



**PUBLIC NOTICE IS HEREBY GIVEN** that the Board of Directors of the Redevelopment Agency of Murray City, Utah will hold a meeting at beginning at 4:30 p.m., Tuesday, July 18, 2023 in the Murray City Council Chambers at 10 East 4800 South, Murray, UT.

Any member of public may view the meeting via the live stream at [www.murraycitylive.com](http://www.murraycitylive.com) or <https://www.facebook.com/Murraycityutah/>.

**RDA MEETING AGENDA**  
**4:30 p.m., Tuesday, July 18, 2023**

- 1. Approval of Minutes:** June 20, 2023 meeting
- 2. Citizen comments:** (see above for instructions)
- 3. Action Item:** 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
- 4. Action Item:** 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
- 5. Action Item:** 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
- 6. Discussion Item:** Presentation on NeighborWorks 60/40 loan programs. – Tony Semone
- 7. Updates:** Downtown Small Area Plan; 5025 S. State property sale; Murray Transportation Assistance Program; Townsend House relocation – Doug Hill

Special accommodations for the hearing or visually impaired will be made upon a request to the office of the Murray City Recorder (801-264-2660). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

On July 12, 2023, a copy of the Notice of Meeting was posted in accordance with Section 52-4-202(3).

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Brett Hales  
RDA Executive Director



# MURRAY CITY REDEVELOPMENT AGENCY

## BOARD OF DIRECTORS

### NOTICE OF MEETING AND AGENDA

June 20, 2023

4:00 PM

10 East 4800 South

Any member of public may view the meeting via the live stream at [www.murraycitylive.com](http://www.murraycitylive.com) or <https://www.facebook.com/Murraycityutah/>.

Public Comments can be made in person during the meeting or may be submitted by sending an email (including your name and address) to: [rda@murray.utah.gov](mailto:rda@murray.utah.gov)

All comments are limited to 3 minutes or less and email comments will be read into the meeting record.

#### **CALL MEETING TO ORDER**

**DRAFT - DRAFT - DRAFT - DRAFT - DRAFT - DRAFT - DRAFT - DRAFT - DRAFT - DRAFT**

#### **Council in Attendance:**

Philip Markham, District #1  
 Pamela Cotter, District #2  
 Rosalba Dominguez, District #3  
 Diane Turner, District #4  
 Garry Hrechkosy, District #5  
 Jennifer Kennedy, Council Director  
 Pattie Johnson, Council Office Administrator III

#### **Administrative Staff in Attendance:**

Brett A. Hales, Mayor  
 Tammy Kikuchi, Chief Communication Officer  
 G.L. Critchfield, City Attorney  
 Brooke Smith, City Recorder  
 Brenda Moore, Finance and Administration Director  
 Jared Hall, Community and Economic Development Director

#### **Opening Ceremonies**

Call to Order – Councilmember Turner called the meeting to order at 4:00 p.m.

#### **DISCUSSION ITEM**

1. Closed Session per Utah State Code 52-4-205-1e to discuss the purchase, exchange, or lease of

real property:

The RDA Board will reconvene in the mayor's office conference room, Suite #390 at 10 East 4800 South, Murray UT.

The first item on the agenda was the approval of minutes, but since there were no minutes available, they proceeded to the next topic.

Councilmember Turner made a motion for a closed session regarding the sale of real property, citing Utah code sections 52.204-205. The purpose of the closed session was to hold a strategy session to discuss the sale of the property privately, as public discussion might hinder the board's ability to secure the best possible terms. The authority for such a session was mentioned in section 52.205.1.2 of the Utah code.

They requested a second to the motion, which was followed by a roll call to confirm the attendees.

The meeting then entered a closed session based on Utah State Code 52.205 to discuss the purchase, exchange, or lease of real property. The RDA board reconvened in the mayor's office conference room for this session.

**CLOSED SESSION**

The RDA board began their meeting by providing an outline of the topics to be discussed, explaining the rules and procedures, and addressing any questions from the attendees.

**OPEN SESSION**

Councilmember Markham motioned to approve the strategy for the sale of real property.

It was acknowledged that the board had already met in a closed session to discuss this matter. The purpose of the closed session was to ensure that public discussion did not hinder the board's ability to secure the best possible terms for the transaction.

**ROLL CALL**

All members said, Ayes.

**ADJOURNMENT**

Councilmember Markham motioned to adjourn the meeting. All were in favor.



THE REDEVELOPMENT AGENCY  
OF MURRAY CITY

**TO:** RDA Board  
**THROUGH:** Mayor Brett Hales, Executive Director  
**FROM:** Doug Hill, Chief Administrative Officer  
**MEETING DATE:** July 18, 2023  
**RE:** Agenda Item #3

NeighborWorks has a need for more funding to assist qualifying Murray citizens with down payment and home improvement loans. The attached Resolution and Agreement, if approved, will provide NeighborWorks an additional \$200,000 from the RDA's affordable housing set-aside funds to be used for the above purposes.

**Recommendation:**

Staff recommends that the Board approve the Resolution and authorize the Executive Director or Deputy Executive Director to sign the Agreement.

**Attachments:**

1. Resolution
2. Agreement

RESOLUTION NO. \_\_\_\_\_

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

WHEREAS, the RDA and Salt Lake Neighborhood Housing Services dba NeighborWorks® Salt Lake (“NeighborWorks”) have a common interest in addressing the City’s housing goals and in facilitating neighborhood revitalization and development through increased home ownership in the community; and

WHEREAS, the RDA and NeighborWorks have had an existing relationship and have engaged in collaborative efforts since at least May, 2011; and

WHEREAS, the RDA, NeighborWorks and Murray City Corporation (the “City”) are parties to an agreement outlining a mutual process and commitments for lending and for future development of NeighborWorks to assist the RDA and City to meet housing goals and objectives (the “Joint Agreement”); and

WHEREAS, Title 17C Chapter 1 of the Utah Code authorizes the RDA to use agency funds to support the financing for housing-related expenditures or programs, including the payment of all or part of the value of the land, housing or housing improvements; and

WHEREAS, the RDA desires, subject to the terms and conditions of an agreement, to contribute \$200,000.00 (the “Funds”) to NeighborWorks from the RDA’s affordable housing set-aside funds to be used for down payment assistance and home improvement loans for qualifying households; and

WHEREAS, this contribution was not contemplated or included in the Joint Agreement; and

WHEREAS, NeighborWorks is willing to accept the Funds solely to be used for the purposes stated and is willing to report back on the use of the Funds; and

WHEREAS, the RDA believes it is in the best interest of the RDA to enter into an agreement with NeighborWorks to govern a contribution of \$200,000.00 to be used for down payment assistance and home improvement loans for qualifying households, a copy of which is attached as Exhibit “A.”

NOW THEREFORE, BE IT RESOLVED by the Redevelopment Agency of Murray City as follows:

1. It hereby approves an Agreement between the Redevelopment Agency of Murray City and Neighborhood Housing Services dba NeighborWorks© Salt Lake, in substantially the form attached as Exhibit "A"; and
2. The Agreement is in the best interest of the RDA; and
2. Brett A. Hales, as executive director of the RDA Board, is authorized on behalf of the RDA to sign the Interlocal Cooperation Agreement.

PASSED, APPROVED AND ADOPTED by the Redevelopment Agency of Murray City on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Redevelopment Agency of Murray City

\_\_\_\_\_  
Diane Turner, Chair

ATTEST:

\_\_\_\_\_  
Brett A. Hales, Executive Director

# AGREEMENT

*Between the Redevelopment Agency of Murray City and Salt Lake Neighborhood Housing Services, dba as NeighborWorks© Salt Lake (“NeighborWorks”) for a Contribution to be used for Down Payment Assistance and Home Improvement Loans*

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023, by and between the Redevelopment Agency of Murray City (hereinafter referred to as “RDA”) and NeighborWorks.

## RECITALS

WHEREAS, The RDA and Salt Lake Neighborhood Housing Services dba NeighborWorks© Salt Lake (“NeighborWorks”) have a common interest in addressing the City’s housing goals and in facilitating neighborhood revitalization and development through increased home ownership in the community; and

WHEREAS, the RDA and NeighborWorks have had an existing relationship and have engaged in collaborative efforts since at least May, 2011; and

WHEREAS, the RDA, NeighborWorks and Murray City Corporation (“City”) are parties to an agreement outlining a mutual process and commitments for lending and future development of NeighborWorks to assist the RDA and City meet housing goals and objectives (the “Joint Agreement”); and

WHEREAS, this Agreement covers a monetary contribution not contemplated or included in the Joint Agreement; and

WHEREAS, the RDA seeks to support affordable housing programs within the City; and

WHEREAS, the Community Reinvestment Act of Utah requires that a portion of the tax increment funds be set aside to be used for housing purposes; and

WHEREAS, Title 17C Chapter 1 of the Utah Code authorizes the RDA to use agency funds to support the financing for housing-related expenditures or programs, including the payment of all or part of the value of the land, housing or housing improvements; and

WHEREAS, the RDA wants to contribute \$200,000.00 (the “Funds”) to NeighborWorks from the RDA’s affordable housing set-aside funds, to be used for down payment assistance and home improvement loans for qualifying households; and

WHEREAS, NeighborWorks is willing to accept the Funds solely to be used for the above stated purposes, and is willing to report back to the RDA on the use of the Funds; and

WHEREAS, the parties agree to adhere to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the foregoing, the parties agree as follows:

## **AGREEMENT**

### 1. SCOPE OF AGREEMENT

The RDA hereby contributes Two Hundred Thousand Dollars (\$200,000.00) (the “Funds”) to NeighborWorks. In exchange for receipt of the Funds, NeighborWorks agrees to the following uses and limitations of uses for the Funds:

- A. Funds shall be expended to assist qualifying low-to-moderate income households with down payment assistance or home improvement loans in order to support affordable housing initiatives. Funds may only be used for down payment assistance and home improvement loans for properties within Murray City. Funds shall not be used for any other purpose.
- B. NeighborWorks agrees to submit an actual-use and revenue report at the end of the fiscal year to the RDA.
- C. If at any time that it is discovered by the RDA that Funds were used by the NeighborWorks for purposes other than those agreed upon within this Agreement, the RDA may require a return of the entire amount of Funds disbursed to NeighborWorks under this Agreement.
- D. NeighborWorks represents that it will be able to administer the Funds without significant additional administrative expenses. In no event shall the Funds be used to hire additional staff.

### 2. AUDIT

The RDA reserves the right to audit the use of Funds and the accounting of the use of Funds received by NeighborWorks under this Agreement. If such audit is requested by the RDA, NeighborWorks shall cooperate fully with the RDA and its representatives in the performance of the audit.

### 3. MAINTENANCE AND AVAILABILITY OF RECORDS

NeighborWorks agrees to maintain detailed and accurate records of the use of all funds which it receives under this Agreement for a period of three (3) years. NeighborWorks further agrees to retain said records and make them available for review by the RDA from time to time upon the RDA’s request within the three (3) year timeframe.

### 4. ASSIGNMENT AND TRANSFER OF FUNDS

It is understood that NeighborWorks shall not assign or transfer its rights or receipt of



Funds under this Agreement, any interest therein, or claim hereunder. The Funds provided under this Agreement shall be used exclusively and solely by NeighborWorks for the purpose set forth in this Agreement.

5. INDEPENDENT AGENCY

Funds provided to NeighborWorks under this Agreement do not give the RDA any authority whatsoever over the manner and method by which NeighborWorks carries out its purposes, except that, to the extent that any actions taken by NeighborWorks violate the agreed use of Funds.

6. INDEMNIFICATION:

NeighborWorks agrees to indemnify and save harmless the RDA, its officers, agents and employees from and against any and all claims, damages, losses and expenses, including attorney's fees and legal costs, arising out of any and all of NeighborWorks' or its officers, agents, or employees negligent or wrongful acts or failures to act which arise out of this Agreement.

7. COMPLIANCE WITH LAWS:

During the expenditure of funds provided NeighborWorks under this Agreement, NeighborWorks, its officers, agents and employees agree to comply with all laws, federal, state or local, which apply to its operations and to the distribution of the Funds hereunder.

8. INTERPRETATION:

The terms and conditions or any amendments to this Agreement, or the waiver of any of the terms hereof, shall not be binding unless made in writing and signed by both parties.

9. IMMIGRATION STATUS VERIFICATION:

NeighborWorks shall comply with section 63G-12-402 of the Utah Code in dispensing public benefits, as defined in State and Federal law.

10. OTHER TERMS:

This Agreement constitutes the entire agreement between the parties.

11. CONTACTS:

**For NeighborWorks:**

Maria Garciaz  
Chief Executive Officer  
622 West 500 North  
Salt Lake City, Utah 84116

[maria@nwsaltlake.org](mailto:maria@nwsaltlake.org)  
801-539-1590

**For the RDA:**  
RDA Executive Director  
Attention: Jared Hall  
10 East 4800 South, Room 283  
Murray, Utah 84107

IN WITNESS THEREOF the parties have caused this Agreement to be executed and in effect as of the day and year first written above.

**SALT LAKE NEIGHBORHOOD HOUSING SERVICES, DBA NEIGHBORWORKS©  
SALT LAKE**

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Maria Garciaz  
Chief Executive Officer

**THE REDEVELOPMENT AGENCY OF MURRAY CITY**

Attest:

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Brett A. Hales  
RDA Executive Director

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Brooke Smith  
Murray City Recorder

Approved



THE REDEVELOPMENT AGENCY  
OF MURRAY CITY

**TO:** RDA Board  
**THROUGH:** Mayor Brett Hales, Executive Director  
**FROM:** Doug Hill, Chief Administrative Officer  
**MEETING DATE:** July 18, 2023  
**RE:** Agenda Item #4

Staff have developed a program to assist qualifying city employees with a down payment pilot program. The city employee down payment assistance program will provide an interest free, forgivable loan that will contribute up to 5% of the home sales price, not to exceed \$30,000, for each down payment assistance loan. \$150,000 from the RDA's affordable housing set-aside funds will be contributed to NeighborWorks to fund and administer the pilot program.

**Recommendation:**

Staff recommends that the Board approve the Resolution and authorize the Executive Director or Deputy Executive Director to sign the Agreement.

**Attachments:**

1. Resolution
2. Agreement

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION BY THE REDEVELOPMENT AGENCY OF MURRAY CITY  
(RDA) TO APPROPRIATE FUNDS FOR THE MURRAY CITY EMPLOYEE  
DOWN PAYMENT ASSISTANCE PILOT PROGRAM

WHEREAS, the RDA has an interest in addressing the City's housing goals and in facilitating neighborhood revitalization and development through increased home ownership in the community; and

WHEREAS, the RDA seeks to support affordable housing programs within the City; and

WHEREAS, the Community Reinvestment Act of Utah requires that a portion of the tax increment funds be set aside to be used for housing purposes; and

WHEREAS, Title 17C Chapter 1 of the Utah Code authorizes the RDA to use agency funds to support the financing for housing-related expenditures or programs, including the payment of all or part of the value of the land, housing or housing improvements; and

WHEREAS, the RDA wants to provide qualifying Murray City employees with down payment assistance in order for employees to live in Murray; and

WHEREAS, the RDA wants to appropriate \$150,000.00 for a city employee down payment assistance pilot program; and

WHEREAS, the RDA wants to provide under the city employee down payment assistance pilot program an interest free, forgivable loan that will contribute up to five percent (5%) of the home sales price, not to exceed \$30,000.00, for each down payment assistance loan, subject to employee qualifications;

NOW THEREFORE, BE IT RESOLVED by the Redevelopment Agency of Murray City as follows:

1. It hereby appropriates \$150,000.00 to be designated in a fund for the Murray City Employee Down Payment Assistance Pilot Program

PASSED, APPROVED AND ADOPTED by the Redevelopment Agency of Murray City on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Redevelopment Agency of Murray City

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Diane Turner, Chair

ATTEST:

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Brett A. Hales, Executive Director

# AGREEMENT

*Between the Redevelopment Agency of Murray City and Salt Lake Neighborhood Housing Services, dba as NeighborWorks© Salt Lake (“NeighborWorks”) for a Contribution to be used for the Murray City Employee Down Payment Assistance Pilot Program*

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023, by and between the Redevelopment Agency of Murray City (hereinafter referred to as “RDA”) and NeighborWorks.

## RECITALS

WHEREAS, The RDA and Salt Lake Neighborhood Housing Services dba NeighborWorks© Salt Lake (“NeighborWorks”) have a common interest in addressing the City’s housing goals and in facilitating neighborhood revitalization and development through increased home ownership in the community; and

WHEREAS, the RDA and NeighborWorks have had an existing relationship and have engaged in collaborative efforts since at least May, 2011; and

WHEREAS, the RDA, NeighborWorks and Murray City Corporation (“City”) are parties to an agreement outlining a mutual process and commitments for lending and future development of NeighborWorks to assist the RDA and City meet housing goals and objectives (the “Joint Agreement”); and

WHEREAS, this Agreement covers a monetary contribution not contemplated or included in the Joint Agreement; and

WHEREAS, the RDA seeks to support affordable housing programs within the City; and

WHEREAS, the Community Reinvestment Act of Utah requires that a portion of the tax increment funds be set aside to be used for housing purposes; and

WHEREAS, Title 17C Chapter 1 of the Utah Code authorizes the RDA to use agency funds to support the financing for housing-related expenditures or programs, including the payment of all or part of the value of the land, housing or housing improvements; and

WHEREAS, the RDA wants to contribute \$150,000.00 (the “Funds”) to NeighborWorks from the RDA’s affordable housing set-aside funds, to be used for a down payment assistance program benefiting qualifying Murray City employee households purchasing homes in Murray City (the “Program”); and

WHEREAS, NeighborWorks is willing to accept the Funds solely to be used for the above stated purposes, and is willing to report back to the RDA on the use of the Funds; and

WHEREAS, the parties agree to adhere to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the foregoing, the parties agree as follows:

## **AGREEMENT**

### **1. SCOPE OF AGREEMENT**

The RDA hereby contributes One Hundred Fifty Thousand Dollars (\$150,000.00) (the “Funds”) to NeighborWorks. In exchange for receipt of the Funds, NeighborWorks agrees to the following uses and limitations of uses for the Funds:

- A. Funds shall be expended to assist qualifying low-to-moderate income Murray City employee households with down payment assistance in order to support affordable housing initiatives. Funds may only be used for down payment assistance for properties within Murray City. Funds shall not be used for any other purpose. Each instance of down payment assistance may be in an amount not to exceed \$30,000.00.
- B. NeighborWorks agrees to submit an actual-use and revenue report at the end of the fiscal year to the RDA.
- C. If at any time that it is discovered by the RDA that Funds were used by the NeighborWorks for purposes other than those agreed upon within this Agreement, the RDA may require a return of the entire amount of Funds disbursed to NeighborWorks under this Agreement.
- D. NeighborWorks represents that it will be able to administer the Funds without significant additional administrative expenses. In no event shall the Funds be used to hire additional staff.

### **2. QUALIFICATION AND PROGRAM GUIDELINES**

The parties agree that the qualifications and elements outlined in the Program Overview attached hereto as Exhibit “A” and incorporated by this reference shall be implemented into the Program.

### **3. AUDIT**

The RDA reserves the right to audit the use of Funds and the accounting of the use of Funds received by NeighborWorks under this Agreement. If such audit is requested by the RDA, NeighborWorks shall cooperate fully with the RDA and its representatives in the performance of the audit.

### **4. MAINTENANCE AND AVAILABILITY OF RECORDS**

NeighborWorks agrees to maintain detailed and accurate records of the use of all funds which it receives under this Agreement for a period of three (3) years. NeighborWorks further agrees to retain said records and make them available for review by the RDA from time to time upon the RDA's request within the three (3) year timeframe.

5. ASSIGNMENT AND TRANSFER OF FUNDS

It is understood that NeighborWorks shall not assign or transfer its rights or receipt of Funds under this Agreement, any interest therein, or claim hereunder. The Funds provided under this Agreement shall be used exclusively and solely by NeighborWorks for the purpose set forth in this Agreement.

6. INDEPENDENT AGENCY

Funds provided to NeighborWorks under this Agreement do not give the RDA any authority whatsoever over the manner and method by which NeighborWorks carries out its purposes, except that, to the extent that any actions taken by NeighborWorks violate the agreed use of Funds.

7. INDEMNIFICATION:

NeighborWorks agrees to indemnify and save harmless the RDA, its officers, agents and employees from and against any and all claims, damages, losses and expenses, including attorney's fees and legal costs, arising out of any and all of NeighborWorks' or its officers, agents, or employees negligent or wrongful acts or failures to act which arise out of this Agreement.

8. COMPLIANCE WITH LAWS:

During the expenditure of funds provided NeighborWorks under this Agreement, NeighborWorks, its officers, agents and employees agree to comply with all laws, federal, state or local, which apply to its operations and to the distribution of the Funds hereunder.

9. INTERPRETATION:

The terms and conditions or any amendments to this Agreement, or the waiver of any of the terms hereof, shall not be binding unless made in writing and signed by both parties.

9. IMMIGRATION STATUS VERIFICATION:

NeighborWorks shall comply with section 63G-12-402 of the Utah Code in dispensing public benefits, as defined in State and Federal law.

10. OTHER TERMS:



This Agreement constitutes the entire agreement between the parties.

11. CONTACTS:

**For NeighborWorks:**

Maria Garciaz  
Chief Executive Officer  
622 West 500 North  
Salt Lake City, Utah 84116  
[maria@nwsaltlake.org](mailto:maria@nwsaltlake.org)  
801-539-1590

**For the RDA:**

RDA Executive Director  
5025 South State Street  
Murray, Utah 84107

IN WITNESS THEREOF the parties have caused this Agreement to be executed and in effect as of the day and year first written above.

**SALT LAKE NEIGHBORHOOD HOUSING SERVICES,  
DBA NEIGHBORWORKS© SALT LAKE**

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Maria Garciaz  
Chief Executive Officer

**THE REDEVELOPMENT AGENCY OF  
MURRAY CITY**

Attest:

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Brett A. Hales  
RDA Executive Director

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Brooke Smith  
Murray City Recorder

## **Exhibit A**

### **Live in Murray City** Public Employee Down Payment Assistance Program Program Overview



### **Down Payment Assistance Program for Murray City Employees**

It is a 5-year forgivable loan. There would be a second lien on the home. As long as the borrower stays in the home, 20% of the loan per year will be forgiven and after 5 years it will be completely forgiven, and the lien will be released. Here is a list of the guidelines that have worked for NeighborWorks:

- Borrowers need to take a HUD approved home buyer education course.
- Income – 120% of the Area Medium Income (AMI) established by HUD
- The home must be their primary residence
- The home must be in the City of Murray
- Borrower must be a full time Murray City Employee that has completed their probationary period
- Borrower cannot have more than \$20,000 in liquid assets post close
- Borrower must work with an approved 1<sup>st</sup> mortgage lender.
- Borrower must be a first-time home buyer (have not owned a home in the last 3 years)
- Borrower can use the funds for closing costs or down payment
- Borrower must be under contract to apply
- 50% maximum debt-to-income requirements, this is calculated by adding all the borrowers debt (consumer and mortgage) and divided by the monthly gross income

The borrower will need to go to our website to apply. <https://www.nwsaltlake.org/down-payment-assistance> Once they create a profile, we will send them an email with instructions and a consent agreement to sign. Once it is signed, we will reach out to their first mortgage lender with a list of items we will need. Once we have all the documents we need, we will need 8 business days to process the loan. We will prepare our own closing disclosure and provide it and the necessary documents to the title company, and we will fund directly to the title company.



THE REDEVELOPMENT AGENCY  
OF MURRAY CITY

**TO:** RDA Board  
**THROUGH:** Mayor Brett Hales, Executive Director  
**FROM:** Doug Hill, Chief Administrative Officer  
**MEETING DATE:** July 18, 2023  
**RE:** Agenda Item #5

NeighborWorks is willing to administer the Murray City employee down payment assistance program to meet housing goals and objectives of the RDA. Subject to the terms and conditions of the Agreement, the RDA will contribute \$150,000 to NeighborWorks from the RDA's affordable housing set-aside funds to be used for the Murray City Employee Down Payment Assistance Pilot Program.

**Recommendation:**

Staff recommends that the Board approve the Resolution.

**Attachments:**

1. Resolution

RESOLUTION NO. \_\_\_\_\_

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

WHEREAS, the RDA and Salt Lake Neighborhood Housing Services dba NeighborWorks© Salt Lake (“NeighborWorks”) have a common interest in addressing the City’s housing goals and in facilitating neighborhood revitalization and development through increased home ownership in the community; and

WHEREAS, the RDA and NeighborWorks have had an existing relationship and have engaged in collaborative efforts since at least May, 2011; and

WHEREAS, the RDA, NeighborWorks and Murray City Corporation (the “City”) are parties to an agreement outlining a mutual process and commitments for lending and for future development of NeighborWorks to assist the RDA and City to meet housing goals and objectives (the “Joint Agreement”); and

WHEREAS, Title 17C Chapter 1 of the Utah Code authorizes the RDA to use agency funds to support the financing for housing-related expenditures or programs, including the payment of all or part of the value of the land, housing or housing improvements; and

WHEREAS, the RDA desires, subject to the terms and conditions of an agreement, to contribute \$150,000.00 (the “Funds”) to NeighborWorks from the RDA’s affordable housing set-aside funds to be used for the Murray City Employee Down Payment Assistance Pilot Program; and

WHEREAS, this contribution was not contemplated or included in the Joint Agreement; and

WHEREAS, NeighborWorks is willing to accept the Funds solely to be used for the purposes stated and is willing to report back on the use of the Funds; and

WHEREAS, the RDA believes it is in the best interest of the RDA to enter into an agreement with NeighborWorks to govern a contribution of \$150,000.00 to be used for down payment assistance for qualifying Murray City employees, a copy of which is attached as Exhibit “A.”

NOW THEREFORE, BE IT RESOLVED by the Redevelopment Agency of Murray City as follows:

1. It hereby approves an Agreement between the Redevelopment Agency of Murray City and Neighborhood Housing Services dba NeighborWorks© Salt Lake, in substantially the form attached as Exhibit "A"; and
2. The Agreement is in the best interest of the RDA; and
2. Brett A. Hales, as executive director of the RDA Board, is authorized on behalf of the RDA to sign the Interlocal Cooperation Agreement.

PASSED, APPROVED AND ADOPTED by the Redevelopment Agency of Murray City on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Redevelopment Agency of Murray City

\_\_\_\_\_  
Diane Turner, Chair

ATTEST:

\_\_\_\_\_  
Brett A. Hales, Executive Director



THE REDEVELOPMENT AGENCY  
OF MURRAY CITY

**TO:** RDA Board  
**THROUGH:** Mayor Brett Hales, Executive Director  
**FROM:** Doug Hill, Chief Administrative Officer  
**MEETING DATE:** July 18, 2023  
**RE:** Agenda Item #6

Tony Semone, Lending Manager – NeighborWorks, will present information on the 60/40 loan program.

**Recommendation:**

n/a

**Attachments:**

1. Information from NeighborWorks

## Murray City 60/40 Downpayment Assistance Loan Program

Housing affordability is an important opportunity for many families in Utah. Murray city is a desirable community and the median cost of housing in Salt Lake County is approximately \$550,000.

NeighborWorks has been in discussion with the City regarding housing affordability at our new development on Tripp lane. One of the solutions would be to offer a 60/40 loan program for 4 of the 12 homes we intend to build. Under this program the City of Murray would provide a 40% 2<sup>nd</sup> mortgage loan with an institutional lender providing the 60% 1<sup>st</sup> mortgage. We are currently partnered with Washington Federal for this type of lending program. The advantage of this type of split mortgage is eliminating mortgage insurance premium payments. This can save the homeowner hundreds of dollars and allows them to qualify for a larger loan.

### Program Highlights

- \$1 million commitment from Murray City for 4 DPA loans
- Murray City would provide up to \$250,000 or a maximum of 40% downpayment loan
- Interest rate would be below current market rate, possible 3% rate
- Term would be up to 30 years
- A Recapture period of up to 15 years
- Recapture – homeowner would be able to keep between 5% to 7% each year they are in the home, if the homeowner sells or refinance before the 15 years the City would recapture a portion of the low interest second mortgage provided
- Primary residence only
- Income – up to 120% of the Area Median Income or AMI

### Conventional loan EXAMPLE

Purchase Price	\$550,000.00	
3% down payment	\$16,500.00	
loan amount 97% loan to value	\$533,500.00	
Mortgage payment 6.5% rate	\$3,372.00	per month
Mortgage Insurance Premium	\$291.00	per month
	<b>\$3,663.00</b>	Total monthly mortgage payment

### 60/40 Loan EXAMPLE

Purchase Price	\$550,000.00	
60% 1st mortgage	\$330,000.00	
Mortgage payment 6.5%	\$2,085.00	per month
Mortgage payment 3% on 2nd	\$928.00	per month
	<b>\$3,013.00</b>	Total monthly mortgage payment

**\$650.00 Potential savings per month**