

MINUTES
FROM THE MEETING OF THE
REDEVELOPMENT ADVISORY COMMITTEE
Wednesday, May 1, 2019
451 South State Street, **Room 326**
City & County Building
Salt Lake City, Utah
4:00 p.m.

1. Roll Call

The following members were present:

Dale Christiansen, Chair Brian Doughty Mark Isaac
Darin Mano

The following members were absent:

Lance Dunkley, Vice-Chair
Claudia O'Grady

Also Present:

Jill Wilkerson-Smith, Deputy Chief Operating Officer; Robyn Smith, Office Facilitator; Tammy Hunsaker, Sr. Project Manager; JP Goates, Project Manager; Tracy Tran, Project Manager; Kalli Ruiz, Accountant II; Cara Lindsley, Project Manager; Amanda Holty, Communications and Outreach Manager

2. Briefing by the Staff

Deputy COO Wilkerson-Smith provided an update on the following:

- The RDA Board adopted the Block 67 CRA Plan with some conditions ensuring the developer guarantees Phase 2 completion. Staff is currently in negotiations with Salt Lake County;
- The Union Pacific Hotel loan of \$7 million was approved by the RDA Board of Directors making this the largest loan in RDA history
- The Ribbon Properties groundbreaking ceremony occurred in April.

3. Approval of the minutes of the March 6, 2019 meeting.

Mr. Doughty made a motion to approve the minutes from the March 6, 2019 meeting. Chair Christiansen seconded the motion. Upon roll call, the motion passed unanimously.

4. Business

A. Amendment to Budget Policy – Kalli Ruiz, Accountant II

Ms. Ruiz explained that the RDA Board has requested Staff to include in the RDA Budget estimates for ongoing maintenance for any capital projects. This is due to the increased costs of project maintenance and the overall impact it has had on the City's general fund. Ms. Ruiz explained that Staff is requesting a recommendation from RAC on the language contained within the proposed Budget Policy amendment.

Chair Christiansen requested an example of a current or past project. Deputy COO Wilkerson-Smith said public infrastructure projects, such as Gallivan Plaza, has been an ongoing concern due to the associated costs and upkeep of the maintenance. By updating the policy language, it would help to provide a plan for ongoing maintenance on future projects such as this. Mr. Isaac asked if this would place an undue burden on the RDA. Deputy COO Wilkerson-Smith said that funding would be designated by the Board on a case by case basis in hopes to limit any burden.

Mr. Marin motioned to recommend the budget policy language as presented by staff. Mr. Doughty seconded the motion. Upon roll call, the motion passed unanimously.

B. High Opportunity Notice of Funding Availability Update – Tammy Hunsaker, Senior Project Manager

Ms. Hunsaker provided an overview and background on opportunity zones, indicators. High Opportunity Notice of Funding Availability (NOFA), and the challenges of funding affordable housing. She explained that although the high opportunity funding has been available since June 2018 and there have been several developers and community partners that have shown interest, the RDA has not received a viable request.

Ms. Hunsaker explained an opportunity index is intended to measure an array of indicators that have been demonstrated to impact an individual or family's chance at upward mobility, including indicators of financial, educational, health, and vocational well-being. She said currently the Kem C. Gardner Policy Institute has defined our high opportunity areas based on the following indicators:

- Percent of owner-occupied households with severe housing cost burden
- Percent of renter households with severe housing cost burden
- Percent of individuals receiving public assistance
- Percent of students eligible for free and reduced lunch
- Percent of individuals in poverty
- Percent of homeowners
- Percent of individuals with at least B.S. degree
- Labor force participation rate
- Percent unemployed

She added that these indicators are focusing on household income, housing stability, adult educational attainment, and labor market engagement. However, it is common for opportunity indexes to include other variables that measure the presence of neighborhood qualities such as transit availability, high-paying jobs, quality schools within the neighborhoods, neighborhood safety, and access to green space and parks.

Ms. Tran explained that staff has analyzed potential limitations on affordable housing development within the high opportunity areas. Findings included the following:

- Land Uses
- Small Parcel Sizes
- Land Cost
- Historic District Designation

Ms. Hunsaker acknowledged that the RDA would like to get these funds out to the community and in use. Staff has identified the following potential options.

1. Continue to offer the High Opportunity NOFA on an open-ended basis;
2. Reissue the NOFA based on updated indicators by including other variables that measure neighborhood qualities such as transit access, high-paying jobs, quality schools and green space;
3. The RDA could acquire property and issue a Request for Qualifications and/or Proposal for development of affordable housing; or
4. The development of affordable housing on the Sugarmont Plaza (former Desert Industries Property) currently owned by the RDA.

Ms. Hunsaker added there is a potential to purchase the fire station behind the old Desert Industries property from the City. Regardless if the RDA purchases the fire station, we could set aside part of the \$4.5 million to further incentivize the development of affordable housing in that location.

Mr. Mano suggested that option two should be considered, mainly because there are a lot of High Opportunity areas that are excluded from the map shown. He added that though it is not in RAC's purview, he felt the zoning in the opportunity zones is wrong and not only limits the ability for developers to build multi-family units in the areas, but it is also illegal due to the current zoning of the area.

Mr. Isaac suggested option three, for the RDA to acquire property and secure locations, issue RFQ/RFP's for affordable housing in High Opportunity zones. He added that he felt it would be the most efficient and effective option.

Ms. Hunsaker asked for additional comments for RAC on the four limitations, land uses, small parcel sizes, land cost and historic district designation that were shared.

Mr. Christiansen said the legal barriers are significant with the ruling by the Supreme Court regarding land rights. Mr. Isaac said his recommendation would be to use the \$4.5 million on

property that the RDA already owns like the Sugarmont property and use it as a boost to get through some of the barriers.

Mr. Isaac motioned to continue the High Opportunity NOFA while at the same time updating the indicators, maps and information. Then after a designated time determined by the RDA Board, if there are no applicants for the NOFA, use the funds on assets the RDA already owns. Mr. Mano seconded the motion. Upon roll call, the motion passed.

Mr. Mano offered to work with staff or a committee in formulating the indicators.

5. Adjournment.

There being no further business the meeting was adjourned.

Dale Christiansen, Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Advisory Committee held May 1, 2019.