



Tim Keller, Mayor

07.09.2024

**To:** Albuquerque Development Commission

**From:** Jennifer Jackson, MRA Manager

**Subject:** Garfield Townhomes Redevelopment Tax Abatement – Case #2024-5

**Executive Summary.** The Garfield Townhomes project is a 16-unit townhome project located in the University MRA. The development will consist of two separate buildings containing two-story, one-bedroom loft-style units. The development will be 100% electric, energy efficient, and will incorporate cooling design features, materials, and colors (e.g., white stucco, TPO roof, overhangs for shade, low-e coated windows) to enhance energy efficiency. The development is on currently-vacant land, which has struggled with weeds, trash, and blight for years. The developer, Garfield Townhomes, LLC, and the builder, Sunlight Properties, LLC, are led by Evan Davis—an Albuquerque native with over 15 years of experience designing and building energy efficient/net zero residential projects, and over nine years of experience as a developer. Evan has worked with MRA in the past, receiving a tax abatement for the recently-completed Ocotillo Ridge development in the Central/Highland MRA, which is a 20-unit townhome project on a formerly-vacant lot.

**Value of RTA.** The current property tax bill for the property is \$1,509.52. Following completion of the project, the new annual property tax amount is estimated to be \$25,511.00. The estimated value of the property tax abated on the Project would be \$21,601.00 annually, or \$151,209.32 over a period of 7 years (taxes abated minus annual MRA fees).

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

### RTA Threshold Criteria

Criteria	Staff Evaluation
<b>MR Area.</b> Projects must be located in a Metropolitan Redevelopment Area with an Approved Metropolitan Redevelopment Plan.	The project is located in the University MR Area. City Council adopted the University Area Metropolitan Redevelopment Plan in 2022.
<b>Site Control.</b> Applicant must have site control.	The applicant has site control.
<b>Minimum Project Size.</b> The scope of the Project must meet <u>one</u> of the following criteria: <ul style="list-style-type: none"> <li>A minimum of eight additional (new or converted space from a different use) residential units are created;</li> </ul> <p style="text-align: center;"><b>OR</b></p> <ul style="list-style-type: none"> <li>A minimum of 10,000 sq. ft. of commercial space is created or put into active use</li> </ul>	The Project meets one of the minimum project sizes: <ul style="list-style-type: none"> <li>The project adds 16 housing units.</li> </ul>

<b>Community Benefit.</b> A Project must achieve a minimum Community Benefit score of 100 based on the Community Benefit Matrix in Appendix B.	The project scores 100 points. See the Community Benefits Matrix next section for details.
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### Community Benefit Criteria

Category	Points Earned
<b>Sustainability</b>	
<u>EV Charging Stations.</u> Project includes EV charging stations (at least 5% of on-site parking spots).	15
<u>On-Site Solar.</u> Rooftop will be built to be solar-ready with necessary electrical infrastructure and structural support.	20
<u>Shift to Electric.</u> Project only includes electrical appliances (no gas hookups).	5
<b>Economic Development</b>	
<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 16 units.</i>	25
<u>Adds Density.</u> Projects in MRA are in areas of change. MR areas should maximize the allowable density to create vibrant urban districts. 20-49.99 dwelling units/acre <i>The Project adds density at 30.77 dwelling units/acre.</i>	15
<b>Diverse/Local Team</b>	
<u>Developer is a local business</u>	10
<u>General contractor is a local business</u>	10
<b>Total Points Earned</b>	<b>100</b>

### 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 proposed development will be on a vacant parcel that has long been a problem property, struggling with weeds, trash, and blight.
- **Project furthers the goals and objectives of the adopted Metropolitan Redevelopment Area Plan.** By developing a vacant lot that was a problem property, this project meets the goals to:
  - Develop a diverse mix of dense, new housing, and
  - Increase cleanliness and safety.
- **Demolition of viable buildings has been/will be avoided.** There are no existing structures on the parcel. There had been a house and garage on the site, but the home burned down years ago and a two-car garage was unsafe and unsalvageable and torn down in 2022.
- **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.

**Comments:** The buildings will be white stucco with galvanized metal accent walls. This design is meant to be both pleasing and energy efficient. The north-facing side is the only building face fronting a street. This development is broken into two buildings with a courtyard in the middle, effectively creating modulation by placing a courtyard between two structures. The two street-facing sides of the structures will be 32.6 feet wide, with a 19-foot courtyard between them. The courtyard serves the function of modulating the front of the building.

**OR**

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

**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.

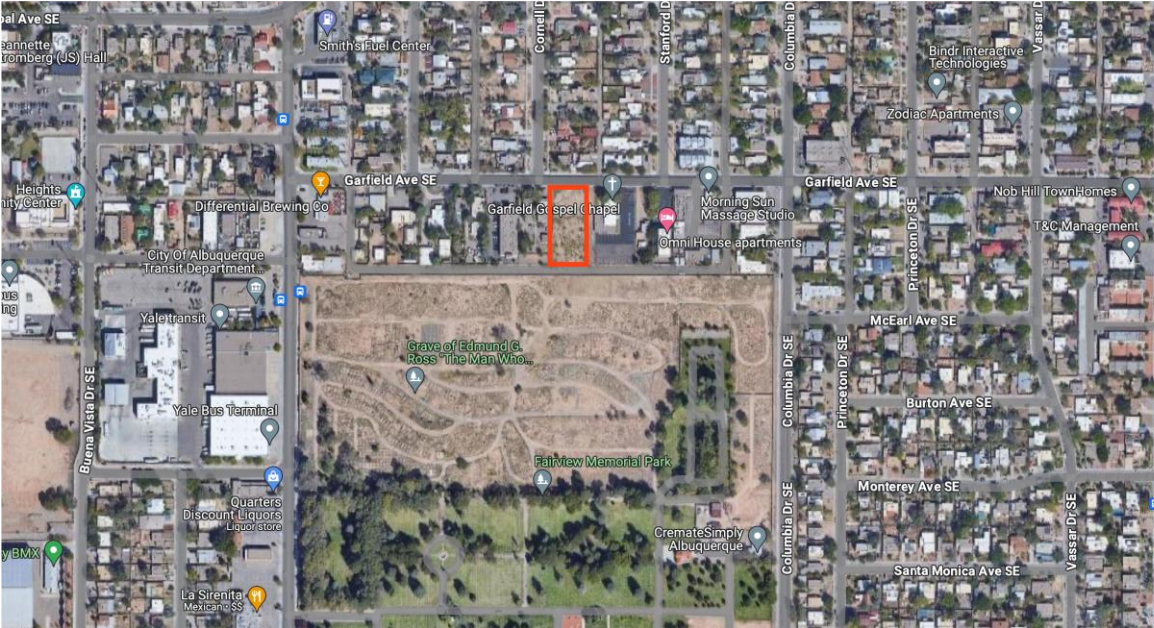
The Developer has a proven track record of successfully developing similar townhome projects in Albuquerque, including in the University area.

**Findings:**

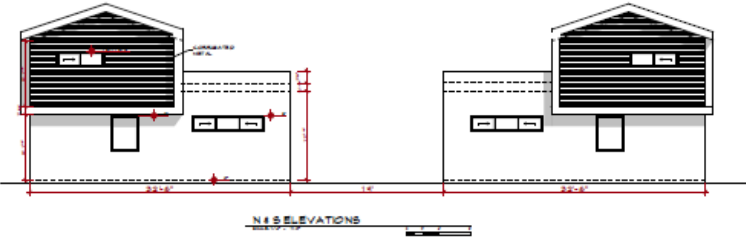
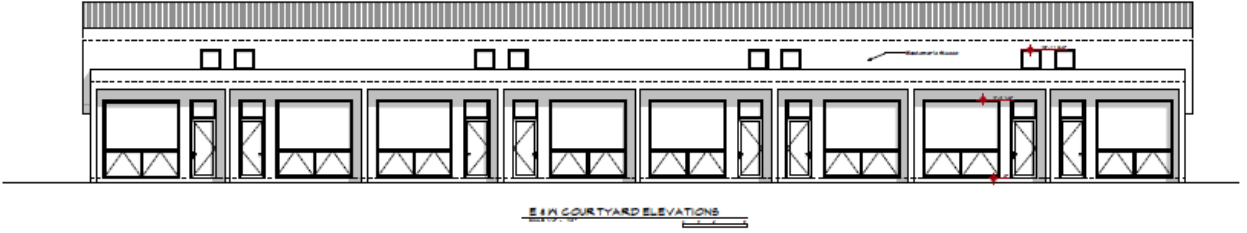
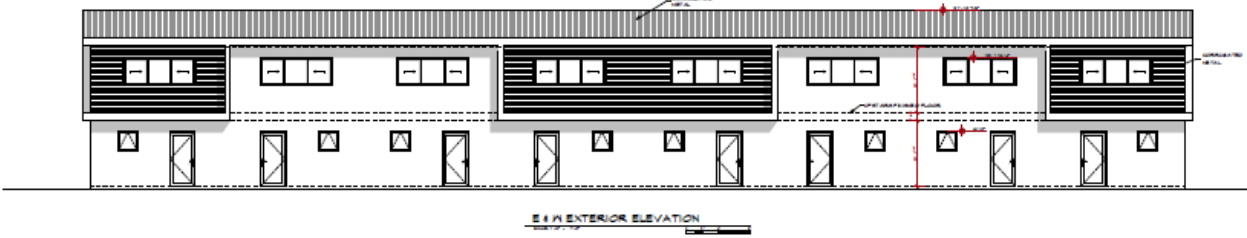
- MRA found the Project meets all requirements outlined in the Redevelopment Tax Abatement Program:
  - The Project advances the goals of the University MRA Plan by creating new housing and increasing cleanliness and safety. The Project will help eliminate blight by developing a currently vacant lot that gathers weeds and litter.
  - The Project meets the design criteria by creating an aesthetically pleasing development that incorporates energy efficient features into a light, clean design that is appropriate for the neighborhood;
  - The Applicant has demonstrated sufficient experience to reasonably complete the Project. The Developer has worked with MRA before on the successful Ocotillo Ridge project, which was similar in scope and scale.

**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 Garfield Townhomes LLC.

# Site Location



# Project Renderings



# Examples

200 and 202 Cornell (12-plex)

