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# SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** June 27, 2003

**SUBJECT:** Salt Lake City Housing Trust Fund Ordinance Amendment

**AFFECTED COUNCIL DISTRICTS:** Citywide

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

**ADMINISTRATIVE DEPT.**

**AND CONTACT PERSON:** Community and Economic Development, HAND, LuAnn Clark

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## KEY ELEMENTS:

The Administration is proposing that the City Council amend the Salt Lake City Code sections 2.80.080 and 2.80.120.

- Section 2.80.080 relates to the meetings of the Housing Trust Fund Advisory Board and currently requires a minimum of ten meetings per year with four meetings required to discuss applications for funding. Because there are several months where no applications for funding have been submitted, the Administration is recommending that the Code be amended to require quarterly meetings with additional meetings being held as needed.
- Section 2.80.120 relates to powers and duties of the Housing Trust Fund Board. The Administration is recommending that the Code be amended to allow different terms of affordability for projects funded from the Housing Trust Fund. The proposed period of affordability for new construction/rehabilitation and acquisition would be 5 years for projects costing under \$15,000, 10 years for projects costing \$15,000 to \$40,000 and 15 years for projects costing over \$40,000. These periods of affordability match the standards established by the U.S. Department of Housing and Urban Development under their HOME Investment Partnerships Program.

## MATTERS AT ISSUE

### OPTIONS:

1. Forward the ordinance 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 ordinance.

### ➤ POLICY CONSIDERATIONS AND ANALYSIS

The proposed amendments to the Housing Trust Fund Ordinance will not affect the policy objectives of the City with regards to Housing. The changes improve the efficiency of the Board and align the City's process with other funding providers on a state and national level. The

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proposed ordinance has provisions to address additional meetings, if meetings are needed outside of the standard funding rounds. Proposed revisions to the period of affordability terms are also recommended so that the City can be consistent with federal funding guidelines and so that developers are more easily able to secure financing for their housing projects and manage the properties within one set of guidelines. As noted in the transmittal from the Administration, it is very difficult for developers to monitor a homeownership unit for 55 years as required by the current ordinance. The current ordinance treats multi-family projects and homeownership projects the same. Because most multi-family projects have tax credit financing as a component of their project and requirements on the tax credits state that the units must be maintained as affordable for 99 years, it is not difficult to monitor the units for 55 years. Financing for homeownership units do not have long-term monitoring requirements and are treated differently by funding organizations. The requested amendment will address the differences between multi-family and homeownership housing projects.

### ➤ **BUDGET RELATED FACTS**

The proposed ordinance revision will not affect the Housing Trust Fund. Each developer that receives funding from the fund may be able to develop projects that conform to standard guideline for all funding sources. The effect of standard affordability guidelines should be increased project development and ease of management.

cc: Rocky Fluhart, Cindy Gust-Jenson, David Nimkin, Alison Weyher, David Dobbins, LuAnn Clark, and Sandi Marler

File location: Michael\Staff Reports\Housing Trust Fund