



REDEVELOPMENT AGENCY *of* SALT LAKE CITY

DATE: March 29, 2024
PREPARED BY: Lauren Parisi & Tracy Tran, RDA Senior Project Managers
RE: FY 2024-25 Annual Housing Funding Priorities

REQUESTED ACTION: Consider adoption of a resolution to establish the FY 2024-25 Housing Funding Priorities
POLICY ITEM: Affordable Housing
BUDGET IMPACTS: N/A

EXECUTIVE SUMMARY: The Redevelopment Agency of Salt Lake City’s (“RDA”) Housing Development Loan Program (“HDLP”) policy requires that the RDA Board of Directors (“Board”) approves housing funding priorities (“Funding Priorities”) on an annual basis. These Funding Priorities guide the upcoming fiscal year’s housing activities including the requirements of the HDLP’s competitive affordable housing notice of funding availability (NOFA).

At their March 2024 meeting, the Board reviewed and discussed potential Funding Priorities for the upcoming fiscal year 2024-2025 (“FY 25”). More detail regarding the information presented at this meeting can be found within the [March RDA Board Memo](#). The Board seemed to come to a consensus regarding the approval of four priorities including:

- Wealth Building Opportunity
- Affordable Family Housing with Amenities for Children
- Deeply Affordable Housing
- Neighborhood Commercial and Services

In March 2024, the Board expended nearly all of the remaining high opportunity area funds, which are focused on incentivizing affordable housing in high opportunity areas (east side of Salt Lake City). Since these funds are no longer available, RDA Staff wanted to check if the Board would be interested in adding an Expand Opportunity priority to the list above that could further incentivize affordable housing in high opportunity areas. A map of the high opportunity areas has been included under [Attachment A](#).

This memo outlines the intent of each of the four Funding Priorities and a potential fifth priority if the Board would like to include. Two resolution options are included under [Attachment B](#) for the Board’s consideration to approve the FY 25 Funding Priorities.

ANALYSIS:

FY 25 Annual Housing Funding Priorities. The intent of each priority that will be used to guide housing decisions throughout the upcoming fiscal year are described below.

1. Wealth Building Opportunity – Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.
2. Affordable Family Housing – Provide opportunities for families to enjoy the many benefits of urban living by encouraging the development of housing that is more conducive to larger household sizes that have at least three or more bedrooms and includes family-oriented amenities.
3. Deeply Affordable Housing – Expand the availability of units for extremely low-income households, thereby providing housing options for individuals or families that are homeless or at risk of homelessness. Deeply affordable housing is generally defined as housing affordable to those earning 40% of the area median income (AMI) or below.
4. Neighborhood Commercial and Services – Promote an array of commercial spaces that support the neighborhoods, such as daycares, restaurants, and retail spaces. This priority ensures that as housing continues to be built throughout the City, residents and neighbors continue to have access to neighborhood services and amenities.
5. Potential Priority: Expand Opportunity – Provide affordable housing within areas that have access to resources that may improve a person’s chances of upward economic mobility as identified on RDA’s High Opportunity Area Map. In previous years, the RDA Board dedicated funding towards areas of high opportunity. With the majority of that funding expended, including this priority maintains that the Board wants to see affordable housing expanded to Salt Lake City’s eastside neighborhoods.

Housing Development Loan Program – Competitive NOFA. To utilize the competitive HDLP notice of funding availability (NOFA) to promote the Funding Priorities, RDA staff recommends making affordable family housing with amenities for children and/or deeply affordable housing into thresholds requirements in order for a project to be eligible for funding. To meet the family housing threshold, at least 10% of a project’s units must have three or more bedrooms and be affordable to households earning 60% of the area median income as established by the U.S. Department of Housing and Urban Development (“HUD”). To meet the deeply affordable housing threshold, at least 10% of a project’s units must be affordable to those earning 40% AMI or below as established by HUD. Similar to previous years, the priorities the Board approves for the upcoming fiscal year will be weighted more in scoring than other benchmarks. Projects will also be eligible for interest rate reductions for meeting other RDA benchmarks as outlined in the HDLP guidelines.

FY 25 Housing Fund Projections. RDA staff will share the housing fund projections for the upcoming fiscal year when it becomes available.

NEXT STEPS:

- Pursuant to the Housing Development Loan Program Policy, the Board may wish to consider the adoption of the attached resolution to approve the Funding Priorities for FY 25.
- RDA staff will present proposed funding allocations to housing activities as a part of the FY 25 budget discussion.

ATTACHMENTS:

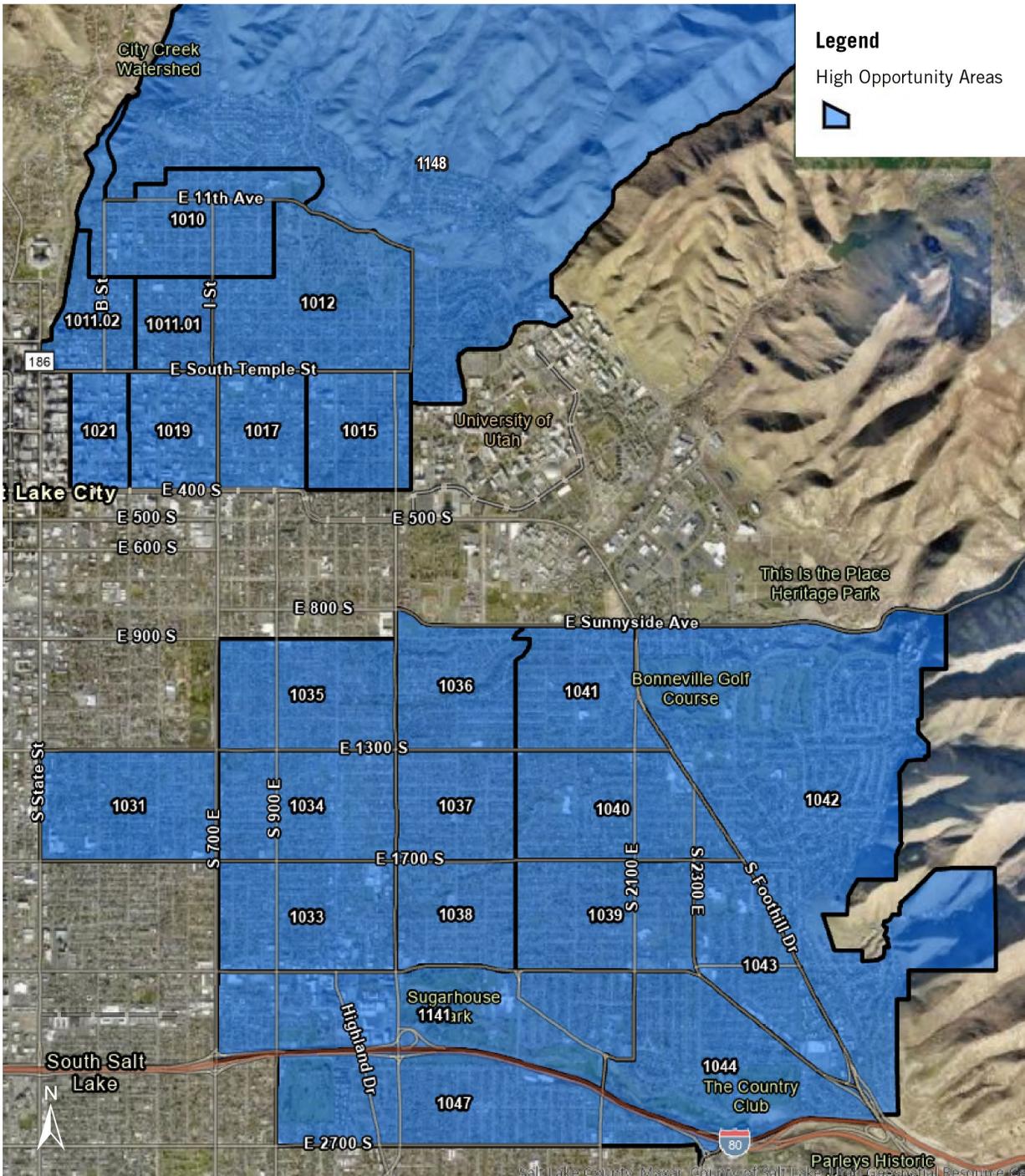
Attachment A - High Opportunity Area Map and Table

Attachment B – Resolution Options: FY 25 Affordable Housing Funding Priorities Resolution

ATTACHMENT A – HIGH OPPORTUNITY AREA MAP

High opportunity areas are geographical locations within the city that provide conditions that expand a person's likelihood for social mobility. These areas have been identified through an analysis of a variety of economic, housing, health, and community metrics. With these multiple indicators, a single composite, or standardized score is calculated for each census tract. Scores may range from 0 to 10, with 1 indicating low opportunity and 10 indicating high opportunity.

A Census Tract with an Opportunity Index score of 7 or higher shall be designated as an Area of High Opportunity.
HIGH OPPORTUNITY AREA MAP



HIGH OPPORTUNITY AREA TABLE

Tract	Opportunity Index Score	Tract	Opportunity Index Score
1001	3	1028.01	2
1002	5	1028.02	4
1003.06	3	1029	2
1003.07	2	1030	6
1003.08	1	1031	8
1005	1	1032	6
1006	0	1033	7
1007	5	1034	8
1008	5	1035	7
1010	8	1036	10
1011.01	6	1037	8
1011.02	9	1038	7
1012	8	1039	7
1014.01	3	1040	9
1014.02	4	1041	8
1015	8	1042	9
1016	6	1043	6
1017	8	1044	7
1018	4	1047	8
1019	7	1048	5
1020	6	1049	5
1021	7	1118.02	6
1023	5	1140	6
1025.01	4	1141	7
1025.02	6	1145	1
1026	3	1147	3
1027.01	3	1148	8
1027.02	1		

SCORING NOTES

The High Opportunity Index uses an eleven-point rating scale to evaluate metrics associated with high economic opportunity by census tract. Scores 0-2 indicate very low opportunity, 3-4 indicates low opportunity, 5-6 indicate moderate opportunity, 7-8 indicate high opportunity, and 9-10 indicate very high opportunity.

For the methodology, scoring for the Opportunity Index was done by evaluating each tract on the variables in Attachment A as compared to other census tracts in the city. A normalization formula is used to establish the thresholds for scoring in 11 equal scoring ranges (0-10). Each tract's normalized scores for all variables were then multiplied by their determined weight and aggregated. The aggregate scores are then put through the same normalization formula to determine the overall Opportunity Index score.

**ATTACHMENT B – RESOLUTIONS: FY 25 AFFORDABLE HOUSING FUNDING
PRIORITIES RESOLUTION**

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____

FY 2024-25 Affordable Housing Funding Priorities

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING HOUSING FUNDING PRIORITIES FOR FISCAL YEAR 2024-25

WHEREAS, the Board of Directors of the Redevelopment Agency of Salt Lake City (Board) adopted the Housing Funds Allocation Policy and the Housing Development Loan Program Policy, which provide that the Redevelopment Agency of Salt Lake City (RDA) will present to the Board an overall funding strategy and specific funding priorities (Funding Priorities) for how housing monies should be allocated to the housing funds and housing loan program for the upcoming fiscal year.

WHEREAS, the Housing Development Loan Program Policy provides that the specific Funding Priorities shall be subject to approval by the Board.

WHEREAS, the Board desires to adopt the Funding Priorities identified in this resolution to direct resources for the development of affordable housing for fiscal year 2024-25.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Redevelopment Agency of Salt Lake City hereby adopt following Funding Priorities for fiscal year 2024-25:

<u>Funding Priority</u>	<u>Objective</u>
Deeply Affordable Housing <i>Threshold requirement for Housing Development Loan Program applications</i>	Expand the availability of units for extremely low-income households, thereby providing housing options for individuals or families that are homeless or at risk of homelessness.
Affordable Family Housing with Amenities for Children <i>Threshold requirement for Housing Development Loan Program applications</i>	Provide opportunities for families to enjoy the many benefits of urban living by encouraging the development of housing that is more conducive to larger household sizes that have at least three or more bedrooms and includes family-oriented amenities.
Wealth Building Opportunity	Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.

Neighborhood Commercial and Services	Promote an array of commercial spaces that support the neighborhoods, such as daycares, restaurants, and retail spaces.
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Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this _____ day of _____, 2024.

Alejandro Puy, Chair

Approved as to form:  _____
Salt Lake City Attorney's Office
Allison Parks

The Executive Director:

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

Erin Mendenhall, Executive Director

Attest:

City Recorder

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____

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Wealth Building Opportunity	Facilitate the ability for low-moderate income households to build wealth through different pathways such as homeownership, supplemental income opportunities, stipends for renters, cooperative housing, and other wealth building models.

Neighborhood Commercial and Services	Promote an array of commercial spaces that support the neighborhoods, such as daycares, restaurants, and retail spaces.
Expand Opportunity	Provide affordable housing within areas that have access to resources that may improve a person's chances of upward economic mobility as identified on RDA's High Opportunity Area map.

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Alejandro Puy, Chair

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Allison Parks

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