

Housing Fund Framework

• Goal and Metrics

- Development of a State Housing Fund (Fund) that maximizes State, County, City, and private partnerships to address the need for deeply affordable housing. The Fund will prioritize the prevention of homelessness and offer relief to the homeless system by providing funding for permanent housing options.
- The Fund should support a myriad of housing types and services that have the ability to address housing barriers by focusing on individualized needs.
- This framework provides a coordinated response to the needs identified by the Salt Lake Valley Coalition to End Homelessness.

• Funding Source

- One-time infusion:
 - State ARP investment should leverage City contribution and private partnerships to achieve collaborative housing goals.
 - Could cities (perhaps the 82 that are required to comply with SB 34) contribute a percentage of their ARP allocation towards the Fund to address housing from a regional perspective?
 - Salt Lake City is working through the process of identifying initiatives and partnership opportunities for the City's allocation of ARP funds.
- Ongoing funding source:
 - Recording fee on real estate transactions.
 - Linkage fee.
 - Revamp of the State low income housing tax credit program.
 - RDA and CRA housing set-aside
 - Land write downs.
 - Philanthropic sources; private, non-profit, religious organizations.
- Flexibility within the Fund to allow diverse housing options will provide room for budget considerations. Estimates indicate that a median price range of \$160,000 per unit would allow for a wide range of options from hotel room conversions to new construction. Salt Lake City Housing and Neighborhood Development Division estimates roughly \$235 per square foot for new single-family construction; and roughly \$175 per square foot on single family remodels. These are rough estimates based on recent projects and will vary based on site specific considerations.

• Target Population

- Sheltered and unsheltered individuals. HMIS, PIT and HRC data indicates the need for 2,950 deeply affordable housing units, with current projections estimating the need for roughly 1,400 additional units each year for the next four years. These projections do not take into consideration the pending expiration of the CDC eviction moratorium.
- The Fund should focus on investment in deeply affordable units and provide housing options for sheltered and unsheltered individuals.
- Fund investments should target individuals at 50% AMI or below; and ensure less than 30% of monthly income is spent on housing costs (housing plus utilities).
- Address housing barriers by providing case management funding to service providers to address individualized needs such as mental health, families with school aged children, chronic health issues, domestic violence survivors, veterans, singles, and seniors. In addition to case management, the Fund

should provide opportunities for additional resources for trauma-informed, deeply affordable housing units.

- There needs to be diversity in the affordable housing stock to offer individual and family options, in addition to supportive and fully independent housing.

- **Programs**

- Preservation of existing housing stock through deed restricted units.
- Development of deeply affordable housing units through public and private partnerships.
- Landlord incentives to improve health and safety of existing affordable units. This program should have established guardrails to ensure units stay affordable and tenants do not get evicted.
- Displacement mitigation fund to provide rent vouchers for individuals that are being displaced by development.
- Buy down of market rate units to affordable units.
- Development of micro units such as tiny homes, accessory dwelling units, and single-room shared housing.
- Programs should be flexible to allow for new construction, rehab and preservation of existing housing, property acquisition, hotel/motel purchase, and scattered site development.

- **Framework Considerations**

- State oversight of the Fund through the Department of Workforce Services, the Olene Walker Housing Loan Fund, or an expansion of the Housing Preservation Fund. The Fund framework should fit within an existing program with an expansion of the governing board to ensure adequate representation from stakeholders and investors.
- Housing that requires case management services should have an ongoing funding source identified.
- Development of a centralized system to track number of units and specific parameters for those units.
- Ongoing revenue sources need to be identified for case management for supportive housing.
- Depending upon the program the funding source could be a loan instead of a grant.
- Priority for projects and programs that provide access to opportunity like transportation options, employment centers, economic hubs, and higher education.