

MINUTES
FROM THE SPECIAL MEETING OF THE
REDEVELOPMENT ADVISORY COMMITTEE
Tuesday, January 7, 2020
451 South State Street, **Room 126**
City & County Building
Salt Lake City, Utah
4:00 p.m.

1. Roll Call

The following members were present:

Lance Dunkley, Vice-Chairperson	Brian Doughty
Mojdeh Sakaki	Claudia O'Grady
Jason Head	Mark Isaac

The following members were absent:

None

Also Present:

Danny Walz, Chief Operating Officer; Jill Wilkerson-Smith, Deputy Chief Operating Officer; Robyn Smith, Office Facilitator; Kort Utley, Senior Project Manager; Tammy Hunsaker, Senior Project Manager; Tracy Tran, Project Manager; Ashley Ogden, Project Manager; Lauren Parisi, Project Manager.

2. Briefing by the Staff

1. Update on the Project Area Creation Priorities

Kort Utley, Senior Project Manager said that over the last two years, the RDA Board identified the State Street and 9 Line Project Areas as top priorities. He said staff created redevelopment plans for these Project Areas, and the Board adopted them in 2018. He added that the next steps in the creation of the State Street and 9 Line Project areas included negotiating interlocal agreements with Salt Lake City School District and Salt Lake County.

COO Walz said the RDA has received approvals from the Salt Lake City School District and Salt Lake City for these Project Areas. He added that staff anticipates Salt Lake County may determine to participate by January 2020. He said pending negotiations, the State Street and 9 Line Project Areas could be in place by spring.

Mr. Utley said the third project area is the Block 67 Project Area that was done with the Ritchie Group and is nearly completed. He added the interlocal agreements have been

fully negotiated and are expected to be executed at the January RDA Board meeting.

Mr. Utley said the RDA currently has five active Project Areas, and five limited purpose project areas where the tax increment generated is funneled back for a very limited purpose. Mr. Utley said the RDA continues to hear about potential project areas regularly from developers and property owners interested in creating a project area in order to have access to the RDA funding options offered and financing programs.

Mr. Utley said that he brought to RAC eight potential Project Areas that RDA staff have considered. He said he wanted to get RAC members recommendations on these and hear if they had a suggestion for another area within the City that is experiencing disinvestment that staff had not considered.

COO Walz said that by looking at the current RDA Project Area map, each of those areas are at different levels in terms of activation, scale and age. He said that part of the motivation of the 9 Line and State Street is looking longer-term with Depot and Granary sunsetting in the next few years.

Vice Chair Dunkley asked if there was a certain number of Project Areas the RDA was looking to have. COO Walz said not by any formal calculation, explaining there is a balance between the amount of the City real estate the RDA is focusing on as well as RDA staff workload.

COO Walz explained that once the RDA is fully staff, he would have a better determination of how many project areas would be ideal. He added that with the current staff, the RDA is doing a great job of handling its projects and he would like to get back to being more proactive in how the Agency addresses project areas.

Mr. Utley explained that creating a new Project Area can be quite time intensive and take many years to complete due to a long process which includes public input, and multiple actions by the RDA Board and City Council. He added that when considering new Project Areas, the Agency also needs to consider the desire of other taxing entities, primarily Salt Lake County and Salt Lake City School District who have their own financial goals.

Mr. Utley said staff has discussed several new Project Areas that would align with the Agency's mission and values of Economic Growth, Community Impact, and Neighborhood Vibrancy. He explained that staff created a list of eight potential Project Areas for consideration with the first two being the University of Utah Research Park and Stadium Village. He added that these items are on the agenda for the January RDA Board meeting and that staff is requesting the adoption of a resolution by which staff could begin to study these Project Areas and prepare a project area plan for them.

Ms. Tran gave a brief overview on these two potential Project Areas and what they would consist of. She said the University is currently working on a master plan for the Research Park area and this potential Project Area would work alongside that plan. She said it

would support the University's vision to turn Research Park into a mixed-use area with multifamily residential and improved transit options.

COO Walz said that the University owns the land and unless it is leased, it is not taxable. He added that a priority of the University would include workforce housing to have the ability to live near where they work and not have to commute in.

Ms. Tran explain briefly about the University of Utah Stadium Village and the discussion on redeveloping the large parking lot adjacent to the stadium. She said the University is exploring options for opportunities and amenities close to Stadium Village.

Mr. Utley explained the Granary District was originally set up for the Fleet Block which is owned by Salt Lake City. He said the Agency is looking to extend the project area term and expand the existing boundaries to catalyze adaptive reuse of existing warehouse properties and promote the redevelopment of those areas. He said a lot of the redevelopment planned for the Granary District is in the northwestern portion of the project area, adding that the potential Grand Boulevards and 400 South and 400 West project areas cover basically the same geographic area.

Mr. Utley said there is a potential project area around the baseball stadium. The City has some backlog in maintenance with the Baseball Stadium and the question has been asked if the Agency could incorporate the Stadium into the State Street Project Area so that proceeds from RDA development projects could be used to help with the maintenance expenses.

COO Walz explained that Salt Lake City owns the ballfield and the parking lot north of it. He added it would be a tremendous opportunity for the City to redevelop their own asset and create something that could become a revenue generator. He said the City has discussed this with the Agency on whether to extend, amend or absorb into the State Street Project Area. He explained that the process to amend or creating a Project Area is basically the same according to state statute.

Mr. Utley gave an overview of items 7 and 8 from the potential project areas list: the S-Line Expansion and Brickyard. He said the original vision for the S-Line was for it to wrap back into Sugar House (northward toward 2100 South) as opposed to terminate right near Fairmont Park. He added that part of this potential Project Area would look at utilizing some tax increment to cover some of those infrastructure investments and redevelopment around it with the old tennis courts and former D.I. site.

Ms. Hunsaker explained during the last Legislative Sessions there was a proposal to have Millcreek annex the Brickyard area, which did not happen. She explained that what came out of that dialogue was the desire to redevelop the Millcreek side. She said Millcreek really would like to utilize the area as their downtown for their city. A negotiation happened and Millcreek annexed a strip of land east of 1300 East, which has been conveyed over to Millcreek, and the Brickyard remained with Salt Lake City. Ms. Hunsaker said there is a desire to redevelop Brickyard by the property owner.

Incorporating the S-Line into Brickyard is something desired by both Millcreek and Salt Lake City. Mr. Isaac commented that it would be fantastic for the community.

Mr. Utley asked RAC what their recommendations from the list he shared would be, and if they think anything was left off the list. Ms. O'Grady said all are great ideas, but Brickyard really needs some updating and she thinks it would be a great project. Ms. Sakaki agreed that the buildings are aging and in need of updates. Ms. O'Grady added that it would be a great opportunity for a good mix of private sector development with some strategic public sector planning.

Mr. Head asked whether the RDA prioritizes areas that could use a "lift" in redevelopment or areas that are already on the way up and just need a little more help to reach the goal. COO Walz explained that there is a balance in providing incentives to developers to build projects in areas that need more redevelopment or areas that just need a little more help. He added that Mr. Utley spent the last year on the Guiding Framework so that when the RDA is approached by developers, they have a guide to determine if the project is within the mission and values of the Agency.

Mr. Doughty wanted to know if staff thought extending the Granary District Project Area would be a good idea with the Fleet Block. Mr. Utley said it would be nice to have the option. Vice Chair Dunkley said Rose Park desperately needs some attention. COO Walz said it is on the Agency's radar and on the list of questions staff has for the Board and Mayor Mendenhall.

2. Update on \$2,590,000 in Funding Our Future Sales Tax Funds for Affordable Housing Development

Ms. Hunsaker explained that through the 2019/20 budget process, the Salt Lake City Council and RDA Board transferred \$2,590,000 in Funding Our Future sales tax funds to the RDA to be used for affordable housing development. The housing funds were transferred with legislative intent which stated that the RDA will disburse housing funds through a new program named the Housing Development Trust Fund and that this would be done on a trial basis for the current fiscal year.

Ms. Hunsaker said the funds would be tracked separately and used for the purpose of low income and special needs housing and in accordance to the rules guiding the Housing Trust Fund (HTF). She said the funds have been released for application following the guidelines developed jointly by the RDA, the Department of Community and Neighborhoods (CAN) and the Division of Housing and Neighborhood Development (HAND). She added that there has also been a memorandum of intent between RDA and CAN on how to coordinate on the administration of the funds.

Ms. Hunsaker gave an overview of how the RDA is differentiating these fund from other affordable housing funds that have been released by the RDA. She said these funds are available on a first come/first served basis pursuant to the legislative intent and staff are reviewing applications in the order in which they are received. She added that the

approval process is as follows: RDA staff will do the initial underwriting analysis and then HAND staff will have a secondary review of the application and underwriting process. She said funding requests would be presented to the HTFAB and then to the RDA Board for final approval.

Ms. Hunsaker said the funding priorities that have been outlined for the funds come straight out of Growing SLC. She said that it has also been agreed that HAND will do the long-term monitoring and compliance of the projects approved for funding. She explained that the standard loan terms and conditions are aligned with the policy the HTF had adopted. She added that these funds can be used for acquisition, substantial rehabilitation, or new construction for affordable housing.

Ms. Hunsaker said that the interest rate could be lowered if the project demonstrates significant public benefit. She added that these policies are only for the \$2,590,000 and there is a larger housing discussion on what the implementation and coordination of affordable housing between City divisions.

Ms. O'Grady said with the policy of first come first served the RDA could miss opportunities to target the money strategically. Ms. Hunsaker agreed and said based on the legislative intent the process had to follow the Housing Trust Fund and HTFAB policy.

COO Walz said this came up during annual budget process and why the legislative intent focused on continuing the model that was already in place. He added that the purpose of this was to get the money out as soon as possible and complete any applications that had already been received prior to this change. He mentioned that the RDA recommended including the funds with the NOFA, but the decision was made to follow the current model. COO Walz said that for this reason the legislative intent included the six- and twelve-month reviews in order to make any changes determined moving forward.

Ms. Hunsaker added there is not a deadline for applications as this is an open-ended process.

3. Update on the Draft Housing Implementation Framework

Ms. Hunsaker explained that over the years the City Council had inquired if there was a better way to deploy affordable housing resources, particularly for affordable housing development. Adding that both the Division of Housing and Neighborhood Development ("HAND") and RDA have been administering funds for affordable housing; HAND by administering the Housing Trust Fund ("HTF"), and RDA through loans and the more recent Notice of Funding Availability ("NOFA") process. She said the Council's intent by moving the \$2,590,000 through the 2019-20 budget process to RDA was to see if centralizing housing funds to RDA is a more transparent and efficient way to deploy funds with applicants knowing there is one department handling the process.

Ms. Hunsaker said the Department of Community and Neighborhoods ("CAN"), HAND,

RDA and the Mayor's office had met internally to discuss the larger housing implementation framework. She said they developed a draft Housing Implementation Framework that outlines various roles and responsibilities across City departments, particularly for affordable housing development. This had been approved by the prior administration and staff is currently briefing the new administration on this framework.

Ms. Hunsaker discussed the breakdown of responsibilities for the Housing Implementation Framework between RDA and HAND.

HAND will be responsible for the following:

- City-wide housing policy
- Affordability Monitoring & Compliance
- Fair Housing
- HTFAB Administration
- Impact Fee Exemption
- Federal Grant Funding Administration including CDBG, HOME, ESG, HOPWA.
- Home Repair & Home Buyer Programs
- Community Land Trust

RDA will be responsible for the following:

- RDA Housing Funding Policy
- Housing Development Trust Fund
- RDA Loan Program
- Tax Increment Reimbursement Program

In addition, CAN and RDA will evaluate the appropriateness of the RDA's involvement in the development of select city-owned properties.

Ms. Hunsaker said that, under the proposed framework, one change would be that the RDA would receive a portion of sales tax funds to allocate to affordable housing. COO Walz clarified the sales tax funds would be determined annually from HAND and the Mayor's office on what amount would be transferred to the RDA, like the \$2,590,000 that was transferred this year.

Ms. Sakaki motioned to recommend approval of the Draft Housing Implementation Framework as presented. Mr. Isaac seconded the motion. The motion passes unanimously.

3. Business

NONE

4. Adjournment.

There being no further business the meeting was adjourned.

Lance Dunkley, Vice-Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Advisory Committee held January 7, 2020.