

**Olene Walker Housing Loan Fund Board**

Meeting Minutes

January 11, 2024

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

Jason Wheeler - Housing Advocacy

Jed Nilson - Homebuilders

**Excused/Absent:**

Kip Paul - Real Estate

**Staff Present:**

Christina Oliver - HCD Director

Jennifer Domenici - HCD-Assistant Director

Jennifer Edwards - HCD Assistant Director

Dan Murphy - HCD-OWHLF

Ashley Trujillo - OCC-Administration

Janell Quiroz - HCD Administration

Daniel Herbert-Voss - HCD-OWHLF

Elliott Lawrence - DWS - Counsel

Katye Halterman - HCD - OWHLF

Kaylee Beck - DWS - Finance

Carver Black - DWS - Finance

**Interested Parties and Guests:**

Karl Niederer

Tim Cohen

Ryan Davis

Natasha Pfeiffer

Amy Rewland

Janice Kimball

Lydia Robertson

Zack Jones

Agenda Item	Discussion	Recommendations/Actions
<b>Welcome</b>	I. Beth Holbrook welcomed the Committee and called for attendance.	Board member attendance called conclusion - Quorum present
<b>Public Comment</b>	No Public comment	
<b>Item 1 Approval of Meeting Minutes</b>	Mike Glenn asked for a correction to October's minutes. The minutes stated that Board member Glenn recused himself from the vote on the Liberty Star Ranch project, he did not recuse himself and in fact seconded the motion.	Beth Holbrock called for a motion to approve Meeting Minutes from Quarterly Meeting – July 13, 2023 Electronic Meeting – July 17, 2023

	<p>After motion to approve made (Henrie) and seconded (Wheeler) role call vote:</p> <p>Beth Holbrook - Y  Mayor Logan Monson - A  Marty Henrie - Y  Mike Glenn - Y  David Snow - A  John Lindsay - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y  Jed Nilson - Y</p> <p>Motion passed</p>	<p>Electronic Meeting – September 7, 2023  Quarterly Meeting – October 19, 2023  Electronic Meeting – December 5, 2023  * Staff to check and correct minutes regarding Liberty Star Ranch Mike Glenn recusal from discussion.</p> <p>Marty Henrie made a motion to approve all meeting minutes minutes aside from the correction that needed to be verified from Oct 19, 2023  Jason Wheeler seconded the motion.</p>
<p><b>Item 2  Financial  Report &amp; FY24  Budget</b></p>	<p>Kaylee Beck presented a financial review of the fund and explanation on how the info was laid out in the packet.  Mike Glenn asked a followup question about the uncommitted amount in the single family section being represented by dashes. Kaylee explained that it had been committed but it didn't mean that loans had been purchased from the committed funds as of yet.</p> <p>No additional questions or comments were made.</p>	
<p><b>New Business  Item 3</b></p>	<p>OWHLF project scoring criteria - review and approval  Dan Murphy explained the email about the current and changes for scoring and asked the board to read through proposed changes and respond to future followup email with feedback about scoring. New process based on feedback could be accepted as soon as April.  Mike Glenn Q.) Are we discussing those priority points today?  Dan Murphy A.) No please email questions and feedback to staff to work through.</p> <p>No additional questions or comments were made.</p>	<p>Board to read through proposed changes and email with feedback by the end of February.  Transition to new scoring by April</p>
<p><b>Item 4</b></p>	<p>Combined PAB/OW Executive Summary Board Packets  Dan Murphy showed example of new format  Beth explained the benefits of consistency  Mike Glenn gave followup report of assignment completed in meeting with Dan and going through the new format to give feedback</p>	
<p><b>Item 5</b></p>	<p>Rural Predevelopment Grant RFGA Changes - Review and Approval  Dan Murphy explained this was presented beforehand via email and the changes proposed are to ensure that the fund is compliant with the statutes. Summary of changes:</p> <ul style="list-style-type: none"> <li>• Clarified language to ensure that it meets statute</li> <li>• Clarified language for allowable expenses</li> <li>• Added requirement that, in order to receive staff recommendation, a letter of support from applicable local municipality or county is required</li> <li>• Clarified monitoring language to ensure that it meets compliance requirements</li> </ul>	<p>Motion to approve changes as recommended by staff made by Jed Nilson  2nd Mike Glenn  Motion passed</p>

	<ul style="list-style-type: none"> <li>• Clarified budget language</li> <li>• Updated application and monitoring checklist</li> </ul> <p>Beth Holbrook Q.) How is this communicated to applicants?  Dan Murphy A.) The new information is provided in the application process and will be communicated at the time of application. As the process goes forward the monitoring team will reach out to ensure compliance or make corrections.</p> <p>No additional questions or comments were made.</p> <p>After motion to approve made (Henrie) and seconded (Wheeler) role call vote:  Beth Holbrook - Y  Mayor Logan Monson - A  Marty Henrie - Y  Mike Glenn - Y  David Snow - A  John Lindsay - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y  Jed Nilson - Y  Kip Paul - A</p> <p>Motion passed</p>	
<p><b>Item 6</b></p>	<p>Homeless Projects (Statute Priority - Homelessness)  44 North Permanent Supportive Housing (SLC) – First Step House</p> <p>Dan Murphy summarized project  Staff Recommendation: Fund \$2,000,000 in HOME funds for 30 years at 1.5% as a deferred loan as requested. Lien positions: 1) Zions Bank permanent loan; 2) OWHLF HOME loan; 3) DWS-OHS ARPA loan. Funding contingent on all other funding sources as listed in the Application, and construction to Energy Star/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 10 HOME-assisted units restricted for 30 years minimum</p> <p>Representatives of project:  Janice Kimball with Housing Connect, Shawn McMillan First Step, Marcus Lonardo development Rep for 44 North  Shawn McMillen- This development is similar to other projects Housing Connect and First step have partnered on. Mental health and reoccurring conditions wrapped together with housing.</p> <p>Q). Mike Glenn - Has the city council approved this yet?  A). Janice -it's underway, we have the support of city staff, we just need to make sure it's on the agenda. If approval does not happen we will bow-out our ownership and that has been cleared with UHC  Q). Beth Holbrook - Do you have a timeline yet?</p>	<p>Motion to accept Staff's recommendation made by Mike Glen  2nd Jed Nilson  Motion passed</p>

A). Janice - this was right before Christmas that we were working on getting before council and we had a couple months lead time.

Q.) David Snow - If this is serving the homeless population, how does it derive it's cash flow?

A). Janice- Cash flow comes though rent assistance which is provided through section 8.

Q). David Snow - That comes through HUD?

A). Janice - Correct

A). Marcus - yes vouchers through section 8 as well as a grant from OHS

Q). David Snow - Was that on an annual basis?

A). Marcus - Yes, annual funding over the compliance period of the Tax Credits

Q). Christina Oliver - Are you talking about the 15 year project based vouchers.

A). Marcus and Janice- Yes

Q). Mike Glenn - are we the last player in the financial package?

A). Marcus - Yes, the project has full operating and management costs for over 15 years. Your dollars are the last dollars in to fill out the development.

Q). Mike Glenn - timeline for shovels in the ground is what?

A). Marcus - we're targeting Q4 2024 (pending design and entitlement schedule at the city)

Q). David Snow - What contractor have you selected.

A). Marcus - We have not gone through our official procurement process, it'll happen over the next several months. We received bids from Bonneville builders and Overland Construction

Q). David Snow - Are you feeling confident that you're not going to have any price increases that will blow the budget.

A). Marcus - We feel solid in the numbers not over padded we have contingency built in. Recently the cost escalations have cooled.

Q). David Snow - Is your contingency 5%

A). Marcus - Yes

Q). Jason Wheeler - The executive summary indicates as a funding source \$35000 Rocky Mt Power but I didn't see a letter of confirmation for that funding.

A). Marcus - That is a source of funding we would be eligible for and it's a requirement of Utah Housing Corp to list all grants the project is programmatically eligible for as a source of funding. We're confident that we'll be able to secure that. If there is an issue it's a small enough cost we'd be able to absorb it.

Q). Jason Wheeler - the terms right now are 1 ½ % for 30 years, your other loans are all at 40 years. I'm assuming the negative cash flow(the 300 and some odd per month) is at 1 ½ % and not at 0%. Is that correct if it were a fully amortizing loan?

A). Marcus - Yes

Q). Jason Wheeler - and if it were at 0% interest and fully amortizing how would that affect DCR and cash flow?

A). Marcus - it would be problematic. What's important about our request is that the loan is fully deferred. Being a permanent, supportive housing project means we have very high operating expenses. It will have 3 fulltime case managers to provide supportive services. The cost for staff and a supportive housing director is \$300,000/year. The way

	<p>the numbers work the section 8 vouchers and the attainable housing grant can support the debt service and pay for all operating expenses. If we did have to make interest or principal payments at all then over time our debt service coverage ratio would fall below 115 and then below 1 and we wouldn't be able to cover our debt service on our senior loan and the project would be in jeopardy. So it's important to the project that the loan be fully deferred for the term of the loan.</p> <p>Q). That would include a cash flow loan/ that also would be an option? A/Q). Marcus - Yes, are you asking if there was a cash flow kind of contingency sweep?</p> <p>A). Jason Wheeler - yes Olene Walker does cash flow loans where, if there was cash flow you would be paying the cash flow back to the fund.</p> <p>A). Marcus - Yes ideally we would like it fully deferred, if there is cash flow we'd like to keep it in the project to provide better supportive services and I think it would be a nominal amount of cash flow. Ideally we'd love it to be fully deferred just due to the nature of the project.</p> <p>No More questions</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y Mayor Logan Monson - A Jed Nilson - Y David Snow - Y Marty Henrie - R Kip Paul - A John Lindsay - R Mike Glenn - Y Mayor Dawn Ramsey - Y Jason Wheeler - Y</p> <p>Motion passed</p>	
	<p>Rehabilitation Projects (Statute Priority - Rehabilitation) Brick House Group Home (St. George) – Access Foundation</p> <p>Dan Murphy summarized project Staff Recommendation: Fund \$247,000 in state LIH funds for 30 years at 0% as a fully-amortizing loan as requested. Lien positions: 1) State Bank of Southern Utah; 2) OWHLF state LIH Loan. Funding contingent on all other funding sources as listed in the application, and rehabilitation to meet DHHS minimum licensing standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 5 LIH-assisted units restricted for 30 years minimum</p> <p>Developer and interested parties: Alan Oviatt and Mike Keenan</p> <p>Discussion outlined below referred to both Brickhouse and Yellow House projects:</p>	<p>Motion to Fund in full the Yellowhouse project and defer the brickhouse until the next fiscal year made by Jason Wheeler 2nd by Dawn Ramsey</p>

Q). Beth Holbrook - could you remind me what is the total amount requested, available and options.

A). Kaylee Beck - Available 451,645, asking 570,500 short 118,855. Options to fund 1 project completely and 1 partially, fund both partially proportionate to the task for each project (each just shy of 80% per project). I don't know if the developer would have a preference on which the funds should go to.

Q). Beth Holbrook - Obviously one is older than the other, what is the definition of "substantial interior cleaning" does that change the dynamic in anyway or is it pretty much surface cosmetics?

A). Daniel Hurbert-Voss - It's mainly cosmetic, the older one is just in a little bit worse condition. No issues foreseen at this point.

Q.) Mike Glenn - do we know what their time frame is and how quickly they want to start?

Q.) David Snow - If we do fund everything available how do they make up their gap in funding?

A.) Allen - we don't have a problem pulling the Brick house and coming back in July when there might be more funding. The yellow house will need some construction (putting up walls, build out an ADU in the back) and has slightly more urgency than the Brickhouse.

Q). David Snow - How much in remodel costs do you have?

A). Allen- around \$100,000

Q). Mike Glenn - so he's saying to table the Brickhouse until July when we get our funding?

A). Alan - Yes

Q.) Jason Wheeler - Are there any other outstanding requests for state funds?

A). Daniel Herbert-Voss and Kaylee Beck - the only other one is the pre-development grant and that is different.

Q). David Snow - Doesn't that finish us off until our next funding in June?

A). Jason Wheeler - yeah, I think they're suggesting we just award the Yellowhouse and wait on Brickhouse until the next fiscal year.

A). Kaylee Beck - if you just awarded Yellowhouse you'd have 128000 if anyone came with a little ask in April and otherwise it would be added to the funding in July.

Q). Marty Henrie - Is the building that is detached behind also a residential building?

A). Alan - that is currently a large garage. It has that space for that attachment.

Q). Mike Glenn -I can't recall if Saint George is an entitlement city that receives its own HUD funds. If it is, it would be worth checking to see if they could put some CDBG funds into this project.

A). Jen Domenici - yes they do get their own CDBG funds.

A.) Beth Holbrook - that's for you Alan, something to look into.

No More questions

Vote on motion:

Beth Holbrook - Y

	<p>Mayor Logan Monson - Y  Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - Y  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	
	<p>Rehabilitation Projects (Statute Priority - Rehabilitation)  Yellow House Group Home (St. George) – Access Foundation</p> <p>Dan Murphy summarized project  Staff Recommendation: Fund \$323,500 in state LIH funds for 30 years at 0% as a fully-amortizing loan as requested. Lien positions: 1) State Bank of Southern Utah; 2) OWHLF state LIH loan. Funding contingent on all other funding sources as listed in the application, and rehabilitation to meet DHHS minimum licensing standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 6 LIH-assisted units restricted to 30 years minimum.</p> <p>See discussion under Brickhouse Group Home project for discussion regarding this project.</p> <p>No More questions</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y  Mayor Logan Monson - Y  Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - Y  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	<p>Motion to Fund in full the Yellowhouse project and defer the brickhouse until the next fiscal year made by Jason Wheeler  2nd by Dawn Ramsey</p>
	<p>New Construction Projects - Other Multifamily Projects (Ranked by Score)  Skyline Arch Apartments (Moab) – Housing Authority of SEU</p> <p>Dan Murphy summarized project  Staff’s recommendation: Fund \$1,500,000 in HOME funds for 35 years at 1.5% as a fully-amortizing loan as requested. Lien positions: 1) Rocky Mt CRC permanent mortgage; 2) OWHLF HOME loan. Funding contingent on all other funding sources as listed in the application, and</p>	<p>Motion made by Marty Henrie to accept staff’s recommendation on this project.  2nd Mayor Dawn Ramsey</p>

construction to Energy Star/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 8 HOME-assisted units restricted for 35 years minimum.

Developer and interested parties:

Amy Roland (financing), Ben Riley ex. Director of HASU, Laura Harris  
Project manager

Ben - Project is on Land trust land, bedroom sizes based on community feedback

Amy - real need for rental properties in Grand county

Q). Marty Henrie - Question regarding expense per door for Daniel Herbert-Voss, have we seen any projects on non fee simple land that have approached ½ million dollars per door?

A). Daniel Herbert-Voss - no we have not.

A.) Amy - I can speak to that, The land itself was completely donated by the donor there has been considerable expense in developing the land, putting in streets, sidewalks, curbing, all the utilities had to be laid, Underground grading and dealing with drainage issues and flood issues etc. the land development costs for the Trust Land were pretty high. So Land trust is asking the developers to compensate the Land Trust for those infrastructure costs. It is notable that the cost they're passing along is considerably less than the value of the land.

Q). Marty Henrie - Are you saying that the costs for the infrastructure is included in the \$500,000 r is that simply part of the lease payment annually?

A). Amy - That 559,000 is basically the por rata share of the infrastructure development for the whole complex. It's been allocated to each parcel, so that is it's share of the infrastructure costs.

Q). Marty Henrie - I see that and it is separate from the costs you presented to us, correct? The 500,000/door excludes those. I'm just making the point that this is the most expensive cost per unit that we've seen come through this board and the land and land development costs aren't even a part of the 500,000, I just want to be sure I'm clear about that.

A). Amy - no, the land development cost of 559,000 is included in the 500,000/ door. It is part of the development cost for this project.

A). Marty Henrie - ok that's great. It's still the most expensive project I think we've ever seen. I'm not necessarily opposed to the project, I'm just wondering on the costs.

Q). Marty Henrie - Do you have contract bids? Do you have hard cost Bids? Do you have a contractor selected who's provided a bid at this level?

A). Amy - we went out to bid with incomplete construction drawings and not yet approved plans. We invited 6 contractors we knew had interest and experience in the area. I believe we had two responses. The lower of the two was Kier construction. Kier construction has not been awarded the construction they were awarded a construction manager type role. They worked with the architect in completing the bids and drawings. They are likely to be the contractor. I would say the



one of the extreme problems with Moab is a lack of contractors that can do the work. They are generally coming from someplace far away (Like Ogden in this case). There's really no local contractor. So that doesn't help the construction cost. Also the scale of the project is small so costs aren't spread out over a large number of units.

A). David Snow - Understood

Q). Marty Henrie - Inside your budget in our package you have site development costs, earthwork, plumbing and so forth included in the cost. Is that the cost that you are repaying in the lease that the Lessor has incurred to develop the site? You are saying that those annual costs are included in this budget you've presented.

A). Amy - the 559,000 essentially as an acquisition price which is awkward because we're not buying the land. It is essentially infrastructure costs. There are also parcel development costs in the construction costs. There is also the lease cost which is pretty minimal-328/unit to help with longer term management/maintenance costs

A.) Marty Henrie - Thank you

Q.) Christina Oliver - The costs are definitely higher, the type of projects we usually look at have large multi-family unit counts that are each able to absorb site, development and land costs. Does the 559,000 include Site development, procurement of the land and the parcel and full development of the Townhome, is that correct?

A.) Amy - the 559,000 is the price share of the infrastructure for the project, basically roads, curbs, sidewalks, burying utilities. There are also development costs in the construction budget for developing the particular parcel. the totals for development costs work out to roughly 500,000/unit. This is a sort of total development cost which includes all those infrastructure and development costs.

Q.) Christina Oliver - so that roughly 501 per unit is to develop all 32 units and includes all those development costs. Correct?

A). Amy - Correct.

Q.) Davis Snow - I understand that but Townhomes shouldn't be double the costs.

C.) Jason Wheeler - If you look at the unit breakdown 8- 3bd, 4-4bd, 12-2bd and 8-1bd. so some of these units will certainly be going to be larger than we typically see in a multi-family housing development. Many of the projects we see, the mix is studio, 1bd and 2 bd, without any 3 or 4 bd units. So that makes it a little different, I agree though that these costs are quite high.

C). David Snow - agree with what you're saying but not to the magnitude of twice as high, it's extraordinarily high. And it's mostly horizontal and vertical improvements not ground improvements.

A). Amy - Most land costs incorporate development, you just don't see the costs because they were done 20-50 years ago.

C). David Snow - typically the developer gets repaid for those costs through the lease payments. In this case the Lessor wants the development costs upfront and wants lease payments as well.

A). Right, they are a nonprofit so they don't have the profit side motivation to develop the land and sell for maximum value. They are committed to keep it affordable so they are asking for compensation for the construction improvement cost. I agree that the costs are high, it's

frustrating doing business in Grand County, In Moab there aren't many suppliers, the material has to come from a long way away. Workers have to be brought in and housed locally. There is a reason there is a big housing crisis there. It's really hard and really expensive to build there. Q). Jed Nilson - Do we have a point of reference for any developments we've done in Grand County? I've personally been looking at building homes for sale down there and have been shocked. Just as a point of reference I went through a little townhome development that was I think 4 or 6 little 4plexes, they were all 1 bd/1bth 4 plexes. Not nearly as nice or complex, just the most simple and cost effective construction and they were 250,000 per unit. I was shocked at the price. But there is no labor force you have to haul everything and everyone so when we look at the costs and everything she's been referencing. So I'm looking for a reference point for Moab pro and building costs.

A). Christina Oliver - I don't have specific numbers but anecdotally working with the AOG not only in this area but other rural areas of the state this is a common problem and the costs are significantly more. Specifically our self help programs. And I know those are stand alone programs but those are items that not only the state legislature has recognized that homes in rural Utah cost significantly more but also the governor's budget promotes additional funding for these programs. We don't have the magnitude of dollars to build significant projects like the one being presented to you today. So yes costs are higher labor shortage is a real thing in rural Utah. They prefer to be along the wasatch front and wasatch back to build-they can make a lot more money. I do also want to point out that I think it's extremely important that this project did receive 9% tax credit. 9% tax credits are one of the most scarce resources we have in the state and for them to receive the allocation that they did really speaks volumes to Utah Housing Corporation's process but also to the fact that this particular project in this area is an extremely important product to provide to the community.

C). Jed Nilson - The Moab area has an extreme Housing shortage and extreme affordability issues. People not familiar would be shocked by these prices. I've been looking down there and seeing what it would cost for my company to build down there. So I just wanted to call out that the costs are significant but there is a severe need.

C). Beth Wheeler - thanks for context. Call for any more questions.

C). Jason Wheeler - I have another comment- this is a fully amortized loan at 1 ½ % so it will immediately begin generating program revenue and payback that can be used in other projects. If we look at his compared to projects that are fully deferred this type of project allows us to take that money in the very near future and start re-embedding it into other projects.

Beth Holbrook closed comments and entertained a motion on Syline Arch at Arroyo Crossing

Vote on motion:

Beth Holbrook - Y

Mayor Logan Monson - Y

	<p>Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - Y  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	
	<p>New Construction Projects - Other Multifamily Projects (Ranked by Score)  Moda Griffin Apartments (SLC) – JF Properties</p> <p>Dan Murphy summarized project  Staff Recommendation: Fund \$931,843 in state PAB gap funds for 30 years at 3.00% as a surplus cash flow loan as requested. Loan to have a minimum \$1,000 annual payment to cover loan servicing costs. Lien positions: 1) Citibank first mortgage; 2) OWHLF LIH surplus cash flow loan; 3) general partner deferred loan. Funding contingent on all other funding sources as listed in the Application, and construction to Energy Star/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 5 LIH-assisted units restricted for 30 years minimum.</p> <p>Developer and interested parties:  JF Properties Ryan Davis , Harold, Jake Wood</p> <p>C). JF Prop - excited about the project, offering 2bd units to accommodate families and larger households that are not often available in the area. We have a number of funding sources coming in on this one. We are deferring 50% of our fee and do anticipate a GB loan and we appreciate your consideration on the project.  Q). Mike Glenn - It says they are looking for a state LIHTC allocation in December-is that correct?  A). JF Prop- that is correct  Q). Mike Glenn - that is a ways off what does that do to your pricing, pushing the project back 12 months?  A). JF Prop - we are doing the application in June to be awarded in summer and we're looking to close late summer. we have built in for some contingencies as far as price fluctuations.  Q). David Snow - How long do you defer your half piece of your development fee?  A). JF Prop - it ends up becoming a cash flow contingent deferral and gets put into essentially the waterfall position within the project. There are a number of different priorities and the deferred development fees are about half way down and as cash flow becomes available through the life of the project it gets paid down. It'll be several years before we get that money back.  Q). David Snow - the repayment of our loan has priority over that?</p>	<p>Motion to approve as per staff recommendation by Jed Nilson  2nd Logan Monson</p>

	<p>A). JF Prop - Yes, the second lead position on the cash flow surplus basis.</p> <p>Q). Jason Wheeler - Since this is pushed out a bit my inclination is to table this project, would there be a negative impact on the Olene Walker Fund if we ended the fiscal year with additional funds? Just thinking we could award this one in July and have additional funds available if anything came up for April.</p> <p>A). Beth Holbrook - I would prefer to not defer.</p> <p>A). Daniel Herbert-Voss - these particular funds are specifically intended for private activity bond projects.</p> <p>C). Jason Wheeler - okay</p> <p>C). Christina Oliver - yes these funds need to be spent down, so this is a perfect project to utilize these funds</p> <p>Beth Holbrook closed comments and entertained a motion on Moda Griffin Apartments with JF Properties</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y  Mayor Logan Monson - Y  Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - Y  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	
	<p>New Construction Projects - Other Multifamily Projects (Ranked by Score)</p> <p>9Ten West Apartments (SLC) – Great Lakes Capital</p> <p>Dan Murphy summarized project  Staff Recommendation: Fund \$1,903,123 instead of \$1,926,331 in HOME funds for 30 years at 1.5% as a surplus cash flow loan. Loan to have a minimum \$1,000 annual payment to cover loan servicing costs. Lien positions: 1) Merchants Capital first mortgage; 2) OWHLF HOME surplus cash flow loan; 3) Salt Lake County ARPA loan. Funding contingent on all other funding sources as listed in Application, including filling remaining funding gap, and construction to Energy Star/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 11 HOME-assisted units restricted for 30 years minimum</p> <p>Developer and interested parties:  Great lakes Capital Karl Niederer, Tim Cone</p>	<p>Motion to accept staff’s recommendation by Jason Wheeler  2nd Jed Nilson</p>

C). Karl - Excited about the project and wanting to capitalize on the location with relation to transit. The permits are in for approval now, they're projecting end of March so we are ready to go on this project. We're selecting the contractor now.

Q). Mike Glenn - so this project is right next door to the project we just approved?

A). Karl - across the street

Q.) Beth Holbrook - it looks like there might be some environmental issues

A). Karl - we've had phase 1 and phase 2 done. It used to be a laundromat and dry cleaner. We thought it was important to do that early on in the project, rapport came back with minimal cleaning solvents in the soil and the recommendation is a paper barrier.

Q). Mike Glenn - and that pricing is all built into the project?

A). Karl - it is.

Q). Do you have any special needs units, I don't see any on the form?

A). Karl - we don't have any set aside to be special needs but we are targeting ami's as low as 30 and another 10 targeted to 40 Ami and income average all the way to 80%

Q). Mike Glenn - but in terms of units specifically outfitted for the disabled?

A). Karl - yes we are sitting at 14

Q). Marty Henrie - I don't see the contractor that your are working with, I'm wondering how far down the road into the bidding process you are?

A). Karl - we've been working with R&O for the preCon stage, we're finalizing contracts with them hopefully today.

Q). David Snow - question for staff- Do we have a set max as far as % that we allow for the developer fee?

A). Daniel Herbert-Voss - the max I believe is 10%

Q). David Snow - believe we're beyond 10%

A.) Dan Murphy - I've got development co of 43 mil and 3.4 mil in developer fees is 7.6%

Q.) Mike Glenn - on the order of repayment, we will get paid from the cash flow surplus in the second position of priority.

A). Karl - yes and the other loan is also a cash flow surplus loan not a regular loan.

Beth Holbrook closed comments and entertained a motion on 9ten West Apartments

Vote on motion:

Beth Holbrook - Y

Mayor Logan Monson - Y

Jed Nilson - Y

David Snow - Y

Marty Henrie - Y

Kip Paul - A

John Lindsay - Y

Mike Glenn - Y

Mayor Dawn Ramsey - Y

Jason Wheeler - Y

	Motion Passed	
	<p>New Construction Projects - Other Multifamily Projects (Ranked by Score)  Mountain Crest Manor (Orem) – Mt Country Home Solutions</p> <p>Dan Murphy summarized the project, affordable rental property for age 62+ with 4 units. Staff recommendation is for \$100,000 in finding for 30 years instead of 40 years and a 2.5% fully amortizing loan. Lean position would be third.</p> <p>Daniel Herbert-Voss added that the applicant is requesting an exemption from energy star requirements due to the size of the project.</p> <p>Q). Mike Glenn is this new construction?  A). Dan Murphy - Yes</p> <p>Staff Recommendation: Fund \$100,000 in HOME CHDO funds for 30 years instead of 40 years at 2.5% as a fully-amortizing loan. Lien positions: 1) Provo City \$400,000 first mortgage loan; 2) Provo City \$431,736 second mortgage loan; 3) OWHLF HOME fully-amortizing loan. Funding contingent on all other funding sources as listed in the Application, and construction to Energy Star/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 1 HOME-assisted unit restricted for 30 years minimum</p> <p>Developer and interested parties:  Sharlene Wilde</p> <p>C). Sharlene - developer was approached by Orem city to put this project together. and with COVID and all the things (Supply chain issues, Interest rate spikes etc.) we kinda felt like the project as a little bit snake bit but all of a sudden the funding is coming together and every single funding source is signed. We did get the federal home loan bank money yesterday, we have Davis Bacon in place, we've already done the earthwork for this project we needed to get started. We are ready to go and continue on this project.</p> <p>C). Mike Glenn - there is an alternative path to the energy star which means you meet the HUR standard of being 15% better than code which does not add a lot of cost burden to you as a developer. So I suggest you look at that alternative path and reach out to the Utah Energy Conservation Coalition out of Orem to help you achieve that.</p> <p>C). Sharlene - Okay we can do that and Maddox Construction is our developer out of West Jordan and they have significant experience with this type of thing. So we will turn this over to them. And the costs you see are not guesses, they are actual and under contract.</p> <p>Q). Christina Oliver - has there or has there not been site work done?  A). Sharlene - there has been some sitework done. Yes, we had to get it done before winter because some of the funding sources are time sensitive.</p> <p>Q). Jennifer Dominici - Because these are Federal Funds, home funds, we need to make you aware that Davis Bacon does apply and there are no issues with that.</p>	Motion to approve staff's recommendation David Snow 2nd Marty Henrie

	<p>A). Sharlene - there is not a problem, our paperwork is up to date and Maddox is handling all of that.</p> <p>Q). Jennifer Dominici - where site work has been done, did you receive an environmental review clearance before site work?</p> <p>A). Sharlene - Yes we did, because of the Provo City and Orem City money the environmental review was performed by Provo city and clearance was obtained.</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y  Mayor Logan Monson - Y  Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - Y  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	
	<p>New Construction Projects - Other Multifamily Projects (Ranked by Score)  Silos Apartments (SLC) – BCG ARC Fund</p> <p>Dan Murphy summarized the project,  Staff Recommendation: Fund \$1,000,000 in HOME funds for 40 years at 3.0% as a fully-amortizing loan as requested. Lien positions: 1) Key Bank construction-to permanent first mortgage; 2) OWHLF HOME fully-amortizing loan. Funding contingent on all other funding sources as listed in the Application, and construction to Energy Star/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. OWHLF deed restriction to show a total of 6 HOME-assisted units restricted for 30 years minimum.</p> <p>Developer and interested parties:  Jonathan Hardy we are about as shovel ready as it gets. We have all other funding sources secured, the precipice of getting our building permits and just need this gap loan.</p> <p>Q). Jason wheeler - that's a storage facility right there?  A). Jonathan - yes  Q). Mike Glenn - You don't have any utility rebates? You'll probably find a fairly substantial amount if you contact . . .  A). Jonathan - yes, yeah we are in touch with Rocky Mt. Power, it's an all electric building.  Q). Jason Wheeler - those adjacent Silo buildings, they are staying right?</p>	<p>Motion made by Jason Wheeler  2nd Mike Glenn</p>

A). Jonathan - Yes

Q). David Snow - the Silos are staying?

A). Jonathan - yes we took down a 10 pack and the mill tower, but the lower mill is going to be adaptively reused and this 6 pack of silos is staying. There is no way to amke them occupiable so they are a monument on the sight and will be part of the property.

Q). David Snow - so there is no use for them?

A). Jonathan - there is no occupiable use, we'll do some creative things for events with them.

Q). Jennifer Dominci - has sitework been done?

A). Jonathan - Environmental remediation has been done by the lessor of the ground but LIHTC has not done anything. We are not doing any development on the site yet.

Q). Did you receive any sort of clearance on what has been done?

A). Jonathan - we've done our state required environmental remediation on the site

C). Dan Murphy - this emphasis is because the funds would be contingent upon that being done prior to the work.

C). Jason Wheeler - I think the confusion is that they're leasing the property, it's not their property.

C). Jennifer Dominici - but with the federal funds any sitework at all we have to have ERR clearance before.

Q). Jason Wheeler - I'm just asking for clarification, if the property is owned by someone else and they're not using federal funds for any of the work that's been done so far in terms of environmental remediation and it's separate from the lease and what's being done with federal funding so if that's the case the question for Jonathan is has the environmental review been done?

A.) Jonathan - the HUD environmental review has not been done as home funds have not been on the table.

C). Christina Oliver - Home Funds can not be used on projects where the site has already been remediated. We're in current conversations with HUD about that prohibition.

Q). Beth Holbrook - so to help with understanding, they are not the owners of the land but that is still material?

A). Christina Oliver - it doesn't matter who owns the land, if HUD funds are being used it needs to be done through the HUD process. Which is, before you disturb the land you have to have HUD environmental clearance.

Q). Jason Wheeler - can I just ask, so someone owns a property and they've been digging in their sandbox on their property with no idea that some day some sort of federal project is going to happen on the property and then an entity approaches and says they would like to put a housing project on the property, the fact that the prior owner has been playing around in the dirt should not impact the ability to acquire funding for a housing project - right?

A). Jennifer Dominici - we've been trying to work this out with HUD and get some clarification or guidance. We have brought that to their attention and are waiting to hear back.

Q). Beth Holbrook - so their position is "No" at this point?

A). Jennifer Dominici - right We're trying to get ahead of this by meeting with developers and trying to get the communication out that



	<p>if there is going to be any federal funds and there has been any site work done at all it;s going to be really tricky, or we just won't be able to use federal funds. We're trying to get ahead of it while seeking further guidance from HUD on how to make this work.</p> <p>C). We won't authorize any Home Funds until we have full approval.</p> <p>Q). Beth Holbrook - that being said what is the cost of getting that HUD approval. I'm really trying to understand how to navigate this if you're in this weird space.</p> <p>A). Jason Wheeler - it's not that expensive it's just a hoop, just time. It's not even that there are lots of studies, it's just a hoop.</p> <p>Q). Beth Holbrook - so, I'm just curious, if we did do staff's recommendation, will we have to have that as a contingency to funding?</p> <p>A). Christina Oliver - Yes</p> <p>C). Jennifer Dominici - In the future we have Sarah Moore at these meetings, she is our environmental specialist. (She was unable to make it due to the weather today)</p> <p>C). Christina Oliver - I would like to make a plug for dollars from the governor's budget for Olene Walker, this is the perfect project that we could provide state funding for and not have to worry about any of this.</p> <p>C). Jonathan - Having gone through the environmental stuff we are happy to work with staff on how to navigate that.</p> <p>C). Mike Glenn - but if we do give you funding from the state source it seems like we would still expect you to do an environmental review.</p> <p>C). Beth Holbrook - it's a very optimistic statement because we technically haven't been given any funds yet. But that is correct that if we have that funding stream it wouldn't be under the same expectation.</p> <p>Entertained a motion on Silos Apartment by BCG ARC fund.</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y  Mayor Logan Monson - Y  Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - R  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	
<p><b>Item 7 New Pre-Development Grant</b></p>	<p>Shelter Renovation (Moab) – Seekhaven Incorporated</p> <p>Dan Murphy summarized the project</p> <p>Staff recommendation to not fund based on lack of letter of support and not meeting the requirement of usage do to proposed childcare facility on the premises.</p>	<p>Motion to follow staff's recommendation made by Mike Glenn</p> <p>2nd by Marty Henrie</p>

Q). Jason Wheeler - am I correct in understanding that part of this project is for housing?  
A). Dan Murphy - the housing part of the project meets the criteria the childcare part does not.  
Q). Beth Holbrook - If they rephrased their application and found funding elsewhere for the child care portion it could potentially qualify?  
A). Dan Murphy - yes potentially, they would need to discuss with counsel.  
A). Christina Oliver - I'm pulling up code real quick, it is extremely specific. Let me pull it up while Jason asks his question.  
Q). Jason Wheeler - I think this is subjective where it's a part of the development to me. Childcare in a domestic violence housing situation feels like it's an integral part of housing. Obviously I think before we went through this they would need to get that letter of support from the municipality for sure. And where that's part of the same development it's a needed part of this housing project. If it was just a childcare that would be different.  
C). Mike Glenn - we've also not funded shelters  
A). Christina Oliver - So the code specifically says, it must be in preparation for a project that involves the construction of moderate income housing unit. It does not provide for homeless or shelters  
Q). Mike Glenn - is there funding though through DWS OHS that could be of use here?  
A). Christina Oliver - it really depends on if, well there are 2 things, we can link them up with OHS to see if there are any funds laying around that could be used for this or if the legislature approved additional funds this year then the applicant could apply for those.

Is the applicant here? Abigail Taylor - no

We still need to make a motion.

Mike Glenn made the motion to accept Staff's recommendation with the understanding that staff will work with the applicant in order to help investigate other funding sources.

Vote on motion:

Beth Holbrook - Y  
Mayor Logan Monson - A  
Jed Nilson - A  
David Snow - Y  
Marty Henrie - Y  
Kip Paul - A  
John Lindsay - Y  
Mike Glenn - Y  
Mayor Dawn Ramsey - Y  
Jason Wheeler - Y

Motion Passed

<p><b>Item 8: Existing/Returning Multifamily Projects</b></p>	<p>Liberty Corner - OWHLF Board Approval for Project Changes</p> <p>Dan Murphy summarized the project Staff recommendation: Approve changes to project configuration, increasing total unit count from 161 to 200 total. Lien positions: 1) Zions Bank first mortgage; 2) Salt Lake County HOME loan; 3) Salt Lake City non-Federal loan; 4) OWHLF loan #HTF2021; 5) UCNS HOME loan; and 6) Salt Lake County HOME loan. All other conditions as previously approved at the July 17, 2023 OWHLF meeting</p> <p>Developer and interested parties: Chris Zarak and Zach Jones from Cowboy Partners</p> <p>Q). Jason Wheeler - would you move forward with market rates if you did not receive this increased 4% allocation? A). Chris - If we did not receive the adjustment then the question would be of risk in relinquishing the current allocation and reapplying for the full allocation. And of course there's no guarantee of any allocation in any given round. But we'd move forward with that.</p> <p>No additional questions</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y Mayor Logan Monson - A Jed Nilson - Y David Snow - Y Marty Henrie - Y Kip Paul - A John Lindsay - Y Mike Glenn - Y Mayor Dawn Ramsey - Y Jason Wheeler - Y</p> <p>Motion Passed</p>	<p>Motion to accept Staff's recommendations Jason Wheeler 2nd David Snow</p>
	<p>Residences at Fireclay II - OWHLF Board Approval for Parking and Ground Lease Structure</p> <p>Dan Murphy summarized the project Staff recommendation: Grant final approval of the Residences at Fireclay II ground lease terms enabling sufficient parking [18 spaces minimum] in accordance with the June 2023 Murray City Community Development letter and the draft Ground Lease document, with a minimum parking of 18 spaces for Phase II. OWHLF loan #HMP2004 to remain as a surplus cash flow loan with a \$1,000 minimum annual payment regardless of cash flow to cover OWHLF loan servicing costs. Lien positions as previously approved: 1) Horizon Bank construction-to-permanent loan; 2) OWHLF loan #HMP2004.</p> <p>Developer and interested parties: Ryan Kelly TWG Development, Jason Harvey with Winthrop.</p>	<p>Motion to follow staff's recommendation Mike Glenn 2nd Jed Nilson</p>

	<p>Ryan - We apologize for not being at the meeting, I'd like to re explain how we got here and answer any questions. We intended to split the lots and the city came back and said, "Hey, the best process here is to actually keep it as one." We actually have a parking ratio because of the proximity to lightrail. The senior 62+ parking ratio is allowable under our code to reduce that so we kind of went from the standpoint of the city's directive and pivoted to that approach. I wouldn't say this is the ordinary route we would go. We kind of got lucky that we got the same investor and lender on both sides, and so we got them on board the concept. So we're here back to you today to approve what the city approved from the gramley's structure in the parking ratio.</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y  Mayor Logan Monson - Y  Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - R  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	
	<p>Richmond Flats - OWHLF Board Approval for Additional non OWHLF Funding</p> <p>Dan Murphy summarized the project  Staff recommendation: Approve the increase in the RMCRC first mortgage from \$3,170,000 to \$4,410,000, and approve the additional funding sources (Salt Lake City -\$210,000 HOME funding; DWS-OHS - \$500,000 ARPA funding) in third and fourth lien positions due to increased construction costs. RMCRC loan to remain in first lien position, and OWHLF loan #HME1924 to remain in second lien position, with OWHLF subordinating only to the RMCRC loan.</p> <p>Developer and interested parties: Todd Reeder and Ashley Grant</p> <p>Todd - ribbon cutting in November, great project. Only pains were in construction costs but we got additional funding and now we're looking to get it wrapped up and we appreciate the support. We're 70% leased up and looking forward to being all finalized by end of month.</p> <p>Q). Jason - Wheeler - Was there any change to the interest rate when the loan increased?  Q.) Todd - Interest Rate on Rocky Mountain CRC?  Q). Jason - Wheeler - It's 5.3 right now, I was curious if it was the same interest rate with the original loan?  A). Ashley - at original underwriting we were at 4.7</p>	<p>Motion to accept staff's recommendation -Marty Henrie  2nd David Snow</p>

	<p>Q). Jason Wheeler - And with an additional, almost 1.3 million in loan amounts and increased interest rate, our calculations show that it's slightly below our recommended debt coverage ratio for the first year, and then it gets above it after that. I think the only concern for us as a board is if this increase substantially increases payments on their primary mortgage and impact how and when we get repaid for the project we funded.</p> <p>A). Ashley - the DCRs are just slightly below but really looking at that 1.15 which matches our original. And then the cash flow, at least from our projections is looking to be slightly greater than our original underwriting. In anticipation of this question we're not expecting any concerns in paying back the Olene Walker Loan.</p> <p>Q). Jason Wheeler - Is that because the rental amounts have increased?</p> <p>A). Ashley - primarily yes</p> <p>No additional Questions</p> <p>Vote on motion:</p> <p>Beth Holbrook - Y  Mayor Logan Monson - Y  Jed Nilson - Y  David Snow - Y  Marty Henrie - Y  Kip Paul - A  John Lindsay - R  Mike Glenn - Y  Mayor Dawn Ramsey - Y  Jason Wheeler - Y</p> <p>Motion Passed</p>	
<p><b>Item 9: Reports (Please review prior to meeting – Staff will answer questions)</b></p>	<ol style="list-style-type: none"> <li>1. Multifamily Quarterly Progress Report (Daniel Herbert-Voss)</li> <li>2. Single Family Report (Kathryn Halterman)</li> <li>3. Energy Star Report (Daniel Herbert-Voss)</li> <li>4. Monitoring Report Update (Steve Fox)</li> <li>5. Home Choice Quarterly Report (Josh Runhaar)</li> <li>6. TOD Report (Dan Adams)</li> <li>7. Utah Housing Preservation Fund (Lukas Ridd)</li> <li>8. Landlord Incentive Program (Kathryn Halterman)</li> </ol> <p>Q). Mike Glenn - we typically have a cashflow report, I didn't see it, is it available or coming, it's not even on the agenda?</p> <p>A). Daniel Herbert-Voss - it wasn't included? It was provided.</p> <p>Q.) Beth Holbrook - will we have it by next meeting?</p> <p>A). Ok it was submitted I just printed and earlier packet.</p>	
<p><b>Adjournment</b></p>	<p style="text-align: center;"><b><u>Upcoming Meeting:</u></b>  April 11, 2024 9:00 pm – 12:00 pm</p>	<p>Beth Holbrock called for a motion to adjourn. Mike Glenn motioned. John Lindsay seconded. Meeting adjourned.</p>

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