
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: August 29, 2003

SUBJECT: Salt Lake City Housing Trust Fund loan to BC Development Group, LLC for the Westgate II Apartments

AFFECTED COUNCIL DISTRICTS: District 2

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 BC Development Group, LLC, for a \$150,000 loan from the City's Housing Trust Fund. This action would facilitate the construction of the Westgate II Apartment project located at 1520 West 300 South. The project will have 36 units, 4 of which will be market rate units, the remaining 32 units will be rented to people at 35 - 45% of area median income.

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 Westgate II Apartment project consists of 36 units in one 3-story buildings at 1520 West 300 South. Twenty-four of the units are two-bedroom and 12 have three bedrooms. The apartment complex will have underground parking, landscaped grounds and a resident community business center.

The project developer will set aside units for developmentally disabled persons, physically handicapped and mentally ill persons. Ten total units will be reserved for special populations. All ground floor units will be visit-able and four units will be 100% handicapped accessible.

The project will consist of four units at market rate and the remaining 32 units being priced for renters with 35 – 45% of area median income. The project financing is based on area median income rents being between \$409 and \$547 for two bedroom units and \$468 to \$547 for three

bedroom units. Area median household income for Census Tract 1027 is \$29,455 and median family income is \$30,709.

The Housing Trust Fund Advisory Board reviewed this proposal on July 17, 2003 and recommended approval of a \$150,000 loan for 30 years at 2.5% on the condition that the applicant provides a letter of support from the Poplar Grove Community Council and that the applicant agrees to provide housing for clients of Valley Mental Health. The applicant has been unable to meet with the community council due to a meeting cancellation and a full agenda relating to the discussion on the proposed Nordstrom move to The Gateway. The developer will continue to try to meet with the community council.

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 \$150,000 at 2.5% interest for thirty (30) years. Key Bank, Federal Low -Income Housing Tax Credits, and Utah Community Reinvestment Corporation (UCRC) are also providing funding for this project. The total cost of project will be \$3,917,585.

The current balance of the Housing Trust Fund is approximately \$2,600,000.

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

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