

TOSV Pilot Project – Affordable Housing, Supportive Services, and Programming Term Sheet

(to be attached to Resolution)

A. CONDITIONS TO ENTERING INTO GROUND LEASE

1. Enter into Development Agreement on the terms in the attached term sheet.
2. City to approve financial sources and uses.
3. Firm financial commitments for source of funding and donations consistent with the schedule of development.
4. Operating budget guaranty from TOSA in form acceptable to City.

B. GROUND LEASE CONDITIONS

1. Completion of development in compliance with the Development Agreement and continued operation of Village as described in this term sheet.
2. Completion of environmental remediation of pilot phase acreage at TOSV's cost (full payment or reimbursement to City) and receipt of Certificate of Completion or equivalent as a condition to receiving certificate of occupancy.
3. Continual operation of the residential units and supportive services during the lease term.
4. Inclusion of all standard City contracting terms, as well as other terms reasonably recommended by the City Attorney to meet Council intent.
5. Firm commitment letters of contracts from service providers (medical, dental, mental health/behavioral health, and case management) prior to occupancy by residents.
6. Within 12 months of entering into the ground lease, TOSV will begin landscaping the property and contribute to the beautification of the neighborhood.

C. BUILDING REQUIREMENTS

1. Residential Units. TOSV shall develop and maintain the Site to include a minimum of 60 tiny home units as permanent housing. Of the total units:
 - a. Up to 10% (not more than 6 units) may be unrestricted in rent and occupancy for utilization as staff living quarters.
 - b. A minimum of 90% (at least 54 units) shall be available and affordable to individuals or families meeting the occupancy requirements described in this term sheet (the "Affordable Units"). The Ground Lease will restrict the affordability of these units.
 - c. At least 3 affordable units shall be ADA compliant/wheelchair accessible, and more affordable units will be made ADA compliant to meet resident needs.
 - d. Units shall be studio or one-bedroom units with private baths and kitchens, fully furnished including housewares, maintained in good repair and compliant with applicable law.

2. Up to 25 additional tiny homes may be used as a Community Inn offered as nightly rentals to generate income for TOSV operations.

3. A ~2,000 square foot Neighborhood Center to house clubhouse type uses for TOSV residents (size may be revised as appropriate for use).

4. A ~10,000 square foot Social Enterprise Building to house social enterprise endeavors that generate income for the TOSV operations (size may be revised as appropriate for use).

5. A ~12,000 square foot Community Center building to house multi-purpose space, and supportive services for TOSV residents including a medical clinic, a mental health clinic, a social services clinic, administrative offices, and a security office (size may be revised as appropriate for use).

6. A small grocery store that sells grocery food and food ingredients (such as milk, eggs, bread, and fruits and vegetables), and not solely convenience, prepared, or “junk” foods.

D. OCCUPANCY REQUIREMENTS

1. Tenant Eligibility. The primary purpose of the Village is to provide housing for qualified residents. TOSV must place into the Affordable Units individuals and families that meet the HUD-adopted definition of chronically homeless and homeless, prioritized as follows:

a. TOSA shall first make the units available to persons or families that meet HUD’s definition of chronically homeless as defined in section 401(2)(A) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)). In general, to meet this definition, a chronically homeless person or family’s head of household must be sleeping in a place not meant for human habitation or living in a homeless emergency shelter or safe haven, have a disabling condition, as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), and

i. be continuously homeless for a year or more, OR

ii. have had at least four episodes of homelessness in the past three years as long as the combined occasions equal at least 12 months.

b. If there are units available and no applications from chronically homeless individuals, TOSV may lease units to vulnerable homeless individuals, as “homeless” is then-currently defined by HUD, provided that applicants who have been homeless for the longest periods of time immediately preceding their application or who demonstrate the highest vulnerability utilizing the VI-SPDAT (Vulnerability Index–Service Prioritization Decision Assistance Tool) or similar assessment are given priority over applicants who have been homeless for lesser periods of time.

c. A prospective tenant must have an annual income that is 30% or below of the area median income for Salt Lake City Utah, HUD Metro FMR Area as adjusted for household size.

d. For purposes of clarity, a resident must meet the eligibility requirements before acceptance into the Welcome Center. Residency/participation in the Welcome Center or in other TOSA programs will not satisfy the homeless definitions. TOSA intends to prioritize street outreach efforts to find resident applicants along the Jordan River and in westside neighborhoods, also with homeless resource centers, service providers, and through government agencies.

2. Tenant Selection.

a. The Affordable Units shall be made available pursuant to federal and state fair housing laws and HUD guidance, including the following:

i. TOSV may establish admission preferences, including a preference for individuals with a commitment to sobriety, but may not deny housing to protected classes pursuant to federal and state fair housing laws.

ii. TOSV may regulate the occupancy of units based on unit size but may not unreasonably limit the ability of families with children to obtain housing.

b. TOSV must develop and make public written tenant selection policies and procedures that include descriptions of the eligibility requirements. The Tenant Selection Plan must include evidence of a contractual partnership with service provider(s) and whether there is a restriction or preference in the admission of tenants. The restriction or preference must cite the supporting documentation to ensure inclusion and nondiscrimination in the selection of tenants.

c. TOSV will ensure that all applicants for housing in the Village will go through the coordinated entry process used by the Salt Lake Valley Coalition to End Homelessness to ensure coordination and efficiency with the current homelessness services system.

d. TOSA also will enter any new resident into the Homeless Management Information System ("HMIS") coordinated entry system.

e. Preference will be given to Salt Lake City residents for placement into the development.

3. Maximum Rents. The annualized rent (which includes all required housing costs such as utilities and other charges uniformly assessed to all Affordable Units, other than charges for optional services) per unit shall be set forth in a written lease and shall not exceed, for the term of the lease, 30% of the annual income limit for individuals and households with a maximum AMI of 25% AMI for the applicable Unit Type (i.e. studio or bedroom number).

4. Tenant Lease Requirements.

a. Leases may be provided on a 12-month lease term, with the intent that tenants may live in their homes as long as they meet the basic obligations of tenancy without a time limitation.

b. TOSV shall comply with local, state, and federal laws, including the federal fair housing act, when approving applicants as tenants, evicting, terminating a lease, or providing a notice to quit.

c. TOSV must incorporate specific provisions into the lease agreement for each eligible tenant of the Affordable Units that establish the tenant's obligation to provide accurate information regarding household income and composition.

5. Occupancy by residents as soon as reasonably practicable following receipt of certificates of occupancy (or equivalent).

E. RECORD-KEEPING AND ANNUAL REPORTING REQUIREMENTS

1. Upon execution of a lease, TOSV must verify and document the tenant’s annual (gross) income.
2. TOSV must re-examine the income and household composition of tenants on an annual basis.
3. TOSV must submit annual compliance reports to the City. These reports shall document the occupancy and show whether TOSA is in compliance with tenant eligibility requirements.
4. TOSV must provide the City a written certification of compliance when the pilot project reaches initial compliance and then with each annual report.
5. TOSV must provide the City with a report showing the number of total applications, number of applications who were approved for a lease, the number of residents who leave the Welcome Center and the number that move into the Village, the number of residents who leave the Village and the reason (obtained other permanent housing, lease nonrenewal by TOSV, eviction).
6. TOSV must provide other reports that may be reasonably requested by the City to confirm compliance with the requirements of the Ground Lease.

F. SUPPORTIVE SERVICES

1. The pilot project will include supportive services to assist homeless persons in transitioning from homelessness, and to promote the provision of supportive housing to enable homeless persons to live as independently as possible.
2. Supportive services will include on-site case coordination or management that ensures tenants’ access to a wide variety of services and on-site location of services provided by professional service providers as evidenced through an agreement.
3. Services shall be made available on a flexible and voluntary basis and may address the following: mental health, substance and alcohol use, health, case management, independent living skills, employment, peer support, and community involvement and support. Physical and mental health providers shall have the appropriate licenses, which other services may be provided by those with appropriate training and following industry best practices.
4. Transportation to off-site supportive services must be provided when not available on-site.
5. Resident participation in the supportive services is on a voluntary basis.
6. Information will be made readily available to tenants regarding tenant rights and housing laws and will have the information displayed in a visible location.

G. PROGRAMMING

The pilot project will include programming that includes peer mentoring and the life skill development. This will include opportunities for residents to obtain employment experience by working in a social

enterprise to the best of their ability. While participation in these employment activities shall be encouraged, it is not a condition of living in the pilot project.

H. SOCIAL ENTERPRISES

1. TOSV intends to generate revenue to support the Village through operation of social enterprise businesses that will be located on-site. These businesses are anticipated to be a motel (Community Inn), thrift store, and a cookie manufacturing. The businesses may change over time.

2. In addition to generating revenue to cover operating costs, these businesses will provide critical job training opportunities for residents. The Community Inn will include 25 stand-alone tiny homes offered as nightly rentals for the general public, thereby providing lodging opportunities for Pilot Project visitors and volunteers.

3. Participation in employment opportunities and social enterprises by residents is strictly voluntary.

4. Employment of residents complies with all applicable laws, including all employment and non-discrimination laws.

I. OTHER LEASE TERMS

1. Term. The term of the lease will be forty (40) years with an option to renew the lease within the last year of the lease subject to approval by the Salt Lake City Council for the reduced lease rate.

2. Rate. The lease rate for the property will be \$1 per year for the term of the lease.

3. Right of First Offer. City will not allow a 3rd party to use or develop the remaining adjacent property during the construction of the pilot project and for 3 years of operation of the Village following completion of the pilot project. During that time, TOSA shall hold a right of first offer and may offer to lease the adjacent property on terms and conditions agreed to with the City.

4. Maintenance. TOSA shall maintain all improvements within the Village, including buildings, homes, street, gutter, storm drains, etc. in a good condition, consistent with applicable laws and regulations. Residential units shall be maintained in a manner that is decent, safe, and sanitary and meet at least the minimum Housing Standard Requirements. Maintenance shall include all necessary and desirable repairs, snow removal, trash removal, and landscaping maintenance.

6. City will not provide further financial contribution to operation of Village. Any future phases must be approved by City Council.

7. Adequate security measures for Village and surrounding community.

8. Ongoing operation of a small grocery store that sells grocery food and food ingredients (such as milk, eggs, bread, and fruits and vegetables), and not solely convenience, prepared, or “junk” foods. May be operated by a 3rd party operator.

J. DEFAULTS AND REMEDIES

1. Events of default under the Ground Lease may include, but are not limited to:

- a. TOSV fails to operate the Village as required
 - b. TOSV fails to comply with the terms of the Ground Lease
 - c. TOSV fails to provide regular operating reports
 - d. TOSV fails to report to City as required
2. Potential remedies if TOSV fails to cure an event of default:
- a. Charge TOSV fair market rent for the leased property
 - b. Terminate the ground lease with TOSV, with an option (not obligation) to purchase the improvements
 - c. Terminate the ground lease with TOSV, take possession of the improvements, and relet the property
 - d. File a breach of contract claim (which may result in damages or specific performance)
 - e. Injunctive relief
 - f. Any other remedies available at law or equity

K. REVIEW FOR PROJECT COMPLIANCE

Not more than annually and in connection with an annual report, City may request additional information from TOSV to evaluate if the Village is compliant with the Ground Lease and meeting the purposes of the approved public benefit analysis. The City will consider three primary topics in its review:

1. Financial feasibility, successfully generating sufficient positive cashflow to maintain and grow its operations. The City may consider relevant information, which may include, but is not limited to the following:

- a. Development viability – Funding and construction of the agreed-upon capital improvements.
- b. Operating viability – Development of revenue generating endeavors that provide for the financial self-sufficiency of TOSV, including adequate location space and funding to support on-site supportive services by 3rd party providers.

2. Social outcomes of the target populations, reducing the number of chronically homeless individuals and improving the well-being of residents. The City may consider relevant information, which may include, but is not limited to the following:

- a. Housing Accessibility – Number of chronically homeless and homeless individuals that successfully obtain housing within the Welcome Center and Village.
- b. Length of Stay – Average days that TOSV residents successfully maintain housing in the Welcome Center and/or Village.

c. Returns to Homelessness – The extent to which TOSV residents return to homelessness from being housed within the Welcome Center and/or Village.

d. Employment – Percent of TOSV residents that successfully obtain and retain employment, recognizing that residents may not be able to participate in employment.

e. Income Growth – Percent of income growth for TOSV residents, if any.

f. Service Provider Partnerships – The extent to which TOSV establishes partnerships with services providers to provide on-site and offsite supportive services.

g. Housing Referral Partnerships – The extent to which TOSV establishes partnerships with service providers for housing referrals.

3. Community impact at the neighborhood level, the Village’s impact on the surrounding community. The City may consider relevant information, which may include, but is not limited to the following:

a. Community Amenities – The successful development and operation of agreed-upon community amenities, including a small grocery store.

b. Public Safety – The number of Police calls and cases within the Village, and other metrics of public safety.

c. Code Enforcement – The number of enforcement cases.

d. Environmental – The extent to which TOSA completes the necessary environmental mitigation for the planned land uses.