



# RDA BUDGET STAFF REPORT

REDEVELOPMENT AGENCY BOARD of SALT LAKE CITY

**TO:** RDA Board Members

**FROM:** Jennifer Bruno, Ben Luedtke and Allison Rowland

**DATE:** May 21, 2024

**Project Timeline:**

1<sup>st</sup> Briefing: May 21, 2024

2<sup>nd</sup> Briefing: TBD

Budget Hearing: May 21, and June 4, 2024

Potential Action: June 11 or 13 (TBD)

**RE: Redevelopment Agency (RDA) Budget – FY 2025**

**BUDGET BOOK PAGES:** *Key Changes pages 81-90, Department Overview 119-121 and 241-244, Staffing doc: 313*

The Redevelopment Agency is a tool of the City, as enabled by State law, that allows for the capture of property tax increment in defined areas to reinvest back in those same communities. The stated mission of the City's RDA is "to revitalize neighborhoods and business districts to improve livability, spark economic growth, and foster authentic communities, serving as a catalyst for strategic development projects that enhance the City's housing opportunities, commercial vitality, public spaces, and environmental sustainability." Note that the RDA is in the process of being renamed the Community Reinvestment Agency or CRA to align with state law which is expected to be completed by the start of the new fiscal year on July 1, 2025.

The Mayor's FY 2025 Redevelopment Agency Recommended Budget includes tax increment spending in all project areas for projects, loan funds, as well as department administration. See page 241 of the Mayor's Recommended Budget book for an overview of the Department including the full mission statement and core values. Staff has also included Attachment 1 showing the RDA's updated guiding framework adopted by the Board in December 2021, which comprises the mission statement, core values and livability benchmarks. **The total proposed FY 25 budget is \$84.7 million which is \$3.9 million more (5%) than FY24.** RDA revenue includes property tax increment, loan proceeds, parking garage and commercial space rental revenues, interest income, an annual transfer from Funding Our Future for affordable housing, and private donations for the Eccles Theater. The largest non-donation source of revenue by far is tax increment, which will generate \$55.4 million in FY 25 from twelve active project areas (up 18.4% from \$46.8 million in FY 24).

The Administration provided the following policy goals for the proposed FY 25 budget:

- **"Affordable Housing** - *In accordance with the FY25 Affordable Housing Funding Priorities, this goal prioritizes the deployment of the Agency's housing funds for the development of affordable housing units targeted for families and the deeply affordable as well as the facilitation of wealth building opportunities and home ownership.*
- **Commercial Opportunities** – *The Agency has been collaborating with City staff in Economic Development and Housing Stability to inform the Board on existing commercial funding programs prior to presenting proposed/amended programs to the Board in the coming months. The proposed budget includes allocations for Commercial Assistance Programs that will be made available as the Agency's programs are updated and approved.*

- **Infrastructure** – *The proposed budget includes the allocation of funds for the continued development of public infrastructure projects such as Folsom Corridor and Japantown, as well as potential improvements and capital repairs to the Gallivan Center.*
- **Public Art** – *The proposed budget also includes allocations of funds across multiple project areas for the installation of public art. In the 9-Line area, additional funds are requested for the installation of a second westside public art installation within the project area. Funding allocations have also been requested for the re-installation of the “Gulls of Salt Lake City” sculpture as well as a public art project within the CBD area.”*

State law requires that tax increment be used within the project area where it was generated unless it is used for housing affordable at 80% area median income (AMI) or below, or the Board makes a determination that spending funds outside the project area directly benefits that project area (such as was recently done for investment in properties around the Smith’s Ballpark). Other agency revenue sources are more flexible and may be spent outside of project areas for housing and economic development purposes, again within state law limitations. (These are listed in the Additional Information section below). Some RDA divisions are funded through pass-through allocations from project areas or other revenue sources (see chart below), which increases flexibility of those funds but reduces available budget in project areas where they originate.

The proposed budget for the RDA adds one financial analyst FTE for coordinating RDA activities across multiple project area budgets and funds. This brings the total RDA employee count to 22, and 13 FTEs for Gallivan-related maintenance and programming. *Note: the budget for Gallivan-related maintenance and programming is now handled in a donation account, which is unique for a public space). Gallivan funding and FTEs were transferred to the RDA from the Public Services Department in the FY21 annual budget.*

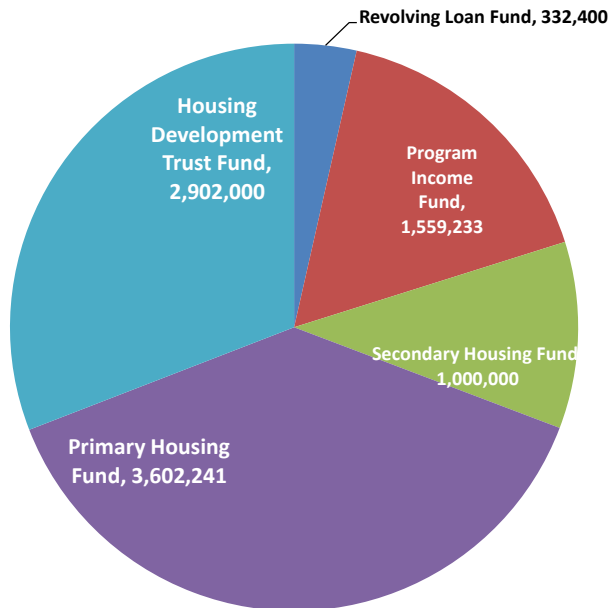
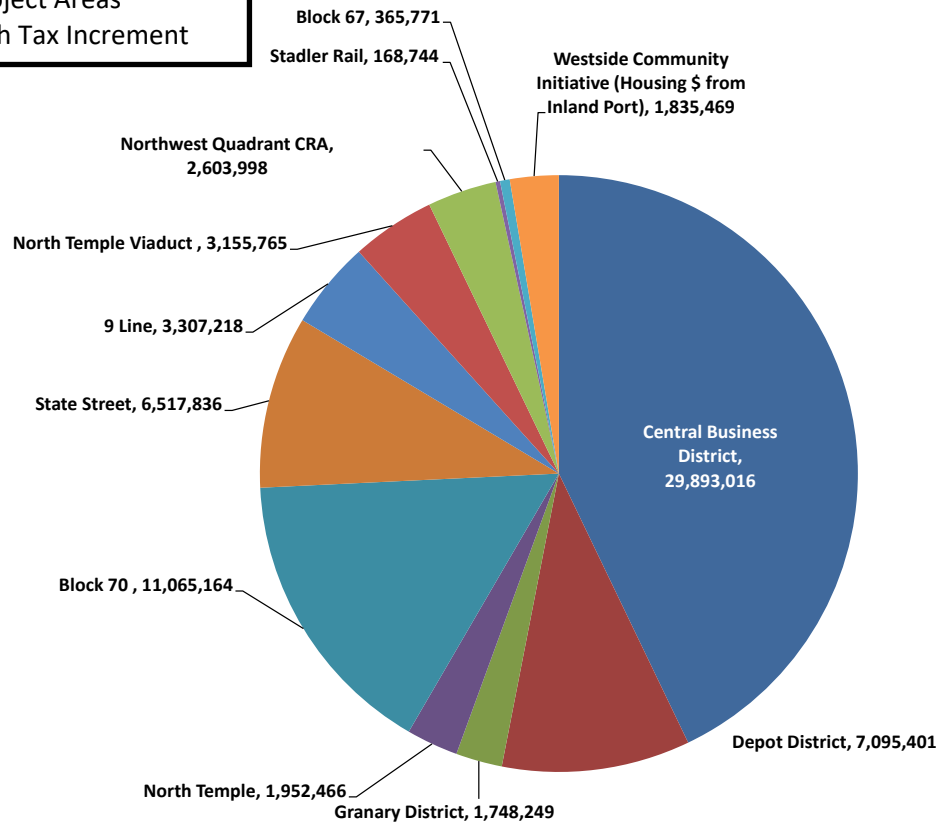
The following chart outlines the operating budget for each division of the RDA, and separates those that are funded through tax increment, and those that are funded through pass-through revenue from project areas:

Expenditures by Project Area/Account				
	2023-24 Adopted	2024-25 Proposed	Difference Dollars %	
Project Areas - Funded primarily with Tax Increment:				
Central Business District	\$ 24,644,694	\$ 29,893,016	\$ 5,248,322	21%
Block 70 (Eccles Theater Block)	\$ 11,053,759	\$ 11,065,164	\$ 11,405	0%
Depot District	\$ 7,227,908	\$ 7,095,401	\$ (132,507)	-2%
Granary District	\$ 1,394,593	\$ 1,748,249	\$ 353,656	25%
North Temple	\$ 1,351,992	\$ 1,952,466	\$ 600,474	44%
North Temple Viaduct	\$ 2,774,419	\$ 3,155,765	\$ 381,346	14%
Northwest Quad CRA (North of I-80)	\$ 1,398,548	\$ 2,603,998	\$ 1,205,450	86%
Westside Community Initiative (Inland Port Legislation set aside for housing)	\$ 1,835,469	\$ 1,835,469	\$ -	0%
Stadler Rail	\$ 141,297	\$ 168,744	\$ 27,447	19%
State Street - new in FY 23	\$ 5,788,520	\$ 6,517,836	\$ 729,316	13%
9 Line - new in FY 23	\$ 3,455,989	\$ 3,307,218	\$ (148,771)	-4%
Block 67 North - new in FY 25 - West Quarter Block		\$ 365,771	\$ 365,771	
West Capitol Hill (no longer collecting)		\$ 384,332		
Accounts funded internally (with transfers from General Fund or other project areas)				
Administration	\$ 4,428,662	\$ 5,167,581	\$ 738,919	17%
Housing Develoment Fund**	\$ 10,236,967	\$ 2,902,000	\$ (7,334,967)	-72%
Primary Housing Fund	\$ 2,394,582	\$ 3,602,241	\$ 1,207,659	50%
Secondary Housing Fund	\$ 1,000,000	\$ 1,000,000	\$ -	0%
Other				
Program Income Fund	\$ 1,449,692	\$ 1,559,233	\$ 109,541	8%
Revolving Loan Fund*	\$ 226,750	\$ 332,400	\$ 105,650	47%
TOTALS	\$80,803,841	\$84,656,884	\$ 3,853,043	5%

\*RDA Staff indicates the "Commercial Assistance Program" line item in many of the project areas may be administered through the Revolving Loan Fund although it would be tracked in each project area.

\*\*The Housing Development Fund was much higher in FY 24 due to one-time infusion of money from dormant HUD Funds.

**FY 25 Project Areas  
funded through Tax Increment**



**FY 25 Multi-use Funds - funded  
through other sources including  
transfers from project areas**

The FY 25 budget continues the process of bringing budgeting for RDA dollars into context with other City department budgets, and it is included in the Mayor's Recommended Budget book. The Department budget is shown in summary form on page 241, and staffing document on page 313. Key changes are listed on pages 80-90.

The RDA budget can have follow-up discussions through May and June as needed. It will also have public hearings on May 21 and June 4 with tentative adoption scheduled for June 11 or 13.

## KEY ELEMENTS OF THE MAYOR’S FY 2025 RDA BUDGET PROPOSAL

Staff has highlighted key areas of the Mayor’s Recommended FY 2025 RDA Budget:

1. **One additional Financial Analyst FTE** – The proposed FY 25 budget proposes to add an additional FTE to assist with financial analysis and tracking within the RDA. The fully loaded (salary and benefits) annual cost for this FTE is \$137,653. The Administration reports the position is planned to be funded for 10 months to recognize the time from job posting to hiring at a cost of \$112,211. The Council may wish to request how this FTE may assist in further coordinating RDA financing with overall City financing plans for bonding and investment in the City.
2. **RDA funding for affordable housing** – The Mayor’s Recommended FY 2025 budget reflects a continuation of the policy approach started in FY 20, to streamline affordable housing **development** under the RDA and affordable housing **programming** under the Housing Stability Division of the Community and Neighborhoods Department. Still, some recent efforts to develop permanent supportive housing and community land trust activities have been managed in Housing Stability. One of the initial goals was to create a “one-stop shop” for housing developers seeking financial assistance to deliver affordable housing, recognizing that the RDA can make affordable housing investments Citywide.

The total housing investment proposed in the FY 25 RDA budget is \$9.3 million, a decrease from FY 24 levels (although the FY 24 budget was an anomaly due to the one-time transfer of dormant HUD funds). *It should be noted that the Board could choose to allocate **additional funds** for housing programs from any of the project areas (subject to project area regulations), or program income fund. For example, there are several strategic intervention fund holding accounts that are intentionally flexible for a variety of potential investment including affordable housing which the Board could instead dedicate to housing programs. See chart below for more details on distribution of funds:*

Annually, the RDA proposes a variety of strategies to implement various housing goals of the City with its funding sources. The Board adopted the FY 25 strategy in April. See Attachments 2 & 3 for the final guiding document and strategy. The focus areas for this year are:

- a. **Wealth Building Opportunity** – Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.
- b. **Affordable Family Housing w/ Amenities for Children** – Provide opportunities for families to enjoy the many benefits of urban living by encouraging the development of housing that is more conducive to larger household sizes with at least three or more bedrooms. Affordable family housing is generally defined as units with three or more bedrooms affordable to those earning 80% of the area median income (AMI) or below.
- c. **Deeply Affordable Housing** – Expand the availability of units for extremely low-income households, thereby providing more housing options for individuals or families that are homeless or at risk of homelessness. Deeply affordable housing is generally defined as housing affordable to those earning 40% of the area median income (AMI) or below.
- d. **Neighborhood Commercial and Services** - Promote an array of commercial spaces that support the neighborhoods, such as daycares, restaurants, and retail spaces. This priority ensures that as housing continues to be built throughout the City, residents and neighbors continue to have access to neighborhood services and amenities.
- e. **Expand Opportunity** - Provide affordable housing within areas that have access to resources that may improve a person’s chances of upward economic mobility as identified on RDA’s High Opportunity Area Map. In previous years, the RDA Board dedicated funding towards areas of high opportunity. With the majority of that funding expended, including this priority maintains that the Board wants to see affordable housing expanded to Salt Lake City’s eastside neighborhoods.

The following chart summarizes the sources and proposed uses in the various accounts:

RDA Housing Funding			
	FY 2024 Adopted	FY 2025 Proposed	Change
<b>9 Line Project Area ADU funds</b> <i>(capital account continued from FY 24)</i>	<b>1,455,680</b>	<b>0</b>	
<b>Secondary Housing &amp; Development Fund (formerly Project Area Housing Fund)</b>			
<b>Sources</b>			
Transfer from Depot District	1,000,000	0	(1,000,000)
Transfer from State Street	0	1,000,000	1,000,000
<b>Uses</b>			
Housing Development Loan Program	0	1,000,000	1,000,000
Sunday-Anderson Senior Center	1,000,000	0	(1,000,000)
<b>Total Secondary Housing Fund</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>
<b>Primary Housing &amp; Development Fund (formerly Citywide Housing Fund)</b>			
<b>Sources</b>			
Transfer from Depot	1,084,487	1,238,620	154,133
Transfer from State street	442,381	586,886	144,505
Transfer from 9 Line	265,378	303,072	37,694
Transfer from Granary	220,662	276,886	56,224
Transfer from North Temple	201,743	308,749	107,006
Transfer from NWQ	139,855	250,011	110,156
Transfer from Block 67 North	0	36,577	
Loan Repayments	23,567	77,820	54,253
Transfer from Stadler Rail	14,130	16,115	1,985
Transition Holding Account	2,379	507,505	505,126
	0		0
<b>Uses</b>			
Housing Development Loans	1,000,000	2,684,859	1,684,859
Salt Lake School District Housing	380,762	417,382	36,620
Sunday Anderson Senior Center	1,013,820	0	(1,013,820)
West Capitol Hill/Arctic Court Infill Housing	0	500,000	500,000
<b>Total Primary Housing &amp; Development Fund</b>	<b>2,394,582</b>	<b>3,602,241</b>	<b>794,702</b>
<b>Westside Community Initiative (NWQ Housing)</b>			
<b>Sources</b>			
Increment set-aside from Utah Inland Port Authority	1,401,589	1,835,469	433,880
Transition Holding Account	433,880	0	(433,880)
<b>Uses</b>			
Strategic Intervention Holding Account	0	1,000,000	1,000,000
Wealth Building Housing Opportunity (Holding Account)	1,135,469	835,469	(300,000)
Wealth Building Housing Opportunity (Neighborworks)	700,000	0	(700,000)
<b>Total Westside Community Initiative</b>	<b>1,835,469</b>	<b>1,835,469</b>	<b>0</b>
<b>Housing Development Fund</b>			
<b>Sources</b>			
Funding Our Future Housing Transfer	1,840,000	2,590,000	750,000
Loan Repayments	220,953	312,000	91,047
Reallocaiton of excess North Temple Viaduct Increment	1,700,000	0	(1,700,000)
Transfer from Dormant HUD Funds (one-time)	6,476,014	0	(6,476,014)
<b>Uses</b>			
Competitive Housing Development Loans	7,836,967	902,000	(6,934,967)
ADU Program Incentives (Citywide)	1,000,000	0	(1,000,000)
Wealth Building Housing Opportunities	0	2,000,000	2,000,000
Neighborworks Shared Equity Housing Project	1,400,000	0	(1,400,000)
<b>Total Housing Development Fund</b>	<b>10,236,967</b>	<b>2,902,000</b>	<b>(7,19,047)</b>
<b>Total All Housing Funding</b>	<b>16,922,698</b>	<b>9,339,710</b>	<b>(7,582,988)</b>

- f. Family and Workforce Housing Holding Account** – The Administration is proposing a line item specific to family and workforce housing in the Primary Housing Fund, and has provided the following additional information:

*“This is a separate appropriation that recently started to meet the requirement within the Interlocal Agreements with the School District for the State Street and 9-Line project areas. There is not a proposed use for them at this time. They could be appropriated via Board approval to a HDLP NOFA recommended project that meets the requirements (similar to how the High Opportunity Funds were utilized). Or they could be appropriated to a property acquisition or project that is developed intentionally to meet the requirements.”*

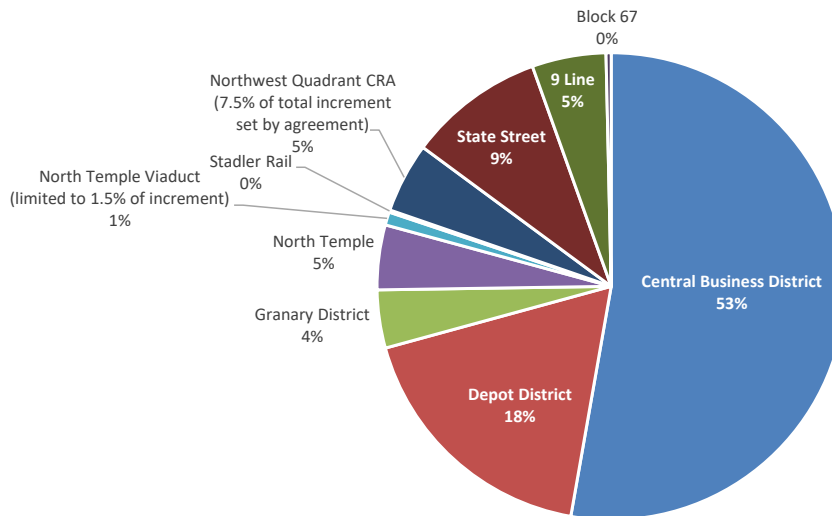
***The Board may wish to discuss this allocation further with the Administration.***

- g. Westside Community Initiative** – This initiative is funded from the 10% set aside from tax increment in the Inland Port jurisdictional boundary, as mandated by the State’s Inland Port enabling legislation. It started receiving revenue in FY 22. The Administration provided the following information about the “Wealth Building Opportunities” line item within this fund:

*“It would be a competitive NOFA for projects that “Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.”*

- 3. Administrative Budget** – The FY 2025 proposed Administrative budget for the RDA represents an 11% increase (\$435,007) over the FY 24 budget. It includes transfers of tax increment revenues from various project areas to cover the approximately \$5.2 million in administrative costs, which includes 1 additional FTE to the central RDA staff and raising the total to 35 FTEs (which includes 13 FTEs relating to the Gallivan Center). The 13 FTEs related to the Gallivan Center are budgeted in the donation account, although they are considered under the purview of the RDA, as reflected in the staffing document. The following charts delineate the sources of funding for the Administrative budget, as well as the specific uses:

RDA Administrative Budget - Sources				
	FY 2024 Adopted	FY 2025 Proposed	\$ Change	% Change
Central Business District	\$ 2,464,469	\$ 2,726,570	\$ 262,101	11%
Depot District	\$ 813,365	\$ 928,965	\$ 115,600	14%
Granary District	\$ 165,496	\$ 207,666	\$ 42,170	25%
North Temple	\$ 100,872	\$ 231,561	\$ 130,689	130%
North Temple Viaduct (limited to 1.5% of increment)	\$ 41,616	\$ 46,796	\$ 5,180	12%
Stadler Rail	\$ 7,065	\$ 8,058	\$ 993	14%
Northwest Quadrant CRA (7.5% of total increment set by agreement)	\$ 139,855	\$ 250,011	\$ 110,156	79%
State Street	\$ 442,381	\$ 485,760	\$ 43,379	10%
9 Line	\$ 253,543	\$ 263,906	\$ 10,363	4%
Block 67		\$ 18,288	\$ 18,288	n/a
Block 70 (does not allow for Administrative collection)	\$ -	\$ -	\$ -	n/a
NWQ Housing Fund (10% from Inland Port Area - not intended for Admin)	\$ -	\$ -	\$ -	n/a
Revolving Loan Fund	\$ -	\$ -	\$ -	
Program Income Fund	\$ -	\$ -	\$ -	
Primary Housing Fund	\$ -	\$ -	\$ -	
<b>Total</b>	<b>\$ 4,428,662</b>	<b>\$ 5,167,581</b>	<b>\$ 435,007</b>	<b>11%</b>





<b>RDA Administrative Budget - Uses</b>				
	FY 2024 Adopted	FY 2025 Proposed	Change	%
Personal Services - RDA	\$ 2,756,779	\$ 3,170,296	\$ 413,517	15%
Operating and Maintenance	\$ 375,000	\$ 450,000	\$ 75,000	21%
Charges and Services	\$ 296,883	\$ 450,000	\$ 78,323	39%
Administrative Fees	\$ 1,000,000	\$ 1,000,000	\$ -	0%
Allocation to fund balance	\$ -	\$ 97,285	\$ -	0%
<b>Total RDA Budget</b>	<b>\$ 4,428,662</b>	<b>\$ 5,167,581</b>	<b>\$ 430,007</b>	<b>11%</b>

- a. No official policy guides how much each district contributes to the administrative budget, although to some extent it is related to available increment. The Central Business District is typically the largest contributor, although the percentage has varied. In FY 25 it is proposed to provide 53% of the administrative budget compared to 56% in FY 24 (the CBD project area expires in 2042). Several recent project areas either cap or prohibit spending project area funds on Administrative costs (usually as a result of negotiations with various taxing entities). ***The Board may wish to ask the Administration to evaluate the overall strategy for funding the administrative budget in future years, particularly as the Depot District and Granary District project areas expire in the next couple years which provide 22% of the total Administrative Budget funding. The Administration has indicated draft recommendations will be developed for the Board to review.*** Staff note: there is no statutory prohibition against using General Fund dollars to fund Redevelopment Agency employees, since they are City employees. The City's elected officials could elect to reimburse RDA for a portion of the housing duties that they perform.
- b. ***Because RDA revenues are estimated and can come in either higher or lower than projected, the Board may wish to discuss policy guidance on how the RDA should handle unexpected shortfalls in tax increment revenues, particularly as it relates to the administrative budget,*** which is generally a fixed and ongoing cost (salary and benefits). Staff is inquiring about the level of fund balance remaining after this budget. Board Members previously expressed interest in aligning project area fund balances with fixed costs and contractual obligations to ensure sufficient funding is available to cover those expenses if tax increment significantly decreases in a future year.

4. **Redevelopment Agency Capital Project and Holding Account Proposals** – The FY2025 RDA budget includes funding for 35 capital projects and/or capital reserve accounts. Overall funding for RDA capital projects is \$29,153,507 across all project areas and funds which is \$4,551,689 more than the adopted annual budget last year. The table below provides a summary of the FY2025 proposed projects, provides a brief description, the dates that funding was approved by the Board in earlier budget openings, and potential policy questions for the Board to consider. Holding accounts are sometimes created when the RDA staff recognizes that multiple years of funding are needed to facilitate a major project (such as the Rio Grande District infrastructure project), or when a proposal is still in the development process (such as the Commercial Assistance Loan Program).

FY2025 Review of All RDA Account Balances with New Workday Financial System – The Board adopted a FY2023 legislative intent to review all RDA accounts with positive balances to ensure the projects and programs still align with current Board policy priorities. The City is shifting to a new financial system called Workday which went live on July 1, 2023, to coincide with the start of FY2024. ***The Board may wish to ask the Administration when this review could begin in FY2025.***

Advisory Board Review of RDA Capital Project Proposals – The Board may wish to consider whether it would add value to encourage the Administration, in future years, to have RDA capital project requests go through the same public process/resident advisory board vetting and recommendations that General Fund CIP applications do. The Board has previously discussed that opportunities to leverage RDA funds with other City and private resources are enhanced when the information is processed in concert. An alternative approach could be to ask the Redevelopment Agency Committee or RAC to review and provide funding recommendations to the Board.

Capital Project Accounts Do Not Lapse at End of Fiscal Year – If approved by the Board, then these would be considered capital accounts and funds would not lapse to the project area's fund balance if unspent by the end of the fiscal year.

Project Area	Project Name	FY2025 Proposed	Description	Policy Questions
<b>Central Business District</b>  <i>(subtotal \$3,940,597)</i>	<b>Strategic Intervention Fund</b>  <i>Holding Account</i>	\$ 2,540,597	Labeled "Downtown for All" funding for projects that support families such as daycares, opportunities for play, and family-sized housing as well as amenities for every generation of individuals, families, residents, and visitors.	The Board may wish to ask if there is a specific project in mind that accomplishes this goal, and discuss whether these funds should be kept flexible for a variety of possible uses. The Board could provide more specific prioritization of the funds.
	<b>Gallivan Center Playground</b>	\$ 500,000	A playground for children of all ages. The project will focus on creating safe, accessible play structures to enhance the community's recreational facilities.	The Board may wish to ask how a playground was selected as a top priority for Gallivan Center from the list of nearly 40 projects in the 20-year Plaza Plan prioritization list?



Project Area	Project Name	FY2025	Description	Policy Questions
	<b>Maintenance and Repairs of Gallivan Center</b>	\$ 250,000	For capital maintenance of the Gallivan Center potentially of the structure, parking garage, or larger amenities. Note there is also \$238,733 in the Program Income Fund for a total of \$488,733 to maintain RDA-owned property at Gallivan Center.	The Board may wish to ask which capital maintenance needs are greatest at the Gallivan Center. In recent years, the Board has approved multiple appropriations for the parking garage and staircase.
	<b>Japantown Art</b>	\$ 300,000	Installation of a public art piece with Japantown. Note there is also \$36,577 for this project in the proposed Block 67 budget.	The Board may wish to ask would these funds be used for a single large artwork or spread across multiple smaller projects, and does the Board want to prioritize either approach?
	<b>CBD Public Art</b>	\$ 250,000	New public art in the CBD	The Board may wish to discuss whether these funds should be combined with the \$300,000 for Japantown Art, or where else in the downtown to prioritize new public artworks.
	<b>Japantown Construction Documents</b>	\$ 100,000	Drafting of construction documents to implement the Japantown Design Strategy. The funding will be used to create detailed construction plans that are crucial for guiding redevelopment efforts and revitalizing the neighborhood while honoring its historical significance.	The Board may wish to continue the discussion of a potential bond to fund construction of Japantown improvements. The total estimated cost was \$7,447,172 in the April 2021 report. However, inflation and supply chain impacts since then could have doubled the total cost for all the improvements.
<b>West Capitol Hill</b> (expired project area; no longer collects tax increment)	<b>Arctic Court Infill Home Construction</b>	\$ 384,332	Prior year budget amendments redirected funds from the new infill construction at 524 North Arctic Court to Marmalade Plaza due to rising construction costs. Note there is another \$500,000 for the project in the Primary Housing Development Fund for a total project cost of \$884,332.	Some Board Members previously discussed a desire to construct an entry-level home, affordable family-sized home, adding the property to the City's Community Land Trust, and why the total project cost exceeds the median home price in the City by over \$250k.

Project Area	Project Name	FY2025	Description	Policy Questions
<b>Depot District</b>  (Last year of property tax increment collection; subtotal \$4,705,316)	<b>Rio Grande District Infrastructure Improvements</b>  <i>Holding Account</i>	\$ 3,705,316	Additional funding for public infrastructure improvements to the two block Rio Grande District between 200 South and 400 South and 500 West and 600 West. Improvements include creation of new street segments to create smaller block sizes, utility upgrades to allow greater building densities, and a Festival Street (300 South) amenities.  The Board approved \$3,680,056 for this project in the FY2024 annual budget.	The Board may wish to ask how the project would move forward if there isn't enough property tax increment to cover the total project cost. 2024 is the final year for the Depot District to collect property tax.
	<b>Commercial Assistance Program</b>  <i>Holding Account</i>	\$ 500,000	This is one of multiple proposed holding accounts for commercial assistance pilot programs in different project areas. The Administration is developing draft policies for the pilot program that would come to the Board for review and adoption. Some prior year appropriations were repurposed for uses while the programs are still in development.	The Board may wish to ask whether these funds may be needed to close the funding gap for the Rio Grande District infrastructure improvements (see item above). The Board may also wish to ask why a new program is proposed to be created in the final year of the Depot District's property tax increment collection, and what could be accomplished.
	<b>Home Inn Rio Grande Maintenance</b>	\$ 500,000	Adds to a reserve account to cover obligated maintenance and repairs at the Home Inn property in the Depot District owned by the RDA. The building provides 50 units of transitional housing.	The Board may wish to ask if the funding level would fully meet the estimated cost for maintenance needs.
<b>Granary District</b>  (Second to last year of property tax increment collection)	<b>Commercial Assistance Program</b>  <i>Holding Account</i>	\$ 1,263,697	This is one of multiple proposed holding accounts for commercial assistance pilot programs in different project areas. The Administration is developing draft policies for the pilot program that would come to the Board for review and adoption. The Board approved \$1,003,435 in the FY2024 annual budget for the same program.	The Board may also wish to ask why a new program is proposed to be created in the last two years of the Granary District's property tax increment collection, and what could be accomplished.
<b>North Temple</b>  (subtotal \$1,312,156)	<b>10% School Fund</b>  <i>Holding Account</i>	\$ 100,344	Based on an Interlocal Agreement with the SLC School District, the Agency is obligated to set aside 10% of the tax increment generated for improvements that benefit schools served by the project area.	

Project Area	Project Name	FY2025	Description	Potential Questions
	<b>Strategic Intervention Fund</b> <i>Holding Account</i>	\$ 861,812	A holding account for multiple potential uses depending on opportunities that arise in the project area such as property acquisition, public infrastructure improvements, site development, etc.	The Board may wish to discuss whether these funds should be kept flexible for the variety of possible uses or the Board could provide more specific prioritization of the funds.
	<b>Property Reuse Planning</b>	\$ 300,000	Site costs and evaluation of development options for Agency-owned parcels along the Folsom Corridor.	
	<b>City Creek Daylighting</b>	\$ 50,000	Concept and feasibility designs for resurfacing or "daylighting" a portion of City Creek from I-15 to 1000 West. This project would be adjacent to the separate Folsom Trail project. Project goals include increasing access to nature, improving water quality and mitigating surface flooding.	The Board may wish to discuss with the Administration how the project would move forward if property tax increment is insufficient to fully fund the total estimated cost which could be millions of dollars.
<b>Block 70</b> <i>(subtotal \$780,323)</i>	<b>Regent Street Parking Structure Capital Reserves</b> <i>Holding Account</i>	\$ 100,000	Additional funding to a reserve account to meet potential obligations in the future that are required under the contract with PRI which provides parking for the Eccles Theater. Under the agreement, the Agency is required to contribute towards the maintenance and long term capital repairs of the parking structure.  The Board approved over \$365,907 for this holding account in the last three fiscal years.	The Board may wish to ask when a structural assessment could be done to determine the age, remaining useful life, and costs for major repairs and replacement.
	<b>Eccles Theater Ancillary Spaces Operating Reserve</b>	\$ 475,000		The Board may wish to ask for examples of when these reserve funds would be used and whether the amount is sufficient to cover expenses in the event of an economic downturn.
	<b>Eccles Theater Fundraising Fulfillment Reserve</b>	\$ 125,000	Project set up to manage various gift agreements related to the Eccles Theater and Regent Street.	
	<b>Reinstallation of "The Gulls" Sculpture</b>	\$ 55,323	Reinstallation of the sculpture, formerly installed in the façade of the Prudential Federal Savings building, which is now the Eccles Theater. The 100 bronze and nickel sculptures were originally installed in the 1960s.	The Board may wish to ask whether the funds include fabricating replacements for the sculptures that disappeared or were damaged over the years.

Project Area	Project Name	FY2025	Description	Potential Questions
	<b>Regent Street Event Programming Reserve</b>	\$ 25,000	Activation and programming of McCarthy Plaza and Regent Street. The intent is to leverage funds with other sources and coordinate efforts with County operations and theater staff.	
<b>Northwest Quadrant</b> <i>(subtotal \$353,900)</i>	<b>Shared Costs</b> <i>Holding Account</i>	\$ 353,900	Additional funding to a reserve account for a portion of the tax increment as approved within the project area budget. The funds are first prioritized for redevelopment activities that benefit the entire NWQ Project Area, are system wide, or that benefit multiple property owners or parcels.  If this funding is approved, then the holding account would have a balance of over \$1 million.	
<b>State Street</b>	<b>Strategic Intervention Fund</b> <i>Holding Account</i>	\$ 4,003,894	A holding account for multiple potential uses depending on opportunities that arise in the project area such as property acquisition, public infrastructure improvements, site development, etc.	The Board may wish to discuss whether these funds should be kept flexible for the variety of possible uses or the Board could provide more specific prioritization of the funds.
<b>9-Line</b> <i>(subtotal \$2,297,272)</i>	<b>9-Line Public Art</b>	\$ 300,000		The Board may wish to ask whether these funds would be combined with the \$300,000 for iconic Westside art approved in the FY2024 budget or would be for separate projects?
	<b>Strategic Intervention</b> <i>Holding Account</i>	\$ 1,994,272	A holding account for multiple potential uses depending on opportunities that arise in the project area such as property acquisition, public infrastructure improvements, site development, etc.	The Board may wish to discuss whether these funds should be kept flexible for the variety of possible uses or the Board could provide more specific prioritization of the funds.  Some Board Members have expressed a desire to prioritize additional funding for the 9-Line ADU pilot program which is a requirement of the interlocal agreement with Salt Lake County to unlock additional property tax increment for the project area.
<b>Block 67</b>	<b>Japantown Art</b>	\$ 36,577	Installation of a public art piece with Japantown. Note there is also \$300,000 for this project in the proposed Central Business District budget.	The Board may wish to ask would these funds be used for a single large artwork or spread across multiple smaller projects, and

Project Area	Project Name	FY2025	Description	Policy Questions
				does the Board want to prioritize either approach?
<b>Program Income Fund</b>  <i>(subtotal \$738,733)</i>	<b>Demolition of former Deseret Industries Site in Sugar House</b>	\$ 500,000	The address is 2234 South Highland Drive. The Board approved \$550,000 for this demolition in the FY2024 annual budget.	The Board may wish to ask whether the adjacent old Fire Station #3 would also be demolished, and whether additional funding is anticipated to be needed. In the FY2024 annual budget the \$550,000 was estimated to fully fund the project but costs have doubled.
	<b>Maintenance and Repairs of Gallivan Center</b>	\$ 238,733	For capital maintenance of the Gallivan Center potentially of the structure, parking garage, or larger amenities. Note there is also \$250,000 in the Central Business District budget for a total of \$488,733 to maintain RDA-owned property at Gallivan Center.	The Board may wish to ask which capital maintenance needs are greatest at the Gallivan Center. In recent years, the Board has approved multiple appropriations for the parking garage and staircase.
<b>Primary Housing Fund</b>  <i>(subtotal \$3,602,241)</i>	<b>Arctic Court Infill Home Construction</b>	\$ 500,000	Prior year budget amendments redirected funds from the new infill construction at 524 North Arctic Court to Marmalade Plaza due to rising construction costs. Note there is another \$384,332 for the project in the West Capitol Hill budget for a total project cost of \$884,332.	Some Board Members previously discussed a desire to construct an entry-level home, affordable family-sized home, adding the property to the City's Community Land Trust, and why the total project cost exceeds the median home price in the City by over \$250k.
	<b>Housing Development Loans</b>  <i>Holding Account</i>	\$ 2,684,859	For inclusion in an upcoming Notice of Funding Availability (NOFA).	
	<b>Salt Lake City School District Family Sized Housing</b>  <i>Holding Account</i>	\$ 417,382	This set aside for family sized housing is a requirement of some interlocal agreements between the RDA and Salt Lake City School District. These funds could be included in an upcoming Notice of Funding Availability (NOFA)	



Project Area	Project Name	FY2025	Description	Policies/Questions
<b>Secondary Housing Fund</b>	<b>Housing Development Loan Program Competitive NOFA</b> <i>Holding Account</i>	\$ 1,000,000	Note there are also housing development line items in other funds. Keeping the accounts separate is largely to help with tracking and reporting for compliance. The funds would be combined and/or added to a competitive Notice of Funding Availability (NOFA). Note there is also \$902,000 in the Housing Development Fund for this same NOFA.	
<b>Westside Community Initiative</b>  (subtotal \$1,835,469)	<b>Strategic Intervention</b> <i>Holding Account</i>	\$ 1,000,000	A holding account for multiple potential uses depending on opportunities that arise in the project area such as property acquisition, public infrastructure improvements, site development, etc.	The Board may wish to discuss whether these funds should be kept flexible for the variety of possible uses or the Board could provide more specific prioritization of the funds.
	<b>Wealth Building Housing Opportunities</b> <i>Holding Account</i>	\$ 835,469	The Board approved \$1,135,469 for this program in the FY2024 annual budget. Note there is also \$2 million in the Housing Development Fund for the same program.	The Board may wish to ask the Administration for a status update and timeline of next steps for the program's implementation, and whether any additional resources are needed.
<b>Housing Development Fund</b>  (subtotal \$2,902,000)	<b>Housing Development Loan Program Competitive NOFA</b> <i>Holding Account</i>	\$ 902,000	For inclusion in an upcoming competitive Notice of Funding Availability (NOFA). Note there is also \$1 million in the Secondary Housing Fund for this same NOFA.	This funding includes \$1.7 million from the North Temple Viaduct transfer to the Debt Service Fund above the annual bond payment. The Board recently expressed a preference that these funds be reinvested along the North Temple Corridor. The current proposal is to make the funds available citywide. The Board may wish to discuss whether to designate the funds for housing development along the North Temple Corridor or use citywide.
	<b>Wealth Building Housing Opportunities</b> <i>Holding Account</i>	\$ 2,000,000	The Board approved \$1,135,469 for this program in the FY2024 Westside Communities Initiative annual budget. Note that WCI proposed budget also has \$835,469 for the same program.	The Board may wish to ask the Administration for a status update and timeline of next steps for the program's implementation, and whether any additional resources are needed.
<b>TOTAL</b>		<b>\$ 29,153,507</b>		



## 5. Other policy areas of the FY 2025 RDA budget

- a. Program Income Fund** – The primary source of funds for this account are revenues generated from the Gallivan parking structure (approximately \$1.2 million per year). The budget also includes rents for RDA commercial spaces. It is the most flexible funding in the RDA portfolio, as State law does not place limitations or expectations for how and where funds are spent. In recent years this account has been used to fill funding gaps for infrastructure projects in the Central 9<sup>th</sup> area and Rio Grande District, provided funding to assist with strategic acquisition along North Temple, as well as provide seed funds for new project areas (9-Line and State Street). When the Depot District and Granary District expire in the next couple years, Program Income Fund might be increasingly relied upon to fill the funding gap for the RDA's Administrative Budget. This year the Administration is proposing to use these funds as follows:

Program Income Fund				
Sources	FY 2024 Adopted	FY 2025 Proposed	Change	
Parking Structure Income	\$ 1,242,336	\$ 1,290,184	\$	47,848
Rents	\$ 161,264	\$ 229,449	\$	68,185
Loan Repayments	\$ 38,640	\$ 33,600	\$	(5,040)
Interest on Loans	\$ 7,452	\$ 6,000	\$	(1,452)
			\$	-
Proposed Uses				
Capital Project - Sugarhouse DI Demo	\$ 550,000	\$ 500,000	\$	(50,000)
Gallivan Maintenance & Repairs	\$ 214,692	\$ 238,733	\$	24,041
Charges and Services	\$ 355,000	\$ 457,500	\$	102,500
Operating and Maintenance	\$ 330,000	\$ 363,000	\$	33,000
<b>Total Program Income Fund</b>	<b>\$ 1,449,692</b>	<b>\$ 1,559,233</b>	<b>\$</b>	<b>109,541</b>

- b. “Strategic Intervention” Holding Accounts** – Over the last few budget cycles the Board has approved several allocations for “Strategic Intervention” in several project areas. RDA Staff provided the following policy information about goals for these funds. These funds have been used for timely investments in property purchases (several recent purchases have nearly or fully depleted existing strategic intervention accounts), along with other uses. The Board must approve releasing the funds from a holding account for specific uses. The Board may wish to discuss these line items with more specificity such as prioritizing policy goals for each area, given the quantity of funds that could build up. The Board could also discuss with the Administration using some of these funds for affordable housing development.

Strategic Intervention Funds	
	FY 2025 Proposed
Central Business District (Identified separately as "Downtown for Everyone" project)	\$ 2,540,597
Westside Community Initiative	\$ 1,000,000
North Temple	\$ 861,812
State Street	\$ 4,003,894
9 Line	\$ 1,994,272
<b>Total</b>	<b>\$ 10,400,575</b>

- The Administration provided this information for general context on this approach:  
*“The overarching goal of the Strategic Intervention line items within the various funds is to provide an appropriation into a program that may or may not have a specific project identified*



yet. This program's approved uses include property acquisition, site development costs and community benefits. If there is an approved project, or projects, within a program appropriation, those are identified as such. Otherwise, it is anticipated that staff will return to the Board for approval to appropriate funds to specific projects. "

- The Administration has provided the following additional information about the \$2.5 Million "Downtown for All" project in the CBD:  
*"This Strategic Intervention program appropriation is identified for a "Downtown for All" project to implement the Mayor's goal of creating a thriving and equitable downtown. This would provide funding for projects that support families such as daycares, opportunities for play, and family-sized housing as well as amenities for every generation of individuals, families, residents, and visitors."*

- c. Commercial Assistance Programs** – The RDA Board has allocated money in various project areas (most of the funding is since the FY 23 budget) for "Commercial Assistance" in a variety of ways. Because these funds were budgeted in capital accounts they do not lapse to fund balance. The Board has been meeting with RDA staff to discuss plans for moving forward with these programs and coordinating the policies with the Economic Development Loan Fund and Housing Stability Division's CDBG economic development plans.

<b>Commercial Assistance Funding</b>		
<b>Appropriation Title/District</b>	<b>Fiscal Year</b>	<b>Remaining Amount</b>
<b>Commercial Adaptive Reuse Loans</b>		
Granary District	2023	<b>882,176</b>
<b>Commercial Assistance Reserves</b>		
9 Line	2024	500,000
Depot District	2024	500,000
Granary District	2024	1,003,435
North Temple	2024	217,318
Program Income Fund	2023	0
State Street	2024	1,239,049
<b>Commercial Assistance Reserves Total</b>		<b>3,459,802</b>
<b>Commercial Revolving Loans</b>		
Central Business District	2023	568,354
North Temple	2023	18,675
Program Income Fund	2023	811,857
Revolving Loan Fund	2023	2,994,965
Revolving Loan Fund	2024	226,750
State Street	2023	500,000
<b>Commercial Revolving Loans Total</b>		<b>5,120,600</b>
<b>Community &amp; Cultural Initiative</b>		
Central Business District	2023	338,717
Granary District	2023	673,930
<b>Community &amp; Cultural Initiative Total</b>		<b>1,012,647</b>
<b>Total Commercial Assistance Funding</b>		<b>10,475,225</b>

- d. Transition Holding Accounts and Midyear Budget Amendments** – It should be noted that the Board sometimes approves millions in additional funding for projects and programs in

budget amendments throughout the fiscal year, particularly when the City receives actual tax increment revenue information from the County in April. Based on feedback from previous budget years, the Mayor’s Recommended Budget continues an approach called “transition holding accounts” that carry forward actual property tax increment received (after meeting legal obligations) to be considered in the next annual budget. This approach is meant to streamline budgeting by avoiding multiple funding requests for the same projects in the final budget amendment of the year and in the annual budget. The Council asked for this to be included in the context of the overall budget discussion so all funding requests and ideas could be considered in context. ***The Board may wish to discuss how they would like to allocate these funds and note that the Mayor’s Recommended Budget proposes fully using the \$3 million available across project areas and funds.*** The only limitation on these funds is that they need to be used in accordance with the project area guidelines.

Transition Holding Accounts		
Central Business District	\$	786,303
Depot	\$	421,999
Granary	\$	165,086
North Temple	\$	249,892
State Street	\$	648,977
9 Line	\$	276,503
Primary Housing Develop	\$	507,505
<b>Total</b>	<b>\$</b>	<b>3,056,265</b>

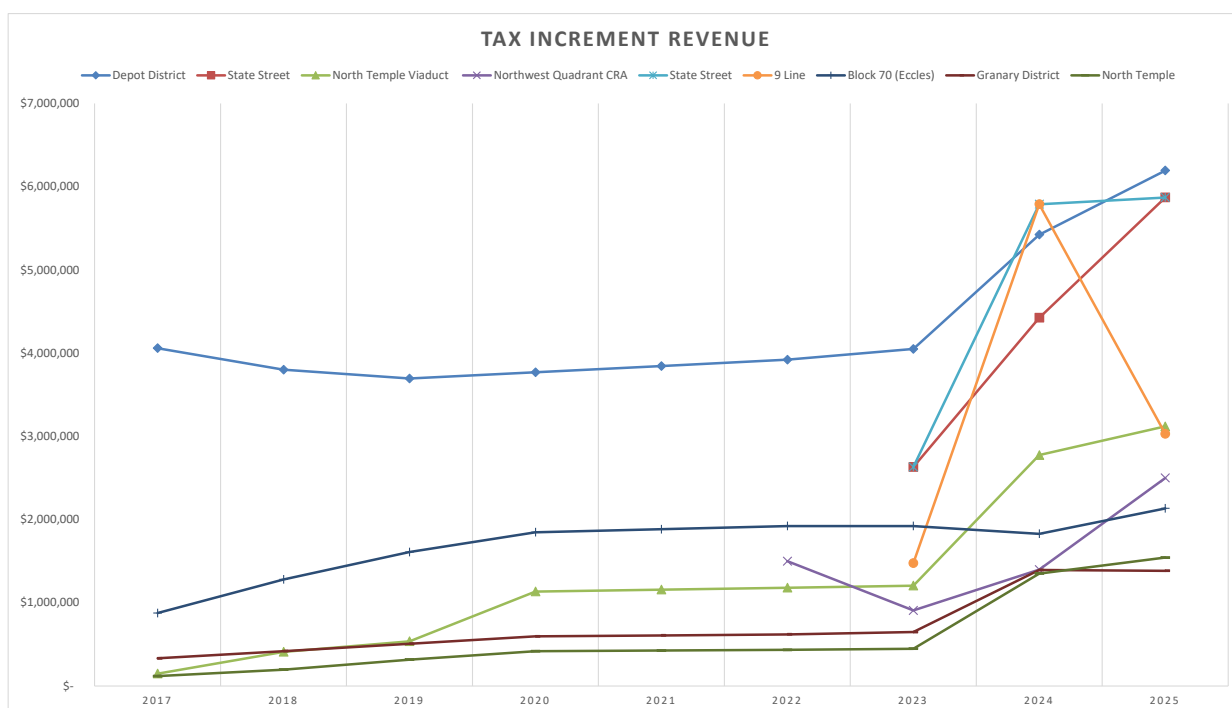
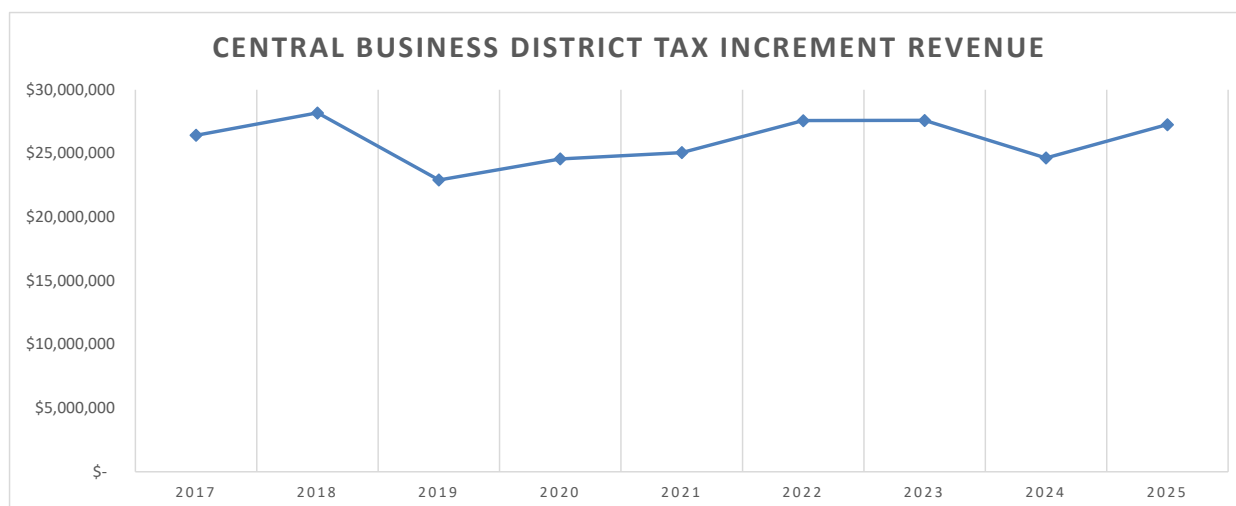
**e. Japantown Investment –**

- The FY 25 budget allocates \$100,000 from the Central Business District to facilitate construction documents for the Japantown Streetscape improvements. The Board has expressed a desire to see these street improvements happen in the near term, as discussions are ongoing regarding the investment in the Sports, Entertainment, Cultural and Convention district. ***See policy question regarding bonding (via the City or RDA) for these costs.***
- The FY 25 budget also adds \$336,577 between the Central Business District (\$300,000) and Block 67 (\$36,577) for “Japantown Art”. When combined with previous years allocation the total available for this purpose is \$436,577 (not including transition holding account funds from FY 24).

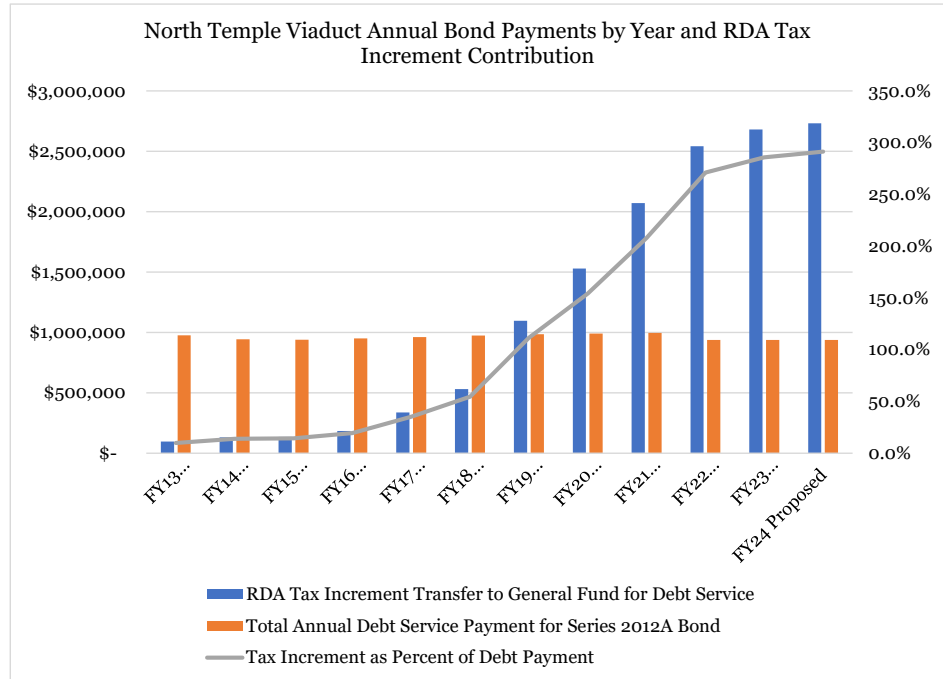
- f. Property Management and Maintenance Budget.** This is a line item that appears in various project areas and is not covered by the centralized RDA Administrative budget. It covers things like maintenance, security, and insurance for properties owned or managed by the RDA. Actual expenditures vary year to year, and any unspent funds lapse to that project area’s fund balance.

Property Management and Maintenance				
	FY 2024 Adopted	FY 2025 Proposed	Change	% Change
Central Business District	\$ 1,000,000	\$ 1,127,250	\$ 127,250	13%
Depot District	\$ 150,000	\$ 172,500	\$ 22,500	15%
Granary District	\$ 5,000	\$ -	\$ (5,000)	-100%
North Temple	\$ -	\$ 50,000	\$ 50,000	n/a
State Street	\$ -	\$ 50,000	\$ 50,000	n/a
9 Line	\$ -	\$ 50,000		
<b>Total</b>	<b>\$ 1,155,000</b>	<b>\$ 1,449,750</b>	<b>\$ 294,750</b>	<b>26%</b>

- Due to the unique nature of some RDA properties, the RDA obtains insurance separately from the City’s “self-insured” approach for City properties. ***The Board may wish to ask the Administration to evaluate if there are any opportunities for savings or streamlining in this area for certain RDA properties.***
- g. **Revolving Loan Fund (RLF)** – The FY 2025 budget proposes \$345,000 in additional revenue to lend. The source of funding for the RLF is primarily repayments on loans and interest earnings. Combined with previous years of funding the Administration indicates that there is \$3.6 million available to lend. The outstanding balance of existing loans being repaid over the coming decades is over \$26 million from 15 loans.
- h. **Regent Street Maintenance** – The Block 70 (Eccles Theater) project area budget includes an \$80,000 ongoing allocation to the City General Fund to cover costs for maintenance of Regent Street, given the enhanced features of the street are beyond typical City standards, and cost more than a typical city street to maintain. The Attorney’s Office indicates that tax increment funds can be used to maintain public infrastructure. ***The Board may wish to ask the Administration if this transfer is the long-term plan for maintenance on Regent Street when the Block 70 CRA ends in 2040, and what the City’s policy may be in other enhanced-infrastructure areas (e.g., Central Ninth streetscape improvements, Rio Grande Area festival street the Depot District, daylighting City Creek near North Temple).***
- i. **Gallivan Employees and Maintenance** - The proposed budget continues the management of the 13 Gallivan employees and maintenance under the RDA (accounting is separated from the General Fund).
  - ***The Board may wish to ask the Administration for a review of how this approach is working compared to the previous approach of managing those employees in the General Fund (Public Services Department), particularly as it relates to service level and programming.***
  - ***The Board may wish to use this discussion to inform future policy discussions, as the Administration has indicated they are exploring alternative models for programming and maintenance of “enhanced” public spaces coming to downtown such as Pioneer Park, Main Street pedestrianization, the Sports, Entertainment, Cultural and Convention district, and potentially the Green Loop.***
- j. **Trend in Increment Received** - During the FY 19 budget cycle the Administration noted that actual increment received in a number of districts was unexpectedly lower than in previous years, which did not track with the overall increase in total property valuation in the City and construction of new buildings in some RDA project areas. Since that time the Administration worked with County staff and a consultant who have determined that it was an “anomaly,” and actual revenue received since then tracks more consistently with valuations. For FY 25 the RDA has continued the practice of projecting tax revenues at roughly 80% of what was actually received in the previous year, to help account for these potential fluctuations. The below charts illustrate the fluctuations in tax increment revenue received in selected project areas for Board context (Central Business District is shown on an independent chart due to the relatively larger dollar amount differences). This trend information is available for all project areas if the board is interested.



**k. North Temple Viaduct Debt service** – The RDA created the North Temple Viaduct project area specifically to help offset the debt service costs on a City-issued bond to rebuild and shorten the North Temple Viaduct in 2012, allowing the current TRAX alignment, and to facilitate development that has now materialized in the adjacent area. All increment except a small percentage for administration is transferred to the general fund to offset this annual payment. The chart below provides a summary of tax increment received, annual debt service payment made by the City and the tax increment as a percentage of those debt payments. In the early years of this arrangement, the tax increment generated was not sufficient to cover the full debt service payment, so the general fund covered the remainder. However, starting in FY19, actual tax increment received exceeded debt service payments. In FY 21, the Board re-purposed this surplus to re-invest on North Temple in the soon-to-open State Fair Park International Public Market. In FY 23, the Board approved using the excess \$1 million of this available overage to invest in the Housing Development Fund, to increase the number of affordable units in the City. In FY 24 this source was used to increase the Housing Development Fund by \$1.7 million. With the calendar year 2024 audit, the Administration will determine if, based on Taxing Entity Agreements, any of this overage should be paid back to taxing entities.



1. **Eccles Theater Site Operations & Regent Street Activation** – Per the terms of the operating agreement with Salt Lake County, the City/RDA are responsible for any operating costs (net of revenues) that the County experiences in operating the ancillary sites around the Eccles Theater (Black Box, Regent Street Plaza, and Winter Garden). The FY 25 budget proposes \$475,000 for this purpose, which is flat from FY 24. The FY 25 budget also includes continuing the allocation started in FY 24 for an additional \$25,000 to program the McCarthy Plaza and Regent Street, which the RDA reports to be a very successful endeavor. Consistent with the Council’s initial goals for the construction of the Eccles Theater, the UPACA Board continues to ask County staff to find innovative ways to increase programming in the spaces, with a primary goal of activation rather than purely revenue generation.
  
- m. **Block 70/Eccles Theater Debt Reserve** – In previous budget years the RDA has funded a certain reserve to cover debt service for the Eccles Theater, to cover years when tax increment for the block is insufficient to cover payments (originally projected to be a span of 5-8 years, depending on projections). As of FY 25, the Finance Department believes the combination of increment from Block 70 and the current level of debt service reserve is sufficient to cover debt on the Eccles Theater

## GENERAL POLICY QUESTIONS

1. **Bonding for catalytic or specific projects** – The Board may wish to ask the Administration whether they have a recommendation for bond-eligible projects in any project area, especially new project areas like the State Street or 9-Line project areas, given tax increment flow has started. Based on previous discussions, the Board and Administration agreed that bonding early in project areas, as was done for Block 70 and Regent Street/Eccles Theater, makes financial sense, since bonding capacity is maximized early in a project area.

- a. Bonding may also make sense for a project that is of particular immediate interest or importance to the Board, such as Japantown Street improvements. ***Given the City's favorable interest rates, the Council may wish to initiate this conversation with the City finance department to conduct an analysis.***
  - b. The City has the ability to issue bonds for projects supported or offset by RDA tax increment (the North Temple Viaduct rebuild project was financed this way), or it can issue bonds as an agency (A portion of Eccles theater debt and Regent Street Improvements were financed this way via Block 70 increment).
2. **Project Area/Workload Prioritization** – The Board may wish to continue the discussion of project area and/or staff workload prioritization. Staff is continuing to work on Housing and Transit Reinvestment Zones (HTRZs), the recent discussions about a Sports, Entertainment, Cultural and Convention District, and is in continued discussions about new project areas to facilitate developments around the Granary District, which is soon to expire. The RDA is also continuing property disposition work in three expired project areas that no longer collect tax increment to offset these costs (Sugar House, West Capitol Hill, and West Temple Gateway). RDA staff also is critical to the City's efforts during State legislative discussions about changes to the City's development tools, which is an increasing workload compared to previous years. Affordable housing development in the City is also an overarching workload handled by RDA staff, as is work on some of the programs approved by the Board in recent years, such as the ADU program. In January 2020 the Board approved two resolutions establishing survey boundaries for potential Community Reinvestment Areas at the University of Utah Research Park, and discussions are ongoing. The two new FTEs added in FY2023 and the new financial analyst FTE proposed in FY2025 may help with this increased workload, but the Board may wish to have additional discussions.
3. **Public/Private Partnership Models and proposals with alternate governance models** - As the City and RDA consider the public-private partnership ideas that are periodically raised, the Board/Council have shared feedback that they prefer to keep elected officials in the appropriate policy-making and budgetary role. The Board/Council may wish to formalize this feedback in a policy document to guide future administrative conversations about alternate governance and management. Prior to adopting a policy, the Board could request a comprehensive review of these different models to identify pros and cons and establish role clarity, transparency expectations, and staff accountability upfront.
4. **Consistency between RDA and City Policies** – Currently the Board adopts policies to guide RDA investment that typically mirror City policies, although in some cases they are different and/or more targeted to RDA activities. The Board could adopt a blanket policy indicating that if the RDA does not have a policy for a given area, City policy applies.
5. **Fund Balances for Project Areas with Ongoing Funding Obligations** – The Board may wish to review with the Administration the levels of fund balances ("savings accounts" or "cash reserves") for project areas with ongoing obligations such as the Central Business District which has bond debt service payments and agreements (such as Eccles, Regent Street, and Gallivan) and significantly contributes to the RDA's annual administration costs. Finance is working with the RDA staff to provide cash balance amounts for each project area.
6. **Pooled Resources vs. Project Area Resources** – Some initiatives and projects previously funded with RDA tax increment have been funded by transferring funds out of one project area, into a pooled account, such as the Primary Housing Fund or Revolving Loan Fund (via appropriation from Fund Balance). Because these accounts are flexible in terms of serving all project areas, this allows for a project area with limited tax increment to complete projects it might otherwise not be able to afford.

There are not clear guiding policies that would help determine when it is appropriate to use this approach for a given project or initiative, but in the past it has enabled the RDA to respond to unique opportunities and projects.

## ADDITIONAL & BACKGROUND INFORMATION

1. **Gallivan Utah Center Owners Association (GUCOA)** - GUCOA is the managing agency for the entire block through Covenants, Conditions & Restrictions (CCRs) and is responsible for maintenance and programming. The RDA is the majority owner (over 51%). The CCRs originally contemplated a contractor to provide maintenance and programming which has been provided by the Public Services Department after an RFP process. An assessment is levied on the first floor of adjacent commercial properties to contribute funding to administration, programming, and events. The programming contract has requirements for a set number of events that must be open to the public annually. Gallivan also provides many free events to activate the space consistent with the Council/Board's public policy goals for downtown.
2. **Project Area Expiration Dates** -Project areas have a designated expiration (aka sunset) date. State law allows RDAs to continue spending tax increment already collected in expired project areas such as Sugar House. Sometimes project areas can be extended/renewed for a longer length which happened to the Central Business District. The table below summarizes project area timeframes from creation to expiration.

Project Area	Initial Collection Year	Last Collection Year
Central Business District*†	1983	2042
West Capitol Hill**	1998	2022
Depot District†	1999	2024
Granary District†	2000	2025
North Temple†	2012	2039
North Temple Viaduct CDA	2012	2037
Northwest Quadrant	2019	2038
Block 70 CDA	2016	2040
Stadler Rail	2019	2038
Block 67	2021	2040
9-Line	2021	2040
State Street	2021	2040

*NOTE: Only project areas that generate tax increment are listed in the table*

*\*The RDA Board extended the CBD from the original expiration year of 2007*

*\*\* The RDA Board extended the original expiration year to focus on 300 West streetscape improvements*

*†In October 2021 the Board approved two-year extensions for these project areas. State law was changed to allow extensions for projects areas negatively impacted by the COVID-19 pandemic*

3. **Statutory Definition of Project Area Development (Utah Code 17C-1-102(48))** - The section of Utah Code below is a key list of allowable uses of RDA funds. The Utah Legislature updated this statute in the 2016 General Session.
  - (47) "Project area development" means activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan, including:
    - (a) promoting, creating, or retaining public or private jobs within the state or a community;
    - (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements;



- (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;
- (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;
- (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;
- (f) providing open space, including streets or other public grounds or space around buildings;
- (g) providing public or private buildings, infrastructure, structures, or improvements;
- (h) relocating a business;
- (i) improving public or private recreation areas or other public grounds;
- (j) eliminating blight or the causes of blight;
- (k) redevelopment as defined under the law in effect before May 1, 2006; or
- (l) any activity described in Subsections [\(48\)\(a\)](#) through [\(k\)](#) outside of a project area that the board determines to be a benefit to the project area.

Note: in the 2022 legislative session some changes were made to limit a taxing entity's ability to invest in certain retail uses in HB 151 – in summary it prohibits a city or its RDA from making or entering into an agreement to make certain incentive payments for retail facilities. While retail incentives are limited, there are some exceptions, including:

- census tract areas with the median income below 70% AMI (to ease food and service deserts, etc),
- mixed use developments with a certain amount of housing units, or 10% of the units being affordable,
- retail facilities under 20,000 sqft, retail for small businesses, etc.
- Incentives can still be used for public infrastructure, structured parking, main street or historic programs, and environmental mitigation.
- If incentives for retail developments are used, a report must be issued to GOEO.
- If a taxing entity violates any of the incentives restrictions or doesn't submit a report, GOEO can send a notice to the state auditor. There is still the ability to cure the problem or appeal the determination of GOEO.

## ATTACHMENTS

1. Attachment 1 - RDA Guiding Framework Transmittal December 2021 (Mission, Core Values and Livability Benchmarks)
2. Attachment 2 – Presentation on Housing Funding Priorities for FY 25
3. Attachment 3 – Transmittal: Housing Funding Priorities for FY 25

# Guiding Framework



This Guiding Framework is a strategic operational document outlining the methodology for evaluating and prioritizing projects requesting RDA financial assistance. The RDA's Mission and Values form the foundation of the Guiding Framework, declaring the RDA's purpose and the intended economic, social, and physical outcomes expected of RDA projects and partnerships.

MISSION:	The Redevelopment Agency of Salt Lake City strengthens neighborhoods and business districts to improve livability, create economic opportunity and foster authentic, equitable communities, serving as a catalyst for strategic development projects that enhance the City's housing opportunities, commercial vitality, public spaces, and environmental sustainability.		
VALUES:	Economic Opportunity- We invest in the long-term prosperity and growth of our local economy.	Equity & Inclusion- We prioritize people-focused projects and programs that encourage everyone to participate in and benefit from development decisions that shape their communities.	Neighborhood Vibrancy- We cultivate distinct and livable places that are contextually sensitive, durable, connected, and sustainable.

**PROJECT EVALUATION PROCESS:** The RDA prioritizes projects that demonstrate a commitment to the Mission and Values, evaluating projects via three steps, which answer the following questions: 1.) Does the project meet the minimum **THRESHOLDS** required for RDA participation? 2.) To what degree does the project benefit the public by achieving defined **LIVABILITY BENCHMARKS**, thereby warranting RDA assistance? 3.) Does the project meet the **CRITERIA** outlined in existing RDA programs and policies, such as the RDA Loan Program or Tax Increment Reimbursement Program?

Step 1: THRESHOLDS	<ul style="list-style-type: none"> <li>Alignment with adopted City policies &amp; plans</li> <li>Alignment with RDA Project Area Work Plans*</li> <li>Financial viability with a demonstrated and reasonable need for public assistance</li> </ul>		
Step 2: LIVABILITY BENCHMARKS	<b>Economic Opportunity</b> <ul style="list-style-type: none"> <li>Leveraging</li> <li>Timeliness</li> <li>Return of Investment</li> <li>Permanent Job Creation &amp; Retention</li> <li>Affordable Commercial Spaces</li> <li>Ownership</li> </ul>	<b>Equity &amp; Inclusion</b> <ul style="list-style-type: none"> <li>Transit Opportunities</li> <li>Mixed-Income Neighborhoods</li> <li>Neighborhood Safety</li> <li>Community Engagement &amp; Support</li> <li>Housing for Everyone</li> <li>Displacement Mitigation</li> <li>Affordable Housing Preservation</li> </ul>	<b>Neighborhood Vibrancy</b> <ul style="list-style-type: none"> <li>Public Space</li> <li>Public Art</li> <li>Architecture &amp; Urban Design</li> <li>Sustainability</li> <li>Walkability</li> <li>Building Preservation, rehabilitation, or adaptive reuse</li> <li>Missing Middle &amp; Unique Building Types</li> </ul>
Step 3: PROGRAM CRITERIA	Evaluation of project according to respective RDA policies, programs and procedures		

\*Spanning a 1-3 year time frame, Project Area Work Plans identify redevelopment objectives and strategic redevelopment projects for each project area, along with a corresponding schedule & budget for each project. The Project Area Work Plans will be based on relevant City policies and plans and the Project Area Plans that were adopted when the project area was created and will provide direction for the annual RDA budget process.



## REDEVELOPMENT AGENCY *of* SALT LAKE CITY

**DATE:** March 29, 2024

**PREPARED BY:** Lauren Parisi & Tracy Tran, RDA Senior Project Managers

**RE:** FY 2024-25 Annual Housing Funding Priorities

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**REQUESTED ACTION:** Consider adoption of a resolution to establish the FY 2024-25 Housing Funding Priorities

**POLICY ITEM:** Affordable Housing

**BUDGET IMPACTS:** N/A

---

**EXECUTIVE SUMMARY:** The Redevelopment Agency of Salt Lake City's ("RDA") Housing Development Loan Program ("HDLP") policy requires that the RDA Board of Directors ("Board") approves housing funding priorities ("Funding Priorities") on an annual basis. These Funding Priorities guide the upcoming fiscal year's housing activities including the requirements of the HDLP's competitive affordable housing notice of funding availability (NOFA).

At their March 2024 meeting, the Board reviewed and discussed potential Funding Priorities for the upcoming fiscal year 2024-2025 ("FY 25"). More detail regarding the information presented at this meeting can be found within the [March RDA Board Memo](#). The Board seemed to come to a consensus regarding the approval of four priorities including:

- Wealth Building Opportunity
- Affordable Family Housing with Amenities for Children
- Deeply Affordable Housing
- Neighborhood Commercial and Services

In March 2024, the Board expended nearly all of the remaining high opportunity area funds, which are focused on incentivizing affordable housing in high opportunity areas (east side of Salt Lake City). Since these funds are no longer available, RDA Staff wanted to check if the Board would be interested in adding an Expand Opportunity priority to the list above that could further incentivize affordable housing in high opportunity areas. A map of the high opportunity areas has been included under [Attachment A](#).

This memo outlines the intent of each of the four Funding Priorities and a potential fifth priority if the Board would like to include. Two resolution options are included under [Attachment B](#) for the Board's consideration to approve the FY 25 Funding Priorities.

## ANALYSIS:

**FY 25 Annual Housing Funding Priorities.** The intent of each priority that will be used to guide housing decisions throughout the upcoming fiscal year are described below.

1. Wealth Building Opportunity – Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.
2. Affordable Family Housing – Provide opportunities for families to enjoy the many benefits of urban living by encouraging the development of housing that is more conducive to larger household sizes that have at least three or more bedrooms and includes family-oriented amenities.
3. Deeply Affordable Housing – Expand the availability of units for extremely low-income households, thereby providing housing options for individuals or families that are homeless or at risk of homelessness. Deeply affordable housing is generally defined as housing affordable to those earning 40% of the area median income (AMI) or below.
4. Neighborhood Commercial and Services – Promote an array of commercial spaces that support the neighborhoods, such as daycares, restaurants, and retail spaces. This priority ensures that as housing continues to be built throughout the City, residents and neighbors continue to have access to neighborhood services and amenities.
5. Potential Priority: Expand Opportunity – Provide affordable housing within areas that have access to resources that may improve a person’s chances of upward economic mobility as identified on RDA’s High Opportunity Area Map. In previous years, the RDA Board dedicated funding towards areas of high opportunity. With the majority of that funding expended, including this priority maintains that the Board wants to see affordable housing expanded to Salt Lake City’s eastside neighborhoods.

**Housing Development Loan Program – Competitive NOFA.** To utilize the competitive HDLP notice of funding availability (NOFA) to promote the Funding Priorities, RDA staff recommends making affordable family housing with amenities for children and/or deeply affordable housing into thresholds requirements in order for a project to be eligible for funding. To meet the family housing threshold, at least 10% of a project’s units must have three or more bedrooms and be affordable to households earning 60% of the area median income as established by the U.S. Department of Housing and Urban Development (“HUD”). To meet the deeply affordable housing threshold, at least 10% of a project’s units must be affordable to those earning 40% AMI or below as established by HUD. Similar to previous years, the priorities the Board approves for the upcoming fiscal year will be weighted more in scoring than other benchmarks. Projects will also be eligible for interest rate reductions for meeting other RDA benchmarks as outlined in the HDLP guidelines.

**FY 25 Housing Fund Projections.** RDA staff will share the housing fund projections for the upcoming fiscal year when it becomes available.

**NEXT STEPS:**

- Pursuant to the Housing Development Loan Program Policy, the Board may wish to consider the adoption of the attached resolution to approve the Funding Priorities for FY 25.
- RDA staff will present proposed funding allocations to housing activities as a part of the FY 25 budget discussion.

**ATTACHMENTS:**

**Attachment A** - High Opportunity Area Map and Table

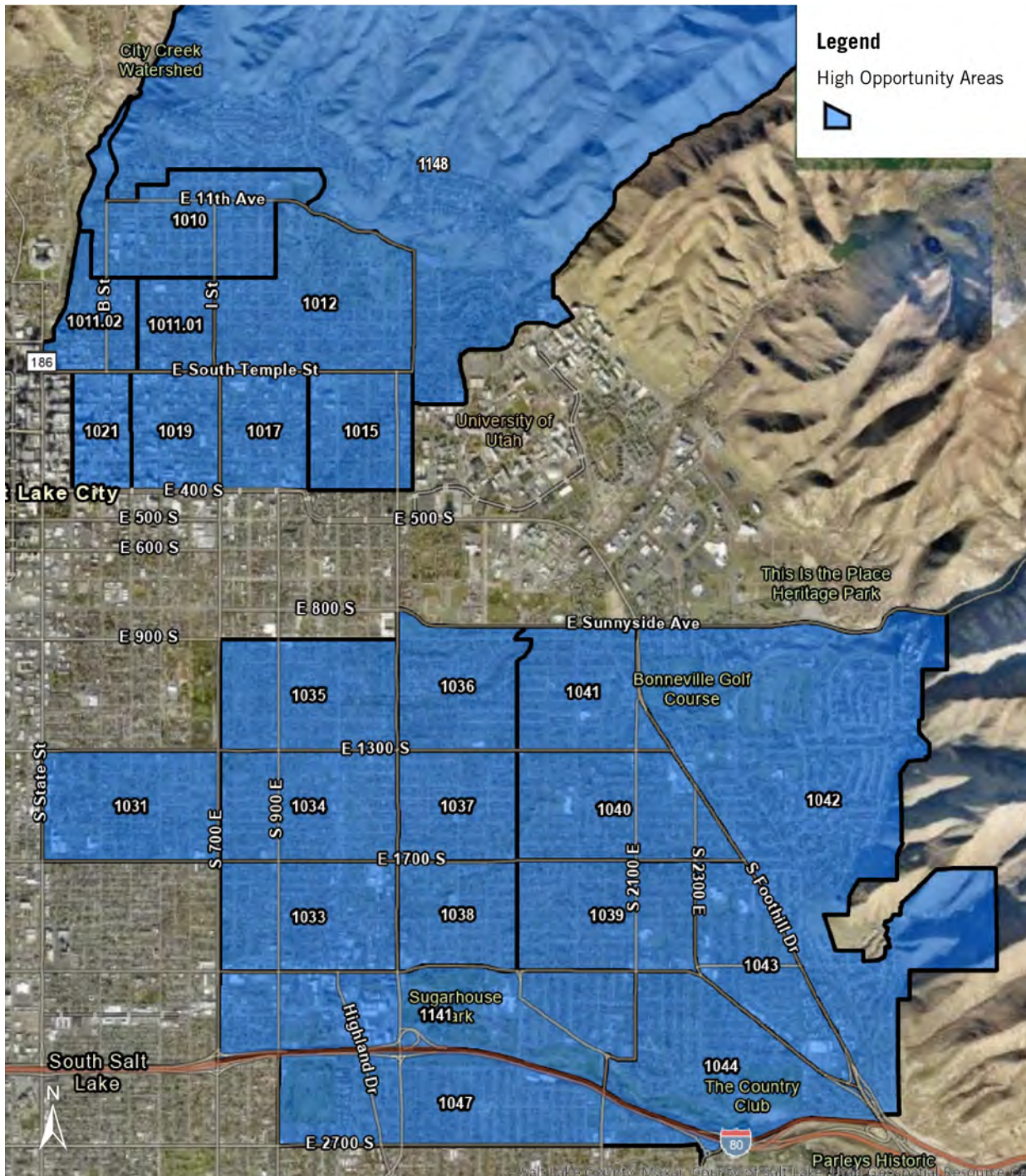
**Attachment B** – Resolution Options: FY 25 Affordable Housing Funding Priorities Resolution



## **ATTACHMENT A – HIGH OPPORTUNITY AREA MAP**

High opportunity areas are geographical locations within the city that provide conditions that expand a person's likelihood for social mobility. These areas have been identified through an analysis of a variety of economic, housing, health, and community metrics. With these multiple indicators, a single composite, or standardized score is calculated for each census tract. Scores may range from 0 to 10, with 1 indicating low opportunity and 10 indicating high opportunity.

A Census Tract with an Opportunity Index score of 7 or higher shall be designated as an Area of High Opportunity.  
**HIGH OPPORTUNITY AREA MAP**



## HIGH OPPORTUNITY AREA TABLE

Tract	Opportunity Index Score	Tract	Opportunity Index Score
1001	3	1028.01	2
1002	5	1028.02	4
1003.06	3	1029	2
1003.07	2	1030	6
1003.08	1	1031	8
1005	1	1032	6
1006	0	1033	7
1007	5	1034	8
1008	5	1035	7
1010	8	1036	10
1011.01	6	1037	8
1011.02	9	1038	7
1012	8	1039	7
1014.01	3	1040	9
1014.02	4	1041	8
1015	8	1042	9
1016	6	1043	6
1017	8	1044	7
1018	4	1047	8
1019	7	1048	5
1020	6	1049	5
1021	7	1118.02	6
1023	5	1140	6
1025.01	4	1141	7
1025.02	6	1145	1
1026	3	1147	3
1027.01	3	1148	8
1027.02	1		

### SCORING NOTES

The High Opportunity Index uses an eleven-point rating scale to evaluate metrics associated with high economic opportunity by census tract. Scores 0-2 indicate very low opportunity, 3-4 indicates low opportunity, 5-6 indicate moderate opportunity, 7-8 indicate high opportunity, and 9-10 indicate very high opportunity.

For the methodology, scoring for the Opportunity Index was done by evaluating each tract on the variables in Attachment A as compared to other census tracts in the city. A normalization formula is used to establish the thresholds for scoring in 11 equal scoring ranges (0-10). Each tract's normalized scores for all variables were then multiplied by their determined weight and aggregated. The aggregate scores are then put through the same normalization formula to determine the overall Opportunity Index score.

**ATTACHMENT B – RESOLUTIONS: FY 25 AFFORDABLE HOUSING FUNDING  
PRIORITIES RESOLUTION**



**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

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

**FY 2024-25 Affordable Housing Funding Priorities**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING HOUSING FUNDING PRIORITIES FOR FISCAL YEAR 2024-25

**WHEREAS**, the Board of Directors of the Redevelopment Agency of Salt Lake City (Board) adopted the Housing Funds Allocation Policy and the Housing Development Loan Program Policy, which provide that the Redevelopment Agency of Salt Lake City (RDA) will present to the Board an overall funding strategy and specific funding priorities (Funding Priorities) for how housing monies should be allocated to the housing funds and housing loan program for the upcoming fiscal year.

**WHEREAS**, the Housing Development Loan Program Policy provides that the specific Funding Priorities shall be subject to approval by the Board.

**WHEREAS**, the Board desires to adopt the Funding Priorities identified in this resolution to direct resources for the development of affordable housing for fiscal year 2024-25.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Redevelopment Agency of Salt Lake City hereby adopt following Funding Priorities for fiscal year 2024-25:

<b><u>Funding Priority</u></b>	<b><u>Objective</u></b>
<b>Deeply Affordable Housing</b> <i>Threshold requirement for Housing Development Loan Program applications</i>	Expand the availability of units for extremely low-income households, thereby providing housing options for individuals or families that are homeless or at risk of homelessness.
<b>Affordable Family Housing with Amenities for Children</b> <i>Threshold requirement for Housing Development Loan Program applications</i>	Provide opportunities for families to enjoy the many benefits of urban living by encouraging the development of housing that is more conducive to larger household sizes that have at least three or more bedrooms and includes family-oriented amenities.
<b>Wealth Building Opportunity</b>	Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.

<b>Neighborhood Commercial and Services</b>	Promote an array of commercial spaces that support the neighborhoods, such as daycares, restaurants, and retail spaces.
---	---

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Alejandro Puy, Chair

Approved as to form:  \_\_\_\_\_  
Salt Lake City Attorney's Office  
Allison Parks

The Executive Director:

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

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

Attest:

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

**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

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

**FY 2024-25 Affordable Housing Funding Priorities**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING HOUSING FUNDING PRIORITIES FOR FISCAL YEAR 2024-25

**WHEREAS**, the Board of Directors of the Redevelopment Agency of Salt Lake City (Board) adopted the Housing Funds Allocation Policy and the Housing Development Loan Program Policy, which provide that the Redevelopment Agency of Salt Lake City (RDA) will present to the Board an overall funding strategy and specific funding priorities (Funding Priorities) for how housing monies should be allocated to the housing funds and housing loan program for the upcoming fiscal year.

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<b>Affordable Family Housing with Amenities for Children</b> <i>Threshold requirement for Housing Development Loan Program applications</i>	Provide opportunities for families to enjoy the many benefits of urban living by encouraging the development of housing that is more conducive to larger household sizes that have at least three or more bedrooms and includes family-oriented amenities.
<b>Wealth Building Opportunity</b>	Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.

<b>Neighborhood Commercial and Services</b>	Promote an array of commercial spaces that support the neighborhoods, such as daycares, restaurants, and retail spaces.
<b>Expand Opportunity</b>	Provide affordable housing within areas that have access to resources that may improve a person's chances of upward economic mobility as identified on RDA's High Opportunity Area map.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Alejandro Puy, Chair

Approved as to form:  \_\_\_\_\_  
Salt Lake City Attorney's Office  
Allison Parks

The Executive Director:

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

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

Attest:

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

# ANNUAL HOUSING FUNDING PRIORITIES

## FY 2024-25

APRIL 16, 2024



**SLCRDA**



## HOUSING ALLOCATION FUNDS POLICY



PRIMARY  
HOUSING  
FUND



SECONDARY  
HOUSING  
FUND



WESTSIDE  
COMMUNITY  
INITIATIVE  
FUND



HOUSING  
DEVELOPMENT  
FUND

This policy established guidelines for allocating/directing resources for housing by funding source.

Also requires "Annual Housing Funding Strategy" (right) be brought in front of Board every year.

## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

To be included  
in RDA budget

ANNUAL  
HOUSING  
PRIORITIES



For your approval  
today

HOUSING  
ACTIVITIES

To be included  
in RDA budget



## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

ANNUAL  
HOUSING  
PRIORITIES

HOUSING  
ACTIVITIES

# RECOMMENDED ANNUAL HOUSING PRIORITIES

*Priorities to focus on this FY; Seeking Board feedback today*

WEALTH  
BUILDING  
OPPORTUNITY

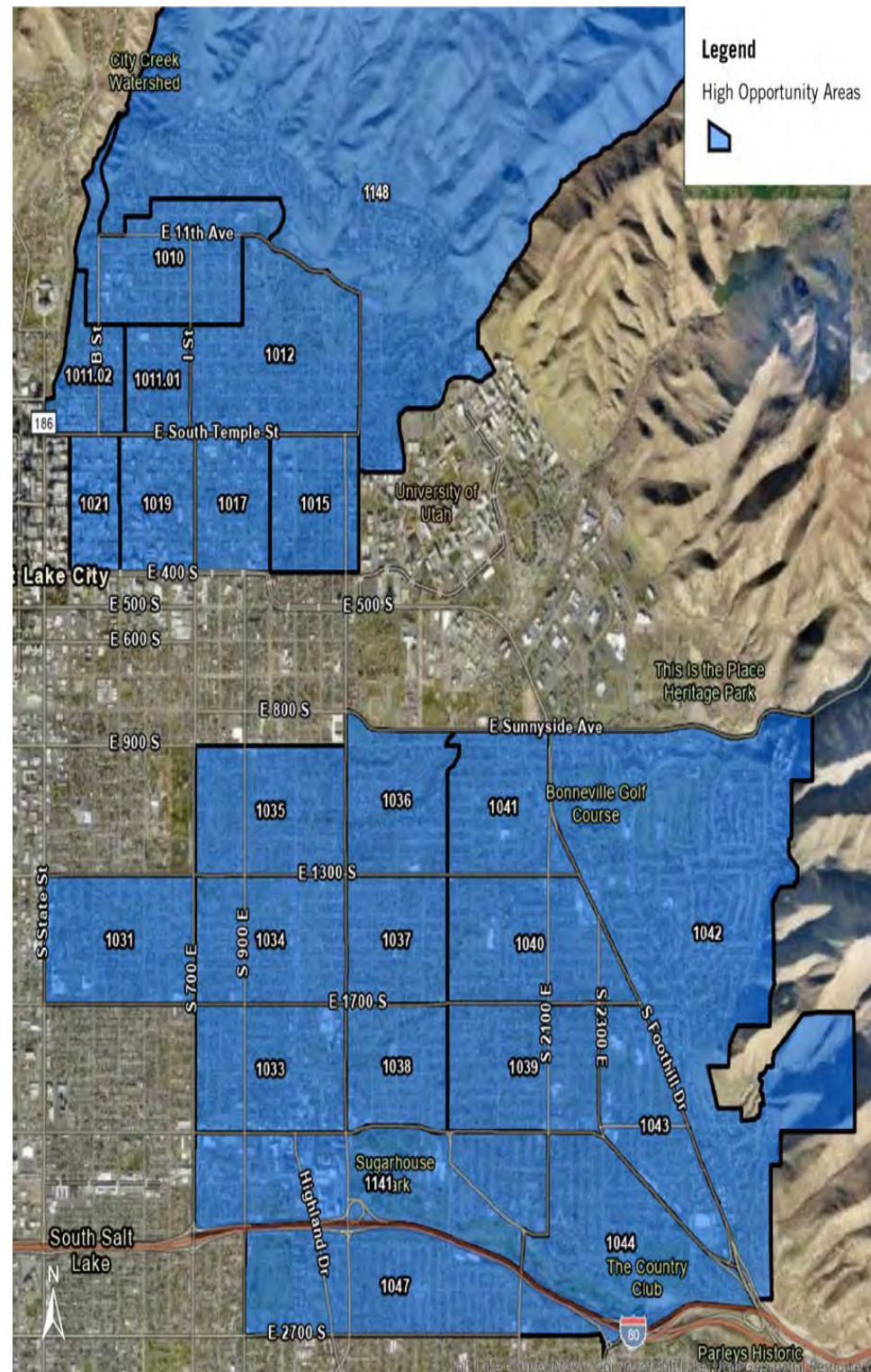
AFFORDABLE  
FAMILY  
HOUSING w/  
AMENITIES for  
CHILDREN

DEEPLY  
AFFORDABLE  
HOUSING

NEIGHBORHOOD  
COMMERCIAL  
AND SERVICES

EXPAND  
OPPORTUNITY

# UPDATED HIGH OPPORTUNITY AREA MAP





# DATA - OTHER METRICS

**1**

**HOMEOWNERSHIP RATE IS GROWING AT A SLOWER PACE THAN RENTAL RATE**

**2**

**AT LEAST 8,431 RENTING HOUSEHOLDS FALL IN THE "EXTREMELY LOW INCOME" LIMIT SET BY HUD FOR FY23.**

**3**

**PERCENTAGE OF FAMILY HOUSEHOLDS HAVE BEEN DECREASING SINCE 2018**

**4**

**HIGHER INCOME HOUSEHOLDS MAKING \$75K OR MORE HAVE INCREASED WITHIN SALT LAKE CITY THROUGH THE YEARS, LOWER INCOME HOUSEHOLD MAKING LESS THAN \$50K HAVE DECREASED.**

**5**

**NUMBER OF COMMERCIAL PARCELS HAVE DECREASED WITHIN SALT LAKE CITY**

**6**

**COMMERCIAL GROWTH RATE IS SLOWING, WHILE OCCUPANCY AND LEASE RATES HAVE INCREASED**

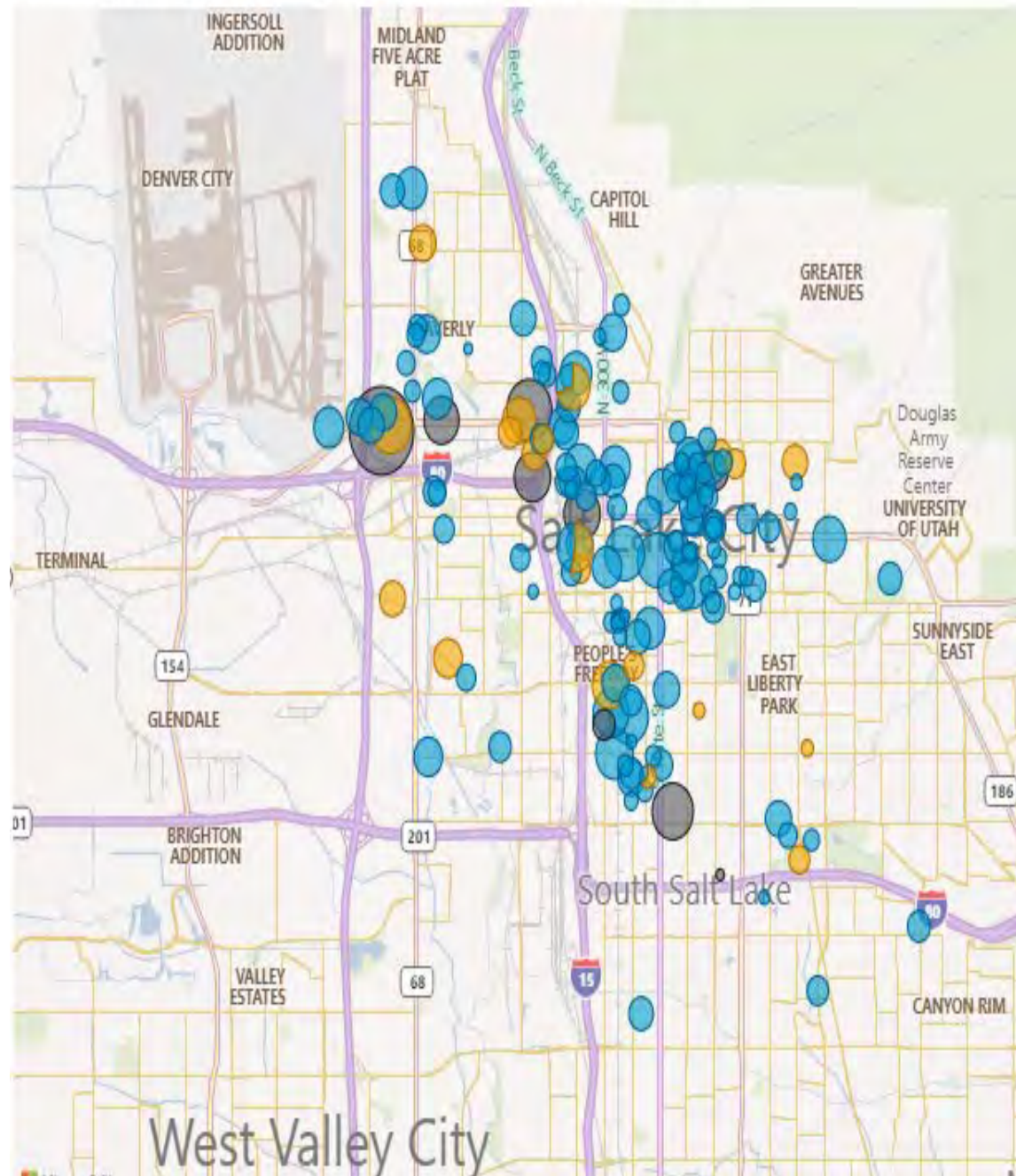
Source: Census Bureau's 2017-2022 ACS 5-Year Estimates (1,2, 3, 4)

Salt Lake County Assessor (5)

CoStar Group (6)

# DATA - CURRENT AND FUTURE SLC DEED-RESTRICTED AFFORDABLE HOUSING DEVELOPMENTS MAP

Construction Status ● Completed ● Proposed ● Under Construction



## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

ANNUAL  
HOUSING  
PRIORITIES

HOUSING  
ACTIVITIES

# RECOMMENDED HOUSING ACTIVITIES

*Tools/programs by which to achieve Priorities; Seeking Board feedback today*

EQUITY  
BUILDING  
NOFA

HOUSING  
DEVELOPMENT  
LOAN  
PROGRAM

LAND  
ACQUISITION/  
DISPOSITION

## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

ANNUAL  
HOUSING  
PRIORITIES

HOUSING  
ACTIVITIES

# HOUSING ACTIVITIES



## Housing Development Loan Program Competitive NOFA

- Require affordable family housing and/or deeply affordable housing as threshold
- Utilize interest rate reduction benchmarks for competitive NOFA (Alignment with RDA's Guiding Framework); annual priorities will have greater ranking weight

# FY25 ANNUAL HOUSING FUNDING STRATEGY

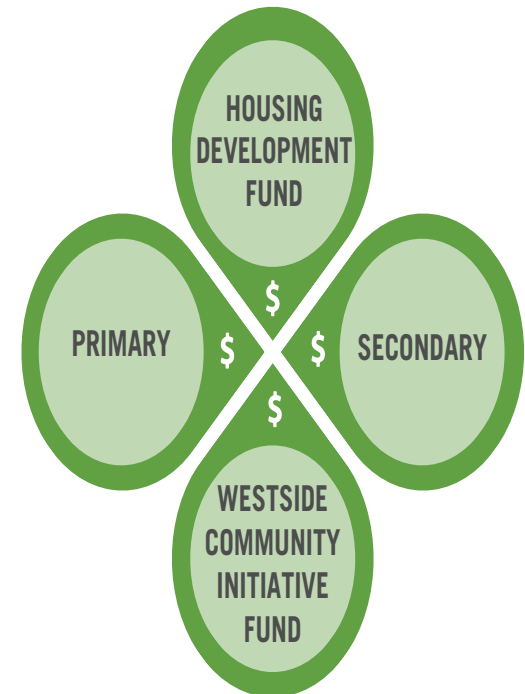
## ANNUAL HOUSING PRIORITIES



## HOUSING ACTIVITIES



## HOUSING FUND ALLOCATIONS



## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

ANNUAL  
HOUSING  
PRIORITIES

HOUSING  
ACTIVITIES

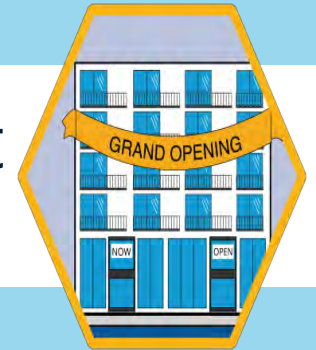
## NEXT STEPS

- The RDA Board may wish to consider the adoption of the FY 25 Annual Housing Priorities
- RDA staff will present proposed funding allocations to housing activities as a part of the FY 25 budget discussion



# Redevelopment Agency FY24-25 Budget

*Presented by Danny Walz*



# Redevelopment Agency Funds



## Project Area Funds

Must be used within the boundaries of the project area, except for revenues transferred to Primary Housing (legally required), Secondary Housing (supplemental), Agency Operations (defined by interlocal agreements), or other legal reasons.

- Central Business District (CBD)
- Block 70 (B70)
- Depot District (DD)
- Granary District (GD)
- North Temple (NT)
- North Temple Viaduct (NTV)
- Stadler Rail (SR)
- Northwest Quadrant (NWQ)
- State Street (SS)
- 9 Line (9L)
- Block 67 North (B67N)
- West Capitol Hill (WCH)

## Housing Funds

May be used anywhere in the City, unless otherwise directed by the Board, except for the WCI, which must be used west of I-15.

- Primary Housing (1H)
- Secondary Housing (2H)
- Housing Development Fund (HDF)
- West Side Community Initiative (WCI)

## Multi-Use Funds

Can be used across project areas (and potentially city-wide), unless otherwise directed by the Board.

- Program Income Fund (PIF)
- Revolving Loan Fund (RLF)

## Agency Operations Fund (OPS)

- Receives transfers in from other funds to fund the Agency's operational expenses.

## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*





# Agency Budget Process



## Revenue Sources

- Tax Increment Revenue
- Loan Payments
- Rent Payments
- Parking Structure Income
- Interest from Investments
- Internal Fund Transfers
- External Fund Transfers
- Transition Holding Account



## Obligated Expenses

- Tax Increment Reimbursements
- Taxing Entity Payments
- Primary Housing Contributions
- Debt Service
- Contractual Obligations
- Property Management & Maintenance
- Administrative and Operating Expenses



## Discretionary Expenses

- Proposed Programs and Projects

## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*



# Overview of Expense Changes by Fund



Fund Type	Fund Name	FY 2024 Adopted Budget	Change	FY 2025 Recommended Budget
Project Area	Central Business District	24,644,694	5,248,322	29,893,016
	Block 70	11,053,759	11,405	11,065,164
	Depot District	7,227,908	(132,507)	7,095,401
	Granary District	1,394,593	353,656	1,748,249
	North Temple	1,351,992	600,474	1,952,466
	North Temple Viaduct	2,774,419	381,346	3,155,765
	Stadler Rail	141,297	27,447	168,744
	9-Line	3,455,989	(148,771)	3,307,218
	State Street	5,788,520	729,316	6,517,836
	Northwest Quadrant	1,398,548	1,205,450	2,603,998
	Block 67 North	0	365,771	365,771
	West Capitol Hill	0	384,332	384,332
Housing	Primary Housing	2,394,582	1,207,659	3,602,241
	Secondary Housing	1,000,000	0	1,000,000
	Housing Development Fund	10,236,967	(7,334,967)	2,902,000
	Westside Community Initiative	1,835,469	0	1,835,469
Multi-Use	Program Income Fund	1,449,692	109,541	1,559,233
	Revolving Loan Fund	226,750	105,650	332,400
Operations	Redevelopment Agency Operations	4,428,662	641,634	5,070,296
<b>Total</b>		<b>80,803,841</b>	<b>3,755,758</b>	<b>84,559,599</b>

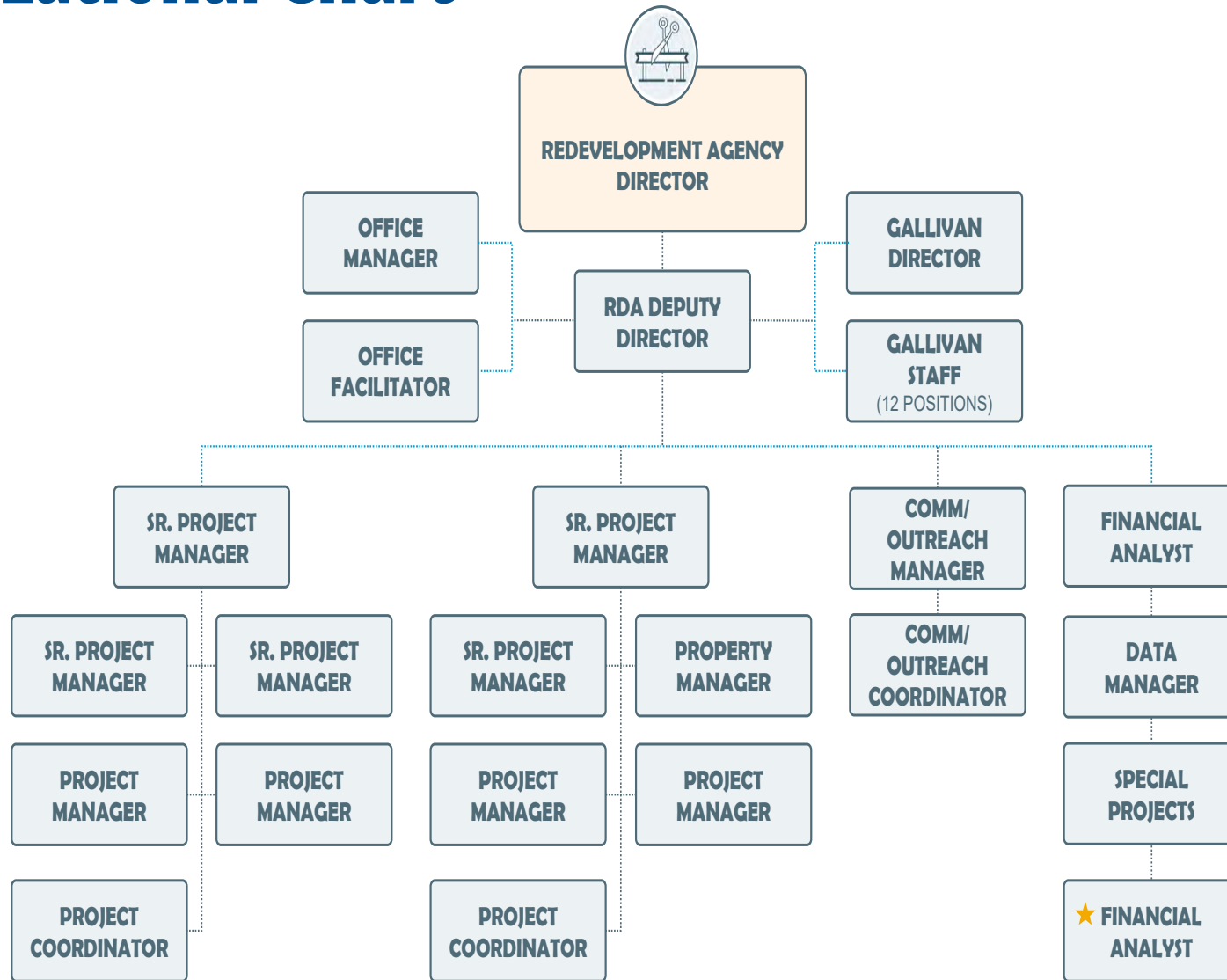
FY24	Proposed Changes	FY25 Recommended
FTE: 21	FTE: +1	FTE: 22

## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*

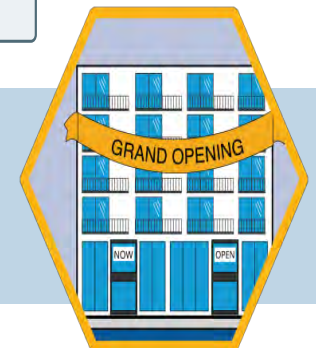


# Organizational Chart



## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*





## REVENUE PROJECTIONS

# Project Area Tax Increment Revenue



Fund	2020-A	2021-A	2022-A	2023-A	2024-B	2024-A	2025-B	%
Central Business District	32,241,850	31,160,698	29,210,363	25,941,783	24,644,694	27,265,707	27,265,707	0%
Depot District	5,331,207	5,375,538	5,165,393	5,316,113	5,422,435	6,071,665	6,193,098	2%
Granary District	737,929	926,661	975,276	1,081,675	1,103,309	1,357,286	1,384,433	2%
Block 70	2,151,501	2,145,823	2,156,531	1,925,503	1,829,228	2,133,992	2,133,992	0%
North Temple	526,266	633,123	674,845	988,936	1,008,715	1,513,475	1,543,745	2%
North Temple Viaduct	1,550,077	2,100,528	2,573,995	2,720,019	2,774,419	3,058,618	3,119,790	2%
West Capitol Hill	(113,393)	526,903	-	-	-	-	-	-
Northwest Quadrant	197	1,684,441	1,035,350	1,371,125	1,398,548	2,451,087	2,500,109	2%
Stadler Rail	69,903	101,927	108,334	138,526	141,298	157,991	161,151	2%
9-Line	-	-	1,871,603	2,601,746	2,653,781	2,971,289	3,030,715	2%
State Street	-	-	3,289,619	4,337,070	4,423,811	5,753,783	5,868,859	2%
Block 67 North	-	-	-	-	-	358,599	365,771	2%
<b>Total</b>	<b>42,495,537</b>	<b>44,655,642</b>	<b>47,061,309</b>	<b>46,422,496</b>	<b>45,400,237</b>	<b>53,093,492</b>	<b>53,567,370</b>	<b>1%</b>

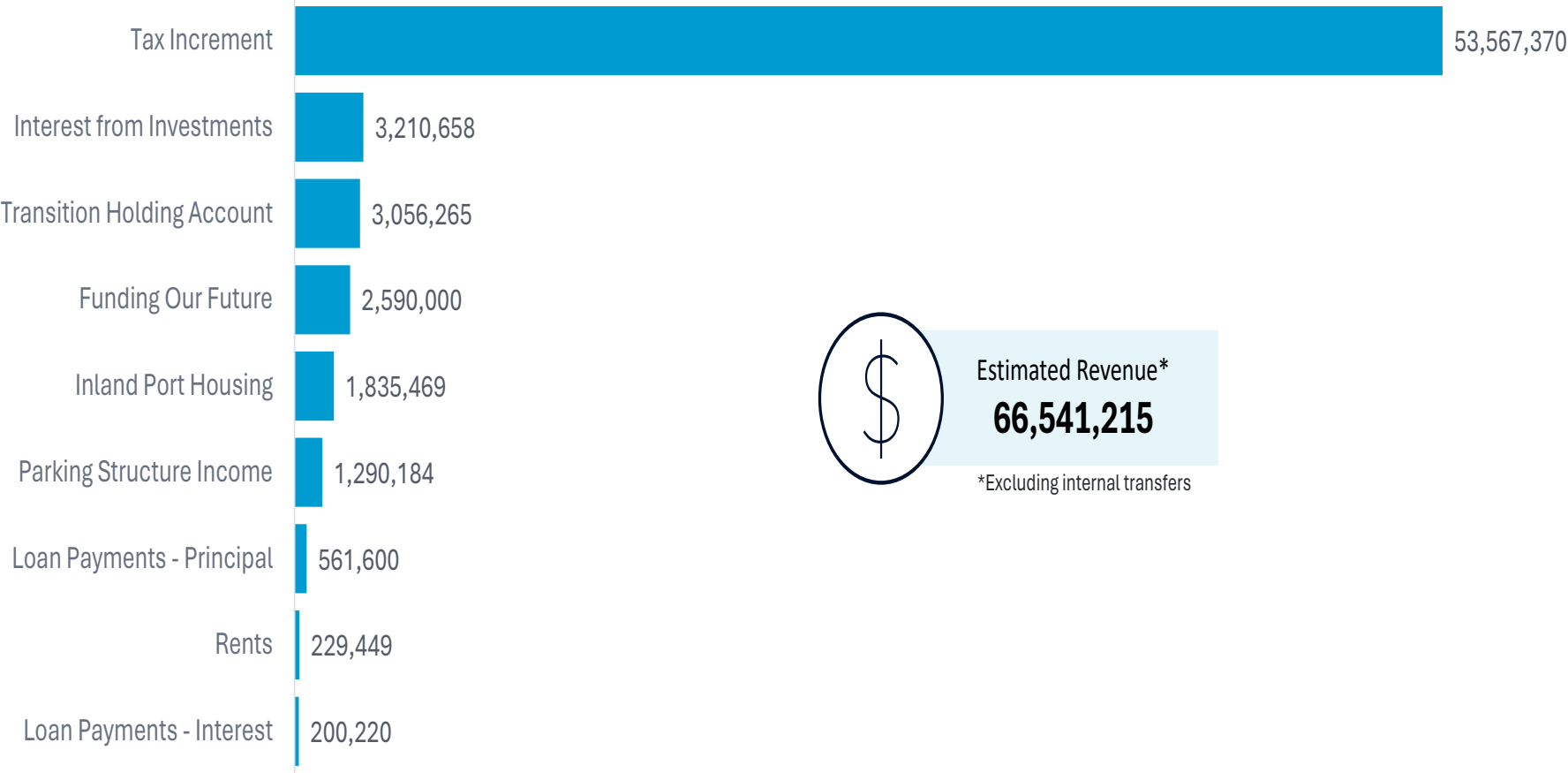
A = Actual | B = Budget | F = Forecast

## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*



# Revenue & Other Sources

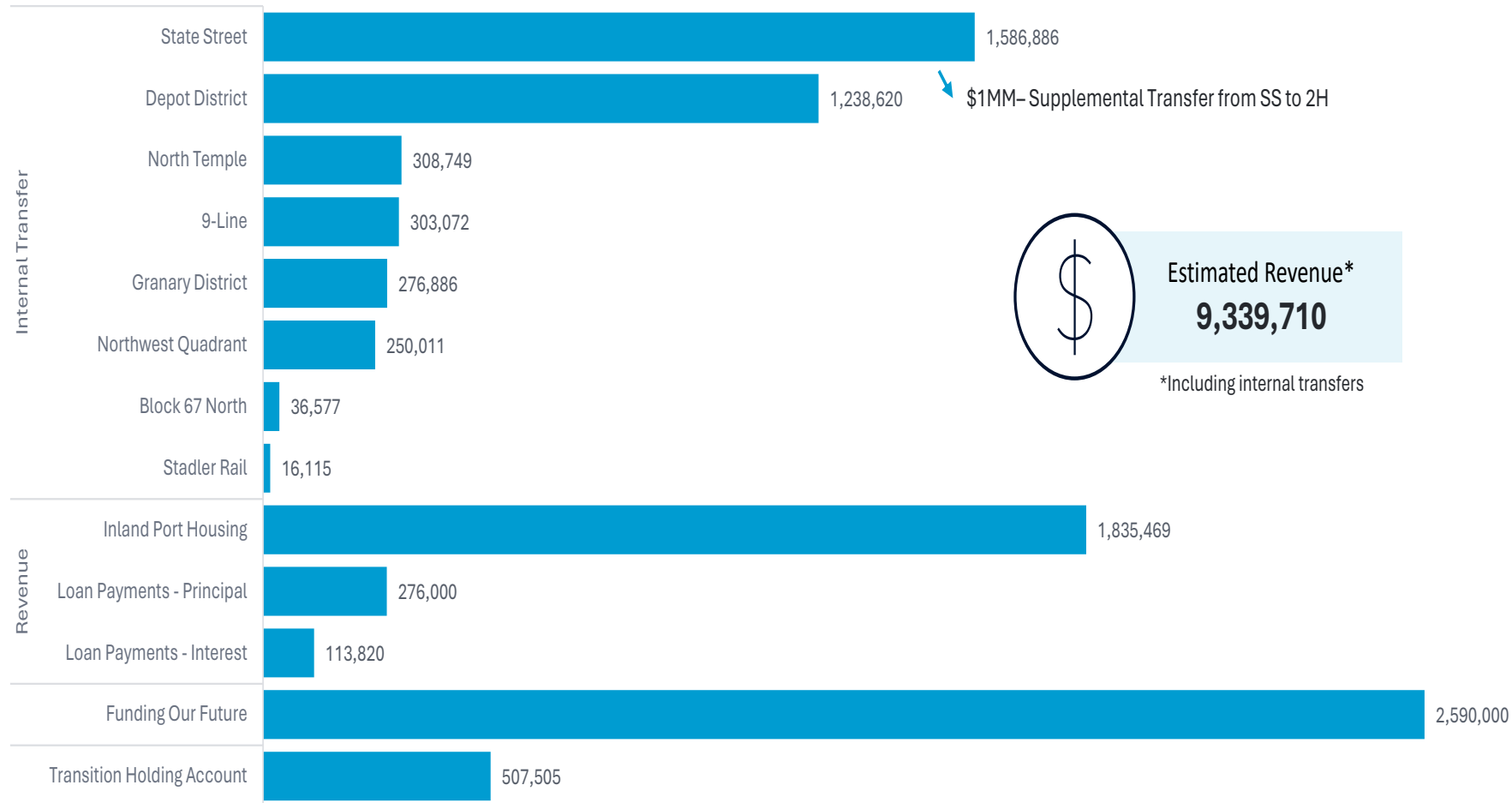


## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*



# Housing Fund Revenue & Other Sources



## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*

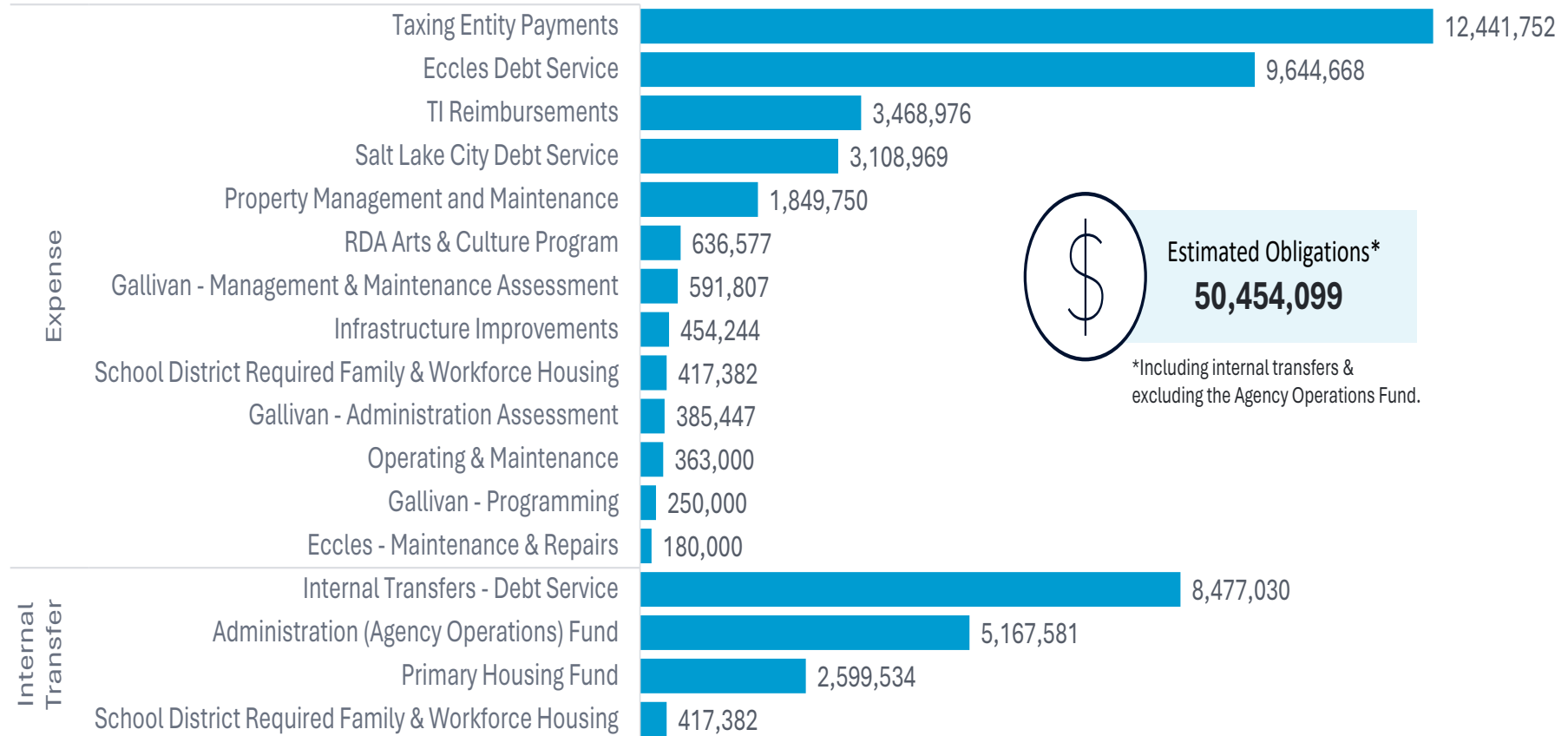




## EXPENSE PROJECTIONS



# Obligated Expenses



## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*



# Discretionary Expenses

## Project Area Funds



Program > Project	CBD	B70	DD	GD	NT	9L	SS	WCH	Total
<b>Charges &amp; Services</b>			50,000		50,000	50,000	50,000		200,000
<b>Commercial Assistance Reserves</b>			500,000	1,263,697					1,763,697
<b>Commercial Studies and Planning</b>					300,000				300,000
New Project: North Temple Property Reuse Planning					300,000				300,000
<b>Gallivan - Maintenance &amp; Repairs</b>	250,000								250,000
PRJ-000057 Gallivan Repairs	250,000								250,000
<b>Infrastructure Improvements</b>	600,000		3,705,316		50,000				4,355,316
Available for Project Assignment			3,705,316						3,705,316
New Project: Japantown Construction Documents	100,000								100,000
New Project: Gallivan Playground	500,000								500,000
PRJ-000022 RDA - City Creek Daylighting Design Plan Budget					50,000				50,000
<b>Internal Transfers - Secondary Housing Fund</b>							1,000,000		1,000,000
<b>Property Management and Maintenance</b>						50,000	50,000		100,000
<b>RDA Arts &amp; Culture Program</b>	450,000	80,323				300,000			830,323
New Project: Japantown Art	300,000								300,000
New Project: CBD Public Art Project	150,000								150,000
PRJ-000081 Regent Street Event Programming		25,000							25,000
New Project: Reinstallation of "The Gulls"		55,323							55,323
New Project: 9-Line Public Art Project						300,000			300,000
<b>Strategic Intervention</b>	2,540,597				861,812	1,994,272	4,003,894		9,400,575
Available for Project Assignment					861,812	1,994,272	4,003,894		6,859,978
New Project: Downtown for All	2,540,597								2,540,597
<b>Housing Construction &amp; Rehabilitation</b>								384,332	384,332
PRJ-000015 RDA - Arctic Court Infill Home Construction								384,332	384,332
<b>Total</b>	<b>3,840,597</b>	<b>80,323</b>	<b>4,255,316</b>	<b>1,263,697</b>	<b>1,261,812</b>	<b>2,394,272</b>	<b>5,103,894</b>	<b>384,332</b>	<b>18,584,243</b>

## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*



# Discretionary Expenses

## Housing & Multi-Use Funds



	Housing Funds				Housing Funds Total	Multi-Use Funds		Multi-Use Funds Total
Program > Project	1H	2H	WCI	HDF		RLF	PIF	
Charges & Services							457,500	457,500
Commercial Revolving Loans						332,400		332,400
Gallivan - Maintenance & Repairs							238,733	238,733
PRJ-000057 Gallivan Repairs							238,733	238,733
HDLP - Competitive	2,684,859	1,000,000		902,000	4,586,859			
Infrastructure Improvements							500,000	500,000
PRJ-000078 Sugar House DI Demolition							500,000	500,000
Operating & Maintenance							363,000	363,000
School District Required Family & Workforce Housing*	417,382				417,382			
Strategic Intervention			1,000,000		1,000,000			
Housing Construction & Rehabilitation	500,000				500,000			
PRJ-000015 RDA - Arctic Court Infill Home Construction	500,000				500,000			
Wealth Building Housing Opportunities			835,469	2,000,000	2,835,469			
<b>Total</b>	<b>3,602,241</b>	<b>1,000,000</b>	<b>1,835,469</b>	<b>2,902,000</b>	<b>9,339,710</b>	<b>332,400</b>	<b>1,559,233</b>	<b>1,891,633</b>

\*School District Required Family & Workforce Housing is an obligated expense, but the utilization of the program is discretionary provided it meets the requirements of the interlocal agreement.

## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*



# Agency Operations Fund



Fund Name	Revenue or Expense	Appropriation Type	Program	FY 2024 Adopted Budget	Change	FY 2025 Recommended Budget
Redevelopment Agency Operations	Revenue			4,428,662	738,919	5,167,581
	Expense	Operations Program	RDA Personnel	2,756,779	413,517	3,170,296
			Administrative Fees	1,000,000	0	1,000,000
			Charges & Services	296,883	153,117	450,000
			Operating & Maintenance	375,000	75,000	450,000
	Expense Total			4,428,662	641,634	5,070,296
Total				0	97,285	★ 97,285

Note: FY23 Amended Budget | C&S - \$419,281 | O&M - \$660,000

## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*





STAFFING

# Redevelopment Agency Staffing



Redevelopment Agency	Grade	FY 2022	FY2023	FY 2024	FY 2025	Comments
Director	41	1	1	1	1	
Deputy Director	37	1	1	1	1	
Senior Project Manager	35	2	2	4	5	1 New position(s)
Financial Analyst III	29	1	1	0	1	1 New position(s)
Financial Analyst IV	32	0	0	1	1	
Project Manager	33	7	7	4	5	1 New position(s)
Communications Manager	32	1	1	1	1	
Communications Coordinator	25	0	0	1	1	
Property Administrator	26	1	1	0	0	
Property Manager	30	0	0	1	1	
Project Coordinator	28	1	1	4	2	2 Position(s) eliminated
Office Manager	21	1	2	1	1	
Special Projects Assistant	21	1	1	1	1	
Office Facilitator II Non-Union	20	2	1	1	1	
<b>Redevelopment Agency Total</b>		<b>19</b>	<b>19</b>	<b>21</b>	<b>22</b>	



## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*



# Gallivan Staffing



Gallivan Plaza	Grade	FY 2022	FY2023	FY 2024	FY 2025	Comments
Plaza & Comm Events Div Director	32	1	1	1	1	
Operations Manager	31	1	1	1	1	
Facilities Maintenance Supervisor	25	0	0	0	0	
Gallivan Event Adv/Mktg Manager	25	2	2	2	2	
Plaza Marketing/Activities Supr	23	1	1	0	0	
Event Coordinator II	23	0	0	1	1	
Office Facilitator II Non-Union	22	1	1	1	1	
General Maintenance Worker I	16	5	5	2	1	
General Maintenance Worker II	18	0	0	1	1	
General Maintenance Worker III	21	0	0	2	3	
Office Technician I	19	1	1	1	1	
Custodian II	11	1	1	1	1	
<b>Gallivan Total</b>		<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	



## REDEVELOPMENT AGENCY FY24-25 BUDGET PROPOSAL

*Presented by Danny Walz, Department Director*





THANK YOU

*Presented Danny Walz, Department Director*

*With support from:*

*Erin Cunningham, Financial Analyst*





## APPENDIX: PROGRAM & PROJECT DESCRIPTIONS

# Housing Programs > Projects



## Housing Development Loan Program (HDLP) – Competitive - \$4,586,859

- A permanent and annually renewable loan program that consolidates and centralizes resources for the development and preservation of affordable housing. Funds are awarded through a Notice of Funding Availability (NOFA) on a competitive basis. {Capital Reserves Program}

## Wealth Building Housing Opportunities - \$2,835,469

- Affordable Housing through Wealth Building opportunities such as homeownership or shared equity models. {Capital Reserves Program}

## School District Required Family & Workforce Housing - \$417,382

- Housing solutions for families and the workforce, mandated by interlocal agreements with the Salt Lake City School District. Funds may be combined with other housing programs provided the project meets the requirements of the agreement. {Capital Reserves Program}

## Housing Construction & Rehabilitation - \$884,332

- Support for new housing development and renovation of existing structures. {Capital Reserves Program}
- **> Project: PRJ-000015 RDA - Arctic Court Infill Home Construction - \$884,332**
  - Prior year budget amendments redirected funds from the new infill construction at 524 North Arctic Court to Marmalade Plaza due to rising construction costs. Staff committed to requesting re-funding from the Board in future budget proposals. {Capital Reserves Project}

# Commercial Programs > Projects



## Commercial Assistance Reserves - \$1,763,697

- Reserve funds to ensure resources are available for commercial programs currently being revised by the Agency. {Capital Reserves Program}

## Commercial Revolving Loans - \$332,400

- Offers loans to support local businesses, part of the broader Commercial Assistance Program. {Capital Reserves Program}

# Studies & Planning Programs > Projects

## Commercial Studies and Planning - \$300,000

- Research and planning for commercial development strategies.
  - **>New Project: New Project: North Temple Property Reuse Planning - \$300,000**
    - Appropriation of funds to support site costs and evaluation of development options for Agency-owned parcels along the Folsom Corridor.

# Infrastructure Programs > Projects



## Infrastructure Improvements - \$5,309,560

- Diverse infrastructure improvements are funded, including utilities, streets, public transportation, lighting, and the creation of curbs, sidewalks, and open spaces. These efforts aim to enhance safety, connectivity, walkability, accessibility, and enjoyment in neighborhoods and business districts.
- **> Available for future projects - \$3,705,316**
  - Staff will return with proposed projects for infrastructure improvements.
- **> New Project: Gallivan Playground - \$500,000**
  - Funding for the Gallivan Center Playground project aims to develop an inclusive and engaging playground for children of all ages. The project will focus on creating safe, accessible play structures to enhance the community's recreational facilities.
- **> New Project: Japantown Construction Documents - \$100,000**
  - Appropriation of \$100,000 to fund the drafting of construction documents to implement the Japantown Design Strategy. The funding will be used to create detailed construction plans that are crucial for guiding redevelopment efforts and revitalizing the neighborhood while honoring its historical significance.
- **> Project: PRJ-000022 RDA - City Creek Daylighting Design Plan Budget - \$50,000**
  - Appropriation of funds to support a design plan to daylight (bring to the surface) a portion of City Creek that runs north of the Folsom Trail from 800 West to 1000 West. Project goals include increasing access to nature, improving water quality and mitigating surface flooding.
- **> Project: PRJ-000078 Sugar House DI Demolition - \$500,000**
  - Site and demolition costs in anticipation of offering property for affordable housing development.
- **> Project: PRJ-000086 North Temple School Construction Reserves - \$100,344**
  - A project has been established as a reserve fund per an interlocal agreement with the School District, mandating the Agency to earmark portions of tax increment for the construction of a potential new school, improvements to existing schools, or infrastructure improvements for the benefit and safety of students.
- **> Project: PRJ-000087 NWQ Shared Costs Reserve - \$353,900**
  - A project has been established as a reserve fund per the interlocal agreement with the City to cover shared costs. This project will utilize tax increment financing for redevelopment activities that benefit the entire project area, are system-wide, or that advantage multiple property owners or parcels.



# RDA Arts & Culture Program > Projects

## RDA Art Program - \$1,466,900

- Dedicated to enriching the community by supporting local artists and promoting cultural diversity through exhibitions, performances, and educational initiatives.
- **>New Project: 9-Line Public Art Project - \$300,000**
  - Installation of a public art piece within the 9-Line Project Area.
- **>New Project: CBD Public Art Project - \$150,000**
  - Installation of a public art piece within the Central Business District.
- **>New Project: Japantown Art - \$336,577**
  - Installation of a public art piece with Japantown.
- **>New Project: Reinstallation of "The Gulls of Salt Lake City" - \$55,323**
  - Reinstallation of the sculpture, formerly installed in the façade of the Prudential Federal Savings building, which is now the Eccles Theater.
- **>PRJ-000081 Regent Street Event Programming - \$25,000**
  - Funds for additional activation and programming of McCarthy Plaza and Regent Street. The intent is to leverage funds with other sources and coordinate efforts with County operations and theater staff, whenever possible.
- **>PRJ-000082 Eccles Fundraising Fulfillment - \$125,000**
  - Project set up to manage various gift agreements related to the Eccles Theater and Regent Street.
- **>PRJ-000083 Eccles Theater- Operating Reserve for Ancillary Spaces - \$475,000**
  - Project created to track an operating reserve set aside for operating expenses related to the Eccles Theater

# Strategic Intervention Programs > Projects



## Strategic Intervention - \$10,400,575

- Uses include property acquisition, site development, and community benefits, e.g., when allocation between housing or commercial use is has not been determined.
- **>Available for future projects - \$7,859,978**
  - Staff will return with proposed projects for infrastructure improvements. Note: Funds received from Salt Lake County in the State Street project area have restricted uses defined in the interlocal agreement.
- **>New Project: Downtown for All - \$2,540,597**
  - Appropriation of funds to support Mayor's goal of creating a thriving and equitable downtown. This would provide funding for projects that support families such as daycares, opportunities for play, and family-sized housing as well as amenities for every generation of individuals, families, residents, and visitors.

# Debt Service > Projects

## Eccles Debt Service - \$9,644,668

- Debt service for the Eccles Theater.

## Salt Lake City Debt Service - \$3,108,969

- Repayment of debts incurred by Salt Lake City in redevelopment projects.

# Eccles & Gallivan Programs > Projects



## Eccles - Maintenance & Repairs - \$180,000

- Upkeep and repair of Eccles Theater funded facilities and projects.
  - **>PRJ-000084 Regent Street Parking Structure Reserves - \$100,000**
    - Project created to reserve funds for repairs related to the Regent Street parking structure.
  - **>PRJ-000085 Regent Street Maintenance - \$80,000**
    - Project created for maintenance required for Regent Street.

## Gallivan - Maintenance & Repairs – \$488,733

- Maintenance and repair at the Gallivan Center.
  - **>PRJ-000057 Gallivan Repairs - \$488,733**
    - Project created for repairs associated with the Gallivan Center property owned by the Agency.

## Gallivan - Administration Assessment - \$385,447

- Fees related to the Block 57 Owners Group, formerly Gallivan Utah Center Owners Association.

## Gallivan - Management & Maintenance Assessment - 591,807

- Fees related to the Block 57 Owners Group, formerly Gallivan Utah Center Owners Association.

## Gallivan – Programming - \$250,000

- Development and management of programs and events at the Gallivan Center.



# Tax Increment Programs > Projects



## Taxing Entity Payments - \$12,441,752

- Payments to taxing entities as part of interlocal agreements.

## TI Reimbursements - \$3,468,976

- Reimbursements related to tax increment reimbursement agreements.

# RDA Operations Programs > Projects



## PRG92030 RDA Charges & Services - \$1,107,500

- Expenses for services such as consulting, legal advice, accounting, marketing, audits, travel, software, or other service-related expenses.

## PRG92059 Operating & Maintenance - \$813,000

- Expenses for utilities, facility maintenance, equipment, supplies, and other costs related to Agency operations.

## PRG92061 Property Management and Maintenance - \$1,949,750

- Management and maintenance of properties under the agency's control, typically within a project area.
  - **>PRJ-000064 RDA - Home Inn Rio Grande Maintenance - \$500,000**
    - This project reserves funds for these obligated for maintenance and repairs related to maintaining the Home Inn property in the Depot District owned by the Agency.

## PRG92023 Administrative Fees - \$1,000,000

- Fees from the City to distribute the costs of shared resources.

## PRG92063 RDA Personnel - \$3,170,296

- Agency employee compensation including salaries, wages, benefits, and other forms of remuneration.