



# SALT LAKE CITY TRANSMITTAL

**To:**  
Community Reinvestment Agency Chair  
Salt Lake City Council Chair

**Submission Date:**  
03/06/2025

**Date Sent to Council:**  
03/06/2025

**From:**

**Department\***  
Community Reinvestment Agency

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**Community Reinvestment Agency  
Director Signature**

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**Mayor's Office Chief of Staff Signature**

Rachel Otto

**Community Reinvestment Agency  
Director Signed Date**  
03/06/2025

**Chief of Staff's Signed Date**  
03/06/2025

**Subject:**  
Commercial Development Loan Program Policy

**New transmittal or  
Revision**

- ☐ New transmittal  
☒ Revision

**Revision Updates:**

Minor changes have been incorporated in the redlines within attachments A and B to incorporate additional attorney's edits.

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**Document Type**  
Resolution

**Budget Impact?**

- ☐ Yes  
☒ No

**Recommendation:**

Adopt a resolution that repeals both the existing Loan Program Policy and Granary District Adaptive Reuse Program Policy and replaces them with the Commercial Development Loan Program (CDLP) Policy

**Background/Discussion**

In January 2025, CRA staff presented a proposal to create a CDLP, which is one of the proposed Commercial Assistance Programs designed to complement the structure and administration of the Housing Development Loan Program (HDLP), but with a focus on commercial and mixed-use development that advances the CRA's core mission, values, and project area objectives. The Board provided feedback, which has been considered and incorporated into the proposed policy, where applicable. At this time, staff requests that the Board adopt the attached resolution to replace two (2) existing CRA loan programs with the CDLP.

**Will there need to be a public hearing for this item? \***

- 
- ☐ Yes
- ☒ No

**Public Process**

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MAYOR ERIN MENDENHALL  
*Executive Director*



DANNY WALZ  
*Director*

SALT LAKE CITY COMMUNITY REINVESTMENT AGENCY

**STAFF MEMO**

**DATE:** February 28, 2025

**PREPARED BY:** Kristina Harrold, Project Manager  
Ashley Ogden, Senior Project Manager

**RE:** Commercial Development Loan Program Policy

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**REQUESTED ACTION:** Adopt a resolution that repeals both the existing Loan Program Policy and Granary District Adaptive Reuse Program Policy and replaces them with the Commercial Development Loan Program (CDLP) Policy

**POLICY ITEM:** Commercial Assistance Programs

**BUDGET IMPACTS:** None at this time

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**EXECUTIVE SUMMARY:**

While the Salt Lake City Community Reinvestment Agency (**CRA**) has a robust set of housing policies and programs to support affordable housing development, the CRA seeks to create a corresponding set of commercial assistance policies and programs to support the local businesses and non-profits that contribute to the health and vibrancy of the city's neighborhoods. In August 2024, the CRA proposed to the Board of Directors (**Board**) a suite of three (3) Commercial Assistance Programs to address the real estate and financial needs of local businesses and non-profits in CRA project areas. In January 2025, CRA staff presented a proposal to create a CDLP, which is one of the proposed Commercial Assistance Programs designed to complement the structure and administration of the Housing Development Loan Program (**HDLP**), but with a focus on commercial and mixed-use development that advances the CRA's core mission, values, and project area objectives. The Board provided feedback (outlined below), which has been considered and incorporated into the proposed policy, where applicable. At this time, staff requests that the Board adopt the attached resolution to replace two (2) existing CRA loan programs with the CDLP.

**ANALYSIS & ISSUES:**

This section generally describes feedback received during the January 21, 2025, Board meeting, staff's analysis of the feedback, and if the CDLP policy has been amended in response.

1. **Some Boardmembers expressed a desire to prioritize certain project elements (for example, daycares, after school programs, grocery stores) by giving them a higher scoring/incentive weight. Others indicated that the program shouldn't be too prescriptive and should serve as a flexible economic development tool that supports the establishment of diverse types of local businesses.**

Staff find that the proposed CDLP policy advances both of these objectives in a balanced way by *requiring* a set of CRA priorities that are most relevant to this program and *encouraging* the inclusion of additional priorities through optional incentives. CRA priorities, as identified in the Guiding Framework for Mission and Values and Livability Benchmarks, are required and/or incentivized throughout the policy in the following ways:<sup>1</sup>

#### **Program Requirements**

- a. **Project Area Objectives:** The project must be located within an eligible CRA Project Area and must support at least one Project Area Objective as provided in the most recent Project Area Work Plan.
- b. **Timeliness:** To support projects that have a reasonable timeframe for completion and ensure ongoing funds availability, projects must be prepared to break ground within twelve (12) months of receiving conditional funding approval.
- c. **Qualifying Livability Benchmarks:** Projects that receive funding shall satisfy a minimum of two (2) of the Qualifying Benchmark criteria listed below:
  - i. **Leveraging:** The project's funding request from the CRA equals 10% or less of the total development cost.
  - ii. **Permanent Job Creation:** The project attracts employers as tenants that create at least one full-time job per every 500 square feet of non-residential space that is paid above a living wage (at least 110% of the average Salt Lake County wage per the Governor's Office of Economic Opportunity), OR, incorporates a robust workforce development program offering internships, apprenticeships, or other job training opportunities.
  - iii. **Commercial Vitality:** The project reserves at least 50% of its net leasable commercial space for one of the following tenant types:
    - 1. Local and independent businesses;
    - 2. Minority and/or veteran-owned businesses;
    - 3. Community-serving non-profits;
    - 4. Childcare facilities or after-school programs; or
    - 5. Entities that provide products or services that are underrepresented in the neighborhood.
  - iv. **Ownership:** The project includes commercial space that will be made available for purchase by a tenant who will occupy the space.

A mixed-use development with a residential use may supplant one of the Qualifying Benchmarks above with one of the adopted priorities of the CRA Housing Development Funding Strategy for the current fiscal year.

- d. **Sustainable Development:** Projects shall comply with the CRA's Sustainable Development Policy.

#### **Program Incentives:**

- e. **Incentivized Livability Benchmarks:** A reduction to the standard interest rate is available for projects that meet additional CRA Livability Benchmarks, beyond the required two (2) Qualifying Livability Benchmarks listed above. The full list of Livability Benchmarks can be found in Attachment C of this memo. Specific criteria

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<sup>1</sup> Please note that this list is not representative of all CDLP features but is intended to highlight ways that certain CRA priorities are required or incentivized through the policy's implementation.

required to satisfy each Benchmark will be provided in the CDLP administrative guidelines. To address current priorities and needs, certain Livability Benchmarks may be prioritized over others with increased potential for interest rate reductions and/or higher scoring in a competitive application process.

- f. Building Preservation or Rehabilitation:** Projects that involve the preservation or rehabilitation of a chronically vacant, underutilized, and/or economically challenged building may be eligible for forgiveness of twenty percent (20%) or \$200,000 of the loan principal amount, whichever is greater, at the end of the loan term, provided that certain conditions outlined in the policy are met (described in detail in section 4, below).
- 2. As outlined above, the CDLP includes a requirement to meet two (2) of four (4) possible Qualifying Livability Benchmarks. One option is to reserve at least fifty percent (50%) of the project's net leasable commercial space for one of the following tenant types:**
  - a. Local and independent businesses;**
  - b. Minority and/or veteran-owned businesses;**
  - c. Community-serving non-profits;**
  - d. Childcare facilities or after-school programs; or**
  - e. Entities that provide products or services that are underrepresented in the neighborhood.**

**Boardmembers cautioned staff to ensure that the definitions of certain terms are clear to avoid issues if an applicant or project's eligibility is questioned.**

Staff have revised the policy to include the following definitions:

- f. Local and independent businesses** are defined as those that originated in the State of Utah, are not owned by another company, are not associated with a franchise corporation, and operate autonomously.
  - g. Minority and/or veteran-owned businesses** are defined as businesses that are >50% owned, controlled, and managed by one or more individuals who identify as a minority race, ethnicity, and/or gender, veteran, and/or other socially and/or economically disadvantaged group.
  - h. Community-serving non-profits** are defined as those that primarily focus on providing services, programs, or advocacy efforts that are aimed at addressing the needs and improving the well-being of the local community and its residents.
- 3. Staff were asked to consider ways to incentivize developers to be proactive in the tenanting of commercial spaces, i.e., coordinating space needs with prospective tenants in advance and/or filling the spaces in a timely manner.**

Staff propose to incorporate into the CDLP scoring criteria a preference for applicants who provide Letters of Interest from prospective tenants and/or have demonstrated clear efforts to engage with and design spaces for a targeted business type.

- 4. There were multiple comments related to the proposed Building Preservation and Rehabilitation incentive:**
  - a. Boardmembers requested that staff narrow the incentive's eligibility criteria to prioritize buildings most worthy of preservation/rehabilitation, as well as circumstances warranting a subsidy. Some Boardmembers want to ensure that the incentive is utilized to overcome an economic hardship associated with reuse of the building, and others asked staff to consider long-time business owners who may**

**need assistance rehabbing their buildings but do not intend to change their use.**

The policy has been revised to include the set of eligibility criteria below, which encompasses building age, condition, minimum footprint in relation to the size of the development area, permitted level of modification, and required restrictive covenant. Staff borrowed select criteria from Title 21A.52.060, Salt Lake City Code, *Building Preservation Incentives*, as it reflects the City's priorities for encouraging the preservation or reuse of existing structures. The *Building Condition* criteria is intended to limit use of the incentive to circumstances that warrant it.

- i. **Building Age:** The existing building to be preserved or rehabilitated shall be a minimum of fifty (50) years old.
  - ii. **Building Condition:** Eligible buildings are those that are chronically vacant, underutilized, and/or economically challenged, preventing or limiting their productive use. This may occur for an array of reasons, including but not limited to, market conditions, economic hardship, the size of the building, a substantial degree of deterioration, environmental contamination, inability to meet modern building code requirements, etc.
  - iii. **Minimum Footprint of Eligible Building:** The footprint of the eligible building to be preserved or rehabilitated covers a minimum of twenty-five percent (25%) of the total development area, which may be comprised of one or multiple abutting parcels. A lower percentage may be considered if the building has frontage on a public street or would be highly visible from publicly accessible spaces within the interior of the site.
  - iv. **Modifications to Existing Building:** A maximum of twenty-five percent (25%) of each street facing building wall may be removed to accommodate modifications or additions. No more than fifty percent (50%) of the building's exterior walls may be removed. Portions of a building wall with character defining architectural features shall not be removed.
  - v. **Restrictive Covenant Required:** Projects that are eligible for the financial incentive offered herein shall be subject to a legally binding restrictive covenant that is recorded on the property with the Salt Lake County Recorder upon loan closing and guarantees that the physical elements of the building being preserved or rehabilitated shall remain in substantially the same form and exterior features important to the character of the building shall be preserved for thirty (30) years. At the discretion of the CRA, if the Planning Division, through zoning incentives offered in Title 21A.52.060, requires the recording of a restrictive covenant with similar requirements that are no less restrictive than the covenants required under this policy, that document may take the place of the one being required herein.
- b. **There was a question whether the \$200,000 incentive is adequate given the upfront capital required for projects that preserve/rehab existing structures. It was proposed that the program could include forgiveness of up to XX% of project costs up to \$XXX,XXX, to provide a larger subsidy for bigger, more expensive projects.**

The policy has been revised from providing forgiveness of \$200,000 to *all* qualifying projects to providing forgiveness of twenty percent (20%) or \$200,000 of the loan

principal amount, whichever is greater, at the end of the loan term. This structure will result in a larger forgivable amount to larger projects while maintaining a minimum level of forgiveness for smaller projects, which are more likely to be undertaken by tenants, business owners, or smaller developers.

- 5. Regarding program administration, Boardmembers felt that CDLP funds should be offered more than once a year to accommodate the less predictable timelines of business/commercial development. Staff relayed that the Redevelopment Advisory Committee (RAC) recommended a quarterly funding schedule, which would provide multiple opportunities to apply in a year and introduce a level of competitiveness with applications received in each period being evaluated against one another. Boardmembers seemed to agree that this would be a good approach.**

The policy's language regarding program administration is intentionally flexible to allow staff to adjust the approach for offering and awarding CDLP funds, as needed. However, it is staff's intent to identify four (4) quarterly deadlines throughout each year, upon which applications will be reviewed by staff, the Finance Committee, and the Board. The CDLP policy, administrative guidelines, and application form will be made available to the public on the CRA's website. Staff will determine a set amount of funding to offer in each quarter and if any funds are left unused, roll them into the next quarter's offering.

- 6. CRA staff are proposing that the Finance Committee have the authority to review and approve/deny loan requests in the amount of \$500,000 or less. Boardmembers acknowledged that, as the City Council, they currently have decision-making authority on every application to the Economic Development Loan Fund (EDLF), which is administered by the Department of Economic Development, and that if they grant the CRA request, they may want to consider granting similar allowances in EDLF administration.**

Staff defers to Boardmembers on how they would like to handle this request. Authorizing language has been maintained in the policy. Boardmembers may request that staff hold off on implementation of this provision until they fully consider forthcoming revisions to the EDLF policy, or request removal of the provision entirely.

**NEXT STEPS:**

- If the CDLP policy is adopted, beginning with the FY26 budget, the CRA will request funding appropriations to the CDLP.
- Staff will develop administrative CDLP guidelines and an application form, which will be made available on the CRA's website. Funds will be offered and applications reviewed on a quarterly basis, with deadlines listed online.

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**PREVIOUS BOARD ACTION:** N/A

**ATTACHMENTS:**

- A. Resolution to adopt proposed CRA CDLP Policy (clean copy)
- B. Redlines made to CDLP Policy since January 21, 2025, CRA Board meeting
- C. CRA Guiding Framework and Livability Benchmarks



## ATTACHMENT A

### SALT LAKE CITY COMMUNITY REINVESTMENT AGENCY

#### RESOLUTION NO. \_\_\_\_\_

#### **Commercial Development Loan Program Policy**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALT LAKE CITY COMMUNITY REINVESTMENT AGENCY REPEALING THE LOAN PROGRAM POLICY AND THE GRANARY DISTRICT ADAPTIVE REUSE PROGRAM POLICY AND REPLACING THEM WITH THIS COMMERCIAL DEVELOPMENT LOAN PROGRAM POLICY

**WHEREAS**, the Salt Lake City Community Reinvestment Agency (**CRA**) was created to transact the business and exercise the powers provided for in the Utah Community Reinvestment Agency Act, Utah Code Title 17C; and

**WHEREAS**, the Utah Community Reinvestment Agency Act grants the CRA powers to use funds to provide for project area development within project area boundaries; and

**WHEREAS**, pursuant to Resolution 37-2016, the CRA Board of Directors (**CRA Board**) adopted the Loan Program Policy; and

**WHEREAS**, pursuant to Resolution 8-2017, the CRA Board adopted the Granary Adaptive Reuse Program Policy; and

**WHEREAS**, the CRA Board now supports the goal to consolidate and streamline the CRA's policies that serve commercial businesses by repealing both the Loan Program Policy and the Granary Adaptive Reuse Program Policy and replacing them with this Commercial Development Loan Program Policy.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALT LAKE CITY COMMUNITY REINVESTMENT AGENCY**, that the Loan Program Policy adopted pursuant to Resolution 37-2016 and the Granary District Adaptive Reuse Program Policy adopted pursuant to Resolution 8-2017 are hereby repealed in their entirety and replaced with the following policy for a Commercial Development Loan Program:

#### **1. PURPOSE**

The Commercial Development Loan Program (**CDLP**) provides critical financing to support and incentivize the development of commercial and mixed-use projects that advance the CRA's core mission, values, and project area objectives.

#### **2. INTENT**

Funds distributed through the CDLP are intended to:

- a. Incentivize the creation of new commercial spaces and formation of unique business districts throughout CRA project areas.
- b. Encourage the provision of attainable rental or ownership opportunities for local and independent businesses and community-serving non-profits.
- c. Provide opportunities to establish new services, amenities, or underrepresented business

- types within a neighborhood, such as childcare facilities and after-school programs.
- d. Invest in mixed-use projects with residential components that advance adopted priorities of the CRA Housing Development Funding Strategy.
  - e. Support the preservation or rehabilitation of existing building stock.
  - f. Incorporate green-building elements to lower operating expenses, conserve resources, and promote resiliency.
  - g. Maximize CRA impact by leveraging other, private funding sources as part of a project's capital stack.
  - h. Promote neighborhoods with balanced economies that produce quality jobs through employment opportunities and workforce development programs.
  - i. Enhance the capacity for non-traditional applicants to apply for and utilize CRA funds.

### **3. FUNDING PRIORITIES**

Funding priorities are required and incentivized through this policy as threshold requirements (including Qualifying Livability Benchmarks) and incentivizes (including Incentivized Livability Benchmarks and incentives for building preservation and rehabilitation). To provide flexibility to address current priorities and needs, certain priorities may be given preference over others with increased potential for interest rate reductions and/or higher scoring in a competitive application process. Current priorities will be reflected in the CDLP administrative guidelines.

### **4. PROGRAM ADMINISTRATION**

Administration of the CDLP shall be guided by this policy and corresponding administrative guidelines. Funding may be offered on an ongoing basis or periodically throughout the year, and may be competitive or open-ended, subject to the availability of funds and the level of demand.

### **5. THRESHOLD REQUIREMENTS**

To be eligible for funding through the CDLP, projects must, at minimum, meet the following threshold requirements, in addition to further requirements that may be set forth in the CDLP administrative guidelines.

#### **a. Eligible Project Types**

The CDLP provides funding to facilitate various commercial and mixed-use development projects, including new construction, building preservation/rehabilitation, significant site work, and/or other improvements that will remain with and benefit the property long-term. Mixed-use projects must include activated commercial space on the ground floor. Activated commercial space means that a minimum of 50% of the length of all street-facing building facades must, on the ground floor level, contain a non-residential use (retail goods/service establishments, restaurants, bars, art and craft studios, entertainment, office, etc.) that is open to the public, not exclusive to the tenants of the building, and encourages pedestrian activity and walk-in traffic. Activated commercial spaces shall have a minimum depth of twenty-five (25) feet. An exception may be provided for projects that involve the preservation or rehabilitation of an existing building and are unable to meet the minimum dimensions of activated commercial space required.

#### **b. Eligible Costs**

Funding is made available for construction costs, or hard costs. Use of funds for property

acquisition, infrastructure improvements, environmental remediation, demolition, project-related soft costs, or tenant-specific improvements will be considered on a case-by-case basis, if part of a larger redevelopment project. Refinancing of existing debt is ineligible.

**c. Eligible Applicants**

Applicants must be the title owner or long-term ground lessee of the property. Current or prospective commercial tenants who lease all or a portion of the property may also apply. Applicants must provide sufficient evidence of their capabilities to successfully complete the project, and their credit history must demonstrate prompt payment of past obligations. Applicants and affiliated entities must be in good standing on all existing contracts administered by the CRA, Salt Lake City Corporation, Salt Lake County, and the State of Utah.

**i. Property Owners/Ground Lessees**

Evidence of site control must be demonstrated through proof of ownership, option to purchase agreement, purchase and sale agreement, long-term ground lease agreement, or equivalent. Property taxes and special assessments must be current, with no outstanding judgments or liens against the applicant(s).

**ii. Tenants**

Evidence of a lease agreement that will remain in place for, at minimum, the duration of the loan term shall be provided. Proposed project activities must be approved by the property owner.

**d. Project Area Objectives**

The project must be located within an eligible CRA Project Area and must support at least one Project Area Objective as provided in the most recent Project Area Work Plan.

**e. Timeliness**

To support projects that have a reasonable timeframe for completion and ensure ongoing funds availability, projects must be prepared to break ground within twelve (12) months of receiving conditional funding approval.

**f. Qualifying Livability Benchmarks**

The CRA's Livability Benchmarks are derived from the CRA's core mission and three (3) overarching values: Economic Opportunity, Equity and Inclusion, and Neighborhood Vibrancy. Projects that receive funding shall satisfy a minimum of two (2) of the Qualifying Livability Benchmarks and associated criteria listed below. Mixed-use developments that contain a residential use may supplant one of the Qualifying Livability Benchmarks with one of the adopted priorities of the CRA Housing Development Funding Strategy for the current fiscal year.<sup>1</sup> Projects that satisfy more than two (2) Qualifying Livability Benchmarks, inclusive of priorities of the Housing Development Funding Strategy, are eligible for a reduction to the standard interest rate as described in 6.c.ii., Incentivized Livability Benchmarks. Compliance with Qualifying Livability Benchmark criteria may be required beyond the loan term.

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<sup>1</sup> This provision shall only apply to adopted priorities of the CRA Housing Development Funding Strategy that are not also threshold requirements of the CDLP.

Qualifying Livability Benchmarks	Criteria
Leveraging	The project's funding request from the CRA equals 10% or less of the total development cost.
Permanent Job Creation	The project attracts employers as tenants that create at least one full-time job per every 500 square feet of non-residential space that is paid above a living wage (at least 110% of the average Salt Lake County wage per the Governor's Office of Economic Opportunity), OR, incorporates a robust workforce development program offering internships, apprenticeships, or other job training opportunities.
Commercial Vitality	The project reserves at least 50% of its net leasable commercial space for one of the following tenant types: <ul style="list-style-type: none"> <li>• Local and independent businesses;<sup>2</sup></li> <li>• Minority and/or veteran-owned businesses;<sup>3</sup></li> <li>• Community-serving non-profits;<sup>4</sup></li> <li>• Childcare facilities or after-school programs; or</li> <li>• Entities that provide products or services that are underrepresented in the neighborhood.</li> </ul>
Ownership	The project includes commercial space that will be made available for purchase by a tenant who will occupy the space.

**g. Design Requirements**

Projects shall comply with all applicable Salt Lake City and CRA policies, ordinances, and codes.

**h. Sustainable Development**

Projects shall comply with the CRA's Sustainable Development Policy.

**i. Tenant Displacement**

Displacement of current residential and commercial tenants is strongly discouraged but may be unavoidable. For residential displacement, the applicant shall submit a relocation plan that complies with applicable federal, state, and local policies for temporary or permanent displacement. For commercial displacement, the applicant shall disclose the number of commercial units lost, their respective sizes (in square feet), the names of impacted businesses, efforts made to accommodate them elsewhere, and other relevant information

<sup>2</sup> **Local and independent businesses** are defined as those that originated in the State of Utah, are not owned by another company, are not associated with a franchise corporation, and operate autonomously.

<sup>3</sup> **Minority and/or veteran-owned businesses** are defined as businesses that are >50% owned, controlled, and managed by one or more individuals who identify as a minority race, ethnicity, and/or gender, veteran, and/or other socially and/or economically disadvantaged group.

<sup>4</sup> **Community-serving non-profits** are defined as those that primarily focus on providing services, programs, or advocacy efforts that are aimed at addressing the needs and improving the well-being of the local community and its residents.

as requested in the application for funding.

## **6. LOAN AMOUNT, TERM, & INTEREST RATE**

### **a. Loan Amount**

The applicant must provide sufficient evidence that the amount of funds requested from the CRA is necessary for the project to succeed. The applicant must demonstrate that borrowing capacity is inadequate, future revenues are inadequate or cannot accommodate the timeliness necessary to complete the project, or costs would place an undue financial burden on the applicant. A loan commitment should be secured (evidenced by a letter of interest and term sheet) from a private lending source at the best possible rate and terms and in the maximum size available, based on the economics of the project.

#### **i. Maximum Loan Amount**

All projects shall have a maximum loan amount of \$2,000,000.

#### **ii. Gap Financing**

Loan maximums are limited to the demonstrated gap in available financing to cover project costs and shall be sized to support a debt service coverage ratio (**DSCR**) of 1.1 or a loan to value (**LTV**) of 95%, inclusive of all debt on the project, whichever results in the lower loan amount.

#### **iii. Primary Financing**

When the RDA's contribution is greater than 60% of the project's total development costs, loans shall be sized to support a debt service coverage ratio (**DSCR**) of 1.2 or a loan to value (**LTV**) of 90%, inclusive of all debt on the project, whichever results in the lower loan amount.

### **b. Term & Amortization**

The loan term and amortization schedule shall be determined as follows:

#### **i. Term**

The loan term shall be up to five (5) years. An option to extend the overall loan term to 10 years may be available through a preauthorized extension that provides an interest rate increase of 2% beginning in year six (6).

#### **ii. Amortization**

The standard amortization period is up to 20 years with balloon payment due at loan maturity.

### **c. Interest Rate**

The interest rate shall be determined as follows:

#### **i. Standard Interest Rate**

The interest rate is fixed at 300 basis points (3%) plus the U.S. Treasury Yield Curve Rate, to be locked in within a month of loan closing. For example, if the U.S. Treasury Yield Curve Rate is 4.5% when the rate is locked in, the CDLP standard interest rate is 7.5%. Interest shall accrue beginning with the first draw of funds. In

the event of a default, the interest rate will increase to 14% on the unpaid sum.

**ii. Incentivized Livability Benchmarks**

A reduction to the standard interest rate is available for projects that meet additional Livability Benchmarks beyond the threshold requirements listed in section 5.f., Qualifying Livability Benchmarks, as provided in the administrative guidelines, with the ability to reduce the interest rate to a minimum of 3%.

**7. BUILDING PRESERVATION OR REHABILITATION**

Projects that involve the preservation or rehabilitation of a chronically vacant, underutilized, and/or economically challenged building may be eligible for forgiveness of twenty percent (20%) or \$200,000 of the loan principal amount, whichever is greater, at the end of the loan term. If the conditions below are met throughout the loan term, interest will not accrue and loan payments will not include the principal amount to be forgiven.

**a. Building Age**

The existing building to be preserved or rehabilitated shall be a minimum of fifty (50) years old.

**b. Building Condition**

Eligible buildings are those that are chronically vacant, underutilized, and/or economically challenged, preventing or limiting their productive use. This may occur for an array of reasons, including but not limited to, market conditions, economic hardship, the size of the building, a substantial degree of deterioration, environmental contamination, inability to meet modern building code requirements, etc.

**c. Minimum Footprint of Eligible Building**

The footprint of the eligible building to be preserved or rehabilitated covers a minimum of twenty-five percent (25%) of the total development area, which may be comprised of one or multiple abutting parcels. A lower percentage may be considered if the building has frontage on a public street or would be highly visible from publicly accessible spaces within the interior of the site.

**d. Modifications to Existing Building**

A maximum of twenty-five percent (25%) of each street facing building wall may be removed to accommodate modifications or additions. No more than fifty percent (50%) of the building's exterior walls may be removed. Portions of a building wall with character defining architectural features shall not be removed.

**e. Restrictive Covenant Required**

Projects that are eligible for the financial incentive offered herein shall be subject to a legally binding restrictive covenant that is recorded on the property with the Salt Lake County Recorder upon loan closing and guarantees that the physical elements of the building being preserved or rehabilitated shall remain in substantially the same form and exterior features important to the character of the building shall be preserved for thirty (30) years. At the

discretion of the CRA, if the Planning Division, through zoning incentives offered in Title 21A.52.060, requires the recording of a restrictive covenant with similar requirements that are no less restrictive than the covenants required under this policy, that document may take the place of the one being required herein.

## **8. COLLATERAL AND GUARANTEES**

Adequate security shall be required, generally in the form of a deed of trust, personal guarantees, UCC filings for business assets, vehicle titles, personal property and assets, and/or other acceptable forms of collateral as established by the CDLP administrative guidelines.

## **9. EVALUATION & APPROVAL PROCESS**

### **a. Application Process**

The process for distributing and collecting loan applications and supporting documentation shall be established by the CDLP administrative guidelines.

### **b. Underwriting by CRA Staff**

CRA staff shall carry out an underwriting process according to the CDLP administrative guidelines and shall ensure the proposed loan is consistent with any applicable laws or regulations. If either the applicant or proposed project fails to demonstrate the ability to meet underwriting requirements, or such loan conflicts with any laws or regulations, CRA staff shall reserve the right to deny the loan application.

### **c. CRA Finance Committee Review**

Once underwriting standards have been met, applications shall be forwarded to the CRA Finance Committee. The CRA Finance Committee shall evaluate applications, supplemental materials, and underwriting reports to determine if the application shall be selected/recommended for conditional loan approval.

### **d. Conditional Approval Process**

The CRA Finance Committee shall be authorized to provide conditional loan approval for standard loans totaling \$500,000 or less. Loans that exceed \$500,000 or that involve an adjustment from standard loan terms provided herein must be reviewed by the CRA Board for conditional loan approval.

### **e. Loan Finalization**

Once an applicant receives conditional loan approval, CRA staff shall finalize the loan according to the CDLP administrative guidelines.

### **f. Fees**

Applicable application and legal fees, as well as closing costs, as outlined in the CDLP administrative guidelines, shall be borne by the Borrower.

## **10. LOAN DISBURSEMENT & REPAYMENT**

### **a. Disbursement of Funds**

Funding shall be disbursed as construction draws evidenced by supporting documentation demonstrating that the work has been completed and that the project is in good financial and

legal standing. Applicant equity must be utilized prior to CRA funds being drawn. On a case-by-case basis, funds may be disbursed at loan closing.

**b. Repayment**

The first payment shall be due at the beginning of the fourth (4<sup>th</sup>) month after the project receives a Certificate of Occupancy. Loans may be prepaid in whole or in part at any time without penalty.

**11. MONITORING & COMPLIANCE**

Reporting requirements, as determined by CRA staff, may be put in place to ensure that projects are in compliance with obligations associated with CDLP threshold requirements and incentives, including Qualifying and Incentivized Livability Benchmarks. Some commitments may be memorialized in loan agreements, restrictive use agreements, or other form of agreement that is executed at closing. Obligations may extend beyond the approved loan term.

**12. LOAN MODIFICATIONS**

In the event of extenuating circumstances, the CRA may provide payment forbearance, payment deferment, an adjustment to terms, or loan write-down. Such adjustments shall be considered on a case-by-case basis and shall be subject to a thorough review of the project's financial standing and other relevant information. The process for providing loan modifications shall be considered and authorized as follows:

**a. Forbearance/Deferment**

The Director of the CRA may elect to provide the Borrower with a temporary forbearance or deferment of payment for up to one (1) year. For periods of forbearance or deferment longer than one (1) year, the CRA Finance Committee shall provide a recommendation that is forwarded to the Board, who shall consider and act upon all such requests.

**b. Adjustment to Terms**

The Director of the CRA may elect to authorize an extension of the repayment term by an additional five (5) years (beyond the term that was initially approved), and/or re-amortization up to 30 years.

**c. Loan Write-down**

The CRA Finance Committee shall provide a recommendation that is forwarded to the Board, who shall consider and act upon all such requests.

**13. TRAINING & TECHNICAL ASSISTANCE**

The Finance Committee or CRA Board may elect to require a Borrower, as a condition of loan approval, to attend one or more technical assistance business classes or programs, or to access any business resource center or similar program.

**14. COMPATIBILITY WITH OTHER CRA FUNDING PROGRAMS**

Applicants who have obtained approval for a tax increment reimbursement for the same project under the CRA's Tax Increment Reimbursement Programs may not utilize the CDLP. The CDLP may be combined with other CRA funding programs, for the same project, assuming that the project satisfies requirements of all programs.



## 15. EXCEPTIONS

The CRA Board of Directors, by a majority vote of those present, may waive or make exceptions to the foregoing requirements with a finding that the intent of the CDLP will be furthered by such waiver or exception.

## 16. REPORTING ON LOAN PORTFOLIO

The CRA shall provide a written briefing to the Board, no less than semi-annually per fiscal year, which contains an update on the commercial development loan portfolio. Such briefing shall include a summary of new loans, outstanding principal balance, available loan funds, and delinquencies.

Passed by the Board of Directors of the Salt Lake City Community Reinvestment Agency, this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Darin Mano, Chair

Approved as to form: *Jennifer Huntsman*  
Salt Lake City Attorney's Office  
Jennifer Huntsman  
Date: 3/6/2025

The Executive Director:

\_\_\_\_\_ does not request reconsideration  
\_\_\_\_\_ requests reconsideration at the next regular Agency meeting.

\_\_\_\_\_  
Erin Mendenhall, Executive Director

Attest:

\_\_\_\_\_  
City Recorder

## ATTACHMENT B

### SALT LAKE CITY COMMUNITY REINVESTMENT AGENCY

#### RESOLUTION NO. \_\_\_\_\_

#### Commercial Development Loan Program Policy

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALT LAKE CITY COMMUNITY REINVESTMENT AGENCY REPEALING THE LOAN PROGRAM POLICY AND THE GRANARY DISTRICT ADAPTIVE REUSE PROGRAM POLICY AND REPLACING ~~IT~~ THEM WITH THIS COMMERCIAL DEVELOPMENT LOAN PROGRAM POLICY

**WHEREAS**, the Salt Lake City Community Reinvestment Agency (**CRA**) was created to transact the business and exercise the powers provided for in the Utah Community Reinvestment Agency Act, Utah Code Title 17C; and

**WHEREAS**, the Utah Community Reinvestment Agency Act grants the CRA powers to use funds to provide for project area development within project area boundaries; and

**WHEREAS**, pursuant to Resolution 37-2016, the CRA Board of Directors (**CRA Board**) adopted the Loan Program Policy; and

**WHEREAS**, pursuant to Resolution 8-2017, the CRA Board adopted the Granary Adaptive Reuse Program Policy; and

**WHEREAS**, the CRA Board now supports the goal to consolidate and streamline the CRA's policies that serve commercial businesses by repealing ~~both and replacing~~ the Loan Program Policy and the Granary Adaptive Reuse Program Policy and replacing them with this Commercial Development Loan Program Policy.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALT LAKE CITY COMMUNITY REINVESTMENT AGENCY**, that the Loan Program Policy adopted pursuant to Resolution 37-2016 and the Granary District Adaptive Reuse Program Policy adopted pursuant to Resolution 8-2017 are hereby repealed in their entirety and replaced with the following policy for a Commercial Development Loan Program:

#### 1. PURPOSE

The Commercial Development Loan Program (**CDLP**) provides critical financing to support and incentivize the development of commercial and mixed-use projects that advance the CRA's core mission, values, and project area objectives. ~~Guiding Framework for Mission and Values.~~

#### 2. INTENT

Funds distributed through the CDLP are intended to:

- a. Incentivize the creation of new commercial spaces and formation of unique business districts throughout CRA project areas.
- b. Encourage the provision of attainable rental or ownership opportunities for local and independent businesses and community-serving non-profits.
- c. Provide opportunities to establish new services, amenities, or underrepresented business

- types within a neighborhood, especially such as childcare facilities and after-school programs.
- d. Invest in mixed-use projects with residential components that advance adopted priorities of the CRA Housing Development Funding Strategy.
- e. Support the preservation or, rehabilitation, ~~or adaptive reuse~~ of existing building stock.
- f. Incorporate green-building elements to lower operating expenses, conserve resources, and promote resiliency.
- g. Maximize CRA impact by leveraging other, private funding sources as part of a project's capital stack.
- h. Promote neighborhoods with ~~a~~-balanced economies iesy that produces quality jobs through employment opportunities and workforce development programs.
- i. Enhance the capacity for non-traditional applicants to apply for and utilize CRA funds.

### **3. FUNDING PRIORITIES**

Funding priorities are required and incentivized through this policy as threshold requirements (including Qualifying Livability Benchmarks) and incentivizes (including Incentivized Livability Benchmarks and incentives for building preservation and rehabilitation). To provide flexibility to address current priorities and needs, certain priorities may be given preference over others with increased potential for interest rate reductions and/or higher scoring in a competitive application process. Current priorities will be reflected in the CDLP administrative guidelines.

### **3.4. PROGRAM ADMINISTRATION**

Administration of the CDLP shall be guided by this policy and corresponding administrative guidelines. Funding may shall be offered on an ongoing basis or periodically throughout the year, and may be competitive or open-ended, subject to the availability of funds and the level of demand.

### **4.5. THRESHOLD REQUIREMENTS**

To be eligible for funding through the CDLP, projects must, at minimum, meet the following threshold requirements, in addition to further requirements that may be set forth in the CDLP administrative guidelines.

#### **a. Eligible Project Types**

The CDLP provides funding to facilitate various commercial and mixed-use development projects, including new construction, building preservation/rehabilitation, significant site work, and or other improvements that will remain with and benefit the property long-term. Mixed-use projects must include activated commercial ground floor space on the ground floor. Activated ground floor commercial space means that a minimum of 50% of the length of all ground floor, street-facing building facades must, on the ground floor level, contain an active (commercial, retail, office, etc.), non-residential use (retail goods/service establishments, restaurants, bars, art and craft studios, entertainment, office, etc.) that is open to the public, and not exclusive to the tenants of the building, and encourages pedestrian activity and walk-in traffic. Activated commercial spaces shall have a minimum depth of twenty-five (25) feet. An exception may be provided for projects that involve the preservation or rehabilitation of an existing building and are unable to meet the minimum dimensions of activated commercial space required.

**b. Eligible Costs**

Funding is made available for construction costs, or hard costs. Use of funds for property acquisition, infrastructure improvements, environmental remediation, demolition, ~~or~~ project-related soft costs, or tenant-specific improvements will be considered on a case-by-case basis, if part of a larger redevelopment project. Refinancing of existing debt is ineligible.

**c. Eligible Applicants**

Applicants must be the title owner or long-term ground lessee of the property. Current or prospective commercial tenants who lease all or a portion of the property may also apply. Applicants must provide sufficient evidence of their capabilities to successfully complete the project, and their credit history must demonstrate prompt payment of past obligations. Applicants and affiliated entities must be in good standing on all existing contracts administered by the CRA, Salt Lake City Corporation, Salt Lake County, and the State of Utah.

**i. Property Owners/Ground Lessees**

Evidence of site control must be demonstrated through proof of ownership, option to purchase agreement, purchase and sale agreement, long-term ground lease agreement, or equivalent. Property taxes and special assessments must be current, with no outstanding judgments or liens against the applicant(s).

**ii. Tenants**

Evidence of a lease agreement that will remain in place for, at minimum, the duration of the loan term shall be provided. Proposed project activities must be approved by the property owner.

**d. Project Area Objectives**

The project must be located within an eligible CRA Project Area and must support at least one Project Area Objective as provided in the most recent Project Area Work Plan.

**e. Timeliness**

To support projects that have a reasonable timeframe for completion and ensure ongoing funds availability, projects must be prepared to break ground within twelve (12) months of receiving conditional funding approval.

**e.f. Qualifying Livability Benchmarks**

The CRA's Livability Benchmarks (~~Benchmarks~~) are derived from the CRA's core mission and three (3) overarching values: Economic Opportunity, Equity and Inclusion, and Neighborhood Vibrancy. Projects that receive funding shall ~~satisfy~~ implement the Benchmarks by meeting a minimum of two (2) of the Qualifying Livability Benchmarks and associated criteria listed below. threshold requirements listed below (Qualifying Benchmarks). Mixed-use developments that contain a residential use may supplant one of the Qualifying Livability Benchmarks with one of the adopted priorities of the CRA Housing Development Funding Strategy for the current fiscal year. <sup>1</sup> ~~Qualifying Benchmarks are required for all projects receiving CDLP loans, and do not provide interest rate reductions as~~

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<sup>1</sup> This provision shall only apply to adopted priorities of the CRA Housing Development Funding Strategy that are not also threshold requirements of the CDLP.

discussed in section 5.e.ii, Incentivized Livability Benchmarks. Projects that satisfy more than two (2) Qualifying Livability Benchmarks, inclusive of priorities of the Housing Development Funding Strategy, are eligible for a reduction to the standard interest rate as described in 6.c.ii., Incentivized Livability Benchmarks. Compliance with Qualifying Livability Benchmark criteria may be required beyond the loan term.

<u>Qualifying Livability Benchmarks</u>	<u>Criteria</u>
<u>Leveraging</u>	<u>The project's funding request from the CRA equals 10% or less of the total development cost.</u>
<u>Permanent Job Creation</u>	<u>The project attracts employers as tenants that create at least one full-time job per every 500 square feet of non-residential space that is paid above a living wage (at least 110% of the average Salt Lake County wage per the Governor's Office of Economic Opportunity), OR, incorporates a robust workforce development program offering internships, apprenticeships, or other job training opportunities.</u>
<u>Commercial Vitality</u>	<u>The project reserves at least 50% of its net leasable commercial space for one of the following tenant types:</u> <ul style="list-style-type: none"> <li><u>• Local and independent businesses;<sup>2</sup></u></li> <li><u>• Minority and/or veteran-owned businesses;<sup>3</sup></u></li> <li><u>• Community-serving non-profits;<sup>4</sup></u></li> <li><u>• Childcare facilities or after-school programs; or</u></li> <li><u>• Entities that provide products or services that are underrepresented in the neighborhood.</u></li> </ul>
<u>Ownership</u>	<u>The project includes commercial space that will be made available for purchase by a tenant who will occupy the space.</u>

- ~~i. — To support projects that have a reasonable timeframe for completion and ensure ongoing funds availability, projects must be prepared to break ground within 12-15 months of receiving conditional funding approval.~~
- ~~ii. — Projects must also meet a minimum of two (2) of the following Qualifying Benchmarks: *Leveraging, Permanent Job Creation, Commercial Vitality, or Ownership.*~~
- ~~iii. — Mixed-use developments that contain a residential use may supplant one of the Qualifying Benchmarks listed in 4.e.ii with one of the adopted priorities of the CRA-Housing Development Funding Strategy for the current fiscal year.~~

<sup>2</sup> Local and independent businesses are defined as those that originated in the State of Utah, are not owned by another company, are not associated with a franchise corporation, and operate autonomously.

<sup>3</sup> Minority and/or veteran-owned businesses are defined as businesses that are >50% owned, controlled, and managed by one or more individuals who identify as a minority race, ethnicity, and/or gender, veteran, and/or other socially and/or economically disadvantaged group.

<sup>4</sup> Community-serving non-profits are defined as those that primarily focus on providing services, programs, or advocacy efforts that are aimed at addressing the needs and improving the well-being of the local community and its residents.

**f.g. Design Requirements**

Projects shall comply with all applicable Salt Lake City and CRA policies, ordinances, and codes.

**g.h. Sustainable Development**

Projects shall comply with the CRA's Sustainable Development Policy.

**h.i. Tenant Displacement**

Displacement of current residential and commercial tenants is strongly discouraged but may be unavoidable. For residential displacement, the applicant shall submit a relocation plan that complies with applicable federal, state, and local policies for temporary or permanent displacement. For commercial displacement, the applicant shall disclose the number of commercial units lost, their respective sizes (in square feet), the names of impacted businesses, efforts made to accommodate them elsewhere, and other relevant information as requested in the application for funding.

**5.6. LOAN AMOUNT, TERM, & INTEREST RATE**

**a. Loan Amount**

~~The CDLP is intended to provide gap financing to supplement existing, secured funding.~~ The applicant must provide sufficient evidence that the amount of funds requested from the CRA is necessary for the project to succeed. The applicant must demonstrate that borrowing capacity is inadequate, future revenues are inadequate or cannot accommodate the timeliness necessary to complete the project, or costs would place an undue financial burden on the applicant. A loan commitment should be secured (evidenced by a letter of interest and term sheet) from a private lending source at the best possible rate and terms and in the maximum size available, based on the economics of the project.

~~The CRA may consider acting as primary lender if the applicant demonstrates that traditional financing is either unavailable or severely cost-prohibitive to the project.~~

**i. Maximum Loan Amount**

All projects shall have a maximum loan amount of \$2,000,000.

**ii. Gap Financing**

Loan maximums are limited to the demonstrated gap in available financing to cover project costs and shall be sized to support a debt service coverage ratio (**DSCR**) of 1.1 or a loan to value (**LTV**) of 95%, inclusive of all debt on the project, whichever results in the lower loan amount.

**iii. Primary Financing**

When the RDA's contribution is greater than 60% of the project's total development costs, loans shall be sized to support a debt service coverage ratio (**DSCR**) of 1.2 or a loan to value (**LTV**) of 90%, inclusive of all debt on the project, whichever results in the lower loan amount.

**b. Term & Amortization**

The Loan terms and amortization schedule shall be determined as follows:

**i. Term**

The loan term shall be up to five (5) years. An option to extend the overall loan term to 10 years may be available through a preauthorized extension that provides an interest rate increase of 2% beginning in year six (6).

**ii. Amortization**

The standard amortization period is up to 20 years with balloon payment due at loan maturity.

**c. Interest Rate**

The Interest rates shall be determined as follows:

**i. Standard Interest Rate**

The Interest rates are fixed at 300 basis points (3%) plus the U.S. Treasury Yield Curve Rate, to be locked in within a month of loan closing. For example, if the U.S. Treasury Yield Curve Rate is 4.5% when the rate is locked in, the CDLP standard interest rate is 7.5%. Interest shall accrue beginning with the first draw of funds. In the event of a default, the interest rate will increase to 14% on the unpaid sum.

**ii. Incentivized Livability Benchmarks**

A reduction to the standard interest rate is available for projects that meet additional Livability Benchmarks beyond the threshold requirements listed in section 54.f.e, Qualifying Livability Benchmarks, as provided in the administrative guidelines, with the ability to reduce the interest rate to a minimum of 3%.

**6.7. BUILDING PRESERVATION, OR REHABILITATION, OR ADAPTIVE REUSE**

Projects that involve the preservation, or rehabilitation, or repurposing of a chronically vacant, underutilized, or and/or economically challenged building for building a land use that contributes positively to the surrounding neighborhood may be eligible for forgiveness of twenty percent (20%) or up to \$200,000 of the loan principal amount, whichever is greater, at the end of the loan term. If the conditions below are met throughout the loan term, interest will not accrue and loan payments will not include the principal amount to be forgiven. provided. Qualifying projects are required to operate as the intended use over a five (5) year term, with the term commencing at loan closing. If this condition is met, the amount approved to be forgiven shall be forgiven in one lump sum at the end of the five (5) year term.

**a. Building Age**

The existing building to be preserved or rehabilitated shall be a minimum of fifty (50) years old.

**b. Building Condition**

Eligible buildings are those that are chronically vacant, underutilized, and/or economically challenged, preventing or limiting their productive use. This may occur for an array of reasons, including but not limited to, market conditions, economic hardship, the size of the



building, a substantial degree of deterioration, environmental contamination, inability to meet modern building code requirements, etc.

**c. Minimum Footprint of Eligible Building**

The footprint of the eligible building to be preserved or rehabilitated covers a minimum of twenty-five percent (25%) of the total development area, which may be comprised of one or multiple abutting parcels. A lower percentage may be considered if the building has frontage on a public street or would be highly visible from publicly accessible spaces within the interior of the site.

**d. Modifications to Existing Building**

A maximum of twenty-five percent (25%) of each street facing building wall may be removed to accommodate modifications or additions. No more than fifty percent (50%) of the building's exterior walls may be removed. Portions of a building wall with character defining architectural features shall not be removed.

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**e. Restrictive Covenant Required**

Projects that are eligible for the financial incentive offered herein shall be subject to a legally binding restrictive covenant that is recorded on the property with the Salt Lake County Recorder upon loan closing and guarantees that the physical elements of the building being preserved or rehabilitated shall remain in substantially the same form and exterior features important to the character of the building shall be preserved for thirty (30) years. At the discretion of the CRA, if the Planning Division, through zoning incentives offered in Title 21A.52.060, requires the recording of a restrictive covenant with similar requirements that are no less restrictive than the covenants required under this policy, that document may take the place of the one being required herein.

**7.8. COLLATERAL AND GUARANTEES**

Adequate security shall be required, generally in the form of a deed of trust, personal guarantees, UCC filings for business assets, vehicle titles, personal property and assets, and/or other acceptable forms of collateral as established by the CDLP administrative-~~CDLP~~ guidelines.

**8.9. EVALUATION & APPROVAL PROCESS**

**a. Application Process**

The process for distributing and collecting loan applications and supporting documentation shall be established by the CDLP administrative guidelines.

**b. Underwriting by CRA Staff**

CRA staff shall carry out an underwriting process according to the CDLP administrative guidelines and shall ensure the proposed loan is consistent with any applicable laws or regulations. If either the applicant or proposed project fails to demonstrate the ability to meet underwriting requirements, or such loan conflicts with any laws or regulations, CRA staff shall reserve the right to deny the loan application.

**c. CRA Finance Committee Review**



Once underwriting standards have been met, applications shall be forwarded to the CRA Finance Committee. The CRA Finance Committee shall evaluate applications, supplemental materials, and underwriting reports to determine if the application shall be selected/recommended for conditional loan approval.

**d. Conditional Approval Process**

The CRA Finance Committee ~~shall be authorized to~~ provides conditional loan approval for standard loans totaling \$500,000 or less. Loans that exceed \$500,000 or that involve an adjustment from standard loan terms ~~provided herein~~ must be ~~reviewed provided conditional loan approval~~ by the CRA Board ~~for conditional loan approval~~. ~~The CRA Finance Committee shall consider and, upon submitting a recommendation to the Board, the Board shall consider and have the authority to provide conditional loan approval.~~

**e. Loan Finalization**

Once an applicant receives conditional loan approval, CRA staff shall finalize the loan according to the CDLP administrative guidelines.

**f. Fees**

Applicable application and legal fees, as well as closing costs, as outlined in the CDLP administrative guidelines, shall be borne by the Borrower.

**9.10. LOAN DISBURSEMENT & REPAYMENT**

**a. Disbursement of Funds**

Funding shall be disbursed as construction draws evidenced by supporting documentation demonstrating that the work has been completed and that the project is in good financial and legal standing. Applicant equity must be utilized prior to CRA funds being drawn. On a case-by-case basis, funds may be disbursed at loan closing.

**b. Repayment**

The first payment shall be due at the beginning of the fourth (4<sup>th</sup>) month after the project receives a Certificate of Occupancy. Loans may be prepaid in whole or in part at any time without penalty.

**10.11. MONITORING & COMPLIANCE**

Reporting requirements, as ~~determined by CRA staff, outlined in the administrative guidelines,~~ ~~will~~may be put in place to ensure that projects are in compliance with obligations associated with CDLP threshold requirements and incentives, ~~including Qualifying and Incentivized Livability Benchmarks~~. Some commitments may be memorialized in loan agreements, restrictive use agreements, or other form of agreement that is executed at closing. ~~Obligations may extend beyond the approved loan term.~~

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The CRA Finance Committee shall provide a recommendation that is forwarded to the Board, who shall consider and act upon all such requests.

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The Finance Committee or CRA Board may elect to require a Borrower, as a condition of loan approval, to attend one or more technical assistance business classes or programs, or to access any business resource center or similar program.

**13.14. COMPATIBILITY WITH OTHER CRA FUNDING PROGRAMS RESTRICTION**

Applicants who have obtained approval for a tax increment reimbursement for the same project under the CRA's Tax Increment Reimbursement Programs may not utilize the CDLP. The CDLP may be combined with other CRA funding programs, for the same project, assuming that the project satisfies requirements of all programs.

**14.15. EXCEPTIONS**

The CRA Board of Directors, by a majority vote of those present, may waive or make exceptions to the foregoing requirements with a finding that the intent of the CDLP will be furthered by such waiver or exception.

**15.16. REPORTING ON LOAN PORTFOLIO**

The CRA shall provide a written briefing to the Board, no less than semi-annually per fiscal year, which contains an update on the commercial development loan portfolio. Such briefing shall include a summary of new loans, outstanding principal balance, available loan funds, and delinquencies.

Passed by the Board of Directors of the Salt Lake City Community Reinvestment Agency, this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Darin Mano, Chair

- Approved as to form: \_\_\_\_\_

Salt Lake City Attorney's Office

Jennifer Huntsman

Date: \_\_\_\_\_

-

The Executive Director:

-

\_\_\_\_\_ does not request reconsideration

\_\_\_\_\_ requests reconsideration at the next regular Agency meeting.

-

Erin Mendenhall, Executive Director

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Attest:

-

City Recorder

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# Guiding Framework



This Guiding Framework is a strategic operational document outlining the methodology for evaluating and prioritizing projects requesting RDA financial assistance. The RDA's **Mission** and **Values** form the foundation of the Guiding Framework, declaring the RDA's purpose and the intended economic, social, and physical outcomes expected of RDA projects and partnerships.

## MISSION:

The Redevelopment Agency of Salt Lake City strengthens neighborhoods and business districts to improve livability, create economic opportunity and foster authentic, equitable communities, serving as a catalyst for strategic development projects that enhance the City's housing opportunities, commercial vitality, public spaces, and environmental sustainability.

## VALUES:

### Economic Opportunity-

We invest in the long-term prosperity and growth of our local economy.

### Equity & Inclusion-

We prioritize people-focused projects and programs that encourage everyone to participate in and benefit from development decisions that shape their communities.

### Neighborhood Vibrancy-

We cultivate distinct and livable places that are contextually sensitive, durable, connected, and sustainable.

**PROJECT EVALUATION PROCESS:** The RDA prioritizes projects that demonstrate a commitment to the Mission and Values, evaluating projects via three steps, which answer the following questions: 1.) Does the project meet the minimum **THRESHOLDS** required for RDA participation? 2.) To what degree does the project benefit the public by achieving defined **LIVABILITY BENCHMARKS**, thereby warranting RDA assistance? 3.) Does the project meet the **CRITERIA** outlined in existing RDA programs and policies, such as the RDA Loan Program or Tax Increment Reimbursement Program?

Step 1: <b>THRESHOLDS</b>	<ul style="list-style-type: none"> <li>Alignment with adopted <b>City policies &amp; plans</b></li> <li>Alignment with <b>RDA Project Area Work Plans*</b></li> <li><b>Financial viability</b> with a demonstrated and reasonable <b>need for public assistance</b></li> </ul>		
Step 2: <b>LIVABILITY BENCHMARKS</b>	<b>Economic Opportunity</b> <ul style="list-style-type: none"> <li>Leveraging</li> <li>Timeliness</li> <li>Return of Investment</li> <li>Permanent Job Creation &amp; Retention</li> <li>Affordable Commercial Spaces</li> <li>Ownership</li> </ul>	<b>Equity &amp; Inclusion</b> <ul style="list-style-type: none"> <li>Transit Opportunities</li> <li>Mixed-Income Neighborhoods</li> <li>Neighborhood Safety</li> <li>Community Engagement &amp; Support</li> <li>Housing for Everyone</li> <li>Displacement Mitigation</li> <li>Affordable Housing Preservation</li> </ul>	<b>Neighborhood Vibrancy</b> <ul style="list-style-type: none"> <li>Public Space</li> <li>Public Art</li> <li>Architecture &amp; Urban Design</li> <li>Sustainability</li> <li>Walkability</li> <li>Building Preservation, rehabilitation, or adaptive reuse</li> <li>Missing Middle &amp; Unique Building Types</li> </ul>
Step 3: <b>PROGRAM CRITERIA</b>	Evaluation of project according to respective RDA policies, programs and procedures		

\*Spanning a 1-3 year time frame, *Project Area Work Plans* identify redevelopment objectives and strategic redevelopment projects for each project area, along with a corresponding schedule & budget for each project. *The Project Area Work Plans* will be based on relevant *City policies* and plans and the *Project Area Plans* that were adopted when the project area was created and will provide direction for the annual RDA budget process.

# LIVABILITY BENCHMARKS



	Public Benefit	Description & Intent
ECONOMIC OPPORTUNITY	Leveraging	To promote the leveraging of non-RDA/City sources of funding to maximize private investment.
	Timeliness	To support projects that have a reasonable timeframe for completion.
	Return of Investment	To promote the return of RDA resources, thereby enabling resources to extend further in the community.
	Permanent Job Creation	To promote neighborhoods with a balanced economy that produces quality jobs.
	Affordable Commercial Spaces	To reduce the displacement risk of existing community businesses and/or reduce barriers to entry for new, underrepresented business and service types, particularly locally-owned and independent businesses and non-profits that promote neighborhood identity, economic vitality, and local economic multipliers.
	Ownership	To encourage the creation of opportunities for residents/business owners to build wealth and/or establish permanent roots through affordable home/commercial ownership.
EQUITY & INCLUSION	Transportation Opportunities	To promote a multimodal transportation network and ensure convenient and equitable access to a variety of transportation options.
	Mixed-Income Neighborhoods	To promote mixed-income developments, economically integrated communities, and housing opportunities for low-income residents.
	Neighborhood Safety	To reduce the number of vacant and distressed buildings and lots to reduce crime and return land to a productive use.
	Community Engagement & Support	To provide a stronger platform for community members to inform and influence development projects during initial planning stages and to preserve cultural heritage.
	Housing for Everyone	To promote housing for families and underserved populations
	Displacement Mitigation	To mitigate the displacement of current residents and residents with generational ties to the neighborhood, or provide opportunities for those who have already been displaced to return.
	Affordable Housing Preservation	To preserve existing affordable housing.
NEIGHBORHOOD VIBRANCY	Public Space	To promote community amenities that provide opportunity for social interaction; support cultural events; promote neighborhood identity; and reinforce neighborhood character.
	Public Art	To promote cultural expression and add to the experience and value of the built environment through art that is publically visible or accessible for all to experience.
	Architecture & Urban Design	To promote high quality architecture that enhances the public realm, strengthens the neighborhood's unique character, and uses enduring materials.
	Sustainability	To promote a built environment that assists with protecting resources and promoting greater resiliency.
	Walkability	To promote walkable neighborhoods and connectivity, and support a safe, engaging pedestrian experience.
	Building Preservation, Rehabilitation, or Adaptive Reuse	To acknowledge a neighborhood's history and maintain its unique character through preservation, rehabilitation, or repurposing of historic or underutilized structures.
	Missing Middle & Unique Building Types	To promote an array of scale of project types to provide neighborhood-scale commercial, diversify the City's housing stock/forms, and provide more affordable living options for residents.

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