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# SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** November 14, 2003

**SUBJECT:** Salt Lake City Housing Trust Fund loan to the Housing Authority of Salt Lake City for refinancing the Jefferson Circle Section 8 Preservation project

**AFFECTED COUNCIL DISTRICTS:** District 5

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

**ADMINISTRATIVE DEPT.**

**AND CONTACT PERSON:** Housing and Neighborhood Development, LuAnn Clark

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## KEY ELEMENTS:

The Administration is proposing that the City Council approve a resolution authorizing the Mayor to execute a loan agreement and related loan documents with the Housing Authority of Salt Lake City for a \$255,000 loan from the City's Housing Trust Fund. This action would facilitate the refinancing of the Jefferson Circle Section 8 Preservation project located at 1750 South Jefferson Circle. The project has 20 two bedroom townhouse units, all of which are rented to residents at 30% or less of area median income. Average income for residents is \$9645 with the average tenant portion of the rent being \$121 per month. The remaining rent is currently being subsidized by Section 8 monies from HUD.

The Council discussed this item during a briefing on November 6, 2003 and was in favor of moving this item forward for adoption at the November 18, 2003 Council meeting.

## MATTERS AT ISSUE

### OPTIONS:

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

### ➤ POLICY CONSIDERATIONS

The proposed project is consistent with policy statements in the City's 1974 Central City Community Master Plan, Community Housing Plan, Vision and Strategic Plan, the Futures Commission report, the 1990 Urban Design Element and other related master plans.

### ➤ ANALYSIS

The Jefferson Circle project consists of 20 two bedroom townhouse units. This project is being refinanced with Salt Lake City as the lender on the first mortgage. HUD will carry the second mortgage on the project. This project is being refinanced as part of the HUD/Office of

Multifamily Housing Assistance Restructuring (OMHAR) review. Salt Lake City is now authorized by HUD as a local lender. There are not any other local lenders authorized to participate in this type of refinancing.

The Housing Trust Fund Advisory Board reviewed this proposal on September 18, 2003 and the transmittal includes the minutes of that meeting. The Poplar Grove Community Council did not review this project as the use of the project has not changed.

➤ **BUDGET RELATED FACTS**

The proposed loan from the Housing Trust Fund will be for \$255,000 at 5% interest for 30 years. The U.S. Department of Housing and Urban Development and equity from the Housing Authority of Salt Lake City are also providing funding for this project. The total cost of project will be \$932,013.

The current balance of the Housing Trust Fund is approximately \$2,362,922.

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

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