

HOUSING TRUST FUND ADVISORY BOARD

Meeting of August 24, 2017

The following board members were in attendance: Rick Knuth, Irena Edwards, David Smoot, Shawn Teigen, Ali Oliver, and Amy Rowland. Staff members in attendance were Melissa Jensen, Director of Housing & Neighborhood Development; Lily Gray, Deputy Director, Housing & Neighborhood Development; Don Sparks, HAND Accountant, Housing & Neighborhood Development; and Kalli Ruiz, Office Facilitator, Housing & Neighborhood Development.

Also in attendance were the new HTF Board Member applicants: Ed Makowski and Todd Erskine.

Rick Knuth was Acting Chairperson and called the meeting to order at 12:08p.m.

Update on New Board Members

Ms. Melissa Jensen introduced Lily Gray as the new Deputy Director of Housing and Neighborhood Development. She then turned things over to Ms. Gray to introduce the new Housing Trust Fund (HTF) members.

Ms. Lily Gray stated that two of the new Board Member applicants were present. She asked that each of them introduce themselves to the group. Following the new member introductions the current Board members would also take a moment to introduce themselves to the applicants.

Mr. Ed Makowski stated that he has lived in Salt Lake City since 1984 and is retiring after 24 years at Wells Fargo on October 1, 2017. He expressed his excitement to become a member of the HTF Board.

Mr. Erskine said that he is also excited to become a HTF Board member and that he currently works as an accountant for the LDS Church. He mentioned that he had just completed his second, four year term with the Salt Lake City Mosquito Abatement District and that current Board member, Ms. Marilyn Pearson had recommended he apply for the HTF position.

Ms. Jensen concluded that the projected timeline for the new Board applicants to go before Council would be within the next 30-60 days and asked for the current Board structure to remain through October 2017. After which she stated that the new Chair and Vice-Chair nominations and voting would occur at the next meeting.

Approval of the minutes from the April 20, 2017 meeting

Chair Knuth asked if there were any amendments or corrections to the April 20th meeting minutes. Ms. Irena Edwards motioned to approve the April 20th minutes. Ms. Amy Rowland seconded the motion. All voted "Aye." April 20th meeting minutes were approved.

Discussion of HTF Application Review for Projects Submitting October Tax Credit Applications, the Updated HTF Application, and Information on HTF for Developers

Ms. Melissa Jensen initiated a discussion concerning the review processes of the Housing Trust Fund applications being submitted in October 2017, and in the future. She stated that it looked as there were many projects to come through the pipeline, and that HAND Administration would be seeking more funds up and above the current four million, based on the City's housing need. Ms. Lily Gray added that many of the suggested changes to the current process were for tracking purposes and informed by previous Board feedback. She said that she and Ms. Jensen would configure a preferences list for the Board to work off of.

Ms. Jensen explained that Administration had met with several Developers that had asked to know the Board's expectations for proposals prior to application submittals. She said that this would be an appropriate time to address these expectations. Ms. Jensen asked the Board to chime in with any thoughts.

Mr. Sean Teigen suggested looking at the scoring process used by the Salt Lake City Housing Authority for reviewing applications.

Mr. Rick Knuth stated that using a set of values seemed more appropriate, and asked about quantifying the applications according to the value. Ms. Melissa Jensen stated that HAND Administration would like to avoid a rigid scoring system, in order to be flexible in meeting the priorities of the Housing Trust Fund. She said that she believes they know what the Board is looking for, and wants to provide that information to the Developer so that time of the Developer or the HTF Board are not wasted.

Ms. Amy Rowland expressed the importance of providing the location within the City to the developers prioritized as high opportunity areas, and noted that requests for funds may be higher based on that location. Ms. Jensen agreed that it is in the best interest of everyone involved to create fair housing across the City without the stigma of low income or supportive housing.

Other Board suggestions made were as follows:

- Ms. Amy Rowland - Adding a Market study
- Ms. Irena Edwards - Under "Equity" add the price the developer is underwriting for tax credit pricing and provide information on Federal and State credits
- Mr. Rick Knuth - Require Title commitment or Title policy
- Mr. Shawn Teigen – Those applying should give full disclosure on if they have already received HTF monies or RDA funding for prior projects
- Mr. David Smoot – Disclosure that HTF makes recommendations, not approvals
- Ms. Irena Edwards – General Contractor has experience with affordable housing units on FINAL Application
- Ms. Amy Rowland – Give a timeline for funding process (3-4 months)?
- Rick Knuth – Obligation to amend the "FINAL" application if there is a material change (if a lender falls off the Board should know about it)

Ms. Jensen asked that further feedback be communicated to Ms. Lily Gray no later than August 31, 2017, and stated that without feedback HAND Administration would go forward with the suggested changes presented before the Board today. Lastly, she said that the new application form changes take effect this fall. We will be rolling out the process improvements throughout the year.

Other Business

Ms. Lily Gray provided a quick overview of funds. She stated that after the monies from the two current commitments to projects the balance of funds in the HTF is approximately 2.8 million. Ms. Gray offered to provide copies of the financial portfolio to each Board member.

Ms. Irena Edwards asked about the lack of interest payments from Granary Place as listed on the financials. Mr. Don Sparks stated that there have been some administrative issues with the payments being applied, but that it isn't a financial issue on the part of the borrower.

Ms. Ali Oliver asked where the budget for the HTF comes from. Ms. Jensen stated that there are two sources that currently contribute to the HTF budget, an existing lump sum from several years ago, and consistent funds of the affordable housing dollars provided by the RDA. She added that after meeting with the RDA on long term strategies, the conclusion was to more than likely go before Council to recommend that continued funds be allocated toward affordable housing in the City and see if they are willing to fund it from other sources.

Ms. Irena Edwards asked if this was the last of the lump sum monies leftover from prior years. Ms. Jensen said there is approximately 3 million more in cash after this last allocation. She added that the HTF will likely be receiving 1.5 million back from the GIV Group this year from a previous short term bridge loan, and furthermore that Administration is working diligently on the Housing Plan and to find sustainable sources of funding for the years to come.

Lastly, Ms. Melissa Jensen stated that there has been a concerted effort throughout the City to help bring units online to lift some of the burden from the Road Home shelter that is scheduled to close in June 2019. Much of this need will be Permanent Supportive Housing (PSH), and the Mayor and HAND have worked closely with Utah Housing Corporation to get funds set aside to address this particular need. However, Ms. Jensen asked that as the Board contemplates the funding for this cycle of applicants that they be cognizant of the need to allocate funds to some of the low income housing projects that will be proposed.

There being no further business, the meeting adjourned at 1:00p.m.