

Olene Walker Housing Loan Fund Board

Meeting Minutes

December 5, 2023

9:00 am – 12:30 pm

Location: Department of Workforce Services

140 East 300 South

SLC, UT 84111

Conference Room 211

Via Zoom Link

The following links will take you to the public materials which were shared throughout the meeting which may be helpful while reading through the minutes.

Link to the agenda:

<https://www.utah.gov/pmn/files/1052185.pdf>

Link to the audio recording:

<https://www.utah.gov/pmn/files/1055705.mp3>

Members Present and Representation:

Beth Holbrook - Transit-Oriented Development
Mayor Logan Monson - Local Government
Marty Henrie - Mortgage Lender
Mike Glenn - Rural
David Snow - Mortgage Lender
John Lindsay - Rental Housing
Mayor Dawn Ramsey - Local Government

Excused/Absent:

Jed Nilson - Homebuilders
Kip Paul - Real Estate
Jason Wheeler - Housing Advocacy

Staff Present:

Jennifer Domenici - HCD-Assistant Director
Dan Murphy - HCD-OWHLF
Ashley Trujillo - OCC-Administration
Daniel Herbert-Voss - HCD-OWHLF
Carver Black
Matt Dalton

Interested Parties and Guests:

Elliott Lawrence
Sharla Weaver
Sarah Moore
Brian Swan
Sophie Norvell

Agenda Item	Discussion	Recommendations/Actions
Welcome	I. Beth Holbrook welcomed the Committee and called for attendance.	
Fireclay Apartments Phase II (Murray)	Daniel Herbert-Voss I. Proposed Changes in Project Financing A. Project Description: Project is new construction of 30 1BR units, all affordable, all for elderly 62+, on 1.1 acres of vacant land immediately south of the under-construction Residences at Fireclay Phase I in a single 5-story podium-style building with parking on the ground floor. Project is located north and west of the UTA Murray North TRAX station, with numerous other	

residential and commercial developments within walking distance, including the Cottonwood Creek Trail. Amenities will include a community room with kitchen, fitness center, community raised garden, computer room, and bicycle racks. Two Type A fully-accessible units will also be included. Each unit will also have a fully-equipped laundry room. Zoning is presently TOD-Transit Oriented Development, for which multifamily residential is an allowable use with no maximum density limit, and 1.05 parking spaces per unit. Project was awarded \$1,000,000 in 9% LIHTC in September 2022, and was awarded \$624,000 in HOME funds at the October 20, 2022 OWHLF quarterly board meeting as a 30-year fully-amortizing loan at 1.5%.

- B. **Staff Comments:** Project remains eligible for the HOME funding awarded previously; land was purchased as part of Phase I and this 1.1-acre portion will be transferred to Phase II with the cost of acquisition included. Developer is returning to the OWHLF board to request similar terms awarded for the Phase I loan - a surplus cash flow loan with a minimum payment of \$1,000.00 per year - so that all three of their Utah projects (Residences at West Haven - completed/occupied; Fireclay I - under construction; and Fireclay II) have the same funding terms. Total project costs have increased about 5.5% since October 2022, although hard costs have remained close to the original costs. While mortgage rates have also increased slightly to 6.95% from 6.15%, rent limits have also increased and cash flow remains solid using the terms originally approved with a DCR of 1.495 and CF per unit of \$908.02 using the original loan terms as awarded.
- C. **Staff Recommendation:** Change the previously-approved HMP2004 loan terms from fully-amortizing to surplus cash flow with a \$1,000 minimum annual payment regardless of cash flow to cover OWHLF loan servicing costs as requested. All other loan terms to remain as originally approved (1.50% for 30 years). OWHLF loan to remain in second lien position after the Horizon Bank construction/first mortgage loan.

Discussion

Beth Holbrock called for a motion. Mike Glenn motioned to accept staff's recommendation with. Dawn Ramsey seconded. Motion passed 4-2. Motion approved.

Adjournment

Upcoming Meeting:
Thursday, January 11, 2024 ~ 1:00 pm – 3:00 pm

Beth Holbrock called for a motion to adjourn. Logan Monson motioned. Dawn Ramsey seconded. Meeting adjourned.

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