

# AFFORDABLE HOUSING NOTICE OF FUNDING AVAILABILITY

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RDA BOARD MEETING – SEPTEMBER 8, 2020



**SLCRDA**

## **FUNDS AVAILABLE**

- Total: ~\$3,953,779
  - Tax Increment Affordable Housing: \$1.3 million
  - Funding our Future Sales Tax: \$2.59 million

## **APPLICATION PROCESS**

- Competitive Application Process
- Applications Released: June 17, 2020
- Applications Due: August 6, 2020

## **APPLICATION SUMMARY**

- 2 Applications
- Citywide and State Street Project Areas
- \$2,420,000 Total Funding Request

# APPLICATION CONSIDERATIONS

## NOFA Threshold Requirements –

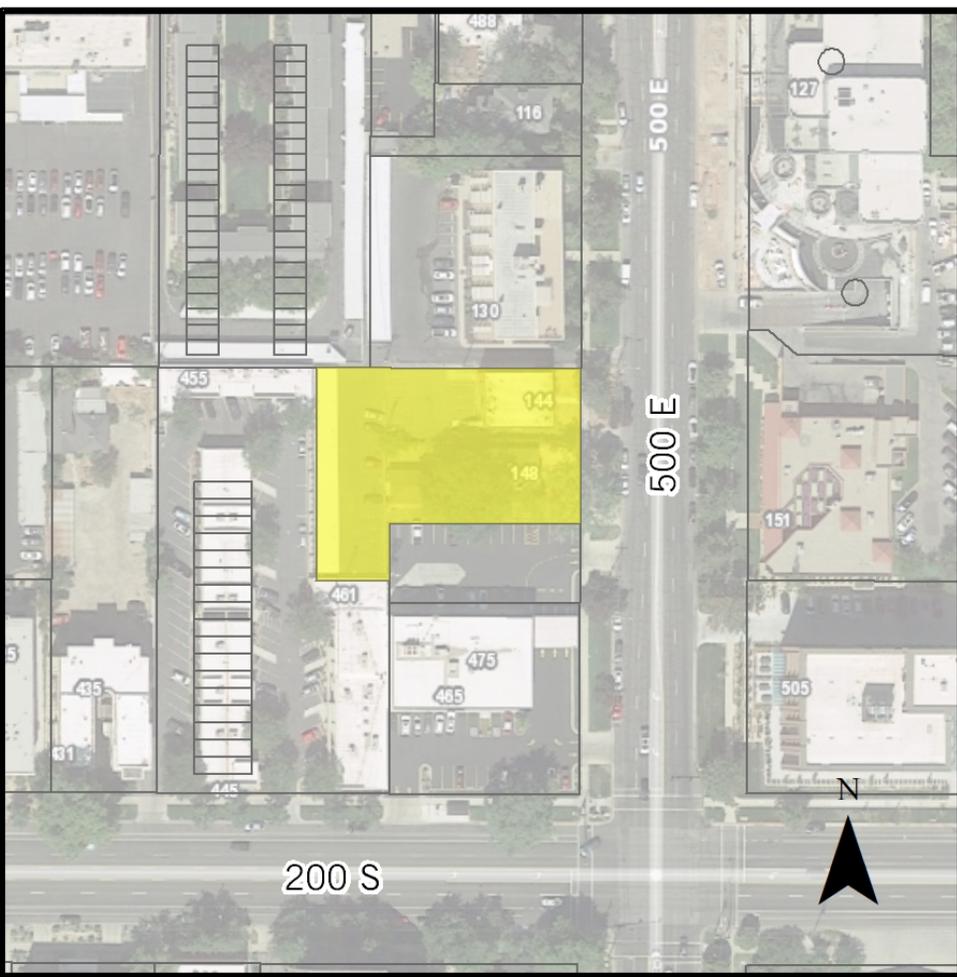
- Eligible Applicants
- Development Team Experience
- Eligible Project Types (New Construction, Adaptive Reuse, Rehabilitation)
- Site Control
- Design/City Code Requirements
- **Minimum Affordability (20% of units 60% AMI or below)**
- Funding Maximum (limited to 20% total development cost)
- Project Priorities (Public benefits set by NOFA policy– projects must meet at least 2)

## Project Evaluation and Review –

- Alignment with Project Priorities/Overall Impact
- Content and Quality of Application
- Development Team Qualifications and Experience
- Financial Need and Viability
- Project Readiness
- Content Regarding Building and Site Design

# 144 PLACE APARTMENTS – 144 S. 500 EAST

- 110-unit apartment building w/ some retail and co-working space
- 22 affordable units at 50% AMI
- \$1.5 million RDA loan request - \$24 million total project cost
- Requesting 2-year interest only construction loan, converting to permanent loan with 1% interest rate, 40 year-amortization period/term and soft repayments



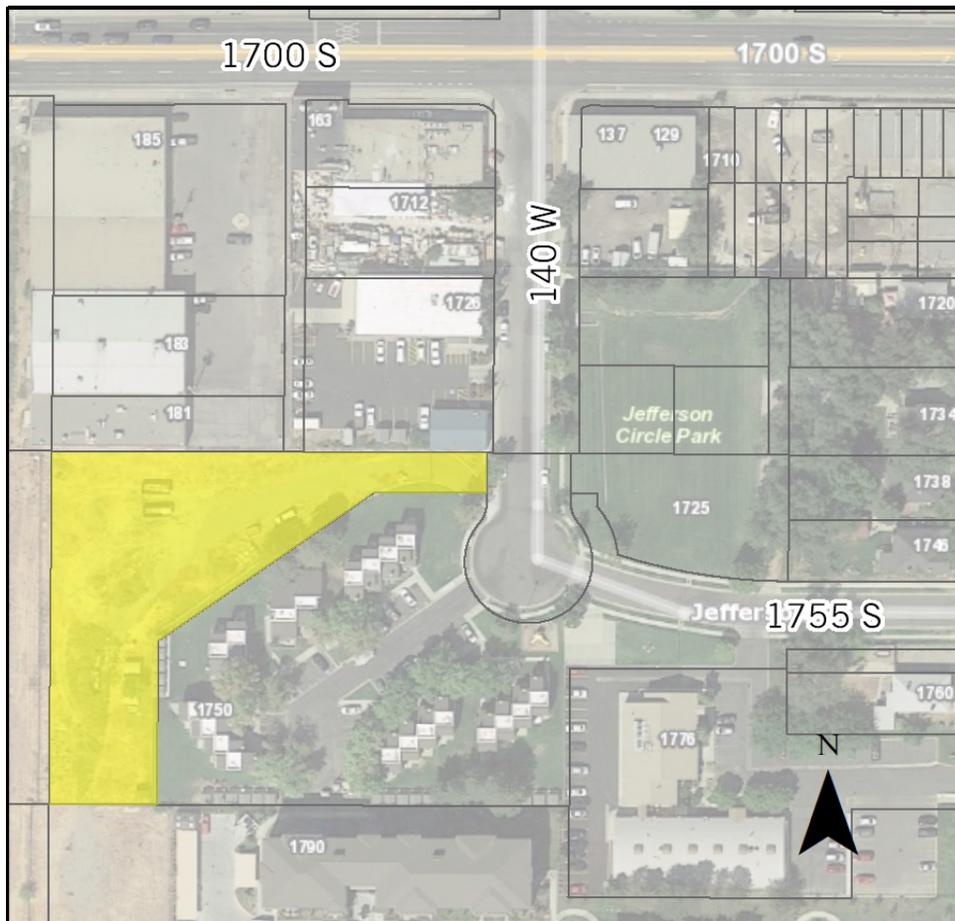
## ***\$1,500,000 Loan Request for 144 Place Apartments at 144 S. 500 East from 144 South Apartments, LLC:***

The Committee **recommends approval** of the \$1,500,000 loan request from Red Gate Properties for the 144 Place apartment development at 144 S. 500 East with a non-extendable 12-month conditional commitment period, subject to the following conditions:

- The loan shall be provided as a construction to permanent loan to close with primary financing.
- The primary financing, HUD 221(d)4 Loan, shall be approved and close within the conditional commitment period. If this funding is not received, the RDA's commitment shall terminate.
- The Olene Walker loan shall be subordinate to the RDA loan.
- Repayment of and return on equity shall be made secondary to RDA debt payments.
- Affordable unit rents must be set at 50% AMI and shall include rent, utilities and parking costs.
- Affordable units must be maintained as rent and income eligible.
- *The project's design and development plan shall be reviewed and approved by RDA staff.*
- *Final loan terms and conditions shall be approved by RDA staff.*

# PENDLETON PLACE – 1725 S. JEFFERSON

- 74-unit single room occupancy type development
- All units affordable below 40% AMI
- \$920,000 RDA loan request - \$7.1 million total project cost
- Requesting permanent financing with 1.5% interest rate, 30 year-amortization period/term and hard repayments



***\$920,000 Loan Request for Pendleton Place Housing Project at 1725 S. Jefferson Street from the Housing Authority of Salt Lake City:***

The Committee **recommends against approval** of the \$920,000 funding request from the Housing Authority of Salt Lake City for the Pendleton Place development at 1725 S. Jefferson Street.

The Committee does recognize the value this particular project would add to the community; however, due to the project's noncompliance with zoning that is a threshold requirement of the NOFA, the committee would recommend that the applicant address this zoning noncompliance and reapply for funding in the future.



ERIN MENDENHALL  
MAYOR  
EXECUTIVE DIRECTOR, RDA

BEN KOLENDAR  
ACTING DIRECTOR

DEPARTMENT of ECONOMIC DEVELOPMENT

**REDEVELOPMENT AGENCY STAFF MEMO**

**DATE:** August 28, 2020  
**PREPARED BY:** Tracy Tran and Lauren Parisi  
**RE:** Consideration and Adoption of a Resolution Approving Notice of Funding Availability for Affordable Housing Funding Allocations.

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**-REQUESTED ACTION:** Consider approving affordable housing funding allocations as selected through a notice of funding availability.  
**POLICY ITEM:** Affordable housing.  
**BUDGET IMPACTS:** \$3,953,779 of RDA funds set aside for an Affordable Housing Notice of Funding Availability.

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**EXECUTIVE SUMMARY:** The Redevelopment Agency of Salt Lake City (“RDA”) recently issued a Notice of Funding Availability (“NOFA”) to solicit applications for \$3,953,779 available to incentivize the development and preservation of affordable housing anywhere within Salt Lake City municipal boundaries.

The NOFA is being administered pursuant to the Affordable Housing Notice of Funding Availability Policy (“Policy”), resolution R-17-2018. Pursuant to the Policy, the RDA administered a competitive and transparent application process that resulted in two (2) requests for funding totaling \$2,420,000 - refer to *Attachment A: Summary of Applications* for additional information.

The RDA has evaluated application submittals and convened a selection committee (“Committee”) to review and recommend applications for funding. This memorandum includes a summary of application submittals and the Committee’s recommendations for the Board’s consideration and determination of funding allocations.

**NOFA SELECTION COMMITTEE:** Since this NOFA includes two funding sources (sales tax and tax-increment), this year’s NOFA selection committee was comprised of an interim hybrid committee with representatives from both the Housing Trust Fund Advisory Board (“HTFAB”) and the RDA Finance Committee/Redevelopment Advisory Committee. Additional members included



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BUSINESS  
DEVELOPMENT



representatives from the RDA, the City’s Division of Housing and Neighborhood Development (“HAND”), and the City’s Department of Community and Neighborhoods (“CAN”).

**NOFA SELECTION COMMITTEE RECOMMENDATION:** On August 27, 2020, the Committee made recommendations regarding all received applications. Refer to *Attachment C: NOFA Selection Committee Funding Recommendation* for recommendation detail.

**ANALYSIS & ISSUES:**

Below is an overview of the NOFA application process:

*I. Application Process*

The RDA solicited applications as follows:

- Citywide Funds: Applications were solicited on a time-limited basis, with a call for applications released on June 17, 2020 and an application deadline of August 6, 2020.

On July 1, 2020, the RDA hosted a virtual informational meeting to provide an overview of the NOFA application, requirements, and selection process. The video was recorded and a link was provided on the RDA website for those who were unable to attend. Other outreach formats included press releases, website and email communications, social media, and notifications through secondary outlets.

*II. Funding Priorities and Project Evaluation*

As part of the application review process, RDA staff analyzed applications according to the Policy’s funding priorities. These funding priorities are based on affordable housing policy statements established by the Salt Lake City Council (“Council”) and included as part of *Growing SLC: A Five-Year Housing Plan*. Refer to *Attachment B: Matrix of Funding Priorities* for additional information.

When evaluating applications, the Committee considered funding priorities along with other factors, including developer experience, the completeness/quality of the application, the amount of requested funding per affordable unit, unit mix, community impact, and the financial and regulatory readiness of the proposed project.

*III. Funding Allocations, Conditional Commitment, and Loan Closing*

Pursuant to the Policy, the Board will make the final determination of applications to fund. Subsequently, the RDA will issue a conditional commitment letter to those applications that are selected for funding. The conditional commitment letter between the RDA and the applicant will contain the covenants, terms and conditions upon which the RDA will provide financial assistance to the proposed project once financial, legal, regulatory, and design approvals are obtained. Prior to closing on a loan, RDA staff will ensure that the project is financially viable, underwriting standards are met, and the use of public funds is necessary for the project to succeed.

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**PREVIOUS BOARD ACTION:**

- June 2020: The Board adopted the 2020-2021 budget, which allocates \$3,953,779 for a citywide NOFA.
- June 2018: The Board adopted policy guidelines and funding priorities for the NOFA.

**ATTACHMENTS:**

- A. Application Overview
- B. Matrix of Project Priorities
- C. NOFA Selection Committee Funding Recommendation
- D. Project Summary Sheets
- E. NOFA Funding Allocation Resolution

**Attachment A: Application Overview**

	<b>1 - 144 PLACE APARTMENTS</b>  Peter Corroon 144 S. Apartments, LLC	<b>2 - PENDLETON PLACE</b>  Housing Assistance Management Enterprise (HAME)	<b>TOTALS</b>
<b>Address</b>	<b>144 S. 500 East</b>	<b>1725 S. Jefferson Street</b>	
<b>Funding Request</b>	\$ 1,500,000	\$ 920,000	<b>\$ 2,420,000</b>
<b>Type of funds requested (land/property acquisition, hard construction costs, site improvements, related soft costs)</b>	Pre-development (not-eligible), Construction and Permanent Financing	Construction and Permanent Financing	
<b>Total Project Cost</b>	\$24,068,629	\$7,142,768	<b>\$31,211,397</b>
<b>Request as % of Development Cost</b>	6%	13%	
<b>City Funds per Affordable Unit</b>	\$68,182	\$12,432	
<b>Purchase Price if Applicable</b>	n/a	n/a	
<b>Affordable Unit Breakdown -</b>	22 total	74 total	<b>96</b>
Units: 40% AMI and below		74	
Units: 41-60% AMI	22		
Units: 61-80% AMI			
Units: Market units	88		
Units: Total units	<b>110</b>	<b>74</b>	<b>184</b>
<b>% Affordable (60% AMI &lt;)</b>	20%	100%	
<b>Requested Loan Terms</b>	1% 2-year interest-only construction loan that will convert to 1% cash flow permanent loan with 40-year amortization and term (42 yrs. total).	30-year amortization and term at 1.5% interest rate, Hard repayments	

## Attachment B: Matrix of Project Priorities

Criteria		1 - 144 Place Apartments	2 - Pendleton Place
		<i>Peter Corroon 144 S. Apartments, LLC</i>	<i>Housing Assistance Management Enterprise (HAME)</i>
Eligibility and requirements	Completed Application	Y	Y
	Eligible Applicants; development team must have experience, financial expertise, and technical capacity	Y	Y
	Eligible projects: New multifamily, conversion or reuse for housing, rehab of substandard multifamily	New multi-family construction	New multi-family construction (SRO)
	Eligible Activities (land/property acquisition, hard construction costs, site improvements, related soft costs)	Predevelopment (not eligible) and permanent financing for construction costs	Permanent financing for construction costs
	Evidence of site control	Y	Y
	Minimum of 20% affordable at 60% AMI	Y	Y
	Funding Maximum: RDA funds limited to 20% of project's total development cost	Y	Y
	Generally complies with RDA design requirements, building code and zoning	Y	N
	Projects meet at least two Project Priorities (as described below)	Y	Y
Project Priorities	1. Transit proximity <1/3 mile: Y / N	Y	N
	2. Within high opportunity area	N	N
	3a. Mixed Income (projects in high opp. have > 50% affordable. Low income areas <50% affordable)	Y	N
	4. Minimized displacement and relocation is planned (Y/N, don't count)	No displacement occurring	No displacement occurring
	5. Diverse housing types:	Y	N
	Adaptive reuse of existing		
	Missing middle		
	2+ bd in urban core (DT MP area)		
	Innovative parking		
	High quality material/design		
	Incorporates public or private amenities	X	
	6. Neighborhood revitalization in RDA area	N	Y
	7. Underserved (20% or greater units =< 40% AMI, disabilities, senior, other risk groups)	N	Y
	8. Affordability =>50 yrs.	Y	Y
	9. Industry recognized green building cert	Y	Y
	10. RDA/City funding is < 10% of total dev. cost	Y	N
	11. Long-term positive cash flow and ability to repay RDA	Y	N
12. Ability to proceed within 12 mos.	N	N	

**Attachment C: NOFA Selection Committee Funding Recommendation**

The NOFA selection committee (“Committee”) recommends the following:

**1. \$1,500,000 Loan Request for 144 Place Apartments at 144 S. 500 East from Red Gate Properties:**

The Committee **recommends approval** of the \$1,500,000 loan request from Red Gate Properties for the 144 Place apartment development at 144 S. 500 East with a 12-month conditional commitment period, subject the following conditions:

- The loan shall be provided as a construction to permanent loan to close with primary financing.
- The primary financing, HUD 221(d)4 Loan, shall be approved and close within the conditional commitment period. If this funding in not received, the RDA’s commitment shall terminate.
- The Olene Walker loan shall be subordinate to the RDA loan.
- Repayment of equity shall be made secondary to RDA debt payments.
- Affordable unit rents must be set at 50% AMI and shall include rent, utilities and parking costs.
- Affordable units must be maintained as rent *and* income eligible.
- The project’s design and development plan shall be reviewed and approved by RDA staff.
- Final loan terms and conditions shall be approved by RDA staff.

The loan request shall be funded with Funding our Future sales tax revenues.

**2. \$920,000 Loan Request for Pendleton Place Housing Project at 1725 S. Jefferson Street from the Housing Authority of Salt Lake City:**

The Committee **recommends against approval** of the \$920,000 funding request from the Housing Authority of Salt Lake City for the Pendleton Place development at 1725 S. Jefferson Street.

The Committee does recognize the value this particular project would add to the community; however, due to the project’s noncompliance with zoning that is a threshold requirement of the NOFA, the committee would recommend that the applicant address this zoning noncompliance and reapply for funding in the future.

**Attachment D: Project Summary Sheets**



**PROJECT NAME:** #1 – 144 Place Apartments  
**ADDRESS:** 144 S. 500 East

**OVERVIEW:**

<b>DEVELOPER:</b>	Peter Corroon
<b>REQUEST TYPE:</b>	Predevelopment/Construction and Permanent Financing
<b>PROJECT TYPE:</b>	Multi-Family New Construction
<b>EXISTING LAND USE:</b>	Office Building and Single-Family Home

**HOUSING UNITS: 110 TOTAL**

TOTAL	MARKET	60 - 40% AMI	<40% AMI
Studio	35	18	0
1-Bed	53	4	0
<b>TOTAL</b>	<b>88</b>	<b>22</b>	<b>110</b>

**FUNDING REQUEST:**

NOFA REQUEST	TOTAL PROJECT COST
\$1,500,000      6%	\$24,068,629

**TIMELINE:**

Commence Construction	February 2021
Complete Construction	July 2022

**TAX CREDITS:**

Applying for Tax Credits (Y/N):	No
Tax Credits Awarded (Y/N):	No

**SOURCES:**

FUNDING SOURCES	AMOUNT	
RDA Loan	\$1,500,000	6%
HUD 221(d)4 Loan	\$18,905,908	79%
Olene Walker Housing Loan	\$354,000	1%
Salt Lake County Loan	\$250,000	1%
Developer Equity	\$3,058,721	13%
<b>TOTAL SOURCES:</b>	<b>\$24,068,629</b>	<b>100%</b>

**USES:**

FUNDING USES	AMOUNT	
Land	\$2,009,487	8%
Hard Costs	\$18,177,994	76%
Soft Costs	\$3,881,148	16%
<b>TOTAL USES:</b>	<b>\$24,068,629</b>	<b>100%</b>

**PROPOSED TERMS:**

Interest Rate:	1%
Term:	2-year interest-only construction loan that will convert to cash flow permanent loan with 40-year amortization and term (42 yrs. total).
Hard/Soft Repayment:	Soft
Repayment Priority:	Subordinate to HUD Loan

**DOES THE PROJECT MEET NOFA THRESHOLD REQUIREMENTS?:** Yes.

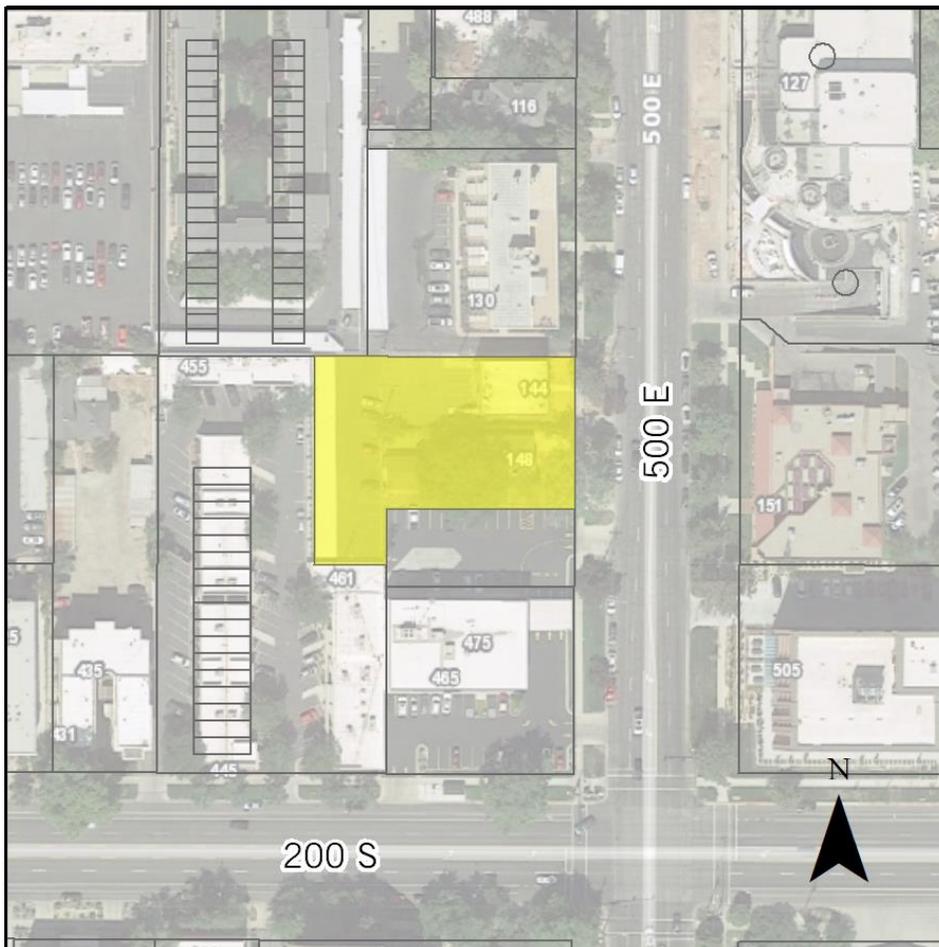
**PROJECT SUMMARY:**

*From Application – “The project's unique design will create housing, office and retail in one building. The first floor of the building will contain a small neighborhood retail space for a coffee shop or other small retail use. The second floor will contain co-working space for tenants who live in the building as well as amenities including a club house, exercise facility and large outdoor patio space. The upper floors will be a mix of housing units and smaller outdoor patio spaces. The Project will include 110 units, including 53 studios (450 square feet), 48 urban one-bedroom units (570 square feet), and 9 one-bedroom units (600 or greater square feet).”*

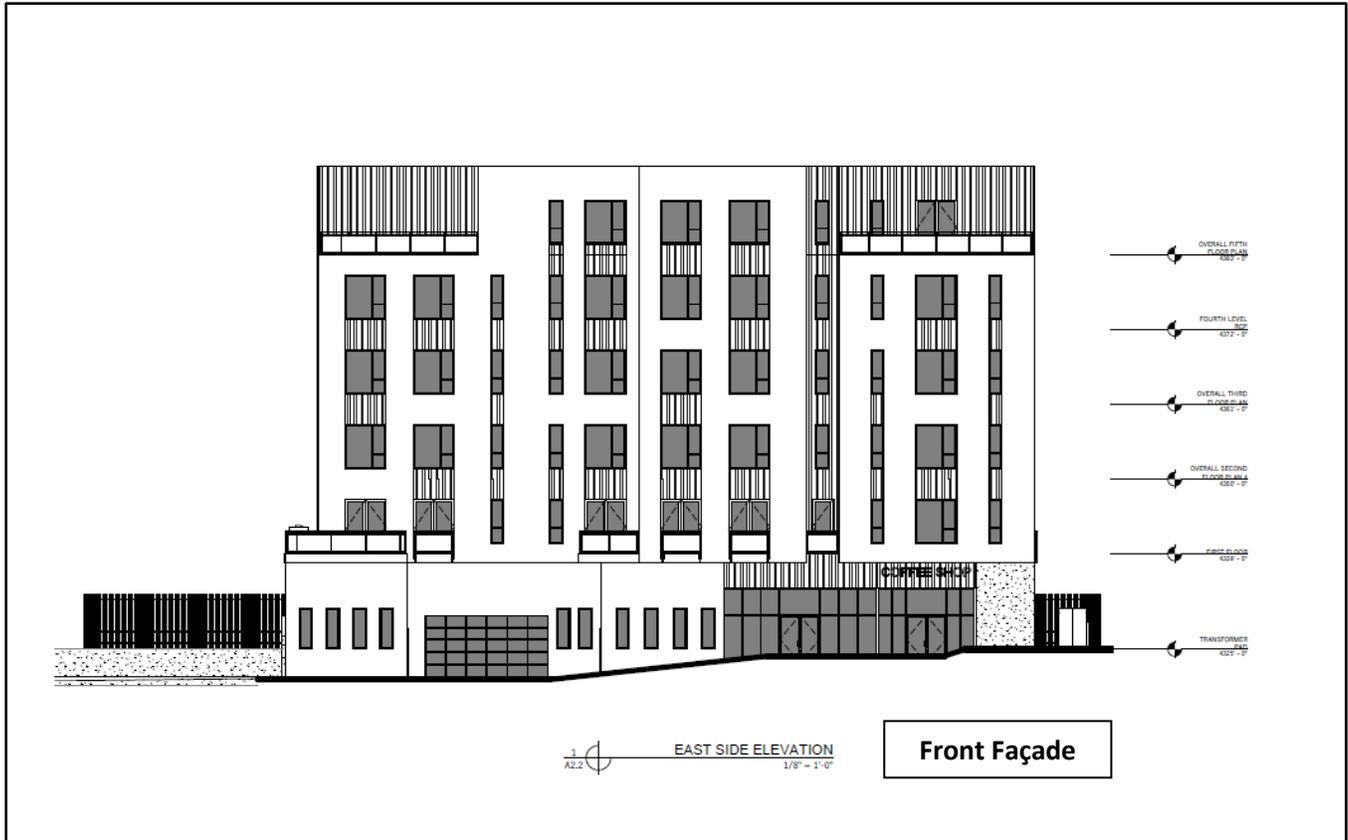
**DEVELOPER SUMMARY:**

*From Application –* “Peter Corroon and his brother Christopher Corroon started a non-profit, Green Street Partners, in 2000 to build their first affordable housing project, the Sophie Apartments, a low-income housing tax credit project at 924 South 200 West. The Corroons recently completed Cornell Place, off Redwood Road and North Temple, a 146-unit project where 90% of the units serve residents between 40%-60% of Area Median Income. Peter Corroon is also the development manager for the Centro Civico Senior Housing project being built behind the Gateway shopping center. This project will include 61 units of senior housing with 80% of the units set aside. as affordable. EMG Management will manage the project. They have experience managing hundreds of affordable housing units throughout Utah.”

**SITE MAP:**



PROJECT RENDERINGS:





**PROJECT NAME:** Pendelton Place  
**ADDRESS:** 1725 S. Jefferson Street

**OVERVIEW:**

<b>DEVELOPER:</b>	Housing Assistance Management Enterprise (HAME) and A Tall Order/Homelnn
<b>REQUEST TYPE:</b>	Construction/Permanent Financing
<b>PROJECT TYPE:</b>	New Construction
<b>EXISTING LAND USE:</b>	Vacant

**HOUSING UNITS: 74 TOTAL**

TYPE	>60% AMI	60 - 41% AMI	≤40% AMI
Studio			74
1-Bed			
2-Bed			
<b>TOTAL</b>			<b>74</b>

**FUNDING REQUEST:**

NOFA REQUEST	TOTAL PROJECT COST
\$920,000      12.8%	\$7,142,768

**TIMELINE:**

Commence Construction	Q4 2021
Complete Construction	Q4 2022

**TAX CREDITS:**

Applying for Tax Credits (Y/N):	Yes, 9%
Tax Credits Awarded (Y/N):	No

**SOURCES:**

FUNDING SOURCES	AMOUNT	
RDA Loan	\$920,000	13%
Deferred Land Loan	\$1,170,000	16%
LIHTC Equity	\$4,922,968	69%
Utility Company Rebates	\$14,800	<1%
Sponsor Contribution	\$100,000	1%
<b>TOTAL SOURCES</b>	<b>\$7,142,768</b>	<b>100%</b>

**USES:**

FUNDING USES	AMOUNT	
Land Cost	\$2,600,000	36%
Site Work/New Construction	\$3,074,083	43%
Owner's Contingency	\$144,132	2%
Arch. & Eng.	\$144,500	2%
Development Fee	\$435,866	6%
Deferred Development Fee	\$15,000	<1%
Interim Financing Fees	\$373,240	5%
Perm Financing Fees	\$48,000	1%
Soft Costs	\$65,595	1%
Syndication Costs	\$83,000	1%
Project Reserves	\$159,281	2%
Surplus	\$72	<1%
<b>TOTAL USES</b>	<b>\$7,142,768</b>	<b>100%</b>

**PROPOSED TERMS:**

Interest Rate:	1.5%
Term:	30 years
Hard/soft Repayment:	Hard
Repayment Priority:	TBD

**DOES THE PROJECT MEET NOFA THRESHOLD**

**REQUIREMENTS?:** No. The project is not meeting zoning as SROs are not an allowed use in the RMF-35 zone.

**PROJECT SUMMARY:**

*From Application –* “This 74-unit shared housing model complex will serve individuals in need of alternative forms of affordable housing. This includes those in need of low-rent, deeply affordable apartments with onsite property management and services. This site will provide low-income individuals an opportunity for truly affordable housing and the ability to prevent homelessness, reducing shelter impacts. This project helps to answer a long sought-after community need and provides an alternative pathway to housing. The partnerships formulated to bring this project forward make it uniquely positioned to provide new options and opportunities to stabilize and receive services as we march forward into unprecedented times that

call for innovative responses to suitable stable housing. This project has easy access to two bus routes and is within a mile of a TRAX stop.

This affordable complex is a joint venture with A Tall Order Foundation/Home Inn who will provide onsite property management and services that include stabilization techniques such as:

- Promote and employ within- all compensated positions will be filled with people who live in the building. This includes all custodial positions, secretarial, maintenance and grounds people. The maintenance staff is in-house whenever possible. Maintenance training offered to residents to increase their employment options.
- Resident Task Program - Compensation for completing tasks around the complex will directly reduce monthly rental amounts. An option residents may utilize if barriers are presented during a month which will prevent them from being able to pay their rent in full.
- Supervisor positions will be offered to those with an exemplary resident history. Once a resident has lived in an apartment for a period of time, they can apply for many of the employment options that will be available on-site. As a resident shows they are consistent and accountable at both employment and residential living they will be offered supervisory positions as they become available.
- Paid advocates and counselling sessions will be provided onsite. Many of the residents coming into this complex will be overcoming a wide variety of barriers including familial, credit, employment barriers and financial hardships. The services provided will be available to aid with stabilization. Through these meetings residents can begin to address recent crisis that caused the destabilization or long-standing issues which have been barriers for their housing and employment stability.
- Self-reliance classes will be presented monthly by a professional program director:
  - Housing options – a class to teach residents who are interested in stabilizing and moving on about affordable housing options in the community. This class will provide a variety of options available to those who have significant employment income as well as those who are living on a limited budget.
  - Budgeting – this class will teach residents how to manage their income regardless of how that is obtained. This will include encouraging participants to set up a savings account for emergencies and how to look ahead and plan for the future as they create budgets.
  - Community Resources – These classes will be divided up by content and address community resources for all resources meant to encourage stabilization. These are resources such as - finding employment, addressing mental health issues, education/training to increase employment options, increasing income when employment is not an option and options to address food insecurity. Classes will be added as needed to address the needs of the community.
- Quarterly guest speaker- Four times each year a qualified guest speaker will be brought in to give a presentation intended to provide extensive information for residents. The topic of each presentation is chosen based on the needs or suggestions of the complex community.
- Give Back program- A program which will create a variety of incentives for each resident when they are giving back to the community. This program will provide an opportunity for a resident to take ownership of their surroundings and living situation. The Give Back program will be created to foster pride for the resident, both in themselves and for the community they call theirs.”

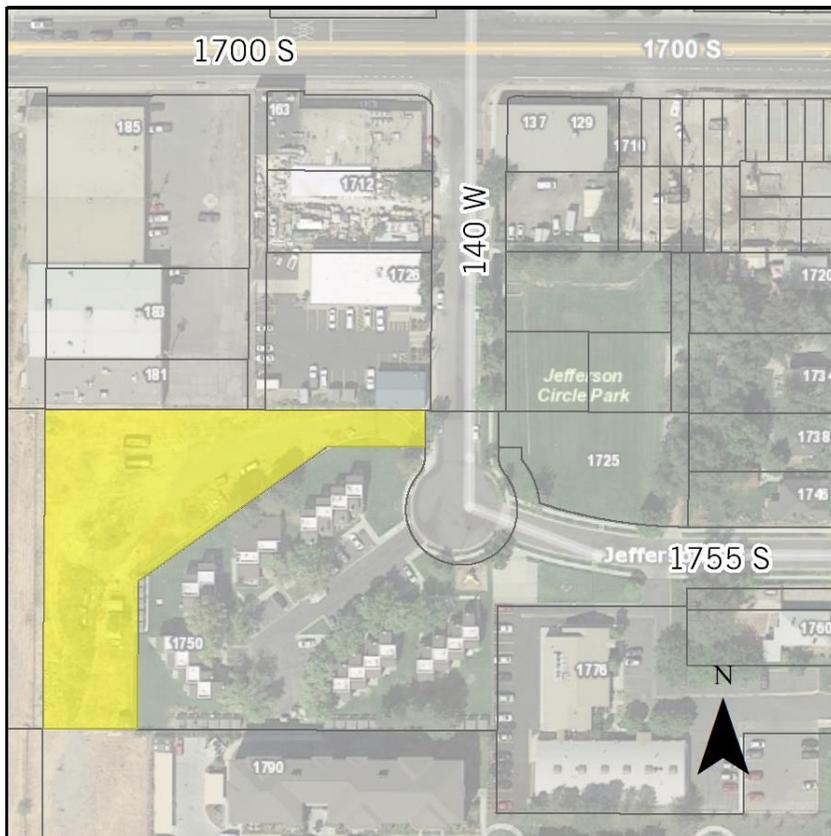
#### **DEVELOPER SUMMARY:**

*From Application (Housing Assistance Management Enterprise) – “HASLC’s primary mission is to provide affordable housing and has achieved great success with that effort in Salt Lake County over the last 50 years. HASLC provides housing directly or indirectly to almost 9,000 income-eligible seniors, children and adults, and special populations such as homeless, disabled, victims of domestic violence and Veterans. The Housing Authority is arms-length from the City and relies primarily*

on dwindling federal domestic funding to provide housing affordability which, in most cases, changes lives by providing a base for child development, gainful employment, or stability in many key areas. As a means to offset dwindling federal funding, HASLC owns a vast portfolio to address the aforementioned populations. As of 2021, HASLC will have a portfolio of nearly 2000 units of affordable housing within Salt Lake City proper, many of which were developed by HASLC or its instrumentalities.”

*From Application (HomeInn and A Tall Order) – “We provide affordable (\$250-\$450) transitional housing, successfully combating homelessness in Utah. For over 19 years, HomeInn and A Tall Order Foundation have operated under Utah Innkeeper and Federal Fair Housing laws, allowing for immediate account-ability for all residents. Our residents know that all rules are fair, but strictly enforced. Because of a shortage of low-cost housing and the high demand to get into one of our facilities our residents know that there are as many as 100 prospective residents on the waiting list at any given time. All residents have the option to participate in "Guest Task" (work that reduces rent) and "Give Back" (donated hours anywhere in the community) programs, which provide for very clean facilities and reduced overhead, allowing us to pass those savings on in lower rents. We hire only residents from within our facilities and train them in management, janitorial, maintenance, and office/bookkeeping duties. When these individuals are hired we classify them as “essential” positions, allowing our residents approved extended-stay options and a new skill to add to their resume. We also offer yearly leases to those who qualify for and de-sire them.”*

**SITE MAP:**



**PROJECT RENDERINGS:**



**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

**RESOLUTION NO. \_\_\_\_\_**

**Citywide Affordable Housing – Notice of Funding Availability (NOFA) Funding Allocations**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY APPROVING CITYWIDE AFFORDABLE HOUSING PROJECT FUNDING ALLOCATIONS.

**WHEREAS**, the Redevelopment Agency of Salt Lake City (“RDA”) was created to transact the business and exercise the powers provided for in the Utah Community Reinvestment Agency Act (the “Act”).

**WHEREAS**, the Act provides that tax increment funds may be used for the purpose of increasing the affordable housing supply within the boundaries of Salt Lake City.

**WHEREAS**, the RDA Board of Directors (the “Board”) has set aside \$3,953,799 for a Notice of Funding Availability (“NOFA”), contingent upon an application and review process administered by the RDA to facilitate funding of qualified projects that meet the goals established by the NOFA guidelines. The funding sources for this amount includes \$2,590,000 in Funding Our Future revenues and \$1,363,779 in tax-increment funds.

**WHEREAS**, the RDA facilitated a loan application and review process pursuant to the RDA’s NOFA policy set forth in resolution R-17-2018 (the “NOFA Policy”) that resulted in two requests for funding totaling \$2,420,000.

**WHEREAS**, on August 27, 2020, a selection committee reviewed the NOFA applications and recommended funding allocations and preliminary terms as further described in on Exhibit A.

**WHEREAS**, based on the selection committee’s recommendations, the RDA staff recommends that the Board approve the funding allocations and preliminary terms described on Exhibit A, and that the RDA shall provide a conditional commitment period determined by the RDA, during which the approved applicant shall have the opportunity to obtain needed financial, legal, and regulatory approvals as well as satisfy other conditions determined by the RDA in order to finalize the loan terms.

**WHEREAS**, pursuant to the NOFA Policy, projects that successfully meet the conditions of the conditional commitment shall be invited to execute a Letter of Commitment to finalize the loan terms, subject to a set of conditions precedent to closing of the loan.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD** that it approves the funding allocations and preliminary terms as further described in Exhibit B, subject to revisions that do not materially affect the rights and obligations of the RDA hereunder. For approved applicants that successfully meet the required conditions, the Board authorizes the Executive Director to negotiate and execute the conditional commitment letter, the Letter of Commitment, and the loan agreements and other relevant documents consistent with the funding allocations and terms contained on Exhibit B, and incorporating such other terms and conditions as recommended by the City Attorney's office.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this \_\_\_\_\_ day of September 2020.

\_\_\_\_\_  
Amy Fowler, Chair

Approved as to form:  \_\_\_\_\_  
Salt Lake City Attorney's Office  
Kimberly K. Chytraus  
Date: September 2, 2020

The Executive Director:

\_\_\_\_ does not request reconsideration  
\_\_\_\_ requests reconsideration at the next regular Agency meeting.

\_\_\_\_\_  
Erin Mendenhall, Executive Director

Attest:

\_\_\_\_\_  
City Recorder

EXHIBIT A: NOFA SELECTION COMMITTEE RECOMMENDED FUNDING ALLOCATIONS

The NOFA selection committee (“Committee”) recommends the following:

**1. \$1,500,000 Loan Request for 144 Place Apartments at 144 S. 500 East from 144 South Apartments, LLC:**

The Committee **recommends approval** of the \$1,500,000 loan request from Red Gate Properties for the 144 Place apartment development at 144 S. 500 East with a non-extendable 12-month conditional commitment period, subject to the following conditions:

- The loan shall be provided as a construction to permanent loan to close with primary financing.
- The primary financing, HUD 221(d)4 Loan, shall be approved and close within the conditional commitment period. If this funding is not received, the RDA’s commitment shall terminate.
- The Olene Walker loan shall be subordinate to the RDA loan.
- Repayment of and return on equity shall be made secondary to RDA debt payments.
- Affordable unit rents must be set at 50% AMI and shall include rent, utilities and parking costs.
- Affordable units must be maintained as rent *and* income eligible.
- The project’s design and development plan shall be reviewed and approved by RDA staff.
- Final loan terms and conditions shall be approved by RDA staff.

The loan request shall be funded with Funding our Future sales tax revenues.

**2. \$920,000 Loan Request for Pendleton Place Housing Project at 1725 S. Jefferson Street from the Housing Authority of Salt Lake City:**

The Committee **recommends against approval** of the \$920,000 funding request from the Housing Authority of Salt Lake City for the Pendleton Place development at 1725 S. Jefferson Street.

The Committee does recognize the value this particular project would add to the community; however, due to the project’s noncompliance with zoning that is a threshold requirement of the NOFA, the committee would recommend that the applicant address this zoning noncompliance and reapply for funding in the future.

EXHIBIT B: NOFA RDA BOARD FUNDING ALLOCATIONS