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# SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** February 9, 2007

**SUBJECT:** **Requests from the Housing Authority of Salt Lake County for a \$130,000 loan from the City's Community Development Block Grant and a \$200,000 loan from the City's HOME Investment Partnerships Program for construction of the Grace Mary Manor Apartments**

**AFFECTED COUNCIL DISTRICTS:** Citywide

**STAFF REPORT BY:** Gary Mumford

**ADMINISTRATIVE DEPT. AND CONTACT PERSON:** Housing and Neighborhood Development  
LuAnn Clark

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On January 4, 2007, the City Council received a briefing on a request from the County Housing Authority for a \$130,000 loan from the City's 2007-08 Community Development Block Grant (CDBG) and a \$200,000 loan from the City's 2007-08 HOME Investment Partnerships Program for construction of an 84-unit housing complex for chronically homeless individuals to be built in South Salt Lake. Construction cannot begin prior to funding commitments. Under the City's normal process, HOME funds would not be available until July. Since the County Housing Authority has lined up the other funding, the director asked Salt Lake City if there is anyway that the City could give a commitment outside of the regular process. On January 4, 2007, the Council agreed that the County Housing Authority could submit a formal request and that the Council would consider the request outside of the normal process.

The proposed \$8.9 million housing complex to be located at 57 W Gregson Avenue (3070 South) in South Salt Lake. The County Housing Authority has firm funding commitments from low-income housing tax credits, the Crusade for the Homeless, the Olene Walker Housing Loan Fund, the Eccles Foundation, and Salt Lake County. The County Housing Authority anticipates that the majority of clients for this housing will be current inhabitant of Salt Lake City who come from The Road Home and Volunteers of America's homeless outreach programs. The Grace Mary Manor Apartments will be located within a short walk of bus routes on State Street and within a few blocks of 3300 South Street.

## POTENTIAL MOTION:

At the briefing on January 4, 2007, the Council was generally supportive of authorizing City loans for the Grace Mary Manor Apartments for chronically homeless individuals to be built in South Salt Lake. The Council may wish to make the following motion.

**["I move that the Council"] Adopt a resolution authorizing a \$200,000 cash-flow loan from Salt Lake City's HOME Investment Partnership Program Funds and a \$130,000 cash-flow loan from Salt Lake City's Community Development Block Grant Funds to Housing Opportunities, Inc., a nonprofit organization of the Housing Authority of the County of Salt Lake for the construction of the Grace Mary Manor Apartments.**

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The following information was provided previously. It is provided again for your reference.

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The proposed \$8.9 million housing complex to be located at 57 W Gregson Avenue in South Salt Lake will consist of 84 studio units of new housing with supportive services. The three-story complex will have social interaction areas both inside and outside including a community room and basketball court.

The County Housing Authority made a request from Salt Lake City for a \$130,000 grant from the City's 2007-08 CDBG allocation and a \$200,000 loan from the City's 2007-08 HOME allocation. The City Administration suggests that rather than funding from the 2007-08 CDBG allocation, the \$130,000 come from CDBG housing matching funds that have accumulated from several prior years and have already been appropriated by the City Council. Approximately \$350,000 of match funds has accumulated. The project qualifies for the housing match funds. No formal Council action would be required if the Council is okay with using the housing matching funds to cover the CDBG portion of the funding.

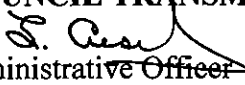
Recaptured HOME funds could also be used rather than the 2007-08 HOME allocation for the \$200,000 loan. However, this would require formal Council action. In budget amendment #2, recaptured HOME funds of \$267,614 were placed in a holding account. Traditionally, recaptured HOME funds are added to the new allocation and the combined amount is awarded in the annual process. The original transmittal (also attached) includes a log of all HOME funding requests for 2007-08, which show a total request of \$1,875,000 while the City's 2007-08 allocation will likely be only \$1,300,000. Therefore, not all applications for HOME funding can be awarded. The actual funds for the project would not be released until much later in 2007.

A. LOUIS ZUNGUZE  
DIRECTOR  
  
BRENT B. WILDE  
DEPUTY DIRECTOR

**SALT LAKE CITY CORPORATION**  
DEPT. OF COMMUNITY DEVELOPMENT  
OFFICE OF THE DIRECTOR

ROSS C. "ROCKY" ANDERSON  
MAYOR

**CITY COUNCIL TRANSMITTAL**

**TO:** Lyn Creswell, Chief Administrative Officer  **DATE:** January 30, 2007

**FROM:** Louis Zunguze, Community Development Director 

**SUBJECT:** A request from the Housing Authority of the County of Salt Lake for a cash flow loan from the City's Community Development Block Grant (CDBG) housing match funds and a cash flow loan from program income from the City's HOME Investment Partnerships Program (HOME) funds for the construction of the Grace Mary Manor Apartment project to be located at 57 West Gregson Avenue

**STAFF CONTACTS:** LuAnn Clark, Housing & Neighborhood Development Director, at 535-6136 or luann.clark@slcgov.com

**RECOMMENDATION:** That the City Council adopt the resolution

**DOCUMENT TYPE:** Resolution

**BUDGET IMPACT:** None

**DISCUSSION:**

***Issue Origin:***

The Housing Authority of the County of Salt Lake has requested funding from Salt Lake City's CDBG and HOME funds for construction of the Grace Mary Manor apartment project to be located at 57 West Gregson Avenue. The project will consist of 84 units of new housing with supportive services for chronically homeless individuals. The County Housing Authority has firm commitments from other funding sources including Low-Income Housing Tax Credits, the Crusade for the Homeless, the Olene Walker Housing Loan Fund, the Eccles Foundation, and Salt Lake County. The total cost of the project will be approximately \$8.9 million.

***Analysis:***

The County Housing Authority has requested a CDBG cash flow loan for landscaping and fencing for the project. The City has approximately \$350,000 in housing match funds available, and the \$130,000 being requested for this project qualifies for those funds if the Council chooses to approve this request. The County Housing Authority is also requesting a \$200,000 cash flow loan from the City's HOME funds. HOME program income, in the amount of \$267,614, is available and can be awarded to this project if approved by the City Council.

The County Housing Authority stated earlier that if they received enough additional funding, they would decrease the amount of their request from the City. The Olene Walker Housing Loan Fund approved funding for this project in the amount of \$1 million earlier this week, not at the \$1.5 million level requested. Therefore, in order to make the project financially feasible, the full amount requested from the City is still needed.

The County Housing Authority anticipates that the majority of client referrals for this housing project will be current inhabitants of Salt Lake City who come from The Road Home and Volunteers of America's homeless outreach programs and detoxification center. The Road Home, Volunteers of America, Fourth Street Clinic and Valley Mental Health are the primary partners with the County Housing Authority for this project. The primary objective in providing this housing is to use a "Housing First" model to reach the chronically homeless.

Copies of the CDBG and HOME applications submitted by the County Housing Authority are attached to this document for your review.

***Recommendation:***

Mayor Anderson supports this project and approved the use of the City's CDBG housing match funds and the HOME program income funds in order to meet critical funding commitment and construction deadlines for this housing project.

**PUBLIC PROCESS:**

The request for HOME program income funds was reviewed by the Housing Trust Fund Advisory Board on January 18, 2007. The Board unanimously recommended approval of the request. The CDCIP Board reviewed the request for CDBG housing match funds on January 22, 2007 and unanimously recommended approval of the request.

**RELEVANT ORDINANCES:**

Ordinance 77 of 2006 – The Community Development and Capital Improvement Project Advisory Board

Chapter 2.80 – The Housing Trust Fund Advisory Board

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Attachment D: Previous Council Transmittal

**ATTACHMENT A  
Resolution**

RESOLUTION NO. \_\_\_\_\_ OF 2007  
AUTHORIZING A LOAN FROM  
PROGRAM INCOME FROM SALT LAKE CITY'S  
HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS, AND  
HOUSING MATCH FUNDS FROM SALT LAKE CITY'S  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS  
TO HOUSING OPPORTUNITIES, INC.,  
A NONPROFIT ORGANIZATION OF THE  
HOUSING AUTHORITY OF THE COUNTY OF SALT LAKE

WHEREAS, Salt Lake City Corporation (the City) has program income funds available from the HOME Investment Partnerships Program (HOME) and funds available from the Community Development Block Grant (CDBG) housing match funds to encourage affordable and special needs housing development within the City; and

WHEREAS, Housing Opportunities, Inc., a nonprofit organization of the Housing Authority of the County of Salt Lake, has applied to Salt Lake City for HOME and CDBG funds for construction of the Grace Mary Manor apartment project consisting of 84 units of new housing with supportive services for chronically homeless individuals; and

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. It does hereby approve Salt Lake City to enter into the appropriate HOME and CDBG agreements with Housing Opportunities, Inc., for the for the construction of the Grace Mary Manor apartment project.
2. Housing Opportunities, Inc. will use the loan funds for construction of the Grace Mary Manor Apartment Project located at 57 West Gregson Avenue in Salt Lake City, Utah. The loan requested from the City's HOME and CDBG funds will be leveraged with funds provided by the Olene Walker Housing Loan Fund, Low Income Housing Tax Credits, Salt Lake County, the Eccles Foundation, and the Crusade for the Homeless.
3. That the Mayor, as the official representative of Salt Lake City, or his designee, is hereby authorized to sign and execute any and all subsequent agreements between the City and other public entities resulting from the City Council approval of said loan subject to final approval as to form by the City Attorney.

Passed by the City Council of Salt Lake City, Utah, this \_\_\_\_\_, 2007.

SALT LAKE CITY COUNCIL

By: \_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM  
Salt Lake City Attorney's Office  
Date January 24, 2007  
By Melanie Pif

**ATTACHMENT B**  
**CDBG Application**



**SALT LAKE CITY  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
APPLICATION FOR 2007-08 FUNDING YEAR**

<b>A. Application Information</b>	1. Amount of Salt Lake City CDBG funds requested for this program: \$130,000.00
2. Name of organization applying for funds: Housing Opportunities Inc.	
3. Agency director & title: Kerry William Bate, Director	
4. Describe your organization's mission and purpose:  In 1994, the Housing Authority of the County of Salt Lake (HACSL) Board of Commissioners created Housing Opportunities Incorporated (HOI), a private nonprofit 501 c (3) organization. HOI's mission is to provide affordable housing opportunities and supportive services to low-income individuals and families. The Housing Authority of the County of Salt Lake was established in 1971 by a group of citizens concerned with the housing needs of moderate and low-income families. HACSL's mission is to provide quality affordable housing opportunities for individuals in need while promoting self-sufficiency, empowerment and neighborhood revitalization. HOI and HACSL's board and staff have always recognized that while housing provides the foundation for families, a continuum of care must be implemented in order for families to become self-sufficient. These two organizations continually partner to provide affordable housing coupled with supportive services to low-income families.  HACSL in partnership with HOI has been providing housing assistance to low-income, homeless and special needs populations in Salt Lake County since 1971 serving over 2,100 households annually through their Section 8 program, 626 households in Public Housing and operating 125 owned units. HACSL and HOI operates several programs providing special needs and homeless populations with service enriched housing including the following:  <ul style="list-style-type: none"> <li>• Gregson Apartments – This 16 –unit tax credit apartment complex for special needs residents was constructed in June 1996. The nearly \$1 million development cost was financed by tax credits, loans from the State of Utah, Salt Lake City and County grants. Valley Mental Health, Counterpoint, Wasatch Homeless Health Care and TURN Community Services are partners with HACSL in providing services to residents and case management.</li> <li>• Pleasant Green Villa – HOI constructed this fully accessible, ten-unit complex to provide affordable housing for people with severe physical/mental disabilities. This project was funded under the U.S. Housing and Urban Development's Section 811 program, Utah State and Salt Lake County. Salt Lake County CDBG funds provide case management and supportive services on-site. The Veterans Administration and the State Division of Services for Persons with Disabilities provide additional supportive services. At HUD's request, this project is now operated as a separate non-profit organization with HOI remaining managing member.</li> <li>• Villa Charmant – HACSL purchased Villa Charmant, a 54-unit apartment complex, in 2001. In 2003 we refinanced the project as a tax credit entity in partnership with Barnes Bank and Washington Mutual. This enabled a \$570,000 rehabilitation of the property. This complex serves families at 60% or below of area median income.</li> </ul>	

- Financial Counseling Program – This program helps individuals and families resolve financial problems, improve financial stability, and encourage wise use of credit. Community partners include Advanta Corp., American Express, American Investment Bank, Barnes Bank, CIT Bank, Volkswagen Bank, Washington Mutual, Wells Fargo Bank and Wright Bank.
- Youth Programs – These programs provide academic assistance, drug prevention and life skills to 300 low-income youth living in public housing who are at high-risk of involvement in the juvenile justice system and academic failure.

5. Title of program/project for which you want funds from Salt Lake City:

Gregson II

6. Describe the program/project requesting funds from Salt Lake City, listing the specific activities, outputs and anticipated outcomes in Appendix A, Performance Management.

HOI is requesting \$130,000 to support the Gregson II project. These funds will be used for site work construction including landscaping and fencing. The landscaping will be designed to maximize for water conservancy. We will design and install an irrigation system with high distribution uniformity controlled by Maxicom for best efficiency, and limit turf areas for more water wise plants. In addition, a fence will surround the perimeter of the property to maximize safety precautions.

This project, called the Gregson II, will provide permanent, affordable housing coupled with supportive services to 84 chronically homeless individuals.

The Department of Housing and Urban Development (HUD) has defined the homeless by the following categories (source: Utah's Ten-year Strategic Action Plan to End Chronic Homelessness, 07/13/04):

1) Temporary – Those who are homeless for a short period of time and are not homeless again. This group constitutes about 80% of the homeless and, based on national research, consume about 32% of the resources devoted to support the homeless.

2) Episodic – Those that move in and out of the system on a fairly regular basis over time and consist of about 10% of the homeless. They consume about 18% of the resources devoted to support the homeless.

3) Chronic – those that have been continually homeless for a year or more, OR who have had at least four episodes of homelessness in the past three years. This group represents about 10% of the homeless, however they consume about 50% of the resources dedicated to supporting the homeless, such as visits to the emergency room, mental hospital stays, etc.

Utah's point-in-time homeless count found that 4,740 people are homeless in Utah at any given time. An estimated 23,700 people, approximately 1% of the state's population, experienced homelessness during 2004, including 2,950 who were considered chronically homeless. The majority, 70%, of homeless people in Utah live in Salt Lake (source: Salt Lake City Consolidated Plan 2005-2010, pp. 8, 11).

The federal government has identified providing services to the chronically homeless population as an essential component to President Bush's Ten Year Plan to End Homelessness. In support of this plan, and after reviewing research showing that this approach is effective and cost-efficient, Utah's Ten Year-Business Plan to End Chronic Homelessness aims to reduce Utah's chronically homeless population by at least 25% by 2009, by increasing permanent affordable housing designated for chronically homeless people by 25% or more.

In alignment with President Bush's and State and local government's plans, our project will provide the chronically homeless with stable, permanent housing combined with intensive supportive services to help them maintain their housing, while helping them sign up for mainstream resources such as Medicaid, food stamps, etc. According to The Road Home, national data indicate that 32% of the homeless population have an alcohol problem, 13% have a drug problem, 25% have mental illness, and 12% have both mental illness and a substance abuse problem. According to the Substance Abuse and Mental Health Services Administration (SAMHSA), the chronically homeless typically have a disproportionately higher number of problems such as these, and often have more than one problem. Having resources to address their needs on-site will help keep them out of crisis situations and help ensure they no longer need emergency resources. The emergency resources they will no longer need will then be available for other homeless persons to use, who may only need the services for a comparatively short amount of time, allowing higher numbers of people to access these limited resources.

In Utah, the primary causes of homelessness are low incomes and lack of affordable housing. In fact, more than 35% of Utah's homeless population work, but don't earn enough money to afford housing and other necessities (source: Utah State Legislature, Resolution Supporting Efforts to End Homelessness, 2004). In addition, 75% of people living below poverty in Salt Lake County do not receive some form of public assistance such as Social Security, Food Stamps, etc., meaning that they rely on wages alone (source: Ten-Year Plan to End Chronic Homelessness in Salt Lake County: Salt Lake County Implementation Plan 2005-2006). In Salt Lake City, 44% of renters' households are cost burdened, or pay more than 30% of their income for housing (source: National Low Income Housing Coalition, Out of Reach 2004). Housing along the Wasatch Front is 70% more expensive than the national average (source: Salt Lake County Consolidated Plan, 2002).

An estimated 23,700 people, approximately 1% of the state's population, experienced homelessness during 2004, including 2,950 who were considered chronically homeless. Seventy percent of the homeless live in Salt Lake. However, there are not enough services to meet their housing needs. The Road Home, Utah's largest homeless shelter, reports that they have a waiting list year-round for people who need housing. In addition, the 2000 – 2005 Salt Lake County Consolidated Plan reports that there is a "high" unmet need for units of permanent housing for single homeless individuals. The Plan states that there are currently 248 units of permanent housing serving homeless individuals – yet there is a need for 824 additional units.

There is currently a two-year waiting list for Public Housing assistance (source: Utah Issues, "Poverty in Utah" 2003). With government cuts in housing assistance subsidies, housing authorities across the valley are reporting a minimum wait of two years to receive Section 8 subsidized housing. According to a study by James Wood, there is a need in Utah for 12,000 more affordable housing units (source: Affordable Housing in Utah Cities: New Construction, Building Fees and Zoning).

The Housing Authority of the County of Salt Lake senior staff received initial technical assistance from Enterprise Foundation; Doris Koo of that organization generously sponsored and led a tour of Seattle projects similar to the Gregson II for Salt Lake area providers and housing authorities; this trip was sponsored in part by the Fannie Mae Foundation. Since then, we have received technical assistance for development and management of Gregson II from the Corporation for Supportive Housing, which specializes in housing for chronically homeless persons. Corporation for Supportive Housing provided HACSL a scholarship to their November 2005 Washington, D.C., training, and American Express Center for Community Development provided HACSL a scholarship for Enterprise Foundation's conference. Gregson II is very similar in the physical structure, property management, and supportive services to housing complexes that have been proven to be effective for reducing homelessness in Seattle, Washington. HACSL has chosen the Seattle projects to replicate using the Housing First model.

HOI plans to have the project completed by the end of 2007. We have architectural diagrams rendered by Harold Woodruff, a member of the American Institute of Architects specializing in single- and multi-family units. We have procured a Real Estate attorney, David Broadbent, who is experienced in dealing with tax-credit properties. We have identified staff at HACSL to work on the project, including an

experienced property manager. Our Director of Technical Services and Support, Dennis Kelsey, will oversee the construction. Dennis has over 30 years experience overseeing construction, including modernization of over 600 units of public housing, the remodeling of our 54 unit tax-credit property, Villa Charmant, and the construction of our 811 project in Magna providing accessible housing to 10 disabled households. Dennis will serve as HACSL's General Contractor Qualifier on this project.

Gregson II represents the implementation of the Federal, State, and local commitment to end chronic homelessness and enjoys broad support. This unique housing complex will contain 84 units of housing in a three-tiered high-rise building. Each studio apartment will have its own bathroom and kitchen, and measure approximately 366 square feet. Six (6) larger studio apartments are designed to meet ADA requirements. Each studio apartment will be equipped with a refrigerator, electric range, microwave oven and garbage disposal. There will be on-site offices provided for social service providers, as well as meeting space, open areas and a community kitchen in order to provide areas for the residents to socialize in and receive supportive services. The property will be managed by existing HACSL staff, who have years of experience managing low-income properties. Community partners will refer residents to the property, as well as provide supportive services. Partners that we have an agreement with include The Road Home, Valley Mental Health, Volunteers of America and Wasatch Homeless Health Care. Tenants who experience difficulty adjusting to the environment and meeting program guidelines will not be evicted to the streets, but rather work with them to transfer to a program that better meets their needs.

This is a cost-effective solution for the community. According to the Substance Abuse and Mental Health Services Administration (SAMHSA), the chronically homeless typically have multiple problems such as substance abuse, mental health and health issues. Placing these individuals, who represent only 11% of the homeless population in Salt Lake but use 50% of the resources, into permanent housing and providing them with supportive services, will decrease their use of resources such as the jail, prison, hospitals, police calls, detoxification, and shelter stays. Use of these resources is more expensive than placing these individuals into permanent, supportive housing, as proposed by this project. Please see the chart below for details.

Objective: To create a safe and pleasant outdoor environment that meets accessibility codes for the tenants of Gregson II.

Outcome: Housing Opportunities Inc. will provide affordable housing to 84 chronically homeless individuals during the fiscal year 2007-2008.

7. Is this an ongoing program or project?  Or a new program or project?

8. If ongoing, how long have you operated this program? N/A

9. Program or project location. List all addresses where the program or project is offered:

57 West Gregson

10a. Estimate the **total** number of persons served by your organization during the last program year: It is estimated that HACSL and HOI served approximately 3,000 individuals during the last program year.

If housing program, **total** number of units improved or rehabilitated: N/A

10b. Estimate the number of persons served with funding received from Salt Lake City during the last program year: 22 Individuals were served through HOPWA funding.

If housing program, number of units improved or rehabilitated with funding received from Salt Lake City:

N/A

11a. Total number of persons expected to be served by your organization in 2007-08: Approximately 3100 individuals will be served during 2007-08.

If housing program, total number of units to be improved or rehabilitated in 2007-08:

11b. Number of persons expected to be served with funding from Salt Lake City in 2007-08: 84 individuals will be served through CDBG funding for 2007-08 and approximately 10 individuals through HOPWA funding for 2007-08 fiscal year.

If housing program, number of units to be improved or rehabilitated with funding from Salt Lake City in 2007-08: N/A

**B. Proposed Program or Project Budget for 2007-08**

List the total project costs, including those requested to be funded by CDBG funds, in the personnel, operating and/or capital budget categories. *List the CDBG-funded program or project costs, not the agency budget.*

<b>1. Personnel Costs</b> List salaries and benefits of all requested positions	<b>Total project amount</b> (Including CDBG)	<b>Number of hours supporting CDBG part</b>	<b>Salt Lake City CDBG portion of project only</b>
	\$		\$
<b>Total Personnel Expenses</b>	\$		\$
<b>2. Operating Costs</b> List operating expenses & identify each line item. Examples include supplies, utilities, insurance, equipment, professional services, etc.	<b>Total project amount</b> (Including CDBG)	<b>Salt Lake City CDBG portion only</b>	
	\$	\$	

<b>Total Operating Expenses</b>	\$	\$
<b>3. Capital Costs</b> List expenses related to capital items, such as construction, engineering and design, feasibility studies, acquisition, capital equipment.	<b>Total project amount (Including CDBG)</b>	<b>Salt Lake City CDBG portion only</b>
	\$	\$
Purchase Land	\$ 503,889	
Site Work	\$ 676,500	\$ 130,000
New Construction	\$ 4,882,500	
Contingency	\$ 350,000	
Architectural and Engineering Fees	\$ 298,478	
Profit and Overhead	\$ 631,000	
Interim Financing Expenses	\$ 73,836	
Permanent Financing Expenses	\$ 16,124	
Soft Costs	\$ 495,575	
Syndication Costs	\$ 282,921	
Project Reserves	\$ 825,000	
<b>Total Capital Expenses</b>	\$ 8,945,823	\$ 130,000
<b>4. Total of all Expenses</b>	\$ 8,945,823	\$ 130,000

5. List your funding sources for this project or program:

1. Salt Lake City CDBG	\$	130,000
2. Salt Lake City HOME (Pending)	\$	200,000
3. Tax Credit Application (Pending)	\$	4,874,823
4. Olene Walker Housing Loan Fund	\$	1,500,000
5. George S. and Dolores Dore Eccles Foundation	\$	600,000
6. Crusade for the Homeless	\$	600,000
7. Federal Home Loan Bank Seattle (Pending)	\$	250,000
8. American Express/Fannie Mae/Morgan Stanley	\$	16,000
9. Sandy City	\$	25,000
10. Salt Lake County	\$	750,000
<b>TOTAL</b>	<b>\$</b>	<b>8,945,823</b>

**Now complete Section C, for housing, public services, public facility improvement and economic development projects; or Complete Section D for parks, planning and infrastructure projects (streets, sidewalks, ramps, or parking).**

**C. Proposed Project or Program Information**

***For housing, public services, public facility improvements or economic development.***

1. List names and phone numbers of your major partners for the project or program:

Organization Name	Contact Name	Telephone Number

2. To be eligible for CDBG funding, a program must provide a benefit to low/moderate income persons (includes elderly and handicapped) in the following categories. Check one.

**a. Client Benefit**

At least 51% of clients who will benefit from the proposed program or project have incomes at 80% median income or less.

I. What percentage of the proposed project's clients are residents of:

Salt Lake City %  
All other outside the City %

II. Identify percentages of the project's service clients whose gross incomes for 2004 are:

At or below 50% median income %  
At or below 80% median income,  
but greater than 50% median income %  
Over 80% median income %

**b. Housing Benefit**

The proposed project or program benefits low/moderate income residents. Indicate the percentage of residents which will have incomes at 80% median income or less. %

3. How do you track incomes and residency of your clients?

4. If the request is for improvements to a public facility, is the project on  
City property?   
Private property?   
Other?

5. If request for physical improvements is for private property, do you own the property in question? Yes  No   
Do you have a minimum 5-year lease? Yes  No

6. If the request is for physical improvements, indicate below who reviewed your proposed project for feasibility and cost estimates:

Bob Drennan (Building projects)   
Other

7. Describe your contingency plan in the event your CDBG request is not fully funded, or funded at all, by Salt Lake City:

**Now complete the Performance Management information in Appendix A.**

**D. Proposed Project Information**

*For art, parks, planning and infrastructure projects*

1. Check the type of project:

Street design	<input type="checkbox"/>	Street Improvements	<input type="checkbox"/>
Parks and/or recreation improvements	<input type="checkbox"/>	Corner access ramps	<input type="checkbox"/>
ADA park improvements	<input type="checkbox"/>	Sidewalk replacement	<input type="checkbox"/>
Parking facilities	<input type="checkbox"/>	ADA park playgrounds and restrooms	<input type="checkbox"/>
Public art	<input type="checkbox"/>	Other _____	<input checked="" type="checkbox"/>



2. Is application for a project that will be carried out in phases?  Yes  No  
If yes, indicate the estimated cost of future phases.

3. **Service area.** To be eligible for CDBG funding, a project must provide a benefit to low/moderate income persons (includes elderly and handicapped) living in the area of the project. Define the service area for people using the project. List the census tracts where the majority of people using the project live:

The Gregson II is being constructed to help meet the need for additional permanent supportive housing units for the chronically homeless. Conservatively, there are 1,000 chronically homeless in Salt Lake County, many located in Salt Lake City. Government from the federal to local levels are urging service providers to focus on serving the chronically homeless, who constitute only about 11% of the total homeless population, but consume 50% of the resources available.

In Salt Lake approximately 30 percent of homeless men living in shelters are employed. The remainder, according to an October 2003 survey conducted at The Road Home and the Volunteers of America, could find and keep a job if they had a home. Unfortunately, most require extensive case management and follow through on problems that have led them into homelessness, e.g., loss of a job, substance abuse, divorce, or other displacing events.

National permanent housing models, such as this proposal, demonstrate how housing relieves pressure on shelters (Dennis Culhane, HUD, 2003) and give the single homeless person the opportunity to have a home, maintain a job, and progress to full independence through supportive case management. Other studies confirm the need for housing single homeless people. If an individual requires some type of temporary housing such as residential treatment for an illness or substance abuse, such interim housing should be firmly linked to eventual placement in permanent supportive housing as is being proposed in this application.

While efficient shelter operations can be increased to house more homeless people for short periods, this is not the answer to chronic homelessness. Ultimately homeless people will continue to be threatened with instability until the supply of truly low-income housing is increased. Incomes of the poor are inadequate to pay for necessities of food, shelter, and health care. Supportive housing that restores personal dignity and self-work is the long-term solution to homelessness.

While Salt Lake City and Salt Lake County has taken great strides in tackling Chronic Homelessness, it appears that many of the services are located in the downtown Salt Lake City area. Gregson II promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of low-income persons. In addition, Gregson II contributes to the geographic distribution of affordable housing throughout the county, thus promoting the de-concentration of poverty and expanding housing and economic opportunities for low-income households. According to Census Data 2000, census tract 1116.00 has a poverty rate of 21.1 % far below that of downtown Salt Lake (Census Tracts 1024 and 1025) which is between 36% and 40.9%.

Census Tracts: 1116.00

4. Indicate below who reviewed your proposed project for feasibility and cost estimates:

Lynn Jarman (Street & sidewalk projects)

Dell Cook (Park projects)

5. Describe your contingency plan in the event your CDBG request is not fully funded, or funded at all, by Salt Lake City:

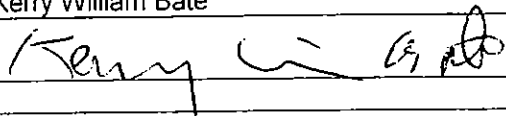
Funding from Salt Lake City is critical to the Gregson II project. We believe that homelessness is a community wide problem. As a result, we have sought funding from Federal, State, and Local Government as well as private funders to support our effort.

**Now complete the Performance Measurement information in Appendix A.**

### E. Applicant Information

1. Type of applicant (check one): City agency ..... <input type="checkbox"/> Private nonprofit ..... <input checked="" type="checkbox"/> Private for-profit ..... <input type="checkbox"/> Community council ..... <input type="checkbox"/> Individual ..... <input type="checkbox"/> Other (list) _____	2. Federal ID #:87-0529864
5. If private organization, must provide a list of current board members. How often does board meet? Monthly	3. State License #: Expiration Date: 4. If nonprofit, current IRS 501(c) 3 status letter attached as exhibit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. Agency address:3595 South Main City: Salt Lake City                      Zip:84115	6. If housing provider, must provide information on the resident member on your board.  Daniel Hacking
8. Contact person: Janice Kimball	13. Director email:kbate@hacsl.org
9. Title: Director of Housing and Resident Services	14. Director phone:(801) 284-4401
10. Contact phone:(801) 284-4423	
11. Contact email:jjkimball@hacsl.org	
12. Contact fax:(801) 284-4407	

### F. Applicant Certification

1. Print name of authorized person: Kerry William Bate
2. Signature of authorized person: 
3. Title: Executive Director
4. Date:

## Appendix A – Performance Measurement

### Objectives

For HUD funded activities, there are only three possible objectives:

- Creating **Suitable Living Environments** relates to activities that are designed to benefit communities, families or individuals by addressing issues in their living environment.
- Providing **Decent Housing** covers a wide range of housing activities whose purpose meets individual or family needs.
- Creating **Economic Opportunities** relates to activities in economic development, commercial revitalization or job creation.

Select one objective that best describes your program/project:

- Creating Suitable Living Environment
- Providing Decent Housing
- Creating Economic Opportunities

### Activities – Briefly list the services or work activities used to carry out the program

1. Begin Site Work/Construction (excavate dirt and bring in top soil)
2. Install irrigation system.
3. Purchase and lay sod.
4. Plant trees and shrubs.
5. Install fence.

**Outputs** – The measurable results of a program's work. They are measurements of the amount of work accomplished. Examples would include the number of low/moderate income clients served, the number of households served, or number of units constructed. Connect each output with the activity listed above.

1. To create a safe and pleasant outdoor environment that meets accessibility codes for the tenants of Gregson II.

**Outcomes** – The benefits that result from the activity or program for individuals or community. There are only three possible outcomes:

(1) **Availability/Accessibility** applies to activities that make services, infrastructure, public facilities, housing or shelter available or accessible to low- and moderate-income persons. In this category, accessibility does not refer only to physical barriers, but also to making the basics of daily living available and accessible to low- and moderate-income persons where they live.

(2) **Affordability** of services applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income persons. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care. Affordability is an appropriate outcome whenever an activity is lowering the cost, improving the quality or increasing the affordability of a product or service to benefit a low- and moderate-income household.

(3) **Sustainability** applies to activities that are aimed at improving communities or neighborhoods, helping to make them liveable or viable by providing benefit to low- and moderate-income persons. This outcome is designed to promote liveable or viable communities and neighborhoods and not for assistance to individual households.

Please select the one outcome that best covers the activities proposed to be funded by Salt Lake City:

- (1) Availability/Accessibility
- (2) Affordability
- (3) Sustainability

**ATTACHMENT C**  
**HOME Application**

**SALT LAKE CITY  
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)  
APPLICATION for 2007-2008**

<b>A. General Information</b>	1. Amount of HOME funds requested from Salt Lake City:     \$200,000.00
2. Name of organization applying for funds:                   Housing Opportunities Inc.	
3. Agency director name & title:   Kerry William Bate, Director	
4. Contact name and title:           Janice Kimball, Director of Housing and Resident Services	
5. Contact's phone number:         (801) 284-4423	
6. Title of program or project for which you are requesting funding:   Gregson II	
<p>7. Describe your organization's mission and purpose:</p> <p>In 1994, the Housing Authority of the County of Salt Lake (HACSL) Board of Commissioners created Housing Opportunities Incorporated (HOI), a private nonprofit 501 c (3) organization. HOI's mission is to provide affordable housing opportunities and supportive services to low-income individuals and families. The Housing Authority of the County of Salt Lake was established in 1971 by a group of citizens concerned with the housing needs of moderate and low-income families. HACSL's mission is to provide quality affordable housing opportunities for individuals in need while promoting self-sufficiency, empowerment and neighborhood revitalization. HOI and HACSL's board and staff have always recognized that while housing provides the foundation for families, a continuum of care must be implemented in order for families to become self-sufficient. These two organizations continually partner to provide affordable housing coupled with supportive services to low-income families.</p> <p>HACSL in partnership with HOI has been providing housing assistance to low-income, homeless and special needs populations in Salt Lake County since 1971 serving over 2,100 households annually through their Section 8 program, 626 households in Public Housing and operating 125 owned units. HACSL and HOI operates several programs providing special needs and homeless populations with service enriched housing including the following:</p> <ul style="list-style-type: none"> <li>•       Gregson Apartments – This 16 –unit tax credit apartment complex for special needs residents was constructed in June, 1996. The nearly \$1 million development cost was financed by tax credits, loans from the State of Utah, Salt Lake City and County grants. Valley Mental Health, Counterpoint, Wasatch Homeless Health Care and TURN Community Services are partners with HACSL in providing services to residents and case management.</li> <li>•       Pleasant Green Villa – HOI constructed this fully accessible, ten-unit complex to provide affordable housing for people with severe physical/mental disabilities. This project was funded under the U.S. Housing and Urban Development's Section 811 program, Utah State and Salt Lake County funding. Salt Lake County CDBG funds provide case management and supportive services on-site. The Veterans Administration and the State Division of Services for Persons with Disabilities provide additional supportive services. At HUD's request, this project is now operated as a separate non-profit organization with HOI remaining managing member.</li> <li>•       Villa Charmant – HACSL purchased Villa Charmant, a 54-unit apartment complex, in 2001. In 2003 we refinanced the project as a tax credit entity in partnership with Barnes Bank and Washington Mutual. This enabled a \$570,000 rehabilitation of the property. This complex serves families at 60% or below of area median income.</li> <li>•       Financial Counseling Program – This program helps individuals and families resolve financial problems, improve financial stability, and encourage wise use of credit. Community partners include</li> </ul>	

Advanta Corp., American Express, American Investment Bank, Barnes Bank, CIT Bank, Volkswagen Bank, Washington Mutual, Wells Fargo Bank and Wright Bank.

- Youth Programs – These programs provide academic assistance, drug prevention and life skills to 300 low-income youth living in public housing who are at high-risk of involvement in the juvenile justice system and academic failure.

8. Project/Program Location(s): 57 West Gregson Ave.

9. Is this an ongoing program or project?  OR New program or project?

10. If ongoing, how long have you operated this program? N/A

11. Describe the program/project proposed for funding (this is not the same as your mission statement):

This project, called the Gregson II, will provide permanent, affordable housing coupled with supportive services to 84 chronically homeless individuals. HOI is requesting \$200,000 to support the construction costs for Gregson II.

Gregson II represents the implementation of the Federal, State, and local commitment to end chronic homelessness and enjoys broad support. This unique housing complex will contain 84 units of housing in a three-tiered building. Each studio apartment will have its own bathroom and kitchen, and measure approximately 366 square feet. Six (6) larger studio apartments are designed to meet ADA requirements. Each studio apartment will be equipped with a refrigerator, electric range, microwave oven and garbage disposal. There will be on-site offices provided for social service providers, as well as meeting space, open areas and a community kitchen in order to provide areas for the residents to socialize in and receive supportive services. The property will be managed by existing HACSL staff, who have years of experience managing low-income properties. Community partners will refer residents to the property, as well as provide supportive services. Partners that we have an agreement with include The Road Home, Valley Mental Health, Volunteers of America and Wasatch Homeless Health Care. Tenants who experience difficulty adjusting to the environment and meeting program guidelines will not be evicted to the streets, but rather staff will work with them to transfer tenants to a program that better meets their needs.

This is a cost-effective solution for the community. According to the Substance Abuse and Mental Health Services Administration (SAMHSA), the chronically homeless typically have multiple problems such as substance abuse, mental health and health issues. Placing these individuals, who represent only 11% of the homeless population in Salt Lake but use 50% of the resources, into permanent housing and providing them with supportive services, will decrease their use of resources such as the jail, prison, hospitals, police calls, detoxification, and shelter stays. Use of these resources is more expensive than placing these individuals into permanent, supportive housing, as proposed by this project.

HOI plans to have the project completed by the end of 2007. We have architectural diagrams rendered by Harold Woodruff, a member of the American Institute of Architects specializing in single- and multi-family units. We have procured a Real Estate attorney, David Broadbent, who is experienced in dealing with tax-credit properties. We have identified staff at HACSL to work on the project, including an experienced property manager. Our Director of Technical Services and Support, Dennis Kelsey, will oversee the construction. Dennis has over 30 years experience overseeing construction, including modernization of over 600 units of public housing, the remodeling of our 54 unit tax-credit property, Villa Charmant, and the construction of our 811 project in Magna providing accessible housing to 10 disabled households. Dennis will serve as HACSL's General Contractor Qualifier on this project.

In Utah, the primary causes of homelessness are low incomes and lack of affordable housing. In fact, more than 35% of Utah's homeless population work, but don't earn enough money to afford housing and other necessities (source: Utah State Legislature, Resolution Supporting Efforts to End Homelessness, 2004). In addition, 75% of people living below poverty in Salt Lake County do not receive some form of public assistance such as Social Security, Food Stamps, etc., meaning that they rely on wages alone (source: Ten-Year Plan to End Chronic Homelessness in Salt Lake County: Salt Lake County Implementation Plan 2005-2006). In Salt Lake City, 44% of renters' households are cost burdened, or



pay more than 30% of their income for housing (source: National Low Income Housing Coalition, Out of Reach 2004). Housing along the Wasatch Front is 70% more expensive than the national average (source: Salt Lake County Consolidated Plan, 2002).

An estimated 23,700 people, approximately 1% of the state's population, experienced homelessness during 2004, including 2,950 who were considered chronically homeless. Seventy percent of the homeless live in Salt Lake. However, there are not enough services to meet their housing needs. The Road Home, Utah's largest homeless shelter, reports that they have a waiting list year-round for people who need housing. In addition, the 2000 – 2005 Salt Lake County Consolidated Plan reports that there is a "high" unmet need for units of permanent housing for single homeless individuals. The Plan states that there are currently 248 units of permanent housing serving homeless individuals – yet there is a need for 824 additional units.

12. Estimated unduplicated number served with Salt Lake City HOME funds in Salt Lake City last program year: N/A people or N/A housing units. Total estimated unduplicated number served by your organization during the last program year: N/A

13. Unduplicated number expected to be served in 2007-08 with Salt Lake City HOME funds in Salt Lake City: 84 people or 84 housing units. Total unduplicated number expected to be served by your organization during 2007-08: 84

**B. Project Eligibility**

Check which of the following eligible activities best describes your proposed project:

- Acquisition of land or existing units
- New construction
- Reconstruction or rehabilitation of non-luxury housing
- Eligible forms of financial assistance
- Tenant Based Rental Assistance

### C. Proposed Program/Project Budget for 2007-08

List the total project costs, including those requested to be funded by HOME funds (not the agency's budget).

1. Project activities	TOTAL PROJECT COSTS (including HOME funds)	TOTAL HOME PORTION	TOTAL SLC HOME PORTION
Purchase Land Site Work New Construction Contingency Architectural and Engineering Fees Profit and Overhead Interim Financing Expenses Permanent Financing Expenses Soft Costs Syndication Costs Project Reserves	\$ 503,389 \$ 676,500 \$ 4,882,500 \$ 350,000 \$ 298,478 \$ 631,000 \$ 73,836 \$ 16,124 \$ 405,575 \$ 282,291 \$ 825,000	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ \$ \$ 200,000 \$ \$ \$ \$ \$ \$ \$ \$
<b>Total Project Expenses</b>	\$ 8,945,823	\$	\$ 200,000
2. Describe your contingency plan in the event your HOME request is not fully funded by Salt Lake City: Funding from Salt Lake City is crucial for the Gregson II project. We believe that homelessness is a community problem and have sought Federal, State, Local Government and private funding sources to support our effort.			
3. Is this application for a project that will be carried out in phases? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If yes, estimate the cost of future phases.			\$ N/A

4. List **ALL** funding sources for this project/program:

1. Salt Lake City HOME	\$	200,000
2. Salt Lake City CDBG (Pending)	\$	130,000
3. Tax Credit Application (Pending)	\$	4,929,823
4. Olene Walker Housing Loan Fund	\$	1,500,000
5. George S. and Dolores Dore Eccles Foundation	\$	600,000
6. Crusade for the Homeless	\$	600,000
7. Federal Home Loan Bank Seattle (Pending)	\$	250,000
8. American Express/Fannie Mae/Morgan Stanley	\$	16,000
9. Sandy City	\$	25,000
10. Salt Lake County	\$	750,000
<b>TOTAL</b>	<b>\$</b>	<b>\$8,945,823</b>

5. What is the source of your federally required 25% match in funding? HOI will be using funding from the Crusade for the Homeless as our 25% match funding.

**D. Program/Project Information**

1. Describe how your proposed project will meet HUD's required period of affordability. (See 2007-08 HOME application instructions)

The Gregson II project will be a tax credit property which will secure funding for 99 years to provide permanent supportive housing for the homeless. We anticipate that residents will be at 17% AMI. We will be using two rental subsidies to serve this population: 30 Shelter Plus Care Units and 50 Project Based Units. These subsidies will generate enough income to pay for operational costs and allow tenants to pay only 30% of their income.

2. List the tasks to be accomplished and provide a schedule for completing them.

Cross Easement/Parcel Consolidation	Sept. 30/06
Land Exchange	Sept. 30/06
Firm Construction and Operation Budget	Sept. 30/06
HUD Environmental	Sept. 30/06
Contractor Qualified to Bid	Dec. 30/06
Bid to General Contractors	Dec. 30/06
Bid Due Date	Jan. 31/07
Copy of Construction Contract	Feb. 01/07
Apply for building permit	Feb. 01/07
Break Ground	March 01/07
Construction completion	Dec. 31/07
Begin Leasing	Dec. 31/07

3. Describe how your organization will verify that clients using HOME funds for home ownership are income-eligible (80% of area median income or less) and will occupy the property as a principal residence.

N/A

4. Describe how your proposed project will meet the criteria where all HOME funds used to assist first-time home buyers will include resale arrangements that allow for a reasonable return on investment as well as availability of the unit for subsequent low/moderate-income home buyers.

N/A

5. Will your project address the issue of visitability for people with disabilities and mobility impairments? Please explain.

Gregson II will be designed to meet all ADA. All entrances, common areas and grounds are handicapped accessible. In addition, all units will be wired to meet visibility standards. There are 6 units that will be designed for individuals with physical disabilities. These 6 studio apartments will meet ADA requirements. The majority of tenants in Gregson II will have a disabling condition. Due to the physical design of the building and our enriched service model we will be able to accommodate their needs.

## E. Community Information

1. What partnerships have been created between your organization and others for the project?

Community partners include the following:

The Road Home (TRH) is a private, non-profit social service agency established in 1923. TRH is the largest homeless shelter in Utah. TRH provided thousands of homeless persons with shelter stays between July 2003 – June 2004 including 154,898 shelter stays in their Salt Lake Community Shelter and Self-Sufficiency Center. TRH staff includes experienced social workers that provide case management to homeless households to help them transition to self-sufficiency. TRH not only partners with agencies such as HACSL that operate housing assistance programs, but also operates its own Housing Program, which in one year alone transitioned 224 households from homelessness to housing.

Volunteers of America (VOA) has successfully operated programs in Utah for over thirty years helping over 4,000 people through homeless outreach, substance abuse detoxification and treatment, and senior services across the State of Utah. VOA, Utah, has experience in administering grants that implement new services and projects for homeless individuals. VOA currently partners with local housing authorities, including HACSL, to provide housing coupled with supportive services to their clients through programs such as Shelter Plus Care.

Valley Mental Health (VMH) is a private, not-for-profit agency that has provided mental health services to low-income mentally ill adults and youth for over twenty years. VMH has nationally recognized programs and is the sole provider for the Medicaid Capitation Program serving the mental health needs of all Medicaid-eligible clients for Salt Lake, Summit and Tooele Counties. VMH staff has extensive experience providing case management to homeless persons – VMH owns more transitional and permanent supportive housing than any other agency in Utah.

Wasatch Homeless Health Care was established in 1988 to provide comprehensive primary health services to homeless individuals and families in the Salt Lake City area. In 2004, The Fourth Street Clinic provided comprehensive primary medical services to 5,500 homeless individuals for 25,000 health

and medical visits. Five full-time medical case workers coordinate the social service needs of clients and refer them to needed services such as housing, substance abuse treatment, etc. The Fourth Street Clinic will provide health and medical treatment to clients in the Gregson II project.

2. Explain how your project addresses community or city needs:

The Gregson II is being constructed to help meet the need for additional permanent supportive housing units for the chronically homeless. Conservatively, there are 1,000 chronically homeless in Salt Lake County. Government from the federal to local levels are urging service providers to focus on serving the chronically homeless, who constitute only about 11% of the total homeless population, but consume 50% of the resources available. Accordingly, this project will house and stabilize chronically homeless persons with the highest need for services. This will dramatically reduce their use of emergency and shelter resources, freeing these resources up for other homeless persons, who may need only short-term assistance to get back on their feet. Our project is based on the cost-effective and successful Housing First Model, which stresses providing housing as a foremost priority to give clients a safe and stable foundation to build upon. Tenants will pay 30% of their monthly income towards rent.

In Salt Lake City approximately 30 percent of homeless men living in shelters are employed. The remainder, according to an October 2003 survey conducted at The Road Home and the Volunteers of America, could find and keep a job if they had a home. Unfortunately, most require extensive case management and follow through on problems that have led them into homelessness, e.g., loss of a job, substance abuse, divorce, or other displacing events.

National permanent housing models, such as this proposal, demonstrate how housing relieves pressure on shelters (Dennis Culhane, HUD, 2003) and give the single homeless person the opportunity to have a home, maintain a job, and progress to full independence through supportive case management. Other studies confirm the need for housing single homeless people. If an individual requires some type of temporary housing such as residential treatment for an illness or substance abuse, such interim housing should be firmly linked to eventual placement in permanent supportive housing as is being proposed in this application.

While efficient shelter operations can be increased to house more homeless people for short periods, this is not the answer to chronic homelessness. Ultimately homeless people will continue to be threatened with instability until the supply of truly low-income housing is increased. Incomes of the poor are inadequate to pay for necessities of food, shelter, and health care. Supportive housing that restores personal dignity and self-work is the long-term solution to homelessness.

In Utah, the primary causes of homelessness are low incomes and lack of affordable housing. In fact, more than 35% of Utah's homeless population work, but don't earn enough money to afford housing and other necessities (source: Utah State Legislature, Resolution Supporting Efforts to End Homelessness, 2004). In addition, 75% of people living below poverty in Salt Lake County do not receive some form of public assistance such as Social Security, Food Stamps, etc., meaning that they rely on wages alone (source: Ten-Year Plan to End Chronic Homelessness in Salt Lake County: Salt Lake County Implementation Plan 2005-2006). In Salt Lake City, 44% of renters' households are cost burdened, or pay more than 30% of their income for housing (source: National Low Income Housing Coalition, Out of Reach 2004). Housing along the Wasatch Front is 70% more expensive than the national average (source: Salt Lake County Consolidated Plan, 2002).

It is estimated that 23,700 people, approximately 1% of the State's population, experienced homelessness during 2004, including 2,950 who were considered chronically homeless. Seventy percent of the homeless live in Salt Lake. However, there are not enough services to meet their housing needs. The Road Home, Utah's largest homeless shelter, reports that they have a waiting list year-round for people who need housing. In addition, the 2000 – 2005 Salt Lake City Consolidated Plan reports that there is a "high" unmet need for units of permanent housing for single homeless individuals. The Plan states that there are currently 248 units of permanent housing serving homeless individuals – yet there is a need for 824 additional units.

While Salt Lake City and Salt Lake County has taken great strides in tackling Chronic Homelessness, it appears that many of the services are located in the downtown Salt Lake City area. Gregson II promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in

areas containing a high proportion of low-income persons. In addition, Gregson II contributes to the geographic distribution of affordable housing throughout the county, thus promoting the de-concentration of poverty and expanding housing and economic opportunities for low-income households. According to Census Data 2000, census tract 1116.00 has a poverty rate of 21.1 % far below that of downtown Salt Lake (Census Tracts 1024 and 1025) which is between 36% and 40.9%.

## F. Performance Measurements

In order to comply with Congressional and executive performance measurement mandates to assess program performance, HUD now requires its grantees to provide information on their achievements and investments. Performance measurement is a tool to capture information about program performance in order to determine how well programs and activities are meeting the needs and goals defined in the grantee's consolidated plan.

99% of all HOME projects fall under the Objective of providing decent housing with an Outcome of affordability unless a subrecipient is planning a project that is part of an entire neighborhood revitalization effort. Therefore, it is assumed all projects funded with Salt Lake City's 2007-08 HOME program funds will fall under the following Objective and Outcome:

### OBJECTIVE:

**Providing Decent Housing:** This objective focuses on housing activities whose purpose is to meet individual family or community needs. It does not include programs where housing is an element of a larger effort to make community-wide improvements, since such programs would be more appropriately reported under the Creating Suitable Living Environments objective.

### OUTCOME:

**Affordability** applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. Affordability is an appropriate objective whenever an activity is lowering the cost, improving the quality or increasing the affordability of a product or service to benefit a low- and moderate-income household. For instance, a low interest loan program might make loans available to those of low- and moderate-income that is below the market rate and lowering the cost of the loan. As a result, the program makes financing more affordable.

If you feel your program/project does not fit under the above listed Objective and Outcome please read the other options listed below and provide information outlining the reasons you believe the options below better describe your program/project:

### OBJECTIVES:

- **Creating Suitable Living Environments** relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This object relates to activities that are intended to address a wide range of issues faced by low- and moderate-income persons, from physical problems with their environment, such as poor quality infrastructure, to social issues such as crime prevention, literacy, or elderly health services.
- **Creating Economic Opportunities** applies to activities related to economic development, commercial revitalization, or job creation.

### OUTCOMES:


- **Availability/Accessibility** applies to activities that make services, infrastructure, public services, public facilities, housing or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low- and moderate-income people where they live.
- **Sustainability** applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income persons or

by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods. This Outcome is designed for communities and neighborhoods and is not used for reporting housing assistance to individual households.

### G. Applicant Information

1. Type of applicant (check one):  Private nonprofit <input checked="" type="checkbox"/>  Private for-profit <input type="checkbox"/>  Other:	2. Federal ID #: 87-0529864
	3. State License #: Expiration Date:
	4. If your organization has a nonprofit status, please provide a copy of your current IRS 501(c) 3 status letter with your application.
5. If your organization is a private organization, please provide a current list of board members with your application.	6. If your organization is a housing provider, please identify the resident member(s) on your current list of board members. Daniel Hacking
7. Agency mailing address: 3595 South Main Salt Lake City, Utah 84115	8. Contact email address: jjkimball@hacsl.org

### H. Applicant Certification

1. Print name of person authorized to sign grant agreement: Kerry William Bate
2. Signature of authorized person: 
3. Title: Director



# HOUSING OPPORTUNITIES, INC. BOARD OF COMMISSIONERS

## CLARENCE "BUD" BAILEY, CHAIRMAN

1476 East 6030 South  
Murray , UT 84121  
801-231-8511  
[bbailey@swinerton.com](mailto:bbailey@swinerton.com)

Appointed: 12/01/05  
Term Expires: 11/30/10

## KERRY D. STEADMAN, VICE CHAIR

Homeless Services Coordinator  
Salt Lake County Government Center  
Salt Lake County Government, Suite S-2100  
Salt Lake City, Utah 84190-2210  
468-2183 FAX 468-3684  
[ksteadman@slco.org](mailto:ksteadman@slco.org)

Beg. Date of Service: 02/06/96  
Reappointed: 11/01/03  
Term Expires: 10/31/08

## JOHN A. DAHLSTROM JR.

Wasatch Property Management  
299 S. Main Street  
Salt Lake City, Utah 84111  
961-1102 FAX 532-0292  
[john.dahlstrom@netwasatch.com](mailto:john.dahlstrom@netwasatch.com)

Beg. Date of Service: 06/17/98  
Reappointed: 01/26/03  
Term Expires: 01/26/08

## GAYE LITTLETON

2217 Karilee Way  
Sandy, Utah 84092  
801-943-2604  
[graham1525@netzero.net](mailto:graham1525@netzero.net)

Appointed: 04/08/02  
Term Expires: 04/08/07

## JEFFREY H. BENNION

4206 Foothill Circle  
Bountiful, UT 84010  
801-898-4224  
[Jeffrey\\_h\\_bennion@fanniemay.com](mailto:Jeffrey_h_bennion@fanniemay.com)

Appointed: 05/03/05  
Term Expires: 05/03/10



**DANIEL G. HACKING**

3839 South 300 East, Apt. #9  
South Salt Lake, UT 84115  
801-263-0511  
[danhslc@yahoo.com](mailto:danhslc@yahoo.com)

Appointed: 01/24/06  
Term Expires: 03/01/10

**PHYLLIS CARUTH**

38 Wanderwood Way  
Sandy, Utah  
[wdpcaruth@aol.com](mailto:wdpcaruth@aol.com)

Appointed: 07/05/06  
Term Expires: 07/04/11

**ATTACHMENT D**  
**Previous Council Transmittal**

A. LOUIS ZUNGUZE  
DIRECTOR

BRENT B. WILDE  
DEPUTY DIRECTOR

# SALT LAKE CITY CORPORATION

DEPT. OF COMMUNITY DEVELOPMENT  
OFFICE OF THE DIRECTOR

ROSS C. "ROCKY" ANDERSON  
MAYOR

## CITY COUNCIL TRANSMITTAL

**TO:** Rocky Fluhart, Chief Administrative Officer *Steve L. Faulstich* **DATE:** December 20, 2006

**FROM:** Louis Zunguze, Community Development Director *[Signature]*

**SUBJECT:** A request from the Housing Authority of Salt Lake County for a grant from the City's 2007-08 Community Development Block Grant (CDBG) allocation and a cash flow loan from the City's HOME Investment Partnerships Program (HOME) allocation for the construction of the Grace Mary Manor Apartment project to be located at 57 West Gregson Avenue

**STAFF CONTACTS:** LuAnn Clark, Housing & Neighborhood Development Director, at 535-6136 or luann.clark@slcgov.com

**RECOMMENDATION:** That the City Council hold a briefing

**DOCUMENT TYPE:** Briefing

**BUDGET IMPACT:** None

### DISCUSSION:

#### *Issue Origin:*

The Housing Authority of the County of Salt Lake has requested funding from Salt Lake City's 2007-08 CDBG and HOME allocations for construction of the Grace Mary Manor apartment project to be located at 57 West Gregson Avenue. The project will consist of 84 units of new housing with supportive services for chronically homeless individuals. The County Housing Authority has firm commitments from other funding sources including Low-Income Housing Tax Credits, the Crusade for the Homeless, the Eccles Foundation, and Salt Lake County. The board of the State of Utah's Olene Walker Housing Loan Fund will meet in January, at which time the County Housing Authority expects to receive a firm commitment for funding from that organization. The total cost of the project will be approximately \$8.9 million, but construction cannot begin without commitments from all of the funding sources.

The County Housing Authority is asking the City for consideration of their funding request, and a funding commitment if their request is approved, outside the usual federal budget time frame in order to meet critical deadlines and begin construction of the project in March 2007. The City will prepare the necessary environmental reviews before any work begins on the site. The actual funds for the project would not be released until much later in 2007.

***Analysis:***

The request is for a \$130,000 grant from the City's 2007-08 CDBG allocation and a \$200,000 cash flow loan from the City's 2007-08 HOME allocation. The County Housing Authority has requested the CDBG funds for landscaping and fencing for the project. The City has available matching funds for this request, if the Council chooses to approve it. The CDBG request will qualify for housing match funds that the City has set aside almost every year for matching housing projects which may need funding outside of the annual CDBG funding cycle. The last two projects for which the City used matching funds were the Safe Haven and Valor House projects.

Should the City Council approve this request for consideration outside the usual timeframe, the newly combined Community Development/Capital Improvement Projects (CDCIP) Board will review the CDBG request in a special session and make their recommendation to the Mayor and the City Council. The Mayor will then review the project and forward his recommendation to the City Council for the final funding decision. The final approval process of the County's request would be handled through the City's regular process, meeting the federal government's requirement for public review.

The County Housing Authority is also requesting a \$200,000 cash flow loan from the City's HOME allocation. The HOME funds do not have a matching fund account similar to the CDBG program. In Budget Amendment 2, approved by the City Council on December 12, 2006, however, program income in the amount of \$267,614 was placed in the holding account for next year's allocation. The Administration is requesting that the City Council consider using the recaptured funds so the request from the Housing Authority of the County of Salt Lake can be reviewed before the City's annual allocation process. Please note that the one other occasion the City Council chose to allocate program income funds outside the regular annual allocation process is when the City funded projects with HOME program income in 2004. If the City Council approves the Administration's request, the Housing Trust Fund Advisory Board will review the request and make their recommendations to the Mayor and the City Council. The Mayor will then review the project and forward his recommendation to the City Council for a final funding decision.

The Housing and Neighborhood Development (HAND) Division estimates the City's 2007-08 HOME allocation will be approximately \$1.3 million. Applications were submitted in the amount of \$1,875,000 (see Attachment A), which includes the County Housing Authority's request. The allocation of the program funds to the County Housing Authority would limit the amount of funds the other HOME subrecipients may receive during the annual process. HAND is in the process of closing out several past-year HOME accounts and anticipates additional HOME funds to be available for recapture. The County Housing Authority has also committed to decrease the amount they have requested from Salt Lake City if any additional funding becomes available. It is important to note that with the rise in construction costs that HAND has been seeing on their projects, the availability of additional funds is not a certainty.

***Recommendation:***

Mayor Anderson has agreed to consider this request for funding, and he supports using the City's CDBG housing match funds and HOME program income funds in order to meet the critical funding commitment and construction deadlines for this housing project.

**PUBLIC PROCESS:**

This request for funding will be reviewed by the CDCIP Board and the Housing Trust Fund Advisory Board, whose recommendations will be forwarded to the Mayor. The Mayor will review the project and make his recommendation to the City Council for the final funding decision.

**RELEVANT ORDINANCES:**

Ordinance 77 of 2006 – The Community Development and Capital Improvement Project Advisory Board

Chapter 2.80 – The Housing Trust Fund Advisory Board

**SALT LAKE CITY HOME PROGRAM  
FUNDING RECOMMENDATIONS FOR 33rd YEAR (2007-08)**

#	ORGANIZATION	DESCRIPTION	PREV. AMOUNT	PREV. YEAR	REQUEST AMOUNT	RECOMMENDATIONS		
						HTF	MAYOR	COUNCIL
1	SL Community Development Corporation 501 East 1700 South Own in Salt Lake Program	To provide a loan/grant for 35 low/mod first time home buyers for down payment assistance or closing costs. If buyer resides in the home for 15 years, the funding becomes a grant, otherwise, the owner repays the \$5000 at the time of the sale.	175,000 135,000 125,000 75,000 50,000 75,000	06/07 05/06 04/05 03/04 02/03 01/02	175,000			
2	SL Community Development Corporation 501 East 1700 South Property Acquisition	Funding for acquisition, new construction or rehabilitation of one property in order to provide affordable housing for one low- or moderate-income household.	125,000 0 180,000 135,000 192,500 100,000	06/07 05/06 04/05 03/04 02/03 01/02	125,000			
3	Housing Opportunities, Inc. Housing Authority of the County of Salt Lake 3595 South Main Street	Funds for construction of the Gregson II apartment project to be located at 57 West Gregson Avenue (3052 South) to provide permanent affordable housing for 84 chronically homeless individuals.	New		200,000			
4	Neighborhood Housing Services 622 West 500 North CHDO application Rebuild & Revitalize Blight project	Funding to target and acquire boarded and/or vacant properties in the Glendale, Poplar Grove, Fairpark, Rose Park, Lower West Capitol Hill neighborhoods and develop them into affordable housing for first time home buyers earning 80% of the median income or less. NHS is seeking approval to expand their services to the West Liberty Wells neighborhoods. They anticipate providing services to 300 people.	456,172 370,479 464,532 217,953 477,800 580,000	06/07 05/06 04/05 03/04 02/03 01/02	600,000			
5	The Road Home 210 South Rio Grande TBRA program	To provide tenant based rental assistance and supportive services to homeless, special needs and other at-risk populations in order to transition them into permanent housing and maximize stability. They anticipate serving 30-35 households.	75,000 75,000 75,000	06/07 05/06 04/05	75,000			

SALT LAKE CITY HOME PROGRAM  
 FUNDING RECOMMENDATIONS FOR 33rd YEAR (2007-08)

#	ORGANIZATION	DESCRIPTION	PREV. AMOUNT	PREV. YEAR	REQUEST AMOUNT	RECOMMENDATIONS		
						HTF	MAYOR	COUNCIL
6	SLC Housing & Neighborhood Development 451 S. State Street, Rm 406	Funding for homeowner rehabilitation, First Time Home Buyer Assistance, and financial services programs. They anticipate providing 110 housing rehabilitations and funding 30 First Time Home Buyer projects.	570,000 570,000 570,000 570,000 570,000 508,550	06/07 05/06 04/05 03/04 02/03 01/02	570,000			
7	Administrative Costs SLC - HAND 451 S. State Street, Rm 406	Funding to administer the HOME program (10% of the total HOME allocation).  ****Amount to be determined by actual grant amount	129,214 137,384 145,504 145,302 135,400 135,000	06/07 05/06 04/05 03/04 02/03 01/02	127,275			
		<b>TOTALS</b>			<b>1,872,275</b>	<b>0</b>	<b>0</b>	<b>0</b>
		GRANT AMOUNT						
		Reallocated Funds						
		Total Recommendation						
		Available Balance						