

SALT LAKE CITY COUNCIL STAFF REPORT

DATE: July 3, 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

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.

The Council discussed this item during a briefing on July 1, 2003. Council Members did not have questions about the requested amendments to Section 2.80.080 but discussed another revision to Section 2.80.120. Council Member Jergensen asked about changing the property tracking time requirements for homeownership developments that receive short term financing from the City through the Housing Trust Fund. Changing the tracking requirement to only require the initial homeowner to meet income guidelines (rather than the initial homeowner and all subsequent homeowners within a several year period) would make this ordinance compatible with the requirements of the Redevelopment Agency of Salt Lake. Administrative staff has discussed the additional revision with the Chief Administrative Officer and Mayor. The Administration is supportive of this recommendation and has prepared an updated ordinance to accomplish all of the proposed revisions. The Council was in favor of moving this item forward for adoption at the July 8, 2003 Council meeting.

OPTIONS AND MOTIONS:

1. ["I move that the Council"] Adopt the ordinance as proposed with the additional revisions and clarifications relating to the tracking of properties utilizing short term financing as discussed during the briefing on July 1, 2003.
2. ["I move that the Council"] Not adopt the ordinance.

The following information was presented to the Council for the briefing on July 1, 2003.

➤ 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 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

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