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## SALT LAKE CITY COUNCIL MEMORANDUM

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**DATE:** June 15, 2004  
**TO:** Council Members  
**FROM:** Gary Mumford  
**SUBJECT:** HOUSING TRUST FUND STUDY  
**CC:** Sam Guevara, Rocky Fluhart, Steve Fawcett, DJ Baxter

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The Department of Management Services completed a study in compliance with Utah Code Section 10-8-2 (sometimes referred to as the Doug Short ruling) regarding the Housing Trust Fund. The 2003 Legislature added language to the state code providing that a municipal legislative body may appropriate money for corporate purposes that in the judgment of the municipal legislative body, provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality subject to a study of the value received for any money appropriated and subject to a public hearing.

The study finds that benefits to the City of the Housing Trust Fund loan program include the addition or retention of affordable housing units and special needs housing units. The program strengthens the residential component of the community, revitalizes and creates safer and more livable neighborhoods, encourages private investment, and eliminates blight. The loans help to increase property values and except in the case of non-profit organizations, result in increased property tax revenues to the City. In many cases, the interest rate charged exceeded the interest rate the City earned on its pooled investments. The study concludes that the City obtains adequate consideration, or equivalent value, for the benefit being provided in making such loans.

The resolution formalizes existing loan criteria including whether the project accomplishes affordable housing, blight elimination, the preservation of historic structures and property, and any other public purpose.

### **SUGGESTED MOTION**

Following the public hearing, the Council may wish to consider the following motion:

["I move that the Council"] **Adopt a resolution accepting the study and authorizing an appropriation of \$2,952,476 for the Housing Trust Fund and establishing loan criteria for the Fund.**