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## Issue Brief – Utah Housing Corporation

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### **SUMMARY**

The Utah Housing Corporation (UHC) is a public corporation created by the Utah Legislature in 1975 to help lower-income people throughout the state acquire affordable housing. They issue bonds to make mortgage monies available at interest rates below market for low and moderate income home buyers, and structure tax shelters as well as bonds to provide affordable resources to, low income apartment projects and for rehabilitation and improvements. They allocate federal and state income tax credits to builders and developers to stimulate the development and rehabilitation of low-income rental units in Utah.

### **OBJECTIVE**

The purpose of this issue brief is to provide information about the UHC to the committee.

### **DISCUSSION AND ANALYSIS**

The Utah Housing Corporation maintains a AAA credit rating on its bonds. As a result of some accelerated loan prepayments the interest rate on the remaining portfolio is lower than it has ever been.

The Utah Housing Corporation finances are audited by an independent accounting firm. The results show the corporation to be financially sound. The Corporation is currently issuing new loans designed to enhance the profitability of the Corporation in the future.

Overall the Utah Housing Corporation is a good model of a public private partnership. They utilize resources to benefit the state as a whole. Since 1977, UHC has issued more than \$5 billion in bonds which have provided homeownership for more than 50,000 lower-income first-time homebuyers in every county of the state and utilized tax credits to finance 17,550 new affordable rental housing units. In FY 2004 alone they created enough new housing to generate 1,195 new construction jobs in Utah. This has been accomplished utilizing private sector capital and without the using of any public funds from the state. All bonds are sole obligations of UHC and have absolutely no pledge of the state government.

### **LEGISLATIVE ACTION**

The Analyst makes no recommendation because the Legislature does not appropriate the Utah Housing Corporations budget. The program was started by the Legislature and still reports to the Legislature. This Issue Brief is presented for information only.