



**ALBUQUERQUE HOUSING AUTHORITY**  
Empowering people in our community through affordable housing and self-sufficiency opportunities

**To:** Albuquerque Housing Authority Board of Housing Commissioners  
**From:** Dan Foster, Housing Development Director  
**Date:** November 18, 2020  
**Re:** Executive Communication 2020-07, Request for Proposal (#P2126) Construction of Broadway/McKnight – Contract Award

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**Background:** In 2012, Congress authorized the Rental Assistance Demonstration (RAD) to test a new way of meeting the large and growing capital improvement needs of the nation’s aging public housing stock. Properties “convert” their assistance to long-term, project-based Section 8 contracts. These new contracts provide a more reliable source of operating subsidy that allow PHAs and owners to safely leverage private capital – typically debt and equity – in order to finance the property rehabilitation or replacement.

On September 18, 2019 the AHA Board of Housing Commissioners approved Resolution 2019-19 Authorizing Submission of HUD Rental Demonstration Assistance Program Application for the property located at 1840 to 1878 Broadway Place North East, Albuquerque, New Mexico (collectively referred to as Broadway McKnight) to allow for the use of Low Income Housing Tax Credits (LIHTC), public or private debt, and grant funds for the rehabilitation of the properties.

On February 20, 2020, the AHA Board of Housing Commissioners approved Resolution 2020-04, Regarding Financing the Redevelopment of Broadway/McKnight authorizing: 1) the submission of an application by AHA to the New Mexico Mortgage Finance Authority for Low Income Housing Tax Credits; 2) the submission of applications, or issuance of solicitations, by AHA for any other public or private sources of funding needed to affect the acquisition, demolition and redevelopment of Broadway McKnight; 3) the Executive Director or her designee to enter in to enter in to a long-term lease commitment for the land with the to be formed limited partnership, which will allow the lessee to demolish the existing units and redevelop the site; 4) the Executive Director or her designee to obligate AHA to provide limited financial guarantees or financial obligations related to the acquisition and redevelopment of Broadway McKnight as follows: a) operating deficit guarantees, low income housing tax credits delivery guarantees, repurchase guarantees, and similar financial obligations using, and not to exceed the amount of, unrestricted cash earned from developer fees and the sale of non-public housing units; b) construction completion guarantees, using and not to exceed the amount of, the balance of funding available in the Local Government Investment Pool (LGIP) from the sale of public housing units, as approved by HUD; and c) a loan to the limited partnership in an amount up to \$2 million, to be repaid from available cash flow, at a rate and term to be determined; and 5) the Executive Director or her designee to make other necessary and proper decisions needed to move the project forward..

AHA issued a Request for Proposal (#P2126) Construction of Broadway/McKnight. The RFP was posted through the National Association of Housing and Redevelopment Officials (NAHRO) procurement advertisement website. AHA received two proposals before the proposal deadline. Proposals were received from Pavilion Construction, LLC, and J4 Development, Inc.



/abqha



/HousingABQ



Equal Housing Opportunity Agency



**Discussion**

Proposals received by AHA were evaluated based on a number of factors as outlined in the table below.

| Factor Type            | Maximum Points |
|------------------------|----------------|
| Experience             | 20             |
| Capacity               | 20             |
| Approach & Methodology | 20             |
| Price/Fee              | 25             |
| Section 3 Business     | 15             |

All review committee members ranked Pavilion highest on all factors (Section 3 Business excepted).

**Recommendation**

Staff requests Board approval to execute a contract with Pavilion Construction in an initial amount not-to-exceed \$11,500,000.00 (excluding gross receipts tax) for the construction of Broadway/McKnight pending successful negotiations. In the event that negotiations fail with Pavilion, staff requests Board approval to execute a contract with J4 Development in an initial amount not-to-exceed \$11,500,000.00 (excluding gross receipts tax) for the construction of Broadway/McKnight, pending successful negotiations.

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By voting to formally approve receipt of this Executive Communication, the **AHA BOARD OF HOUSING COMMISSIONERS**, the governing body of the AHA does:

1. Authorize the Executive Director, at the Executive Director’s discretion, or designee to execute a contract with Pavilion Construction in an initial amount not-to-exceed \$11,500,000.00 (excluding gross receipts tax) for the construction of Broadway/McKnight as contemplated in Request for Proposals #P2126, pending successful negotiations.
2. In the event that negotiations fail with Pavilion, Authorize the Executive Director, at the Executive Director’s discretion, or designee to execute a contract with J4 Development in an initial amount not-to-exceed \$11,500,000.00 (excluding gross receipts tax) for the construction of Broadway/McKnight, pending successful negotiations.

PASSED and ADOPTED this 18th day of November 2020.  
BY A VOTE OF   5   FOR, AND   0   AGAINST.

Members Absent: \_\_\_\_\_  
Members voting against: \_\_\_\_\_

ALBUQUERQUE HOUSING AUTHORITY  
BOARD OF HOUSING COMMISSIONERS

By:   /s Rebecca Robinson    
Rebecca Robinson, Chairperson of the Board

ATTEST:

  /s Linda Bridge    
Linda Bridge, Secretary to the Board and Executive Director