

**City of Albuquerque
Metropolitan Redevelopment Agency**

**Request for Expression of Interest
Greater Downtown Housing Projects**



Selection Number: RFEI 01-2022

Issuance Date:

November 9, 2022

Pre-Proposal Conference (Attendance is Optional):

Wednesday, November 30, 2022; 10:00AM - 11:30AM

Register for the Zoom Meeting:

[Zoom Meeting Registration](#)

Join by phone:

Meeting ID: 886 8228 9123

Passcode: 819641

Dial by your location

+1 669 444 9171 US

One tap mobile

+16694449171,,88682289123# US

Deadline for submitting questions:

February 17, 2023

Direct Formal Inquiries (Exhibit A) to: crlithgow@cabq.gov

Deadline to submit Proposals:

March 3, 2023 at 4:00pm, Local Mountain Standard Time

Via Electronic Upload: https://sfftp.cabq.gov/link/6E7E_tYkNfo/

RFEI Website:

<https://www.cabq.gov/mra/request-for-proposals>

GLOSSARY OF TERMS

Throughout this Request for Expression of Interest the terms that begin capitalized letters are defined below:

ADC: Albuquerque Development Commission. The Commission for the Metropolitan Redevelopment Agency.

City: The Incorporated City of Albuquerque

Development Agreement: The terms of the awarded contract between the successful Proposer and the City.

MRA: The City of Albuquerque Metropolitan Redevelopment Agency.

MR Area(s): Legislatively designated Metropolitan Redevelopment Areas.

Project: The real estate development that is built as a result of this of the RFEI.

Proposal: Any submitted response to this REFI.

Proposer: A person or entity responding to this RFEI.

Request for Expression of Interest (RFEI): This document providing information and specific requirements for Proposers to submit Expressions of Interest under the terms outlined herein.

Subject Area: Certain legislatively designated Metropolitan Redevelopment Areas in which development projects may be eligible for this RFEI's funding incentives, as further described and identified in Exhibit B.

A. Introduction. The City of Albuquerque (“City”), through its Metropolitan Redevelopment Agency (“MRA”), invites developers to submit conceptual Expressions of Interest for housing projects in the greater downtown Albuquerque area. This Request for Expressions of Interest (“RFEI”) is intended to assess interest in and identify potential pipeline projects for housing projects in the greater downtown area which require gap financing to be financially feasible (“Project” or “Projects”). Responses to this RFEI will be used to select Proposers to enter into Exclusive Negotiation Agreements whereby the City and Proposer will outline the roles, responsibilities, and timeline for the Proposer and the City to conduct further planning, concept development, and financial analysis of the proposed Project and required City Funds. Subsequently, the City may enter into a Development Agreement with selected Projects.

The City has up to \$3 million (\$3,000,000.00) in funds, available to provide gap financing to support an achievable project that meets the goals and objectives of the relevant Redevelopment Area Plan and the Project Criteria outlined in this RFEI. Funds may be structured as equity, a loan, or a grant. The City anticipates awarding several projects through this RFP.

The purpose of the funding is to create more housing supply in the greater downtown area, and help bridge Albuquerque’s housing demand gap. Proposed Projects must include at least 50 units of new housing and be located in the one of the following designated Metropolitan Redevelopment Areas: Downtown, Railroad, Sawmill, Historic Central, Barelás, McClellan Park, Soldiers & Sailors Park, East Downtown, or certain portions of the South Broadway and North Corridor Metropolitan Redevelopment Areas (“Subject Area”). Please see **Exhibit B** for a map of the Subject Area. *Note that certain geographies of the North Corridor and South Broadway MR Areas will not be considered for this RFEI.*

This offering is intended to be flexible, and can include a mix of uses. Projects are encouraged to be creative, and proposals can be for new construction, redevelopment, or a mix of the two. MRA is not seeking detailed proposals or architectural plans, although it will not reject any specific or further-developed proposals that Proposers may seek to put forward. Rather, the MRA seeks expressions of interest from Proposers who have a compelling project and development team assembly, which include preliminary thoughts about programming, phasing, and deal structures. The Proposer will need to demonstrate the capacity and experience to deliver on that vision.

Ultimately, the MRA seeks teams that can demonstrate the capacity to deliver projects that best fulfill the goals expressed in the Threshold and Evaluation Criteria. Successful Proposers will move on to conduct further planning and analysis with MRA staff, and will be eligible recipients for funding. The final funding amount will be negotiated based on MRA’s assessment of the financial gap necessary for the project.

B. Form of Financial & Other Assistance. As authorized by the New Mexico Redevelopment Code (3-60A-1 to 3-60A-48 NMSA 1978) and the corresponding Albuquerque Ordinance, the City can offer the following resources proposed Projects:

- a. **Direct Financial Assistance:** Through this RFEI, the City is making available up to \$3 million (\$3,000,000.00) for “gap financing.” The City may recommend funding all or a portion of a Proposer’s request. Any loan or grant of City funds requires City Council approval.

City gap financing will not be available for pre-development expenses. City gap financing funds will be contributed no sooner than the closing of the construction loan along with other construction financing. The selected Project must also require traditional construction loans and owner/investor equity. The Project may not be financed solely with City funds. The City gap financing may be used for both public and private improvements. The City will finance no more than 20% of total development costs.

- b. **Assistance with City Development Process:** Upon selection of the development team(s), MRA will assist the successful Proposer by co-sponsoring any associated land use approvals necessary to accomplish the Project. Services will include advice and assistance with zoning review, site plan or subdivision approvals, and plan check and building permits, and expediting City response times when possible. The successful Proposer, at their expense, will be responsible for the preparation of all documentation to obtain any associated approvals and/or permits required to complete the project, as well as all permit fees. The City may waive the associated impact fees, if any.
- c. **Other Public Funding Sources:** Other public funding sources may exist for the Project that are not listed in this RFEI, including MRA's [Redevelopment Tax Abatement program](#). The City encourages Proposers to pursue other public funding sources, if necessary, to ensure financial feasibility. Proposers should keep in mind public incentives are subject to applicable local, state and federal laws and regulations, potential voter approval, funding availability and policies that govern those incentive programs.

C. Threshold Criteria. All Projects must substantially meet the following Threshold Criteria:

- a. ***Creates housing units.*** Proposed Projects must include a minimum of 50 new housing units. Mixed use projects with office/retail/cultural/community elements are also encouraged.
- b. ***Site control and location.*** The proposed site must be located within the Subject Area described in **Exhibit B**. The proposer must have site control in the form of a deed, long-term lease (at least 50 years), or an exclusive option to purchase/lease that expires, if not exercised, no sooner than nine months after the due date of this RFEI. The minimum housing unit count can be met by developing no more than three scattered sites.

D. Evaluation Criteria. The additional criteria listed below outline how the project will be evaluated, and where Proposers can earn points during the evaluation process.

- a. ***Elimination of blight & contribution to relevant MR Area Plans – 100 points.*** The Subject Area of this RFEI spans ten Metropolitan Redevelopment Areas. The Project shall alleviate the blighted conditions identified in the relevant Metropolitan Redevelopment Plan. The proposed project should further the goals and/or strategies identified in the relevant Metropolitan Redevelopment Plan. All plans can be accessed online:
<https://www.cabq.gov/mra/redevelopment-areas>
- b. ***Development team experience. – 100 points.*** Proposers must provide a description of their team's demonstrated expertise and track record in the development of similar projects that have revitalized communities and furthered economic development. This

description should include the team's experience in financing, building and operating similar projects on time and on budget.

- i. Complete the Experience Matrix (see **Exhibit C - Proposal Information Sheet**), listing all development projects completed in the past 10 years.
 - ii. Provide at least two detailed examples of past successful developments of similar size and mix of uses that the Proposer was involved in or redevelopment projects for which the Proposer took the lead.
 - iii. Proposer shall provide letter(s) of support from a financial institution that has financed Proposer's projects in the past.
- c. ***Community benefits matrix – 200 points.*** Projects must fill out the Community Benefit Matrix. **Proposers should only identify/select elements in the Community Benefit Matrix that are financially feasible and which they are committed to incorporating into their final design. Community Benefit items identified in Proposals will be incorporated into the Development Agreement and will be required to be included in the completed Project.** Projects will be evaluated based on points earned each category. Projects should aim to meet a minimum of 75 to be considered competitive. The Community Benefit Matrix provides a diverse array of design and development qualities, offering up to 445 points to choose from. This RFEI caps the points available to be earned under this Evaluation Criterion at 200. Categories include:
- i. Sustainability (up to 245 points available)
 - ii. Economic Impact (up to 60 points available)
 - iii. Placemaking (up to 100 points available)
 - iv. Diverse & Local Teams (up to 50 points available)
- d. ***Meets an unmet housing or community need – 100 points.*** Beyond the required minimum of 50 new housing units, a total of 100 points are available based on the Project's ability to meet one or more of the following housing or community characteristics:
- i. **Unmet housing need.** Projects should meet an unmet housing need and provide housing diversity in the Subject Area. Applications must provide market data to document the unmet housing need.
 - ii. **Unmet community need.** Project that includes an office, retail, culture, or community component shall provide an unmet community need. Applications must provide market data to document the unmet community need.
 - iii. **Naturally affordable housing.** Project offers units that are naturally affordable to the Albuquerque Area Median Income (AMI). For this purpose, naturally affordable includes smaller unit sizes, limited luxury amenities, and/or pro-forma rents where at least 80% of the units are affordable to households at or above 80% AMI. (The City would not require Proposers/Project owners who propose naturally affordable housing to income-qualify tenants.) For this RFEI, the maximum rent schedule for naturally affordable housing (not including utilities) by unit type is:

- a) Studio: \$900
- b) 1 Bedroom: \$1,000
- c) 2 Bedroom: \$1,200
- d) 3 Bedroom: \$1,300
- e) 4 Bedroom: \$1,500

iv. Additional housing. Projects can receive additional points by providing more than the threshold required 50 housing units.

e. **Project Schedule – 50 points.** Provide a project schedule beginning with conceptual design through to construction completion. Projects will be evaluated based on the achievability of the Proposer’s time schedule and the Proposer’s ability to complete the project satisfactorily in a timely manner. Projects with earlier construction completion dates will be scored higher.

E. Submission Content. Expressions of Interest will consist of a Project Narrative, Financial Summary (**Exhibit D**), and the Community Benefits Matrix (**Exhibit E**). All submitted files should be named list the Project title first, the Submission Content second, and the Proposer entity last. For example: “Central Apartments – Project Narrative – GenericProposerLLC” and “Central Apartments – Proposal Information Sheet – GenericProposerLLC.”

a. **Project Narrative.** The Project Narrative should be no longer than 20 pages. Site control documentation, site plans, optional renderings and exhibits do not count toward the page limit. The submission should include sections, ordered as it appears below, that address the following:

- i. **Proposal Information Sheet.** Complete the Proposal Information Sheet attached as **Exhibit C** and include it as the first page of your Project Narrative.
- ii. **Project summary.** The development team must articulate a vision and development strategy for the Project that includes sustainable, innovative and revenue-producing development possibilities, which must include housing but may also include mixed-uses such as retail, office, community, or cultural uses. Proposers should describe the target number of stories, mix of uses, unit types and project size (square footage range is acceptable). A basic site plan must be provided. Sketch elevations or renderings can be included but are not required.
- iii. **Threshold Criteria.** Describe how the Project meets all of the Threshold Criteria in Section C. Please provide a narrative response to each criterion in the order listed in this RFEI.
- iv. **Evaluation Criteria.** Describe how the Project meets all of the Evaluation Criteria in Section D. Please provide a narrative response to each criterion in the order listed in this RFEI.
- v. **Financing Structure.** Identify generally the type of financial structure the team plans to pursue, including whether the project will apply for private or public financing (such as HUD 221d(4) or USDOT RRIF). List the anticipated need for gap financing.

- vi. **Site control.** Provide documentation proving site control for the Project, such as a deed, ground lease (minimum 50 years) or option to purchase.
- vii. **Letter of Acknowledgement.** Complete and sign **Exhibit F**.
- b. **Financial Summary.** Complete, *in its entirety including all tabs*, the Excel Financial Summary attached as **Exhibit D**. Financial structure, costs, etc. may be based on preliminary estimates. Must be uploaded as an excel document.
- c. **Community Benefits Matrix.** Fill in the Community Benefits Matrix with points earned for each category (**Exhibit E**). Must be uploaded as excel document.

F. Evaluation Process

- a. **Review for Responsive Proposals.** MRA staff will conduct an initial review of all submitted Proposals to determine if the proposal is responsive and meets the Threshold Criteria. Responses shall be rejected if they are not in accord with the RFEI, incomplete, or do not meet the Threshold Criteria, in the sole discretion of the Metropolitan Redevelopment Agency Director.
- b. **Advisory Committee Review.** If the number of responses and City estimated funding gap exceeds available funding, the MRA will convene an Advisory Review Committee (“the Committee”) to rank the proposals based on the Evaluation Criteria. The Committee will consist of at least five members selected by the City’s Chief Administrative Officer.

The Committee will evaluate all responsive Proposals and measure each Proposer’s response against the Evaluation Criteria set forth in Section D. resulting in a numerical score for each Response. There is a total of 450 points available in the categories listed. The Committee will use this evaluation criteria as a guide in making their recommendation to the Albuquerque Development Commission. The Committee will recommend to ADC that one or more Proposers enter into an Exclusive Negotiation Agreement with the MRA.

- i. The Committee may send questions to Proposers to seek clarification on portions of their Responses.
- ii. The Committee may conduct interviews of the top Proposers following the initial review. The City may request supplemental information during the selection process.
- iii. The Committee may request assistance from third-party technical advisors who may review the Responses and advise the committee.
- iv. The Committee will recommend a selection of one or more Proposers. The Committee’s recommendation will then be forwarded to the Albuquerque Development Commission. The Albuquerque Development Commission may accept the recommendation, reject the recommendation, or direct the MRA staff to conduct further analysis. The Albuquerque Development Commission is not authorized to select a different Response.

G. Exclusive Negotiations Agreement

Based on the Committee and ADC recommendation (if applicable), MRA staff will execute an Exclusive Negotiations Agreement (“ENA”) which will outline the roles, responsibilities, and timeline for the Proposer and the City to conduct further planning, concept development, and

financial analysis of the proposed Project and required City Funds. Proposers will be required to demonstrate need and identify the exact gap financing required for the project. The City may elect to hire third-party consultants to conduct an underwriting analysis to determine the gap financing necessary for the project. If the Proposal is complete enough to skip the ENA, the MRA may choose to enter directly into a Development Agreement, at MRA's sole discretion.

H. Development Agreement

Once the terms of the ENA have been met, MRA and Proposer(s) will negotiate a Development Agreement. The Development Agreement for the Project will include performance requirements and mandatory reversionary/clawback provisions that will be triggered including contract termination if the performance requirements are not satisfied. The Albuquerque Development Commission will be responsible for recommending approval of any Development Agreement to City Council, or may direct MRA staff to negotiate different terms. Any loan or grant of City funds requires City Council approval.

I. Submittal Process.

- a. **Schedule for Response to RFEI.** The deadlines related to this RFEI are on the cover page. The City reserves the right to revise this schedule in the event that it is needed. Failure to submit a timely Response pursuant to the RFEI and any addendum may be grounds for deeming a submittal non-responsive. If a revision to this schedule must occur, the addenda will be posted to the City's website: <https://www.cabq.gov/mra/request-for-proposals>
- b. **RFEI Addenda.** It is the responsibility of all Proposers to examine this entire RFEI and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a Response. Negligence in preparing a Proposal may result in the submittal being deemed non-responsive in the City's sole discretion. The Proposer shall be responsible for fully understanding the requirements of the RFEI and subsequent documents. Failure to responding to any publicized amendments shall render the Proposal incomplete and nonresponsive. It is the Proposer's responsibility to keep apprised of answers to questions and any amendments to this RFEI by frequently checking the following website: <https://www.cabq.gov/mra/request-for-proposals>
- c. **Formal Inquiries.** During the Project awarding process, commencing with issuance of this RFEI and continuing until award of a contract for the Project (or cancellation of the award), no employee, member or agent of any Proposer shall have any communications regarding this award with any member of the City, the Committee, the ADC, their advisors or any of their contractors or consultants involved with the awarding of the Project, except for communications expressly permitted by this RFEI. Any Proposer engaging in such prohibited communication may be disqualified at the sole discretion of the City.
 - i. All formal inquiries or requests for significant or material clarification or technical interpretations or notification to the City of errors or omissions relating to this RFEI must be directed, in writing, to the contact listed on the cover page. Requests must be submitted on the Inquiry Form (**Exhibit A**) provided on the City's website. The City will post these inquiries and affiliated responses to the website within 8 business days of receipt of the

inquiry. The source of the question will not be disclosed until the contract has been awarded.

- d. **Preparation of Response.** The City will not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation. All materials and Responses submitted in response to this solicitation become the property of the City and will not be returned.
- e. **Authorized Representative.** Any Proposer submitting a Response shall be deemed to have read and understood all the terms, conditions and requirements in the RFEI and any addenda. **Submissions must include a completed RFEI Letter of Acknowledgement (Exhibit F) signed by an individual authorized to legally bind the Proposer.**
- f. **Submission of Responses.** Responses may be submitted at any time until the due date and time on the RFEI cover. Responses must be uploaded to Metropolitan Redevelopment Agency via the City of Albuquerque's Super-Flash File Transfer Protocol ("SFFTP") file directory at https://sftp.cabq.gov/link/6E7E_tYkNfo/. **Thoroughly review Exhibit G for upload instructions to ensure your file is properly uploaded.** No telephone, email or facsimile Responses will be considered. Late submissions will not be accepted.
- g. **Rights Reserved by City.** The City reserves the right to reject any or all offers. The City may elect to waive informalities and minor irregularities in offers received. Nothing in this RFEI implies a contractual obligation with any firm, nor will the City reimburse costs for submittal requirements. All responses and accompanying documentation to the RFEI will become the property of the City at the time the Responses are submitted. Responses should include all criteria, including any additional criteria set forth by addenda, to be considered complete. Any Response that does not meet this requirement may be considered non-responsive.
- h. **Appeal Procedures.** Within 15 days after the Albuquerque Development Commission's final selection, any Proposer not selected may appeal the decision to the City Council. For more information regarding the appeal process, please refer to Section 14-8-4-8 of the Metropolitan Redevelopment Agency Ordinance.

J. Attachments. Attachments to this REFI include:

- a. Exhibit A – Formal Inquiry Form
- b. Exhibit B – Subject Area
- c. Exhibit C – Proposal Information Sheet
- d. Exhibit D – Financial Summary (excel)
- e. Exhibit E – Community Benefit Matrix (excel)
- f. Exhibit F – Letter of Acknowledgement
- g. Exhibit G – SFFTP Upload Guide
- h. Exhibit H – Evaluation Criteria
- i. Exhibit I – Accepted third party diverse-owned business certifications
- j. Exhibit J – Modified W-9