

FY2023-2024 NOTICE OF FUNDING AVAILABILITY

HOUSING DEVELOPMENT OAN PROGRA \$13.7 MILLION FOR AFFORDABLE HOUSING DEVELOPMENT

INFORMATION SESSION FRIDAY, DECEMBER1

## WHY WE NEED AFFORDABLE HOUSING IN SLC:

- Rental vacancy rates are low and home sales prices are unaffordable to most residents
- Housing prices suggest a shortage of housing supply overall, especially housing that is deeply affordable
- SLC is majority renter, 1/2 of all renters are cost burdened
- Wages have not kept pace with cost of living, especially housing-related costs

(Source: "Housing SLC: 2023-2027")

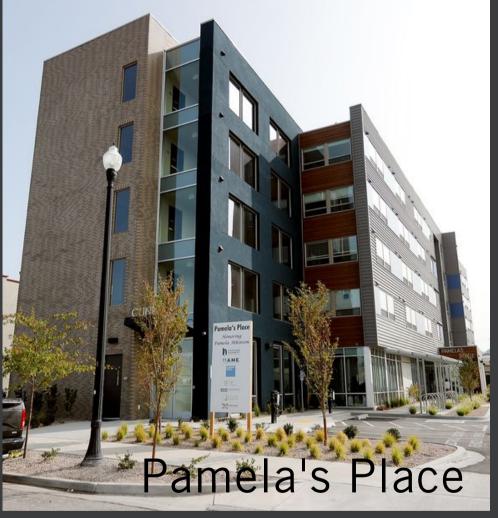


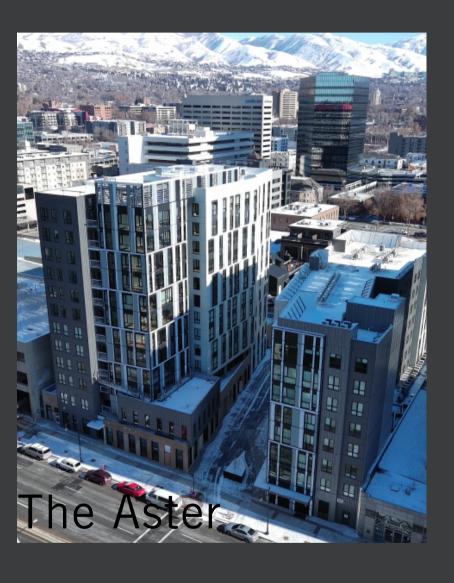


## PAST PROJECTS













#### COMPETITIVE (CITYWIDE) FUNDS

COMPETIVIE FUNDS CATEGORY	AMOUNT
RDA Housing Development Loan Program	\$4,241,714
HOME Program Income**	\$6,939,710
HOME ARP Development**	\$1,501,608
HOME Development Fund**	\$726,291
HOME Community Housing Development Organization Funds	\$351,841
TOTAL:	\$13,761,164



Application Deadline: January 3, 2024



## HOME Program Income \$6,939,710

#### ELIGIBLE POPULATIONS

#### FOR DEVELOPMENT OF RENTAL HOUSING:

- At least 90% of HOME-assisted units must have households with incomes at or below 60% of AMI
- In each rental housing project with 5 or more units, at least 20% of the units must be occupied by households with incomes at or below 50% of AMI

HOME income limits are published each year by HUD.

- All regular HOME eligibility, rules and restrictions apply
- Eligible activities include: construction or rehabilitation of housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development; and payment of relocation expenses related to the acquisition, disposition or construction of HOME-assisted developments
- HOME-assisted rental housing must comply with certain rent limitations



# HOME-ARP Development \$1,501,608

#### ELIGIBLE POPULATIONS

- Homeless
- At-risk of homelessness
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking
- Veterans and families that include a veteran that meet of one of the preceding criteria

- Production or preservation of affordable housing for qualifying populations
- HUD waived the maximum per-unit subsidy for HOME-ARP development dollars



## HOME Development Fund \$726,291

#### ELIGIBLE POPULATIONS

- At least 90% of HOME-assisted units must have households with incomes at or below 60% of AMI
- In each rental housing project with 5 or more units, at least 20% of the units must be occupied by households with incomes at or below 50% of AMI
- The number of required HOME units depends on the amount loaned to the project.
- Depending on loan amount, at least one unit must be at or below 80% AMI for the life of the loan.

- Specific HOME-funded program, with funds setaside for the purpose of providing forgivable loans to developers, in exchange for including affordable units in rental developments within city limits
- These loans have historically been structured as 30year low interest rate loans
- All other HOME eligibility, rules and restrictions apply



# HOME Community Housing Development Organization Funds (CHDO) \$351,841

Applicant must meet all three of the following requirements:

#### LEGAL STATUS

- Organized under State/Local Laws
- Provision of decent Housing that is affordable to Low- Moderate income persons must be among the puposes of the orginization and prevelant in the CHOD's: Charter/Articles of incorporation/By-laws
- No part of the CHDO's earnings may benefit any members
- Clear Defined Service Area: Salt Lake City
- Certified Non-Profit

#### ORGANIZATIONAL STRUCTURE

- The CHDO's Board must be composed of:
  - At least one-third representatives of the low-income community
  - No more than one-third may be public officials or employees of the City

#### CAPACITY & EXPERIENCE

- The CHDO must demonstrate that it has at least one year of experience serving the community where it intends to develop the HOME-Assisted Housing
- The CHDO must demonstrate the capacity of their key staff to carry out the HOME-Assisted activities they are planning.



# HOME Community Housing Development Organization Funds (CHDO) \$351,841

- Acquisition and/or rehabilitation of rental housing
- New construction of rental housing
- Acquisition and/or rehabilitation of homebuyer properties
- New construction of homebuyer properties
- Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds



## 2023 HOME Maximum per Unit Subsidy Limits

| Max Subsidy   |
|---------------|---------------|---------------|---------------|---------------|
| for O Bedroom | for 1 Bedroom | for 2 Bedroom | for 3 Bedroom | for 4 Bedroom |
| \$173,011.20  | \$198,331.20  | \$241,4176.00 | \$312,004.80  | \$342.482.40  |

The total amount of HOME funds that a participating jurisdiction may invest on a per-unit basis in affordable housing.

These are updated by HUD on an annual basis.



FOR FY2023-2024, ALL PROJECTS MUST INCORPORATE ONE OF THE FOLLOWING ELEMENTS:

DEEPLY AFFORDABLE HOUSING: at least 10% of total units are affordable to households earning 40% AMI or less

FAMILY-SIZED HOUSING: at least 10% of total units have 3 or more bedrooms and are affordable to households earning 60% AMI or less





#### ELIGIBLE APPLICANTS

- For-profit corporations, partnerships, joint ventures, or sole proprietors
- Private incorporated non-profit agencies with IRS 501(c) designation
- Public housing agencies or units of local government

DEVELOPMENT TEAM EXPERIENCE: Development and financial experience, capacity to meet requirements and maintain compliance of affordable housing projects.





#### ELIGIBLE PROJECT TYPES

- New construction
- Adaptive reuse (conversion or adaptive reuse of existing non-residential structures for housing)
- Substantial rehabilitation

#### **ELIGIBLE ACTIVITIES:**

- Land and/or property acquisition
- Hard construction costs, site improvements, and related soft costs

SITE CONTROL: Evidenced through ownership, option, sale agreement, or long-term lease





MINIMUM AFFORDABILITY: Minimum of 20% of units affordable to households earning 60% AMI for rental projects. Homeownership projects should be affordable to households earning 80% AMI

FINANCING GAP: HDLP funds limited to 10% of the project's total development cost

SUSTAINABILITY: Projects shall be designed to achieve a "Designed to Earn ENERGY STAR" score of 90 or higher, use all electric mechanical systems (no on-site natural gas use allowed), and participate in the City's Elevate Buildings program once the building is operating

POLICIES & MASTER PLANS: Projects shall align with city-wide policies and plans (Plan Salt Lake, Housing Plan, Neighborhood Plans, etc.)





#### STANDARD LOAN TERMS AND CONDITIONS:

- Gap financing for rental construction to permanent
- Property acquisition
- Gap financing for homeownership construction

See Attachment B in the HDLP Guidelines for details





#### STANDARD LOAN TERMS AND CONDITIONS:

- Term: 24-month to 30+ year term
- Interest Rate: based on +% over US Treasury Yield Curve Rate; max base interest rate of 4%
- Funding Priority Incentives: Reduce base interest rate by meeting current funding priorities; 0.5% reduction per funding priority met; interest rate may be reduced a maximum of 2%
- Affordability Restriction: the greater of senior financing's required affordability period or 30 years (15 years for homeownership)

See Attachment B in the HDLP Guidelines for details





- Loan Repayment: Options depend on financing type
- Subordination: Loans may be subordinated to leverage private financing
- Collateral: Adequate security required generally in the form of a deed of trust, promissory note, and guarantees
- Developer Fee: Requirements and eligibility based on loan type

See Attachment B in the HDLP Guidelines for details





FUNDING COMMITMENT: Successful applicants will receive conditional commitment of funding

RELOCATION: Displacement is strongly discouraged. If necessary and unavoidable, projects must submit relocation plan that complies with Federal, State, and local relocation requirements.

DESIGN: Projects shall align with applicable design guidelines and comply with all applicable SLC building codes and ordinances



IDENTITY OF INTEREST: Relationships between development team organizations must be identified on the application.





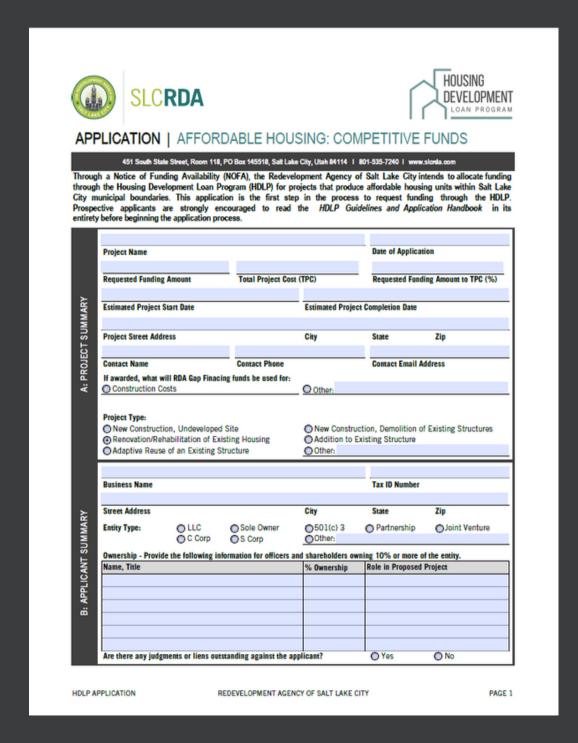


- Family Housing
- Target Populations
- Homeownership
- Missing Middle & Unique Housing Types
- Sustainability
- Transportation Opportunities
- Neighborhood Safety
- Expand Opportunity
- Architecture & Urban Design
- Commercial Vitality
- Historic Preservation/Adaptive Reuse
- Public Art



\*Refer to HDLP Guidelines for Project Priority Criteria





## APPLICATION REQUIREMENTS

- 1. Application and Guidelines
- 2. Deadline: January 3, 2024 @ 5 PM
- 3. Submissions must be complete
- 4. Submittal Method
  - Electronic Copy
  - kate.werrett@slcgov.com





## HDLP SCHEDULE

	PHASE	DATE/TIME	MILESTONE			
1	Application	Friday, November 17, 2023	NOFA released			
		Friday, December 1, 2023 at 1:00 PM	<ul> <li>NOFA Informational Meeting (Webex Meeting Link)</li> </ul>			
		Monday, December 20, 2023	Deadline for questions			
		Wednesday, January 3, 2024 at 5:00 PM	Applications due			
2	Threshold Review*	January 4 -10, 2024	Applications that meet Threshold Requirements proceed to Phase 3			
3	Project Evaluation and Review*	January 11-26, 2024	<ul> <li>Applications that are forwarded from Phase 2 will be further evaluated and ranked</li> <li>RDA Finance Committee to provide project funding recommendation</li> </ul>			
4	Project Selection	Meeting of the Legislative Body tentatively scheduled for March 2024	Legislative Body Review and     Project Selection			
5	Funding Award	ling Award Varies by project	Conditional Commitment			
			<ul> <li>Firm Commitment and Loan</li> <li>Closing</li> </ul>			
*The	The review periods may change depending on the number of applications received.					





## OTHER PROCESSES

Development Review Team drt@slcgov.com

#### Planning Pre-Submittal Meeting

- Zoning districts
- Development limitations
- Typical processes

zoning@slcgov.com





## **CONTACT INFO**

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# Questions?

