



Salt Lake City Workers Get 'Providential' Help from LIHTC Property

63

SALT LAKE CITY, UTAH

LEAD DEVELOPER
WASATCH ADVANTAGE GROUP

CONGRESSIONAL DISTRICT
UTAH 2ND

CATEGORY
FAMILIES

RENTAL HOMES
125



Photos: Courtesy of Wasatch Advantage Group

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For some Salt Lake City residents, the Providence Place Apartments are aptly named. The seven-story property provides housing for people who earn too much for most of the downtown area’s affordable properties, but not enough to afford market-rate housing. It’s a godsend in a tough housing market.

That’s not all: Providence Place Apartments was delayed by high costs, and then made possible by a combination of suddenly affordable prices and the availability of funds—including low-income housing tax credits (LIHTCS). The result? Workforce housing within walking distance of jobs and transportation in the nation’s 48th-largest metropolitan area.

“Other than housing, for most low-income people, one of the largest costs is commuting to their job,” said Rachel Diller, vice president at Goldman Sachs Urban Investment Group (UIG), which supplied the LIHTC equity. “Now residents can take the streetcar or walk downtown.”

The developers combined the federal LIHTC equity with federal stimulus funds, Tax Credit Assistance Program (TCAP) money and other resources to create a community for residents making 60 percent or less of the area mean income (AMI). That’s not enough

to afford most downtown Salt Lake City apartments, but too much to meet the target of 40-percent-or-less target for most of the city’s affordable housing.

The development opened in January 2012. The Wasatch Advantage Group actually received tax-exempt bond allocation and city housing trust funds in 2006, but was stalled by high development costs. Executives considered other options for the land, which is on the east side of Salt Lake City’s downtown, an area scheduled for major commercial real estate development. Instead, they stayed the course. “When we had the opportunities to sell the land or go market rate, we just

didn’t feel that was the best use for the property,” said Kipling S. Sheppard, the president and CEO of Wasatch Advantage Group. “We felt strongly that workforce housing was needed to support the massive redevelopment that’s taking place in downtown Salt Lake City.”

A block east of Providence Place is a 23-acre mixed-use development with an upscale shopping center called City Creek Center. It is the largest component of the city’s redevelopment efforts and opened a few months after Providence Place, with 80 new retailers and the expectation that it would create about 2,000 jobs.

The \$18.7 million Providence Place, which is one of downtown Salt Lake City’s largest developments, includes a clubhouse, business center, fitness center, open-air atrium and two stories of dedicated parking. It was leased almost immediately, affirming the developer’s hunch.

“[Providence Place is] providing critical workforce housing to people who would otherwise be priced out of that neighborhood,” said Diller. “And it’s going to have a multiplier effect on the surrounding neighborhoods.” ❖

LEAD DEVELOPER WASATCH ADVANTAGE GROUP	CATEGORY FAMILIES	CONGRESSIONAL DISTRICT UTAH 2ND	RENTAL HOMES 125
UPDATE CITY CREEK CENTER OPENED IN 2012 AND HAS MORE THAN 100 STORES, 300 CONDOS AND APARTMENTS, AND A HOTEL. IT PROVIDED THE PROMISED 2,000 JOBS.			
FINANCING			
<ul style="list-style-type: none"> \$9.8 million in tax-exempt bonds with credit enhancement from HUD \$5 million in 4 percent LIHTC equity by Goldman Sachs Urban Investment Group \$2 million tax credit assistant program funds from Utah Housing Corporation Unspecified financing from the Olene Walker Housing Loan Program and Salt Lake City Housing Trust Fund 			