
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: October 4, 2002

SUBJECT: Salt Lake City Housing Trust Fund loan to Bracken Development, LLC, for the Bigelow Apartment project

STAFF REPORT BY: Michael Sears, Budget & Policy Analyst

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Document Type	Budget-Related Facts	Policy-Related Facts	Miscellaneous Facts
Resolution	\$390,000 loan from the Housing Trust Fund of Salt Lake City to Bracken Development, LLC, to purchase and rehabilitate the Bigelow Apartments.	This proposed loan supports the Council housing policy included in the adopted Community Housing Plan.	Proposed resolution authorizes a \$390,000 loan from the City's Housing Trust Fund to Bracken Development, LLC. 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 Bracken Development, LLC, for a \$390,000 loan from the City's Housing Trust Fund. This action would facilitate the purchase and rehabilitation of the Bigelow Apartments at 225 South 400 East, the Chapman Apartment building at 227 South 400 East and the Chapman cottages at 227B South 400 East. All units in the project will be marketed as affordable housing units. Some units will be set aside for use by mentally ill tenants (3 units) and homeless/nearly homeless tenants (3 units). The project consists of 22 studio units and 23 one-bedroom units. The units will be targeted toward individuals making between 35% and 55% of area median income.

The Council discussed this item during a briefing on October 1, 2002. The Council also discussed the state of the Housing Trust Fund and whether future demand for funds would exceed available revenue. The council was in favor of moving this item forward for adoption at the October 8, 2002 Council meeting.

OPTIONS AND MOTIONS:

1. ["I move that the Council"] Adopt the resolution as proposed.
2. ["I move that the Council"] Not adopt the resolution.

Item G-13

MATTERS AT ISSUE

- This project is leveraged with funds provided by the Richman Group, the Utah Community Reinvestment Corporation and Federal Low-Income Housing Tax Credits. The applicant has also received funding from the Olene Walker Housing Trust Fund in the amount of \$385,000. Total purchase and rehabilitation cost for this project is projected to be \$2,682,032.

ANALYSIS:

The Bigelow Apartments project consists of 45 units at three locations: the Bigelow Apartment building, the Chapman Apartment building and the Chapman Cottages. The Bigelow has 22 studio units and 8 one-bedroom units; the Chapman has eight one-bedroom units; and the Cottages contain seven one-bedroom units. The Cottages also has five garages.

The Housing Trust Fund Advisory Board reviewed this proposal and recommended approval on August 28, 2002 with conditions. The conditions were that the seven Cottage units are made visit-able and the applicant not be allowed to rent out the five garages connected to the Chapman Cottages (i.e., only the tenants or the applicant can use the garages).

The transmittal for the resolution request includes the minutes of the Housing Trust Fund Advisory Board, August 28, 2002 meeting.