

The Redevelopment Agency (RDA) of Murray City met on Tuesday, July 18, 2023 at 4:32 p.m. in the Murray City Council Chambers, 10 East 4800 South, Murray, Utah.

Members of the public were able to view the meeting via the live stream at www.murraycitylive.com or <https://www.facebook.com/Murraycityutah/>.

Public comments could be made in person or by submitting comments via email at: rda@murray.utah.gov. Comments were limited to three minutes or less, and written comments were read into the meeting record.

In attendance:

RDA Board Members

Diane Turner, Chair
Pam Cotter, Vice Chair
Rosalba Dominguez
Garry Hrechkosy

Others in Attendance

Brett Hales, RDA Executive Director
Doug Hill, Mayor's Office
Tammy Kikuchi, Mayor's Office
G.L. Critchfield, City Attorney
Phil Markham, CED
Brenda Moore, Finance
Zachary Smallwood, CED
Elvon Farrell, CED
Robert White, IT
Ben Gray, IT
Pattie Johnson, Council Office
Jennifer Kennedy, Council Office
Kim Sorenson, Parks & Recreation
Brooke Smith, City Recorder
Members of the public, per sign-in sheet

CALL MEETING TO ORDER

Chair Diane Turner called the meeting to order.

APPROVAL OF MINUTES

Board Member Dominguez made a motion to approve the minutes from the June 20, 2023 meeting. Seconded by Vice Chair Cotter. A voice vote was made, and the motion passed.

CITIZEN COMMENTS

None

ACTION ITEMS

Consider a Resolution approving an Agreement between the Redevelopment Agency of Murray City and Salt Lake Neighborhood Housing Services dba NeighborWorks Salt Lake for a contribution of funds to be used for down payment assistance and home improvement loans for qualifying households – Doug Hill

Doug Hill discussed the agreement between the City of Murray and NeighborWorks to provide down payment assistance loans to individuals purchasing homes within Murray City.

NeighborWorks also has a number of other programs they work with the city on to help income qualified individuals. NeighborWorks has had an increase in demand this last year for down payment assistance, so they have a need for additional funding and cannot provide those loans any longer. Staff has worked with NeighborWorks to create this agreement that would provide them with \$200,000 of funding for these down payment assistance loans.

Board Member Dominguez shared that she received a loan from NeighborWorks for her home, and she wanted that relationship on the record. She has had a lot of constituents in situations where she was able to refer them to NeighborWorks, passing out a lot of applications and knows there are a lot of families whose homes need to be rehabbed but their income doesn't allow for those repairs.

Vice Chair Cotter moved to approve a resolution creating an agreement between The Redevelopment Agency of Murray and Salt Lake Neighborhood Housing Services dba NeighborWorks Salt Lake, for a contribution of funds to be used for down payment assistance and home improvement loans for qualifying households. Seconded by Board Member Dominguez.

Roll Call Vote:

Y Diane Turner
Y Garry Hrechkosy
Y Pam Cotter
Y Rosalba Dominguez

Motion Passes 4-0

Consider a Resolution by the Redevelopment Agency of Murray City (RDA) to appropriate funds for the Murray City Employee Down Payment Assistance Pilot Program – Zach Smallwood

Mr. Hill gave a brief history of the Redevelopment Agency's role and their funds, along with recent discussions had on ways to spend down those sizable funds accumulated over the years.

Zach Smallwood shared details of the proposed program. Originally they were going to ask for \$100,000, that was amended to \$150,000 based on housing prices and suggestions from NeighborWorks. This first request is the resolution to do the down payment assistance program for Murray City employees. It would be eligible for up to 120% of the median area income, which is determined by Salt Lake County; in 2022 100% of the AMI was \$106,000 for a family of four, so Murray is allowing up to 20% more than that. There is a scale based on the household size on who that applies to. It must be the primary residence, so no second homes or rentals. The home must be in Murray, they must be a full-time Murray City employee who has completed their probationary period and be in good standing without not more than \$20,000 in liquid assets post close. They must also be a first-time homebuyer, i.e., not owning a home within the last three years.

Chair Turner asked what "forgivable" means in this program.

Redevelopment Agency of Murray City Minutes

July 18, 2023

Page 3

Mr. Smallwood explained this will all be administered through NeighborWorks and a percentage of the loan will be forgiven every year over the course of five years. If the resident refinances or sells the home within the five-year time frame the loan would go into repayment.

Vice Chair Cotter asked if the home could be rented out if they moved somewhere else after purchase.

Mr. Smallwood responded he doesn't believe so, and that NeighborWorks would probably have something written into their title.

Board Member Dominguez asked if this agreement would last for three years, meaning the RDA is contributing \$150,000 a year for those three years.

Mr. Smallwood responded this is currently a pilot program, they are funding it for a year to see how successful it is. They would come back next year to reevaluate and discuss the future of the program. At a maximum of \$30,000 they would be able to help five employees this year, depending on what amount is approved for each person it could potentially help more people.

Chair Turner asked if there are any limitations to the properties other than they are located within Murray City, and if there is a price range allowed.

Mr. Smallwood said there isn't a price range limit, but they would have to be a first-time homebuyer that falls within the income limits.

Vice Chair Cotter asked if there will be any reports or pictures back when an employee takes advantage of this program to show what they were able to get, or would that be private information.

Mr. Smallwood said the homebuyer could elect to share that information, but they can't require it.

Board Member Dominguez asked how many people have already inquired about this program.

Mr. Smallwood responded that he has already had two people inquire specifically. The state has their own down payment assistance program as well that's available.

Board Member Dominguez moved to consider a Resolution by the Redevelopment Agency of Murray City (RDA) to appropriate the funds for the Murray City Employee Down Payment Assistance Pilot Program. Seconded by Vice Chair Cotter.

Roll Call Vote:

Y Diane Turner

Y Garry Hrechkosy

Y Pam Cotter

Y Rosalba Dominguez

Motion Passes 4-0

Consider a Resolution approving an agreement between the Redevelopment Agency of Murray City (RDA) and Salt Lake Neighborhood Housing Services dba NeighborWorks Salt Lake for a contribution of funds to be used for the Murray City Employee Down Payment Assistance Pilot Program – Doug Hill

Mr. Hill noted that this pilot program will have a budget of \$150,000, and when that money is gone the program is suspended until there is additional funds appropriated. This resolution simply transfers \$150,000 of the low-income housing money that has been set aside to NeighborWorks to administer the funds.

Board Member Dominguez made a motion to consider a Resolution approving an agreement between the Redevelopment Agency of Murray City (RDA) and the Salt Lake Neighborhood Housing Service dba NeighborWorks Salt Lake for the contribution of funds to be used for the Murray City Employee Down Payment Assistance Pilot Program. Seconded by Board Member Hrechkosy.

Roll Call Vote:

Y Diane Turner
Y Garry Hrechkosy
Y Pam Cotter
Y Rosalba Dominguez

Motion Passes 4-0

DISCUSSION ITEM

Presentation on NeighborWorks 60/40 loan programs – Tony Semone

Mr. Simone reviewed background information on the 60/40 Loan Program included in the meeting packet. He has been in discussion with Murray City regarding a property they own in the city, a development where they are building 12 homes called the Tripp Lane Project. They have discussed possibly taking four of those properties and putting them into a community land trust to help with the affordability of homes in the City of Murray. They then discussed, rather than doing a community land trust, they would maybe do a 60/40 loan. That means that instead of putting those properties into the trust where they have a lease on that property for 99 years, doing the same amount of funds where the city would provide a 40% down payment to four home buyers for over a possibly 15-year period. It would be a loan, not a grant, that would be similar to the down payment assistance programs they already administer for the city. The loan would be for up to 15 years, depending on what the city decides. There would be an interest rate, and the homeowner would make payments every month. If they refinance or sell the home within that 15-year period they would owe that money back to the city. This would be a second loan with a first mortgage. They have already spoken to a bank that would be willing to administer the first mortgage in this type of program. They have a similar program where they provide a 20% down payment out of their funds, doing an 80/20 type of loan, and Washington Federal has agreed to do the 60% mortgage with the city providing the down payment.

Mr. Hales asked if the PMI is over a period of time, or if that's for the life of the loan.

Mr. Simone explained that PMI is private mortgage insurance, required when a homebuyer is putting less than 20% down on a loan. Once the equity in the property reaches an 80% loan to value the homebuyer can call their servicer and request that PMI be removed. This is being proposed such that the 40% down payment is not a grant, it is a loan at a lower interest rate, which combined with the 60% mortgage loan would save the amounts listed in the paperwork.

Vice Chair Cotter asked if they could do a VA loan.

Mr. Simone responded yes. The VA will allow you to do 100% financing, and in this situation the person may not even need that VA loan since they can get 100% financing without a down payment.

Chair Turner asked if there is a number yet for how many homes will be built in Tripp Lane.

Mr. Simone responded 12 homes, and it will be a cul-de-sac.

Board Member Dominguez asked why it would only be four homes, would NeighborWorks be open to less or more.

Mr. Simone responded they would be open to as much money as the city wanted to provide. One of their missions is affordable housing throughout Salt Lake County and they have a great relationship with the City of Murray. During the previous land trust discussion, they talked about \$1 million which worked out to \$250,000 per lot. Instead of doing the land trust, that amount would be used for loans.

Board Member Dominguez asked if with the land trust option, the homeowner wouldn't then own the home. The city would then be able to decide later if they wanted to use the land for something else. This instead gives the homeowner the option to buy their home and then sell it later. Do they have to be in the home for a minimum amount of time for this loan program.

Mr. Semone said they wouldn't have to with this program because it's a loan, not a grant. They are paying that money back, so if they have to leave before the city's loan is up the city will get that money back when they sell. This money will be coming from the RDA, not the city.

UPDATES

60/40 Loan Program

Mr. Hill noted that regarding the 60/40 loan program discussion, he will have a discussion with the Chair, Vice Chair and staff to determine if they want to move forward, recommend bringing it back to the RDA or not, etc.

Downtown Small Area Plan

Mr. Hill noted there was a meeting held yesterday for the Downtown Small Area Plan, he believes the second meeting with the committee. The consultants are taking the lead on that project. Yesterday the discussion primarily focused around public involvement going forward and there are some tentative dates that have been set by the committee to get public involvement in the downtown area. The first meeting is tentatively scheduled for August 7, the second meeting on September 6; those will be an opportunity for the public to come and view diagrams, pictures, ideas and various concepts of what downtown might look like. There will

also be a survey developed by the consultant for the public so they can get input on how residents want to see the downtown. The plan is still to complete the final report by the end of September, which would be brought back to the RDA to discuss moving forward.

Board Member Dominguez asked who chose the consultant.

Mr. Hill responded that the RDA gave staff the directions to work with Ben, after the RDP process.

Vice Chair Cotter asked why they are doing another survey.

Mr. Hill responded that the committee is talking about doing a survey. The committee corresponds of citizens, several stakeholders, staff, etc. He named some of the specific people who are on the committee and who they represent or what properties they own

Mr. Smallwood explained that the want/need for another survey is to fill in some missing gaps that Ben felt are missing from the original survey.

5025 S. State Property Sale

Mr. Hill explained the mayor is working with staff, as well as the chair and vice chair of the RDA to continue vetting the proposals that have come in. They are still working through that process and questions that have come up have been directed to a short list of developers. The plan will be eventually to bring something back to the RDA Board to take action on, but they are not ready to recommend or bring anything back at this point.

Mayor Hales is hoping to have that decision made by next week some time.

Murray Transportation Assistance Program

Mr. Hill noted they are ready to go on this program and gave a brief review of the program. They are working with a debit card company to preload funds on the card to be used for riding TRAX, busses, rideshare and scooters around. The city will monitor those cards to ensure they are being used appropriately and they will see how this pilot program works.

Vice Chair Cotter asked for any limitation on the distances allowed.

Mr. Smallwood was unsure, but from what he understands it's coded to certain payers and can only be used for certain things. There was a discussion on the amount allotted from the RDA and he will check on that and get back to the board.

Townsend House Relocation

Mr. Hill shared there has been no progress on that project with staff changes, and they will need to regroup and start moving that project forward again. There have been conversations with NeighborWorks and their interest in wanting to stay in the city, and the city's interest in wanting them to stay in the city. If there is interest on both sides, which he believes there is, the city will try to find another location for them. One idea discussed was the Murray Mansion since it will have several rooms. However, the challenge there is that there is no ADA access into those upper rooms. They have to see if that works for NeighborWorks, and whether a reasonable

accommodation could be provided besides installing an elevator or something like that into the Murray Mansion.

Chair Turner added that Jennifer gave her some clarification on the funding for the transportation, \$250,000 was allocated for the program but they are only going to give the company that issues the passes \$80,000; that's why many of them were thinking the amount had been lessened. Once the money is given they can't get it back, so they want to be cautious.

ADJOURNMENT

Chair Turner adjourned the July 18, 2023 RDA board meeting adjourned at 5:17 P.M.



Philip J. Markham, Director
Community & Economic Development Department