

Calvin Roberts proposes the following substitute bill:

Housing Affordability Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Stephen L. Whyte

LONG TITLE

General Description:

This bill amends provisions related to affordable housing.

Highlighted Provisions:

This bill:

- defines terms;
- amends provisions allowing revenue from a home ownership promotion zone to be used for certain purposes;
- enacts provisions allowing legislative bodies to settle certain litigation through a consent agreement;
- allows a county and municipality to use home ownership promotion zone funds for all or part of water exaction, street lighting, and environmental remediation costs;
- requires a county to comply with land use provisions for all pending and new land use applications;
- directs the Utah Housing Corporation to make rules regarding:
 - procedures, qualifications, and requirements for private financial institutions that offer certain mortgage loans to first-time homebuyers; and
 - the creation of an incentive program for qualified buyers to assist certain borrowers with the purchase of liability insurance for certain qualifying projects;
- provides that first-time home buyers may use certain mortgage loans for specified purposes;
- creates a subordinate shared appreciation loan program to be administered by the Department of Workforce Services to assist borrowers for certain purposes; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **10-9a-1005**, as enacted by Laws of Utah 2024, Chapter 431

34 **17-27a-508**, as last amended by Laws of Utah 2024, Chapter 415

35 **17-27a-1205**, as enacted by Laws of Utah 2024, Chapter 431

36 **35A-8-505**, as last amended by Laws of Utah 2021, Chapters 102, 333

37 **51-12-101**, as enacted by Laws of Utah 2024, Chapter 510

38 **63H-8-501**, as last amended by Laws of Utah 2024, Chapter 431

39 **63H-8-502**, as last amended by Laws of Utah 2024, Chapter 431

40 ENACTS:

41 **10-9a-804**, Utah Code Annotated 1953

42 **17-27a-804**, Utah Code Annotated 1953

43 **35A-8-504.6**, Utah Code Annotated 1953



45 *Be it enacted by the Legislature of the state of Utah:*

46 Section 1. Section **10-9a-804** is enacted to read:

47 **10-9a-804 . Consent agreement.**

48 (1) A legislative body may ~~not~~ , ~~not~~ by resolution or ordinance ~~not~~ , ~~not~~ settle litigation
48a initiated under

49 Section 10-9a-801 regarding a land use decision with a property owner through a
50 consent agreement.

51 (2) A legislative body shall approve the consent agreement under Subsection (1) in a public
52 meeting in accordance with Title 52, Chapter 4, Open and Public Meetings Act.

53 (3) A legislative body is not required to present to a planning commission on any matter
54 covered by a consent agreement.

55 Section 2. Section **10-9a-1005** is amended to read:

56 **10-9a-1005 . Payment, use, and administration of revenue from a home**
57 **ownership promotion zone.**

58 (1)(a) A municipality may receive tax increment and use home ownership promotion
59 zone funds in accordance with this section.

60 (b) The maximum amount of time that a municipality may receive and use tax increment
61 pursuant to a home ownership promotion zone is 15 consecutive years.

- 62 (2) A county that collects property tax on property located within a home ownership
63 promotion zone shall, in accordance with Section 59-2-1365, distribute 60% of the tax
64 increment collected from property within the home ownership promotion zone to the
65 municipality over the home ownership promotion zone to be used as described in this
66 section.
- 67 (3)(a) Tax increment distributed to a municipality in accordance with Subsection (2) is
68 not revenue of the taxing entity or municipality, but home ownership promotion zone
69 funds.
- 70 (b) Home ownership promotion zone funds may be administered by an agency created
71 by the municipality within which the home ownership promotion zone is located.
- 72 (c) Before an agency may receive home ownership promotion zone funds from a
73 municipality, the agency shall enter into an interlocal agreement with the
74 municipality.
- 75 (4)(a) A municipality or agency shall use home ownership promotion zone funds within,
76 or for the direct benefit of, the home ownership promotion zone.
- 77 (b) If any home ownership promotion zone funds will be used outside of the home
78 ownership promotion zone, the legislative body of the municipality shall make a
79 finding that the use of the home ownership promotion zone funds outside of the home
80 ownership promotion zone will directly benefit the home ownership promotion zone.
- 81 (5) A municipality or agency shall use home ownership promotion zone funds to achieve
82 the purposes described in Section 10-9a-1003 by paying all or part of the costs of any of
83 the following:
- 84 (a) project improvement costs;
- 85 (b) systems improvement costs;[~~or~~]
- 86 (c) water exaction costs;
- 87 (d) street lighting costs;
- 88 (e) environmental remediation costs; or
- 89 [~~e~~] (f) the costs of the municipality or agency to create and administer the home
90 ownership promotion zone, which may not exceed 3% of the total home ownership
91 promotion zone funds.
- 92 (6) Home ownership promotion zone funds may be paid to a participant, if the municipality
93 and participant enter into a participation agreement which requires the participant to
94 utilize the home ownership promotion zone funds as allowed in this section.
- 95 (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds

96 issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency
97 Bonds, including the cost to issue and repay the bonds including interest.

98 (8) A municipality may:

99 (a) create one or more public infrastructure districts within a home ownership promotion
100 zone under Title 17D, Chapter 4, Public Infrastructure District Act; and

101 (b) pledge and utilize the home ownership promotion zone funds to guarantee the
102 payment of public infrastructure bonds issued by a public infrastructure district.

103 Section 3. Section **17-27a-508** is amended to read:

104 **17-27a-508 . Applicant's entitlement to land use application approval --**
105 **Application relating to land in a high priority transportation corridor -- County's**
106 **requirements and limitations -- Vesting upon submission of development plan and**
107 **schedule.**

108 (1)(a)(i) ~~[A#]~~ Subject to Subsection (7), an applicant who has submitted a complete
109 land use application, including the payment of all application fees, is entitled to
110 substantive review of the application under the land use regulations:

111 (A) in effect on the date that the application is complete; and

112 (B) applicable to the application or to the information shown on the submitted
113 application.

114 (ii) An applicant is entitled to approval of a land use application if the application
115 conforms to the requirements of the applicable land use regulations, land use
116 decisions, and development standards in effect when the applicant submits a
117 complete application and pays all application fees, unless:

118 (A) the land use authority, on the record, formally finds that a compelling,
119 countervailing public interest would be jeopardized by approving the
120 application and specifies the compelling, countervailing public interest in
121 writing; or

122 (B) in the manner provided by local ordinance and before the applicant submits
123 the application, the county formally initiates proceedings to amend the county's
124 land use regulations in a manner that would prohibit approval of the
125 application as submitted.

126 (b) The county shall process an application without regard to proceedings the county
127 initiated to amend the county's ordinances as described in Subsection (1)(a)(ii)(B) if:

128 (i) 180 days have passed since the county initiated the proceedings; and

129 (ii)(A) the proceedings have not resulted in an enactment that prohibits approval

- 130 of the application as submitted; or
- 131 (B) during the 12 months prior to the county processing the application or
- 132 multiple applications of the same type, the application is impaired or prohibited
- 133 under the terms of a temporary land use regulation adopted under Section
- 134 17-27a-504.
- 135 (c) A land use application is considered submitted and complete when the applicant
- 136 provides the application in a form that complies with the requirements of applicable
- 137 ordinances and pays all applicable fees.
- 138 (d) Unless a phasing sequence is required in an executed development agreement, a
- 139 county shall, without regard to any other separate and distinct land use application,
- 140 accept and process a complete land use application in accordance with this chapter.
- 141 (e) The continuing validity of an approval of a land use application is conditioned upon
- 142 the applicant proceeding after approval to implement the approval with reasonable
- 143 diligence.
- 144 (f) [A] Subject to Subsection (7), a county may not impose on an applicant who has
- 145 submitted a complete application a requirement that is not expressed in:
- 146 (i) this chapter;
- 147 (ii) a county ordinance in effect on the date that the applicant submits a complete
- 148 application, subject to Subsection (1)(a)(ii); or
- 149 (iii) a county specification for public improvements applicable to a subdivision or
- 150 development that is in effect on the date that the applicant submits an application.
- 151 (g) A county may not impose on a holder of an issued land use permit or a final,
- 152 unexpired subdivision plat a requirement that is not expressed:
- 153 (i) in a land use permit;
- 154 (ii) on the subdivision plat;
- 155 (iii) in a document on which the land use permit or subdivision plat is based;
- 156 (iv) in the written record evidencing approval of the land use permit or subdivision
- 157 plat;
- 158 (v) in this chapter;
- 159 (vi) in a county ordinance; or
- 160 (vii) in a county specification for residential roadways in effect at the time a
- 161 residential subdivision was approved.
- 162 (h) Except as provided in Subsection (1)(i) or (j), a county may not withhold issuance of
- 163 a certificate of occupancy or acceptance of subdivision improvements because of an

- 164 applicant's failure to comply with a requirement that is not expressed:
- 165 (i) in the building permit or subdivision plat, documents on which the building permit
- 166 or subdivision plat is based, or the written record evidencing approval of the
- 167 building permit or subdivision plat; or
- 168 (ii) in this chapter or the county's ordinances.
- 169 (i) A county may not unreasonably withhold issuance of a certificate of occupancy
- 170 where an applicant has met all requirements essential for the public health, public
- 171 safety, and general welfare of the occupants, in accordance with this chapter, unless:
- 172 (i) the applicant and the county have agreed in a written document to the withholding
- 173 of a certificate of occupancy; or
- 174 (ii) the applicant has not provided a financial assurance for required and uncompleted
- 175 public landscaping improvements or infrastructure improvements in accordance
- 176 with an applicable ordinance that the legislative body adopts under this chapter.
- 177 (j) A county may not conduct a final inspection required before issuing a certificate of
- 178 occupancy for a residential unit that is within the boundary of an infrastructure
- 179 financing district, as defined in Section 17B-1-102, until the applicant for the
- 180 certificate of occupancy provides adequate proof to the county that any lien on the
- 181 unit arising from the infrastructure financing district's assessment against the unit
- 182 under Title 11, Chapter 42, Assessment Area Act, has been released after payment in
- 183 full of the infrastructure financing district's assessment against that unit.
- 184 (2) A county is bound by the terms and standards of applicable land use regulations and
- 185 shall comply with mandatory provisions of those regulations.
- 186 (3) A county may not, as a condition of land use application approval, require a person
- 187 filing a land use application to obtain documentation regarding a school district's
- 188 willingness, capacity, or ability to serve the development proposed in the land use
- 189 application.
- 190 (4) ~~Upon~~ Subject to Subsection (7), a specified public agency's submission of a
- 191 development plan and schedule as required in Subsection 17-27a-305(8) that complies
- 192 with the requirements of that subsection, the specified public agency vests in the
- 193 county's applicable land use maps, zoning map, hookup fees, impact fees, other
- 194 applicable development fees, and land use regulations in effect on the date of submission.
- 195 (5)(a) If sponsors of a referendum timely challenge a project in accordance with
- 196 Subsection 20A-7-601(6), the project's affected owner may rescind the project's land
- 197 use approval by delivering a written notice:

- 198 (i) to the local clerk as defined in Section 20A-7-101; and
 199 (ii) no later than seven days after the day on which a petition for a referendum is
 200 determined sufficient under Subsection 20A-7-607(4).
- 201 (b) Upon delivery of a written notice described in Subsection(5)(a) the following are
 202 rescinded and are of no further force or effect:
- 203 (i) the relevant land use approval; and
 204 (ii) any land use regulation enacted specifically in relation to the land use approval.
- 205 (6)(a) After issuance of a building permit, a county may not:
- 206 (i) change or add to the requirements expressed in the building permit, unless the
 207 change or addition is:
- 208 (A) requested by the building permit holder; or
 209 (B) necessary to comply with an applicable state building code; or
- 210 (ii) revoke the building permit or take action that has the effect of revoking the
 211 building permit.
- 212 (b) Subsection (6)(a) does not prevent a county from issuing a building permit that
 213 contains an expiration date defined in the building permit.
- 214 (7) A county shall comply with the provisions of this chapter regarding all pending land use
 215 applications and new land use applications submitted under this chapter.

216 Section 4. Section **17-27a-804** is enacted to read:

217 **17-27a-804 . Consent agreement.**

- 218 (1) A legislative body may ~~hat~~ , ~~hat~~ by resolution or ordinance ~~hat~~ , ~~hat~~ settle litigation
 218a initiated under
 219 Section 17-27a-801 regarding a land use decision with a property owner through a
 220 consent agreement.
- 221 (2) A legislative body shall approve the consent agreement under Subsection (1) in a public
 222 meeting in accordance with Title 52, Chapter 4, Open and Public Meetings Act.
- 223 (3) A legislative body is not required to present to a planning commission on any matter
 224 covered by a consent agreement.

225 Section 5. Section **17-27a-1205** is amended to read:

226 **17-27a-1205 . Payment, use, and administration of revenue from a home**
 227 **ownership promotion zone.**

- 228 (1)(a) A county may receive tax increment and use home ownership promotion zone
 229 funds in accordance with this section.
- 230 (b) The maximum amount of time that a county may receive and use tax increment

- 231 pursuant to a home ownership promotion zone is 15 consecutive years.
- 232 (2) A county that collects property tax on property located within a home ownership
233 promotion zone shall, in accordance with Section 59-2-1365, retain 60% of the tax
234 increment collected from property within the home ownership promotion zone to be
235 used as described in this section.
- 236 (3)(a) Tax increment retained by a county in accordance with Subsection (2) is not
237 revenue of the taxing entity or county, but home ownership promotion zone funds.
- 238 (b) Home ownership promotion zone funds may be administered by an agency created
239 by the county within which the home ownership promotion zone is located.
- 240 (c) Before an agency may receive home ownership promotion zone funds from a county,
241 the agency shall enter into an interlocal agreement with the county.
- 242 (4)(a) A county or agency shall use home ownership promotion zone funds within, or for
243 the direct benefit of, the home ownership promotion zone.
- 244 (b) If any home ownership promotion zone funds will be used outside of the home
245 ownership promotion zone, the legislative body of the county shall make a finding
246 that the use of the home ownership promotion zone funds outside of the home
247 ownership promotion zone will directly benefit the home ownership promotion zone.
- 248 (5) A county or agency shall use home ownership promotion zone funds to achieve the
249 purposes described in Section 17-27a-1203 by paying all or part of the costs of any of
250 the following:
- 251 (a) project improvement costs;
- 252 (b) systems improvement costs; ~~[-or]~~
- 253 (c) water exaction costs;
- 254 (d) street lighting costs;
- 255 (e) environmental remediation costs; or
- 256 ~~[(e)]~~ (f) the costs of the county to create and administer the home ownership promotion
257 zone, which may not exceed 3% of the total home ownership promotion zone funds.
- 258 (6) Home ownership promotion zone funds may be paid to a participant, if the county and
259 participant enter into a participation agreement which requires the participant to utilize
260 the home ownership promotion zone funds as allowed in this section.
- 261 (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds
262 issued by the county in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds,
263 including the cost to issue and repay the bonds including interest.
- 264 (8) A county may:

265 (a) create one or more public infrastructure districts within home ownership promotion
266 zone under Title 17D, Chapter 4, Public Infrastructure District Act; and

267 (b) pledge and utilize the home ownership promotion zone funds to guarantee the
268 payment of public infrastructure bonds issued by a public infrastructure district.

269 Section 6. Section **35A-8-504.6** is enacted to read:

270 **35A-8-504.6 . Subordinate shared appreciation loan program.**

271 (1) As used in this section:

272 (a) "Qualifying applicant" means a non-profit entity or a partnership of non-profit
273 entities that provides or purchases subordinate shared appreciation loans.

274 (b) "Qualifying mortgage loan" means a mortgage loan that is originated, purchased, or
275 serviced by a private financial institution or sold to a government-sponsored
276 enterprise, if:

277 (i) the loan conforms to the borrower's income, property eligibility, and credit
278 standards;

279 (ii) the loan is secured by a recorded deed of trust or other instrument securing a
280 mortgage loan and constituting a lien on real property in the county in which the
281 home is located; and

282 (iii) the loan is an amortizing first mortgage loan.

283 (c)(i) "Subordinate shared appreciation loan" means a loan that does not exceed
284 \$150,000, and that:

285 (A) is secured by an owner-occupied residential property for which the borrower
286 agrees to repay the principal borrowed plus a proportionate share of the home
287 price appreciation during the term of the loan;

288 (B) has flexible repayment terms in accordance with applicable state and federal
289 laws;

290 (C) is non-interest bearing and has no set monthly payment obligation;

291 (D) does not impose a shared appreciation repayment percentage obligation that
292 exceeds the percentage of the home value represented by the amount borrowed
293 at origination;

294 (E) does not have a combined loan-to-value ratio that exceeds 105%;

295 (F) does not impose a prepayment fee or penalty; and

296 (G) is subordinate to a first mortgage loan.

297 (ii) "Subordinate shared appreciation loan" includes a loan to a qualifying borrower
298 for the purpose of assisting the borrower in the purchase of construction liability

- 299 insurance for a condominium project as established in rule by the Utah Housing
300 Corporation in accordance with Section 63H-8-502.
- 301 (d) "Subordinate shared appreciation loan program" means the loan program created in
302 this section.
- 303 (2) There is a created the subordinate shared appreciation loan program administered by the
304 department.
- 305 (3) Subject to appropriations from the Legislature, the department shall distribute program
306 funds to a qualifying applicant that:
- 307 (a) completes an application; and
308 (b) meets the requirements described under Subsection (1)(b)(i) or (1)(b)(ii).
- 309 (4) The executive director may make rules in accordance with Title 63G, Chapter 3, Utah
310 Administrative Rulemaking Act, to carry out the purposes of this section.
- 311 (5)(a) Subject to the provisions of Subsection (9), program funds shall only be used for a
312 qualifying residential unit, as that term is defined in Section 63H-8-501.
- 313 (b) Program funds shall only be distributed in conjunction with matching private funding
314 that is no less than a 75% private funds and 25% program funds split.
- 315 (c) A recipient of a subordinate shared appreciation loan may use the funds for the same
316 purposes described in Section 63H-8-502.
- 317 (6) If a subordinate shared appreciation loan on the qualifying residential unit is refinanced
318 or sold, state funds, including associated fees, used to secure the mortgage loan shall be
319 returned to the qualifying applicant.
- 320 (7) The department may, in cooperation with the Utah Housing Corporation, promote the
321 program to qualifying applicants to support the first-time homebuyer assistance program
322 under Title 63H, Chapter 8, Part 5, First-Time Homebuyer Assistance Program.
- 323 (8) The department shall include in the annual report required by Section 35A-1-109 the
324 following information:
- 325 (a) the number of approved loans under the program;
326 (b) the total dollar amount of program funds loaned and the corresponding private
327 matching funds;
328 (c) the total dollar amount of funds reinvested into the program;
329 (d) the total dollar amount of payoff and, if applicable, default of active loans; and
330 (e) the approximate dollar value of the total number of loans provided under the program
331 based upon the current home price index.
- 332 (9) The executive director may expend up to 5% of the revenues of the program, including

333 any appropriation to the program, to offset department administrative expenses.

334 (10) The department may not accept applications for the program after September 1, 2025.

335 Section 7. Section **35A-8-505** is amended to read:

336 **35A-8-505 . Activities authorized to receive fund money -- Powers of the**
 337 **executive director.**

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

339 (1) provide fund money to any of the following activities:

340 (a) the acquisition, rehabilitation, or new construction of low-income housing units;

341 (b) matching funds for social services projects directly related to providing housing for
 342 special-need renters in assisted projects;

343 (c) the development and construction of accessible housing designed for low-income
 344 persons;

345 (d) the construction or improvement of a shelter or transitional housing facility that
 346 provides services intended to prevent or minimize homelessness among members of a
 347 specific homeless subpopulation;

348 (e) the purchase of an existing facility to provide temporary or transitional housing for
 349 the homeless in an area that does not require rezoning before providing such
 350 temporary or transitional housing;

351 (f) the purchase of land that will be used as the site of low-income housing units;

352 (g) the preservation of existing affordable housing units for low-income persons;

353 (h) providing loan guarantees under the two-year pilot program established in Section
 354 35A-8-504.5;

355 (i) distribute funds to a qualifying applicant under the subordinate shared appreciation
 356 mortgage loan program established in Section 35A-8-504.6;

357 [~~(j)~~] (j) the award of predevelopment grants in accordance with Section 35A-8-507.5;

358 [~~(k)~~] (k) the creation or financial support of a mediation program for landlords and
 359 tenants designed to minimize the loss of housing for low-income persons, which
 360 program may include:

361 (i) funding for the hiring or training of mediators;

362 (ii) connecting landlords and tenants with mediation services; and

363 (iii) providing a limited amount of gap funding to assist a tenant in making a good
 364 faith payment towards attorney fees, damages, or other costs associated with
 365 eviction proceedings or avoiding eviction proceedings; and

366 [~~(l)~~] (l) other activities that will assist in minimizing homelessness or improving the

- 367 availability or quality of housing in the state for low-income persons; and
- 368 (2) do any act necessary or convenient to the exercise of the powers granted by this part or
- 369 reasonably implied from those granted powers, including:
- 370 (a) making or executing contracts and other instruments necessary or convenient for the
- 371 performance of the executive director and board's duties and the exercise of the
- 372 executive director and board's powers and functions under this part, including
- 373 contracts or agreements for the servicing and originating of mortgage loans;
- 374 (b) procuring insurance against a loss in connection with property or other assets held by
- 375 the fund, including mortgage loans, in amounts and from insurers it considers
- 376 desirable;
- 377 (c) entering into agreements with a department, agency, or instrumentality of the United
- 378 States or this state and with mortgagors and mortgage lenders for the purpose of
- 379 planning and regulating and providing for the financing and refinancing, purchase,
- 380 construction, reconstruction, rehabilitation, leasing, management, maintenance,
- 381 operation, sale, or other disposition of residential housing undertaken with the
- 382 assistance of the department under this part;
- 383 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,
- 384 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real
- 385 or personal property obtained by the fund due to the default on a mortgage loan held
- 386 by the fund in preparation for disposition of the property, taking assignments of
- 387 leases and rentals, proceeding with foreclosure actions, and taking other actions
- 388 necessary or incidental to the performance of its duties; and
- 389 (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation
- 390 held by the fund.

391 Section 8. Section **51-12-101** is amended to read:

392 **51-12-101 . Definitions.**

393 As used in this chapter:

- 394 (1) "Attainable home" means a residence that costs the purchaser no more than the amount
- 395 a qualifying residential unit may be purchased in accordance with [~~Subsection~~
- 396 ~~63H-8-501(6)(e)~~] Section 63H-8-501 at the time the state treasurer deposits with a
- 397 qualified depository.
- 398 (2) "Fund" means the Transportation Infrastructure General Fund Support Subfund created
- 399 in Section 72-2-134.
- 400 (3) "Political subdivision" means:

- 401 (a) the municipality in which the attainable home is located; or
402 (b) the county, if the attainable home is located in an unincorporated portion of the
403 county.
- 404 (4) "Qualified depository" means the same as that term is defined in Section 51-7-3.
405 (5)(a) "Qualified project" means a new construction housing development project in the
406 state for which the developer:
- 407 (i) commits to:
- 408 (A) offering for sale no fewer than 60% of the total units within the project as
409 attainable homes;
- 410 (B) including in the deed of sale for an attainable home a restriction, in favor of
411 the political subdivision, that the attainable home be owner occupied for no
412 fewer than five years; and
- 413 (C) having a plan to provide information to potential buyers of attainable homes
414 about the First-Time Homebuyer Assistance Program created in Section
415 63H-8-502; and
- 416 (ii) executes a valid agreement with the political subdivision to develop housing
417 meeting the requirements of Subsections (5)(a)(i)(A) and (B).
- 418 (b) "Qualified project" includes infrastructure within the housing development project.
419 Section 9. Section **63H-8-501** is amended to read:

420 **63H-8-501 . Definitions.**

421 As used in this part:

- 422 (1)(a) "First-time homebuyer" means an individual who satisfies:
- 423 (i) the three-year requirement described in Section 143(d) of the Internal Revenue
424 Code of 1986, as amended, and any corresponding federal regulations; and
- 425 (ii) requirements made by the corporation by rule, as described in Section 63H-8-502.
- 426 (b) "First-time homebuyer" includes a single parent, as defined by the corporation by
427 rule made as described in Section 63H-8-502, who would meet the three-year
428 requirement described in Subsection (1)(a)(i) but for a present ownership interest in a
429 principal residence in which the single parent:
- 430 (i) had a present ownership interest with the single parent's former spouse during the
431 three-year period;
- 432 (ii) resided while married during the three-year period; and
- 433 (iii) no longer:
- 434 (A) has a present ownership interest; or

- 435 (B) resides.
- 436 (2) "Home equity amount" means the difference between:
- 437 (a)(i) in the case of a sale, the sales price for which the qualifying residential unit is
- 438 sold by the recipient in a bona fide sale to a third party with no right to repurchase
- 439 less an amount up to 1% of the sales price used for seller-paid closing costs; or
- 440 (ii) in the case of a refinance, the current appraised value of the qualifying residential
- 441 unit; and
- 442 (b) the total payoff amount of any qualifying mortgage loan that was used to finance the
- 443 purchase of the qualifying residential unit.
- 444 (3) "Program" means the First-Time Homebuyer Assistance Program created in Section
- 445 63H-8-502.
- 446 (4) "Program funds" means money appropriated for the program.
- 447 (5) "Qualifying mortgage loan" means a mortgage loan that:
- 448 (a) is purchased by the corporation; and
- 449 (b) is subject to a document that is recorded in the office of the county recorder of the
- 450 county in which the residential unit is located.
- 451 (6) "Qualifying residential unit" means a residential unit that:
- 452 (a) is located in the state;
- 453 (b) is new construction or newly constructed but not yet inhabited;
- 454 (c) is financed by a qualifying mortgage loan;
- 455 (d) is owner-occupied within 60 days of purchase, or in the case of a two-unit dwelling,
- 456 at least one unit is owner-occupied within 60 days of purchase; and
- 457 (e) is purchased for an amount that does not exceed:
- 458 (i) \$450,000; or
- 459 (ii) if applicable, the maximum purchase price established by the corporation under [
- 460 ~~Subsection 63H-8-502(6)] Section 63H-8-502.~~
- 461 (7) "Recipient" means a first-time homebuyer who receives program funds.
- 462 (8)(a) "Residential unit" means a house, condominium, townhome, or similar residential
- 463 structure that serves as a one-unit dwelling or forms part of a two-unit dwelling.
- 464 (b) "Residential unit" includes a manufactured home or modular home that is attached to
- 465 a permanent foundation.
- 466 Section 10. Section **63H-8-502** is amended to read:
- 467 **63H-8-502 . First-Time Homebuyer Assistance Program.**
- 468 (1) There is created the First-Time Homebuyer Assistance Program administered by the

- 469 corporation.
- 470 (2) Subject to appropriations from the Legislature, the corporation shall distribute program
471 funds to:
- 472 (a) first-time homebuyers to provide support for the purchase of qualifying residential
473 units; and
- 474 (b) reimburse the corporation for a distribution of funds under Subsection (2)(a) that
475 took place on or after July 1, 2023.
- 476 (3) The maximum amount of program funds that a first-time homebuyer may receive under
477 the program is \$20,000.
- 478 (4)(a) A recipient may use program funds to pay for:
- 479 (i) the down payment on a qualifying residential unit;
- 480 (ii) closing costs associated with the purchase of a qualifying residential unit;
- 481 (iii) a permanent reduction in the advertised par interest rate on a qualifying mortgage
482 loan that is used to finance a qualifying residential unit; or
- 483 (iv) any combination of Subsections (4)(a)(i), (ii), and (iii).
- 484 (b) The corporation shall direct the disbursement of program funds for a purpose
485 authorized in Subsection (4)(a).
- 486 (c) A recipient may not receive a payout or distribution of program funds upon closing.
- 487 (5) The builder or developer of a qualifying residential unit may not increase the price of
488 the qualifying residential unit on the basis of program funds being used towards the
489 purchase of that qualifying residential unit.
- 490 (6)(a) In accordance with rules made by the corporation under Subsection (9), the
491 corporation may adjust the maximum purchase price of a qualifying residential unit
492 for which a first-time homebuyer qualifies to receive program funds in order to
493 reflect current market conditions.
- 494 (b) In connection with an adjustment made under Subsection (6)(a), the corporation may
495 establish one or more maximum purchase prices corresponding by residential unit
496 type, geographic location, or any other factor the corporation considers relevant.
- 497 (c) The corporation may adjust a maximum purchase price under this Subsection (6) no
498 more frequently than once each calendar year.
- 499 (7)(a) Except as provided in Subsection (7)(b), if the recipient sells the qualifying
500 residential unit or refinances the qualifying mortgage loan that was used to finance
501 the purchase of the qualifying residential unit before the end of the original term of
502 the qualifying mortgage loan, the recipient shall repay to the corporation an amount

- 503 equal to the lesser of:
- 504 (i) the amount of program funds the recipient received; or
- 505 (ii) 50% of the recipient's home equity amount.
- 506 (b) Subsection (7)(a) does not apply to a qualifying mortgage loan that is refinanced
- 507 with a new qualifying mortgage loan if any subordinate qualifying mortgage loan, or
- 508 loan from program funds used on the purchase of the qualifying residential unit, is
- 509 resubordinated only to the new qualifying mortgage loan.
- 510 (8) Any funds repaid to the corporation under Subsection (7) shall be used for program
- 511 distributions.
- 512 [~~(9) The corporation shall make rules governing the application form, process, and criteria~~
- 513 ~~the corporation will use to distribute program funds to first-time homebuyers, in~~
- 514 ~~accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.]~~
- 515 (9) Subject to Subsection (9)(b), the corporation shall make rules, in accordance with Title
- 516 63G, Chapter 3, Utah Administrative Rulemaking Act:
- 517 (a) governing the application form, process, and criteria the corporation will use to
- 518 distribute program funds to first-time homebuyers; and
- 519 (b) subject to appropriations from the Legislature, establishing an incentive program for
- 520 qualified borrowers to utilize funding from the subordinate shared appreciation loan
- 521 program for the purposes of assisting with the purchase of construction liability
- 522 insurance for a qualifying condominium project.
- 523 (10) The corporation may use up to 5% of program funds for administration.
- 524 (11) The corporation shall report annually to the [~~Social Services Appropriations~~
- 525 ~~Subcommittee] Economic and Community Development Appropriations Subcommittee~~
- 526 on disbursements from the program and any adjustments made to the maximum
- 527 purchase price or maximum purchase prices of a qualifying residential unit under
- 528 Subsection (6).

529 Section 11. **Effective Date.**

530 This bill takes effect on May 7, 2025.