

Utah Housing Preservation Fund

Legislative Report

9/20/2022



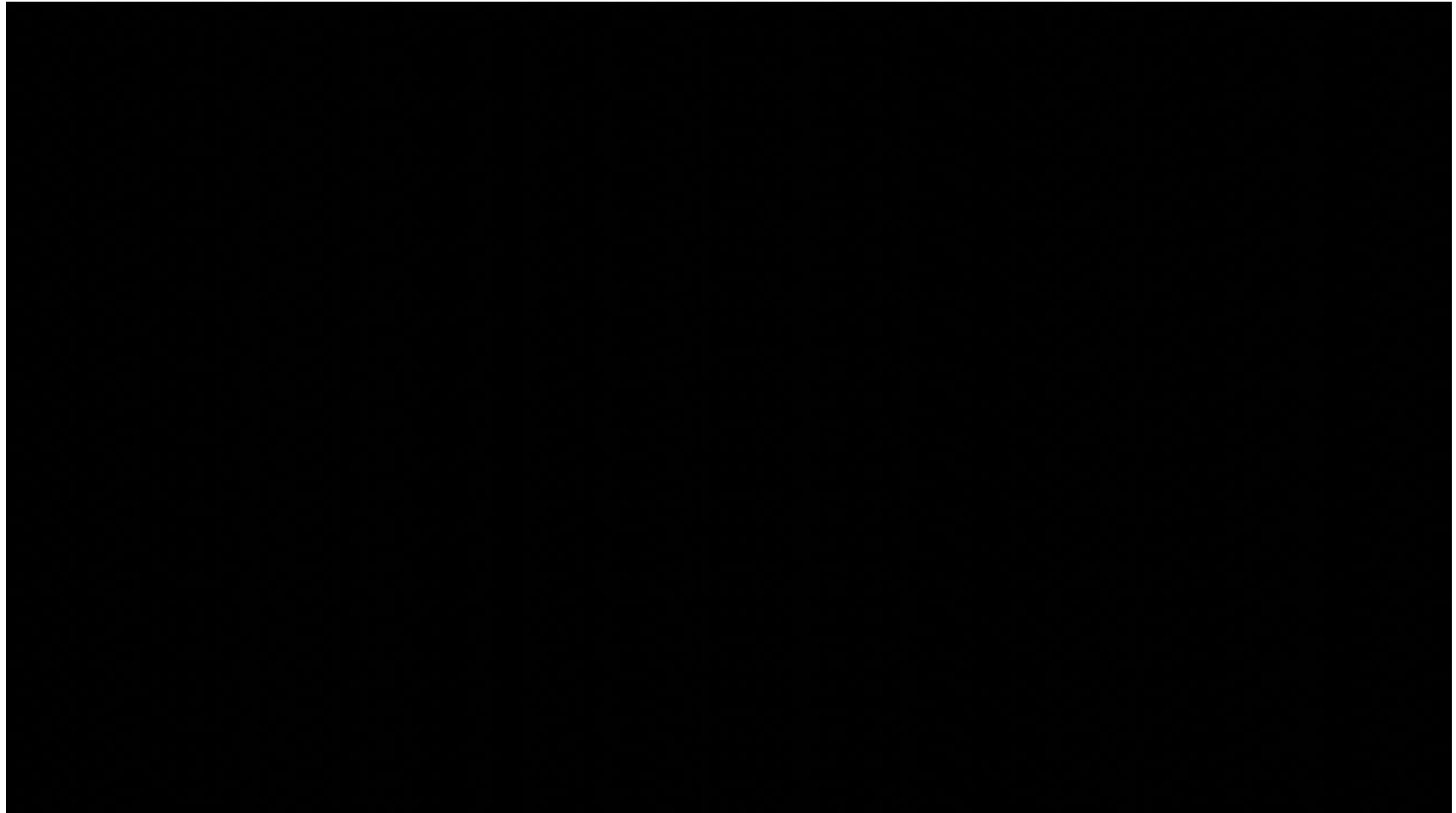
UTAH HOUSING
PRESERVATION
FUND

Mission: Preserving Utah's existing affordable housing through the purchasing, remodeling, and the rent-stabilizing of housing units.



UTAH HOUSING PRESERVATION FUND

Video link: https://www.youtube.com/watch?v=4nE45Im51hk&feature=emb_title



WHY A PRESEVATION FUND?



**Stop Leaky
Bucket**

**Protecting Existing
Affordable Units**



**Serving Low to
Moderate Income
Levels**

**Target 30%-80%
AMI levels**



**Reducing
Displaced Tenants**

**Prevent massive
rent spikes that
puts Utah families
on the street**



**Exceptional
Partners**

**Working with
groups committed
to affordable
housing & social
impact**



**Serve Those in
Greatest Need**

**Prioritize vacant
units for families
and veterans
experiencing
homelessness**



BROAD SUPPORT FROM UTAH ORGANIZATIONS

\$147.5M Raised



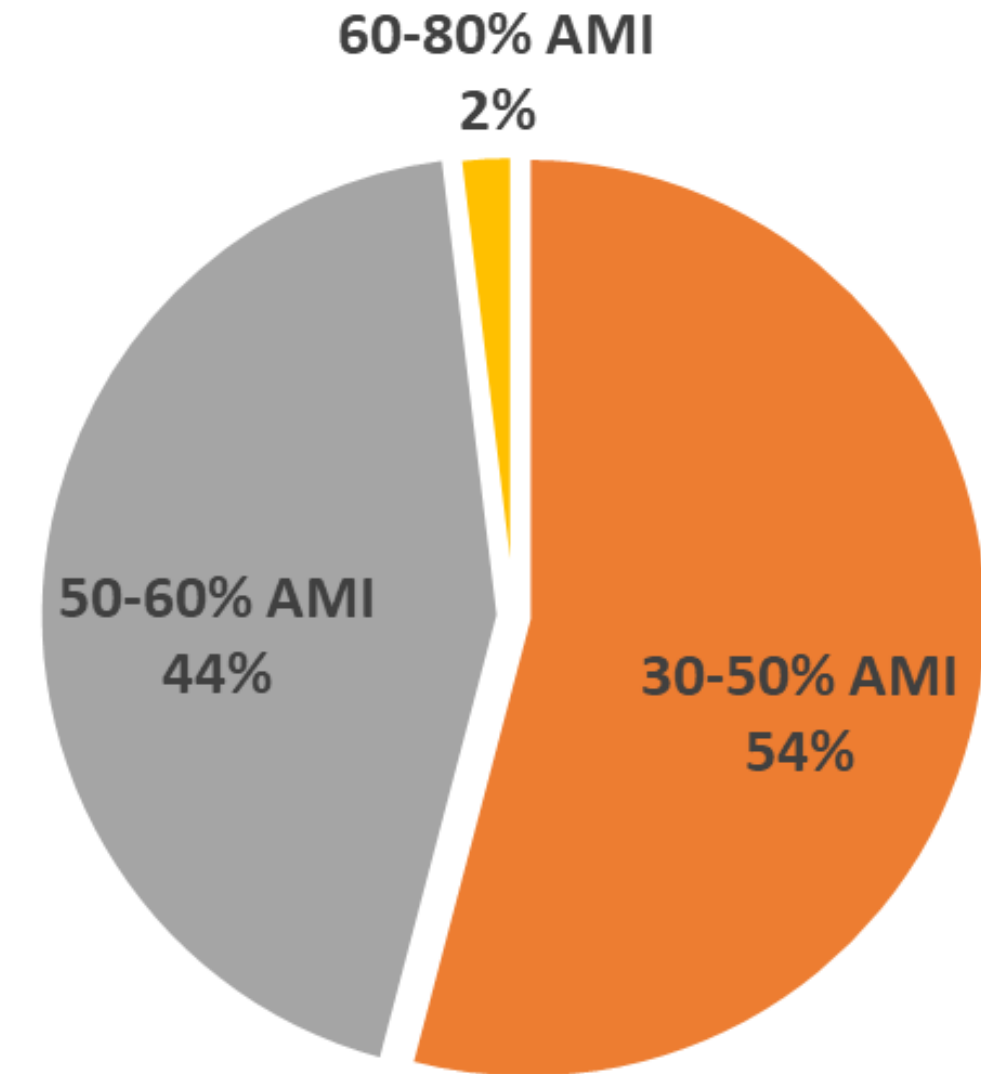


STATE'S RETURN ON INVESTMENT

For every dollar that the State has committed, the UHPF has raised **\$2.17** of committed private capital

Together, the Fund has a total of **\$147.5M of commitments**, enabling nearly **\$737.5M** future impact in affordable housing and a **15.9x ROI** on the Taxpayers' Investment

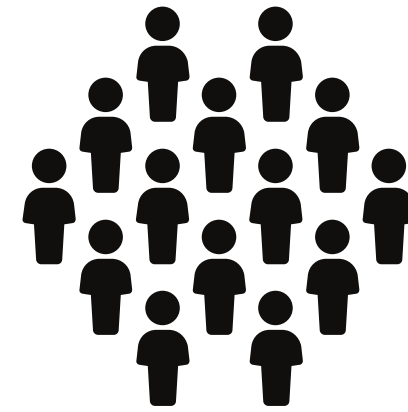
Rent Affordability AMI



STATE'S RETURN ON INVESTMENT



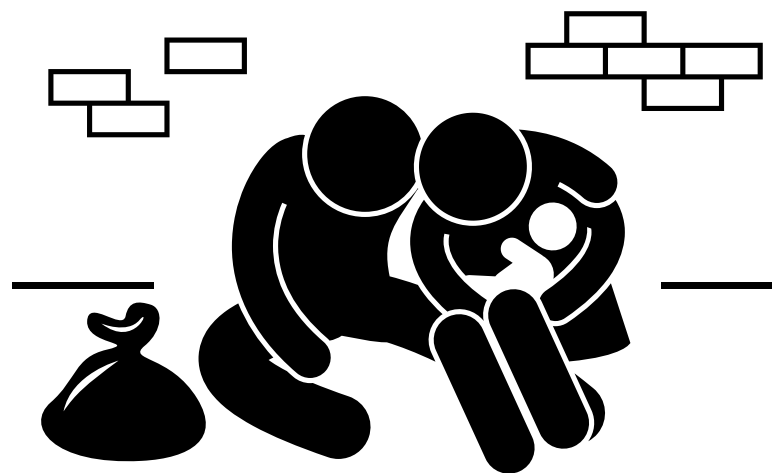
**Tenants Save on Avg:
\$352 per Month**



**Tenants Living in
Fund Units: 1,600**



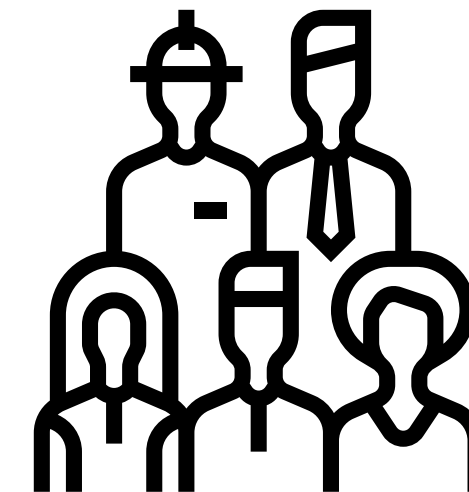
**Total Rent Savings:
\$2.4M Annually**



**Refugees & Homeless
Tenants Served: 96**



**Units Preserved:
644**



**Avg AMI Assisted:
45.7%**



SPEED OF IMPACT - 2020 & 2021 APPROPRIATIONS

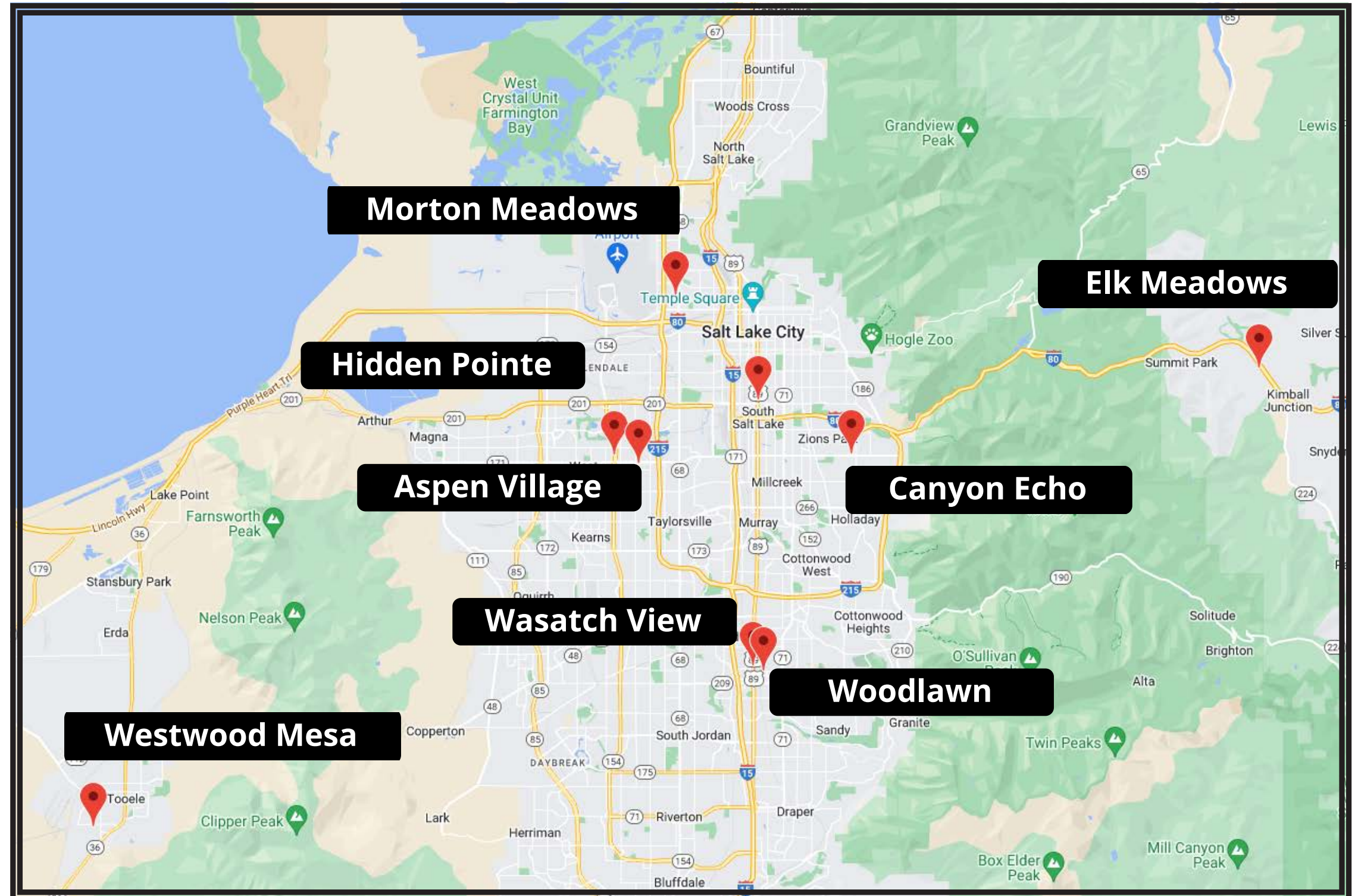
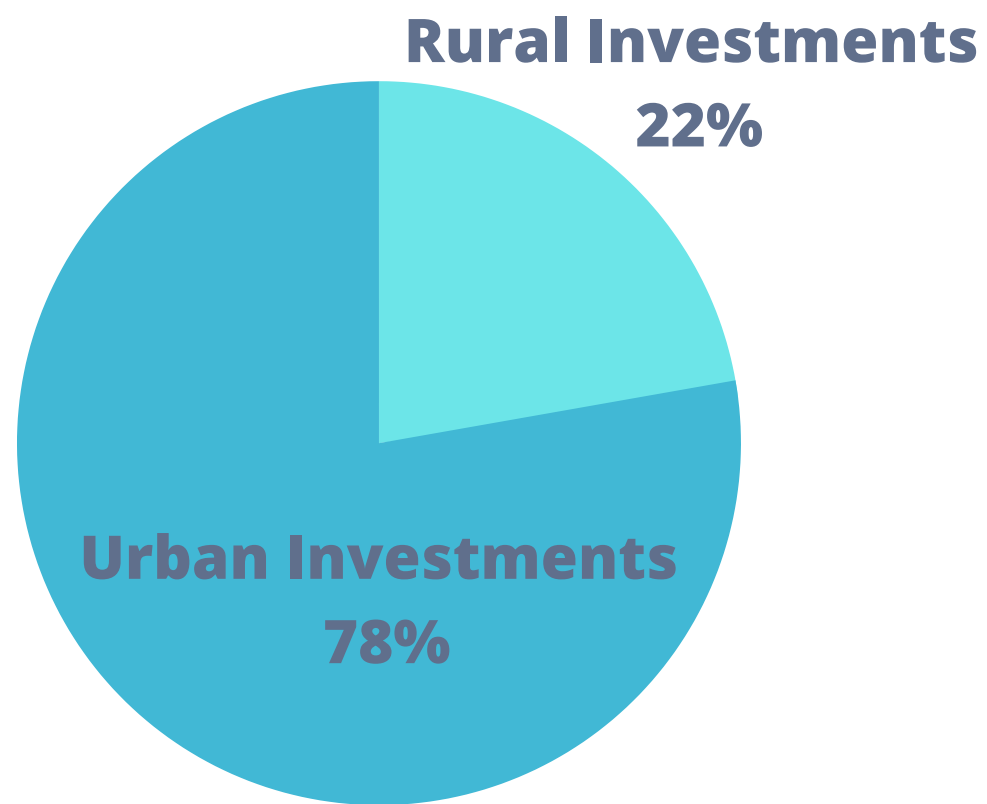
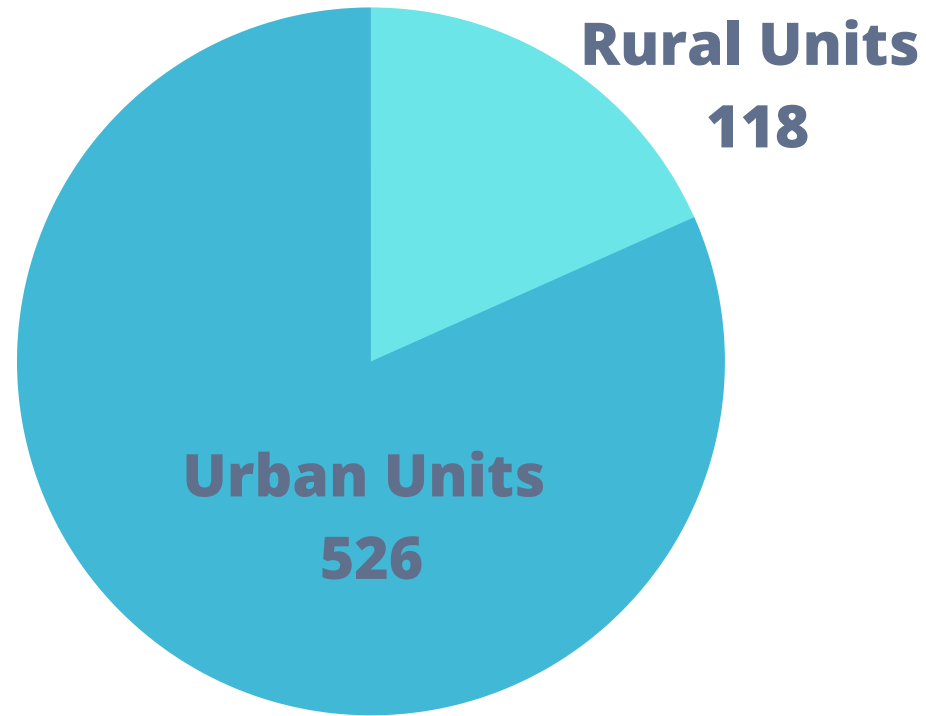
Investment	Date	2020 Grant	2021 Grant	Units
Canyon Echo	7/15/2020	\$512,400	\$0	16
Hidden Pointe	12/30/2020	\$1,237,600	\$0	216
Aspen Village	11/19/2021	\$0	\$4,072,707	90
Westwood Mesa	1/19/2022	\$750,000	\$42,186	22
Morton Meadows	3/2/2022	\$0	\$1,454,419	32
Wasatch View	4/20/2022	\$0	\$4,042,782	78
Woodlawn	4/20/2022	\$0	\$2,545,854	48
Elk Meadows	5/31/2022	\$0	\$6,009,062	96
TOTAL		\$2,500,000	\$18,667,010	420

2020 Funds (\$2.5M) received July 10, 2020 (1.53 years for utilization)

2021 Funds (\$25M) received September 28, 2021 (.96 years & 75% utilized)

2022 Funds (\$15M) received August 24, 2022 (27 days ago)

GEOGRAPHICAL IMPACT





FUTURE FOCUS

- **In the next 5 years Utah will lose 6,600+ units of affordable housing**
- **2023 Goals:**
 - **Additional Capital Raised: \$53M***
 - **Additional Units Preserved: 500**
 - **Secure Additional Rural Preservation**

Seek greater support from cities to proactively & voluntarily partner

***Finish initial \$200M capital raise**

THE UHPF TEAM



Property Management



Wendy Pickering
CEO

Azure Howe
CFO

Acquisitions and Asset Management



Andrew Young
Managing Partner

Franck Rosas
Senior Acquisitions
Analyst

Operations Team



Marion Willey
Executive
Director

Lukas Ridd
Director of
Operations

INVESTMENT COMMITTEE



Clark Ivory
CEO, Ivory Homes



Ray Pickup
CEO, WCF Insurance



Craig DeMordaunt
CEO, Castle Peak Capital



Marion Willey
Executive Director, Utah Non-Profit Housing Corp.



Mark Oligschlaeger
Managing Director, The Cynosure Group

ADVISORY COMMITTEE



Tom MacDonald
Assistant Dean,
Woodbury School of Business



Katie McDermott



Nick Fritz
Impact Investing Director,
Intermountain Healthcare



Shaleane Gee
SVP Community Development,
Zion's Bank



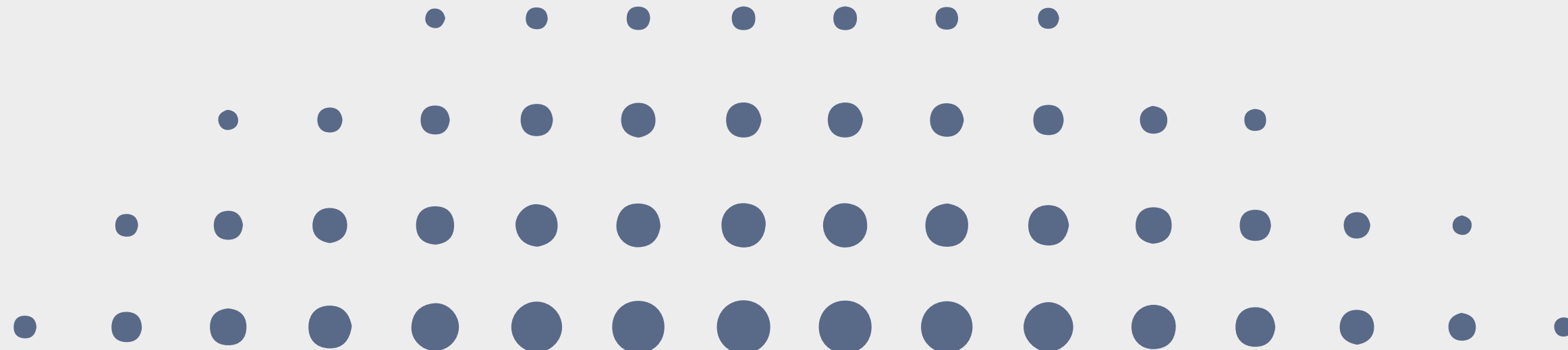
Dave Damschen
President & CEO,
Utah Housing Corporation



Mike Willhard
Chief Investment Officer,
Worker's Compensation Fund



Thank you





SPECIAL THANKS TO THESE GREAT ORGANIZATIONS



DEPARTMENT OF
**WORKFORCE
SERVICES**



CATHOLIC
COMMUNITY
SERVICES



Tooele County
Housing Authority



MOUNTAINLANDS
COMMUNITY HOUSING TRUST

Without the collaboration of these social impact organizations, The Utah Housing Preservation Fund would not have had the same success that we have experienced. Thank you for the good you do in Utah.

Miller family gives \$5M to save older homes and keep them affordable

Gail Miller says she is aiming to protect Utah's "most vulnerable" from the state's ongoing housing crisis.



[A growing campaign to save existing affordable housing in Utah](#) drew crucial support over the summer from the Larry H. & Gail Miller Family Foundation.

The charitable foundation announced Thursday it had chipped in \$5 million to a special fund created just before the COVID-19 pandemic's onset to find, buy and renovate aging rental units instead of seeing their residents forced to move and the homes demolished.

[The Utah Housing Preservation Fund](#), as the nonprofit is called, uses money from donors, investors and government to preserve and maintain existing housing that is more moderately priced but might need some fixing up — as [Utah continues to face soaring rents and a dire shortage of affordable homes](#) for sale even with record levels of new residential building.

Judging from homes the fund has saved since its March 2020 inception, residents often are elderly, disabled or more likely to rely on below-average incomes.

[Gail Miller](#), widow of former Jazz owner [Larry Miller](#), said in a news release the \$5 million donation came over the summer to protect some of the state's most vulnerable and underserved families during this affordability crisis.

The business leader, philanthropist and [part owner of the Utah Jazz](#) has also stressed the fund's role in helping to fill the needs for transitional housing for those recovering from homelessness.

"Together," Miller said, "we can and must build a community where everyone is welcomed, valued and treated with dignity."

The fund was seeded in March 2020 by the Clark and Christine Ivory Foundation, Intermountain Healthcare, Zions Bank, and the state's Workers' Compensation Fund, followed by donations from the Utah Legislature. It is owned by the [Utah Non-Profit Housing Corp.](#), buys and remodels aging housing, then keeps rents subsidized to be accessible for low- to moderate-income Utahns.

In 2½ years, it has preserved well over 600 older homes in Salt Lake City, Park City, Midvale, Sandy, Tooele and West Valley City, ranging from clusters of duplexes to large apartment complexes.

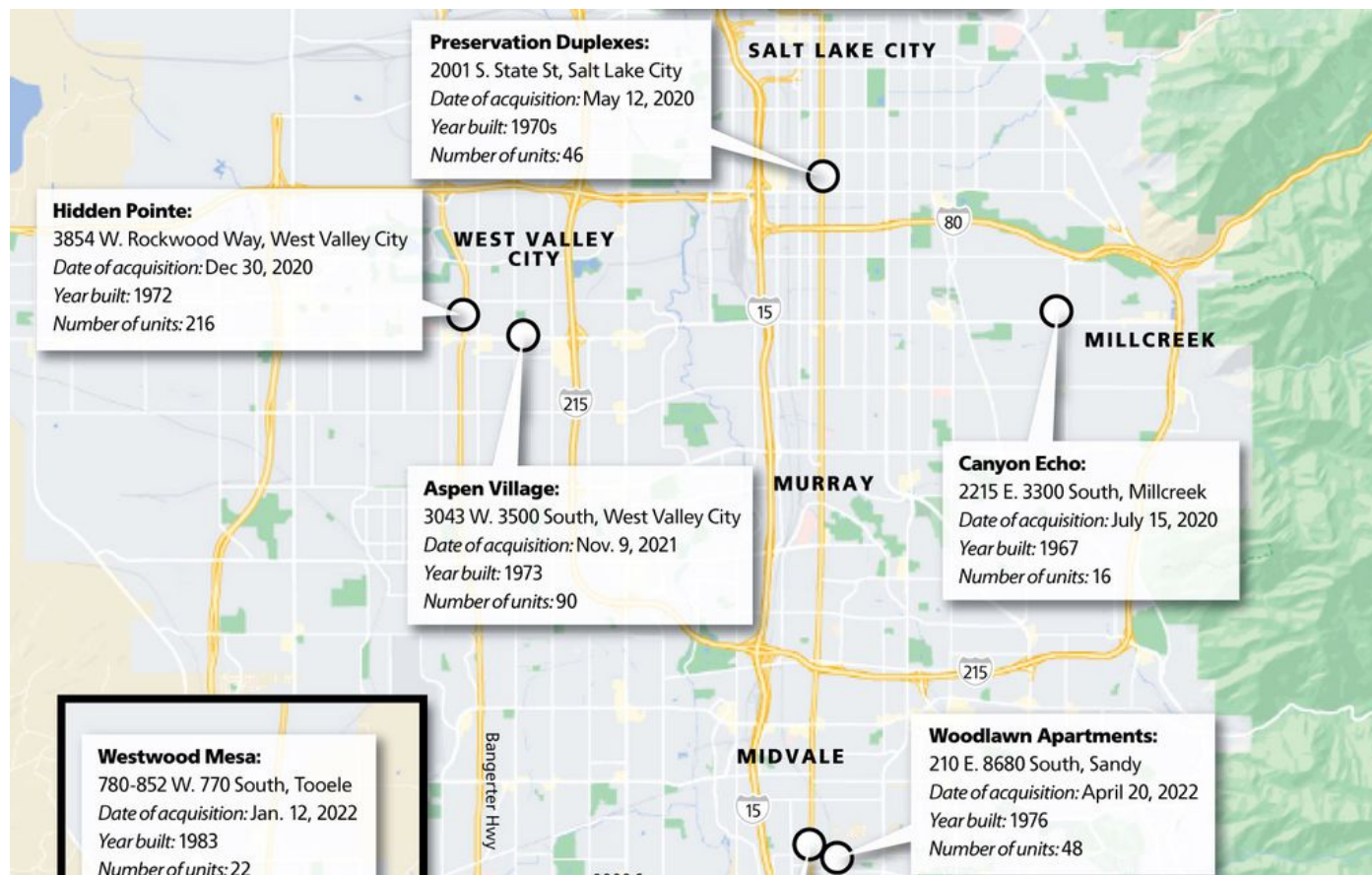
The model is viewed as less expensive and faster than building new housing when labor and materials costs are especially high, while also bypassing zoning disputes that often arise from new construction projects.

The program operates as a revolving fund, too, meaning that income from preserved housing eventually gets plowed back into future investments. Fund manager Doug Harris estimated the Miller family donation would save 100 affordable homes across Utah.

He praised the generosity of the Millers and the Larry H. Miller Co. "Gail Miller and the Miller family care deeply about Utah and its people," Harris said in the release, "and are making sure Utahns have a place to call home."

How this Utah nonprofit is tackling the state's rental crisis

The Utah Housing Preservation Fund buys older housing units, renovates them and keeps rent at affordable rates



This story is part of The Salt Lake Tribune's ongoing commitment to identify solutions to Utah's biggest challenges through the work of the Innovation Lab.

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You might have noticed there are fewer homes for sale and that [prices for](#)

[those homes are skyrocketing along the Wasatch Front.](#)

The situation is just as difficult for the [one in three Utahns who rent](#). With 41% of Salt Lake County renters spending more than 30% of their income on rent and utilities, and with Utah [lacking an estimated 40,000 affordable rentals and homes for sale](#), it's little wonder that the dismal outlook is often referred to as the "housing crisis."

One Utah nonprofit is trying to change things for the state's renters.

The Utah Housing Preservation Fund works to stop existing affordable rental units from being sold, remodeled and listed at unaffordable prices.

"It's been a fantastic, very fulfilling opportunity... to really help those in need," said Doug Harris, fund manager and Vice President of UHPF.

Since its founding in 2020, UHPF has purchased and preserved 624 units, Harris said. There are 548 units at seven apartment complexes and 23 duplexes [listed on UHPF's website](#) (the others haven't yet been added online). The organization is also working to secure an additional 60 units, Harris said.

Most are located in the Salt Lake City area, between Fairpark to South Salt Lake and from West Valley City to East Millcreek. One complex is in Tooele.

With an average of two to three people living in each unit, UHPF has likely helped around 2,000 renters keep their apartments, said Lukas Ridd, director of operations and finance for UHPF.

Ridd also said the UHPF wants to expand into rural areas.

"We've been really successful, but we want to make sure that the solution that we're helping provide impacts the whole state," he said.

How it works

UHPF is nested under the Utah Non-Profit Housing Corporation. Harris said the main difference between the two organizations is UHPF focuses solely on preserving affordable housing that already exists; while the UNPHC can create new affordable housing.

Because the UNPHC is its parent company, the UHPF can apply for tax abatement or exemption for their properties.

Harris said UHPF has raised about \$142 million, which comes from three primary sources: the state, Community Reinvestment Act banks and social impact investors.

The first source, the Utah legislature, has provided a "very generous" appropriation of \$46 million, Harris said.

The second, Community Reinvestment Act (CRA) banks, have taken advantage of Utah laws that allow banks "very favorable terms" if they house their money in the state and invest in the community.

The CRA was enacted in 1977 and encourages banks to help meet the credit needs of low and moderate-income communities, according to the [Office of the Comptroller of the Currency](#).

To receive CRA credit, a bank must support affordable housing, community services, per information from the [Federal Deposit Insurance Corporation](#).

CRA applies to FDIC-insured depository institutions such as national banks, savings associations and state-chartered commercial and savings banks.

"So we reach out to a lot of those groups to help them fulfill that need. It's a win-win," Harris said.

The third source is philanthropic groups such as the Eccles Foundation, the Larry H. Miller Foundation and The Clark and Christine Ivory Foundation. Clark Ivory, CEO of Ivory Companies, made a seed grant to the UNPHC to get the UHPF off the ground, per UHPF's [website](#) (the Ivory Foundation also supports The Tribune's Innovation Lab).

Between these three funding "pillars," Harris said, the UHPF can fulfill its mission of buying and preserving affordable housing.

Repairs and rates

Obtaining the rental units isn't always easy.

Harris said the acquisitions market is "extremely competitive." For instance, after analyzing 77 potential deals, they put in 25 offers and acquired only 10.

In one case, the UHPF recently considered a West Valley property where the owner told potential investors they could raise rent as much as \$600 per unit.

"That makes it extremely difficult when we come into the picture to say, 'We actually want to purchase your property, but we don't want to raise [rent],'" Harris said.

Renovation also brings on a bevy of challenges. Because the units UHPF buys are often decades old, they come with problems, such as roof leaks at one place and asphalt issues at another.

Harris said with every acquisition, a member of their team assesses all of the property's needs so they can bring it up to par.

They have no intention of selling any of their properties, he said, so it's in their best interest to preserve them in every way possible.

Despite their best efforts, they're not always able to avoid raising rent.

However, Harris said the goal is affordability, and if other organizations bought the units in question, the rent increases wouldn't be sustainable.

"Rent can vary depending on the property, so it's really hard to say how much they change exactly," he said. "But they will always stay well below market value."

Looking ahead, Ridd said the UHPF hopes to partner with more landlords who want to sell their properties at market value but don't want to displace their tenants in the process.

"In most cases, you can't have your cake and eat it too. But the fund provides such a unique solution that [the landlords] really can," he said.

'We feel safe here,' Afghan refugee family settles into new life in Utah

SALT LAKE CITY — In total around 900 Afghan refugees have resettled in Utah over the last year since violence broke out in their home country.

"When the Taliban got military in political power in Afghanistan, they had to leave," Father Dashukur Ghaznawi said through interpreter Masood Jalil. "He was in danger in Afghanistan. In that time he worked with the US Army in Afghanistan. It was the reason that they came to United States."

Their journey started when the Taliban took over Afghanistan, from there they flew to Qatar and then to Germany. After spending two months on a military base in New Mexico, the family was sent to Utah as their final destination.

"We left everything behind in Afghanistan. We miss our families, they're in Afghanistan, we left them behind in Afghanistan." The family said.

"It's extremely, extremely rewarding to be able to help" Doug Harris, VP and Fund Manager for the Utah Housing Preservation Fund said to FOX 13 News. "We have helped 15 families from Afghanistan. We have another two moving in this week."

Since its beginning in 2020, the Utah Preservation Fund has Secured nearly 400 safe and affordable housing units, helped families experiencing homelessness, domestic violence, and helped 15 refugee families.

"First thing is they feel safe," Harris said. "And the second thing is just gratitude. There's been a lot of tears of gratitude. It's extremely rewarding."

"We feel safe here than in another country like in Afghanistan, but we are safe here" Ghaznawi said.

For this family, Utah already feels like home.

"[There are] very nice people here. When we faced any problem, they helped us a lot," the family explained.

The opportunities for education for their kids has been the biggest thing they love about the United States.

"As you know, the Taliban shut the schools doors on girls," Ghaznawi said. "They're in Afghanistan but we are really happy that my daughter can go to school right now."

Their daughter expressed her desire to learn and said, "Thanks to the people kind of the Utah and thanks to my school, my middle school thanks to my teachers they help me a lot. I can study, if I were in Afghanistan I couldn't."

Both mom and dad are also going through classes right now to be trained in skills as well as having their kids help them learn English.