JACQUELINE M. BISKUPSKI
Mayor

DEPARTMENT *of* **COMMUNITY**
and **NEIGHBORHOODS**

CITY COUNCIL TRANSMITTAL

Patrick Leary, Chief of Staff

Date Received: December 12, 2017
Date sent to Council: December 12, 2017

TO: Salt Lake City Council
Stan Penfold, Chair

DATE:

FROM: Mike Reberg, Community & Neighborhoods Director

SUBJECT: Housing Trust Fund loan request from Liberty Uptown Associates, LLC for $1,000,000 for the construction and permanent financing of Liberty Uptown, a mixed income housing development in District 4 represented by Councilmember Derek Kitchen

STAFF CONTACT: Melissa Jensen, Housing & Neighborhood Development Director
801-535-6035, Melissa.Jensen@slcgov.com

Lily Gray, Deputy Director
801-535-6264, Lily.Gray@slcgov.com

DOCUMENT TYPE: Resolution

RECOMMENDATION: That Council approves the attached resolution allowing the City to enter into a loan agreement with Liberty Uptown Associates, LLC

BUDGET IMPACT: None

BACKGROUND/DISCUSSION:

Summary:

Liberty Uptown is a 109-unit mixed-income residential building that is part of the larger Violin School Common development. Violin School Common is the redevelopment of the City-owned historically-significant Northwest Pipeline Building and surrounding acreage which had been used as parking (approximately 2.78 acres overall). Cowboy Partners and Form Development submitted a winning response to the City's 2015 RFP for the site. The developer's proposal included housing for a diverse array of income levels, from permanent supportive housing to market rate, open space, and active ground floor uses. Liberty Uptown will feature 46 affordable

units and 63 market-rate units along with ground floor commercial space. Affordable units will serve those between 25% and 60% of Area Median Income. The developer requested a $1,300,000 loan from the Housing Trust Fund (HTF) to develop Liberty Uptown. The Housing Trust Fund Advisory Board approved a $1,000,000 loan to the development. This lower amount was based upon the available balance of funds and the amount per affordable unit that the Board considered appropriate. The total development cost is projected at $27,180,752.

Funding for the project is proposed to utilize the 4% Federal Low Income Housing Tax Credits. Working with Utah Housing Corporation and Private Activity Bonds, it is estimated that there will be a gap in funding. The applicant is reaching out to both the Housing Trust Fund and the State's Olene Walker Housing Trust Fund to fill the financing gap.

The proposed project is located in Salt Lake City District 4 represented by Councilmember Derek Kitchen.

Background/Discussion:

Cowboy Partners and Form Development were selected by the City through a competitive RFP process as joint developers of the Northwest Pipeline Building site. They proposed a vision for the site which includes Liberty Uptown, a 109-unit mixed-income community, the Magnolia, a 65-unit permanent supportive housing community to be operated by The Road Home, and the Metropolitan, a 74-unit market-rate building in the restored historic building. The development will include public space and active ground floor uses.

The site located at 325 East 200 South is approximately 2,000 feet from a TRAX stop and immediately adjacent to a bus stop. The development is 3.5 blocks from a grocery store and pharmacy, 2 blocks from Library Green and the City Library, and walking distance to the heart of the CBD.

Liberty Uptown is proposed as a 5-story wrap building. Amenities of the building will include a fitness center, internet café, and bicycle room. Of the 46 affordable units, 15 will have project-based vouchers which will enable deep affordability targeting. The remaining 31 affordable units will be targeted to 60% AMI and below households. The goal of the development is to serve a diverse array of the workforce.

The property is currently zoned R-MU and will require going through the Planned Development process to get approvals for aspects of the development that are shared between phases (i.e. parking).

The development will provide access for persons with disabilities in compliance with all applicable Federal Fair Housing Act and American with Disabilities Act accessibility standards.

Unit Mix: Affordable: 29 one-bedrooms, 15 two-bedrooms, 2 three-bedrooms

Affordability:

AMI 60% AMI or below – 31 units:

# Units	Description	Rent Amount per Month
20	One-bedroom	$756
10	Two-bedroom	$903
1	Three-bedroom	$1,041

AMI 40% AMI or below (voucher-supported) – 8 units:

# Units	Description	Rent Amount per Month
8	One-bedroom	$479

AMI 25% AMI or below (voucher-supported) – 7 units:

# Units	Description	Rent Amount per Month
1	One-bedroom	$272
5	Two-bedroom	$321
1	Three-bedroom	$369

The developer has received a bond allocation and 4% credits from UHC. They expect to hear from Olene Walker Housing Trust Fund in October 2017. Construction is anticipated to begin in September 2018 and finish in February 2020.

Loan Terms:

The Housing Trust Fund Advisory Board unanimously approved a $1,000,000 loan with a 42 year term and 35 year amortization schedule. The loan would be interest only accruing for the initial construction and lease up period of 2 years. The Board conditioned approval of the loan on matching the interest rate of the Olene Walker Housing Trust Fund loan at 2.5% and in an equal position. The loan will be subordinate to the first mortgage and City seller note and repayment of the subordinate loan will be an obligatory payment from cash flow from operations.

Borrower Information:

Cowboy Partners and Form Development submitted a joint response to the City's RFP. Liberty Uptown will be owned by a single-purpose entity with Cowboy Partners as the manager. Cowboy Properties will provide property management services and the Road Home will provide supportive services as needed for the deeply-targeted units. Cowboy Properties manages more than 19 multi-family developments. Resident services beyond resident amenities will include services and case management provided by The Road Home for residents of Liberty Uptown identified as needing supportive services. Cowboy Partners has been successfully developing affordable housing for 16 years. Cowboy Partners is a Utah based for-profit developer led by Dan Lofgren, who has been engaged in multifamily housing since 1975. Dan is joined by partners Mark Cornelius and Scot Safford with a combined 45 years of experience. Cowboy Partners was a pioneer in the development of mixed-income housing and has developed more than 1,300 income restricted units since the inception of the LIHTC program. This company has a deep expertise in Salt Lake's urban markets. Cowboy has current Housing Trust Fund financing on Liberty City Walk, Liberty Village and Liberty Boulevard.

Alignment with Current Initiatives:

The preservation and creation of affordable housing are high priorities. Housing and Neighborhood Development (HAND) has reviewed the proposed application against the 2016 Housing Policy and Plan Salt Lake. Based on the review of these guiding documents, the applicant meets the following:

- Provide affordable rental housing in Salt Lake City for residents who make 80% of less of the area median income
- Increase diversity of housing types for all income levels throughout the City
- Decrease percent of income spent on housing for cost-burdened households
- Direct new growth toward areas with existing infrastructure and servies that have the potential to be people-oriented
- Promote high density residential in areas served by transit
- Suppport homeless services

Fiscal Year 2017-18 Trust Fund Budget:

HTF FY17/18 Budget: $4MM			
Status	Proposed Loan	Affordable Units	Total Units
Funded			
Closed/Closing	$ 1,185,000	174	208
Awaiting Council Approval	$ 2,402,250	358	421
Currently in Review			
Total	$ 3,587,250	532	629
HTF FY17/18 Budget Remaining	**$ 412,750**		

Recommendation*:*

A. Housing Trust Fund Advisory Board's Recommendation

In a unanimous vote, the Housing Trust Fund Advisory Board voted to recommend approval of this loan request on September 28, 2017 under the following terms and conditions:

Amount: $1,000,000
Maturity: 42 year term, 35 year amortization
Interest Rate: 2.5%
Collateral: Trust Deed on Property – Third Mortgage Lien

B. Mayor's Recommendation

Mayor Biskupski reviewed this issue on October 10, 2017 and recommended approval of the loan as approved by the Housing Trust Fund Advisory Board.

PUBLIC PROCESS: The Housing Trust Fund Advisory Board held a public meeting and reviewed this request on September 28, 2017. No other public process is necessary.

EXHIBITS:

Attachment A: Resolution

Attachment B: Staff Evaluation

Attachment C: Administrative Approval

Attachment D: Loan Application

Attachment E: Project Vicinity Map and Preliminary Plans

Attachment A: Resolution

RESOLUTION NO. _____ OF 2017

Authorizing a Loan from Salt Lake City's Housing Trust Fund
To Liberty Uptown Associates, LLC
(Liberty Uptown)

WHEREAS, Salt Lake City Corporation (the "City") has a Housing Trust Fund to encourage affordable and special needs housing development within the City; and

WHEREAS, Liberty Uptown Associates, LLC ("Liberty") has applied to the City for a loan to facilitate the development of a mixed-income residential building located at 325 East 200 South, Salt Lake City, Utah (the "Property"); and

WHEREAS, when complete, the "Liberty Uptown" building is projected to consist of 46 affordable units, 63 market-rate units, and ground floor commercial space. Seven of the affordable units will serve those at 25% area median income or below, eight of the affordable units will serve those at 40% area median income or below, and 31 of the affordable units will serve those at 60% area median income or below.

NOW THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. That the City Council hereby approves issuing a single loan in the total amount of $1,000,000 to Liberty with the requirement that the loan proceeds shall be used to fund development of an affordable housing project located at the Property. The loan documents that correspond to this loan shall include the following terms:

Loan Amount:	$1,000,000
Loan Maturity:	42 years
Interest Rate:	2.5% per annum
Amortization:	35-year amortization after initial 2-year construction and lease up period, during which interest accrues and payments may be deferred
Collateral:	Trust Deed on the Property – Shared Third position with Olene Walker Housing Trust Fund

2. That Jacqueline M. Biskupski, Mayor of Salt Lake City, Utah, following approval of the City Attorney, is hereby authorized to execute the requisite loan documents on behalf of Salt Lake City Corporation and to act in accordance with their terms.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2017.

SALT LAKE CITY COUNCIL

By _____
CHAIR

ATTEST:

_____
CITY RECORDER

Approved As To Form
Salt Lake City Attorney's Office
By: _____
Kimberly K. Chytraus
Date: 11-2-2017

Attachment B: Staff Evaluation

SALT LAKE CITY HOUSING TRUST FUND
LOAN EVALUATION

Date: September 22, 2017

Name of Organization: Liberty Uptown Associates, LLC

Name of Project: Liberty Uptown

Location of Project: 325 East 200 South, Salt Lake City

I. Executive Summary:

Liberty Uptown is a 109-unit mixed-income residential building that is part of the larger Violin School Common development. Violin School Common is the redevelopment of the City-owned historically-significant Northwest Pipeline Building and surrounding acreage which had been used as parking (approximately 2.78 acres overall). Cowboy Partners and Form Development submitted a winning response to the City's 2015 RFP for the site. The developer's proposal included housing for a diverse array of income levels, from permanent supportive housing to market rate, open space, and active ground floor uses. Liberty Uptown will feature 46 affordable units and 63 market-rate units along with ground floor commercial space. Affordable units will serve those between 25% and 60% of Area Median Income. The developers are requesting a $1,300,000 loan from the Housing Trust Fund (HTF) to develop Liberty Uptown.

Funding for the project is proposed to utilize the 4% Federal Low Income Housing Tax Credits. Working with Utah Housing Corporation and Private Activity Bonds, it is estimated that there will be a gap in funding. The applicant is reaching out to both the HTF and the State's Olene Walker Housing Trust Fund to fill the financing gap.

The proposed project is located in Salt Lake City District 4 represented by Councilmember Derek Kitchen.

II. Borrower Information:

Cowboy Partners and Form Development submitted a joint response to the City's RFP. Liberty Uptown will be owned by a single-purpose entity with Cowboy Partners as the manager. Cowboy Properties will provide property management services and the Road Home will provide supportive services as needed for the deeply-targeted units. Cowboy Properties manages more than 19 multi-family developments. Resident services beyond resident amenities will include services and case management provided by The Road Home for residents of Liberty Uptown identified as needing supportive services. Cowboy Partners has been successfully developing affordable housing for 16 years. Cowboy Partners is a Utah based for-profit developer led

by Dan Lofgren, who has been engaged in multifamily housing since 1975. Dan is joined by partners Mark Cornelius and Scot Safford with a combined 45 years of experience. Cowboy Partners was a pioneer in the development of mixed-income housing and has developed more than 1,300 income restricted units since the inception of the LIHTC program. This company has a deep expertise in Salt Lake's urban markets. Cowboy has current Housing Trust Fund financing on Liberty City Walk, Liberty Village and Liberty Boulevard.

III. Proposed Loan Terms:

Amount:	$1,300,000
Type:	Subordinate loan
Interest/term:	2% interest rate, 42 year term (to work with senior lender), 35 year amortization.
Repayment:	Cash flow from operations (subordinate debt tranche)
Collateral:	Lien on property Subordinate to first mortgage and City Seller Note Position in relation to OWHTF unknown

IV. Project Overview:

Cowboy Partners and Form Development were selected by the City through a competitive RFP process as joint developers of the Northwest Pipeline Building site. They proposed a vision for the site which includes Liberty Uptown, a 109-unit mixed-income community, the Magnolia, a 65-unit permanent supportive housing community to be operated by The Road Home, and the Metropolitan, a 74-unit market-rate building in the restored historic building. The development will include public space and active ground floor uses.

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The property is currently zoned R-MU and will require going through the Planned Development process to get approvals for aspects of the development that are shared between phases (i.e. parking).

The development will provide access for persons with disabilities in compliance with all applicable Federal Fair Housing Act and American with Disabilities Act accessibility standards.

Unit Mix: Affordable: 29 one-bedrooms, 15 two-bedrooms, 2 three-bedrooms

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AMI 60% AMI or below – 31 units:

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20	One-bedroom	$756
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1	Three-bedroom	$1,041

AMI 40% AMI or below (voucher-supported) – 8 units:

# Units	Description	Rent Amount per Month
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1	Three-bedroom	$369

The developer has received a bond allocation and 4% credits from UHC. They expect to hear from OWHTF in October 2017. Construction is anticipated to begin in September 2018 and finish in February 2020.

V. Application Overview

Housing Trust Fund Eligibility		
Parameters	**Requirement**	**Project**
Cost per unit	<50%	$ 28,261 / 5%
Benefit LMI populations	<100% AMI	Affordable units at 25% - 60% AMI
LEED Certification	Exemption: 18.95.040.D	LEED ND

Zoning	Information only	R-MU
Affordability Term	55 Years	Compliant

Community Outreach:
Borrower has engaged several times with the Central City Community Council who have appreciated the level of engagement.

VI. Financial Review:

Sources of Funds:		Notes
Tax Credit Equity	4,031,096	*$1.08 pricing*
PAB Bonds	14,773,443	
SLC Seller Note	3,700,000	
SLC Housing Trust Fund (3rd Mortgage)	**1,300,000**	
Olene Walker Housing Trust Fund	1,000,000	
Developer Equity	2,376,213	
TOTAL	**$27,180,752**	
Uses of Funds:		
Acquisition	3,700,000	
Construction Costs	19,716,133	
Development Soft Costs	3,764,619	
TOTAL	**$27,180,752**	

Without the Housing Trust Fund loan, the development would not be able to proceed without considerable modifications. The escalating cost environment increased the financing gap for the development and has resulted in delays. While the per affordable unit Housing Trust Fund loan is relatively high compared to the historical average, this development embodies many of the goals of the board, including locating affordable housing in mixed-income communities. The larger development will create a unique community in the downtown with a diverse array of housing options and a vibrant public realm.

Financial Analysis

Operations		Year 1	Year 2	Year 3
Gross Rent		$1,513,005	$1,543,265	$1,574,130
Other Income		$101,674	$101,674	$101,674
less Vacancy	5.0%	($75,650)	($77,163)	($78,707)
Effective Gross Income		$1,539,029	$1,567,776	$1,597,098
less Operating Expenses		$457,800	$471,534	$485,680
less Replacement Reserves		$32,700	$32,700	$32,700
Net Operating Income		**$1,048,529**	**$1,063,542**	**$1,078,718**
Debt Service				
First Mortgage		$873,966	$873,966	$873,966
Seller Note		$37,000	$37,000	$37,000
SLC HTF		$52,003	$52,003	$52,003
OWHTF		$40,002	$40,002	$40,002
Total Debt Service		$1,002,971	$1,002,971	$1,002,971
Cash Flow Available		**$45,558**	**$60,571**	**$75,747**
Debt Coverage Ratio				
DCR = NOI / Debt Service		1.05	1.06	1.08

As can be seen, there is cash flow to support the subordinate debt of the development; however, there is little cushion in the early years.

Board Options:

1) Recommended by Staff:

   The board may want to consider accepting subordination to the City's Seller Note and seeking an equal position to OWHTF. The board may want to consider ways to incentivize/enable developer to move forward expeditiously.

2) Consider other terms
   - Interest rate
   - Loan term / amortization schedule
   - Loan amount

3) Deny the request

Fiscal Year 2017-18 Trust Fund Budget:

HTF FY17/18 Budget: $4MM				
Status		Proposed Loan	Affordable Units	Total Units
Funded				
Closed/Closing	$	1,185,000	174	208
Awaiting Council Approval				
Currently in Review	$	2,895,000	358	421
Total	$	4,080,000	532	629
HTF FY17/18 Budget Remaining	**$**	**(80,000)**		

Attachment C: Administrative Approval

SALT LAKE CITY HOUSING TRUST FUND
Administrative Approval

TO: Jacqueline M. Biskupski, Mayor
Patrick Leary, Chief of Staff

DATE: October 10, 2017

FROM: Lily Gray, Housing and Neighborhood Development, Deputy Director

SUBJECT: Housing Trust Fund loan request from Liberty Uptown Associates, LLC for $1,000,000 for the construction and permanent financing of Liberty Uptown, a mixed income housing development

STAFF CONTACTS: Melissa Jensen at 801-535-6035
Lily Gray at 801-535-6264

ACTION REQUIRED: Approval of new loan request

BUDGET IMPACT: None

BACKGROUND INFORMATION:

Liberty Uptown is a 109-unit mixed-income residential building that is part of the larger Violin School Common development. Violin School Common is the redevelopment of the City-owned historically-significant Northwest Pipeline Building and surrounding acreage which had been used as parking (approximately 2.78 acres overall). Cowboy Partners and Form Development submitted a winning response to the City's 2015 RFP for the site. The developer's proposal included housing for a diverse array of income levels, from permanent supportive housing to market rate, open space, and active ground floor uses. Liberty Uptown will feature 46 affordable units and 63 market-rate units along with ground floor commercial space. Affordable units will serve those between 25% and 60% of Area Median Income. The developer requested a $1,300,000 loan from the Housing Trust Fund to develop Liberty Uptown. The Housing Trust Fund Advisory Board approved a $1,000,000 loan to the development. This lower amount was based upon the available balance of funds and the amount per affordable unit that the Board considered appropriate. The total development cost is projected at $27,180,752.

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PROJECT OVERVIEW:

Cowboy Partners and Form Development were selected by the City through a competitive RFP process as joint developers of the Northwest Pipeline Building site. They proposed a vision for the site which includes Liberty Uptown, a 109-unit mixed-income community, the Magnolia, a 65-unit permanent supportive housing community to be operated by The Road Home, and the Metropolitan, a 74-unit market-rate building in the restored historic building. The development will include public space and active ground floor uses.

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Community Outreach:

Borrower has engaged several times with the Central City Community Council who have appreciated the level of engagement.

LOAN TERMS:

The Housing Trust Fund Advisory Board unanimously approved a $1,000,000 loan with a 42 year term and 35 year amortization schedule. The loan would be interest only accruing for the initial construction and lease up period of 2 years. The Board conditioned approval of the loan on matching the interest rate of the Olene Walker Housing Trust Fund loan at 2.5% and in an equal position. The loan will be subordinate to the first mortgage and City seller note and repayment of the subordinate loan will be an obligatory payment from cash flow from operations.

RECOMMENDATION:

A. Housing Trust Fund Advisory Board's Recommendation

In a unanimous vote, the Housing Trust Fund Advisory Board voted to recommend approval of this loan request on September 28, 2017 under the following terms and conditions:

Amount: $1,000,000
Maturity: 42 year term, 35 year amortization
Interest Rate: 2.5%
Collateral: Trust Deed on Property – Third Mortgage Lien

PUBLIC PROCESS: The Housing Trust Fund Advisory Board held a public meeting and reviewed this request on September 28, 2017. No other public process is necessary.

Fiscal Year 2017-18 Trust Fund Budget:

HTF FY17/18 Budget: $4MM				
Status		Proposed Loan	Affordable Units	Total Units
Funded				
Closed/Closing	$	1,185,000	174	208
Awaiting Council Approval				
Currently in Review	$	2,402,250	358	421
Total	$	3,587,250	532	629
HTF FY17/18 Budget Remaining	**$**	**412,750**		

APPROVAL OF A HOUSING TRUST FUND LOAN TO LIBERTY UPTOWN ASSOCIATES, LLC AS RECOMMENDED BY THE HOUSING TRUST FUND ADVISORY BOARD:

By: Jacqueline M. Biskupski Date: 10-10-17

Jacqueline M. Biskupski, Mayor, or designee

Attachment D: Loan Application

FUNDING APPLICATION
SALT LAKE CITY HOUSING TRUST FUND
Cover Sheet

Project Name: Liberty Uptown

Applicant/Organization: Liberty Uptown Associates, LLC

Mailing Address: 6440 S Wasatch Blvd. Ste. 100
Salt Lake City, UT 84121

Contact Person: Chris Zarek

Phone Number: (617) 984-9886

Fax Number: (801) 231-5999

E-mail: czarek@formdevelopment.com

Federal Employee Identification Number 81-3856219

Project Name: Liberty Uptown

Project Location: 325 East 200 South, Salt Lake City, UT 84111

Amount Requested: $1,300,000

Terms Requested*:

Purpose	Permanent financing
Term	42 years (to work with terms of first lender)
Amortization	35 years
Interest	2%
DSCR	Minimum of 1.10 (including soft debt)
LTV	Maximum of 85% LTV (including equity)
Security	Recorded Trust Deed; subordinate to private construction and permanent lenders..
Restrictions	Recorded Use Restriction
Recourse	Non-Recourse

* Please see Housing Trust Fund term sheet for preferred terms. Deviations are considered on a case-by-case basis as needed by other financing sources and project specific characteristics (i.e. supportive housing for vulnerable populations).

Please contact Lily Gray at 801-535-6264 if you have questions or need assistance completing this application. Lily.Gray@slcgov.com

Project Description
Part I

1. Please provide the following site information:

   Address: 325 East 200 South, Salt Lake City, UT 84111
   Council District: 4
   APN: 16-06-205-017
   Acreage: 2.72 acres
   Current Use of the Site: Vacant office building and surface parking lot
   Status of Site Control: completing drafting of purchase contract
   Current Property Owner: Salt Lake City Corporation

   Attachments requested: site location map, preliminary title report, market study (if available), appraisal (if available), environmental clearances/reports (if available)

2. Provide a summary of the project (how many total units, how many affordable units, type of project, etc.).

   Liberty Uptown is a 109-unit mixed-income residential building wrapping a 241-stall parking garage to be shared by Liberty Uptown, The Metropolitan, and their associated commercial spaces. Liberty Uptown will feature 46 units affordable to individuals and families with incomes from 25% to 60% of the Area Median Income (AMI). Liberty Uptown will be Type III construction.

3. Provide a design description of the project, including information on exterior, units and common spaces. Please attach site plan, floor plan, and elevation of your project, if available. Please address how your project will be accessible/visitable.

   Liberty Uptown
   Development Concept and Executive Summary

   Introduction and Situation Analysis:
   Liberty Uptown is a 109-unit mixed-income/mixed-use development that is part of the larger **Violin School Common** development located at 300 East and 200 South in Salt Lake City. **Violin School Common** is the redevelopment of the historically significant Northwest Pipeline Building and the surrounding acreage which had been used as parking. The redevelopment of the Northwest Pipeline Building is an initiative of Salt Lake City's Housing and Neighborhood Development (HAND) Division which selected the team of Cowboy Partners and Form Development in a competitive RFP process as the developer to execute their vision. The creation of income-restricted and rent-restricted affordable housing was an important part of the winning Cowboy/Form proposal.

   The redevelopment undertaking is referred to as the **Violin School Common** in direct reference to the violin-making school that is a bit of a local institution and is

located directly across the street. The school is perhaps the most readily recognized landmark in this neighborhood and hence the reference to the school in the redevelopment undertaking, and in naming the large open space plaza, the **Violin School Common**, that is central to the plan. The **Violin School Common** site is 2.78 acres, the **Liberty Uptown** portion of that is 1.44 acres, including the applicable/allocated land area under the parking structure and an appropriate allocation of the plaza area. The balance of the campus is comprised of the existing Northwest Pipeline Building which will be re-purposed and remodeled into **The Metropolitan** with 74 market-rate units, and **The Magnolia**, which is 65 desperately-needed permanent supportive housing units. The mixed-use developments will be situated around the **Violin School Common**, as the large open-to-the-public plaza area will be known

This site is particularly relevant in the discussion about the need for workforce housing in Salt Lake City because it is within a very short walk of the CBD and its thousands of jobs. The site is also served by public transit, with a bus stop immediately in front of the property and rail transit a short walk away. This immediate and affordable access to major employment centers – including the University of Utah, several hospitals, the downtown central business district and the myriad hotels, restaurants and retail centers located there – combined with real walk-ability to services like a grocery store, means a rent-burdened household is able to alleviate rent pressure by being able to live with one less car, or without a car altogether.

The need for affordable housing units in the heart of the City is well documented, with most counts putting the shortage at a minimum of 7,500 affordable units. In other words, that's how many households are housing-cost burdened and therein their household stability (i.e. the ability to stay out of homelessness) threatened by paying too much in rent. **Liberty Uptown** will be part, albeit a small part, but a nonetheless important part, of addressing that need.

Design and Construction:
In pursuit of cost efficiency **Liberty Uptown** is a 5-story, Type V, wrap structure. While construction costs are driving the structural concept, **Liberty Uptown,** as shown on the drawings in the application, is a building with character and design "vibrancy" that will work exceptionally well in the urban setting and which will "partner" wonderfully with **The Metropolitan** and **The Magnolia** as a part of **Violin School Common**. The design is particularly sensitive to the desirability of animating the street frontage and the combination of a coffee shop and fitness center "up on the glass" will address that animation imperative. The character of the building elevation is quite modern and the interior design of the common areas and the individual apartments will honor that element of "sleekness". Amenities will include a fitness center, a resident Internet café, a resident bicycle workshop, etc. However, in this setting perhaps the distinguishing amenity is **Violin School Common** and urban open space it provides, and the community gathering spot it will become. Programmed and activated, the Common will be quite unique and will benefit not just the residents of **Liberty Uptown**, but the entire neighborhood as well…which of course in turn accrues to the

enhancement of **Liberty Uptown** as the neighborhood becomes even more vibrant and alive.

The Market
There is a small component of **Liberty Uptown** that will be supported with project-based vouchers allowing for the creation of several special-needs set aside unit allocations, including 15 voucher-supported units deeply targeted to households between 25% and 40% AMI. Beyond the voucher supported units **Liberty Uptown** is defined as the quintessential urban workforce housing community. In invoking the term "workforce" there is an inherent need for explanation as the term can be confusing because it gets tossed around a fair bit in affordable housing discussions. In this case, with apartments targeted at multiple income/rent tiers ranging from 25% of AMI to roughly 100% of AMI the defining attribute of the resident profile will be employment in the urban economy. This includes retail and service workers, pre-professionals, medical staff from surrounding hospitals and host of varied employers in or near the CBD. Yes, there will be an element of the resident base that are commuters to employment centers away from the city core, but that will be a limited component. With a variety of unit types there is accommodation for a wide variety of household configurations. Based on previous experience in the urban core it can be expected that there will be a meaningful, not large, but still identifiable, cohort of fixed-income and elderly households for whom **Liberty Uptown** is a perfect solution..

Summary
Liberty Uptown is about housing solutions!
Solutions for chronically homeless who'll find stability and security; solutions for larger families that want to live downtown with options for employment, education, transit, culture and recreation; solutions for the fixed-income households in a truly walk-able setting (a major grocer only 3 blocks away) that makes it possible to live without an automobile and solutions for those who make our city work through their contribution to the downtown economy. Liberty Uptown is a remarkable collaboration of public and private efforts the outcome of which is a node of vibrancy, energy and enthusiasm that will "light up" the Violin School Common neighborhood and at the time embrace the housing needs of so many for whom the market doesn't offer a solution.

4. Does the project conform to the City's Master Plans for the area? Please indicate which master plan(s). Briefly restate the master plan objectives the project will meet.

   Among the vision statements for the Plan Salt Lake is the statement "Whether through our ancestry or architecture, our past helps define the context of our City. Every generation and development adds to that context. As we grow, we expect that growth will make a positive contribution to our community by respecting our past and adding to the definition of the City."

The summary thesis of the Violin School Common Project is to create:

"not just a project, but places. Not just places, but neighborhood places – declaring themselves new while embracing something established. This might mean a familiar feeling in a striking new space, or a novel experience with a familiar face. A place to explore or exhale, whatever your purpose might be. Most of all, we seek to create a generative place – one where the animating forces of the Central City community are drawn, connected, transformed and sent back forth with new energy."

The vision for Violin School Common is a place that respects, enhances and adds to the richness of the existing physical, social and cultural context of its neighborhood and the Central City Community. We believe this approach to the Violin School Common project speaks directly to the Vision of the General Plan. Further, the plan outlines several areas of concentration and initiatives to speak to those areas. Exhibit A shows pages from the plan with statements about how Liberty Uptown and the wider Violin School Common project will speak to master plan initiatives.

Please see the attached summary of conformance to Plan Salt Lake Initiatives.

5. What is the property zoned? Does the proposed project require a zoning change?

   The property is currently zoned R-MU. The project is currently going through the City's Planned Development process to get approval for aspects of the project that are non-conforming with current zoning (like shared parking).

6. All new construction projects will need to be reviewed by the appropriate Community Council. Please provide a copy of the Community Council's response to the review of your project.

   Attached.

7. Provide a breakdown of the number of units that will be provided for the various percentages of area median income (i.e. 30%, 50%, 60%, 80%, Market Rate), along with a list of the rents that will be charged to each group. If the project is targeting a specific population (i.e. senior, special needs, family), please provide that information.

   7 units – 25%
   8 units – 40%
   31 units – 60%
   63 units - Market

Liberty Uptown will have units targeted at large families and individuals experiencing homelessness.

8. How will the project be accomplished if the Salt Lake City Trust Fund is unable to fund this request?

   Housing Trust Funds are critical for the advancement of this project. But for the funding of this loan, this project cannot be completed.

9. How do you intend to use funds provided by Salt Lake City Corporation?

   The funds will be used as gap financing for the construction of the project. If encouraged/required by the City, and under certain terms and conditions, some portions of the funding may be used to fund design and pre-construction costs in order to encourage faster delivery of the project.

10. Are there tenants currently living in the project? Will they be able to remain in the project once it has been completed? Please explain how the tenants will be affected by the project and your plan to address the impact. If relocation is required, please describe the relocation plan.

    No. This project is new construction on vacant land.

11. How many square feet will the project contain? Please describe how the project will meet the requirements of LEED Standards in City Funded Construction (Chapter 18.95 adopted in 2006) if the project is for new construction or major renovation of a multi-family residential building that will contain more than 10,000 square feet. As an alternative to a LEED certification, please describe how the project will meet the standards and design guidelines as outlined by the National Green Building Standard.

    The project is approximately 120,000 SF. The Violin School Common as a whole is committed to be a LEED ND project as part of the award of the project to developer/owner from the City

12. Please provide a project schedule with key milestones (i.e. site acquisition, design, permitting, financing commitments, construction start and completion dates), indicating which steps are completed.

Planned Development/Prelim Subdivision Approval	TBD

	(Assumption: Oct. 18)
Submission of Metropolitan and Liberty Uptown Design Development Drawings	60 Business Days after Planned Development Approval (Estimate Based on Assumed Planned Development Approval Date: January 15, 2018)
City staff either approves or disapproves proposed Design Development Drawings	7 Days after receipt from Developer
Financing Commitments	May 2018
Developer submits to City staff of Metropolitan and Liberty Uptown proposed Final Construction Documents	105 Business Days from City Approval of DD Drawings (Estimate Based on Previous Assumptions: June 18, 2018)
City staff either approves or disapproves proposed Final Construction Documents	7 Business Days after receipt from Developer
Building Permit	Estimate Based on June 25, 2018 City Approval of Construction Drawings and an 8-week review period: August 25, 2018
Anticipated Closing Date on Acquisition of Parcels	August 31, 2018, based on all assumptions
Commence Sitework/Construction of Liberty Uptown	Estimate Based on Anticipated Closing Date: September 10 , 2018)
Anticipated Substantial Completion	February 29, 2020

Project Funding
Part II

1. Please list the sources of all funds as of the date of the application. Please indicate which funding sources are already committed and expected commitment dates. **If this is a tax credit project, please provide one complete copy of the tax credit application. Please provide breakdown of Federal and State LIHTC (if assumed) and tax credit equity pricing assumption.**

Permanent Sources of Funding/Post Construction:

	Source	Amount
Equity	Tax Credit Equity/Developer	$6,407,309
1st Mortgage	Senior Lender (GS)	$14,773,442
2nd Mortgage	SLC/HAND	$3,700,000
Other Secured Debts	Olene Walker	$1,000,000
	Housing Trust Fund	$1,300,000
Unsecured Debt	_____	_____
Other	_____	_____
Total Sources	_____	$27,180,752

1a. Ratio of Salt Lake City Trust Funding to total funding: 4.7%

2. Please list the uses of all funds for the proposed project, being as specific as possible. The total of Uses of Funds should equal the total project cost.

Uses:

Land/Building Acquisition Cost	$3,700,000
Rehabilitation/Construction Cost	$18,928,527
A/E, Permit and other fees	$3,062,880
Other, please specify	_____
Construction Period Interest	$701,739
Contingencies	$787,606
	_____
	$ 27,180,752

3. What will be the value of the project at the time of completion?

$17.7M

4. Please attach operating projections for the project for the first fifteen years after completion. Please list below the assumptions made to prepare the operating projection. Please show revenue and expense categories in as much detail as possible. If the project is receiving any operating subsidies, please provide information on commitment.

The project is receiving 15 project-based vouchers from the Salt Lake City Housing Authority to support its units targeted to very-low-income tenants experiencing homelessness

5. What is the source of repayment of the funds? Free cash flow from the project

6. What type of security is being offered to the City? TBD

7. Please list **all** other governmental grants, loans, tax credits, licenses, etc., necessary for this project to proceed. Please include information on the status of all funding required for the completion of this project.

   The project has received a bond allocation, 4% tax credits, and letters of interest from tax credit investors and a lender. We have had favorable conversations with other sub-debt providers, including Olene Walker and Salt Lake City Corporation.

8. Please describe the purchase terms under which the applicant will/has acquire(d) the property. How much of the purchase price will be paid with equity provided by the applicant? By others?

   The property will be acquired for $3.7M using proceeds from a seller's note.

10. Please state the number of years you will maintain this property as affordable. Housing Trust Fund requires a 55 year affordability period enforced by deed restriction for rental housing.

    55 Years.

11. Please list community assets, amenities and services in the area including their distance from the project (such assets might include transit, grocery stores, parks, schools, etc…). If the project includes any community amenity spaces, please specify.

    The project is approximately 2000 feet from a TRAX light rail stop, and immediately adjacent to a bus stop. The project is 3.5 blocks from a grocery store and pharmacy, 2 blocks from Library Green and the Main Central Library, walking distance to the CBD and all of its employment, social, and cultural amenities. The project is two blocks from the Oquirrah School. Liberty Uptown will border the new Violin School Common, a publicly-accessible space activated by programming and street level commerce.

Applicant Information
Part III

1. Please check each of the following which is true for the Applicant

_____(a) The Applicant is an individual doing business under his/her own name.

__X__(b) The Applicant has the status indicated below and is organized or to be organized under the laws of _____Utah_____

_____ A corporation

_____ A nonprofit or charitable institution or corporation

__X__ A partnership known as or to be known as:

Liberty Uptown Associates, LLC

_____ A business association or joint venture known as or to be known as: _____

_____ A Federal, State or local government or instrumentality thereof

_____ Individual known as: _____

Social Security Number of Individual: _____

_____ Other (explain):

2. If the Applicant is not an individual or a government agency, give date of organization:

September 14, 2016

3. Please provide a list of the officers, director or trustees, board of trustees or board of directors, or partners of the applicant's organization.

Member: Liberty Uptown Partners, LLC
Manager: Cowboy Partners, LC

4. Please provide a brief description of your organization.

Liberty Uptown Associates, LLC is a single-purpose entity created for the ownership and operation of Liberty Uptown.

5. Who will be responsible for this project? Please identify the following project roles.

   Applicant: Liberty Uptown Associates, LLC
   Developer: Liberty Uptown Partners, LLC
   Owner: Liberty Uptown Associates, LLC
   Property Management: Cowboy Properties
   Service Provider (if applicable): The Road Home (for homelessness services)
   Architect: TBD
   GC: TBD
   Other:

6. Please provide examples of experience your organization has with this type of project.

   Name: Liberty CityWalk
   Name: Liberty Metro
   Name: Liberty Midtown
   Name: Liberty Center
   Name: Liberty Village
   Name: Liberty Peak
   Name: Liberty Commons

7. List any projects where your organization had previously received City and/or RDA funding.

   Liberty CityWalk and Liberty Village, among others

8. Who will manage the property once it has been acquired/developed? Provide information on the property management firm and any proposed resident services.

   Cowboy Properties will manage the project. Cowboy Properties manages more than 19 multifamily projects and several more commercial projects. Resident services, beyond resident amenities, will include homelessness services and case management provided by The Road Home for tenants who are identified as homeless or chronically homeless and housed in Liberty Uptown, supported by project-based vouchers.

Current Ownership Information
Part IV

1. Who is the current owner of the property?

   Salt Lake City Corporation

2. Who is the current manager of the property?

   Salt Lake City Corporation / Housing and Neighborhood Development

3. Please provide a list of the officers, director or trustees, board of trustees or board of directors, or partners of the organization that currently owns the property.

   Mayor Jackie Biskupski
   Director Melissa Jensen, Housing and Neighborhood Development
   Deputy Director Lily Gray, Housing and Neighborhood Development
   Capital Asset Manager Todd Reeder, Housing & Neighborhood Development

Certification

I (we) Richard C Zarek, certify that this Applicant Disclosure of Ownership and Control is true and correct to the best of my (our) knowledge and belief.

Signature

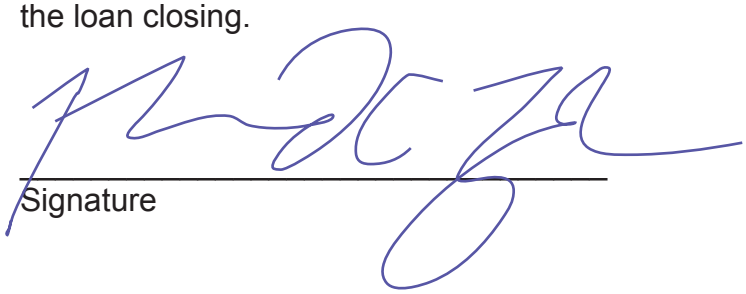
Development Manager, Liberty Uptown Associates, LLC
Title

6440 S Wasatch Blvd. Ste. 100, Salt Lake City, UT 84121
Address and Zip Code

Date: September 21, 2017

PREPARATION OF LOAN DOCUMENTS

Applicant understands and agrees with Salt Lake City Corporation's policy that all loan documents required from Salt Lake City Corporation, necessary for closing of the loan, will be processed and signed two weeks prior to the loan closing date and that no changes to those loan documents and/or requests for additional documents and/or letters requiring the Mayor's signature will be made during the two week period prior to the loan closing.



Signature

Development Manager, Liberty Uptown Associates, LLC
Title

September 21, 2017
Date

ACCESS TO TAX CREDIT APPLICATION INFORMATION

Applicant agrees to grant Salt Lake City Housing and Neighborhood Development permission to access information contained in their Low-Income Housing Tax Credit Application filed with the Utah Housing Corporation and/or any Private Activity Bond applications.

Signature

Development Manager, Liberty Uptown Associates, LLC
Title

September 21, 2017
Date

NOTE: PLEASE PROVIDE THREE (3) COPIES OF YOUR ENTIRE APPLICATION AT THE TIME THE APPLICATION IS SUBMITTED AND ONE (1) COPY OF YOUR TAX CREDIT APPLICATION and APPRAISAL.

Eligible Activities for Salt Lake City Housing Trust Funds
Part V

As set forth in Salt Lake Ordinance 78-00 of 2000, funds are provided to Salt Lake City's Housing Trust Fund to be used exclusively to assist with affordable and special needs housing in the City. Fund moneys may be used for:

1. Acquisition, leasing, rehabilitation, or new construction of housing units for ownership or rental, including transitional housing;

2. Emergency home repairs;

3. Retrofitting to provide access for persons with disabilities;

4. Down payment and closing cost assistance;

5. Construction and gap financing;

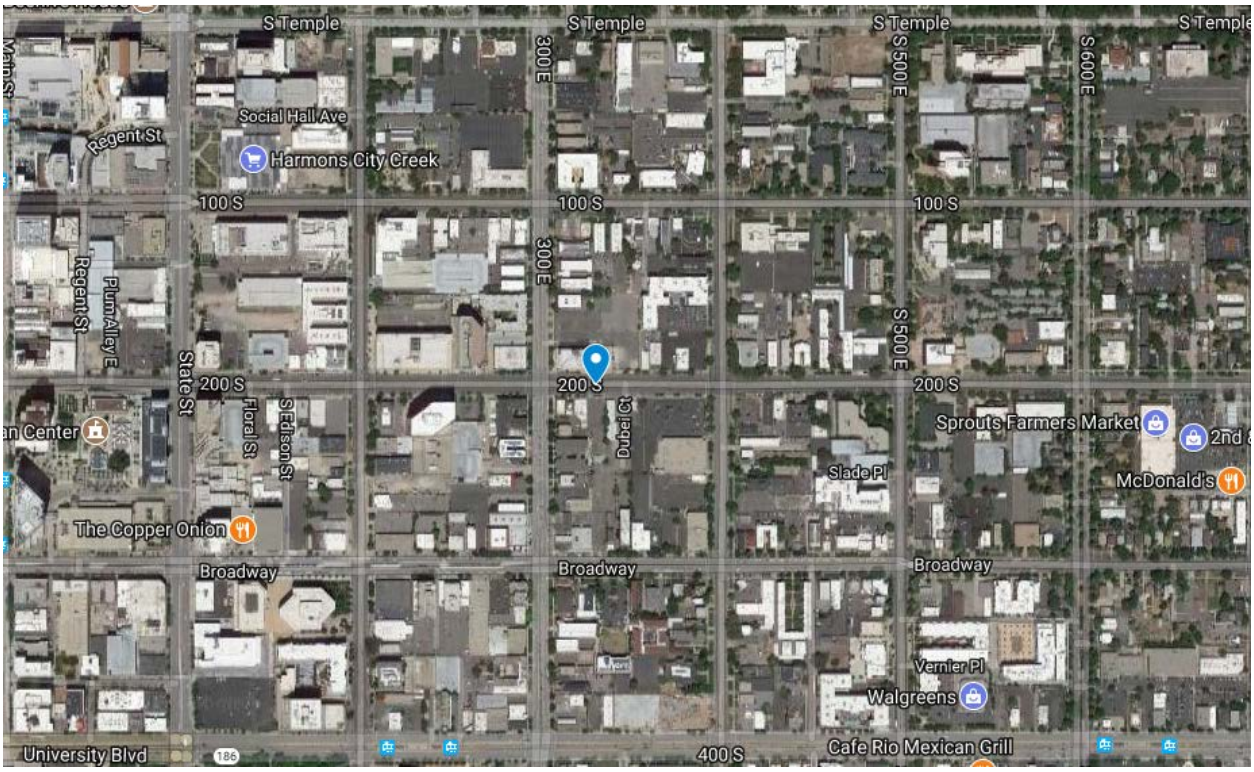
6. Land acquisition for affordable and special needs housing units

7. Technical assistance;

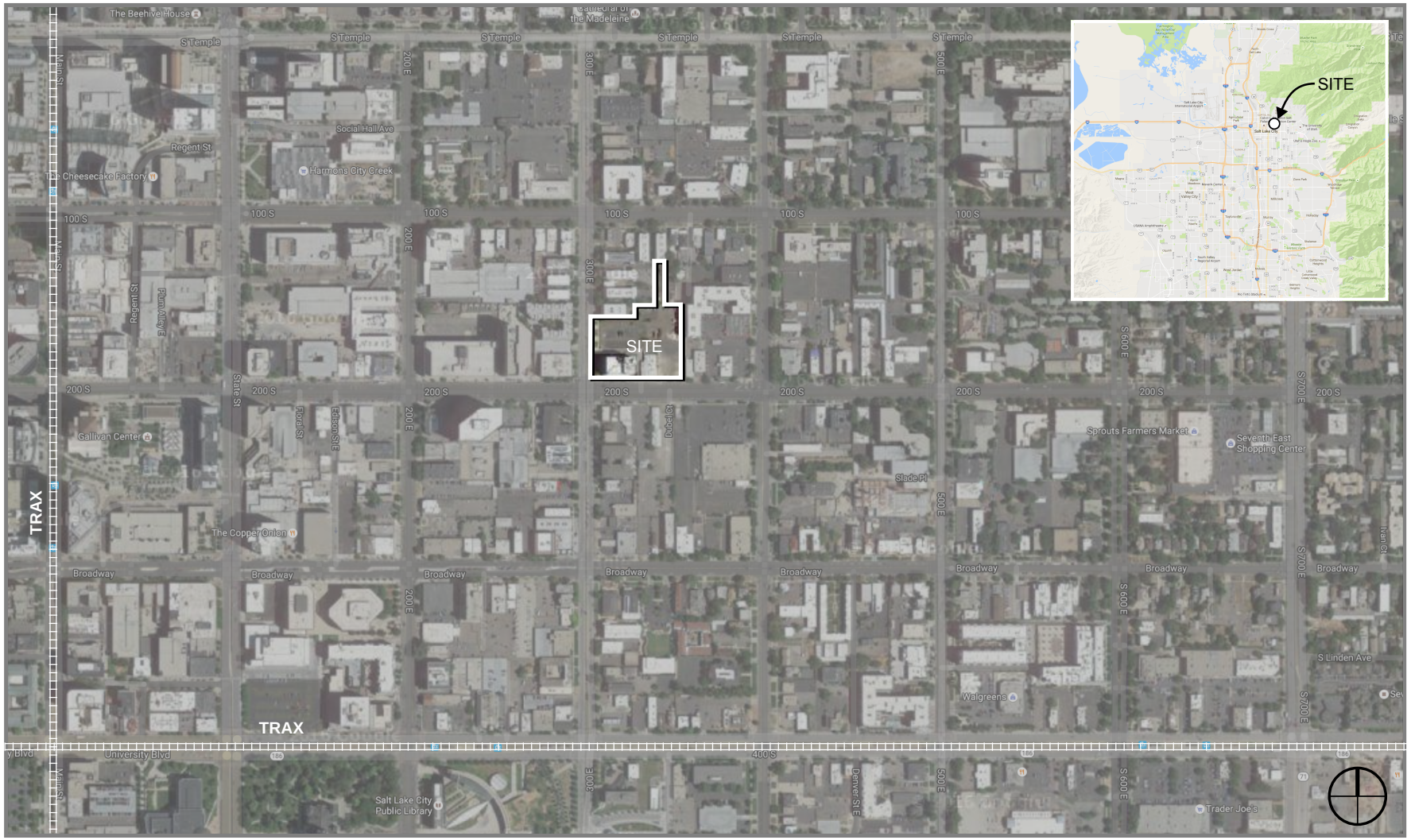
8. Other activities and expenses incurred that directly assist in providing affordable and special needs housing.

Housing Trust Fund money may not be used for administrative expenses.

Attachment E: Project Vicinity Map and Preliminary Plans


S Temple
S Temple
S Temple
S Temple
300 E
S 500 E
S 600 E
Social Hall Ave
Regent St
Harmons City Creek
100 S
100 S
100 S
300 E
Regent St
Plum Alley E
S 500 E
State St
200 S
200 S
200 S
Floral St
Madison St
Dupont Cir
Sprouts Farmers Market
2nd
Slade Pl
McDonald's
The Copper Onion
Broadway
Broadway
Broadway
Vernier Pl
Walgreens
University Blvd
186
400 S
Cafe Rio Mexican Grill

CONTEXT AND VICINITY MAPS

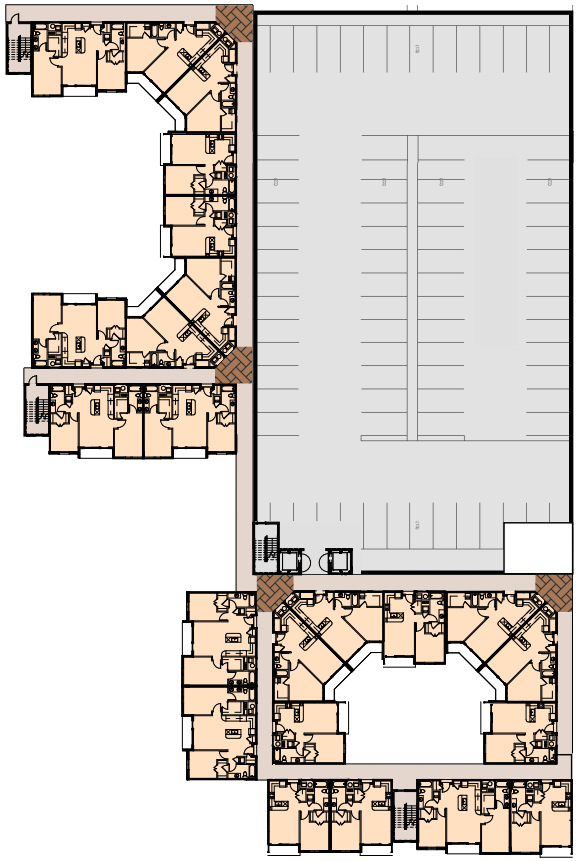


LANDSCAPE PLAN

ENLARGED SITE PLAN - MIXED INCOME BUILDING

Liberty Uptown

Ground Plane Plan



Typical Floor Plan

200 SOUTH MIXED INCOME HOUSING ELEVATION

Liberty Uptown

MATERIAL PALETTE

Board Formed Concrete
Metal Panel
Cementitious Siding
Metal Panel
Wood Siding

VIEW FROM 200 SOUTH

VIEW FROM 300 EAST