

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY

TUESDAY, FEBRUARY 12, 2019

The Board of Directors of the Redevelopment Agency (RDA) of Salt Lake City, Utah, met on Tuesday, February 12, 2019 in Room 326, Committee Room, City County Building, 451 South State.

In Attendance: Directors James Rogers, Erin Mendenhall, Amy Fowler, Charlie Luke, Chris Wharton, and Andrew Johnston.

Absent: Director Analia Valdemoros

Staff in Attendance: Jennifer Bruno, Council Executive Deputy Director; David Litvack, Mayor's Deputy Chief of Staff; Danny Walz, RDA Chief Operating Officer; Jill Wilkerson-Smith, RDA Deputy Chief Operating Officer; Katherine Lewis, Senior City Attorney; Kort Utley, RDA Senior Project Manager; Cara Lindsley, RDA Project Manager; Tammy Hunsaker, RDA Project Manager; Corinne Piazza, RDA Project Coordinator; Tracy Tran, RDA Project Manager; Benjamin Luedtke, Council Public Policy Analyst; Melissa Jensen, Housing and Neighborhood Development (HAND) Director; Allison Rowland, Council Public Policy Analyst; and Cindi Mansell, City Recorder.

Guests in Attendance: Chris Parker, Giv Communities; and Joe Post, Housing Assistance Management Enterprise.

Director Fowler presided at and conducted the meeting.

The meeting was called to order at 2:07 p.m.

A. GENERAL COMMENTS TO THE BOARD

None.

B. PUBLIC HEARINGS

#1. 2:08:45 PM Block 67 Community Reinvestment Area. *The Board will accept public comment and consider adopting a resolution for the proposed large-scale mixed-use development project on Block 67, a City block bounded by 100 South, 200 South, 200 West and 300 West. [View Attachments](#)*

Director Wharton moved and Director Mendenhall seconded to **close the public hearing**, which motion carried, all directors present voted aye.

C. REDEVELOPMENT AGENCY BUSINESS

#1. 2:09:12 PM Approval of Minutes. Director Rogers moved and Director Wharton seconded to **approve the minutes of the Redevelopment**

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Agency Board meeting held Tuesday, January 15, 2019, which motion carried, all directors present voted aye. [View Minutes](#)
(M 19-6)

#2. [2:10:15 PM](#) Informational: Draft Housing Allocation Policy Framework Discussion. *The Board will be briefed about the framework for a draft RDA Housing Allocation Policy. The Board requested this policy to create a dedicated ongoing revenue stream for affordable housing.*
[View Attachments](#)

Jennifer Bruno, Allison Rowland, Danny Walz, and Tammy Hunsaker briefed the Board with attachments. Ms. Hunsaker referenced the draft RDA Housing Framework and Staff goals to ensure housing framework aligned with Utah State Statute (Title 17C), which governed Redevelopment Agencies/RDA funding. She reviewed division between two suggested separate funds (Primary Housing Fund and Second Housing Fund). She discussed project areas associated with each. She said each fund would be mandated by a different section of State Statute (requiring separate tracking including loan payments or account interest). She said Staff proposed that each fund be split 50/50 between Citywide and RDA project areas. She said that was a policy discussion the Board might wish to have. She discussed required Area Median Income (AMI) within project areas as well as programs and activities targeted with those funds.

Director Fowler discussed the policy questions, funding sources, allocated sales tax to housing, and potential discussion on how to move forward. Ms. Hunsaker discussed the funding proposal (50/50) and policy question on how to divide funds. Director Fowler mentioned reporting requirements, proposal for potential housing policy, and periodical review of data, projections, or reconsideration of allocation percentages.

Discussion followed regarding allocation formulas, sales tax funding, and sales tax (Funding our Future) approved housing allocations for fiscal year 2019. The Board discussed whether adjustments could be made later as determined necessary. Ms. Bruno said there were different ways this could be handled. She said there was not a current policy so it was hard to know what worked (different each year based on available funds and needed projects). She said this would be the first baseline and policy which was always changeable as needed. Director Mendenhall discussed the policy that stretched across RDA into HAND and related considerations. Director Rogers inquired as to background in looking at these new programs considered as pilot projects (referencing pilot programs funded by sales tax/managed by General Fund/included as reference).

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Director Wharton inquired as to sales tax funding directed towards two new full-time employees and how that would interface with proposed RDA housing fund strategy. Ms. Bruno said that could be added for Staff to follow-up with Administration.

#3. 2:29:57 PM Resolution: Loan Amendment to Ribbon Properties Project at 525 South 500 West. *The Board will be briefed about, and will consider approving, a resolution authorizing a loan amendment to modify a \$500,000 loan to Ribbon Properties LLC for a permanent supportive housing project to be constructed at 525 South 500 West. [View Attachments](#)*

David Litvack, Jennifer Bruno, Benjamin Luedtke, Tammy Hunsaker, and Danny Walz briefed the Board with attachments. Mr. Luedtke said the loan was administratively approved as part of the RDA Finance Committee. He said the loan was originally envisioned for 24 months and repaid by July 2019; the amendment would extend it from two years to twenty years and make the full amount forgivable if they meet the conditions set forth. He referenced Staff policy questions. Ms. Hunsaker further outlined the proposal, including the project, policy exceptions, existing site acquisition loan, financial gap, proposed loan terms, requirement to seek additional funding sources, developer's experience, and property details.

Director Luke suggested it would be beneficial to discuss policy or directive (as a body) surrounding forgivable loans. He discussed understanding of long-term consequences, concerns, affecting other loans, and future considerations. Mr. Walz said the context seemed to be that it depended on the project (in absence of policy). He said Staff considered potential consolidation of loans, total project cost, lack of participation (contribution) by developer, and whether the property would be tax exempt. He said not all non-profits were tax exempt and must be evaluated on a case-by-case basis.

Mr. Walz said this project was not in an RDA Project area so there was no benefit being lost. Director Rogers said there were questions, and expressed concern as to lack of accountability to the RDA or terms. Mr. Walz said Staff struggled with the same questions and would appreciate policy and directives. Discussion followed regarding agency funding sources, revolving loan fund, consideration by the RDA Finance Committee, limited resources, loans being treated as grants, discussion not necessarily being about the project itself, amount, and seeing more of these requests. The Board felt future discussion was needed (for both the RDA and the City Council) in order to ensure making the best use of limited resources and stretching them to accommodate a greater number of projects. The Board stressed the need (to Staff) for long-term coordinated strategy.

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Joe Post and Chris Parker addressed the Board regarding this unique project. Mr. Post said they tried to minimize expenses and it was unknown if they would be able to cover costs. He said the \$500,000 was very important to closing, they had committed to pursue other funding sources; and if those came through, funds would be refunded through the RDA. Discussion followed regarding the City being at the bottom of the list in terms of payback. Mr. Parker discussed costs involved. He said the loan agreement/repayment/payback could be structured accordingly, and this (of any project) was the type of project needing consideration for assistance. He said he appreciated the policy discussion.

Ms. Hunsaker said forgiving the loan now would allow the developer to break ground while pursuing other funding sources.

Director Rogers said he was comfortable moving forward with the conditions set forth, but wanted to tie reimbursement to the Revolving Loan Fund and the housing work group (to include housing policy discussion with HAND and RDA). Director Mendenhall expressed concern the RDA had considered a similar request in December and now another request was before them in February. The Board discussed potential to continue consideration of the request to the next regular meeting to allow formation of a policy working group.

Mr. Litvack said the Administration was fully committed to establishing a working group but would question how quickly that could happen. He said whether that worked in terms of waiting to decide on this issue, he would recommend trusting the recommendations of RDA Staff and the developers. He said this project was being relied upon as part of the homeless services transition and he would not want to hold that back. Ms. Bruno said it was difficult to say a housing working group would resolve everything; such would involve a series of meetings, working through handfuls of issues, and was not realistic before the next meeting.

Director Luke said the Board did not anticipate a fully vetted response or policy to move forward, but there were questions to be addressed before he was comfortable making this recommendation.

Director Mendenhall moved and Director Rogers seconded to **approve Resolution R-1-2019 approving the term sheet for the amended loan to Ribbon Properties LLC for a permanent supportive housing project located at 525 South 500 West, with the interest accrued at \$18,367 being rolled into loan principle (not forgiven); and the \$500,000 allocation reimbursed to the RDA Revolving Loan Fund from the Funding our Future housing dollars (from which the Council can assess some of the potential housing pilot programs with funding allocations and consider reimbursement)**, which motion carried, all directors present voted aye.

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Mr. Luedtke said Staff would work on the Council side to address reimbursement of the Revolving Loan Fund and follow-up on the RDA agenda to accept those funds. Ms. Bruno said since funds started with the current year, Staff would look to Administration to determine whether to handle this during a budget amendment or within the annual budget process. She discussed the intent not to disrupt progress of those pilot programs, but to reassess in future years.

#4. 3:29:00 PM Board Appointment: Redevelopment Advisory Committee (RAC) - Emily Hase. *The Board will interview and consider approving the appointment of Emily Hase to the Redevelopment Advisory Committee for a term ending February 12, 2023. [View Attachments](#)*

The Board interviewed Ms. Hase. Director Fowler indicated the Board would confirm the appointment at the March 26, 2019 meeting.

#5. 3:31:32 PM Report and Announcements from the Executive Director. *Report of the Executive Director, including a review of information items, announcements, and scheduling items. The Board of Directors may give feedback or policy input.*

None.

#6. 3:31:41 PM Report and Announcements from RDA Staff. *The Board may review Board information and announcements. The Board may give feedback on any item related to City business, including but not limited to:*

- New Project Staff Introduction
- Fairpark Public Market Study Update
- Small-Scale Developer Workshop; and
- Scheduling Items

Danny Walz provided updates on various projects. He said Tracy Tran had joined the RDA Staff from the Planning Division. Ms. Tran discussed her new position (Project Manager) and projects with the RDA Board.

#7. Report of the Chair and Vice Chair.

None.

D. WRITTEN BRIEFINGS

None.

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E. CONSENT

[3:36:18 PM](#) Director Wharton moved and Director Rogers seconded to **approve the Consent Items as presented**, which motion carried, all directors present voted aye.

#1. Set Date - Block 67 Community Reinvestment Area. *The Board will set the date of Tuesday, March 26, 2019 at 2:00 p.m. to accept public comment and consider adopting a resolution for the proposed large-scale mixed-use development project on Block 67, a City block bounded by 100 South, 200 South, 200 West and 300 West. [View Attachments](#)*

#2. Board Reappointment: Redevelopment Advisory Committee - Dale Christiansen. *The Board will consider approving the [reappointment of Dale Christiansen](#) for a term ending February 12, 2023. [View Attachments](#)*

F. (TENTATIVE) **CLOSED EXECUTIVE SESSION.** The Board will consider a motion to enter into Closed Session, in keeping with Utah Code §52-4-205 for any allowed purpose.

Item not held.

The meeting adjourned at 3:37 p.m.

Redevelopment Agency Chair

Secretary

This document is not intended to serve as a full transcript as additional discussion may have been held; please refer to the audio or video for entire content pursuant to Utah Code §52-4-203(2)(b).

This document along with the digital recording constitute the official minutes of the Salt Lake City Redevelopment Agency meeting held February 12, 2019.

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