



## **HOUSING TRUST FUND ADVISORY BOARD Salt Lake City, Utah**

### **Minutes of Meeting of April 7, 2005**

The following board members were in attendance: Curtis Anderson, Karen Cahoon, William Dalton, Cara Lingstuy, Kent Moore, and Peter Morgan. 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 12:14 p.m.

Cara Lingstuy motioned to approve the December 9th minutes. Peter Morgan seconded the motion. All voted "Aye." The motion passed.

The Board asked about the status of the current housing funds. LuAnn Clark stated that at present, HTF has available \$2.2 million and the RDA fund has available \$345,000. This year's RDA allocation of \$500,000 has not been transferred due to some questions raised on the amount to be received from Salt Lake County.

**Consider a request from Utah Nonprofit Housing Corporation for an additional loan in the amount of \$150,000 loan at 2% over 30 years to construct the Liberty Wells Retirement Community project to be located at 260 East 800 South and to defer payments on the loan until January 2006.**

Mr. Marion Willey of Utah Nonprofit Housing Corporation was present to provide details and answer questions pertaining to the project.

Mr. Willey explained that the request for additional funds to construct the project was due to the significant increase in construction costs. Mr. Willey said that changes have been made to keep the project within budget amounts but the project has been affected by higher construction costs. Mr. Willey said that UNHC applied for and received additional tax credits to compensate for some of the costs and that they will be meeting with the State to request additional funds.

A lengthy discussion followed between Board members and Mr. Willey regarding his inadequate details on the construction cost overruns, the proposed original budget for construction costs and an insufficient construction reserve. Mr. Willey indicated that he will sort out all of the details regarding the exceeded construction costs, the amount of funds needed to offset these costs and present this information to them.

Following further discussion, the Board members agreed they were in favor of the project and UNHC's accomplishments, but the facts and figures supporting the project were confusing and would need to be clarified.

Cara Lingstuyll motioned to approve the loan request for \$150,000 at 2% over 30 years. Karen Cahoon seconded the motion. William Dalton requested to amend the motion to state that a subcommittee be created to re-evaluate the loan and be authorized to change the loan amount based on the findings of their meeting. Ms. Lingstuyll and Ms. Cahoon accepted the amendment to the motion and the second. All voted "Aye." Peter Morgan abstained from the vote. The motion passed. A sub-committee was created with Peter Morgan, Curtis Anderson and William Dalton.

**Note:** The subcommittee met Monday, April 11 with Marion Willey to review appropriate documents and information from Utah Nonprofit as it relates to the additional loan amount. The subcommittee reviewed the updated cost details and voted to recommend approval of the loan request in the amount of \$100,000 at 2% for 30 years. An e-mail was sent to the Board asking them to confirm the subcommittee's recommendation.

**Consider a request from Utah Nonprofit Housing Corporation to defer payments on the Liberty Wells Retirement Community Housing Trust Fund loan approved in December 2003 until January 2006.**

A discussion followed on how the deferred interest and principal would be recovered.

Cara Lingstuyll motioned to defer payments on the existing loan approved in December 2003 until January 2006. Curtis Anderson seconded the motion. All voted "Aye." Peter Morgan abstained from the vote. The motion passed.

**Consider a request from Morse Health and Housing for a loan in the amount of \$300,000 at 3% over 40 years to rehabilitate some of the units in the Cedar Pointe Condominium/Apartment project located at 731 South 300 East.**

Mr. Jonathan Morse of Morse Health and Housing was present to provide details and answer questions pertaining to the project.

Mr. Morse described in detail the extensive rehabilitation to the exterior and interior and provided a breakdown of the project funding sources. Mr. Morse said that the rehabilitation would significantly improve the community and improve housing for existing and future residents. Mr. Morse said that they have the support of the Central City Community Council.

The Board inquired about complaints received from tenants in regards to the rehabilitation of MH&H project Laurelwood Apartments. Specific complaints were as follows: 1) that the elderly and disabled were given less than a 24 hour notice to move to another apartment without assistance; 2) rent costs and additional fees for storage units and 3) the interior rehabilitation of the units was much less than the work on the exterior of the building.

Mr. Morse stated that the statements are erroneous and contends that the rent is in line with his loan agreements, and that the interiors of their units are very nice, and that he was unaware of any additional costs.

A lengthy discussion followed in regard to a clarification on the costs, particularly the developer fee. Mr. Morse provided a breakdown on the fees and said that the developer fee calculation is based on certain percentages from the tax credits. The term of the loan was discussed and Mr. Morse indicated that he would change the amortization from 40 years to 30 years.

Peter Morgan motioned to approve the loan request for \$300,000 at 3% for 30 years. William Dalton seconded the motion. Peter Morgan and William Dalton voted "Aye." Cara Lingstuyll, Karen Cahoon and Curtis Anderson opposed. The motion failed.

Cara Lingstuyll motioned to deny the loan request. The motion failed.

The Board continued the discussion of the request and they agreed that before they would approve the loan request, they would need clarification on the fee structure, specifically, the formula that was used to calculate the developer fee, and that the complaints from the tenants from the Laurelwood Apartments rehab project would need to be addressed.

**Consider a request from Salt Lake Neighborhood Housing Services for a loan in the amount of \$300,000 at 2% over three years for acquisition of property located at 158 North 600 West for the potential construction of a combination of 10-12 town homes for seniors and a multi-unit senior housing project consisting of approximately 40-44 units.**

Maria Garciaz from Salt Lake Neighborhood Housing Services was present to provide details and answer questions pertaining to the project.

Ms. Garciaz described the project in detail stating that low-income senior housing is in demand and that the project will contribute to the overall revitalization of the neighborhood. Ms. Garciaz outlined the history and acquisition of the property. Ms. Garciaz indicated that the project is in the development stage, and that NHS is still finalizing project details with the City Planning Division.

Ms. Garciaz said that no long-term permanent funding has been secured but NHS has hired a consultant to recommend the best source of funds to develop a senior housing project. Ms. Garciaz said it was their intent to apply for property acquisition funding from the Housing Trust Fund prior to the actual purchase of the property. However, due to no applications being accepted for Trust Fund loans they borrowed funds from their Hodges project in order to acquire the property due to the need to close quickly on the property. Another offer had been made for the property from a group whose plans for the property would not have been consistent with NHS's revitalization plans for the neighborhood. The Housing Trust fund loan will be used to payoff the borrowed funds for the acquisition of the property.

Cara Lingstuyll motioned to approve the loan request for \$300,000 at 2% over 3 years. Peter Morgan seconded the motion. All voted "Aye." The motion passed.

### **Discuss draft Housing Policies**

A lengthy discussion ensued between Board members and Staff on the Salt Lake City's Housing Policies preliminary draft. In conclusion, the Board suggested the following changes/additions.

- 1) Section M. City Funded Projects should be omitted. The Board agreed that to encourage a balance of affordable housing for rental and ownership in all neighborhoods within the City, incentives need to be established allowing developers to develop in better neighborhoods.
- 2) The Board would like to include environmental regulations particularly water conservation on the City's Housing Policies.
- 3) Investigate a mandatory inclusionary zoning ordinance and recommended incentives for developers to include affordable housing in their developments.
- 4) RDA and HTF to follow the same housing goals and policies.

### **Schedule next meeting**

The next HTF Advisory Board meeting is scheduled for Thursday, May 19, 2005.

There being no further business, the meeting adjourned at 2:22 p.m.