BOARD OF HOUSING COMMISSIONERS
RESOLUTION NO. 2022-18

REGARDING THE PROVISION OF A SUBORDINATE LOAN FOR THE REHABILITATION OF 9000 VERANDA

WHEREAS, the Albuquerque Housing Authority (AHA) seeks to secure funding for the rehabilitation and redevelopment of its public housing properties;

WHEREAS, the Rental Assistance Demonstration Program (RAD) of United States Department of Housing and Urban Development (HUD) allows public housing properties to convert to privately owned properties with project-based Section 8 rental assistance contracts;

WHEREAS, the RAD conversion process also allows for the use of Low-Income Housing Tax Credits (LIHTC), public or private debt, and grant funds for financing rehabilitation and redevelopment of the properties; and

WHEREAS, the AHA Board of Housing Commissioners, the Governing Body of AHA, finds that it is in the long term best interest of AHA to pursue the use of Low Income Housing Tax Credits, public or private debt, and grant funds for financing rehabilitation and redevelopment of the properties, and has approved Resolution 2021-21Authorizing Submission of HUD Rental Assistance Demonstration Program Application for the property located at 9000 Veranda Road Northeast (reference to "9000 Veranda" is inclusive of 9000, 9001, 9005, 9009, 9013, 9017, 9021 and 8923 Veranda Rd NE), Albuquerque, New Mexico;

WHEREAS, the AHA Board of Housing Commissioners approved Resolution 2021-23, Regarding Financing the Rehabilitation of 9000 Veranda 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 and rehabilitation of 9000 Veranda; 3) to enter into a long-term lease agreement with the to be formed limited partnership for the land and buildings comprising 9000 Veranda at their appraised value; 4) AHA to provide limited financial guarantees or financial obligations related to the acquisition and rehabilitation of 9000 Veranda 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, c) Seller financing for the leasehold sale of the land and buildings at 9000 Veranda, to be repaid by the to be formed partnership from available project cash flow, at a rate and term to be determined; and 5) to make other necessary and proper decisions needed to move the project forward.

WHEREAS, AHA wishes to finance the acquisition and rehabilitation of 9000 Veranda using the LIHTC program, other public and private funding sources;

WHEREAS, AHA has $2.8 million in the State of New Mexico Local Government Investment Pool (LGIP) from the sale of public housing units, and $3.2 million of funds in Development Reserves;

WHEREAS, the AHA Board of Housing Commissioners approved Resolution 2017-25 Amended Use of the Proceeds From the Sale of Public Housing Units authorizing the provision of gap financing for soft or hard costs on moderate and substantial rehabilitation projects as one of the uses of LGIP funds;

NOW, THEREFORE, BE IT RESOLVED BY THE AHA BOARD OF HOUSING COMMISSIONERS, the governing body of the AHA that:

1. The Board authorizes the Executive Director or her designee to obligate AHA to provide 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.

PASSED and ADOPTED this 16th day of November 2022.

BY A VOTE OF 4 FOR, AND 0 AGAINST.

Members Absent: McGee

Members voting against: _____

ALBUQUERQUE HOUSING AUTHORITY
BOARD OF HOUSING COMMISSIONERS

By: /s Maurreen Skowran
Maureen Skowran, Chairperson of the Board

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