



HOUSING TRUST FUND ADVISORY BOARD Meeting of January 12, 2006

The following board members were in attendance: Curtis Anderson, Karen Cahoon, William Dalton, Cara Lingstuy, Kent Moore, Peter Morgan, Nancy Pace and Faina Raik. Staff members in attendance were LuAnn Clark, Director of Housing and Neighborhood Development, Sandi Marler, CD Programs Administrator, Jan Davis, Administrative Secretary and City Council staff Janice Jardine.

Chairperson Kent Moore called the meeting to order at 12:12 p.m.

Faina Raik motioned to approve the December 8th minutes. Nancy Pace seconded the motion. All voted "Aye." The motion passed.

1. Consider a request by LaPorte Properties, LLC, for a loan in the amount of \$223,079.00 for purchase and rehabilitation of the residential portion of the Stratford Hotel Apartments located at 175 East 200 South. The project will consist of commercial space on the first floor and in the basement with 46 affordable housing units on the second and third floors of the building. The applicant is requesting the loan at 2.5% interest over 30 years.

Mr. Benjamin Logue of LaPorte Properties was present to provide details and answer questions pertaining to the project.

Mr. Logue explained in detail the extensive rehabilitation involved in converting the Stratford Hotel Apartments into 46 affordable housing units with commercial space on the first floor and in the basement. Mr. Logue discussed the historic value of the property, his experience in renovating historic properties, and explained how he proposes to preserve the property as a vintage historic building to meet the goals of the Salt Lake Community Housing Plan. Mr. Logue said the rehabilitation will be substantial that will extend the lifespan of the building and be an obvious value to the neighborhood and community.

Mr. Logue said that in the sources of funding, they will use State and Federal Historic Tax Credits and solar credits, as they are installing solar panels as part of the rehab. Mr. Logue said the solar will benefit the tenants by reducing their monthly utility bills. The Board was in favor for the solar panels.

Mr. Logue discussed rents for the units stating that the tenants will benefit as the rents will not increase above the stated AMI over the next 99 years. Mr. Logue said that the HTF loan will be repaid from rental income.

A lengthy discussion followed in regard to the total project costs. The Board inquired about the overhead funding and developer fee. Mr. Logue explained that there will be overrun costs for this kind of building as costs increase all the time, and that the project generally ends up consuming most of his developer fee. The Board asked Mr. Logue that if the requested funding is not approved would the project be able to be accomplished. Mr. Logue replied no, that the project would have to be withdrawn and explained that all of the other funding for the project had been approved. LuAnn Clark said that as part of the loan condition to receive Olene Walker funding, a match in funds from a local jurisdiction is required. Ms.

Clark also explained that hard-to-develop rehab projects, developer fees are awarded at a higher percentage than those for new construction projects.

Developer fee, cash flow and repayment of the loan were discussed in detail. Mr. Logue acknowledged that the project is complicated and risky but he is confident that the preservation and rehabilitation of the Stratford Hotel Apartments will benefit the City and its citizens.

Karen Cahoon motioned to approve the loan request for \$223,079.00 loan at 2.5% for 30 years. Cara Lingstuyl seconded the motion. A discussion of the motion included the potential need for a loan repayment deferral until rental income would be available to repay the loan. Karen Cahoon and Cara Lingstuyl accepted an amendment to the motion and the second relative to the repayment deferral. The Board unanimously approved the request subject to the City's funds being provided near the end of the construction period with repayments on the loan being deferred until six months after the final release of funds so that rental income would be available.

2. Revisit HOME Investments Partnerships Program in order to make funding recommendations for an additional \$370,000.00 that will be recaptured from program income.

LuAnn Clark said that there was an additional \$370,000.00 in program income available to be reallocated to the requests for HOME funds.

A lengthy discussion followed on the distribution of the program income funds. Peter Morgan motioned to approve the following funding. Cara Lingstuyl seconded the motion. All voted "Aye." The motion passed.

- 1) Salt Lake Community Action Program application requesting \$70,000 to provide tenant rental assistance and supportive services to homeless, special needs and other at-risk populations in order to transition them into permanent housing. They anticipate providing services to 150 people. Approved funding \$70,000.
- 2) Salt Lake Community Development Corp. application requesting \$175,000 to provide a loan/grant for 35 to 75 low/mod first time home buyers for down payment assistance or closing costs. Approved funding \$175,000.
- 3) Salt Lake Community Development Corp. application requesting \$125,000 for acquisition, new construction or rehabilitation of one property in order to provide affordable housing for one low or moderate income household. Approved funding \$125,000.
- 4) Salt Lake City Housing & Neighborhood Development application requesting \$570,000 for homeowner rehabilitation, First Time Home Buyer Assistance, and financial services programs. Approved funding \$570,000.
- 5) Neighborhood Housing Services application requesting \$510,000 to acquire boarded and/or vacant properties in Glendale, Poplar Grove, Fairpark, Westpointe, Rosepark, Jordan Meadows and West Capitol Hill neighborhoods and develop them into affordable housing. They anticipate providing services to 300 people. Approved funding \$456,172.
- 6) The Road Home application requesting \$75,000 to provide tenant based rental assistance and supportive services to homeless, special needs and other at-risk populations in order to transition them into permanent housing. They anticipate servicing 40 households. Approved funding \$75,000.
- 7) TURN Community Services application requesting \$3,200 for building improvements to the Wolfe Cove Home for persons with disabilities. Approved funding \$3,200.

- 8) TURN Community Services application requesting \$19,800 for building improvements to the Sugar House Duplex for persons with disabilities. Approved funding \$19,800.
- 9) TURN Community Services application requesting \$16,950 for building improvements to the Avenues Duplex for persons with disabilities. Approved funding \$16,950.
- 10) TURN Community Services application requesting \$21,800 for building improvements to the Kensington Duplex for persons with disabilities. Approved funding \$21,800.
- 11) Salt Lake Housing & Neighborhood Development application requesting \$129,214 for administration costs to support the HOME program (10% of total HOME allocation). Approved funding \$129,214.

Schedule next meeting

The next HTF Advisory Board meeting is scheduled for Thursday, March 16, 2006.

There being no further business, the meeting adjourned at 1:07 p.m.