



**Olene Walker Housing Loan Fund
Electronic Board Meeting
September 7, 2023, at 3:00 PM
Department of Workforce Services
Via Google Meet Link**

<https://meet.google.com/zgq-asxu-jxb?authuser=0>

Members Present

Jason Wheeler
Marty Henrie
Mike Glenn
David Snow
Jed Nilson
Kip Paul
Mayor Logan Monson
Beth Holbrook
Mayor Dawn Ramsey

Representing

Housing Advocacy
Mortgage Lender
Rural
Mortgage Lender
Homebuilders
Real Estate
Local Government
Transit-Oriented Development
Local Government

Board Members Abstaining

John Lindsay

Rental Housing

Excused Board Members

Staff

Christina Oliver	HCD – Director
Jennifer Domenici	HCD – Assistant Director
Lori Poll	HCD - OWHLF
Kaylee Beck	HCD – Finance
Carver Black	HCD – Finance
Sheila Page	Attorney General's Office
Sharla Weaver	Attorney General's Office
Amanda McPeck	DWS Legal
Daniel Herbert-Voss	HCD - OWHLF

Visitors

Dan Adams
Diann Glenn
Ryan Davis

I. Welcome

The Olene Walker Housing Loan Fund (OWHLF) Electronic Board Meeting was held electronically via Google Meet link.

Beth Holbrook called meeting to order at 3:07 PM.

II. New Business

Engine House Apartments Multi Units Project, Park City Daniel Herbert- Voss Presenting:

The project is Engine House Apartments in Park City and they are requesting changes in proposed funding. This project is new construction of 123 units of which are 28 one-bedroom units, 88 two-bedroom units and 7 three-bedroom units with 99 affordable units on a triangular lot of vacant land facing Homestake Road in central Park City that will be leased from the city.

This housing project was created by a city request for qualification process to construct affordable housing as a public private partnership. And that each one will include a fitness center, multiple elevated decks and plaza area, ground floor common area, patio, coworking space, a clubhouse with full kitchen, game room, pet friendly, areas and bike storage. Parking will be on the ground floor with 124 spaces total.

The project was awarded a total of about \$27 million in tax-exempt, bond bonding and 4% tax credits at the July 13th 2022 and January 13th 2023 Private Activity Bond Quarterly Meetings. Project was approved for the \$967,252 Olene Walker loan, as a 30-year surplus cash flow loan at the October 20, 2022 Olene Walker Quarterly Meeting. At the July 13 OWHLF Quarterly meeting a small change in unit configuration was approved with a reduction from 124 to 123 units and a change in the unit demographics from 48 one-bedroom, 73 two-bedroom, and 3 three-bedroom units to 28 one-bedroom, 88 two-bedroom and 7 three-bedroom units.

JF Properties originally applied to IHC for a \$5 million construction loan that would be converted into a \$1.5 million permanent loan. This loan structure received preliminary approval from the IHC Investment Board in early second quarter of 2023. The IHC Investment Board turned over in late second quarter 2023 and the new Board made the determination that they would no longer pursue long-term financing as part of their investment strategy. IHC's final approval included the \$5 million construction loan only, excluding the \$1.5 million in permanent financing.

In early August 2023 the project was expected to be able to close without the \$1.5 million IHC permanent financing. However, interest rates have increased since that time and the new gap created by the rise in interest rate is being closed directly by the developer through a general partner loan of \$866,244.

There has been no change to the Olene Walker lien's position or repayment structure. The senior loan is in two tranches, a tax-exempt tranche of \$27 million and a taxable tranche of \$950,000. The modification request is to change the name of the subordinate permanent lender below the Olene Walker loan from IHC to the JF Properties.

The overall proposed funding stack as follows in two tranches. First, the construction financing:

- 1) Tax-exempt construction loan with Goldman Sachs, \$27 million for 30 months with interest rates at current secured overnight financing rate, which is a 5.31% as of this morning, plus 2.1% for 7.41%**
- 2) Taxable construction loan also with Goldman Sachs for \$10,739,925 for 30 months, also at the interest rate at current secured overnight financing rate, which works out to 7.41% also.**

- 3) The Olene Walker loan, which is construction to permanent for \$967,252 for 30 years at 3% as a surplus cash flow with a minimum \$1,000 annual payment upon completion of construction.
- 4) IHC's construction loans of \$5 million for 36 months at 4.74%.

Second, the permanent financing:

- 1) A tax-exempt permanent loan through Citibank for \$27 million for 40 years as a fully amortizing loan at 6.35%.
- 2) Then a taxable permanent loan from Citibank also but for \$950,000 for 40 years as a fully amortizing loan at 6.85%.
- 3) Then the Olene Walker loan of \$967,252 for 30 years at 3% as a surplus cash flow loan with the minimum \$1,000 annual payment.
- 4) And finally, the general partner loan from JF Capital of \$866,244 for 40 years at 5% as a cash flow loan.

Staff recommendation is to approve the new financing arrangements as presented to the Olene Walker staffed by the developer.

- 1) For construction financing: the two Goldman Sachs tax-exempt, taxable construction loans and the IHC \$5 million construction loan;
- 2) For permanent financing: Citibank tax exempt permanent funding in first lien position, Citibank permanent taxable funding in second lien position, Olene Walker loan funds in third lien position and general partner loan in fourth lien position. Olene Walker loan funds terms to remain as originally approved.

III. Public Comment:

None

After discussion, motion to accept staff's recommendations on this project by Marty Henrie, seconded by Jed Nilson.

Motion carries and passes by unanimous vote. Roll call vote: Mayor Dawn Ramsey, Mayor Logan Monson, David Snow, Marty Henrie, Kip Paul, Jed Nilson, Jason Wheeler, Beth Holbrook, Mike Glenn. John Lindsay as Abstention.

Next Quarterly Board Meeting: October 19, 2023
Motion to adjourn by Beth Holbrook at 3:33 PM