7505 South Holden Street
Midvale, UT 84047
(801) 567-7200
www.midvalecity.org

REDEVELOPMENT AGENCY OF MIDVALE CITY
MEETING AGENDA
SEPTEMBER 19, 2023

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold an electronic and in-person meeting on the **19th day of September, 2023** as follows:

Electronic & In-Person City Council Meeting
This meeting will be held electronically and in-person. **Public comments may be submitted electronically to the Board consideration at www.Midvalecity.org/government/contact-us by 5:00pm on September 18th and will be included in the meeting record.**

The meeting will be broadcast on the following: **You Tube: www.MidvaleCity.org/YouTube**

7:00 PM OR IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING

I. GENERAL BUSINESS
A. WELCOME AND ROLL CALL

II. PUBLIC COMMENTS
Any person wishing to comment on any item not otherwise scheduled for public hearing on the agenda may address the Redevelopment Agency of Midvale City Board at this point by stepping to the microphone and giving his or her name for the record. Comments should be limited to not more than three (3) minutes unless additional time is authorized by the Redevelopment Agency of Midvale City Board. Citizen groups will be asked to appoint a spokesperson. This is the time and place for any person who wishes to comment on non-hearing items. Items brought forward to the attention of the Redevelopment Agency of Midvale City will be turned over to staff to provide a response outside of the Redevelopment Agency meeting.

III. CONSENT AGENDA
A. Consider Minutes of August 8, 2023 ***[Rori Andreason, HR Director/City Recorder]***

IV. ACTION ITEMS
A. Consider **Resolution No. 2023-11RDA** Approving a First Amended and Restated Service Agreement Between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake to Administer Revised Housing Programs ***[Meggie Troili, RDA Project Manager]***

B. Consider ***Resolution No. 2023-12RDA*** Adopting First Amendments to Purchase Agreement for the Development of Land Between the Redevelopment Agency of Midvale City and The Court Partners, LLC. Development located at 7555 South Main Street ***[Cody Hill, Economic Development Manager]***

C. Consider **Resolution No. 2023-13RDA** Approving the Main Street Upper Floor Housing Incentive Agreement for the Court Partners Development

located at 7555 South Main Street ***[Meggie Troili, RDA Project Manager]***

D. Consider ***Resolution No. 2023-14RDA*** Adopting and Entering into the Agreement Regarding Purchase and Finance with the Court Partners, LLC. and Altabank concerning the Development located at 7555 South Main Street ***[Cody Hill, Economic Development Manager]***

V. DISCUSSION ITEM

A. Discussion regarding Proposed Amendments to the Main Street Façade Improvement Program ***[Kate Andrus, RDA Program Manager]***

VI. ADJOURN

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working days' notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax. The agenda was also posted at the following locations on the date and time as posted above: City Hall Lobby, on the City's website at www.midvalecity.org and the State Public Notice Website at http://pmn.utah.gov. Board Members may participate in the meeting via electronic communications. Board Members' participation via electronic communication will be broadcast and amplified so other Board Members and all other persons present in the Council Chambers will be able to hear or see the communication.

DATE POSTED: SEPTEMBER 14, 2023 **RORI L. ANDREASON, MMC**

REDEVELOPMENT AGENCY MEETING
Minutes
Tuesday August 8, 2023

Council Chambers
7505 South Holden Street
Midvale, Utah 84047

CHAIR: Marcus Stevenson

BOARD MEMBERS: Board Member Bryant Brown - Excused
Board Member Heidi Robinson
Board Member Paul Glover
Board Member Dustin Gettel
Board Member Quinn Sperry

STAFF: Nate Rockwood, Assistant City Manager; Rori Andreason, HR Director/City Recorder; Garrett Wilcox, City Attorney; Jerimie Thorne, Deputy Public Works Director; Manager; Adam Olsen, Community Development Director; Mariah Hill, Administrative Services Director; Wendelin Knobloch, Planning Director; Cody Hill, Economic Development Manager; Meggie Troili, RDA Project Manager; Chief Randy Thomas, UPD; and Matt Pierce, IT Director.

Chair Stevenson called the meeting to order at 7:44 p.m.

I. GENERAL BUSINESS

A. Roll Call - Board Members Dustin Gettel, Quinn Sperry, Heidi Robinson, and Paul Glover were present at roll call. Board Member Bryant Brown was excused

II. PUBLIC COMMENTS

Jack Frost, said he lives at 6790 South 126 East, is resident of Midvale and has a hardwood flooring business. He feels there is a homeless problem in the City. He said his truck has been stolen and broken into several times. He's had a homeless man sleeping by a tree by his house and another man who dropped his wallet and burglary tools in his backyard. He said the Unified Police will not do anything about it.

Board Member Quinn Sperry said some residents feel too much is being done and others feel there's not enough. It's a challenging situation.

Mr. Frost was asked to speak to the Police Chief.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF JUNE 20, 2023

PENDING

MOTION: Board Member Paul Glover MOVED to approve the consent agenda. The motion was SECONDED by Board Member Dustin Gettel. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	**Aye**
Board Member Dustin Gettel	**Absent**
Board Member Paul Glover	**Aye**
Board Member Quinn Sperry	**Aye**
Board Member Heidi Robinson	**Aye**

The motion passed unanimously.

IV. ACTION ITEM

A. CONSIDER RESOLUTION NO. 2023-10RDA APPROVING A SERVICE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND NEIGHBOR WORKS SALT LAKE TO ADMINISTER HOUSING PROGRAM

Meggie Troili said on December 6, 2022, the Redevelopment Agency (RDA) Board passed **Resolution No. 2022-16RDA** approving two new housing programs as part of the Moderate-Income Housing Plan (2019): Down Payment Assistance (DPA) and the Home Repair Loan Program (HRLP).

On April 27, 2022, the RDA released a Request for Proposals (RFP) seeking qualified candidates to administer both the DPA and HRLP programs. A selection committee comprised of RDA and Community Development staff was formed to review the proposals and select a qualified candidate. The committee unanimously selected NeighborWorks Salt Lake (NWSL) to administer the programs.

NeighborWorks Salt Lake has been rebuilding neighborhoods since 1977, and their mission is:

"NeighborWorks Salt Lake builds on the strengths of neighborhoods, creating opportunities through housing, resident leadership, and youth and economic development. We work in partnership with residents, government, and businesses to build and sustain neighborhoods of choice."

FISCAL IMPACT: Up to $54,875 annually

STAFF RECOMMENDATION:
RDA staff recommended passing Resolution No. 2023-10RDA Approving a Service Agreement Between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake to administer housing programs.

Ms. Troili reviewed the following presentation:

PENDING

Redevelopment Agency of Midvale City NeighborWorks Salt Lake RFP/Service Agreement

HISTORY
December 6, 2022 – The RDA Board passed Resolution No. 2022-16RDA: Down Payment Assistance (DPA) and Home Repair Loan Program (HRLP)

April 27, 2022 - RDA released a Request for Proposals (RFP) seeking qualified candidates to refine and administer the DPA and HRLP programs.

June 27, 2023 - A selection committee comprised of RDA and Community Development selected NeighborWorks Salt Lake (NWSL) to administer the programs.

LOOKING AHEAD
September 12, 2023 – NeighborWorks will refine and finalize the DPA and HRLP programs for RDA Board approval on September 19, 2023.

October 2, 2023 – Both HRLP and DPA will launch.

NeighborWorks Salt Lake has been rebuilding neighborhoods since 1977.

Vision: Strengthening communities through Neighborhood Empowerment and Collaboration**:**

Mission: We work in Partnership with residents, government, and businesses to create neighborhoods of Choice by providing opportunity for housing, resident and youth leadership, financial education, and economic development.

NeighborWorks Salt Lake

Areas of Expertise

LEARNING
Financial Empowerment
Homebuyer Education
Westside Leadership Institute

LENDING
Mortgages
Home Improvement Loans/Grants
Down Payment Assistance
Mortgage Payment Assistance
Affordable Housing Mission Investment Fund
NeighborWorks Land Trust

PENDING

COMMUNITY
Rake Your Heart Out
Paint Your Heart Out
YouthWorks
NeighborWorks Week
Community Resources

TRANSLATION SERVICES OFFERED BY NWSL
As part of NWSL mission of neighborhood revitalization, we are intentional about reaching out to underserved populations and working with non-English speaking residents for nearly three decades. Several staff at NWSL are bilingual in Spanish and we have access to volunteers who serve as translators for Tongan, Samoan, Vietnamese, and other languages.

LENDING PARTNERSHIPS ACROSS SALT LAKE COUNTY

DOWN PAYMENT ASSISTANCE
Sandy City
Murray City
Salt Lake City

HOME IMPROVEMENT PROGRAM
Murray City
Salt Lake City

LOAN AND ADMINISTRATIVE COST

ITEM	COST	UNIT
DPA and HRLP Program Administration & Refinement	$12,500	Annually
Loan Servicing Fee (60 Months)	$810.00	Per Loan
Loan Set-up Fee	$45.00	Per Loan
Loan Tax Service Fee	$77.00	Per Loan
Loan Processing Fee	$763.00	Per Loan
Grant Processing Fee	$500	Per Loan

MAXIMUM ANNUAL COST = $54, 875

AWARDED CDBG Grant Funding FY24 = $100,000

Board Member Paul Glover asked what the responsibility of staff would be with this partnership.

PENDING

Ms. Troili said staff is responsible for monitoring the agreement. The partnership will send out quarterly reports for review. Staff will review the processing of invoices as loans are coming in. Staff will also be responsible for outreach and getting the word out to the public.

Board Member Dustin Gettel asked how staff would know if the money were being contributed fairly and properly.

Ms. Troili said the CDBG funds have financial requirements and strict qualifications that the partnership is required to follow. They will send quarterly reports for staff review to show that they have met all requirements and qualifications.

MOTION: Board Member Heidi Robinson MOVED to Adopt Resolution No. 2023-10RDA Approving a Service Agreement between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake to Administer Housing Programs. The motion was SECONDED by Board Member Dustin Gettel. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	**Absent**
Board Member Dustin Gettel	**Aye**
Board Member Paul Glover	**Aye**
Board Member Quinn Sperry	**Aye**
Board Member Heidi Robinson	**Aye**

The motion passed unanimously.

V. ADJOURN

MOTION: Board Member Paul Glover MOVED to adjourn the meeting. Board Member Dustin Gettel SECONDED the motion. Chair Stevenson called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

The meeting adjourned at 8:00 p.m.

_____

Rori L. Andreason, MMC
City Recorder

Approved this 19th day of September 2023.

PENDING

REDEVELOPMENT AGENCY OF MIDVALE CITY

Meeting Date: September 19, 2023

ITEM TYPE: Action Item

SUBJECT: Consider Resolution No. 2023-11RDA Approving a First Amended and Restated Service Agreement Between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake including revised Home Repair Loan Program (HRLP) and Down Payment Assistance (DPA) housing programs.

SUBMITTED BY: Meggie Troili, RDA Project Manager

CITIZEN'S AGENDA: The RDA is requesting the approval of a revised housing administration service agreement with NeighborWorks Salt Lake (NWSL) that includes a revised Home Repair Loan Program (HRLP) and Down Payment Assistance (DPA) documents.

SUMMARY: On December 6, 2022, the Redevelopment Agency (RDA) Board passed **Resolution No. 2022-16RDA** approving two new housing programs as part of the Moderate-Income Housing Plan (2019): Down Payment Assistance (DPA) and the Home Repair Loan Program (HRLP). On April 27, 2022, the RDA released a Request for Proposals (RFP) seeking qualified candidates to administer both the DPA and HRLP programs. A selection committee comprised of RDA and Community Development staff was formed to review the proposals and select a qualified candidate. The committee unanimously selected NeighborWorks Salt Lake (NWSL) to administer the programs. On August 8, 2023 the RDA Board approved **Resolution No. 2023-10RDA** to enter into a contract with NeighborWorks Salt Lake City to revise and administer both the DPA and HRLP programs. A list of program revisions are below while more detailed revisions can be found in the attached Service Agreement as Exhibits A and B, respectively. Revisions to the service agreement include postponing the cyber security insurance requirement for two years due to the cost and financial burden of such insurance. Furthermore, the RDA received additional CDBG funding to support the HRLP program which has also been updated in the service agreement.

Revisions to the Service Agreement

- Cyber security insurance will be required at year 2, before renewal of the contract can take place on September 19, 2025.
- Salt Lake County has tentatively awarded the RDA an additional $75,000.00 in CDBG funds for the HRLP loan/grants.

Revisions to the Down Payment Assistance Program

- Increase DPA assistance from $20,000 to up to $25,000 per loan.
- Increase DPA assistance from $25,000 to $30,000 for Midvale residents or employees of the municipality.
- Apply deed restrictions during the lifetime of the DPA loan.
- A Down Payment Assistance Process is now included.
- NWSL Loan Policies are now included.

Revisions to the Home Repair Loan Program

- HRLP Loan/Grants are forgivable after 5 years (20% loan reduction each year)
- Updated from a low interest loan/grant program to zero interest.
- Does not require code deficiencies to qualify for assistance.
- Deed restrictions are applied during the lifetime of the HRLP loan
- Home Repair Loan Program Process is now included.
- NWSL Loan Policies are now included.

FISCAL IMPACT: Up to $250,000 annually ($150,000 from RDA affordable housing restricted funds and $100,000 from CDBG funding)

STAFF RECOMMENDATION: Consider Resolution No. 2023-11RDA Approving a First Amended and Restated Service Agreement Between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake including revised Home Repair Loan Program (HRLP) and Down Payment Assistance (DPA) housing programs.

Recommended Motion: "I make a motion that we pass Resolution No. 2023-11RDA Approving a First Amended and Restated Service Agreement Between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake including revised Home Repair Loan Program (HRLP) and Down Payment Assistance (DPA) housing programs.

Attachments: (Exhibit A) Resolution No. 2023-11RDA. **(Exhibit B)** First Amended and Restated Service Agreement including Revised DPA and HRLP Program Documents **(Exhibit C)** NeighborWorks Salt Lake Proposal **(Exhibit D)** NeighborWorks Proof of Insurance

Exhibit A

REDEVELOPMENT AGENCY OF MIDVALE CITY, UTAH
RESOLUTION NO. 2023-11RDA

A RESOLUTION APPROVING A FIRST AMENDED AND RESTATED SERVICE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND NEIGHBORWORKS SALT LAKE TO ADMINISTER REVISED HOUSING PROGRAMS.

WHEREAS, on December 6, 2022, the Redevelopment Agency of Midvale City (RDA) Board passed **Resolution No. 2022-16RDA** approving two new housing programs: Down Payment Assistance (DPA) and the Home Repair Loan Program (HRLP).; and

WHEREAS, on April 27, 2023 the RDA released a Request for Proposals (RFP) seeking a qualified candidate to administer both the DPA and HRLP; and

WHEREAS, a selection committee comprised of RDA and Community Development staff was formed, rviewed the proposals, and selected a qualified candidate; and

WHEREAS, the committee unanimously selected NeighborWorks Salt Lake (NWSL) to administer the programs; and

WHEREAS, on August 8, 2023 the RDA Board approved **Resolution No. 2023-10RDA** to enter into a contract with NeighborWorks Salt Lake City to revise and administer both the DPA and HRLP programs; and

WHEREAS, NeighborWorks Salt Lake revised the HRLP and DPA programs to best serve Midvale City residents; and

WHEREAS, the service agreement between the RDA and NWSL has been amended and restated to extend the date for NWSL to secure cyber security insurance due to the cost and financial burden of such insurance; and

WHEREAS, the service agreement was amended to include tentative CDBG funding to support the HRLP program; and

WHEREAS, the RDA Board has reviewed the restated and amended service agreement and the revised HRLP and DPA programs.

NOW THEREFORE BE IT RESOLVED, that based on the foregoing, the Redevelopment Agency of Midvale City's Board approves authorizing the Mayor to sign the amended and restated service agreement, including revised HRLP and DPA programs, between the Redevelopment Agency of Midvale City and NeighborWorks SLC attached to this Resolution as Exhibit A.

PASSED AND APPROVED this 19th day of September, 2023.

By: _____
Marcus Stevenson, Chief Administrative Officer

ATTEST:

_____
Rori L. Andreason, MMC
City Recorder

Voting by the RDA Board	"Aye"	"Nay"
Dustin Gettel	_____	_____
Paul Glover	_____	_____
Quinn Sperry	_____	_____
Heidi Robinson	_____	_____
Bryant Brown	_____	_____

Moderate Income Housing Program Administration Services Agreement

This Agreement to provide administrative services for the Moderate Income Housing Program of the Redevelopment Agency of Midvale City is executed on ~~August~~ September 19~~8~~, 2023, by the Redevelopment Agency of Midvale City ("RDA"), a public body, and Salt Lake Neighborhood Housing Services DBA NeighborWorks Salt Lake, a Corporation ("Contractor").

Background

The RDA operates a Moderate Income Housing Program, which provides a Down Payment Assistance (DPA) Program and a Home Repair Loan/Grant Program (HRLP).

The RDA seeks to contract with an organization that has experience working with low to moderate income households seeking financial assistance to either purchase their first home or repair their home and that has experience with Community Development Block Grants (CBDG) funds.

On 4/27/2023, the RDA issued Request for Proposal # MID23-121 for qualified bidders to provide the RDA with administrative services for the DPA and HRLP programs.

Contractor represented to the RDA that it is qualified to provide the RDA with administrative services for the DPA and HRLP programs ("the Programs") and submitted a proposal to provide such services.

In accordance with Midvale Municipal Code 3.02.130, the RDA determined that Contractor was the responsive responsible bidder.

Therefore, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

Agreement

1. **Scope of Services.** The Contractor agrees to provide the following services for the RDA's Moderate Income Housing Program in accordance with the following requirements ("Services"):

A. **Refine and Design RDA DPA Program and HRLP**

The RDA has drafted documents outlining and describing the scope and goals of the DPA Program and HRLP (attached as **Exhibits A** and **B**, respectively). The selected Contractor, using their experience and expertise, will develop loan programs that are effective, efficient, and in harmony with the RDA's stated goals in accordance with the bid documents submitted by Contractor (attached as **Exhibit C**). The final programs must be compliant with all federal and state

requirements including, but not limited to, CDBG requirements. The final programs will include details regarding the execution of the tasks listed below under subsection 1.B. The program documents must have adequate detail that the RDA or another future vendor could take over the program at any time and continue to administer the programs.

The final programs and program documents must be completed and approved by the RDA Board no later than September ~~12~~19, 2023**.**

B. **Administration of RDA's DPA Program and HRLP**

Once the DPA Program and HRLP are finalized and approved by the RDA, the selected Contractor will launch and administer both programs as described in the bid documents submitted by Contractor (Exhibit C). It is anticipated that the selected Contractor will be responsible for the following tasks and any other tasks identified in the program documents during the term of the Agreement:

I. Reviewing loan applications.
II. Approving or denying loan applications.
III. Closing approved loans with applicants in a timely manner.
IV. Coordinating property inspections.
V. Reviewing contractor bids.
VI. Overseeing deeds of trusts.
VII. Providing outreach and promoting the programs, including translated materials and resources for Spanish speaking communities in Midvale.
VIII. Work with Midvale City Communications Department to promote the programs.
IX. Reporting at least quarterly to the RDA on program performance.
X. Monitoring loans throughout their lifetime.
XI. Enforcing loan violations.
XII. Providing homeownership education and other support to Midvale residents.
XIII. Assisting the RDA in compiling and submitting any compliance reports required by law or as a condition of funding.
XIV. Filing any necessary reports with regulatory agencies.
XV. Keeping and maintaining records related to applications, loans, and transactions such that they can be delivered to the RDA electronically when the programs or the contract has ended.
XVI. Providing the RDA with audited financial statements pertaining to the Programs and with Contractor's annual financial reports.
XVII. Taking any other steps reasonably necessary to operate the Programs and accomplish their stated goals.

The RDA anticipates providing $250,000 in loans per year for the DPA Program and $150,000 in loans/grants per year for the HRLP. After the programs launch, the RDA will be seeking federal funding and grants to continue to resupply or

potentially increase the programs' funding. As of the execution date of this contract, the Salt Lake County has tentatively awarded the RDA an additional $75,000 in CDBG funds for HRLP loans/grants.

Contractor must begin administering the DPA Program and the HRLP no later than October 2, 2023.

2. Term.

A. Termination Date. The Agreement will take effect on the date listed at the beginning of the Agreement. Unless otherwise terminated, the Agreement will terminate on ~~August~~ September 19~~7~~, 2025.

B. Renewal. This Agreement may be renewed at the option of the RDA for a period of up to 10 years. The RDA may only exercise its option to renew this Agreement if the Contractor has acquired cyber liability insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate. This coverage must be maintained for at least five years after the termination of this Agreement and is subject to all of the requirements of Subsections 13(B)-(F) of this Agreement. The annual administration fee under Section 3 may be amended to adjust to the RDA's portion of the cyber liability insurance premiums for the 10-year renewal period. Such amendment must be made by the written consent of both Parties.

3. Compensation. The RDA agrees to pay the Contractor the following for performed Services:

Item	Cost	Unit
DPA and HRLP Program Administration and Refinement	$12,500.00	Annually
Loan Servicing Fee (60 Months)	$810.00	Per Loan
Loan Set up Fee	$45.00	Per Loan
Loan Tax Service Fee	$77.00	Per Loan
Loan Processing Fee	$763.00	Per Loan
Grant Processing Fee	$500.00	Per Grant

4. Payment.

A. **Invoices.** After finishing design of the DPA and HRLP programs and acceptance by the RDA, Contractor must submit an invoice for the contracted amount for that service. Thereafter, Contractor must submit an invoice for each loan/grant processed. Invoices must include an invoice number, the date the service was provided, the names of personnel providing the service, the type of service performed, and the total extended dollar amount.

B. **Payment.**
The RDA will issue payments to Contractor, for any undisputed charges, within 30 days after receipt of invoices. The Parties will resolve any disputed charges in accordance with Section 10 of this Agreement.

5. **Non-appropriation of Funds or Changes in Law.** Upon 30 days written notice delivered to the Contractor, this Agreement may be terminated in whole or in part at the sole discretion of the RDA, if the RDA reasonably determines that:

A. a change in federal, state, or City law materially affects the ability of either Party to perform under this Agreement;
B. a change in available funds affects the RDA's ability to pay under this Agreement; or
C. the RDA fails to fully fund the Services.

If the Agreement is terminated under this Section, the RDA will reimburse Contractor for the Services approved and properly performed until the effective date of said notice. The RDA is not liable for any performance, commitments, penalties, or liquidated damages that accrue after the effective date of said written notice.

6. **Standard of Care.** The Contractor represents and warrants that the Services provided by the Contractor under this Agreement are provided in a manner consistent with the level of care and skill ordinarily exercised by or under the direction of members of Contractor's profession currently practicing in the Parties' locality and under similar conditions. Contractor further represents and warrants that all Services performed pursuant to this Agreement shall be in accordance with all applicable laws, regulations, and requirements, including generally accepted accounting principles.

7. **Indemnification.**

A. **Contractor.** Contractor agrees to indemnify, defend, and hold harmless the RDA and its officials, officers, board members, employees, volunteers, and agents from and against all damages, liabilities, and claims (including legal and attorneys' fees and costs) arising from Contractor's negligent performance under or breach of this Agreement. Contractor also agrees to indemnify, defend, and hold harmless the RDA and its officials, officers, board members, employees, volunteers, and agents from and against all damages, liabilities, and claims (including legal and attorneys' fees and costs) arising from Contractor's collection, storage, and protection of private information under this Agreement including, but not limited to, any data breaches and intentional or unintentional releases of private information.

B. **The RDA.** The RDA agrees to indemnify, defend, and hold harmless the Contractor and its officers, employees, and agents from and against all damages, liabilities, and claims (including legal and attorneys' fees and costs) arising from the RDA's negligent performance under or breach of this Agreement.

C. **Survival.** The provisions of this Section will survive the termination of this Agreement.

8. **Default.** In the event of a default under this Agreement, the non-defaulting Party may:

A. Suspend the Contractor's performance under this Agreement until the default is corrected;
B. Withhold payment until the default is corrected;
C. Charge 1.5% interest monthly, compounded monthly, on any unpaid amount until the amount is paid in full; and
D. Terminate this Agreement in accordance with Section 9.

The list of remedies under this Section is not exhaustive or exclusive. Either Party may pursue any other right or remedy available to it, either in law or equity, on account of the other Party's default. Either Party may use any combination of remedies available.

9. **Termination.**

A. **Default.** This Agreement may be terminated for cause by the non-defaulting Party by providing written notice to the defaulting Party. The Party in default of this Agreement will be given ten days after written notification to cure the default. If the default has not been cured, the non-defaulting Party may terminate the Agreement immediately and may avail itself of the remedies in this Section.

B. **Convenience.** This Agreement may be terminated for convenience by either Party by providing 30 days' written notice to the other Party.

C. **Compensation.** Upon termination of this Agreement, all accounts and payments will be processed according to Sections 3 and 4 for approved and properly performed Services completed prior to the effective date of the written notice. Contractor agrees that in the event of termination for cause or convenience, Contractor's sole remedy and monetary recovery from the RDA is limited to full payment for all services approved and properly performed and completed prior to the effective date of the written notice.

10. **Dispute Resolution.** Any dispute arising under or relating to this Agreement will be resolved in the following order:

A. Good faith negotiations between the Parties;
B. Good faith mediation with a mutually agreed upon mediator and with each Party paying one half of the mediation costs; and
C. Litigation.

If a Party incurs any legal or attorneys' fees or costs in litigation to resolve a dispute arising under or relating to this Agreement, the prevailing Party may recover such fees and costs.

11. **Laws and Regulations.** At all times during this Agreement, the Contractor and all Services performed under this Agreement must comply with all applicable federal, state, and City constitutions, laws, rules, codes, orders, and regulations, including, but not

limited to, applicable licensure and certification requirements. Failure to comply with this section is a material breach of this Agreement.

A. **Discrimination.** This includes not discriminating against any individual in an employment decision because of the individual's race, color, sex, age, religion, national origin, disability, pregnancy, familial status, veteran status, genetic information, sexual orientation, or gender identity.

B. **Lending.** This also includes all regulations related to the handling of CDBG funds as well as other regulations applicable to the Programs, such as the Truth In Lending Act and the Real Estate Settlement Procedures Act.

C. **Protection and Confidentiality of Private Information.** Contractor is required to take all commercially reasonable steps to protect information collected under the Programs. Contractor shall comply with all state and federal laws, rules, and regulations governing the confidentiality of private information, including private financial information, collected during the administration of the Programs.

The provisions of this Section survive termination of this Agreement.

12. **Relationship of Parties.** The Contractor is an independent contractor of the RDA. No other legal relationship has been formed by this Agreement, and in no manner is the Contractor an employee or agent of the RDA. The Contractor is not entitled to any of the benefits associated with such employment. The Contractor is responsible for all applicable federal, state, and local taxes and all FICA contributions. The Parties have no authorization, express or implied, to bind the other Party. The Parties agree not to perform any such acts as an agent for the other Party.

13. **Insurance.** Contractor must at all times during the term of this Agreement, without interruption, carry and maintain insurance from an insurance company authorized to do business in the State of Utah in accordance with this Section.

A. **Coverage Amounts.**

I. **Commercial General Liability Insurance.** The Contractor must have a Commercial General Liability Insurance policy that includes products and completed operations, bodily injury, property damage, and personal and advertising injury and must be in the amount of at least $1,000,000 per occurrence and $3,000,000 aggregate.

II. **Automobile Liability Insurance.** The Contractor must have Automobile Liability Insurance in the amount of at least $1,000,000 per occurrence and $3,000,000 aggregate.

~~III.~~ **Professional Liability/Errors and Omissions.** The contractor must have a Professional Liability/Errors and Omissions Insurance policy in the amount of at least $1,000,000 per occurrence and $3,000,000 aggregate.

III.

~~**Cyber Liability Insurance.** The Contractor must have Cyber Liability Insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate. This coverage must be maintained for at least five years after this Agreement and survives any termination of this Agreement.~~

IV. **Commercial Crime Insurance:** The Contractor must have Commercial Crime Insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate.

V. **Workers Compensation.** The Contractor must have Workers Compensation Insurance (Part A) that meets Utah's statutory requirements. The Contractor must have Employers Liability Insurance (Part B) in the amount of at least $1,000,000 for each accident, disease, and employee. No owner or officer may be excluded from coverage.

B. **Certificate of Insurance.** The Contractor must provide a Certificate of Insurance that meets the requirements of this Section to the RDA five days after a request by the RDA. If no request has been made by the RDA, the Contractor must provide a Certificate of Insurance that meets the requirements of this Section to the RDA no later than 30 days after the execution of this Agreement. Failure to provide proof of insurance will be deemed a material breach of this Agreement.

C. **Cancellation/Expiration.** The Contractor may not cancel or allow an insurance policy to expire unless written notice has been given the RDA at least 30 days prior to the cancellation or expiration and provisions are taken to replace the policy prior to its cancellation or expiration.

D. **Additional Insured.** The Contractor must add the RDA as an additional insured to all of its insurance policies under this Agreement except for its Workers Compensation policies.

E. **Primary, Noncontributory.** Insurance under this Section is required to be primary, noncontributory, and not in excess of any insurance or self-insurance policies available to or maintained by the RDA.

F. **Material Breach.** The Contractor's failure to maintain this insurance in accordance with this Section for the term of this Agreement is a material breach of this Agreement, for which the RDA may immediately terminate this Agreement.

14. Status Verification. Under the Utah Immigration Accountability and Enforcement Act, Utah Code Ann. §§ 63G-12-101 to 402, as amended, any entity physically performing services within Utah for a public employer is required to participate in Utah's Status

Verification System. The Contractor will provide the RDA a certification of its compliance with this requirement prior to performing any of the Services under this Agreement.

15. **Government Records Access and Management Act.** The RDA is a governmental entity that is subject to Utah's Government Records Access and Management Act, Utah Code Ann. §§ 63G-2-101 to -901, as amended. Any documents produced or collected under this Agreement may be subject to public access. If the Contractor believes that a document should be protected under Utah Code Ann. §§ 63G-2-305(1) or (2), the Contractor must clearly mark such documents as "Proprietary" or "Confidential" and provide a written claim of business confidentiality to the RDA that complies with Utah Code Ann. § 63G-2-309(1). The Contractor agrees to cooperate with and to supply any requested records to the RDA with any public records request. This obligation will survive any suspension or termination of this Agreement.

16. **Time.** For all Services, time is of the essence. The Contractor is liable for all reasonable damages to the RDA as a result of Contractor's failure to timely perform the Services required under this Agreement.

17. **Force Majeure.** Neither Party to this Agreement will be held responsible for delay or default caused by fire, riot, acts of God, pandemics, or war which is beyond that Party's reasonable control. Either Party may terminate this Agreement by written notice to the other Party after determining such delay will prevent successful performance of this Agreement.

18. **Conflicts of Interest.**

A. **Officer or Employee.** The Contractor represents that none of its officers or employees are elected officials, officers, board members, employees, volunteers, or agents of the RDA, Midvale City, or their respective affiliates, unless it has made such disclosure to the RDA prior to execution of this Agreement. The Contractor represents and warrants that none of its officers, employees, or immediate family members of its officers or employees is or has been an elected official, officer, employee, volunteer, or agent of the RDA, Midvale City, or their respective affiliates who influences the RDA's procurement process. This includes, but is not limited to, anyone involved in the RDA's drafting of procurement and project documents or the RDA's selection of a bidder.

B. **Gift.** The Contractor represents and warrants that it has not provided any compensation or gift in any form, whether directly or indirectly, to an elected official, officer, board member, employee, volunteer, or agent of the RDA, Midvale City, or their respective affiliates who influences the RDA's procurement process. This includes, but is not limited to, anyone involved in the RDA's drafting of procurement and project documents or the RDA's selection of a bidder.

19. **Notice.** Any notice required under this Agreement will be deemed sufficiently given or served if personally delivered or sent by United States Certified Mail, return receipt requested, addressed as follows:

The RDA
Midvale City Redevelopment Agency
Attn: RDA Director
7505 S. Holden Street
Midvale, UT 84047

This a copy to:
Midvale City
Attn: Contract Analyst
7505 S. Holden Street
Midvale, UT 84047

Contractor
Salt Lake Neighborhood Housing Services
DBA NeighborWorks Salt Lake
Attn: Maria Garciaz
4843 South Popular Street
Murray, UT 84107
801-539-1590
grants@nwsaltlake.org

The Parties have the right, from time to time, to change their respective notice addresses under this Section by providing written notice to the other Party.

20. **Assignment and Delegation.** A Party may not assign or delegate any part of this Agreement without the other Party's prior written consent. Unless otherwise noted in the Agreement, a Party may not unreasonably withhold its consent.

21. **Subcontractors.** Performance of Services under this Agreement may not be subcontracted to another entity without the RDA's prior written consent. The RDA may withhold its consent at its sole discretion. If a subcontractor is permitted to perform Services under this Agreement, the Contractor is responsible for the subcontractor's performance of the Services. The subcontractor is subject to all of the terms of this Agreement that apply to the Contractor except for invoices and payments. The RDA will only accept invoices from the Contractor and will only make payments to the Contractor for Services.

22. **Not Exclusive.** The Contractor understands that this Agreement is not exclusive. The RDA may perform or contract with other individuals or entities to provide the same or similar services. This Agreement does not guarantee any amount of work.

23. **Performance Evaluation.** The RDA may conduct a performance evaluation of Contractor's Services. Results of any evaluation may be made available to the Contractor upon Contractor's request.

24. **Publicity.** The Contractor must submit all advertising and publicity matters relating to this Agreement to the RDA for written approval. It is the RDA's sole discretion whether to provide approval.

25. **Document Retention.** The Contractor must retain all working papers, reports, and all necessary records to properly account for Contractor's performance and the payments

made by the RDA to Contractor under this Agreement. These records must be retained by Contractor for at least five years. The RDA may extend the retention period by written notice. Contractor agrees to make all documents related to this Agreement available to the RDA or third parties upon the RDA's request. Upon termination of this Agreement, Contractor shall deliver all such records to the RDA in commonly accessible electronic format.

26. **Ownership of Intellectual Property.** The RDA and the Contractor each recognize that each has no right, title, or interest, proprietary or otherwise, in the intellectual property owned or licensed by the other, unless otherwise agreed upon by the Parties in writing. All deliverables, documents, records, programs, data, articles, memoranda, and other materials not developed or licensed by the Contractor prior to the execution of this Agreement, but specifically created or manufactured under this Agreement are considered work made for hire, and the Contractor must transfer any ownership claim to the RDA.

27. **Amendments/Modifications.** This Agreement may only be modified by the mutual written agreement of the Parties. Any such amendment will be attached to this Agreement.

28. **Waiver.** Failure by either Party to insist upon the strict performance of any condition of this Agreement or to exercise any right or remedy found under the Agreement does not constitute a waiver. Either Party may waive any of its rights or any conditions by written notice to the other Party. No waiver may affect or alter the remainder of this Agreement. Every other condition in the Agreement will remain in full force with respect to any existing or subsequently occurring default.

29. **Severability.** In the event that any provision of the Agreement is held to be void, the voided provision will be considered severable from the remainder of the Agreement and will not affect any other provision in the Agreement. If the provision is invalid due to its scope or breadth, the provision will be considered valid to the extent of the scope or breadth permitted by law.

30. **Governing Law and Venue.** This Agreement is governed by the laws, rules, and regulations of the State of Utah. Any action or proceeding arising from this Agreement must be brought in a court of competent jurisdiction in Salt Lake County, Utah.

31. **Survival.** Termination of this Agreement does not extinguish or prejudice the RDA's right to enforce this Agreement with respect to any default or defect in the Services that has not been cured or for any term that explicitly survives the termination of this Agreement.

32. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties and supersedes any and all other prior and contemporaneous agreements and understandings between the Parties, whether oral or written.

33. **No Third-Party Rights or Beneficiaries.** This Agreement does not create any third-party beneficiary rights. RDA and Contractor and their respective successors and permitted assigns are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons.

34. **No Boycott.** Pursuant to Utah Code § 63G-27-201, Contractor certifies that Contractor is not currently engaged in a boycott of the State of Israel or a boycotted company, and Contractor agrees not to engage in a boycott of the State of Israel or a boycotted company for the duration of the contract.

Signature Page to Follow

The Redevelopment Agency of Midvale City and Contractor have read and understand the terms of this Moderate Income Housing Program Administration Services Agreement. Both Parties have demonstrated their willingness to enter into the Agreement as of the date above by having their Authorized representatives sign below.

THE REDEVELOPMENT AGENCY OF MIDVALE CITY

_____
Marcus Stevenson, Chief Administrative Officer

ATTEST:

_____
Rori L. Andreason, Secretary

CONTRACTOR

_____
Maria Garciaz, Chief Executive Officer

EXHIBIT A

THE REDEVELOPMENT AGENCY OF MIDVALE CITY
DOWN PAYMENT ASSISTANCE (DPA) PROGRAM

Purpose:
The Redevelopment Agency of Midvale City Down Payment Assistance Program provides loans/grants for low- to moderate-income first-time home buyers in Midvale City. The program seeks to provide equitable access to home buying, provide education to Midvale residents on home ownership, and increase home ownership in Midvale City.

1. **Midvale City General Plan and Housing Plan Goals & Strategies:**
   Midvale City and the Redevelopment Agency of Midvale City adopted a shared Housing Plan in 2019. The following are goals and strategies adopted by the City and the RDA as part of the Housing Plan and the City's General Plan.

2. **Focus Programs on Households Making 80% Ami or Less:** The City and the RDA shall focus incentive programs on Midvale City households making 80% or less of AMI. These households are the most likely to be housing cost-burdened, and often lack the ability to find the housing that meets their needs. Supporting household stability through affordability can contribute to greater social mobility and improved quality of life for the affected residents, as well as making them more financially resilient when faced with short-term financial issues, such as the loss of a job.

3. **Down Payment Assistance Program for New Homeowners:** The City and the RDA shall work with regional housing partners to establish a down payment assistance program for new homeowners that make 60-80% of AMI. This program will allow potential homeowners the opportunity to receive funding from the City or the RDA for a down payment and/or closing costs associated with the purchase of a home in Midvale. A down-payment assistance program will help to incentivize home ownership in Midvale.

4. **Provide Homeownership Education with Housing Partners:** Throughout the public consultation process, one of the frequent issues brought up was the lack of education on available housing resources throughout the City. The education program would focus on providing easy to understand and accessible education on available housing resources in the City. This program will be in cooperation with housing service partners in the City and Salt Lake County.

Program Scope:
Each year, the DPA Program will:

A. Aid up to eight low-to-moderate income individuals/families at 80% AMI and below.
B. Loan up to $25,000 per loan ($30,000 for Midvale residents or employees of the municipality.)
C. Pay administrator fees to Contracting Organization.
D. Provide homeowner education to potential home buyers.

Loan Terms:
A loan under the DPA Program is subject to the following terms:

A. 5-year forgivable loan.
B. 20% loan reduction each year.
C. May be used for down payment, closing costs, single-pay mortgage insurance, or mortgage interest rate buydown.
D. Borrowers must complete certified HUD home buyers' education courses. The RDA will support the cost of these classes.
E. Borrower must participate in a post home purchase consultation/debrief with Contracting Organization.
F. The borrower must be under contract to purchase a home.
G. Max purchase price of contracted home is based on the HUD maximum.
A deed restriction will be applied to the property during the lifetime of the loan.

Eligibility:
In order to be eligible for a DPA loan, a borrower:

A. Must purchase home in Midvale City.
B. Must be a first-time home buyer.
C. Must occupy home within 30 days of closing and occupy home during the 5-year term of DPA loan.
D. Cannot have more than $20,000 in any account before or after funding.

Required Documents:
The following documents are required before issuance of a DPA loan.

A. Completed application from Contracting Organization
B. Verification of loan pre-approval
C. Income analysis from lending institution
D. Loan estimate/Loan Fee Worksheet
E. Valid government issued ID
F. Proof of income (last 60 days)
G. Checking and saving account statements (last 60 days)
H. Federal tax returns (2 years)
I. Divorce decree (if applicable)
J. Bankruptcy (if applicable)

Repayment of Grant:
Repayment of some or all the DPA loan will apply if:

A. The property is sold before 5 years elapses from the Closing date.
B. The property is not owner-occupied within 30 days of closing.
C. The property is rented, and the borrower does not occupy the home at any time during the 5-year term.

Down Payment Assistance Process:

1. Intake (Day 1)
    a. Client submits initial application through Program Vendor's website.

b. Program Vendor sends Client a welcome email and requests additional information within 48 hours of received application.

2. Application Process (Day 2-30)
   a. Program Vendor reviews Client's application, income, and first mortgage documents to determine if Client qualifies for Program.
   b. Program Vednor works directly with the Client's loan officer to get the purchase documents.
   c. Client completes homebuyer education class.

3. Finalize Grant/Closing (Day 14-60)
   a. Loan processor sends all documents over to the lending manager for review and final approval.
   b. Loan processor schedules closing with title company and Client and puts closing package together.
   c. Client completes closing at the title company office.

4. Post Purchase (Day 30-90)
   a. Real estate development manager will meet with Client and do a walkthrough of their home.
   b. Client will meet with Program Vendor's financial counselors and go over a budget with Client's new housing payment.

Loan Policy
The Salt Lake Neighborhood Housing Services, Inc. Homeownership Services Policy is attached and incorporated as part of this Down Payment Assistance Program.

EXHIBIT B

THE REDEVELOPMENT AGENCY OF MIDVALE CITY HOME REPAIR LOAN/GRANT PROGRAM ~~OUTLINE~~

General Overview:
The Redevelopment Agency of Midvale City established the Home Repair Loan/Grant Program (HRLP) to provide additional income assistance for low- to moderate-income homeowners. HRLP is designed to provide funding for low- and moderate-income families for improvements to address emergency repairs, eliminate blight, conserve energy, and preserve the housing community within the city limits of Midvale City. Funds are available on a first-come, first-served basis.

Midvale City General Plan and Housing Plan Goals & Strategies:
Midvale City and the Redevelopment Agency of Midvale City adopted a shared Housing Plan in 2019. The following are goals and strategies adopted by the City and the RDA as part of the Housing Plan and the City's General Plan.

Focus Programs on Households Making 80% ~~Ami~~ AMI or Less: The City and the RDA shall focus incentive programs on households making 80% or less of AMI ~~($64,000 for a family of 4 in 2017). The Median Household Annual Income in Midvale is $54,400 (2017)~~, ~~meaning that~~which a significant portion of the City's households would qualify for income targeted programs. These households are the most likely to be housing cost-burdened~~,~~ and often lack the ability to find the housing that meets their needs. Supporting household stability through affordability can contribute to greater social mobility and improved quality of life for the affected residents, as well as making them more financially resilient when faced with short-term financial issues, such as the loss of a job.

Provide a Financial Incentive to Improve Homes: The City and the RDA shall establish a program to provide a financial incentive to improve the facades, structures, and systems of single-family homes throughout Midvale. A home repair incentive program could provide either a tax reimbursement through an annual program allocation or a ~~low~~zero-interest loan/grant to encourage homeowners and landlords to invest in their properties. This program would address issues of housing quality and neighborhood blight.

Owner/Home Eligibility:
To be eligible to participate in the HRLP, an applicant must meet the following requirements:

- 80% AMI or below (households, or applicant and co-applicant).
- ~~Applicant must have a FICO (Fair Isaac Company) score of 550 or higher.~~
- Property must be located within Midvale City limits.
- Property must be a single-family home, town home, condominium, or manufactured home that is permanently affixed to land.
- The applicant must have owned the home for at least one year prior to requesting assistance.

- ~~The applicant's home must be deficient in at least one Uniform Housing Code (UHC), or must fall below the minimum Housing Quality Standards (HQS) set forth by the U.S. Department of Housing and Urban Development. Midvale will provide NeighborWorks with a list of homes that need to be brought up to code. Midvale agrees that NeighborWorks is not a Code enforcer.~~
- Each applicant is eligible once in a lifetime to receive HRLP assistance, regardless of change of addresses or ~~loan~~ /grant status.
- Applicant must be current on mortgage payments and taxes.
- There can be no liens on the property. Except a mortgage lien.
- The property must be the applicants' primary residence.
- All applicants must meet income guidelines.

Terms of Assistance:

A loan/grant under the HRLP is subject to the following terms:

- Term: 5-year forgivable loan.
- 20% ~~loan~~loan/grant reduction each year
- ~~5-25 years -~~
- Rate: Below market (0% - 3%) 0%
- ~~Front and Back-end ratios: 32% & 43% respectively~~.
- Must be (applicant) owner -occupied.
- ~~Non-occupant co-buyer is not allowed.~~
- ~~Max LTV 105%~~
- ~~Max CLTV 105%~~
- A deed restriction will be applied to the property during the lifetime of the loan/grant.

~~**Debt Ratio Guidelines:**~~

- ~~**Front-End Ratio:** The standard guideline for a HRLP loan is 32%. The front-end ratio is the gross income divided by the new PITI (principal, interest, taxes and insurance, Homeowners Association (HOA) dues, mortgage payment).~~

- ~~**Back-end Ratio:** The standard guideline for a HRLP loan is 43%. This is the gross income divided by the new PITI mortgage payment and the minimum monthly payments from the applicant's liabilities. The typical debts used to determine the qualifying back-end ratios are the minimum required monthly payments on all the following:~~
  - ~~Auto loans~~
  - ~~Student loans~~
  - ~~Personal loans~~
  - ~~Charge cards~~
  - ~~Child Support~~
  - ~~Alimony~~
  - ~~Federal Tax Lien Repayment Schedules~~

~~**Loans:**~~

~~The Loan Administrator will review each application for approval or denial and determine the type of loan, loan terms, or grant to be offered. The loan can be one of the following:~~

1. ~~**Deferred Payment Loan:** Households with a gross annual income at or below 50% 80% of the area median income, as determined by Salt Lake County, may qualify for a deferred payment loan with 0% annual interest. Repayment of the loan is required if the applicant sells, transfers title, leases, or vacates the home within 5 years of closing. All deferred loans will be evaluated annually, and terms of financing are contingent based on gross income and proof of homeowners insurance.~~
    a. ~~All deferred payment loans will be re-verified annually. Loan Administrator staff may require these recipients to submit a copy of their previous year's Federal income tax statements, current income, and homeowner's insurance. Loan Administrator staff will review and determine if any changes will be made to the existing terms of the loan based on income guidelines.~~
    b. ~~Deferred payment loans will be capped at 25% of the total loan funds issued by the Redevelopment Agency of Midvale City. No Cap all funds available will be eligible~~
2. ~~**Installment Loan:** Households with a gross annual income between 50% – 80% of median income may qualify for an installment loan up to 3% interest. Repayment of an installment loan is made with regular monthly installment payments. Repayment of an installment loan in full is required when the applicant sells, transfers title, leases, or vacates the home. Payment and interest rates will be based on the applicant's ability to pay. We suggest remove this section if all forgivable loans are approved by RDA~~
3. ~~**Forgivable Loan/Grant:** Households who fall on or below 50% AMI may qualify for a forgivable loan/grant up to $5,000 $15,000. The loan is forgiven after 5 years of the applicant's occupancy in the home from the loan agreement date.~~
4. ~~**Alternative Loan Payments:** Arrangements for alternative loan payments may be requested in writing, as needed, at any time during the term of the loan.~~

Loan Limits:

~~Loan~~Loan/grants can be any amount up to $15,000 at an interest rate of ~~0-3%~~ 0%. ~~Only loans under $5,000 are eligible for an interest rate of 0%. The interest rates limits will be based on a sliding scale that that considers the applicant's AMI, credit score, and loan amount.~~

~~Loan~~Loan/grant amounts cannot exceed 20% of the appraised value of the home or $15,000, whichever is lower.

Repayment of Grant:

Repayment of some or all the DPA loan will apply if the property is sold before 5 years elapses from the Closing date of the loan/grant.

Eligible Repairs:

The following repairs are eligible for HRLP ~~Loan~~Loan/grants:

- Health or safety hazards

- Accessibility modifications
- Code compliance
- Energy improvements
- Renovation improvements that do not become a permanent part of the real property are not eligible.

Home Improvement Grant Process:

1. Intake (Day 1)
   a. Client submits initial application through Program Vendor's website.
   b. Program Vendor sends Client a welcome email and requests additional information within 48 hours of received application,

2. Application (Day 2-7)
   a. Program Vendor reviews Client's application, income, and ownership documents to determine whether Client qualifies for Program.
   b. After Client's application is reviewed, the Program Vendor's real estate development manager schedules site visit with Client.

3. Site Visit (Day 3-14)
   a. Real estate development manger goes out to Client's property and assesses the scope of work for the Project.
   b. Real estate development manager provides the lending team with Project details and an estimate of the total costs.

4. Submit Bids (Day 3 until bids are complete)
   a. Client sends loan/grant processor three bids for their project and identifies the contractor Client has selected.
   b. Program Vendor requests contractor's license, insurance, and W9 information from Client's chosen contractor.

5. Finalize Grant/Closing (Day 14-30)
   a. Loan/grant processor sends all documents over to the lending manager for review and final approval.
   b. Loan/grant processor schedules closing with title company and Client and puts closing package together.
   c. Client completes closing at the title company office.

6. Construction Work/Final Inspection (Day 30-90)
   a. Contractor completes project.
   b. NeighborWorks pays contractor for work.
   c. Real estate development manager performs a final site inspection and makes sure the project has been completed.

Loan Policy

The Salt Lake Neighborhood Housing Services, Inc. Homeownership Services Policy is attached and incorporated as part of this Midvale Home Replace Loan Program.

EXHIBIT C

Salt Lake Neighborhood Housing Services, Inc. DBA NeighborWorks

COVER LETTER

Organization Name: Salt Lake Neighborhood Housing Services, Inc. DBA NeighborWorks Salt Lake (NWSL)

Contact Information: Maria Garciaz, CEO
622 West 500 North (Main Office), SLC 84116
4843 S Poplar Street (Murray Office) 84107

Mission: ***Vision:*** Strengthening communities through Neighborhood Empowerment and Collaboration**:** ***Mission:*** We work in Partnership with residents, government, and businesses to create neighborhoods of Choice by providing opportunity for housing, resident and youth leadership, financial education, and economic development.

Communities Served: NeighborWorks Salt Lake serves Salt Lake County to the point of the mountain South and to Ogden to the North.

Years of Operation: Established in 1977

Location of Loan Education and Closings: Loan education and Closing for Midvale specific would be at our Murray Branch office located at 4843Poplar Street. Some educational counseling is done virtually contingent on the customer. Closings are required in-person.

History:

NeighborWorks Salt Lake was established in 1977 to revitalize neighborhoods experiencing blight and decline. We do this in partnership with public and private partnerships and local municipality funding is an important factor in this partnership.

In 1977, we offered weatherization services and home improvement loans in SLC East Liberty Park neighborhood. In 1982, we expanded to Salt Lake's westside community and offered weatherization, home improvement loans and developed new construction as affordable housing. In 2010, we expanded to Murray City to provide home improvement loans, build affordable housing and down payment grants.

As a 45-year-old community development organization, we are experienced in single and multifamily development. We partnered with housing authorities for senior housing and for-profit partners for mixed-income multifamily to build 166 units with 60% affordable and 40% market and 15,000 square feet of commercial. We have a successful track record of providing down payment grants and home improvement loans & grant services to Murray, West Valley, and Sandy.

In 2015, NeighborWorks was awarded $3.6 million from Wells Fargo and in a 9-month period, we deployed $15,000 grants to 225 families which resulted in leveraged investment of $45,000,000 in mortgages in Salt Lake City.

SCOPE of WORK per EXHIBIT C

1. **Location of applying organization**: 4843 S Poplar Street, Murray City, Utah 84107

2. **Experience/History of Success:**

NWSL was established in 1977 as a 501c3 non-profit community development organization in partnership with Salt Lake City Corporation and local lending institutions to provide revitalization services to neighborhoods experiencing blight and decline. The organization was tasked with creating a revolving loan fund for home improvement loans utilizing CDBG funds. Since that time NWSL has been awarded CDBG/HOME and TIF funds for home improvement loans, first and second mortgages and down payments grants/loans. NWSL has managed a residential portfolio of up to 200 loans valued at over $5,000,000. As a Certified Development Financial Institution designated by the Department of Treasury in 1999, NWSL serves as a commercial lender for local and national non-profit community development organizations and provides loans for up to $2,000,000. NWSL established the Affordable Housing Mission Investment Fund (AHMI) in 2010 and has since that time deployed nearly $50,000,000 throughout the United States. The AHMI Fund is funded by local institutions. The residential lending is funded primarily by CDBG and HOME funds awarded by Salt Lake City, West Valley, Murray, and Sandy municipalities. NWSL expanded to Murray City in 2010 to provide revitalization services and acquired over a dozen blighted properties that were sold to low-moderate income families in the past five years. In FY 22, we provided 21 DPA grants ranging from $20,000 to $35,000 for an aggregate amount of $649,000 that leveraged $7,109,037 of mortgage investment in Murray City.

We comply and meet all expected requirements per HUD reporting and compliance requirements. In our many decades of lending and HUD/City audits findings have been immaterial. Independent and external audits have reported no non-compliance findings in any of our programs.

NWSL has a successful track record on residential and commercial lending. Our delinquency for the residential fund is less than 3% and 0% for the commercial fund.

The majority of customers served by NWSL are 80% and below as required by funding sources. However, as an organization that focuses on neighborhood revitalization and serves families 80% to 120%, we utilize private funding to minimize excluding middle income families.

NWSL is a HUD certified non-profit organization and requires 8-hour homebuyer education for first-time homebuyers from a HUD certified counselor. NWSL as a member of NeighborWorks America national network, we access on-line homebuyer education via e-home America and other sources for certification and access the following resources:

https://www.rd.usda.gov/sites/default/files/MN_HomeBuyerEducationProviders.pdf. Education for customers with home improvement loans is required to participate in one-hour education with loan officer to understand the loan process, costs and working with the contractors completing the improvements on their home. NWSL oversees the contractors and works closely with the homeowner to complete the process. Homeowner must approve completed work before the contractor is paid throughout the various stages of improvements.

NWSL lending staff are licensed and certified annually via the Nationwide Mortgage Licensing system. They must complete 10 hours continuing education annually to meet renewal requirements.
https://mortgage.nationwidelicensingsystem.org/Pages/default.aspx

As part of NWSL mission of neighborhood revitalization, we are intentional about reaching out to underserved populations and working with non-English speaking residents for nearly three-decades. Several staff at NWSL are bilingual in Spanish and we have access to volunteers who serve as translators for Tongan, Samoan, Vietnamese, and other languages.

Customers access NWSL grants and loans via appointments with lending staff or virtually through our website https://www.nwsaltlake.org/. All basic customer information is captured in a customer management system, Salesforce. The customer is assigned to a staff person and contacted within 24 hours via email for additional information or an appointment to start the qualification process. The customer meets with a loan officer in either the main office, Murray branch office or via zoom. Required information is gathered to qualify the applicant and processed. The process can range from 30 to 60 days contingent on customer cooperation. For home improvement loans: inspections are completed by a general contractor prior to processing the loan to determine improvement needs with health and safety assessment being a priority. The general contractor provides a rough estimate and shares with the customer and approves or declines moving forward with the cost of the improvements. If approved by the customer, the loan is processed and approved. Requests for bids by a minimum of three contractors are issued by NWSL and final decisions are made by the homeowner. Home improvements depending on the level of improvements and supply chain can range from one to six months. Contractors are required to be licensed and insured and are audited annually by NWSL to verify.

Once the DPA or loan is processed, approved, and closed, the customer information with terms and restrictions are sent to our servicer https://www.amerinatls.com/. Amerinat charges a set up fee and monthly servicing fee and monitors all and any activity related to the loan including funding restrictions and compliance. They submit monthly reports to NWSL on payment activity, delinquencies, and payoffs.

3. Program Implementation, Administration, and Timeline:

I. Based on the DPA program outline in Exhibit A, NWSL organization policies and administrative practices will:

a) Provide transparent operating and governance guidelines for staff, borrowers, and funding sources.
b) Describe program intent and purpose; and
c) Establish decision-making processes.

It is the policy of NWSL to adhere to all applicable state and federal rules and regulations. This Policy will be reviewed and approved annually by the NWSL Board of Directors ("Board").

Loan Program Objective

NWSL loan funds stimulate reinvestment within NWSL funded services areas by providing a way to finance repairs and improvements for residential properties and by facilitating the purchase of homes by new homeowners.

The loan fund is not meant to replace conventional lending activity, but rather is meant to:

1. Promote non-conventional lending in NWSL service neighborhoods.
2. Provide loan products to individuals who are not qualified for conventional lending, but who demonstrate ability to repay the loan; and
3. To assist and educate customers in qualifying for a NWSL loan or a conventional loan.
4. Provide financial and home ownership counseling and education.

The development of all lending products and review of loan requests are made in consideration of neighborhood impact, demand, and funding sources.

Governance

1. The NWSL Loan Committee ("Committee") supports and serves the needs of NWSL service-area residents by making qualified credit decisions for the benefit of borrowers who do not qualify for conventional lending.

Regulations and Compliance

NWSL complies with legal requirements that are applicable to nonprofit organizations and home lenders, some of which are listed below.

1. NeighborWorks America ("NWA") Standards – NWSL lending staff meet NWA standards required by the National Industry Standards for Homeownership Education and Counseling.

2. Consumer Credit Protection Act – Designed to protect consumer borrowers by mandating complete disclosure of the terms and conditions, including charges, in credit transactions. Many of the regulations noted below are subsets of this Act.

3. Fair Housing Act – Prohibits discriminatory acts against people attempting to rent, finance, or purchase a home.

4. Equal Credit Opportunity Act (Reg B) – Prevents discrimination in any aspect of credit on the basis of sex, marital status, race, color, religion, national origin, age, receipt of public assistance income, or the good-faith exercise of rights under the Consumer Credit Protection Act.

5. Home Mortgage Disclosure Act (Reg C) – HMDA provides the public loan data used to assist in determining whether financial institutions are serving the housing needs of their communities, public officials in distributing public-sector investments to attract private investment to areas where it is needed, and in identifying possible discriminatory lending patterns.

6. Flood Disaster Protection Act – Requires lenders to require flood insurance when they finance real property that has structures affixed. Subsidized national flood insurance program provides a means for property owners to financially protect themselves from flood hazards, including in areas that have high risk of flooding. Affected activities include acquisition of real property using resources provided from a federal source such as Home or Community Development Block Grant ("CDBG") funds.

7. Real Estate Settlement and Procedures Act (Reg X) – Provides consumer protection by regulating the disclosure of all costs and business arrangements in real estate transactions. Prohibits kickbacks and unearned fees.

8. TILA-RESPA Integrated Disclosure (TRID) – TRID integrates the Real Estate Settlement Procedures Act (RESPA) and Truth in Lending Act (TILA) disclosure requirements. It is intended to ensure that credit terms are disclosed in a meaningful way, so that consumers can compare credit terms more readily and knowledgeably.

9. Unfair or Deceptive or Abusive Acts or Practices (UDAAP) – Designed to protect consumers and, where applicable, cosigners from unfair or deceptive and abusive acts or practices in connection with the extension of consumer credit.

Salt Lake Neighborhood Housing Services, Inc. Homeownership Services Policy

10. Service Members Civil Relief Act (SCRA) – Provides certain protections to individuals who are activated to full-time military duty with respect to loans they obtained before activation. This includes reservists and members of the National Guard called to active duty.

11. Fair Credit Reporting Act (FCRA) – Designed to regulate the consumer reporting industry's procedures for providing information to ensure the accuracy of consumers' information and protect their privacy while balancing the need for credit information in the commercial world. Provides that consumers can identify and correct inaccuracies in their credit histories.

12. Right to Financial Privacy Act – Establishes limits on federal agency access to consumer financial information and determines the procedures they must follow to obtain access. The Act does not apply to state or local government authorities.

13. Fair Debt Collection Practices Act – Regulates and controls debt-collection activities by debt collectors, but not by lenders with respect to their own debt.

14. SAFE Act – The Secure and Fair Enforcement for Mortgage Licensing Act requires licensure or registration of residential mortgage loan originators. Salt Lake Neighborhood Housing Services, Inc. was exempted from SAFE Act requirements in 2012 by the Utah State Division of Real Estate.

15. Bank Secrecy Act – Requires monitoring and reporting of suspicious activity, including activity related to money laundering or other crimes.

16. Data Protection Laws – Require that nonpublic personal information about consumers be kept secure to avoid the unauthorized disclosure or use of that information.

I **VI. Lending**

Loan Products:
A. First Mortgages
B. Second Mortgages
C. Home Improvement Loans
D. Down Payment Assistance Loans/Grants
E. Manufactured Home Improvement Loans
F. Murray Emergency Loan Program
G. SLC Emergency In-house Borrower Grants
H. Deferred Loans for Seniors Aged 65 and Older
I. Other products recommended by the Committee and approved by the Board.

Underwriting Guidelines
Underwriting guidelines will comply with Midvale City loan terms, eligibility, required documentation and grant repayment as noted in **RFP Exhibit A** and:

A. Aid up to ten low-to-moderate income individuals/families at 80% AMI and below.
B. Loan up to $20,000 per loan ($25,000 for employees of the county/municipality, an employer that provides contracted services for the county/to the municipality, or any other public employer that operates within the county/municipality).
C. Pay administrator fees to Contracting Organization.
D. Provide homeowner education to potential home buyers.

II. Based on the HRLP/Grant Program outline in **RFP Exhibit B**, NWSL organization policies and administrative practices will follow similar procedures as noted in 3 (I) and :

A. Assist low-to-moderate income individuals/families annually who are at 80% Average Median Income (AMI) and below.
B. Administer the application process for Midvale homeowners seeking a loan.
C. Determine approval or denial of the appropriate loan type, based applicants' qualifications and enforcement of eligibility requirements.
D. Oversee and enforce the repayment requirements of the grant/loan and oversee forgivable loans.
E. Oversee and monitor home inspections and contractors.
F. Assist Midvale to develop a robust and accessible program to achieve best practices in program policy, government regulations, and implementation.

III. **Timeline** – NWSL existing DPA and HRLP programs are currently live, and we can accept applicants as soon as funding is available. Marketing and outreach will start once NWSL is notified and approved of the award.

IV. Outreach & Marketing: Outreach strategies include meeting with local churches, civic organizations, and neighborhood events. NWSL attends monthly City and Community Council meetings in the various municipalities and would establish a Midvale Advisory committee to engage community and reaching potential customer and assisting with identifying the best strategies to promote to Midvale residents. Each community is unique. Most of our outreach in Murray is done via business chamber, churches, utility inserts and Murray Journal. In SLC, NWSL attends weekly community council meetings throughout SLC. We are members of various coalitions that target LMI communities that create opportunities for NWSL to introduce our program services.

Our marketing efforts cover a wide range of mediums, including social media, print advertising, event tabling, and proactive community network efforts (meetings, coalitions, panels etc.). Our strategy aligns with the HUD Affirmative Fair Housing Marketing guidelines, and we regularly evolve our techniques to gauge and communicate with the segments of the community who are least likely to apply more accurately.

V. **Fiscal Responsibility & Confidentiality:**
FINANCIAL SUSTAINABILITY AND LONG-TERM VIABILITY - NWSL has an exceptionally strong balance sheet with strong liquidity, as of November 2021, that includes: - $42MM in Balance sheet with $13MM in Equity. - Approximately $3MM in unrestricted cash assets with the potential of growing to $15MM (due to sale of interest in multifamily property). - Flexible Capital Fund of $1.5MM. - Loan Loss Reserve of $2.4MM. - Board Restricted Cash set aside of $1MM. - Low administrative costs relative to program expenses, and long-term debt supported by investments. - Since 2017 NWSL has increased its revenue stream from interest income and other private revenue with the launch of the AHMI program. NWSL's financial management systems are supported by well-developed written policies and procedures, and rigorous implementation of sound accounting practice, qualified staff with oversight provided by Committees and Board. NWSL utilizes QuickBooks internally to post transactions and maintain the system and provides financial reports for review by the Finance Committee. Strong liquidity, exceptional working capital, and an impressive track record of success in thoughtful program development and administration positions NWSL for long-term growth and expansion. NWSL's strong balance sheet and ability to first test and then manage programs that succeed has clearly demonstrated high levels of managerial acumen at both the board and staff levels, as well as resulted in an organization that can pilot new programs, expand into new business lines, and explore new opportunities from a position of strength and durability. *(Page 5 of November 2022 Business plan published by InFin Financial Consulting)*

1. Income Statement, Balance Sheet & Audit attached as separate documents.

NeighborWorks®
SALT LAKE



Honoring the Past, Treasuring the Present,
and Shaping the Future.

1977

NeighborWorks®
SALT LAKE

2022

Our Impact Since 1977

173 Single-family homes constructed; community investment of $33,187,400.

165 Multi-family units constructed; community investment of $18,000,000.

103 Home rehabilitations completed; community investment of $15,161,716.

841 Housing loans and grants funded or facilitated; community investment of $107,634,866.

3,249 YouthWorks program graduates; community investment of $3,993,404.

764 Homes painted during our annual Paint Your Heart Out event; community investment of $904,861.

48 Homes raked during our annual Rake Your Heart Out event; community investment of $14,400.

636 Westside Leadership Institute graduates; community investment of $374,270.

636 Westside Leadership Institute graduates; community investment of $374,270.

Total NWSL Community Investment: $ 179,270,917

Housing Units: **912**

Businesses: **7**

Infrastructure: **$ 350,000,000**

Total Stakeholder Investment: $ 529,270,917

Message to Stakeholders

Dear Stakeholders,

This marks NeighborWorks Salt Lake's 45th year of partnering to serve Salt Lake County communities. We appreciate our strong local and national partnerships which have allowed us to continue to increase our investment in neighborhoods through 2022.

2022 has continued to be a challenging year. Housing prices continue to be at all-time highs, making it difficult to purchase homes we can improve for affordable housing. Interest rates are still rising, making the purchase of a home even more difficult. Despite these headwinds, we have been busy finding ways to continue making a difference. Below are some of our accomplishments this year.

This year we were approached by AAA Fair Credit Foundation to merge our services under the NeighborWorks Salt Lake umbrella. We received approval from our board and theirs to continue the very important work and services for greater impact. We are happy to welcome the new staff to NeighborWorks Salt Lake.

We have continued the process of creating a community land trust that will make home ownership more attainable for those with lower incomes, and ensure these residents are not displaced due to land speculation and gentrification. The community land trust will ensure long-term housing affordability in the neighborhoods we serve. The sale of the Citifront apartments this year will help endow the land trust with funds to start this important initiative.

We continue to see success in our Affordable Housing and Mission Investment Fund, having raised $55,000,000 and deploying $50,000,000 to our sister NeighborWorks network organizations. This fund helps neighborhoods across the nation, and the income from the fund helps us to better address our local needs.

Our community engagement activities were helped by over 100 volunteers in more than a dozen events, serving 38 families. We continue to see success in the Westside Leadership and Youthworks programs with 65 YouthWorks students and 30 Westside Leadership graduates this year. Our lending program facilitated $9.9MM in affordable housing preservation and purchase throughout Salt Lake County.

We are working toward breaking ground on the Maltair Lanes corner (AKA Euclid) development to build townhomes this next year, as well as start work on the designs for townhomes at 800 West and Simondi, and infrastructure on Tripp Lane in Murray City.

Despite the challenges we have faced in 2022, we will continue to find ways to best leverage our resources for the benefit of the Salt Lake County communities. Our staff is dedicated to finding ways to best leverage partner dollars and provide solutions in our communities. They will continue to drive success and engage you, our partners, as we move forward.

We appreciate each of you, our investors and benefactors, for your confidence in us as we work toward our common goal and are grateful to a dedicated staff, committed board of directors, and hundreds of volunteers who improve neighborhoods block by block… house by house, and neighbor by neighbor.





Maria Garciaz, CEO

Bryce Garner, Board President

House by House… Block by Block...
Neighbor by Neighbor.
1977 ~ 2022

45 YEARS

Rebuilding Neighborhoods

2022 Annual Report

Executive Office

David Nimkin, Executive Director, 1977-83

Kathy Sheaffer, Executive Director, 1983-90

Maria Garciaz, Chief Executive Officer, 1990-Present

Present Board Members

Alama Uluave, Resident

Adebimpe Deji-Olatunde, Resident

Amber Gracanin, U.S. Bank

Autumn Johnson, Morgan Stanley Bank

Bryce Garner, President, Resident

Charles Knadler, Vice President, Regions Bank

Christy Sapp, Secretary, Resident

Curtis Mansfield, Rocky Mountain Power

Jared Hall, Murray City

Jonathan Oettli, Washington Federal Bank

Jose Organista, Resident

Robert Pedersen, Treasurer, NelNet Bank

Roberta Reichgelt, Salt Lake City

Scot Barraclough, Resident

Sean McKenna, Goldman Sachs Bank

Wayne Murakami, Resident

James Wood, Ex-Officio, University of Utah

Timothy Raccuia, Ex-Officio, Zions Bank

Present Committee Members

Murray Board

Andrew Nielsen, Medallion Bank

Cal Noyce, Resident

Jared Hall, Murray City

Jim Brass, Resident

Ken Donarski, Resident

Rick Lake, Merrick Bank

AHMI Committee

Laura Hayes, NelNet Bank

Mark Hales, Tibble Fork Advisors

Sam Bentley, Sallie Mae Bank

Robert Pedersen, NelNet Bank

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Sheldon Woods, Federal Savings Bank

Phil Gardner, Resident

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Denise Roberts, Affirm

Jeff Berkson, WebBank

John Haymond, Medallion Bank

Kent Landvatter, FinWise Bank

Robert Pedersen, NelNet Bank

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Christy Sapp, Resident

John Haymond, Medallion Bank

Jonathan Oettli, Washington Federal Bank

Sandra Hollins, Zions Bank

Stephen Fitzpatrick, GMFinancial

Terry Thomas, Resident

Wayne Murakami, Resident

Real Estate Development Committee

Brian W. Jones, Merrick Bank

Jeff Sandberg, Resident

John Taylor, Medallion Bank

Stephen Howell, Celtic Bank

Timothy Raccuia, Zions Bank

YouthWorks Committee

Allan Phelps, Resident

Autumn Johnson, Morgan Stanley Bank

Billy Palmer, Resident

Blake Marzloff, WebBank

Cuong Nguyen, Utah State Board of Education

Justin Masterman, Celtic Bank

Robert Rendon, Zions Bank

Scot Barraclough, Resident

Wendy Jack Alvarado, Horizonte Instruction and Training Center

FY 2021-22 Statement of Financials

Private Support:	**$654,002**
Public Support:	**$855,499**
Interest Income:	**$1,325,209**
Property Sold:	**$13,020,727**
NeighborWorks® America Dollars (leveraged in Utah)	**146:1**
Total Revenue:	**$15,898,483**
Total Expenses:	**$2,951,707**
Total Liabilities:	**$26,319,366**
Total Equity:	**$26,415,700**
Total Assets:	**$52,735,066**

NWSL's most recent financial audit is available upon request.

45 YEARS

Rebuilding Neighborhoods



Lines of Business 2022

Affordable Housing and Mission Investment Fund

Loan funds provide flexible capital to other well-performing nonprofit organizations across the country.

- Current outstanding portfolio balance of $21.5MM.
- 5,232 Total housing units built.
- 4,338 Total jobs created.
- 29 Total communities benefited nationally.
- $1.2BB Total leveraged community investment.
- Partnered with 6 lending institutions for the establishment of AHMI 4.
- $20MM Raised to be made available to the network.

Community-Based Economic Development

Technical and financial assistance for business owners, employment training, improving commercial properties, and more.

- 3 Small business networking events hosted.
- 3 Small business workshops hosted.
- 2 Economic development projects engaged.
- 15 Small business grants awarded for a community investment of $7,500.

Community Building and Organizing

Residents and stakeholders come together to foster a renewed energy, expertise, pride, and investment in the community.

- 13 Houses painted for our 40th annual Paint Your Heart Out event with over 80 volunteers.
- 25 Yards raked for our Rake Your Heart Out event with over 50 volunteers.
- 30 Residents graduated from the Westside Leadership Institute.
- Over 850 volunteer hours were donated, valued at $25,457 in community investment.
- Participated in over 100 community events, meetings, and panel discussions, including local organization sponsorships and community improvement projects.

Home Ownership Promotion Services

Housing loans, grants, and improvement services for new and existing homeowners.

- 44 Customers completed 264 hours of homebuyer education.
- 1 First Mortgage facilitated.
- 5 Home Improvement loans/grants for a community investment of $46,000.
- 37 Mortgage Payment Assistance grants for a community investment of $137,530.
- 7 Down Payment Assistance grants for a community investment of $134,235.
- Facilitated over $2.7MM in new home purchases
- Preserved over $7.2MM in home value.

Real Estate Development

Rehabilitation of problem and/or foreclosed properties as well as new construction and in-fill housing.

- 5 Community member properties rehabilitated for a community investment of $124,750.
- 1 Single-family residential home sold, valued at $370,000.
- 1 Multi-purpose complex sold, valued at $12.5MM.
- 1 Xeriscaping project completed.
- 41 Mixed-income housing units under development with a total land value of $3MM.
- $1,422,532 Invested in local real estate development.

YouthWorks

Neighborhood-based program assisting underserved youth ages 14-18 in workforce development and leadership training.

- 65 Youth served through programming.
- 55 Community Builders graduated from the program.
- 3,025 Hours volunteered by Community Builders, valued at $90,598.
- 17,600 Hours of workforce development training completed by Community Builders.
- 8,800 Hours of life, social, and civic engagement skills training completed by Community Builders.
- Community Builders participated in 15 service projects.

NeighborWorks® SALT LAKE



Honoring the Past



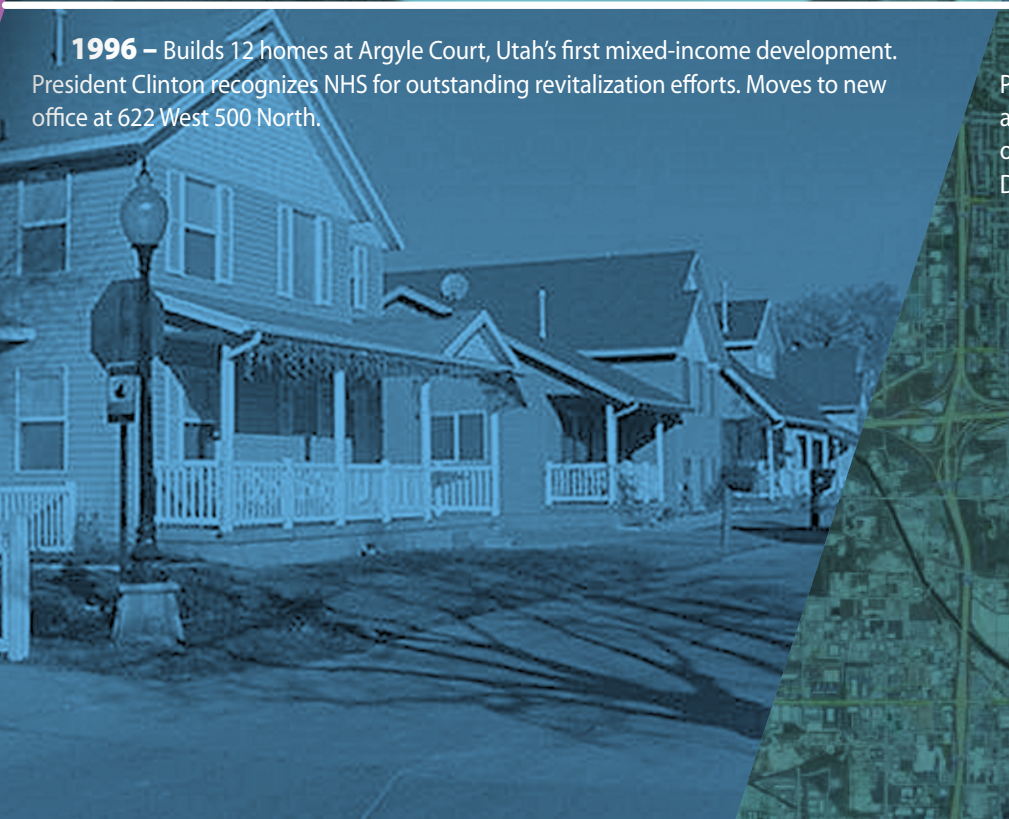
1977 – Salt Lake Neighborhood Housing Services, Inc. (NHS) opens in 9th East & 9th South in East Liberty Park. First Executive Director is David Nimkin. Salt Lake City Mayor Ted Wilson supports the opening.



1982/83 –Expands to Poplar Grove neighborhood. Governor Matheson cuts the ribbon. Second Executive Director is Kathy Sheaffer. Owner-built housing, Paint Your Heart Out, and YouthWorks programs begin.



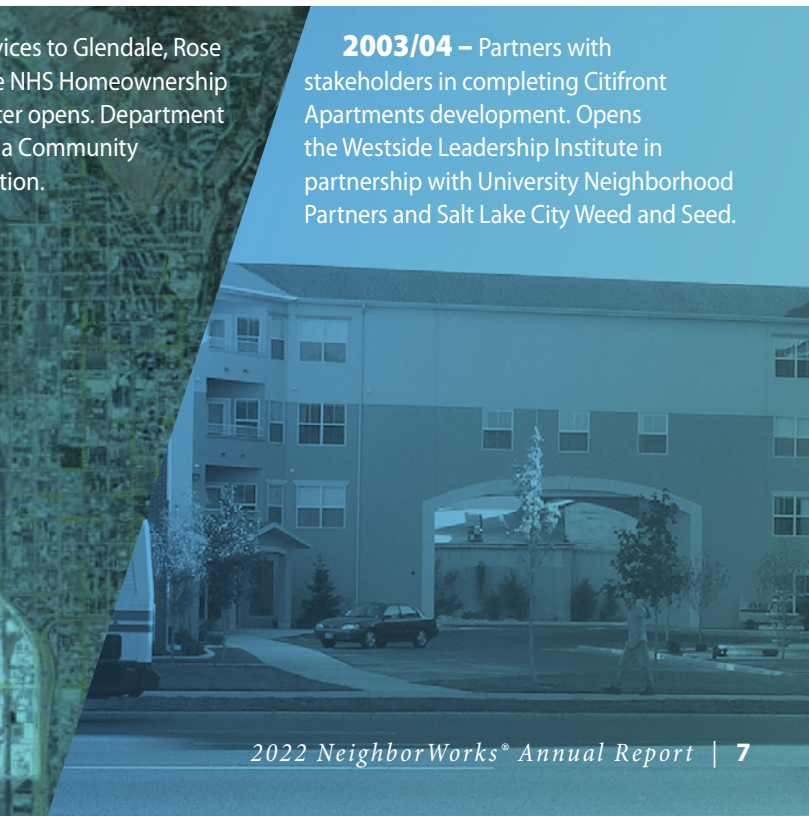
1988/89 – 5,000 clients receive home-rehabilitation assistance to date. Chapman Street Festival is organized. State-wide housing initiative begins. YouthWorks Program begins accepting young women.



1996 – Builds 12 homes at Argyle Court, Utah's first mixed-income development. President Clinton recognizes NHS for outstanding revitalization efforts. Moves to new office at 622 West 500 North.



2000/01 – Expands services to Glendale, Rose Park, and West Capitol Hill. The NHS Homeownership and Community Building Center opens. Department of Treasury designates NHS as a Community Development Financial Institution.



2003/04 – Partners with stakeholders in completing Citifront Apartments development. Opens the Westside Leadership Institute in partnership with University Neighborhood Partners and Salt Lake City Weed and Seed.

Treasuring the Present



2007/08 – Salt Lake Neighborhood Housing Services, Inc. officially starts doing business as NeighborWorks® Salt Lake (NWSL). Bridge Over Barriers art project begins transforming I-15 underpass at 650 West 300 North.



2010/11 – NWSL partn
Housing Mission Investment

NeighborWorks®
SALT LAKE

2018/19 – NWSL acquires 4 problem properties in the Marmalade neighborhood and builds 23 market-rate homes. First Rake Your Heart Out assists 10 residents.



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ers with Murray City and establishes a branch office. NWSL establishes the Affordable (AHMI) fund.

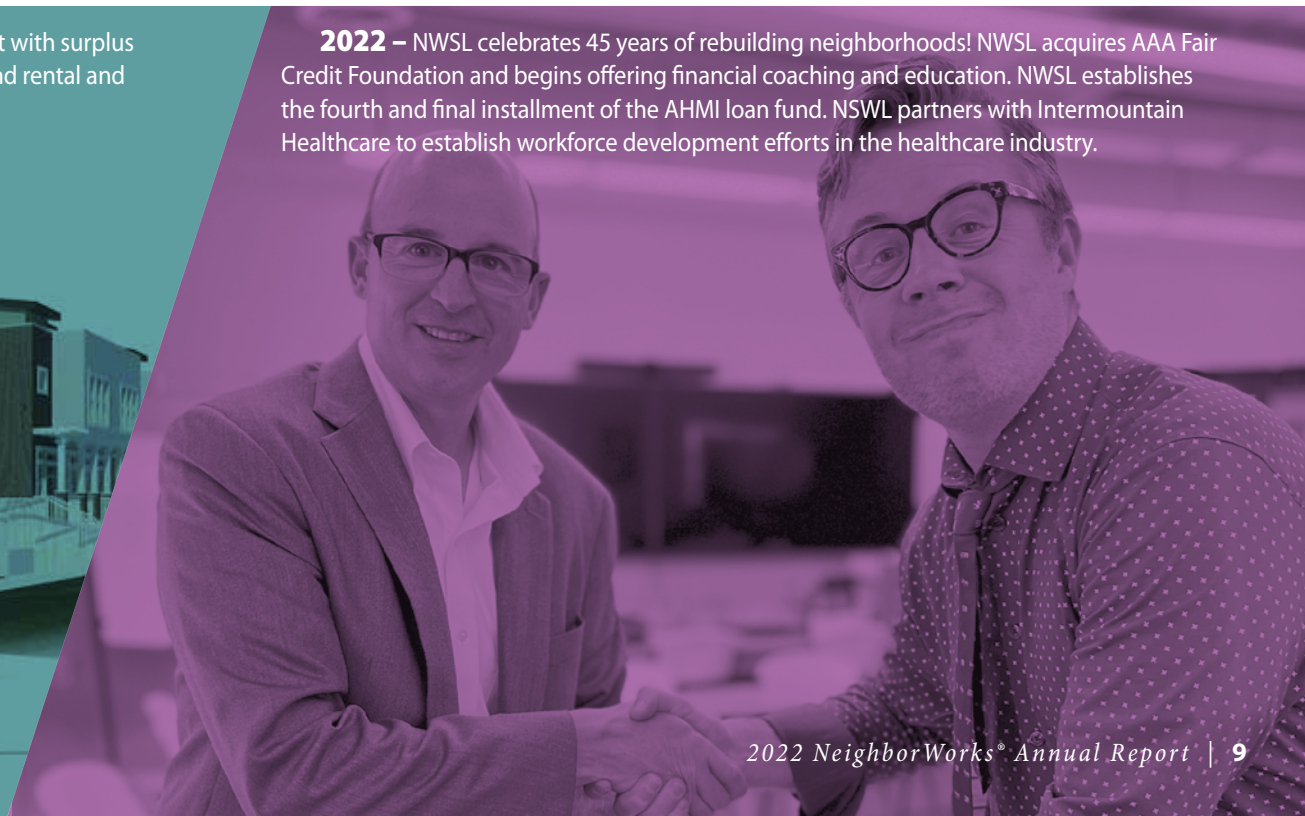


2013 – NWSL organizes with community to advocate for resident-conscious designing of the North Temple tracks. Residents select artwork.

020/21 – NWSL begins developing the NeighborWorks® Community Land Trust with surplus Citifront sale. NWSL launches vaccination clinics, the Digital Inclusion Initiative, and rental and gage payment assistance to meet critical community need.



2022 – NWSL celebrates 45 years of rebuilding neighborhoods! NWSL acquires AAA Fair Credit Foundation and begins offering financial coaching and education. NWSL establishes the fourth and final installment of the AHMI loan fund. NSWL partners with Intermountain Healthcare to establish workforce development efforts in the healthcare industry.



Shaping the Future

Westside Leadership Institute

In 2023, the Westside Leadership Institute will expand services county-wide. In partnership with the University of Utah, the steering committee is planning the launch of its first ever course offered in West Valley City. Services support residents in engaging further with their local municipalities and addressing community issues. Trainings include leadership principles in building coalitions, leading meetings, and transforming ideas into action. Participants are assisted in developing their projects through to completion.

Career Pipeline Project

In February 2022, NeighborWorks® Salt Lake began this project with the goal to increase economic mobility opportunities for underserved communities in Salt Lake County. This project works directly with residents to provide technical skills training, mentorship, and job placement.

The current pilot began in partnership with Intermountain Healthcare to address the racial disparities in access to medical care and the higher paying careers of the industry. Students are working with advisors and earning medical certifications to join the local healthcare workforce. These students decrease disparities in quality of service and availability of coverage. As this project builds capacity, it will expand beyond the healthcare industry and expand as an opportunity to the broader community.

NeighborWorks® Community Land Trust

In June 2022, NeighborWorks® Salt Lake established the NeighborWorks® Community Land Trust (NWCLT). This is a shared equity homeownership program, designed to create permanent affordable housing stock in Salt Lake County. This model provides opportunities for education, community service, and cooperative investments.

The NWCLT consists of residential land throughout Salt Lake County. Clients purchase mortgages at the cost of the home while leasing the land through the NWCLT. This allows the client to focus their budget on the cost of the home alone, rather than incurring the additional cost of the land. Homeowners maintain the equity invested in the home and a percentage of the increased appraisal value.

NeighborWorks® Salt Lake is in design to develop 42 single-family units and townhomes and partnering with lending institutions to ensure their familiarity with land lease first mortgage lending. NWSL will leverage the impact of our Home Ownership Promotion Services with that of the NWCLT to close remaining affordability gaps.

Financial Coaching and Education

In August 2022, NeighborWorks® Salt Lake acquired AAA Fair Credit Foundation. This brought an impressive score of experienced Financial Counselors to our team. NWSL now provides a greater breadth of services including:

Community Financial Education

- Educational workshops, held by Financial Counselors and key community partners. Topics include budgeting, credit and debt management, healthcare resources, eviction and foreclosure mitigation, and workforce development.
- 2,358 Clients attended in 2021.

One-on-One Financial Coaching

- One-on-one classes. Topics include tailored goal setting, impediments and social barriers, and measuring achievements.
- 303 Clients enrolled in 2021.

Savings Accounts

- Savings accounts available for clients with different needs. Aspects include Financial Counselor support, matched savings for approved assets, workshops, and tracker tool.
- 10 Clients enrolled in 2021.
- $2,529 In client savings.

Debt Management

- Projects and tools for clients with unsecured debt. These include long-term planning, consolidation, lowered interest rates, and financial coaching.
- 3 Clients enrolled in 2021.
- $18,575 Paid toward client debt.





House by House… Block by Block…
Neighbor by Neighbor.

1977 ~ 2022

45 YEARS

Rebuilding Neighborhoods

NeighborWorks® SALT LAKE

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(Financial, in-kind, and volunteer)

We would like to extend our deepest appreciation to the following individuals and organizations:

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Bryce Balderas
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Rocky Mountain Power Foundation
Rose Park Lions Club
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University of Utah
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UServeUtah
Utah Department of Financial Institutions
Utah Housing Corporation
Utah Neighborhood Partners
Utah State Fairpark
Washington Federal Bank
WebBank
Wells Fargo Bank
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Westside Coalition
Williamsen Family Foundation
XMission
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Phil Sullivan
Christopher "Kit" Sumner
Sisilia Talia'uli
John Taylor
Cencira Te'o
Terry Thomas
Tim Tingey
Beti Tu'afe
Tee Tyler
Angie Vorher
Dave Wall
Brent Watson
Jilene Whitby
Steven Whiting
Jim Wickens
Harriet Wilkinson
Sofia Wilson
Suzannah Wright
William Wright
Sheldon Woods
Robert York
Louis Zunguze

We apologize for any names inadvertently left off our list.

Consolidated Financial Statements
June 30, 2022 and 2021

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake
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June 30, 2022 and 2021

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake
Salt Lake City, Utah

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S.* Code of Federal Regulations *Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 on our consideration of the Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake's internal control over financial reporting and compliance.

Ende Bailly LLP

Salt Lake City, Utah
December 16, 2022

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 21,826,572	$ 9,012,929
Restricted cash	584,831	1,307,996
Grants and other receivables	186,378	118,873
Interest receivable	276,001	302,864
Prepaid expense	30,054	59,320
Mortgage loans receivable, net	5,054,874	5,712,901
AHMI loans receivable, net	20,606,092	22,595,202
Property held for development, rehabilitation and sale, net	3,084,991	1,954,545
Other assets	77,100	54,700
Property and equipment, net	86,635	14,607,833
	$ 51,813,528	$ 55,727,163
Liabilities and Net Assets		
Accounts payable	$ 174,389	$ 50,781
Accrued expenses and other liabilities	541,626	846,389
Escrow deposits	-	48,468
Notes payable, net of unamortized debt issuance costs	25,943,935	39,388,561
Total liabilities	26,659,950	40,334,199
Net Assets		
Without donor restrictions		
Unrestricted	23,913,046	11,789,358
Noncontrolling interest in City Front Partners, LLC	189,847	861,724
With donor restrictions	1,050,685	2,741,882
Total net assets	25,153,578	15,392,964
	$ 51,813,528	$ 55,727,163

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake
Consolidated Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Program revenue			
Sales of property held	$ 452,080	$ -	$ 452,080
Less cost of property sold	(354,248)	-	(354,248)
Net sales of property held	97,832	-	97,832
Loan service fees	17,077	-	17,077
Rental revenue	915,793	-	915,793
Other tenant charges	89,457	-	89,457
Miscellaneous	141,499	-	141,499
Interest income	1,416,094	3,486	1,419,580
Public grants and contracts	1,003,193	-	1,003,193
Contributions	654,003	-	654,003
Gain on sale of property and equipment	17,370,376	-	17,370,376
Net assets released from restrictions	6,000	(6,000)	-
Total revenue, support, and gains	21,711,324	(2,514)	21,708,810
Expenses			
Program services expense			
Home Ownership Services	503,473	-	503,473
Community Based Economic Development	37,153	-	37,153
Community Building and Organizing	287,031	-	287,031
Real Estate Development and Management	362,650	-	362,650
Affordable Housing Mission Investment	788,232	-	788,232
City Front Partners, LLC	1,164,553	-	1,164,553
Total program services expense	3,143,092	-	3,143,092
Supporting services expense			
Management and general	707,775	-	707,775
Fundraising and development	71,726	-	71,726
Total supporting services expense	779,501	-	779,501
Total expenses	3,922,593	-	3,922,593
Change in Net Assets	17,788,731	(2,514)	17,786,217
Net Assets, Beginning of Year	12,651,082	2,741,882	15,392,964
Transfer of Net Assets (Note 10)	-	(1,688,683)	(1,688,683)
Distribution to Noncontrolling Members of City Front Partners, LLC	(6,336,920)	-	(6,336,920)
Net Assets, End of Year	$ 24,102,893	$ 1,050,685	$ 25,153,578

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake
Consolidated Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Program revenue			
Sales of property held	$ 335,245	$ -	$ 335,245
Less cost of property sold	(303,251)	-	(303,251)
Net sales of property held	31,994	-	31,994
Loan service fees	22,627	-	22,627
Rental revenue	1,546,769	-	1,546,769
Other tenant charges	107,697	-	107,697
Gain on Paycheck Protection Program loan forgiveness	231,600		231,600
Miscellaneous	96,083	-	96,083
Interest income	1,539,233	44,540	1,583,773
Public grants and contracts	804,399	-	804,399
Contributions	231,980	-	231,980
Gain on investment in related real estate limited liability company	1,308,075	-	1,308,075
Net assets released from restrictions	83,499	(83,499)	-
Total revenue, support, and gains	6,003,956	(38,959)	5,964,997
Expenses			
Program services expense			
Home Ownership Services	335,433	-	335,433
Community Based Economic Development	7,350	-	7,350
Community Building and Organizing	266,780	-	266,780
Real Estate Development and Management	1,112,914	-	1,112,914
Affordable Housing Mission Investment	834,060	-	834,060
City Front Partners, LLC	1,983,746	-	1,983,746
Total program services expense	4,540,283	-	4,540,283
Supporting services expense			
Management and general	652,987	-	652,987
Fundraising and development	76,510	-	76,510
Total supporting services expense	729,497	-	729,497
Total expenses	5,269,780	-	5,269,780
Change in Net Assets	734,176	(38,959)	695,217
Noncontrolling Interest in City Front Partners, LLC at Acquisition Date	1,000,000	-	1,000,000
Net Assets, Beginning of Year	10,916,906	2,780,841	13,697,747
Net Assets, End of Year	$ 12,651,082	$ 2,741,882	$ 15,392,964

See Notes to Consolidated Financial Statements

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services									
	Home Ownership Services	Community Based Economic Development	Community Building and Organizing	Real Estate Development and Management	Affordable Housing Mission Investment	City Front Partners, LLC	Total	Management and General	Fundraising and Development	Total
Salaries and wages	$ 77,144	$ 23,279	$ 194,867	$ 64,004	$ 71,702	$ 133,944	$ 564,940	$ 368,332	$ 50,336	$ 983,608
Employee benefits	1,597	147	13,880	-	392	20,426	36,442	30,401	5,653	72,496
Payroll taxes	-	-	-	-	-	10,179	10,179	71,222	-	81,401
Professional services	5,163	109	14,228	12,037	426	45,606	77,569	57,814	236	135,619
Supplies	2,259	261	2,470	922	804	8,808	15,524	4,132	565	20,221
Communications	1,000	237	1,640	866	731	9,984	14,458	28,174	513	43,145
Occupancy	3,878	368	2,491	7,891	1,133	-	15,761	5,822	796	22,379
Repairs and maintenance	7,551	1,256	8,502	4,863	3,867	139,448	165,487	19,866	2,715	188,068
Travel	78	-	2,931	864	-	-	3,873	527	-	4,400
Insurance	7,680	1,709	12,041	13,112	5,263	76,612	116,417	27,038	3,695	147,150
Interest	-	-	-	-	692,655	213,706	906,361	-	-	906,361
Training and development	2,359	320	150	646	-	230	3,705	2,423	100	6,228
Miscellaneous	13,801	9,237	32,273	6,880	5,412	4,589	72,192	46,103	6,619	124,914
Cost of property sold	-	-	-	354,248	-	-	354,248	-	-	354,248
Impairment loss on property held	-	-	-	138,965	-	-	138,965	-	-	138,965
Property taxes	-	-	-	6,782	-	57,099	63,881	-	-	63,881
Depreciation	763	230	1,558	633	709	352,659	356,552	3,641	498	360,691
Loan closing costs	141,700	-	-	5,685	5,138	-	152,523	-	-	152,523
Leasing expenses	-	-	-	-	-	91,263	91,263	-	-	91,263
Management fee	-	-	-	-	-	-	-	36,494	-	36,494
Company administration fee	-	-	-	-	-	-	-	5,786	-	5,786
Down payment assistance grants	238,500	-	-	98,500	-	-	337,000	-	-	337,000
Total expenses by function	503,473	37,153	287,031	716,898	788,232	1,164,553	3,497,340	707,775	71,726	4,276,841
Less expenses included with revenues on the consolidated statement of activities										
Cost of property sold	-	-	-	(354,248)	-	-	(354,248)	-	-	(354,248)
Total expenses included in the expense section on the consolidated statement of activities	$ 503,473	$ 37,153	$ 287,031	$ 362,650	$ 788,232	$ 1,164,553	$ 3,143,092	$ 707,775	$ 71,726	$ 3,922,593

See Notes to Consolidated Financial Statements

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services									
	Home Ownership Services	Community Based Economic Development	Community Building and Organizing	Real Estate Development and Management	Affordable Housing Mission Investment	City Front Partners, LLC	Total	Management and General	Fundraising and Development	Total
Salaries and wages	$ 53,494	$ 3,456	$ 174,057	$ 24,323	$ 59,614	$ 162,275	$ 477,219	$ 331,738	$ 58,147	$ 867,104
Employee benefits	1,615	14	7,509	1,416	235	23,833	34,622	42,771	5,068	82,461
Payroll taxes	-	-	-	-	-	15,095	15,095	58,380	-	73,475
Professional services	2,117	16	2,398	470	277	59,358	64,636	35,052	270	99,958
Supplies	2,377	43	2,266	415	737	16,255	22,093	4,095	718	26,906
Communications	750	236	2,116	370	629	17,555	21,656	11,472	613	33,741
Occupancy	3,026	57	2,462	6,491	977	-	13,013	5,438	953	19,404
Repairs and maintenance	3,961	57	3,401	8,688	986	225,991	243,084	4,685	961	248,730
Travel	-	-	4,210	387	-	-	4,597	-	-	4,597
Insurance	5,610	248	10,770	8,439	4,274	102,722	132,063	23,786	4,169	160,018
Interest	-	-	-	-	746,776	366,515	1,113,291	-	-	1,113,291
Training and development	277	-	64	400	-	865	1,606	1,532	935	4,073
Miscellaneous	10,690	3,192	56,159	2,465	4,152	22,300	98,958	35,720	4,147	138,825
Cost of property sold	-	-	-	303,251	-	-	303,251	-	-	303,251
Impairment loss on property held	-	-	-	1,038,305	-	-	1,038,305	-	-	1,038,305
Property taxes	-	-	-	8,015	-	167,722	175,737	-	-	175,737
Depreciation	479	31	1,368	230	543	619,224	621,875	3,020	529	625,424
Loan closing costs	60,870	-	-	-	14,860	-	75,730	19,636	-	95,366
Leasing expenses	-	-	-	-	-	184,036	184,036	-	-	184,036
Management fee	-	-	-	-	-	-	-	66,130	-	66,130
Company administration fee	-	-	-	-	-	-	-	9,532	-	9,532
Down payment assistance grants	190,167	-	-	12,500	-	-	202,667	-	-	202,667
Total expenses by function	335,433	7,350	266,780	1,416,165	834,060	1,983,746	4,843,534	652,987	76,510	5,573,031
Less expenses included with revenues on the consolidated statement of activities										
Cost of property sold	-	-	-	(303,251)	-	-	(303,251)	-	-	(303,251)
Total expenses included in the expense section on the consolidated statement of activities	$ 335,433	$ 7,350	$ 266,780	$ 1,112,914	$ 834,060	$ 1,983,746	$ 4,540,283	$ 652,987	$ 76,510	$ 5,269,780

See Notes to Consolidated Financial Statements

	2022	2021
Operating Activities		
Change in net assets	$ 17,786,217	$ 695,217
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	360,691	625,424
Interest expense attributable to amortization of debt issuance costs	3,872	12,091
Gain on Paycheck Protection Program loan forgiveness	-	(231,600)
Amortization of deferred origination fees on mortgage loans receivable	(8,876)	(6,161)
Gain on settlement of debt reserves	(118,300)	(58,159)
Gain on sale of property and equipment	(17,370,376)	-
Gain on investment in related real estate limited liability company	-	(1,308,075)
Impairment loss on property held	138,965	1,038,305
Changes in operating assets and liabilities		
Grants and other receivables	(67,505)	(22,860)
Interest receivable	26,863	(31,943)
Prepaid expense	29,266	43,597
Other assets	(22,400)	(7,300)
Property held, net	(1,269,411)	(32,852)
Accounts payable	123,608	6,178
Accrued expenses and other liabilities	(304,763)	17,067
Net Cash from (used for) Operating Activities	(692,149)	738,929
Investing Activities		
Mortgage loans receivable issued	(75,500)	(290,000)
Mortgage loans receivable payments received	756,013	697,932
AHMI loans receivable payments received	2,093,800	1,000,000
Acquisition of assets of City Front Partners, LLC	-	(200,000)
Proceeds from sale of property and equipment	32,693,495	-
Purchase of property and equipment	(287,860)	(73,742)
Net Cash from Investing Activities	35,179,948	1,134,190
Financing Activities		
Change in escrow deposits	(48,468)	(14,587)
Interest additions to CDBG note payable	41,693	-
Principal payments on notes payable	(15,418,547)	(2,211,841)
Payment of note payable prepayment penalty	(635,079)	-
Distribution to noncontrolling members of City Front Partners, LLC	(6,336,920)	-
Net Cash used for Financing Activities	(22,397,321)	(2,226,428)

	2022	2021
Net Change in Cash, Cash Equivalents, and Restricted Cash	12,090,478	(353,309)
Cash Acquired Through Acquisition of City Front Partners, LLC	-	818,807
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	10,320,925	9,855,427
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 22,411,403	$ 10,320,925
Cash and Cash Equivalents	$ 21,826,572	$ 9,012,929
Restricted Cash	584,831	1,307,996
	$ 22,411,403	$ 10,320,925
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 952,321	$ 1,084,357
Cash received during the year for interest	1,446,443	1,551,830
Supplemental Disclosure of Non-cash Financing Activity		
CDBG note payable transferred from net assets	$ 1,688,683	$ -
Supplemental Schedule of Investing Activities		
Acquisition of City Front Partners, LLC		
Cash	$ -	$ (247,370)
Restricted Cash	-	(571,437)
Other receivable	-	(34,109)
Prepaid expense	-	(73,334)
Property and equipment	-	(15,082,778)
Investment in and advances to related real estate limited liability company	-	1,800,000
Accounts payable	-	25,682
Accrued expenses and other liabilities	-	195,637
Notes payable	-	13,043,345
Debt issuance costs	-	(255,636)
Noncontrolling interest in City Front Partners, LLC	-	1,000,000
Cash paid	$ -	$ (200,000)

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake (NWSL) is a nonprofit corporation organized under the laws of the State of Utah to assist in residential revitalization and promotion of home ownership in target areas in and surrounding Salt Lake City, Utah. NWSL has three primary target areas: 1) the area from the Davis County line south to 1700 South and from 2200 West to I-15; 2) the area between 600 North and North Temple, and I-15 to 500 West; and 3) the area from 800 North to 300 North, and 400 West to 200 West. NWSL expanded its services to Murray City in 2011 and eliminated geographical restrictions in May 2017 for the Home Ownership Services Program.

The Home Ownership Services Program provides financing for first mortgages, second mortgages, and for home improvement loans to first-time homebuyers and low-to-moderate income families. NWSL often serves persons who are unable to obtain financing from traditional sources. These individuals are often considered too "high-risk" by financial institutions. The program also provides homebuyer education, financial capability, counseling, and down payment assistance grants.

The Community Based Economic Development Program provides activities that improve commercial economic conditions in the community. As part of this line of business, NWSL organized the River District Business Alliance and provides staff support to accomplish the group's objectives of promoting economic development on the west side of Salt Lake City.

The Community Building and Organizing Program provides community engagement activities that help residents and other area stakeholders come together to develop and provide leadership to build a strong community. The program includes the YouthWorks program, which provides at risk youth from Salt Lake County the opportunity to develop basic construction and pre-employment skills as well as honing their social skills. Another element of the Community Building and Organizing Program is the Westside Leadership Institute, a 10-week course, taught in partnership with the University of Utah that teaches leadership and organizing skills to local residents. To help meet community needs, the course is also offered in Spanish. In addition, NWSL sponsors and participates in numerous special events during the year.

The Real Estate Development and Management Program develops residential, commercial, and multi-family real estate, and assists homeowners who have home improvement loans with NWSL. In 2017, NWSL created NWSL Euclid LLC as a solely owned subsidiary to hold the property for an anticipated town home project.

The Affordable Housing Mission Investment (AHMI) Program is a loan fund to assist high performing peer NeighborWorks organizations in achieving their mission by providing organization level enterprise loans. AHMI provides medium term investment capital to these organizations who develop affordable and sustainable housing, provides economic development, and engages neighborhood revitalization.

The City Front Partners, LLC (Citifront) Program was organized for the purpose of operating the Citifront Apartments and retail space, a 166 residential housing unit and 3 commercial unit project located in Salt Lake City, Utah. Of the 166 units within this project, 104 units are subject to the rent restrictions and qualified tenant restrictions as required by the Low-Income Housing Tax Credit Program.

Principles of Consolidation

The consolidated financial statements include the accounts of Salt Lake Neighborhood Housing Services, Inc., NWSL Euclid LLC, NWSL 2012 AHMI Fund, LLC, NWSL 2017 AHMI Fund, LLC, and City Front Partners, LLC because Salt Lake Neighborhood Housing Services, Inc. has both control and an economic interest in those LLCs. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “Salt Lake Neighborhood Housing Services, Inc.”, “NWSL” or “the Organization.”

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building project, permanent endowment, or other long-term purposes are excluded from this definition.

Tenant Security Deposits

Pursuant to management policy, the Company has set aside funds to repay tenant security deposits after lease termination.

Loans Receivable and Loan Loss Reserve

Mortgage loans receivable are stated at the unpaid principal amount reduced by the loan loss reserve and deferred loan origination fees. Interest on the loans is calculated using the simple interest method on daily balances of the gross principal amount outstanding. Interest rates range from 2% to 8% with monthly payment terms ranging from one to thirty years. The loans are secured by real property.

AHMI loans receivable are stated at the unpaid principal amount, reduced by the loan loss reserve. Interest on the loans is calculated using the simple interest method on daily balances of the gross principal amount outstanding. Interest rates are at 5.5% with quarterly payments. Loans mature through November 2024. The loans are partially secured by assets of the borrowing organization.

The loan loss reserve is maintained at a level considered adequate to provide for estimated future credit losses, based on management's historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower’s ability to repay, estimated value of the underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to signification revision as more information becomes available. The reserve is increased by provisions charged to operating expense and reduced by net charge-offs.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers non-impaired loans and are based on historical loss rates for each portfolio segment, adjusted for the effects of qualitative or environmental factors that are likely to cause estimated credit losses as of the evaluation date to differ from the portfolio segment's historical loss experience.

Qualitative factors include consideration of the following: changes in lending policies and procedures; changes in economic conditions; changes in the nature and volume of the portfolio; changes in the experience; ability and depth of lending management and other relevant staff; changes in the volume and severity of past due; changes in the loan review system; changes in the value of the underlying collateral; and concentrations of credit and the effect of other external factors such as competition and legal and regulatory requirements.

A loan is considered impaired when, based on current information and events, it is probable that the Organization will be unable to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for mortgage and AHMI loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral.

Loan Origination Fees

Loan origination fees represent fees paid to originate a mortgage loan. These fees are reported with mortgage loans receivable in the consolidated statements of financial position and are amortized over the life of the related loans using the straight-line method which approximates the effective interest method.

Property and Equipment

Property and equipment is recorded at acquisition cost or, where donated, at estimated market value at the date of the donation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, which ranges from three to twenty years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2022 and 2021.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method which approximates the effective interest method. Debt issuance costs are included within long-term debt on the balance sheet. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the time of donation.

Professional services are recorded at the respective fair value of the services received. No significant contributions of such goods or services were received during the years ended June 30, 2022 and 2021.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset for a specific purpose. No significant donations of property and equipment were received during the years ended June 30, 2022 and 2021.

Income Taxes

Salt Lake Neighborhood Housing Services, Inc. is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction, and has been determined not to be a private foundation.

NWSL is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS annually. In addition, NWSL is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. NWSL has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

NWSL Euclid LLC, NWSL 2012 AHMI Fund, LLC, NWSL 2017 AHMI Fund, LLC, and City Front Partners, LLC are limited liability companies. As such, the tax effects accrue directly to their members and no tax provision is recorded in the accompanying consolidated financial statements.

Each entity believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. NWSL would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Revenue and Revenue Recognition

For performance obligations related to the sale of property, control transfers to the buyer at a point in time. Other performance obligations are recognized as control transfers to the customer over time. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. NWSL's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Rental income is recognized from units rented under operating lease agreements with terms of one year or less. Rental income from tenants is recognized in the month in which it is earned rather than received. Any rent received prior to the month of occupancy is reported as prepaid rent.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, supplies, communications, repair and maintenance, insurance, and miscellaneous, which are allocated on the basis of estimates of time and effort.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

NWSL manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, NWSL has not experienced losses in any of these accounts. Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from peer NeighborWorks® organizations. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of NWSL.

NWSL provides mortgage loans to low-to-moderate income individuals in the Salt Lake City area. Mortgage loans receivable are a concentration of credit risk. NWSL also has a significant investment in real property concentrated in a small section of Salt Lake City and Murray, Utah.

Subsequent Events

NWSL has evaluated subsequent events through December 16, 2022, the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	2022	2021
Cash and cash equivalents	$ 21,682,531	$ 8,862,888
Grants and other receivables	186,378	118,873
Interest receivable	276,001	302,864
	$ 22,144,910	$ 9,284,625

Additionally, the Organization will receive funds from mortgage loans receivable due during the next year. As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds.

Note 3 - Restricted Cash

Restricted cash consists of the following as of June 30:

	2022	2021
Community Development Block Grant	$ -	$ 110,400
Escrow and suspense funds	-	48,468
Escrowed money for home improvement loans	36,382	4,982
Tax increment funding	548,449	706,174
Security deposits	-	80,000
Property tax and insurance escrow	-	206,806
Replacement reserve	-	151,166
	$ 584,831	$ 1,307,996

Note 4 - Mortgage Loans Receivable

Mortgage loans receivable consists of loans made from the following funding pools as of June 30:

	2022	2021
Organization assets	$ 1,084,918	$ 1,157,933
Community Development Block Grant - SLC	1,446,222	1,578,283
HOME - SLC	2,523,165	3,019,571
Tax increment funding - Murray	132,953	111,984
	5,187,258	5,867,771
Less loan loss reserve	(103,745)	(117,355)
Less deferred origination fees	(28,639)	(37,515)
	$ 5,054,874	$ 5,712,901

Activity in the mortgage loans receivable loan loss reserve consists of the following as of June 30:

	2022	2021
Beginning mortgage loans receivable loan loss reserve	$ 117,355	$ 125,514
Current year provision (reduction of provision)	(13,610)	(8,159)
Net charge-offs	-	-
Ending mortgage loans receivable loan loss reserve	$ 103,745	$ 117,355

NWSL provides mortgage assistance primarily to low-to-moderate income individuals. The mortgage loans receivable are considered a concentration of credit risk.

The following table summarizes the aging of past due mortgage loans as of June 30, 2022:

	Still Accruing		
	30-89 Days Past Due	Over 90 Days Past Due	Nonaccrual Balance
Mortgage loans	$ 217,426	$ 29,900	$ -

The following table summarizes the aging of past due mortgage loans as of June 30, 2021:

	Still Accruing		
	30-89 Days Past Due	Over 90 Days Past Due	Nonaccrual Balance
Mortgage loans	$ 242,995	$ 236,079	$ -

Note 5 - AHMI Loans Receivable

AHMI loans receivable are loans made to assist peer NeighborWorks® organizations in achieving their mission. AHMI loans provide an enterprise level loan with medium term, below market rate investment capital for high performing nonprofit organizations. These organizations develop affordable and sustainable housing, provide economic development and engage in neighborhood revitalization.

To qualify as a borrower, the NeighborWorks® peer organization must be a nonprofit organization qualifying under Internal Revenue Code section 501(c)(3), and a member of the NeighborWorks® America (NWA) network, with an NWA organizational health rating of exemplary. Loans generally range from $250,000 to $2 million to any one organization. As of June 30, 2022 and 2021, AHMI loans receivable consists of 14 and 15 outstanding loans, respectively, to NeighborWorks® organizations located across the United States.

AHMI loans receivables are issued in tranches. Tranche 3 AHMI loans receivables were issued in the years ended June 30, 2019 and 2020, and are due at various times through November 2024.

AHMI loans receivable consists of the following as of June 30:

	2022	2021
AHMI Tranche 3 - NeighborWorks organizations - interest at 5.5%, require quarterly interest payment, balances due between December 13, 2023 and November 21, 2024, partially secured by the assets of the borrowing organizations	$ 21,690,623	$ 23,784,423
Less loan loss reserve	(1,084,531)	(1,189,221)
	$ 20,606,092	$ 22,595,202

NWSL entered into loan agreements, as more fully described in Note 9, to fund the AHMI loan program.

The AHMI Tranche 3 loan fund has established a loan loss reserve estimate of 5% of the outstanding principal amount. Upon closing, the 5% of loan loss reserve is charged to operating expense. NWSL's loan loss reserve is $1,084,531 and $1,189,221 at June 30, 2022 and 2021, respectively. NWSL received grants in previous periods from NWA to offset its portion of the loan loss reserve.

Activity in the AHMI loans receivable loan loss reserve consists of the following as of June 30:

	2022	2021
Beginning AMHI loans receivable loan loss reserve	$ 1,189,221	$ 1,239,221
Recapture of loan loss expense due to loan repayments in full	(104,690)	(50,000)
Ending AHMI loans receivable loan loss reserve	$ 1,084,531	$ 1,189,221

Note 6 - Property Held for Development, Rehabilitation and Sale

Property held for development, rehabilitation and sale consists of the following as of June 30:

	2022	2021
Vacant residential lots	$ 546,897	$ 546,897
Residential real estate under rehabilitation or development, or held for sale	2,093,485	963,039
Commercial property for sale or lease	444,609	444,609
	$ 3,084,991	$ 1,954,545

The carrying values of property held are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the sale of the property. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Organization has determined that certain property held was impaired during the years ended June 30, 2022 and 2021, and has recorded impairment losses of $138,965 and $1,038,305 at June 30, 2022 and 2021, respectively. No future impairments are expected on that property held as the related assets were fully disposed of in the year ending June 30, 2022.

Note 7 - Property and Equipment

Property and equipment consists of the following as of June 30:

	2022	2021
Land	$ 53,158	$ 2,877,590
Buildings	363,572	10,165,373
Buildings improvements	136,966	2,662,051
Equipment	290,562	271,636
Leasehold improvements	22,911	22,911
	867,169	15,999,561
Less accumulated depreciation	(780,534)	(1,391,728)
	$ 86,635	$ 14,607,833

On December 16, 2021, City Front Partners, LLC closed a sales agreement with a third party in which all Citifront property and equipment as well as all rights, titles and interests as landlord, under leases, tenancies or other occupancy arrangements affecting any portion of the property and equipment and all deposits and prepaid rents related thereto were sold for a sales price of $33,150,000. Proceeds of the sale were used to pay off the note payable due to Wells Fargo, with the remaining amount being disbursed to the owners of City Front Partners, LLC. The buyer has agreed to continue operating Citifront Apartments as an affordable housing project.

Note 8 - Paycheck Protection Program Loan

NWSL was granted a $231,600 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the federal government. NWSL initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released by the SBA. NWSL recognized $231,600 of loan forgiveness income for the year ended June 30, 2021.

Note 9 - Notes Payable

Notes payable consists of the following as of June 30:

	2022	2021
Note payable to HOME program SLC, interest at 0%, payable as principal mortgage payments made with the HOME funds are received.	$ 2,522,936	$ 3,016,179
Note payable to CDBG program SLC, interest at 0%, payable as principal mortgage payments made with the CDBG funds, as well as related interest, are received.	1,730,376	-
Note payable due to Wells Fargo, interest at 3.29%, due in monthly principal and interest payments of $56,685 beginning January 2016, through December 2050, net of unamortized debt issuance costs of $0 in 2022 and $243,545 in 2021, based on an effective interest rate of 3.45%. In December 2022 this loan was paid off in full. (A)	-	12,587,959
Note payable, interest at 3% with interest due quarterly, maturing November 30, 2024, secured by assets of the borrowing institutions.	21,690,623	23,784,423
	$ 25,943,935	$ 39,388,561

(A) – The loan is insured by HUD under section 223(f) of the National Housing Act. In the event of a default on the mortgage, all rents, profits, and income of the project are to be assigned to HUD. The regulatory agreement accompanying the HUD-insured mortgage shall remain in effect until termination or maturity of the HUD-insured mortgage. The repayment provisions of the note payable are such that no prepayment of the note was allowed until December 1, 2015, followed by a prepayment penalty of 10% which declines 1% every year thereafter.

Future maturities of these notes payable, based on currently agreed upon maturity dates, are as follows:

Years Ending June 30,	Amount
2023	$ -
2024	-
2025	21,690,623
2026	-
2027	-
Thereafter	4,253,312
	$ 25,943,935

Certain notes payable noted above require compliance with certain financial and nonfinancial covenants.

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or period as of June 30:

	2022	2021
Subject to Expenditure for Specified Purpose		
SLC Youth Art Festival	$ 2,000	$ 2,000
State of Utah art education project	8,000	8,000
GE Emergency Loan Fund	23,599	23,599
Funds restricted to down payment assistance programs	110,442	116,442
	144,041	150,041
Perpetual in Nature		
Community Development Block Grants	-	1,688,683
Murray Tax Increment Funding	906,644	903,158
	906,644	2,591,841
	$ 1,050,685	$ 2,741,882

Community Development Block Grants (CDBG) are used to make first mortgages, second mortgage loans and home improvement loans to low-to-moderate income individuals, and for property acquisition, development, and rehabilitation in target areas. Capital grants received in prior years developed this fund and the interest earned on the CDBG portion of loans were restricted for this purpose along with the return of loan principal and return of principal from property sales. During the year ending June 30, 2022, Salt Lake City, the grantor of the CDBG funds, informed the Organization that these funds now need to be returned to the City as principal and interest payments are received. Therefore, during the year ending June 30, 2022, the CDBG restriction has been removed and the balance was transferred to a note payable due to Salt Lake City, as described in Note 9.

Murray City provides TIF (tax increment funding) money to NWSL for use in property purchases/construction and mortgage loans. These funds are restricted for these purposes and are returned to the fund along with interest earned on mortgages and profits on properties sold.

The perpetual in nature net assets are invested as follows:

	Community Development Block Grant		Murray Tax Increment Funding	
	2022	2021	2022	2021
Restricted cash	$ -	$ 110,400	$ 548,449	$ 706,174
Mortgage loans receivable	-	1,578,283	108,445	111,984
Down payment assistance loans	-	-	249,750	85,000
	$ -	$ 1,688,683	$ 906,644	$ 903,158

Note 11 - Retirement Plan

NWSL sponsors a defined contribution retirement plan (the Plan) and employees can make contributions to the Plan. After one year of service, NWSL also makes matching Plan contributions on behalf of eligible employees. NWSL contributions vest after three years of employment. During the years ended June 30, 2022 and 2021, NWSL's contributions to the Plan totaled $17,300 and $10,014, respectively.

Note 12 - Related Party Transactions

Certain members of NWSL's Board of Directors are employed by lenders who have provided loans to NWSL.

During the year ended June 30, 2021, NWSL recognized a gain of $1,308,075 on the investment in and advances to related real estate limited liability company upon the purchase of an additional interest sufficient to achieve a majority interest in Citifront.

Management Fees

Citifront is managed by Bridge Property Management, LLC, an affiliate of the noncontrolling member, to provide property management services. Under the terms of the agreement, the management company is to receive management fees of 3.5% of gross receipts. Also, under the terms of the agreement, 0.5% of gross receipts is payable to Bridge Founders Group for asset management services. For the years ended June 30, 2022 and 2021, Citifront incurred management fees of $36,494 and $66,130. At June 30, 2022 and 2021, $0 and $8,475, respectively, was recorded as a payable.

Company Administration Fee

Pursuant to the terms of the operating agreement, Citifront is to pay the noncontrolling member an annual company administration fee of $6,667, which will increase by 3% each year and is payable from available cash flow as defined in the operating agreement. If Citifront is unable to pay any portion of this amount, the unpaid portion shall accrue. Any unpaid fee is non-interest bearing. During the years ended June 30, 2022 and 2021, the company administration fees totaled $5,786 and $9,532, respectively, for the noncontrolling members' portion. As of June 30, 2022 and 2021, the company administration fee payable totals $22,809 and $17,023, respectively.

Incentive Management Fee

Pursuant to the terms of the operating agreement, Citifront is to pay the noncontrolling member 30% of available cash flows (but not to exceed $25,000 in any year, which amount shall increase at 3% per year, but not to exceed $33,000), payable in the priority as defined by the operating agreement. During the years ended June 30, 2022 and 2021, the incentive management fee totaled $0.

Member Distributions

All distributions to the members of Citifront can be made only after the end of the semiannual or annual fiscal period. Distributions may be made only to the extent sufficient surplus cash is available after payment of all operating expenses, escrow deposits required by HUD, and principal and interest on the HUD-insured mortgage. During the years ended June 30, 2022 and 2021, Citifront made distributions to the noncontrolling owners of $6,336,920 and $0, respectively.

Note 13 - Down Payment Assistance Grants

In December 2014, NWSL partnered with a national bank through NeighborWorks® America to provide down payment assistance (DPA) grants to home buyers in Salt Lake City. The bank committed to providing $3,366,710 to make 224 $15,000 DPA grants. All 224 of those grants were made and from time to time some are recaptured from the recipients who did not stay in the property the required five years. The recaptured funds are then re-deployed as new DPA grants. During the years ended June 30, 2022 and 2021, net recaptures and re-deployments of DPA grants totaled $6,000 and $83,500 in net re-deployments, respectively. At June 30, 2022 and 2021, $110,442 and $116,442, respectively, are recorded as net assets with donor restrictions and represent DPA funds that have not been deployed at year end.

Note 14 - Asset Acquisition

In 2021, the investor member's interest in City Front Partners, LLC was assigned to Citifront Investors, LLC for total consideration of $300,000. Citifront Investors, LLC owns 99.99% of City Front Partners, LLC, and NWSL owns 67% of Citifront Investors, LLC. Also, NWSL owns a .67% managing member interest in City Front Partners, LLC. NWSL's investment in City Front Partners, LLC was being accounted for on the equity method and was reported in the consolidated statement of financial position as investment in and advances to related real estate limited liability company. When Citifront Investors, LLC purchased the investor member's interest in City Front.

Partners, LLC, NWSL obtained a controlling interest in City Front Partners, LLC and in so doing recognized a gain of $1,308,075 to report the investment at fair value.

In connection with the asset acquisition, NWSL began recording a noncontrolling interest in the consolidated financial statements. A summary of the changes in net assets of the noncontrolling interest is as follows:

Noncontrolling interest at June 30, 2020	$ -
Noncontrolling interest at acquisition date	1,000,000
Change in net assets attributable to the noncontrolling interest	(138,276)
Noncontrolling interest at June 30, 2021	861,724
Distributions to the noncontrolling interest	(6,336,920)
Change in net assets attributable to the noncontrolling interest	5,665,043
Noncontrolling interest at June 30, 2022	$ 189,847

Supplementary Information
June 30, 2022 and 2021

Salt Lake Neighborhood Housing Services, Inc.
dba NeighborWorks® Salt Lake

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake
Salt Lake City, Utah

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated December 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Salt Lake City, Utah
December 16, 2022

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Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

The Board of Directors
Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake
Salt Lake City, Utah

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Salt Lake Neighborhood Housing Services, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2022. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ede Bailly LLP

Salt Lake City, Utah
December 16, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Loan Balances and Expenditures
United States Department of Housing and Urban Development			
Community Development Block Grant - Entitlement Grants Cluster			
Pass-through Salt Lake City	14.218	None provided	$ 173,754
Pass-through Salt Lake County	14.218	None provided	7,029
Total Community Development Block Grant - Entitlement Grants Cluster			180,783
HOME Investment Partnerships Program			
Pass-through Salt Lake City	14.239	None provided	581,353
Total United States Department of Housing and Urban Development			762,136
United States Department of Treasury			
Neighborhood Reinvestment Corporation			
Expendable grants	21.XXX	None provided	666,000
Total United States Department of Treasury			666,000
Total Federal Financial Assistance			$ 1,428,136

Note 1 - Basis of Presentation

The accompanying consolidated schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Salt Lake Neighborhood Housing Services, Inc. dba NeighborWorks® Salt Lake (the Organization) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not present the financial position, changes in net assets or cash flows of Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Organization has elected to use the 10% de minimis cost rate; however, generally, the Organization does not draw federal funds for administrative costs.

Section I – Summary of Auditor's Results

CONSOLIDATED FINANCIAL STATEMENTS	
Type of auditor's reports issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
Neighborhood Reinvestment Corporation	21.XXX

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

NeighborWorks Salt Lake
Balance Sheet
As of April 30, 2023

	Feb 28, 23	Change	Mar 31, 23	Change	Apr 30, 23	
ASSETS						
Current Assets						
Checking/Savings						
1000 · Total Cash Available						
Total 1010 · Unrestricted Operating Cash	5,846,006.97	63,505.15	5,909,512.12	-80,099.66	5,829,412.46	
10900 · Restricted Cash and Investments		0.00		0.00		
10910 · Restricted Cash		0.00		0.00		
10910.6 · SLC CDBG - Prog Inc (M L P)		0.00		0.00		
109106a · SLC CDBG - Prog Inc PRINCIPAL	9,002.29	10,242.89	19,245.18	4,600.04	23,845.22	pmt sch for May
109106b · SLC CDBG - Prog Inc INTEREST	6,392.58	6,303.93	12,696.51	3,226.23	15,922.74	pmt sch for May
Total 10910.6 · SLC CDBG - Prog Inc (M L P)	15,394.87	16,546.82	31,941.69	7,826.27	39,767.96	
10910.8 · TIF - Program Income	-105,724.75	571.76	-105,152.99	358.36	-104,794.63	$200k otw
10910.9 · Rehab Loans	7,231.99	0.00	7,231.99	0.00	7,231.99	
10911 · Escrow-Mortgage Porfolio	32,669.31	0.00	32,669.31	0.00	32,669.31	
Total 10910 · Restricted Cash	-50,428.58	17,118.58	-33,310.00	8,184.63	-25,125.37	
10920 · Board Restricted Cash		0.00		0.00		
10920.1 · Operating Reserve		0.00		0.00		
10920.1 · Operating Reserve - Other	788,394.00	0.00	788,394.00	0.00	788,394.00	
Total 10920.1 · Operating Reserve	788,394.00	0.00	788,394.00	0.00	788,394.00	
10920.3 · NWSL D F (Int Loan Pay)	629,042.95	395.61	629,438.56	329.62	629,768.18	
10920.5 · NWA Flexible Capital Fund		0.00		0.00		
109205c · Expendable NWA Capital Grants	505,000.00	0.00	505,000.00	0.00	505,000.00	
10920.5 · NWA Flexible Capital Fund - Other	1,621,727.24	-446.26	1,621,280.98	-3,566.22	1,617,714.76	
Total 10920.5 · NWA Flexible Capital Fund	2,126,727.24	-446.26	2,126,280.98	-3,566.22	2,122,714.76	
10920.6 · NWA Expendable Grant for Facade	41,132.00	0.00	41,132.00	0.00	41,132.00	
10920.8 · AHMI LLR Rolled Forward	2,403,960.00	0.00	2,403,960.00	0.00	2,403,960.00	
10920.A · SLC HOME - Prog Inc INTEREST	477,689.80	6,185.45	483,875.25	5,161.96	489,037.21	
Total 10920 · Board Restricted Cash	6,466,945.99	6,134.80	6,473,080.79	1,925.36	6,475,006.15	
10930 · Temporarily Restricted Cash		0.00		0.00		
10930.1 · GE Emergency Loan Fund	23,600.00	0.00	23,600.00	0.00	23,600.00	
10930.2 · SLC Youth Arts Festival	2,000.00	0.00	2,000.00	0.00	2,000.00	
10930.3 · LIFT DPA Funds	110,442.00	0.00	110,442.00	0.00	110,442.00	
10930.5 · SHP funds	114,858.00	0.00	114,858.00	0.00	114,858.00	
10930.6 · State of UT Arts Education Proj	8,000.00	0.00	8,000.00	0.00	8,000.00	
10930.7 · WLI Grant Funds	6,000.00	0.00	6,000.00	0.00	6,000.00	
Total 10930 · Temporarily Restricted Cash	264,900.00	0.00	264,900.00	0.00	264,900.00	
Total 10900 · Restricted Cash and Investments	6,681,417.41	23,253.38	6,704,670.79	10,109.99	6,714,780.78	
Total 1000 · Total Cash Available	12,527,424.38	86,758.53	12,614,182.91	-69,989.67	12,544,193.24	
Total Checking/Savings	12,527,424.38	86,758.53	12,614,182.91	-69,989.67	12,544,193.24	

NeighborWorks Salt Lake
Balance Sheet
As of April 30, 2023

	Feb 28, 23	Change	Mar 31, 23	Change	Apr 30, 23	
Accounts Receivable		0.00		0.00		
11000 · Accounts Receivable	255,613.38	101,989.38	357,602.76	-97,398.84	260,203.92	AHMI in April
Total Accounts Receivable	255,613.38	101,989.38	357,602.76	-97,398.84	260,203.92	
Total Other Current Assets	15,582,420.69	-556.00	15,581,864.69	42,228.98	15,624,093.67	
Total Current Assets	28,365,458.45	188,191.91	28,553,650.36	-125,159.53	28,428,490.83	
Fixed Assets		0.00		0.00		
Total 13000 · Fixed Assets	95,199.19	-1,399.32	93,799.87	-1,399.32	92,400.55	
Total Fixed Assets	95,199.19	-1,399.32	93,799.87	-1,399.32	92,400.55	
Other Assets		0.00		0.00		
11090 · Other Receivables	110,595.00	51,778.75	162,373.75	-25,368.64	137,005.11	
12001 · Loans and Investments		0.00		0.00		
Total 13500 · Down Payment Grants	0.00	0.00	0.00	0.00	0.00	
13999 · Notes Receivable		0.00		0.00		
Total 14000 · Notes Receivable- Mortgages	4,767,634.43	-35,688.40	4,731,946.03	-146,031.65	4,585,914.38	April payoff
Total 14003 · Notes Receivable AHMI-3	20,449,891.85	0.00	20,449,891.85	0.00	20,449,891.85	
Total 13999 · Notes Receivable	25,217,526.28	-35,688.40	25,181,837.88	-146,031.65	25,035,806.23	
15070 · FHLB Stock	67,100.00	0.00	67,100.00	0.00	67,100.00	
Total 12001 · Loans and Investments	25,284,626.28	-35,688.40	25,248,937.88	-146,031.65	25,102,906.23	
16000 · Real Estate		0.00		0.00		
Total 16000-1 · WIP	422.34	0.00	422.34	0.00	422.34	
Total 16013 · 616 W 400 N - sold 12/06/17	0.00	0.00	0.00	0.00	0.00	
16029 · Jackson Corner - 279 N. 900 W.	444,609.27	0.00	444,609.27	0.00	444,609.27	
16030sb · Stanbridge / JC2	1,117,468.48	636.40	1,118,104.88	29,845.70	1,147,950.58	demolition
Total 16063 · Tripp Lane	667,950.13	922.78	668,872.91	4,529.56	673,402.47	
16064 · Cannon Oaks Development 2 Lots	781,801.85	98,954.17	880,756.02	52,920.07	933,676.09	labor & materials
Total 16065 · 1465 S. Navajo St. sold 3-23-20	0.00	0.00	0.00	0.00	0.00	
Total 16101-5 · 819 Montgomery - sold 10/15/19	0.00	0.00	0.00	0.00	0.00	
Total 16101 · 1565 West 800 S-sold 4/17/18	0.00	0.00	0.00	0.00	0.00	
Total 16102 · 276 E Vine-sold 4/13/18	0.00	0.00	0.00	0.00	0.00	
Total 16103 · 218 W 5900 S - sold 4/16/19	0.00	0.00	0.00	0.00	0.00	
Total 16104 · 444 N Hodges - sold 11/5/2018	0.00	0.00	0.00	0.00	0.00	
Total 16106 · 434 N Hodges Ln - sold 6/17/21	0.00	0.00	0.00	0.00	0.00	
Total 17025 · Euclid Development	652,435.90	79,153.87	731,589.77	477.30	732,067.07	permit / fees
Total 17039 · Marmalade Development Project	0.00	0.00	0.00	0.00	0.00	
Total 16000 · Real Estate	3,664,687.97	179,667.22	3,844,355.19	87,772.63	3,932,127.82	
Total Other Assets	29,059,909.25	195,757.57	29,255,666.82	-83,627.66	29,172,039.16	
TOTAL ASSETS	**57,520,566.89**	**382,550.16**	**57,903,117.05**	**-210,186.51**	**57,692,930.54**	

NeighborWorks Salt Lake
Balance Sheet
As of April 30, 2023

	Feb 28, 23	Change	Mar 31, 23	Change	Apr 30, 23	
LIABILITIES & EQUITY		0.00		0.00		
Liabilities		0.00		0.00		
Current Liabilities		0.00		0.00		
Accounts Payable		0.00		0.00		
20000 · Accounts payable	79,607.55	-73,470.93	6,136.62	-6,329.78	-193.16	
20001 · Interest Payable-2	128,480.32	43,952.51	172,432.83	-107,672.11	64,760.72	April AHMI pmts
Total Accounts Payable	208,087.87	-29,518.42	178,569.45	-114,001.89	64,567.56	
Total Credit Cards	11,988.83	10,805.45	22,794.28	-15,174.39	7,619.89	
Total Other Current Liabilities	1,375,508.95	-7,458.27	1,368,050.68	-40,362.20	1,327,688.48	
Total Current Liabilities	1,595,585.65	-26,171.24	1,569,414.41	-169,538.48	1,399,875.93	
Long Term Liabilities		0.00		0.00		
Total 25000 · Loans Payable	26,534,423.02	0.00	26,534,423.02	0.00	26,534,423.02	
26000 · Long Term Liabilities		0.00		0.00		
26045 · N/P - CDBG	1,410,005.99	6,303.93	1,416,309.92	3,226.23	1,419,536.15	
Total 26050 · N/P - HOME	2,382,564.40	0.00	2,382,564.40	0.00	2,382,564.40	
Total 26000 · Long Term Liabilities	3,792,570.39	6,303.93	3,798,874.32	3,226.23	3,802,100.55	
27000 · Unearned Origination Fees	28,638.79	0.00	28,638.79	0.00	28,638.79	
Total Long Term Liabilities	30,355,632.20	6,303.93	30,361,936.13	3,226.23	30,365,162.36	
Total Liabilities	31,951,217.85	-19,867.31	31,931,350.54	-166,312.25	31,765,038.29	
Equity		0.00		0.00		
3000 · Opening Bal Equity	4,689,692.32	0.00	4,689,692.32	0.00	4,689,692.32	
3001 · FCF Equity Beg Bal	1,009,628.12	0.00	1,009,628.12	0.00	1,009,628.12	
3900 · Retained Earnings	20,267,296.54	0.00	20,267,296.54	0.00	20,267,296.54	
Net Income	-397,267.94	402,417.47	5,149.53	-43,874.26	-38,724.73	
Total Equity	25,569,349.04	402,417.47	25,971,766.51	-43,874.26	25,927,892.25	
TOTAL LIABILITIES & EQUITY	**57,520,566.89**	**382,550.16**	**57,903,117.05**	**-210,186.51**	**57,692,930.54**	

NeighborWorks Salt Lake
Profit & Loss
July 2022 through April 2023

	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	TOTAL
Ordinary Income/Expense											
Income											
Total 40000 · Private Support	49,951.52	147,500.00	138,070.83	78,206.00	180,036.35	98,250.00	12,666.07	5,820.00	89,043.84	1,729.17	801,273.78
Total 40050 · Public Grants	47,573.68	34,249.72	115,406.30	21,116.67	17,336.97	36,616.67	7,916.67	47,916.67	384,833.34	123,416.67	836,383.36
Total 41000 · Program Income	112,855.83	114,867.66	109,392.91	117,899.51	107,123.06	115,202.77	113,763.54	107,909.34	122,205.57	108,811.19	1,130,031.38
42007 · Property Sold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,210.93	0.00	0.00	43,210.93
Total 43000 · Miscellaneous Revenue	5,277.38	7,118.92	7,709.00	13,951.65	-21,948.78	14,674.93	11,489.97	79,108.97	-14,410.47	21,197.74	124,169.31
49900 · Uncategorized Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,350.00	0.00	10.00	1,360.00
Total 49999 · FCF Income	0.00	0.00	1,471.17	1,335.40	2,039.99	1,083.98	1,185.90	1,093.30	0.00	0.00	8,209.74
Total Income	215,658.41	303,736.30	372,050.21	232,509.23	284,587.59	265,828.35	147,022.15	286,409.21	581,672.28	255,164.77	2,944,638.50
Gross Profit	215,658.41	303,736.30	372,050.21	232,509.23	284,587.59	265,828.35	147,022.15	286,409.21	581,672.28	255,164.77	2,944,638.50
Expense											
66900 · Reconciliation Discrepancies	0.00	0.00	0.00	-10,970.20	1,734.36	-221.91	237.64	-69.88	195.94	5.00	-9,089.05
Total 50000 · Salaries and Benefits	92,357.58	102,025.03	103,147.68	90,250.24	86,965.60	98,317.22	96,141.68	108,718.88	95,764.78	93,074.93	966,763.62
Total 51000 · Lending Expenses	96,285.03	177,964.87	230,019.65	330,054.68	63,426.68	77,135.49	67,782.44	90,246.99	27,238.26	163,012.06	1,323,166.15
Total 52000 · Real Estate Development Expense	764.34	661.46	153.75	628.29	7,901.82	4,183.90	49.65	395.85	193.44	46.36	14,978.86
Total 53000 · Operating Expenses	56,221.41	79,145.49	66,596.42	71,657.10	149,881.63	51,107.97	42,434.76	58,357.30	54,380.31	40,653.56	670,435.95
Total 59999 · FCF Expenses	0.00	0.00	2,183.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,183.94
69800 · Uncategorized Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82.76	847.80	930.56
80000 · Depreciation	1,399.32	1,399.32	1,399.32	1,399.32	1,399.32	1,399.32	1,399.32	1,399.32	1,399.32	1,399.32	13,993.20
Total Expense	247,027.68	361,196.17	403,500.76	483,019.43	311,309.41	231,921.99	208,045.49	259,048.46	179,254.81	299,039.03	2,983,363.23
Net Ordinary Income	-31,369.27	-57,459.87	-31,450.55	-250,510.20	-26,721.82	33,906.36	-61,023.34	27,360.75	402,417.47	-43,874.26	-38,724.73
Other Income/Expense											
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	**-31,369.27**	**-57,459.87**	**-31,450.55**	**-250,510.20**	**-26,721.82**	**33,906.36**	**-61,023.34**	**27,360.75**	**402,417.47**	**-43,874.26**	**-38,724.73**

Loan Product Matrix 2023 - NWSL Effective 03-21-2023

HOPS Products	CDBG/HOME Funded First Mortgages	First Mortgages	Second Mortgages	Home Improvement	Down Payment Assistance	Deferred Home Improvement Loans (65+)	80/20 Mortgages
Income Level	Up to 80% AMI	Brokered, NW America and Private Funding	CDBG Up to 80% AMI NWA up to 120% AMI	CDBG or HOME Up to 80% AMI NWA 81% and above	SLC Up to 80% AMI	CDBG or HOME Up to 80% AMI NWA up to 120%	**80% mortgage funded** by participating bank **20% funded by CDBG** Up to 80% AMI NWA & TIF Up to 120% AMI
Term	Up to 30 years	Up to 30 years	5 to 30	5 to 25	5	Due upon transfer or sale or 30 years	5 to 25
Maximum LTV and CLTV	CLTV 98	LTV - 98 CLTV - 105	CLTV - 105	LTV - 105 CLTV - 105	NA	LTV - 105 CLTV - 105	LTV - 98 CLTV - 105
Maximum Loan Amount	*SLC Maximums $440,800	*SLC Maximums $440,800	*20% of SLC Maximums $440,800	20% of appraised value or $45,000 whichever is higher	SLC up to $70,000	$25,000	$80,000
Qualifying Ratios	32/43	32/43	32/43	32/43	N/A	32/43 (Exceptions can be approved by LC)	32/43
Credit Score	N/A	Defer to FML	Defer to FML	N/A	N/A	N/A	Defer to FML
Customer Out of Pocket	Up to 2% or minimum of $1000 which includes Appraisal & Credit Report	Per FML or Up to 2% + Appraisal & Credit Report	Up to 2% + Appraisal & Credit Report	Appraisal & Credit Report	Fees are deducted from loan amount.	Fees are added to the loan amount.	Up to 2% + Appraisal & Credit Report or minimum of $1000
Restrictions	Owner Occupied, Period of Affordability 15 years with Recapture	Owner Occupied	Owner Occupied	Owner Occupied	Owner Occupied Recapture	Owner Occupied	Owner Occupied
Environmental Request	YES	No	YES	YES-Gvmnt funded No-NWA or NWSL	YES SL County	YES-Gvmnt funded No-NWA or NWSL	No
Percentage Rate	3% to 5%	Per FML or (3% to 5% on NWA & Private)	3% to 5%	3% to 5% (higher rate for above 81%)	0%	0%	3% to 5% (second only)
Non-Occupant Co-borrower	No	No	No	No	No	No	No

Loan committee may make exceptions on nonHUD funding **FML= first mortgage lender FOF=Funding our Future

Use the following links for CDBG and HOME requirements: **CDBG** (https://www.ecfr.gov/cgi-bin/text-idx?SID=de2cb16c08b61b13e28645fef380fa85&mc=true&tpl=/ecfrbrowse/Title24/24cfr570_main_02.tpl) and **HOME** (https://www.ecfr.gov/cgi-bin/text-idx?SID=de2cb16c08b61b13e28645fef380fa85&mc=true&tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl) **or HOME** (https://www.law.cornell.edu/cfr/text/24/part-92) and **CDBG** (https://www.law.cornell.edu/cfr/text/24/part-570)

* SLC determines their own maximums-For Maximums see the current SLC Action Plan at the following link: hhttps://www.slc.gov/hand/consolidated-plan/

RFP#23-120 Moderate Income Housing DPA and HRLP Programs

Include the listed costs below associated with program refinement and program administration. If cost structure is different than outlined below, please include explanation of cost structure. Include a timeline for final program documents that includes program administration policies and procedures. Administration costs should include the cost to initiate the loan as well as costs to maintain the loan. Loan initiation costs should include all fees charged, taking into account that the RDA will not allow contractors to charge loan origination, initiation, or closing fees to the borrowers. Maintenance of the loan includes actions such as receiving and tracking payments, required reporting, managing trust deeds or other collateral, foreclosure/collections, reviewing contractor bids, and other actions as described in Section III.B of the RFP. Please include any other pricing that may be applicable but will not be considered for award purposes.

Points for cost will be awarded based on the following formula:
Lowest Total Price/Bid Price x 75 Points = Points Awarded

Item	Cost	Unit
DPA Program & HRLP Program Development/Refinement	$12,500.00	5% Admin fee of $250,000
Down Payment Assistance Administration Fee	$1,695.00	Per Loan $45 set up with servicer & $15 monthly fee for 60 months
Home Repair Loans/Grants Administration Fee	$1,695.00	Per Loan $45 set up with servicer & $15 monthly fee for 60 months
Total:	$15,890.00	

Other Pricing*:

Item	Cost	Unit
Total:		

*Other pricing will not be considered for award purposes.

Exhibit D

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 8/3/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
The Buckner Company
6550 S Millrock, Suite #300
Salt Lake City UT 84121

License#: 92480
SALTLAK-01

CONTACT NAME: Annette Smith
PHONE (A/C, No, Ext): 801-937-6765 **FAX (A/C, No):** 801-937-6710
E-MAIL ADDRESS: asmith@buckner.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : CM Vantage Specialty Insurance Company	15872
INSURER B : WCF Mutual Insurance Company	10033
INSURER C : Philadelphia Indemnity Insurance Company	18058
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Salt Lake Neighborhood Housing Services
DBA: Neighborworks Salt Lake
622 West 500 North
Salt Lake City UT 84116

COVERAGES **CERTIFICATE NUMBER:** 2089132483 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY**			CMVPLI001824804	1/28/2023	1/28/2024	EACH OCCURRENCE	$ 1,000,000
	[ ] CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	[ ] **UMBRELLA LIAB** [X] OCCUR						EACH OCCURRENCE	$ 2,000,000
	X **EXCESS LIAB** [ ] CLAIMS-MADE						AGGREGATE	$ 2,000,000
	[ ] DED [ ] RETENTION $							$
B	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N	N / A		1508301	11/1/2022	11/1/2023	X PER STATUTE [ ] OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] **(Mandatory in NH)**						E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
C	Professional Liability			PHSD1748978	10/7/2022	10/7/2023	Aggregate	$3,000,000
C	Crime			PHSD1748978	10/7/2022	10/7/2023	Each Occurrence	1,000,000
							Crime	250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Midvale City & Redevelopment Agency are an Additional Insured per the Commercial General Liability form CG2033 04/13 Coverage is Primary and Non-Contributory per form GLPL I5240 0616. Waiver of Subrogation favor of Midvale City & Redevelopment Agency per form PEL5700 06/16

CERTIFICATE HOLDER

Midvale City
Redevelopment Agency
7505 S Holden Street
Midvale UT 84047

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **Section II - Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
   a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
   b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

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2. "Bodily injury" or "property damage" occurring after:

   a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

   b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - ADDITIONAL INSURED - PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION

SCHEDULE

Additional Insured:

A. Information to complete the Schedule, if not shown above, will be shown in the Declarations.

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

Primary and Noncontributory Insurance

As respects the Additional Insured shown in the Schedule above, this insurance is primary to and will not seek contribution from any other insurance available to the Additional Insured, provided that:

B. The Additional Insured is a Named Insured under such other insurance; and

C. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

All other terms and conditions of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - WAIVER OF SUBROGATION

SCHEDULE

Person or organization(s):

Information to complete the Schedule, if not shown above, will be shown in the Declarations.

Anything to the contrary in the policy notwithstanding, we waive any right of recovery for payments made under this insurance (commonly known as right of subrogation) against any party designated in the Schedule to whom the Insured has given a written release of liability prior to a claim or "suit", but only to the extent of such written release.

All other terms and conditions of the policy remain unchanged.

Copyright 2016, CM Vantage Specialty Insurance Company

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/09/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

State Farm

Arguello State Farm
3544 W 6200 S
Suite 102
Taylorsville UT 84129

CONTACT NAME: Shannon Anderson
PHONE (A/C, No, Ext): 801-531-6700 **FAX (A/C, No):** 801-982-9002
E-MAIL ADDRESS: shannon.anderson.fk0q@statefarm.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : State Farm Mutual Automobile Insurance Company	25178
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Salt Lake Neighborhood Housing Services Inc
622 W 500 N
Salt Lake City UT 84116

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
A	AUTOMOBILE LIABILITY	Y		142 9393-A10-44D	02/17/2023	02/17/2023	COMBINED SINGLE LIMIT (Ea accident)	$
	☒ ANY AUTO			077 3400-A10-44G	02/17/2023	02/17/2024	BODILY INJURY (Per person)	$ 1,000,000
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$ 1,000,000
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			099 5306-A10-44D	01/10/2023	01/10/2024	PROPERTY DAMAGE (Per accident)	$ 1,000,000
							no aggregate limit	$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N	N / A					☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐						E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

policy 142 9393-A10-44A is a 2004 Ford Econoline VIN ending in 49230
policy 077 3400-A10-44E is a 2002 Dodge B3500 VIN ending in 47307
policy 099 5306-A10-44B is a non-owned auto policy with a hired auto endorsement

certificate holder is an additional insured on all above policies

CERTIFICATE HOLDER

Redevelopment Agency
Midvale City
7505 S Holden Street
Midvale UT 84047

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Shannon Anderson 08/09/2023

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 8/3/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER
The Buckner Company
6550 S Millrock, Suite #300
Salt Lake City UT 84121

License#: 92480
SALTLAK-01

CONTACT NAME: Annette Smith
PHONE (A/C, No, Ext): 801-937-6765 **FAX (A/C, No):** 801-937-6710
E-MAIL ADDRESS: asmith@buckner.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : CM Vantage Specialty Insurance Company	15872
INSURER B : WCF Mutual Insurance Company	10033
INSURER C : Philadelphia Indemnity Insurance Company	18058
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Salt Lake Neighborhood Housing Services
DBA: Neighborworks Salt Lake
622 West 500 North
Salt Lake City UT 84116

COVERAGES **CERTIFICATE NUMBER:** 2089132483 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			CMVPLI001824804	1/28/2023	1/28/2024	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ $ 1,000,000 $ 2,000,000 $ 2,000,000
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	[ ] **UMBRELLA LIAB** [X] OCCUR [X] **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
B	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		1508301	11/1/2022	11/1/2023	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
C C	Professional Liability Crime			PHSD1748978 PHSD1748978	10/7/2022 10/7/2022	10/7/2023 10/7/2023	Aggregate Each Occurrence Crime	$3,000,000 1,000,000 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Midvale City & Redevelopment Agency are an Additional Insured per the Commercial General Liability form CG2033 04/13 Coverage is Primary and Non-Contributory per form GLPL I5240 0616. Waiver of Subrogation favor of Midvale City & Redevelopment Agency per form PEL5700 06/16

CERTIFICATE HOLDER

Midvale City
Redevelopment Agency
7505 S Holden Street
Midvale UT 84047

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **Section II - Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
   a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
   b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

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2. "Bodily injury" or "property damage" occurring after:

   a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

   b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

 Copyright, Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - ADDITIONAL INSURED - PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION

SCHEDULE

Additional Insured:

A. Information to complete the Schedule, if not shown above, will be shown in the Declarations.

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

Primary and Noncontributory Insurance

As respects the Additional Insured shown in the Schedule above, this insurance is primary to and will not seek contribution from any other insurance available to the Additional Insured, provided that:

B. The Additional Insured is a Named Insured under such other insurance; and

C. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

All other terms and conditions of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - WAIVER OF SUBROGATION

SCHEDULE

Person or organization(s):

Information to complete the Schedule, if not shown above, will be shown in the Declarations.

Anything to the contrary in the policy notwithstanding, we waive any right of recovery for payments made under this insurance (commonly known as right of subrogation) against any party designated in the Schedule to whom the Insured has given a written release of liability prior to a claim or "suit", but only to the extent of such written release.

All other terms and conditions of the policy remain unchanged.

Copyright 2016, CM Vantage Specialty Insurance Company

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/09/2023

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IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

State Farm

Arguello State Farm
3544 W 6200 S
Suite 102
Taylorsville UT 84129

CONTACT NAME: Shannon Anderson
PHONE (A/C, No, Ext): 801-531-6700 **FAX (A/C, No):** 801-982-9002
E-MAIL ADDRESS: shannon.anderson.fk0q@statefarm.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : State Farm Mutual Automobile Insurance Company	25178
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Salt Lake Neighborhood Housing Services Inc
622 W 500 N
Salt Lake City UT 84116

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
A	AUTOMOBILE LIABILITY	Y		142 9393-A10-44D	02/17/2023	02/17/2023	COMBINED SINGLE LIMIT (Ea accident)	$
	☒ ANY AUTO			077 3400-A10-44G	02/17/2023	02/17/2024	BODILY INJURY (Per person)	$ 1,000,000
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$ 1,000,000
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			099 5306-A10-44D	01/10/2023	01/10/2024	PROPERTY DAMAGE (Per accident)	$ 1,000,000
							no aggregate limit	$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N	N / A					☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐						E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

policy 142 9393-A10-44A is a 2004 Ford Econoline VIN ending in 49230
policy 077 3400-A10-44E is a 2002 Dodge B3500 VIN ending in 47307
policy 099 5306-A10-44B is a non-owned auto policy with a hired auto endorsement

certificate holder is an additional insured on all above policies

CERTIFICATE HOLDER

Redevelopment Agency
Midvale City
7505 S Holden Street
Midvale UT 84047

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Shannon Anderson 08/09/2023

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REDEVELOPMENT AGENCY OF MIDVALE CITY

Meeting Date: September 19, 2023

ITEM TYPE: Action Item

SUBJECT: Consider Resolution No. 2023-12RDA adopting First Amendments to Purchase Agreement for the Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC. Development located at 7555 South Main Street.

SUBMITTED BY: Cody Hill, Economic Development Manager

CITIZEN'S AGENDA: The RDA wishes to amend an agreement with The Court Partners, LLC. who were awarded the RFP to develop the basketball court. The proposed amendments will provide additional risk mitigation to the RDA and impose fewer costs on Developer. It will also reference other agreements relevant to the Development.

SUMMARY:

On March 28, 2023 The Redevelopment Agency of Midvale City ("RDA") and The Court Partners LLC, ("Developer") entered into a Purchase Agreement for Development of Land (the "Purchase Agreement") in which Developer would develop a three-story mixed-use building located at 7555 South Main Street, with commercial on the bottom floor and two (2) studio units and fourteen (14) one-bedroom units on the second and third floors (the "Project"). The total anticipated development cost will be approximately $4.8M.The Project will be funded first by Developer's own capital ($1.1M), followed by tranches of RDA affordable housing funds ($1.9M), and finally by a construction loan ($1.8M) from Altabank.

The RDA would like to see the Developer be successful in developing the site as proposed. However, market conditions have created challenges to the Project's feasibility as originally contemplated and outlined in the Purchase Agreement. The RDA staff and Developer have developed solutions to problems created by unfavorable market conditions while maintaining the development as proposed. To a large extent the solution has been through the use of the upper floor housing program. The following agreements are required to make the development move forward as planned:

- First Amendment to Purchase Agreement;
- Agreement Regarding Purchase and Finance; and
- Main Street Upper Floor Housing Incentive Agreement

Because all three agreements affect each other and are tied to the Developer's Project, a brief description is provided of how they impact the Project and each other.

First Amendment to Purchase Agreement

- References the other two agreements,
- Includes additional default and agreement termination conditions related to the other agreements including the 20-year deed restriction requirement for the affordable housing incentive program.,
- Specifies agreement's survivability to outlast the closing on the property, and
- Includes indemnification from Altabank.

Agreement Regarding Purchase and Finance

- Developer's lender, Altabank, required assurances that, in the unlikely event of a Developer default, Altabank would not end up possessing the property, Project, or any obligations to complete the Project; and
- The RDA is willing and able to commit to paying off any outstanding principal owed by Developer and then assuming the property and Project.

Main Street Upper Floor Housing Incentive Agreement

- To help finance the Project, the RDA will provide $1.9M to Developer. Developer will rent all sixteen residential units for twenty years at affordable rates to households at the 60% area median income level and
- The $1.9M will be distributed in tranches to provide additional risk mitigation to the RDA.

The First Amendments the Purchase Agreement being proposed includes a few other elements outlined below and found in complete detail in Exhibit A: First Amendments to Purchase Agreement.

- The RDA is entitled to ownership of all documents in Section 3 (architectural plans, drawings, construction contract, etc.);
- Specify reimbursement for specific improvement - bulb-out;
- Removal of requirement for a completion bond and instead requiring personal guarantees; and
- Inclusion of the address, 695 W. Fifth Avenue, Midvale, Utah.

Implementing these amendments would not alter the Project or Purchase Agreement's goals, focus, intent, or final product. It will enable Developer to complete their financing and move forward with the Project while providing the requisite guarantees and risk mitigation for the RDA.

PLAN COMPLIANCE: Amending the Purchase Agreement for the Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC. will enable Developer to obtain key financing, begin their development of the property located at 7555 South Main Street, and construct housing that will be affordable for 20 years. This aligns with RDA objectives and goals.

FISCAL IMPACT: None

STAFF RECOMMENDATION: The Agency staff recommend passing Resolution No. 2023-12RDA adopting first amendments to Purchase Agreement for the Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC. Development located at 7555 South Main Street.

Recommended Motion: “I make a motion that we suspend the rules and pass Resolution No. 2023-12RDA adopting first amendments to Purchase Agreement for the Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC. Development located at 7555 South Main Street.”

Attachments:
Exhibit A: First Amendments to Purchase Agreement (Document will be included in packet following approval by developer)
Exhibit B: Resolution No. 2023-12RDA

Exhibit A: First Amendments to Purchase Agreement



Exhibit B: Resolution No. 2023-12RDA

A RESOLUTION ADOPTING FIRST AMENDMENTS TO THE PURCHASE AGREEMENT FOR THE DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND THE COURT PARTNERS, LLC. FOR PROPERTY LOCATED AT 695 W FIFTH AVE AND 7555 S MAIN ST, KNOWN AS THE BASKETBALL COURT SITE

WHEREAS, the Redevelopment Agency of Midvale City (the "Agency") was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, the Agency created the Main Street Community Development Area with a Plan and Budget and intends to support, guide, and catalyze development within the Main Street Area; and

WHEREAS, the Agency owns two parcels located at 695 W Fifth Avenue and 7555 S Main Street, Midvale Utah 84047, also known as the basketball court site (parcel numbers 21253070010000 and 21253070020000), and wishes to sell the parcels to a qualified developer and guide the redevelopment of the site; and

WHEREAS, Utah State Code Annotated 17C-1-202 (d) permits the Agency to hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal property; and

WHEREAS, the Agency went through the proper RFP process, received three qualified proposals for the purchase and development of the site, and organized a selection committee which ranked the received proposals and awarded a winner; and

WHEREAS, the Agency and the awarded developer, The Court Partners, LLC, entered into a purchase agreement for the purchase and development of the property; and

WHEREAS, the Agency and Developer wish to amend the original purchase agreement with changes outlined in Exhibit A: First Amendment to Purchase Agreement for Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Redevelopment Agency of Midvale City approves and adopts First Amendments to Purchase Agreement for Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC., attached here as **Exhibit A** with The Court Partners, LLC. and authorizes Agency staff to carry out and enforce the amended terms of the Agreement.

PASSED AND ADOPTED this _____day of _____ 2023.

_____
Marcus Stevenson, Chief Administrative Officer

ATTEST:

_____
Rori L. Andreason, MMC
City Recorder

Voting by the Agency Board	"Aye"	"Nay"
Bryant Brown	_____	_____
Paul Glover	_____	_____
Quinn Sperry	_____	_____
Heidi Robinson	_____	_____
Dustin Gettel	_____	_____

Exhibit A: First Amendments to Purchase Agreement



REDEVELOPMENT AGENCY OF MIDVALE CITY

Meeting Date: September 19, 2023

ITEM TYPE: Action Item

SUBJECT: Consider Resolution No. 2023-13RDA Approving the Main Street Upper Floor Housing Incentive Agreement for the Court Partners Development Located at 7555 South Main Street.

SUBMITTED BY: Meggie Troili, RDA Project Manager

CITIZEN'S AGENDA: The RDA Board will Consider the approval of an Affordable Housing Incentive agreement for The Court, a mixed-use development located at 7555 South Main Street.

SUMMARY: On March 28, 2023, the Redevelopment Agency of Midvale City (RDA) and The Court Partners LLC, (Developer) entered into a Purchase Agreement for the Development of Land (the Purchase Agreement), which would include a three-story building located at 7555 South Main Street, with two (2) studio units and fourteen (14) one-bedroom units (the Project). The Project as set forth in the Purchase Agreement is unchanged, but for the conversion of the sixteen (16) units to affordable housing for households who fall on or below 60% AMI through the Main Street Upper Floor Hosing Initiative.

The RDA created the Main Street Upper Floor Housing Initiative by **Resolution No. 2021-09RDA** on June 1st, 2021 (the "Initiative"). The Developer subsequently applied for funding under the Initiative and on June 6, 2023, the RDA issued a letter of pre-approval of Developer's application for funding under the Initiative of up to $1,917,056.00 (the "Incentive") pursuant to **Resolution No. 2023-07 RDA.** This incentive is funded by restricted affordable housing funds generated through tax increment from our three project areas: Bingham Junction, Jordan Bluffs, and the Main Street CDA.

Key Terms in the Incentive Agreement:

- RDA agrees to provide a financial incentive to Developer up to $1,917,056.00.
- 100% of the units will be leased to households who fall on or below 60% AMI (2 Studios and 14 one-bedroom units)
- Term length is 20 years with a buy back option at 15 years.
- Developer will submit an annual lease rates including eligibility of each leasee, to be approved by the RDA.
- Scheduled disbursements will occur after the Developer has contributed $1,100,000.00 to the project.
- Builders risk insurance is required at the expense of Developer.

FISCAL IMPACT: $1,917,056 from the RDA's restricted affordable housing funds.

STAFF RECOMMENDATION: The Agency staff recommends passing Resolution No. 2023-13RDA Approving the Main Street Upper Floor Housing Incentive Agreement for the Court Partners Development Located at 7555 South Main Street.

Recommended Motion: "I make a motion that we pass Resolution No. 2023-13RDA Approving the Main Street Upper Floor Housing Incentive Agreement for the Court Partners Development Located at 7555 South Main Street.

Attachments: (Exhibit A) Resolution No. 2023-13RDA Main Street Upper Floor Housing Incentive Agreement **(Exhibit B)** Upper Floor Housing Incentive Agreement

Exhibit A

REDEVELOPMENT AGENCY OF MIDVALE CITY, UTAH
RESOLUTION NO. 2023-13RDA

A RESOLUTION APPROVING THE MAIN STREET UPPER FLOOR INCENTIVE AGREEMENT FOR THE COURT PARTNERS DEVELOPMENT LOCATED AT 7555 SOUTH MAIN STREET.

WHEREAS, on March 28, 2023, The Redevelopment Agency of Midvale City ("RDA") and The Court Partners, LLC. ("Developer") entered into a Purchase Agreement for Development of Land (the "Purchase Agreement"), a copy of which is attached as **Exhibit A** to the Main Street Upper Floor Incentive Agreement (the "Incentive Agreement") attached herein; and

WHEREAS, the Purchase Agreement set forth the terms by which Developer would develop a three-story building located at 7555 South Main Street, Midvale, Utah, with two (2) studio units and fourteen (14) one-bedroom units (the "Project"); and

WHEREAS, the Project as set forth in the Purchase Agreement is unchanged, but for the conversion of the sixteen (16) units to affordable housing unites; and

WHEREAS, the RDA created the Main Street Upper Floor Housing Initiative by Resolution No. 2021-09RDA dated June 1st, 2021(the "Initiative"); and

WHEREAS, Developer subsequently applied for funding under the Initiative; and

WHEREAS, on June 6, 2023, RDA issued a letter of pre-approval of Developer's application for funding under the Initiative of up to ONE MILLION NINE HUNDRED SEVENTEEN THOUSAND FIFTY-SIX DOLLARS ($1,917,056.00) (the "Incentive") pursuant to Resolution No. 2023-07 RDA; and

WHEREAS, RDA and Developer desire to enter into this Incentive Agreement to satisfy the requirements of the Initiative.

NOW THEREFORE BE IT RESOLVED, that based on the foregoing, the Redevelopment Agency of Midvale City Board authorizes the mayor to sign the Main Street Upper Floor Housing Agreement for The Court Partners, LLC. development located at 7555 South Main Street.

PASSED AND APPROVED this 19th day of September 2023.

By: _____
Marcus Stevenson, Chief Administrative Officer

ATTEST:

_____
Rori L. Andreason, MMC
City Recorder

Voting by the RDA Board	"Aye"	"Nay"
Dustin Gettel	_____	_____
Paul Glover	_____	_____
Quinn Sperry	_____	_____
Heidi Robinson	_____	_____
Bryant Brown	_____	_____

Exhibit B

The Upper Floor Housing Incentive Agreement still under review but will be submitted to council as soon as it is completed.

REDEVELOPMENT AGENCY OF MIDVALE CITY

Meeting Date: September 19, 2023

ITEM TYPE: Action Item

SUBJECT: Consider Resolution No. 2023-14RDA approving the Agreement Regarding Purchase and Finance with the Court Partners, LLC. and Altabank concerning the Development located at 7555 South Main Street.

SUBMITTED BY: Cody Hill, Economic Development Manager

CITIZEN'S AGENDA: The RDA will consider an agreement with The Court Partners, LLC. ("Developer") and their financer, Altabank.

SUMMARY:

On March 28, 2023 The Redevelopment Agency of Midvale City ("RDA") and The Court Partners LLC, ("Developer") entered into a Purchase Agreement for Development of Land (the "Purchase Agreement") in which Developer would develop a three-story mixed-use building located at 7555 South Main Street, with commercial on the bottom floor and two (2) studio units and fourteen (14) one-bedroom units on the second and third floors (the "Project").

Developer is seeking a $1.8M loan from Altabank. One concern Altabank has, however, is that if Developer defaults on their loan or on an agreement with the RDA, there could be uncertainty with which entity would have claim to the property (Altabank or the RDA) and how the principal balance of the loan would be paid off. The RDA staff believes that the preferred outcome under instances of Developer default would be for the RDA to take control of the property so that it has control over the Project, any remaining development work, and who would own the property in the future. For this reason, in the unlikely event of a developer default, the RDA staff is proposing to pay off the principal balance of the Altabank loan with no prepayment penalty. Agreeing to this term will facilitate Developer's financing by eliminating ambiguity and risk for Altabank.

RDA Staff proposes entering into this agreement between the RDA, the Developer, and Altabank as depicted in Exhibit A: Agreement Regarding Purchase and Finance.

PLAN COMPLIANCE: Entering into Agreement Regarding Purchase and Finance will enable Developer to obtain key financing, begin their development of the property located at 7555 South Main Street, and construct housing that will be affordable for 20 years. This aligns with RDA objectives and goals.

FISCAL IMPACT: Potential increase in RDA assets up to $4,836,216 ($1,100,000 Developer's capital going into Project first, $1,917,056 RDA affordable housing money from Upper-floor

Housing Incentive Program, and $1,819,160 loan from Altabank that the RDA would have to pay any remaining principal at once in event of default). Of the $4,836,216 increase in assets, a maximum of $3,736,216 would come from RDA funds.

STAFF RECOMMENDATION: Agency staff recommend passing Resolution No. 2023-14RDA Adopting and entering into the Agreement Regarding Purchase and Finance with the Court Partners, LLC. and Altabank concerning the Development located at 7555 South Main Street.

Recommended Motion: “I move to suspend the rules and make a motion that we pass Resolution No. 2023-14RDA Adopting and entering into the Agreement Regarding Purchase and Finance with the Court Partners, LLC. and Altabank concerning the Development located at 7555 South Main Street.

Attachments:
Exhibit A: Agreement Regarding Purchase and Finance– (The agreement will be included in the packet following approval by developer)
Exhibit B: Resolution No. 2023-14RDA

Exhibit A: Agreement Regarding Purchase and Finance



Exhibit B: Resolution No. 2023-14RDA

A RESOLUTION ADOPTING AGREEMENT REGARDING PURCHASE AND FINANCE, AN AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY, THE COURT PARTNERS, LLC., AND ALTABANK, WHICH WILL FACILITATE FINANCING FOR THE DEVELOPMENT OF LAND LOCATED AT 695 W FIFTH AVE AND 7555 S MAIN ST, KNOWN AS THE BASKETBALL COURT SITE

WHEREAS, the Redevelopment Agency of Midvale City (the "Agency") was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, the Agency created the Main Street Community Development Area with a Plan and Budget and intends to support, guide, and catalyze development within the Main Street Area; and

WHEREAS, the Agency owns two parcels located at 695 W Fifth Avenue and 7555 S Main Street, Midvale Utah 84047, also known as the basketball court site (parcel numbers 21253070010000 and 21253070020000), and wishes to sell the parcels to a qualified developer and guide the redevelopment of the site; and

WHEREAS, Utah State Code Annotated 17C-1-202 (d) permits the Agency to hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal property; and

WHEREAS, the Agency went through the proper RFP process, received three qualified proposals for the purchase and development of the site, and organized a selection committee which ranked the received proposals and awarded a winner; and

WHEREAS, the Agency and the awarded developer, The Court Partners, LLC ("Developer"), entered into a purchase agreement for the purchase and development of the property; and

WHEREAS, the Developer is finalizing the financing for the development and its lender requests certain assurances from the RDA as a condition to lending to Developer.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Redevelopment Agency of Midvale City approves and adopts Agreement Regarding Purchase and Finance attached here as **Exhibit A** with The Court Partners, LLC. and Altabank and authorizes Agency staff to carry out and enforce the terms of the Agreement.

PASSED AND APPROVED THIS _____day of _____ 2023.

_____
Marcus Stevenson, Chief Administrative Officer

ATTEST:

_____

Rori L. Andreason, MMC
City Recorder

Voting by the Agency Board	"Aye"	"Nay"
Bryant Brown	_____	_____
Paul Glover	_____	_____
Quinn Sperry	_____	_____
Heidi Robinson	_____	_____
Dustin Gettel	_____	_____

Exhibit A: Agreement Regarding Purchase and Finance

Agreement still under legal review. It will be submitted to council as soon as it is completed.

REDEVELOPMENT AGENCY OF MIDVALE
SUMMARY REPORT

Meeting Date: September 19, 2023

Subject:

Discussion regarding proposed amendments to the Main Street Façade Improvement Program.

Submitted By:

Kate Andrus, Redevelopment Agency Program Manager

Summary:

On December 6, 2022, the RDA Board approved the Main Street Façade Improvement Program. The goal of the program is to improve the exterior of buildings within the Main Street area as a tool to attract new businesses, maintain existing businesses, and make Main Street a desirable place to work, live and shop.

Since its adoption, there has been ample interest in the program, but no actual participation. In speaking with those interested, potential applicants stated that the extent of the renovations desired and the associated higher cost of construction has continued to prohibit many from moving forward with improvements, despite the funding incentives provided by the program. Furthermore, staff has received feedback that the requirement to convey an easement to be held in perpetuity to the RDA has posed as a large deterrent to applicants, especially those hoping to provide more minor yet, costly improvements like that of installing new windows and/or adding exterior paint. In response, staff is proposing the following amendments to this program. These amendments are suggested as ways to overcome the higher cost of construction and to provide more flexibility for the RDA Board and staff when matching easement terms to the type of improvements being made. One of the key goals of the program is to make meaningful improvements to the street that benefit all owners and tenants of the street and to put available funding to use now.

Façade Eligibility:
- Eligibility limited to façades facing public streets or public parking areas.

Maximum Grant Award Amount:
- Increase in the maximum grant award amount from $30,000 to $50,000 per property for façade projects.

Corner Lot Provision:
- Additional $25,000 award for buildings on corner lots with two prominent façades facing a public road or public parking areas.

Easement Terms:

- Easement terms to be determined by the RDA Board.
- Recommendations will be provided by the Advisory Board.

These proposed amendments are included in the attached Amended Façade Improvement Program. Staff believes that these changes will enhance the program's effectiveness, remove barriers, and provide a flexible approach in protecting the RDA Board's investment into improvements that they would like to see preserved for the foreseeable future. As a result, these changes will ensure that the Main Street Façade Improvement Program is an effective tool in fulfilling the objectives of the Main Street CDA.

Fiscal Impact:

Due to the increased grant amount, staff is proposing an increase in the Main Street Façade Program budget, from $105,000 to $175,000 for this fiscal year. If the RDA Board approves the recommended program amendments, staff will return to the board with a budget amendment.

Attachments:

Amended Main Street Façade Improvement Program

Main Street Façade Improvement Program

Purpose: The purpose of the Main Street Façade Improvement Program is to promote the revitalization of commercial properties along Midvale's Main Street by providing financial assistance to building owners and tenants for the improvement and maintenance of existing commercial buildings. The program will provide durable investments into eligible~~the~~ façades of buildings within the CDA to improve the area's aesthetic, attract private investment, increase property values, and increase economic activity.

Funding: Funding will be allocated through the RDA budget and will be dispensed on a first come, first serve basis~~,~~ while funding lasts. All grants awarded will require a matching dollar for dollar expenditure by the owner or tenant. In addition, an easement on the façade shall be conveyed by the property owner to the Redevelopment Agency of Midvale City. ~~to be held in perpetuity.~~

Proposals will be considered on a case-by-case basis and evaluated based on the ability of the project to further the goals of the Main Street CDA.

Terms:

- Maximum grant award of $50,000 is permitted ~~per~~ for a ~~project~~façade project per property, provided that the façade faces a public street or public parking area.
    - The award cap may be increased by up to $25,000 for buildings located on corner lots with two prominent facades~~.~~
- The grant award amount shall not exceed 50% of the total cost of the improvements to the façade(s).
    - Grant ~~Awards~~ awards are provided as a reimbursement after all associated work listed on the approved scope of work has been completed, all ~~.~~
    - ~~Staff will require releases of all~~ contractor liens have been released, ~~and~~ staff has verified other documentation that ~~verifies completion of~~all final payments have been made by the grant recipient, and the property owner has provided the RDA with a façade easement in a form acceptable to the RDA~~prior to releasing the funds~~.
- Each grant recipient agrees to maintain and keep in good repair the façade or improvements.
- The property owner must convey to the RDA a façade easement. ~~held in perpetuity.~~
    - This will ensure that any improvements funded by the City will remain in good condition and repair regardless of change in ownership.
        - At the final discretion of the RDA Board, the terms of the easement ~~may be~~ will be decided on a case-by-case basis to protect the following improvements, which help achieve the goals of the Main Street CDA:
            - Historical preservation of landmarks (i.e. Vincent Drug sign.)

    - Improved appearance of the façade.
    - Any additions or modifications made to the exterior.
- The City of Midvale and RDA assume no liability for any work that is done pursuant to this program. The applicant agrees to hold both the City of Midvale and the RDA harmless from all liability claims.
- If the building is currently vacant, the applicant must demonstrate a plan for achieving occupancy and secure a tenant within 12 months of the project completion date with a lease of at least three years. Failure to do so by the applicant will result in the requirement to repay the grant back to the RDA.

Oversight: The program will be managed by the Redevelopment Agency of Midvale City with participation by the Main Street Façade Improvement Advisory Board.

Main Street Façade Improvement Advisory Board: The Advisory ~~board~~ Board will consist of five members:

RDA ~~representative~~Representative
City Planner
RDA Board Member
Community Development Representative
Main Street Business Alliance Representative

Other members might be brought on to provide insight depending on the project. These include the~~:~~ City Engineer, the Public Works Director, a historic representative, a Planning Commission member, and those involved in design, construction, ~~use, and/~~or maintenance.

Eligibility:

- Applicants must be owners or tenants of real property located within the Main Street CDA.
- ~~-~~Tenants must provide written consent of the building owner.
- Property tax payments must be current.
- Business owners must hold a valid business license.
- ~~The Applicants must possess and provide proof of ownership. If a tenant, proof of ownership must be verified by the building owner and a copy of the lease agreement provided to the RDA.~~
- All building materials used in the improvements to the façade must have a minimum certified life of 30 years.
- All buildings must have commercial activity as its primary purpose including, but not limited to, traditional retail, specialty shops, services, restaurants and bars, live entertainment, cultural venues, and galleries. ~~Mixed~~ Mixed-~~Use~~ use buildings will be considered commercial buildings, provided the commercial use is located on the ground level.
- All improvements must comply with current City zoning and building codes.
- All ~~Improvements~~improvements, which contribute to the stimulation of activity, must achieve the following:
    - Provide a noticeable contribution to Main Street's revitalization efforts.
    - Should be consistent with the aspirational character of and vision for Main Street.
    - Should support and enhance pedestrian accessibility and be pedestrian oriented.

Eligible Activities:

- Repair to building exterior façades (front, rear, and side façades are eligible).
- Masonry repair.
- Cleaning of building exterior.
- Exterior painting.
- Repairing or replacing cornices, entrances, doors, windows, decorative detail, and awnings.
- Sign construction, repair, or replacement.
- Other repairs or improvements that may enhance the aesthetic quality of the building.
- Accentuating ~~of~~ existing features of the building through painting, lighting, restoration, replacement, cleaning, or other treatment of exterior surfaces.
- The addition of design elements which may have appeared on buildings built in the same period.

Ineligible Activities

- Interior improvements, ~~(~~except window display areas viewable by the public~~)~~.
- Roofing.
- Sidewalks.
- ~~Purchase of f~~Furnishings, equipment, or other personal property which does not become a permanent part of the ~~real estate~~building.
- Improvements completed or in progress prior to notification of approval.
- Repair or creation of features not compatible with the original architecture of the building.

Process:

1. Fill out and submit a completed application which includes a written scope of work describing the proposed improvements~~,~~ including all materials and color schemes. The application must be submitted with the following supporting documentation:
   - Current photograph of the property to be improved.
   - Schematics (drawings or renderings of proposed improvements.)
   - Two written cost estimates describing the cost of the scope of work by licensed construction contractors or contractors appropriate to work being performed.
   - Copy of ~~recorded property deed~~a title report for the property that is less than 60 days old.
   - Written ~~Consent~~ consent of property owner, if applicable.
2. The submitted application will be reviewed by the Redevelopment Agency Program Manager and Planning staff for completeness and eligibility.
3. All eligible projects will be reviewed and scored during a review meeting by the Main Street Façade Improvement Advisory Board to ~~access~~assess the project's overall contribution to the revitalization of the Main Street area. The applicant will be required to attend this meeting to answer any questions the ~~advisory~~ Advisory ~~board~~ Board feels is necessary to make a recommendation on the proposed project. The Advisory Board will provide ~~said~~ a recommendation regarding whether the proposed project should receive an award, the funding amount of the award, ~~as well as~~and the proposed terms of the easement to the Agency's Board of Directors. The Agency's Board of Directors~~,~~ ~~who~~ will determine final approval, the funding amount, and the terms of the easement for the project.
4. Once approved by the RDA Board, the applicant must enter a ~~Grant~~ grant agreement with the RDA.

5. Construction on the project must begin within 90 days of final approval.
6. Upon completion of the project, ~~the applicant~~ the applicant shall request a final walk-through with RDA staff to confirm construction was completed in the manner approved by the Main Street Advisory Board.
7. Upon such determination of compliance and to obtain their reimbursement, the Applicant shall:
    a. Submit a Façade Program Reimbursement Request Form and IRS Form W-9. The request shall be accompanied by billing documentation including, but not limited to, invoices, receipts, release of liens, photos of the finished work, and affidavits ~~in order to~~to support the reimbursement.
    b. ~~Enter~~ Execute an easement ~~agreement~~ with the RDA based on the terms approved by the ~~Main Street Façade Improvement Advisory Board and the Redevelopment Agency of Midvale City~~RDA Board.

Selection Criteria: The following aspects may be considered by the ~~advisory~~ Advisory ~~board~~ Board when evaluating the proposed project.

- The level of private investment utilized for the renovation.
    - Applicants providing more than a 50% match will receive higher priority.
- The potential impact the project will have on the surrounding area.
    - Visual prominence/significance.
- Whether the proposed improvements contribute to the overall revitalization of Main Street.
- The building's level of blight.
- Whether the building is abandoned.
- Whether the applicant has been awarded façade grants in the recent past.
- Whether the applicant can demonstrate a financial need. (If assessed, additional information may be required).