



National Housing Conference
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Historic District Improvement Company (HDIC): History

- “Albuquerque’s vibrant history and unique blend of cultures reflects the growth of America itself; locals affectionately refer to the Duke City...Growing at nearly twice the national rate, the City is now evolving into one of the West's most important urban centers”
- The historic Camino Real, Central Avenue, Route 66 is Albuquerque’s Main Street. It’s baseline for Downtown, featuring icons as famous and old as the KIMO Theatre (1937).

HDIC: History

- HDIC founded in 1998
- HDIC is leading the revitalization charge, highlighting the Downtown's prominence as the State's center of retail, entertainment, culture and employment.
- Albuquerque is New Mexico's Downtown.

HDIC: History

- HDIC is the result in large part of the McCune Charitable Foundation, one of the largest foundations in the State. Investment in HDIC is a major portion of the McCune portfolio; the foundation makes more grants in New Mexico than any other New Mexico foundation.

HDIC: The Plan

- Walkable Mixed Use-use Place
- Design
- Financing
- Mixed-Income
- High Construction Quality
- Environmental Construction

Mission Statement

- The mission of the Civic Trust was to complement downtown Albuquerque revitalization through loans and investments which were to assure the continued availability of convenient and affordable housing, as well as affordable commercial, arts and public spaces while maintaining diversity and social responsibility.

Market Area

- The Market Area of the Civic Trust included the Downtown core of Albuquerque and those portions of the immediately adjacent neighborhoods that could impact, or be impacted by, the revitalization of Downtown.

Products and Services

- The primary objective of the Civic Trust was to act as a financial intermediary to provide loans and invest in developments that support the mission of the Civic Trust.

Products and Services

- The Civic Trust's specific endeavor was to complement, while helping to build the capacity of other organizations.

Allocation of Assets

Proposed Sub-Allocation of Housing Assets

By Income Group

Below 30% AMI	30%
31%-50%	30%
51%-80%	30%
81%-120%	10%

Lending and Investment Product Examples

- Subordinate Homeownership Assistance Loans
- Subordinate Rental Housing Development Loans
- Equity in Rental Developments
- Equity, Loans for Mixed-use Development
- Special Lending Products...

Organizational Structure

- Private, not-for-profit corporation
- Primary activities
 - Loans
 - Equity Investments, and
 - Technical Assistance
- Significant Measurable Results
- Entrepreneurial, Business-like

Partners

- **Lenders,**
- **Large downtown and near-downtown employers,**
- **Downtown businesses,**
- **Adjacent neighborhoods,**
- **Local government,**
- **Not-for-profit developers,**
- **For profit developers,**
- **Realtors – commercial and residential,**
- **Foundations,**
- **Public schools,**
- **Arts organizations,**
- **Impacted populations, and**
- **Other board-approved at-large stakeholders**

Business Operations

- Loan and Investment Examples
 - Construction loans
 - Permanent Loans
 - Bridge Loans
 - Pools of primary or secondary mortgage loans, originated by other lenders, developers, or the Civic Trust
 - Equity Land trust ownership or land banking.
 - Land or property ownership for future development or use in the pursuit of the mission.

Capital Resources

- Redevelopment Agreement
- HDIC Cash Flow
- Principal Investors
- Sustainability

HDIC: Lessons Learned

- To date, HDIC has fallen behind in its financial obligations to the City of Albuquerque
- When a private sector development organization uses public funds that organization must be accountable; the same as any public sector institution
- Real estate development is fickle
 - Construction costs can get out of hand when inexperienced personnel are in charge of construction
- An organization cannot produce a market it can only push an under served market
- Watch your partners; communication and trust is vital

HDIC: Forward

- HDIC has reformed its original partnership agreements and brought in a nationally known developer

Albuquerque Civic Trust: Lessons Learned

- Make sure your business plan partners can perform
 - Do an organizational analysis with needs and market analysis
- When creating a financial investment tool, and trying to attract Program Related Investment, make sure your market area is large enough to attract financial attention
- Watch your partners; know their financial status at all time

Albuquerque Civic Trust: Forward

- The Civic Trust went from lending to direct development