

HOUSING TRUST FUND ADVISORY BOARD

Meeting of September 22, 2016

The following board members were in attendance: Irena Edwards, Marilyn Pearson, Ellen Reddick, David Smoot, Nick Jackson, Ali Oliver and Amy Rowland. Staff members in attendance were Melissa Jensen, Deputy Director of Housing & Neighborhood Development; Don Sparks, Housing Financial Supervisor of Housing & Neighborhood Development; and Kalli Ruiz, Administrative Secretary of Housing & Neighborhood Development.

Also in attendance were: Chris Parker and Associates of Giv Development.

Irena Edwards was Acting Chairperson and called the meeting to order at 12:11p.m.

Approval of the minutes

There were no minutes for approval.

Presentation & Discussion on North 4th Short Term Loan

Ms. Melissa Jensen provided a quick overview of the North 4th Project and stated that with the support of City Council the Housing Trust Fund (HTF) is working to broaden the scope of the loans it will offer. She explained that although previously it has been used for more gap financing that recently the HTF has done more HUD221D4 loans and other loans without tax credits.

She introduced Giv Development out of Ogden, Utah. She explained that Mr. Chris Parker and his associates have done some amazing work and are willing to put in the efforts on more complicated projects. Ms. Jensen reminded the Board that the North 4th Project is located at 529 West 400 North and that a key component for the project is that it is adjacent to the Salt Development. As a part of the project, Giv Development previously secured financing for Phase I with the past years tax credits, with that they have purchased enough land for the Phase I and Phase II. However, Giv Development is now looking for temporary financing from the HTF for Phase II until they are able to secure the coming year tax credits.

Ms. Jensen explained that this is the largest loan the HTF will have financed to date. She stated that this is a special loan, relative to a bridge financing and would have a term of three years maximum. She noted that in the loan request documents there is an approximate June 2017 payoff, but that this is contingent on Giv Development's ability to secure tax credit monies. Ms. Jensen stated that tax credits are extremely competitive, but that the three year term should provide sufficient time for payoff if any glitch should occur in the current year. She expressed confidence in Giv Development's abilities to secure the tax credits based on the years past. She asked Giv Development to join the table for questions.

Ms. Marilyn Pearson asked the developer why they hadn't contacted the Community Council for feedback. Mr. Chris Parker explained that typically they do, but in this case, they, the developer had wanted to secure the reward prior to addressing the Community Council because they didn't want to make promises they were unable to deliver. Ms. Pearson inquired whether the Community Council had been supportive of the Phase I. Mr. Parker stated that he believed so. Ms. Amy Rowland suggested going before the Community Council between now and before the developer will go before Salt Lake City Council.

Ms. Amy Rowland questioned if there were an appraisal on the land. Mr. Parker stated that one has been ordered. Ms. Irene Edwards asked what the plan would be for the land if the developer is unable to secure tax credit monies. Mr. Parker said that Giv Development would be content with the Housing Trust Fund holding a rider on the property. Ms. Edwards asked if the submission for tax credits was for the October 3, 2016 deadline, and if the developer was asking for this loan approval from the HTF prior. Mr. Parker confirmed that that is the goal. Ms. Pearson expressed concern for the amount of the loan.

Mr. David Smoot asked if there were any skin on the land Mr. Parker reiterated that there was a considerable amount of equity in the project as a whole but not any specific dollars on the land.

Mr. Parker detailed the project plan including the parking ratios and a tentative plan for a community car share program for those without personal transportation.

Mr. Nick Jackson asked for a definition on AMI levels so that others could understand what AMI represents. He encouraged the Board to remember that low-income households include many fulltime working class citizens making minimum wage. Mr. Parker added that the demographic in Utah is also filled with one income households which tend to have a lower AMI percentage.

Ms. Pearson questioned the consistency of percentage rates on the HTF loans. Ms. Jensen stated that 2% or above had been acknowledged as the standard rate going forward however, the Board maintains flexibility in that area. Ms. Rowland asked if it makes sense to recommend amortization over a short period loan term verses an interest only loan option. She said she felt amortization did not make sense.

Ms. Marilyn Pearson made a motion to approve the \$1,125,000 loan request to Gift Development based on the Board discussion, but stipulated that the Developers communicate with the Community Council for feedback. Ms. Amy Rowland seconded the motion. Chairperson Irene Edwards asked for further discussion or questions. Irena Edwards, Marilyn Pearson, Ellen Reddick, David Smoot, Nick Jackson, Ali Oliver and Amy Rowland voted "Aye". The motion passed.

Other Business

There being no further business, the meeting adjourned at 1:03p.m.