



**Olene Walker Housing Loan Fund
Quarterly Board Meeting
January 19, 2023, at 9:00 AM
Department of Workforce Services
140 East 300 South – Conference Room 211, Utah
Via Zoom Link
<https://utah-gov.zoom.us/j/87384574215>**

Members Present

Marty Henrie
Mike Glenn
David Snow
Jason Wheeler
Beth Holbrook
John Lindsay
Kip Paul

Representing

Mortgage Lender
Rural
Mortgage Lender
Housing Advocacy
Transit-Oriented Development
Rental Housing
Real Estate

Excused Board Members

Mayor Dawn Ramsey
Jed Nilson

Staff

Christina Oliver	HCD – Director
Jennifer Edwards	HCD – Assistant Director
Jess Peterson	HCD – OWHLF
Daniel Herbert-Voss	HCD – OWHLF
Kathryn Halterman	HCD – OWHLF
Matt Dalton	HCD – OWHLF
Lisa Medina	HCD – OWHLF
Steven Fox	HCD – OWHLF
Kaylee Beck	HCD – Finance
Carver Black	HCD – Finance
Stacey Herpel	HCD – Administration
Sarah Nielson	DWS - Communications

Visitors

Sheila Page	Attorney General's Office
Sharla Weaver	Attorney General's Office
Elliott Clark	Attorney General's Office

Stefani Walker in for Mayor Ramsey
Tim Price
Shawn McMillan
Christian Pritchett
Pat Matheson
Christopher Miller
Sierra Rogers
Jen Merrill

Marion Willey
David Johnson
Arlie Green
Chris Zarek
Jake Wood
Maria Sykes
Kayce May-Riches
Mayor Ren Hatt

I. Welcome

The Olene Walker Housing Loan Fund (OWHLF) Quarterly Board Meeting was held in person and electronically via Zoom Webinar. Marty Henrie called to order at 9:15 am.

A. New Board Chair and Vice Chair

New Board Chair. Marty Henrie nominated Beth Holbrook to become the new Olene Walker Housing Loan Fund Board Chair. Beth Holbrook accepted.

***Motion to approve Beth Holbrook as the new board chair by Martie Henrie, second by Mike Glenn.
Motion carries and passes unanimously by roll call vote with two absent.***

New Vice Chair. Mike Glenn nominated Jason Wheeler to become the new Olene Walker Housing Loan Fund Vice Chair. Jason Wheeler accepted.

***Motion to approve Jason Wheeler as the new vice chair by Mike Glenn, second by John Lindsay.
Motion carries and passes unanimously by roll call vote with two absent.***

II. Public Comment:

No Public Comment

III. Action Items:

ITEM 1: APPROVAL OF MEETING MINUTES

- 1: Quarterly Meeting – October 20, 2022
- 2: Electronic Meeting – November 17, 2022

Motion to approve minutes as written by Mike Glenn, second by Marty Henrie. Motion carries and passes unanimously by roll call vote with two absent.

ITEM 2: Financial Report

Kaylee Beck

IV. New Business

Item 1: New Multifamily Projects

Homeless Projects:

1. Ogden PSH - (Ogden) – Housing Authority of Ogden City – Tim Price

Project is new construction of 56 units - all 1BR, all affordable - of Permanent Supportive Housing on a 1.07-acre mostly-vacant parcel previously purchased by HOAC's development arm Housing Management & Development Corporation (HMDC) that will be transferred/sold to the project. Project will be comprised of a single four-story building and will serve homeless individuals to provide permanent supportive housing. Amenities will include an on-site management office, community room with full kitchen, computer lab, wellness and exercise facilities, and on-site raised garden beds. Project will have 6 Type A fully-accessible units. Most community services are located within a mile radius of the property. Zoning is presently CP-3 Regional Commercial, for which multifamily residential is a permitted use with no conditional use permit required. Developer applied for \$1.5M of 9% Federal LIHTC in July 2022 and was awarded the full amount by UHC. HUD HAP contract is currently in process for the 56 project-based Section 8 vouchers.

Project is eligible for the \$1M funding requested per the current PG&R subsidy limits. Project not eligible for NHTF funds with all units at 35% AMI. Referrals for the property are anticipated from the Veteran's Administration and the Weber-Morgan County Local Homelessness Council. While DCR exceeds the OW maximum of 1.25 as configured during the initial year, it drops rapidly and dips below 1.15 by year 4 due to the high expenses anticipated with serving homeless and/or disabled individuals, and HAOC received an exception from UHC regarding their DCR requirements. Costs are fairly reasonable in view of the current Utah construction market, although sq-ft costs are high due to all 1BR unit configurations. OW 5-year operating expense average for special-needs properties is over \$14K/unit; other PSH projects are closer to this range.

Staff Recommendation: Fund \$1,000,000 for 30 years at 0.50% as a fully-amortizing loan as requested. Funding contingent on all other funding sources as listed in the application, and construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restriction to show 7 OW-assisted units restricted for 30 years minimum.

Motion to accept staff recommendations by Marty Henrie, second by David Snow. Motion passes unanimously by roll vote with two absent.

2. Stratford (Salt Lake City) – First Step Housing/HASLC – Shawn McMillan and Christian Pritchett

Project is the acquisition and rehabilitation of 46 units - all studios, all affordable - in a single three-story masonry building originally constructed as a hotel in 1909 and converted to affordable housing in 2006-2007 by the now-defunct La Porte Group, whose SLC properties were taken over by Utah Non-Profit HC in 2014. Project to be converted to Permanent Supportive Housing with all 46 units with project-based Section 8 vouchers. Amenities will include all support services necessary from First Step House for people to achieve long-term stability, with all utilities paid by owner. Project will have 3 Type A fully-accessible units. Zoning is presently D-1 Central Business District, for which multifamily residential is a permitted use with no conditional use permit required. Project is located in downtown SLC, and is reasonably close to other FSH facilities and UTA TRAX and

bus transit services. Developer applied for \$1,139,486 in Federal 9% LIHTC in July 2022 and was awarded the full amount by UHC, as well as a \$780,000 grant from the Utah Office of Homeless Services in September 2022.

Project is eligible for the funds requested under current PG&R subsidy limits. Replacement reserve set at \$300/unit in application; if at \$350/unit as required by PG&R, DCR 1.210, CF \$305.32/unit. No NHTF funding available at present, so request changed to HOME funds, for which project is still eligible for 0% based on 30% AMI. Project is a partnership between First Step House and Housing Connect similar to other FSH projects, with Housing Connect performing the property management duties and FSH the case management and supportive services. Project is extremely expensive for acquisition and rehab of all SRO units at over \$300k per unit and \$864/sq ft – proposed purchase price of property is \$4,288,780 while hard construction costs are \$5,627,727. CAN shows \$655,746 in short and long-term (5 years) physical needs and repairs. Highest scoring project from OHS Deeply Affordable Housing Grant review process in August/September 2022. DCR drops steadily until going below 1.15 in year 4, and negative CF begins in a year 8; no income shown other than rental income.

Staff Recommendation: Fund \$1,000,000 at 0% for 30 years as a deferred loan as requests. Funding contingent on all other funding sources as listed in the application, and rehabilitation to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restriction to show a total of 7 OW-assisted units restricted for 30 years minimum.

Motion to accept staff recommendations by Kip Paul, second by John Lindsay. Motion passes unanimously by roll vote with two absent.

3. Recovery Housing - (SLC) – First Step House – Shawn McMillan and Christian Pritchett

Project is the acquisition of 17 units - 16 1BR, 1 2BR, all affordable - in a single 2-story building originally built in 1965 and remodeled/converted to affordable housing in 2000 with 9% LIHTC and OWHLF funds in two totaling \$316,625. Project was originally developed as Trolley Lane by the now-defunct La Porte Group, whose SLC properties were taken over by Western Region NHC in 2014. Both OW loans were repaid in 2019, and the HUD affordability period ended in 2015. FSH is purchasing the property from WRNHC as a recovery housing program with rental assistance for all 17 units. FSH will provide all services either on-site or at their Outpatient Clinic at 434 South 500 East. Zoning is presently RMF-30 - Multifamily Residential, for which the property is zoned properly with no changes required. Developer was awarded a \$1,340,934 grant from DWS for the Recovery Housing Program in December 2021, and a \$633,333 grant from the Utah Office of Homeless Services for the Deeply Affordable Housing Grant program in September 2022, and has applied for \$677,771 in grant funds from the SLC HOME-ARP Program.

Project eligible only for \$627,418 of OW funding per current PG&R subsidy limits. Project is acquisition-only, although there is a total of \$335K in rehab consisting of flooring replacement, painting, meth/mold remediation, and installation of a fire sprinkler system. Purchase price from WRNHC is \$2,340,000, which is notably below the appraisal value of \$3,025,000. Application is requesting LIH funds as a grant, but since SLC funds will be HOME funds, the OWHLF funds can be also since both will be subject to the same HUD requirements. No developer fee listed, but \$200K listed to cover developer project overhead expenses. Project currently fully occupied, but relocation assistance will be provided by FSH to all current tenants. Project costs reasonable in the current Utah construction market; special-needs operating costs are around

\$14K/unit, but this project is less than half of that average. Cash flow drops into negative territory in year 7, so an additional source of funding will likely be needed in the future to prevent that.

Staff Recommendation: Fund \$627,418 instead of \$700,000 at 0% for 30 years as a deferred loan instead of a grant. Funding contingent on all other funding sources as listed in the application. Energy Star 3.0/minimum HERS standards are waived due to project scope as primarily acquisition-only. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restriction to show a total of 4 OW assisted units restricted for 30 years minimum.

Motion to accept staff recommendations by Mike Glenn, second by Marty Henrie. Motion passes unanimously by roll call vote with two absent.

Other Projects:

4. Mineros - (Park City) – Mountainlands Community Housing Trust – Pat Matheson

Project is new construction of 24 units - 8 1BR, 8 2BR, 5 3BR, and 3 4BR, all affordable - in a single 3-story building with adjacent covered parking on 0.92 acres of vacant land as part of the Silver Creek Village master planned community subdivision. The land will be provided at no cost to the project by the Village Development Group as part of their 330-unit affordable-housing obligation, and the project will be located near another 40-unit affordable-housing project (Central Village) recently completed in 2022. Amenities will include covered parking, bike racks, and private storage areas, and property will be managed from the Central Village management offices nearby to the west and south. Project will have 2 Type A fully-accessible units. Zoning is presently Silver Creek Village - Specially Planned Area, for which multifamily residential is an allowed use without a conditional use permit. Developer applied for \$735,000 in 2023 9% LIHTC from UHC in June 2022, and was awarded the full amount.

Project eligible for up to \$695,562 of OW funds per current PG&R subsidy limits. Silver Creek Village is a 1,290-unit master planned community development currently underway, with hundreds of units completed and occupied - apartments, condominiums, and single family homes. Community amenities include parks, trail systems, a village green with a splash pad and amphitheater, a shared bicycle program, and free public transportation access. Land donation is valued at \$570,000 by the appraisal. Costs are fairly high, although project includes 1- through 4BR units, and Summit County/Park City is a high-cost development area. Project intended to fill the need for workforce housing, which is in chronically short supply in the area, with more than half of service industry employees commuting into the Park City area due to unaffordable local housing, creating other problems such as increased traffic congestion.

Staff Recommendation: Fund \$350,000 at 1.50% for 30 years as a fully-amortizing loan as requested. Funding contingent on all other funding sources as listed in the application, and construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restriction to show a total of 2 OW-assisted units restricted for 30 years minimum.

Motion to accept staff recommendations by Mike Glenn, second by John Lindsay. Motion passes unanimously by roll call vote with two absent.

5. Price Apartments- (Price) – CJM Development – Christopher Miller, Sierra Rogers, Jen Merrill

Project is new construction of 168 units - 42 1BR, 84 2BR, 42 3BR, all affordable - in seven 3-story buildings and a stand-alone clubhouse community center on 13.89 acres of vacant land just east of Main Street on Airport Road in Price. Project will be located close to downtown Price, with retail and services within walking distance, and is located just north of the only Walmart in the Price/Carbon County area. Amenities include a community center/clubhouse building with on-site management offices, exercise facility, playground, community swimming pool, and a large outdoor area. Project will have 10 fully-accessible Type A handicap units. Zoning is presently R1-43 - Rural Residential District, for which multifamily residential is an allowable use with a conditional use permit, which has not been approved yet by Price City. Developer is planning to apply for \$17M in tax-exempt bonding, \$2.5M in taxable bonding, and 4% Federal LIHTC at the upcoming PAB quarterly board meeting on January 11, 2023.

Project eligible for funds requested per OW PG&R subsidy limits. Project costs reasonable in current Utah construction market, especially for a project with 1-, 2-, and 3-bedroom units. Rental market fairly tight in Price area due to low current supply and anticipated job growth with Intermountain Electronics expansion and other new manufacturing facilities planned for the area. Project is first phase of a two-phase project with a total of 312 units planned. If OW loan is fully-amortizing, DCR 1.112, CF \$860.82/unit. CJM Development is a recently-organized entity (October 2020) tasked with constructing affordable housing, focusing on the affordable PAB/4% LIHTC allocation market. Previous projects include Red Rocks at Sienna Hills (Washington) recently completed, and Sandstone Hills (Richfield) currently under construction - both received OWHLF loans. Project eligible for the state LIH/PAB Gap Financing funds if it receives a PAB allocation.

Staff Recommendation: Fund \$1,000,000 at 3.00% for 30 years as a surplus cash flow loan as requested. Minimum \$1,000.00 annual payment required to cover OWHLF loan servicing costs. Funding contingent on project receiving the PAB bond allocation at the January 11, 2023 PAB Board Meeting, receiving all other funding sources as listed in the application, and construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restriction to show a total of 7 OW-assisted units restricted for 30 years minimum.

Motion to accept staff recommendations by Jason Wheeler second by Mike Glenn. Motion passes unanimously by roll call vote with 1 recused and 2 absent.

6. Cove Junction - (Richfield) – Western Region Nonprofit Housing– Marion Willey, David Johnson, Arlie Green

Project is new construction of 36 units - 6 1BR, 18 2BR, 8 3BR, and 4 4BR units, all affordable - in two 18-unit garden style 2-story buildings on 1.85 acres of vacant land west and south of the main downtown area of Richfield. Amenities will include an on-site leasing office, maintenance area, community room, and laundry area. Project will have 7 Type A fully accessible units. Location is on Cove View Road in an agricultural area in process of being developed, including zoning changes that have been completed, and is located near a Home Depot store and some single family homes, but requires driving for shopping and other services, as Richfield has no transit service presently. Zoning was recently changed from agricultural to RM-24 Residential Multifamily, for which multifamily residential is a permitted use with no conditional use permit. Project applied for \$906,063 in Federal 9% LIHTC in July 2022 and was awarded the full amount by UHC.

Project eligible for both requests of HOME and NHTF funds per PG&R subsidy limits; limited NHTF funding available at present; if second request changed to LIH funds, which is eligible for 1.5% per 42.56% AMI in

PG&R, resulting in lower DCR (below 1.15 PT&R limit) and CF, so either amt or % will need to be reduced to raise DCR to 1.15 or higher; if DDF increased to \$18,252 as listed on UHC app, DCR 1.155, CF \$590.38. There are 5 units at or below 30% AMI (4 1BR, 1 2BR). Operating costs at \$4,104/unit are a bit low, as OW 5-year average is \$4,930; however, new construction operations typically are lower for the first few years. Existing WRNHC OW-assisted projects operating costs range from \$3,900-\$6,800/unit presently. Total per-unit costs of \$294K/unit are representative of the current Utah construction market for affordable housing. Land is fairly inexpensive at \$185,500 for 1.85 acres of a larger parcel, reflecting its former use as agricultural with no infrastructure in place yet.

Staff Recommendation: Fund \$1,000,000 at 1.5% for 30 years as a fully-amortizing loan, and fund \$691,626 at 0.0% for 30 years as a fully-amortizing loan as requested. Funding contingent on all other funding sources as listed in the application, and construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restrictions to show a total of 9 OW assisted units restricted for 30 years minimum.

Motion to approve exception to OWHLF Policy – fund \$1,691,626 at 1.5% for 30 years as a fully-amortized loan. Project was allocated 2022 9% LIHTC by Utah Housing Corporation, for which project must be placed in service by December 31, 2024. WRNHC is a qualified non-profit Community Housing Development Organization. All other terms as recommended by staff by David Snow, second by Marty Henrie. Motion passes unanimously by roll call vote with two absent.

7. Liberty Corner Apartments - (SLC) – Cowboy Partners – Chris Zarek

Project is new construction of 172 units - 97 2BR, 70 3BR, and 5 4BR units, all affordable - in a single 7-story building with the first two levels containing structured parking. Project located on five parcels totaling 2.21 acres containing commercial businesses that will be demolished. Project located within walking distance of the UTA TRAX Ballpark station, and on the 300 West shopping corridor. Focus is on larger family-oriented housing with all 2-, 3-, and 4-bedroom units. Amenities include a fitness center/gym, clubhouse with lounge, game area, kids' room, an outdoor pool with open space and a playground. Project has 14 Type A fully-accessible units. Zoning is presently GC - General Commercial, for which multifamily housing is a permitted use without a conditional use permit. Developer has previously purchased the site under the entity "Liberty Corner Associates, LLC". Developer applied for for \$41.1M in PAB bonding & 4% LIHTC at the January 11, 2023 PAB meeting, and was awarded the full amount, and is applying for a total of \$2M in OWHLF funds, along with HOME funds from Salt Lake County and non-Federal funding from SLC.

Project is eligible for the OWHLF funds from both HOME and NHTF requested under the PG&R subsidy limits. Project uses income-averaging to reach an aggregate 60% AMI with units ranging from 30% - 80% AMI, with 12 units at 30% AMI. Project is extremely expensive on both a per-unit and square-foot cost basis, although it contains larger family oriented units and is podium-style construction; project costs may not be finalized and may benefit from value engineering. Davis-Bacon will be applicable if HOME funds awarded from Salt Lake County and OWHLF, which may be reflected in the project costs already. All funds requested other than Zions Bank first mortgage are soft/surplus cash flow in nature, but DCR is still below the OWHLF threshold requirement of 1.15. Operating costs are slightly higher than the OW 5-year average but comparable to other OW-assisted Cowboy properties. Entire developer fee is deferred, and the equity in the previously-purchased developer-owned land is also included in the financing.

Staff Recommendation: Fund \$1,000,000 at 3.00% for 40 years as a surplus cash flow loan as requested, and fund \$1,000,000 at 0% for 40 years as a surplus cash flow loan as requested. Minimum \$1,000.00 annual payments required to cover OWHLF loan servicing costs. Funding contingent on construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restrictions to show a total of 10 OW-assisted units restricted for 40 years minimum.

Motion to fund \$1,000,000 at 3.00% for 40 years as fully amortizing loan instead of a surplus cash flow loan. Table the HTF request for \$1,000,000 of funding until HTF funds are available. All other conditions as recommended by staff by Jason Wheeler, second by David Snow Motion passes unanimously by roll call vote with two absent.

8. Platform 1500 Apartments - (SLC) – Western Region Nonprofit Housing – Marion Willey, Arlie Green, David Johnson

Project is new construction of 60 units - 6 studio, 29 1BR, 19 2BR, 6 3BR units, all affordable - in a single 5-story U-shaped building to be constructed on two parcels totaling 0.51 acres, with the first floor structured parking/podium style. One parcel currently contains a used-car dealership building (Rev Motoring), which will be demolished, and the second parcel is parking area. Amenities will include an on-site leasing office, maintenance area, community room, gym, bicycle racks, and laundry facilities. Project will have 7 Type A fully-accessible units. Location is close to retail businesses, restaurants, entertainment, and grocery stores located along or near the 300 West corridor, and is also located within walking distance to transit (UTA TRAX Ball Park Station, bus lines). Zoning is presently GC - General Commercial District, for which multifamily residential is a permitted use without a conditional use permit. Project applied for \$1.5M in Federal 9% LIHTC in July 2022 and was awarded the full amount by UHC.

Project eligible for both requests of HOME and NHTF funds per PG&R subsidy limits, with 5 units at or below 30% AMI (3 studio, 2 1BR). Project is a partnership (51%/49%) between WRNHC and Thomas C. Lee (Lima Echo Echo, LLC/LEE), the current owner of the land. Operating costs at \$4,202/unit are a bit low, as OW 5-year average is \$4,930; however, new construction operations typically are lower for the first few years. Existing WRNHC OW-assisted projects 2022 operating costs range from \$3,800-\$6,800/unit presently. Total per-unit costs at \$328K/unit are representative of the current Utah construction market for affordable housing, although total square-footage costs are quite high at \$369/sq ft. Land at \$2.5M for 0.51 acres is fairly expensive although appraisal comes in at that amount due to its wide-range zoning and location on a major corridor (300 West).

Staff Recommendation: Fund \$1,000,000 at 1.50% for 30 years as a fully-amortizing loan as requested, and fund \$800,000 at 0% for 30 years as a fully-amortizing loan as requested. Funding contingent on all other funding sources as listed in the application, and construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHFL staff as needed, and subject to funding availability. Deed restriction to show a total of 6 OW-assisted units restricted for 30 years minimum.

Motion to approve exception to OWHLF policy – fund \$1,800,000 at 1.5% for 30 years as a fully amortizing loan. Project was allocated 2022 9% LIHTC by Utah Housing Corporation, for which project must be placed in service by December 31, 2024. WRNHC is a qualified nonprofit Community Housing Development Organization. All other terms as recommended by staff by David Snow second by Marty Henrie. Motion passes unanimously by roll call vote with two absent.

9. MODA Greenwell - (Ogden) – JF Development – Jake Wood

Project is new construction of 176 units - 68 1BR, 108 2BR, all affordable - in a single five-story podium-style building with 140 spaces of ground-level parking and four residential levels on six parcels of vacant land currently owned by the Ogden RDA to be sold/transferred to the project. Project is located in an area with other multifamily and affordable housing projects (McGregor Apts, Madison Manor Apts), near Lester Park, a library, schools, and various shopping. The new UTA BRT (bus rapid transit) route from historic 25th Steet to Weber State University will run right by the property. Amenities will include gym, on-site management offices, outdoor BBQ area with pergola, and public promenade with green space. Project will have 9 Type A fully-accessible units. Zoning is presently MU - Mixed Use, for which multifamily residential is a permitted use with no conditional use permit required. Developer applied for \$27.55M in PAB funding and 4% LIHTC at the October 12, 2022 PAB meeting and was awarded the requested amounts.

OW per-loan max is currently \$1M, so \$2M request divided between HOME and LIH since no units are at 30% AMI, so project ineligible for NHTF funds. Project eligible for revised requests under current PG&R subsidy limits. Project's costs are reflective of the current Utah construction market, although a bit high (per-unit) for all 1- and 2BR units. Land provided by the Ogden RDA in a LDTA (Land Development and Transfer Agreement) at a very reasonable cost with zoning changed from NC-2 to MU by the Ogden City Council on December 14, 2021 for the entire block between 24th & 25th Streets and Monroe & Quincy Avenues, which is mostly owned by the Ogden RDA. Entire block has a master plan with residential, grocery store, other retail and office space, and green space, of which this project is a part of. This would be the sixth multifamily project by JF Development funded by OWHLF if approved.

Staff Recommendation: Fund \$1,000,000 at 3.00% for 40 years as a surplus cash flow loan instead of \$2,000,000 as a deferred loan. Minimum \$1,000.00 annual payment required to cover OWHLF loan servicing costs. Funding contingent on all other funding sources as listed in the application, and construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restriction to show a total of 7 OW-assisted units restricted for 40 years minimum.

Motion to accept staff recommendations by Jason Wheeler, second by Marty Henrie. Motion passes unanimously by roll call vote with two absent.

10. Canal Commons - (Green River) – Epicenter – Maria Sykes, Kayce May-Riches, Mayor Hatt

Project is new construction of five detached single-family homes for rent in this first phase of a planned two-phase project that will provide a total of 10 affordable homes with five for rent homes, and five owner-occupied homes. There are three 2BR and two 3BR homes in this phase to be constructed on vacant land donated to the project by Green River City. Project will be located along Green River Avenue (Old Highway 50) and close to a small park, and reasonably close to shopping, restaurants, and services. Zoning is presently C-1 Commercial, and for multifamily residential, a conditional use permit is required, which was approved by the Green River Planning and Zoning Commission at a meeting held on May 26, 2020. This project was brought before the OWHLF board previously at the quarterly meeting held on July 16, 2020, and was awarded a total of \$492,976 of state LIH funding, but the developer canceled the project in September 2022 due to contractor difficulties and planned to re-apply for this meeting.

Project is only eligible for \$97,809 per PG&R AMI-based subsidy limits; based on new-construction per-unit limits of \$64,275/unit, project's eligibility is still only \$321,375. OW current maximum of \$2M with no more than \$1M from each source of funds (HOME, LIH, NHTF). Project not eligible for NHTF since no units are at 30% AMI. There is a shortage of available housing in the Green River area due to the rise of AirBnB and other tourist-based nightly rentals, and much of what is available is not in good condition, as no new affordable housing has been constructed for several decades. Project is fairly expensive but does reflect the detached single-family nature of the construction, which is preferred by residents of the area. Rural projects are difficult to obtain primary funding, so the developer is applying to OWHLF for the bulk of the project's funding, other than a relatively small first mortgage from Rocky Mt CRC and a \$150K grant from the Federal Home Loan Bank.

Staff Recommendation: Fund \$321,375 instead of \$1,256,690 at 2.00% for 40 years as a deferred loan. Funding contingent on all other funding sources as listed in the application, and construction to Energy Star 3.0/minimum HERS standards. Source of funding determined at discretion of HCD/OWHLF staff as needed, and subject to funding availability. Deed restriction to show a total of 2 OW-assisted units restricted for 40 years minimum.

Motion to table this request until remaining gap funding can be filled, recommend to contact Michelle Weaver, Rural Development State Director in Utah for further financing by David Snow, second by Beth Holbrook Motion passes unanimously by roll call vote with two absent and one recused.

Item 2: Existing Multifamily Projects

1. Atkinson's Stacks (Box 500 Apts) - (SLC) – Change of Developer/Scope (EcoBox to GIV/HASLC)

Project was originally new construction of 83 units - 47 studio, 18 1BR, 18 2BR, all affordable - in a single 6-story building on vacant land on the Warehouse District west of downtown, near two other affordable-housing projects (Sunrise Metro, Pamela's Place). The unfinished project (Box 500 Apts - to be renamed Atkinson's Stacks) is to be sold to HASLC/HAME and it will be reconfigured into 114 1BR units as a Permanent Supportive Housing facility serving homeless individuals, with all units to have project-based Section 8 vouchers. The building was assembled from repurposed steel shipping containers reconfigured into living spaces, and will also contain hallways, common areas, stairwells, and elevators, along with laundry facilities. Project will have 6 Type A fully-accessible units. Other amenities, including supportive services, on-site management, and clubhouse space, will be shared with Pamela's Place, located immediately north of this property. HASLC/HAME applied for Office of Homeless Services Deeply Affordable Housing Grant funding in August 2022 and was awarded a \$9M grant in September 2022.

Project remains eligible for the \$1M previously awarded under current PG&R subsidy limits; project was awarded a \$1M OWHLF state LIH funds loan at the July 16, 2020 quarterly OWHLF board meeting. Original developer apparently unable to complete project due to cost increases, engineering issues, insufficient funding, and supply-chain issues, and will sell the property to HASLC/HAME for \$11.25M, but reconfiguration and construction completion issues have caused the original total project cost to triple from the original 2020 application (\$9M total). Applicant proposing to use Federal LIHTC as part of the funding. While AMI served has decreased from 53.69% to 29.78% with the conversion to PSH/homeless housing, project is now eligible for a 0% loan; if OW loan reduced to 0%, DCR 1.258, CF \$747.47/unit. Total sq ft cost extremely high due to small size of 1BR units (320 sq ft) and reconfiguration of existing units.

Staff Recommendation: Approve change in ownership of project from Ecobox to Housing Authority of Salt Lake City, with OWHLF loan terms to remain as originally approved (\$1,000,000 at 2.5% for 30 years as a fully-amortizing loan).

Motion to accept staff recommendations by Marty Henrie, second by David Snow. Motion passes unanimously by roll call vote with two absent.

Item 3: New Pre-Development Grant Request

1. Canal Commons (Green River) – Epicenter – Maria Sykes, Kayce May-Riches, Mayor Hatt

Project is new construction of five detached single-family homes for rent in this first phase of a planned two-phase project that will provide a total of 10 affordable homes with five for-rent homes, and five owner-occupied homes. There are three 2BR and two 3BR homes in this phase to be constructed on vacant land donated to the project by Green River City. Project will be located along Green River Avenue (Old Highway 50) and close to a small park, and reasonably close to shopping, restaurants, and services. Zoning is presently C-1 Commercial, and for multifamily residential a conditional use permit is required, which was approved by the Green River Planning and Zoning Commission at a meeting held on May 26, 2020. Developer applying for the PD grant for predevelopment expenses, as well as re-applying for the OWHLF funds also at this meeting.

Project will not be eligible for NHTF funds since no units are at 30% AMI. This project was brought before the OWHLF board previously at the quarterly meeting held on July 16, 2020, and was awarded a total of \$492,976 of state LIH funding, but the developer cancelled the project in September 2022 due to contractor difficulties. There is a shortage of available housing in the Green River area due to the rise of AirBnB and other tourist-based nightly rentals, and much of what is available is not in good condition, as no new affordable housing has been constructed for several decades. Project is fairly expensive but does reflect the detached single-family nature of the construction, which is preferred by residents of the area. Rural projects are difficult to obtain primary funding, so the developer is applying to OWHLF for the bulk of the funding.

Staff Recommendation: Fund \$50,000 as a grant from the OWHLF Rural Pre-Development Grant program to provide funding for the qualified predevelopment activities as listed.

Motion to accept staff recommendations by Mike Glenn, second by John Lindsay. Motion passes unanimously by roll call vote with two absent and one recused.

Item 4: Single-Family Loan

1. Borrower – Interest Forgiveness

A borrower received a \$30,000 Due Upon Death of Sale (DUDS) loan in February 1993. Because DUDS loans have no payment requirements, statements are not sent to the borrowers. In December of 2017, the borrower passed away. When she passed away, it triggered the “acceleration provisions” in the Promissory Note, which changed the Note to an interest bearing Note at a rate of 18% per annum. The home went to probate and was deeded to her son. On that same day, the son quit claimed the home to his nephew who was unaware of the DUDS loan. The nephew didn’t take out a loan to purchase the property, but is making loan payments to the

uncle. In late 2022, the nephew was going to use the property as collateral for another loan and the title company informed him of the OWHLF lien. At that point he called HCD and asked if the interest could be forgiven when he pays off the loan. As of December 31, 2022, the interest due is \$27,375.00, +/- \$15 per diem.

Staff Recommendation: Forgive the interest of \$27,375 + per diem and that the \$30,000.00 OWHLF loan is paid off.

Motion to accept staff recommendations by Jason Wheeler second by Mike Glenn. Motion passes unanimously by roll call vote with two absent.

Item 5: Single Family/Multifamily Loan Forbearance Cancellation

1. Cancellation of loan forbearance on single-family and multifamily loans.

Motion to accept staff recommendations by Marty Henrie second by John Lindsay. Motion passes unanimously by roll call vote with two absent.

Item 6: OPMA Training

1. Annual Public Meeting Training and Legal Standards by Sheila Page from the Attorney General's Office.

Item 7: Oaths of Office

Oaths of Office were taken by board members that were present for the new upcoming year.

Item 8: Reports

No questions about the program reports were asked at this time.

Next Quarterly Board Meeting: April 20, 2023
Motion to adjourn by Beth Holbrook at 12:36 PM