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## SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** April 30, 2002

**SUBJECT:** Salt Lake City Housing Trust Fund loan to B.C. Development Group, LLC for the Westgate 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	\$270,000 loan from the Housing Trust Fund of Salt Lake City to B.C. Development Group, LLC to purchase and rehabilitate the Westgate Apartments.	This proposed loan supports the Council housing policy included in the adopted Community Housing Plan.	Proposed resolution authorizes a \$270,000 loan from the City's Housing Trust Fund. Trust fund balance is approximately \$2,200,000. The requested loan terms are 2.5% 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 B.C. Development Group, LLC for a \$270,000 loan from the City's Housing Trust Fund. This action would facilitate the purchase of the Westgate Apartments at 264 Foss Street for rehabilitation. All 60 units in the project will continue to be marketed as affordable housing units.

### OPTIONS AND MOTIONS:

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

### MATTERS AT ISSUE/POTENTIAL QUESTIONS FOR ADMINISTRATION:

- This project is leveraged with funds provided by Key Bank and Federal Low-Income Housing Tax Credits. The applicant has also received funding from the Olene Walker Housing Trust Fund in the amount of \$470,000. Total purchase and rehabilitation cost for this project is projected to be \$3,197,517.
- The Housing Trust Fund Advisory Board reviewed this proposal and recommended approval on March 27, 2002. Approval was subject to the developer meeting with the current Westgate residents to discuss the project details. – The Council may wish to ask whether any residents have contacted the City concerning this project.

- The developer had not completed the appraisal of the Westgate Apartments when the Administration forwarded the proposed resolution. - The Council may wish to confirm that the appraisal of the project, which was to be completed in mid-April, supports the purchase and rehabilitation project costs.

## **ANALYSIS:**

BACKGROUND: The Westgate Apartments were originally built as a project-based Section 8 apartment complex. This status has expired, but an annual renewal has been granted by the U.S. Department of Housing and Urban Development (HUD). Community Housing Services, Inc. intends to acquire this property and market the apartments as affordable housing over the long term (99 years).

The funding application for the project is contained in the Council Transmittal for this resolution request.