

---

## **SALT LAKE CITY COUNCIL STAFF REPORT**

---

**DATE:** January 7, 2010

**SUBJECT:** Bill Nighswonger, Executive Director, Housing Authority of Salt Lake City, request for:

- A loan from the Salt Lake City Housing Trust Fund and CDBG Housing Match funds to assist in the acquisition of an existing motel located at 1900 West North Temple.
- The City to forgive an existing loan for the Valor House project approved in 2001 with CDBG Housing Match funds.

**AFFECTED COUNCIL DISTRICTS:** Council District 1

**STAFF REPORT BY:** Janice Jardine, Land Use Policy Analyst

**ADMINISTRATIVE DEPT.  
AND CONTACT PERSON:** Community Development Department, Housing and Neighborhood Development Division  
LuAnn Clark, Director

---

### **OPTIONS:**

The following options have been identified for Council consideration.

1. Forward the resolution to the next Council Meeting for consideration. (January 19, 2010)
2. Request additional information.

### **KEY ELEMENTS:**

- A. A resolution has been prepared for Council consideration that would:
1. Authorize the Mayor to sign loan agreement documents to provide a loan to the Housing Authority of Salt Lake City from the City's HOME Investment Partnerships Program (that is part of the City's Housing Trust Fund) in the amount of **\$300,000** and the City's Community Development Block Grant funds in the amount of **\$219,325 (total \$519,325)**. The loan terms include a 0% interest rate for 40 years.
  2. Provide City Council approval to forgive a CDBG cash flow loan in the amount of **\$178,511** awarded to the Housing Authority in 2001 for the Valor House Apartment Project.
- B. Key points from the Administration's transmittal notes:
1. The loan would provide financial assistance for acquisition of an existing motel located at 1900 West North Temple.
  2. The proposed Freedom Landing project will replace the current Valor House project located on the Veterans Affairs Medical Center Campus.
  3. The project will provide 110 units of permanent supportive housing for homeless veterans.
  4. If approved, the City's HOME funds will assist 21 of the 110 units with HOME funds which will require the project to remain affordable for a period of five years. The HOME-assisted units will be designated as "floating" units, rather than requiring the applicant to identify specific units as the HOME-assisted units.

5. Amenities will include a fitness room, conference/training room, lounge and other common areas to help meet the residents' needs.
  6. Transportation is available via bus service. Within the next couple of years a TRAX station will be located across the street from the main entrance of the building.
  7. Tenant incomes will average approximately 15% of area median income.
  8. Supportive services will be provided by the Housing Authority of Salt Lake City and the Veterans Administration.
    - a. The Veterans Administration will provide clinical services.
    - b. The Housing Authority will provide property management and 24-hour on-site coverage including security cameras.
  9. The Housing Authority's application notes:
    - a. The 110 units of housing for veterans add to the continuum of housing options provided by the Housing Authority.
    - b. Specifically, the Housing Authority has a 13 unit apartment complex that provides housing with increased support for veterans to find and maintain employment.
    - c. Sunrise Metro Apartments provides 20 one bedroom units for veterans that continue to need supportive services like assistance in getting benefits, mental health and medical care.
    - d. The Housing Authority partners with the Veterans Administration to manage 105 HUD-VASH vouchers which offer case management with permanent housing subsidy.
- C. The property located at 1900 West North Temple is currently zoned Commercial Corridor CC. The purpose of the Commercial Corridor CC zone is to provide an environment for efficient and attractive automobile oriented commercial development along arterial and major collector streets.
- D. The Administration indicated that in order to receive a current business license at this location (due to the need to relocate residents from the Valor House on the Veterans Affairs Medical Center Campus) the City recently issued a business license for a short-term stay hotel. If the loan request is approved by the Council, the City will require (as part of the loan documents) the Housing Authority to license the facility as a boarding house. This action was taken to facilitate in a timely manner the short-term and long-term needs for the Housing Authority to operate this facility.
- E. The Administration's transmittal notes that the Housing authority finalized the purchase of the property on December 1, 2009 with the clear understanding from the City that the City's contribution in the amount of \$519,325, had not been presented to the City Council before the project closed.
  1. The Housing Authority understands that by moving ahead with the property purchase, prior to the Council's consideration of their funding request, they were assuming significant risk relative to the acquisition and any possible reimbursement of funds from the City.
  2. If the funding request is not granted by the City, the Housing Authority will need to fundraise for the additional funds.
  3. City funds will be used to reimburse the Housing Authority for the temporary funding source used to acquire the property.
  4. The appropriate federal requirements have been met prior to closing and will not impact the release of federal funds.
  5. It is anticipated that veterans will be able to move into the project by January 2010.
- F. In 2001, Salt Lake City approved a CDBG cash flow loan in the amount of **\$178,511** to the Housing Authority for the creation of the Valor House project, a transitional housing project, consisting of 61 housing units for homeless veterans.
  1. No payments have been made on this loan since it has never produced surplus cash.
  2. The Housing Authority currently operates the Valor House project located on the Veterans Affairs Medical Center Campus.

3. The Veterans Administration is in need of the campus space currently occupied by the Valor House project resulting in the need for it to be relocated.
  4. The Veterans Administration has granted approval for the Housing Authority to relocate this program to the proposed Freedom Landing location.
- G. The Administration's transmittal notes that the Housing Authority has an extensive track record of owning, operating and maintaining this type of housing project. Their ability to repay the Freedom Landing project loan is reflected on their pro forma included with their application.
- H. Acquisition costs are estimated at approximately \$5,650,000. Funding from the City will be leveraged with funds from the State's Olene Walker Housing Loan Fund and Salt Lake County.
1. The City's contribution for the project represents 9.2% of the total project budget.
  2. The applicant is providing \$3,630,675 in cash for the project that represents 64.3% of the total project budget.
- I. A breakdown of funding sources and uses includes:

SOURCES OF FUNDS - Permanent Financing:

State of Utah funds	\$1,000,000
Salt Lake City HOME funds	300,000
Salt Lake City CDBG funds	219,325
Salt Lake County funds	500,000 (not yet approved)
Housing Authority funds	<u>3,630,675</u>
TOTAL	\$5,650,000

USES OF FUNDS

Land/Building Acquisition Costs	\$5,650,000
---------------------------------	-------------

Costs per unit:

HOME Funds:	\$ 2,727
CDBG Funds:	<u>\$ 1,994</u>
Total Project Funds	\$ 51,364

- J. The Administration notes that City currently has \$300,000 allocated for low income housing projects in the 2008-09 HOME funds and \$219,325.38 in the CDBG Housing Match fund that have gone through the required public process for funding approvals.
1. This project will zero out all of the funding the Council approved in HOME and CDBG funding over the last couple of years for non-designated housing projects.
  2. If the Council approves the loan, Housing and Neighborhood Development staff will submit an application for housing match funding through the annual Federal CDBG and HOME funding process (2011/2012). This will provide additional funds for affordable housing projects that are unable to apply for funding because of timing issues that relate to the City's application process.
- K. Salt Lake City Code, Chapter 18.95 - Use of LEED Standards (Leadership in Energy and Environmental Design) in City Funded Construction, requires that all construction built with City funds meet a LEED Certified level at a minimum. The purpose of Chapter 18.95 is to promote development consistent with sound environmental practices by requiring that applicable building projects constructed with city construction funds obtain, at a minimum: a) "silver" for city owned and operated buildings, or b)

"certified" for private building projects that receive city funds. These designations shall be from the "USGBC" (U.S. Green Building Council).

1. The Administration's paperwork notes that the requirements of LEED Standards in City Funded Construction (Chapter 18.95 adopted in 2006) are not applicable to this project.
  2. The Council previously received clarification from the City Attorney that the authority to work with applicants on the LEED issue rests with the Administration.
  3. The Council's Environmental subcommittee reviewed the current ordinance and recommended that it be retained. This recommendation was forwarded to the Council via e-mail.
- L. On November 4, 2009, the Housing Trust Fund Advisory Board voted to recommend to the Mayor and Council approval of the loan requests and that the 2001 CDBG loan be forgiven by the City.
- M. On November 9, 2009, the Community Development and Capital Improvement Programs Board voted to recommend to the Mayor and Council approval of the loan requests and that the 2001 CDBG loan be forgiven by the City.
- N. On November 23, 2009, Mayor Becker reviewed the request and recommended approval of the loan requests and that the 2001 CDBG loan be forgiven by the City.

## **MASTER PLAN AND POLICY CONSIDERATIONS:**

- A. The Administrative staff evaluation notes that the project meets priority goals of the existing Salt Lake City Community Housing Plan to increase the City's housing stock, particularly by increasing the number of affordable housing units.
- B. The City's adopted Comprehensive Housing Plan policy statements address a variety of housing issues including quality design, architectural designs compatible with neighborhoods, public and neighborhood participation and interaction, accommodating different types and intensities of residential developments, transit-oriented development, encouraging mixed-income and mixed-use developments, housing preservation, rehabilitation and replacement, zoning policies and programs that preserve housing opportunities. Relevant policy statements include:
1. **Affordable and Transitional Housing**  
*The City Council supports:*
    - a. Salt Lake City residents having access to housing that does not consume more than 30 percent of their gross income.
    - b. Development of programs to meet the housing needs of all individuals employed by and working or living within Salt Lake City.
    - c. Policies and programs that encourage home ownership without jeopardizing an adequate supply of affordable rental housing.
    - d. The dispersal of affordable and transitional housing Citywide and valley-wide.
  2. **Citywide Cross Section of Housing**  
*The City Council supports:*
    - a. A citywide variety of residential housing units, including affordable housing.
    - b. Accommodating different types and intensities of residential development.
  3. **Funding Mechanisms**  
*The City Council supports:*
    - a. Increasing the housing stock via public-nonprofit and/or for profit partnerships.
    - b. Establishing a public document that outlines annual sources and uses of funds for housing and housing programs.

- c. Maximizing public reviews and input relating to use of City housing monies.
- C. The Northwest Community Master notes that assisted/public housing sites should not be located in neighborhoods that are predominantly single-family in character. Assisted housing projects should be required to have compatibly designed buildings which fit with the character of the surrounding neighborhood.
- D. The City's Strategic Plan and the Futures Commission Report express concepts such as maintaining a prominent sustainable city, ensuring the City is designed to the highest aesthetic standards and is pedestrian friendly, convenient, and inviting, but not at the expense of minimizing environmental stewardship or neighborhood vitality. The Plans emphasize placing a high priority on maintaining and developing new affordable residential housing in attractive, friendly, safe environments.
- E. The City's 1990 Urban Design Element includes statements that emphasize preserving the City's image, neighborhood character and maintaining livability while being sensitive to social and economic realities. Policy concepts include:
  1. Allow individual districts to develop in response to their unique characteristics within the overall urban design scheme for the city.
  2. Ensure that land uses make a positive contribution to neighborhood improvement and stability.
  3. Ensure that building restoration and new construction enhance district character.
  4. Require private development efforts to be compatible with urban design policies of the city regardless of whether city financial assistance is provided.
  5. Treat building height, scale and character as significant features of a district's image.
  6. Ensure that features of building design such as color, detail, materials and scale are responsive to district character, neighboring buildings, and the pedestrian.

**CHRONOLOGY:**

- October 2009                      Application submitted to Housing & Neighborhood Development Division
- November 4, 2009              Housing Trust Fund Advisory Board meeting
- November , 2009                Community Development & Capital Improvement Programs Board meeting
- November 23, 2009              Mayor's review and recommendation

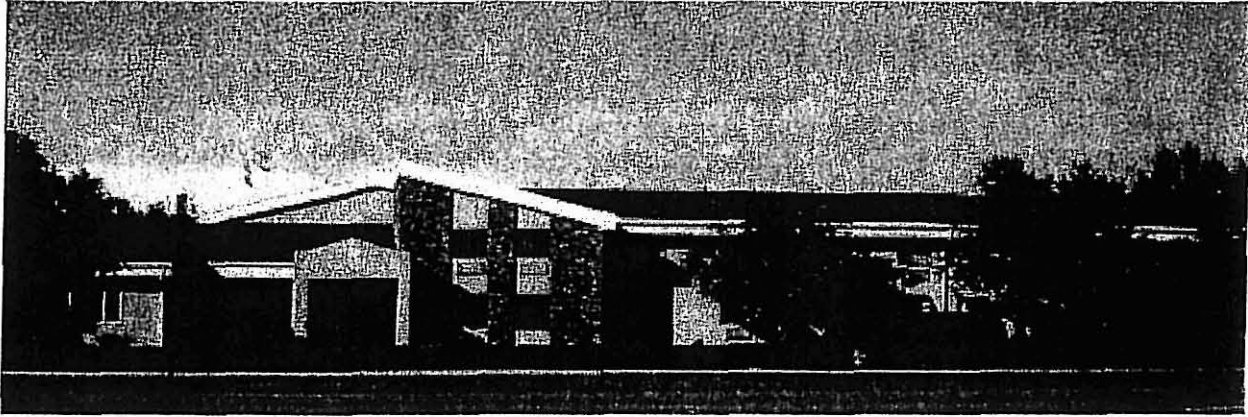
cc: David Everitt, Karen Hale, Lisa Harrison-Smith, Ed Rutan, Lynn Pace, Laura Kirwan, Frank Gray, Mary De La Mare-Schafer, LuAnn Clark, Sandra Marler, Jennifer Bruno, City Council Liaisons, Mayors Liaisons

File Location: Community and Economic Development Dept., Housing and Neighborhood Development Division, Housing Trust Fund loan, Housing Authority of Salt Lake City, Freedom Landing homeless veteran's housing project, 1900 West North Temple

# Freedom Landing

1900 W. North Temple, Salt Lake City, UT 84116

Permanent Supportive Housing for Homeless Veterans



In an effort to assist in President Obama and Secretary Shinseki's initiative to end homelessness among veterans in the next five years, the Housing Authority of Salt Lake City would like to announce Freedom Landing: A 110-unit permanent supportive housing facility for homeless veterans. The Housing Authority is proud to continue to partner with the Department of Veterans Affairs (VA), State of Utah and Salt Lake City in this endeavor.

Freedom Landing consists of one building located on the west end of North Temple. Amenities within the building include a fitness room, conference/training room, lounge, and other common areas that will be enhanced to meet the needs of the residents. Transportation is available via the bus; however, within the next couple of years a TRAX stop will be located across the street from the main entrance.

Supportive services will be provided cooperatively with the Housing Authority and the VA. The VA will provide clinical services and the Housing Authority will provide property management and 24-hour on site coverage including security cameras. The program is designed so that the veteran can stabilize and eventually receive a project based HUD-VASH or Section 8 voucher that allows him to remain in the apartment complex. This provides continuity for the veteran and the permanent voucher helps prevent returning to homelessness.

It is anticipated that this property will be purchased around December 1, 2009 and after minimal rehabilitation, veterans will move in around January 1, 2010. These 110 units of housing for veterans add to the continuum of housing options provided by the Housing Authority. Specifically, the Housing Authority has a 13 unit apartment complex that provides housing with increased supports for veterans to find and maintain employment. Sunrise Metro Apartments provides 20 one bedroom units for veterans that continue to need supportive services like assistance in getting benefits, mental health and medical care. Finally, the Housing Authority partners with the VA to manage 105 HUD-VASH vouchers which offer case management with a permanent housing subsidy.

It is with great pleasure and excitement that we continue to expand housing opportunities for veterans...welcome home!

# SALT LAKE CITY CORPORATION

FRANK B. GRAY  
DIRECTOR

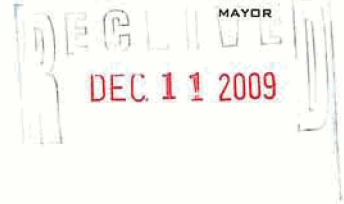
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT  
OFFICE OF THE DIRECTOR

RALPH BECKER  
MAYOR

MARY DE LA MARE-SCHAEFER  
DEPUTY DIRECTOR

ROBERT FARRINGTON, JR.  
DEPUTY DIRECTOR

## CITY COUNCIL TRANSMITTAL



David Everitt, Chief of Staff

Date Received: 12-10-09

Date Sent to City Council: 12/15/2009

**TO:** Salt Lake City Council  
Carlton Christensen, Chair

**DATE:** December 3, 2009

**FROM:** Frank Gray, Community & Economic  
Development Department Director

**SUBJECT:** The Housing Authority of Salt Lake City is requesting a \$300,000 loan from Salt Lake City's HOME Program and \$219,325 from Salt Lake City's CDBG Housing Match funds. The Housing Authority is also requesting the City forgive an existing loan for the Valor House Project approved in 2001 with CDBG Housing Match funds. The Freedom Landing Project will replace the Valor House Project.

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

**ACTION REQUIRED:** None

**DOCUMENT TYPE:** Resolution

**BUDGET IMPACT:** None

### DISCUSSION:

**Issue Origin:** The Housing Authority of Salt Lake City (HASLC) submitted a request for a \$300,000 loan from the City's HOME Program funds and a \$219,325 loan from the City's CDBG Housing Match funds for acquisition of an existing motel located at 1900 West North Temple that will become the Freedom Landing Apartment Project. They are requesting a zero percent interest loan to be amortized over forty years. Their ability to repay the Freedom Landing Project loan is reflected on their pro forma included with their application.

The HASLC currently operates the Valor House Project, a homeless veterans program located on the Veterans Administration Campus. The Valor House Project received a cash flow loan from

the City's Housing Match Funds in 2001 in the amount of \$178,511 which they are now requesting the City to forgive. No payments have been made on this loan.

The Veterans Administration is in need of the campus space currently occupied by the Valor House Project, resulting in the need for it to be relocated. The new Freedom Landing Project will replace the existing Valor House Project. The Veterans Administration has granted approval for the HASLC to relocate this program to the proposed Freedom Landing Project location.

**Analysis:** The new Freedom Landing Project, located at 1900 West North Temple, will consist of 110 units of permanent supportive housing for homeless veterans. Amenities will include a fitness room, conference/training room, lounge and other common areas to help meet the residents' needs. Tenant incomes will average approximately 15% of area median income. Supportive services will be provided by the HASLC and the Veterans Administration. The Veterans Administration will provide clinical service; the HASLC will provide property management and 24-hour on-site coverage including security cameras.

It is estimated the total project acquisition costs will be approximately \$5,650,000. The HASLC has been approved for a \$1,000,000 loan from the Olene Walker Housing Loan Fund and has applied to Salt Lake County for a loan in the amount of \$500,000 that has not yet been approved. The HASLC is providing \$3,630,675 of its own funds to the project. The total request from the City is \$519,325.

The Housing Authority of Salt Lake City finalized the purchase of the property on December 1, 2009 with the clear understanding from the City that the City's contribution, in the amount of \$519,325, had not been presented to the City Council before the project closed. They also understand that by moving ahead with the purchase of the property, prior to the City Council's consideration of their request, that they were assuming a significant risk relative to the acquisition and any possible reimbursement of funds from the City. The Housing Authority felt the property was the best solution for their housing need and moved ahead, knowing of the potential risk. If their request is not granted by Salt Lake City, they will need to fundraise for the additional funds.

If the project is approved, the City's funds will be used to reimburse the Housing Authority for the temporary funding source they used to acquire the property. The appropriate federal requirements have been accomplished on this project prior to closing and will not impact the release of federal funding, if approved by the City. It is anticipated the Veterans will be able to move into the project by January 2010.

#### **A. Board Recommendations**

The Housing Trust Fund Advisory Board voted to recommend approval of the HOME loan request at 0% interest per annum to be amortized over 40 years.

The CDCIP Board voted to recommend approval of the CDBG Housing Match Program loan request at 0% interest per annum to be amortized over 40 years.



**B. Mayor's Recommendation**

Mayor Becker reviewed this issue on November 23, 2009 and recommended approval of the loans as approved by the Housing Trust Fund and CDCIP Boards.

The City currently has \$300,000 allocated for low income housing projects in its 2008-09 HOME funds and 219,325.38 in its CDBG Housing Match fund that have gone through the required public process for funding approvals.

**PUBLIC PROCESS:**

The Housing Trust Fund Advisory Board reviewed the HOME Program request on November 4, 2009. The CDCIP Board reviewed the CDBG Program request on November 9, 2009.

**RELEVANT ORDINANCES:**

Chapter 2.80 of the Salt Lake City Code: Housing Trust Fund Advisory Board

Resolution #47 of 2005: Housing Trust Fund Appropriations and Loan Criteria

## **TABLE OF CONTENTS**

Attachment A: Resolution

Attachment B: Staff Evaluation of the Freedom Landing Apartment Project

Attachment C: Housing Trust Fund and CDCIP Board Meeting Minutes

Attachment D: Loan Application

**ATTACHMENT A**  
**Resolution**

RESOLUTION NO. \_\_\_\_\_ OF 2010  
AUTHORIZING LOANS FROM  
SALT LAKE CITY'S HOME AND CDBG ALLOCATIONS  
TO THE HOUSING AUTHORITY OF SALT LAKE CITY  
FOR THE FREEDOM LANDING APARTMENT PROJECT

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

WHEREAS, the Housing Authority of Salt Lake City has applied to the City for a HOME loan for the Freedom Landing Apartment Project, to be located at 1900 West North Temple, in the amount of \$300,000.00 at 0% interest per annum over forty years, and a CDBG loan for the same project in the amount of \$219,325.00 at 0% interest per annum of forty years; and

WHEREAS, the Housing Authority of Salt Lake City has applied to the City for forgiveness of a 2001 CDBG cash flow loan in the amount of \$178,511, awarded to the Valor House Apartment Project that will be replaced by the Freedom Landing Apartment Project.

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

1. The City Council does hereby approve Salt Lake City to enter into a loan agreement with the Housing Authority of Salt Lake City, for a HOME loan for the Freedom Landing Apartment Project, to be located at 1900 West North Temple, in the amount of \$300,000.00 at 0% interest per annum over forty years, and a CDBG loan for the same project in the amount of \$219,325.00 at 0% interest per annum of forty years.

2. The City Council does hereby approve forgiveness of the CDBG cash flow loan awarded to the Housing Authority of Salt Lake City in 2001, in the amount of \$178,511.00 for the Valor House Apartment Project that will be replaced by the Freedom Landing Apartment Project.

3. The Housing Authority of Salt Lake City will use the loan funds for acquisition of the Freedom Landing Apartment Project, consisting of 110 rental units of permanent supportive housing for homeless veterans, with an average income of 15% area median income.

4. Ralph Becker, Mayor of Salt Lake City, Utah, following approval of the City Attorney, is hereby authorized to execute the requisite loan agreement documents on behalf of Salt Lake City Corporation and to act in accordance with their terms.

Passed by the City Council of Salt Lake City, Utah, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

SALT LAKE CITY COUNCIL

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

ATTEST:

\_\_\_\_\_  
CITY RECORDER

APPROVED AS TO FORM  
SALT LAKE CITY ATTORNEY'S OFFICE  
BY: [Signature]  
DATE: 12/3/09

**ATTACHMENT B**  
**Staff Evaluation**

**EVALUATION  
SALT LAKE CITY LOW INCOME HOUSING ASSISTANCE FUND**

Name of Organization: Housing Authority of Salt Lake City

Name of Project: Freedom Landing Apartment Project  
to replace the existing Valor House Apartment Project

Location of Project: 1900 West North Temple

Project Description: In 2001, Salt Lake City approved a CDBG cash flow loan in the amount of \$178,511 to the Housing Authority for the creation of the Valor House project, a transitional housing project, consisting of 61 housing units for homeless veterans. No payments have been made on this loan since it has never produced surplus cash. The Housing Authority currently operates the Valor House project, located on the Veterans Affairs Medical Center Campus. The proposed Freedom Landing project will replace the current Valor House project.

Please note that the Housing Authority is also requesting the loan made to them for the Valor House project be forgiven by the City.

The new project will include the acquisition of an existing motel by the Housing Authority of Salt Lake City that will become the Freedom Landing Apartment Project, containing 110 units of permanent supportive housing for homeless veterans. Amenities will include a fitness room, conference/training room, lounge and other common areas to help meet the residents' needs. Tenant incomes will average approximately 15% of area median income.

Supportive services will be provided by the Housing Authority of Salt Lake City and the Veterans Administration. The Veterans Administration will provide clinical service; the Housing Authority will provide property management and 24-hour on-site coverage including security cameras.

Amount and terms requested: \$300,000 at 0% over 40 years

Is the entire project eligible for Housing Trust Fund money? Yes

SOURCES OF FUNDS - Permanent Financing:

State of Utah funds	\$1,000,000
Salt Lake City HOME funds	300,000
Salt Lake City CDBG funds	219,325
Salt Lake County funds	500,000
Housing Authority funds	<u>3,630,675</u>
TOTAL	\$5,650,000

USES OF FUNDS

Land/Building Acquisition Costs	\$5,650,000
---------------------------------	-------------

Costs per unit:

HOME Funds:	\$ 2,727
CDBG Funds:	\$ 1,994
Total Project Funds	\$51,364

How long will the project remain affordable?

If approved, the City's HOME funds will assist 21 of the 110 units with HOME funds which will require the project to remain affordable for a period of five years. The HOME-assisted units will be designated at "floating" units, rather than requiring the applicant to identify specific units as the HOME-assisted units.

Does the requesting agency have sufficient cash flow to repay the loan? Yes

Does the project have demonstrated community support?

Not required for acquisition projects.

Does the requesting agency have a track record of owning, operating and maintaining this type of housing project?

Yes. The Housing Authority of Salt Lake City has an extensive track record of owning, operating and maintaining this type of housing project.

Does the project meet the requirements of LEED Standards in City Funded Construction (Chapter 18.95 adopted in 2006)?

Not applicable to this project.

Project Strengths:

The applicant has the experience and supportive partners needed to successfully operate housing for previously homeless veterans.

The project would provide 110 units of permanent affordable housing for homeless veterans.

The project meets priority goals of the existing Salt Lake City Community Housing Plan to increase the City's housing stock, particularly by increasing the number of affordable housing units.

The applicant is providing \$3,630,675 in cash for the project.

Project Weaknesses:

The applicant is requesting the loan made to them for the Valor House project be forgiven by the City.

The applicant is requesting zero percent interest and a forty-year amortization of the loan.

Board Options

Approve the request for the new Freedom Landing loan and forgiveness of the Valor House loan as presented.

Deny the request.



**ATTACHMENT C**  
**Board Minutes**

## **HOUSING TRUST FUND ADVISORY BOARD Meeting of November 4, 2009**

The following board members were in attendance: Michael Brough, Paula Carl, Kathy Davis, Joe Gallegos, Rick Knuth, Nancy Pace, Faina Raik and Shawn Teigen. Staff members in attendance were LuAnn Clark, Director of Housing and Neighborhood Development, Sandi Marler, CD Programs Administrator, City Council staff Janice Jardine and Jan Davis, Administrative Secretary.

Chairperson Shawn Teigen called the meeting to order at 12:08 p.m.

Shawn Teigen welcomed new Board members Michael Brough and Kathy Davis.

Nancy Pace motioned to approve the May 28th minutes. Rick Knuth seconded the motion. All voted "Aye." The motion passed.

Laura Kirwan from the Salt Lake City Attorney's Office distributed the "Utah Open and Public Meetings Act Requirements for the Salt Lake City Housing Trust Fund Advisory Board" to each of the Board members outlining the provisions relating to open and public meetings as established by the State of Utah legislation. Ms. Kirwan stated that this is an annual requirement and reviewed each of the provisions.

### **Consider a request from the Housing Authority of Salt Lake City for a \$300,000 loan from Salt Lake City's 2008-09 HOME allocation for acquisition of an existing motel located at 1900 West North Temple that will become the Freedom Landing Apartment Project.**

Ms. LuAnn Clark explained to the Board that \$300,000 was set aside from the 2008-09 HOME allocation for the purpose of special need projects. Ms. Clark said that the Housing Authority of Salt Lake City (HA) is requesting the funds for their project.

Ms. Kathy Ricci, CFO of the Housing Authority of Salt Lake City, said that the Housing Authority currently operates the Valor House located on the Veterans Affairs Medical Center Campus. Ms. Ricci provided a brief background on the Valor House and how the proposed Freedom Landing Project will replace the Valor House. Ms. Ricci said that the Freedom Landing project will provide 110 units of permanent supportive housing for homeless veterans as this is the fastest growing homeless population. Ms. Ricci said that the HA located a motel for sale and it is their intent to purchase the motel to provide this housing. Ms. Ricci indicated that Washington has approved the transfer of Veterans' per diem from the campus location to the new proposed apartment project location. Salt Lake City is the only housing authority that was awarded Veterans Affairs Supportive Housing (VASH) vouchers and those vouchers will help the veterans stabilize and pay the rent. Ms. Ricci said that the vouchers will help operate the complex and repay the loans. Ms. Ricci said that the State has awarded their requested funds and that the HA is contributing over \$3.6 million.

The Board inquired about the request from the HA to forgive the previous Valor House loan in the amount of \$178,511 and if any of that amount had been repaid. Ms. Clark said that the Valor House loan is a cash flow loan and because of the special needs population with this type of loan, there is the possibility of not getting repaid. Ms. Clark said that HA's proforma indicates they will be able to make payments on the \$300,000 loan. Ms. Sandi Marler explained to the Board that with HOME funds, the requirement is to commit dollars from the allocated funds

within a two year time frame. Ms. Marler said that the funds needed to be committed to fund a project within the next year.

Brian Stillman, a concerned citizen, approached the table and asked for clarification on the existing Valor House relocation. Ms. Ricci provided the requested clarification. Mr. Stillman applauded the efforts in helping the veterans.

Joe Gallegos motioned to approve the loan request for a \$300,000 loan at zero percent interest per annum over 40 years and to forgive the loan for the Valor House project. Paula Carl seconded the motion. All voted "Aye." The motion passed.

## **CDCIP BOARD MINUTES**

### **Meeting of November 9, 2009**

The following board members were in attendance: Toby Alires, Joey Behrens, Jim Schwing, Michael Bettin, Paul Murphy, Barbara Riley, Eric Waters, and Julia Robertson. Staff members in attendance were LuAnn Clark, Director of Housing and Neighborhood Development and Greg Johnson, CD Planner.

Chairperson Jim Schwing called the meeting to order at 5:38 p.m.

**Consider a request from the Housing Authority of Salt Lake City for a \$219,325 loan from Salt Lake City's CDBG Housing Match allocation for acquisition of an existing motel located at 1900 West North Temple that will become the Freedom Landing Apartment Project.**

Ms. LuAnn Clark reminded the Board that in past years, an allocation to a City Housing Match fund had been approved during the public review process for CDBG funds. She added that the Housing Authority of Salt Lake City was requesting \$219,325 from those past allocations for the proposed Freedom Landing Apartment Project. She informed the Board that the Housing Authority was also requesting \$300,000 from the City's HOME funds but that application review process fell under the purview of the Housing Trust Fund Advisory Board.

The purpose of the Housing Match allocation is to provide funding for affordable housing projects that need funding outside the usual federal grant program review and approval period. The approval process is conducted for the Housing Match funding that gets allocated to specific projects at a later time. Now that a specific project has requested funding from the Housing Match funds, the specific project must be reviewed by the Board, the Mayor and the City Council, with the final funding decision to be made by the City Council.

Ms. LuAnn Clark explained to the Board that the Housing Authority of Salt Lake City currently operates the Valor House apartment project located on the Veterans Affairs Medical Center Campus and that the proposed Freedom Landing Project will replace the Valor House project. The Housing Authority is being required to relocate the project to a new site by the Veterans Administration who has approved the transfer of the Veterans' per diem funds from the campus location to the new proposed apartment project location.

The Freedom Landing project will provide 110 units of permanent supportive housing for homeless veterans. Salt Lake City is the only housing authority awarded Veterans Affairs Supportive Housing (VASH) vouchers and those vouchers will help the veterans become stabilized and pay their rent which will help operate the complex and repay the loan.

Ms. Clark stated that the Housing Authority was also requesting that the City forgive the previous Valor House loan in the amount of \$178,511. Ms. Clark said that the Valor House loan had been structured as a cash flow loan but added that Freedom Landing pro forma indicates they will be able to make payments on the CDBG loan.

Barbara Riley moved to approve the loan request for a \$219,325 loan at zero percent interest per annum over 40 years and to forgive the loan for the Valor House project. Toby Alires seconded the motion. All voted "Aye." The motion passed.

**ATTACHMENT D**  
**Loan Application**



**HOUSING  
AUTHORITY  
OF SALT LAKE CITY**

1776 South West Temple  
Salt Lake City, Utah 84115

VOICE (801) 487-2161  
FAX (801) 487-3641  
TDD (801) 487-3361

*Dave Mansell*  
Chair

*Doug Sterling*  
Vice Chair

*George "Buzz" Welch*  
Commissioner

*Mary Green*  
Commissioner

*Phillip Bernal*  
Commissioner

*Julie Schleck*  
Commissioner

*Valda Tarbet*  
Commissioner

*Bill Nighswonger*  
Executive Director

October 23, 2009

LuAnn Clark  
Housing & Neighborhood Development  
SLC Corp.  
451 So. State Street #426  
SLC, UT 84111

Dear LuAnn,

The Housing Authority of Salt Lake City is seeking funding from SLC Corporation for our homeless veterans program. Due to the Veterans Administration's need to expand its mental health program, they have asked us to relocate Valor House from the existing space we occupy on the VA campus within one of their buildings. We have been given approval from the VA to relocate this program serving 61 homeless veterans from the current space to our new location; a 110 unit motel located at 1900 West North Temple.

Our loan request is \$519,325 for acquisition purposes only. More specifically we are requesting \$219,325 of CDBG funding and \$300,000 of HOME funds at 0% interest amortized for 40 years. The full purchase price is \$5,650,000 and we have been approved for \$1,000,000 from the Olene Walker Housing Loan Fund at a 0% interest rate amortized for 30 years. We will also be seeking Salt Lake County HOME funds of \$500,000 with similar terms as their round of funding begins in November. The remainder of the purchase price, \$3,630,675 will be provided by the Housing Authority's own equity funds. We are also requesting that the funding provided for the Valor House rehabilitation several years ago be forgiven and not be required to be repaid.

This new facility will help us assist in President Obama and Secretary Shinseki's initiative to end homelessness among veterans in the next five years. It is a worthy goal and we are excited to increase our capacity and serve these deserving individuals who have served their country in the military. I have included attachments specific to the financials of this project. We sincerely appreciate your consideration of our loan request and look forward to meeting with you and your Housing Trust Fund Board. If you require additional information please let me know.

Best Regards,

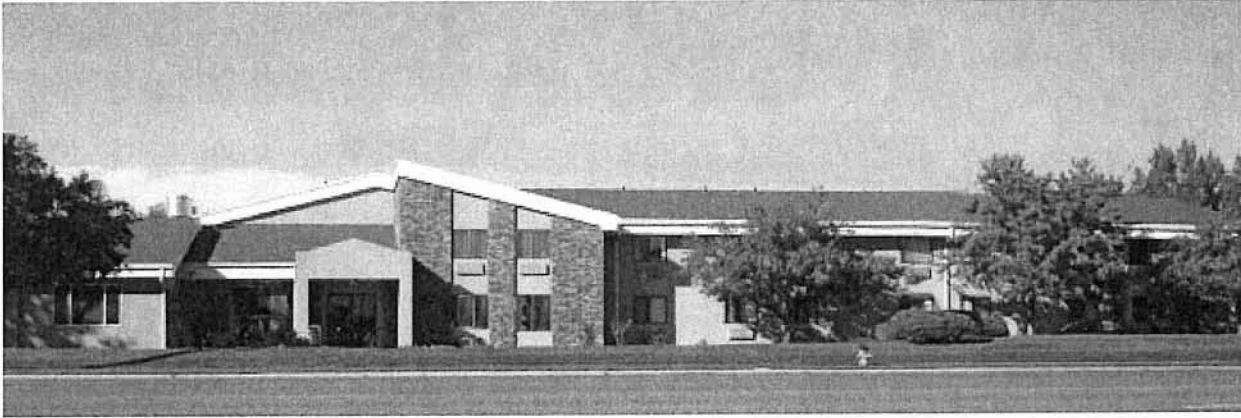
Bill Nighswonger



# Freedom Landing

1900 W. NORTH TEMPLE, SALT LAKE CITY, UT 84116

PERMANENT SUPPORTIVE HOUSING FOR HOMELESS VETERANS



In an effort to assist in President Obama and Secretary Shinseki's initiative to end homelessness among veterans in the next five years, the Housing Authority of Salt Lake City would like to announce Freedom Landing: A 110-unit permanent supportive housing facility for homeless veterans. The Housing Authority is proud to continue to partner with the Department of Veterans Affairs (VA), State of Utah and Salt Lake City in this endeavor.

Freedom Landing consists of one building located on the west end of North Temple. Amenities within the building include a fitness room, conference/training room, lounge, and other common areas that will be enhanced to meet the needs of the residents. Transportation is available via the bus; however, within the next couple of years a TRAX stop will be located across the street from the main entrance.

Supportive services will be provided cooperatively with the Housing Authority and the VA. The VA will provide clinical services and the Housing Authority will provide property management and 24-hour on site coverage including security cameras. The program is designed so that the veteran can stabilize and eventually receive a project based HUD-VASH or Section 8 voucher that allows him to remain in the apartment complex. This provides continuity for the veteran and the permanent voucher helps prevent returning to homelessness.

It is anticipated that this property will be purchased around December 1, 2009 and after minimal rehabilitation, veterans will move in around January 1, 2010. These 110 units of housing for veterans add to the continuum of housing options provided by the Housing Authority. Specifically, the Housing Authority has a 13 unit apartment complex that provides housing with increased supports for veterans to find and maintain employment. Sunrise Metro Apartments provides 20 one bedroom units for veterans that continue to need supportive services like assistance in getting benefits, mental health and medical care. Finally, the Housing Authority partners with the VA to manage 105 HUD-VASH vouchers which offer case management with a permanent housing subsidy.

It is with great pleasure and excitement that we continue to expand housing opportunities for veterans...welcome home!

**FREEDOM LANDING**

1900 W. North Temple

110 Units

Acquisition

Sources

State of Utah: \$1,000,000

Salt Lake City Corp: \$ 519,325

Salt Lake County: \$ 500,000

Housing Authority: \$3,630,675

Total: \$5,650,000

Uses

Purchase Price \$5,650,000

Rehabilitation

Sources

Housing Authority: \$350,000

Private Donations: \$ 90,000

Uses

Future Property Upgrades

\$440,000 (\$4,000/unit)

Rents will average 15% AMI





**HOUSING & NEIGHBORHOOD DEVELOPMENT DIVISION  
TRANSMITTAL SUBMISSION FORM**

Transmittal Title: Freedom Landing Apartment Project

Date Submitted to CD: December 3, 2009

(Transmittals must be submitted by no later than 12:00 p.m. on the due date.)

Scheduled for Council?

Yes Date: \_\_\_\_\_

No

Director's Signature: Laura J. Clark

Comments/Special Instructions: