
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: November 14, 2003

SUBJECT: Salt Lake City Housing Trust Fund loan to the Housing Assistance Management Enterprise for the Jefferson School Phase II Apartments

AFFECTED COUNCIL DISTRICTS: District 5

STAFF REPORT BY: Michael Sears, Budget & Policy Analyst

ADMINISTRATIVE DEPT.

AND CONTACT PERSON: Housing and Neighborhood Development, LuAnn Clark

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 Assistance Management Enterprise, a nonprofit subsidiary of the Housing Authority of Salt Lake City for a \$700,000 loan from the City's Housing Trust Fund. This action would facilitate the construction of the Jefferson School Phase II Apartment project located at 1031 South West Temple. The project will have 60 units, 24 of which will be market rate units. The remaining 36 units will be rented to people at 35 - 50% of area median income.

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.

OPTIONS AND MOTIONS:

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 School Phase II Apartment project consists of 60 mixed income one and two bedroom units 1031 South West Temple. The project developer will set aside 4 units for homeless transitional persons, physically handicapped and mentally ill persons. All ground floor units will be visit-able.

The project will consist of twenty-four units at market rate and the remaining 36 units being priced for renters with 35 - 50% of area median income. The project financing is based on area median income rents being between \$340 and \$619 for the affordable units, depending on tenant income and unit type. The market units will be between \$587 and \$860 per month.

The Housing Trust Fund Advisory Board reviewed this proposal on September 18, 2003 and recommended approval of a \$700,000 loan for 30 years at 3.0%. The applicant presented this project to the People's Freeway Community Council on October 1, 2003 and received support for this project.

The proposed project site will need to be rezoned to allow construction of this project. The rezoning process is underway. Additionally, as part of the City's ordinance on Impact Fees, this project is exempt for the payment of impact fees. The General Fund will need to cover the \$32,040 exemption. Typically all impact fee exemptions come before the Council during the last budget amendment of each fiscal year.

The transmittal includes the minutes of the Housing Trust Fund Advisory Board July 17, 2003 meeting.

➤ **BUDGET RELATED FACTS**

The proposed loan from the Housing Trust Fund will be for \$700,000 at 3.0% interest for thirty (30) years. Salt Lake County, Federal Low-Income Housing Tax Credits, and equity from the Housing Assistance Management Enterprise are also providing funding for this project. The total cost of project will be \$5,248,994.

The Administration is recommending that this loan come from the appropriation from the Redevelopment Agency of Salt Lake to the Housing Trust Fund. The current balance of the Housing Trust Fund, RDA appropriation is \$1,780,798.

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

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