

# HOUSING TRUST FUND ADVISORY BOARD

## Meeting of September 28, 2017

The following board members were in attendance: Rick Knuth, Irena Edwards, Shawn Teigen, and Amy Rowland, Stephanie Jensen, Nick Jackson, Marilyn Pearson, Ed Makowski and Todd Erskine. 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; Emily Strong, Housing Program Development Specialist, Housing & Neighborhood Development; and Kalli Ruiz, Office Facilitator, Housing & Neighborhood Development.

Also in attendance were Sean Umpig via conference call and HTF applicants: Sean McMillen of First Step House, Chris Zarik of Violin Commons Development, and Jeff \_\_\_\_\_ and Cory \_\_\_\_\_ of the Wasatch Group.

Rick Knuth was Acting Chairperson and called the meeting to order at 11:48a.m.

### **Welcome New Board Members**

Chair Knuth welcomed Mr. Ed Makowski and Mr. Todd Erskine to the Housing Trust Fund Board. After which Mr. Sean Umpig, applicant for the Board introduces himself via conference call. Mr. Umpig stated that he is an attorney at the Disability Law Center where he was first introduced to the housing discrimination issues here in Salt Lake City. Excited for the opportunity to contribute, and looking forward to becoming more involved with the changes in City housing.

### **Approval of the minutes from the August 24, 2017 meeting**

Chair Knuth asked if there were any amendments or corrections to the August 24<sup>th</sup> meeting minutes. Ms. Irena Edwards motioned to approve the August 24<sup>th</sup> minutes. Ms. Marilyn Peterson seconded the motion. All voted "Aye." August 24<sup>th</sup> meeting minutes were approved.

### **Presentation of 426 Apartments Request**

Ms. Lily Gray introduced Sean McMillen of the First Step House. She stated that this is for a project at 411 North Grant Street, the applicant is requesting 595k acquisition loan with a 4 year term at 0% interest, and are asking that the Board consider a portion of the funds be contributed as a Grant. The funds are for a 41 unit permanent supportive housing (PSH) project at 40% AMI or below with a target closing date for the purchase contract of November 20, 2017. Ms. Gray said that Mr. McMillen could answer any questions the Board may have. She added that this would be considered Phase III of this development, and that Phase I was also funded by the HTF some years back. The applicant will submitting a 9% tax credits for Phase II of this project.

### **Presentation of Garden Lofts Request**

Ms. Lily Gray introduced Jeff \_\_\_\_\_ and Cory \_\_\_\_\_ of Wasatch Residential. She stated that the applicant was requesting a million dollars for the Garden Lofts project located at 154 West 600 South, a development of 272 units at 60% AMI or less. Ms. Gray explained that the applicant has applied for the 4% tax credits and are applying to the Olene Walker and City Trust Funds simultaneously to fully fund the project to proceed. She noted that the applicant was requesting a three year interest free period on the loan due to the building type and the constructions schedule associated with it. Lastly, if all funds were awarded the developer would be looking to begin construction March 2018 with an estimated completion in the winter of 2020.

### **Presentation of Liberty Uptown Request**

Ms. Lily Gray introduced Chris Zarik of the Cowboy Partners and Form Development. She stated that the applicant was requesting 1.3 million for the development of the former Public Safety building at 325 East 200 South that will offer a 109 total unit of mixed housing incomes, including 46 affordable housing units between 25%-60% AMI. Ms. Gray also said that there will be another component to this site, a 65 unit Permanent Supportive Housing (PSH) development called the Magnolia. She added that the applicant has applied for and received the 4% tax credits and are currently applying for City Housing Trust Fund and Olene Walker Trust Fund to fill the gap. The goal of the project is to begin construction mid 2018 and complete in the winter of 2020.

**\*\*MOTION** Mr. Shawn Teigan made a three part motion that the 426 Apartments receive \$432,000 based on the potential \$163,000 HOME monies. Garden Lofts receive 1 million, and cut Liberty Uptown requested amount in half granting \$650,000.

Chair Knuth asked for discussion. The Board members calculated and discussed the HTF balances and best practice of disbursement.

Mr. Shawn Teigan withdrew his motion.

Ms. Irena Edwards then made a three part motion for all current HTF applicant presentations;

426 Apartments recommended approval of the following terms:

- Developer will apply for HOME funds eligible for the project estimated at \$163,000 to fill a portion of the funding requested
- Housing Trust Fund loan amount approved up to a 95% LTV based on appraisal including the potential HOME funds (HTF + HOME = 95%). Developer will need to put up 5% of the financing (\$29,750).
- Approved applicant's requested terms of 4 years and 1% interest
- Approval conditioned upon developer going to community council
- Final amount will be based on appraisal

Garden Lofts recommended approval of the following terms:

- Approved loan amount of up to \$1m and the requested terms (38 years, 3 year interest only during construction with no payments, 35 year amortization)
- Board conditioned approval on developer modifying interest rate to match Olene Walker Housing Trust Fund (OWHTF) at 2.5% and a pari passu position with OWHTF
- Approval conditioned upon developer going to community council
- Final loan amount to be based on staff review of final senior financing. To the extent the developer is able to defer more fee under their financing, the final HTF amount could be reduced.
- Developer will evaluate with staff potential for buying down units to 40% AMI.

Liberty Uptown recommended approval of the following terms:

- Board approved a loan amount of up to \$1m (reduction from \$1.3m that developer requested) and the requested terms (42 years, 35 year amortization)
- Board conditioned approval on developer modifying interest rate to match OWHTF at 2.5% and a pari passu position with OWHTF

Ms. Marilyn Peterson seconded the motion. All voted "Aye". The motion passed.

### **Nominations and Voting for Board Chair and Vice Chair**

Ms. Marilyn Peterson made a motion to nominate Irena Edwards as Board Chair. Ms. Amy Rowland seconded the motion. All voted "Aye". The motion passed.

Mr. Nick Jackson made a motion to nominate Ali Oliver as Board Vice-Chair. Ms. Irena Edwards seconded the motion. All voted "Aye". The motion passed pending Ms. Oliver's acceptance.

**Other Business**

There being no further business, the meeting adjourned at 1:40p.m.