

DATE: April 14, 2015

ITEM #: 9.B.

PREPARED BY: Edward Butterfield

RE: Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving an Amendment to the Purchase & Sale Agreement to Extend the Closing Date with the Housing Authority of Salt Lake City for the Sale and Development of RDA Owned Property Located at 444 South 900 East, Salt Lake City, Utah.

REQUIRED ACTION: 1) Approve the Resolution.
2) Do not approve the Resolution.
3) Approve the Resolution with revisions.

POLICY ITEM: Affordable Housing

BUDGET IMPACTS: N/A

EXECUTIVE SUMMARY/ANALYSIS: The Salt Lake City Housing Authority (the "Housing Authority") is requesting a 60 day extension on the closing date of the Purchase & Sale Agreement in order to accommodate its closing on financing for the 900 East Lofts project. The Purchase and Sale Agreement was formally executed in July 2014. The extension will delay the closing date that involves the transfer of the 444 South 900 East property from the RDA to the Housing Authority for development by potentially two months but could occur sooner.

All permits have been approved for the project, a contractor has been selected, and closing on 4% bond financing is scheduled to take place on schedule. However, closing on funding through the Olene Walker Housing Trust Fund and Salt Lake City Housing Trust Fund is expected to close behind schedule. The impact of such an extension would be to postpone the groundbreaking from the beginning of May to the beginning of July. The requested extension requires Board approval.

ANALYSIS & ISSUE: Staff is recommending approval of the extension based on the significant amount of work completed to-date by the Housing Authority. Key development milestones accomplished by the Housing Authority include:

1. Development set of plans have been reviewed and approved by the City.
2. Zwick Construction has been chosen as the general contractor through an open bid process.
3. The tax credit equity investor has been selected, and all other funding source are approved and scheduled to close by June 15, 2015.
4. Contracts with utility providers are in place for changes to the existing locations.

PREVIOUS BOARD ACTION: In July 2008, the Board approved a resolution for the purchase of the Property from Salt Lake City Corporation for the appraised price of \$620,000. The Property was originally jointly owned by Salt Lake City Corporation (60 percent) and Salt Lake County (40 percent).

In December 2013, the Board approved an RFP for the development of the Kiwanis-Felt property (444 South 900 West). The RFP indicated that the RDA's preferred scope for the development included an affordable housing requirement, building at a minimum to LEED Silver certification, and a development program that enhances the area around the 900 East TRAX station as a lively, people-oriented place.

The Board approved the Selection Committee's ranking at the April 2013 Board meeting. The Board approved the terms for a Purchase and Sale Agreement in August 2013 with the Housing Authority. The Term sheet was amended in June 2014 with additional conditions.

The Board approved an extension in September 2014, providing the Housing Authority additional time for the closing on the Purchase and Sale Agreement from September 15, 2014 to May 1, 2015.

ATTACHMENTS: A) Resolution

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY APPROVING THE TERMS FOR THE AMENDMENT OF THE PURCHASE AND SALE AGREEMENT, DEVELOPMENT AGREEMENT, SPECIAL WARRANTY DEED, AND GUARANTY OF COMPLETION AND PERFORMANCE WITH THE HOUSING AUTHORITY OF SALT LAKE CITY FOR THE DEVELOPMENT OF AGENCY OWNED PROPERTY LOCATED AT 444 SOUTH 900 EAST, SALT LAKE CITY, UTAH.

WHEREAS, the Redevelopment Agency of Salt Lake City ("RDA") was created to transact the business and exercise the powers provided for in the Utah Community Development and Renewal Agencies Act; and

WHEREAS, the RDA is tasked to create affordable housing opportunities in Salt Lake City; and

WHEREAS, the RDA owns certain real property at 444 South and 900 East and desires to redevelop it in accordance with its city-wide housing goals, the "East Central Community Master Plan," and the Transit Station Area zoning; and

WHEREAS, on December 12, 2012 the RDA adopted Resolution 724.04 approving the terms for a Request for Proposals for the development of the Property; and

WHEREAS, the RDA issued a Request for Proposal for the Property on January 30, 2013; and

WHEREAS, responses to the Request for Proposals were due on February 15, 2013; and

WHEREAS, the designated Selection Committee recommended the Housing Authority of Salt Lake City as the first-ranked developer based upon its review and consideration of all proposals submitted in accordance with the Request for Proposals; and

WHEREAS, the RDA has determined that the Housing Authority of Salt Lake City has responded with a proposal that meets the requirements to develop the Property; and

WHEREAS, on March 15, 2013 the RDA adopted Resolution No. 729.01 to enter into a six-month Exclusive Right to Negotiate with the Housing Authority of Salt Lake City (the "Developer") with regard to the development of the Property;

WHEREAS, the RDA adopted Resolution No. 736.01 on August 20, 2013 approving the terms for a Purchase and Sale Agreement with the Housing Authority of Salt Lake City (the "Developer") with regard to the development of the Property;

WHEREAS, the RDA adopted Resolution No. 747.02 on June 10, 2014 amending the terms for a Purchase and Sale Agreement with the Developer with regard to the development of the Property;

WHEREAS, the RDA and the Developer entered into a Purchase and Sale Agreement, Development Agreement, Special Warranty Deed, and Guaranty of Completion and Performance on July 11, 2014.

WHEREAS, the RDA adopted Resolution No. 749.02 on September 16, 2014 amending the terms for a Purchase and Sale Agreement with the Developer, extending the closing date to May 1, 2015;

WHEREAS, the RDA is extending the closing date of the Purchase & Sale Agreement from May 1, 2015 to July 1, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, that we do hereby approve the extension of the Purchase and Sale Agreement closing date.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this 14th day of April, 2015.

Stan Penfold, Chairperson

ATTEST:

D. J. Baxter, Executive Director

Transmitted to the Chief Administrative Officer on _____. The Chief Administrative Officer

___ does not request reconsideration
___ requests reconsideration at the next regular RDA meeting.

Ralph Becker, Chief Administrative Officer

ATTEST:

D. J. Baxter, Executive Director

Approved as to form: _____
Keven Rowe, Jones Waldo