

ERIN MENDENHALL
Mayor



DEPARTMENT of COMMUNITY
and NEIGHBORHOODS
Blake Thomas
Director

CITY COUNCIL TRANSMITTAL


Lisa Shaffer (Dec 30, 2022 15:09 MST)

Lisa Shaffer, Chief Administrative Officer

Date Received: 12/30/2022

Date sent to Council: 12/30/2022

TO: Salt Lake City Council
Dan Dugan, Chair

DATE: **December 30, 2022**

FROM: Blake Thomas, Director, Department of Community and Neighborhoods



SUBJECT: Briefing on aligning budget and procedural processes of certain programs administered by the Housing Stability Division with current City best practices.

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DOCUMENT TYPE: Information only

RECOMMENDATION: Briefing and policy discussion

BUDGET IMPACT: N/A

BACKGROUND/DISCUSSION: On an annual basis, the Division of Housing Stability deploys millions of dollars to address the critical needs of residents and neighborhoods. Funding is ultimately provided to a variety of City departments, agencies, and outside organizations to implement projects and programs. While Housing Stability serves as a pass-through to partner agencies for much of the funding it administers, it also retains some of the funding to provide certain programs directly to tenants, homeowners, businesses, and developers (the “Direct Delivery Programs”). The Administration has identified areas for improvement regarding the transparency and budgeting process for certain Direct Delivery Programs. This transmittal identifies shortcomings and proposes process improvements to bring the programs in line with current City best practices.

Direct Delivery Programs

Most of the Direct Delivery Programs' resources are dedicated to working directly with prospective and current homeowners to promote safe, healthy, and affordable homeownership. These efforts complement the focus of the Redevelopment Agency ("RDA") to work with developers on the development and preservation of housing units. There are twelve full-time positions within Housing Stability dedicated to administering these programs. Refer to *Attachment A: Housing Stability Programs and Activities Matrix* for more information on the efforts currently centralized under Housing Stability. A summary of the current Direct Delivery Programs for housing and neighborhood development is as follows:

- **Home Rehabilitation Program:** A program that has been in operation since at least as early as the 1990s utilizing U.S. Department of Housing and Urban Development ("HUD") funding that provides grants and loans to low- and moderate-income homeowners to address emergency and chronic structural, plumbing, electrical, and mechanical home repair and replacement needs. This program assists homeowners through both financial assistance and project management by hiring contractors to make repairs that ensure a basic standard of living. The City currently holds approximately 360 loans with ~\$5.6 million in outstanding debt. Approximately 20 new projects are completed on an annual basis.
- **Homebuyer Program:** A program that has been in operation since at least as early as the 1990s utilizing HUD funding that provides mortgage financing for low- and moderate-income households to further affordable homeownership. The City currently holds approximately 215 mortgages with ~\$19 million in outstanding debt. Historically, the housing division has operated the program in part by utilizing two bank lines of credit, secured by the homebuyers' properties and loan proceeds. The first line of credit was consolidated in 2016 and has an outstanding balance of \$1.6 million with a payoff date of June 2025. The second line of credit has not been used since 2019 and has an outstanding balance of \$2.2 million with a payoff date of December 2039. Approximately 2-3 new mortgages are issued on an annual basis.

To allow for the continued preservation of affordability, the City has included a buyback provision, or right of first refusal, that is valid for the first 15 years of each mortgage. This has allowed Housing Stability to leverage the Homebuyer Program with the Community Land Trust ("CLT"), purchasing single-family homes when the current homeowner decides to sell and placing them in the CLT model for perpetual affordability. In addition, the housing division has historically purchased property and developed single-family homes to offer for sale through the program.

- **Community Land Trust (CLT):** In 2017, the Council adopted resolution 12 of 2017 which satisfies the requirements of Utah Code Section 10-8-2, in effect authorizing the City to sell properties at below-market value to facilitate affordable homeownership opportunities. City-owned property, which is currently limited to single-family homes, is designated as part of the CLT; homebuyers purchase the housing improvements and ground lease the land from the City at a below-market rate. Mortgages are issued through the Homebuyer Program to CLT homebuyers to maximize affordability. Since the City retains ownership of the land, it creates affordability when the homeowner purchases just the improvements. When a homeowner decides to sell the improvements, the homeowner

and City share the accumulated equity. There are currently 17 homes designated as part of the CLT.

Since the CLT was authorized in 2017, Housing Stability has leveraged the Homebuyer Program and housing development activities with the CLT. As currently operated, the CLT is not a traditional model where homes are developed and placed into a land trust. Rather, the majority of the 17 single-family homes in the CLT are existing homes that are associated with the City's Homebuyer Program. Homeowners who have a mortgage through the Homebuyer program that want to sell within the first 15 years must offer the home to the City for purchase pursuant to buyback provisions in the mortgage agreement. Housing Stability has purchased several of these homes and placed them in the CLT model to provide perpetual affordability. The City has a significant opportunity to continue to grow the CLT by acting on the buyback provision as the homeowners of the ~215 mortgages in the City's portfolio elect to sell their homes.

- **Targeted and Small Repair (formerly Handyman) Programs:** Programs that provide low- to moderate-income households 1) one-time grants of up to \$50,000 to repair major structural and/or mechanical component deficiencies in their home, historically issued to ~15 households annually, and 2) grants of up to \$1,000 per year provided to for small household repairs for seniors and/or persons with disabilities, historically issued to ~30 households annually.
- **HOME Development Fund:** A program that utilizes HUD HOME Investment Partnerships Program ("HOME") funding that is required to be set aside for certain housing development activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization ("CHDO"). Funds are issued as loans for the development or rehabilitation of affordable housing. Historically, the HOME Development Fund has provided funding for ~2 affordable housing development projects per year.
- **Neighborhood Business Improvement Program:** A program that supports local for-profit businesses by offering up to \$50,000 in HUD Community Development Block Grant ("CDBG") grants to improve their façades. Businesses must be located in target areas that are updated periodically, with preference given to small and local businesses. Housing Stability coordinates with the Department of Economic Development on this program. The number of projects funded per year has varied depending on the level of funding allocated by the City Council.
- **Fix the Bricks:** A program that provides financial assistance to homeowners for the structural reinforcement of unreinforced masonry. Assistance may be provided to households at any income level, and will cover 75% of the cost, with homeowners responsible for the remaining 25%. This program is the only Direct Delivery Program that is not funded with HUD dollars. Rather, the program is operated with Federal Emergency Management Agency ("FEMA") funding. Prior to FY 23, the program was administered by the City's Emergency Management Department.

Direct Delivery Programs - Budget Overview

On May 3, 2022, the Administration submitted a transmittal regarding a ~\$12 million surplus in unused HUD program income (the "Dormant PI"). The Dormant PI was generated over multiple

decades by various Direct Delivery Programs and originated from CDBG and HOME funds. Subsequently, the Council approved ~\$12 million in Dormant PI through the FY 2023 budget, pending future approval by the Council on uses of the funds. The circumstances that led to the accumulation of Dormant PI have been rectified, with newly generated program income now being recaptured and allocated through a subsequent HUD application process.

Since the Dormant PI transmittal was submitted, the Administration has determined that additional sources of program income and other funds are available for allocation. The following is intended to provide a comprehensive overview of the current budget of HUD funding as well as the balances of other accounts that have historically been utilized for the Direct Delivery Programs. This summary does not include funding for the Fix the Bricks program, as that program was recently transferred to Housing Stability and does not warrant the same level of examination.

- **HUD Entitlement and Program Income – Budget and Activities Submitted to HUD**

Specific activities for the utilization of the following funds have been submitted to HUD and, as such, these funds are currently being utilized by Housing Stability for the administration and operations of the Direct Delivery Programs. As of November 30, 2022, the balance available for allocation to specific projects/recipients is as follows:

- FY22 & FY 23 HUD Entitlement Allocation Balance

These funds were allocated through the annual HUD entitlement process, which is transparently administered and includes an application process with review by the Community Development and Capital Improvement Programs Advisory Board, the Housing Trust Fund Advisory Board, and the Mayor, with final funding allocations made by the City Council.

| PROGRAM/FUND | CDBG | HOME | OTHER |
|--|--------------------|------------------|------------|
| Small Repair & Targeted Repair Programs | \$470,881 | \$0 | \$0 |
| Home Rehabilitation and Homebuyer Programs | \$500,000 | \$0 | \$0 |
| Neighborhood Business Improvement Program | \$650,000 | \$0 | \$0 |
| HOME Development Fund | \$0 | \$831,214 | \$0 |
| Total: | \$1,620,881 | \$831,214 | \$0 |

- FY 21 & FY 22 Active HUD Program Income Balance

While some of the funding for the Homebuyer, Home Rehabilitation, and CLT programs has been transparently budgeted through the annual HUD entitlement process, the housing division has historically used supplemental funding that is budgeted annually through Other Fund, Miscellaneous Grants Operating (FC 72) and Housing (FC 78). There is a lack of transparency on the origination and uses of funding due to the way these funds have historically been budgeted.

There is available budget from program income that was budgeted for FY 22, prior to the identification of the Dormant PI issue. While these funds were included in the FY 22 budget, uses of the funding were not transparently identified. Activities for these funds were submitted to HUD after the FY 22 budget adoption. The historical

practice of budgeting HUD PI in a non-transparent manner was rectified beginning with FY 23.

| PROGRAM/FUND | CDBG | HOME | OTHER |
|--|------------------|------------|------------|
| Home Rehabilitation and Homebuyer Programs | \$762,704 | \$0 | \$0 |
| Total: | \$762,704 | \$0 | \$0 |

- **HUD Program Income and Other Funds – Activities Not Identified**

The following is an accounting of Dormant PI and other sources that have historically been budgeted through Other Funds: FC 72 and FC 78, with balances that are available for allocation to specific programs/recipients as of November 30, 2022:

| PROGRAM/FUND | CDBG | HOME | OTHER |
|---------------------------------------|--------------------|--------------------|--------------------|
| Dormant PI* | \$5,739,448 | \$8,610,035 | \$0 |
| American Dream Downpayment Initiative | \$0 | \$0 | \$48,100 |
| Renter Rehab | \$0 | \$0 | \$1,655,828 |
| Riverpark | \$0 | \$0 | \$2,977,851 |
| Misc. Bank Funds | \$0 | \$0 | \$1,381,728 |
| Total: | \$5,739,448 | \$8,610,035 | \$6,063,507 |

*Note: Inclusive of the ~\$12 million in Dormant PI identified in the May 2022 transmittal.

Note that the Dormant PI balances have increased since the May transmittal because additional program income has been acquired as interest is earned, loans are paid, etc. Additional detail on the origination and historical use of these funds is as follows:

- American Dream Downpayment Initiative (“ADDI”): Was signed into law by President Bush on December 16, 2003, under the American Dream Downpayment Act. Funds were available to HOME program participating jurisdictions (PJs) to assist low-income families become first-time homebuyers. The ADDI funds were available from 2003 through 2007. This balance is program income that is treated as HOME PI and used in accordance with HOME regulations.
- Renter Rehab: Years ago, this funding was set aside for the rehabilitation of small multi-family (e.g., duplex, 4-plex) rental properties, where one of the units was owner-occupied. This program is inactive, however there are outstanding loans that generate program income.
- Riverpark: Originated with the program income generated through a HUD Special Purpose Grant for the River Park project that was issued in 1993 and closed-out in 2000. Since the grant was closed-out prior to 2014, it is the Administration’s belief that HUD regulations no longer apply, and State and City codes have taken over.
- Misc. Funds: The origination of this funding is unclear.

For decades, the housing division has utilized these funds as an unofficial revolving loan fund for uses that support various housing activities, including acquisition of property, development of housing, loans to support homeownership, and loans for the rehabilitation of housing. Revenue from the sale of property and loan repayments has gone back into the various cost centers and is held there instead of dropping to the City’s fund balance. Programs that provide loans typically operate with a revolving loan fund (“RLF”), or a

self-replenishing pool of money that utilizes interest and principal payments on old loans to issue new ones. A RLF has never been formally established for any of the Direct Delivery Programs.

Process Improvements

The Administration has identified the need to align Direct Delivery Programs with current City practices, paying particular attention to the Home Rehabilitation, Homebuyer, and CLT programs since they are more complex and utilize both federal and local funds.

Recommendations are as follows:

- **Establish Formal Policies and Procedures**
 - Overview: Housing Stability administers the Direct Delivery Programs pursuant to internal policies and procedures; however, these policies and procedures have never been adopted as part of the City’s administrative rule or legislative resolution.
 - Process Improvement: Establish a clear understanding of the Direct Delivery Programs’ goals, objectives, activities, and allocation process through the adoption of policies and procedures as either part of the City’s Policies and Procedures Manual or through legislative resolution.
 - Policy Considerations: All the Direct Delivery Programs are funded entirely or in part with federal funds and, as such, have specific requirements for the administration and deployment of funding. As such, policies and procedures must align with federal requirements.

- **Increase Budget Transparency**
 - Overview: The way in which funding for certain Direct Delivery Programs is budgeted on an annual basis lacks transparency, especially for the programs that utilize a mix of federal funding, program income, and local funding.
 - Process Improvement: Implement a budgeting process in which all budgetary information for each program is clearly identified. The Administration will submit information to the Council that shows the costs of the program, the revenues that the program generates, as well as ways to evaluate the program’s effectiveness and outputs through performance metrics.
 - Policy Considerations: In effect, this will be a program-based budgeting model that provides a clearer picture of how much funding is being spent on each program, the services that program delivers to residents, as well as how well the program is performing. Understanding the full costs associated with each program, along with the value of that program and whether the program generates revenue, will enable better decision-making throughout the budget process.

- **Alignment with the Open and Public Meetings Act**
 - Overview: Housing Stability has various internal loan committees that review applications and award funding for the Direct Delivery Programs. The City Attorney’s Office has advised that these internal Housing Stability loan committees are not public bodies created under the Open and Public Meetings Act (“OPMA”) because they are not created by statute, rule, ordinance, or resolution (Utah Code 52-

- 4-103(9)), and so OPMA does not apply but that the City may want to hold the meetings as open meetings. This points to a broader issue, as discussed above, that the Direct Delivery Programs are not recognized by the City's administrative rule or legislative resolution. The Attorney's Office has advised that formal policies and procedures need to be established and approved/adopted/codified.
- Process Improvement: Establish formal policies and procedures for the Direct Delivery Programs including the establishment of a review and approval process that is subject to OPMA.
 - Policy Considerations: Most of the recipients of funding allocated through the Direct Delivery Programs are homeowners and small businesses. HUD requires that the personal information of low and moderate-income recipients remain confidential. As such, sensitive information such as names, credit history, incomes, and addresses will need to be generalized and/or kept confidential. Housing Stability is in the process of researching best practices for compliance with OPMA while maintaining confidentiality, including consultation with other programs in the county and region. In addition, the process for awarding funding will need to be carried out on a timely basis to meet closing deadlines.
- **Establishment of a Homeowner Revolving Loan Fund**
 - Overview: For the Homebuyer and Home Rehabilitation programs to continue to operate in a revolving nature, a formal RLF should be established and could be capitalized with either federal grant funding or non-restricted funds such as the Riverpark funds. This will provide an account for the principal and interest payments of the combined ~575 outstanding loans with a current balance of approximately \$25 million to be deposited into, with annual budget allocations at the discretion of the City Council.
 - Process Improvement: Establish a formal RLF that is recognized in City code and transparent in the annual budget process. Ensure that programs and activities funded with the RLF align with adopted plans and policies.
 - Policy Considerations: If CDBG program income is to be utilized for a RLF, the City would need to notify HUD and gain approval from the local field office. Notification must include program guidelines for that specific revolving loan fund. HUD regulations place several restrictions and requirements on HUD-funded RLFs.

Housing Roles and Responsibilities

Between 2018 and 2020, the Administration, including City and RDA, engaged in discussions to coordinate housing efforts. This included a series of briefings with the City Council acting as the RDA Board of Directors ("Board"). Coordination resulted in a draft Salt Lake City Housing Implementation Framework ("Housing Framework"), transmitted to the Board in January 2020, that outlined the roles and responsibilities of housing policies, programs, and activities across divisions and departments – refer to *Attachment B: 2020 Draft Housing Implementation Framework*.

While the Housing Framework was not formally adopted by the Board or City Council, it proposes that the housing division administer various housing programs for tenants and

homeowners and that funding targeted to developers for the development of housing is centralized within the RDA. Further, it proposes that the RDA utilize RDA-owned properties to further affordable housing goals when applicable, and that the City may partner with or sell to the RDA select City-owned properties to further affordable housing goals.

Next Steps

Based on the information provided in this transmittal, the Council may wish to provide policy direction to the Administration that will inform next steps. The Administration anticipates that next steps will include the following:

1. The Administration will submit additional information to the Council on each of the Direct Delivery Programs as we work to establish policies and procedures either through administrative rule or legislative resolution. This will inform policy discussions by the Council on program budgeting procedures, goals, activities, conditions, and approval processes.
2. The Administration will submit information to the Council on the Direct Delivery Programs to inform decision-making and increase transparency during the FY 24 budget process.

PUBLIC PROCESS: N/A

EXHIBITS:

- A. Housing Stability Programs and Activities Matrix
- B. 2020 Draft Housing Implementation Framework

EXHIBIT A: HOUSING STABILITY - PROGRAMS & ACTIVITIES

| | PROGRAM | SOURCE OF FUNDING | GEOGRAPHY | OVERVIEW | AMI CRITERIA | AFFORDABILITY TERM | SCOPE | | | | | | | | | | SLC LEGISLATIVE POLICY | | | | | | | |
|-------------------------|---|--|--|---|--|---|-------------|------------------|-------------------|-------------|------------------|----------|-------------------|-----------------|-------------------|-----------|------------------------|----------------|------------|-------|---------------------------|---------------------------|----------------------------|-----------------------------|
| | | | | | | | Acquisition | New Construction | Substantial Rehab | Minor Rehab | Homebuyer Assis. | Mortgage | Rental Assistance | Homeless Assis. | Property Discount | Developer | | Homeowner Loan | Fee Waiver | Grant | | | | |
| FUNDING ADMINISTRATION | Community Development Block Grant (CDBG) | Federal HUD funding | Citywide | Administers funding to programs that address a wide variety of community needs, including housing assistance and rehabilitation. | 80% AMI and below | No requirement | | | X | X | X | | | X | X | | | | | X | 2020-24 Consolidated Plan | | | |
| | Emergency Solutions Grant (ESG) | Federal HUD Funding | Citywide | Administers funding to programs that provide homelessness services and prevention. | Individuals experiencing homelessness; 30% AMI and below | N/A | | | | | | | | X | X | | | | | | X | 2020-24 Consolidated Plan | | |
| | HOME Investment Partnership Program (HOME) | Federal HUD funding | Citywide | Administers funding to programs that provide a wide-range of housing activities, including new construction, rehabilitation, and rental assistance. | ~60% AMI and below | 5-20 years for rental and homebuyer projects; N/A for rental assistance | X | X | X | X | X | | | | | | | | | | X | 2020-24 Consolidated Plan | | |
| | Housing Opportunities for Persons with AIDS (HOPWA) | Federal HUD funding | Salt Lake, Tooele Counties | Administers funding to programs that provide assistance, to people living with HIV/AIDS. | 80% AMI and below | N/A | | | | | | | | X | | | | | | | | X | 2020-24 Consolidated Plan | |
| | CARES HUD-COVID (CDBG-CV, ESG-CV, and HOPWA-CV) | Federal HUD funding | Citywide (HOPWA includes Salt Lake, Tooele Counties) | Administers funding to programs that address a wide variety of community needs, including: mortgage assistance (CDBG-CV), homeless services and prevention, and rental assistance (ESG-CV), and housing assistance to people living with HIV/AIDS (HOPWA-CV). | 80% AMI and below (CDBG-CV, HOPWA-CV) and 50% AMI and below (ESG-CV) | N/A (CDBG-CV, ESG-CV, HOPWA-CV) | | | | | | | | X | X | X | | | | | | X | 2020-24 Consolidated Plan | |
| | Funding Our Future Initiative - Housing | Sales tax revenue | Citywide | Funding support for housing programs that align with alignment with goals and objectives outlined in Salt Lake City's Housing Plan, Growing SLC. | 80% AMI and below (For DPA programs, the AMI is up to 120%) | 5-10 years for down payment assistance | | | | X | X | X | X | X | | | | | | | | | X | N/A |
| PROGRAMS & ACTIVITIES | City-Owned Property for Affordable Housing | N/A | Citywide | Facilitates the development of affordable housing through the utilization and/or disposition of surplus city-owned property. | Varies | No Requirement; case-by-case basis | | X | X | | | | | | X | | | | | | | | SLC Ordinance Chapter 2.58 | |
| | Community Commitment Program | General Fund | Citywide | Addresses the ongoing challenge of homelessness by implementing both long- and short-term solutions with the goal of creating safety for everyone in our public spaces. | Individuals experiencing homelessness | N/A | | | | | | | | X | | | | | | | | | N/A | |
| | Community Land Trust | Sales tax revenue, CDBG, CDBG Program Income | Citywide | City-owned property may be placed into the trust; homebuyers purchase the housing unit and lease the land from the City. | 80% AMI and below | Perpetuity | | | | | X | | | | | | | | | X | | | SLC Resolution 12 of 2017 | |
| | COVID Housing Stability Program - GF | General Fund | Citywide | Provides rapid re-housing, homeless prevention rental assistance & mortgage assistance to stabilize SLC households experiencing a financial hardship due to COVID-19. | 60% AMI and below | 5 years for mortgage assistance | | | | | | X | X | | | | | | | X | X | | N/A | |
| | Emergency Rental Assistance Program (ERAP) | Treasury | Citywide | ERAP provides funding for low-income households at risk of housing instability during the COVID-19 pandemic. | 80% AMI and below, with a priority for 50% AMI or lower | N/A | | | | | | X | | | | | | | | | | | N/A | |
| | Fix the Bricks | Federal FEMA Funding | Citywide | Funding facilitates seismic improvements for unreinforced masonry homes (URM's). | No AMI criteria | None | | | | X | | | | | | | | | | | | | X | N/A |
| | Small Repair/Handyman Program | CDBG | Citywide | Seniors, persons with disabilities, and low income households are eligible for assistance (\$1,000 or less per year) with small household repairs. | 80% AMI and below | None | | | | X | | | | | | | | | | | | | X | N/A |
| | Homebuyer Program | CDBG program income, HOME program income | Citywide | Mortgage financing for low and moderate-income households to further affordable homeownership. | 50% to 80% AMI | None | | | | | X | | | | | | | | | | X | | N/A | |
| | Home Development Fund | HOME, HOME program income | Citywide | Loans for acquisition, new construction and rehabilitation activities. | 80% AMI and below | 20 years for rental and homebuyer projects | X | X | X | X | | | | | | X | | | | | | | X | N/A |
| | Home Rehabilitation Program | CDBG | Citywide | Provides grants and loans to low and moderate-income households to address code issues including health, safety, and structural deficiencies. | 80% AMI and below | None | | | | X | | | | | | | X | | | | | | X | N/A |
| | Impact Fee Waivers | N/A | Citywide | Facilitates the waiver of impact fees for affordable housing; Waiver varies by affordability level. | 100% AMI and below | Varies | | X | X | | | | | | | | | | | | | X | | SLC Ordinance Chapter 18.98 |
| | Neighborhood Business Improvement Program | CDBG | Target Areas | Provides up to \$50,000 in grants to improve the façades of local businesses. | LMI census tract | If over \$25,000 then a 5 year period. | | | X | X | | | | | | | | | | | | | X | N/A |
| | Renovation Pilot Program (Renter Rehab Program) | tax increment (one-time funding) | Citywide | Loans for improvements to existing affordable housing in exchange for a guaranteed period of affordability. | 25% of the units to be restricted at 60% AMI and below | 30 years | | | X | | | | | | | X | | | | | | | | N/A |
| | State Homeless Mitigation Grant Activities | State | Citywide, with focus on Ballpark and Central City | State grant funds case managers and community liaisons who serve all City residents, with specific emphasis on building community in the homeless resources center ("HRC") host neighborhoods. | N/A | N/A | | | | | | | | X | | | | | | | | | X | N/A |
| Targeted Repair Program | CDBG | Citywide | Grant of up to \$50,000 to repair major structural and/or mechanical component deficiencies in their home. | 80% AMI and below | If over \$25,000 then a 5 year period. | | | | X | | | | | | | | | | | | | X | N/A | |

Note: All housing activities are guided by the city's housing plan, Growing SLC: A 5-Year Housing Plan.

Note: Federal or state regulations are attached to the majority of funding sources.

Note: Low and Moderate-Income ("LMI") is defined as 80% of the Area Median Income ("AMI") and below. Down Payment Assistance ("DPA") can typically be provided to households up to 120% of the AMI per federal regulations.

Note: Although all of the Programs listed under "Funding Administration" are provided as "grants", funds are not always provided to the end-user as grants. As such, the City generates and/or receives program income from some of these Programs.

SALT LAKE CITY

HOUSING IMPLEMENTATION

FRAMEWORK



11/4/2019 DRAFT



SLCRDA

1. HOUSING IMPLEMENTATION FRAMEWORK

| | POLICY | ADMINISTRATION & REGULATION | PROGRAM FUNDING | PROJECT IMPLEMENTATION | |
|-----------------------------------|--------------------------|--|---|---|---|
| COMMUNITY & NEIGHBORHOODS (“CAN”) | HAND | <ul style="list-style-type: none"> Citywide Housing Policy | <ul style="list-style-type: none"> Affordability Monitoring & Compliance Fair Housing HTFAB Administration Impact Fee Exemption | <ul style="list-style-type: none"> Federal Grant Funding Administration (CDBG, HOME, ESG, HOPWA) Other Program Funding Administration (Funding Our Future) | <ul style="list-style-type: none"> Home Repair Program Home Buyer Program Community Land Trust |
| | CARES | | | <ul style="list-style-type: none"> Leverage of Select City Property | |
| | PLANNING | <ul style="list-style-type: none"> Zoning & Land Use | | | |
| | BUILDING SERVICES | | <ul style="list-style-type: none"> Permits, Building Code, & Zoning Review | | |
| REDEVELOPMENT AGENCY (“RDA”) | RDA | <ul style="list-style-type: none"> RDA Housing Funding Policy | | <ul style="list-style-type: none"> Housing Development Trust Fund Other Programs - RDA Loan Program & Tax Increment Reimbursement Program Development of RDA Property & Select City Property | |

Definitions:
 CARES: Capital Asset & Real Estate Services
 CDBG: Community Development Block Grant
 ESG: Emergency Solutions Grant
 HAND: Housing and Neighborhood Development Division
 HOME: Home Investment Partnership Program
 HOPWA: Housing Opportunities for Persons with AIDS
 HTFAB: Housing Trust Fund Advisory Board

2. ROLES & RESPONSIBILITIES

Implementation of Growing SLC: A Five-Year Housing Plan (“Housing Plan”) requires coordination between various City departments and divisions. Key efforts shall be as follows:

COMMUNITY & NEIGHBORHOODS (“CAN”)

Divisions under the CAN umbrella shall participate in the implementation of the Housing Plan through the creation and employment of policy and programs as follows:

Capital Asset and Real Estate Services (“CARES”)

- **Leveraging of Select City Property:** CARES shall coordinate the utilization of surplus City-owned property for the development of community assets including affordable housing. On a case-by-case basis, CAN and RDA shall assess the appropriateness of RDA-involvement in the redevelopment of select City-owned properties that may contain redevelopment barriers. In instances where RDA participation is deemed appropriate, CAN and RDA may partner on redevelopment efforts or the property may be conveyed to the RDA.

Planning

- **Zoning & Land Use:** Planning shall work to review and modify land-use and zoning regulations to remove barriers and encourage affordable housing development.

Building Services

- **Permits, Building Code, & Zoning Review:** Building Services shall work to remove impediments and streamline the permitting, building code review, and zoning review process.

Housing and Neighborhood Development (“HAND”)

- **Citywide Housing Policy:** HAND shall develop and maintain citywide housing policies, the foremost of which is the Housing Plan. By providing implementation leadership, HAND shall work with the Mayor’s Office and other City agencies to coordinate efforts in cooperation with community stakeholders as well as public, private, philanthropic and nonprofit partners.
- **Affordability Monitoring & Compliance:** HAND shall ensure that projects awarded City and/or RDA resources maintain compliance with affordability and other development restrictions.
- **Fair Housing:** Within the HUD framework, HAND shall develop policies and ensure compliance of the Fair Housing Act to provide equal access to housing opportunities for all residents.
- **Housing Trust Fund Advisory Board (“HTFAB”) Administration:** HAND shall provide administrative support for the HTFAB to ensure the Board functions in an efficient and transparent manner.
- **Impact Fee Exemptions:** HAND shall process impact fee exemption requests, pursuant to Ordinance 18.98.060 - Impact Fees: Exemptions, to incentivize the development of affordable units by reducing regulatory fees.
- **Federal Grant Funding Administration:** HAND shall administer federal grant programs to further housing opportunities for Salt Lake City residents. Programs include the Community Development Block Grant (“CDBG”), Home Investment Partnerships Program (“HOME”), Housing Opportunities for Persons with AIDS (“HOPWA”), and Emergency Solutions Grant (“ESG”).

- **Program Funding Administration - Other:** HAND shall administer the portion of Funding Our Future funds that is allocated for rental assistance, supportive services, and related housing programs. Source of funding: Funding Our Future.
- **Home Repair & Home Buyer Programs:** HAND shall administer housing programs targeted to homeowners. The Home Repair Program shall provide low and moderate-income homeowners with no and low-interest loans to address health, safety, and structural issues to the homeowners' primary residence. The Home Buyer Program shall provide low-interest loans to expand homeownership opportunities. Source of funding: federal grant programs and Funding Our Future.
- **Community Land Trust ("CLT"):** HAND shall administer a CLT to promote affordable housing in perpetuity. By placing city-owned property into the CLT, monthly mortgage payments shall be kept affordable. Home buyers shall purchase the home and the improvements, and lease the land from the City. This shall allow Salt Lake City to preserve the home's affordability into the future while still allowing the buyer to build equity in their home. Source of funding: federal grant programs and Funding Our Future.

REDEVELOPMENT AGENCY OF SALT LAKE CITY ("RDA")

The RDA shall act as the implementation arm for Salt Lake City's development activities, working to implement the City's Master Plans and Housing Plan. Roles and responsibilities include the following:

- **RDA Housing Policy:** The RDA shall develop and maintain policies for the utilization of tax increment for affordable housing and housing activities.
- **Housing Development Trust Fund ("HDTF"):** The primary program administered by the RDA for the development of affordable housing shall be the HDTF. The HDTF shall provide low cost financial assistance to incentivize the acquisition, construction, and rehabilitation of property to provide housing that serves low and moderate-income households, including seniors, people with disabilities, individuals and families exiting homelessness, and people working for low wages. Funding shall be provided to projects located within Salt Lake City municipal boundaries as gap financing to cover the difference between total development costs and the amount that can be secured from other sources. Source of funding: Funding Our Future, tax increment, revolving loan fund.
- **Program Administration - Other:** In addition to the HDTF, the RDA shall administer various other programs, such as the RDA Loan Program and Tax Increment Reimbursement Program, to promote community revitalization activities including the development of affordable housing. Source of funding: tax increment.
- **Development of RDA-Owned Property & Select City-Owned Properties:** The RDA shall work to further citywide housing objectives by strategically acquiring and disposing of property for the development of innovative, high-quality, and equitable mixed-income projects. In some cases, the City may choose to partner with or sell to the RDA select properties.

3. IMPLEMENTATION OF GOALS & OBJECTIVES

Growing SLC: A Five-Year Housing Plan 2017 - 2021 - Goals & Objectives

Implementation of goals and objectives is as follows:

| | | |
|---------------|---|---------------------|
| GOAL 1 | INCREASE HOUSING OPTIONS: REFORM CITY PRACTICES TO PROMOTE A RESPONSIVE, AFFORDABLE, HIGH-OPPORTUNITY HOUSING MARKET | LEAD |
| Objective 1 | Modernize land-use and zoning regulations to reflect the affordability needs of a growing, pioneering city | CAN, HAND, PLANNING |
| Objective 2 | Remove impediments in City processes to encourage housing development | CAN, HAND, PLANNING |
| Objective 3 | Lead in the construction of innovative housing solutions | HAND, RDA |
| Objective 4 | Provide residents, community advocates, business leaders, and elected officials with high quality data to drive decision-making | HAND |
| GOAL 2 | AFFORDABLE HOUSING: INCREASE HOUSING OPPORTUNITIES AND STABILIZATION FOR COST-BURDENED HOUSEHOLDS | |
| Objective 1 | Prioritize the development of new affordable housing with an emphasis on households earning 40% AMI and below | HAND, RDA |
| Objective 2 | Pursue funding sources for affordable housing opportunities | HAND, RDA |
| Objective 3 | Stabilize very low-income renters | HAND |
| Objective 4 | Secure and preserve long-term affordability | HAND, RDA |
| Objective 5 | Work with landlords to both improve their housing stock and rent to very low-income households | HAND, RDA |
| Objective 6 | Increase home ownership opportunities | HAND, RDA |
| GOAL 3 | EQUITABLE & FAIR HOUSING: BUILD A MORE EQUITABLE CITY | |
| Objective 1 | Eliminate incidences of housing discrimination in Salt Lake City | HAND |
| Objective 2 | Align resources to create Areas of Opportunity | HAND, RDA |
| Objective 3 | Implement Lifecycle Housing principles in neighborhoods throughout the city | HAND, RDA, PLANNING |