

ANNUAL UPDATE TO MAYOR ROCKY ANDERSON AND THE SALT LAKE CITY COUNCIL

HOUSING AUTHORITY OF SALT LAKE CITY AUGUST 2005

1. HUD Issues

Lost approximately \$1,000,000 in January in our Section 8 program which has left us serving 130 fewer individuals

2. Legislation

The Senate and the House have included a restoration of funds to the voucher program during their recent mark ups. If this happens, we may be able to again serve more families and individuals. Thanks to Senator Bennett and Congressman Matheson for their effort on our behalf.

3. HUD Funds received in 2005

Two Self Sufficiency Coordinators (Ross grants)
Renewal of Continuum of Care for some homeless transitional housing
Capital Grant of \$874,613 (down from a high of \$960,000) for repairs of Public Housing

4. HUD Scores for Programs

Public Housing (PHAS) = High performer
Section 8 (SEMAP) 100% = High performer

5. Financially Sound with Clean Audits

6. Selling 12 Homeless transitional houses and replacing with Cedar Crest

7. Upcoming Issues/Concerns

Survive HUD Cuts and Audits
Consider selling some public housing units to expand our affordable housing stock
Partially convert to asset based management in Public Housing by end of 2006
Replace Emma Houston on the Board

8. Awards

Reverend France A. Davis recognized by the National Association of Housing and Redevelopment Officials as outstanding commissioner in the Country through the Elizabeth Wells Memorial Award

ANNUAL REPORT TO MAYOR ANDERSON AND THE SALT LAKE CITY COUNCIL

HOUSING ASSISTANCE MANAGEMENT ENTERPRISE (HAME) AUGUST 2005

1. Jefferson School Phase II first buildings will be complete in September 2005. Residents will move in during September followed by a ribbon cutting to celebrate. JSA I remains 97%+ occupied and highly successful.
2. Light Rail together with JSA I and II have helped the neighborhood redevelop by: reconstruction of the commercial space owned by the Kimball brothers on Main Street, plus the anticipated construction of 24 high end condos (\$300,000 - \$350,000) across from JSA I at 11th South and West Temple.
3. Sunrise Apartments – 100 units (Studio and 1 bedroom) permanent housing for the formerly homeless. Property has been purchased with a loan from the RDA. Most of the other funds have been raised as represented in the attached Sources and Uses. MJSA has been selected as the architect, community meetings have been held (including People's Freeway), we are working with the City on the planning and zoning issues, construction will begin in February or March 2006 and be complete within 12 months.
4. Cambridge Cove (formerly Kingswood Apartments)
Renovations are complete and Cambridge is a very nice, quiet community. However, we sustained financial losses in 2003, 2004 and will have a slight loss in 2005. This is due to the previous reputation of the property, the soft market, and expensive renovations. We are expecting to break even in 2006, however, to date our losses on this project exceed \$400,000.
5. Upcoming
State Pilot of Section 8 Rental Assistance for chronic homeless
Sale of Public Housing will be replaced by mixed-income developments built or acquired by HAME. Potential properties are now being considered.

ANNUAL REPORT TO THE SALT LAKE CITY COUNCIL

HOUSING DEVELOPMENT CORPORATION AUGUST 2005

The Housing Development Corporation is a non-profit arm of the Housing Authority of Salt Lake City. The City guaranteed a bond in 1985 and the following projects were produced:

1. PROJECTS OWNED

<u>Project Name</u>	<u>Type</u>	<u>#Units</u>
Riverside – 610 S 900 W	Elderly	41
Ben Albert – 130 S 500 E	Elderly (51%)	68
Canterbury – 1841 W Morton Drive	Family	78
Hawthorne Court – 727 E 600 S	Mixed	<u>88</u>
TOTAL		275

2. OCCUPANCY, RENTS AND MAINTENANCE

Properties' occupancy fell to an average of 92% due to the competition in the market. Rental concessions and no rental increases were common the real estate market. All the properties are nicely maintained and managed.

3. CAPITAL AND OTHER REPAIRS

Refinanced the Bond in 2003 and accomplished repairs including:

- Install a roof at Hawthorne Court Parking Garage
- Install fire code doors
- Repair stairs and stairwells
- Upgrade of electrical systems
- Upgrade of plumbing systems
- Pool surface repairs
- Carpet replacement
- Paint exteriors
- Resurface parking areas

4. FINANCIAL INFORMATION

Cash flow on the properties is tight, but we are making bond payments and covering operations through rental income.

Repayment to Salt Lake City Corporation on the first loan in the amount of \$800,000 is scheduled to begin in April of 2007. We will ask to have these payments postponed. Due to the soft market the last five years the HDC has been unable to accumulate any reserves. In some cases the Housing Authority has needed to loan the property funds for emergency Capital Improvements.

June 15, 2005

SUNRISE APARTMENTS

**A 100-unit permanent/supportive housing project
for formerly homeless singles**

Applicant: Housing Assistance Management Enterprise (HAME), which is a non-profit subsidiary of the Housing Authority of Salt Lake City, is very proud to be the first agency in Utah to commit to building permanent housing for the homeless. Rosemary Kappes is the President and contact person: 1776 South West Temple, Salt Lake City, Utah 84125; 801-487-2161 ext. 1202, rkappes@qwest.net. Information about us is attached in our annual report.

The Project: The project, **Sunrise Apartments** (a 100 one bedroom/studio apartment complex), is the first in the State to change how our community deals with the homeless population. Instead of continuing to build shelters and/or transitional housing we will build **permanent/supportive housing consistent with Housing First and the State of Utah and Salt Lake County's 10-Year Plan to End Chronic Homelessness**. Sunrise is a collaborative effort of many partners including The Crusade for the Homeless, George S. and Delores Doré Eccles Foundation, Salt Lake City Corporation, Salt Lake County, the Housing Authority of the County of Salt Lake, the State of Utah, HUD, Fannie Mae, American Express Centurion Bank, UBS Bank, other banks, local businesses, advocates, The Road Home, Volunteers of America, the V.A., Valley Mental Health, churches and others. The entire community has embraced the concept of Housing First and is supporting the new construction of the Sunrise Apartments as the "flag ship" to show the community that permanent supportive housing which solves the issues of the chronic homeless can save taxpayers money and provide dignified housing with services to an ignored population. Sunrise is modeled on successful Seattle projects such as Plymouth House and the YWCA's Opportunity Place.

Land: We purchased a 2.7 acre parcel of land located at 542 West 600 South in Salt Lake City in April, 2005. Our funding sources for the \$1.5 million purchase were The Crusade for the Homeless, the George S. and Delores Doré Eccles Foundation and the Redevelopment Agency of Salt Lake City.

Design: MJSA Architecture and Design have been selected as the architects for Sunrise. Their plan includes 4 stories with one bedroom and studio units, bathrooms, full kitchens, and other amenities normally found in an apartment complex. The complex IS NOT an SRO with bathrooms down the hall. Sunrise will be PERMANENT HOUSING for the chronic homeless and the units will be designed to be small, but comfortable. The building will have two elevators and 20 units (code

only requires 10) of wheelchair accessible apartments in order to serve the population we have targeted. Many of the single homeless population we currently serve are older Veterans, in wheelchairs or who have other disabilities. The bottom floor of the complex will feature offices for case managers, administration, classrooms, a kitchen, and a large community room. If funding is available, we will build a commercial kitchen and restaurant on the bottom floor which will be used to train and employ Sunrise residents. We will seek a professional restaurant group to help with this endeavor. The complex will also be fenced and gated to discourage nonresidents from sleeping or loitering in the parking lot. The building will be built in an L design with a green space in the middle so residents can enjoy the outside without congregating in front of the building. Design and security elements will prevent the complex from becoming “the new Pioneer Park”.

Security/Program Design: Part of the security/program design for this complex will be a manned 24 hour/7day a week front desk plus security cameras outside and on each floor. As part of the lease, the residents will be required to participate in case management with a particular case plan tailored to their needs. Professional case managers from the Road Home and Volunteers of America will be located on site. We are very experienced housing managers but leave the complicated human and case management portion of the business to other professionals. We have included a minimum of \$150,000 in our operating budget to pay for case management. Residents will be very low-income (10 below 45% of median income 80 below 35% and 10 below 22% of median income) and their rent will be based on 30% of their income. For some, their source of income will be disability payments, for others it will be jobs. Part of the case management will focus on self-sufficiency related skills and, for those that are able, job attainment. Some residents will be hired as employees of the project. Much of the case management will be focused on the issues that led to homelessness including mental illness and/or substance abuse. When a resident begins to revert to old behavior, they will be temporarily placed in other programs or evicted if necessary. The case plan will be tied to the lease which makes enforcement for “social issues” a way to help modify behavior.

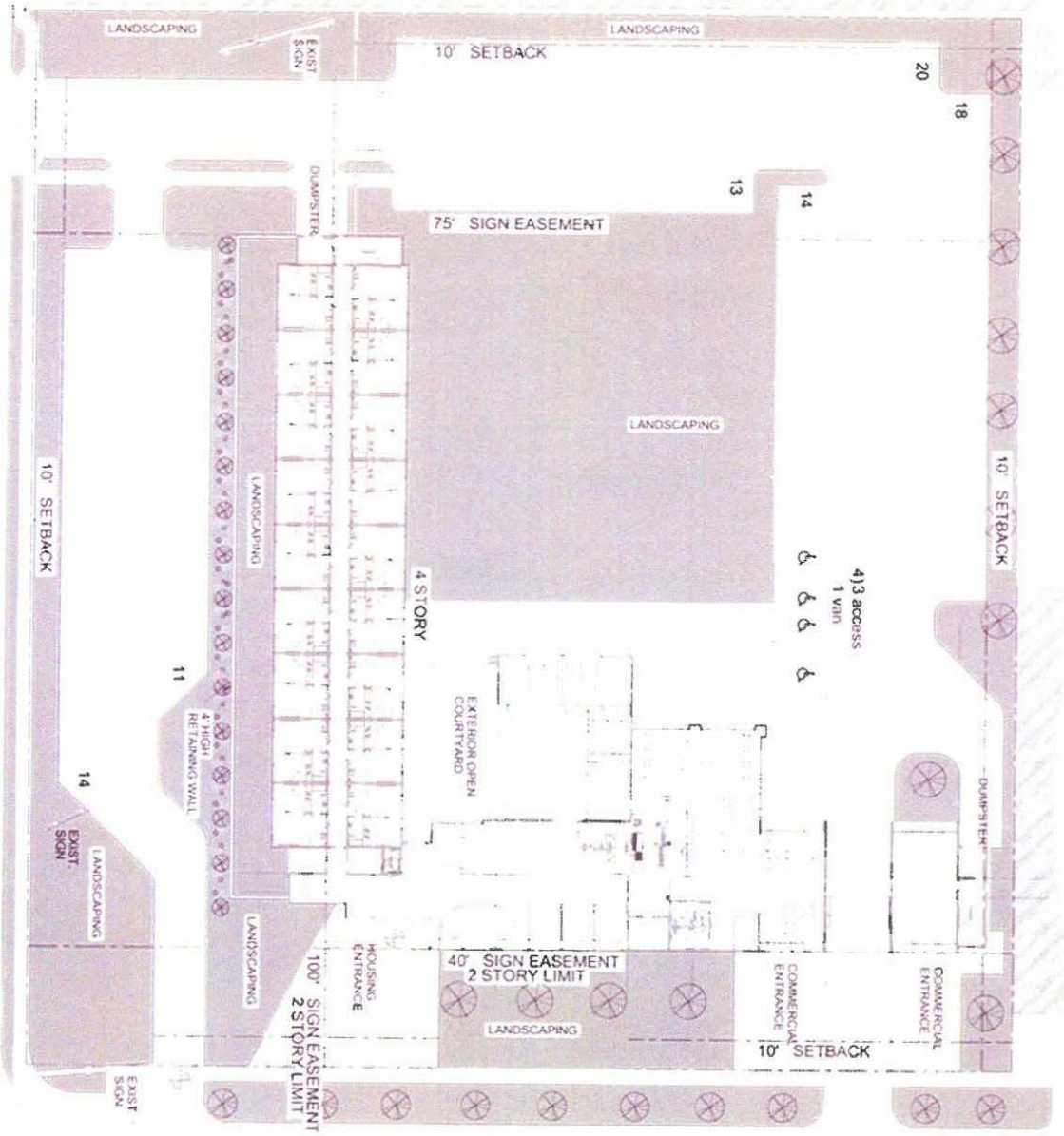
Schedule

Purchase land	April 2005
Select Architect	May 2005
Complete Plans	September 2005
Apply for Tax credits, Olene Walker Loan Funds, and other Fundraising	Present - October 2005
Begin Construction	February – March 2006
Complete Construction	February – March 2007

Contextual Site Plan

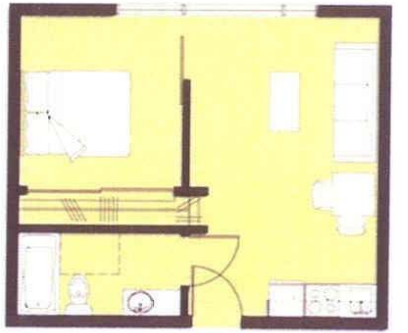
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SUNRISE APARTMENTS

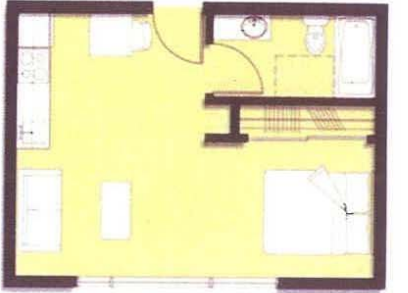


900 SOUTH
FREEWAY OFF-RAMP

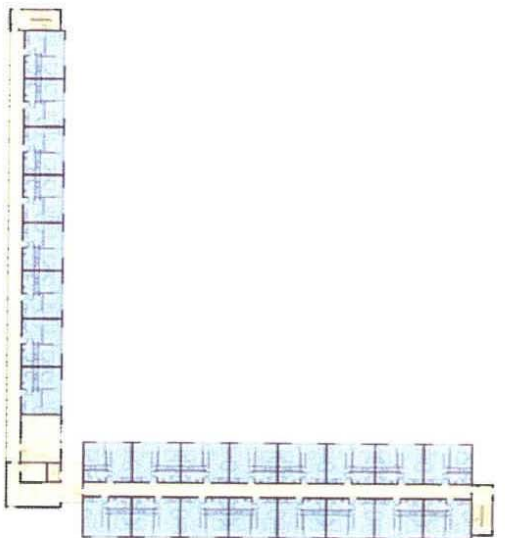




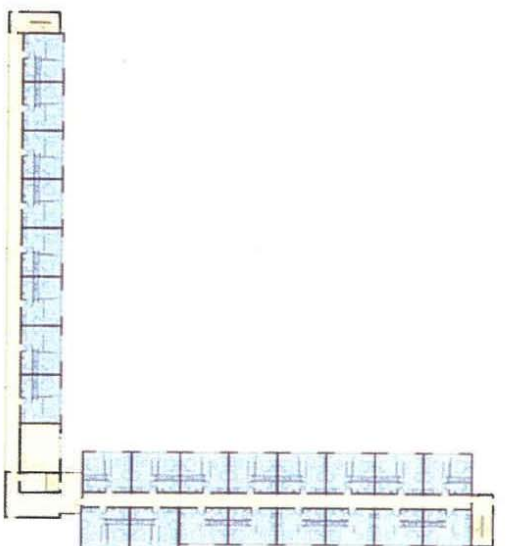
Enlarged One Bedroom Floor Plan



Enlarged Studio Floor Plan



Third Level Floor Plan



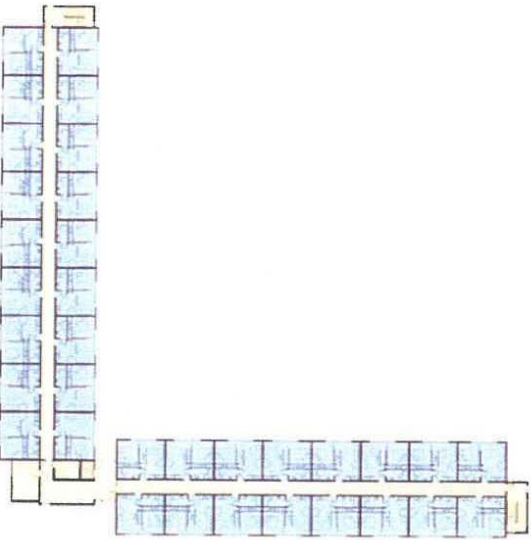
Fourth Level Floor Plan

Square Footage Breakdown

119,790 Total Square Feet	
Common Area	6,234 Square Feet
Units	41,536 Square Feet
6 Studio Units @ 374 Square Feet	
94 One Bedroom Units @ 418 Square Feet	
Commercial Areas	4,997 Square Feet
Circulation/Utility Areas	9,200 Square Feet

Unit Breakdown

	One Bedroom	Studio	Floor Total Unit
Level One	18	0	18
Level Two	36	0	36
Level Three	26	0	2
Level Four	18	6	24
		Total Units	104



Second Level Floor Plan



First Level Floor Plan

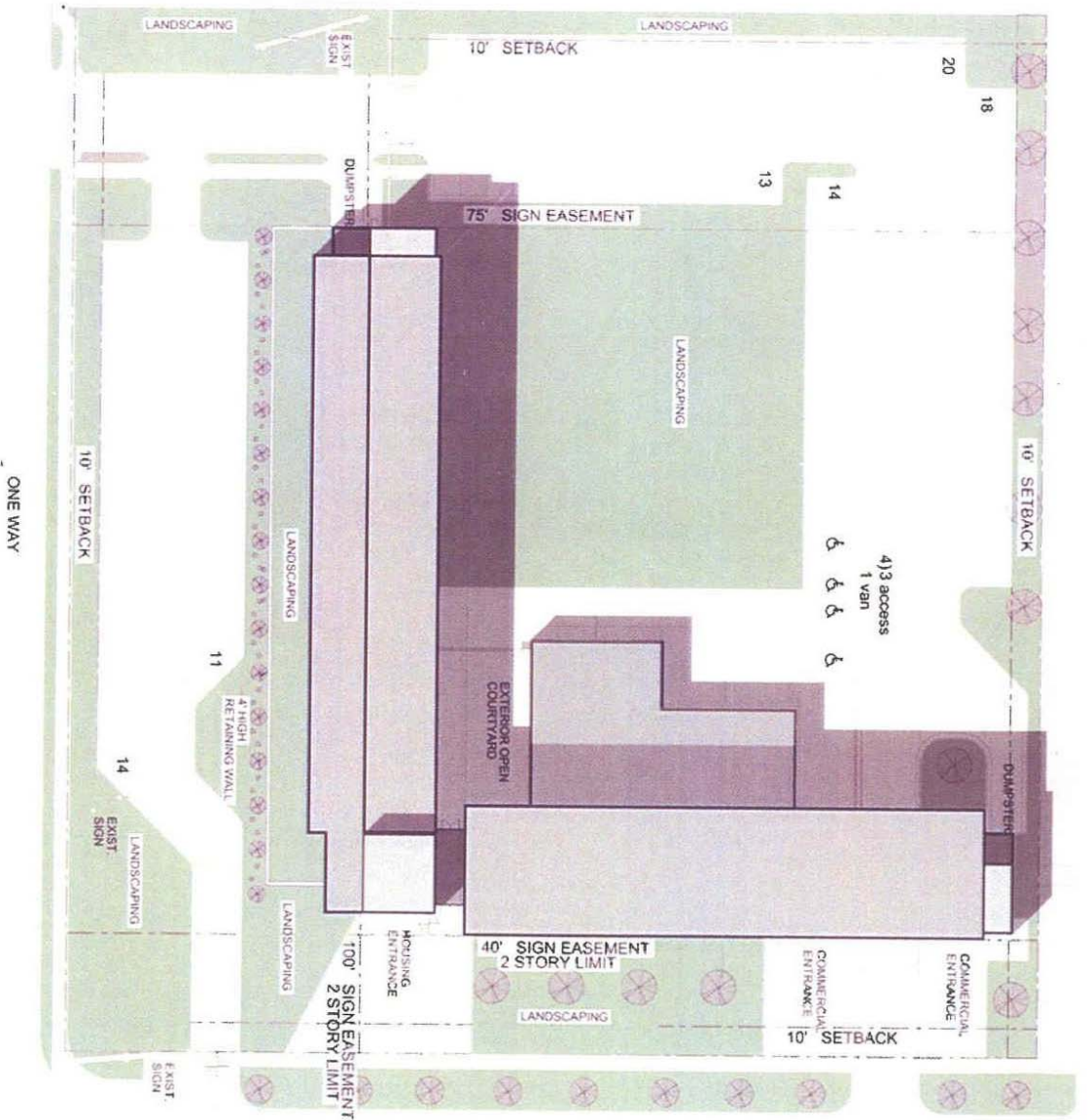
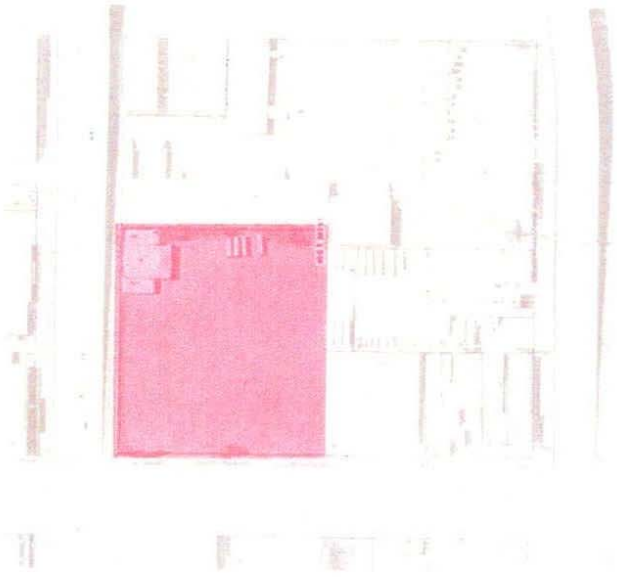


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SUNRISE APARTMENTS



Site Aerial



Site Plan



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SUNRISE APARTMENTS

100 SOUTH
FREETWAY OFF-RAMP



MJSA | 

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SUNRISE APARTMENTS



SUNRISE APARTMENTS

100 Units - 85 Rental Assisted Units/ \$150,000 Case Work

SOURCES

Loans	
Salt Lake County Loan (Soft Loan)	500,000
RDA Loan	700,000
OWHTF (Soft Loan)	750,000
Sub Total	1,950,000
Grants	
Crusade For Homeless	500,000
Eccles Foundation	600,000
American Express	20,000
Kip Paul, Vasilios Priskos Donation	7,500
UBS	20,000
Sub Total	1,147,500
State Tax Credit	200,000
Federal Tax Credit	3,301,825
Sub Total	6,599,325
Gap	1,288,621
TOTAL	7,887,946

OTHER FUNDING TO BE APPLIED FOR BY OCTOBER 2005
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RDA Loan	200,000
OWHTF (Soft Loan)	150,000
Furniture Donation	100,000
LDS Church	100,000
Fannie Mae Foundation	50,000
Continuum of Care	400,000
VA Constr Grant	300,000
Sub Total	\$1,300,000

USES

Land	1,585,000
Construction	4,318,446
Contingency	400,000
Architect	237,500
Upgrades	300,000
Developers Fees	300,000
Soft Costs	547,000
Furniture	200,000
TOTAL COST	7,887,946

SCHEDULE

Close on Land	April 2005
Select Architect	April 2005
Complete Plans	August 2005
Applications	October 2005
Olene Walker Loan Fund	
Tax-credits, VA & HUD	
Permanent Financing	December 2005
Other Fundraising	Present - Winter 2005
Begin Construction	Feb - Apr 2006
Complete Move In	Feb - Apr 2007