

HOUSING TRUST FUND ADVISORY BOARD

Meeting of November 17, 2016

The following board members were in attendance: Rick Knuth, Irena Edwards, Nick Jackson, Ali Oliver and Amy Rowland and David Smoot. Staff members in attendance were Michael Akerlow, Director of Housing & Neighborhood Development; Melissa Jensen, Deputy Director of Housing & Neighborhood Development; Jennifer Schumann, Capital Planning Manager of Housing & Neighborhood Development; Emily Strong, Housing Development Programs Specialist of Housing & Neighborhood Development; Don Sparks, HAND Project & Policy Manager of Housing & Neighborhood Development; and Kalli Ruiz, Administrative Secretary of Housing & Neighborhood Development.

Also in attendance were: Tony Milner, Utah Community Action; Diane Warsoff, Community Development Corporation of Utah; Melanie Zamora, The Road Home; Zach Bale, Housing Authority of Salt Lake County; Tyler Fisher, Utah Aids Foundation; and Mr. Peter Corroon, Little Diamond Housing, LLC "Cornell Street Apartments, LLC".

Rick Knuth was Acting Chairperson and called the meeting to order at 12:06 p.m.

Approval of the minutes from the September 22, 2016 meeting.

Chair Knuth asked if there were any amendments or corrections to the August 25th meeting minutes. Mr. David Smoot motioned to approve the August 25th minutes. Ms. Irena Edwards seconded the motion. All voted "Aye." August 25th meeting minutes are approved.

Chair Knuth asked if there were any amendments or corrections to the September 22nd meeting minutes. Chair Knuth noted that the word reward needed to be changed to Award. Ms. Amy Rowland stated that "add interest only" needed to be added to the motion. Ms. Irena Edwards stated that the spelling of her name needed to be corrected to Irena rather than Irene. Ms. Irena Edwards motioned to approve the September 22nd minutes. Ms. Amy Rowland seconded the motion. All voted "Aye." September 22nd meeting minutes are approved.

Review and Presentation on HOME & HOPWA Grant Applications

Ms. Jennifer Schumann introduced the applicants for the 2016-2017 HOME & HOPWA Grants. She stated that each applicant would have a few moments to address the Board to allow an opportunity to further explain the uses of their requested grant monies. Ms. Schumann said that after the interview process was complete, the applicants were free to go. Once all presentations and questions were answered the Board proceeded to recommend specific funding levels in each category (see Attachment A). These approvals were based on the best use of funds with the greatest impact in the community according to the Board's review of the content and applications.

Cornell Street Apartments Loan Request

Ms. Melissa Jensen gave an overview of the loan request for the Cornell Street Apartments and highlighted the project plan. She stated that the developer had been awarded some funds from the Olene Walker Trust Fund.

Chairperson Rick Knuth asked for further explanation on the project financing and questioned if there was a prime lender that the developer was using.

Mr. Peter Corroon stated it was a typical bond financing arrangement. He said that they, the developer had received a bond allocation from the State, also that the Olene Walker Trust Fund had approved one million dollars contingent upon the changing of policies, and a requested \$550,000 loan from Salt Lake City Housing Trust Fund. Mr. Corroon said that the prime lender on the project is the Richmond Group, based out of Connecticut. He added that the Richmond Group does a lot of work with tax credit financing.

Ms. Irena Edwards asked if this would be a private placement or a FHA loan. Mr. Peter Corroon replied that they will be looking to do FHA financing.

Ms. Melissa Jensen added that the initial request had come in at 2% for a 40yr term, but that there has been a subsequent option for cash flow only at the 2%. She stated that she would not recommend this option, but want the Board to be aware of it. Ms. Jensen then read remarks from Board Member Marilyn Pearson as follows; "The development fund of \$25,975,242 seemed a little high for both the area and the 146 "per unit" price to me, which I think was a concern for the neighborhood community council as well." Peter initially went to a Community Council meeting months ago, but primarily as support for the rezone's that were required for that area and has said that he will go back to that Council again, but has not been to date.

Mr. Peter Corroon stated he would gladly return before the Community Council, but has been waiting to hear back from them on a good time. He stated he didn't feel the Council would be supportive of the project based on the affordable housing component.

Ms. Ali Oliver commented that the term "workforce Housing" infers that not all people in need of affordable housing are all working. She suggested being more delicate in the choice of terms being used to define the specific group being referred to. Ms. Oliver asked about the amenities the project would offer. Mr. Corroon said that there would be a workout room, a picnic area, a children's playground, and that it hadn't been decided on whether a basketball court would also be included. He added that the developer was planning to reach out to "Green Bike" to see if that may be something that could also be put in near the project.

Ms. Melissa Jensen noted that the units were primarily one and two bedroom and that the project did not include an option for three bedroom units.

Ms. Irena Edwards asked if the 99.6 LTV included the assumption of the SLC Corporation Loan. Mr. Rick Knuth said yes. Ms. Amy Rowland inquired about the interest rate that the developer was projecting on the primary financing. Mr. Corroon stated he believed it to be 3.73% but was still pending confirmation.

Ms. Ali Oliver stated her frustration about allocating geographically in concentrations of poverty stricken areas. She expressed concern that the North Temple was quickly becoming one of those areas. Mr. Peter Corroon replied that those concerns were also expressed by the Community Council and because of that feedback the developer had decided to go for a higher AMI. Ms. Amy Rowland stated that developers build where it works economically.

Mr. Mike Akerlow addressed the concerns with the affordable housing that Ms. Oliver and the Community Council had expressed. He explained that it is the City's job to help create affordability for all residents and that affordability has a wide range of definitions. Mr. Akerlow said the City believes that a healthy community has a mix of incomes and there are some projects on the horizon that are mixed income. He asked that the community take a long term look at the developments, and said that new construction always begets more new construction which over time will only increase the rents. Currently there are restrictions on the rents and people come to the City to fund the gaps. Lastly, Mr. Akerlow stated that as a Division we try to create policy that will benefit the community in its entirety. He added that there are policy changes that have been presented to the City Council awaiting approval.

Ms. Melissa Jensen stated this comment on the motion from Ms. Marilyn Pearson; "I would like to do the loan at \$500,000 versus the \$550,000 to be in line with other applications. I want a contingency that the alleyways are secured and open before construction begins, and that the interest rate be 3% instead of the 2%. Also that the developer speak with the Jordan Meadows Council and note any concerns before".

Mr. Corroon presented reasoning for the financing and stated that it was complicated. Ms. Melissa Jensen explained that the Board maintains the authority to determine the terms. She added that Olene

Walker Funds were at 3% and that the Board has the option to match that or not, but that it is up to the Board members in attendance. In addition, Melissa added that her analysis concluded that the cash flow of the project could support a 3% interest and is in line with the Board's preference for higher interest rates on projects that are also serving a higher area median income (AMI); in this case 60% AMI.

Ms. Amy Rowland noted a discrepancy in the listed positions of funding sources. She stated that SLC Corporation is listed in second position, but in the rest of the proposal it lists SLC Corp in third position. Ms. Rowland said that the Olene Walker funds would be in front of the SLC Corp funds because it is a larger amount that they are funding. Ms. Jensen explained that HTF had generally been in second position and that the Olene Walker Fund had always supported that. She added that she did not foresee it being an issue in this case.

Ms. Irena Edwards made a motion to approve the loan at \$550,000 with a 3% interest rate, a 40 year amortization with a two year construction period and interest only for the first 24 months. Ms. Amy Rowland seconded the motion. Chairperson Rick Knuth asked for further discussion or questions. Irena Edwards, Rick Knuth, Amy Rowland and David Smoot voted "Aye". Ali Oliver voted "Nay". The motion passed.

Low Wage Worker Program

Ms. Melissa Jensen explained that the Board had approved a Low Wage Worker Program sometime last year. She detailed the guidelines of the project and stated that the first applicant is the Wasatch Group with their project on State Street and 600 South. Ms. Jensen said that the stipulations were set at five units and no more than \$50,000. However, the applicant came back with max \$250,000 for 7 Units. She noted that she feels that the Board can be flexible in this request since it results in a lower cost per unit. Mr. Mike Akerlow added that the City is taking the lead in these types of projects and that the State is following suit.

Ms. Amy Rowland asked if there were any deadline on the Wells Fargo Funding. Ms. Melissa Jensen said there has been an extension to June of 2017.

Mr. David Smoot made a motion to approve the request as submitted. Ms. Irena Edwards seconded the motion. Chairperson Rick Knuth asked for further discussion or questions. Irena Edwards, Rick Knuth, Amy Rowland, Ali Oliver and David Smoot voted "Aye". The motion passed.

Other Business

There being no further business, the meeting adjourned at 1:35 p.m.

Attachment A

Housing Trust Fund Federal Funding Recommendations

SALT LAKE CITY HOME PROGRAM: FUNDING LOG 2017/2018

Estimated 2017-18 Funding Available: \$ 1,286,000 Available to Allocate \$ -

APPLICANT/PROJECT NAME	PROJECT DESCRIPTION	PREVIOUS GRANT AWARDS	REQUEST/RECOMMENDED	2015-2019 CONSOLIDATED PLAN
1 Utah Community Action 764 South 200 West TBRA Program	Direct client rental assistance with Tenant Based Rental Assistance	FY16-17 \$ 70,000	REQUEST: \$ 70,000	Administrative Score: 26 Consolidated Plan Objective: Provide housing opportunities to emphasize stable housing as a primary strategy to end homelessness.
		FY15-16 \$ 70,000	HTF: \$ 70,000	
		FY14-15 \$ 70,000	MAYOR:	
		FY13-14 \$ 70,000	COUNCIL:	
		FY12-13 \$ 70,000		
		5 YR TOTAL \$ 350,000		
2 Community Development Corporation of Utah 501 East 1700 South Own In Salt Lake Program Down Payment Assistance	Direct aid in the form of grants/loans not to exceed \$7,500 each to first-time LMI home buyers in Salt Lake City for down payment assistance.	FY16-17 \$ 75,000	REQUEST: \$ 150,000	Administrative Score: 19 Consolidated Plan Objective: Provide housing opportunities to emphasize stable housing as a primary strategy to end homelessness.
		FY15-16 \$ 75,000	HTF: \$ 150,000	
		FY14-15 \$ 85,000	MAYOR:	
		FY13-14 \$ 75,000	COUNCIL:	
		FY12-13 \$ 95,000		
		5 YR TOTAL \$ 405,000		
3 The Road Home 210 South Rio Grande TBRA program	Tenant Based Rental Assistance for eligible clients in The Road Home's Rapid Re-housing Program	FY16-17 \$ 200,000	REQUEST: \$ 200,000	Administrative Score: 26 Consolidated Plan Objective: Provide housing opportunities to emphasize stable housing as a primary strategy to end homelessness.
		FY15-16 \$ 150,445	HTF: \$ 200,000	
		FY14-15 \$ 110,000	MAYOR:	
		FY13-14 \$ 110,000	COUNCIL:	
		FY12-13 \$ 110,000		
		5 YR TOTAL \$ 680,445		
4 SLC Housing & Neighborhood Development 451 S. State Street, Rm. 445 HOME Development Fund	Funds will be used for development activities including acquisition, new construction, and rehabilitation of existing housing	New	REQUEST: \$ 795,000	Administrative Score: Consolidated Plan Objective: Improve and rehabilitate the housing stock, with focus on concentrated areas of poverty.
			HTF: \$ 795,000	
			MAYOR:	
			COUNCIL:	
ADMINISTRATION				
1 SLC Housing & Neighborhood Development 451 S. State Street, Rm 406 Administrative Costs 10% of Home Allocation	Funding to administer the HOME program (10% of the total HOME allocation).	FY16-17 \$ 70,640	REQUEST: \$ 80,000	
		FY15-16 \$ 71,014	HTF: \$ 71,000	
		FY14-15 \$ 80,049	MAYOR:	
		FY13-14 \$ 76,311	COUNCIL:	
		FY12-13 \$ 75,568		
		5 YR TOTAL \$ 373,582		
			REQUEST: \$ 1,295,000	
			HTF: \$ 1,286,000	
			MAYOR: \$ -	
			COUNCIL: \$ -	
TOTAL				

FUND AVAILABILITY:	
ESTIMATED 17-18 GRANT AWARD: \$	710,000
PROGRAM INCOME: \$	342,000
REALLOCATION: \$	234,000
TOTAL FUNDS AVAILABLE: \$	1,286,000

AVAILABLE FOR ALLOCATION:	
HTF ADVSRY BRD: \$	-
MAYOR:	
COUNCIL:	

HTF Board Notes:

If funding is increased: Adjust admin as required by regulation, then adjust #4 HOME Development Fund appropriately
 If funding is decreased: Adjust admin as required by regulation, then adjust #4 HOME Development Fund appropriately

SALT LAKE CITY HOPWA PROGRAM: FUNDING LOG 2017/2018

Estimated 2017-18 Funding Available: \$ 365,825 Available to Allocate \$ 0

APPLICANT/PROJECT NAME		PROJECT DESCRIPTION	PREVIOUS GRANT AWARDS		REQUEST/RECOMMENDED	2015-2019 CONSOLIDATED PLAN
1	Housing Authority of the County of Salt Lake Tenant-based Rental Assistance	Rental Assistance for HOPWA eligible tenants and staff salary to support program administration	FY16-17	\$ 205,131	REQUEST: \$ 280,542	Administrative Score: 25
			FY15-16	\$ 201,496	HTF: \$ 220,462	
			FY14-15	\$ 191,496	MAYOR:	Consolidated Plan Objective: Expand housing options for extremely low-income (ELI) individuals and special needs populations.
			FY13-14	\$ 191,496	COUNCIL:	
			FY12-13	\$ 100,000		
5 YR TOTAL			\$ 889,619			
2	Utah Community Action Program Housing Information/STRMU/PHP/Supportive Services	Salaries and operational support for HOPWA housing program	FY16-17	\$ 114,719	REQUEST: \$ 104,388	Administrative Score: 26
			FY15-16	\$ 129,000	HTF: \$ 104,388	
			FY14-15	\$ 108,931	MAYOR:	Consolidated Plan Objective: Provide housing opportunities to emphasize stable housing as a primary strategy to end homelessness.
			FY13-14	\$ 100,000	COUNCIL:	
			FY12-13	\$ 100,000		
5 YR TOTAL			\$ 552,650			
3	Utah AIDS Foundation Supportive Services	Salary support for Case Manager to provide housing-related case management to people living with HIV and their households.	FY16-17	\$ 15,000	REQUEST: \$ 30,000	Administrative Score: 24
			FY15-16	\$ 15,000	HTF: \$ 30,000	
			FY14-15	\$ 10,000	MAYOR:	Consolidated Plan Objective: Expand housing options for extremely low-income (ELI) individuals and special needs populations.
			FY13-14	\$ 10,000	COUNCIL:	
			FY12-13	\$ 10,000		
5 YR TOTAL			\$ 60,000			
4	Salt Lake City Corporation Program Administration	To provide management, oversight, and monitoring of the HOPWA program. Administration: 3% of HOPWA allocation	FY16-17	\$ 10,975	REQUEST: \$ 12,000	
			FY15-16	\$ 10,970	HTF: \$ 10,975	
			FY14-15	\$ 10,991	MAYOR:	
			FY13-14	\$ 11,012	COUNCIL:	
			FY12-13	\$ 11,606		
5 YR TOTAL			\$ 55,554			
TOTAL					REQUEST: \$ 426,930	
					HOUSING TRUST FUND ADVISORY BRD: \$ 365,825	
					MAYOR: \$ -	
					COUNCIL: \$ -	

FUND AVAILABILITY:	
ESTIMATED 2017-2018 GRANT AWARD: \$	365,825
REALLOCATION: \$	-
TOTAL FUNDS AVAILABLE: \$	365,825

AVAILABLE FOR ALLOCATION:	
HOUSING TRUST FUND ADVISORY BRD: \$	0
MAYOR:	
COUNCIL:	

Note: 17-2018 grant award amount is based on last year's grant award

Housing Trust Fund Advisory Board Notes:

If funding is increased: Adjust admin as required by regulation, any further adjustments should happen to #1 Housing Authority of the County of Salt Lake
 If funding is decreased: Adjust admin as required by regulation, keep Utah AIDS at \$30k, share any decrease equally between #1 Housing Authority of the County of Salt Lake and Utah Community Action