72 dwelling units/acre.</i>	25
Community Benefits	
<u>Project provides Affordable Housing.</u> 84% of the units added will be affordable at or below 80% of the Area Median Income.	40
<u>Culture & Art.</u> Project includes a mural that is at least 150 sq. ft. or other significant artistic features such as a large sculpture, artistic lighting, etc. Art must be located within prominent public view. <i>The Project will install a mural, to be at least 150 sq. ft., on the exterior stairwell facing Yale.</i>	10
Diverse/Local Team	
<u>Developer is a local business</u>	10
Total Points Earned	200

RTA Evaluation Criteria

Criteria A: Removal of Blighted Conditions and Conformance with Metropolitan Redevelopment Area Plan. The applicant must demonstrate that the Project meets the relevant Metropolitan Redevelopment Plan goals.

- **Project results in the removal of slum or blighted conditions.** *The project will redevelop a lot, formerly home to the Blue Spruce Bar, which was acquired by the City of Albuquerque in 2004 due to crime and safety issues at the site. Despite past efforts to redevelop the site, the lot still remains a vacant blight on Central Avenue.*
- **Project furthers the goals and objectives of the adopted Metropolitan Redevelopment Area Plan.** *The Project is identified as an Opportunity Site in the Near Heights MR Area Plan. It furthers the objectives in the Plan by:*
 - *Developing a parcel along a corridor that was identified as a priority in the Near Heights Plan by adding 70 units of housing.*

- Advancing the goal of an International Marketplace by adding small-scale retail for local startup businesses and enhancing the connection between Talin Market and the subject property.
- Eliminating blight by developing a currently vacant and chain-link fenced lot that gathers weeds and litter.
- **Demolition of viable buildings has been/will be avoided.** There are no existing structures on the building.
- **Relocation of existing residents and businesses has been/will be avoided.** There are no businesses or residents on-site.

Criteria B: Design. RTA Projects shall meet the following enhanced design criteria to ensure high quality Projects that are recognized as exemplary:

- Buildings shall have exterior building materials and colors which are aesthetically pleasing and compatible with the overall site plan. Construction material shall provide variation in color, texture, and scale; **and**
- Each building elevation that faces a street or a customer parking lot shall be modulated. The wall and foundation line shall be offset at intervals so that there is at least one offset every 50 feet of wall length that varies the depth of the building wall by a minimum of 4 feet. Offsets shall comprise at least 10 percent of the length of the elevation, for at least 40 percent of the building height.

OR

If Projects cannot meet the enhanced design criteria above, applicants can propose other compensating design elements that ensure a high-quality Project

The project, while providing textural and depth variation, does not exactly meet the required offset depth (1ft instead of 4). Compensating design elements include Juliette balconies, multicolor awnings over the retail space; parapets; a large mural; and vertical trellises for plantings.

Criteria C: Applicant Experience. Applicant must demonstrate a record of financing, constructing, and managing Projects of this type and size, and has provided convincing evidence that the Project will be completed.

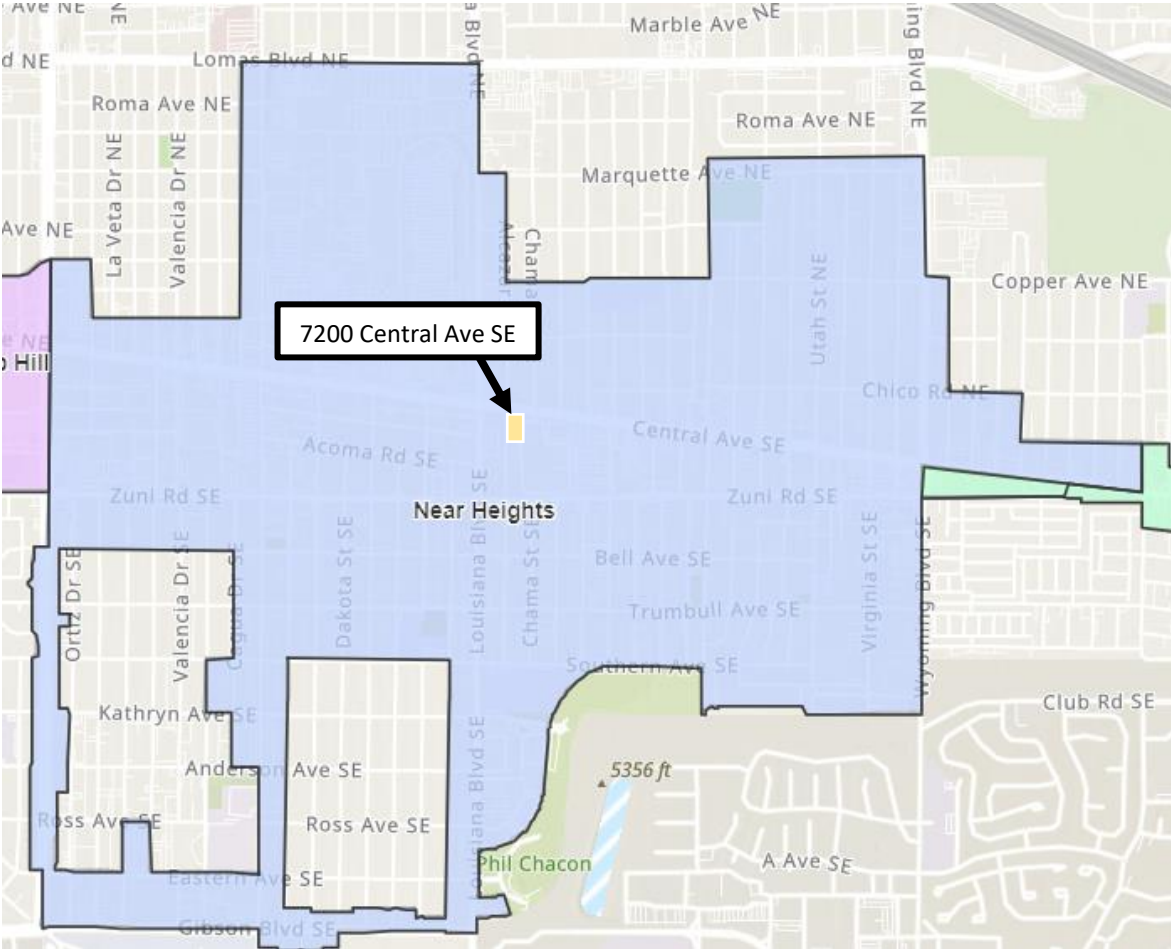
The Developer, Sol Housing, has an extensive and proven track record of successfully developing affordable housing projects of similar sizes and mixes in Albuquerque.

Findings:

- MRA found the Project meets all requirements outlined in the Redevelopment Tax Abatement PILOT Program:
 - The Project advances the goals of the Near Heights Redevelopment Plan by developing a vacant lot along a corridor that was identified as a priority in the Near Heights Plan. The Project will help eliminate blight by developing a currently vacant and chain-link fenced lot that gathers weeds and litter.
 - The Project meets the design criteria by creating an aesthetically pleasing project that provides variation in color, texture, and scale, and modulates the building elevation and façade;
 - The Applicant has demonstrated sufficient experience to reasonably complete the Project.

Recommended Motion: Based on the findings in the staff report, the ADC recommends to City Council approval, in form, of the Redevelopment Tax Abatement with Sol Housing for the development of Somos.

Site Location



Project Renderings

