

1328 municipality, the municipality and the agency shall enter into an interlocal agreement with
 1329 terms that:

1330 (A) are consistent with the approval of the housing and transit reinvestment zone
 1331 committee; and

1332 (B) meet the requirements of Section 63N-3-1302.

1333 (3) (a) A municipality and the agency shall use first home investment zone funds for
 1334 the benefit of the first home investment zone and related extraterritorial housing.

1335 (b) If any first home investment zone funds will be used outside of the first home
 1336 investment zone there must be a finding in the approved proposal for a first home investment
 1337 zone that the use of the first home investment zone funds outside of the first home investment
 1338 zone will directly benefit the first home investment zone or related extraterritorial homes.

1339 (4) In accordance with Subsection 63N-3-1302(4)(e), a municipality shall use the first
 1340 home investment zone funds to achieve the purposes described in Subsections 63N-3-1302(1)
 1341 and (2), by paying all or part of the costs associated with the first home investment zone and
 1342 extraterritorial homes, including:

1343 (a) project improvements;

1344 (b) system improvements; ~~H~~→ and ←~~H~~

1345 ~~H~~→ [~~(c) property acquisition costs within the first home investment zone; and~~

1346 ——~~(d)~~ (c) ←~~H~~ the costs of the municipality to create and administer the first home investment
 1347 zone, which may not exceed 2% of the total first home investment zone funds, plus the costs to
 1348 complete the gap analysis described in Subsection 63N-3-1303(2).

1349 (5) First home investment zone funds may be paid to a participant, if the agency and
 1350 participant enter into a participation agreement which requires the participant to utilize the first
 1351 home investment zone funds as allowed in this section.

1352 (6) First home investment zone funds may be used to pay all of the costs of bonds
 1353 issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds,
 1354 including the cost to issue and repay the bonds including interest.

1355 (7) A municipality may create one or more public infrastructure districts within the city
 1356 under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the first
 1357 home investment zone funds to guarantee the payment of public infrastructure bonds issued by
 1358 a public infrastructure district.