

UTAH HOUSING CORPORATION AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions relating to the Utah Housing Corporation.

Highlighted Provisions:

This bill:

▸ requires the Utah Housing Corporation to allow for the permanent increase of a monthly rental fee or income limit for a unit under a federal low-income housing program in certain circumstances; and

▸ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63H-8-410, as renumbered and amended by Laws of Utah 2015, Chapter 226

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

Section 1. Section **63H-8-410** is amended to read:

63H-8-410. Low-income housing tax credits.

(1) The corporation is designated the "Housing Credit Agency" for the state within the



28 meaning of 26 U.S.C. Sec. 42(h) and for the purposes of carrying out 26 U.S.C. Sec. 42 and
29 regulations promulgated under that section.

30 (2) The entire state housing credit ceiling for each calendar year is allocated to the
31 corporation.

32 (3) The allocation of the state housing credit ceiling shall be made under the state's
33 qualified allocation plan within the meaning of 26 U.S.C. Sec. 42(m), as amended, and as
34 provided in Subsection (4).

35 (4) The corporation may amend the state's qualified allocation plan as necessary to
36 comply with revisions to the low-income housing tax credit program under 26 U.S.C. Sec. 42,
37 or as may be necessary to further the goals and purposes of the low-income housing tax credit
38 program for the state.

39 (5) The corporation, or a subsidiary of the corporation, may have a direct or indirect
40 ownership interest in, and may materially participate in the operation and management of, a
41 housing development or program that has received an allocation of the state housing credit
42 ceiling.

43 (6) (a) As used in this Subsection (6):

44 (i) "Extended use period" means the same as that term is defined in 26 U.S.C. Sec.
45 42(h)(6)(D).

46 (ii) "Land use restriction agreement" means the same as the term "extended
47 low-income housing commitment" is defined in 26 U.S.C. Sec. 42(g)(6)(B).

48 (iii) "Property condition report" means an evaluation of the physical condition of a
49 building that identifies any capital repairs that the building currently needs and will need for
50 the following 15 years.

51 (iv) "Qualified nonprofit organization" means the same as that term is defined in 26
52 U.S.C. 42(h)(5)(C).

53 (v) "Unit" means the same as the term "low-income unit" is defined in 26 U.S.C. Sec.
54 42(i)(3).

55 (b) When the corporation has a land use restriction agreement with a person under the
56 low-income housing tax credit program described in 26 U.S.C. Sec. 42, the corporation shall
57 allow the person to permanently increase the monthly rental fee or income limit for a unit
58 described in the land use restriction agreement if:

- 59 (i) the person is a qualified nonprofit organization;
- 60 (ii) the increase would only occur during the extended use period of the land use
- 61 restriction agreement;
- 62 (iii) the increase complies with the income limitations described in 26 U.S.C. Sec.
- 63 42(g);
- 64 (iv) the increase would only occur after the termination of tenancy for the unit;
- 65 (v) the person submits documentation demonstrating that the increase of the monthly
- 66 rental fee or income limit is needed to cover capital repairs for the building in which the unit is
- 67 located, including:
- 68 (A) a property condition report that complies with industry standards;
- 69 (B) an appraisal that complies with industry standards and contains information on the
- 70 average expenses for the capital repairs identified in the property condition report;
- 71 (C) the financial operating history of the building for the past 24 months; and
- 72 (D) documentation that the increase in the monthly rental fee or income limit would
- 73 sufficiently cover the current operating expenses for the building and the average expenses of
- 74 the capital repairs described in Subsection (6)(b)(v)(B).
- 75 (c) If a person is granted a permanent increase in the monthly rental fee or income limit
- 76 for a unit as described in Subsection (6)(b), and the money obtained from the increase in the
- 77 monthly rental fee or income limit exceeds the operating and capital repair expenses for the
- 78 building in which the unit is located, the excess money shall be placed in an account to
- 79 subsidize rent for any tenant occupying the unit.