OLENE WALKER HOUSING LOAN FUND

Annual Report 2013

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OLENE WALKER HOUSING LOAN FUND EXECUTIVE SUMMARY

The Olene Walker Housing Loan Fund (OWHLF) partners with public and private organizations to create and preserve quality affordable housing for Utah's very low-income, low-income and moderate-income community. To achieve this goal, the Housing and Community Development Division (HCD) as well as the OWHLF Board have implemented the intent of Utah Code Section 35A-8-501 with six OWHLF funded programs and initiatives that support the construction, rehabilitation and purchase of affordable multi-family and single-family housing units throughout Utah. These programs are based on fair, open and competitive processes for applicant proposals that create and preserve low-income housing units.

PROFILE OF UTAH'S LOW INCOME HOUSING NEEDS

The Utah housing industry has experienced marked instability over the last several years. While the market is recovering, there continues to be a shortage of affordable housing for both homeowners and renters.

Homeowners

In FY 2013 Utah saw a strong recovery in its housing market, evidenced by the increased number of new housing starts and the large year over year increase in the cost to purchase a home in Utah. As a result, Utah's rebound has helped many homeowners regain value on their properties, providing much needed relief for homeowners who had previously been underwater on their mortgages. The recovery has helped the many Utahans who have been struggling with foreclosure problems. Utah has gone from having the fourth highest foreclosure rate in the United States in 2008 to having the sixteenth highest in 2012. Foreclosures were recently reported to be down 47% from last year. While this is encouraging, Utah's foreclosure rate is still higher than the U.S. average and is much higher than it was pre-recession.

Table 1 Housing Affordability by Metro Area

Housing Opportunity Index 1st quarter 2013				
Metro Area	**Share of Homes Affordable for Median Income**	**Median Family Income**	**Median Sales Price**	**Afford-ability Rank***
Ogden-Clearfield, UT	93.4	70,800	149,000	11
Salt Lake City, UT	79.3	70,300	215,000	139
Provo-Orem, UT	75.1	61,900	218,000	157
St. George, UT	72.3	56,800	211,000	175

*Out of 222 US Metropolitan Statistical Areas

Utah's Housing Opportunity Index scores are somewhat encouraging but also discouraging for the low-income community. The share of homes affordable for median income earners is much higher than it has been for many years. The Ogden-Clearfield metro area is one of the most affordable metro areas in the country for home ownership. However, the Salt Lake City, Provo-Orem, and St. George Metro areas have below average affordability with each of these areas being less affordable than over half of the metro areas in the US. Entering into the housing market is still difficult for many Utahans. Despite low house prices and low mortgage rates, many have struggled to secure financing for the purchase of a home. The financial crisis has led to increasingly strict lending practices. Increased credit standards and down-payment requirements have made it difficult for first time home buyers, low income buyers and those with poor credit histories to purchase a home. Instead of growing as a result of households entering or reentering the market, growth in the housing market has come in large part from institutional buyers who have the means to take advantage of inexpensive affordable housing stock.

Many working professionals are in financial straits due to the proportion of their income spent on housing. Generally, a household should not spend more than 30 percent of net income on housing expenses (mortgage payments or rent). However, professionals such as school teachers, nurses, policemen, and firemen are, according to their median incomes, priced out of a single family home, and are sometimes even unable to afford a three bedroom apartment (see table 2).

While the recovery of the housing market has been in the works for more than a year, the rate of homeownership, at 76.2% in 2008, has continued its steady decline. It was listed at just 71.1% in 2012 andthere is no indication that this trend will reverse.

Success Story #1

Jason was born in California to a drug addicted mother who could not care for him. As a result, Jason became a ward of the court, and was bounced from foster home to foster home. In some cases the families were using the foster care program to supplement their income, rather than providing a nurturing environment. In order to escape the situation, Jason would run away. In doing so he became adept at living on the streets. This proved advantageous when he turned 18 and had nowhere else to go.

Jason relied largely on self-taught skills to survive. After spending a number of years doing odd jobs and picking up work where he could, he made his way to Alaska. There he was able to find work in one of the many canneries. This provided Jason with somewhere to be for 12 to 16 hours a day and gave him a place to sleep. When his body could no longer keep pace he once again became homeless.

Jason travelled to Salt Lake City and ultimately, the Sunrise Metro Apartments. On April 18, 2007 Jason finally had a place he could permanently call home. With the aid of the case management team, Jason was able to find work at another permanent supportive housing facility, where he can not only earn a living but feel the joy of giving back. Jason has now been employed there for more than 5 years.

Certain household groups such as large families with children have historically had high home-ownership rates, but are now more likely to be renting. These changes make the demand for affordable rental properties and assistance for first time home buyers (those who haven't purchased or owned a home for three years) even more significant.

Renters

Twenty-nine percent of Utahans are currently renting. In general, renters are much more likely to be low income and to be burdened by the proportion of their income spent on housing. It is estimated that the median income for renters in Utah is $34,159 annually. This is almost exactly half of the $66,754 that the average Utahan makes annually. Due to the recent recession and the increases in poverty and unemployment, many new and existing households in Utah have turned to renting as a short term fix for their housing needs. Renting is typically seen as a temporary situation with most renters indicating that they hope to own a home in the future . However, this dream has become a reality for fewer Utahans than at any time in recent history.

As more households turn to renting, vacancy rates, which have historically been low in Utah, have decreased even further. These extremely low rental vacancy rates and a lack of new construction have increased the cost for rental units . An estimated forty-five percent of renters cannot afford the $777 per month average monthly payment for a two-bedroom apartment (Table 3). For the average renter this monthly cost equates to forty-seven percent of their monthly income. For those working at the minimum wage it would take 2.1 full time jobs to afford a two-bedroom apartment.

Many cities in Utah have been participating in the good landlord program. This program has improved the experience of renting for many renters and property managers. Unfortunately, this program also prevents ex-felons, immigrants, refugees, and others with limited paperwork or troubled histories from being able to gain stable housing and participate in the workforce.

Success Story #2

Brian joined the U.S. Air Force at the age of eighteen. He became a member of the Special Forces and was deployed overseas. Brian's career ended when he received a gun shot to his flack jacket. This shot caused him to fall thirty feet from a helicopter and his back was broken in 3 places. Brian also developed extensive problems with his breathing, began to lose his sight and has severe hearing loss. He requires a walking cane, oxygen, a hearing aid and will likely lose his vision completely before he reaches mid-life.

When Brian returned home to his wife, his Post Traumatic Stress Disorder and extensive rehabilitation therapy proved too much for his young wife to handle and she filed for divorce. Brian was placed in supportive public housing in Salt Lake City, which allowed him to return to a productive life.

Amazingly, Brian has now made his way out of permanent supportive housing and is living in the community. Despite the hard road behind him and the even more difficult path ahead Brian is proud of the service he was able to offer his country. Without support from public housing Brian would be homeless or dead.

Table 2 Median Occupation Salaries vs. Housing Cost vs. Median Income Measures

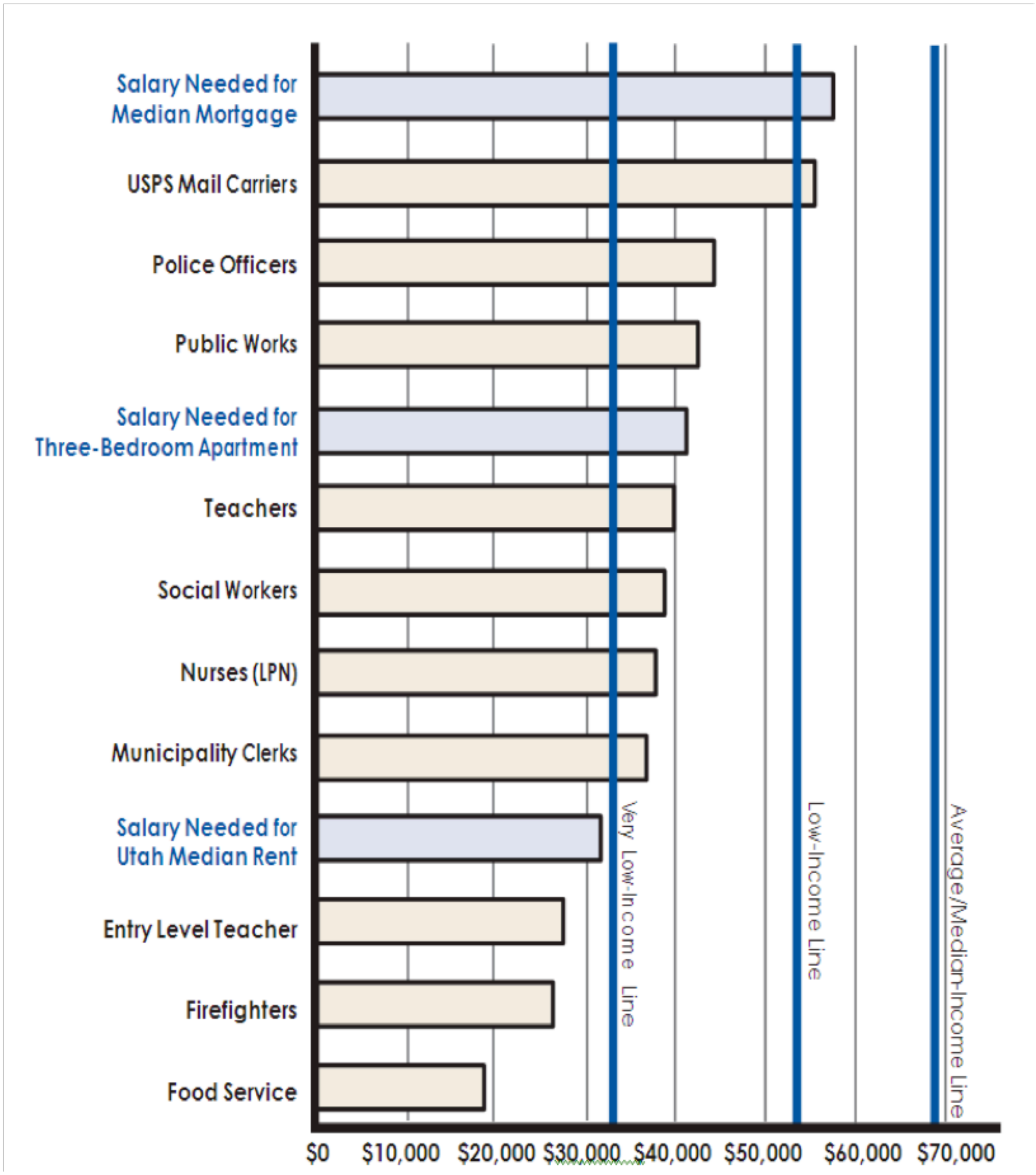

Table 3 Renter Income by County vs. Fair Market Price

County	Percent of total households that are renters (2006-2010)	Annual Average Median Income (AMI)	Estimated renter median income	Full-time jobs at mean renter wage needed to afford 1 bdrm FMR[1]	Full-time jobs at mean renter wage needed to afford 2 bdrm FMR	Full-time jobs at mean renter wage needed to afford 3 bdrm FMR	Estimated percent of renters unable to afford 2 bdrm FMR
Utah State	29%	$66,754	$34,159	1.0	1.3	1.8	45%
Beaver County	23%	$49,300	$25,544	1.1	1.3	1.9	47%
Box Elder County	19%	$63,300	$32,394	1.0	1.1	1.7	47%
Cache County	36%	$55,700	$28,427	1.0	1.3	1.9	44%
Carbon County	30%	$55,400	$23,743	0.9	1.1	1.4	51%
Daggett County	35%	$64,800	$37,631	1.3	1.6	2.0	41%
Davis County	21%	$70,800	$38,905	1.1	1.5	2.1	37%
Duchesne County	25%	$62,000	$37,666	0.7	0.8	1.2	32%
Emery County	20%	$61,700	$39,354	0.4	0.5	0.6	27%
Garfield County	21%	$61,000	$35,132	1.2	1.6	1.9	34%
Grand County	32%	$56,600	$33,324	1.2	1.4	2.1	41%
Iron County	39%	$49,600	$30,121	1.2	1.4	1.9	42%
Juab County	18%	$61,900	$33,266	1.2	1.4	2.0	44%
Kane County	18%	$51,900	$33,326	1.1	1.3	1.9	34%
Millard County	25%	$57,100	$27,159	1.0	1.2	1.8	45%
Morgan County	13%	$70,300	$50,211	0.9	1.2	1.7	27%
Piute County	14%	$51,500	$25,529	2.1	2.5	3.2	60%
Rich County	15%	$59,000	$32,299	2.8	3.4	4.2	55%
Salt Lake County	32%	$70,300	$35,159	1.0	1.2	1.7	47%
San Juan County	17%	$48,500	$30,775	0.8	1.0	1.3	37%
Sanpete County	23%	$52,000	$28,072	1.2	1.5	1.9	43%
Sevier County	19%	$55,100	$33,396	0.9	1.1	1.4	34%
Summit County	23%	$97,000	$45,445	1.4	1.9	2.6	39%
Tooele County	25%	$69,700	$39,439	0.9	1.2	1.6	37%
Uintah County	23%	$69,900	$46,217	0.7	0.9	1.2	34%
Utah County	31%	$61,900	$31,126	1.1	1.3	1.9	47%
Wasatch County	22%	$73,200	$44,103	1.4	1.7	2.5	37%
Washington County	30%	$56,800	$35,268	1.1	1.5	2.0	44%
Wayne County	21%	$55,800	$52,313	0.8	1.0	1.4	20%
Weber County	28%	$70,800	$32,850	1.1	1.4	2.0	45%

1 FMR: Fair Market Rate, the amount of money that a given property commands if open for leasing at the moment

Rehabilitation Needs

In addition to the demand for new units, affordability for over 176,000 existing low-income housing units must also be maintained. This includes more than 97,000 rental units. A statewide survey of Utah's low-income housing stock by the organization shows an ongoing need for rehabilitation. For the lowest income housing market, this equates to more than 8,500 units needing full rehabilitation.

In parts of southeastern Utah, 34 percent of homes are considered deteriorated or dilapidated, and therefore unlivable. Under the OWHLF programs, participants living in these unsafe or unsanitary conditions are identified and targeted for assistance. Referrals are often received from social service providers, church leaders and other advocates for the poor. Virtually all of the owner-occupied single-family homes rehabilitated by OWHLF in FY13 had health and safety issues.

Utah's Consolidated Plan

A Consolidated Plan is required by the United States Department of Housing and Urban Development (HUD) for the allocation of federal HOME, ESG, HOPWA and CSBG funds. This plan is the designated research and planning tool for all entities receiving HUD funding. Utah's Department of Workforce Services' Housing and Community Development Division (HCD) works closely with the seven Utah regional Associations of Governments (AOGs). The regional AOGs develop their own consolidated plans through research and publicmeetings involving residents, local governments and public service agencies. The statewide Utah Consolidated Plan provides a comprehensive overview of community development, housing, homeless needs and priorities plus an analysis of impediments to fair housing choice in Utah. The HCD prepares and submits the Utah Consolidated Plan every five years with annual updates per Federal CFR 24-9-121 and the Department of HUD guidelines. In July 2013 HUD approved Utah's annual update to the five-year plan. This coming year HCD is entering the fourth year of the current five year plan. The 2014 update to our Consolidated Plan can be found on HCD's recently renovated website at: www.jobs.utah.gov/housing/publications/consolidation_plan.html

Success Story #3

Elizabeth is an elderly, single female. Her rural home was originally purchased with her spouse in 1980. Several issues arose that threatened the home's livability. The home's original roof began to leak. The driveway, parking pad and sidewalk to the front door had settled and water drainage flowed toward the home's foundation. The driveway was so steep that the homeowner was unable to drive up to the parking pad in the winter. The front porch had 3 steps and was 36 inches high with no handrail or guardrail. The home's original carpet developed holes in all of the main traffic areas. The toilet had leaked, ruining the bathroom subfloor. The household income was only 21% of AMI or $8,616 annually.

By leveraging program funds - CDBG, USDA-RD 504(grant) and OWHLF loan, all of the necessary work was completed to rehabilitate the home. A new roof was installed and minor water damage repaired; the driveway was graded, reducing the steepness and a new concrete pad poured with proper slope away from the foundation; a guardrail and handrails were installed on the front porch; new subfloor and new vinyl were installed in the bathroom; and a new carpet was installed in the living room, hall and stairs. Additionally, new rain-gutters and downspouts were installed to redirect water away from the foundation. The home is now safe and sanitary.

FY13 ACCOMPLISHMENTS AND STATISTICS

HCD has maintained a vision for affordable housing that includes the production of safe, decent and affordable housing for low-income citizens; development of new partnerships to leverage OWHLF; and support for the ten year plan to end chronic homelessness. The OWHLF programs accomplished the following for the state during the fiscal year ending June 30, 2013.

Total Units Funded

The fund supported construction or rehabilitation of 538 multi-family units and106 single-family units statewide(Table 4). Continued high costs for land, materials and labor created a better overall opportunity for investment in multi-family rather than single-family units. The OWHLF was able to support multi-family units at $15,508 per unit and $19,896 per single-family unit.

Leveraging

Leveraging continues to be an important strategy for the OWHLF Board to increase the affordable housing stock in Utah. Over $83 million dollars was leveraged by the OWHLF for multi-family housing during FY13. For example, the OWHLF Board allocated just over $8 million in state and federal funds to support multi-family projects, leveraging funds at $10.98 from other sources for every dollar from the OWHLF. For single-family projects, over $5.1 million was leveraged from other sources . In 2013 the Private Activity Bond Board supplemented the efforts of the OWHLF by approving 458 units of affordable housing in Salt Lake and Utah Counties.

The Board will continue to look for ways to increase leveraging opportunities through additional funding partners and creating new loan products. HCD is also working with local communities that possess Redevelopment Area and Economic Development Area tax increment financing set-asides for affordable housing and will also to continue to pursue additional leveraging opportunities with the (state, federal) Community Reinvestment Act partners within the banking community, and federal LIHTC Low Income Housing Tax Credits), state, federal Historical and Energy Tax Credits, private foundations and bond sources. Leveraging opportunities allowed OWHLF to fund 644 new or rehabilitated units from federal and state tax credits, CDBG, USDA Rural Development and private non-profit foundations.

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Table 4 Comparison of 2011 and 2012 Funding and Accomplishments

OWHLF Funding and Accomplishments		
	Program Year 2011–12	**Program Year 2012–13**
HUD HOME Funding	$3,145,900	$3,000,000
State Funding	$2,242,900	$2,242,900
USDA Rural Development	$1,000,000	$0
Total Funds Available	$6,388,800	$5,242,900
Total Units Assisted	756 units	644 units
Current Total Portfolio (number of open loans)	978 loans	988 loans
Total Value of Current Portfolio (loans and funds available)	$109,810,306	$114,549,036
Jobs created[1]	750 jobs	1270 jobs
Cumulative Totals (housing units funded since 1987)	13,416 units	14,076 units
Multi-Family (MF) Units:		
MF Affordable Units (constructed or rehabilitated)	643 units	538 units
Average OWHLF MF Subsidy	$9,291/housing unit	$15,508/housing unit
Household Income Served (percent of area median income for MF units)	32.42%	39.99%
MF Fund Leveraging per OWHLF dollar	$9.09	$10.98
Single-Family (SF) Units:		
SF Affordable Units (constructed or rehabilitated)	113 units	106 units
Average OWHLF SF Subsidy	$16,801 per unit	$19,896 per unit

(Footnotes)
[1] Jobs created is determined by the total value of projects which are in construction during the FY and receive OWHLF leveraged funds and is not related to the total value of current portfolio

Population Served

The OWHLF board continues to target Utah citizens in greatest need. The FY2013 Area Median Income (AMI) of all Utah households served by OWHLF averages 39.99 percent of the AMI of $70,297 as published by HUD. Table 5 shows the average percent of AMI served for each of the past five years.

Table 5 Area Median Income of Population Being Served

OWHLF Assets

The total value of the OWHLF, including all loans outstanding, property assets and funds available,increased to more than $114 million in FY13 from $109 million in FY12 (Attachment B). The number of full-time HCD staff assigned to OWHLF remains at 9.5.

Funding to the State of Utah's Olene Walker Housing Loan Fund (OWHLF) helps to meet Utah's affordable housing needs for rental and homeownership opportunities. The average production rate from the OWHLF has averaged 750–800 multi-family units and 100–125 single-family units per year over the past five years. Utah's need for new affordable units for home ownership has been estimated at almost 3,500 units per year and over 5,100 units of new rental housing per year. Utah's cumulative backlog for new affordable rental units alone is estimated at 49,000 units by the National Low Income Housing Coalition. In spite of the need for affordable units, the Federal HOME Program received a five percent reduction in FY13 funds.

Homeless Assistance

Since 2005, OWHLF has supported the construction or rehabilitation of 716 Units for homeless people. The HCD staff monitors tenancy in these units so that they continue to be available to serve Utah's homeless population. HCD is the national leader in efforts to end chronic homelessness through the "Housing First" model and Utah's Ten Year Plan to End Chronic Homelessness.

Rural Assistance

OWHLF continues to target loans and grants to rural single-family and rural multi- family projects. During this past year, 44 percent of all funds were allocated to improve or create affordable housing in rural Utah. This strategy helps rural communities that are not entitlement areas and therefore unable to directly receive HUD HOME allocations.

Long Term Stability

The OWHLF Fund continues to require funded properties to remain affordable for up to 30 years. In addition, the application review process, loan underwriting and compliance monitoring by HCD staff help assure that property owners possess the ability, stability and resources to complete and manage a property throughout the loan period. Six trainings were held during the year to inform local partners and agencies on such topics as the Fair Housing Act, environmental requirements, Davis Bacon provisions and program standards. HCD completed long- term compliance monitoring for 135 different properties during the year. Compliance monitoring includes review of tenant files at each property, physical inspection of units, assessment of accessibility, verification of adherence to federal Fair Housing laws, use of set-aside units for the homeless and disabled, and review of agency financial records.

Emergency Planning

In cooperation with the Utah Division of Emergency Management, OWHLF has launched an initiative to help affordable multi-family housing projects create emergency planning documents and mitigate potential disasters. Part of the initiative includes providing templates, samples, and best practices to project owners, project managers and community partners. OWHLF staff has presented this information to several groups, including the Utah Housing Coalition, and the Utah League of Cities and Towns. Staff has also worked with compliance officers from the various multi-family projects to provide one-on-one emergency planning assistance. A webinar providing tips on emergency planning is available on the HCD website.

> "HCD is the national leader in efforts to end chronic homelessness through the "Housing First" model and Utah's Ten Year Plan to End Chronic Homelessness."

Self Help Homes

In partnership with United States Department of Agriculture Rural Development, seven local agencies that serve rural Utah received OWHLF money for rural Self-Help housing projects. The total number of Self-Help homes constructed to date totals 839, with 85 homes completed during FY13. Households contribute 60 percent of the labor for each home under the direction of an agency's construction supervisors. Licensed contractors complete code- sensitive aspects of construction. Rural Development pegs the total net value of the program to date at more than $225 million.

Home Ownership Savings Assistance

The Utah Individual Development Account (IDA) Network administered by AAA Fair Credit has helped a total of 238 Utah households save money to buy a home. The IDA program in 2013 was supported by $89,500 in pass-through funds from the Utah Legislature as well as funding from the U.S. Department of Health and Human Services and from area financial institutions. Under this state-wide program, households save toward home ownership with matching grant funds provided by participating partners. In FY13, successful savers purchased 16 homes with a net value of more than $2.9 million.

Native American Housing Assistance

The OWHLF provided $60,000 to upgrade 32 Native American low-income homes near Monument Valley on the Navajo Indian Reservation. Two hundred and thirty-eight volunteers provided approximately 9,100 service hours. The project was managed by the Southeastern Utah Association of Local

> "Accessibility is a major factor in affordable housing since one in five very low-income households includes a disabled person."

Government and the HCD Weatherization Assistance Program. A total of 646 Native American units have been completed to date under this program.

Energy Conservation

HCD continues to encourage ENERGY STAR and other nationally recognized green criteria qualification for all projects receiving OWHLF funds. During FY13, HCD's tally of units funded for construction or rehabilitation to ENERGY STAR qualifying levels totaled 4,616 units, compared to a total of 4,078 units for FY12.

Assistance for Accessible Housing

Accessibility is a major factor in affordable housing since one in five very low-income households includes a disabled person. During FY13, a total of 26 units were funded that accommodate individuals with disabilities. In addition to these 26 units, 14 households with disabled members made home purchases through the OWHLF Home Choice Program. All accessible multi-family units funded through the OWHLF are inspected at least biannually to assure that individuals with disabilities are targeted for available units and that unit dimensions, fixtures, and appliances comply with federal Fair Housing and Section 504 accessibility guidelines.

Rural Single-Family Rehabilitation and Reconstruction Program (SFRRP)

This program provides loans statewide through eight agencies for rehabilitation and replacement of dilapidated rural housing. As of June 30, 2013, the local agencies had succeeded in completing 333 projects, including 40 replacement homes and 293 units of renovation.

Local Affordable Housing Planning

HCD continues to increase local government compliance under Utah Code 10-9a-403 and 17-27a403. To date, 86.1 percent of the cities and counties required to complete a moderate-income housing plan have submitted a plan to HCD. This figure represents an 8.4 percent increase in compliance over FY12. Fifteen communities that had not previously submitted a moderate-income housing plan submitted their plan and four communities submitted updated plans to HCD in FY13.

In accordance with the requirements set forth in Utah Code 10-9a-408 and 17-27a-408, HCD continues to assist cities and counties in their efforts to perform a biennial review of their moderate-income housing plans. HCD facilitates the reporting process by contacting each city and county required to submit a report during the year, distributing a uniform biennial reporting form, and providing technical assistance requested by city and county officials.

The Community Driven Housing Program

The Community Driven Housing Program (CDHP) funding set-aside within the Olene Walker Housing Loan Fund represents part of the ongoing efforts in HCD to increase statewide support for affordable housing. Based on the philosophy that a local government understands its unique affordable housing needs more broadly than third-party developers and other entities, the CDHP set-aside encourages municipal participation in the development of affordable housing.

Communities that fulfill biennial reporting requirements and have submitted a quality moderate-income housing plan are invited to participate in CDHP each year. The program encourages participating cities and counties to act on the goals established in their moderate-income housing plans by providing them with an exclusive source of funding for multi-family housing development benefitting targeted, extremely low, low, and moderate income households.

One CDHP project, the Cinema Court Apartments (60 units of affordable housing) in Moab was completed in FY13. Construction of a second CDHP project, Eastgate Apartments (72 units of affordable housing) in Price is currently underway. Both the Cinema Court Apartments and Eastgate Apartments arose from local affordable housing plans and received OWHLF allocations from the CDHP set-aside.

> “To date, 86.1 percent of the cities and counties required to complete a moderate income housing plan have submitted a plan to HCD.”

OWHLF ADMINISTRATION AND PORTFOLIO MANAGEMENT

The OWHLF Board, as established per 63-34-4 and 9-4-701 to 708, governs the fund. Federal HUD and USDA Rural Development rules, state regulations and the OWHLF Program Guidance and Rules guide implementation of programs and distribution of funds. Fund management, expenditures and program operations are reviewed and audited by the U.S. Department of HUD and the Utah State Auditor.

Since 1987, HCD has provided leadership for Utah's affordable housing sector. From 1987 through June 30, 2013, HCD-managed programs and funding have created or preserved a total of 14,076 units statewide. OWHL Funds are dispersed through the Housing and Community Development Division's housing programs to eligible projects that:

- Increase the number of affordable housing units statewide
- Achieve a high degree of leverage with other financing
- Leverage local government contributions in the form of infrastructure improvements and other assistance
- Encourage responsible single-family home ownership and multi-family unit management
- Demonstrate a strong probability of serving the original target group of income group for a period of at least 15 years
- Serve the greatest need
- Demonstrate the ability, stability and resources to complete the project
- Provide housing for persons and families with the lowest incomes
- Achieve Energy Star and other nationally recognized green criteria
- Contribute to overall neighborhood and community sustainability
- Meet local government housing plans and local needs
- Mitigate or correct existing health, safety or welfare problems
- Support Utah's Ten Year Plan to End Homelessness

By focusing on loans rather than grants, the OWHLF Board has chosen to roll repayments into new projects to meet Utah's future housing needs.

Project Funding Considerations

For each housing project application, HCD recommends a level of funding to the OWHLF Board necessary to achieve long-term financial viability and to ensure that low-income populations are served throughout the funding period. Board meetings are conducted under State of Utah public meeting laws. In making final project approvals, the OWHLF Board also considers:

- The sources and uses of funds and total financing including loan terms, equity and contributions planned for the project
- Adherence to special set-asides for Community Housing Development Organizations (CHDOs), rural set-asides, special needs housing and grants
- The equity proceeds expected to be generated by use of the Low-Income Housing Tax Credits
- The percentage of the housing dollar amounts used for hard project costs compared to the cost of intermediaries (e.g. syndication, developer, consulting) and other soft costs
- The reasonable costs for the development, construction and operations of the project and the rate of return for the owners
- Support from the local community including the amount of any CDBG grant funds allocated to the project
- Priority of the project in a community's affordable housing plan
- The proposed time frame for construction or rehabilitation
- Project cash flow

There are four application cycles each year. To coincide with the federal tax credit application process, larger requests for OWHLF multi-family project funding tend to occur each fall. HCD anticipates an increase in requests for FY13 funding due to overall demand for affordable housing units, current law, proceeds from tax credit sales, and high construction and land costs. See Table 6 for a list of multi-family projects funded in FY13.

OWHLF BOARD MEMBERSHIP

The OWHLF Board is appointed by the governor and includes 11 voting members representing local government, mortgage lenders, real estate sales, homebuilders, rental housing representatives, housing advocates, manufactured housing representatives and the general public. There are two ex-officio board members.

To maintain the integrity of board decisions and to abide by HUD regulations and state statutes regarding conflicts of interest, all board members are required to provide the Attorney General's Office and the Office of the Governor with full disclosure of project-related conflicts of interest. When conflicts arise, the board is required to request formal exceptions through the Utah Attorney General's Office and from the HUD Regional Office. During FY13 there was one request submitted and approved by HUD.

Table 6 Multi-Family Projects Receiving OWHLF Funding During FY13

FY13 Multi-Family Projects	County	AMI served	Units Funded	OWHLF Allocation	Estimated Cost for Total Project
Archway	Grand	39.74%	19	$585,490	$2,230,064
Birkhill II	Salt Lake	42.72%	47	$1,000,000	$9,146,666
Bud Bailey II	Salt Lake	43.15%	66	$265,000	$13,944,075
Escalante Park	Salt Lake	41.47%	32	$700,000	$3,258,620
FFI-Group Homes	Salt Lake	16.00%	18	$576,877	$576,877
Garden	Salt Lake	42.45%	56	$900,000	$9,374,879
Lomond View	Weber	41.00%	38	$600,000	$5,032,582
North Six	Salt Lake	43.41%	86	$1,000,000	$15,481,460
The Station at Pleasant View	Weber	43.19%	64	$1,000,000	$14,085,895
Victoria Woods - Draper	Salt Lake	43.45%	33	$715,725	$5,006,195
Victoria Woods - Sandy	Salt Lake	43.35%	79	$1,000,000	$12,776,466
Totals/Average		**39.99%**	**538**	**$8,343,092**	**$91,613,779**

ATTACHMENT A –OWHLF SET-ASIDES

The Olene Walker Housing Loan Fund Board has created the following set-asides to comply with federal and state allocation statutory requirements. These set-asides include:

- CHDO — The board will set aside not less than but not limited to 15 percent of the available HUD funds for qualified Community Housing Development Organizations (CHDO's) in accordance with HUD HOME program rules.
- Rural Set-Aside — The board will set aside approximately 20 percent of the overall funding available for projects located in those areas of the state adopted from the U.S. Department of Agriculture Rural Development Service (RD) as areas of chronic economic distress otherwise designated by the board as rural areas.
- Special Needs — The board sets aside 15 percent of the overall funds for use in developing special-needs housing for persons who are elderly, frail, mentally and physically disabled, homeless and afflicted with AIDS who need transitional housing.
- Multi-family Grants — A set-aside of 5 percent of the overall funds available for multi-family projects is made available to qualified projects and individuals as grants per the OWHLF Allocation Plan. At least 90 percent of all funds used as grants benefit persons or families whose income is below 50 percent of the area median income.
- Multi-family Loans — To meet the objectives of the program as set forth by the State of Utah per 9-4-703, a set-aside of 50 percent of the overall funds available for multi-family projects is allocated as loans. Those loans are to be made per the criteria outlined in the adopted "Loan Policies and Products."
- Single-Family — The Single-Family Allocation Plan utilizes funds to create and preserve single-family housing for lower-income households. Projects must demonstrate containment and resource leveraging, demonstrate efficient and effective utilization of funds, encourage individual empowerment, achieve equitable geographic distribution of resources and provide housing to special-needs populations including larger family, elderly, physically disabled, and mentally ill. Single-Family Programs include the Single-Family Rehabilitation and Reconstruction, Individual Development Accounts, Rural Self Help, Home Choice for the Disabled and Emergency Home Repair.

Attachment B –Funding History of the Olene Walker Housing Fund

State Fiscal Year	Rental Rehab11	Rural Development2	HOME	ADDI3	State Match	One Time	Enhancement	Total Funding
1985	$208,645	$0	$0	$0	$0	$0	$0	$208,645
1986	$370,744	$0	$0	$0	$0	$0	$0	$370,744
1987	$187,893	$0	$0	$0	$0	$0	$0	$187,893
1988	$277,265	$200,000	$0	$0	$0	$0	$0	$477,265
1989	$232,150	$200,000	$0	$0	$0	$0	$0	$432,150
1990	$100,701	$200,000	$0	$0	$0	$0	$0	$300,701
1991	$143,650	$200,000	$0	$0	$0	$0	$0	$343,650
1992	$83,700	$200,000	$0	$0	$0	$0	$0	$283,700
1993	$0	$200,000	$3,000,000	$0	$0	$0	$0	$3,200,000
1994	$0	$200,000	$3,000,000	$0	$0	$0	$0	$3,200,000
1995	$0	$200,000	$2,906,000	$0	$2,400,000	$0	$0	$5,506,000
1996	$0	$162,350	$3,000,000	$0	$1,250,000	$1,250,000	$0	$5,662,350
1997	$0	$150,000	$3,000,000	$0	$2,250,000	$1,250,000	$0	$6,650,000
1998	$0	$100,000	$3,000,000	$0	$1,500,000	$750,000	$0	$5,350,000
1999	$0	$118,000	$3,000,000	$0	$1,000,000	$1,500,000	$0	$5,618,000
2000	$0	$50,000	$3,000,000	$0	$1,000,000	$0	$500,000	$4,550,000
2001	$0	$40,000	$3,000,000	$0	$1,500,000	$0	$500,000	$5,040,000
2002	$0	$50,000	$3,358,000	$0	$2,000,000	$88,000	$225,000	$5,721,000
2003	$0	$0	$3,430,000	$0	$2,525,000	$0	$0	$5,955,000
2004	$0	$0	$4,154,000	$170,619	$2,084,500	$0	$0	$6,409,119
2005	$0	$0	$4,211,827	$201,395	$2,084,500	$200,000	$0	$6,697,722
2006	$0	$0	$4,015,543	$114,540	$2,236,400	$500,000	$0	$6,866,483
2007	$0	$1,500,000	$3,783,080	$57,305	$2,286,400	$1,000,000	$0	$8,626,785
2008	$0	$61,000	$3,829,421	$57,374	$2,736,400	$0	$0	$6,684,195
2009	$0	$0	$3,683,005	$23,181	$2,796,400	$450,000	$0	$6,952,586
2010	$0	$0	$4,078,334	$0	$2,295,700	$0	$0	$6,374,034
2011	$0	$0	$3,678,665	$0	$2,242,900	$0	$0	$5,921,565
2012	$0	$1,000,000	$3,145,900	$0	$2,242,900	$0	$0	$6,388,800
2013	$0	$0	$3,000,000	$0	$2,242,900	$0	$0	$5,242,900
Total		$4,831,350	$71,273,775	$624,414	$38,674,000	$6,988,000	$1,225,000	$125,221,287

(Footnotes)

[1] In 1992 the HUD Sponsored HOME Program replaced the HUD-sponsored Rental Rehabilitation Program

[2] The data shown under "Rural Development" are for single-family programs and rural 515 properties sponsored by the U.S. Department of Agriculture

[3] For 2003, HUD announced the American Dream Down-Payment Initiative (ADDI) for first time homebuyers. Funds were distributed to states on a formula basis. The program ended in 2009

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3 For 2003, HUD announced the American Dream Down-Payment Initiative (ADDI) for first time homebuyers. Funds were distributed to states on a formula basis. The program ended in 2009

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