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# SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** September 27, 2002

**SUBJECT:** Salt Lake City Housing Trust Fund loan to Green Street Partners, Inc. for the Second West Apartment project

**STAFF REPORT BY:** Michael Sears, Budget & Policy Analyst

**CC:** Cindy Gust-Jenson, Rocky Fluhart, David Nimkin, Margaret Hunt, David Dobbins, and LuAnn Clark

<b>Document Type</b>	<b>Budget-Related Facts</b>	<b>Policy-Related Facts</b>	<b>Miscellaneous Facts</b>
Resolution	\$300,000 loan from the Housing Trust Fund of Salt Lake City to Green Street Partners, Inc. to construct the Second West Apartments.	This proposed loan supports the Council housing policy included in the adopted Community Housing Plan.	Proposed resolution authorizes a \$300,000 loan from the City's Housing Trust Fund to Green Street Partners, Inc. Trust fund balance is approximately \$2,800,000. The requested loan terms are 3% for 30 years.

The Administration is proposing that the City Council approve a resolution authorizing the Mayor to execute a loan agreement and related loan documents with Green Street Partners, Inc. for a \$300,000 loan from the City's Housing Trust Fund. This action would help facilitate the construction of the residential portion of the Second West Apartments at 925 South 200 West. Twenty-five affordable housing units make up the residential portion of the project.

## OPTIONS:

1. Forward the resolution to a future Council meeting for consideration
2. Request additional written information or refer to an additional Council work session.
3. Do not advance the resolution.

## MATTERS AT ISSUE/POTENTIAL QUESTIONS:

- This project is leveraged with funds provided by Utah Community Reinvestment Corporation, a tax credit investor not yet determined by Green Street, and Federal Low-Income Housing Tax Credits. The applicant has also received funding from the Federal Home Loan Bank of Seattle and has applied for a grant from the U.S. Department of Housing and Development's Continuum of Care grant. Total residential construction cost for this project is projected to be \$2,570,838. – Are all other sources providing funding as anticipated? Is the amount of money allocated for construction in excess of what is required? Will

**ITEM A-6**

there be controls to guarantee that no City Housing Trust funds will be used to subsidize the commercial space in the project?

**ANALYSIS:**

Green Street Partners, Inc. is constructing a six-story building with approximately 2,000 square feet of ground floor retail space. The building will contain 25 affordable housing units. The 25 units are eligible for an exemption from impact fees in the amount of \$24,920.

The requested loan will be used to construct the residential portion of the project. When the Housing Trust Fund Advisory Board reviewed and recommended approval on August 28, 2002, they did so with the condition that the City funds would be restricted to hard construction costs and that funds not be released until the City receives the cost certification required by the Utah Housing Corporation. The Board did not want City funds subsidizing the commercial space portion of the project.

The Administration is recommending that the Council adopt a resolution that will authorize the Mayor to execute a loan agreement between Salt Lake City Corporation and Green Street Partners, Inc.