

# Proposed Low Income Housing Agreement for the 9th Street Apartments Rehabilitation and Affordable Housing Project

- Public/Private Partnership Proposal between LAC and 9<sup>th</sup> Street Apartments, LLC.
- Affordable Housing Grant will:
  - Preserve 87-deed restricted units at  $\leq 45\%$  AMI for 20-years
  - Provide funding for rehabilitation for ADA additional Accessibility.



## Thunderbird Apartments 1211 11<sup>th</sup> Street.

- 24 studio units ~350 sq ft
- Built in 1948 (77-years old)
- Ownership: Fed's, UNMLA, Local Property Investor

## Aspen Studio Apartments 1027 9<sup>th</sup> Street.

- 63 studio units ~350 sq ft
- Built in 1947 (78-years old)
- Ownership: Fed's, UNMLA, Local Property Investor

# 9<sup>th</sup> Street Apartments LLC



## Thunderbird Apartments 1211 11<sup>th</sup> Street.

- 24 studio units ~350 sq ft
- Built in 1948 (77-years old)
- Ownership: Fed's, UNMLA, Local Property Investor
- 75% of units recently updated



## Aspen Studio Apartments 1027 9<sup>th</sup> Street.

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- 75% of units recently updated

# Justification

**Los Alamos Affordable Housing Plan.** Generally, rent for Studio and one-bedroom units in the County range from \$1,250.00 to more than \$2,900.00 per month. A recent analysis of 10 multi-family properties with Studio and one-bedroom units in proximity to the Project indicated rents ranging from \$925.00 - \$2,931.00 (rental deposit not included) and low availability.

In the Plan, Goal 2 directs the Housing Office to “Buy down” or otherwise preserve existing units through affordable housing grants in exchange for long-term affordability.

This short-term goal immediately provides additional permanently affordable long-term units at a low per unit cost and is more time and cost effective than constructing new units.

**Extensive waiting lists:** Canyon Walk and Bluffs affordable housing developments have approximately 100 individuals on their waiting lists. Rents for bed-room units range from \$1,020.00-\$1,500.00/month depending on income plus a deposit.

**High demand for housing vouchers:** 83 individuals currently utilizes housing vouchers in Los Alamos, with an additional 124 on the waiting list. The waiting time for vouchers is approaching two years.

For renters in the 30%-60% AMI bracket affordable rents (30% of monthly income) would range from \$1,000.00 - \$1,500.00 per month. Given the lack of available supply of affordable units, there is a justified rationale to support the preservation of additional affordable units.

This Project will preserve 87 units with long-term affordability for households at or below 45% of the Area Median Income (AMI). By ensuring access to affordable housing, the County can attract and retain essential workers, fostering a more stable and economically viable community and thus meet the goals of the community and plan.

## Sources and Uses + Capital Improvements

Sources		Uses	
Private Capital	\$4,953,950	Acquisition Costs	\$6,133,700
County Affordable Housing Grant	\$3,480,000 (\$40k/unit)	Capital Improvements *	\$2,300,250
Total	\$8,433,950	Total	\$8,433,950

### Additional County Participation

- County Affordable Housing Grant for Capital Improvements = ~\$520k

Total Ask = ~\$4 million

# Affordability Grant



## General Terms

- **\$40,000/Unit = \$3,480,000 = \$2,000.00/unit/year  
Or \$166/unit/month**

Year	Average Rent
1	\$900
2	\$945
3	\$992
4	\$1,042
5	\$1,094
6	\$1,138
7	\$1,183
8-20	</= 45% AMI



Rent Table

- Years 1-7: Rents will be restricted to approximately 35-40% AMI for new residents, as outlined in the Rent Table.
- Years 8-20: Income qualified residents will be restricted to those making at or below 45% AMI with rents set at 30% of the qualify income.
- Rents for existing tenants rolling over from year 7 to year 8 shall be limited to a 7% increase year-to-year during the term of their lease.
- If a tenant does not meet the income qualification requirement for more 24-months, the lease won't be renewed.

# Rehabilitation Grant

## General Terms

- Capital Improvement 

## General Terms

- **\$520,000.00**

Includes, but is not limited to:

- Roof replacement
- Parking lot improvements
- Electrical upgrades
- Heating, cooling, and water system upgrades
- Painting and siding upgrades
- Washer/dryer replacements
- Signage
- Landscaping
- Unit upgrades for older units (e.g. kitchen, bathroom, flooring, and similar)
- Picnic area, bike racks, and miscellaneous site fixtures

## Obligations of the Developer

- Completion of Capital Improvements within 3-years
- Income verification – ongoing for term of 20-year agreement
- Annual reporting – ongoing for term of 20-year agreement
- Inspections – ongoing for term of 20-year agreement
- Comply with State and local planning and zoning, housing, and building Code requirements.
- No tenants will be displaced without their consent for renovations of units.
- Those who exceed the income requirements will be able to stay for two years, after which the lease will not be renewed.
- Units may not be used for short-term or transient stays.