HOUSING DEVELOPMENT

LOAN PROGRAM

FY2025-2026

GUIDELINES AND APPLICATION HANDBOOK

NOTICE OF FUNDING AVAILABILITY

$8 MILLION

RELEASE DATE

October 21, 2025

APPLICATION DEADLINE

December 4, 2025

SALT LAKE CITY
CRA

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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 Salt Lake City Community Reinvestment Agency ("CRA") 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 CRA Guiding Framework

The CRA Guiding Framework outlines the mission, values, and Livability Benchmarks expected of CRA financially supported projects. The HDLP establishes the thresholds for financing and carries out the intent and expectations of the CRA 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 CRA 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:	FY2025-2026 NOFA Informational Meeting
Date & Time:	Wednesday*, October 29, 2025, at 1:00 PM*
Location:	Virtual Meeting (Teams Meeting Link)
Add link to calendar:	

SLC CRA HDLP Wealth Building NOFA Info Session.ics

ii. **Questions:** During the application period, prospective applicants may submit clarification questions to the CRA about the HDLP through the Utah Public Procurement system at https://utah.bonfirehub.com/portal/?tab=openOpportunities. The CRA will respond to all questions submitted and will distribute the responses to all registered users of the system. Questions must be submitted by Friday, November 21, 2025, at 5 PM MST, to allow sufficient time for the CRA to respond to questions and for applicants to consider or incorporate the guidance in their proposals. Prior to the application deadline, please check the CRA's website, www.cra.slc.gov, 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 4, 2025.

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 CRA will determine funding awards through the following process: 1) The CRA Finance Committee shall evaluate applications and provide funding recommendations, and 2) The CRA Board of Directors shall consider funding recommendations and select projects for funding awards subject to the negotiation of final terms.

1.7 Contact Information

For general information regarding the Salt Lake City Community Reinvestment Agency and its administration of this NOFA, please submit inquiries to:

Browne Sebright
CRA Project Manager
browne.sebright@slc.gov
801-535-7204

SECTION 2: GENERAL PROVISIONS

2.1 Funds Availability

Through the HDLP, the CRA 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 $8 million is available for the HDLP. Funding is allocated through a transparent public process administered by the CRA and any developer or community group may apply with a project that meets affordable housing goals.

COMPETITIVE FUNDS CATEGORY	AMOUNT*
CRA Housing Development Loan Program	$5,587,537
CRA HDLP – Deeply Affordable	$2,480,591
CRA High Opportunity Area	$50,000
TOTAL:	**$8,118,128**

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

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 CRA 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 120% of the AMI and less. 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 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 and shall be rent-restricted to those earning 60% of the AMI and below as per guidelines established by HUD; **or** at least 10% of the total residential units shall be restricted as affordable to households earning 30% 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 CRA's Sustainable Development Policy (Resolution R-20-2021), all new construction projects receiving any CRA 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 CRA 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 CRA'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 CRA's Sustainable Development Policy can be found at:
https://slcrda.com/wp-content/uploads/2022/11/202210SustDevPolicySummary.pdf

3.9 Financing Gap

HDLP Funds are limited to 10% or less of the project's financing sources. 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	Electronic Application Form	The elecronic application submission shall include the following information: A. Project summary B. Applicant summary C. Development team overview D. Threshold Requirements E. Housing and land use overview F. Property overview G. Project priorities H. Project description I. Applicant experience J. Financials K. Applicant certification L. 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 projection period that matches the length of proposed CRA loan term & 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 CRA 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 CRA reserves the right to reject any incomplete or irregular submission and reserves the right to waive any non-material irregularity in submissions. The CRA reserves the right to reject any and all applications.

4.3 Submittal Process

Application documents must be clearly labeled to correspond with the Application Component Sections outlined in *Section 4.1* and submitted electronically through the electronic application. Proposals submitted later than ***5:00 PM on Thursday, December 4, 2025***, either due to human or technological error, will not be considered.

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 21, 2025	NOFA Released
		Wednesday, October 29, 2025, at 1:00 PM	NOFA Informational Meeting (Teams Meeting Link)
		Friday, November 21, 2025, at 5:00 PM	Deadline for Questions
		Thursday, December 4, 2025, at 5:00 PM	Applications Due (via electronic submission)
2	Threshold Review*	December 5 – December 12, 2025	Applications that meet Threshold Requirements proceed to Phase 3
3	Project Evaluation & Review*	December 15, 2025 – January 30, 2026	Applications that are forwarded from Phase 2 will be further evaluated and ranked
			CRA Finance Committee to provide project funding recommendations
4	Project Selection	Meeting of the Legislative Body tentatively scheduled for February 2026	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 CRA 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 CRA staff based on the following criteria:

   a. **Alignment with Project Priorities (27+ points available)**

   Applications will be allocated a primary score based on their alignment with the Housing Development Project Priorities in *Section 6*.

   b. **Qualifications and Distinguishing Factors (36 points available)**

   Applications will be allocated a secondary score based on how they align with the criteria listed in *Section 7*. Once applications have been evaluated and scored, they will be forwarded to the CRA Finance Committee for review. The CRA Finance Committee will consider the applications and provide funding allocation and ranking recommendations to the CRA Board of Directors.
4. **Project Selection:** The CRA 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 parts as follows:
    a. **Conditional Commitment Period:** The CRA will issue a Conditional Commitment letter to those applications that are selected for funding by the CRA Board of Directors. The Conditional Commitment letter between the CRA and the applicant will contain the general covenants, terms, and conditions upon which the CRA 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.
    b. **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

Applications will be allocated a primary score based on their alignment with the Project Priorities listed below. Applications that meet Project Priority criteria will also qualify for interest rate reductions. Applicants shall provide evidence of meeting the applicable benchmarks in their application submission.

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

	CATEGORY	POLICY OBJECTIVE	BENCHMARK	PROJECT PRIORITY POINTS	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 20% of the total units as 3+ bedroom units AND includes family-oriented community amenities, as approved by CRA 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	**Projects will receive one set of points and one interest rate reduction of 0.5% for meeting the benchmark(s) in this section:** Project sets aside at least 15% of the residential units for extremely low-income households (earning 30% AMI or less). Project sets aside at least 25 deeply affordable units for extremely low-income households. An additional NOFA Ranking Weight 1 point for each additional 25 extremely low-income households above 25.	3 5 6+	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 income-qualified individuals/families to build wealth through models that involve for-sale housing products, shared equity, profit-sharing, cooperative housing, community land trusts, stipends for renters, cooperative housing, etc.	3	X
4	Neighborhood Services & Commercial Spaces	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	3	X

	CATEGORY	POLICY OBJECTIVE	BENCHMARK	PROJECT PRIORITY POINTS	0.5% INTEREST RATE REDUCTION**
			development. These spaces shall be actively marketed for lease and leased within 3 years of building completion.		
5	Expanding 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 CRA'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 (housing units) involves preserving (through a formal mechanism such as a deed restriction) either naturally occurring affordable housing or deed-restricted affordable housing where the restriction is nearing expiration.	1	X
7	Architecture & Urban Design	To promote high-quality architecture that enhances the public realm, strengthens the neighborhood's unique character, and uses enduring materials	The project meets design regulations in 21A.37 of the SLC Zoning Ordinance for the applicable zoning district and exceeds at least one of the standards by 10%. For projects within a zoning district that does not require projects to meet design regulations, buildings shall include on all public rights-of-way, an active ground floor use, significant ground floor glass, durable building materials, and engaging building entrances as determined by CRA staff.	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	The project will preserve, rehabilitate, or repurpose an existing structure for housing that contributes positively to the surrounding neighborhood.	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	At least 15% of the units support underserved tenant populations, such as persons with disabilities, seniors and/or special populations. These services are to be in partnership with a governmental or nonprofit entity. Please provide documentation from partnering entity.	1	X

	CATEGORY	POLICY OBJECTIVE	BENCHMARK	PROJECT PRIORITY POINTS	0.5% INTEREST RATE REDUCTION**
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	The overall scale of the project is either a missing middle housing type (i.e.: townhomes, courtyard apartments, small-scale apartments) or a housing type that is not commonly built, including: tiny homes, modular homes, pre-fab homes, accessory dwelling units (ADUs).	1	X
11	Mixed-Income Neighborhoods	To promote mixed-income developments, economically integrated communities, and housing opportunities for low-income residents	For projects not located within the CRA's High Opportunity Area (see Attachment D for a map), the project has a mix of affordable (60% AMI or below) housing units and at least 10% market-rate (81% of the AMI and above) units.	1	X
12	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 CRA contribution towards the installation of art onsite or towards the CRA Art Fund as outlined in the CRA Art Policy. Inclusion of Public Art must be shown in the project budget submitted with the initial application.	1	X
13	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
14	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 CRA's Sustainable Development Policy Resolution. This includes all components of the development, not just common areas.	1	X***
15	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: • 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	1	X

CATEGORY	POLICY OBJECTIVE	BENCHMARK	PROJECT PRIORITY POINTS	0.5% INTEREST RATE REDUCTION**
		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 accommodates multiple users. • 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: Project Priority Points: Uses a number between 1 and 5+ to assess the importance of the funding priority, with 1 being of lower importance and 5 being of the highest importance.*
***Note: 0.5% Interest Rate Reductions: While 15 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: Sustainability Interest Rate Reduction: As per the CRA'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: SCORING CRITERIA - QUALIFICATIONS AND DISTINGUISHING FACTORS

Applications will be allocated a secondary score based on how they align with the following criteria:

1. **Content and Quality of the Project Narrative and Application Submittal (up to 11 points available)**

    a. **Narrative and Application Completeness:** The narrative is complete and demonstrates a solid grasp of the applicant's project, includes required materials, detailed attachments, and financial details that support the application. (5 points maximum)

    i. Narrative is complete, all required financial and project details/attachments are included, one or fewer updates required; application materials do not include conflicting details (5)
    ii. Narrative is satisfactory, application is missing some financial/project details or attachments, 2-5 updates required (3)
    iii. Narrative is adequate, application is missing some financial/project details or attachments, 6-10 updates required (1)
    iv. Narrative is inadequate, financial details or attachments are missing, requested updates are not made, or 10+ updates required (-1)

    b. **Project Priorities:** The project aligns with project priorities and includes proof of fulfilling the benchmarks associated with each project priority met. (2 points maximum)_

    i. Project Priorities explanation and details are complete and include details/evidence that the benchmarks are met for each applicable project priority. (2)
    ii. Project Priorities explanation and details are partially incomplete, and details/evidence are missing on at least one of the benchmarks met for each applicable project priority. (1)
    iii. Project Priorities explanation and details are incomplete, and details/evidence are missing on 2 or more of the benchmarks met for each applicable project priority. (0)

    c. **Relevant Experience:** The applicant has relevant experience in completing similar projects (2 points maximum)

    i. Experience in developing similar projects (2)
    ii. Experience in developing different, but related projects (1)
    iii. Little to no experience in completing similar projects (0)

    d. **Clarity of Budget, Financing, Operating Proforma and Repayment:** Construction and permanent budget, anticipated terms for all financing, operating proformas and repayment waterfall is clearly represented. Operating proforma shall be provided for the length of the proposed CRA loan and repayment of loans shall be shown in order of proposed repayment. Lien priority shall be based upon size of loans with larger loans yielding higher lien positions. (2 points maximum)

    i. Documentation of budget, financing, proformas, and repayment of loans is detailed, clear, and well-organized. (2)
    ii. Documentation of budget, financing, proformas, and repayment of loans is generally organized, but missing details (1)

iii. Documentation of budget, financing, proformas, and repayment of loans is disorganized, unclear, and missing many details. (0)

2. **Budget, Sources and Uses, Operating Proforma, and Related Assumptions (up to 16 points available)**
   a. **Feasibility of Proforma, Sources and Uses** (2 points maximum)
      i. Assumptions are reasonable and within market pricing (2)
      ii. Assumptions are mostly reasonable, with one assumption less than reasonable (high land costs, construction costs, etc.) (1)
      iii. Several assumptions are less than reasonable (0)

   b. **Utilization of Housing Tax Credits:** Project has been allocated Low-Income Housing Tax Credits (LIHTC) (5 points maximum)
      i. Project has received a LIHTC allocation (5)
      ii. Project is applying for a LIHTC allocation (2)
      iii. Project does not propose utilizing LIHTC (0)

   c. **Utilization of Other Tax Credits:** Project has been awarded Historic Tax Credits (HTC), New Markets Tax Credits (NMTC), Renewable Energy/Green Building Credits, or other relevant tax credits (2 points maximum)
      i. Project has received other tax credit allocations (2)
      ii. Project is applying for other tax credit allocations (1)
      iii. Project does not propose utilizing other tax credits (0)

   d. **Loan Repayment:** Project includes timely repayment structures for CRA funds (3 points maximum)
      i. CRA funds structured as hard/fixed amortized repayments (3)
      ii. CRA funds structured as cash flow repayments with first cash flow payments beginning by year 5 (1)
      iii. CRA funds structured as cash flow repayments with first cash flow payments beginning in year 6 and beyond (0)
      iv. CRA funds structured as cash flow repayment with cash flow payments beginning in year 15 and beyond (-2)

   e. **Deferred Developer Fee:** Proposal maximizes the deferred developer fee (2 points maximum)
      i. 50% or more of the developer fee is deferred (2)
      ii. 25% or more of the developer fee is deferred (1)
      iii. Less than 25% of the developer fee is deferred (0)

   f. **Owner Equity:** Proposal includes owner equity contribution (2 points maximum)
      i. Owner contributes 10% or more of the total project costs as owner equity. Contribution cannot be structured as a loan and does not include land contribution (2)
      ii. Owner contributes 5% or more of the total project costs as owner equity. Contribution cannot be structured as a loan and does not include land contribution. (1)

   iii. Owner contributes 4.9% or less of the total project costs as owner equity. Contribution cannot be structured as a loan and does not include land contribution (0)

3. **Readiness of the Project to Proceed for Construction (5 points available)**
   a. **Readiness:** The readiness of the Proposal to begin construction. (3 points maximum)
      i. All LIHTC & other financing allocated prior to Finance Committee meeting, and design drawings such as elevations, floor plans, site plans are complete (3)
      ii. 1-2 financing sources not finalized prior to Finance Committee meeting, or design drawings such as elevations, site plans are not complete (1)
      iii. 3-4 financing sources not finalized prior to Finance Committee meeting, or project is in early conception stage with unclear project details (0)

   b. **Site Control:** Demonstration of proactive land control for the project for the applicant type. (2 points maximum)
      i. Applicant has evidence of site/location control through ownership or long-term lease (2)
      ii. Applicant is a private incorporated non-profit agency with IRS 501(c) designation, a public housing agency, or unit of local government, with evidence of a sale agreement or sale option, pending HDLP funds for acquisition (1)
      iii. Applicant is a for-profit corporation, partnership, joint venture, or sole proprietor with evidence of a sale agreement or sale option, pending HDLP funds for acquisition (0)

4. **Advancing the Housing Landscape (4 points available)**
   a. **Emerging Developers and Housing Models:** For applicants who may have limited experience, but propose innovative approaches to affordable housing, with an emphasis on future scalability and long-term impact (2 points maximum)
      i. Applicant has limited experience completing similar types of projects, but demonstrates innovative approaches to affordable housing (2)
      ii. Applicant has experience completing similar types of projects, and demonstrates innovative approaches to affordable housing (1)
      iii. Applicant has experience completing similar types of projects, but does not demonstrate innovative approaches to affordable housing (0)

   b. **Availability of Affordable Housing in Areas with Limited Options:** Project increases affordable housing options in areas that currently have limited availability. (2 points maximum)
      i. Project is located within geographies designated as Areas with Limited Affordable Housing Options in the CRA's Availability of Affordable Housing by Area map (please refer to Attachment D) (2)
      ii. Project is located within Areas with Lower Levels of Affordable Housing (1)
      iii. Project is located within Areas with Moderate Levels of Affordable Housing (0)
      iv. Project is located within Areas with Higher Levels of Affordable Housing (-1)

SECTION 8: 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 9: ATTACHMENTS

Attachment A: CRA Guiding Framework

Attachment B: Standard Loan Terms and Conditions

Attachment C: High Opportunity Area Map and Table

Attachment D: Map of Availability of Affordable Housing by Area

Attachment E: Maximum Rents & Incomes

Attachment A: CRA 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?

<table>
<tr><td>Step 1:
THRESHOLDS</td><td colspan="3">· Alignment with adopted **City policies & plans**
· Alignment with RDA **Project Area Work Plans***
· **Financial viability** with a demonstrated and reasonable **need for public assistance**</td></tr>
<tr><td>Step 2:
LIVABILITY BENCHMARKS</td><td>**Economic Opportunity**

· Leveraging
· Timeliness
· Return of Investment
· Permanent Job Creation & Retention
· Affordable Commercial Spaces
· Ownership</td><td>**Equity & Inclusion**

· Transit Opportunities
· Mixed-Income Neighborhoods
· Neighborhood Safety
· Community Engagement & Support
· Housing for Everyone
· Displacement Mitigation
· Affordable Housing Preservation</td><td>**Neighborhood Vibrancy**

· Public Space
· Public Art
· Architecture & Urban Design
· Sustainability
· Walkability
· Building Preservation, rehabilitation, or adaptive reuse
· Missing Middle & Unique Building Types</td></tr>
<tr><td>Step 3:
PROGRAM CRITERIA</td><td colspan="3">Evaluation of project according to respective RDA policies, programs and procedures</td></tr>
</table>

**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: 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. <u>GAP FINANCING: RENTAL CONSTRUCTION TO PERMANENT</u>

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 CRA'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 CRA 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 CRA'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:

- CRA 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 CRA.

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 CRA'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 CRA.

III. AFFORDABLE OWNERSHIP 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 CRA'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.

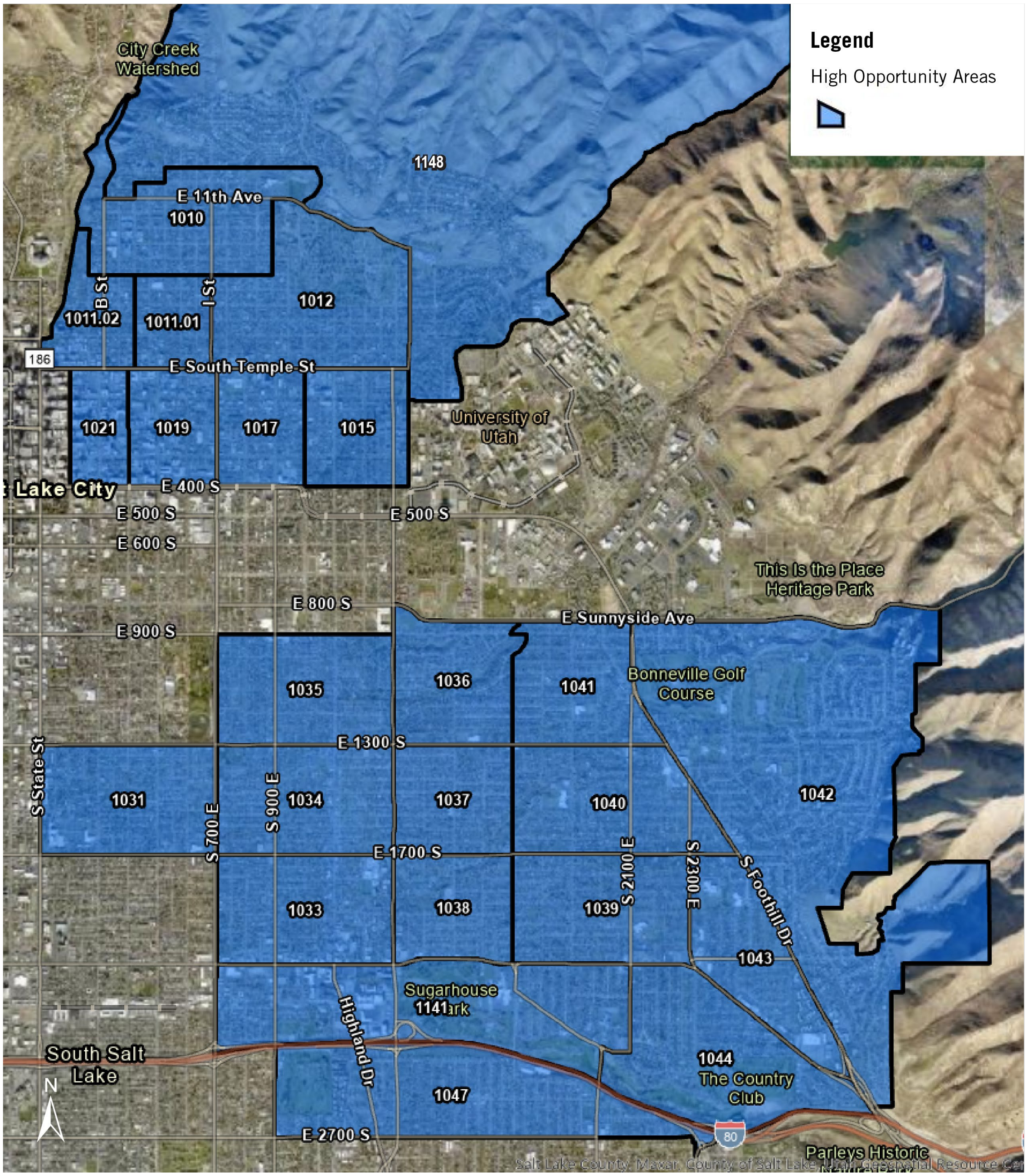
Other

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

Attachment C: 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.

<u>A Census Tract with an Opportunity Index score of 7 or higher shall be designated as an Area of High Opportunity</u>.

HIGH OPPORTUNITY AREA MAP



HIGH OPPORTUNITY AREA TABLE

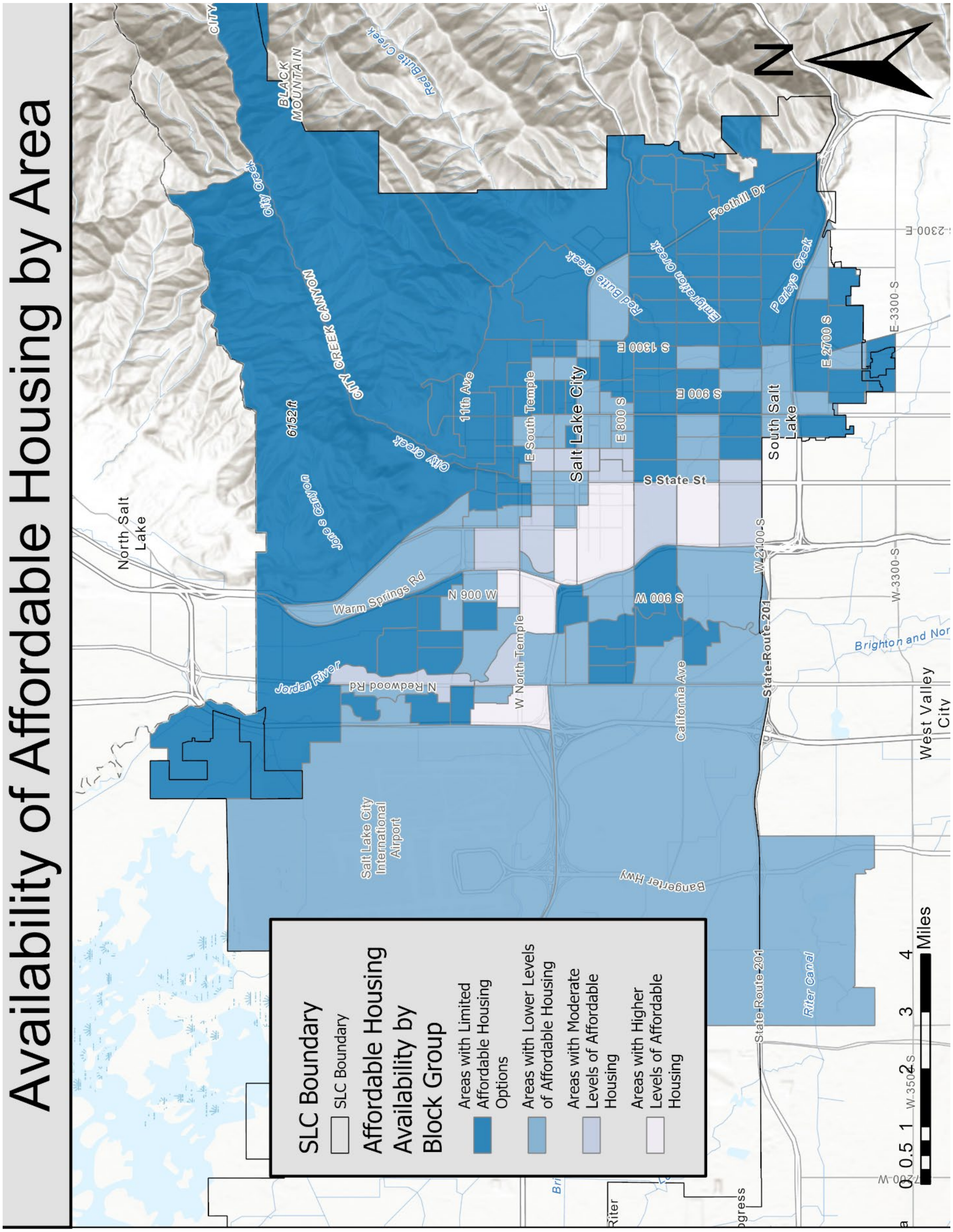
Tract	Opportunity Index Score	Tract	Opportunity Index Score
1001	3	1028.01	2
1002	5	1028.02	4
1003.06	3	1029	2
1003.07	2	1030	6
1003.08	1	1031	8
1005	1	1032	6
1006	0	1033	7
1007	5	1034	8
1008	5	1035	7
1010	8	1036	10
1011.01	6	1037	8
1011.02	9	1038	7
1012	8	1039	7
1014.01	3	1040	9
1014.02	4	1041	8
1015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



Attachment E: 2025 Maximum Incomes and Rents

The following information is for reference purposes only. Applicants must verify all affordability limits and rent restrictions.

FY 2025 Income Limit - Salt Lake City, UT HUD Metro FMR Area

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30%	$25,781	$29,456	$33,131	$36,806	$39,769	$42,713	$45,656	$48,600
40%	$34,375	$39,275	$44,175	$49,075	$53,025	$56,950	$60,875	$64,800
50%	$42,950	$49,100	$55,250	$61,350	$66,300	$71,200	$76,100	$81,000
60%	$51,563	$58,913	$66,263	$73,613	$79,538	$85,425	$91,313	$97,200
80%	$68,750	$78,550	$88,350	$98,150	$106,050	$113,900	$121,750	$129,600
100%	$85,938	$98,188	$110,438	$122,688	$132,563	$142,375	$152,188	$162,000
120%	$103,125	$117,825	$132,525	$147,225	$159,075	$170,850	$182,625	$194,400

Source: Based on data acquired from the HUD FY2025 Income Limits Documentation System

FY 2025 Affordable Housing Costs - Salt Lake City, UT HUD Metro FMR Area

	Bedrooms					
	Studio	1	2	3	4	5
30% AMI	$644	$690	$828	$957	$1,068	$1,178
40% AMI	$859	$920	$1,105	$1,276	$1,424	$1,571
50% AMI	$1,073	$1,150	$1,381	$1,595	$1,780	$1,963
60% AMI	$1,288	$1,380	$1,657	$1,914	$2,136	$2,356
80% AMI	$1,718	$1,841	$2,210	$2,553	$2,848	$3,142
100% AMI	$2,147	$2,301	$2,762	$3,191	$3,560	$3,927
120% AMI	$2,576	$2,761	$3,314	$3,829	$4,272	$4,712

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