



**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:** June 21, 2023

**Re:** Executive Communication 2023-09 Restructuring the Non-Housing Authority Related Ownership of Los Lobos Realty LLC

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**Background:**

In 2015, AHA partnered with Wishrock Investment Group (Wishrock) for the acquisition and rehabilitation of Rio Vista Apartments, a 75-unit subsidized senior housing complex located at 770 Juan Tabo Blvd NE. To affect the acquisition and rehabilitation, AHA and Wishrock established three significant legal entities; Rio Housing Associates LLLP, Los Lobos Realty LLC and Rio Developers LLC.

Rio Developers LLC was 85% owned by Wishrock and 15% by the AHA Housing Development Corporation. The sole purpose of Rio Developers LLC was to carry out the acquisition and rehabilitation. The developer fee was earned and paid to each partner proportional to the ownership interest in the LLC. The entity was dissolved last year as its sole purpose had been completed and all developer fees had been distributed.

Los Lobos Realty LLC was formed to be the General Partner member of Rio Housing Associates LLLP, the ownership entity for Rio Vista Apartments. Wishrock is the managing member of Los Lobos Realty, holds a 49% interest in the company, has responsibility for the day-to-day operations of the company and provides all financial guarantees to the Limited Partnership and project lenders. AHA holds a 51% interest in the company and has the right to review and approve Major Actions as defined in the Los Lobos Realty LLC Operating Agreement. Cash distributions from operations of Los Lobos Realty are distributed to members proportional to their interest in the company.

**Discussion:**

The principals of Wishrock are winding down some of the company's activities and are divesting of their interest in properties in multiple states, including New Mexico. Pursuant to a Master Partnership Interest Agreement dated as of October 12, 2022, on February 23, 2023, Wishrock entered into an agreement with the Tangram Group for the sale of Wishrock's membership interest in Los Lobos Realty LLC to Tangram Group LLC.

Attached are organizational charts for the ownership structure of Rio Housing Associates LLLP before and after the proposed membership interest sale.

The acquisition of the interest in Los Lobos Realty LLC by Tangram will require approvals from the US Department of Housing and Urban Development, New Mexico Mortgage Finance Authority, Boston Financial (Low Income Housing Tax Credit investor and 99.99% member of Rio Housing Associates, LLLP) and Prudential Private Capital (permanent mortgage lender).

AHA's development legal counsel has reviewed the proposed membership interest sale and determined that it will result in no financial consequences and no material change to the rights, obligations, or position of AHA with respect to the project.



/abqha



/HousingABQ



Equal Housing Opportunity Agency



Tangram Group will confirm that neither Tangram Group, LLC nor any of the individuals listed as key employees of Tangram Group, LLC, are a Blocked Person prohibited from associating with AHA in connection with this Project.

"Blocked Person" means (i) any Person listed on the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury's Specially Designated Nationals and Blocked Persons List; (ii) any Person (including a principal of an Entity) from January 1, 2011 or thereafter has been (A) suspended or terminated from receipt of payments under any United States Department of Housing and Urban Development ("HUD") assistance contract due to the Person's fault or negligence; (B) convicted of a felony or is the subject of a pending complaint or indictment charging a felony with a "felony" defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a State and punishable by imprisonment of two years or less; (C) suspended, debarred, issued a limited denial of participation, or otherwise restricted or precluded by any department or agency of the United States or any state government or agency thereof (the "Governmental Agency") from doing business with a Governmental Agency; and/or (iii) any Person who is prohibited or limited by law, including §3-45-1 to 3-45-25 NMSA 1978, or a local policy of AHA, from contracting with AHA, including Members of Congress of the United States of America, a current member of AHA's Board of Commissioners or a close relative of a member of AHA's Board of Commissioners, and a current employee of AHA (collectively, a "Blocked Person").

**Recommendation:**

Subject to receipt of the Block Person confirmation from Tangram and documentation of above listed other entity approvals, staff requests board authorization for the Executive Director, or her designee, to execute, on behalf of AHA Rio Vista LLC, agreements and documents restructuring the non-housing authority related ownership of Los Lobos Realty LLC general partner entity of Rio Vista Housing Associates LLLP.

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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. Approve of the sale of Wishrock's membership interest in Los Lobos Realty LLC to Tangram Group LLC.
2. Authorize the Executive Director, or a designee appointed by the Executive Director, to execute, on behalf of AHA Rio Vista LLC, agreements and documents restructuring the non-housing authority related ownership of Los Lobos Realty LLC general partner entity of Rio Vista Housing Associates LLLP.

PASSED AND ADOPTED this 21st day of June 2023

BY A VOTE OF  4  FOR, AND  0  AGAINST.

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

ALBUQUERQUE HOUSING AUTHORITY  
BOARD OF HOUSING COMMISSIONERS

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

ATTEST:

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