

MINUTES of the
REDEVELOPMENT AGENCY FINANCE COMMITTEE
Wednesday, December 21, 2022
2:00pm

1. Roll Call

The following members were present:

Danny Walz, RDA
Peter Makowski, Economic Development
Blake Thomas, Community and Neighborhoods
Tony Milner, Housing Stability
Marina Scott for Mary Beth Thompson, Finance
Claudia O'Grady, Redevelopment Advisory Committee

Also Present:

Tracy Tran, Senior Project Manager; Kate Werrett, Project Manager; Austin Taylor, Project Manager; Allison Parks, Senior City Attorney; Lucas Goodrich, Project Coordinator; Cara Lindsley, Deputy Director; Marcus Lee Project Coordinator; Eric Holmes, Data Manager; Jonathan Hardy; Jon Olson; Tim Cohn; Ivan Carroll; Lee Dial; Christian Graf; Karl Niederer, GLC; Amanda Dillon; Keith; Chris; Felina Lazalde, RDA Office Facilitator.

2. Approval of the minutes of the July 13, 2022, July 20, 2022, and August 15, 2022 meetings.

Marina Scott made motion to approve the minutes from the July 13, 2022, July 20, 2022, and August 15, 2022 meetings. Tony Milner seconded the motion. Upon roll call, the motion passed unanimously.

3. Business

A. Funding Recommendations for the 2022 Annual Affordable Housing Funds Notice of Funding Availability through the Housing Development Loan Program – Tracy Tran, RDA Senior Project Manager, Kate Werrett, Austin Taylor, RDA Project Managers.

Tracy Tran provided an overview of the 2022 Notice of Funding Availability (NOFA) recently issued to solicit applications for approximately \$6 million available through the Housing Development Loan Program (HDLP). Ms. Tran said, based on the Redevelopment Agency (RDA) Board of Directors (Board) FY23 priorities, applicants were required to include deeply affordable units (40% AMI and below) and/or affordable family sized units (three bedrooms or more). Ms. Tran said all new construction projects were subject to the RDA Sustainable Development Policy, and all rehabilitation projects receiving \$900,000 or more are also subject to the policy, noting that all applicants met or intend to meet these requirements.

Ms. Tran said 11 applications were submitted with over \$18 million in requests, one application was withdrawn, and one application modified their request to be in line with the requirements for a total of 10 applications with funding requests totaling over \$16 million. Ms. Tran explained that an applicant from last year withdrew their \$2.36 million loan commitment. RDA staff recommended incorporating those funds into the current NOFA, increasing the funding amount to \$8.36 million, subject to approval by the RDA Board.

Staff requested recommendations for the following funding amounts:

1. \$6 million available.
2. \$2.36 million if approved by the RDA Board.

Ms. Tran said based on the HDLP Guidelines, all applications were evaluated on the following criteria:

- Alignment with project priorities – projects may qualify for interest rate reductions by meeting certain project priorities.
- Content and quality of the project narrative.
- Qualifications and experience of the applicant and development team.
- Content, effectiveness, and appropriateness of the budget, sources and uses, operating proforma, and related assumptions.
- The readiness of the project to proceed to construction.
- Building and site design.

Ms. Tran, Austin Taylor, and Kate Werrett provided the Committee with a summary of the applicants (see attached summaries):

Project	Developer	Funding Request	
		PREVIOUS RDA LOAN COMMITMENTS	CURRENT REQUEST
1. Pauline Downs*	Brent Murray		\$199,999
2. Victory Heights Phase 1	BCG Holdings/Jonathan Hardy		\$1,865,000
3. Victory Heights Phase 2	BCG Holdings/Jonathan Hardy		\$280,000
4. Atkinson Stacks	Housing Authority/Daniel Nackerman		\$2,500,000
5. Book Cliffs Lodge**	Housing Authority/Daniel Nackerman	\$1,000,000	\$540,000
6. Citizens West 2	GIV Development/Chris Parker		\$1,850,000
7. Citizens West 3	GIV Development/Chris Parker		\$1,200,000
8. Ville 9	Ville 9, LLC /Keith Warburton		\$1,700,000
9. Ville 1659	Ville Property Management/Keith Warburton		\$1,825,000
10. Liberty Corner	Cowboy Partners/Zachary Jones		\$3,000,000
11. 9Ten	West Great Lakes Capital/Karl Niederer		\$2,000,000

TOTAL FUNDING REQUEST: \$16,760,000

AVAILABLE FUNDING: \$6,000,000***

**This application was withdrawn due to a cancellation of the project.*

***This project has received other RDA loan commitment in a previous year. To streamline the administration of these loans, the loans will be consolidated if approved by the Board.*

**** Funds from a previous HDLP application may be available to include as an additional funding source. The Board will consider this during an upcoming RDA Board Meeting. This may provide an additional \$2.36 million of funding.*

Danny Walz opened the floor to questions and invited the committee to share their recommendations.

Questions:

- Is the Committee able to adjust the amounts of each request? Ms. Tran said they can adjust the amounts as needed and each applicant was able to define a minimum and other funding sources they would seek if they do not receive the full amount requested.

- Regarding Atkinson Stacks, what is the target population being served, is this permanent supportive housing, and will they be applying for tax credits? If so, they will need to have project-based vouchers? Mr. Taylor confirmed this project is permanent supporting housing, they are targeted to disabled and homeless individuals. A representative with Housing Assistance Management Enterprise also clarified that they have vouchers already and plan to apply for permanent support of housing in the next round of Low-Income Housing Tax Credits (LIHTC).
- Liberty Corner has not applied for the 9% credits yet. What happens if they don't receive the 9% tax credits? Chris Zarek, a representative with Cowboy Partners clarified they plan to apply for the 9% tax credits in the next round. If they are not awarded the 9% tax credits, they would transition those units back to the 4% round at the later part of next year.
- Liberty Corner shows a deferred fee of \$8.4 Million, but in the uses it also shows a developer fee of \$8.4 Million. Are you deferring the entire fee? Cowboy Partners confirmed they are deferring the entire fee and will contribute the site; they will also be contributing the equity. The rest has a mortgage on it that will be paid as they bring in construction financing.
- What is the current ownership status for Atkinson Stacks? Mr. Taylor explained The Housing Authority has an option to purchase the building but does not own it yet.
- What is the current ownership status of 9Ten West? Are there any built-in remediation costs? And is any remediation expected due to the existing laundromat? Karl Niederer confirmed that Phase I and Phase II inspections were completed. The only recommendation was to put a vapor barrier down and nothing beyond that. Mr. Niederer also stated that it is currently owned by the folks operating the laundromat but noted they do have a Purchase and Sale Agreement.

The Committee determined the following funding recommendations and rankings for the \$6 million HDLP Committed Funds:

Project/Applicant	Address	Funding Request	HDLP Committed Funds: \$ 6 million	Possible Additional HDLP Funds: \$2.36 million	Total Funding Recommendation	Funding Ranking
Victory Heights1 BCG Holdings	1060 E. 100 S.	\$1,865,000	\$1,865,000		\$1,865,000	1
Victory Heights2 BCG Holdings	1060 E. 100 S.	\$280,000	\$280,000		\$280,000	2
Atkinson Stacks HAME	543 S. 500 W.	2,500,000		\$500,000	\$500,000	8
Book Cliffs Lodge HAME	1159 West Temple	\$540,000		\$540,000	\$540,000	7
Citizens West 2 Giv Development	509 W. 300 N.	\$1,850,000	\$1,850,000		\$1,850,000	3
Citizens West 3 Giv Development	509 W. 300 N.	\$1,200,000	\$1,200,000		\$1,200,000	4
Ville 9 Ville Property Mgt.	1025 West 900 North	1,700,000			\$0	9/10

Ville 1659 Ville Property Management	1659 W. North Temple	\$1,825,000	\$805,000	\$195,000	\$1,000,000	5
Liberty Corner Cowboy Partners	265 W. 1300 S.	\$3,000,000		\$1,125,000	\$1,125,000	6
9Ten West Great Lakes Capitol	910 W. North Temple	\$2,000,000			\$0	9/10
TOTAL		\$16,760,000	\$6,000,000	\$2,360,000	\$8,360,000	

Peter Makowski made a motion to approve the Committees recommendation on the scoring of the NOFA Projects. Claudia O'Grady seconded the motion. Upon roll call, the motion passed unanimously.

The Committee discussed whether to make the funding commitment contingent on the projects receipt of the 9% tax credit. Many were in favor of this; however, Tony Milner stated his concern about the statewide competitiveness of the 9% credits and recommended that instead of tying up those funds, projects be able to use these funds to keep moving their projects forward.

After hearing concerns Chair Walz asked if anyone wanted to make any changes to the recommendation regarding the contingency on 9% tax credits. There were no changes.

Claudia made a motion to recommend a contingency on the projects that need 9% tax credits, that if they don't get funded in the June 2023 round, the commitment of RDA funds would expire. Brent Beck seconded the motion. Upon roll call, the motion passed with the following breakdown:

YES

Danny Walz
Peter Makowski
Blake Thomas
Claudia O'Grady
Marina Scott

NO

Tony Milner

3. **Adjournment**

There being no further business the meeting was adjourned.



Danny Walz, Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Agency Finance Committee held December 21, 2022.

2022-12-21 FC Minutes

Final Audit Report

2023-11-16

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