

HOUSING TRUST FUND ADVISORY BOARD

Meeting of December 6, 2007

The following board members were in attendance: Curtis Anderson, Karen Cahoon, Joe Gallegos, Rick Knuth, Kent Moore, Peter Morgan, Elly Muth, Nancy Pace, Faina Raik and Shawn Teigen. 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 12:19 p.m.

Kent Moore welcomed new Board members Rick Knuth, Joe Gallegos and Shawn Teigen.

Peter Morgan motioned to approve the January 18th minutes. Elly Muth seconded the motion. All voted "Aye." The motion passed.

Consider a request from Multi-Ethnic Development Corporation (MEDC) requesting a one-year deferral on loan payments for the Wendell Apartment Project located at 204 West 200 North. MEDC received a Housing Trust Fund loan for \$200,000 at 3% interest over 30 years in 2000.

Daniel Moser, Executive Director of Multi-Ethnic Development Corporation was present to provide details and answer questions pertaining to the deferral request.

Mr. Moser described the history and importance of the Wendell Apartment Project and that the property has struggled financially in the last few years. Mr. Moser said that many of the residents are transitional tenants from homelessness with restricted rents as low as 32%-44% of AMI.

Mr. Moser explained the tax credit equity of the property and summarized the financial performance for the years 2004, 2005 and 2006 as per the spreadsheet. Mr. Moser discussed in detail the proposed financial restructure and corrective actions needed in order to resolve the cash flow issues.

The Board inquired about the operating and replacement reserve accounts. Mr. Moser stated that the operating account is gone and that the replacement reserve account is mandated by UCRC. Mr. Moser said that the replacement reserve account provides provisions for increases. Mr. Moser explained that the roof replacement and remodel of the commercial space are capitalized expenses not operating expenses. Mr. Moser provided details on the limitations and restrictions for that funding.

LuAnn Clark stated that Mr. Moser is requesting a one-year deferral to allow time to restructure the cash flow and improve the operating performance. The Board expressed concern that the property is rent controlled and that 80% of the property's revenue is in expenses. Mr. Moser said that he does not believe expenses are out of line with other tax credit properties.

A lengthy discussion followed in regard to cash flow and how expenses could be better managed. Mr. Moser said that early projections anticipated rents would go up as AMI would go up. Ms. Clark commented that there has been no increase in AMI for over 3 years according to HUD's yearly calculation for Salt Lake, Davis and Utah Counties.

Rick Knuth motioned to approve the one-year deferral as requested. Nancy Pace seconded the motion. All voted "Aye". The motion passed.

Review 2008-09 Housing Opportunities for Persons with Aids (HOPWA) applications and make funding recommendations.

LuAnn Clark explained the HOPWA program application process to the new board members.

The Board asked for clarification on the total estimated funding. Ms. Clark said that the Housing Authority of Salt Lake City missed the application deadline by two days and their application is not included in the funding requests. This has raised concerns from the community that if their application is not accepted, those people living in the units who qualify for HOPWA funding would no longer have rent subsidy. Ms. Clark said that money should be set aside for a second round of applications which would allow the Housing Authority of Salt Lake City and other interested organizations to apply for the remaining funding. The Board asked how soon the second round of the application process could be reopened. Ms. Clark said that the second round of applications cannot be reopened until Council makes their final funding decision. Most likely, the second round of applications could be reopened in April or May 2008 with a short turn around.

Ms. Clark explained the HIV Aids Committee and the Entitlement Committee recommendation for funding. Ms. Clark indicated that Congress has not validated the funding or the exact dollar amount available.

Mr. Bob Gore, HOPWA Administrator for Housing and Neighborhood Development was present to answer questions pertaining to the applications.

Each application was discussed and the applications below represent the Board's recommendation for 2008-2009 HOPWA funds.

Shawn Teigen disclosed that Salt Lake Community Action Program (CAP), one of the organizations requesting HOPWA funding, is a member agency for Utah Community Action Program Association (UCAPA), the organization he is employed with. Mr. Teigen explained UCAPA's affiliation with CAP. Ms. Clark indicated that whenever a conflict of interest exists, the Board should determine whether or not to allow that member to vote on that particular issue.

Nancy Pace motioned that the Board allow Shawn Teigen the right to express an opinion on CAP's funding request but not to allow him to vote on the recommended funding. Rick Knuth seconded the motion. All voted "Aye." The motion passed.

Peter Morgan motioned to allocate funds equal to last year's funding and not to exceed the requested amounts. Nancy Pace seconded the motion.

Rick Knuth suggested an amendment to the motion to have two separate motions for funding. One to include the CAP application on which Mr. Teigen would not vote, and the other motion to not include the CAP application which would allow Mr. Teigen to vote on the remainder of the funding requests. Peter Morgan and Nancy Pace accepted the amendment to the motion and the second. All voted "Aye." The motion passed.

Chair Kent Moore said the first motion would be to fund all requests except CAP at last year's funding level with Mr. Teigen included in the vote. All voted "Aye." The motion passed. Second motion would be to approve CAP's funding application at last year's funding with Mr. Teigen abstaining from the vote. All voted "Aye." The motion passed.

- 1) Housing Authority of the County of Salt Lake application requesting \$38,500 for tenant-based rental assistance to 6 low-income households with HIV/AIDS. Approved funding \$38,500.
- 2) West Valley City Housing Authority application requesting \$32,100 for tenant-based rental assistance to 6 low-income households with HIV/AIDS. Approved funding \$32,100.
- 3) Multi-Ethnic Development Corporation application requesting \$7,500 for project-based rental assistance to 3-5 low-income households with HIV/AIDS. Approved funding \$7,500.
- 4) Robert A. Willey Apartments application requesting \$19,700 for project-based rental assistance to 4-6 low-income households with HIV/AIDS. Approved funding \$19,500.
- 5) Salt Lake Community Action Program application requesting \$150,000 for short-term rent, mortgage and utility payments and the salary of the HOPWA Housing Specialist. Approved funding \$116,782.
- 6) Utah AIDS Foundation application requesting \$20,000 for case management and assistance with housing-related issues to 92 persons living with HIV/AIDS. Approved funding \$15,000.
- 7) Kenyon Consulting application requesting \$4,500 to serve as the HOPWA Housing Coordinator for Salt Lake, Summit and Tooele counties. Approved funding \$4,500.
- 8) Administration/Salt Lake Housing and Neighborhood Development application requesting \$10,000 for management oversight and monitoring of the HOPWA program. Approved funding \$10,000.

Review the 2008-09 American Dream Down payment Initiative (ADDI) applications and make funding recommendations.

The applications below represent the Board's recommendation for 2008-2009 ADDI funds.

Curtis Anderson motioned to approve the following funding. Rick Knuth seconded the motion. All voted "Aye." The motion passed.

- 1) Neighborhood Housing Services application requesting \$50,000 to provide down payment and closing cost assistance, or first mortgage interest subsidies, or rehabilitation in conjunction with housing purchase for 7 low-income, first time homebuyers purchasing homes in west side neighborhoods. Approved funding \$13,671.
- 2) Salt Lake City Housing & Neighborhood Development application requesting \$70,000 to provide down payment assistance to 8 low- to-moderate income first-time home buyers. Approved funding \$13,670.

Review the 2008-09 HOME Investment Partnerships Program and make funding recommendations.

LuAnn Clark stated that recapture funds of \$600,000 is included in the total estimated grant amount of \$1,879,714. A discussion on the distribution of funds followed and the applications below represent the Board's recommendation for 2008-2009 HOME funds.

Rick Knuth motioned to approve application #1 from Salt Lake Community Action Program for \$70,000. Curtis Anderson seconded the motion. All voted "Aye" with the exception of Shawn Teigen who abstained from the vote. All voted "Aye." The motion passed.

Peter Morgan motioned to approve the following funding for applications #2 through #10. Rick Knuth seconded the motion. All voted "Aye." The motion passed. The Board agreed that if the grant amount changed Utah Nonprofit Housing Corporation allocation would change to reflect the new amount.

- 1) Salt Lake Community Action Program application requesting \$70,000 to provide tenant based rental assistance and supportive services to 80 homeless, special needs and other at-risk populations to transition them into permanent housing. Approved funding \$70,000.
- 2) Salt Lake Community Development Corporation application requesting \$200,000 to provide a loan/grant for 20 low/mod first time home buyers for down payment assistance or closing costs. Approved funding \$125,000.
- 3) Salt Lake Community Development Corporation application requesting \$250,000 for acquisition and/or new construction of 2 properties to provide affordable housing for low and moderate income households. Approved funding \$0.
- 4) Crossroads Urban Center application requesting \$27,000 to capitalize an equity share or down payment assistance fund for up to 20 low and moderate income households who are owners of mobile homes in parks that are targeted for relocation. Approved funding \$27,000.
- 5) Neighborhood Housing Services application requesting \$500,000 to target and acquire boarded and/or vacant properties in the Glendale, Poplar Grove, Fair Park, Rose Park, Jordan Meadows, West Pointe and West Capitol Hill areas and develop them into affordable housing for first time home buyers earning 80% of the median income or less. Approved funding \$500,000.
- 6) The Road Home application requesting \$80,000 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 and maximize stability. Approved funding \$80,000.
- 7) Salt Lake City Housing & Neighborhood Development application requesting \$300,000 to provide low interest or cash flow loans to housing organizations for property acquisition, new construction, and/or rehabilitation of housing units for very low and low-income populations. Approved funding \$300,000.
- 8) Salt Lake City Housing & Neighborhood Development application requesting \$570,000 to provide homeowner rehabilitation, first time home buyer assistance, and financial services programs. Approved funding \$570,000.
- 9) Utah Nonprofit Housing Corporation application requesting \$150,000 for building improvements to include widening the main floor hallways and doors to provide better access to the offices, common rooms, resident mail boxes, and to improve and update the lobby, main entrance and common area kitchen. Project consists of 142 housing units. Approved funding \$79,000.
- 10) Administrative Costs/Salt Lake City Housing & Neighborhood Development application requesting \$127,971 to administer the HOME program (10% of the total HOME allocation). Approved funding \$127,971.

Update by LuAnn Clark

LuAnn Clark said that Ben Logue of LaPorte Properties will be presenting two rehab applications for their review. Ms. Clark expressed her appreciation for the service provided by Peter Morgan and Karen Cahoon.

There being no further business, the meeting adjourned at 2:08 p.m.