



Utah

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

Utah's 2011 QAP designates the "preservation and improvement of existing affordable housing units" as a housing need and the rehabilitation of "existing housing stock for tenants at the same or less than current rents" as a housing priority for the allocation of credits (although no specific set-aside is given). The 2011 QAP awards 10 points to properties that rehabilitate the existing housing stock and maintain rents at or below the rent levels before negotiations were entered into for the Housing Credit Application. This is only available to substantial rehabilitation properties that maintain or lower targeted rents below those paid by the current tenants and to preservation properties that maintain rent levels. The minimum rehabilitation expense per unit for substantial rehabilitation projects is \$6,000 or 20% of the adjusted basis, whichever is greater. The following minimum rehabilitation expenditures are based on the age of the building(s): pre 1940 necessitates a minimum of \$50,000 per unit; 1940 - 1970 necessitates a minimum of \$35,000 per unit; 1971 - 1990 necessitates a minimum of \$25,000 per unit. The state also awards 5 points to properties that involve the use of existing housing as part of a Community Revitalization Plan.

Allocations (2003-2009)

Properties Preserved: 44

Apartments Preserved: 2,301

Additional Info: Utah allocated 40%, 61%, and 31% of its 9% tax credit towards preservation projects in 2007, 2008, and 2009 respectively.

State Low Income Housing Tax Credits

In 2011, Utah allocated \$348,071 toward its state tax credit program. The state credits are administered separately from the federal LIHTC program and bear a 10 year credit period.

Private Activity Bonds with 4% Tax Credits

The Private Activity Bond Authority allocates Private Activity Bonds for the acquisition and rehabilitation or the new construction of multifamily rental projects. The maximum amount of tax-exempt bonds awarded to a project is generally \$12 million. Among requirements for the bonds, the project must meet the requirements of this QAP including commitment to a minimum extended use period of 36 total years (99 years total if State Credits are used for feasibility purposes) for the entire project.

Allocations (2003-2009)

Properties Preserved: 4

Apartments Preserved: 605

Additional Info: In 2008 Utah allocated 100% of its 4% tax credits towards preservation, but none were allocated to preservation projects in 2009.

Housing Trust Funds

The Olene Walker Housing Loan Fund (OWHLF) is a revolving loan fund overseen by Utah Housing and Community Development. As of April 2010, the Fund had \$94.5 million. Money from the fund is generally loaned to first time homebuyers, rural homeowners, builders, and developers. For multifamily projects, \$15 is leveraged from federal and other sources for each dollar contributed by the state. All projects funded by the OWHLF are expected to be ENERGY STAR-compliant. Rehabilitation projects must be Energy Star certified when using OWHLF funds unless a waiver is granted from DHCD.

Salt Lake City

The city Housing Trust Fund was created in 2001 and is funded with annual contributions from the City Redevelopment Agency. In 2006, the Trust Fund received over \$350,000, which it used to provide loans for the creation and preservation of multifamily rental developments and homeownership projects.

PLEASE NOTE: Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

The 2011 QAP requires all rehabilitation properties to meet current rehabilitation codes, i.e., appropriate upgrades of furnaces to 85% efficiency and proper installation of efficient windows. Preservation properties rehabilitated according to Energy Star enhancements will receive 100 points. Energy Star certification is required for new construction projects; all rehabilitation projects must be either energy star certified or, if certification cannot feasibly be achieved, Energy Star enhanced.

Projects electing enterprise Green Communities Initiative or LEED certification are not exempt from Energy Star certification. However, in an effort to promote more green and sustainable design of affordable housing, 5 points will be given to projects that become certified through the Enterprise Green Communities Initiative or LEED.

Other Green Incentives Relevant to Preservation

Utah offers an income tax credit for the installation of renewable energy systems.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

Utah's 2011 QAP awards points for projects located in a qualified census tract and that contribute to a Concerted Community Revitalization Plan. Points are also available for projects that incorporate existing housing as part of a Community Revitalization Plan.

To recognize efforts to develop LIHTC projects in communities that have been determined to be under-served, hard-to-develop, or rural, points are available for locating in a HUD designated Difficult to Develop Area, a Rural Targeted Area, or a Non-Participating Area.

Projects located contiguous to FrontRunner or TRAX stop will receive 5 points. Projects located within 1/3 mile to FrontRunner or TRAX stop will receive 3 points.

A 30% basis boost is also available to projects located within 1/3 mile of an existing or current under construction TRAX or FrontRunner stop.