



SLCRDA



HOUSING DEVELOPMENT LOAN PROGRAM

FY2024-2025



NOTICE OF FUNDING AVAILABILITY

FY 2024 - 2025 GUIDELINES AND APPLICATION HANDBOOK RELEASED OCTOBER 30, 2024

APPLICATION DEADLINE: DECEMBER 19, 2024

[SLCRDA.COM/DEVELOPMENT-OPPORTUNITIES](https://www.slcra.com/development-opportunities)

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SECTION 1: INTRODUCTION & OVERVIEW

1.1 Introduction

In releasing this Notice of Funding Availability (NOFA) through the Housing Development Loan Program (HDLP), the goal of the Redevelopment Agency of Salt Lake City (“RDA”) is to provide low-cost financial assistance to incentivize the development and preservation of affordable housing within city limits. Qualified housing developers must demonstrate their ability to: 1) construct and/or rehabilitate affordable housing developments, 2) align their projects with identified affordable housing priorities, and 3) maintain/manage affordable housing developments. Housing developers that can demonstrate these abilities are encouraged to submit applications.

1.2 RDA Guiding Framework

The RDA Guiding Framework outlines the mission, values, and Livability Benchmarks expected of RDA financially supported projects. The HDLP establishes the thresholds for financing and carries out the intent and expectations of the RDA Guiding Framework, which is available in Attachment A.

1.3 Intent

HDLP funds will be used to accomplish the following goals:

- a) Provide affordable housing that serves a range of household sizes and income levels, consistent with income limits and affordability requirements for each funding source, to promote housing opportunity and choice throughout the City.
- b) Foster a mix of household incomes in projects and neighborhoods and disperse affordable housing projects throughout the City to encourage a balance of incomes in all communities.
- c) Promote equity and anti-displacement efforts through the development and preservation of affordable housing in low-income neighborhoods where underserved groups have historic ties, including neighborhoods where low-income individuals and families are at high risk of displacement.
- d) Contribute to the development of sustainable, walkable neighborhoods by expanding housing options near transportation, services, and economic opportunity.
- e) Support a variety of project types and scales, including detached housing, accessory dwelling units, rowhouses, and small- to large-scale multifamily buildings, that contribute to neighborhood context and livability.
- f) Incorporate sustainable building elements and energy efficiency into residential development to lower housing expenses, conserve resources, and promote resiliency.
- g) Leverage private and non-city funding sources to maximize the number of quality affordable housing units preserved or produced.
- h) Provide loans that are repaid over time rather than grants, forgivable loans, or indefinitely deferred loans.

1.4 Housing Development Loan Program Informational Meeting & Questions

- i. **Informational Meeting:** The RDA will host a virtual informational meeting to provide an overview of the HDLP application, requirements, and selection process. The meeting will allow prospective applicants to ask questions about the Housing Development Loan Program. Meeting details are as follows:

Subject: FY2024-2025 NOFA Informational Meeting
Date & Time: Wednesday, November 13, 2024 at 12:00 PM
Location: Virtual Meeting ([WebEx Meeting Link](#))
Add link to calendar:



SLC RDA HDLP &
Wealth Building
NOFA

- ii. **Questions:** During the application period, prospective applicants may submit clarification questions to the RDA about the HDLP through the Utah Public Procurement system at <https://purchasing.utah.gov/vendors/>. The RDA will respond to all questions submitted and will distribute the responses to all registered users of the system. Questions must be submitted by Friday, December 13, 2024 at 5 PM MST, to allow sufficient time for the RDA to respond to questions and for applicants to consider or incorporate the guidance in their proposals. Prior to the application deadline, please check the RDA's website, www.slclda.com, regularly for any updates, corrections, or posted questions and answers regarding the HDLP.

1.5 Submittal Deadline and Requirements

Submittals must be received by 5:00 PM MST on Thursday, December 19, 2024.

To be considered complete, application submittals must meet the application requirements outlined in Section 4. Incomplete applications will not be accepted. Refer to Section 4 for additional details on the requirements and the process for applying.

1.6 Funding Decision

After an initial review to ensure applications are complete and meet the threshold requirements defined in Section 3, the RDA will determine funding awards through the following process: 1) The RDA Finance Committee shall evaluate applications and provide funding recommendations, and 2) The RDA Board of Directors shall consider funding recommendations and select projects for funding awards subject to the negotiation of final terms.

SECTION 2: GENERAL PROVISIONS

2.1 Funds Availability

Through the HDLP, the RDA intends to solicit, evaluate, select, and fund affordable housing development construction and/or rehabilitation. The funds aim to increase the availability and accessibility of affordable housing in Salt Lake City.

Approximately \$5 million is available for the HDLP. Funding is allocated through a transparent public process administered by the RDA and any developer or community group may apply with a project that meets affordable housing goals.

COMPETITIVE FUNDS CATEGORY	AMOUNT*
RDA Housing Development Loan Program	\$4,586,859
HOME Community Housing Development Organization Funds**	\$475,330
TOTAL:	\$5,062,189

**Note: Amounts are approximate. The total available funds may change after this document has been published.*

***Note: See Attachment B for additional information on federal requirements associated with these funds.*

2.2 Standard Loan Terms and Conditions

The purpose of this funding is to provide low-cost financial assistance to incentivize the preservation and development of affordable housing within city limits. Please see Attachment C for the standard loan terms and conditions for I) *Gap Financing: Rental Construction to Permanent II) Property Acquisition* and III) *Gap Financing: Homeownership Construction*.

2.3 Funding Commitment

Successful applicants under the HDLP will receive a conditional commitment of funding, the length and terms of which will be determined by project scope, timing, and approvals. The commitment will expire if the project has not obtained all required financial, legal, and regulatory approvals necessary for loan closing within the established funding commitment period.

2.4 Relocation

Displacement is strongly discouraged. However, if it is necessary and unavoidable, projects awarded funding must submit a relocation plan that complies with all Federal, State, and local real property acquisition and relocation requirements and, at a minimum, must comply with Salt Lake City’s Residential Demolition Provisions, City Code 18.64.050, and the Federal Uniform Relocation Assistance and Real Property Acquisition Act.

2.5 Design Requirements

Projects shall align with applicable design guidelines and comply with all applicable Salt Lake City building codes and ordinances.

2.6 Identity of Interest

Applicants shall disclose the identity of interest relationships within the project (i.e., relationships between/among developers, owners, lenders, architects, contractors, property management, etc.).

SECTION 3: THRESHOLD REQUIREMENTS

3.1 Eligible Applicants

Applications will be accepted from:

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

3.2 Development Team Experience

Applicants and their development teams must have 1) the experience, financial expertise, and technical capacity to deliver a project that meets all the requirements contained herein, and 2) the demonstrated ability to maintain long-term viability and compliance of affordable housing projects.

3.3 Eligible Project Types

Eligible project types include the following:

- i. New Construction: Construction of new housing
- ii. Adaptive Reuse: Conversion or adaptive reuse of existing non-residential structures for housing
- iii. Rehabilitation: Substantial rehabilitation of existing substandard housing units

3.4 Eligible Activities

Activities eligible for RDA funding include land/property acquisition, hard construction costs, site improvements, and related soft costs.

3.5 Site Control

Evidence of site/location control must be demonstrated through ownership, option, sale agreement, or long-term lease.

3.6 Minimum Affordability

For rental units, a minimum of 20% of the project's total residential units must be affordable for the proposed development to be eligible for financing. For a unit to be considered affordable, its rent must be restricted as affordable to households earning 60% of the area median income ("AMI") and below as per guidelines established by the U.S. Department of Housing and Urban Development ("HUD"). The affordable units shall be spread proportionately among different bedroom counts.

Affordable homeownership developments must include units restricted to households earning 80% AMI. The number of affordable units and level of affordability for affordable homeownership developments will be evaluated on a case-by-case basis.

3.7 Family-Sized Units with Amenities and/or Deeply Affordable Units

All rental developments must include family-sized and/or deeply affordable units. For a development to qualify for these funds, a minimum of 10% of the total residential units shall have three or more bedrooms that shall be rent-restricted to those earning 60% of the AMI and below as per guidelines established by HUD and includes amenities for children, as approved by RDA staff; **or** at least 10% of the total residential units shall be restricted as affordable to households earning 40% of the AMI and below as established by HUD.

For affordable homeownership developments, a minimum of 10% of the total residential units shall have three or more bedrooms.

3.8 Sustainability

Per the RDA's [Sustainable Development Policy \(Resolution R-20-2021\)](#), all new construction projects receiving any RDA funds (and rehabilitation projects receiving \$900,000 or more) must meet all the following requirements:

- “Designed to Earn the ENERGY STAR” score of 90
- 100% electric building operation (no on-site fossil fuel combustion)
- Participation in SLC’s Energy Benchmarking Program: Annual operational data must be submitted to Salt Lake City’s Elevate Buildings Program once the building is in operation

All rehabilitation projects that receive or are anticipated to receive between \$200,000 and \$899,999 in RDA funding shall also meet the following requirements:

- “Designed to Earn the ENERGY STAR” score of 90
- Participation in SLC’s Energy Benchmarking Program: Annual operational data must be submitted to Salt Lake City’s Elevate Buildings Program once the building is in operation

Projects must submit with application submission a Statement of Energy Design Intent (“SEDI”) from the ENERGY STAR Portfolio Manager to verify that the project has been designed to meet the required score of 90+ or a corresponding energy use intensity (EUI) target. If a project’s energy use cannot yet be modeled at the time of application, the SEDI will be required prior to loan closing.

More information about the Designed to Earn the ENERGY STAR can be found at:

https://www.energystar.gov/buildings/resources/topic/commercial_new_construction/achieve_designed_earn_energy_star

The RDA’s Sustainable Development Policy (Resolution R-20-2021) can be found at:

https://slcrda.com/wp-content/uploads/2022/10/Final-Sustainable-Development-Policy-Resolution_NOFA.pdf. A summary of the RDA’s Sustainable Development Policy can be found at: <https://slcrda.com/wp-content/uploads/2022/11/202210SustDevPolicySummary.pdf>

3.9 Financing Gap

HDLF Funds are limited to 10% or less of the project’s financing sources. For HOME funds, please see Attachment B for additional requirements and funding limits. Projects shall demonstrate funding is necessary for the project to succeed and that the request is reasonable. Applicants must maximize private market funding sources and obtain commercial loans sized with the greatest possible loan-to-value or lowest possible debt service coverage ratio to minimize the HDLP request.

SECTION 4: APPLICATION REQUIREMENTS

4.1 Application Components

To be considered complete, application submittals must include all of the following components:

SECTION	DESCRIPTION
1 Application Form (form provided)	The Application Form, including the following information: A. Project summary B. Applicant summary C. Development team overview D. Housing and land use overview E. Property overview F. Project priorities G. Project description H. Applicant experience I. Financials J. Applicant certification K. Additional applicant attachments (if applicable)
2 Other Attachments	Supporting documents, including the following: A. Preliminary project drawings, including a conceptual site plan (including the context of the area), elevation drawings, and architectural renderings (if available) B. Proof of site control C. ENERGY STAR Statement of Design Intent (SEDI) D. Sources & Uses (include both Construction Sources & Uses AND Permanent Sources & Uses) E. Financing term sheets (if available) F. Operating Proforma (Order loans in proposed repayment positions, include 15 yrs, & annual DSCRs) G. Project timeline, including significant project milestones H. Notes from Salt Lake City Development Review Team (DRT) meeting (if available)

4.2 Completeness

Applications that are not received by the RDA prior to the time and date specified will be deemed late and will not be considered.

Submissions lacking one or more of the requested documents may be considered incomplete or irregular. The RDA reserves the right to reject any incomplete or irregular submission and reserves the right to waive any non-material irregularity in submissions. The RDA reserves the right to reject any and all applications.

4.3 Submittal Process

Applications shall be submitted electronically via email to:

Kate Werrett, Project Manager, kate.werrett@slc.gov

Application documents must be clearly labeled to correspond with the Application Component Sections outlined in Section 4.1. Proposals submitted later than **5:00 PM on Thursday, December 19, 2024**, either due to human or technological error, will not be considered. For emails larger than 18 MB, if you wish to utilize a secure file transfer, please reach out prior to the Deadline for Questions (see schedule in Section 5) and we will provide instructions.

SECTION 5: APPLICATION, REVIEW & APPROVAL PROCESS

The application, review, and approval process shall be carried out in five phases, as follows:

PHASE	DATE/TIME	MILESTONE
1 Application	Tuesday, October 30, 2024	NOFA Released
	Wednesday, November 13, 2024 at 12:00 PM	NOFA Informational Meeting (WebEx Meeting Link)
	Friday, December 13, 2024 at 5:00 PM	Deadline for Questions
	Thursday, December 19, 2024 at 5:00 PM	Applications Due
2 Threshold Review*	December 20, 2024 - January 3, 2025	Applications that meet Threshold Requirements proceed to Phase 3
3 Project Evaluation & Review*	January 6 - February 7, 2025	Applications that are forwarded from Phase 2 will be further evaluated and ranked
		RDA Finance Committee to provide project funding recommendation
4 Project Selection	Meeting of the Legislative Body tentatively scheduled for February 2025	Legislative Body Review and Project Selection
5 Funding Award	Varies by project	Conditional Commitment
		Firm Commitment and Loan Closing

*The review periods may change depending on the number of applications received.

The five phases of the application process are described below.

1. **Application:** Applications shall be administered through a competitive process.
2. **Threshold Review:** Once the application window is closed, the RDA will conduct a review to determine whether applications meet the Threshold Requirements outlined in Section 3. Applications must meet every one of these requirements or they will be deemed ineligible and will not be reviewed further. Applications that meet all Threshold Requirements will advance to Phase 3, *Project Evaluation and Review*.
3. **Project Evaluation and Review:** Applications that meet all Threshold Requirements will be evaluated and scored by RDA staff based on the following criteria:
 - i. Alignment with project priorities – projects may qualify for interest rate reductions by meeting project priorities specified in Section 6 of this document (up to 26 points)
 - ii. Content and quality of the project narrative and application submittal (up to 5 points)
 - iii. Content, effectiveness, and appropriateness of the budget, sources and uses, operating proforma, and related assumptions (up to 5 points)
 - iv. Qualifications and experience of the applicant and development team (up to 5 points)
 - v. The readiness of the project to proceed to construction (up to 5 points)

Once applications have been evaluated and scored, they will be forwarded to the RDA Finance Committee. The RDA Finance Committee will consider the applications and provide funding allocation and ranking recommendations to the RDA Board of Directors for a conditional commitment of funding.
4. **Project Selection:** The RDA Board of Directors will make the final selection of projects identified for a conditional commitment of funding.
5. **Funding Award:** The funding award process will be carried out in two subparts as follows:

- i. **Conditional Commitment Period:** The RDA will issue a Conditional Commitment letter to those applications that are selected for funding by the RDA Board of Directors. The Conditional Commitment letter between the RDA and the applicant will contain the general covenants, terms, and conditions upon which the RDA will provide financial assistance for the proposed project once financial, legal, regulatory, and design approvals are obtained. During the Conditional Commitment Period, terms and conditions may be refined based on updated project information (i.e. project costs, terms of other financing, etc.). The length of the Conditional Commitment Period will be determined on a case-by-case basis depending on the project's scope and timeline.
- ii. **Firm Commitment & Loan Closing:** Projects that successfully meet conditions will be invited to execute a Letter of Commitment that finalizes the loan terms, subject to a set of conditions precedent to closing.

SECTION 6: PROJECT PRIORITIES & INTEREST RATE REDUCTIONS

Project Priority criteria will be utilized to evaluate applications and provide for interest rate reductions.

In phased projects, the Project Priorities are eligible only for the phase in which the Project Priority is present.

CATEGORY	POLICY OBJECTIVE	BENCHMARK	NOFA RANKING WEIGHT*	0.5% INTEREST RATE REDUCTION**	
1	Housing for Everyone: Affordable Family Housing with Amenities for Children	Provide opportunities for families to enjoy the many benefits of urban living by encouraging the development of housing that is conducive to larger household sizes	Project provides at least 15%*** of the total units as 3+ bedroom units AND includes family-oriented community amenities, as approved by RDA Staff. These units should be marketed for tenants with children.	3	X
2	Housing for Everyone: 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	Project sets aside at least 15%*** of the residential units for extremely low-income households (earning 40% AMI or less).	3	X
3	Ownership: Wealth Building Opportunity	Create opportunities for those who have historically rented in the community to build wealth and establish permanent roots through homeownership	The project provides opportunities for tenants to build wealth through models that involve for-sale housing product, shared equity, profit-sharing, cooperative housing, community land trusts, stipends for renters, cooperative housing, etc. The project is for income-qualified individuals/families.	3	X
4	Neighborhood Commercial & Services	Foster a mix of land uses and unique neighborhood business districts that adequately meet the local community's needs	Projects are mixed-use and establish commercial spaces within the development. Projects will promote various neighborhood-serving commercial spaces, such as daycares, restaurants, and retail spaces. The commercial spaces shall be open to the public and shall not be exclusive to the development.	3	X
5	Expand Opportunity	Provide affordable housing within areas with access to resources that may improve a person's chances of upward economic mobility.	The project is located within the RDA's High Opportunity Area map. Please refer to Attachment D.	3	X
6	Affordable Housing Preservation	To preserve existing affordable housing	At least 50% of the project involves preserving (through a formal mechanism such as a deed restriction) either naturally occurring affordable housing or deed-restricted affordable	1	X

CATEGORY	POLICY OBJECTIVE	BENCHMARK	NOFA RANKING WEIGHT*	0.5% INTEREST RATE REDUCTION**
		housing where the restriction is nearing expiration.		
7	Architecture & Urban Design	To promote high-quality architecture that enhances the public realm, strengthens the neighborhood’s unique character, and uses enduring materials	1	X
8	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	1	X
9	Housing for Everyone: Special Populations	Expand the availability of units for special populations, thereby providing housing options for individuals or families that may otherwise be underserved	1	X
10	Missing Middle & Unique Housing Types	Promote a variety of project types and scales to diversify the City’s housing stock/forms and provide more affordable living options for residents	1	X
11	Mixed-Income Neighborhoods	To promote mixed-income developments, economically integrated communities, and housing opportunities for low-income residents	1	X

CATEGORY	POLICY OBJECTIVE	BENCHMARK	NOFA RANKING WEIGHT*	0.5% INTEREST RATE REDUCTION**	
12	Neighborhood Safety	Utilize the development of housing to reduce the number of vacant and distressed buildings and lots to reduce crime and return land to a productive use	Projects are located within an active RDA project area (see Attachment E for RDA Project Area Map) and the project redevelops property that is significantly distressed or causing a nuisance, as evidenced by crime data from Salt Lake City Police Department. NOTE: Documentation of crime data must be included in the initial application submittal to qualify.	1	X
13	Public Art	Promote cultural expression and add to the experience and value of the built environment through art that is publicly visible or accessible for all to experience	Project contributes at least 1.5% of the RDA contribution towards the installation of art onsite or towards the RDA Art Fund as outlined in the RDA Art Policy. Inclusion of Public Art must be shown in the project budget submitted with the initial application.	1	X
14	Public Space	To promote community amenities providing opportunity for social interaction; support cultural events; promote neighborhood identity; reinforce neighborhood character; walkability and connectivity.	The project includes a significant amenity open to the public and adjacent to a public right-of-way that is privately maintained and not otherwise required by City Code. An easement must be recorded to ensure public access in perpetuity.	1	X
15	Sustainability	Promote environmentally sustainable development projects to lower housing expenses, conserve resources, and improve resiliency	Projects must be built to Off-Site Net Zero or On-Site Net Zero standard as described in the RDA's Sustainable Development Policy Resolution . This includes all components of the development, not just common areas.	1	X****
16	Transportation Opportunities	Promote a multimodal transportation network and ensure convenient and equitable access to a variety of transportation options	Projects must meet TWO of the following: <ul style="list-style-type: none"> • Includes a car sharing, bike sharing, or transit pass program that is widely available to employees/residents. • Includes at least two electric vehicle charging stations available for public use. An easement must be recorded to ensure public access in perpetuity. • Includes the construction of a shared parking garage within ¼ mile of a light rail stop that is a parking structure with additional stalls that are made available to offsite neighboring properties. 	1	X

CATEGORY	POLICY OBJECTIVE	BENCHMARK	NOFA RANKING WEIGHT*	0.5% INTEREST RATE REDUCTION**
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- The developer coordinates with the city or another relevant entity to enhance multi-modal transportation infrastructure within the project's vicinity. **NOTE:** This coordination must be initiated and documented prior to HDLP application submission to qualify.

**Note: NOFA Ranking Weight: Uses a number (the weight) between 1 and 3 to assess the importance of the funding priority, with 1 being of lower importance and 3 being of the highest importance.*

***Note: 0.5% Interest Rate Reductions: While 16 interest rate reductions are available, interest rates can be reduced by a maximum of 2.0%. Please see Attachment C for applicable standard loan terms and conditions.*

****Note: Between the two threshold requirements laid out in Section 3.7, if a project includes both family housing units and deeply affordable units in accordance with this section, the project may receive the interest rate reduction by meeting the second threshold requirement at a percentage of 10% instead of 15%.*

*****Note: Sustainability Interest Rate Reduction: As per the RDA's Sustainable Development Policy, projects built to an Off-Site Net Zero standard are eligible for a 1% interest rate reduction and projects built to an On-Site Net Zero standard are eligible for a 2% interest rate reduction.*

SECTION 7: COMPLIANCE

Each applicant must certify that the project is, and will be, in compliance with all applicable federal and local rules and regulations. Projects will be subject to ongoing monitoring to evaluate and ensure that projects comply with affordability requirements, applicable funding priority polices, and other requirements as determined in the loan agreement.

SECTION 8: ATTACHMENTS

- Attachment A: RDA Guiding Framework
- Attachment B: HOME Funds Requirements
- Attachment C: Standard Loan Terms and Conditions
- Attachment D: High Opportunity Area Map and Table
- Attachment E: RDA Project Area Map
- Attachment F: Maximum Rents & Incomes

Attachment A: RDA Guiding Framework



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?

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

*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.

Adopted 12.14.21

Attachment B: HOME Funds Requirements

As part of the FY2025 NOFA, HUD HOME Community Housing Development Organization Funds (CHDO) are available. An overview of the HOME CHDO Program is available here:

<https://www.hudexchange.info/programs/home/topics/chdo/#policy-guidance-and-faqs>"

Details on the HUD HOME CHDO funds are available here:

FUNDS CATEGORY	AMOUNT*	ADDITIONAL DETAILS
HOME Community Housing Development Organization Funds	\$475,330	Additional Requirements are located here: <ul style="list-style-type: none"> • 24 CFR 92.208 • 24 CFR 92.300 • 24 CFR 92.301

**Note: Amounts are approximate. The total available funds may change after this document has been published.*

The RDA and the City reserve the right to provide separate loan document agreements for the HUD HOME CHDO funds and the RDA funds. The HDLP Policy and guidelines will apply to the extent that it does not conflict with HUD HOME CHDO rules.

A CHDO (Community Housing Development Organization) is a nonprofit, community-based organization that develops affordable housing for low-income individuals. To be designated as a CHDO, the organization must meet specific requirements set by the U.S. Department of Housing and Urban Development (HUD), including having a mission focused on housing, significant representation from the community it serves, and the capacity to carry out housing projects. CHDOs are eligible to receive federal HOME Investment Partnerships Program funds, which help them build, rehabilitate, or manage affordable housing.

To be considered a CHDO, a nonprofit must meet the following requirements:

1. **Legal Status:** The organization must be legally organized under state law as a nonprofit and have a tax-exempt status under IRS Section 501(c)(3) or 501(c)(4).
2. **Mission:** The organization’s primary mission must be the provision of affordable housing for low- and moderate-income people.
3. **Board Composition:** At least one-third of the board must represent low-income community residents, with no more than one-third of the board members being public officials or employees of the government.
4. **Capacity and Experience:** The organization must demonstrate the capacity to carry out affordable housing development activities, either through staff with relevant experience or by contracting professionals.
5. **Accountability to the Community:** The CHDO must maintain accountability to low-income community residents through a formal process for obtaining input, such as holding public meetings or having community representatives involved in decision-making.
6. **Independence:** The organization must not be controlled by, or be a subsidiary of, a for-profit entity.
7. **Service Area:** The CHDO must focus its activities in a specific geographic area, such as a neighborhood or city, and demonstrate an ongoing relationship with the community it serves.

Meeting these criteria allows a nonprofit to apply for CHDO designation and qualify for special HOME funds to support affordable housing projects.

If you meet the above requirements and wish to become a CHDO please email Dennis.Rutledge@slc.gov to complete an application packet to be considered a CHDO. If you already are a CHDO please note that you must resubmit for CHDO qualification each year.

Attachment C: Standard Loan Terms and Conditions

Standard loan terms and conditions for I) Gap Financing: Rental Construction to Permanent II) Property Acquisition and III) Gap Financing: Homeownership Construction are as follows:

I. GAP FINANCING: RENTAL CONSTRUCTION TO PERMANENT**Limits to Assistance:**

- **Maximize Other Sources:** Applicants must demonstrate that they have maximized other available financing sources thereby limiting HDLP funding to the lowest amount necessary to close the funding gap and assure project feasibility.
- **Loan to Value:** A loan-to-value limit is not applicable. However, land and project costs shall be reasonable as compared similar projects in size, scope, and location.
- **Debt Service Coverage Ratio (DSCR):** Repayment terms for amortizing HDLP loans will be calculated as described herein and will be based on a DSCR of 1.10 inclusive of the RDA's loan and all senior debt.
- **Cash Flow:** For loans that qualify for a cash flow repayment structure, pursuant to the standards contained herein, applicants must demonstrate that the HDLP loan can be repaid within its scheduled term or at the end of the term.
- **Proportion to Affordability:** Funding shall be sized in proportion to the affordable component, taking into consideration the AMI structure and number of units in the project.

Repayment:

- Depending on the project's capacity for repayment, loans may be repaid as an amortized loan, a cash flow loan based on available cash flow, or a combination of both types of loan.
 - **Amortized Loan:** The RDA will determine what portion of its loan can be paid on an amortized schedule with required payments using the DSCR standards contained herein and the DSCR requirements of the senior lender.
 - **Cash Flow Loan:** If full amortization is not feasible due to limited cash flow, funds shall be repaid from an agreed upon percentage split of surplus cash flow. Cash flow loans shall be considered only for projects that provide a high level of affordability, target a difficult to serve population, or include other significant public benefit.
- At the RDA's discretion, payments may not be required and interest may not accrue or accrue at a reduced interest rate during the construction and lease-up phase. Upon completion of construction, lease-up, project stabilization, or other fixed date, loans shall begin to accrue interest and shall be subject to repayment.
- Any accrued but unpaid interest and principal is due in full at loan maturity.
- Loans can be prepaid in whole or in part at any time without penalty. Prepayment does not end the affordability period before its original end date.

Term:

- RDA loan terms will generally match the term of permanent senior debt, generally up to a maximum of 30-years for projects with non-HUD financing and up to a maximum of 40 years for projects with HUD financing.
- Commencement of the loan term and/or repayment period may be deferred for a period of time to allow for completion of construction and lease-up phase.

Interest Rate:

- **Base Interest Rate:** The base interest rate shall be as follows:
 - **Amortized Loans:** The current U.S. Treasury Yield Curve Rate for the loan term plus 1%, locked in within a month of loan closing, with a maximum base interest rate of 3%. The interest rate

for loans with a term longer than 30 years will utilize the 30-year U.S. Treasury Yield Curve Rate in this calculation.

- Cash Flow Loans: The current U.S. Treasury Yield Curve Rate for the loan term plus 2%, locked in within a month of loan closing, with a maximum base interest rate of 4%. The interest rate for loans with a term longer than 30 years will utilize the 30-year U.S. Treasury Yield Curve Rate in this calculation.
- Interest will accrue as simple interest.
- Funding Priority Incentives: Projects shall have the ability to reduce the Base Interest Rate if the project meets the current funding priorities as established annually pursuant to the Funds Policy. For each funding priority met, the project is eligible to receive a .5% reduction from the Base Interest Rate, with the ability to reduce the interest rate to a minimum of 1%.
- Interest rates are subject to an adjustment, of up a 1% deviation, based on project cash flow and debt coverage ratio calculated at time of application and underwriting.

Affordability Restriction:

- A restriction shall be recorded against the property that requires continued use of the specified units as affordable housing for at least the same period as the senior financing or a minimum of 30 years, whichever is greater. Both a rent and income restriction shall be included to limit the maximum rent that can be charged for a unit and to require that the unit be made available only to households with qualifying incomes.

Subordination to Senior Debt:

- HDLP loans may be subordinated to leverage private financing, with the priority among subsidy lenders typically established based upon size of the loans.

Security:

- Adequate security shall be required, generally in the form of a deed of trust, promissory note, and guarantees.

Developer Fee:

- Given the rent restrictions on affordable housing projects, affordable housing developments typically do not have substantial cash flow after debt service on their primary loans. As such, developer fees are recognized as a significant part of the income on which affordable housing organizations depend for their operations. For projects utilizing a low-income housing tax credit (“LIHTC”) program, the calculation to determine a maximum developer fee shall be consistent with Utah Housing Corporation’s policy, which caps the maximum developer fee. The maximum developer fee for projects not utilizing LIHTC will be evaluated on a case-by-case basis in the context of the proportion of affordable units and AMIs.

Borrower Contribution:

- Borrowers shall contribute a source of financing to the project, whether through an equity contribution or a deferred developer fee or a combination of both. The level of borrower contribution will be considered on a case-by-case basis and will be evaluated based on the type of ownership entity and level of public benefit provided by the project.
- For Low Income Housing Tax Credit (“LIHTC”) projects that are requesting a cash flow loan, the borrower shall maximize the amount of deferred developer fee allowed under Utah Housing Corporation’s standards to be allowed in tax credit basis and acceptable for their tax credit investor in that this amount must be payable within a time frame allowed by the LIHTC program as approved by the project’s tax counsel.

- Projects that have not maximized a developer fee, pursuant to the standards contained herein, or that serve lower AMIs or special populations, such as permanent supportive housing, may have the ability to waive the borrower contribution.

Disbursement of Funds:

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

Other

- Loans are non-assumable without written permission from the RDA.

II. PROPERTY ACQUISITION

Limits to Assistance:

- **Maximize Other Sources:** Applicants must demonstrate that they have maximized other available financing sources thereby limiting HDLP funding to the lowest amount necessary to close the funding gap and assure project feasibility.
- **Loan to Value:** Loans will be sized to a loan-to-value limit of 90% of the as-is appraised value inclusive of the RDA's loan and all senior debt.

Repayment:

- Depending on the applicant's capacity for repayment, loans may be repaid as a deferred or interest-only loan.
- Any accrued but unpaid interest and principal is due in full at loan maturity.
- Loans can be prepaid in whole or in part at any time without penalty. Prepayment does not end the affordability period before its original end date.

Term:

- The maximum loan term shall be 24 months with the ability for one 12-month extension if the project is demonstrating a progression toward construction.

Interest Rate:

- **Base Interest Rate:** The base interest rate shall be the current U.S. Treasury Yield for the loan term plus 2.5%, locked in within a month of loan closing, with a maximum base interest rate of 3%.
- Interest will accrue as simple interest.
- **Funding Priority Incentives:** Projects shall have the ability to reduce the Base Interest Rate if the project meets the current funding priorities as established pursuant to the Funds Policy. For each funding priority met, the project is eligible to receive a .5% reduction from the Base Interest Rate, with the ability to reduce the interest rate to a minimum of 1%.
- Interest shall accrue on all loan proceeds disbursed commencing on the date of disbursement.
- Interest rates are subject to an adjustment, of up a 1% deviation, based on project cash flow and debt coverage ratio calculated at time of application and underwriting.

Affordability Restriction:

- A restriction shall be recorded against the property that requires continued use of the specified units as affordable housing for at least the same period as the senior financing or a minimum of 30 years, whichever is greater. Both a rent and income restriction shall be included to limit the maximum rent that can be charged for a unit and to require that the unit be made available only to households with qualifying incomes.

Subordination to Senior Debt:

- HDLP loans may be subordinated to leverage private financing, with the priority among subsidy lenders is typically established based upon size of the loans.

Security:

- Adequate security shall be required, generally in the form of a deed of trust, promissory note, and guarantees.

Developer Fee:

- Developer fees are not an eligible cost for a property acquisition loan.

Disbursement of Funds:

- Funding may be disbursed at loan closing.

Other

- Loans are non-assumable without written permission from the RDA.

III. GAP FINANCING: HOMEOWNERSHIP CONSTRUCTION

Limits to Assistance:

- **Maximize Other Sources:** Applicants must demonstrate that they have maximized other available financing sources thereby limiting HDLP funding to the lowest amount necessary to close the funding gap and assure project feasibility.
- **Loan to Value:** Loans will be sized to a loan-to-value limit of 90% of the as-is appraised value inclusive of the RDA's loan and all senior debt.
- **Proportion to Affordability:** Funding shall be sized in proportion to the affordable component, taking into consideration the AMI structure and number of units in the project.

Repayment:

- Loans shall be repaid from the sale of housing units in the project. HDLP funds may be repaid after payout to senior loans have been accounted for.
- Any accrued but unpaid interest and principal is due in full at loan maturity.
- Loans can be prepaid in whole or in part at any time without penalty. Prepayment does not end the affordability period before its original end date.

Term:

- The maximum loan term shall be 36-months with the ability for one 12-month extension if the project is demonstrating a progression toward completion.

Interest Rate:

- **Base Interest Rate:** The base interest rate shall be the current U.S. Treasury Yield for the loan term plus 2.5%, locked in within a month of loan closing, with a maximum base interest rate of 3%. Interest will accrue as simple interest.
- **Funding Priority Incentives:** Projects shall have the ability to reduce the Base Interest Rate if the project meets the current funding priorities as established pursuant to the Funds Policy. For each funding priority met, the project is eligible to receive a .5% reduction from the Base Interest Rate, with the ability to reduce the interest rate to a minimum of 1%.
- Interest shall accrue on all loan proceeds disbursed commencing on the date of disbursement.
- Interest rates are subject to an adjustment, of up a 1% deviation, based on project cash flow and debt coverage ratio calculated at time of application and underwriting.

Affordability Restriction:

- A restriction shall be recorded against the property that requires continued use of the specified units as affordable housing for at least the same period as the senior financing or a minimum of 15 years, whichever is greater. Both a sales price and income restriction shall be included to limit the maximum sales price that can be charged for a unit and to require that the unit be made available only to households with qualifying incomes.

Subordination to Senior Debt:

- HDLP loans may be subordinated to leverage private financing, with the priority among subsidy lenders is typically established based upon size of the loans.

Security:

- Adequate security shall be required, generally in the form of a deed of trust, promissory note, and guarantees.

Developer Fee:

- Maximum developer fees will be considered on a case-by-case basis and will be evaluated based on the affordability levels of the project, type of ownership entity, and level of public benefit provided by the project.

Borrower Contribution:

- Borrowers shall contribute a source of financing to the project, whether through an equity contribution or a deferred developer fee or a combination of both. The level of borrower contribution will be considered on a case-by-case basis and will be evaluated based on the affordability levels of the project, type of ownership entity, and level of public benefit provided by the project.
- Deferred developer fees shall be paid after the HDLP loan has been fully repaid.

Disbursement of Funds:

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

Other

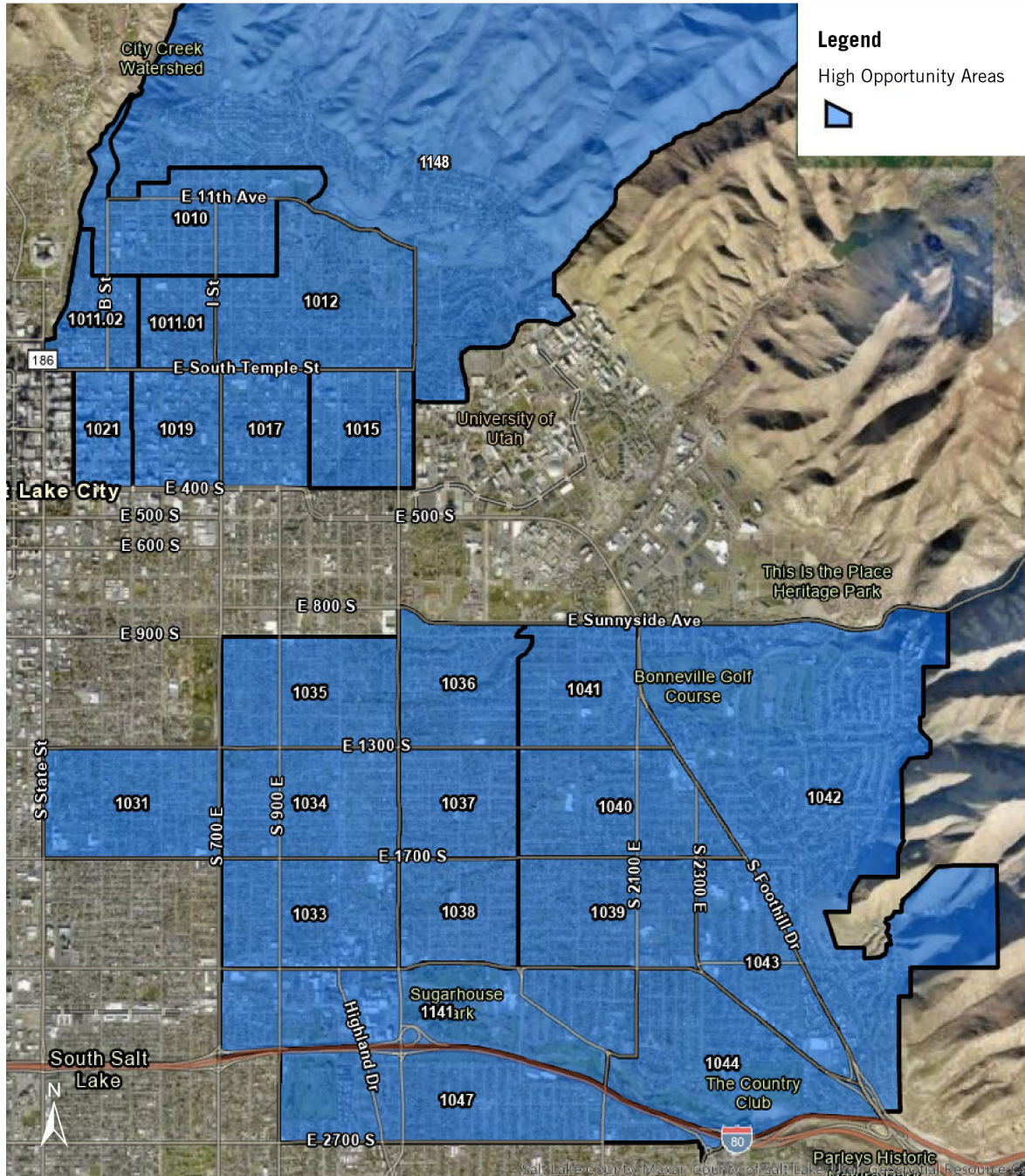
- Loans are non-assumable without written permission from the RDA.

Attachment D: High Opportunity Area Map and Table

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

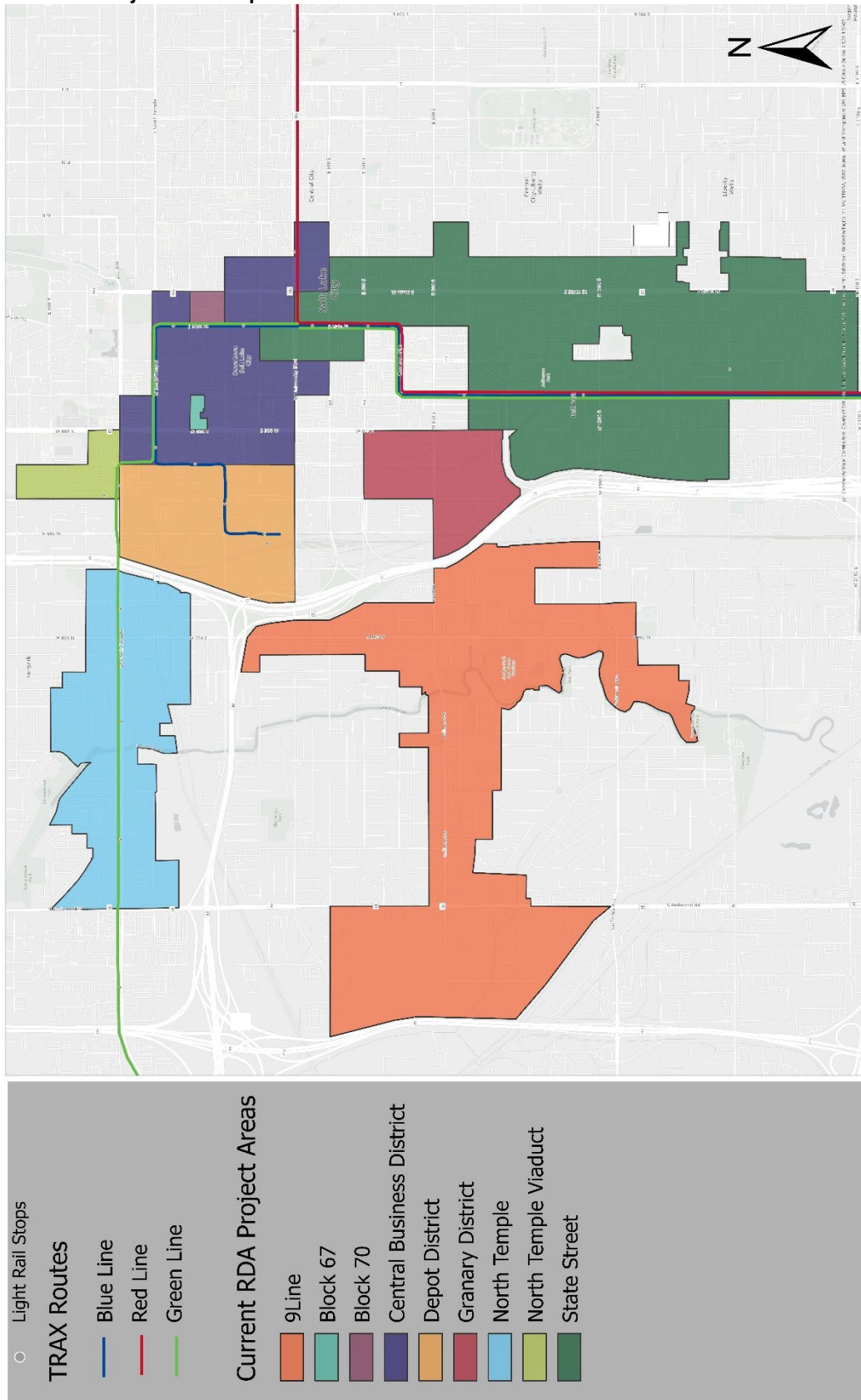
Tract	Opportunity Index Score	Tract	Opportunity Index Score
1001	3	1028.01	2
1002	5	1028.02	4
1003.06	3	1029	2
1003.07	2	1030	6
1003.08	1	1031	8
1005	1	1032	6
1006	0	1033	7
1007	5	1034	8
1008	5	1035	7
1010	8	1036	10
1011.01	6	1037	8
1011.02	9	1038	7
1012	8	1039	7
1014.01	3	1040	9
1014.02	4	1041	8
1015	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 E: RDA Project Area Map



Attachment F: 2024 Maximum Incomes and Rents

2024 Income Limits: Salt Lake County

AMI	Number of Persons in Family							
	1	2	3	4	5	6	7	8
40%	\$32,360	\$36,960	\$41,600	\$46,200	\$49,920	\$53,600	\$57,320	\$61,000
50%	\$40,450	\$46,200	\$52,000	\$57,750	\$62,400	\$67,000	\$71,650	\$76,250
60%	\$48,540	\$55,440	\$62,400	\$69,300	\$74,880	\$80,400	\$85,980	\$91,500
80%	\$64,720	\$73,920	\$83,200	\$92,400	\$99,840	\$107,200	\$114,640	\$122,000

Source: Based on data acquired from the FY2025 Novogradac Rent & Income Limit Calculator

2024 Maximum Rents

AMI	Bedrooms					
	Studio	1	2	3	4	5
40%	\$809	\$866	\$1,040	\$1,201	\$1,340	\$1,479
50%	\$1,011	\$1,083	\$1,300	\$1,501	\$1,675	\$1,848
60%	\$1,213	\$1,299	\$1,560	\$1,802	\$2,010	\$2,218
80%	\$1,618	\$1,733	\$2,080	\$2,403	\$2,680	\$2,958

Source: Based on data acquired from the FY2025 Novogradac Rent & Income Limit Calculator