



**CITY OF LOGAN
REDEVELOPMENT AGENCY**

**Resolution A Resolution Approving Agency Assistance for
No. 14-76 RDA Neighborhood Nonprofit Housing Corporation’s Freedom
 Landing Veterans Housing Project**

WHEREAS, the City of Logan Redevelopment Agency (hereinafter “Agency”) is authorized by U.C.A. §17C-1-411 and §17C-1-412 to use tax increment for affordable housing projects within Logan City; and

WHEREAS, Neighborhood Nonprofit Housing Corporation’s (hereinafter “NNHC”) Freedom Landing veterans project qualifies as affordable housing as defined by U.C.A. §11-38-102 (1), with said definition being adopted by the City of Logan in its Land Development Code §17.62 and by the Agency for the administration of its affordable housing funds; and

WHEREAS, the project includes the development of five single family residence homes located at approximately 230 North Crockett Avenue to be occupied by eligible U.S. veterans; and

WHEREAS, the Economic Development Committee has reviewed the requested assistance and recommends its approval,

NOW THEREFORE BE IT RESOLVED, that the Agency does hereby conditionally approve an allocation from the Agency’s affordable housing reserves, in an amount not to exceed \$70,000, to provide funding for NNHC’s Freedom Landing Project.

BE IT FURTHER RESOLVED, that the Redevelopment Agency authorizes the Mayor/Chief Administrative Officer to execute the necessary documentation to accomplish the intent of this resolution.

This resolution duly adopted upon this _____ day of _____ 2014, by the following vote:

Ayes:
Nays:
Absent:

Karl B. Ward, Chair
Redevelopment Agency

Attest:

Teresa Harris, City Recorder





Neighborhood Nonprofit Housing Corporation
195 West Golf Course Road, Suite 1
Logan, Utah 84321
Phone: (435) 753-1112
Fax: (435) 753-6112

September 5, 2014

RDA Committee
City of Logan
255 North Main
Logan, UT 84321

Re: Request for RDA Affordable Housing Funds for Freedom Landing

Neighborhood Nonprofit Housing Corporation, in partnership with Logan City, has spent several years working to develop affordable veteran housing in Logan City. The project has faced several hurdles, including finding a parcel of affordable land large enough for the project, proper zoning, and rising building costs. For example the hard costs of this project, including land, infrastructure, architectural and engineering services are at \$55,276 per lot, due in large part to the small nature of the project (developments cost for a five lot subdivision are approximately the same as a 15 lot development.)

NNHC purchased a parcel in the Island area with a narrow frontage, requiring the engineer to place the access road on the south property line. As a side note, the adjacent landowner complained to the city that the new road infringed on his property. The city engineer has examined the site and determined the road is on NNHC's property. However, because of the difference in elevations between the new road and the existing grade, there has been some spillover of road fill onto a portion of the adjacent property. The landowner has not given approval for anyone to come onto his property, and without that approval, no further actions have been taken.

NNHC has now made all improvements to the site; building costs have been established and building permits have been issued (see the attached project budget.) However, a large grant expected by the Home Depot Foundation was not awarded, leaving a large gap between the total project costs and current sources of funds. At this point, NNHC has spent over a year looking for other grant funding to cover the gap, and has received approval to use HAC SHOP funding for a portion of the project (\$40,000.) The estimated VA loans are at the maximum for which we anticipate borrowers below 80% AMI will qualify. We would therefore request that RDA funding in the amount of \$70,000 to help cover the funding gap. The remaining \$5,910 will be covered by NNHC. We appreciate the RDA board's consideration of this request, and are anxious to move forward. HUD's timeline for completion of this project has already been stretched, and everyone involved in the project looks forward to a successful and timely completion.

Sincerely,

Kim C. Datwyler
Executive Director

FREEDOM LANDING PROJECT BUDGET

TOTAL DEVELOPMENT COST

5 homes	\$ 1,036,360
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SOURCES OF FUNDS

Five VA Loans @ \$165,000	\$ 825,000
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CDBG	\$ 80,000
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NNHC SHOP Funds	\$ 40,000
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SUBTOTAL	\$ 945,000
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GAP	\$ (91,360)
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Funding request from Wells Fargo	\$ 15,000
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Logan City RDA request	\$ 70,000
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Contributions	\$ 450
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Profit/(loss)	\$ (5,910)
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