

Part 5

Olene Walker Housing Loan Fund

35A-8-501 Definitions.

As used in this part:

- (1) "Board" means the Housing Board created by this part.
- (2) "Fund" means the Olene Walker Housing Loan Fund created by this part.
- (3) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

Renumbered and Amended by Chapter 212, 2012 General Session

35A-8-502 Creation and administration.

- (1)
 - (a) There is created an enterprise fund known as the Olene Walker Housing Loan Fund, administered by the executive director or the executive director's designee.
 - (b) The department is the administrator of the fund.
- (2) There shall be deposited into the fund:
 - (a) grants, paybacks, bonuses, entitlements, and other money received by the department from the federal government to preserve, rehabilitate, build, restore, or renew housing or for other activities authorized by the fund;
 - (b) transfers, grants, gifts, bequests, and money made available from any source to implement this part; and
 - (c) money appropriated to the fund by the Legislature.
- (3) The money in the fund shall be invested by the state treasurer according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that all interest or other earnings derived from money in the fund shall be deposited in the fund.

Renumbered and Amended by Chapter 212, 2012 General Session

35A-8-503 Housing loan fund board -- Duties -- Expenses.

- (1) There is created the Olene Walker Housing Loan Fund Board.
- (2) The board is composed of 11 voting members.
 - (a) The governor shall appoint the following members to four-year terms:
 - (i) two members from local governments;
 - (ii) two members from the mortgage lending community;
 - (iii) one member from real estate sales interests;
 - (iv) one member from home builders interests;
 - (v) one member from rental housing interests;
 - (vi) one member from housing advocacy interests;
 - (vii) one member of the manufactured housing interest; and
 - (viii) two members of the general public.
 - (b) The director or the director's designee serves as the secretary of the board.
 - (c) The members of the board shall annually elect a chair from among the voting membership of the board.
- (3)

- (a) Notwithstanding the requirements of Subsection (2), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.
 - (b) When a vacancy occurs in the membership for any reason, the replacement is appointed for the unexpired term.
- (4)
- (a) The board shall:
 - (i) meet regularly, at least quarterly, on dates fixed by the board;
 - (ii) keep minutes of its meetings; and
 - (iii) comply with the procedures and requirements of Title 52, Chapter 4, Open and Public Meetings Act.
 - (b) Seven members of the board constitute a quorum, and the governor, the chair, or a majority of the board may call a meeting of the board.
- (5) The board shall:
- (a) review the housing needs in the state;
 - (b) determine the relevant operational aspects of any grant, loan, or revenue collection program established under the authority of this chapter;
 - (c) determine the means to implement the policies and goals of this chapter;
 - (d) select specific projects to receive grant or loan money; and
 - (e) determine how fund money shall be allocated and distributed.
- (6) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
- (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

Renumbered and Amended by Chapter 212, 2012 General Session

35A-8-504 Distribution of fund money.

- (1) The executive director shall:
- (a) make grants and loans from the fund for any of the activities authorized by Section 35A-8-505, as directed by the board;
 - (b) establish the criteria with the approval of the board by which loans and grants will be made; and
 - (c) determine with the approval of the board the order in which projects will be funded.
- (2) The executive director shall distribute, as directed by the board, any federal money contained in the fund according to the procedures, conditions, and restrictions placed upon the use of the money by the federal government.
- (3)
- (a) The executive director shall distribute, as directed by the board, any funds received under Section 17C-1-412 to pay the costs of providing income targeted housing within the community that created the community reinvestment agency under Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act.
 - (b) As used in Subsection (3)(a):
 - (i) "Community" means the same as that term is defined in Section 17C-1-102.
 - (ii) "Income targeted housing" means the same as that term is defined in Section 17C-1-102.

- (4) Except for federal money and money received under Section 17C-1-412, the executive director shall distribute, as directed by the board, money in the fund according to the following requirements:
 - (a) the executive director shall distribute at least 30% of the money in the fund to rural areas of the state;
 - (b) the executive director shall distribute at least 70% of the money in the fund to benefit persons whose annual income is at or below 50% of the median family income for the state;
 - (c) the executive director may not use more than 3% of the revenues of the fund to offset department or board administrative expenses;
 - (d) the executive director shall distribute any remaining money in the fund to benefit persons whose annual income is at or below 80% of the median family income for the state; and
 - (e) if the executive director or the executive director's designee makes a loan in accordance with this section, the interest rate of the loan shall be based on the borrower's ability to pay.
- (5) The executive director may, with the approval of the board:
 - (a) enact rules to establish procedures for the grant and loan process by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and
 - (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the servicing of loans made by the fund.

Amended by Chapter 131, 2016 General Session

Amended by Chapter 350, 2016 General Session

35A-8-505 Activities authorized to receive fund money -- Powers of the executive director.

At the direction of the board, the executive director may:

- (1) provide fund money to any of the following activities:
 - (a) the acquisition, rehabilitation, or new construction of low-income housing units;
 - (b) matching funds for social services projects directly related to providing housing for special-need renters in assisted projects;
 - (c) the development and construction of accessible housing designed for low-income persons;
 - (d) the construction or improvement of a shelter or transitional housing facility that provides services intended to prevent or minimize homelessness among members of a specific homeless subpopulation; and
 - (e) other activities that will assist in minimizing homelessness or improving the availability or quality of housing in the state for low-income persons;
- (2) do any act necessary or convenient to the exercise of the powers granted by this part or reasonably implied from those granted powers, including:
 - (a) making or executing contracts and other instruments necessary or convenient for the performance of the executive director and board's duties and the exercise of the executive director and board's powers and functions under this part, including contracts or agreements for the servicing and originating of mortgage loans;
 - (b) procuring insurance against a loss in connection with property or other assets held by the fund, including mortgage loans, in amounts and from insurers it considers desirable;
 - (c) entering into agreements with a department, agency, or instrumentality of the United States or this state and with mortgagors and mortgage lenders for the purpose of planning and regulating and providing for the financing and refinancing, purchase, construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale, or other disposition of residential housing undertaken with the assistance of the department under this part;

- (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or personal property obtained by the fund due to the default on a mortgage loan held by the fund in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the performance of its duties; and
- (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation held by the fund.

Amended by Chapter 131, 2016 General Session

35A-8-506 Entities authorized to receive fund money.

- (1) The executive director, with the approval of the board, may grant or lend fund money to housing sponsors.
- (2) "Housing sponsor" includes a person who constructs, develops, rehabilitates, purchases, or owns a housing development that is or will be subject to legally enforceable restrictive covenants that require the housing development to provide, at least in part, residential housing to low and moderate income persons.
- (3) A housing sponsor includes:
 - (a) a local public body;
 - (b) a nonprofit, limited profit, or for profit corporation;
 - (c) a limited partnership;
 - (d) a limited liability company;
 - (e) a joint venture;
 - (f) a subsidiary of the Utah Housing Corporation or any subsidiary of the subsidiary of the Utah Housing Corporation;
 - (g) a cooperative;
 - (h) a mutual housing organization;
 - (i) a local government;
 - (j) a local housing authority;
 - (k) a regional or statewide nonprofit housing or assistance organization; or
 - (l) any other type of entity or arrangement that helps provide affordable housing for low and moderate income persons.

Renumbered and Amended by Chapter 212, 2012 General Session

35A-8-507 Application process and priorities.

- (1)
 - (a) In each calendar year that money is available from the fund for distribution by the executive director under the direction of the board, the executive director shall, at least once in that year, announce a grant and loan application period by sending notice to interested persons.
 - (b) The executive director shall accept applications that are received in a timely manner.
- (2) The executive director shall give priority to applications for projects and activities in the following order:
 - (a) first, to applications for projects and activities intended to minimize homelessness;
 - (b) second, to applications for projects and activities that use existing privately owned housing stock, including privately owned housing stock purchased by a nonprofit public development authority; and

- (c) third, to all other applications.
- (3) Within each level of priority described in Subsection (2), the executive director shall give preference to applications that demonstrate the following:
 - (a) a high degree of leverage with other sources of financing;
 - (b) high recipient contributions to total project costs, including allied contributions from other sources such as professional, craft, and trade services and lender interest rate subsidies;
 - (c) high local government project contributions in the form of infrastructure improvements, or other assistance;
 - (d) projects that encourage ownership, management, and other project-related responsibility opportunities;
 - (e) projects that demonstrate a strong probability of serving the original target group or income level for a period of at least 15 years;
 - (f) projects where the applicant has demonstrated the ability, stability, and resources to complete the project;
 - (g) projects that appear to serve the greatest need;
 - (h) projects that provide housing for persons and families with the lowest income;
 - (i) projects that promote economic development benefits;
 - (j) projects that align with a local government plan to address housing and homeless services; and
 - (k) projects that would mitigate or correct existing health, safety, or welfare problems.
- (4) The executive director may give consideration to projects that increase the supply of accessible housing.

Amended by Chapter 131, 2016 General Session

35A-8-508 Annual accounting.

- (1) The executive director shall monitor the activities of recipients of grants and loans issued under this part on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the executive director with the approval of the board or by this part.
- (2) An entity that receives a grant or loan under this part shall provide the executive director with an annual accounting of how the money the entity received from the fund has been spent.
- (3) The executive director shall make an annual report to the board accounting for the expenditures authorized by the board.
- (4) The board shall submit a report to the department for inclusion in the annual written report described in Section 35A-1-109:
 - (a) accounting for expenditures authorized by the board; and
 - (b) evaluating the effectiveness of the program.

Amended by Chapter 371, 2014 General Session