

HOUSING TRUST FUND ADVISORY BOARD

Meeting of May 19, 2016

The following board members were in attendance: Irena Edwards, Rick Knuth, Rocky McCain, Ali Oliver, Marilyn Pearson, Stephanie Jensen, and Amy Rowland. Staff members in attendance were Michael Akerlow, Director of Housing & Neighborhood Development, Melissa Jensen, Deputy Director of Housing & Neighborhood Development, Don Sparks, Accountant, Housing & Neighborhood Development and Jan Davis, Administrative Secretary, Housing & Neighborhood Development.

The recording begins mid-discussion at 12:12:45 PM. Discussion begins with a number of people raising issues regarding a 50-year affordability period.

Chair Rick Knuth interjects, calling the meeting to order on May 19th, 2016. Notes that the recording device was inoperable at the beginning of the meeting and that a quorum is present. He goes on the note that they have only reviewed item four (4) of the agenda; update of council approval at 1015 Granary Place. When the recording began, they were in the middle of a policy discussion on the finance working group.

Discussion revolves around policy guidelines on how long affordability periods should be; evaluating why some are 50 years and others might be 15. There was inquiry into whether loans are being lost due to “requirement of affordability”. Melissa discusses low-quality apartment units owned by Diamond J and those who rent the units being of low income. She mentions someone is looking to purchase the Diamond J portfolio, but notes that the prospective purchaser does not intend to keep the units below “market” cost for the long run (beyond 10 years), so in the end SLC will lose 100 affordable units. The Road Home is one of those tenants who may lose their lease. Melissa then brings up Restore Utah who bought up a lot of substandard housing and who soon wants to put the portfolio into a REIT, at which time the units could be outside the realm of affordability and potentially affected by the “market.”

A discussion ensues on the importance of the flexibility of the fund and the need for guidelines for the Board to make decisions. Some agreement is reached that there should be more structure to prevent subjectivity but determining that structure may take some time.

Mr. Knuth suggests to move on to item two. Ms. Jensen comments that the Housing Trust Fund’s (HTF) flexibility is key to its success since Federal dollars or private capital can be very restrictive. Discussion moves on to how much funding is currently being utilized. HTF is nearing the end of its funding cycle with a year’s worth of funding left. Discussions are beginning with the Mayor to discuss a more stable and steady funding stream for affordable housing in general.

Mr. Akerlow seeks to broaden the discussion, noting the Housing Trust Fund’s sources of revenue and its future could be limited. Notes at this point, the focus should be on how to build the sustainability of HTF. Continues that any change to the HTF will be by ordinance and Council votes. Turns to Melissa and underscores that the department will need to present alternative scenarios for whatever direction the council decides to go. The discussion is deepened around Salt Lake City Council’s role in determining the future of the Housing Trust Fund. Mr. Akerlow notes that there will need to be a determination on whether the HTF should pursue a “gap financing” policy, that HTF’s charge then becomes, essentially, a tax credit

dispensing body. In conclusion, the group agrees that some policy decisions are dependent on the council and the Board prefers to seek direction before shifting policy dramatically.

In the interim Ms. Jensen seeks input as to changes the group would like to see in future applications. During this discussion there was conversation around a potential scoring system, a fixed interest rate, and a method for determining the amount of funding. Such considerations also included community assets and equitable distribution throughout the City.

To better inform the Board Ms. Jensen asked Ms. Rowland to provide an overview of the Economic Development Loan Fund for the next meeting.

Ms. Jensen proceeded to move on to the budget discussion and introduces Don Sparks. Discussion ensues about the overall health of the loan/grant portfolio as well as the duration of the goal of affordability. The group was interested in the report and requested they receive a snapshot quarterly that outlines overall portfolio health and the developers associated with delinquent or poor performing assets.

Mr. Knuth brought the group back to the minutes of March 17th 2016 and April 21st 2016 as these minutes were unable to be approved at the last meeting due to a lack of a quorum. Mr. Knuth asked for motion and a second for both March and April minutes. Both motions carried unanimously.

In closing the group desired to have a summer break. Next meeting was suggested for mid-September unless an application review is required.

Meeting adjourned.