



# Utah Housing Corporation

## Monthly Board Meeting

March 26, 2026

2479 S Lake Park Boulevard

West Valley City, UT 84120

**NOTICE OF MONTHLY MEETING  
UTAH HOUSING CORPORATION  
MARCH 26, 2026**

PUBLIC NOTICE is hereby given that Utah Housing Corporation (UHC) will hold a Monthly Meeting commencing at 1:30 p.m., Thursday, March 26, 2026.

Trustees of UHC will participate via in person or video conference originated by the President. Within the meanings accorded by Utah law, the Meeting shall be an Electronic Meeting, and the Anchor Location shall be the UHC Offices at 2479 South Lake Park Blvd., West Valley City, UT. In compliance with the Americans with Disabilities Act, persons requesting special accommodations during the meeting should notify UHC not less than 24 hours prior to the meeting.

To join the meeting electronically, please go to:

<https://us02web.zoom.us/j/87531133448?pwd=bxuD1Oa54OuJQ5Ppa2KhaKk2eEw0Oo.1>

The agenda will be substantially as follows:

1. Approval of Minutes:
  - Monthly Board Meeting, January 22, 2026
2. Disclosure of Trustees' Interests
3. Resolution 2026-04, Approval of Proposed Changes for 2027 Qualified Allocation Plan
4. Resolution 2026-05, Approval of Internal Audit Department Documents
5. Resolution 2026-06, Adopting an Office Relocation Budget and Transition Plan not to exceed \$3,000,000
6. Discussion: Program Update and Development
7. Non-Action Items/Reports

UTAH HOUSING CORPORATION



David C. Damschen  
President & CEO

**UTAH HOUSING CORPORATION**  
**Minutes of Monthly Board Meeting**  
**January 22, 2026**

**PARTICIPANTS**

UHC Trustees in Person:

Jon Hardy, Chair  
Shaun Berrett, Vice Chair  
Kirt Slaugh, Designee-Trustee  
Steve Waldrip, Designee-Trustee  
Lori Fleming, Trustee  
Kathy Luke, Trustee

UHC Trustees via Teleconference

Jessica Norie, Trustee  
Annette Lowder, Trustee  
Rob Allphin, Trustee

UHC Trustees Excused

Guests in Person:

Clay Hardman, Gilmore & Bell  
Jacob Carlton, Gilmore & Bell

Guests via Teleconference:

Jodi Bangerter, Gilmore & Bell  
Jenn Schumann, Private Activity  
Bond Board

UHC Staff in Person:

David Damschen, President and CEO  
Jonathan Hanks, Senior Vice President and COO  
Andrew Nestlehut, Senior Vice President and CFO  
Kat Bounous, Senior Vice President and CLO  
Rhonda Pregeant, Executive Assistant/Records Officer  
Valerie Terry, VP Internal Audit  
Claudia O’Grady, VP Multifamily Finance & Development

UHC Staff via Teleconference:

UHC Staff—Excused

Trustees of Utah Housing Corporation (UHC or Utah Housing) and UHC staff met on Thursday, January 22, 2026, at 1:30 PM MST with attendance in person and via teleconference. In accordance with Utah’s Open and Public Meetings Act (OPMA), the meeting was an electronic meeting, and the anchor location was Utah Housing Corporation, 2479 S. Lake Park Blvd. West Valley City, UT 84120.

Jon Hardy, Chair, called the meeting to order and welcomed everyone.

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The Chair called for the first agenda item.

**Approval of the Minutes of the December 11, 2025 Monthly Meeting**

The Trustees were provided with the written minutes of the December 11, 2025, monthly meeting in their board packets in advance of the meeting. Mr. Hardy asked for any discussion on the minutes as presented. He then called for a motion.

**MOTION: TO APPROVE THE WRITTEN MINUTES OF THE MONTHLY MEETING OF DECEMBER 11, 2025**

**Made by: Shaun Berrett**  
**Seconded by: Kathy Luke**

Mr. Hardy called for a vote on the motion:

<b>Voted in Favor of the Motion:</b>	<b>Voted Against the Motion:</b>	<b>Absent From Voting:</b>
Jon Hardy Shaun Berrett Steve Waldrip Jessica Norie Annette Lowder Rob Allphin Lori Fleming Kathy Luke		Kirt Slaugh

The Chair called for the next agenda item.

**1. Disclosure of Trustees' Interests**

Mr. Hardy stated that the consolidated list of the disclosures of interests on file for each Trustee is contained in the board packet, and subject to any changes, will be attached to the minutes of this meeting.

Mrs. Pregeant asked each Trustee present to affirm that their respective disclosures of interest on file were current. Each Trustee was called on and they responded as follows:

Jon Hardy	Yes	
Shaun Berrett	Yes	
Jessica Norie	Yes	
Kirt Slaugh	Yes	Late
Steve Waldrip	Yes	
Annette Lowder	Yes	
Rob Allphin	Yes	
Lori Fleming	Yes	
Kathy Luke	Yes	

The following is a consolidated list of the disclosures of interest on file for each Trustee:

<b>Name of Trustee</b>	<b>Nature of Interest or Potential Interest</b>
Jonathan Hardy <i>(Chair)</i>	Currently serves as Executive Vice President for Blaser Ventures and its affiliated real estate entities including its affordable development arm, BCG ARC Fund. These entities may be an applicant and manager of properties seeking low-income housing tax credits and tax-exempt financing offered by Utah Housing Corporation. Current projects include Victory Heights, Silos Affordable and SSL Affordable Phase 1.
Shaun Berrett <i>(ex-officio)</i> <i>(Vice Chair)</i>	Presently serving as the Commissioner of the Utah Department of Financial Institutions (UDFI), having been appointed by Governor Spencer J. Cox in March 2025. As commissioner, Shaun guides UDFI's mission of chartering, licensing and examining state-regulated financial services providers.
Annette Lowder	Presently serving as a Board Advisor of Intercap Lending, Inc., a mortgage lender doing business in the state of Utah. Intercap Lending may originate mortgage loans for sale to the Corporation under its programs.
Kirt Slaugh <i>(designee of ex-officio)</i>	Presently serving as the Chief Deputy Treasurer for the State of Utah and has no interests in any transactions with the Corporation.

Steve Waldrip <i>(designee of ex-officio)</i>	Presently serving as the Senior Advisor on Housing Strategy and Innovation for Utah Governor Spencer Cox and has no interests in any transactions with the Corporation.
Kathy Luke	Presently retired from any employment and has no interests in any transactions with the Corporation.
Jessica Norie	Presently serving as President of Artspace, a nonprofit which creates affordable live and work space to revitalize and promote stable, vibrant and safe communities. Artspace may be involved in the use of low-income housing tax credits and tax-exempt bond financing for affordable housing and may manage housing or develop housing under the Corporation's programs.
Rob Allphin	Presently serving as Senior Vice President of Momentum Loans, a mortgage lender doing business in the state of Utah. Momentum Loans may originate mortgage loans for sale to the Corporation under the Corporation's programs.
Lori Fleming	Presently serving as an Associate Broker with Golden Spike Realty. Golden Spike Realty may be involved in real estate transactions that use mortgage loans under the Corporation's programs and may serve as a marketing agent for various properties owned by the Corporation.

The Chair called for the next agenda item.

2. **Resolution 2026-01, Tax-Exempt Mortgage Loan, Tax-Exempt Bonds and Taxable Mortgage Loan to Finance a 96 Unit Multifamily Development (Camden Court Apartments, Salt Lake City, Utah)**

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) AUTHORIZING A TAX-EXEMPT MORTGAGE LOAN IN AN AMOUNT NOT TO EXCEED \$21,010,000 AND THE ISSUANCE, DELIVERY AND/OR SALE BY UHC OF ITS MULTIFAMILY MORTGAGE REVENUE NOTE AND/OR BONDS (CAMDEN COURT) SERIES 2026 IN ONE OR MORE SENIOR OR SUBORDINATE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$21,010,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT; AUTHORIZING A TAXABLE MORTGAGE LOAN IN AN AMOUNT NOT TO EXCEED \$11,000,000 AND THE ISSUANCE AND DELIVERY BY UHC OF ITS MULTIFAMILY MORTGAGE REVENUE NOTE (CAMDEN COURT) SERIES 2026 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT; AUTHORIZING THE EXECUTION BY UHC OF A FUNDING LOAN AGREEMENT, A BORROWER LOAN AGREEMENT, A JUNIOR INDENTURE OF TRUST, A JUNIOR LOAN AGREEMENT, A BOND PURCHASE AGREEMENT, A TAX REGULATORY AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

Ms. O’Grady stated that the developer of this project is Chelsea Investment Corporation. They are also the developers for the Latitude Apartments, currently under construction in Salt Lake City.

Mr. Hardy asked for a motion to adopt the resolution.

**Motion:** TAX-EXEMPT MORTGAGE LOAN, TAX-EXEMPT BONDS AND TAXABLE MORTGAGE LOAN TO FINANCE A 96 UNIT MULTIFAMILY DEVELOPMENT (CAMDEN COURT APARTMENTS, SALT LAKE CITY, UTAH)

**Made by:** Steve Waldrip  
**Seconded by:** Lori Fleming

Mr. Hardy called for a vote on the motion:

<b>Voted in Favor of the Motion:</b>	<b>Voted Against the Motion:</b>	<b>Abstained or Absent From Voting:</b>
Jon Hardy Shaun Berrett Steve Waldrip Jessica Norie Annette Lowder Rob Allphin Lori Fleming Kathy Luke		Kirt Slaugh

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The Chair called for the next agenda item.

3. **Resolution 2026-02, Sale of Multifamily Housing Revenue Bonds (Promontory Place, Salt Lake City, Utah)**

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) AUTHORIZING THE ISSUANCE AND SALE BY UHC OF ITS SUBORDINATE MULTIFAMILY HOUSING REVENUE BONDS (PROMONTORY PLACE APARTMENTS) SERIES 2026 IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,300,000, TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT; AUTHORIZING THE EXECUTION BY UHC OF A TRUST INDENTURE, A FINANCING AGREEMENT, AN AMENDMENT TO TAX REGULATORY AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

Ms. O’Grady stated that this is a standard bond project. The developer of this project is Alta Bay Capital. Their first multifamily rental housing project in Utah was the Alta Vue Apartments, which was recently completed.

Mr. Hardy asked for a motion to adopt the resolution.

**Motion:** Sale of Multifamily Housing Revenue Bonds (Promontory Place, Salt Lake City, Utah)  
**Made by:** Shaun Berrett  
**Seconded by:** Steve Waldrip

Mr. Hardy called for a vote on the motion:

<b>Voted in Favor of the Motion:</b>	<b>Voted Against the Motion:</b>	<b>Abstained or Absent From Voting:</b>
Jon Hardy Shaun Berrett Steve Waldrip Jessica Norie Annette Lowder Rob Allphin Lori Fleming Kathy Luke		Kirt Slaugh

The Chair called for the next agenda item.

**4. Resolution 2026-03, Authorizing the reservation of Federal 4% Low-Income Housing Tax Credits**

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) AUTHORIZING THE RESERVATION OF FEDERAL LOW-INCOME HOUSING TAX CREDITS AS AUTHORIZED BY TITLE 59, CHAPTER 10, PART 1010, AND TITLE 59, CHAPTER 7, PART 607, UTAH CODE ANNOTATED 1953, AS AMENDED TO ISSUE ALLOCATION CERTIFICATES PRESCRIBED BY THE STATE TAX COMMISSION SPECIFYING THE PERCENTAGE OF THE ANNUAL FEDERAL TAX CREDIT THAT A TAXPAYER MAY TAKE AS AN ANNUAL CREDIT AGAINST UTAH INCOME TAX (THE “STATE TAX CREDIT”) IN ACCORDANCE WITH CRITERIA AND PROCEDURES BASED ON THE UTAH CODE AND INCORPORATED IN THE ALLOCATION PLAN.

Ms. O’Grady stated that this resolution authorizes the reservation of federal 4% tax credits for the previously discussed Camden Court project.

Mr. Hardy asked for a motion to adopt the resolution.

**Motion:** AUTHORIZING THE RESERVATION OF FEDERAL 4% LOW-INCOME HOUSING TAX CREDITS

**Made by:** Kathy Luke  
**Seconded by:** Lori Fleming

Mr. Hardy called for a vote on the motion:

<b>Voted in Favor of the Motion:</b>	<b>Voted Against the Motion:</b>	<b>Abstained or Absent From Voting:</b>
Jon Hardy Shaun Berrett Steve Waldrip Jessica Norie Annette Lowder Rob Allphin Lori Fleming Kathy Luke		Kirt Slaugh

**\*\*NOTE**—Trustee Kirt Slaugh joined the meeting in person and acknowledged that his Disclosure of Interest on file was current.

The Chair called for the next agenda item.

### **5. Program Update and Development**

Staff discussed the agency's Capital Adequacy Study with Trustees, explaining its purpose, the importance of maintaining a strong credit rating, and options for deploying agency resources to meet state housing goals. Newly developed initiatives like the deferred down payment assistance and condominium construction finance and in-development programs like FHA 203(k) were explained. Resources, market needs and opportunities, and a number of alternatives for the expansion of existing programs or the development of new programs were also discussed.

Refining existing programs was also discussed. An example: Establishing standardized, preferential interest rates for all of Utah's Habitat for Humanity affiliates.

Regarding the condominium construction finance initiative, it was noted that while the program is not constrained by regulatory requirements or loss estimates and reserves, production will likely be limited by the period in which the TIF funds are available to UHC for the program. It was noted that market demand favors townhomes over condominiums, and that one of the state's largest homebuilders had noted such recently as a factor in its growing focus on townhomes.

Take-Aways:

- Staff will prepare and provide a map showing where UHC resources have been deployed (both single-family and multifamily, including CROWN) over recent years.
- Staff will update the Capital Adequacy Study annually.
- Staff will continue discussions with Habitat for Humanity regarding standardizing and normalizing the terms of the UHC/Habitat partnership, with the goal of bringing a revised agreement to the board for approval before the current agreement expires in July 2026.
- Staff will explore the feasibility and requirements for UHC to assist with FHA approval for existing condominium buildings, including possible staffing or coordination with the ombudsman's office, and report back to the board.
- Staff will begin piloting the 203K program with several lenders in the next month or so.
- Staff will also continue to update and expand multifamily data in the Domo platform for board reporting.

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The Chair called for the next agenda item.

### **6. Reports and Non-Action Items**

- **Operating Reports:** Summary memos from Mr. Nestlehut and Mr. Hanks, along with standard monthly reports, were included in the Board Packet.
- **New Trustee Disclosure of Interest Forms** – Deadline January 30<sup>th</sup>, 2026
- **Upcoming Events:**
  - The next meeting is scheduled for Thursday, February 26, 2026, at 1:30 pm.

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The Chair announced that the meeting was adjourned following a motion by Lori Fleming.

**Utah Housing Corporation**  
**Board of Trustees Disclosures of Interest**  
As Of: March 26, 2026

Name of Trustee	Nature of Interest or Potential Interest
Jonathan Hardy <i>(Chair)</i>	Currently serves as Executive Vice President for Blaser Ventures and its affiliated real estate entities including its affordable development arm, BCG ARC Fund. These entities may be an applicant and manager of properties seeking low-income housing tax credits and tax-exempt financing offered by Utah Housing Corporation. Current projects include Victory Heights, Silos Affordable and SSL Affordable Phase 1.
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Lori Fleming	Presently serving as an Associate Broker with Golden Spike Realty. Golden Spike Realty may be involved in real estate transactions that use mortgage loans under the Corporation's programs and may serve as a marketing agent for various properties owned by the Corporation.

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# M E M O R A N D U M

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To: UHC Trustees

From: David C. Damschen  
President

Date: March 26, 2026

Subject: Approval of Proposed Changes for 2027 Qualified Allocation Plan

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## **Recommendation:**

It is recommended that the Trustees adopt Resolution 2026-04 which adopts changes to be incorporated into the 2027 Qualified Allocation Plan for Low Income Housing Tax Credits.

## **Background**

UHC is authorized by Utah Code to be the state's Housing Credit agency with respect to both Federal and State of Utah Low Income Housing Tax Credits in accordance with a Qualified Allocation Plan established in accordance with the Federal and State Code, respectively. The Allocation Plan establishes: (i) criteria to be used to select projects that will be awarded Housing Credits; (ii) preferences to projects that serve tenants with a strata of low incomes, efficiency of costs and Housing Credits and other criteria; and (iii) procedures for monitoring and reporting non-compliance with the program.

UHC held informal input hearings December 3, 2025 and January 27, 2026, with affordable housing professionals and held a public hearing as required by the Federal Code on February 25, 2026. The public hearings were held both at the Utah Housing Corporation's presentation room, and electronically via Microsoft Teams. UHC gave legal notice of the public hearing as required by the Internal Revenue Code, Section 42(m)(1)(A)(i) to all known interested parties, by publication in newspapers with general circulation throughout the state and the State's Public Meeting Website. UHC made available a draft of the Allocation Plan, identifying each of the proposed changes, prior to the required public hearing. Prior to, during and following the public hearing, UHC received and considered oral and written comments from interested parties on recommended changes to the Allocation Plan. UHC's Housing Credit Committee met on March 18, 2026, to review the proposed changes. Several amendments were made to the draft based on the input received from the public and the Committee, and the Proposed Changes attached to the resolution as Exhibit A reflect those amendments.

The adoption of the resolution will enable UHC to further the goals and purposes of UHC's Low Income Housing Tax Credit Program through 2027. Following approval by the Trustees, in accordance with the Federal Code, the Allocation Plan will be submitted to Governor Cox for his approval and signature. Thereafter interested parties will be invited to submit applications for the 2027 reservation round of competitive 9% Tax Credits. Applications will be due on May 27, 2026, and it is anticipated that the Board of Trustees will award Housing Credits to successful applicants at its August meeting.

**RESOLUTION NO. 2026-04**

**A RESOLUTION OF THE UTAH HOUSING CORPORATION  
AMENDING THE QUALIFIED ALLOCATION PLAN**

WHEREAS, the Legislature of the State of Utah, at its 1975 regular session, adopted Chapter 190, Laws of Utah, 1975, currently known and cited as the Utah Housing Corporation Act, which has been codified as Title 63H, Chapter 8, Utah Code Annotated 1953, as amended (the “Act”); and

WHEREAS, there was created by the Act, an independent body politic and corporate constituting a public corporation, currently known and identified as “Utah Housing Corporation” (the “Corporation”), to serve a public purpose and to act for the public benefit by improving the health, safety and welfare of the citizens of the State of Utah; and

WHEREAS, a public purpose of UHC is to provide decent, safe and sanitary residential housing to low and moderate income persons;

WHEREAS, UHC is designated by the Act to be the State's “Housing Credit Agency” within the meaning of 26 U.S.C. Sec. 42 (the “Federal Code”) for allocating Federal Low Income Housing Tax Credits (the “Federal Tax Credits”) in accordance with a “Qualified Allocation Plan” (the “Allocation Plan”) established in accordance with the Federal Code; and

WHEREAS, the Legislature of the State of Utah, at its 1994 regular session, adopted Chapter 251 Laws of Utah, 1994, enacted the Utah low income housing tax credit, which has been codified as Title 59, Chapter 7, Part 607 and Title 59, Chapter 10, Part 1010, Utah Code Annotated 1953, as amended (the “State Housing Tax Credits”); and

WHEREAS, UHC from time to time will review the Allocation Plan by holding input hearings with affordable housing professionals and a public hearing as required by the Federal Code; and

WHEREAS, UHC has provided notice of the proposed changes to the Allocation Plan as required by Federal and State law, by publishing notice of a public hearing in newspapers with general circulation throughout the state, and by making available a draft of the Allocation Plan to all known interested parties and to anyone requesting said draft prior to the required public hearing; and

WHEREAS, UHC held a public hearing, both at the UHC office and electronically via Teams on February 25, 2026, and received and considered oral and written comments before, during, and after the hearing and made changes to the Allocation Plan; and

WHEREAS, the Housing Credit Committee of the UHC Board of Trustees has reviewed and discussed the proposed changes to the Allocation Plan, and recommends their adoption; and

WHEREAS, following approval of the Allocation Plan changes by the UHC Board of Trustees, UHC will submit said Allocation Plan to the Governor of the State of Utah for his approval in accordance with the Federal Code, for release to the public;

NOW, THEREFORE, BE IT RESOLVED BY UTAH HOUSING CORPORATION, AS FOLLOWS:

Section 1. All actions previously taken (not inconsistent with the provisions of this resolution) by UHC and by the officers of UHC directed toward the transactions contemplated hereunder are hereby ratified and approved.

1. Words used in the foregoing recitals shall have the same meanings when used in the body of this resolution.

2. The proposed changes to the 2027 Qualified Allocation Plan, as described in Exhibit A attached hereto and more specifically described in the 2027 Qualified Allocation Plan presented to the Trustees, are hereby adopted as presented to the Trustees.

3. If any provisions of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

4. The President is hereby authorized and directed to execute and deliver for and on behalf of the Corporation any or all additional certificates, documents and other papers and to perform all other acts he deems necessary or appropriate in order to implement and carry out the matters authorized in this resolution.

Section 2. Except as otherwise disclosed to the trustees of the Board of the Corporation prior to the adoption of this resolution, no trustee or employee of the Corporation has any interest, direct or indirect, in the transactions contemplated by the Corporation herein.

Section 3. All resolutions of the Corporation or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 4. This resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED BY THE UTAH HOUSING CORPORATION THIS 26TH DAY OF MARCH 2026.**

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Chair

(SEAL)

ATTEST:

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President

# UTAH HOUSING CORPORATION

## RESOLUTION 2026-04

### EXHIBIT A

#### Significant Proposed changes

##### Administrative Changes

- Additional minimum thresholds introduced for 4% bond projects (p. 60):
  - Development Experience: At least one individual who is on the development team and has an ownership interest in the project must have an ownership interest in a previous Bond/4% project or at least three 9% projects. For those who have only worked on Nonprofit projects, the applicant must receive UHC experience approval prior to PAB application submission
  - Market study must indicate that proposed rents are at least an average of 10% below market. For Average Income projects where rents are approaching market and it is anticipated that lower rents will be charged, upload with application a separate excel illustrating anticipated rents.
- Supportive Housing (p. 64, p. 173)
  - The Permanent Supportive Housing set-aside pool is updated to the Supportive Housing Pool.
  - Projects in the Supportive Housing pool may have a minimum of 50% of the units set aside for extremely low-income residents exiting or at risk of becoming homeless. These units require rental assistance support for at least 15 years. The remaining units may be for families and individuals earning between 35% and 50% AMI.
  - The definition of “Homeless” is updated to reflect HUD’s new definition, which includes four categories of homelessness:
    - Literally Homeless
    - Imminent Risk of Homelessness
    - Homeless Under Other Federal Statutes
    - Fleeing/Attempting to Flee Domestic Violence
- GRAMA Requests (p. 12)
  - Clarification of what confidentiality claims UHC will accept
  - Updated requirements for developers to provide in order to expect confidentiality

- Outline of appeals process regarding protected information and expectations for developers in their participation in the appeals process.
- An additional column has been added to this form for developers to provide a thorough and specific explanation for a request of confidentiality.
- Claims of confidentiality must be made at application
- Developer Fee Limits (p. 32)
  - 4% projects may opt to take a maximum developer fee which is 2% higher than the previous limit. Should a developer make this election, the entirety of the fee above the original maximum deferred fee must be contributed to the project at Applicable Federal Rate or below.
- State Tax Credits (p. 83)
  - Projects requesting State Tax Credits may not have units below 58% AMI (or an average of 58% AMI for Average Income projects) unless those differentials are paid through another source.
- Rehabilitation Projects (p. 21)
  - Hotels and motels are removed from the Acquisition/Rehab pool.
  - Projects must be 100% Acquisition/Rehab
- Minimum Unit Sizes (p. 41)
  - Minimum unit sizes are established, ranging from 375 square feet for a studio unit, to 1,100 square feet for a 4 bedroom unit.
- Scattered site projects must have each amenity available within 500 feet of each site's main building (p. 171)
- Every project must request jurisdictional support and provide evidence of such request (p. 102)

### Scoring Changes

- Rehabilitation Projects (p. 21)
  - Acq/rehab projects no longer score points for maintaining rents. The maintenance of rent levels is a requirement.
- Credit Efficiency (p. 159)
  - Combination New/Acquisition Rehabilitation projects will have credits divided between new and rehabilitation by the Applicant for scoring, and a weighted average of the two scores will be taken.

- State Tax Credit (p. 83)
  - The credit efficiency scoring is scaled down so that developers applying for the max (3,000) state tax credits per LIHTC bedroom do not receive points.
- Bus Rapid Transit (p. 118)
  - Projects within 1/3 of a mile of a BRT station receive 5 points.
- Supportive Housing projects may qualify for Large Unit points (p. 67)
- Nonprofits will no longer receive additional points for their nonprofit status (p. 75)
- “Twinned” developments (projects that have both 9% and 4% elements) receive 2 points. The 4% element must receive volume cap by the January PAB round of the next calendar year (p. 81)



# State of Utah

202~~7~~<sup>6</sup>

## Federal and State Housing Credit Program

### Allocation Plan

Approved By UHC Trustees

~~February 27<sup>th</sup>, 2025~~

Approved By Governor Spencer J. Cox

~~March 17<sup>th</sup>, 2025~~

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# **1. THE HOUSING CREDIT PROGRAM AND ALLOCATION PLAN**

## INTRODUCTION

The Utah Housing Corporation (UHC), created by enactment of the Utah Housing Corporation Act, 63H-8-101 et seq. of the Utah Code annotated, 1953 as amended (the Act), is Utah's designated Housing Credit Agency and administrator of the Federal Low Income Housing Tax Credit Program (Housing Credit Program" or "Program) under Section (§) 42 of the Internal Revenue Code of 1986, as amended (Code), and all regulations promulgated thereunder, and under the Act, and all rules promulgated thereunder.

The Program, as administered by UHC for the State of Utah, is intended to provide a fair and competitive means of utilizing the Housing Credits to the fullest extent possible each year as an effective stimulus for the creation and preservation of rental housing for lower income households in such a way as to further the following goals:

- A. Promote the public purposes declared in the Act;
- B. Promote projects that, through cost containment and resource leveraging, most efficiently and effectively utilize the Housing Credits available to Utah;
- C. Promote projects that achieve appropriate geographic distribution of resources;
- D. Promote projects that provide housing to tenant populations with children;
- E. Promote projects that provide housing to Seniors and tenant populations with special housing needs.

To most efficiently administer the Program and to most effectively allocate the limited Housing Credits to those projects which best serve the needs of the State of Utah, UHC has developed this Qualified Allocation Plan ("Allocation Plan" or "QAP). The QAP provides an equitable and reasonable basis for the submission, review, processing, selection and subsequent monitoring of Applications within the guidelines and requirements established by the federal government.

This QAP is effective as of the date adopted by UHC Trustees, provided the QAP is approved by the Governor of the State of Utah. The effective date remains in force until such time as a new or revised QAP is approved by the UHC Trustees. This QAP governs all projects participating in the Program, which have applied for Housing Credits during the effective dates. The QAP is typically amended on an annual basis, but may be amended as deemed necessary for the furtherance of the program. Because UHC is the designated Housing Credit Agency and administrator of the Federal Low Income Housing Tax Credit Program, UHC is the author and interpreter of all matters relating to the QAP, Application, and Compliance manual. No other entity is designated as having superior judgment in such matters.

The federal laws establishing the Housing Credit Program are subject to change. Interpretations of certain rules and regulations governing various facets of the Program may be issued by the U.S. Department of Treasury from time to time. Consequently, additional requirements or conditions applying to the Program may be forthcoming. It is strongly suggested that Applicants interested in utilizing the Program in their financing package contact their tax accountant and/or attorney prior to submitting an Application. While UHC may respond to requests for technical assistance in applying for Housing Credits, Applicants may not rely on UHC for tax advice.

UHC is also the designated Housing Credit Agency and administrator of the Utah Housing Credit (the State Housing Credit) Program under § 59-7-607 and § 59-10-1010 of the Utah Code (State Tax Code). UHC is authorized and required by the State Tax Code to establish criteria and procedures for allocating the State

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Housing Credit and to incorporate the criteria and procedures into UHC's Allocation Plan. Pursuant to the State Tax Code, UHC establishes this QAP as the criteria and procedures for allocating the State Housing Credit.

Project owners participating in the Program are required to comply with federal and Utah fair housing laws, including project design and accessibility requirements to the extent applicable to a particular project. Discriminatory housing practices (e.g., refusing to rent to any person because of race, color, religion, sex, disability, familial status, source of income or national origin) are prohibited.

UHC desires to accommodate Applicants with physical or mental impairments regarding the Program Application process. Please contact UHC for any special accommodation requests.

## **CONDITIONS AND DISCLAIMERS**

In the process of administering the Housing Credit Program, UHC will make decisions and interpretations regarding Applications and the Qualified Allocation Plan. Unless otherwise stated, UHC shall be entitled to use its discretion in making all such decisions and interpretations, as determined by UHC on a commercially reasonable basis. UHC reserves the right to amend the QAP from time to time. UHC may make non-substantive amendments to the QAP, including without limitation, (i) to reflect changes, additions, deletions or interpretations necessary to comply with §42 of the Code, the State Tax Code, or regulations issued thereunder; (ii) to resolve any ambiguity, supply any omission, or cure or correct any defect or inconsistency in the QAP; or (iii) to add provisions clarifying matters or questions with respect to the QAP. UHC may make substantive amendments to the QAP at any time following public notice and public hearing, and following approval of such amendments by the UHC Board of Trustees and by the Governor of the State of Utah. In the event of a major natural disaster or major disruption in the financial markets, UHC may disregard any portion of the QAP, including point scoring and evaluation criteria, that interferes with a response that UHC considers appropriate to our communities, low-income residents of the State of Utah, and Developers.

UHC's review of documents submitted in connection with the Housing Credit Allocation process is for its own purposes. UHC makes no representations to the owner or anyone else as to (i) compliance with the Code, Treasury regulations, or any other laws or regulations governing Housing Credits, or (ii) the financial viability of any project (see below). All Applicants should consult their tax accountant, attorney or advisor as to the specific requirements of the Code with respect to Housing Credits.

Any error or omission made by UHC during the Application process, including the acceptance, review, or scoring of Applications, or in the process of completing documentation related to the Allocation process, will not constitute a waiver of the rules and regulations under §42, the QAP, or the representations made in the Application.

No member, officer, agent or employee of UHC nor any other official of the State of Utah, including the Governor thereof, shall be personally liable concerning any matters arising out of, or in relation to, the Credit Reservation, Allocation or consent of transfer of ownership of Housing Credits or the approval or administration of this QAP.

The Reservation or Allocation of Housing Credits or the issuance of an IRS Form 8609, is not a representation or warranty as to the financial feasibility or economic viability of the project or the project's ongoing capacity for success. The evaluation performed by UHC and the resulting determination is made solely at UHC's discretion and solely for the purpose of reserving and allocating Housing Credits under the Program. It is not a representation that the project is in compliance with the Code, Treasury regulations, or any other laws or regulations governing Housing Credits.

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## **2. THE APPLICATION AND UHC FEES**

## APPLICATION TRAINING

All new Applicants and staff responsible for completing an Application for federal Housing Credits are required to attend training on the current year's Application prior to the submission deadline.

## APPLICATION PROCESS

Applicants desiring a Reservation of Credits under the 202~~7~~<sup>6</sup> Reservation Cycle must:

- Comply with the format and content of this QAP and submit clear and complete Applications, including all required support documentation, supplements and certificates required by UHC. In instances where the information or formulas provided by UHC in the Application conflict with the QAP, the QAP shall govern.
- Adhere to Exhibit 2A, and the Table of Contents/Self-Certification Checklist required for Application submission.
- Pay the Application fee electronically.

Applications, once submitted, are considered final for UHC's review, although additional information and updates may be requested by UHC to effectuate the review process. A decision on each Application will generally be made no later than 90 days after the Application deadline. However, UHC reserves the right, at its sole discretion, to postpone the decision and notification.

Should UHC find it necessary to modify the submission deadline, it will make reasonable efforts to inform interested parties of the changes. Although it is the intent of UHC to reserve all Housing Credits through one cycle, additional cycles may be utilized by UHC to further the goals of the Housing Credit program.

### Notice to Applicants:

UHC presumes that no changes will be made to the QAP after its issuance. However, policy changes by HUD, IRS, USDA, or other entities may be made that may impact the QAP and submitted Applications. When UHC becomes aware of such an action, it will reevaluate the QAP and submitted Applications affected by such changes and determine their effect on the feasibility of the project as submitted.

#### A. Applicant Disqualification

UHC may disqualify an Application if an Applicant, owner, Developer, consultant, principal or management agent:

- has been disbarred or received a limited denial of participation in the past ten years by any federal or state agency for any development program;
- within the past ten years has been in bankruptcy, an adverse fair housing settlement, an adverse civil rights settlement, or an adverse federal or state government proceeding and settlement;
- has been in a mortgage default, breach, or arrearage of three months or more within the last five years on any publicly subsidized or assisted project;
- has had a previous funding contract or commitment partially or fully cancelled or terminated during the 24 months prior to the submission of the Application due to a failure to meet contractual obligations;

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- has been involved within the past ten years in a project which previously received a Reservation or Allocation of Housing Credits but failed to meet standards or requirements of the Housing Credit Reservation or Allocation or failed to fulfill a material commitment contained in an Application for Housing Credits, or violated the Land Use Restriction Agreement;
- has been found to be directly or indirectly responsible for any other project within the past five years in which there is or was uncorrected noncompliance more than three months from the date of notification by UHC or any other state allocating agency; or
- is not in “Good Standing” with UHC.

A disqualified individual or entity will not be allowed to participate in the Program for a period of time, which may be as many as five years, and any Application in which they are participating in any way, will be removed from consideration. Applications with any development team member “Not in Good Standing” with UHC will also be removed from consideration.

Notwithstanding anything else herein to the contrary, UHC reserves the right to reject any Application that (i) is not consistent with the goals of providing decent, safe and sanitary housing for low-income persons as set forth in the Act and this QAP, (ii) does not meet the requirements of §42 of the Code or (iii) is incomplete.

## **B. Market Saturation Ineligibility**

Currently all counties in Utah demonstrate sufficient housing stability to absorb additional Housing Credit projects.

## **C. Ineligible Project Types**

UHC will not accept Applications for projects licensed as Assisted Living.

## **COMMON APPLICATION AND SHARING OF INFORMATION WITH OTHER FINANCIAL SOURCES**

The Applicant authorizes UHC to share Application information with and from other financially interested parties, including, but not limited to project lenders, IRS, investors and others as determined by UHC in evaluating and tracking the progress of the project.

Upon request by UHC, the project owner will provide a Tax Information Authorization (IRS Form 8821) to UHC.

The Application also includes the application for Private Activity Bonds. The Private Activity Bond staff may require additional information.

UHC frequently receives requests from investors, owners and lenders for a copy of an annual compliance certification filed with respect to a project. UHC is mandated to inspect projects for compliance with §42 of the Code on behalf of the IRS. The extent of any disclosure by UHC of project Non-Compliance, after receipt of written authorization of the owner, is limited to a statement whether IRS Forms 8823 have been filed, type of violation and the buildings/units affected.

UHC has entered into a "Memorandum of Understanding" with Rural Development (RD) which states that UHC will share project information with RD with respect to RD projects.

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## GOVERNMENT RECORDS ACCESS AND MANAGEMENT ACT

UHC complies with the provisions of the Utah Government Records Access and Management Act (GRAMA) Utah Code Title 63G, Chapter 2 and the federal Freedom of Information Act. As a result, Housing Credit Applications, including exhibits and attachments, submitted to UHC also are subject to GRAMA. These records may be classified as public records subject to access by third parties who request access pursuant to GRAMA. However, GRAMA permits UHC to consider classifying portions of Housing Credit Applications (and subsequent related filings) as protected records, thereby possibly restricting such access, if (1) the Applicant provides with the Housing Credit Application (and subsequent related filings) a written claim of business confidentiality and a concise statement of reasons supporting the claim of business confidentiality and (2) the record contains trade secrets or commercial or financial information the disclosure of which would reasonably be expected to result in unfair competitive injury to the Applicant, and therefore the Applicant has a greater interest in prohibiting access than the public in obtaining access. Accordingly, Applicants must complete Exhibit 2C, UHC Claim of Business Confidentiality Request, and include it with their Housing Credit Application (and subsequent related filings). UHC may notify the Applicant if a record claimed to be protected is classified as public. The failure of an Applicant to comply with the requirement to complete Exhibit 2C may result in UHC classifying applicable records as public. See Utah Code Ann §§ 63G-2-305 and 63G-2-309 for further details. UHC considers all information relating to scoring elements of the Application public, and as such will release this information when requested as part of a request under GRAMA.

Under the Government Records Access and Management Act (GRAMA), trade secrets and commercial information may be protected and not subject to release. It might be that information provided as part of a LIHTC application qualifies as a trade secret or commercial information under GRAMA. Commercial information is information that, “if disclosed to the public, could reasonably be expected to result in unfair competitive injury to the person submitting the information or would impair the ability of the governmental entity to obtain necessary information in the future.” UCA 63G-2-305(2).

A trade secret is information, “including a formula, pattern, compilation, program, device, method, technique, or process, that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.” UCA 63G-2-305(1) and 13-24-2(4).

To properly classify informational elements within application documents as protected commercial information or trade secrets, an applicant must provide with their application (see exhibit 2c):

1. A written claim of business confidentiality that includes:
  - a. a list of the types of information the applicant is seeking to protect,
  - b. specific reasons for protection of each type of information (not conclusory statements), and
  - c. an argument as to why the applicant has a greater interest in prohibiting access than the public in obtaining access. UCA 63G-2-309.

Once received, UHC will not disclose the protected information until the period in which a requester can bring an appeal expires or the end of the appeals process, including judicial appeal. However, if the applicant, after notice, waives the claim of business confidentiality, the information may be released. Id. at 309(2).

It is the applicant’s responsibility, if making a claim of business confidentiality, to protect, defend and indemnify UHC, and all its employees from any claims, liability, or damages resulting or arising from a denial of access to the record. Id. at 309(1)(c). Therefore, an applicant must assist UHC on appeal, should the need arise.

Please understand: If an applicant does not adhere to this process, the information will be classified as public and will be released in response to a conforming GRAMA request.

## DOCUMENTATION REQUIREMENTS

The Application, both the portal and excel version, is reviewed annually and amended to incorporate any/all changes to the Qualified Allocation Plan. It is the Applicant's responsibility to ensure that the most current Application is being submitted. The most current version of the Application is located on the UHC Website at <https://utahhousingcorp.org/multifamily/applicationInfo>. Submitting a prior year's application will disqualify the project from receiving a credit award. Applications must include all required documentation to be deemed conforming and must include required documentation supporting claims of points made in the Application. Applications without required documentation to meet thresholds will be removed from consideration. Applications without required documentation supporting claims of points will have points deducted in scoring performed by UHC. The Table of Contents/Self-Certification Checklist (See Exhibit 2A) is provided to assist Developers with properly completing and documenting the Application and must accompany the Application. No new, additional or replacement documentation will be accepted after the Reservation Cycle submission deadline.

## MARKET STUDY

An independent comprehensive market study is required to inform UHC and the Developer of the need for affordable housing and the best configuration/design of a project in a certain geographic area. The study is required at the time of Application on all new construction projects.

- i. Acquisition/rehabilitation projects may submit Applications without a comprehensive market study where proposed rents do not exceed current rent levels in the project (including rent levels of vacant units consistent with occupied units of the same or similar bedroom/bathroom configuration and square footage), the project is at least 75% occupied, and no new set asides for Special Needs tenants are being proposed. If proposed rents exceed current rent levels by 10% or more and the project is not at least 75% occupied, then a comprehensive market study must be submitted with the Application. Projects which are not required to submit a study with the Application must submit a comprehensive market study within 90 days from the date of the Housing Credit Reservation Agreement

The market analyst must provide Exhibit 2B with the market study. For complete instructions on preparing the market study, see Exhibit 2B.

Based upon its review of required experience documentation, UHC will accept market studies conducted by any professional qualified providers.

**The Application must conform to the market study conclusions** or provide an acceptable defense of any deviations. Deviations from the market study conclusions which are not accepted by UHC may be reason for UHC to deny a Reservation of credit to a project.

## SCORING DISCREPANCIES

During the scoring process, the Applicant will receive a notification of any discrepancies between the score calculated by UHC staff and the score submitted by the Applicant as determined by the self-scoring Application. The Applicant will be given five (5) business days from the issuance of the letter to work with UHC staff to resolve these discrepancies. If no response is received from the Applicant within these five (5)

State of Utah Housing Credit Program  
Qualified Allocation Plan

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days, the score determined by UHC staff will stand. The Applicant will be notified of UHC's final scoring determination by 5:00 p.m. of the next business day following the lapse of the five (5) day response period.

In instances where the information or formulas given in the spreadsheet Application or the online portal conflict with the QAP, the QAP shall govern.

## **APPEALS PROCESS**

An Applicant may only appeal its own Application. An Applicant may not appeal a decision made regarding an Application filed by another Applicant. Appeal requests may only be filed with regard to Applications that meet Threshold Requirements. Appeals may be made solely for the purpose of contesting a score calculated by UHC. No appeal may include additional documentation that was not included with the Application submitted to UHC by the deadline for submission. Notice of an Appeal request is deemed filed when it is received by the President at UHC's office, 2479 Lake Park Blvd., West Valley City, Utah 84120.

### First Level Appeal

Applicants may appeal UHC's final scoring determination within five (5) business days (ending at 5:00 pm Mountain time zone) of issuance of a final scoring determination letter. The request must be directed to the President of UHC, in writing (U.S. mail or email), and must detail specifically the item(s) of disagreement. After considering all evidence from the appellant, the President of UHC will make a determination of the scoring item(s) at issue and will provide such determination in a written response via email and U.S. mail.

### Second Level Appeal

Applicants may appeal the President's determination of the scoring item(s) by 5:00 p.m. Mountain time zone of the fifth (5th) day following issuance of the President's determination letter. This appeal must be in writing or sent via email, directed to the President of UHC, and must detail specifically the item(s) of disagreement. This appeal will be submitted to the Housing Credit Committee for consideration. The Housing Credit Committee will be the final arbiter of scoring appeals.

In a second level appeal process the Applicant may submit any issues and comments in writing to the President of UHC. Within twenty-one (21) calendar days following the timely filing of an appeal, the Housing Credit Committee shall conduct a full and fair review of the appeal. At the sole discretion of the Housing Credit Committee, a hearing may be held at which the Applicant may be invited to present in detail, the purpose for the appeal as well as relevant justification for the Housing Credit Committee to consider reversing UHC's decision regarding the scoring element(s) at issue. In all cases the appeal process must take place before credits are reserved not after. The Board may not reserve Housing Credits until all first and second level appeals have been reviewed.

Reasonable charges may be imposed for photocopies and document production requested by the Applicant pursuant to the appeal.

## **PROHIBITED ACTIVITIES**

Applicants, Related Parties, and persons acting on behalf of Applicants or Related Parties may not attempt to unduly influence members of UHC's staff or its Board of Trustees with respect to an Application. Should this occur, the Application at issue will be removed from consideration for a Reservation of Housing Credits. However, persons are permitted and encouraged to contact UHC staff with any questions relating to Program rules and procedures, completing Applications, etc. Similarly, letters of support from local government officials and Service Providers submitted in connection with an Application and appeals filed pursuant to the QAP are not considered prohibited activities.

## **UHC FEES**

Project sponsors applying for Housing Credits under the Program are required to pay certain fees to offset the cost to UHC to administer the Program. All fees are non-refundable. The IRS has ruled that Housing Credit fees are not allowable in Eligible Basis. All fees must be paid electronically. No other form of payment will be accepted. Electronic ACH payments are accepted through the Multifamily Finance & Development page on the UHC website, <https://utahhousingcorp.org/multifamily>. Fees shall be assessed as follows:

### **A. Application Fee**

An Application fee for a competitive application must be received by UHC by the Application deadline. Projects applying for 4% Housing Credits must pay the application fee at the time of Application submission. All projects will be assessed a fee applicable to the following:

- Applications for federal Housing Credits only will be assessed a fee of \$2,500. Projects with fewer than 10 units will submit a fee of \$250 per unit.
- Applications for both federal and state Housing Credits will be assessed a fee of \$3,500. Projects with fewer than 10 units will be assessed a fee of \$350 per unit.
- Applications for state tax credits only (which have previously received an award of federal tax credits) will be assessed a fee of \$1,000. Projects with fewer than 10 units will be assessed a fee of \$100 per unit.
- Applications for 501c3 Bonds will be assessed a fee of \$2,500.

### **B. Reservation Fee**

All projects will be assessed a fee according to the following:

- Federal tax credits: A fee equal to the greater of \$2,500 or three percent (3%) of the annual Housing Credit amount being requested and is due upon receiving a Reservation of Federal Housing Credits. Projects with fewer than 10 units will be assessed a fee of \$250 per unit.
- State tax credits: A fee of \$1,000 is due upon receiving a Reservation of State Housing Credits. Projects with fewer than 10 units will be assessed a fee of \$100 per unit.

If a 9% Housing Credit project fails to pay the required Reservation fees within 15 days of the issuance of the Reservation letter(s), the Award may be nullified. Projects receiving 4% Housing Credits may pay the Reservation fee at the time of closing with the investor member.

### **C. Additional Credit Reservation**

Any project receiving additional Housing Credits over that which was originally applied for will be charged the applicable Application and Reservation fees. The appropriate Application fee must accompany the updated Application.

### **D. Carryover Allocation Fee(s)**

A Carryover Allocation Fee must accompany the carryover packet. The Carryover Allocation Fee is \$500 if received by November 1<sup>st</sup>, and \$1,000 after November 1<sup>st</sup> but before December 1<sup>st</sup>. All Carryover Agreements must be executed and returned to UHC by December 1 of the credit year. If the executed Carryover Agreement is not returned to UHC by December 1<sup>st</sup>, a late fee of \$500 will apply. Extended

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carryover fees of \$500 are due by January 1st for each year thereafter that the Housing Credit Reservation is still active but the project has not yet been placed in service and received its IRS Forms 8609.

### **E. Allocation Fee**

An Allocation Fee is due prior to issuance of the IRS Forms 8609. Project Owners will be billed for and must pay the Allocation Fee before release of the 8609s. Projects with 10 or more units (including Bond projects) will be assessed a fee equal to the greater of \$3,000 or 5 percent of the annual Housing Credit amount being requested. The Final Cost Certification must be received and reviewed prior to issuing the 8609s. If a completed Final Cost Certification is not received (including all findings resolved) before September 30<sup>th</sup>, the IRS Forms 8609 will not be issued until the next year. If the Final Cost Certification is not submitted within the required 6-month time frame (See Section 5, Final Cost Certification and Exhibit 5G), a late fee of \$1,000 will be assessed. If there are substantial changes to the Final Cost Certification after UHC review, an additional review fee of \$500 may be assessed.

Projects with fewer than 10 units will be assessed an Allocation Fee of \$300 per unit.

### **F. Initial Compliance Monitoring Fee**

An Initial Compliance Monitoring Fee shall be assessed at the time of issuance of IRS Forms 8609 in accordance with the following schedule.

For projects with fewer than 26 units	\$500 + \$35 per unit
For projects with more than 25 units	\$1,000 + \$35 per unit

The per unit portion of the Initial Compliance Monitoring fee shall be prorated for the number of months between issuance of IRS Forms 8609 and February 1 of the following year, when the next full year's annual compliance monitoring fees are due.

### **G. Subsidy Layering Review Fee**

If the project requires a subsidy layering review, a fee of \$500 for all Risk Share and LIHTC projects or \$750 for all other requests will be charged. See the Financial Subsidy Review section for further information.

### **H. Subordination Fee**

No lien, encumbrance, or other such document recorded against the property, the default of which provides a right to foreclose out the owner's interest in the property, either express or implied, or would otherwise terminate the LURA, may be recorded ahead of the LURA. Agreements between the owner and another party describing or limiting the use of the property or requiring certain development requirements must be recorded behind the LURA. The LURA must be recorded at the time the Project or Project Owner takes title to the land. If subordination agreement(s) must be prepared, the owner/developer of the Project must provide Utah Housing with draft(s) of subordination agreement(s) for review. A fee of \$500 per subordination agreement will be assessed and must be paid by the project owner prior to final execution of the subordination agreement(s).

### **I. Documentation Revision Fee**

UHC may assess reasonable fees for legal and other expenses incurred as a result of unique requests related to, or changes requested on, UHC required documentation. These documents may include but are not limited to the LURA, Form 8609, Carryover Agreements, and Mutual Consent of Return Agreements. The minimum Documentation Revision Fee is \$500.

### **J. Credit Exchange Fee**

Projects which qualify for and receive an exchange of 9% credits ([see Project Selection Process - Introduction](#)) will be charged a fee of \$2,500, which will encompass a Document Revision Fee, additional Carryover Fee, and Mutual Consent for Return fee.

### **K. Annual Compliance Monitoring Fees and Non-Compliance Monitoring Fees**

See the Compliance Manual, Fees section.

Projects which fail to pay the Annual Compliance Monitoring fees timely will be assessed a late fee of \$500.

UHC, in its sole discretion, reserves the right to waive or modify the above indicated fees for any single project, as UHC deems necessary, to further the purpose and goals of the Program.

# 3. HOUSING CREDIT POOLS

## HOUSING CREDIT SET-ASIDE POOLS

Applications meeting each set-aside pool's specified criteria may compete within such pool. UHC may designate additional Set-Aside Pools during the year if deemed appropriate in meeting the goals of the Program.

### A. Government and Non-Profit Homeownership Set-Aside 5%

To encourage home ownership, approximately 5 percent of the Housing Credit Ceiling Amount will initially be set aside for Government and Non-Profit Sponsored Homeownership projects. To be considered in this pool, Applicants must be approved for financing through UHC's Multifamily Finance & Development Department. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

### B. Non-Metro Areas and Small Project Set-Aside 15%

To encourage the development of affordable rental housing in rural and distressed areas of Utah, and the development of small projects which typically do not have the economies of scale to compete with larger projects, UHC will initially set aside approximately 15 percent of the Housing Credit Ceiling Amount for projects which are both located in those areas of the State identified by UHC (see Exhibit 3A), and are 50 or fewer units. Applicants may not divide a larger project into smaller parcels in an effort to qualify with two applications under this set-aside in a calendar year. Examples of a larger, non-divisible project include multiple phases of a development, whether or not controlled by the same ownership interest, a Scattered Site development, a non-Scattered Site development of multiple buildings which are or will be under a single financing structure, a project of multiple buildings which share a single tax identification number, or multiple buildings constructed on adjacent or contiguous parcels. Projects may be phased over multiple rounds to qualify in this pool each year. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

### C. ~~Permanent~~ Supportive Housing Set-Aside 30%

To encourage the development of ~~Permanent~~ Supportive Housing (~~PSH~~) projects. ~~PSH~~ Supportive Housing targets people, particularly the homeless or chronically homeless, and those with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing, and provides robust supportive services to reduce instability in housing. All ~~PSH~~ Supportive Housing units must be rent restricted at or below 35% AMI, and be supported with an operating subsidy. Projects competing in this pool must be, at minimum, 50-100% set-aside for households that meet the described criteria for homeless. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

### D. Non-Profit Organization Set-Aside 10%

To satisfy the requirement of §42 of the Code and encourage participation of Qualified Non-Profit Organizations in the Program, UHC will initially set aside 10 percent of the Housing Credit Ceiling Amount for Allocation to projects in which a Qualified Non-Profit Organization will own an interest and will materially participate in the development and operation of the project throughout the Compliance Period.

A Qualified Non-Profit Organization is one which is:

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- i. Described in §501(c)(3) or (4) of the Code and is exempt from tax under §501(a) of the Code,
- ii. Not affiliated with or controlled by a for-profit organization, and
- iii. Has as one of its exempt purposes the fostering of low-income housing.

All Qualified Non-Profit Organizations will be required to complete an Annual Certification of Qualified Non-Profit ~~Organization~~, ~~(Organization~~ (see Exhibit 3B). A project that is considered for Housing Credits under this pool or receives scoring consideration as a project in which a Qualified Non-Profit Organization will own an interest and materially participate will be required to meet the requirements applicable to this set-aside throughout the Extended Use Period applicable to the project.

### **E. Acquisition/Rehab of Existing Units Set-Aside 10%**

To encourage the acquisition and rehabilitation of multifamily rental units, UHC will initially set aside 10 percent of the Housing Credit Ceiling Amount. Any existing rental housing can be considered for this pool. To qualify in this pool, projects must be 100% Acquisition/Rehab, including hotels and motels. Tenants may be temporarily relocated during rehab but must be offered the opportunity to re-lease their current unit or the same unit type at the same rent level or less. Current rent levels of all units must be maintained or reduced, except in a resyndication project, where rents may be updated to the current rent tiering structure, however, no current tenant may be displaced, and the rent level may only be raised as the unit turns over. An adaptive reuse of an existing building that was not most recently used as rental housing will not be considered in this pool. -Current lease agreements and rent rolls must be provided with submission of an Application. Any Housing Credits remaining in this set-aside following the cycle shall be reassigned to the general pool during the cycle.

### **F. General Pool 30%**

UHC will initially set aside approximately 30 percent of the Housing Credit Ceiling Amount for the general pool.

## **PROCESS FOR SELECTING WHICH POOL A PROJECT WILL COMPETE IN FOR HOUSING CREDITS**

Applications will be fully processed for threshold and Scoring Criteria, including an underwriting determination. All Applications will compete in each pool for which they are qualified. UHC will:

- Determine which Applications meet the criteria (qualify) for each pool.
- Rank by score all qualified Applications within each pool.
- Recommend a Reservation of Housing Credits for the highest scoring project(s), in rank order, until the next ranking project cannot be wholly funded.

### **A. Government and Nonprofit Homeownership Pool Selection (5%)**

- i. If a balance of Housing Credits remains in the pool and which are sufficient to fund at least fifty percent (50%) of the next ranking project, the project will be funded from this pool with the necessary remaining Housing Credits pulled from the General Pool, unless by so doing, a

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Project from the General Pool would not receive Housing Credits under the rules of the General Pool. Applications that fall below the cut-off point will be moved into the General Pool.

- ii. Any unused Housing Credits from this pool will be moved into the General Pool.

## **B. Non-Metro Areas and Small Project Pool Selection (15%)**

- i. If the highest scoring project requires an amount of Housing Credit that exceeds the amount of available Housing Credit within this pool, the balance of Housing Credits required to fully fund the project will be pulled from the General Pool.
- ii. If a balance of Housing Credits remains in the pool and ~~are~~ is sufficient to fund at least fifty percent (50%) of the next ranking project, the project will be funded from this pool with the necessary remaining Housing Credits pulled from the General Pool.
- iii. If a balance of Housing Credits remains in the pool and ~~are~~ is not sufficient to fund at least fifty percent (50%) of the next ranking project, the remaining Housing Credits will be moved into the General Pool.
- iv. No additional Applications will be funded from this pool.
- v. Any unused Housing Credits from this pool will be moved into the General Pool.

## **C. ~~Permanent~~ Supportive Housing (30%)**

- i. If the highest scoring project requires an amount of Housing Credit that exceeds the amount of available Housing Credit within this pool, the balance of Housing Credits required to fully fund the project will be pulled from the General Pool.
- ii. If a balance of Housing Credits remains in the pool and ~~are~~ is sufficient to fund at least fifty percent (50%) of the next ranking project, the project will be funded from this pool with the necessary remaining Housing Credits pulled from the General Pool.
- iii. If a balance of Housing Credits remains in the pool and ~~are~~ is not sufficient to fund at least fifty percent (50%) of the next ranking project, the remaining Housing Credits will be moved into the General Pool.
- iv. No additional Applications will be funded from this pool.
- v. Any unused Housing Credits from this pool will be moved into the General Pool.

## **D. Nonprofit Pool Selection (10%)**

The 10% Allocation of Housing Credit to the Nonprofit Pool is required by federal statute.

- i. If the highest scoring project requires an amount of Housing Credit that exceeds the amount of available Housing Credit within this pool, the balance of Housing Credits required to fully fund the project will be pulled from the General Pool.
- ii. If a balance of Housing Credits remains in the pool and is sufficient to fund at least fifty percent (50%) of the next ranking project, the project will be funded from this pool with the necessary remaining Housing Credits pulled from the General Pool.

- iii. If a balance of Housing Credits remains in the pool and are not sufficient to fund at least fifty percent (50%) of the next ranking project, the remaining Housing Credits will be moved into the General Pool and will be reserved to the highest scoring nonprofit project in the General Pool which achieves a score high enough to be reserved Housing Credits.
- iv. If no nonprofit project in the General Pool scores high enough to receive a Reservation and thereby use the remaining balance of the 10% pool, those credits will be reserved to the next ranking project in the Nonprofit Pool whose request can be at least 50% fulfilled with the balance remaining in the Nonprofit Pool. The remaining portion of needed Housing Credits will be funded from the General Pool.
- v. No additional Applications will be funded from this pool.

**E. Acquisition/Rehab of Existing Units Set-Aside (10%)**

- i. If the highest scoring project requires an amount of Housing Credit that exceeds the amount of available Housing Credit within this pool, the balance of Housing Credits required to fully fund the project will be pulled from the General Pool.
- ii. If a balance of Housing Credits remains in the pool and is sufficient to fund at least fifty percent (50%) of the next ranking project, the project will be funded from this pool with the necessary remaining Housing Credits pulled from the General Pool.
- iii. If a balance of Housing Credits remains in the pool and is not sufficient to fund at least fifty percent (50%) of the next ranking project, the remaining Housing Credits will be moved into the General Pool.
- iv. No additional Applications will be funded from this pool.
- v. Any unused Housing Credits from this pool will be moved into the General Pool.

**F. General Pool Selection (30%)**

- i. All remaining Applications will compete in the General Pool.
- ii. Rank by score all conforming Applications within this pool.
- iii. A Reservation of Housing Credits will be recommended for the highest scoring project(s), in rank order until remaining credits are exhausted. UHC may, at its sole discretion, establish a cut-off point after which no further Housing Credits will be reserved.

UHC may, in its sole discretion, establish a cut-off point in each pool and in total, after which no further Housing Credits will be reserved from any pool. UHC reserves the right not to award all available Housing Credits in a given competitive round, in which case the remaining Housing Credits will be made available in a subsequent round of competition. UHC reserves the right to award an amount of Housing Credits that is less than the amount requested in an Application.

## RESYNDICATION OF EXISTING HOUSING CREDIT PROJECTS

Housing Credit projects with an existing LURA in place, and which are out of the initial compliance period, may elect to apply for another round of Housing Credits to recapitalize the project. The following restrictions apply:

- i. Projects which were newly constructed with Housing Credits must be at least 20 years old before being eligible for a new round of Housing Credits.
- ii. Projects which used Housing Credits for the acquisition and rehabilitation of an existing multifamily project may apply for a new round of Housing Credits provided the building is at least 40 years old.
- iii. Projects which are applying for Resyndication may not elect the Average Income minimum set-aside unless the project was previously an Average Income project.

## DEMOLITION OF EXISTING HOUSING CREDIT PROJECTS

Demolition of existing Housing Credit Projects may occur, provided the below guidelines are met:

- i. The intended reuse of the property is affordable rental housing.
- ii. The replacement building(s) must include the same rent/income restricted units at the same affordability ~~levels, and~~ levels and must increase the number of affordable rental units by a minimum of 20%.
- iii. All special needs set-asides from the original project must be replaced.
- iv. The Uniform Relocation Act must be followed. Projects with tenants in place at the time of Application must submit a relocation plan with the Application describing the extent to which current tenants will be relocated or dislocated either temporarily or permanently, the amount of funds and assistance being provided to relocated/dislocated tenants, and the effort that will be made to bring relocated/dislocated tenants back to the project upon completion.
- v. Dislocated households must be given first opportunity to move back in.
- vi. The building must be at least 40 years ~~old, or~~ old or have been originally used as a motel/hotel and converted to a LIHTC project.
- vii. Tenant dislocation may not occur prior to an award of 9% credits or volume cap.
- viii. UHC will conduct a site visit prior to an award of credits.
- ix. In all cases, the Applicant must notify UHC of the intent to demolish a building prior to the submission of an Application. UHC, in its sole discretion, may determine that it would not permit demolition.

## REMAINING OR REVERTED HOUSING CREDITS

In the event that any Housing Credits remain unallocated or revert back to UHC in a manner that requires UHC to allocate the Housing Credits during the same calendar year because the Housing Credits would otherwise be forfeited to the National Pool, UHC may, at its sole discretion, utilize any of the following selection criteria set forth below.

- i. Reserve any unused Housing Credits to all projects needing them using a percentage increase set by UHC.
- ii. Fully or partially fund any Forward Year Reservation of Housing Credits.
- iii. Fund previously allocated projects that are at risk of returning Housing Credits due to an inability to fund a shortfall in financing due to increased costs or other unforeseen events.
- iv. Reserve any remaining Housing Credits at risk of loss as follows:
  - to a Project that had been awarded a prior year's Housing Credits in a competitive round (e.g. a Project that applied for 2024 Housing Credit but was awarded remaining 2023 Housing Credit), and had to return credit because timing issues jeopardized the timely receipt of a Certificate of Occupancy;
  - then to those Applicants that competed in the most recent cycle based on 1) the ability to proceed in a timely fashion; and 2) the next highest scoring Application; and
  - then to projects selected by UHC on a basis that best accommodates the goals of the Program.

## **4. THE ALLOCATION AND UNDERWRITING PROCESS**

## PROJECT SELECTION PROCESS

### A. Introduction

Applications shall be selected by UHC for Housing Credit Reservations in accordance with the following process:

- Project Underwriting and Threshold Review;
- Scoring and Documentation Review;
- Market Study and Project Reasonableness Review;
- Legal Compliance Review;
- Calculation of Housing Credit Amount; and
- Housing Credit Committee Review and Recommendation to Board of Trustees.

A Reservation of Housing Credits may be made only to projects which competed in a Reservation Cycle. UHC will accept a return of Housing Credits in exchange for a new Allocation only for those projects which were awarded Housing Credits remaining from a previous year's cycle. For example, if a conforming Application was received for 2022 Housing Credits by the established deadline of September 20, 2021, and if the project scores high enough to win an award, the project may receive a reservation of remaining 2021 Housing Credits, even though it applied for 2022 Housing Credits. In such circumstances, if the project is unable to meet the placed in service deadline (in this example, December 31, 2023), UHC would accept a return of those Housing Credits in exchange for an Allocation of 2022 credits.

UHC may provide a Forward Year Reservation of Housing Credits. Such forward Reservation does not ensure Housing Credit availability in the event the federal government discontinues the Housing Credit Program. The Forward Year Reservation is subject to the QAP under which the Reservation was made.

### B. Financial Feasibility

Financial feasibility is critical to the ~~long-term~~long-term viability of the project. In an effort to ensure feasibility and maximum credit efficiency, a project will undergo the underwriting process a minimum of four (4) times: 1) at the time of Application, 2) prior to admission of the Equity investor/partner into the ownership entity, 3) at ten percent test for a Carryover Allocation, if applicable, and 4) at submission of documents requesting Form 8609. At each underwriting, the project must meet the feasibility requirements as outlined in Exhibit 4A and elsewhere in this QAP.

UHC will evaluate each proposed project's financial feasibility and viability by taking into consideration, without limitation:

- i. The proposed sources and uses of funds;
- ii. The terms and conditions of the permanent financing package including debt, investor contributions, grants, etc.;
- iii. The Housing Credit purchase rate and net Equity proceeds expected to be generated by their purchase;
- iv. The percent of the "hard" project cost basis eligible for Housing Credits as compared to the costs of intermediaries and other "Soft Costs"; and

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- v. The reasonableness of the developmental and operational costs, including cash flow and coverage ratios of the project.

### **C. Proximity to Existing Tax Credit Developments**

Non-Metro communities face a greater risk of over-building ~~than do~~ metro communities. UHC believes it is in the best interest of all parties that Housing Credit projects have an opportunity to be completely rent-stabilized before approving additional Housing Credit projects in the same market. If more than one project is submitted in the same non-metro community and the market studies of all projects do not support the building of more than one Housing Credit project in that community, only the highest scoring project will be awarded credits. If this situation occurs, the lower scoring Applicants will receive a full refund of the Application fee.

If an Application is targeting a specific population, e.g. Senior housing, UHC will not consider other Applications for Housing Credit as competing projects, unless they target the same demographic.

### **D. General Project Underwriting and Threshold Requirements**

UHC will utilize the Underwriting Guidelines set forth in Exhibit 4A to evaluate feasibility and determine Housing Credit needs. The Application must satisfy the following criteria to be considered for the Reservation cycle:

- i. Projects must commit to an Extended Use Period which is 35 years after the close of the Compliance Period for a total of 50 years.
- ii. At the time of Application, a project must provide evidence of Site Control. UHC shall determine, at its sole discretion, the adequacy of the Site Control document (i.e., Real Estate Purchase Contract or equivalent and zoning map and ordinance). An Application for a project that is part of a land trust must provide an executed agreement which vests control of development of the site in the Owner, but for the Housing Credits and other financing.
- iii. Current zoning must permit multiple residential use and be consistent with the proposed project. If the project requires a conditional use permit or the project site requires subdivision, the application for it must be filed with the appropriate jurisdiction and supporting documentation (copy of submission to the city, acknowledgement by city/county, copy of receipt of fees paid, etc.) must be submitted with the Application. See After Receiving Housing Credits for zoning performance bond requirements.
- iv. Letters of interest/commitment are required for all projects from financial sources including investors, construction and permanent lenders, lenders of soft financing, project based rental assistance providers, and grantors. When applicable, the letters should stipulate the amount, terms, the acceptable Debt Service Coverage Ratio (DCR) floor, required reserve amounts, and the timing of the expected capital contributions or loan funds. Letters from grant sources should include the amount of the grant and the date the funds will be contributed. If a project is including project based rental assistance as part of the overall financing, a letter from the appropriate jurisdiction must be provided, specifying the number of units of assistance it will dedicate and the anticipated time frame for approval by all required public bodies.
- v. Phase I or Phase II environmental studies submitted with the Application must be dated within six months of the Application submission deadline. Applicants that have not included a Phase I or Phase II environmental study with their Application must submit one within 90 days of the date of the Housing Credit Reservation Agreement. If the lender and investor indicate in

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- writing that a Phase I or Phase II study is not required, the environmental study requirement will be waived.
- vi. A land appraisal dated within six months of the Application submission deadline is required with all Applications, except for projects which will receive land donated at no cost. If land is to be donated, a signed agreement must be provided with the Application, indicating the donor's intent to transfer ownership at no cost. The purchase price of the land may not exceed the current value of the land as supported by the appraisal.
  - vii. A title commitment dated within 90 days of the Application submission deadline is required for all Applications.
  - viii. Applicants must demonstrate financial capacity and credit worthiness by providing (see Exhibit 4D), Comprehensive Financial Disclosure Certificate.
  - ix. UHC will underwrite projects assuming Housing Credit pricing that reflects current local pricing trends. Housing Credit pricing must be verified at the time of closing with the Equity partner.
  - x. Project buildings will be able to claim up to a 130 percent increase in Eligible Basis if located in a HUD-designated Qualified Census Tract or Difficult Development Area. Those not using tax-exempt bonds and in UHC Qualified Bonus Areas (See Exhibit 4B) also may claim the increase. The final percentage of the increase will be determined by UHC at Form 8609 issuance, based on project feasibility.
  - xi. Projects which lease land may not also include a land purchase payment in the project development costs. Projects which purchase land may not also include a lease payment in project costs. A land lease agreement must extend for a period of time that, at a minimum, extends through the full compliance period of the project (initial compliance period plus the extended use period). If the project ~~will lease~~leases the land instead of purchasing the land, a copy of the land lease agreement must be provided with the Application, along with a statement from a Certified Public Accountant providing a valuation of the leasehold agreement. The present value of the land lease may not exceed the current value of the land as supported by an appraisal. Such appraisal must be submitted by the Applicant at the time of Application.

## **E. Additional Requirements for Rehabilitation Projects**

- i. UHC, at its sole discretion, shall determine if a project qualifies as a substantial rehabilitation, which generally requires the replacement of two or more major systems and their components including roof, fenestration, electrical, plumbing, HVAC, appliances, etc. The minimum rehabilitation expenditures are based on the age of the building(s) or 20% of the Adjusted Basis, whichever is greater. (See Exhibit 4A).
- ii. Projects that include any financing from the United States Department of Agriculture or United States Department of Housing and Urban Development must provide a complete appraisal.
- iii. Projects that include a purchase/sale of reserves may not include the cost of the reserves in Eligible Basis. Reserves must remain with the property in the event of a sale or transfer to a related party.
- iv. Projects must consider rehabilitation costs per unit consistent with the Rehabilitation Safe Harbors ranges by age as shown in Exhibit 4A, except as otherwise approved by UHC.
- v. Applications must include a comprehensive Capital Needs Assessment on the project.

- vi. An independent third party must certify the current rent and occupancy levels in the project. The Applicant may provide current leases and deposit slips with supporting bank statements for the most recent 12-month period in lieu of a third party certification, but must submit rent rolls for the most recent 12-month period unless the project has project based rent subsidy, in which case current rent rolls will suffice (see tab 31). Projects with tenants in place at the time of Application must submit a relocation plan, describing the extent to which current tenants will be relocated or dislocated either temporarily or permanently, the amount of funds and assistance being provided to relocated/dislocated tenants, and the effort that will be made to bring relocated/dislocated tenants back to the project upon completion.
- vii. UHC may inspect all projects upon Application and during construction to verify that work was performed according to what was itemized in the Application or subsequent documents.
- viii. Project owners must certify at the time of Application that they have inspected 100% of the units.
- ix. Projects will be required to meet current local building code.
- x. Projects that are designated as either RD projects or HUD rent subsidized are required to submit prior year operating statements with the Application.

## **F. Housing Credit Program Training**

Developers who have no prior experience with the Program are required to attend training on the major aspects and deadlines of the Program. Furthermore, staff members who have never been responsible for completing, tracking, and follow-through, or compiling packets for the Program are required to attend this training.

Developers who have utilized the Housing Credit Program in the past are required to attend this training if UHC staff determines that there are issues such as untimely, inaccurate, and/or incomplete submission of documentation that need to be clarified with both the Developer and staff.

## **DEVELOPER, CONTRACTOR AND GENERAL REQUIREMENT FEE LIMITS**

Fees related to the development of the project include, but are not limited to:

- Developer overhead and profit;
- Contractor overhead, profit and general requirements, and;
- Development consulting fees.

All development fees must be reasonable with respect to the low-income housing goals while sufficient to attract quality projects to the Program. The Final Cost Certification of each project requires that the project owner's CPA complete an audit and evaluation of all fee and overhead contracts with related or unrelated parties. The Developer of the project must make full disclosure and allow the CPA access to all Developer contracts in connection with the preparation of the Final Cost Certification. See (Exhibit 5G) for more information.

UHC has established the limits for the purpose of determining:

- The maximum Housing Credit Allocation permissible for a project (based on a project's Eligible Basis); and

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- The minimum Housing Credit Allocation required for a project (based on a project’s funding gap).

### A. Developer Fee/Owner Equity

For the purpose of this section, Developer fee/owner Equity in lieu of fee shall mean all Developer overhead and profit, and consulting expenses incurred by the project whether provided by the Developer or another party. The maximums include both Developer and contractor/builder fees and ceilings (see below).

In competitive new construction and rehabilitation projects, the Developer fee qualifies for 9% credits. For acquisition of rehabilitation projects, the acquisition fee qualifies for 4% credits.

A maximum of 50% of the Developer fee/owner Equity may be deferred at the time of Application. It must be entered correctly in this category in the “Sources” area of the Application.

Please note that the amount of deferred Developer fee that is committed at the time of Application is considered a firm source of financing. If the project realizes an increase in Housing Credit pricing any time after the Application is submitted, a portion of the increased Equity may be used to pay down up to half of the deferred Developer fee that was committed in the Application. If, at the time of Final Cost Certification, the project has reduced the deferred Developer fee beyond this limit, UHC will reduce the amount of credit allocated.

### B. Contractor Fee (Builder Fee)

Contractor Fee shall mean those expenses incurred by the project for construction trades administration, including all contractor overhead, profit and wage expenses exclusive of such expenses allocable to General Requirements.

### C. General Requirements

General Requirements are limited to those items and limits for Eligible Basis set forth in (Exhibit 4E). In general, contractor fees, overhead and general requirements should be consistent with HUD guidelines as set forth in 4450.1 and Section 911 reviews (HUD Notice H 95-4, amended).

UHC reserves the right to require further verification of General Requirement expenses and supervision costs if, in its sole discretion, such verification is warranted to comply with the spirit and intent of the Housing Credit Program. Applicants must complete the Identity of Interest Form in the Application to disclose all interested party relationships.

<b>Fee Limits</b>	
	<b>Percentage Calculation</b>
Acquisition Fee	6% of building(s) acquisition cost*
General Requirements	7% of direct construction** in Eligible Basis; additional fee may be outside of basis
Builder Profit and Overhead	5% of direct construction** in Eligible Basis; additional fee may be outside of basis

\*Building Acquisition Cost = Purchase Price - Land Value - Related Party Fees and Commissions. All allowed in Eligible Basis.

\*\*Direct Construction = Site Work + Rehab/New Construction + Contingency - General Requirements.

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<b>Developer Fee Limits, As a Percent of Qualified Basis*†</b>		
<b>Number of Units in Project</b>	<b>Maximum Fee, As Percent of Qualified Basis</b>	<b><u>Maximum Fee, 4% Projects**</u></b>
<b>1-40</b>	<b>15%</b>	<b><u>17%</u></b>
<b>41-100</b>	<b>12%</b>	<b><u>14%</u></b>
<b>101-200</b>	<b>11%</b>	<b><u>13%</u></b>
<b>201+</b>	<b>10%</b>	<b><u>12%</u></b>

\*Developer fee may be in or out of Eligible Basis, but in total may not exceed the fee limits as calculated above.

\*\* Projects opting to take the maximum developer fee on 4% projects must first meet deferred developer fee maximum (50% of original developer fee), and in addition, contribute the entirety of the fee above the original maximum deferred fee (50%) to the project at adjusted-Applicable Federal Rate deral rate or below.

For purposes of calculating the Developer Fee, the Max Fee percentage stated above will be applied to the Qualified Basis (QB) after reducing the Eligible Basis by the building acquisition cost, acquisition fee, and Developer Fee, but not by the federal source(s) (e.g. historic tax credits) as is required by the Code when calculating the Qualified Basis to determine max allowable tax credits.

~~†The Developer fee percentage is applied to Qualified Basis, after reducing Eligible Basis by the building acquisition costs, acquisition fee, and Developer fee, but including other federal sources (e.g. historic tax credits) that must be subtracted as required under the Code.~~

\$10M - \$2M - \$1M - \$500K = \$6.5M QB

QB for Max Tax Credits Calculation:

\$10M - \$2M - \$1M - \$500K - \$250K = \$6.25M QB

If development costs increase after the submission of the Application, the total Developer Fee may also increase in accordance with the fee scale shown above and may be included in eligible basis. However, for 9% projects, no additional federal or state credits will be awarded. For 4% projects, the increased Developer Fee may be included in basis, but no state credits will be awarded for the increase in developer fee. The deferred developer fee may increase in conjunction with the increase in developer fee.

## MAXIMUM HOUSING CREDIT ALLOCATION

UHC encourages geographic dispersion of Housing Credit financed projects and the development of mixed-income projects.

### A. Allocation Limit

- i. No single project will be awarded more than \$2,500,000 in annual 9% Housing Credits.
- ii. Applicants or Related Parties are limited to having four (4) open 9% Housing Credit projects. No awards will be made which cause these limits to be exceeded. A project is considered open once it receives an award of Housing ~~Credits, and~~ Credits and closed upon being placed in service. Note that all open projects must submit Project Development Schedules (see Exhibits 5A-B and 7A-B) timely, demonstrating measurable progress toward completion.

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- iii. Developers, Sponsors, Owners, Applicants, and Related Parties are limited to two awards of Housing Credit per competitive round unless competing in the Government and Non-Profit Homeownership Set-Aside. In total, the maximum amount of annual 9% Housing Credit that may be awarded to any Developer, Owner, Applicant, or Related Party is \$2,500,000 for any competitive cycle.
- iv. Generally, UHC will make only one Allocation of Housing Credits to a project. Should the State of Utah be at risk of losing Housing Credits, UHC, in its sole discretion, may allocate additional Housing Credits to a project(s) but not to exceed the limits described in A(i), above. At its sole discretion, UHC may also allocate additional Housing Credits to projects at risk of failure because of unforeseen cost issues.
- v. UHC will not allocate more Housing Credits than it deems necessary for the financial feasibility of the project and its economic viability as a qualified affordable housing project throughout the Compliance Period.
- vi. In its sole discretion, UHC may adjust the Housing Credit Reservation as part of the underwriting process. UHC reserves the right to adjust the Housing Credit Reservation limit at any time.

## **B. Final Determination of Reservation of Housing Credits**

Based on its analysis of a project, UHC will determine the amount of Housing Credits to be reserved for each Application. A similar analysis will be completed upon Carryover Allocation of the Housing Credit amount and again, when each building within a project is placed in service.

Pursuant to § 42(m)(1)(A)(iv) of the Code, a written explanation is available, upon request, to the general public for any Reservation or Allocation of a Housing Credit that is not made in accordance with established priorities and selection criteria of UHC.

## **5. AFTER RECEIVING HOUSING CREDITS**

## **RESERVATION OF HOUSING CREDITS**

After each Application has been processed and the Housing Credit Reservation amount has been determined, UHC staff will recommend projects for a Housing Credit Reservation to the Housing Credit Committee. Following its review, the committee will make its recommendation regarding Housing Credit Reservations to UHC's Board of Trustees (Board). Only formal actions by the Board will constitute Housing Credit Reservations.

Following Board approval, UHC will enter into a Reservation Agreement setting forth:

- The Housing Credit amount reserved to the project;
- The project characteristics, and;
- Any special conditions to the Housing Credit Reservation.

UHC will thereafter enter into a Carryover Allocation or final Allocation of Housing Credits to the project conditioned on evidence of timely progress toward completion of the project acceptable to UHC and in compliance with the QAP and §42 of the Code. (See Tax-Exempt Bond section for bond project procedures.)

Housing Credit Reservations and Carryover Allocations may be unilaterally cancelled by UHC if material changes in the project occur during the predevelopment or development phases, including, but not limited to project scope, reduction of units, reduction of total number of bedrooms, rent targeting, cost, location, progress, ownership, management or development team composition (excluding architectural or construction services). If project costs increase by more than 20% after receiving an allocation and before closing with the investor member, UHC reserves the right to unilaterally cancel the allocation. UHC anticipates that Applicants will be significant participants in the development of the projects and any changes, (e.g. changing the General Partner in a limited partnership) may, at UHC's sole discretion; result in forfeiture of the Housing Credit Reservation or Allocation. Housing Credit Reservations and Allocations may not be transferred without prior written consent of UHC.

Projects requesting and receiving any additional Reservations of Housing Credits will be charged the additional Application and Reservation fees.

Applicants that have received Housing Credit Reservations will be subject to cancellation of the Reservation if they are unable to provide evidence, satisfactory to UHC, of adequate progress toward the completion of the project. UHC, at its sole discretion, may allow additional time to satisfy the progress stipulations of UHC, as allowed by §42.

## **PERFORMANCE BOND REQUIREMENT FOR PROJECTS WITH CONDITIONAL USE PERMITS**

Pursuant to the requirements of Paragraph D (iii) of the General Project Underwriting and Threshold Requirements a performance bond naming UHC as the obligee and in the amount of 10% of the annual Housing Credit amount reserved to the Project must be submitted to UHC within 120 days of the Housing Credit Reservation if the proposed conditional use permit has not yet been approved.

Performance bonds must be submitted in the form of electronic payment or an irrevocable letter-of-credit from a UHC-approved financial institution. UHC will only accept a letter-of-credit with a term for the full period of the Carryover Allocation Agreement plus 30 days.

All entitlements for the project must be obtained within one year of the Housing Credit Reservation. If not, the performance bond will be forfeited to UHC and the Housing Credit Reservation will be canceled.

## **PROJECT DEVELOPMENT SCHEDULE REPORTING**

All proposed projects receiving a Housing Credit Reservation, including bond projects, will be required to provide Project Development Schedules in a frequency and format prescribed by UHC, outlining progress toward completion or satisfaction of requirements for Carryover Allocation or Final Allocation of the Housing Credits.

A Project Development Schedule (see Exhibits 5A-B and 7A-B) must be completed and submitted to UHC on or before April 1<sup>st</sup> and September 1<sup>st</sup> of each year the project is under development.

Please note that there are four separate forms, one for (1) competitive new construction projects; (2) competitive rehabilitation projects; (3) new construction bond projects and (4) rehabilitation bond projects.

## **LAND USE RESTRICTION AGREEMENT (LURA)**

A Land Use Restriction Agreement (LURA) (see Exhibit 5E) shall be executed by the project owner and UHC and recorded at the county recorder's office against the project's property. The LURA commits the project to operate in accordance with the agreements (rent and income limits, special uses of units and extended use restrictions, etc.) made by the Applicant and UHC as inducements for the Housing Credit Allocation and reasonable consideration for the significant financial benefits derived from the Housing Credits. The LURA includes a waiver of the owner's rights to request a Qualified Contract, "The Project Owner agrees that IRC § 42(h)(6)(E)(i)(II) shall not apply to, and shall not cause the termination of, the extended use period applicable to any building of the Project." The LURA also includes a right of first refusal giving UHC an option to purchase the property at the end of the extended use period. The LURA shall be recorded at the time the project owner obtains an ownership interest in the site and is superior to other liens.

**To facilitate document preparation, the project owner must submit a LURA Information Packet to UHC 30 days before closing on the project's site acquisition.** A LURA is required for all projects, including bond projects.

## **CARRYOVER OF HOUSING CREDITS**

The Applicant will be required to enter into a Carryover Allocation Agreement for the Housing Credits reserved to the Applicant if the project is not placed in service by the end of the calendar year in which the Housing Credit Reservation is issued. All required documents must be submitted to UHC with the Carryover Allocation package. The Carryover Allocation Agreement will not be made without all required documentation.

Projects must submit a Carryover Allocation package, available from UHC (see Exhibit 5C), on or before November 1st of the calendar year in which a Reservation of Housing Credits was issued with or without the 10% cost certification.

Should a qualified project receive a subsequent Reservation of Housing Credits, the above requirements will also apply.

## **PRE-CLOSING REVIEW**

Not earlier than 45 days prior to closing with the Investor Member, Projects shall submit to UHC a pre-closing review request. UHC will conduct a review of sources and uses to ensure that only the minimum amount of Housing Credit necessary for financial feasibility is made available for the Project. The project LURA will not be provided if a pre-closing review is not complete. See Exhibit 5F for more information.

## **10% COST CERTIFICATION**

A 10% Cost Certification (see Exhibit 5D) that the project owner has incurred at least 10% of its reasonably expected cost basis in the project, must be submitted to UHC in a timely manner. This also applies to subsequent Carryover Allocations.

The project owner 10% Cost Certification must be accompanied by a written certification from a qualified attorney or CPA certifying to UHC that the attorney or CPA has examined all eligible costs incurred with respect to the project and that, based on this examination, it is the attorney's or CPA's belief that the project owner has incurred more than 10% of its reasonably expected cost basis of the project. The Certification is due to UHC no later than 30 days after the ~~one-year~~one-year anniversary of the Carryover Allocation. Failure to provide the Cost Certification timely will result in a late fee of ~~\$500, and~~\$500 and may jeopardize the validity of the Carryover.

## **FINAL COST CERTIFICATION & ISSUANCE OF LOW-INCOME HOUSING CREDIT ALLOCATION AND CERTIFICATION FORMS**

### **A. Final Cost Certification and Equity Price Changes**

Owners of new construction projects must submit a Final Cost Certification package within 6 months after the last building in a project receives its Certificate of Occupancy. Owners of rehabilitation projects must submit a Final Cost Certification package within 6 months after the last building in a project receives its Final Inspection Report from the local governing agency. Failure to meet this deadline will result in a late fee of \$1,000. Final Cost Certification reports must contain all required documents and information described in Exhibit 5G prior to UHC staff review.

UHC requires notice of changes in credit pricing if the final negotiated credit pricing is different from the pricing projected in the Application. Projects that have experienced an increase in Equity pricing of more than \$0.02 between the time of Application and the time of closing with the Equity partner or the time of final cost certification may be subject to a reduction of the Housing Credit Allocation, pursuant to §42(m). Discussions with the Vice President of Multifamily Finance should take place as soon as it is practicable.

Once the Final Cost Certification package is received by UHC staff, it will be placed in the review queue and reviewed in order received. UHC will issue Forms 8609 within 90 days of having a complete Final Cost Certification packet. If the project owner cannot provide a complete Final Cost Certification packet on a 9% project by September 30 of a given year, the owner shall enter into a Carryover Allocation agreement with UHC by the close of the calendar year.

### **B. IRS Forms 8609 and Inspections**

UHC will issue IRS Forms 8609 reporting the amount of credits allocated to a project following receipt of the complete Final Cost Certification package in accordance with the QAP and after any outstanding fees are paid to UHC and inspection of completed project is conducted by UHC staff. The inspections are to ensure that representations made in the Application have been fulfilled. This inspection will take place simultaneously with the Final Cost Certification review in order to expedite the Form 8609 processing.

UHC will reduce Housing Credits at the time of final Allocation if the commitments made in an Application are not honored.

## **FINANCIAL SUBSIDY REVIEW**

Pursuant to federal regulations, UHC shall conduct financial subsidy reviews (Subsidy Layering Review) on projects that directly or indirectly receive financial assistance from the U.S. Department of Agriculture Rural Development Service (RD) or the U.S. Department of Housing and Urban Development (HUD) exclusive of HOME, CDBG, or HOPWA assistance. These reviews are also called HUD 911 Subsidy Layering Reviews.

The Subsidy Layering Review shall be conducted in accordance with guidelines established by RD and HUD with respect to the review of any financial assistance provided by or through these agencies to the project and shall include, without limitation, a review of:

- the amount of Equity capital contributed to a project by investors;

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- the project costs including Developer fees; and
- the contractor's profit, syndication costs and rates.

In the course of conducting the review, UHC may disclose or provide a copy of the Application to RD or HUD for their review and comment. A Subsidy Layering Review will require an electronic payment to UHC of \$500 for all Risk Share and LIHTC projects and \$750 for all other requests. Fees must be paid electronically at the time of submission before the review is completed.

## **SIGNAGE**

Applicants who receive a Reservation of Housing Credits must erect a sign at the project site indicating that the project is funded through Utah Housing Corporation and list all the sources of funds. The sign must be a minimum size of 24 inches high and 36 inches ~~wide, and~~ wide and must be installed prior to the commencement of construction. An individual sign does not need to be provided if incorporated into a larger group sign. Please contact our Housing Credit Allocation Specialist, Suzette Acord, at [sacord@uthc.org](mailto:sacord@uthc.org) for UHC's Logo. Applicants must also include Utah Housing Corporation in any press releases/interviews as the allocator of federal and state Housing Credits, as applicable. When referring to the amount of Housing Credits allocated, the project owner should reference the gross amount the investor is paying for the Housing Credits.

**Applicants must email a picture of the sign erected at the project site to Suzette Acord at [sacord@uthc.org](mailto:sacord@uthc.org), no later than 30 days after the commencement of construction.**

## **6. PROJECT DESIGN AND SPECIAL NEEDS**

## SUSTAINABLE DESIGN

### A. Interior Design

Residential dwelling units must meet Net Residential Square Footage minimum requirements. Minimum NRSF apply to both 4% and 9% projects and all unit types, however, Rehabilitation and Supportive Housing Projects may request a waiver from UHC prior to initial application submission.

<u>Unit Type</u>	<u>Minimum NRSF</u>
<u>Studio</u>	<u>375 s.f.</u>
<u>1 bedroom</u>	<u>550 s.f.</u>
<u>2 bedroom</u>	<u>750 s.f.</u>
<u>3 bedroom</u>	<u>900 s.f.</u>
<u>4 bedroom</u>	<u>1100 s.f.</u>

### A.B. Energy Star Requirements

Energy Star is a nationally recognized standard for housing construction and appliances used to foster more energy-efficient housing. The Energy Star Certification requires a 15% improvement over Utah's current residential energy code. UHC believes that energy efficiency is important because increasing utility costs will affect the future feasibility of Housing Credit projects.

UHC Requirements:

- All new construction must be Energy Star Certified using the most current Energy Star Certification process for single family homes or [Multifamily New Construction](#).
- All rehabilitation projects that are eligible for Energy Star Certification must be Energy Star certified, and projects ineligible for Energy Star certification must submit documentation demonstrating that an equivalent level of energy savings will be achieved. Usage of [Energy Star Guidance for Buildings Undergoing Gut Rehabilitation is recommended. Ineligible buildings may be eligible for Energy Star certification through the Energy Star Commercial Program](#); and
- Projects electing Enterprise Green Communities ~~Initiative~~Criteria, LEED certification, or Alternative certifications listed below are not exempt from Energy Star Certification or documentation.

New construction and rehabilitation projects must receive a plan review analysis from the Utah Energy Conservation Coalition (UECC) or other certified reviewer and upon completion of construction receive Energy Star Certification. The Application must include the Energy Star submittal form with expected cost increases and savings or a preliminary letter or report from a certified energy rater indicating Energy Star Compliance. (See Exhibit 6C for the Energy Star Submittal Form and follow-up ~~procedures~~procedures.) Because Energy Star improvements are part of Eligible Basis, rebates from utility companies that result from Energy Star Certification must go back to the project and be reflected in the sources and uses at the time of Application (if known) and at the time of final cost certification.

See the Energy Star website for more information at [www.energystar.gov](http://www.energystar.gov).

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## B. Submit Energy Star Certification

Projects that are Energy Star Certified must submit a UECC (or other) Certification at the time of Final Cost Certification.

Projects that do not receive Energy Star Certification must submit a confirmation that the project was built according to the Energy Star specifications or required enhancements represented in the Energy Star submittal, its performance test results, and the HERS score.

Rehabilitation projects must be improved to obtain an Energy Star Certification or equivalent third-party certification that demonstrates a project meets a similar level of energy efficiency if certification cannot feasibly be achieved. Alternative programs for rehabilitation projects include the [National Green Building Standard \(Chapter 11, Existing Buildings\)](#) or [Substantial Rehab or Moderate Rehab through Enterprise Green Communities](#). Alternative documentation will be accepted that demonstrates that the existing multifamily building meets one of the energy performance criteria for energy efficient existing buildings as recognized by the U.S. Department of Energy:

- For Multifamily buildings older than 1 year, the estimated ENERGY STAR Score is 75 or higher after accounting for energy improvements. An Energy Star Statement of Energy Design Intent will be required.
  - See ENERGY STAR How to Generate a Statement of Energy Design Intent, available at: <https://www.energystar.gov/sites/default/files/asset/document/How%20to%20Generate%20a%20SEDI.pdf>

OR

- The whole building's estimated site energy use intensity (EUI) is at least 35% better than the median EUI for multifamily buildings. [The national median site EUI for multifamily buildings is 56-99.6.](#)
  - See: ENERGY STAR Technical Reference, available at: <https://portfoliomanager.energystar.gov/pdf/reference/US%20National%20Median%20Table.pdf>

OR

- The whole building's estimated EUI is less than the EUI in ASHRAE Standard 100 for the specified building type. The site EUI for multifamily buildings in climate zone 5B (Utah's Wasatch Front) is [41 for a 2-4 unit apartment building and 32 for a 5+ unit apartment building.](#)
  - See: ASHRAE Standard 100, available at: <https://www.ashrae.org/technical-resources/bookstore/standard-100>
- The owner must work with the rating organization to implement certain construction enhancements to obtain an Energy Star Certification. A certified rating organization's analysis for a current HERS score and plan review analysis must be submitted with the Application. UHC will require test results using Energy Star sampling requirements from the rater at the completion of the project.

### C. Enterprise Green Communities ~~Initiative~~Criteria

Projects claiming points for this certification must submit a copy of the Enterprise Green Communities Certification Criteria Checklist with the Application. If the project fails to achieve a successful certification from the Enterprise Green Communities ~~Initiative~~Criteria, at the time of Final Cost Certification, UHC may reduce the amount of Housing Credit up to an amount that when multiplied by the purchase price of the credits equals the full amount of Developer fee. UHC may request copies of all documentation submitted to Enterprise Green Communities in support of the certification application.

Projects claiming points in this category must submit with the Application a narrative detailing the upgrades that are considered “green,” over and above costs that would be incurred for the baseline standards of building to Energy Star requirements. For example, Low-E windows are baseline Energy Star enhancements, and therefore would not be considered an enhancement for the Enterprise Green Communities ~~Initiative~~Criteria. (This example is for ~~purposes~~the purposes of differentiating costs only. The Applicant may in fact receive credit toward certification for Low-E windows through the Enterprise Green ~~Initiatives~~-Certification program.) A reflective white roof, however, is not an Energy Star minimum standard and therefore would be considered an enhancement for purposes of claiming points in this scoring category.

The narrative must contain a detailed itemization of such improvements and an estimate of the additional cost. The total cost of the improvements will be entered on a separate line in the construction budget portion of the Application and will be included in Eligible Basis for purposes of calculating the amount of credits requested.

### D. Alternative Certifications

The goal of an alternative certification is to encourage LIHTC projects to achieve a higher level of energy efficiency and encourage the installation of emission-free appliances/equipment for space heating, water heating, cooking, and clothes drying. Below are alternative certifications for consideration in achieving this goal.

~~Certifications which do not require an application fee, though may include verification costs:~~

- ~~• [Energy Star NextGen Certification](#)~~
- ~~• [U.S. Department of Energy’s Zero Energy Ready Home Certification](#)~~[Efficient New Homes Certification](#)

Other available certification which may require a fee:

- [Green Globes](#) – Three Green Globes Certification
- [LEED Homes Silver Certification](#)
- [National Green Building Standard](#), Silver Certification
- [Passive House Institute US+ \(PHIUS+\) Certification](#)

### E. Energy Certification

If an Applicant elects to undertake any of the above energy certification options at ~~the~~the time of application, certification must be obtained. Proof of certification is required to be provided to UHC as part of the project’s Final Cost Certification. 8609s will not be issued until such certification is provided.

### F. Other Sustainable Opportunities with Financing Incentives

UHC encourages developers to utilize the financing incentives that are available to projects via certain grants and financing which may be available to projects through programs such as the Enterprise Green Communities program, State of Utah Weatherization, renewable energy tax credits, state and local tax credits and incentives, ~~03/17/2025~~ [3/19/2026](#)

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 Qualified Allocation Plan

and utility company incentives. If the project is utilizing such grants or financing, the source and amount must be stated in the Application and will be required to be verified at final cost certification.

Examples of Rebates:

1. Dominion Energy and Rocky Mountain Power offer impactful financial rebates for energy-efficient multifamily housing projects as described in the table below. UHC encourages utilizing all available rebates.

Utility Company & Program Name	Website	Contact Information	Additional Information
Dominion Energy's ThermWise program	<a href="https://www.thermwise.com/builder-rebates/">https://www.thermwise.com/builder-rebates/</a>	Call 801-324-5118 for questions about multifamily rebates.	Link to builder Rebates flier: <a href="https://www.enbridgegas.com/-/media/Extranet-Pages/utidwy/save-money/thermwise/builder-rebates/Builder-Rebates_Web_Full-Sheet.pdf">https://www.enbridgegas.com/-/media/Extranet-Pages/utidwy/save-money/thermwise/builder-rebates/Builder-Rebates_Web_Full-Sheet.pdf</a> <a href="https://www.thermwise.com/wp-content/uploads/2023-Builders-Rebates.pdf">https://www.thermwise.com/wp-content/uploads/2023-Builders-Rebates.pdf</a>
Rocky Mountain Power electric vehicle charging rebates	<a href="https://www.rockymountainpower.net/savings-energy-choices/electric-vehicles/incentives.html">https://www.rockymountainpower.net/savings-energy-choices/electric-vehicles/incentives.html</a> <a href="https://www.rockymountainpower.net/savings-energy-choices/electric-vehicles/utah-incentives.html">https://www.rockymountainpower.net/savings-energy-choices/electric-vehicles/utah-incentives.html</a>	Call 1-800-625-6078 or email: <a href="mailto:ev@rockymountainpower.net">ev@rockymountainpower.net</a>	Level 2 EV charger incentives: Single port - \$ <del>41</del> ,000 per charger up to 75% <u>of total charger costs</u> , Dual port - \$ <del>7,01</del> ,500 per charger up to 75% <u>of total charger costs</u> . Must be an approved charger.  DC Fast Charging incentives: Single port - \$ <del>7530</del> ,000 up to 75% <u>of total charger and installation costs</u> , Multi-port \$ <del>6342</del> ,000 up to 75% <u>of total charger and installation costs</u> . Must be an approved charger.  <del>“Make ready” Projects: For infrastructure and installation. Quarterly application deadlines.</del>

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Rocky Mountain Power Wattsmart Battery Program	<a href="https://www.rockymountainpower.net/savings-energy-choices/wattsmart-battery-program.html">https://www.rockymountainpower.net/savings-energy-choices/wattsmart-battery-program.html</a> <a href="https://www.rockymountainpower.net/savings-energy-choices/wattsmart-battery-program.html">https://www.rockymountainpower.net/savings-energy-choices/wattsmart-battery-program.html</a>	Phone: (801)897-1807 Email: <a href="mailto:Battery@rockymountainpower.net">Battery@rockymountainpower.net</a> <a href="mailto:RMP@ResourceSmart.net">RMP@ResourceSmart.net</a>	Incentives for eligible batteries installed with solar panels. Rebate amounts detailed on the website.
Rocky Mountain Power's Wattsmart Multifamily program	<a href="https://www.rockymountainpower.net/savings-energy-choices/home/utah-multifamily-program.html">https://www.rockymountainpower.net/savings-energy-choices/home/utah-multifamily-program.html</a>	<del>1-866-739-9741</del> <a href="mailto:RMP@icastusa.org">RMP@icastusa.org</a>	The Wattsmart Home Multifamily program provides rebates for up to 100% of incremental costs for energy-efficient low-income multifamily projects, where the majority of households earn less than 80% of the area median income.

Examples of Tax Credits:

1. ~~Inflation Reduction Act/45 L Tax Credit~~

~~The Inflation Reduction Act has re-authorized, expanded, and extended the Section 45L Tax Credit for Energy Efficient New Homes, with two tiers:~~

- ~~• Energy Star Certified New Homes; or~~
- ~~• the U.S. Department of Energy's Zero Energy Ready Home certification.~~

~~The re-authorized federal 45L tax credit took effect on January 1, 2023 and currently allows multifamily housing developers and builders to leverage federal tax credits of between \$500 and \$5,000 per dwelling unit for energy-efficient housing developments without reducing the eligible basis. For large multifamily projects that are 4 stories and larger, the expanded program has also been expanded to offer tax deductions of up to \$5.00 per square foot if specified energy efficiency levels and other requirements are met.~~

2. ~~For large multifamily projects that are 4 stories and higher, the expanded federal 179(D) Energy Efficient Commercial Buildings Deduction has also been expanded to offer tax deductions of up to \$5 per square foot if specified energy efficiency levels and other requirements are met.~~

3. ~~The Inflation Reduction Act has extended and modified the Alternative Fueling Infrastructure Tax Credit, making certain electric vehicle charging stations eligible for a tax credit up to 30% of the cost. Website: [https://www.irs.gov/instructions/i8911#en\\_US\\_202212\\_publink100042353](https://www.irs.gov/instructions/i8911#en_US_202212_publink100042353)~~

~~Beginning January 1, 2023, fueling equipment for natural gas, propane, hydrogen, electricity, E85, or diesel fuel blends containing a minimum of 20% biodiesel, is eligible for a tax credit of 30% of the~~

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~~cost or 6% in the case of property subject to depreciation, not to exceed \$100,000. Eligible projects that meet prevailing wage and apprenticeship requirements may be eligible to receive the full 30% tax credit, regardless of depreciation status. Permitting and inspection fees are not included in covered expenses. Qualified fueling equipment must be installed in locations that meet the following census tract requirements:~~

- ~~• The census tract is not an urban area;~~
- ~~• A population census tract where the poverty rate is at least 20%; or~~
- ~~• Metropolitan and non-metropolitan area census tract where the median family income is less than 80% of the state medium family income level.~~

~~1. Additional requirements can be found on the IRS website here:~~

~~[https://www.irs.gov/instructions/i8911#en\\_US\\_202212\\_publink100042353](https://www.irs.gov/instructions/i8911#en_US_202212_publink100042353). Contact the IRS with questions at 800-829-1040 or <http://www.irs.gov/>.~~

## SPECIAL NEEDS UNITS

### A. ~~Permanent~~ Supportive Housing Projects

~~Supportive Housing is a model that combines low-barrier access to affordable housing and dedicated supportive services in an effort to help individuals and families lead more stable lives. Supportive Housing targets people, particularly the homeless or chronically homeless, and those with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing. It provides robust supportive services to reduce instability in housing. Supportive Housing projects will deliver supportive services through a combination of on-site services and linkages to available community services. Supportive Housing projects will have tenant selection policies that prioritize people who have been [homelesshomeless](#) for the longest or have the highest service needs as evidenced by vulnerability assessments. Permanent Supportive Housing, or PSH, is a model that combines low-barrier access to affordable housing and dedicated supportive services in an effort to help individuals and families lead more stable lives. PSH targets people, particularly the homeless or chronically homeless, and those with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing. PSH provides robust supportive services to reduce instability in housing. PSH projects will deliver supportive services through a combination of on-site services and linkages to available community services. PSH projects will have tenant selection policies that prioritize people who have been homeless the longest or have the highest service needs as evidenced by vulnerability assessments. All PSH units must be rent restricted at or below 35% AMI and are required to have a minimum 15-year commitment of project based rent subsidy. Owners and operators of PSH for the chronically homeless must utilize the Coordinated Entry System (CES) from the applicable Continuum of Care, if available, though not exclusively.~~

~~1. Projects may elect to participate in a supportive housing model wherein:~~

- ~~a. A minimum of 50% ~~of~~ units are for extremely low income (35% AMI and below) people exiting or at risk of becoming homeless as defined by HUD. May include individuals experiencing physical or mental health issues and/or who are intersecting with the criminal justice system. These units require rental assistance support for a minimum of a 15 year period.~~
- ~~b. The balance of units for families and individuals earning between 35% and 50% AMI. These units only will be scored using the Lower Income Targeting scoring rubric.~~

## **B. PSH-Supportive Housing Requirements**

- i. If a project incorporates PSH-Supportive units (as described ~~below~~above), the Application must include the following:
  - Tenant selection policies describing the low-barrier selection criteria;
  - MOU between Project owner and Service Provider(s) describing their expertise with providing services in PSH-Supportive Housing models, the planned delivery of services on- and off-site, and the staff capacity for providing ongoing case management.
  - Budget for supportive services;
  - Evidence of a 15-year commitment of ~~project~~
  - ~~based~~project-based rent subsidies;
  - Sample vulnerability assessment tool; and
  - A Service Provider Letter of Understanding (see Exhibit 6E) on Service Provider letterhead for each population type specified in the Application.
  
- ii. The Letter of Understanding from each Service Provider (or referring entity for accessible units) must provide the following:
  - An explanation of the Service Provider's experience with providing services to the specific targeted population;
  - A statement indicating the provider's understanding of the number of units being set aside for the specific targeted population;
  - A statement indicating that the provider has enough clients to fill the requested set aside units, as well as all previously committed set aside units, and has capacity to provide services for the duration of a referral's tenancy;
  - A full description of services that the provider will make available to the tenant post move-in.
  
- iii. All owners and managers must utilize the UHC Set-Aside Tracker website found at [www.utahhousingcorp.org](http://www.utahhousingcorp.org), to assure that set-aside units will be made available to and filled with qualified tenants in a timely fashion. The Set-Aside Tracker connects Service Providers with vacant units that are available to specific targeted populations, enabling Service Providers to supply referrals to project managers. Owners and managers may also utilize other Service Providers and resources to maintain full occupancy of units set-aside for specific Special Needs as agreed upon when Housing Credits were awarded.

With respect to the tenants, neither the project owner's partners/members nor the property management company may engage medical, therapeutic, or other activities regulated by the U.S. Centers for Medicare & Medicaid Services.

## **C. Homeless-Supportive Housing Projects**

Projects with units serving the Chronically Homeless must meet the PSH-Supportive Housing requirements above.

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A Supportive Services Plan Outline, a letter of endorsement from the applicable Continuum of Care Coordinating Council and proposed Service Providers will be required at the time of Application. A Memorandum of Understanding (MOU) with each proposed Service Provider must also be included.

For the purpose of points awarded for Special Needs set aside units for homeless and chronically homeless families and individuals, the following definitions shall apply:

**Homeless are those individuals who meet the definition given by HUD in § 578.3 and are broken into four categories:**

**1. Category 1 – Literally Homeless**

- i. Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
- ii. Has a primary nighttime residence that is a public or private place not meant for human habitation; or is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- iii. Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Note: An individual or family only needs to meet one of the three subcategories to qualify as Homeless Category 1: Literally Homeless.

**2. Category 2 - Imminent Risk of Homelessness**

- i. An individual or family who will imminently lose their primary nighttime residence, provided that:
  - i. Residence will be lost within 14 days of the date of application for homeless assistance;
  - ii. No subsequent residence has been identified; and
  - iii. The individual or family lacks the resources or support networks needed to obtain other permanent housing.

Note: Includes individuals and families who are within 14 days of losing their housing, including housing they own, rent, are sharing with others, or are living in without paying rent.

**3. Category 3 – Homeless Under Other Federal Statutes**

- i. Unaccompanied youth under 25 years of age, or families with Category 3 children and youth, who do not otherwise qualify as homeless under this definition, but who:
  1. Are defined as homeless under the other listed federal statutes;
  2. Have not had a lease, ownership interest in permanent housing during the 60 days prior to the homeless assistance application;
  3. Have experienced persistent instability as measured by two moves or more during the preceding 60 days; and
  4. Can be expected to continue in such status for an extended period of time due to special needs or barriers

Note: HUD has not authorized any CoC to serve the homeless under Category 3. HUD determines and approves the use of CoC Program funds to serve this population based on each CoC's Consolidated

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Application. See 24 CFR 578.89. Individuals and families that qualify as homeless under Category 3 may be served by the ESG program if they meet required eligibility criteria for certain ESG components.

**4. Category 4 – Fleeing/Attempting to Flee Domestic Violence**

**i. An individual or family who:**

- 1. Is fleeing, or attempting to flee, domestic violence;**
- 2. Has no other residence; and**
- 3. Lacks the resources or support networks to obtain other permanent housing**

Note: For the purposes of this definition, “Domestic Violence” includes dating violence, sexual assault, stalking, and other dangerous or life-threatening conditions that relate to violence against the individual or family member that either takes place in, or him or her afraid to return to, their primary nighttime residence (including human trafficking).

**in 24 CFR Part 576:**

- ~~(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:~~
- ~~(i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;~~
- ~~(ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or~~
- ~~(iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;~~
- ~~(2) An individual or family who will imminently lose their primary nighttime residence, provided that:~~
- ~~(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;~~
- ~~(ii) No subsequent residence has been identified; and~~
- ~~(iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;~~
- ~~(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:~~
- ~~(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act~~

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~~of 1994 (42 U.S.C. 14043c-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);~~

~~(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;~~

~~(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and~~

~~(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or~~

~~(4) Any individual or family who:~~

~~(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;~~

~~(ii) Has no other residence; and~~

~~(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.~~

~~— **Chronically homeless families and individuals are those who:**~~

~~(i) reside in a place not meant for human habitation (e.g. living on the streets), an emergency shelter, or a safe haven; or~~

~~(ii) either have been residing as described in one of those places listed in (i) above for the past year or four times in the past three years; and~~

~~(iii) have a disabling condition (for families, head of household has a disabling condition), including a substance use disorder, serious mental illness, developmental disability, post-traumatic stress disorder, brain injury, or chronic physical illness or disability.~~

~~Projects that claim points for either homeless units or chronically homeless units will have to obtain certification (See Exhibit's 6F-6I) from a Service Provider or ecclesiastical leader to verify homelessness and/or disability status.~~

## COMMUNITY SERVICE FACILITIES

A. Under § 42(d)(4)(C)(iii), a Community Service Facility must be designed to serve primarily individuals whose income is 60 percent or less of area median income. This requirement will be satisfied if the following conditions are met:

1. The facility must be used to provide services that will improve the quality of life for community residents.
2. The owner must demonstrate that the services provided at the facility will be appropriate and helpful to individuals in the area of the project whose income is 60 percent or less of area median income.
3. The facility must be located on the same tract of land as one of the buildings that comprises the qualified low-income housing project.
4. If fees are charged for the services provided, they must be affordable to individuals whose income is 60 percent or less of area median income.
5. The project must be in a Qualified Census Tract.

Projects that elect to include a community service facility ~~must provide~~ must provide information in their application that demonstrates the planned community service facility meets the above requirements. The market study required to be conducted must include findings that the services provided at the Facility would be appropriate, helpful, and affordable to individuals whose income is 60 percent or less of area median income. If the project is unable to provide this evidence in a market study, other evidence may be used, but it must be approved by UHC prior to application. Projects electing to include a community service facility must also include a detailed narrative outlining the ~~(1)marketing~~ (1) marketing plan for the facility and the (2) nature and (3) extent of services offered through the community service facility. The narrative should also include the operating expense and revenue estimates for the Community Service Facility

### B. Eligible Basis Inclusion

- a. The cost of Community Services Facilities that meet the definition above are allowed to be included in Eligible Basis according to the following guidelines:
  1. For the first \$15 million in eligible basis, up to 25% (\$3,750,000 in community service facility costs) may be included.
  2. 10% of the eligible basis amount over \$15,000,000 may be included.For example, a project with \$20,000,000 in eligible basis may include  $(\$3,750,000) + (5,000,000 * .10) = 4,250,000$

### C. Compliance

- a. For projects entering into a master lease with a community service provider (e.g. a daycare), the master lease must be provided at ~~application, and~~ application and must include what type of community service facility will be present.
- b. An Annual Owner Certification of Compliance (Exhibit 3C) will be due at the time the project submits its Final Cost Certification and January 1 each year following the year the project places in service.

## FULLY ACCESSIBLE UNITS

No Service Provider letter is required for accessible units. Applications that specify one or more accessible set-aside units for Long Term Mobility-Impaired Tenants are required to certify that those units are:

- Fully accessible, including food preparation areas, bathrooms, bedrooms and living areas;

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- Constructed as specified in Accessible and Usable Buildings and Facilities Standard of the ICC/ANSI A117.1 2009 (International Code Council/American National Standards Institute), commonly known as the “ANSI Standard” which is referenced in the 2009 International Building Code (IBC), which has been adopted by the State of Utah;
- Certified using the Architect’s Certification (Exhibit 6A) signed by a licensed architect and the General Contractor’s Certification (Exhibit 6B) signed by the Project’s General Contractor to be submitted with the Final Cost Certification. With prior approval of UHC, there may be exceptions to this requirement for residential buildings containing fewer than four units;
- Filled with qualified households according to the Special Needs Set-Aside Compliance Policy Section of the Compliance Manual which also explains coordinating with referring entities to fill vacant accessible Units for Long Term Mobility-Impaired tenants; and
- In corresponding ratio to the general mix of unit types in the project where there is more than 1 unit set aside as fully accessible, e.g., if there is an equal number of 2 and 3-bedroom units in the building, one 2-bedroom accessible unit and one 3-bedroom accessible unit would be set aside.

In addition to the above-specified units, all multifamily buildings are required to follow the 2009 IBC which is inclusive of the Fair Housing Act. For exceptions, see IBC 1107.5.4. (See Exhibit 6D). Fair Housing Act Guidelines can be found at: [Fair Housing Act Accessibility Guidelines](#)

Where there are four or more dwelling units in a single structure, every dwelling unit shall be a Type B dwelling unit, except where there is no elevator. If there is no elevator, Type B dwelling units need not be provided on floors other than the ground floor.

# **7. HOUSING CREDITS FOR TAX-EXEMPT BOND PROJECTS**

## INTRODUCTION

UHC is a qualified issuer of tax-exempt municipal bonds. UHC also may issue federally taxable bonds under certain circumstances. Neither the State of Utah nor any of its subdivisions is obligated to pay the bonds and neither the faith and credit nor the taxing power of the State of Utah or of any ~~it's~~ subdivisions is pledged to the payment of the principal or redemption price of or interest on the bonds. UHC has no taxing power.

### **A. Private Activity Cap Limits Amount of Bonds**

The Code limits the annual amount of private activity bonds that may be issued with each state (the Cap) and the amount is adjusted each calendar year for inflation. The Allocation of the Cap for Utah is administered under the direction of the Governor's Office of Economic Development. The Private Activity Bond Review Board (PAB) (created by the legislature at Utah Code 63N-5-101, et seq.) employing the formulas established by state law, allocates the Cap to issuers who have requested Allocations for specific projects, facilities and programs. The formula provides initial allotment accounts that are available beginning the first of each year for different types of facilities and programs. Multifamily rental housing for low and Moderate Income occupants and manufacturing facilities and Qualified Redevelopment Project (QRP) fall within the Small Issue Bond Account, for which an annual initial amount is set-aside. Additional amounts may be allocated for rental housing after July 1 of each year, if certain other allotment accounts have not been depleted before then. The PAB is empowered to allocate the Cap in the amounts that it deems to be equitable.

### **B. New Construction or Substantial Rehabilitation**

The Code requires that the proceeds of a multifamily tax-exempt bond issue be used to finance the acquisition development and/or rehabilitation of newly constructed multifamily rental housing.

### **C. Revenue Bonds vs. General Obligation Bonds**

The sole source of repayment of UHC's bonds, including all interest and any premiums, for multifamily rental housing are the revenue sources related to the projects financed by the bonds. Neither the bonds nor any interest or premium shall ever constitute a general indebtedness of UHC, nor can UHC use its resources to repay such bonds.

### **D. Bond Ratings**

One or more national rating services must rate publicly offered bonds issued by UHC. A minimum rating of "A" or better is generally required. The rating will depend upon, among other factors, what type of "credit enhancement" backs the bond repayments. An additional backing for the bonds must be in place to assure that the bond owners will be repaid even if the project and its underlying mortgage loan defaults. A loan funded with the proceeds of a bond sale is not sufficient collateral behind the bonds. Various enhancements have been used including letters of credit issued by the banks with national ratings; bond insurance; certificates issued by one of the federal government sponsored enterprises such as Fannie Mae, Freddie Mac or Ginnie Mae; FHA insurance; and other forms of enhancement. UHC reserves the right to approve all forms of credit enhancement for the bonds. With certain ~~restrictions~~ restrictions, UHC may permit bonds privately placed with institutional investors to be unrated.

## E. Underwriting Process

Publicly offered bonds issued by UHC are sold to underwriter(s) with the financial backing and capability to generate cash at closing equal to the amount of the bonds regardless of whether the bonds have resold to investors. UHC encourages the use of Utah firms whenever possible. The underwriter is responsible to assist in the determination of the most efficient credit enhancement, structure the bond maturities and terms of the bonds, so that the project owner can obtain a satisfactory mortgage interest rate. UHC may appoint or may entertain the requests of the project owner to use underwriters selected by the owner; ~~however~~however, UHC reserves the right to approve any ~~underwriter, and~~underwriter and may appoint “co-underwriters” as it deems appropriate.

## F. Legal Opinion

An opinion with the respect to the tax exemption of the interest on the bonds must be rendered by an attorney with national recognition in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds (Bond Counsel). The tax opinion may only be rendered if the bond issue, the facilities financed by the bonds and the uses of the facility comply with the requirements of the Code. UHC appoints Bond Counsel.

## G. Cost of Issuance

UHC’s issuer fee is based on the amount of bonds issued. The issuer fee for bonds that will be amortized for 30 years or more varies depending upon the amount of bonds issued and may be estimated using the table below:

Fee Scale	Issue Increments	Maximum Increment Fee
Flat	<\$2.5MM	\$25,000
0.00875	\$2.5 - \$7.5MM	\$43,750
0.00750	\$7.5 - \$12MM	\$33,750
0.00625	>\$12.0MM	Varies

As an example, a \$10,500,000 issue would result in an issuer fee of \$91,250.

If the amortization period of the bonds is less than 30 years, UHC may reduce the fee representing the shortened term. In all cases, UHC reserves the right to determine the amount of the issuer fee.

Each of the foregoing costs must be paid no later than ~~closing~~closing, and some perhaps as retainers, beforehand. Some costs may be charged only if a transaction ~~closes~~closes; others will be charged for services whether the transaction closes or not. Costs of issuance financed with the proceeds of tax-exempt bonds may not exceed 2% of the proceeds of such bonds.

## GENERAL REQUIREMENTS OF ISSUANCE

### A. Cap Allocation

The first step is for the project owner to attempt to obtain an Allocation of the Cap from the PAB in the amount requested. Phone 385-235-2975 or visit the Utah Department of Workforce Services website at <https://jobs.utah.gov/housing/community/pab/index.html> to obtain information. The project owner must complete the Application located at <https://utahhousingcorp.org/multifamily/applicationInfo>. The PAB generally meets ~~quarterly~~quarterly, and the Application must be submitted several weeks in advance of the meeting.

If the PAB allocates an amount of tax-exempt private activity bond which is less than that which is desired by the project owner, the issuance of federally taxable bonds by UHC is possible. PAB Allocations are typically valid for approximately 90 days after which an extension request may be required along with information demonstrating the progress of the project development.

The units in a tax-exempt bond financed project which are not also financed with 4% federal Housing Credits are restricted to a household income limit of 140% of area median income. The rents, however, are not restricted.

### B. Determination of Housing Credits for Bond Projects

Low income housing projects financed with tax-exempt bonds are eligible for 4 percent Housing Credits if they meet the minimum requirements of the QAP.

- UHC and the PAB share Application materials. Applications are due by the deadlines set forth in the PAB policy. Applications are submitted via UHC's online web-based ~~portal~~portal. On receipt of the application, UHC will then provide the Application and all supporting documents to the PAB.
- Utah Housing Corporation (UHC) will review all data and documentation provided to determine if the application pre-qualifies for Tax Credits. Applicants should be prepared to correspond, as UHC will work alongside project applicant for clarifications and/or corrections on non-disqualifying items until the project either earns the pre-qualification status or the deadline passes/disqualification. Each applicant is responsible for providing all requested and supporting documentation as governed by the applicable QAP at the time of initial submission. Note that at the time the application is submitted, any missing documents categorized as Threshold Items will result in disqualification by the PAB.
- For information on how to obtain an Application and begin the process of submission, contact UHC Multifamily Finance staff. Note: Please check with the PAB staff regarding other documentation that may be required.
- The Applicant must pay the UHC Application fee at the time the Volume Cap is awarded. Contact UHC staff for electronic payment information. (All fees owed to the PAB must be paid to them directly.)
- A copy of the Certificate of Allocation from the PAB must be provided to UHC once it is obtained.
- The Application must satisfy all requirements of §42 and 103 applicable to bond projects.

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- The review of an Application for Housing Credits for bond projects may occur outside the normal Application rounds. On receipt of volume cap award, the Project is eligible to apply for 4% Housing Credits with Utah Housing Corporation and should resubmit a refined portal application reflecting any changes and updated for accuracy alongside all supporting documentation required by the applicable QAP. Any new, changed, or refreshed documentation should also be provided for review. Changes in unit mix or minimum set-aside are not permitted after volume cap award.
- Applications must be submitted through the UHC web-based portal.
- Timeline for 4% Applications
  - Following volume cap award, applicants should contact UHC immediately to communicate when they plan to apply for 4% credits.
  - Applications must be re-submitted through the UHC ~~web-based~~web-based portal. A complete Housing Credit Application must be received by UHC no fewer than 30 days prior to the UHC board meeting at which the Project resolutions will be considered in order to allow time for review and follow-up to findings as needed. The Housing Credit resolution and bond resolution (or tax exempt loan resolution) will be considered at the same meeting of the UHC Trustees.
  - All 4% findings must be cleared by UHC no fewer than 17 days prior to the board meeting at which the project will be considered by the Board of Trustees. If findings have not been cleared and/or all final bond resolutions have not been completed by this time, the Project will move to the next board meeting.
  - If closing is delayed such that more than 30 days pass between bond resolution/4% award and closing, UHC may require a Pre-Closing Review (see Exhibit 5F-~~→~~).

### C. Reimbursement Resolution

The next step is for the project owner, UHC's Bond Counsel and staff of UHC to discuss the project, the intended occupants, the requirements of the Code (especially related to the income certifications of the tenants) and the annual reports to be prepared by the project owner, financial plans, the financing team and bond credit enhancements. This discussion should take place before the project owner submits its Request for Reimbursement Resolution to UHC as described herein. A Reimbursement Resolution may be requested prior to an award of private activity volume cap to the project.

UHC requires the items listed below to be delivered to UHC's offices not fewer than 10 days in advance of the meeting at which the Reimbursement Resolution is expected to be adopted, in order to help UHC make its determination to adopt a Reimbursement Resolution regarding the issuance of tax-exempt bonds for the financing of the multifamily rental housing project.

- **A non-refundable fee** of \$1,000 paid electronically on the UHC website, [www.utahhousingcorp.org](http://www.utahhousingcorp.org).
- **Electronic submission** of the Request for Reimbursement Resolution reproduced on letterhead (See Exhibit 7D). This should be uploaded to Tab 36 on the On-line Application.
- **Electronic submission** of the completed Comprehensive Reimbursement Resolution Certification. (See Exhibit 7F). This should be uploaded to Tab 36 on the On-line Application.
- **Electronic submission** of the completed Multifamily Housing Credit Application for Private Activity Bond/Low Income Housing Credits, updated to reflect any changes made following the submission of the Applications for Cap and Housing Credits, if available. (See Exhibit 2A).
- **Electronic submission** of the Certificate of Allocation from the PAB, if available.

UHC must be persuaded or "induced" that the project is one that should receive the scarce benefit of tax-exempt bond financing. The project owner must provide a sufficient amount of information to enable UHC to perform a review that will enable UHC to be persuaded of the social benefits and the financial integrity of the project. The request for Reimbursement Resolution and a subsequent public hearing must make reference to the correct project owner's name and entity type (e.g. XYZ, a Utah limited partnership) project address, number of residential units in the project, expected costs of the project, etc.

Changes to the foregoing may require the adoption of a new Reimbursement Resolution which may cause delays and may make costs incurred before the new Reimbursement Resolution ineligible for reimbursement from the proceeds of the bond sale.

The adoption of a Reimbursement Resolution is not a binding commitment by UHC to issue bonds, nor is it a commitment by the project owner to accept such financing. If UHC adopts a Reimbursement Resolution, the bonds may finance the costs incurred by the project owner thereafter, should the bonds be issued, and should the financing structure permit the inclusion of such costs in the debt. Developers are discouraged from incurring such costs until such time that the terms of any possible financing are more defined and found to be mutually acceptable. Generally, costs incurred by a project owner prior to the adoption of a Reimbursement Resolution may not be financed with the proceeds of the bonds.

The loan underwriting criteria including loan to value ratios, debt service coverage ratios and so forth will determine the loan amount and consequently the amount of bond to be issued.

#### **D. Bond Resolution / Public Meeting**

The next step is for UHC to adopt a Bond Resolution that officially authorizes the sale of the bonds. Before the adoption of the Resolution takes place, a determination of the credit enhancement, underwriters, bond trustee, loan amount and amount of bonds must have been made by the project owner, including payment for their services, and approved by UHC. Those determinations must be documented in UHC's form of "Term Sheet" and delivered to UHC not less than 10 days in advance of the meeting at which the Bond Resolution is expected to be adopted. The Code requires that a public hearing, "TEFRA" hearing (Tax Equity and Fiscal Responsibility Act of 1982) regarding the proposed financing and bond sale be held by UHC.

The Reimbursement Resolution and TEFRA hearing must make reference to the correct project owner's name and entity type (e.g. XYZ, a Utah limited partnership), project address, and number of residential units in the project, expected costs of the project, etc. Changes to the foregoing may require an additional hearing for which the project owner will be required to pay an additional nonrefundable fee and any related expenses. Finally, the Code requires that the Governor of the state approve the financing.

#### **E. Additional Forms and Documents**

Additional forms related to the multifamily tax-exempt bond program include the form of Request for Reimbursement Resolution (Exhibit 7D), List of Interested Parties (Exhibit 7E), and the Comprehensive Reimbursement Resolution Certification (Exhibit 7F).

Please be aware that a project financed in any way with tax-exempt bonds:

- i. will only receive an Allocation of Housing Credits outside of the Housing Credit Ceiling Amount;
- ii. does not compete with other projects for an Allocation of Housing Credits;
- iii. is eligible for 4 percent Housing Credits only;
- iv. must meet the requirements of this QAP including commitment to a minimum Extended Use Period of 35 years (for a total of 50 years) for the entire project\*;
- v. if State Credits are used for feasibility purposes, Applicant must commit to an Extended Use Period of 35 years (for a total of 50 years) for the entire project\*;
- vi. must submit a Project Development Schedule on or before April 1st and September 1st of each year the project is under development;
- vii. does not receive a Housing Credit Reservation;
- viii. does not receive a Carryover Allocation of Housing Credits;
- ix. is not under time constraints determined by UHC;
- x. does not submit a 10% Cost Certification;
- xi. must sign and record a Land Use Restriction Agreement (LURA);
- xii. must complete a pre-closing review with UHC staff (see Exhibit 5F);
- xiii. must submit a Final Cost Certification; and

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- xiv. receives a final Allocation (IRS Forms 8609) of Housing Credits in the year the project is placed in service.

The amount of Housing Credits allocated to a bond project is automatically calculated in the Application and is contingent upon ~~the a~~ number of factors including, but not limited to, the ~~bond~~ project's Eligible Basis, fees, Applicable Fraction, applicable percentage, funding gap, and financing terms.

\*For Housing Credit projects previously restricted by a LURA, the new LURA will require a ~~15-year~~ 15-year initial Compliance Period plus a ~~35-~~ year Extended Use Period.

## **F. 4% Application Thresholds**

The following are threshold ~~items~~ requirements for 4% Bond Applications, in addition to the Underwriting Guidelines outlined in Exhibit 4A and upload requirements listed on Exhibit 2A.

- i. The ~~m~~Market Study must indicate that the proposed rents ~~AMIs~~ are at least an average of 10% below market ~~for the 40/60 Minimum Set Aside~~. ~~tiered-For Average Income projects with rent tiers approaching market and where lower rents may be charged, developers must submit a separate proforma illustrating actual rents anticipated to be charged below the LIHTC max (see Tab 2).~~
- ii. Projects requesting State Tax Credits may not have units below 58% AMI ~~for the 40/60 Minimum Set Aside~~, or an average of 58% AMI for Average Income projects, unless those ~~units are subsidized~~ ~~rent differentials are paid -through another source.~~
- iii. Development Experience: Application contains evidence confirming quality, experience, and capacity of Applicant to create and develop Housing Credit units.
  - 4. At least one individual who is on the development team for the Applicant and has an ownership interest in the Project must have been an essential member of the development team and have an ownership interest in a previous Bond/4% project or at least three 9% projects in order to qualify for 4% credits.
  - 5. For those who have only worked on Nonprofit projects and thus have no prior ownership, applicant must receive UHC experience approval prior to PAB application submission.
  - 6. The development for which experience is being claimed must have been issued IRS Forms 8609 at the time of Application in order to be considered.
  - 7. Joint ventures with a Utah based partner are acceptable for meeting requirements in this category, but operating and other agreements must show that the experienced partner receives over 25% of the Developer fee. The joint venture agreement must be submitted with the Application.
  - 8. Consulting experience or working as a consultant on the proposed project is not sufficient to meet this requirement. The experience may be in or outside of Utah.
- iv. Applicant must be in "Good Standing" at time of application.

## 8. THE SCORING PROCESS

## SELECTION CRITERIA

The Code requires UHC to adopt an Allocation plan that considers the following selection criteria:

- project location;
- housing needs characteristics;
- project characteristics, including the use of existing housing as part of Community Revitalization;
- sponsor characteristics;
- tenant populations with special housing needs;
- tenant populations of individuals with children;
- public housing waiting lists;
- historic nature of projects;
- energy efficiency and sustainability of the project; and
- projects intended for eventual tenant homeownership.

The Code also requires UHC give preference to projects which:

- serve the lowest income tenants for the longest periods, and;
- are both located in Qualified Census Tracts and contribute to a Concerted Community Revitalization Plan area.

In addition to the above selection criteria, UHC, in its sole discretion, has established other criteria. All selection criteria and preferences shall be consistently applied to all Applicants through the Scoring System established below.

## PREFERENCE SELECTION CRITERIA

### A. Lower Income Targeting weight = 50

*Maximum weighted score for this criterion is 5,000*

**Purpose:** To recognize efforts to develop rental housing affordable to households across a broad range of incomes, yet favoring more units available to mid-range incomes to enhance long-term feasibility.

Applicant income and rent level commitments shall be fixed for the entire Extended Use Period. Initial tenant incomes shall be restricted to the lesser of (i) the maximum AMI permitted by the Code under the chosen convention, or (ii) the AMI that is 5 percentage points greater than the committed rent level. Committed income and rent levels should be supported by the conclusions of the project's market study submitted during the Application process.

### **Projects Not Electing the Income Averaging Minimum Set-Aside**

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Projects will target rents into any or all of three ranges: “Mid Rent Range” (40% through 45% AMI), “Low Rent Range” (less than 40% AMI), and “Upper Rent Range” (greater than 45% AMI and less than or equal to 50% AMI). Projects may have units above the 50% AMI rent level if supported by a market ~~study, but~~ [study](#) ~~but~~ will score no points for these units.

Points are earned as follows:

- (a) Points are determined from the percentage of units in each of the three ranges mentioned above.
- (b) The Mid-Rent Range maximum is 60 points when targeting 60% of the restricted units on a uniform scale from 0%-60% (1 point per percent).
- (c) Low-Rent Range (i.e., below 40% AMI) units receive a maximum of 20 points for 20% of the total restricted units on a uniform scale from 0%-20% (1 point per percent).
- (d) Upper-Rent Range (i.e., above 45% AMI) units receive a maximum of 20 points for 20% of the total restricted units on a scale from 0%-20% (1 point per percent). No points will be awarded for units above 50% AMI.
- (e) Homeless units below 25% AMI score points in addition to points earned under this section. See Part D of Section 8, The Scoring Process for the Scoring Criteria.
- (f) The Low-, Mid-, and Upper-Rent Ranges must each contain a distribution of unit types. If a project will include 1-, 2-, and 3-bedroom units, each rent range must include representation of each. An exception will be allowed for projects where all units of a unit type are included in the Low-Rent Range. For example, if there are 5 one-bedroom units in the project and they are all included in the Low-Rent Range in order to serve a Special Needs population such as chronically homeless, and all other unit types are distributed according to the above, the project will be awarded the full 5,000 points.
- (g) In cases where the number of units makes it impossible to hit the 20/60/20 mix, prioritize the minimum 60% Mid band first. To achieve the maximum score for both the Upper and Low band, move a sufficient number of units out of the Upper band and into the Low band until the percentage of Low band units is at least 20.0%. ~~###~~ There is no minimum or maximum percentage of units required in any of the three ranges.

### **Projects Electing the Income Averaging Minimum Set-Aside**

Projects will target rents into any income-restricted level that is an increment of 10, up to 80% of AMI, i.e., 10% AMI, 20% AMI, 30% AMI, 40% AMI, 50% AMI, 60% AMI, 70% AMI, or 80% AMI.

Points are determined from the percentage of units in each of the categories described below:

- (a) The Mid-Rent Range maximum is 60 points when targeting 30% of the restricted units at 40% AMI and 30% of the restricted units at 50% AMI (1 point per percent).
- (b) Low-Rent Range maximum is 20 points when targeting 10% of the restricted units at 20% AMI and 10% of the restricted units at 30% AMI (1 point per percent).
- (c) Upper-Rent Range maximum is 20 points when targeting 6% of the restricted units at 60% AMI, 6% of the restricted units at 70% AMI, and 8% of the restricted units at 80% AMI.
- (d) Homeless units elected in Part D of Section 8 must be divided between 20% AMI and 30% AMI.
- (e) The Low-, Mid-, and Upper-Rent Ranges must each contain a distribution of unit types. If a project will include 1-, 2-, and 3-bedroom units, each rent range must include representation of each. An exception will be allowed for projects where all units of a unit type are included in the Low-Rent Range. For example, if there are 5 one-bedroom units

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- in the project and they are all included in the Low-Rent Range in order to serve a Special Needs population such as chronically homeless, and all other unit types are distributed according to the above, the project will be awarded the full 5,000 points.
- (f) In cases where the number of units makes it impossible to hit the 20/60/20 mix, prioritize the minimum 60.0% Mid band first. To achieve the maximum score for both the Upper and Low band, move a sufficient number of units out of the Upper band and into the Low band until the percentage of Low band units is at least 20.0%

Under the Income Averaging election, AMI designations are permitted to float between units within the project but the total unit mix must be maintained.

#### Applicability to 4% Tax-Exempt Bond Projects

Section 142 (tax-exempt bond regulations) was not amended to include income averaging provisions. For eligibility for tax-exempt bonds under Section 142, a project must still meet a 20-50 or 40-60 minimum set-aside. However, for purposes of the 4% credit allocation, the project can elect the Income Averaging option as long as the unit mix selected would also meet either a 20-50 or 40-60 minimum set-aside test for purposes of bond compliance.

#### ~~Permanent Supportive Housing (PSH), Chronically Homeless,~~ and Resyndication Projects

Projects that dedicate 100% of units to ~~Permanent Supportive Housing or chronically homeless housing~~ will receive an exemption from the above AMI targeting matrix for the purposes of scoring. ~~PSH projects must be 100% Supportive Housing projects PSH, therefore all units~~ will be exempt from the rent tiering matrix and the Application will receive the maximum points for this scoring category (5,000 points) regardless of the specified AMI/rent tiering. ~~Projects that are 100% Chronically Homeless will receive an exemption from the AMI targeting matrix for the purposes of scoring, and will receive the maximum points in this category (5,000 points) regardless of the specified AMI/rent tiering.~~

Projects that are not 100% ~~Chronically Homeless~~ Supportive Housing will receive a rent-tiering score for the AMI/rent tiering of the non-~~Chronically~~ Homeless units only. As an example, if a project is 40% ~~chronically~~ homeless, the ~~chronically~~ homeless units will be exempt from the tiering ~~structure~~ structure, but the remaining 60% of the units must employ the AMI tiering structure and will be scored accordingly.

Resyndication projects that have a lower weighted average AMI than what would be achieved by maximizing the rent tiering structure for the same number and configuration of rent-restricted units may apply under the current rent tiering structure which would maximize the full 5,000 points.

No existing tenant household may experience an immediate rent increase as a result of higher rent limits as approved by UHC unless the household income has increased to an amount corresponding with the new AMI designation. Otherwise, If the AMI designation of a given unit will have a higher AMI designation under the new LURA, the rent may only increase per HUD annual increases, and only up to the rent AMI determined by the new LURA. If the AMI designation will be higher than the current tenant's income, that unit will only be allowed to increase to the new LURA AMI designation when the unit turns over. UHC encourages owners and managers to ensure the income of the household matches the rent AMI of the unit, inasmuch as it is

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possible. Resyndication projects may increase the number of units that were included under the original ~~LURA~~, but LURA but may not reduce the number of units.

Resyndication example: Unit A, prior to resyndication is a 40% AMI unit. Tenant's income is now 50% AMI. Eventual unit designation will be 60% AMI. At tenant recertification, the AMI may only go up to 50% AMI. Unit may be raised to 60% AMI once the unit turns over.

**SECONDARY SELECTION CRITERIA**

**A. Project Location weight = 20**

*Maximum weighted score for this criterion is 300*

**Purpose:** To recognize efforts to develop Housing Credit projects in communities that have been determined to be underserved or hard-to-develop.

Points in this category will be awarded as follows:

	Maximum Score
a) Project is located in an Area of Opportunity (See Exhibit 8A)	5
b) Project is located in a “Non-Participating Area”, (See Exhibit 8B)	
First Housing Credit restricted Project in county*	5
<b>OR</b>	
First Housing Credit restricted Project in municipality*	5
<b>OR</b>	
Housing Credit restricted Project on tribal land*	5
<del>e) Project is located within 1/3 of a mile of FrontRunner or TRAX OR bus stop along core route (See Exhibit 4B).</del>	
e) Project is located within 1/3 of a mile of FrontRunner, <del>or</del> TRAX, <u>Bus Rapid Transit Station</u> (See Exhibit 4B)	5
<b>OR</b>	
e) Project is located within 1/3 of a mile of bus stop along core route. A core bus route for counties with UTA service (Davis, Weber, Utah, and Salt Lake Counties) is a route having frequency of at least 30 minutes for at least 15 hours per day, Monday through Friday. A core bus route for all other counties is a route having frequency of at least 40 minutes for at least 11 hours per day Monday through Friday. On demand services may be included as a Core Bus Route if the cost is no more than a regular bus ticket, there are no limitations on use, and the service is available for at least 11 hours per day Monday through Friday, all year round.	3
In all instances, distance shall be measured using the shortest walkable route along public access from the nearest entrance/exit of the project’s site. All points along the public portion of the route must be accessible on a paved walkway (e.g., sidewalks and crosswalks), and distance will be measured at the nearest stop sign, stoplight, or crosswalk. (See Exhibit 4B). Scattered-site projects are not eligible for these points unless all tax parcels are located within 1/3 of a mile of FrontRunner, TRAX, <u>Rapid Bus Transit</u> or core route bus stop. Projects located in a Non-Metro County are not required to provide sidewalks if the jurisdiction’s building official provides a letter affirming that the project is not required to provide sidewalks as part of the development.	
<b>Maximum Points</b>	15
Weighting	X20

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<b>Maximum Project Location Total Score</b>	300
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\* See list in Exhibit 8B.

**B. Project Characteristics weight = 20**

*Maximum weighted score for this criterion is ~~590~~610*

**Purpose:** To recognize efforts to develop projects that serve certain populations or provide amenities deemed important to household stability.

Points in this category will be awarded as follows:

**1. Large Units:** Project provides three or four bedroom units. ~~Although Permanent Supportive Housing Projects may provide Large Units if desired, no points will be awarded to PSH Applications under this category. Supportive Housing Projects may be awarded points in this category.~~ Points in this scoring category will only be awarded if at least 50% of the project units have 2 or more bedrooms. Up to 10% of units in 55+ senior housing projects may be 3+ bedroom units.

	Maximum Score
a) 3 bedroom units:  1 pt. for a minimum of 10% of Housing Credit units 1 additional point for 20% or more of Housing Credit units.  The 3 bedroom units included in this count for point scoring must be Housing Credit units.	2
b) 4 or more bedroom units: 2 points for 10% or more of Housing Credit units.*  The 4 bedroom units included in this count for point scoring must be Housing Credit units.	2
Subtotal	4

\* If all 30% of units making up “large units” are 4 bedroom, project will qualify for the maximum 4 points.

**2. Project Amenities:** Project provides above average non-fee amenities. Maximum points in this category is 10. For points claimed for any amenity, a brief written description must accompany the Application. The description should include supporting documentation (e.g. maps), and an itemization of inclusions (e.g. clubhouse will have two flat screen televisions, a seating area, and a kitchenette).

An estimate of associated cost must be itemized if there is a cost to the project. Cost itemization must include the cost of constructing or rehabilitating a space within a project (such as a fitness room), any equipment supplied to the project (such as fitness equipment), and any ongoing periodic service cost (such as the cost of internet service or cable television). Amenities that do not require an estimate of cost include only the following: (1) proximity to public spaces (such as parks, playgrounds, community centers) and public transportation (Trax, Bus Rapid Transit, Front Runner, or core route bus stop), (2) life skills classes that are available at no cost to the project, (3) historic character, (4) rent reduction in Substantial Rehabilitation projects, (5) projects in Community Revitalization Plan areas.

An Application may only count an amenity once; therefore combined functions (a library which is part of a community room, for instance) will only count under one category. An amenity will only score points for the Application of the project in which its costs are incurred. If an Application is for a second or subsequent phase of a multi-phase development, an amenity will only count for one of the phases. PLEASE NOTE: 4% tax-exempt bond financed projects must submit a list of included amenities along with a detailed description.

~~The cost detail for each amenity is not required for 4% projects.~~  
In accordance with 26 USCS § 42(m)(2) and UCA 59-10-1010(3), UHC reserves the right to exclude any costs from basis that detract from the reasonableness and economic feasibility of the qualified development. This includes, but is not limited to, excessive elements that are not primarily contributing to decent, safe, and sanitary housing.

State of Utah Housing Credit Program  
 Qualified Allocation Plan

	Maximum Score
a) Covered Parking* for every unit	3
b) Covered Parking-- 0.5 spaces per unit	1
c) Commercial grade outdoor tot lot or playground (includes safe play surface, e.g., wood chips, rubber)	2
d) On-site solar***	2
e) Furnished Clubhouse or Community Room****without a kitchen. For projects with 25 or fewer units, the Clubhouse or Community Room must be at least 300 square feet. For projects with more than 25 units, the Clubhouse or Community Room must be at least 450 square feet. These sizes are exclusive of any contiguous space used for leasing, maintenance, or any other purpose.	3
f) Furnished Clubhouse or Community Room**** with a full kitchen. Full kitchen includes full sized fridge, range and oven, sink, dishwasher, and prep space. For projects with 25 or fewer units, the Clubhouse or Community Room must be at least 400 square feet. For projects with more than 25 units, the Clubhouse or Community Room must be at least 500 square feet. These sizes are exclusive of any contiguous space used for leasing, maintenance, or any other purpose.	4
g) Wireless or separate wired data network into each unit with full internet service at no charge to tenants.	4
h) Life Skills classes that meet UHC criteria **	1
i) Permanently installed indoor bicycle lockers or storage system. Minimum of 1 stall for every 5 units.	2
j) Raised vegetable garden area for resident use (Senior housing or <a href="#">Supportive HousingPSH</a> only). Raised beds must be at least 30 inches off the ground, a minimum 60”Lx36”Wx12”H and include access paths. Minimum of 1 garden bed per 20 units.	2
k) Renter’s Insurance to the benefit of tenants, at no charge to tenants	3
l) On-site storage provided for each unit outside of the living spaces. Contact UHC for approval of this amenity prior to submission of Application. Must be a minimum square footage size of 24 sq. ft.	2
m) Within 1/3 mile to a public park that has been designated as green space for public use by a governmental entity or deed restriction. Distance will be measured using the shortest walkable route along public access. <a href="#">Rural projects (Exhibit 3A) may be within ½ mile.†</a>	2
n) For Senior housing, within 1/3 mile of Senior center OR Senior Center Shuttle. Distance will be measured using the shortest walkable route along public access OR shuttle must have regular schedule, at least 5 days per week, more than once per day. <a href="#">Shuttle must be no cost.</a>	2
o) For projects with 2+ bedrooms, within 1/3 mile of a public school. Distance will be measured using the shortest walkable route along public access. <a href="#">Rural projects (Exhibit 3A) may be within ½ mile.†</a>	2

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State of Utah Housing Credit Program  
 Qualified Allocation Plan

p) Furnished exercise room or sport court.	2
q) Car share program -- must be based on-site and available solely for the use of tenants. Minimum of 2 vehicles.	4
r) Electric Vehicle Charging Stations***** - charging must be available to tenants at no cost. Note: Only one selection out of EV Ready/EV Charging Stations may be selected. Minimum of 4% of parking spaces.	2
s) EV Ready Parking***** Note: Only one selection out of EV Ready/ <del>Rapid</del> -Electric <u>Vehicle Charging</u> Station may be selected. Minimum of 10% of parking spaces.	1
t) Washers and dryers included in unit	3
u) Other _____ (must obtain written permission from UHC prior to the submission of Application).	1
Subtotal	10
	10

\* At least 1 covered stall per unit. In the event the jurisdiction places a cap on the number of stalls per unit of something less than one, the maximum permitted number of covered stalls must be provided in order to earn full points for this amenity.

\*\*Life Skills and other classes should be made available to all tenants on an ongoing basis with scheduled classes, experts invited in as well as agencies and Nonprofits that provide the types of training listed below. (Some Nonprofits do the training free of charge.) On-site space must be available and provide sufficient square footage and accessibility for attendance. A narrative must be submitted with the Application that describes the specific classes being offered and their frequency. Letters of support from third party agencies providing training must be provided. Projects which are a subsequent phase of a multiphase development may take points for Life-Skills if they already exist in the previous phase(s) and if a new letter of narrative and letter of support are included with the application.

\*\*\*Owners who opt for solar panel amenity must illustrate in their application that the cost of electricity will be subtracted from residents' utilities and total rent payment, i.e. residents will not be charged the maximum rent limit.

\*\*\*\* Clubhouse or Community Room does not need to be a separate building.

†For rural projects, distance may be measured without sidewalks, if community development plans indicate that no sidewalks will be built.

\*\*\*\*\*Defined as Level 2 or 3 charging (see glossary).

\*\*\*\*\* Designated parking space which is provided with 208/240-volt dedicated branch circuit for future dedicated Level 2 EV charging. The circuit shall terminate in a junction box or outlet, and be located in close proximity to the anticipated location of the future EV parking spaces.

Life Skills Classes

1. Finance-- banking, loans, budgeting, shopping smart
2. Consumer credit-- repair
3. Employment-- resources, expectations
4. Medical-- hygiene, care, pregnancy, resources
5. Insurance-- auto, renter's
6. Driver education
7. Computer literacy
8. Education-- vocational, children, resources
9. Apartment living
10. Transportation-- resources
11. Childcare - resources
12. Government assistance - resources
13. Health - diet, exercise
14. Home buyer counseling/education

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**3. Historic Character:** To encourage the preservation of historic buildings\*, Applicants may claim points in one of the following categories, but not both. To qualify for points under this category, the historic building(s) must primarily be used for Housing Credit units and the historic character of the building(s) must be preserved. The building must be listed as a historic building or a contributing building in a historic district by the city where it is located.

	Maximum Score
a) Buildings that are on the National Register for Historic Places (see link <a href="https://www.nps.gov/subjects/nationalregister/index.htm">https://www.nps.gov/subjects/nationalregister/index.htm</a> )	3
b) Buildings in a Historic District (see link <a href="https://ushpo.utah.gov/shpo4/national-register/">https://ushpo.utah.gov/shpo4/national-register/</a> <a href="https://heritage.utah.gov/history/national-register/">https://heritage.utah.gov/history/national-register/</a> )	1
Maximum Subtotal	3

\*In order to receive points the Applicant must provide evidence and supporting documentation from either of the aforementioned sources.

**4. Energy Certification:** To encourage sustainable design of affordable housing, in addition to the required Energy Star Certification or Enhancement.

	Maximum Score
Project will become certified through the Enterprise Green Communities <del>Initiative</del> Criteria, Energy Star NextGen, DOE <del>Zero Energy Ready Home</del> Efficient New Homes Certification, Green Globes, LEED, NGBS, or Passive House. See page 44 for accepted certification levels.	5
Subtotal	5

**5. Local Jurisdictional Support\* :** Project has a commitment of specific financial resources from a local jurisdiction. This may include fee waivers, grants or loans to the project from the local jurisdiction. The contribution must be a dollar amount. Loans must have a minimum term of 5 years.

Salt Lake County	Maximum Score
Contribution is \$150,000 to \$500,000	.5
Contribution is \$500,001+	1
Maximum Subtotal	1
Contribution is \$5,000 to \$150,000	1.5
Contribution is \$150,001+	2
Maximum Subtotal	2

\*Projects that score local jurisdictional support points must provide a letter of commitment (see tab 39) from the jurisdiction dated within 120 days. Please note that the amount committed from the local jurisdiction at the time of application is considered a firm source of financing. If at any time this amount is reduced or removed from the sources without being replaced with a comparable source, UHC will rescind the tax credit award.

**6. Other:**

	Maximum Score
<p>a) <del>Available only to combination New/Acquisition/Rehab projects where all existing units in the project will be rehabilitated and there are at least 12 existing units. Single family structures are not permitted to count toward existing acquisition/rehab units for the purposes of these points. Projects will receive 0.2 points for every 5 new units added to the existing project, up to 25 new units.* If non-contiguous, the parcel on which the new units and amenities must be built within 500 feet of the parcel containing the existing units, accessible via public easement or private walkway. Projects may not divide existing units into smaller units in order to receive these points.</del>  <del>Available only to Substantial Rehabilitation projects that maintain or reduce the targeted rent AMIs below those paid by ALL current tenants.* Resyndication projects that have a lower weighted average AMI than what would be achieved by maximizing the rent tiering structure for the same number and configuration of rent restricted units may apply under the current rent tiering structure which would maximize the full 5,000 points. Vacant units are not considered in the analysis. Preservation projects that maintain rent levels or reduce rent levels also qualify for this score.</del></p>	15
b) Projects that are part of a Concerted Community Revitalization Plan and located in a QCT as required in IRC Section 42	0.5
c) <del>Project is part of a "twinned" development with a 4% element**</del>	<del>2</del>
Subtotal	<del>52.5</del>

\*Tenants may be temporarily relocated during rehab but must be offered the opportunity to re-lease their current unit or the same unit type at the same rent level or less.

\*\*Project must receive volume cap award by the January round of the following calendar year, or the 9% award or reservation will be cancelled.

	Maximum Score
Sum of Subtotals	<del>3029.5</del>
Weighting	X20
<b>Maximum Project Characteristics Total Score</b>	<del>590630610</del>

**C. Applicant Characteristics weight = 20**

*Maximum weighted score for this criterion is 260*

**Purpose:** To recognize previous development experience of ~~private sector~~ Developers, ~~Nonprofits, and quasi-government organizations~~ applying for Housing Credits.

Points in this category will be awarded as follows:

- 1. Development Experience:** Application contains evidence confirming quality, experience and capacity of Applicant to create and develop Housing Credit units. At least one individual or entity who is on the development team for the Applicant and has an ownership interest in the Project must have been an essential member of the development team in a previous Housing Credit project in order to claim these points. The development for which experience is being claimed must have been issued IRS Forms 8609 at the time of Application in order to be considered under this point category. Joint ventures with a Utah based partner are acceptable for obtaining points in this ~~category, and~~ category and operating and other agreements must show that the Utah member ~~has controlling interest and receives over 50%~~ receives% receives over 25% of the Developer fee. The joint venture agreement must be submitted with the Application. *Applicant will receive points in only one of the following categories.*

	<b>Maximum Score</b>
Applicant has developed and has ownership interest in multifamily Housing Credit projects in other states but not in Utah.	5
Applicant is a multifamily housing Developer with Housing Credit experience and has ownership interest in Housing Credit or Tax-Exempt Bond projects in Utah.	10
Sub-Category Maximum	10

~~2. **Sponsor Tax Status:** Applicant or sponsor is either a qualified nonprofit, Community Housing Development Organization (CHDO) or Public Housing Authority, as defined by HUD, and materially participates in the development, ownership and management of the project. See Exhibit 3B for more information. Applicant will receive points in only one of the following categories:~~

	<b>Maximum Score</b>
<del>a) Qualified 501(c)(3) organization</del>	<del>2</del>
<del>b) Utah Community Housing Development Organization (CHDO)*</del>	<del>3</del>
<del>c) Public Housing Authority or 501(c)(3) established by Public Housing Authority**</del>	<del>3</del>
<del>d) Tribal Government, Tribally Designated Housing Entity, Tribal Housing Authority, or Section 17 Corporation or Body Politic of a Tribal Government</del>	<del>3</del>
<del>Sub-Category Maximum</del>	<del>3</del>

~~\* Must have a current certification that does not expire prior to Dec. 31<sup>st</sup> of current year or Letter from the State or HUD not dated more than 120 days from application. CHDO is required to certify that a minimum of one third of its board are members of the low-income community by providing a list of members and indicating those that meet this criteria in the portal application.~~

~~\*\* Must be governed by the same board as PHA.~~

Applicant Characteristics Totals

<b>Maximum Points</b>	<del>103</del>
Weighting	X20
<b>Maximum Applicant Characteristics Total Score</b>	<del>20060</del>

**D. Tenant Populations with Special Housing Needs weight = 20**

*Maximum weighted score for this criterion is 500*

**Purpose:** To recognize efforts to develop projects providing specialized units or assistance for households with Special Needs.

Applications must comply with the relevant requirements of Section 6 in order to be eligible for points in this category.

- 1. Persons with Mobility Impairments:**  
 Provide at least one fully accessible unit.

All multifamily housing is required to construct a minimum of 5% of its dwelling units as fully accessible. No points are awarded for meeting this minimum requirement.

- 2. Older Persons:**  
 Provide units for use by Older Persons (fifty-five (55) years or older) in accordance with the federal and Utah Fair Housing laws. ~~Permanent~~ Supportive Housing projects may not be age-restricted. ~~PSH~~ Supportive Housing Applications will not be awarded points under this category. *Applicant will receive points in only one of the following categories:*

	<b>Maximum Score</b>
A minimum of 80% or more of the units in <del>project</del> <u>the project</u> must be age-restricted to 55 and older.	3
100% of the units in project must be age-restricted to 62 and older.	5
Sub-Category Maximum	5

For the purpose of the tie-breaker, an Applicant electing this category for points will only be credited with 80% of designated set aside units.

**3. Homeless or chronically homeless units:**

Provide at least one unit at or below 25% AMI. Evidence of contractual participation by a Nonprofit or government social Service Provider for referral of clients is required. Please refer to the Compliance Monitoring Manual to understand how these units must be marketed and how long they must be held as available for a qualified household before being released for rent to a non-homeless income qualified household.

	Maximum Score
For small projects (25 or fewer units): 1 point per 2% of total number of units, up to a maximum of 10 points.	10
For all other projects: 2 points per unit up to a maximum of 5 units.	
Subtotal	10

**4. Housing for other populations:**

Provide at least one unit for one or more of the following groups. Applicant must provide a narrative outlining an active marketing plan (not simply receiving referrals) for the units and the nature and extent of supportive services offered to tenants. All of the following must have at least one third-party Service Provider letter on Service Provider’s letterhead.

- Persons with Disabilities
- Domestic Violence
- Maturing Foster Children
- Refugees
- Veterans
- Other Special Needs units with written pre-approval by UHC

	Maximum Score
1 point per percent of the low-income units up to a maximum of 10. Example: If 5 units in a 50 unit Housing Credit project are set aside for refugees, the project would score 10 points in this category.	10
Subtotal	10
<b>Maximum Points</b>	25
Weighting	X20
Maximum Tenant Populations with Special Housing Needs Total Score	500

~~E. Service to Tenants with Public Housing Assistance weight = 20~~

~~Maximum weighted score for this criterion is 200~~

~~**Purpose:** To recognize efforts in the placement of households utilizing HUD Section 8 Vouchers or Certificates.~~

~~Points in this category will be awarded as follows:~~

	<del>Maximum Score</del>
<del>Applicant agrees that it will <u>accept</u> tenant applications under applicable program and restrictions, for those units not otherwise restricted under a project based rental assistance program such as Section 8, or USDA Section 515.</del>	<del>10</del>
<del>Subtotal</del>	<del>10</del>
<del>Weighting</del>	<del>X20</del>
<del>Maximum Service to Tenants of Public Housing Assistance Total Score</del>	<del>200</del>

### **F.E. Credit Efficiency weight = 20**

***Maximum weighted score for this criterion is 240***

**Purpose: To recognize efforts to contain costs and maximize the efficient use of Housing Credits.**

In an effort to encourage efficient use of the Housing Credit, with an emphasis on producing the greatest number of quality, sustainable, and energy efficient units as possible, Applications will include the potential for points for credit efficiency. Note that housing credits associated with the eligible basis generated from a Community Services Facility will be deducted from the credit efficiency calculation for purposes of scoring under this section, however all projects will be limited to the maximum credits allowed per bedroom and per unit. See Exhibit 8E for further information.

- Each project's credit efficiency will be calculated at two levels:
  - Federal Tax Credits per LIHTC Bedroom
  - Federal Tax Credits per LIHTC Unit

Studios will count as 0.90 bedroom and 0.90 unit for purposes of Housing credits per LIHTC ~~bedroom~~ and bedroom and Housing credits per LIHTC Unit.

~~-Projects that are a combination of New & Acquisition/Rehab: will be scored under the New category, have each type of bedroom and unit broken out between the categories for scoring, and a weighted average applied to the earned point value (see Exhibit 8e). Applicant will segregate the amount of credit requested for the new units vs. The ac/rehab units. credits between "new" and "acquisition/rehab." This breakdown will be utilized to determine the score for credits per unit and credits per LIHTC bedroom, and a weighted average will be applied to determine the final point value.~~

Each credit efficiency category will then be measured against the average of the medians of the two previous rounds, plus an inflation factor based on the Consumer Price Index for the prior year, published by the Bureau of Labor Statistics as 12-month percentage change, all items less food and energy. Those averages will be published as Exhibit 8E, CREDIT EFFICIENCY DATA. The portal Application will calculate the score of these efficiency categories, determine an average of the two scores, and apply points for the average score weighted at 20.

Scores are awarded as follows:

	New Project
≤95% of Average	12 points
95.1% - 105% of Average	9 points
105.1% - 115.0% of Average	6 points
115.1% - 125% of Average	3 points
≥ 125.1% of Average	0 points
Projects with 20% to 30% Basis Boost Only:	
125.1% - 135.0% of Average	3 Points

An example is provided below.

	Federal TC per LIHTC Bedroom	Federal TC per LIHTC Unit
<95% of Average	X	
95.1% - 105% of Average		
105.1% - 115.0% of Average		X
115.1% - 125% of Average		
Points	12	6
	Average = 9	
	Points = 9*20=180	

	<b>Maximum Score</b>
Credit Efficiency Points	12
Weighting	X20
Maximum Cost and Credit Efficiency Total Score	240

**G.F. Tie Breaker**

As described in the above entitled section Housing Credit Pools and the Allocation Process, projects are rank ordered by score in their respective competitive pools. Housing Credits are awarded to projects in order of their score. In the event that there are only enough Housing Credits remaining to fund one project and two or more projects have identical Application scores, the determining tie breaker will be the Housing Credit Square Footage efficiency, which is calculated as the ratio of Housing Credits requested per Net Residential Square Foot (NRSF) of Housing Credit units. The project with the lowest ratio for Housing Credit efficiency will win the tie breaker and, therefore, be awarded Housing Credits.

This tie breaker system will apply to each set-aside pool. The winning project will be awarded credit from that pool, and the non-winning project will be moved into the General Pool where it will compete against all other projects in that pool. If a tie remains at the end of distribution of credits from the General Pool, the tie breaker will be applied to determine the final project to receive Housing Credit.

The Allocation of Housing Credits in a tie breaker situation is subject to, without limitation, all of the provisions of the Qualified Allocation Plan relating to Allocation of Housing Credits.

### **H. Preliminary Scores**

~~UHC will publish the summary of 9% applications, including preliminary (“self”) scores, on its website within one week of the 9% Application deadline. The self scores self scores identified in the summary of applications will include project information “as applied” and will be prior to UHC staff scoring and verification.~~

## **9. OTHER AFFORDABLE HOUSING RESOURCES**

## STATE OF UTAH HOUSING CREDITS

The State of Utah has authorized UHC to allocate State Credits against State of Utah tax liabilities pursuant to the Utah Code for the purpose of creating affordable rental housing. Beginning on January 1, 2023, Utah Code 59-10-1010 provides for the ability to award up to \$10,000,000 of annual State Credits each year. State Credits are available to 4% and 9% projects. Projects are subject to a maximum State Credit award of \$750,000 based on demonstrated need and ability to create more units, except PSH-Supportive Housing projects, which are eligible for an award up to \$1,000,000. For the purposes of the per-project limitation of \$750,000 annual State Credits, a project submitting two phases of the same project in the same application cycle shall be treated as a single project. A combination 9% and 4% “twinned” project will be treated as two projects.

Except for ~~Permanent~~ Supportive Housing projects, no related or affiliated entities or individuals will be allowed to have more than \$1,500,000 in awarded State Tax Credits associated with open projects that have not yet closed with their investor at any given time. If one or more of the projects awarded State Tax Credits is a PSH-Supportive Housing project, related entities may have up to \$2,000,000 in State Tax Credits associated with projects that have not yet closed with their investor.

In all cases, UHC, in its sole discretion, may adjust awards of State Tax Credits in an effort to efficiently and effectively maximize production of units across 9% and 4% projects. ~~reserves the right to adjust requests in an effort to utilize State Tax Credits most efficiently and effectively.~~

- UHC will hold two State Tax Credit application rounds per calendar year. Inasmuch as is possible, and in consideration of other priorities that may emerge throughout the year, UHC will attempt to maintain an even distribution of State of Utah credits, with half of the annual credit amount supporting 4%, tax-exempt bond financed projects, and half of the annual credit amount supporting new 9% projects. All applicants are encouraged to seek other available sources of financing, thereby minimizing the amount of State of Utah Credits necessary for financial feasibility. No state housing credits may be used to pay for developer fee added since initial application.
- 9% projects will submit 9% applications with no State Tax Credits in their capital stack, and no gaps in funding, unless the project is PSH-Supportive Housing. PSH-Supportive Housing projects may include state credits up to \$1 million in their application for 100% supportive housing projects, or if less than 100%, the corresponding percentage of State Tax Credits (i.e. 80% Supportive, \$800,000 STC). UHC will utilize State Tax Credits in the most efficient and effective manner, with a goal to fund as many 9% projects and units as possible.
- 4% projects will submit applications in either of the two State Tax Credit rounds. Applications may include up to \$750,000 in State Tax Credits. A letter of interest from a purchaser of State Credit must be included with the application.
- All applicants are encouraged to seek other available sources of financing, thereby minimizing the amount of State of Utah Credits necessary for financial feasibility. No State Housing Credits may be used to pay for developer fee added since initial application.

One application round will coincide with the 9% application cycle. Applicants that have received an allocation of Volume Cap but have not yet closed with their investor, or have applied for volume cap and are waiting for a result will receive the result of a bond application prior to state credit award, may apply for State of Utah Credits at this time.

⊖

A second application round will be announced approximately two months in advance. Eligible Applicants are those who have received an allocation of Volume Cap but have not yet closed with their investor. 9% projects that have not yet closed with their investor may also apply in this round, however, 9% projects will not be prioritized in the second state tax credit round.

- 4% Housing Credit projects must commit a minimum of \$1,000,000 or 30% of total developer fee, whichever is less, as deferred developer fee, shown as a source of permanent financing. However, if a project is electing to maximize the developer fee, 50% of the original fee plus the entirety of additional fee must be deferred with an interest rate at or below the Applicable Federal Rate.
- UHC will evaluate applications and determine the amount of credit to award based on what is necessary for the financial feasibility of the development. Should there be more demand than what UHC is able to award in a given round, applications will be scored and ranked according to the below scale.
  - Projects will receive a maximum award equivalent to 3,000 State Tax Credits per LIHTC bedroom.
  - New projects requesting State Tax Credits may not have units below 58% AMI, or an average of 58% AMI for Average Income projects, unless those differentials are paid through another source. Acquisition/Rehab projects may maintain any current rents that are below these levels.

⊖

~~● 4% projects applying for State Tax Credits will be scored according to the below scale. Applications will be ranked based on score, and must score a minimum of 10 points to qualify for a State Tax Credit Award. Projects will receive a maximum award equivalent to 3,000 State Tax Credits per LIHTC bedroom.~~

#### 4% Project Application Scoring

- 10 points for every \$1,000,000 in other sources with interest rates below current long-term (15 years or more) AFR, rounded down, e.g. \$1,500,000 would be 10 points. Up to 50 points.\*
- Credit Efficiency
  - 230 points if State Tax Credits per LIHTC bedroom is less than or equal to \$1,000
  - 120 points if STC per LIHTC bedroom is \$1,001 to \$2,000~~500~~
  - ~~10~~ points if STC per LIHTC bedroom is ~~\$2,001~~ to ~~\$3,000~~
- Deferred Developer Fee
  - 5 points if Deferred Developer Fee is 25% to 49%
  - 10 points if Deferred Developer Fee is 50%

**Total Possible Points: 890**

\*Below AFR loans may include GP loans.

# 10. COMPLIANCE MONITORING PLAN

## COMPLIANCE MONITORING PLAN INTRODUCTION

The Code requires UHC to monitor Housing Credit projects for compliance with the provisions of §42 and to notify the IRS of any noncompliance of which UHC becomes aware.

As a condition to the Allocation of Housing Credits, owners are required to enter into a binding agreement to comply with the terms and conditions of this Compliance Monitoring Plan.

The Compliance Monitoring Plan is part of UHC's Qualified Allocation Plan for the State of Utah. UHC's Compliance Manual, which contains more detailed information on procedures and fees, is incorporated into the Qualified Allocation Plan by reference and is available in its entirety on our website, [www.utahhousingcorp.org](http://www.utahhousingcorp.org). It may be amended as deemed necessary by UHC to comply with §42 and the regulations issued thereunder, as the same may be amended, or to further promote or clarify the Housing Credit Program in the State of Utah.

### A. Recordkeeping Requirements

A project owner is required to keep separate records for each qualified low-income building in a Housing Credit project that show for each year in the Compliance Period:

1. The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);
2. The percentage of residential rental units in the building that are low-income units;
3. The rent charged on each residential rental unit in the building (including any utility allowances);
4. The number and ages of occupants in each low-income unit, but only if rent is determined by the number of occupants in each unit under Code §42 (g)(2)(as in effect before the amendments made by the Revenue Reconciliation Act of 1989);
5. The status of all units in each building tracked in the Certification Portal, including Move-in/Move-out dates, Affordable or Market, Resident Name, tenant rent paid, and utility allowance for each unit for the year.
6. The annual income certification of each low-income tenant per unit;
7. Documentation supporting each low-income tenant's income certification (for example, a copy of paystubs, the tenant's federal income tax return, Form W-2, or verification of income from third parties such as employers or state agencies paying unemployment compensation. See Compliance Manual for further information);
8. The Eligible Basis and Qualified Basis of the building at the end of the first year of the Credit period;
9. The character and use of the nonresidential portion of the building included in the building's Eligible Basis under Code §42(d) (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonable required by the Housing Credit project); and
10. Any other data necessary to allow UHC to comply with applicable federal and state law.

For purposes of §42 and this QAP, tenant income is calculated in a manner consistent with the

~~03/17/2025~~ 3/19/2026

determination of annual income under Section 8 of the United States Housing Act of 1937, (see HUD handbook 4350.3 for policies and procedures to determine income, occupancy, etc.) and not in accordance with the determination of gross income for federal income tax liability. See the Compliance Manual for a copy of 24 CFR 813.106 HUD Definition of Annual Income, which is required to be used for determining income levels under §42.

In the case of a tenant receiving housing assistance payments under Section 8 of the Housing Act, the documentation requirement of this section is satisfied if the applicable public housing authority provides a statement to the owner declaring that the tenant's income does not exceed the applicable income limit under §42(g).

## **B. Record Retention Requirements**

An owner is required to retain the records described in this section for at least six years after the due date (with extensions) for filing the federal income tax return for the year. The records for the first year of the Credit period, however, must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period of the building.

UHC must retain records of Non-Compliance or failure to certify for six years beyond UHC's filing of the respective IRS Form 8823. In all other cases, UHC must retain the certifications and records described in this plan for six years from the end of the calendar year in which UHC receives the certifications and records.

## **C. Required Project and Tenant Data Reporting**

The Housing and Economic Recovery Act of 2008 (HERA) requires HUD to collect and report the following information for Housing Credit tenants:

- Race;
- Ethnicity;
- Family composition;
- Age;
- Income;
- Use of Section 8 (or similar) Rental Assistance;
- Disability status; and
- Monthly rental payment.

Data is collected at tenant and project levels. Tenant data collection will be consistent with income certification reporting.

By participation in the Housing Credit Program, project owners agree to comply with the HUD reporting requirements in a timely manner. Failure to do so will result in losing “Good Standing” status. UHC provides a template format and further instruction for the submission of this data. Information is provided in the Compliance Manual.

## **D. Certification Requirements**

An owner is required to certify at least annually to UHC that, for the preceding 12-month period:

1. The Housing Credit project met the requirements of: the 20-50 test under §42(g)(1)(A) or the 40-60 test under §42(g)(1)(B), or the 40-60 test which meets the Income Averaging rules, whichever Minimum Set-Aside test was applicable to the project;
2. There was no change in the Applicable Fraction (as defined in §42(c)(1)(B)) of any building in the project, or that there was a change, and a description of the change;
3. The owner has received an income certification from each low-income tenant in accordance with the UHC Compliance Manual and documentation to support that certification; or, in the case of a tenant receiving housing assistance payments under Section 8 of the Housing Act, the statement from a PHA described in the Recordkeeping Requirements section;
4. Each low-income unit in the project was rent restricted under §42(g)(2);
5. All units in the project were for use by the general public and used on a non-transient basis (except for transitional housing for the homeless provided under §42(i)(3)(B)(iii));
6. Each building in the project was suitable for occupancy, taking into account local health, safety, and building codes;
7. There was no change in the Eligible Basis (as defined in §42(d)) of any building in the project, or if there was a change, the nature of the change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge);
8. All tenant facilities included in the Eligible Basis under §42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building; If a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income; If the income of tenants of a low-income unit in the project increased above the limit allowed in §42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income; and
9. An extended low-income housing commitment as described in §42(h)(6) was in effect.

Please refer to the Compliance Manual for additional certification requirements.

## **E. Review Requirements**

UHC will review the certifications submitted for compliance with the requirements of §42. UHC will also inspect each Housing Credit project at least once every three years. At that time UHC will inspect the low-income certification, the documentation the owner has received to support that certification, and the rent record for each low-income tenant in at least 20% of the low-income units in those projects.

UHC will determine which tenants' records are to be inspected or submitted by the owners for review. The records to be inspected will be chosen in a manner that will not give owners advance notice that their records for a particular year will or will not be inspected. However, UHC may give an owner reasonable notice that an inspection will occur so that the owner may assemble records (for example, 15 days' notice of inspection).

~~03/17/2025 3/19/2026~~

As an alternative to inspecting at least 20% of Housing Credit projects each year and the inspection of low-income certifications, supporting documentation, and rent records for at least 20% of the low-income units in those projects, UHC may rely on either of the following in satisfaction of the Review Requirements:

1. The owners of at least 50% of all Housing Credit projects in UHC's jurisdiction shall submit to UHC for compliance review a copy of the annual income certification, the documentation the owner has received to support that certification, and the rent record for each of the low-income units in their projects; or
2. The owners of all Housing Credit projects shall submit to UHC each year information on tenant income and rent for each low-income unit, in the form and manner designated by UHC, and the owners of at least 20% of the Housing Credit projects must submit to UHC for compliance review a copy of the annual income certification, the documentation the owner has received to support that certification, and the rent record for each low-income tenant in at least 20% of the low-income units in their projects.

Beginning January 1, 2021, compliance monitoring regulations will conform to the final regulations as published in the Federal Register, Vol. 84, No. 38, which includes the following:

- Requires inspection of at least as many units as specified by project size in the Low Income Housing Credit Minimum Unit Sample Size Reference Chart (§1.42-5(c)(2)(iii)).
- Maintains the “all buildings” rule, which requires UHC to conduct on-site inspections in units in all buildings in a project, rather than applying the minimum unit sample size on a project-wide basis if a project encompasses multiple buildings.
- Shortens the reasonable notice requirement to 15 days in advance of when a project will experience a physical inspection or review of low-income certification.

## **F. Frequency and Form of Certification**

The certifications and Review Requirements shall be made at least annually covering each year of the fifteen year Compliance Period under §42(i)(1) and thereafter for such period determined by UHC not to exceed the Housing Credit project's Extended Use Period. The certifications must be made under penalty of perjury. The certifications and reviews may be completed more frequently than on a ~~12-month~~ 12-month basis, provided that all months within each ~~12-month~~ 12-month period are subject to certification.

## **G. Inspection Requirements**

An owner shall permit, and UHC shall have the right to perform, an on-site inspection of any building in a Housing Credit project, at least through the end of the Compliance Period and thereafter for such period determined by UHC, not to exceed the Housing Credit project's Extended Use Period. The inspection provision of this section is separate from any review of low-income certifications, supporting documents, and rent records under the Review Requirements section.

## **NOTIFICATION OF NON-COMPLIANCE REQUIREMENTS**

UHC has a continuing responsibility to monitor compliance. All recipients of Housing Credits will be required to supply UHC with annual Housing Credit certifications, and/or inspections will be conducted each year to monitor compliance. Prior to such inspections, project owners will receive notification advising them

of what records will be required by the compliance auditors. If Non-Compliance is discovered, UHC will, as required, report events of Non-Compliance to the Internal Revenue Service.

### **A. Notice to Owner**

UHC will provide prompt written notice to the owner if UHC does not receive the certifications as required by this Compliance Monitoring Plan, or has not received or is not permitted to inspect the tenant income certifications, supporting documentation and rent records described in this Compliance Monitoring Plan, or discovers by inspection, review, or in some other manner, that the Housing Credit project is not in compliance with the provisions of the Code.

### **B. Notice to Internal Revenue Service**

UHC will file IRS Form 8823, "Low-Income Housing Credit Agencies Report of Non-Compliance," with the IRS no later than 45 days after the end of the correction period (including permitted extensions) and no earlier than the end of the correction period, whether or not the Non-Compliance or failure to certify is corrected.

UHC will explain on IRS Form 8823 the nature of the Non-Compliance or failure to certify and indicate whether the owner has corrected the Non-Compliance or failure to certify. Any change in either the Applicable Fraction or Eligible Basis, that results in a decrease in the Qualified Basis of a Housing Credit project under § 42(c)(1)(A), is Non-Compliance that must be reported to the IRS.

If UHC reports on IRS Form 8823 that a building is entirely out of compliance and will not be in compliance at any time in the future, UHC need not file IRS Form 8823 in subsequent years to report that building's noncompliance.

### **C. Correction Period**

The correction period is that period during which an owner must supply any missing certifications and bring the Housing Credit project into compliance with the provisions of the Code. The correction period is not to exceed 30 days from the date of the notice to the owner. UHC may extend the correction period for a limited time, but only if the owner demonstrates to UHC reasonable efforts to [bringingbring](#) the project back into compliance within the specified time frame.

## **HOUSING CREDIT PROJECT REAL ESTATE TAXATION AND PROJECT OWNER REQUIREMENTS**

The Utah Housing Corporation sponsored legislation which standardized the process by which an assessor arrives at the assessed value of a Housing Credit project. The legislation emphasized the use of the income approach to valuation and also characterized the low-income housing tax credits as "intangible" property, thus not subject to valuation in the assessment process.

Certain administrative rules were required to standardize the process whereby assessors would obtain the information necessary to make their valuation. Failure to provide this information allows the assessors to use whatever information they have available.

The Utah Administrative Code (R884-24P-67) requires certain information for the valuation of Housing Credit pursuant to State Tax Code Sections 59-2-102 and 59-2-301.3.

County Assessors must receive certain information by April 30 of each year. The owner of a Housing Credit project must provide the county assessor of the county in which the project is located the following project information for the prior year:

- a) Operating statement;
- b) Rent rolls;
- c) Federal and commercial financing terms and agreements.

The county assessor will require a 3-year history of the above information if not previously provided.

The county assessor will assess and list the property described in this rule using the best information obtainable, if the property owner fails to provide the information required as described above.

## **DELEGATION OF AUTHORITY**

UHC may retain an agent (Authorized Delegate) or other private contractor to perform compliance monitoring. The authorized delegate must be unrelated to the owner of any building that the authorized delegate monitors. The authorized delegate may be delegated all of the functions of UHC, except for the responsibility of notifying the IRS under the Notification of Non-Compliance Requirements section.

For example, the authorized delegate may be delegated the responsibility of reviewing tenant certifications and documentation, the right to inspect buildings and records, and the responsibility of notifying owners of lack of certification or Non-Compliance. The authorized delegate must notify UHC of any Non-Compliance or failure to certify.

If UHC delegates compliance monitoring to an authorized delegate, UHC will use reasonable diligence to ensure that the authorized delegate properly performs the delegated monitoring functions. Delegation by UHC of compliance monitoring functions to an authorized delegate does not relieve UHC of its obligation to notify the IRS of any noncompliance of which UHC becomes aware.

UHC may delegate all or some of its compliance monitoring responsibilities to another governmental agency of the State of Utah. This delegation to a governmental agency may include the responsibility of notifying the IRS under the Notification of Non-Compliance Requirements section of this plan.

Independent Third Party Compliance Audits for Recertification Waivers under Code §42(g)(8)(B) may be contracted directly by the owner with nationally recognized compliance training and services companies that the project owner or affiliates have not had business dealings for at least three prior years. Contact UHC for a list of Compliance Training and Service Companies.

## **LIABILITY**

Compliance with the requirements of the Code is the responsibility of the owner of the building for which the Housing Credits were allocated. UHC's obligation to monitor for compliance with the requirements of the Code does not make UHC liable for an owner's Non-Compliance.

# 10. EXHIBITS

## Exhibit 1 SUMMARY OF CRITICAL DATES FOR COMPETITIVE PROJECTS

Event or Action	Timing or Due Date
Application .....	<del>April 29, 2025</del> <u>May 27<sup>th</sup>, 2026</u> by 5:00 P.M. MDT. Additional Application rounds may be announced by UHC if necessary.
Application Fee.....	Due with Application, paid electronically
Reservations Notification.....	Approx. 90 days from Application deadline
Reservation Agreement.....	Approximately 120 days from Application deadline
Reservation Fee.....	Due prior to the execution of the Reservation Agreement
Land Use Restriction Agreement (LURA).....	30 days before site/project acquisition
Pre-Closing Review	No earlier than 45 days prior to closing with investor member
Project Development Schedules.....	April 1st and September 1st of each year the project is under development
Carryover Allocation.....	On or before November 1st of the year in which a Reservation Agreement was issued with or without 10% Cost Certification
Carryover Fee.....	Due with Carryover Allocation Packet
Extended Carryover Fee.....	January 1st for each year thereafter that the Credit Reservation is still active
10% Cost Certification .....	30 Days after the <del>1-year</del> <u>1-year</u> anniversary of the date of the Carryover Allocation
Final Cost Certification.....	New construction projects- Within 6 months after last building in the project receives its Certificate of Occupancy. Rehabilitation projects- within 6 months after the last building in the project receives a Final Inspection Report.,
Annual Income/Rent Limits.....	Published by HUD approximately April 1 <sup>st</sup> .

## **Exhibit 2A STATE OF UTAH 2026 HOUSING CREDIT APPLICATION TABLE OF CONTENTS/SELF CERTIFICATION CHECKLIST**

### **The Application Deadline is**

~~Tuesday~~Wednesday, ~~April 29, 2025~~May 27, 2026 at 5:00 P.M. MDT

### **Application Submittal:**

Electronic submission of the entire Application, with all required attachments uploaded. The application is amended annually to incorporate any/all changes that were made to the Qualified Allocation Plan. It is the Applicant's responsibility to ensure that the most current application is being used. To obtain the most current application, please go to <https://utahhousingcorp.org/multifamily/applicationInfo>.

- Applications must be submitted through the URL by the Application Deadline.
- A complete Application must be submitted to UHC before 5:00 P.M. MDT ~~April 29, 2025~~May 27, 2026.
- Application fee must be received by UHC by the Application Deadline for consideration of a submitted Electronic Application. The fee must be paid electronically.

### **Application Assembly Requirements:**

**Note:** Applications require 40 tabs as outlined in the Table of Contents/Self-Certification Checklist.

- The completed and signed Table of Contents/Self Certification Checklist must be uploaded with the Application.
- All scoring items must be supported by third-party documentation. and upload with the Application.
- If an Application does not include all required complete and conforming documents, attachments, exhibits, supporting documentation, and applicable fees at the time of submission, or if the online (portal) Application is incomplete, the Application will be considered "non-conforming" and will be removed from consideration or scoring and will be ineligible for further review.
- No new, additional or replacement documentation will be accepted after the Application Cycle submission deadline.

For any points claimed that are supported by written correspondence from UHC under any of the following categories, the Applicant must upload a copy of the letter or email in the appropriate place within the on-line Application. Written approvals must be dated within 90 days of the application deadline.

**Tab 1. Executive Summary providing a thorough overview of the project that the Applicant feels should be considered in the Housing Credit review**

- Executive Summary The Executive Summary must provide general information about the following:
  - Project Owner and all members of the development team
  - Description of previous development, ownership, and management experience
  - Description of the proposed Project financing structure and all proposed financing partners/sources
  - Description of the unique merits of the Project
  - The estimated development timeline;
  - A general description of the units, the common spaces, and project amenities.

**Tab 2. Electronic Application**

- Spreadsheet Application
- Exhibit 2A- Signed and Dated Self Certification Checklist
- Program Goal Explanation
- Signed and Dated Certifications and Representations
- Project Unit Breakout
- Approvals by UHC and Other Attachments

\*UHC approvals must be dated within 90 days of application deadline.

(4% only) for Average Income projects with rent tiers with rent less than 10% below market and where the project expects to charge rents lower than the project's LIHTC max, please attach separate Spreadsheet Application with the lower rents that will be charged.

**Tab 3. Certified copies of the organizational documents of all the entities involved in the project**

- Complete organizational chart, including all sub-entities and ownership percentages (required). The chart should depict the *Applicant's* relationship to a *controlling or parent entity* and any *Affiliate* or *Subsidiary* entities (if applicable); and the *Applicant's* staffing structure (including names of key personnel), including Advisory Board/Governing Board and key board committees.
- Certificate of Organization and/or Operating Agreement
- Certificate of Limited Partnership and/or Partnership Agreement
- Government entity creation document
- Joint venture Operating Agreement

**Tab 4. Resumes of the principals of the owner entity, or any sub-entities within the ownership structure**

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- Resume
- Resume of Sub-Entities

**Tab 5. Current Financial Statements (balance sheet and profit & loss statement for corporations, balance sheet only for individuals) for each of the following**

- Sponsor, and underlying entities related to the Application
- Applicant, and underlying entities related to the Application
- Developer, and underlying entities related to the Application

**Tab 6. Comprehensive Financial Disclosure Certification**

Exhibit 4D  Comprehensive Financial Disclosure Certification- Sponsor

Comprehensive Financial Disclosure Certification- All other members of Managing Member/General Partner of the Owner entity

**Tab 7. Nonprofit Applicants**

- Articles of Incorporation and Bylaws, evidencing that one of its exempt purposes is the providing of low income housing
- Copy of the IRS determination letter of tax-exempt status
- Copy of the latest Annual Report to identify all paid full-time key management and sources and amount of funds for annual operating expenses and current programs

~~**Tab 8. CHDO Designation**~~

~~**Note: Only two attachments are required (1 and 3 or 2 and 3)**~~

- ~~CHDO Designation Certificate not expiring prior to December 31<sup>st</sup> of application year; or~~
- ~~CHDO Letter attesting to the designation from the State or HUD not dated more than 120 days from application; AND~~
- ~~List of CHDO board members, indicating which are members of the low income community (at least 1/3 of board members must be low income community members in order to qualify for CHDO points)~~

**Tab 9. Concerted Community Revitalization Plan- Project must be in a QCT per IRC Section 42.**

- Regular Concerted Community Revitalization Plan
- Letter from local government supporting and verifying that the project is an integral part of the Plan
- Moderate Income Housing Plan (4% PAB Application Only)
- Community Concession Supporting Documentation (4% PAB Application Only)

**Tab 10. Service Provider Letter on Service Provider letterhead for Special Needs Set-Aside units to service the needs of Special Needs tenants proposed in the Application**

- Detailed narrative outlining the (1) marketing plan for the units and the (2) nature and (3) extent of supportive services offered to the tenants
- Exhibit 6E  Service Provider Letter on Service Provider letterhead for each Special Needs category specified in the Application must outline the (1) experience of the Service Provider and the (2) provider's understanding of the number of units being set aside for the specific targeted population and (3) that the provider has enough clients to fulfill the needs of the requested set asides for the duration of a referral's tenancy, and has enough clients to continue to fulfill the needs of all previously committed set aside units, and (4) a full description of the services the provider will make available to the tenant
- Service Provider Experience letter in [PSH-Supportive Housing](#) only

**Tab 11. Life Skills Classes**

**Note:** If points were taken for the above the following must be submitted

- A narrative must be submitted describing the specific classes being offered and their frequency.
- Letters of support from agencies providing the training.

**Tab 12. Project Amenities**

**Note:** All 4% tax-exempt bond financed applications must submit a list of amenities and a detailed description. All competitive (9%) applications must include all of the following if points were claimed:

- Written Description (an itemization of inclusions, e.g. clubhouse will have two flat screen televisions, a seating area, and a kitchenette)
- Supporting Documentation (e.g. maps)
- Estimate of associated costs, if applicable

**Tab 13. Chronically Homeless Projects**

- Letters of Endorsement from the region Continuum of Care Coordinating Council
- Proposed Service Providers
- Supportive Services Plan Outline
- Evidence of Project Based Rent Subsidy

**Tab 14. Energy Star**

**Note:** Only one attachment is required

- Exhibit 6C  Energy Star Submittal Form or an incremental cost breakdown to achieve Energy Star Certification.
- Preliminary letter or report from a certified energy rater indicating Energy Star Compliance.

**Tab 15. Prior Activities Certification certifying that owners, principals or management agents affiliated with the project have not been disbarred or are “Not in Good Standing” with UHC**

Exhibit 2D  Prior Activities Certification – Include a certification for each person or entity with ownership stake in the project. Managing Member/General Partner.

**Tab 16. Preliminary Title Commitment**

- Current Preliminary Title Commitment dated no more than 90 days before the date of Application deadline.

**Tab 17. Evidence of Site Control (Site Control must extend to or beyond expected award date, i.e. through ~~July 31~~ August 31, 2026 for 9% applications)**

- Recorded Warranty Deed; or
- Executed Real Estate Purchase Contract; or
- Executed Option Agreement to Purchase Real Estate
- Executed Lease Agreement
- Required CPA lease evaluation for land leases

**Tab 18. Site Location**

- Site Location Map
- Plat Map

**Tab 19. Historic Character**

**Note:** If points were taken for the above only one attachment is required

- Documentation providing evidence that the building(s) is on the National Register for Historic Places; or
- Documentation providing evidence that the building(s) is listed as a historic building or is contributing building in a Historic District

**Tab 20. Zoning**

- Letter from the jurisdiction’s zoning official (must be on jurisdiction’s letterhead and signed by an authorized official) stating the property is properly zoned for the proposed project. The letter must address the current status, any procedures and timetables for the project relative to conditional use permits, subdivisions, density, parking requirements, and required public meetings.
- Complete Zoning Ordinance
- Zoning Map

**Tab 21. Conditional Use Permit OR Project Site requiring subdivision**

- Evidence of the application submission filed with the appropriate Jurisdiction, e.g. email, printout of acceptance, etc.

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- Acknowledgement by the city or county
- Copy of receipt of fees paid

**Tab 22. Environmental Study (if submitted at the time of Application it must be dated within six months of the Application submission deadline)**

- Phase I or Phase II Environment Study

**Tab 23. Elevation and Floor Plans, if available (8 1/2 x 11)**

- Elevation
- Floor Plan

**Tab 24. Project Owner of Identity Interest Certification in the Exhibits file of the application**

Required Form 2  Project Owner Identity of Interest Certification

Required Form 1  Identity of Interest Information

**Tab 25. Letters of Interest from each of the proposed sources of funds, including grants and investors, dated within 120 days of Application submission. Letters of Interest shall include an estimate of operating and rent up reserves. The Investor letter must stipulate estimated timeframe for capital contribution and pricing. (Enter the name of the source of fund in the space provided)**

- Letter of Interest – Source Name \_\_\_\_\_
- Letter of Interest – Source Name \_\_\_\_\_
- Letter of Interest – Source Name \_\_\_\_\_

**Tab 26. Current Utility Allowance Documentation from the local Public Housing Authority, HUD, or Rural Development utility allowance or a signed statement from the local public utility companies (based on actual data and not on engineering estimates of similar units)**

**Note:** Only one attachment is required

- Utility Allowance from Public Housing Authority; or
- Utility Allowance from HUD; or
- Utility Allowance from Rural Development; or
- Signed Statement from local public utility companies; or
- Energy Star Rater's Utility Estimates based on plans and spec's for buildings

**Tab 27. Independent Third Party Market Study along with the Market Study Checklist and Certification of Independence (must be less than 90 days from the time of Application submission deadline)**

- Current Market Study

Exhibit 2B  Market Study Checklist and Certification of Independence

**Tab 28. Land Appraisal (must be dated within six months of the Application submission deadline)**

- Land Appraisal

**Tab 29. Operating Subsidies Supporting Documentation for New Construction and Rehabilitation Projects**

- Contract for operating subsidies for New Construction Projects
- Contract for operating subsidies for Rehabilitation Projects

**Tab 30. Operating Statement for Rehabilitation Projects that are designated as either RD projects or HUD rent subsidized Projects**

- Prior year Operating Statements

**Tab 31. Rent Rolls for Acquisition/Rehabilitation Projects**

- Independent ~~third-party~~third-party certification of current rents charged, occupancy levels, and a current rent roll.
- Current leases, deposit slips with supporting bank statements, and rent rolls for most recent 12-month period.
- Projects with project-based rent subsidy may provide a current rent roll only. Note: Current rent roll must illustrate amount of rent paid by tenant vs subsidy payment.

**Tab 32. Relocation Plan for Acquisition/Rehabilitations with Current Tenants**

- Relocation Plan, describing the extent to which current tenants will be relocated or dislocated either temporary or permanently, the amount of funds and assistance being provided to relocated/dislocated tenants, and the effort that will be made to bring the relocated/dislocated tenants back to the project upon completion

**Tab 33. Capital Needs Assessments for Rehabilitation Projects**

- Exhibit 4C  Capital Needs Assessment

**Tab 34. Enterprise Green Communities Certification (EGCC) or Alternative Certification.**

- EGCC Narrative, include costs and
- EGCC Criteria Checklist

**OR**

- For [Energy Star NextGen](#), [Zero Energy Ready Home](#)[Efficient New Homes Certification](#) – Evidence of Application including

Checklist

**OR**

- For Green Globes, LEED, NGBS, or Passive House.– Evidence Of Application including checklist if applicable

**Tab 35. Private Activity Bond (PAB) Application Requirements**

- See requirements on PAB website at:  
<https://jobs.utah.gov/housing/community/pab/acct.html>
- Architect Contract or Letter identifying an In-House Architect
- Architectural Plan Set

~~Purchase/Lease Agreement~~

- Final Density Approval
- Signed contract with General Contractor
- Structural Plan Set
- Civil Plan Set
- Mechanical/Electrical/Plumbing Plan Set
- ~~LOI from Lender~~
- ~~LOI from Investor~~
- Environmental Site Mitigation
- Correction of Environmental Site, including detailed correction plans as per PAB policies
- Proof of Participating in Other Recognized Sustainability Initiatives (as defined by PAB Policies)
- Experience
- ~~Good Standing Self Score~~
- ~~Multi Family Self Score~~ Evidence that Applicant has applied for Building Permit with the local authority
- Evidence supporting stage of building permit process (e.g. plan review fee receipts, comment process, “will serve” or “permit ready” letter, building permit issued, etc.)

**Tab 36. UHC Claim of Business Confidentiality Request**

Exhibit 2C     UHC Claim of Business Confidentiality Request

**Tab 37. Unit Inspection Certification for Rehabilitation Projects**

- Applicants certify they have inspected 100% of the units for rehabilitation projects

**Tab 38. ~~Permanent~~ Supportive Housing Required Documents**

- Tenant selection policies describing the low-barrier selection criteria
- MOU from the Service Provider(s) describing their experience with providing services in ~~Permanent~~ Supportive Housing models, the planned delivery of services on- and off-site, and the staff capacity for providing ongoing case management
- Budget for supportive services
- Evidence of a 15-year commitment of project based rent subsidies for units below 35% AMI
- Sample vulnerability assessment tool

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**Tab 39. Jurisdictional Support – Request required only for new projects. Scattered site projects located in multiple jurisdictions must request support from each jurisdiction**

Letter to the local jurisdiction of the project requesting financial support in the form of fee waivers, low interest (Applicable Federal Rate) 5+ year financing, land contribution, grants, etc.).

Either: Letter of acknowledgement from local jurisdiction indicating no jurisdictional support for the project

OR

-Letter of Commitment of specific financial resources (dollar amount) from local jurisdiction. Please note that the amount committed from the local jurisdiction at the time of application is considered a firm source of financing. If at any time this amount is reduced or removed from the sources without being replaced with a comparable source, UHC will rescind the tax credit award.

**Tab 40. Community Service Facility Required Documents**

Detailed narrative outlining the (1) marketing plan for the facility and the (2) nature (3) extent of services offered through the community service facility, as well as (4) an explanation of expected operating expenses and revenue generated by the community service facility.

Outline of planned charges for the facility and evidence that it will be appropriate, helpful, and affordable to individuals whose income is 60 percent or less of area median income. If the project is unable to provide this evidence- in a market study, other evidence may be used, but it must be approved- in writing by UHC prior to application and submitted with the application.

Master Lease for Community Service Facility (if applicable)

**Self-Certification of Threshold Requirements**

I, (Name), (Title of Authorized Official of (Sponsor Organization)) acknowledge that I have completed the Table of Contents/Self Certification Checklist and that all the required documentation necessary to review this Application has been included.

**ORIGINAL SIGNATURE OF AUTHORIZED OFFICIAL**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

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(Name)

(Organization)

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(Title)

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(Project)

## **Exhibit 2B MARKET STUDY INSTRUCTIONS AND COMPANY INFORMATION**

### **1. Market Study Checklist and Certification of Independence**

- Fill out the Market Study Checklist on the following page with page numbers from the report that cover each item.
- Sign the bottom of the Market Study Checklist to certify that the Market Study was performed independently and without influence by the Applicant.

### **2. Market Study Summary**

- Complete a narrative summary for each checklist item. This summary should come after the Market Study Checklist and precede the main body of the Market Study.

### **3. Market Study Company Information**

**New analysts (if not submitted in the last 3 years) must submit the following information.**

- Analyst's name, address, telephone, fax, primary contact and email.
- Description of services provided and percent of time in each service area.
- Statement of experience. Include specifics for all project experience, including name of project, location, number of units, type of units (households, elderly, other Special Needs), financing subsidies in project (rental assistance, Housing Credits, other public agency financing), and dates of completion.
- Copy of license as an appraiser in the State of Utah. A temporary Utah appraisal license is acceptable.
- List of references with addresses and telephone numbers from financial institutions, government agencies and Developers.

**MARKET STUDY CHECKLIST  
AND  
CERTIFICATION OF INDEPENDENCE**

Project: \_\_\_\_\_  
Date of Market Study: \_\_\_\_\_  
Market Study Prepared by: \_\_\_\_\_  
Commissioned by: \_\_\_\_\_  
Date of Review: \_\_\_\_\_

Provide a summary for each of the following items to be included at the beginning of each section and indicate the page in the market study that begins addressing the item:

**EXECUTIVE SUMMARY**

**Page #**

- Concise description of the site and immediately surrounding area \_\_\_\_\_
- Brief summary of the project including the purpose population to be served \_\_\_\_\_
- Precise statement of key conclusions reached by analyst \_\_\_\_\_
- Concise statement of the analyst's opinion of market feasibility \_\_\_\_\_
- Recommendation and/or suggest modifications to the proposed project, if appropriate \_\_\_\_\_
- A summary of positive and negative attributes and issues that will affect the property's marketability, performance and lease-up and points that will mitigate or reduce any negative attributes \_\_\_\_\_

**PROJECT DESCRIPTION**

- Number of units by \_\_\_\_\_
  - Number of bedrooms and baths \_\_\_\_\_
  - Income limit as a percentage of AMI \_\_\_\_\_
  - Unit size square feet \_\_\_\_\_
  - Utility allowance for tenant paid utilities \_\_\_\_\_
  - Proposed rents \_\_\_\_\_
- Target population \_\_\_\_\_
  - Income restrictions \_\_\_\_\_
  - Proposed housing assistance \_\_\_\_\_
  - Special Needs set-asides \_\_\_\_\_
- Utilities expected to be paid by the tenants and energy sources for the tenant paid hot water, heat, cooking \_\_\_\_\_
- Description of market area \_\_\_\_\_  
Site's relation to surrounding roads, public transportation, etc. \_\_\_\_\_
- Description of \_\_\_\_\_
  - The number of buildings \_\_\_\_\_
  - Design (walk-up, elevator, etc.) and number if stories \_\_\_\_\_
  - Unit and common amenities \_\_\_\_\_
  - Site amenities and parking \_\_\_\_\_
- Status or date of architectural plans \_\_\_\_\_
  - Name of architect \_\_\_\_\_
  - Copy of floor plans and elevations \_\_\_\_\_
  - For Rehabilitation \_\_\_\_\_

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- Description of the methodology for the rehabilitation and scope of work \_\_\_\_\_
- Identification of any existing assisted housing programs at the property \_\_\_\_\_
- Current occupancy levels \_\_\_\_\_
- Proposed rents \_\_\_\_\_
- Projected date for construction start and completion, and start of pre-leasing \_\_\_\_\_

**MARKET AREA ECONOMY**

- Detailed description of Primary Market Area (PMA) \_\_\_\_\_
- Define the secondary market area, if appropriate \_\_\_\_\_
- Map of market area that clearly delineates the areas and an explanation of the basis for the boundaries of the areas \_\_\_\_\_
- Identify the areas by census tracts, jurisdictions, street names or other geography forming the boundaries \_\_\_\_\_
- Description of site characteristics including size, shape, general topography and vegetation \_\_\_\_\_
- Proximity to adverse conditions \_\_\_\_\_
- Population and household trends \_\_\_\_\_
- Photographs of the site and neighborhood \_\_\_\_\_
- Map (or may be addressed in a narrative) clearly identifying the location of the project to public facilities, services and shops \_\_\_\_\_
- Suitability of the proposed site \_\_\_\_\_
- Population of qualified tenants \_\_\_\_\_
- Describe and evaluate the visibility and accessibility of the site \_\_\_\_\_
- Provide information or statistics on crime in the PMA relative to date for the overall area \_\_\_\_\_

**EMPLOYMENT AND ECONOMY**

- Description of employment by industry sector for the PMA and compare the data to the larger geographic area, e.g. the city, the county, labor market area, or MSA \_\_\_\_\_
- Show the historical employment rate for the last ten years (or other appropriate period) \_\_\_\_\_
- List major employers in the PMA, the type of business and the number employed \_\_\_\_\_
- Employment growth over the last 5 or 10 years and compare to the larger geographical area \_\_\_\_\_
- Comment on trends for employment in the PMA in relation to the project \_\_\_\_\_
- Provide a breakdown of typical wages by occupation \_\_\_\_\_
- Provide commuting patterns of workers in the PMA \_\_\_\_\_

**DEMOGRAPHIC CHARACTERISTICS**

- Current and projected population and household counts \_\_\_\_\_
- History of building permits by housing type and comments on building trends in relation to household trends \_\_\_\_\_
- Total population characteristics such as age and household type \_\_\_\_\_
- Households by income \_\_\_\_\_
- Analysis of trends indicated by the data and explanation of analyst-generated estimates \_\_\_\_\_
- Households by tenure \_\_\_\_\_

**COMPETITIVE ENVIRONMENT**

- Identify a list of comparable properties, including:
  - Name and location \_\_\_\_\_
  - Population served \_\_\_\_\_
  - Type of design \_\_\_\_\_
  - Age and condition \_\_\_\_\_
  - Number of units by bedroom type \_\_\_\_\_
  - Rent levels \_\_\_\_\_
  - Number of bedrooms and baths for each unit type \_\_\_\_\_
  - Size in square footage of units \_\_\_\_\_
  - Kitchen equipment \_\_\_\_\_
  - Type of utilities and whether paid by tenant or owner \_\_\_\_\_
  - Unit and site amenities included \_\_\_\_\_
  - Site staffing \_\_\_\_\_
  - Occupancy rate \_\_\_\_\_
  - Name, address and phone number of property contact \_\_\_\_\_
  - Attach photos of each comparable property \_\_\_\_\_
  - Include a map identifying the location of each comparable property to the subject Project \_\_\_\_\_
- Narrative evaluation of the subject project in relation to comparables
  - Why the comparables have been selected \_\_\_\_\_
  - Which are the most directly comparable \_\_\_\_\_
  - Why certain projects have not been referenced \_\_\_\_\_
- Market vacancy rate of the PMA by population served, type of occupancy and unit size \_\_\_\_\_
- Impact of the subject development on existing rental housing stock \_\_\_\_\_
- The number of people on waiting lists for each project \_\_\_\_\_
- Size of overall market in the PMA; percentage of market rate and affordable housing \_\_\_\_\_
- Availability and cost of affordable housing options, including purchase of homes \_\_\_\_\_
- Discussion of rental projects planned or under construction in the market area \_\_\_\_\_

**ANALYSIS / CONCLUSIONS**

- Detailed analysis of the income levels of the potential tenants for the proposed units \_\_\_\_\_
- Calculate the capture rate for each income limit in the subject project \_\_\_\_\_
- Calculate the penetration rate \_\_\_\_\_
- Define and justify the absorption period and the absorption rate for the subject project \_\_\_\_\_
- Derive a market rent and achievable rent and compare to Developer's proposed rent \_\_\_\_\_
- Project and explain any future changes in the housing stock within the market area \_\_\_\_\_
- Identify risks, unusual conditions and mitigating circumstances \_\_\_\_\_
- Evaluate need for voucher support or HUD contracts \_\_\_\_\_
- Summary of the perspective on the rental market
  - Need for the proposed housing \_\_\_\_\_
  - Unmet housing need in the market \_\_\_\_\_

State of Utah Housing Credit Program  
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**OTHER REQUIREMENTS**

- Date report was prepared, date of inspection and name and telephone number of analyst \_\_\_\_\_
- Certificate of no Identity of Interest \_\_\_\_\_
- Certificate that recommendation based solely on professional opinion \_\_\_\_\_
- Statement of qualifications \_\_\_\_\_
- Append current utility allowance schedule \_\_\_\_\_

The undersigned hereby certifies that the Market Study was performed independently and without influence by the Applicant or any relation thereof.

Date: \_\_\_\_\_

Company: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

## Exhibit 2C UHC CLAIM OF BUSINESS CONFIDENTIALITY REQUEST

**Business Name:**  
**Street Address:**  
**City, State, Zip Code:**  
**Representative Making Request:**  
**Title:**  
**Telephone No.:**  
**Email Address:**  
**Name of Record:**  
**Description of Record:**

Per Utah Code Ann. §§ 63G-2-309 (1)(a)(i) Any person who provides to a governmental entity a record that the person believes should be protected under Subsection 63G-2-305(1) or (2) or both Subsections 63G-2-305(1) and (2) shall provide with the record: (A) a written claim of business confidentiality; and (B) a concise statement of reasons supporting the claim of business confidentiality. Pursuant to Utah Code Ann. §§ 63G-2-305 and in accordance with Utah Code Ann. §§ 63G-2-309, the undersigned asserts a claim of business confidentiality to protect the attached information submitted.

The following Reasons support this claim for business confidentiality as it includes:

**Reason A:** Trade secrets as defined in Utah Code Ann. §§ 13-24-2 and referenced in Utah Code Ann. §§ 63G-2-305(1).

**Reason B:** Commercial information or non-individual financial information as defined in Utah Code Ann. §§ 63G-2-305(2) and (4).

**Reason C:** Real or personal property, including intellectual property information as defined in Utah Code Ann. §§ 63G-2-305(8) and (9).

Complete the following information listing the individual document(s) name, tab, page, and paragraph numbers. The document must be identified as specifically as possible. Provide the reason (A, B, and/or C) and an explanation that supports the claim of business confidentiality as it applies to the above named record. [See the Government Records Access Management Act section for more information.](#)

Document Identification (Name, tab, page, and	<u>A, B or C</u>	<u>Detailed explanation</u>

Please use additional sheets if needed.

State of Utah Housing Credit Program  
Qualified Allocation Plan

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Signature of Representative

Date

| ~~03/17/2025~~ 3/19/2026 \_\_\_\_\_

## Exhibit 2D PRIOR ACTIVITIES CERTIFICATION

UHC may disqualify an Application if an owner, principal or management agent affiliated with the project

1. has been debarred or received a limited denial of participation in the past ten years by any federal or state agency from participating in any development program;
2. within the past ten years has been in a bankruptcy, an adverse fair housing settlement, an adverse civil rights settlement, or an adverse federal or state government proceeding and settlement;
3. has been in a mortgage default, breach, or arrearage of three months or more within the last five years on any publicly subsidized or assisted project;
4. has been involved within the past ten years in a project which previously received an Allocation of Housing Credits but failed to meet standards or requirements of the Housing Credit Allocation or failed to fulfill one of the representations contained in an Application for Housing Credits, or violated the Land Use Restriction Agreement;
5. has been found to be directly or indirectly responsible for any other project within the past five years in which there is or was uncorrected noncompliance more than three months from the date of notification by the Agency or any other state allocating agency; or
6. is Not in Good Standing\* with UHC at the time of this Application.

I hereby certify that I have reviewed the forgoing and none of the above items are applicable to any of the owners, principals or management agents affiliated with the project.

I wish to submit an Application with a detailed explanation and supporting documentation regarding any applicable event(s) listed above. I understand that this Application may still be returned without further review.

Date: \_\_\_\_\_

Company: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

\*See Glossary

### **Exhibit 3A NON-METRO AREAS**

The White House's [Office of Management and Budget](#) (OMB) [designates statistical areas](#) as Metropolitan, Micropolitan, Combined, or Neither. A Metropolitan area contains a core urban area of 50,000 or more population, and a Micropolitan area contains an urban core of at least 10,000 and less than 50,000 population. All areas that are not part of a Metropolitan Statistical Area or Combined Statistical Area are considered non-metro.

Under this definition, all areas are Non-Metro targeted except the following:

Box Elder County  
Cache County  
Davis County  
Iron County  
Juab County  
Morgan County  
Salt Lake County  
Tooele County  
Utah County  
Washington County  
Weber County

**Exhibit 3B ANNUAL CERTIFICATION OF QUALIFIED NONPROFIT ORGANIZATIONS**

For purposes of Internal Revenue Code (the Code) §42, \_\_\_\_\_ (the Corporation) hereby represents and certifies to Utah Housing Corporation the following:

1. The Corporation owns an Equity interest in \_\_\_\_\_ (the Owner) which owns and operates the \_\_\_\_\_, a Housing Credit project (the Project), located in \_\_\_\_\_, Utah.
2. The Corporation is a "Qualified Nonprofit Organization" within the meaning of §42(h)(5)(C) of the Code with respect to the Project such that the Corporation is:
  - (i) an organization described in §501(c)(3) or (4) of the Code and is exempt from tax under §501(a) of the Code;
  - (ii) not affiliated with or controlled by a for-profit organization; and
  - (iii) one of the exempt purposes of the Corporation includes the fostering of affordable housing.
3. The Corporation will materially participate (within the meaning of §469(h) of the Code) in the development and operation of the Project throughout the Compliance Period with respect to the Project. For purposes of this material participation representation, the Corporation represents and certifies that it has satisfied one of the following material participation standards provided for under Section 1.469-5T of the Income Tax Regulations (check applicable line):

\_\_\_\_\_ The Corporation participated in the activity of the Project for more than 500 hours during the taxable year.

\_\_\_\_\_ The Corporation participation in the activity of the Project for the taxable year constitutes substantially all of the participation in such activity of all individuals (including individuals who are not owners of interests in the Project) for such year.

\_\_\_\_\_ The Corporation participated in the activity of the Project for more than 100 hours during the taxable year, and the Corporation's participation in the activity of the Project for the taxable year is not less than the participation in the activity of any individual (including individuals who are not owners of interest in the Project) for such year.

\_\_\_\_\_ The activity of the Project is a significant participation activity (within the meaning of Section 1.469-5T(c) of the Income Tax Regulations) for the taxable year, and the Corporation's aggregate participation in all significant participation activities during such year exceed 500 hours.

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\_\_\_\_\_ The Corporation materially participated in the activity of the Project (determined without regard to this paragraph) for any five taxable years (whether or not consecutive) during the ten taxable years that immediately precede the taxable year.

\_\_\_\_\_ Other: \_\_\_\_\_

Explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under penalties of perjury, the undersigned hereby certifies that the foregoing information is true and correct as of the date hereof.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

CORPORATION:

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit 3C ANNUAL CERTIFICATION OF COMMUNITY SERVICE FACILITY  
COMPLIANCE

For purposes of Internal Revenue Code (the Code) §42, \_\_\_\_\_ (the Owner) hereby represents and certifies to Utah Housing Corporation the following:

1. This form has been completed by \_\_\_\_\_ (the Owner) which owns and operates \_\_\_\_\_, a Housing Credit project (the Project), located in \_\_\_\_\_, Utah.
2. The Project is operating a community service facility, \_\_\_\_\_ which currently meets the following guidelines (Initial each applicable):

\_\_\_\_\_ The facility is used to provide services that will improve the quality of life for community residents.

\_\_\_\_\_ the services provided at the facility are appropriate and helpful to individuals in the area of the Project whose income is 60 percent or less of area median income.

\_\_\_\_\_ Fees charged for the services provided are affordable to individuals whose income is 60 percent or less of area median income.

How much are the fees charged? \$ \_\_\_\_\_

How many tenants of the project are clients of the facility?

(Number of Households) \_\_\_\_\_

Daycares only: How many of the clients of the project use vouchers for childcare payment assistance?

\_\_\_\_\_

Under penalties of perjury, the undersigned hereby certifies that the foregoing information is true and correct as of the date hereof.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

OWNER:

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

## Exhibit 4A UNDERWRITING GUIDELINES

The underwriting criteria below are threshold items. Applications outside of the safe harbor minimums and/or maximums for these criteria will not proceed beyond the threshold review. The safe harbors must be met based on underwriting the housing component of the development only. All costs and revenues related to commercial, retail, or other unrelated space will be excluded from analysis.

All Applications, including those for 501c3 bonds, will be underwritten with the following guidelines.

### Financing Guidelines

#### Debt Service Coverage Ratio:

	<u>Minimum</u>	<u>Maximum</u>
Hard debt*:	1.15	1.25

\* Debt that is contractually payable.

FHA insured or, RD, Section 8, or other types of permanent subsidy may cause the DCR to exceed 1.25. UHC will accept a 1.40 DCR on these projects, **but approval must be obtained from UHC prior to submission of the Application.**

#### Financing Terms:

Project underwriting will consider the terms contained in the Letters of Interest (LOI) provided by lenders and investors as well as current market data and trends.

<u>Operating Expenses</u>	<u>Unit Type</u>	<u>Minimum</u>
	Studio & SRO	\$2,800
	1 bedroom	\$2,900
	2 bedroom	\$3,100
	3 bedroom	\$3,250
	4 bedroom	\$3,400
	5 bedroom	\$3,550

The above operating expense minimums exclude capital Replacement Reserves and taxes. They assume the tenant pays electric power and gas utilities and the owner pays typical municipal sewer, water fees, etc.

### Income and Expenses

The inflation factor on income must be a minimum of 1 percent lower than the inflation factor on expenses. UHC will calculate the expense inflation factor to automatically be 1 percent higher than income inflation factor. Contact UHC if inflation factors fall outside automatic calculations.

#### Capital Replacement Reserves:

Replacement Reserve Minimum per unit annually unless funded at closing:

<b>Rehabilitation Applications</b>	<b>\$400</b>
New Construction Applications	\$350

<b>Vacancy:</b>	<b>Number of Units</b>	<b>Minimum</b>	<b>Maximum</b>
	More than 75	5%	8%
	More than 25 but fewer than 75 units	5%	8%
	Fewer than 26 units	7%	10%

UHC staff must be consulted prior to submission of Application if vacancy rates are higher than the maximum ranges.

**Rehabilitation Guidelines**

The following minimum rehabilitation expenditures for ~~9-percent~~all projects are based on the age of building(s).

<b>Age of Building(s)</b>	<b>Minimum Rehab Per Unit</b>
Pre 1940	\$50,000
1940 – 1970	\$45,000
1971 – 2023	\$40,000

Applications must propose a scope of work and costs that align with those outlined in the required Capital Needs Assessment. Rehabilitation costs below these minimums must be discussed with UHC staff before submitting an Application. UHC encourages the preservation of Historic Buildings with federal and/or state of Utah Historic Credits where feasible.

**Affordable and Market Rents:**

Housing Credit unit rents must be at least 10% below the adjusted market rents established by the market study. All proposed rent levels must be supported in the market study.

**Cash Flow Per Unit:**

The project must achieve cash flow on a per unit basis according to the following schedule. Non-metro projects may have difficulty meeting this standard because below market rents remain low. Please discuss with UHC staff prior to Application submission.

Studio units	\$350 per annum
1 Bedroom units	\$350 per annum
2 Bedroom units	\$375 per annum
3 Bedroom units	\$400 per annum
4 Bedroom units	\$425 per annum
5 Bedroom units	\$425 per annum

**Credit Adjustments:**

The amount of credits awarded may be decreased below the amount requested if project costs are not considered reasonable for affordable housing.

## **Exhibit 4B UHC QUALIFIED BONUS AREAS**

Pursuant to the Housing and Economic Recovery Act of 2008, UHC has been provided authority to increase the Eligible Basis of certain buildings up to 130% of the Eligible Basis, when it determines that the financial feasibility of the building so requires.

**Projects located within 1/3 of a mile of walking distance along public access to an existing, currently under construction, or verified to be built Trax, FrontRunner, or S Line stop/station are considered Transit Oriented Developments and will be considered a bonus area, eligible for a basis boost of up to 30 percent. UHC will use Google Maps as its measuring standard.**

**Tribal land will be considered a bonus area, eligible for a basis boost of up to 15 percent.**

Please note tax-exempt bond projects are ineligible for a basis boost in a UHC qualified bonus area, including Areas of Opportunity. **Scattered-site developments are not eligible for this basis boost unless all tax parcels are located within 1/3 of a mile distance.** Note that all projects are limited to a maximum basis boost of 30%. Projects qualifying for the TOD basis boost will not receive additional boost for location in a qualified census tract, or location in an Area of Opportunity. If the Application has erroneously claimed a basis boost for location in a Qualified Bonus Area, the Application will be considered nonconforming.

### **UHC QUALIFIED BONUS AREAS ALONG UTA'S FRONTRUNNER, TRAX, AND S LINE STATIONS**

Projects must be within 1/3 mile of an existing station or a station which is under construction, or verified to be built as of the date of Application submission. [Distance will be measured to the closest access point from the proposed Housing Credit project.](#)

-All TRAX, -and S Line Stations, Front Runner Stations, [bus rapid transit](#), and bus lines can be verified at <https://www.rideuta.com/rider-tools/schedules-and-maps>.

[Distance will be measured to the closest access point from the proposed Housing Credit project.](#)

## **Exhibit 4C CAPITAL NEEDS ASSESSMENT REQUIREMENTS**

Applicants for Housing Credit on acquisition/rehabilitation projects must submit as a threshold item a Physical Condition Assessment (PCA) Capital Needs Assessment (CNA) and Replacement Reserves analysis. The PCA/CNA must have been performed within six months of the submission date of the Application.

An independent consultant, architect, general contractor or engineer, any of whom must be licensed in the State of Utah, shall prepare the report. This independent consultant shall inspect at least 50% of the units in the project for projects built before 1960 and at least 20% for newer projects built up to 1980. Applicants must inspect 100% of the units before purchase. Certification will be required.

The PCA/CNA shall include the following four (4) components:

1. Critical Repair Items. All health and safety deficiencies or violations of Section 8 housing quality standards, including any/all Federal Lead Based Paint requirements and FHA's regulatory agreement standards that require immediate remediation.
2. Twelve-Month Physical Needs. An estimate of repairs utilizing B Grade finished construction, replacements, and significant deferred and other maintenance items that will need to be addressed within

12 months. Includes the minimum market amenities needed to restore the property to the affordable housing standard adequate for the rental market for which the project is approved.

3. Long Term Physical Needs. An estimate of the repairs, utilizing B Grade finished construction, -and replacement items beyond the first year that are required to maintain the project's physical integrity over the next twenty (20) years, such as major structural systems that will need to be replaced during this period.
4. Analysis of Reserves for Replacement. An estimate of the initial and monthly deposit to the Reserves for Replacement account needed to fund the project's long term physical needs (20 years), accounting for inflation, the existing Reserves for Replacement balance (if any), and the Expected Useful Life of the major building systems. This analysis should include the cost of the twelve-month physical needs, but not any work items that would be treated as Operating Expenses.

### Statement of Work

1. The PCA/CNA shall be written with detailed narrative and accompanying color photographs and shall describe the property's exterior and interior physical condition, including architectural and structural components and mechanical systems.
2. The report shall:
  - a. Identify in detail any repair items that represent an immediate threat to health and safety, and all other significant defects, deficiencies, items of deferred maintenance, and material building code violations, (individual and collectively, Physical Deficiencies) that would limit the expected useful life of major components or systems;
  - b. Provide estimated costs to remedy the detailed Physical Deficiencies (for 1 year of immediate needs); and
  - c. Provide a Replacement Reserve Schedule, including an estimate of the initial and annual deposits (projected to increase at the operating cost adjustment factor) based on the useful life of the major building systems. The term of the analysis should be twenty (20) years.
3. The report shall identify any physical deficiencies noted from:
  - a. A visual survey;
  - b. A review of any pertinent documentation; and
  - c. Interviews with the property owner, management staff, tenants, interested community groups and government officials.
4. The report shall provide a description of directly observed potential on-site environmental hazards.
5. The report shall assess the twelve-month physical needs. The standard is a non-luxury standard adequate for the rental market. The physical needs identified should be those necessary for the project to retain its market position as an affordable project in a decent, safe, and sanitary condition (recognizing any evolution of standards appropriate for such a project). The twelve-month physical needs should include those improvements the project requires to compete in the market. Where a range of options exists, the most effective options for rehabilitation should be ~~chosen~~, chosen when both capital and operating costs are taken into consideration.
6. The report shall determine the cost-benefit of each significant work item in the rehabilitation plan (i.e., greater than \$5,000 per work item) that represents an improvement to the project, an upgrade to current standards or that will reduce the Operating Expenses. For example, individual utility metering, extra insulation, thermopane windows, water savers on showers and toilets, automatic setback thermostats, and durable siding. Compare the cost of the item with the long-term impact on rent and expenses, taking into account the remaining useful life of the building systems as needed.

7. The report shall explain how the project will meet the requirements for accessibility/visibility to persons with Disabilities, to the extent applicable.
8. The PCA/CNA report, in addition to the four major components stated on the previous page, at a minimum shall include the following checklist sub-components:
  - Project Summary Sheet;
  - Executive Summary (discussion of the physical condition of the property and any major repair/rehab items observed);
  - An index;
  - Introduction of the Report;
  - Building Evaluation (property identification-survey, legal description of property);
  - Site Improvement evaluation/analysis (utilities, parking, paving, sidewalks, sewer and drainage, landscaping, trash enclosures/compactors and general site improvements);
  - Building Architectural and Structural Systems Evaluation (foundation superstructure and floors, roof structures and roofing, exterior walls and stairs, siding, downspouts, and Common Areas energy efficiency, tenant amenities, playgrounds and playground equipment);
  - Building Mechanical and Electrical Systems Evaluation (building HVAC, plumbing, electrical, elevators, fire protection/security systems);
  - Interior Dwelling Units Evaluation (interior finishes, walls, ceilings, paint, kitchen and appliances, carpet, vinyl, interior doors, shelves, cabinets, vanities, closets, interior HVAC, plumbing, bathroom fixtures, electrical fire protection systems, security systems);
  - Evaluation/Analysis of Other Structures;
  - Environmental Evaluation;
  - Estimated Useful Life Analysis (computation of Repairs and Replacement Reserves);
  - Basis for identifying any item for repair or replacement;
  - Unit cost breakdown for multiple items (i.e., stoves, refrigerators, cabinets, bathroom fixtures, etc.);
  - Acknowledgements (who prepared report, when report was prepared, who received report, and when report was reviewed);
  - Appendices (photographs, site plans, maps, title report, etc.);
  - Identification of any observed hazards, flammable or explosive facilities/operations in the immediate area of the project; and
  - State whether the project is located in a Flood Plain.

An individual representing the firm who prepared or supervised the preparation of the report must sign the report.

The architectural report must include the following:

- a. Total floor area in square feet for the entire development, units, common area
- b. Demonstrate that units will provide the furnishings as stated in the Application (range, hood, refrigerator, exhaust fans, grab bars, etc.)
- c. A final report itemizing the extent of renovation and replacement and summary comparing the PCA/CNA report submitted to UHC and final results.

## Exhibit 4D COMPREHENSIVE FINANCIAL DISCLOSURE CERTIFICATION

I hereby certify that the following statements and information, including information contained in any attachments to this Comprehensive Financial Disclosure Certification, are, to the best of my knowledge based upon due inquiry, true, accurate and complete.

If the answer to any of the following questions is YES, please provide a **signed**, comprehensive narrative regarding past and current facts describing the matter on separate pages. Include facts about such real estate developments including a listing of principals related to the real estate development, the financing and Equity sources and the addresses. UHC reserves the right to disqualify an Application based on an affirmative answer to any of the following questions. These questions must be answered by the Applicant on behalf of each identified member of the development team.

For the period beginning ten (10) years prior to the date of this certification:

1.  Yes  No      The undersigned, or any member of the development team, is or was a principal in a residential rental project (located in any state) for which an Allocation of Federal Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, or Private Activity Bond Volume Cap under Section 146 of the Internal Revenue Code of 1986 was made to the residential rental project or its Developer or sponsor, but which Allocation was not fully utilized and any portion of such Allocation expired and was unable to be utilized within the state of its Allocation.
  
2.  Yes  No      One or more of the undersigned, a member of the development team, an Interested Party (as set forth in the attached list), or a person or entity related to the undersigned or any such Interested Party, has had an ownership interest in the residential rental project (including the project site) to be financed at any time during the preceding five (5) years.
  
3.  Yes  No      The undersigned, or any member of the development team, is or was a principal in a real estate development (located in any state) in which there has been or was alleged to have been a default or Non-Compliance regarding:
  - Tax-exempt bond compliance requirements, or
  - Low Income Housing Tax Credit compliance requirements, or
  - A mortgage loan, construction, bridge or interim loan (including any assignment, deed-in-lieu of foreclosure, -foreclosure, or lender relief) or
  - Real estate development partnership or operating (investor) agreements, or
  - Rent-up / vacancy requirements, or
  - Federal, state or local building, housing maintenance and/or construction codes or laws.
  
4.  Yes  No      There is or has been litigation or a judgment related to:
  - The ownership or operation of any real estate which could materially and adversely impact the financial condition of the -undersigned, or
  - The -undersigned's, or any member of the development team, ownership interest in any real estate ownership, development, or management entity, or
  - Any entity in which the undersigned, or any member of the development team, owns a significant interest (5% or greater) which could materially and adversely impact the entity's financial condition.

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5.  Yes  No      There are unresolved findings raised as a result of audits, management reviews or other investigations by federal, state, or local government entities concerning the undersigned or any member of the development team or real estate developments in which the undersigned or any member of the development team is a principal.
6.  Yes  No      The undersigned or any member of the development team has been convicted of or plead guilty to fraud, a felony, or securities violation or is presently the subject of a material civil complaint, criminal charge, or indictment charging fraud, felony, or securities violation. (A felony is defined as any offense punishable by imprisonment for a term exceeding one year but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less).
7.  Yes  No      The undersigned or any member of the development team has been suspended, disbarred, debarred or otherwise restricted by any department or agency of the federal government or any state from doing business with such department or agency.
8.  Yes  No      The undersigned or any member of the development team is or was the subject of any bankruptcy or insolvency proceeding or is subject to unsatisfied liens or judgments.
9.  Yes  No      The Project or the land upon which it is located, or any other real estate development in which the undersigned or any member of the development team is a principal has any environmental or hazardous violations claimed against it.
10.  Yes  No      The Project is located in a jurisdiction in which there is a court decision or court entered plan to address housing desegregation or remedy some other violation of law. If the Project is located in such a jurisdiction provide the evidence for your conclusion that it is consistent with such court decision or court entered plan in an attachment to this omnibus certification.

**Acknowledgement and Certification:** Owner/Developer hereby acknowledges that upon submission of an application, UHC is authorized to conduct a background check or credit check on any applicant, owner, developer, principal and/or management agent of the project as part of its underwriting procedures.

Name \_\_\_\_\_

Title \_\_\_\_\_

% of Interest in  Project  Developer: \_\_\_\_\_ %  
(check one box)

Signature \_\_\_\_\_

Date \_\_\_\_\_

## Exhibit 4E GENERAL REQUIREMENTS GUIDELINES

To assist Applicants in properly categorizing costs, thereby avoiding re-categorization by UHC when determining compliance with Contractor Fee, Developer Fee, and General Requirement limitations, UHC will allow the following items to be included under General Requirements for the purpose of determining Eligible Basis and fee limits:

- Supervision and job site engineering;
- Job office expenses including clerical wages, whether on-site or offsite, if for the project;
- On-site temporary buildings, tool sheds, shops and toilets;
- Temporary heat, water, light and power for construction;
- Temporary walkways, fences, roads, siding and docking facilities, sidewalk and street rental;
- Construction equipment rental not in trade item costs;
- Clean up and disposal of construction debris;
- Medical and first aid supplies and temporary facilities; and
- Watchman's wages, security cost, and theft and vandalism insurance.

Items not listed above, including, but not limited to, salaries of owners, partners or officers of the general contracting firm are not allowed under General Requirements. Eligible Basis from General Requirement costs is limited to 76% of on-site and building costs.

(The above list was developed from HUD Manual 4450.1 pages 1–4.)

## Exhibit 4F PROJECT OWNER IDENTITY OF INTEREST CERTIFICATION

Project Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

UHC requires a full disclosure of all Related Party transactions affecting the payment of fees to the Developer or contractor. Please see Exhibits for the Application, tab “Identity of Interest,” for the “Identity of Interest Information” checklist. UHC must be notified of any changes in such relationships during the development process.

The undersigned represents that all fees and profit from the development of the project have been disclosed and that there are no undisclosed Related Party transactions involving the project owner / Applicant, Developer, contractor, officers, consultants, ~~land owners~~landowners, intermediaries, realtors, or others.

Project Owner / Applicant Name

~~03/17/2025~~ 3/19/2026 \_\_\_\_\_

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By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit 5A PROJECT DEVELOPMENT SCHEDULE *New Project***

Must be submitted to UHC April 1st and September 1st each year until project **is completed**has submitted Final Cost Certification package.

Project Name: \_\_\_\_\_

	<u>Activity</u>	<u>Expected Date</u>	<u>Completed Date</u>
<b>A.</b>	<b>Site</b>		
	<i>Environmental Review</i>		
	<i>Closing / Site Transfer</i>		
<b>B.</b>	<b>Financing</b>		
	1. <i>Construction Closing</i>		
	2. <i>Permanent Closing</i>		
	3. <i>Investor Commitment</i>		
<b>C.</b>	<b>Plans &amp; Specs (Final)-Approved by the City</b>		
<b>D.</b>	<b>Project Signage with UHC Logo</b>		
<b>E.</b>	<b>Pre-Closing Review (No more than 45 days prior to closing with Investor Member)</b>		
<b>F.</b>	<b>Building Permit</b>		
<b>G.</b>	<b>Groundbreaking</b>		
<b>H.</b>	<b>Construction Begins</b>		
<b>I.</b>	<b>Carryover Submission</b>		
<b>J.</b>	<b>Occupancy Certificate</b>		
<b>K.</b>	<b>Open House/Ribbon Cutting</b>		
<b>L.</b>	<b>Lease Up</b>		
<b>M.</b>	<b>Placed in Service (Last Bldg.)</b>		
<b>N.</b>	<b>Final Cost Certification</b>		

Indicate percent complete at the date of this schedule \_\_\_\_% Complete.

Developer must provide an **updated sources and uses** as well as any documentation for any changes to the project.

**Failure to submit the Project Development Schedule on a timely basis will result in Developer being classified as Not in Good Standing.**

**Exhibit 5B PROJECT DEVELOPMENT SCHEDULE *Rehab Project***

Must be submitted to UHC April 1st and September 1st each year until project **has submitted Final Cost Certification package is completed.**

Project Name: \_\_\_\_\_

	<u>Activity</u>	<u>Expected Date</u>	<u>Completed Date</u>
A.	Site		
	<i>Closing / Site Transfer</i>		
B.	Financing		
	1. <i>Construction Closing</i>		
	2. <i>Permanent Closing</i>		
	3. <i>Investor Commitment</i>		
C.	Plans & Specs (Final)-Approved by the City		
D.	Project Signage with UHC Logo		
E.	Pre-Closing Review (No more than 45 days prior to closing with Investor Member).		
F.	Building Permit		
G.	Construction Begins		
H.	Carryover Submission		
I.	Open House/Ribbon Cutting		
J.	Placed in Service (Last Bldg.)		
K.	Final Cost Certification		

Indicate percent complete at the date of this schedule \_\_\_\_% Complete.

Developer must provide an **updated sources and uses** as well as any documentation for any changes to the project.

**Failure to submit the Project Development Schedule on a timely basis will result in Developer being classified as Not in Good Standing.**

## **Exhibit 5C CARRYOVER ALLOCATION INSTRUCTIONS**

Projects that have received a Housing Credit Reservation, but will not be placed in service by year end, may receive a Carryover Allocation of Housing Credits by submitting a Carryover Allocation package to UHC. §42 provides additional information and certification requirements with respect to Carryover Allocations. Upon request, a Carryover Allocation package will be provided by UHC via email.

**To comply with §42 of the Code and requirements of UHC, the following checklist and information must be completed and submitted to UHC by November 1st.**

<input type="checkbox"/> <b>Project Information for Carryover Allocation</b>	<b>Form attached. Follow instructions for completing all or Section II only.</b>
<input type="checkbox"/> <b>Project Status Certification or explanation of changes</b>	<b>Form attached.</b>
<input type="checkbox"/> <b>If owned by time of Carryover Allocation, trust deed to owner with closing statements</b>	<b>Include any interim third-party seller and other Related Party sellers, as applicable.</b>
<input type="checkbox"/> <b>Evidence of project ownership entity</b>	<b>Limited Partnership, LLC, etc.</b>
<input type="checkbox"/> <b>Federal Tax Identification Number of new entity</b>	<b>Attach copy.</b>
<input type="checkbox"/> <b>Carryover Allocation Fee</b>	<b>\$500 if received by November 1<sup>st</sup> and \$1,000 if received after. (Pay electronically through UHC website).</b>
<input type="checkbox"/> <b>Certification of Qualified Nonprofit Organization</b>	<b>If applicable. Form attached.</b>
<input type="checkbox"/> <b>All required outstanding documents</b>	<b>Market Study, etc.</b>

**Failure to comply with these requirements by the aforementioned deadline could result in the forfeiture of the project's Credit Reservation.**

## **Exhibit 5D 10% COST CERTIFICATION**

A 10% Cost Certification must be submitted to UHC no later than 30 days after the ~~one year~~one-year anniversary of the Carryover Allocation. Upon request, 10% Cost Certification documents for the project will be provided by UHC via email.

### **A. Certification of 10% Cost Report**

A 10% Cost Certification on Excel spreadsheet needs to be submitted showing the costs. The costs that may be included in the 10% of expected basis amount are the project owner's Adjusted Basis in land or depreciable real property that is reasonably expected to be part of the project, including direct and indirect costs of acquiring, constructing and rehabilitating the project as of the 12 months after the Allocation has been made. Application and Compliance Monitoring fees are not included in the 10% of expected cost basis amount. An amount is included in basis if it is treated as paid or incurred under the method of accounting used by the project owner. Please consult your CPA or attorney for further clarification.

### **B. CPA Certification**

A 10% Cost Certification must be accompanied by a written certification from a qualified attorney or CPA certifying to UHC that the attorney or CPA has examined all eligible costs incurred with respect to the project and that, based on this examination, it is the attorney's or CPA's belief that the project owner has incurred at least 10% of its reasonably expected basis of the project.

### **C. Owner Certification**

The Code requires UHC to obtain a written certification from the project owner, under penalty of perjury, that the project owner has incurred at least 10% of the reasonably expected basis in the project.

## **Exhibit 5E LAND USE RESTRICTION AGREEMENT (LURA) INSTRUCTIONS**

A Land Use Restriction Agreement (LURA) is to be executed by the project owner and UHC and is to be recorded at the county recorder's office against the project's property committing the project to operate in accordance with the agreements (rent and income limits, special uses of units and extended use restrictions, etc.) made between the Applicant and UHC as inducements for the Housing Credit Allocation.

The LURA shall be recorded at the time the sponsor or project owner obtains an ownership interest in the site and is to be superior to all other liens.

The project owner will submit the LURA information packet along with the required documents to UHC 30 days prior to the site/project acquisition takes place to facilitate document preparation. A LURA is required for all projects, including tax-exempt bond projects. Upon request, a LURA information packet will be provided by UHC via email.

In order to accurately complete the drafting of the LURA for your project, the following information is required:

- Project Information
- Legal Owner Information
- Federal Tax Identification Number of Owner Entity (attach copy)
- Organization Documents of Owner Entity (attach copy)
- Certification of Good Standing of Owner Entity (attach copy)
- Title Commitment
- Legal Description of Site (attach copy)
- Site Interest
- Utah State Housing Credits, if applicable
- HUD Insured, if applicable
- Building Numbers and Street Addresses

**Please Note: If the LURA must be revised or amended, a minimum \$500 fee to cover additional legal expenses must be paid by the project owner prior to final execution of the LURA or LURA amendment by UHC.**

### Exhibit 5F PRE-CLOSING REVIEW REQUEST

No more than 45 days prior to closing with the Investor Member, Project Owner shall submit to UHC Multifamily Housing Credit Analyst a pre-closing review request, which includes the following:

- Spreadsheet Application with updated sources and use;
- Current Firm Commitment and/or a Form of the Promissory Note to be signed at closing from all sources, including the Deferred Developer Fee;
- Confirmation of Construction Lender, General Contractor, and Property Manager;
- Notification of any changes to investor(s) along with updated LOI(s);
- Written explanation of significant project changes\*; and
- Self-Certification (see below).

\* Significant changes include but are not limited to changes in ownership, land ownership/land lease structure, site changes.

I, (Name), (Title of Authorized Official of (Sponsor Organization)) attest that the information provided for the Pre-Closing Review Request is true and complete. If any of this information changes prior to closing with the Equity investor I will provide updated information to Utah Housing Corporation for additional review.

#### ORIGINAL SIGNATURE OF AUTHORIZED OFFICIAL

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Organization)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Project)

## Exhibit 5G FINAL COST CERTIFICATION INSTRUCTIONS

The Final Cost Certification deadlines are as follows:

New construction projects - within 6 months after the last building in the project receives a Certificate of Occupancy.

Rehabilitation projects - within 6 months after the last building in the project receives a Final Inspection Report. This Certification must be accurately complete before IRS Forms 8609 can be issued (which constitutes the final Allocation of Housing Credits).

Project owners wanting the 8609(s) issued by the end of the year must have a completed Final Cost Certification (including any review findings resolved) by September 30.

For same year Allocation projects, if a completed Final Cost Certification is not submitted on or before September 30 of the same year, the 8609s will not be issued prior to end of year and the project owner must enter into a Carryover Allocation with UHC by the end of the year. If the Carryover Allocation is not executed by both parties before the end of the year, the project will forfeit those credits.

Upon request, current Final Cost Certification documents (Cost Certification packet) for the project must be provided by UHC via email. The Final Cost Certification packet may be submitted electronically via a secure web link which can be provided by UHC staff upon request. The submission should be ~~as~~ a bookmarked PDF that matches the checklist and the completed excel workbook.

The files are in two formats, Word (.doc) files comprising Certifications, and Excel (.xlsx) spreadsheet files comprising Owner and CPA Cost Schedules. It is the Project Owner's responsibility to ensure that the most current version of the Excel spreadsheet is being used. Contact UHC staff to obtain the most current form. The files are described as follows:

- **Checklist.xls** – The checklist shows the stacking order for the package. Submit as the cover sheet. This document contains all of the project owner certifications.
- **CPA FNL.doc** – Forward to your CPA to be completed and signed by the CPA.
- **FnlCert.xls** – The project owner completes the appropriate schedules, prints and signs them. Then the CPA must complete the CPA schedules and sign them. All printed and signed schedules must be submitted electronically.

***Exercise care in completing all documents properly. UHC uses the data you submit explicitly without editing it. Check names, numbers, EIN, etc. If incorrect or incomplete information is submitted, the Final Cost Certification will be considered incomplete.***

All supporting documents must be submitted before submission of the Final Cost Certification can be considered complete. If a Final Cost Certification is substantially changed after submission, UHC may charge a fee of up to \$500 for the additional review.

For Tax Exempt Bond Projects Only:

1. Project Owner Certification of Tax Exempt Bond Financed Project
2. Bond Issuer's Determination Statement of Tax Credit Allocation, if other than UHC.

**Failure to comply with these requirements by the aforementioned deadline could result in the forfeiture of the project's Credit Reservation.**

## Exhibit 6A ARCHITECT'S CERTIFICATION

The undersigned, being a duly licensed architect registered in the State of Utah, has prepared for \_\_\_\_\_ (Project Owner) final plans, working drawings and detailed specifications (and addenda) dated \_\_\_\_\_ in connection with certain real property located at \_\_\_\_\_ known as \_\_\_\_\_ (the Project).

I hereby certify that I am a licensed Architect, License No. \_\_\_\_\_, with the requisite skills and experience to provide the professional services necessary to assist in the construction of the units proposed by Project Owner and that I have experience on \_\_\_\_\_ development(s) of similar magnitude and construction type as this Project. I am knowledgeable of all federal, state, and local requirements and the requirements of:

- (i) Architectural Barriers Act
- (ii) Section 504
- (iii) Fair Housing Act Title VIII
- (iv) Americans with Disabilities Act Title II
- (v) State of Utah fair housing laws and building codes compliant with ANSI 117-A.

To the best of my ~~knowledge~~knowledge, the final design, plans, and specifications comply with these requirements.

To the best of my knowledge that \_\_\_\_\_ (#) fully accessible residential unit(s) have been designed for long-term mobility-impaired tenants which meet(s) the minimum federal and state law requirements in those plans and specifications listed above.

The undersigned hereby states to the best of his/her knowledge, to the Project Owner and Utah Housing Corporation that the Plans and Specifications for the Project have been duly filed with and have been approved by all appropriate governmental and municipal authorities having jurisdiction over the Project and that the Project as shown on the Plans and Specifications is in compliance with all requirements and restrictions of all applicable zoning, environmental, building, fire, health and other governmental ordinances, rules and regulations. All conditions to the issuance of building permits have been satisfied.

To the best of my knowledge, the Project has been constructed in a good and workmanlike manner substantially in accordance with the Plans and Specifications and is free and clear of any damage or structural defects that would in any material respect affect the value of the Project. In the further opinion of the undersigned, all of the preconditions have been met justifying the issuance of:

- (i) The permanent certificate(s) of occupancy for the Project (or the letter or certificate of compliance or completion stating that the construction complies with all requirements and restrictions of all governmental ordinances, rules and regulations); and
- (ii) Such other necessary approvals, certificates, permits, and licenses that may be required from such governmental authorities having jurisdiction over the Project pertaining to the construction of the Project.

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The Project will be in compliance with all current zoning, environmental and other applicable laws, ordinances, rules and regulations, restrictions and requirements, including without limitation Title III of the Americans with Disabilities Act of 1990 and the Fair Housing Act.

There are no building or other municipal violations filed or noted against the Project. All necessary gas, steam, telephone, electric, water and sewer services and other utilities required to adequately service the Project are now available to the Project. All street drainage, water distribution, and sanitary sewer systems have been accepted for perpetual maintenance by the appropriate governmental authority or utility.

Dated: \_\_\_\_\_

PROJECT ARCHITECT:

By: \_\_\_\_\_  
(signature)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit 6B GENERAL CONTRACTOR'S CERTIFICATION**

The undersigned has served as general contractor of the real property constructed at \_\_\_\_\_  
\_\_\_\_\_, known as \_\_\_\_\_ (Project Name)  
for \_\_\_\_\_ (Project Owner).

The undersigned hereby certifies to the Project Owner and Utah Housing Corporation that the Project was constructed or rehabilitated in conformity with the Plans and Specifications dated \_\_\_\_\_  
\_\_\_\_\_. [PLEASE NOTE: THIS DATE MUST MATCH THE PLANS AND SPECIFICATIONS DATE IN ARCHITECT'S CERTIFICATION].

Dated: \_\_\_\_\_

GENERAL CONTRACTOR FOR PROJECT:

By: \_\_\_\_\_  
(signature)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **Exhibit 6C ENERGY STAR PROCEDURES**

When applying for Housing Credits:

1. All new construction **must be** ENERGY STAR Certified using the most current Energy Star single family homes or Multifamily housing new construction certification version;
2. All rehabilitation projects must be ENERGY STAR certified or ENERGY STAR enhanced if certification cannot be achieved. Utilization of the Energy Star Guidance for Home and Buildings Undergoing Gut Rehab is recommended; and
3. Rehabilitation projects must be ENERGY STAR certified when using OWHLF funds unless a waiver is granted from the Division of Housing and Community Development (DHCD).



The design requirements of the Guidelines to which new buildings and dwelling units must comply are presented in abridged form below. Dwelling units are not subject to these requirements only in the rare instance where there are extremes of terrain or unusual characteristics of the site.

**REQUIREMENT 1**

**Accessible Building Entrance on an Accessible Route:** Covered multifamily dwellings must have at least one building entrance on an accessible route, unless it is impractical to do so because of terrain or unusual characteristics of the site. For all such dwellings with a building entrance on an accessible route the following six requirements apply.

**REQUIREMENT 2**

**Accessible and Usable Public and Common Use Areas:** Public and common use areas must be readily accessible to and usable by people with Disabilities.

**REQUIREMENT 3**

**Usable Doors:** All doors designed to allow passage into and within all premises must be sufficiently wide to allow passage by persons in wheelchairs.

**REQUIREMENT 4**

**Accessible Route Into and Through the Covered Dwelling Unit:** There must be an accessible route into and through the dwelling units, providing access for people with Disabilities throughout the unit.

**REQUIREMENT 5**

**Light Switches, Electrical Outlets, Thermostats and Other Environmental Controls in Accessible Locations:** All premises within the dwelling units must contain light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

**REQUIREMENT 6**

**Reinforced Walls for Grab Bars:** All premises within dwelling units must contain reinforcements in bathroom walls to allow later installation of grab bars around toilet, tub, shower stall and shower seat, where such facilities are provided.

**REQUIREMENT 7**

**Usable Kitchens and Bathrooms:** Dwelling units must contain usable kitchens and bathrooms such that an individual who uses a wheelchair can maneuver about the space.

For further information about the Fair Housing Accessibility Guidelines, call or visit their website: [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/disabilities/accessibilityRhttps://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/disabilities/accessibilityR](https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/accessibilityRhttps://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/accessibilityR)

**Fair Housing Guidelines**

U.S. Department of Housing and Urban Development  
(303)672-5430 TDD (303)672-5248

Fair Housing Information Clearinghouse  
1-800-343-3442 TDD 1-800-290-1617



**Exhibit 6E SERVICE PROVIDER LETTER OF UNDERSTANDING**

[Service Provider Letterhead]

[Date]

Claudia O’Grady  
V.P. Multifamily Finance & Development  
Utah Housing Corporation  
2479 S. Lake Park Boulevard  
West Valley City, UT 84120

RE: [Project Name]  
[Project City]  
[Name of Ownership Entity]

Dear Ms. O’Grady:

[This letter of understanding must include the following:

- An explanation of the Service Provider’s experience with providing services to the specific targeted population.
- A statement indicating the provider’s understanding of the number of units being set aside for the specific targeted population.
- A statement indicating that the provider has enough clients to fulfill the needs of the requested set aside units, as well as all previously committed set aside units, and has the capacity to provide services for the duration of a referral’s tenancy.
- A full description of services that the provider will make available to the tenant post move in.]

We look forward to working with the project owner on this project.

Sincerely,

[Name of Authorized Official]  
[Title]  
[Service Provider Name]

## Exhibit 6F CHRONICALLY HOMELESS SELF CERTIFICATION

**If self-certification is 90 days or longer, Sections 1 and 2 must be filled out. Section 2 requires approval from the Housing Admin Supervisor.**

---

### Section 1

I certify that I was homeless (that is sleeping in a place not meant for human habitation such as living on the streets **OR** living in a homeless emergency shelter for the following period(s) of time:

Between \_\_\_\_\_ and \_\_\_\_\_ I lived at \_\_\_\_\_  
Between \_\_\_\_\_ and \_\_\_\_\_ I lived at \_\_\_\_\_  
Between \_\_\_\_\_ and \_\_\_\_\_ I lived at \_\_\_\_\_  
Between \_\_\_\_\_ and \_\_\_\_\_ I lived at \_\_\_\_\_

What else would you like to share about your history? For example, *“I cannot remember the name of the place where I was living during the fall of 2004 but I believe that it was a homeless emergency shelter. I have problems with my memory from that time due to an illness.”*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I certify that the above information is correct.

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I reviewed the above statement with the client.

Witness Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

### Section 2

TRH staff must provide documentation of all attempts to obtain third-party verification of client’s chronically homeless status. For example: *“CM has contacted agency on these dates to obtain documentation of CT’s status (list dates). CM has received verbal confirmation of CT’s status, but no written documentation.”*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I verify that I have made the above attempts to document client’s chronic homeless status.

TRH Staff Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I approve of the use of self-certification for verification of chronic homeless status.

Admin Supervisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## Exhibit 6H DISABILITY CERTIFICATION

Dear Physician/Qualified Health Personnel:

Applicant name: \_\_\_\_\_ has claimed eligibility for a federally funded housing program due to a disability. The claim must be certified by a licensed physician or health professional. For the purpose of this program a disabled person is one who has a physical, mental, or emotional impairment. Please provide the information requested below.

***To be completed and signed by a medical doctor, licensed social worker, or psychiatrist/psychologist:***

Is the disability expected to be of long continued and indefinite duration?

Yes \_\_\_\_\_ No \_\_\_\_\_

Is the disability of such a nature that such ability could be improved by more suitable housing conditions?

Yes \_\_\_\_\_ No \_\_\_\_\_

In my professional opinion, as a qualified health professional licensed by the state of Utah, trained to diagnose and treat such conditions, the above mentioned applicant:

\_\_\_\_\_ DOES have a disability as defined above.

\_\_\_\_\_ DOES NOT have a disability as defined above.

Physician Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

License No. \_\_\_\_\_

Telephone: \_\_\_\_\_

## Exhibit 6I HUD HOMELESS CERTIFICATION

Head of Household Name: \_\_\_\_\_ Number of Persons in Household: \_\_\_\_\_

- Household without dependent children (complete one form for each adult in the household)  
 Household with dependent children (complete one form for household)

**This is to certify that the above named individual or household is currently homeless based on the check mark, other indicated information, and signature indicating their current living situation. Check only one box and complete only that section**

---

### Living Situation: place not meant for human habitation (e.g., cars, parks, abandoned buildings, streets/sidewalks)

The person(s) named above is/are currently living in (or, if currently in hospital or other institution, was living in immediately prior to hospital/institution admission) a public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus station, airport, or camp ground.

Description of current living situation: \_\_\_\_\_  
\_\_\_\_\_

### Homeless Street Outreach Program

Name: \_\_\_\_\_

*This certifying agency must be recognized by the local Continuum of Care (CoC) as an agency that has a program designed to serve persons living on the street or other places not meant for human habitation. Examples may be street outreach workers, day shelters, soup kitchens, Health Care for the Homeless sites, etc.*

Authorized Agency Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

### Living Situation: Emergency Shelter

The person(s) named above is/are currently living in (or, if currently in hospital or other institution no more than 90 days, was living in immediately prior to hospital/institution admission) a supervised publicly or privately operated shelter as follows:

Emergency Shelter Program Name: \_\_\_\_\_

*This emergency shelter must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory (e.g. newly established Emergency Shelter).*

Authorized Agency Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

### Living Situation: Transitional Housing

The person(s) named above is/are currently living in a transitional housing program for persons who are homeless. The person(s) named above is/are graduating from or timing out of the transitional housing program.

Transitional Housing Program Name: \_\_\_\_\_

*This transitional housing program must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory (e.g. newly established Transitional housing program).*

Immediately prior to entering transitional housing program the person(s) named above was/were residing in

Emergency shelter or  a place unfit for human habitation

Authorized Agency Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

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**Exhibit 7A PROJECT DEVELOPMENT SCHEDULE**

*Bond Project - New*

Must be submitted to UHC April 1st and September 1st each year until project ~~is completed~~ has submitted Final Cost Certification package.

Project Name: \_\_\_\_\_

	<u>Activity</u>	<u>Expected Date</u>	<u>Completed Date</u>
<b>A.</b>	<b>Site</b>		
	<i>Environmental Review</i>		
	<i>Closing / Site Transfer</i>		
<b>B.</b>	<b>Financing</b>		
	<i>1. Issuance of Bonds</i>		
	<i>2. Investor Commitment</i>		
<b>C.</b>	<b>Plans &amp; Specs (Final)-Approved by the City</b>		
<b>D.</b>	<b>Project Signage with UHC Logo</b>		
<b>E.</b>	<b>Pre-Closing Review (No more than 45 days prior to closing)</b>		
<b>F.</b>	<b>Building Permit</b>		
<b>G.</b>	<b>Groundbreaking</b>		
<b>H.</b>	<b>Construction Begins</b>		
<b>I.</b>	<b>Occupancy Certificate</b>		
<b>J.</b>	<b>Open House/Ribbon Cutting</b>		
<b>K.</b>	<b>Lease Up</b>		
<b>L.</b>	<b>Placed in Service (Last Bldg.)</b>		
<b>M.</b>			

Indicate percent complete at the date of this schedule \_\_\_\_% Complete.

Developer must provide an **updated sources and uses** as well as any documentation for any changes to the project.

**Failure to submit the Project Development Schedule on a timely basis will result in Developer being classified as Not in Good Standing.**

**Exhibit 7B PROJECT DEVELOPMENT SCHEDULE** *Bond Project - Rehab*

Must be submitted to UHC April 1st and September 1st each year until project ~~is completed~~has submitted Final Cost Certification package.

Project Name: \_\_\_\_\_

	<u>Activity</u>	<u>Expected Date</u>	<u>Completed Date</u>
<b>A.</b>	<b>Site</b>		
	<i>Closing / Site Transfer</i>		
<b>B.</b>	<b>Financing</b>		
	<i>1. Issuance of Bonds</i>		
	<i>2. Investor Commitment</i>		
<b>C.</b>	<b>Plans &amp; Specs (Final)-Approved by the City</b>		
<b>D.</b>	<b>Project Signage with UHC Logo</b>		
<b>E.</b>	<b>Pre-Closing Review (No more than 45 days prior to closing).</b>		
<b>F.</b>	<b>Building Permit</b>		
<b>G.</b>	<b>Construction Begins</b>		
<b>H.</b>	<b>Open House/Ribbon Cutting</b>		
<b>I.</b>	<b>Placed in Service (Last Bldg.)</b>		
<b>J.</b>	<b>Final Cost Certification</b>		

Indicate percent complete at the date of this schedule \_\_\_\_% Complete.

Developer must provide an **updated sources and uses** as well as any documentation for any changes to the project.

**Failure to submit the Project Development Schedule on a timely basis will result in Developer being classified as Not in Good Standing.**

**Exhibit 7C SUMMARY OF CRITICAL DATES FOR BOND PROJECTS**

Event or Action	Timing or Due Date
Volume Cap Application .....	Visit Private Activity Bond Review Board Website at <a href="https://jobs.utah.gov/housing/community/pab/index.html">https://jobs.utah.gov/housing/community/pab/index.html</a>
4% Application Fee.....	Due <del>with Application</del> <u>immediately following bond award</u>
4% Application.....	At minimum, 30 days prior to Board Meeting
Findings Cleared/Bond Resolution.....	17 Days prior to Board Meeting
Reservations Notification.....	Approx. 2 Months from Application Cycle
Reservation Letter.....	Approx. 1 to 2 days from Reservations Notification
Reservation Fee.....	15 days from receipt of Reservation Letter
Land Use Restriction Agreement (LURA).....	30 days before site/project acquisition
Project Development Schedules.....	April 1st -and September 1st of each year the project is under development, <u>beginning at award of 9% credits or private activity bonds</u>
Final Cost Certification.....	New construction projects- Within 6 months after last building in the project receives its Certificate of Occupancy Rehabilitation projects- Within 6 months after the last building in the project receives its Final Inspection Report
Annual Income/Rent Limits.....	Distributed by HUD approximately April 1 <sup>st</sup> .

## Exhibit 7D REQUEST FOR REIMBURSEMENT RESOLUTION

\_\_\_\_\_  
(Date)

To: Utah Housing Corporation  
2479 Lake Park Blvd.  
West Valley City, Utah 84120  
Attn: Jonathan A. Hanks, Senior Vice President/COO

RE: [Insert Name of Project]

The undersigned hereby requests Utah Housing Corporation (UHC) to adopt a resolution evidencing its present intention to issue its revenue bonds pursuant to Title 63H, Chapter 8, Part 301, Utah Code Annotated 1953, as amended (the Act) and Section 142(d) of the Internal Revenue Code of 1986 (the Code) to fund a mortgage loan to the undersigned or its designee to finance the multifamily residential rental housing project referred to above (the Project) to be located in the State of Utah and occupied by low and Moderate Income persons in compliance with the Act and the Code. In making this request, the undersigned hereby acknowledges that the adoption of such a resolution does not obligate UHC to finance the Project, and that UHC will only be obligated to issue its bonds if it executes a loan agreement with the undersigned having terms and conditions satisfactory to UHC, in its sole discretion.

- The undersigned has uploaded the On-line Application, and completed copies of the following to Tab 36:
- List of Interested Parties (-Exhibit 7E)
  - Comprehensive Reimbursement Resolution Certification for each person or entity on the List of Interested Parties (Exhibit 7F)
  - Consolidated Affordable Multifamily Housing Application for Private Activity Bond Authority/Low Income Housing Tax Credits
  - Certificate of Allocation from the Private Activity Bond Review Board
  - UHC Term Sheet (Exhibit 7G) or something substantially similar
- Attached hereto is an application fee in the form of a check payable to Utah Housing Corporation in the amount of \$1,000. The undersigned acknowledges that such fee is for the purpose of covering the costs of reviewing the application and preparation of a Reimbursement Resolution and related materials and such fee is non-refundable.

Name of Owner: \_\_\_\_\_ ,  
a \_\_\_\_\_  
(State of registration and type of entity, e.g., a Utah Limited Liability Company)

By: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

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### Exhibit 7E LIST OF INTERSTED PARTIES

The Applicant hereby certifies that set forth below is a complete list of all persons and entities with a 5% or more projected interest (capital, management or profit, either legally or beneficially) in the Project, the owner or Developer of the Project, or the General Partner or the managing member of the owner or Developer of the Project.

**Please Note:** Entities that have been or will be organized solely for the purpose of owning the Project or an interest in the owner of the Project should not be listed, and entities the majority ownership of which consists of persons who are already listed should not be listed. This list is intended to cover only natural persons and entities that meet the 5% threshold. Also, if a Developer has not entered into a binding agreement with an investor (for example, the projected Housing Credit investor), the investor need not be listed. If you have any questions, please consult with UHC staff.

**Illustration:** Assume an experienced Developer, Multifamily Development Company, has formed a limited partnership (New Housing, LP) for the purpose of acquiring and developing the Project, with a newly formed limited liability company (NH LLC) as the General Partner, and John Johnson, a principal of the Developer, as the limited partner (i.e., while the Developer anticipates bringing in an investor as the limited partner in New Housing, LP, it has not done so at this time). Assume further that Multifamily Development Company owns 80% of NH LLC and Jane Hampton owns 20% of NH LLC. Assume further that John Johnson and Jim Gonzalez each owns 45% of Multifamily Development Company, and two other individuals own the rest equally. Only Jane Hampton, John Johnson and Jim Gonzalez need to be listed below.

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
% of Interest in  Project  Developer: \_\_\_\_\_%  
(check one box)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
% of Interest in  Project  Developer: \_\_\_\_\_%  
(check one box)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
% of Interest in  Project  Developer: \_\_\_\_\_%  
(check one box)

[Add more if necessary]

## Exhibit 7F COMPREHENSIVE REIMBURSEMENT RESOLUTION CERTIFICATION

I hereby certify that the following statements and information, including information contained in any attachments to this Comprehensive Reimbursement Resolution Certification, are, to the best of my knowledge based upon due inquiry, true, accurate and complete.

The information is submitted to Utah Housing Corporation in order that \_\_\_\_\_  
\_\_\_\_\_ (an entity in which I have an interest) may obtain approval for passage of a Reimbursement Resolution for \_\_\_\_\_ (the Project).

If the answer to any of the following questions is YES, please provide a **signed**, comprehensive narrative regarding past and current facts describing the matter on separate pages. Include facts about such real estate developments including a listing of principals related to the real estate development, the financing and Equity sources and the addresses.

For the period beginning ten (10) years prior to the date of this certification:

1. Yes No The undersigned is or was a principal in a residential rental project (located in any state) for which an Allocation of Federal Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, or Private Activity Bond Volume Cap under Section 146 of the Internal Revenue Code of 1986 was made to the residential rental project or its Developer or sponsor, but which Allocation was not fully utilized and any portion of such Allocation expired and was unable to be utilized within the state of its Allocation.
2. Yes No Neither the undersigned, any Interested Party (as set forth in the attached list), nor a person or entity related to the undersigned or any such Interested Party, had an ownership interest in the residential rental project (including the project site) to be financed at any time during the preceding five (5) years.
3. Yes No The undersigned is or was a principal in a real estate development (located in any state) in which there has been or was alleged to have been a default or Non-Compliance regarding:
  - Tax-exempt bond compliance requirements, or
  - Low Income Housing Tax Credit compliance requirements, or
  - A mortgage loan, construction, bridge or interim loan (including any assignment, deed-in-lieu of foreclosure, -foreclosure, or lender relief) or
  - Real estate development partnership or operating (investor) agreements, or
  - Rent-up / vacancy requirements, or
  - Federal, state or local building, housing maintenance and/or construction codes or laws.

4. Yes No There is or has been litigation or a judgment related to:

~~03/17/2025~~ 3/19/2026

- The ownership or operation of any real estate which could materially and adversely impact the financial condition of the -undersigned, or
- The -undersigned's ownership interest in any real estate ownership, development, or management entity, or
- Any entity in which the undersigned owns a significant interest (5% or greater) which could materially and adversely impact the entity's financial condition.

5.  Yes  No There are unresolved findings raised as a result of audits, management -reviews or other investigations by federal, state, or local government entities concerning the undersigned or real estate developments in which the undersigned is a principal.

6.  Yes  No The undersigned has been convicted of or plead guilty to fraud, a felony, or securities violation or is presently the subject of a material civil complaint, criminal charge, or indictment charging fraud, felony, or securities violation. (A felony is defined as any offense punishable by imprisonment for a term exceeding one year but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less).

7.  Yes  No The undersigned has been suspended, disbarred, debarred or otherwise restricted by any department or agency of the federal government or any state from doing business with such department or agency.

8.  Yes  No The undersigned is or was the subject of any bankruptcy or insolvency proceeding or is subject to unsatisfied liens or judgments.

9.  Yes  No The Project or the land upon which it is located, or any other real estate development in which the undersigned is a principal has any environmental or hazardous violations claimed against it.

10.  Yes  No The Project is located in a jurisdiction in which there is a court decision or court entered plan to address housing desegregation or remedy some other violation of law. [If the Project is located in such a jurisdiction provide the evidence for your conclusion that it is consistent with such court decision or court entered plan in an attachment to this omnibus certification].

Name \_\_\_\_\_

Title \_\_\_\_\_

% of Interest in  Project  Developer: \_\_\_\_\_ %  
(check one box)

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Exhibit 7G MULTIFAMILY BOND TERM SHEET**

*This form, or a substantial equivalent, must be completed and delivered to UHC before it will adopt a bond resolution or conduct the public hearing required by the Code. A distribution list containing all or some of the participants may be delivered in lieu of completing all participant information.*

**PROJECT DESCRIPTION:**

Project name \_\_\_\_\_  
address (approximate) \_\_\_\_\_  
city, state, zip code \_\_\_\_\_

**(attach legal description)**

Total number of units \_\_\_\_\_  
# 0 bedroom units (studios) \_\_\_\_\_  
# 1 bedroom units \_\_\_\_\_  
# 2 bedroom units \_\_\_\_\_ w/ 1 bath \_\_\_\_\_ w/ 2 baths \_\_\_\_\_  
# 3 bedroom units \_\_\_\_\_ w/ 1 bath \_\_\_\_\_ w/ 2 baths \_\_\_\_\_  
# 4 bedroom units \_\_\_\_\_ w/ 1 bath \_\_\_\_\_ w/ 2 baths \_\_\_\_\_  
  
# residential buildings \_\_\_\_\_ site acreage \_\_\_\_\_ zoning \_\_\_\_\_

Describe amenities and auxiliary buildings or spaces \_\_\_\_\_

# units  $\leq$  30% AMI \_\_\_\_\_  
# units  $\leq$  35% AMI \_\_\_\_\_  
# units  $\leq$  40% AMI \_\_\_\_\_  
# units  $\leq$  45% AMI \_\_\_\_\_  
# units  $\leq$  50% AMI \_\_\_\_\_  
# units  $\leq$  60% AMI \_\_\_\_\_  
# units averaging  $\leq$  80% AMI \_\_\_\_\_  
# units other \_\_\_ % AMI \_\_\_\_\_

**PARTICIPANTS:**

~~03/17/2025 3/19/2026~~ \_\_\_\_\_

OWNER

entity name \_\_\_\_\_  
entity type \_\_\_\_\_  
(e.g., A Utah Limited Liability Company)  
  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
primary contact person \_\_\_\_\_  
secondary contact person \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

GENERAL CONTRACTOR

entity name \_\_\_\_\_

APARTMENT MANAGMENT

entity name \_\_\_\_\_

PROPOSED SENIOR UNDERWRITER (for publicly offered bonds)

entity name \_\_\_\_\_  
primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

PROPOSED PLACEMENT AGENT or INITIAL BOND PURCHASER (for privately placed bonds)

entity name \_\_\_\_\_  
primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

**(attach purchaser's most recent annual report or audited financial statement)**

FINANCIAL ADVISOR (if applicable)

entity name \_\_\_\_\_  
primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

TRUSTEE (must be located in Utah)

bank \_\_\_\_\_

primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

**BOND RATING**

Rating service \_\_\_\_\_  
primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_  
expected rating \_\_\_\_\_

**EQUITY/BOND/MORTGAGE INFORMATION**

**EQUITY**

Low Income Housing Credit proceeds \$ \_\_\_\_\_  
cash \$ \_\_\_\_\_  
deferred developer fee, etc. \$ \_\_\_\_\_  
land \$ \_\_\_\_\_

**AMOUNT OF BONDS**

Tax Exempt \$ \_\_\_\_\_ Taxable \$ \_\_\_\_\_

**BOND USES**

first mortgage loan \$ \_\_\_\_\_  
 construction loan \$ \_\_\_\_\_

**BOND STRUCTURE**

fixed rate term \_\_\_\_\_ months balloon payment?   
 variable rate term \_\_\_\_\_ month's convertible to fixed?  swapped to fixed?   
 other term \_\_\_\_\_ months \_\_\_\_\_  
(describe)

**(attach description e.g., indices for variable rates and swaps and others counterparties and liquidity providers)**

**CREDIT ENHANCEMENT (if applicable)**

entity name \_\_\_\_\_

primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

**DEBT**

construction loan \$ \_\_\_\_\_  
lender/servicer \_\_\_\_\_  
primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

first mortgage loan \$ \_\_\_\_\_  
lender/servicer \_\_\_\_\_  
primary contact person \_\_\_\_\_  
mailing address \_\_\_\_\_  
city, state, zip code \_\_\_\_\_  
phone \_\_\_\_\_ fax \_\_\_\_\_ e-mail \_\_\_\_\_

**OTHER DEBT**

describe \_\_\_\_\_

**(attach additional sheets for explanations or clarifications if necessary)**

## Exhibit 8A AREAS OF OPPORTUNITY

In an effort to incentivize affordable housing development in high opportunity areas, points will be awarded to projects located in census tracts with strong social Equity indicators. The highest scoring Areas of Opportunity will also be given a basis boost according to the schedule below. Projects will receive points and/or basis boost according to the schedule below. Note that if a project is located in a TOD and an Area of Opportunity, the maximum amount of basis boost is 30%.

Healthy Places Index	Number of Points	Basis boost
0-50% Percentile	0 points	None
50.01-65% Percentile	2.5 points	10%
65.01-80% Percentile	3.75 points	20%
80.01-100% Percentile	5 points	30%

\*The Utah Healthy Places Index is an evidence-based and peer-reviewed tool developed by the Utah Department of Health and Human Services. The Utah HPI combines 20 community characteristics, including access to healthcare, job opportunities, and education into a single indexed HPI score. The healthier the community, the higher the HPI score.

This will be measured using the data found here: <https://map.utah.healthyplacesindex.org/> . If an Application is submitted with an incorrect census tract number or an incorrect HPI, UHC will adjust the score accordingly. If the Application has erroneously claimed a basis boost for location in an Area of Opportunity, the Application may be considered nonconforming.

To obtain the Utah Healthy Places Index, follow the instructions below. If you need assistance please contact UHC staff.

1. Navigate to the link above.
2. In the top right corner of the page, enter the project's address in the search bar.
3. Take the HPI Score: Percentile to determine the project's Area of Opportunity score and corresponding basis boost.
4. Projects that are in census tracts that do not have enough data to receive a score on the Healthy Places Index will use zip code to determine their score.



**Exhibit 8C and 8D have been left blank intentionally for further use.**

## Exhibit 8E CREDIT EFFICIENCY DATA

Points will be determined based on the categories and averages listed below. The averages will be increased or decreased each year using the average of the medians from the previous two rounds. Studios will count as 0.90 LIHTC bedroom and 0.90 LIHTC unit.

Projects that are a combination of New & Acquisition/Rehab: ~~Applicant will segregate credits between “new” and “acquisition/rehab” the amount of credit being requested for new units, vs. acquisition/rehab units based on estimated costs. This breakdown will be utilized to determine the score for credits per unit and credits per LIHTC bedroom, and a weighted average will be applied to determine the final point value. will be scored according to the amount of each type of unit and bedroom. Units and bedrooms will be divided between number of new vs number of rehab. Each set of units will be scored accordingly, and a weighted average applied.~~

### Example:

1. Project A is requesting \$2,000,000 in TC for an 80 unit New/Acquisition/Rehab project.
2. The Applicant indicates that \$500,000 of the credit request is attributable to acquisition/rehab costs, and \$1,500,000 is attributable to new costs, which ~~equates~~ results in a ratio of ~~to 25% and to 75%, or 20 rehab units and 60 new units.~~
3.  $500,000 / (0.25 * 80) = 25,000$  rehab tc/unit = 105.5% of 2027 average, 6 points.
4.  $1,500,000 / (0.75 * 80) = 25,000$  new tc/unit = 81.7% of 2027 average, 12 points

Weighted average: 10.5 points

The CPI is published by the US Bureau of Labor Statistics: <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category.htm>

Maximum thresholds: Projects that apply for more credits than the maximums listed below will not be awarded. Projects that are located in QCTs, DDAs, TODs, or Areas of Opportunity *may* apply for credits up to the maximum for the applicable basis boost, however the same scoring rubric still applies for credit efficiency scoring.

Max Request: Federal Credits per LIHTC Bedroom *			
No Basis Boost	10% basis boost	20% basis boost	30% basis boost
<del>\$22,805</del> <u>\$25,395</u>	<del>\$25,086</del> <u>\$27,935</u>	<del>\$27,366</del> <u>\$30,474</u>	<del>\$29,647</del> <u>\$33,014</u>
Max Request: Federal Credits per Unit *			
No Basis Boost	10% basis boost	20% basis boost	30% basis boost
<del>\$33,575</del> <u>\$34,161</u>	<del>\$36,933</del> <u>\$37,577</u>	<del>\$40,290</del> <u>\$40,993</u>	<del>\$43,698</del> <u>\$44,409</u>

\* Max requests are determined by taking the median of requests for the prior two years, prior to basis boost, then multiplying the average of the two medians by 120% ~~and adding the CPI inflation factor.~~

**Points will be determined based on the average of the two prior years' median credit requests plus the inflation rate determined by the CPI.**

**Point Categories**

≤ 95.0% of Average	_____ 12 points
95.1% - 105.0% of Average	9 points
105.1% - 115.0% of Average	6 Points
115.1% - 125% of Average	3 Points

Projects with 20%-30% Basis Boost Only:

125.1% - 135% of Average	3 Points
--------------------------	----------

**Every project must achieve a minimum of 1.5 credit efficiency points. Projects that do not meet this minimum threshold will be considered non-conforming.**

**2027 Credit Efficiency**  
**New Projects (CROWN not included)**

Average of 2025 median and 2026 median federal credits per bedroom:

**\$21,666+ 2.6%= \$22,229**

Average of 2025 median and 2026 median federal credits per unit:

**\$29,814+ 2.6%=\$30,589**

**Acq/Rehab Projects**

Average of 2025 median and 2026 median federal credits per bedroom:

**\$12,789+ 2.6%=\$13,122**

\_\_\_\_\_ Average of 2025 median and 2026 median federal credits per unit:

**\$23,103+ 2.6%=\$23,704**

# 11. GLOSSARY

<b>ADA</b>	American with Disabilities Act and its associated acts of Congress. Specific architectural regulations have been developed to house persons that are dependent on wheelchairs for mobility and/or who may have other physical impairments.
<b>Adjusted Basis</b>	Eligible Basis and land cost for determining if the 50% bond test has been met.
<b>Affordable Housing Unit</b>	A Housing Unit that meets the definition of a qualified Housing Credit unit in accordance with the Code. Common area units are not included, i.e., manager and maintenance personnel units.
<b>Allocation, Award and Reservation</b>	The terms Allocation, Award and Reservation are used throughout the QAP interchangeably and generally refer to an Application that has been successful in competition for Housing Credits and through the period when the project has been placed in service but before an IRS Form 8609 has been issued for a project or its individual buildings. None of these terms necessarily entitle an owner to a specific amount of Housing Credits.
<b>Applicable Credit Percentage (ACP)</b>	The U.S. Treasury publishes the exact rates monthly. Multiplying the Qualified Basis by this percentage produces the maximum annual Housing Credits for a building. The rate applied to a building may be determined as follows: <ol style="list-style-type: none"> <li>1. The month the building is placed in service;</li> <li>2. The owner elects to use the ACP the month a Carryover Allocation is entered into with UHC;</li> <li>3. For a Tax Exempt Bond project, a notarized election statement is submitted to UHC by the 5th day of the month following the issuance of the bonds.</li> </ol>
<b>Applicable Fraction</b>	The lesser of the following two ratios: <ol style="list-style-type: none"> <li>1. Percentage of qualified low-income units compared to the total units within the project;</li> <li>2. Percentage of qualified square footage compared to the total square footage within a project.</li> </ol>
<b>Applicant</b>	Applicant means the party that submits an Application to UHC for a Credit Reservation, including its successors in interest as approved by UHC. The Applicant is the Owner entity, which is not required to be formed at the time of Application submission.
<b>Application</b>	Application means the Housing Credit Program Application submitted by an Applicant for a project. The Application includes all information submitted through the online portal, and any subsequent documentation, whether submitted electronically or in hard copy.
<b>Area Median Income</b>	Mid-point income with half the population above and half below in a particular area. The HUD Area Median Incomes are published every year for metropolitan and county areas. The AMI is adjusted for household size. UHC allows the actual income tenants earn to be 5% greater than the AMI used to determine rent, but cannot exceed the Minimum Set-Aside Election of 20%/50%, 40%/60%, or Income Averaging, whichever is applicable. See Minimum Set-Aside Election.
<b>Assisted Living</b>	Assisted Living facilities are licensed by the State of Utah and provide services in conjunction with housing for Seniors who cannot live independently.

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<b>BIN</b>	Building Identification Numbers are assigned by UHC. Each structural building containing at least one Housing Credit unit will be assigned a BIN by UHC. Individual units will not be assigned individual BINs.
<b>CDBG</b>	Community Development Block Grant. This is a program administered by the Department of Community and Economic Development in the State of Utah. It is a federal program designed to assist local municipalities in developing infrastructure such as water treatment plants, bridges, roads, etc. Occasionally it is used in a Housing Credit project to obtain land or to develop sewer, water and other infrastructure on or to the site.
<b>CHDO</b>	Community Housing Development Organization. A nonprofit housing development corporation whose mission and organizational structure are defined by HUD. This type of organization can obtain various funds on a priority basis from HUD and other sources.
<b>Carryover Allocation</b>	This is the document that UHC issues when it allocates Housing Credits to a project that is not complete. Housing Credits are reserved to projects from Utah's Credit Ceiling available each calendar year. Housing Credit projects which are not completed in the calendar year in which the Credits are allocated may carry over that Allocation for up to two additional calendar years.
<b>Code</b>	The Internal Revenue Code of 1986, as amended, together with corresponding and applicable temporary, proposed, and final Treasury Regulations, and Revenue Rulings and pronouncements issued or amended regarding it by the U.S. Department of the Treasury or IRS.
<b>Common Areas</b>	Land, improvements, and amenities for the benefit and use of all occupants, as well as the property owner. Examples are corridors, hallways, playgrounds, community rooms, management offices, and elevators.
<b>Compliance Period</b>	The 15 year period during which projects must comply with the requirements of the Housing Credit Program. The Compliance Period is fifteen years for projects that received 1990 and later Housing Credits. The Extended Use Period involves an additional number of years as stated in the Land Use Restriction Agreement.
<b>Community Service Facility</b>	To be included in project basis, a facility must be designed to serve primarily individuals with an income no higher than 60 percent of area median income. Rev. Rul. 2003-77 says this primary service requirement can be satisfied if the services will improve the quality of life for community residents and the taxpayer demonstrates that the services will be appropriate and helpful to individuals earning 60 percent or less of the area median income (AMI). The ruling also says the facility must be located on the same tract of land as one of the project buildings, which must be in a Qualified Census Tract, and any fees for services must be affordable to individuals at or below 60 percent of area median income.
<b>Community Revitalization Plan (CRP)</b>	A CRP seeks to create communities of opportunity in neighborhoods by stimulating the reinvestment of human and economic capital and economically empowering low-income residents. A CRP also seeks to create partnerships among federal and local governments, and neighborhood residents.

<p><b>Concerted Community Revitalization Plan (CCRP)</b></p>	<p>A CCRP is a plan from a local jurisdiction which is evidenced by a written document which establishes an active partnership between local government(s) and community-based organizations and which commits each signatory to specific and measurable goals, actions and timetables to foster, among other things, the construction or rehabilitation of affordable housing. Is a published document, approved and adopted by the jurisdiction’s governing body with binding legal authority, by ordinance, resolution, or other legal action, and targets funds or tax incentives to a defined geographic area for either of the following:</p> <ol style="list-style-type: none"> <li>1. economic development, including economic related initiatives; or</li> <li>2. commercial/retail development, including infrastructure and community facility improvement.</li> </ol> <p>For the purposes of claiming points under the QAP the entire project, regardless of single site or scattered site, must be located in a QCT as required in IRC Sect. 42 and CCRP must commit financial resources, i.e. a specific amount of funds to the project, and commit specific additional investments in neighborhood assets such as schools, infrastructure, transportation, jobs, and crime reduction. Scattered site developments must have all sites included in a CCRP (or multiple CCRPs) in order to claim points under the scoring related to CCRPs.</p> <p>The jurisdiction’s 5 Year Consolidated Plan or Long Term Land Use Plan is insufficient to meet the requirements under this section.</p>
<p><b>Credit Ceiling</b></p>	<p>Annual amount of federal Housing Credits received by Utah and allocated according to the QAP.</p>
<p><b>Credit Reservation</b></p>	<p>The Credit Reservation serves as the preliminary assignment of Housing Credits to a qualified project. It contains special conditions with which the project must comply in order to receive an Allocation of those Housing Credits.</p>
<p><b>Department of Workforce Services (DWS)</b></p>	<p>Utah Department of Workforce Services. A department of the State of Utah that administers various housing resources, including the State HOME Funds and the OWHLF, as well as private activity bonds, which are frequently used by Housing Credit projects.</p>
<p><b>DCR</b></p>	<p>Debt Service Coverage Ratio. This is a commonly used measure of project feasibility. It is the annual net operating income before income taxes divided by the annual debt service.</p>
<p><b>Developer</b></p>	<p>The party responsible for preparing the project for residential use as a Low Income Housing Tax Credit project and who is responsible for ensuring that a material portion of all phases of the development process are accomplished.</p>
<p><b>Difficult Development Areas (DDAs)</b></p>	<p>Areas designated by HUD as having high construction costs, land and utility costs, relative to the AMI. Projects located in these areas can increase their Eligible Basis by 30%. DDA’s are updated and published annually by HUD. See <a href="https://www.huduser.gov/portal/datasets/qct.html">https://www.huduser.gov/portal/datasets/qct.html</a> for more information.</p>

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<b>Disabilities</b>	Physical or mental impairments that substantially limit one or more of the major life activities of an individual, such as, being unable to care for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, or learning.
<b>Elderly Housing</b>	A project that conforms to the Fair Housing Act, as amended, and: <ol style="list-style-type: none"> <li>1. In which all Housing Units are intended for and solely occupied by residents who are 62 or older;</li> <li>2. In which all Housing Units are each intended and operated for occupancy by at least one resident who is 55 or older, and where at least 80% of the total Housing Units are in fact occupied by at least one resident who is 55 or older; or</li> <li>3. Is financed, constructed, and operated under the RD Section 515 program for the elderly (i.e., where each resident is either 62 or older or is a person with handicaps or Disabilities regardless of age, as such terms are defined in the RD program).</li> </ol>
<b>Electric Vehicle Charging Station</b>	Level 2 or Level 3 charging station. Definitions for levels can be found at <a href="https://www.rockymountainpower.net/savings-energy-choices/electric-vehicles/charging-your-ev.html">https://www.rockymountainpower.net/savings-energy-choices/electric-vehicles/charging-your-ev.html</a> .
<b>Eligible Basis</b>	Development expenditures that are eligible for obtaining Housing Credits.
<b>Energy Star</b>	Energy Star qualified construction incorporates: <ol style="list-style-type: none"> <li>1. Tight construction (reduced air infiltration)</li> <li>2. Tight ducts</li> <li>3. Improved insulation</li> <li>4. High performance windows</li> <li>5. Energy efficient heating &amp; cooling equipment</li> </ol> The Utah Energy Conservation Coalition (UECC) does the rating certification and certifies other analysts. A project must be rated by UECC, or equivalent, and then certified after construction to be an Energy Star Qualified project. See website <a href="http://www.energystar.gov">www.energystar.gov</a> .
<b>Equity</b>	Funds a Developer receives from an investor or syndicator resulting from the sale of Housing Credits that were awarded to a project in the Housing Credit Program.
<b>Equity Gap</b>	This is the difference between long-term financing and project construction and interim expenses, including reasonable Soft Costs and reserves.
<b>Extended Use Period</b>	The period of years (commencing after the close of the Compliance Period) that an Applicant committed to in the Application: <ol style="list-style-type: none"> <li>1. maintain the units as low-income Housing Units;</li> <li>2. to comply with all the terms and conditions of the LURA; and</li> <li>3. comply with the Housing Credit Program and certain requirements of the Code.</li> </ol>
<b>Fair Market Value</b>	The highest price a property would bring if offered for sale in a competitive market for a reasonable time period, with both buyer and seller being fully aware of all the property's present and future uses without being compelled to conduct the transaction.

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<b>Final Cost Certification</b>	The purpose of the cost certification is to establish the actual total costs incurred by the taxpayer in order that the total development cost, depreciable basis, and historic tax credit basis, may be determined for purposes of preparing the IRS Form 8609, Low Income Housing Credit Allocation Certification. The costs must be within the parameters established in the State of Utah Housing Credit Program Qualified Allocation Plan in effect for the year in which the development initially received an allocation of Tax Credits. The cost certification audit must be completed by an independent, third party Certified Public Accountant (“CPA”) who is familiar with the requirements of Section 42 of the Internal Revenue Code.
<b>Firm Commitment</b>	A lender's irrevocable agreement to loan a specific sum of money to an owner at a specified interest rate for a definite term, subject to certain conditions.
<b>Forward Year Reservation</b>	Reservation and/or Allocation of Housing Credits to a project from the Credit Ceiling amount from the following year.
<b>GRAMA</b>	Utah Government Records Access and Management Act.
<b>General Partner</b>	A natural person, partnership, corporation or other person or entity in its own or any representative capacity who has been admitted to a limited partnership as a General Partner in accordance with the partnership agreement.
<b>Good Standing</b>	A project owner who, on all previous and current projects, has paid all UHC required fees, corrected any noncompliance (Form 8823) within the correction period, and has no pattern of ongoing Non-Compliance in either the Allocation and compliance aspects of the Program and is not in violation of the LURA.
<b>Hard Costs</b>	Costs incurred by the contractor in providing all labor, materials, equipment, general conditions, overhead and profit for the construction of a project., Hard Costs include the purchase price of any improvements, but do not include demolition.
<b>HOME Funds</b>	HOME Funds investment partnership is a federal housing program administered by HUD and granted to states. Home Funds provides loans at below market interest rates to assist Housing Credit projects achieve below market rents. Please note that projects utilizing HOME Funds must have 40% of their units at or below 50% AMI.
<b>HOPWA</b>	Housing of Persons With AIDS. The HOPWA Program is used to develop housing and assist in the operation of the project by providing rent subsidies for persons with AIDS or HIV.
<b>Housing Credit</b>	A dollar-for-dollar reduction in federal tax liability for parties that invest in affordable housing under the Housing Credit Program.
<b>Housing Credit Ceiling Amount</b>	Annual amount of federal Housing Credits received by Utah and allocated according to the QAP.
<b>Housing Credit Program</b>	UHC’s program for awarding, reserving and allocating Housing Credits and monitoring projects for compliance with Housing Credit Program and §42 of the Code, as set forth in the QAP, and UHC’s agreements, contracts, manuals, guides, and other documents.
<b>Housing Credit Reservation</b>	Formal Reservation of Housing Credits to a project by the UHC Board of Trustees.

<b>Housing Unit</b>	Housing Unit means an Affordable Housing Unit and/or market rate Housing Unit in a building that is available for rent or rented by residents. A common area unit is not a Housing Unit in a project. Housing Unit appliances to include at a minimum, a full sized fridge, range and oven, sink, disposal, and prep space.
<b>HAP Contract</b>	The HAP Contract is an agreement between the PHA and the owner of a unit occupied by an assisted household. The HAP Contract provides sufficient operating subsidies.
<b>Identity of Interest</b>	A financial, familial, or business relationship that permits less than arm's length transactions. For example: Related Parties; persons, entities, or organizations affiliated with or controlled by or in control of another; existence of a reimbursement program or exchange of funds; common financial interests; and etc.
<b>Investor Member</b>	An investor who is admitted into the ownership of a project through an Operating Agreement or Limited Partnership Agreement, typically acquiring the interest without becoming involved in the daily management of the project. Its main role is to invest in the project through a purchase of Housing Credits.
<b>Income Averaging</b>	The Minimum Set-Aside Election in which at least 40% of the units must be both rent-restricted and occupied by individuals whose incomes do not exceed the imputed income limitation designated by the taxpayer; the average of the imputed income limitations designated cannot exceed 60% of AMI; and, the designated imputed income limitations must be in 10 percent increments, i.e., 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, or 80 percent.
<b>LURA</b>	Land Use Restriction Agreement. This is the Low Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants, an agreement between UHC and the property owner. The agreement is a restrictive covenant that runs with the land. Except under limited situations, all other liens are subordinate to the LURA. The LURA must be recorded at the time the Project or Project Owner takes title to the land.
<b>Minimum Set-Aside Election</b>	To participate in the Program, the project must dedicate (set aside) at least <ol style="list-style-type: none"> <li>1. 20% of the project units at 50% or less AMI rents, or</li> <li>2. 40% of the project units at 60% or less AMI rents, or</li> <li>3. At least 40% of the units must be both rent-restricted and occupied by individuals whose incomes do not exceed the imputed income limitation designated by the taxpayer; the average of the imputed income limitations designated cannot exceed 60% of AMI; and, the designated imputed income limitations must be in 10 percent increments, i.e., 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, or 80 percent. (Income Averaging)</li> </ol> Housing Credit units in excess of the minimum election are also limited to the applicable election limit.
<b>Moderate Income</b>	Households or persons whose incomes are from 60% to 80% of the AMI.
<b>Mutual Consent of Return Agreement</b>	The agreement is a mutual consent between UHC and the project owner to return unused Housing Credits.
<b>National Pool</b>	The unused Housing Credit of a state for any calendar year is assigned to the IRS for inclusion in a National Pool of unused Housing Credits (National Pool) that is reallocated among qualified states the succeeding calendar year.

<b>Net Residential Square Footage (NRSF)</b>	The area of an individual unit that is available for the exclusive use of the tenant. NRSF for each unit is measured from the inside finished surface of surrounding permanent walls, and excludes walls, columns, and projections enclosing the structural elements of the building within the unit. Exterior space including patios and balconies that are available for the exclusive use of tenants is also included in this calculation.
<b>Non-Compliance</b>	Failure to observe or perform any covenant, condition or term of any agreement between the Applicant and UHC or failure to meet the requirements of §42 of the Code, the QAP, or the Housing Credit Program.
<b>Nonprofit Organization</b>	An organization organized and operated exclusively for charitable purposes and that is tax-exempt under Section 501(a) of the Code. Examples of these are organizations described in Sections 501(c)(3) and 501(c)(4) of the Code. A Nonprofit Organization also includes PHA's and public development corporations and agencies that are tax exempt.
<b>Not in Good Standing</b>	A designation issued by UHC to a Developer, owner, property management company, or any other party to a Housing Credit project, so issued as a result of failure to pay required fees on time, failure to complete required reporting on time, failure to address noncompliance issues on time, exhibiting a pattern of ongoing noncompliance in the Housing Credit Program or in violation of the LURA, or for any other reason of malfeasance, misconduct, or abuse of the Housing Credit Program as determined by UHC. Anyone found to be Not in Good Standing may be disqualified from future participation in the Housing Credit Program for a determined period of time.
<b>OWHLF</b>	Olene Walker Housing Loan Fund – provides financial assistance for the acquisition, construction, or rehabilitation of affordable rental housing.
<b><u>Owner</u></b>	<u>The entity that owns a qualified development</u>
<b>Operating Agreement</b>	Document that defines and governs the business relationship between the members of a limited liability company.
<b>Operating Expenses</b>	Periodic expenses which are essential for a project's continuous operation and maintenance. Operating Expenses may be fixed, such as property taxes and insurance, or they may be variable, such as utilities or payroll. Operating and Replacement Reserve contributions are Operating Expenses; mortgage principal and interest, and depreciation are not.
<b>PHA</b>	Public Housing Authority.
<b>Permanent Supportive Housing (PSH)</b>	<del>Permanent Supportive Housing, or PSH, is a model that combines low-barrier access to affordable housing and dedicated supportive services in an effort to help individuals and families lead more stable lives. PSH targets people, particularly the homeless or chronically homeless, and those with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing. PSH provides robust supportive services to reduce instability in housing. PSH projects will deliver supportive services through a combination of on-site services and linkages to available community services. PSH projects will have tenant selection policies that prioritize people who have been homeless the longest or have the highest service needs as evidenced by vulnerability assessments. PSH projects are 100% PSH units and must be rent restricted at or below 35% AMI and are required to have a minimum 15-year commitment of project based rent subsidy for all units in the Project.</del>
<b>Pre-development Costs</b>	Costs which are incurred in conjunction with, but prior to, the actual commencement of the project's construction, such as site option costs, site carrying charges, architectural and engineering fees, and appraisal fees.

State of Utah Housing Credit Program  
 Qualified Allocation Plan

<b>Qualified Allocation Plan (QAP)</b>	A plan prepared by UHC and adopted by the State of Utah pursuant to §42 that establishes the criteria and preferences for allocating Housing Credits.
<b>Qualified Basis</b>	Eligible Basis multiplied by the Applicable Fraction.
<b>Qualified Bonus Area</b>	A Qualified Bonus Area is a project location within 1/3 mile of an existing or under construction Trax, Frontrunner, <del>or</del> S Line station <del>s</del> . Tribal land will also qualify as a bonus area. See Exhibit 4B for more detail, and guidance as to measurement of the walkable distance.
<b>Qualified Census Tract (QCT)</b>	Census tracts where 50% or more of households have incomes of less than 60% of the AMI. Projects located in a QCT can increase their Eligible Basis by 30%. A list of Qualified Census Tracts is published by HUD and updated annually. See <a href="https://www.huduser.gov/portal/datasets/qct.html">https://www.huduser.gov/portal/datasets/qct.html</a> for more information.
<b>Refugee</b>	A person who owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.
<b>Related Party</b>	<ol style="list-style-type: none"> <li>1. The brothers, sisters, spouse, ancestors, and direct descendants of a person;</li> <li>2. A person and corporation where that person owns more than 50% in value of the outstanding stock of that corporation;</li> <li>3. Two or more corporations that are connected through stock ownership with a common parent with stock possessing: i. at least 50% of the total combined voting power of all classes that can vote, or ii. at least 50% of the total value of shares of all classes of stock of each of the corporations, or iii. at least 50% of the total value of shares of all classes of stock of at least one of the other corporations, excluding in computing that voting power or value stock owned directly by the other corporation;</li> <li>4. A grantor and fiduciary of any trust;</li> <li>5. A fiduciary of one trust and a fiduciary of another trust, if the same person is a grantor of both trusts;</li> <li>6. A fiduciary of a trust and a beneficiary of that trust;</li> <li>7. A fiduciary of a trust and a corporation where more than 50% in value of the outstanding stock is owned by or for the trust or by or for a person who is a grantor of the trust;</li> <li>8. A person or organization and an organization that is tax-exempt under Section 501(a) of the Code and that is affiliated with or controlled by that person or the person's family members or by that organization;</li> </ol>

03/17//2025 3/19/2026

<p><b>Related Party (Cont.)</b></p>	<ol style="list-style-type: none"><li>9. A corporation, partnership, limited liability company, or joint venture if the same persons own more than: i. 50% in value of the outstanding stock of the corporation; and ii. 50% of the capital interest or the profits' interest in the partnership, limited liability company, or joint venture;</li><li>10. One S corporation and another S corporation if the same persons own more than 50% in value of the outstanding stock of each corporation;</li><li>11. An S corporation and a C corporation, if the same persons own more than 50% in value of the outstanding stock of each corporation;</li><li>12. A partnership, limited liability company, or joint venture and a person or organization owning more than 50% of the capital interest or the profits' interest in that partnership, limited liability company, or joint venture; or</li><li>13. Two partnerships, limited liability companies, or joint ventures, or a combination thereof, where the same person or organization owns more than 50% of the capital interests or profits' interests.</li><li>14. For purposes of 1 through 13 above, the constructive ownership provisions of Section 267 of the Code apply.</li><li>15. An organization, including a nonprofit organization, a stock corporation, a partnership or limited liability company (LLC), a trust, and a governmental unit or other government entity, is a related party to an organization that is an applicant if it stands in one or more of the following relationships to the applicant:<ul style="list-style-type: none"><li>• Parent—an organization that controls the applicant.</li><li>• Subsidiary—an organization controlled by the applicant.</li><li>• Brother/Sister—an organization controlled by the same person or persons that control the applicant.</li><li>• Supporting/Supported—an organization that is (or claims to be) at any time during the organization's tax year (i) a supporting organization of the applicant within the meaning of section 509(a)(3), if the applicant is a supported organization within the meaning of section 509(0)(3), or (ii) a supported organization, if the applicant is a supporting organization.</li></ul></li><li>16. For the purposes of 15, “Control” (including the terms “Controlled by” and “under common Control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an organization, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such organization,</li></ol>
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	including without limitation the meanings set forth in the IRS Instructions for Schedule R (Form 990).
<b>Replacement Reserve</b>	The amount set aside at the time of initial occupancy, or each month thereafter, for the future replacement of items including, but not limited to, flooring, plumbing systems, heating systems, security systems, electrical systems, roofs, and window and door units. Reserves shall remain with property in the event of sale or transfer.
<b>Reservation Agreement</b>	UHC’s notification to a project sponsor that Housing Credits have been set aside for the project.
<b>Reservation Cycle</b>	The Reservation Cycle is the period of time under a governing QAP. The 20276 Reservation Cycle will begin upon final approval of the 20276 QAP, and will last until the subsequent QAP is approved.
<b>Restricted Rent</b>	The rent limitation for a dwelling unit for purposes of qualifying for Housing Credits.
<b>SMSA</b>	Standard Metropolitan Statistical Areas are defined into three metropolitan statistical Areas: <ul style="list-style-type: none"> <li>• Metropolitan Statistical Area (MSA) is a city of at least fifty thousand people with a surrounding rural population</li> <li>• Primary Metropolitan Statistical Area (PMSA) is an area of more than a million people with internal and social links</li> <li>• Consolidates Metropolitan Statistical Areas (CMSA) are two or more PMSA’s that are geographically linked</li> </ul>
<b>SRO</b>	Single Residential Occupancy unit. This is a very small rental unit that usually has a small kitchenette with common bathroom and shower facilities. It is generally built for households having only one person.
<b>Scattered Site Project</b>	A qualified low income housing project located on multiple <u>non-contiguous</u> sites, and which buildings would (but for their lack of proximity) be treated as a project shall so be treated if all of the dwelling units in each of the buildings are rent-restricted residential units under the Housing Credit program. UHC requires that all components of a Scattered Site Project be located within no more than two adjacent counties if one or both counties are rural targeted per Exhibit 3A, or within a combination of Utah, Salt Lake, Davis, and Weber Counties, and all amenities for which the Application receives points be available to all tenants at each site, <u>with each amenity available within 500 feet of each site’s main building.</u>
<b>Scoring Criteria</b>	Criteria set forth in Section 8, The Scoring Process of the QAP and the Application used by UHC to assess the degree to which a proposed project promotes the priorities determined by UHC and the Code.
<b>Senior</b>	Intended and operated for occupancy by persons 55 years of age or older. In order to qualify for the "55 or older" housing exemption, a project must satisfy each of the following requirements: <ul style="list-style-type: none"> <li>• At least 80 percent of the units must have at least one occupant who is 55 years of age or older; and</li> <li>• The project must publish and adhere to policies and procedures that demonstrate the intent to operate as "55 or older" housing; and</li> <li>• The project must comply with HUD's regulatory requirements for age verification of residents.</li> <li>• Up to 10% of units in 55+ senior projects may be family units, with 3+ bedroom</li> </ul>

State of Utah Housing Credit Program  
 Qualified Allocation Plan

<b>Set-Aside Pools</b>	Pools of Applicants or project types that are given specified percentages of the Credit Ceiling amount.
<b>Site Control</b>	Site Control must encompass the entire parcel or parcels of land, or existing building or buildings and land, that is (are) the subject of the Application. Control of the site must be possessed by the Owner, and no other entity whether an affiliate, a subsidiary, parent entity nor any individuals who are affiliated with the Owner. Each and every document evidencing Site Control must be binding until or beyond July 31 of the year in which an Application is submitted to UHC and have no expiration dates that have occurred without extension to or beyond July 31 of the year in which an Application is submitted to UHC. No document evidencing Site Control may have an option to extend to or beyond this date that has not been exercised at the time the Application is submitted to UHC.
<b>Soft Costs</b>	Costs, other than for acquisition and construction/ rehabilitation, which are incurred while holding unimproved property or during construction. Soft Costs may include such items as carrying charges (interest, real estate taxes, and ground rents), professional service and audit fees, offering plan/prospectus costs, surveys, relocation expenses, insurance, assessment, mortgage insurance premiums, inspection, recording and filing fee, not-for-profit Developer's allowance, FNMA/GHMA fee, mortgage recording tax, title examination costs, and others.
<b>Service Provider</b>	A Service Provider can be any social service organization with experience assisting persons of a Special Needs population in finding housing and providing other supportive services to promote self-sufficiency.
<b>Special Needs</b>	Units within a project that are designated as “Special Needs” units may only serve tenant populations as follows: <ul style="list-style-type: none"> <li>• Chronically Homeless</li> <li>• Developmentally Disabled</li> <li>• Domestic Violence</li> <li>• Homeless</li> <li>• Long Term Mobility Impaired</li> <li>• Maturing Foster Children</li> <li>• Mentally Ill</li> <li>• Persons with HIV/AIDS</li> <li>• Refugees</li> <li>• Veterans</li> <li>• Other Special Needs units with written pre-approval by UHC</li> </ul> Certain definitions, descriptions and requirements are more fully depicted under PROJECT AND POPULATION TARGETING.
<b>Sponsor</b>	The entity that owns a qualified development
<b>State Credit</b>	State of Utah Housing Credit, as authorized by Title 59, Chapter 10, Part 1010, and Title 59, Chapter 7, Part 607, Utah Code Annotated 1953, as amended.
<b>Substantial Rehabilitation</b>	Requires the replacement of at least two major systems. The expenditures exceed \$6,000 per unit or 20% of Adjusted Basis, whichever is greater. (See Exhibit 4A).

<b><u>Supportive Housing</u></b>	<u>Supportive Housing is a model that combines low-barrier access to affordable housing and dedicated supportive services in an effort to help individuals and families lead more stable lives. It targets people, particularly the homeless or chronically homeless, and those with psychiatric Disabilities, chronic health challenges, or other barriers to accessing or retaining stable housing. Supportive Housing provides robust supportive services to reduce instability in housing. These projects will deliver supportive services through a combination of on-site services and linkages to available community services. Supportive Housing projects will have tenant selection policies that prioritize people who have been homeless the longest or have the highest service needs as evidenced by vulnerability assessments. Supportive Housing projects are required to have a minimum 15-year commitment of project based rent subsidy for all units in the Project. Per Utah code, projects must be 100% supportive housing to qualify for a property tax exemption (Property Tax Act 59-2-1101)</u>
<b>10% Cost Certification</b>	A 10% Cost Certification must be submitted to UHC within <u>30 days of the one year <del>from anniversary of</del></u> the date of the Carryover Allocation. This certification is verified by a CPA and shows that 10% of the projected eligible costs (land and depreciable costs) have been spent.
<b>Tax Exempt Bond</b>	Congress established government bonds that could be used for private activities; these activities include mortgages, student loans, and industrial loans. States may issue these bonds to foster economic and housing development. Interest paid to owners of these bonds is exempt from federal and in some cases state income taxes. They are authorized under Section 103 of the Code.
<b>Threshold Requirements</b>	The requirements that must be met in the Application for a project to be considered for a Housing Credit Reservation and Allocation as set forth in the QAP.
<b>Transit Oriented Development (TOD)</b>	UHC places a priority on the development of projects located within 1/3 mile of walking distance along public access to an existing or currently under construction Trax, <del>or</del> FrontRunner <del>station, stop/station</del> but not <u>bus rapid transit or</u> bus lines.
<b>Unrestricted Units</b>	Units in a Housing Credit project that have none of the Housing Credit Program affordability or other rent or income <del>restrictions</del> . They are also called market rate units.

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# MEMORANDUM

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To: UHC Trustees  
From: David Damschen, President  
Date: March 26, 2026  
Subject: Resolution 2026-05 Approval of Internal Audit Department Documents

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## **Recommendation:**

It is recommended that the Trustees approve Resolution 2026-05, Approval of Internal Audit Documents. Adoption of this resolution will:

- Approve the Internal Audit Department's 2026 Annual Audit Plan (Exhibit A)
- Approve the Audit Committee Charter (Exhibit B)
- Approve the Internal Audit Charter (Exhibit C)

## **Background:**

Utah Housing Corporation's (UHC) Board oversees its operations and funding. The Internal Audit Department, established in January 2022 per the Audit Committee's recommendation, independently ensures effective risk management, governance, and internal controls. Approval of its documents will authorize the department to carry out its duties.

Exhibit A – The audit plan, approved annually, outlines audits based on available resources. Effective planning by the Internal Audit Department ensures efficient workflow and optimal resource use, covering all process areas adequately.

Exhibit B – The Audit Committee Charter is designed to help the Board of Trustees fulfill its oversight responsibilities. It includes key elements such as purpose, authority and responsibility, and composition.

Exhibit C – The Internal Audit Charter outlines the purpose, authority, and responsibilities of the internal audit function, ensuring its operation with independence, objectivity, and accountability. It defines internal audit's role in delivering risk-based services to improve governance, risk management, and internal controls. The charter grants internal audit unrestricted access to records, personnel, and physical assets. It also ensures compliance with the Institute of Internal Auditors Global Internal Audit Standards, including adherence to ethical principles, professional competence, and due professional care. Furthermore, the charter specifies that the Internal Audit Department reports functionally to the Audit Committee of the Board and administratively to the President and CEO, thereby safeguarding internal audit's independence.

Adopting resolution 2026-05 will equip UHC's Internal Audit Department with the necessary tools to effectively complete audits and utilize resources. Internal Audit will support UHC's objectives by systematically evaluating and improving risk management, control, and governance processes.

**RESOLUTION NO. 2026-05**

**A RESOLUTION OF UTAH HOUSING CORPORATION  
APPROVING THE INTERNAL AUDIT DEPARTMENT 2026  
AUDIT PLAN, THE AUDIT COMMITTEE CHARTER, AND THE  
INTERNAL AUDIT CHARTER**

WHEREAS, the Legislature of the State of Utah, at its 1975 regular session, adopted Chapter 190, Laws of Utah, 1975, currently known and cited as the Utah Housing Corporation Act, which has been codified as Title 63H, Chapter 8, Utah Code Annotated 1953, as amended (the “Act”); and

WHEREAS, there was created by the Act, an independent body politic and corporate constituting a public corporation, currently known and identified as “Utah Housing Corporation” (“UHC”), to serve a public purpose and to act for the public benefit by improving the health, safety and welfare of the citizens of the State of Utah; and

WHEREAS, the Act declares that UHC shall comply with the Open and Public Meetings Act; the Utah Public Finance Website; and the Government Records Access and Management Act; and

WHEREAS, the Act establishes that UHC has and may exercise all powers necessary or appropriate to carry out the purposes of this chapter, including to have perpetual succession as a body politic and corporate, constituting a public corporation, and to adopt, amend, and repeal bylaws, rules, policies, and procedures for the regulation of its affairs and the conduct of its business; and

WHEREAS, the Act establishes that UHC is governed by a Board of Trustees who may delegate to one or more of its agents, representatives, or employees administrative duties that the Trustees consider proper; and

WHEREAS, the Act declares that the President shall administer, manage, and direct the affairs and activities of UHC in accordance with the policies, control, and direction of the Trustees; and

WHEREAS, the Act declares that the President shall keep a record of the proceedings of the corporation and maintain and be custodian of the books, documents, and papers filed with the corporation and the minute book or journal of the corporation; and

WHEREAS, the Trustees desire to approve internal controls, best practices and policies and to establish fair and enforceable procedures and guidelines to enable the President to administer, manage, and direct the affairs and activities of UHC and to engage, compensate, supervise and regulate employees that are necessary and desirable to carry out the operations authorized by the Act.

**NOW, THEREFORE, BE IT RESOLVED BY UTAH HOUSING CORPORATION,  
AS FOLLOWS:**

All actions previously taken by UHC and by the Trustees and officers of UHC directed toward the actions contemplated hereunder are hereby ratified and approved.

All resolutions of UHC or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

If any provision of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

The Utah Housing Corporation Internal Audit Department Documents incorporated herein by reference which contain the Internal Audit Department's 2026 Annual Audit Plan, the Audit Committee Charter, and the Internal Audit Charter, are hereby adopted and effective on the date hereof.

The President is authorized, subject to concurrence of the Audit Committee Chair, to approve changes to the document herein authorized which may be necessary or appropriate under changing conditions and unanticipated situations and challenges which are not inconsistent with the provisions of this resolution, the Act, and Bylaws of UHC or the laws of Utah or the United States.

The President shall not less often than every five years provide the Trustees with such revisions as described in the foregoing paragraph.

This Resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED BY THE UTAH HOUSING CORPORATION THIS 26th DAY OF MARCH, 2026**

(SEAL)

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Chair

ATTEST:

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President

# 2026 Audit Updates

## Attachment A



2026 Audits	
1	Performance Management System
2	CROWN Annual Asset Reviews
3	Conduit Bond Issuance
4	Mortgage Banking Regulatory Compliance
5	Escrow Hazard Insurance Review
6	Re-Conveyance Process
7	Petty Cash & Reimbursement Process (will be removed after review of account closure)
8	Vehicle Usage and Controls
9	CROWN Mortgage Financing
10	Budget Review
11	Repurchased Loan Process and Controls
12	Web Penetration Testing
13	IT Password Control Review
14	Change Management System Review
15	Board Actions and Resolutions Implementation
16	Fraud Awareness Training
17	Syntrio SOC 2 Review
18	ICE (Black Knight) SOC 1 Review
19	Emphasys SOC 2 Review
20	Paylocity SOC 1 Review
21	Paylocity SOC 2 Review
22	Power Lender SOC 2 Review
23	Power Seller SOC2 Review
24	Sage Intacct SOC 1 Review
25	Sage Intacct SOC 2 Review
26	Utah Retirement Systems (URS) SOC 1 Review
27	Computershare Technology Services, Inc. (Wells Fargo) SOC 1
28	Hyland Cloud_Onbase & Sharebase SOC 2
29	FortiGate SOC 2
30	Newcourse SOC 1
31	Last Pass SOC 2
32	8 x 8 SOC 2
33	Applicant Pro SOC 1
34	TENA SOC 2
35	Verkada SOC 2
36	Zoom SOC 2
37	DocuSign SOC 2
38	Lereta SOC 1
39	TierPoint SOC 2
40	Truist SOC 1
41	Virpack SOC 2
42	DLS Servicing Consultants, LLC (WaterfallCalc) SOC 2
43	Palo Alto SOC 2 Review
44	Microsoft 365 SOC 1
45	Microsoft 365 SOC 2
46	Azure Dynamics SOC 1
47	Azure Dynamics SOC 2
48	Venminder SOC2
49	Lexis Nexis SOC2
50	Potential SOC 1 and SOC 2 Reviews (TBD)
51	Other IA Functions to be Completed: Review external audits, follow-ups, audit work paper review, consulting, Internal QAIP, Global Standards, and the whistleblower hotline (FACRS)

# 2026 Internal Audit Plan

1/26/2026

Exhibit A



Audit Area	Last Completed	Suggested Audit Hours	--Hours Budgeted--			
			2026	2027	2028	2029+
<b>Human Resources (HR) and Administrative Services</b>						
Human Resources - Compliance with Laws and Policies	2023	120				120
Record Imaging Process and Controls	N/A	120			120	
Employee Management Cycle: Hiring to Termination	N/A	120		120		
Organization Policy Review	N/A	120			120	
Recordkeeping and Privacy in HR	N/A	120				120
Performance Management System	N/A	80	80			
Compensation and Benefits	N/A	120			120	
Recruitment and Hiring	N/A	120				120
<b>Multifamily Finance and Development- MFD (Low Income Tax Credits &amp; Programs)</b>						
Housing Credit (State) and Qualified Allocation Plan (QAP)	2024	80				80
Allocation of Low-Income Housing Tax Credits (9% and 4%)	2022	120				120
Multifamily Finance Compliance - Asset Management /On-Site Audits	2023	120				120
FHA Risk Sharing	2025	120				120
Credits to Own (CROWN) Program	2022	120				120
Housing Development Lending Facility (HDLF)	2023	120				120
CROWN Annual Asset Reviews	2025	40	40	40	40	40
CROWN Community Fund Application Compliance Review	N/A	80		80		
Conduit Bond Issuance	N/A		120			
Review of Tax Forms Issued by UHC for MFD (Form 8609, 8610, 8823)	2024	40				40
<b>Mortgage Banking (Single Family)</b>						
Mortgage Banking Pre-Purchase Process and Controls (Underwriting and QC)	2022	120				120
Mortgage Banking Post-Purchase Process and Controls	2024	120				120
State Programs (Grant) Administration	2025	80				
Mortgage Banking Regulatory Compliance	N/A	80	80			
Interest Rate Lock Procedure	2025	80				80
<b>Mortgage Loan Servicing</b>						
ESCROW (Mortgage Insurance Premium -MIP & Private Mortgage Insurance-PMI) Process and Controls	2025	60				60
Escrow Hazard Insurance Review	N/A	80	80			
Year-End Escrow Process (Form 1098 and 1099)	N/A	60		60		
Mortgage Loan Tax Process and Controls	2024	80				80
Mortgage Cashiering Process and Controls	2023	80				80
Payoff (Paid in Full) Process and Controls	N/A	80		80		
New Loans Process and Controls	2022	80				80
Re-Conveyance Process	N/A	80	80			
Mortgage Loan Servicing Collection Activity Process and Controls	2024	80				80
Claims Review (Mortgage Loan Servicing)	2025	80				80
Foreclosure and Eviction Process and Controls	2022	80				80
Bankruptcy Process and controls	2023	80				80
Loss Mitigation Process	2024	80				80
Property Preservation & Property Inspections Process	N/A	80			80	
Review External Audits (if any) from Ginnie Mae, Freddie Mac, Fannie Mae, HUD	2025	10	10	10	10	10
Credit Reporting Review	N/A	40				40

<i>Financial Services (Accounting)</i>						
Petty Cash and Petty Cash Reimbursement Process	2025	10	10	Will be removed		
Cash Receipts and Postings	2024	120				120
Cash Disbursements (Accounts Payable)	2022	120				120
Credit Card Usage and Controls (P-Card)	2023	120				120
Tax Reporting and Payments (include W-2 and Tax Documents)	N/A	120		120		
Financial Statements	2025	N/A		--- External Auditors ---		
Subsidiary Ledgers, General Ledgers, Journal Entries	N/A	120		120		
Electronic Payments Review (Wire Transfer, ACH)	2024	40				40
Purchasing (Procurement) and Accounts Payable	2022	120				80
Travel Process, Controls, and Documentation	2023	80				80
Vehicle Usage and Controls	2025	80	40			80
Payroll Process, Controls, and Documentation	2023	120				120
CROWN Mortgage Financing	N/A	120	120			
Tuition Reimbursement Policies and Controls	2025	80				80
Budget Review	2025	40	40	40	40	40
<i>Capital Markets</i>						
Insurance Process and Policy Coverage	2025	40				40
Lender Annual Re-Certification Process	2023	20				20
Loan Delivery Process and Controls	2024	120				120
Interest Rate Risk Management (Hedging)	2023	120				120
Swap Transactions and Risk Management Controls	N/A	120		120		
Repurchased Loan Process and Controls	N/A	80	80			
<i>Compliance / Quality Control</i>						
Compliance Review	2025	120				120
Loan Assumptions	N/A	80			80	
Repurchased Loans from Investors	N/A	80				80
<i>Information Technology</i>						
System Data Integrity / Access Controls	2023	120				120
Application Program Development and Change	2025	120				120
Third Party IT Applications	N/A	120			120	
Telecommunications	2025	120				120
Web Penetration Testing	2025	120	120	120	120	120
e-Business	N/A	60			60	
Laptop Review	2022	60				60
Office Physical Computer Security	2023	60				60
IT Password Control Review	N/A	60	60			
Remote Connection Access and Controls	2022	120				120
Business Continuity Plans and Practices	N/A	120		120		
IT Governance and Strategic Plan	N/A	80			80	
Controls over Software Licensing	2025	80				80
Security of Confidential Information	2024	80				80
Records Management Protection and Back-Up	N/A	120			120	
Fixed Assets	2025	80				80
Change Management System Review	N/A	120	120			
<i>Special Audits or Assignments</i>						
External Review of IA Department QA (Quality Assurance)	2024	120				120
Follow-Up on Previous Audit Recommendations	2025	20	20	20	20	20
Audit Work Paper Review	2025	20	20	20	20	20
Consulting	2025	20	20	20	20	20
Internal Audit Quality Assurance Improvement Process (QAIP)	2025	20	20	20	20	20
Whistleblower Hotline Monitoring and Reporting	2025	20	20	20	20	20

Board Actions and Resolutions Implementation	2025	40	40	40	40	40
Fraud Risk Assessment	2025	140		140		140
Organizational Culture	2024	140				140
Fraud Awareness Training	2025	40	40	40	40	40
Government Records Access and Management Act (GRAMA) Review	N/A	120				120
<b>SOC 1 and 2 Reviews</b>						
Syntrio SOC 2 Review	2025	10	10	10	10	10
ICE (Black Knight) SOC 1 Review	2025	10	10	10	10	10
Emphasys SOC 2 Review	2025	10	10	10	10	10
Paylocity SOC 1 Review	2025	10	10	10	10	10
Paylocity SOC 2 Review	2025	10	10	10	10	10
Power Lender SOC 2 Review	2025	10	10	10	10	10
Power Seller SOC2 Review	2025	10	10	10	10	10
Sage Intacct SOC 1 Review	2025	10	10	10	10	10
Sage Intacct SOC 2 Review	2025	10	10	10	10	10
Utah Retirement Systems (URS) SOC 1 Review	2025	10	10	10	10	10
Computershare Technology Services, Inc. (Wells Fargo) SOC 1	2025	10	10	10	10	10
Hyland Cloud_Onbase & Sharebase SOC 2	2025	10	10	10	10	10
FortiGate SOC 2 (no longer need to review in 2027 onward)	2025	10	10	0	0	0
Newcourse SOC 1	2025	10	10	10	10	10
Last Pass SOC 2	2025	10	10	10	10	10
8 x 8 SOC 2	2025	10	10	10	10	10
Applicant Pro SOC 1	2025	10	10	10	10	10
TENA SOC 2	2025	10	10	10	10	10
Verkada SOC 2	2025	10	10	10	10	10
Zoom SOC 2	2025	10	10	10	10	10
DocuSign SOC 2	2025	10	10	10	10	10
Lereta SOC 1	2025	10	10	10	10	10
TierPoint SOC 2	2025	10	10	10	10	10
Truist SOC 1	2025	10	10	10	10	10
Virpack SOC 2	2023	10	10	10	10	10
DLS Servicing Consultants, LLC (WaterfallCalc) SOC 2	2025	10	10	10	10	10
Palo Alto SOC 2 Review	2025	10	10	10	10	10
Microsoft 365 SOC 1	2025	10	10	10	10	10
Microsoft 365 SOC 2	2025	10	10	10	10	10
Azure Dynamics SOC 1_Microsoft and Axosoft	2025	10	10	10	10	10
Azure Dynamics SOC 2_Microsoft and Axosoft	2025	10	10	10	10	10
Venminder SOC2	2025	10	10	10	10	10
Lexis Nexis SOC2	2025	10	10	10	10	10
Potential SOC 1 and SOC 2 Reviews (TBD)	2025	20	20	20	20	20

*Audit plan is developed based on feedback from UHC and is subject to change based on availability and resources.*

*Audit names and details may be updated and subject to change based on scope and audit work.*

# 2026 Internal Audit Plan

1/26/2026



Audit Area	Additional Detail
<i>Human Resources (HR) and Administrative Services</i>	
Human Resources - Compliance with Laws and Policies	Determine compliance with HR policies and procedures
Record Imaging Process and Controls	Ensure records are complete, readily accessible, properly stored and protected (scanning process). Includes end day process and quality control.
Employee Management Cycle: Hiring to Termination	Document the process from hiring personnel through termination, review policies for consistencies and best practices
Organization Policy Review	Review employee handbook policies for higher risk/impact areas such as: work from home compliance, FMLA, disciplinary actions process, ADA , etc.
Recordkeeping and Privacy in HR	Personnel file review, handling of sensitive info, I9 work authorization/other required documents, annual employee signatures (outside employment, etc.), & letters sent by HR.
Performance Management System	Performance evaluation process, required employee training, successions planning and employee development, and exempt and non-exempt classifications
Compensation and Benefits	Pay equity, benefits administration, pay process through Paylocity for new employees/annual changes/promotions/off schedule pay changes. Retirement and insurance payments.
Recruitment and Hiring	Review pre-employee process such as job descriptions and postings, candidate screening and selection, and onboarding process review.
<i>Multifamily Finance and Development- MFD (Low Income Tax Credits &amp; Programs)</i>	
Housing Credit (State) and Qualified Allocation Plan (QAP)	State tax credit used with federal tax credit program, matching costs State with Federal dollars. Rules on implementing tax allocation program.
Allocation of Low-Income Housing Tax Credits (9% and 4%)	Allocation of tax credits, performed on an annual basis (9% and 4% credits).
Multifamily Finance Compliance - Asset Management /On-Site Audits	On-site audits of low income housing units and awarding of low income housing tax credit process.
FHA Risk Sharing	Review the Multifamily risk sharing process at UHC (FHA)
Credits to Own (CROWN) Program	Rent to own program for 15 years and then can be sold to person renting at the end of that time. Construction and permanent housing.
Housing Development Lending Facility (HDLF)	Acquire vacant lots, site improvement, or infrastructure development for REAP & HDLF, funding pool for Board approved program site improvements (not Crown)
CROWN Annual Asset Reviews	Annual (rotation) review of CROWN properties to verify documents are available and collected before 15 years
CROWN Community Fund Application Compliance Review	Comm. fund that has about 7-8 million dollars in funds that housing providers can apply for grants. HD reviews applications and approves or denies.
Conduit Bond Issuance	Review the process for issuing conduit bonds to developers through the PAB Board, including the legal process
Review of Tax Forms Issued by UHC for MFD (Form 8609, 8610, 8823)	Review forms issued by UHC - Form 8609, 8610, 8823 - The amount of the 4% tax credits
<i>Mortgage Banking (Single Family)</i>	
Mortgage Banking Pre-Purchase Process and Controls (Underwriting and QC)	The process to review and purchase a loan. Review Internal Controls & Software used to underwrite & approve mortgages. Quality Control.
Mortgage Banking Post-Purchase Process and Controls	The process after a loan is purchased, UHC does not close, client is lender.
State Programs (Grant) Administration	Review audit completed by UDWS.
Mortgage Banking Regulatory Compliance	Ability to Repay (ATR) and Qualified Mortgage Rules (QM) , Higher Priced Mortgage Loans (HPL). Includes mandatory reporting. Include TENA findings, if any.
Interest Rate Lock Procedure	Process to rate lock for UHC loans (Mortgage Purchasing Agreement - MPA).
<i>Mortgage Loan Servicing</i>	
ESCROW (Mortgage Insurance Premium -MIP & Private Mortgage Insurance-PMI) Process and Controls	Ensure proper controls over loan escrow - MPI and PMI
Escrow Hazard Insurance Review	Ensure proper controls over loan escrow - Hazard Insurance
Year-End Escrow Process (Form 1098 and 1099)	Year end Escrow process - 1098 and 1099
Mortgage Loan Tax Process and Controls	Evaluate controls on tax process
Mortgage Cashiering Process and Controls	Ensure proper controls on loan servicing payments
Payoff (Paid in Full) Process and Controls	Process for when a loan is paid off (paid in full) and the process to appropriately process the loan finality
New Loans Process and Controls	Determine if processes and controls are in place regarding new loans
Re-Conveyance Process	When a loan is paid in full the process to re-convey the loan appropriately
Mortgage Loan Servicing Collection Activity Process and Controls	Process for collection activity between 30, 60, 90, or 120 days
Claims Review (Mortgage Loan Servicing)	Ensure proper claims review, also includes Property Conveyance to HUD
Foreclosure and Eviction Process and Controls	Evaluate the foreclosure process and controls, also includes evictions process (an eviction is rare and haven't had one recently). Review short sale process if applicable.
Bankruptcy Process and controls	Ensure controls over bankruptcy processes. Two types, Chapter 7 and Chapter 13 bankruptcy
Loss Mitigation Process	Review controls over the loss mitigation processes
Property Preservation & Property Inspections Process	Property preservation, and property inspection process
Review External Audits (if any) from Ginnie Mae, Freddie Mac, Fannie Mae, HUD	Review and follow-up on any recommendations from external audits
Credit Reporting Review	Review the process to report to the credit agencies for mortgage holder.

<b>Financial Services (Accounting)</b>	<b>Capital Markets (Matt / Vonya / Howard)</b>
Petty Cash and Petty Cash Reimbursement Process	Surprise petty cash audit and review of petty cash reimbursements during the year
Cash Receipts and Postings	Evaluate controls over receipt and posting to accounts
Cash Disbursements (Accounts Payable)	Ensure proper control over payments
Credit Card Usage and Controls (P-Card)	Review internal controls over the use of office credit cards
Tax Reporting and Payments (include W-2 and Tax Documents)	Ensure compliance with IRS and Utah law for reporting and payment of taxes, review W-2 and other statements
Financial Statements	Performed by external auditors
Subsidiary Ledgers, General Ledgers, Journal Entries	Controls over the general ledger and journal entries. ICE (mortgages) and Emphasys (bond activity) are the subsidiary ledgers.
Electronic Payments Review (Wire Transfer, ACH)	Evaluate internal controls over wire transfers, ACH, and also vendors paid through the vendor website
Purchasing (Procurement) and Accounts Payable	Determine if controls are in place to ensure compliance with purchasing policy
Travel Process, Controls, and Documentation	Review internal controls to ensure compliance with travel policy
Vehicle Usage and Controls	Evaluate appropriate use of office vehicles and fuel purchases. Include admin services procedures and insurance through capital markets.
Payroll Process, Controls, and Documentation	Determine if internal controls related to payroll process are in place and functioning, including raises, COLA+Merits, promotions.
CROWN Mortgage Financing	Process after construction loan closes and mortgage is brought into UHC
Tuition Reimbursement Policies and Controls	Review the tuition reimbursement policies/procedures & test the process for internal tuition reimbursement, including certifications and trainings.
Budget Review	Review the annual budget process annually
<b>Capital Markets</b>	<b>Capital Markets (Matt / Vonya)</b>
Insurance Process and Policy Coverage	Review insurance coverage policies
Lender Annual Re-Certification Process	April 1st email goes out from Comergence (SP?), then have 30-60 days to supply audited financial statements and review
Loan Delivery Process and Controls	Funding in Capital Markets, controls over selling mortgages and packaging them.
Interest Rate Risk Management (Hedging)	Controls over interest rate risk management in Capital Markets
Swap Transactions and Risk Management Controls	Review Swap transactions and process. Swaps are a type of hedging with rate locks.
Repurchased Loan Process and Controls	Loans that can't be purchased once it has been closed and sent to UHC
<b>Compliance / Quality Control</b>	<b>Compliance (Howard)</b>
Compliance Review	Review the compliance department processes and procedures
Loan Assumptions	Loan assumptions process
Repurchased Loans from Investors	Repurchased loans from investors that didn't meet the underwriting criteria or borrow misrepresentation - original lender is worked with to remediate
<b>Information Technology</b>	
System Data Integrity / Access Controls	Review access controls to prevent or detect unauthorized changes to application programs
Application Program Development and Change	Evaluate controls to ensure proper testing and controls over program changes
Third Party IT Applications	Evaluate controls over third party information technology applications
Telecommunications	Evaluate telecommunication system and controls
Web Penetration Testing	Consultant review to ensure office information is protected against unauthorized external access
e-Business	Review controls regarding electronic business transactions with vendors and customers (also do SOC review for external vendors)
Laptop Review	Ensure adequate security and accounting of laptop computers
Office Physical Computer Security	Determine if the physical security of the data center is adequate
IT Password Control Review	Evaluate controls over passwords
Remote Connection Access and Controls	Review controls over connectivity to IT systems from outside the office
Business Continuity Plans and Practices	Evaluate the business continuity plan
IT Governance and Strategic Plan	Evaluate IT Governance and strategic plan for UHC
Controls over Software Licensing	Determine if adequate controls are in place to ensure compliance with software licensing requirements
Security of Confidential Information	Security over confidential personal information
Records Management Protection and Back-Up	Determine if records are adequately managed
Fixed Assets	Review the process to safeguard and track office furniture and equipment
Change Management System Review	Review of the IT Ticket system for changes being requested
<b>Special Audits or Assignments</b>	
External Review of IA Department QA (Quality Assurance)	Review by external independent provide like, Institute Internal Auditors, to determine compliance with standards
Follow-Up on Previous Audit Recommendations	Determine implementation of audit recommendations
Audit Work Paper Review	Review of Audit work papers and reports
Consulting	As UHC programs develop in size and complexity over the years, additional items may arise that require attention.

Internal Audit Quality Assurance Improvement Process (QAIP)	Annual internal review to ensure compliance with applicable auditing standards
Whistleblower Hotline Monitoring and Reporting	Review and respond to internal and external allegations
Board Actions and Resolutions Implementation	Evaluate implementation of boards actions and resolutions
Fraud Risk Assessment	Address controls in place to prevent or detect internal financial fraud by office employees
Organizational Culture	Identify culture challenges and opportunities, benchmark current culture and review current trends
Fraud Awareness Training	Prepare and present a fraud awareness training for all UHC staff
Government Records Access and Management Act (GRAMA) Review	GRAMA is a law that deals with the management of government records and public access to those records. Review organizations compliance with GRAMA.
<b>SOC 1 and 2 Reviews</b>	
Syntrio SOC 2 Review	Review SOC report exceptions and update complementary user entity controls
ICE (Black Knight) SOC 1 Review	Review SOC report exceptions and update complementary user entity controls
Emphasys SOC 2 Review	Review SOC report exceptions and update complementary user entity controls
Paylocity SOC 1 Review	Review SOC report exceptions and update complementary user entity controls
Paylocity SOC 2 Review	Review SOC report exceptions and update complementary user entity controls
Power Lender SOC 2 Review	Review SOC report exceptions and update complementary user entity controls
Power Seller SOC2 Review	Review SOC report exceptions and update complementary user entity controls
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Verkada SOC 2	Review SOC report exceptions and update complementary user entity controls
Zoom SOC 2	Review SOC report exceptions and update complementary user entity controls
DocuSign SOC 2	Review SOC report exceptions and update complementary user entity controls
Lereta SOC 1	Review SOC report exceptions and update complementary user entity controls
TierPoint SOC 2	Review SOC report exceptions and update complementary user entity controls
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Palo Alto SOC 2 Review	Review SOC report exceptions and update complementary user entity controls
Microsoft 365 SOC 1	Review SOC report exceptions and update complementary user entity controls
Microsoft 365 SOC 2	Review SOC report exceptions and update complementary user entity controls
Azure Dynamics SOC 1 Microsoft and Axosoft	Review SOC report exceptions and update complementary user entity controls
Azure Dynamics SOC 2 Microsoft and Axosoft	Review SOC report exceptions and update complementary user entity controls
Venminder SOC2	Review SOC report exceptions and update complementary user entity controls
Lexis Nexis SOC2	Review SOC report exceptions and update complementary user entity controls
Potential SOC 1 and SOC 2 Reviews (TBD)	Review SOC report exceptions and update complementary user entity controls

Audit plan is developed based on feedback from UHC and is subject to change based on availability and resources.

Audit names and details may be updated and subject to change based on scope and audit work.



## Audit Committee Charter:

This charter is a component of a flexible government framework wherein, the Board of Trustees (Board) of Utah Housing Corporation (UHC), assisted by its committees, directs the affairs of UHC. While the framework should be interpreted in the context of all applicable laws and regulations, it is not intended to establish by its own force any legally binding obligations.

### **Introduction:**

This Charter describes the responsibilities of the Audit and Risk Committee (Audit Committee) of the Board, as prescribed by the *Approved Bylaws of UHC Article IV – Committees, Section 2 – Audit and Risk Committee*. The Audit Committee plays an important role in providing oversight, on behalf of the Board, of the organization’s governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit Committee performs its role by providing independent oversight on behalf of the Board.

### **Purpose:**

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for financial reporting, financial systems, the system of internal controls, the internal and external audit process, the organization’s process for monitoring compliance with laws and regulations and the code of ethics.

The Audit Committee will facilitate communication between, and among; UHC’s management (Management), internal audit, and external auditors.

The Audit Committee is to provide structured, systematic oversight of the organization’s governance, risk management, and internal control practices. The Audit Committee assists the Board and Management by providing advice and guidance on the organization’s initiatives for:

- Values and ethics.
- Governance structure.
- Risk management.
- Internal controls framework.
- Oversight of the internal audit activity, external auditors, and other providers of assurance.
- Financial statements and public accountability reporting.
- Cybersecurity.

**Authority and Responsibility:**

The Audit Committee may review budgets and audit reports from the Vice President of Internal Audit (VP of IA), Executive Management, and the external auditor. The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is to be the Board's principal agent in ensuring the independence of UHC's external auditors, the integrity of Management, and the adequacy of disclosures to the public. The Audit Committee fulfills its role through proper oversight. UHC's Management is responsible for preparing the financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee recognizes that Management (including the internal audit staff) and the external auditors have more time, knowledge, and detailed information about UHC than Audit Committee members. Consequently, in carrying out its oversight responsibilities, the Audit Committee is not providing any expert or special assurance as to the Organization's financial statement or any professional certification as to the external auditor's work.

The Audit Committee is empowered to:

- Oversee the work of the VP of IA and of the Internal Audit Department.
- Appoint, evaluate (taking into account opinions of Management and the internal auditors), compensate, and oversee the work of the external auditors, who shall report directly to the Audit Committee.
- Oversee the work of any other certified public accounting firm employed by UHC to perform any audits or agreed upon procedure other than the audit of the financial statements.
- Resolve any disagreements between Management, the external auditor and/or the internal auditor regarding financial reporting and other matters.
- Seek any information it requires from employees, all of whom are directed to cooperate with the Audit Committee's requests or external parties.
- Meet with Executive Management, external auditors, internal auditors, or outside counsel, as necessary.

**Composition:**

The Audit Committee shall be composed of three members of the Board, with one acting as chair (Chair), consistent with UHC Bylaws. The Chair will serve as the liaison between the Board and the VP of IA.

**Meetings:**

The Audit Committee will meet at least quarterly. The Audit Committee will invite members of Management, external auditors, internal auditors, and others to attend meetings to provide pertinent information, as necessary. The Audit Committee will also meet with the external auditor in a separate executive session to provide the opportunity for full and frank discussion

without members of Management present. Meeting agendas will be prepared for each meeting.

The VP of IA will report to the Audit Committee in Audit Committee meetings. The VP of IA is authorized to report any items to the Audit Committee, as necessary.

The external auditors will meet with the Audit Committee in an entrance conference in conjunction with their annual audit. They will also present their audit report upon completion of the audit. The external auditors will have access to the Audit Committee to report any findings, which need to be reported separately from the audit report.

### **Responsibilities:**

The Audit Committee will have the following responsibilities:

- **Financial Statements:**
  - Review with Management, external and internal auditors, the results of the financial statement audit, including any difficulties encountered.
  - Review all significant adjustments proposed by the external auditor or by the internal auditor.
  - Review the annual financial statements for completeness, consistent with information known to Audit Committee members, and to ensure they are consistent with applicable accounting principles and standards.
  - Review with Management and the external auditors all matters that should be communicated to the Audit Committee under generally accepted auditing standards, including, but not limited to all critical accounting policies and practices used by UHC, and any changes thereto, any material alternative accounting treatments that have been discussed with Management and the ramifications and resolution thereof, any accounting and financial reporting proposals that may have an impact on the financial reports, any material or non-financial arrangements that do not appear on the financial statements, and any accounting adjustments that were noted or proposed by the auditors but were “passed”.
  - Review the statement of Management responsibility for the assessment of the effectiveness of the internal control structure and procedures of the organization for financial reporting. Review the attestation on this management assertion by the external auditor as part of the financial statement audit engagement.
  - Review with General Counsel the status or legal matters that may have an effect on the financial statements and reports.
- **Internal Controls:**

- Consider the scope of the internal auditor's review of internal controls over relevant processes and obtain reports on significant findings and recommendations, together with Management's responses.
- Consider the effectiveness of the organization's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal controls over financial reporting and obtain reports on significant findings and recommendations, together with Management's responses.
- **Internal Audit:**
  - Assure and maintain, through the organizational structure and by other means, the independence of the internal audit process.
  - Ensure that internal auditors have unrestricted access to all documents, information, and systems in the organization.
  - Interacts directly with the Audit Committee, including in private meetings without senior management present.
  - Review and approve the charters, plans, activities, staffing, and organizational structure of the internal audit function.
  - Review and provide input regarding the internal audit plan.
  - Ensure there are no unjustified restrictions or limitations on the work of the internal auditors, and review and concur in the appointment, replacement, or dismissal of the VP of IA.
  - Receive and review internal audit reports, Management letters and follow-up of audit findings.
  - Receive periodic notice of consulting activities of internal auditors.
  - Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' Global Internal Audit Standards.
  - Review the VP of IA's annual performance objectives and performance appraisal with Management, including remuneration of the VP of IA.
  - Receives communications from the VP of IA about the internal audit function including its performance relative to its plan.
  - Ensure a quality assurance and improvement program has been established and the results reviewed annually.
  - Make appropriate inquiries of management and the VP of IA to determine whether scope or resource limitations are inappropriate.
- **External Audit**
  - Review the external auditor's proposed audit scope and approach, including coordination of effort with internal audit.
  - Review the audited financial statements, associated Management letter, and required communication. Review other reports, as necessary.
  - Provide a forum for follow-up of audit findings.

- Review any other reports UHC issues that relate to Audit Committee responsibilities.
- **Other Responsibilities:**
  - Institute and oversee special investigations as needed.
  - Review and assess the adequacy of the Audit Committee charter as needed, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
  - Conduct self-evaluations of the performance of the Audit Committee periodically, including its effectiveness and compliance with this charter.
  - Provide and oversee an appropriate confidential mechanism for whistleblowers to provide information on questionable financial reporting, breaches of trust, or breaches of internal control to the Audit Committee.
  - Review and address conflicts of interest of Directors and Management.
  - Review and discuss with Management and the external auditor any transactions or dealings with related parties other than those provided for in the policy publications at UHC.
  - Collaborate with senior management to determine qualifications and competencies the organization expects in a VP of IA, as documented in the VP of IA job description.
  - Perform other activities related to this charter as deemed necessary.

From the Signed and Sealed Approved Bylaws – Article IV – Committees, Section 2 – Audit and Risk Committee:

**SECTION 2. Audit and Risk Committee.** The Chair shall appoint at least three

(3) Trustees, each serving at the pleasure of the Chair, one to be designated committee chair, to serve as the Audit and Risk Committee with exclusive authority:

- (a) To establish and maintain continuing communications between the Trustees and the independent auditors, internal auditors, and UHC's President with respect to such matters as preparation of annual financial statements, scope of the annual audit, fees, accounting and financial reporting practices, internal accounting controls, internal audit plan, and scope of other services performed by independent auditors;
- (b) To select and retain, and, when necessary, terminate and replace the independent auditors of UHC;
- (c) To hire an Internal Audit Manager ("IAM") who reports functionally to the Audit and Risk Committee and administratively (i.e. day-to-day operations) to the President, and further:
  - a. To establish and approve the internal audit team's charter;
  - b. To approve decisions regarding the appointment and removal of the IAM;
  - c. To approve the remuneration of the IAM;
  - d. To make appropriate inquiries of management and the IAM to determine whether there is inappropriate scope or resource limitations upon the internal audit function;
  - e. To develop a risk-based internal audit plan for which the IAM and other staff or vendors operating under direction of the IAM are responsible;
  - f. To report on audit plan progress and results to the UHC Board of Trustees;
  - g. To have unrestricted access to, and communicate and interact directly with, the IAM, including in private meetings without management present; and
  - h. To supervise, coach, and evaluate the performance of the IAM with the assistance of the President.
- (d) To evaluate and make recommendations regarding the ongoing mitigation of financial and other risks, including, but not limited to, overseeing cyber security performed by staff and any outside analysts.

The Audit Committee shall meet at least quarterly to evaluate progress on and results of the audit plan.



## **Internal Audit Charter for Utah Housing Corporation (UHC)**

### **Purpose**

The purpose of the internal audit function is to strengthen UHC's ability to create, protect, and sustain value by providing the Audit Committee to the Board of Trustees ("Board") and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances UHC's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

UHC's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board.
- Internal auditors are free from undue influence and committed to making objective assessments.

### **Commitment to Adhering to the Global Internal Audit Standards**

UHC's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Vice President of Internal Audit (VP of IA) will report annually to the Board and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

### **Mandate**

UHC has established an Audit and Risk Committee (Audit Committee) of the Board, as prescribed by the Approved Bylaws of UHC, Article IV – Committees, Section 2 – Audit and Risk Committee.



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UHC is established in State of Utah Code Title 63H-8 -- 63H (Independent State Entities) Chapter 8 (Utah Housing Corporation).

### **Authority**

UHC's Board grants the internal audit function the mandate to provide the Board and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the Board. Such authority allows for unrestricted access to the Board.

The Board authorizes the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of UHC and other specialized services from within or outside UHC to complete internal audit services.
- To keep confidential work papers and documents specific to the work performed during the internal audit functions.

### **Independence, Organizational Position, and Reporting Relationships**

The VP of IA will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The VP of IA will report functionally to the Board and administratively (for example, day-to-day operations) to the President and CEO. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The VP of IA will confirm to the Board, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the VP of IA will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The VP of IA will disclose to the Board any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

### **Changes to the Mandate and Charter**



Circumstances may justify a follow-up discussion between the VP of IA, Board, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganization within the organization.
- Significant changes in the VP of IA, Board, and/or senior management.
- Significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

## **VP of IA Roles and Responsibilities**

### **Ethics and Professionalism**

The VP of IA will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

### **Objectivity**

The VP of IA will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the VP of IA determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.



Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for UHC or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any UHC employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the VP of IA, Board, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

### **Managing the Internal Audit Function**

The VP of IA has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Board and senior management. Discuss the plan with the board and senior management and submit the plan to the Board for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Board and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in UHC's business, risks, operations, programs, systems, and controls.
- Communicate with the Board and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Board and senior management annually and for each engagement as appropriate.

- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact UHC and communicate to the Board and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to UHC's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Board and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the VP of IA cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Board.

### **Communication with the Board and Senior Management**

The VP of IA will report annually to the Board and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Board.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond UHC's risk appetite.



## **Quality Assurance and Improvement Program**

The VP of IA will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the VP of IA will communicate with the Board and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside UHC; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

## **Scope and Types of Internal Audit Services**

The scope of internal audit services covers the entire breadth of the organization, including all UHC's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board and management on the adequacy and effectiveness of governance, risk management, and control processes for UHC.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of UHC's strategic objectives are appropriately identified and managed.
- The actions of UHC's officers, directors, management, employees, and contractors comply with UHC's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact UHC.



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[www.utahhousingcorp.org](http://www.utahhousingcorp.org)  
P 801.902.8200

- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.



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**Approved by the Board of Trustees at its meeting on \_\_\_\_\_**

**Acknowledgments/Signatures**

\_\_\_\_\_  
VP of IA

\_\_\_\_\_  
Date

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
President & CEO

\_\_\_\_\_  
Date

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# MEMORANDUM

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To: UHC Trustees

From: David C. Damschen, President

Date: March 26<sup>th</sup>, 2026

Subject: Resolution 2026-06 Adopting an Office Relocation Budget and Transition Plan, not to exceed \$3,000,000

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## **Recommendation:**

It is recommended that the Trustees adopt Resolution 2026-06, approving an Office Relocation Budget and Transition Plan. Adoption of this Resolution will authorize the Corporation to expend money and other resources in conjunction with the relocation of its primary office location. Expenses incurred for the corporation's forthcoming move fall outside of and exceed those previously approved by the Board in UHC's FY26 General Administrative and Mortgage Servicing Budget.

## **Background:**

At UHC's December 11, 2025 board meeting, Trustees adopted Resolution 2025-41, authorizing the sale of the corporation's existing office building, land, and structures as well as authorizing UHC to secure a new principal office by entering into a lease.

On February 7, 2026, a memo which outlined an update on the project, along with key dates and next steps was provided to trustees .

Subsequently, UHC has finalized the floor plan, is nearing completion of furniture design, has calculated final estimates of relocation expenses, and has nearly completed the lease agreement.

Preliminary estimates of costs associated with relocation of UHC's primary office location currently consist of the following:

Project Cost	Estimated Amount	Per Square Foot Cost	Additional Comments
IT Servers and Audio Visual	\$ 650,000.00	\$ 14.60	\$300,000 for IT, \$250,000 for audio visual, and \$100,000 for sound masking
Furniture and Equipment	\$ 1,350,000.00	\$ 30.32	
Cabling	\$ 90,000.00	\$ 2.02	\$38,000 for moving and \$42,000 for decommission and removal of existing furniture
Signage and Branding	\$ 75,000.00	\$ 1.68	
Moving and Relocation	\$ 80,000.00	\$ 1.80	
Miscellaneous and Security	\$ 80,000.00	\$ 1.80	
Owner Contingency	\$ 390,000.00	\$ 8.79	
Project Mgmt. Consultant	\$ 40,000.00	\$ 0.90	
<b>Total</b>	<b>\$ 2,755,000.00</b>	<b>\$ 61.91</b>	

UHC intends to review all areas for cost savings. This includes review of supplier agreements, leveraging of project manager and state contracts, and review/revision of plans to achieve a balance of efficiency and cost.

**RESOLUTION 2026-06**  
**A RESOLUTION OF THE UTAH HOUSING CORPORATION**  
**ADOPTING THE OFFICE RELOCATION BUDGET AND**  
**TRANSITION PLAN IN AN AMOUNT NOT TO EXCEED**  
**\$3,000,000**

WHEREAS, the Utah Housing Corporation Act, codified as Title 63H, Chapter 8, Utah Code Annotated 1953, as amended (the “Act”) created an independent body politic and corporate, constituting a public corporation, (the “Corporation”) which Corporation was established to serve a public purpose and to act for the public benefit by improving the health, safety and welfare of the State of Utah and the general public; and

WHEREAS, the Act declares that the corporation is intended to operate as a financially independent body so that its debts shall be payable solely from payments received by the corporation from mortgage borrowers and other revenues generated internally by the corporation; and

WHEREAS, all expenses incurred in carrying out the Act are payable solely from funds generated under authority granted by the Act, and nothing in the Act may be construed to authorize the corporation to incur indebtedness or liability on behalf of or payable by the state or any political subdivision of it; and

WHEREAS, the Corporation is exempt from certain acts including the Funds Consolidation Act, the State Money Management Act, the Utah Administrative Services Code, the Utah Procurement Code, the Budgetary Procedures Act, and the Utah State Personnel Management Act; and

WHEREAS, the By Laws of the Corporation establish the purpose of approving the expenditure of money or other resources, or approves the issuance of UHC debt including bonds, loans, notes or derivatives; and

WHEREAS, there has been presented, reviewed, and discussed at this meeting the office relocation budget and transition plan.

**NOW, THEREFORE, BE IT RESOLVED BY THE UTAH HOUSING CORPORATION,**  
**AS FOLLOWS:**

All actions previously taken (not inconsistent with the provisions of this resolution) by UHC and by the officers of UHC are hereby ratified and approved.

Words used in the foregoing recitals shall have the same meanings when used in the body of this resolution.

If any provisions of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

The Office Relocation Budget and Transition Plan presented and attached hereto are hereby adopted.

This Resolution has not been altered, amended or repealed, and is in full force and effect on the date hereof.

This resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED BY THE UTAH HOUSING CORPORATION THIS 26th DAY OF MARCH, 2026**

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Chair

(SEAL)

ATTEST:

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President



# **UHC Board Discussion**

## **Production Geography**

MARCH 26, 2026

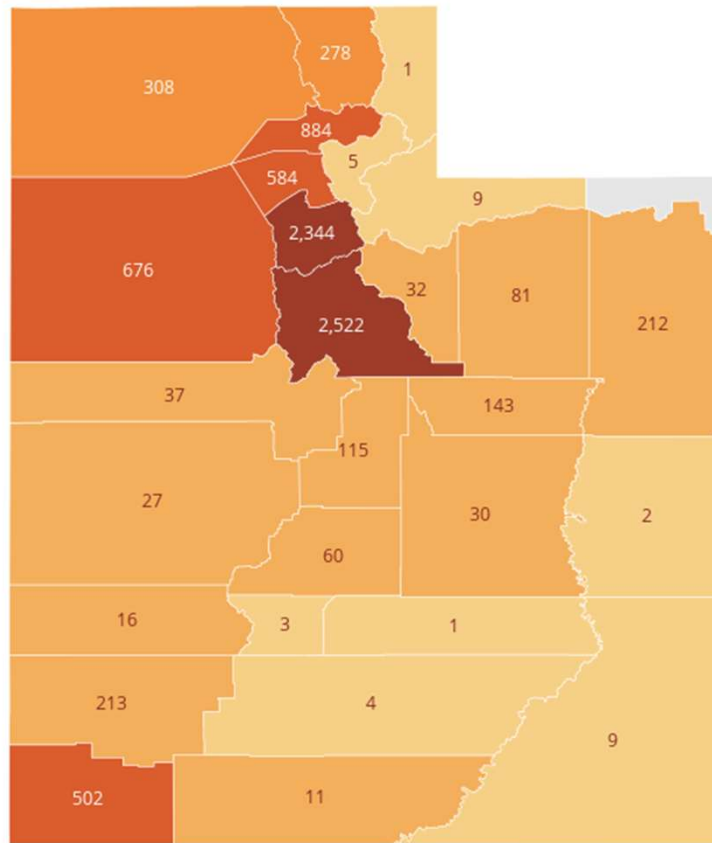




# Single Family Production

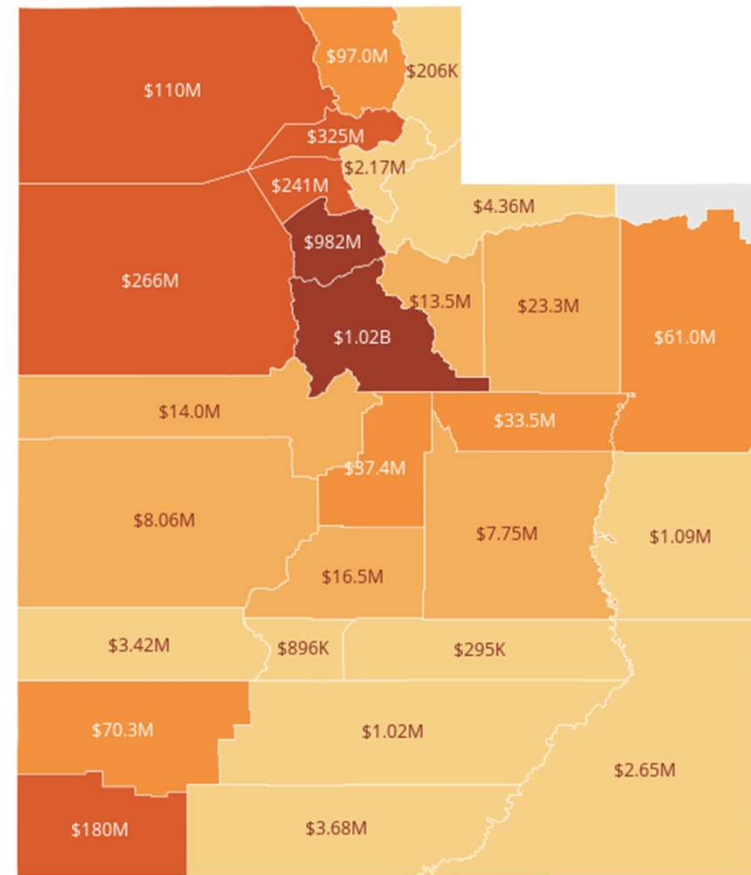
Since Inception of the FTHB Program – July 25, 2023 (data as of 2/28/2026)

Purchase Count by County - since FTHB Program Inception (July 25th, 2023)



■ Less than 10    
 ■ Less than 250    
 ■ Less than 500  
■ Less than 1000    
 ■ Greater than 1000

Volume by County - Since FTHB Program Inception (July 25th, 2023)



■ Under \$5M    
 ■ Under \$25M    
 ■ Under \$100M    
 ■ Under \$500M    
 ■ Over \$500M

• NOTE: While from inception of the FTHB Program, this includes all UHC production, **not** just the FTHB Program



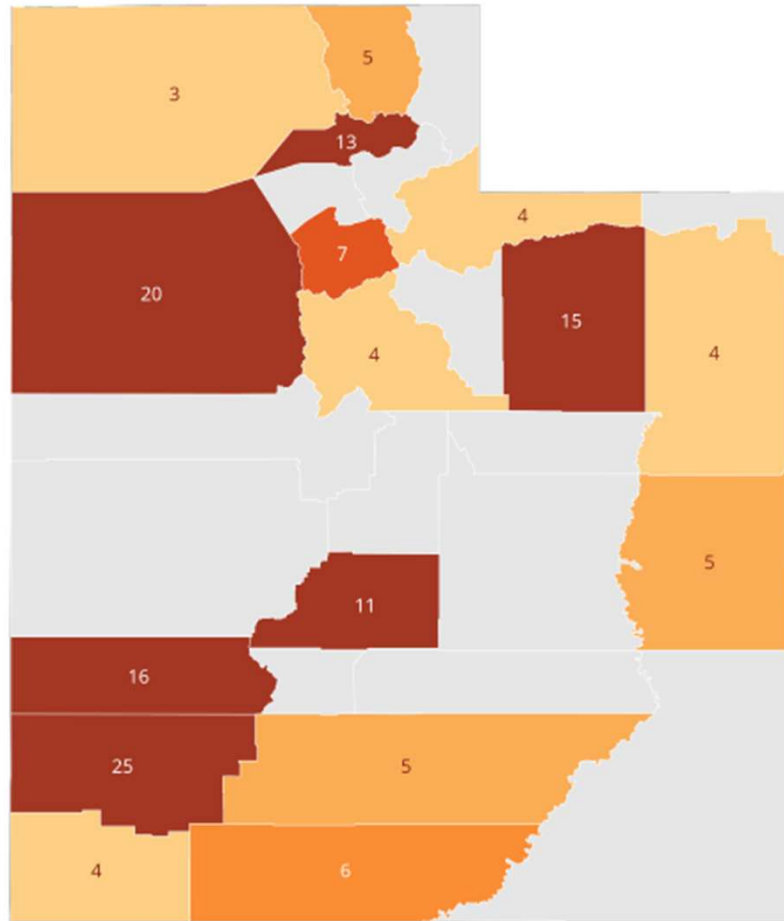


# Multifamily Production

CROWN Projects Only – All Time (data as of 2/28/2026)

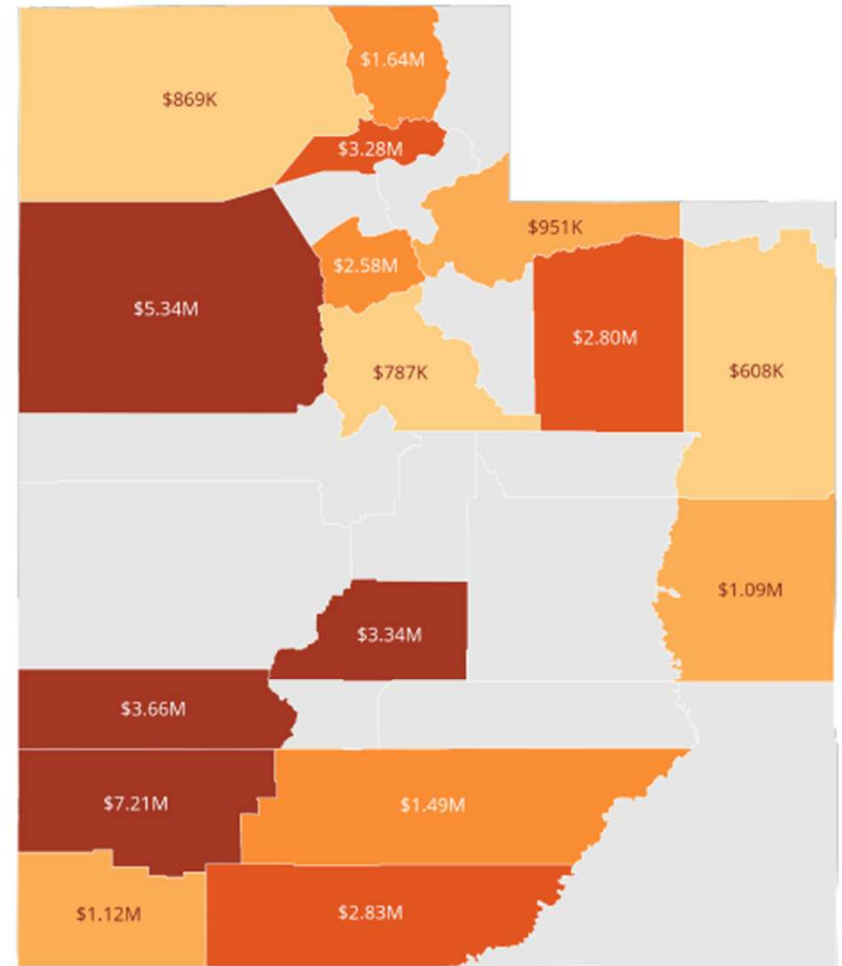
Multifamily Housing CROWN Projects - Total Units

31 Total Projects



3 25 No Data

Multifamily Housing CROWN Projects - Total Development Costs



\$608,389 \$7,212,410 No Data

# Condominium Financing Initiative

HB360, 2025 GS

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- The goal of the initiative is to offer a greater opportunity for home ownership at entry level pricing. This is achieved by focusing on unit affordability, project design, location, and demand through new construction condominium projects.
- Funds are available through June 30th, 2029 (including an extension agreement).
- While demand had varied due to numerous factors, the program sunset timing has been raised as the main concern.
- Current project inquiry is categorized below:
  - Projects continuing to move through underwriting
    - Two (2) projects – fifty-two (52) units - \$17MM
  - Potential new inquiries beginning the submission and review process
    - Two (2) projects – fifty-eight (58) units - \$26MM
      - Note: one (1) of the projects does not have cost information and is estimated
  - Inquiries
    - Four (4) projects – other characteristics unknown

# Condominium Financing Initiative, cont.

## Loan Loss Reserve

Risk Default Loss Reserve Calculation				
Characteristic	Value	UHC Minimum	Add-on	Comment
Probability of Default (PD)	10.00%	5.00%	5.00%	1) Standard probability of default on construction loan is approx. 5%. However, construction, acquisition, and development are considered higher risk 2) Project by project evaluation add on based on D&B credit report
Loss Given Default (LGD)	17.20%	10.00%	7.20%	1) Hard Cost override (reports and studies) 2) Construction Cost Index risk (materials increase over 1 year) 3) Duplicate developer fee paid
Exposure at Default (EAD)	100.00%	100.00%	0.00%	1) With no recourse and LTV/CTV at 100%, UHC retains all exposure
Market Exposure (ME)	7.09%	2.50%	4.59%	1) Market price index of high cost metro areas have a standard deviation of home prices to condo prices (FRED) 2) Average Condo price change over last 10 years 3) Project delta as add-on; as needed 4) Minimums, reflect shared appreciation structure offset
Loss Calculation - (PDxLGDxEAD)+(ME)	8.81%			Traditionally, this risk is used to create an interest rate return, return capped on this program and in turn moves interest rate offset to loss reserve
<b>TOTAL Loan Loss Reserve Requirement</b>	<b>8.81%</b>			

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# M E M O R A N D U M

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To: UHC Trustees  
From: Andrew Nestlehut  
Senior Vice President and CFO  
Date: March 26<sup>th</sup>, 2026

Subject: Operating Report Summary and Trends

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## Summary:

The financial statements presented are as of January 31<sup>st</sup>, 2026, and operating reports are as of February 28<sup>th</sup>, 2026. These show the impact of higher interest rates, the ongoing predominance of mortgage revenue bonds (MRBs) for the finance of single-family programs, and the ability to bring new programs and capital sources to help mitigate the negative affordable housing environment. The corporation's single family loan production continues to be strong, driven by the First Time Homebuyer Program (FTHB).

Geopolitical headlines continued to drive markets last week (3/9/2026) as conflict in the Middle East keeps energy markets volatile. Oil prices remain elevated versus pre-conflict levels, sustaining inflation concerns. Last week's CPI report showed February inflation was in line with expectations, but markets looked through the release given the risk of higher future energy drive inflation.

The municipal market has moved higher for the second straight week following similar moves in U.S. Treasuries. This is not particularly good timing given we priced the most recent new money (and refunding) deal of 2026 on 3/17. We did catch the market in a little bit of a rebound which helped ease some of the overall yield pressures and were able to set the single year (taxable) and multi-year (tax-exempt) lowest spreads seen on housing PAC bonds. This led to outperforming higher credit in the market and a successful sale.

## Analysis:

- The Single-Family Program Capital Sources tables (both fiscal and calendar) show a multi-year perspective of UHC's capital sources. During the first eight months of fiscal year 2026, while there has been a carve out for Freddie Mac (FHLMC) cash window funding (\$71.8MM), main sources of capital have consisted of the sale of Ginnie Mae (GNMA) Securities (\$154MM) and the issuance of taxable and tax-exempt MRBs (\$614MM). These sources have provided \$839MM of capital for affordable single-family housing programs during this period. Approximately 73% of capital needs are being met through the issuance of MRBs. Returns for the FHLMC cash window and GNMA Securities are 2.62% and 3.18%, respectively, and 1.28% and 1.02%, respectively, below historical averages for these funding sources. We project a similar split of executions based on current net present value returns for MRBs. However, Fed policy evaluation will be at the forefront of our attention, as lower interest rates can increase the premium in the sale of mortgage-backed securities (MBS) in the secondary market.

- The set of pie charts summarize UHC’s program production, differentiating by capital source. Total volume of production for the first eight months of fiscal year 2026 is 2,150 loans. These figures are driven largely by the demand for the FTHB program, which currently accounts for up to 23% of overall reservations. We had originally projected this to abate as the \$50MM originally appropriated to the FTHB program in 2023 became fully expended by May (or original projection) of 2025, but this relationship is expected to continue, now that the Legislature appropriated an additional \$20MM to the program in its 2025 General Session. This additional funding is expected to last into the middle of calendar year 2026.
- Month-end Unaudited Financial Statements are outlined into three (3) components: Balance Sheet, Statement of Revenue and Expenses, and Budget:
  - Balance Sheet analysis shows the corporation’s total assets are \$4.54 billion, 15.79% above the total as of fiscal year end June 30, 2025. Year over year, the fair market value adjustment (FMV) has changed directions with the shift in interest rates, and the mix of balance sheet investments has changed with the shift from TEMS to MRBs. However, given recent Fed policy volatility in the market and a related pressure in interest rates, the FMV adjustment is now positive at \$49MM, increasing net income. This valuation relates mainly to our large portfolio of MBS investments. FMV adjustments will continue to trend in a positive direction should interest rates continue to decline. This will occur until the portfolio has a mix of both higher and lower rate coupons. Additionally, the rate of prepayments has slowed, and the mortgage loan portfolio held on balance sheet has increased, producing changes in the mix and valuation between mortgage loans and/or MBS held as investments.
  - The Statement of Revenue and Expenses analysis indicates that fiscal year net income is \$24.76MM before Fair Market Value (FMV) adjustment. This amount is above the forecasted amount of \$22.8MM. Historically, the two biggest contributors to revenues are interest revenues and fees. Previously, the main driver of net income was the Gain on Sale of Loans, which fluctuated based on market conditions and varying execution decisions. This continues to move month-to-month.
  - Regarding the FY26 annual budget, the Corporation continues to meet budget expectations. General and Administrative and Mortgage Servicing expenses are at 51.12% and 51.00%, respectively, and we are now 58% through FY26.

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# M E M O R A N D U M

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To: UHC Trustees  
From: Andrew Nestlehut, Chief Financial Officer  
Date: March 26<sup>th</sup>, 2026  
Subject: Information Update Surrounding Capital Markets Secondary Sales (Specified Pool Sale)

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## Background:

Utah Housing Corporation has a variety of channels to raise capital for its single-family operations. They include but are not limited to:

- Sale of whole loans;
- Issuing debt in the primary market, most recently in the form of Mortgage Revenue Bonds (MRBs); and
- Securitizing loans into Mortgage-Backed Securities (MBS) for sale in the secondary, or TBA, market

This memo addresses UHC's sales of MBS in the TBA market. This market does not require use of tax-exempt private activity bond volume cap and is not limited to qualifying first time homebuyers. Following is a high-level outline of the process:

- Purchase of whole loans from originating lenders;
  - Identical to our MRB program, only tax law compliance is not required
- Determination of the most economical way to group loans (based on characteristics such as Down Payment Assistance (DPA) type, loan balances, and Area Median Income (AMI));
- Securitization of the loans into MBS; and
- Sale into secondary market trade to investors through a competitive process involving broker/dealers
  - MBSs that are MRB-eligible can be sold TBA or delivered to an MRB indenture on a best execution basis

Given this function (sale of MBS in the TBA market) comprises a large proportion of our executions (roughly 20%), it was beneficial for us to review the securitization and sale aspects of the process to determine any potential for improved efficiency.

Our first step was engaging our financial advisor, Caine Mitter, to determine the pool construction process. Caine Mitter executes TBA sales for some of its HFA clients, so leveraging its experience was key to the evaluation process. We worked with their desk to create pools with more specialized characteristics based on their investor relationships. Given the feedback we received from investors, this proved *not to be* a prospective driver for improved pool construction.

Next, we focused on one of the more prevalent aspects of our current practice: *the number of participating counterparties and their respective degrees of engagement*. UHC currently has trading contracts in place with fourteen (14) counterparties, but we had concern regarding the reliability and engagement of those firms, a two-fold problem:

- The potential for competition among counterparties to be insufficient to attract competitive bids; and
  - The ability to hold bids firm based on the adequacy of cover bids
-

Of UHC's aforementioned 14 counterparties, five (5) have been added in the past six months. Of our original nine (9) counterparties, consistent bidding was only received from one (1) and in some instances two (2) firms. We are in ongoing negotiations for four (4) more potential counterparties.

This effort has resulted in an increase of approximately 34 basis points on specified pool sale transactions in the TBA market. At current levels, and extrapolated for an entire year, we are estimating approximately \$900,000 in additional income. This figure is dependent on UHC's overall volume and market conditions, and assuming a continuation of the 20%/80% (TBA/MRB) split in executions.

Having these practices in place will allow the Corporation to capitalize on market shifts and to continue augmenting income where possible.

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# Single Family Capital Markets

Current Fiscal Year - As of February 28, 2026

## GNMA Securities Sold

Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	GNMA Security Amounts	Avg. Net Premium	Net Premium Amt Rec'd
2026	5.76%	37.58	\$227,711,987	103.18%	\$7,233,914

## Freddie Whole Loans Sold

Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	Principal	Avg. Net Premium	Net Premium Amt Rec'd
2026	6.19%	25.00	\$71,778,262	102.62%	\$1,784,986

## 2019 Indenture

Date Closed	Bond	Avg. Composite Bond Yield	Avg. Mortgage Rate	Principal	Avg. Spread	Anticipated Annual Income
2025-07-01	2025EFG	5.17%	6.410%	\$350,000,000	1.24%	\$4,340,000
2025-09-22	2025HI	4.52%	5.516%	\$250,000,000	1.00%	\$2,500,858
2025-12-22	2025JK	4.08%	5.202%	\$160,000,000	1.12%	\$1,797,440
<b>GRAND TOTAL</b>		<b>4.59%</b>	<b>5.709%</b>	<b>\$760,000,000</b>	<b>1.12%</b>	<b>\$8,638,298</b>

## 2012 Indenture

Date Closed	Bond	Avg. Composite Bond Yield	Avg. Mortgage Rate	Principal	Avg. Spread	Anticipated Annual Income
2025-12-18	20252	4.75%	6.030%	\$30,000,000	1.28%	\$384,000
<b>GRAND TOTAL</b>		<b>4.75%</b>	<b>6.030%</b>	<b>\$30,000,000</b>	<b>1.28%</b>	<b>\$384,000</b>

# Historical

## GNMA Securities Sold

Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	GNMA Security Amounts	Avg. Net Premium	Net Premium Amt Rec'd
2016	3.94%	31.1	\$394,529,544	105.80%	\$22,889,190
2017	3.79%	35.7	\$574,207,406	105.78%	\$33,208,023
2018	4.32%	36.2	\$611,469,368	105.49%	\$33,562,786
2019	4.93%	33.1	\$311,275,318	104.54%	\$14,140,910
2020	4.12%	33.8	\$402,561,810	104.63%	\$18,644,076
2021	2.89%	32.1	\$890,635,605	105.55%	\$49,461,153
2022	3.38%	33.6	\$687,316,372	103.27%	\$22,500,684
2023	5.67%	50.1	\$387,976,004	102.17%	\$8,415,782
2024	5.87%	43.5	\$395,881,320	102.30%	\$9,094,029
2025	5.66%	39.4	\$286,359,313	102.49%	\$7,128,846
<b>GRAND TOTAL</b>	<b>4.46%</b>	<b>36.9</b>	<b>\$4,942,212,060</b>	<b>104.20%</b>	<b>\$219,045,479</b>

## FNMA/Freddie Whole Loans Sold

Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	Principal	Avg. Net Premium	Net Premium Amt Rec'd
2016	4.58%	25.0	\$75,932,284	104.61%	\$3,502,116
2017	4.94%	25.0	\$42,251,481	104.90%	\$2,069,404
2018	5.44%	25.0	\$62,981,023	103.75%	\$2,363,684
2019	5.44%	25.0	\$62,981,023	103.75%	\$2,363,684
2020	5.03%	25.0	\$29,702,963	104.32%	\$1,283,562
2021	4.40%	25.0	\$3,466,454	106.36%	\$220,498
2022	5.47%	25.0	\$2,044,409	104.30%	\$87,850
2023	6.16%	25.0	\$27,993,108	102.67%	\$748,277
2024	6.43%	25.0	\$78,968,044	102.13%	\$168,302
2025	6.34%	25.0	\$78,579,794	102.23%	\$1,721,660
<b>GRAND TOTAL</b>	<b>5.42%</b>	<b>25.0</b>	<b>\$464,900,583</b>	<b>103.90%</b>	<b>\$14,529,037</b>

Program Summary - FY

Tax Exempt GNMA Sold

Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	Principal	Avg. Net Premium	Net Premium Amt Rec'd
2016	3.36%	38.0	\$214,132,310	104.78%	\$10,227,623
2017	3.24%	35.9	\$372,936,979	104.82%	\$17,967,955
2018	3.63%	41.4	\$179,804,282	104.34%	\$7,801,324
2019	4.41%	44.0	\$345,793,903	103.98%	\$13,761,604
2020	3.74%	29.7	\$316,466,240	104.44%	\$14,043,724
2021	2.47%	28.9	\$401,076,536	105.03%	\$20,172,605
2022	2.83%	37.9	\$454,748,374	104.08%	\$18,539,391
2023	5.48%	51.9	\$233,980,301	102.33%	\$5,447,252
2024	6.37%	50.4	\$73,262,925	102.49%	\$1,824,922
<b>GRAND TOTAL</b>	<b>3.95%</b>	<b>39.8</b>	<b>\$2,592,201,850</b>	<b>104.03%</b>	<b>\$109,786,400</b>

CRA participation Pools Sold

Fiscal Year	Avg. Pass Thru Rate	Avg. Servicing Fee (bps)	Principal	Avg. Net Premium	Anticipated Annual Income
2016	2.70%	4.09%	\$10,136,984	1.39%	\$141,310
2018	3.25%	4.34%	\$33,790,551	1.09%	\$369,331
2020	2.21%	4.26%	\$25,552,951	2.05%	\$523,324
2023	4.96%	6.27%	\$25,181,556	1.31%	\$330,130
2024	4.97%	6.46%	\$14,087,459	1.49%	\$209,621
<b>GRAND TOTAL</b>	<b>3.62%</b>	<b>5.09%</b>	<b>\$108,749,501</b>	<b>1.47%</b>	<b>\$1,573,716</b>

Program Summary - FY

2012 Indenture (Taxable Bonds)

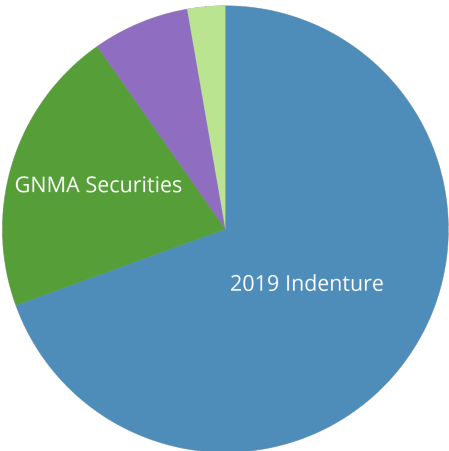
Fiscal Year	Avg. Pass Thru Rate	Weighted Avg. Loan Rate	Principal	Avg. Spread	Anticipated Annual Income
2015	2.60%	4.08%	\$51,350,858	1.48%	\$762,047
2016	2.80%	4.30%	\$49,306,201	1.50%	\$450,072
2017	2.51%	4.09%	\$52,712,298	1.58%	\$1,136,376
2018	2.69%	4.20%	\$10,703,696	1.51%	\$161,091
2019	3.64%	5.19%	\$39,860,434	1.55%	\$618,235
2020	3.17%	5.39%	\$22,746,089	2.22%	\$4,202,199
2021	1.88%	3.48%	\$27,194,948	1.60%	\$434,983
2022	2.61%	3.81%	\$64,562,149	1.20%	\$772,809
2023	5.45%	6.44%	\$48,455,779	0.99%	\$478,259
2024	5.63%	7.05%	\$55,004,926	1.43%	\$786,020
2025	5.06%	6.45%	\$37,000,000	1.39%	\$509,385
<b>GRAND TOTAL</b>	<b>3.46%</b>	<b>4.95%</b>	<b>\$458,897,378</b>	<b>1.50%</b>	<b>\$10,311,476</b>

2019 Indenture

Fiscal Year	Avg. Composite Bond Yield	Avg. Mortgage Rate	Principal	Avg. Spread	Anticipated Annual Income
2019	2.82%	3.94%	\$166,201,702	1.53%	\$732,202
2024	5.37%	6.50%	\$746,435,000	1.31%	\$817,022
2025	5.10%	6.37%	\$850,000,000	1.27%	\$10,726,750
<b>GRAND TOTAL</b>	<b>4.43%</b>	<b>5.60%</b>	<b>\$1,762,636,702</b>	<b>1.37%</b>	<b>\$12,275,974</b>

Program Summary - FY

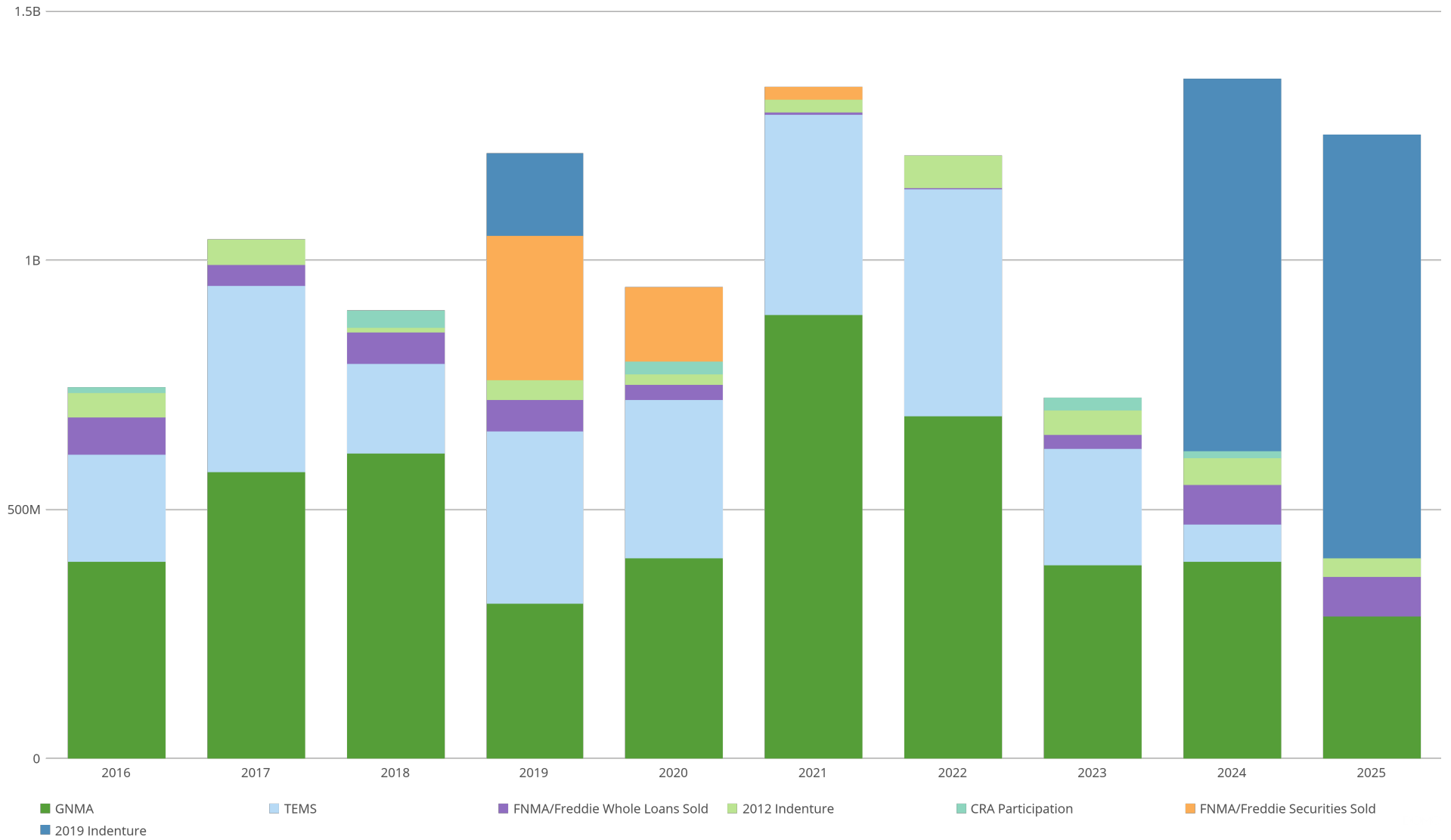
Principal Sold by Year



● 2019 Indenture	\$760M	69.4%
● GNMA Securities	\$228M	20.8%
● FNMA/Freddie Whole Loans Sold	\$76.6M	7%
● 2012 Indenture	\$30.0M	2.74%

Program Summary - FY

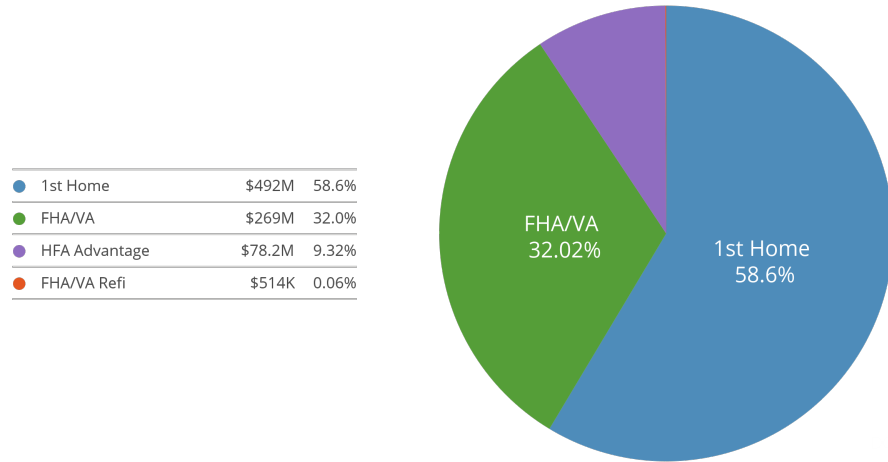
Principal Sold by year - Historical



## Fiscal Year Purchased Loans - As of February 28, 2026

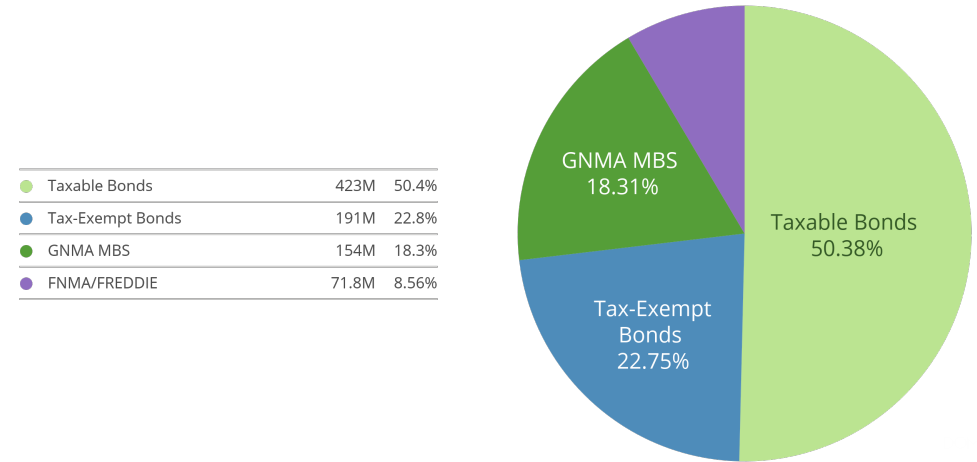
Purchased Loans FY 2026 by Program Type

2,150 Total Loans



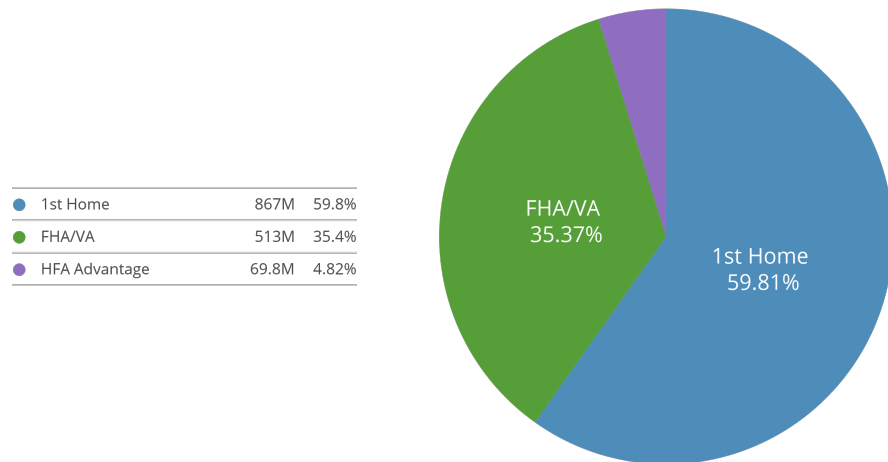
Purchased Loans FY 2026 By Capital Source

\$838,999,759 Total Amount



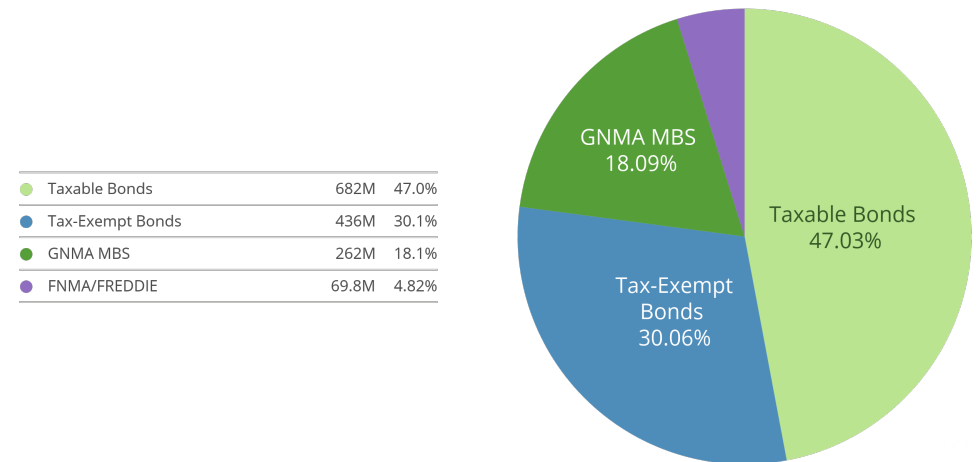
Purchased Loans FY 2025 by Program Type

3,684 Total Loans



Purchased Loans FY 2025 By Capital Source

\$1,449,911,972 Total Amount

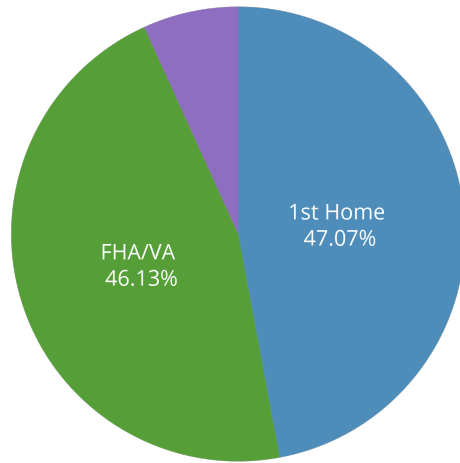


Loan Production and Capital Sources - FY

Purchased Loans FY 2024 by Program Type

3,384 Total Loans

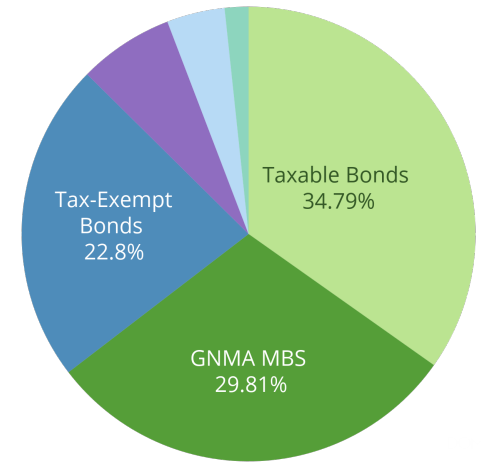
1st Home	\$600M	47.1%
FHA/VA	\$588M	46.1%
HFA Advantage	\$86.6M	6.8%



Purchased Loans FY 2024 By Capital Source

\$1,273,769,839 Total Amount

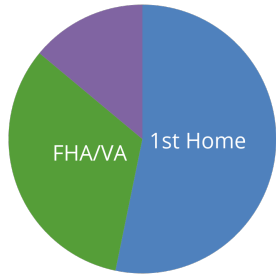
Taxable Bonds	443M	34.8%
GNMA MBS	380M	29.8%
Tax-Exempt Bonds	290M	22.8%
FNMA/FREDDIE	86.3M	6.78%
TEMS	52.7M	4.13%
CRA	21.5M	1.69%



# UHC Capital Markets Dashboard - March 16 2026

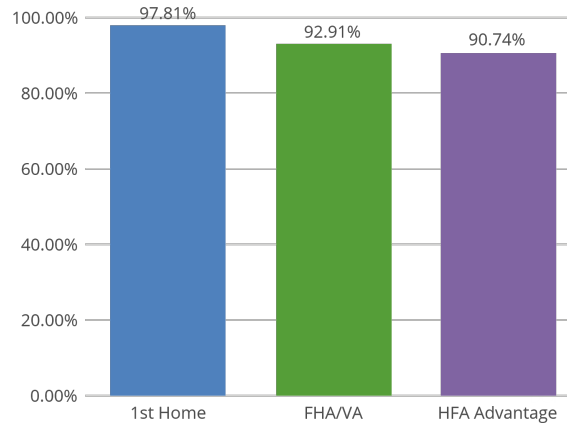
## Previous Week's Reservations

121 Total Reservations



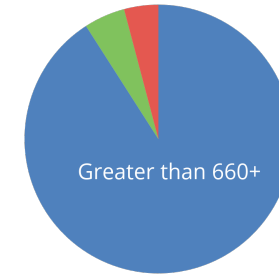
1st Home	25.8M	53.2%
FHA/VA	15.9M	32.8%
HFA Advantage	6.77M	14.0%

## Pull Through - Previous 60 Days



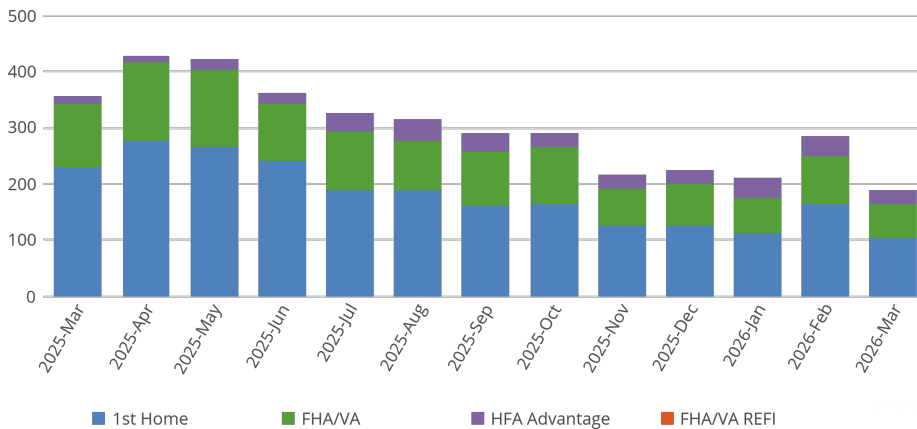
## Last Weeks Credit Scores - Reservations

121 Total Credit Scores

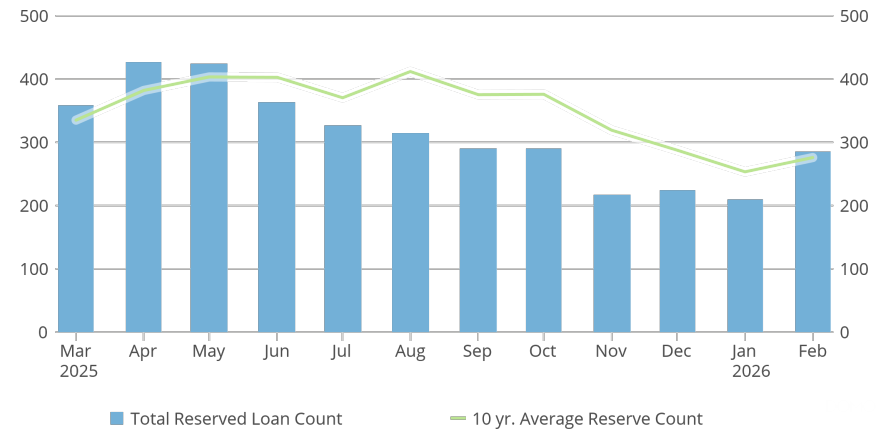


Greater than 660+	110	90.9%
Less than 640	6	4.96%
640-659	5	4.13%

## Monthly Reservations



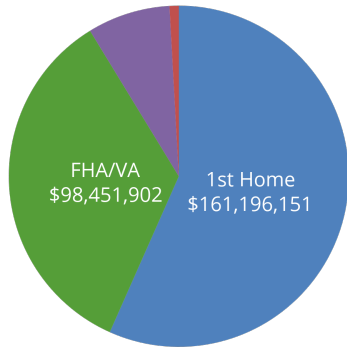
## Monthly Reservations with 10 Year Average



# Capital Markets Dashboard

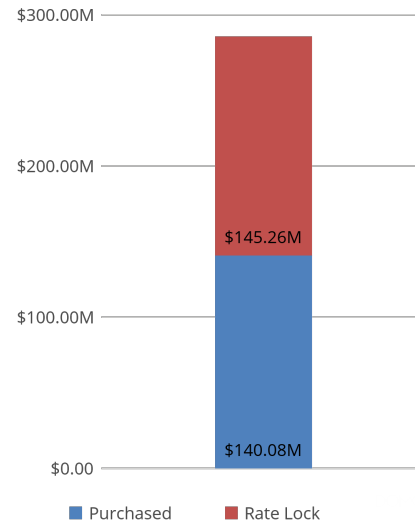
## Pipeline Amount

\$284,520,167 Total Amount



1st Home	\$161M	56.7%
FHA/VA	\$98.5M	34.6%
HFA Advantage	\$22.4M	7.87%
Home Again	\$2.49M	0.88%

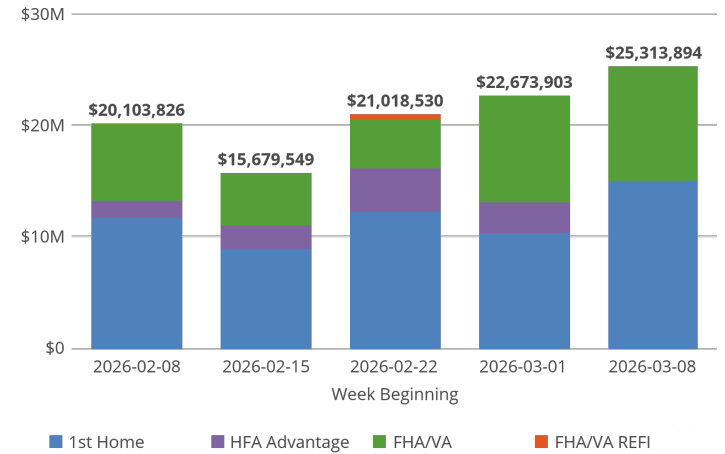
## Loan Pipeline Snapshot



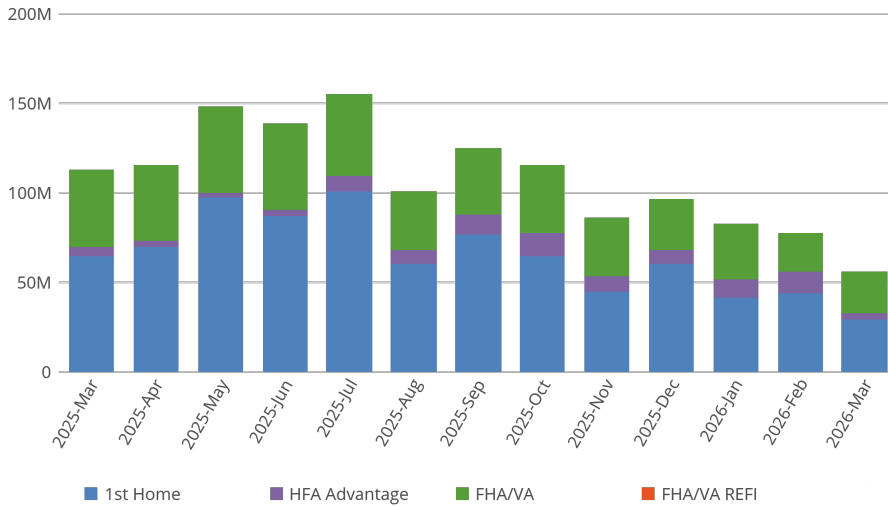
## Weekly Purchases

by Week

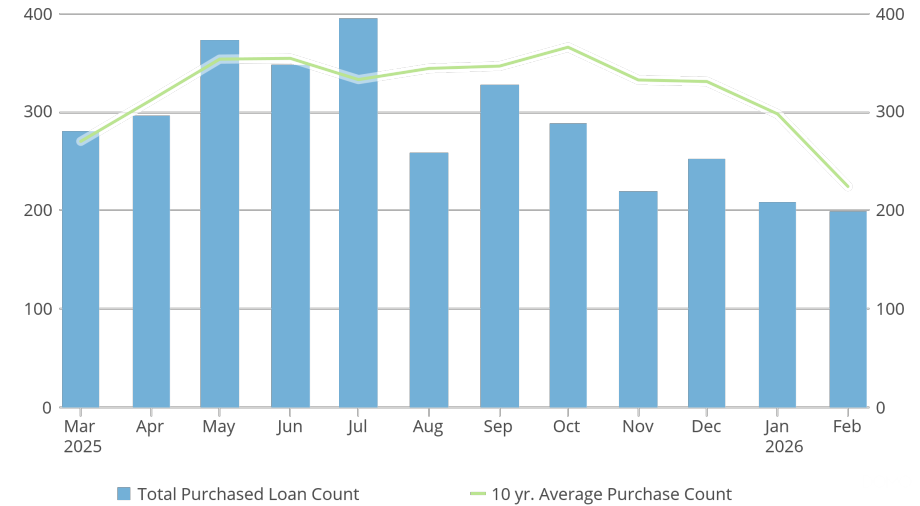
269 Total 5 Week Loan Count



## Monthly Purchases



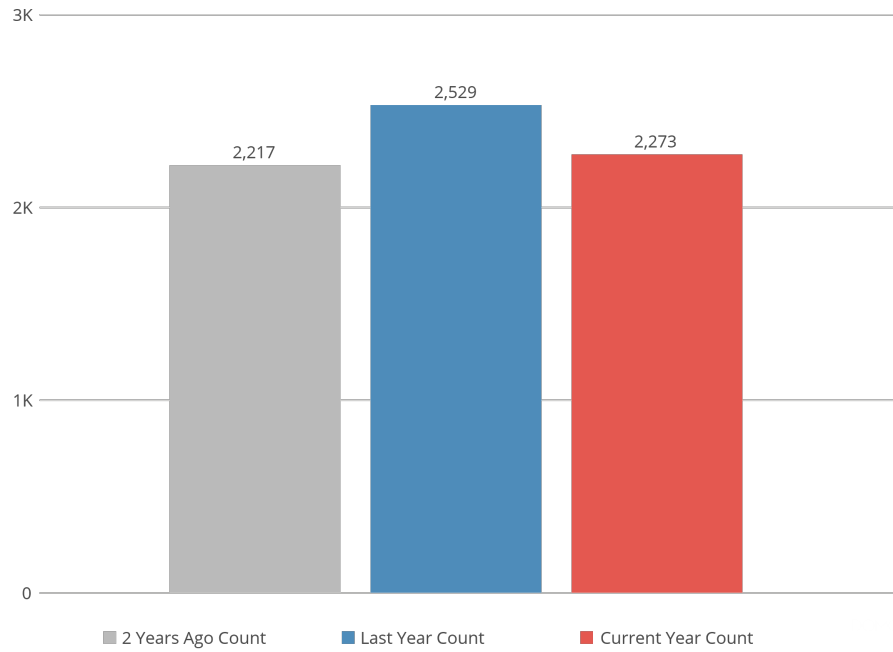
## Monthly Loan Purchases with 10 Year Average



Capital Markets Dashboard

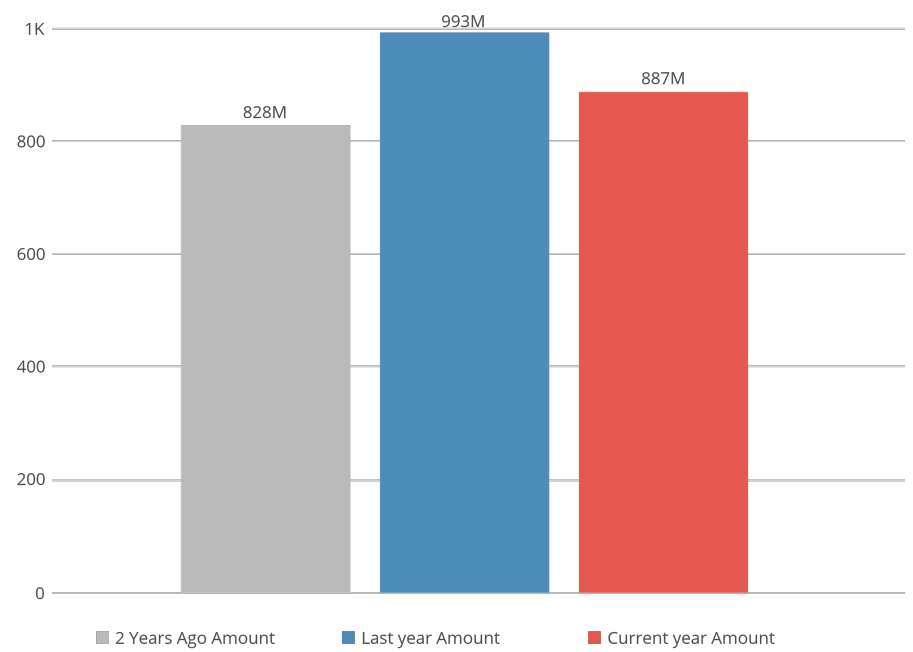
FY Purchase Count - 2026

by Year



FY Purchase Amount - 2026

by Year



FY Purchase Count vs 2025 (YTD)



FY Purchase AMT vs 2025 (YTD)



FY Purchase Count vs 2024 (YTD)



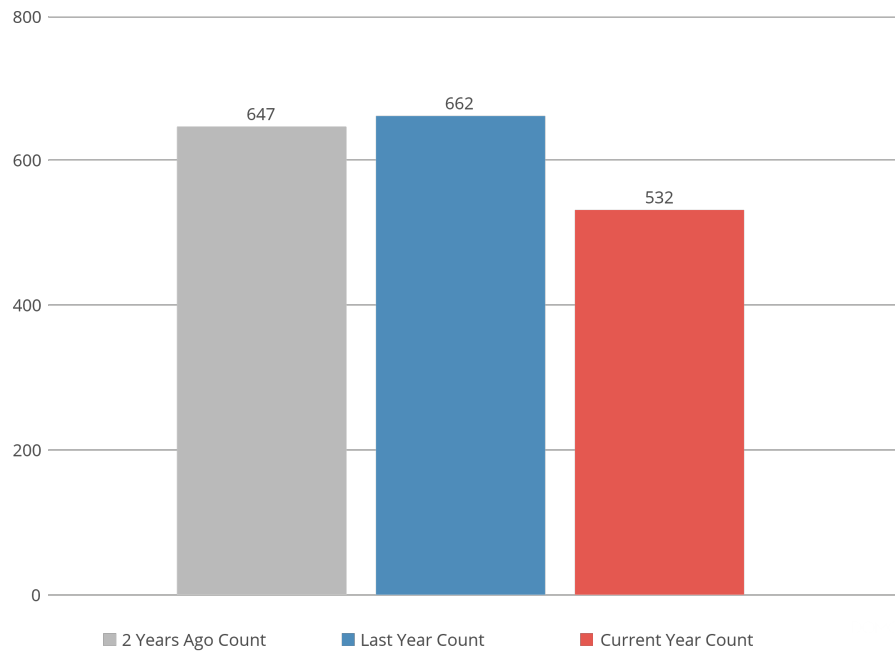
FY Purchase AMT vs 2024 (YTD)



Capital Markets Dashboard

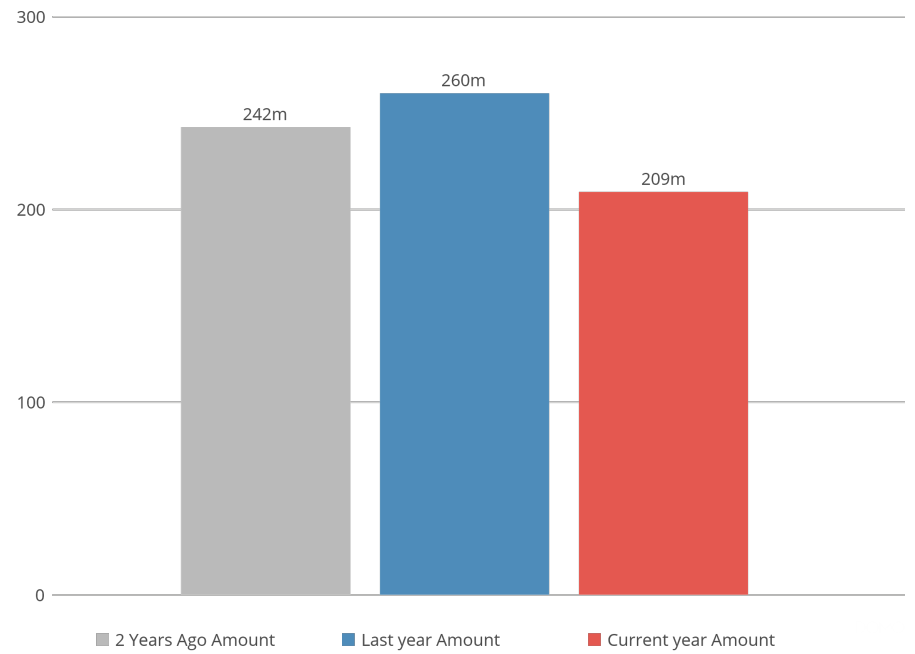
CY Purchase Count - 2026

by Year



CY Purchase Amount - 2026

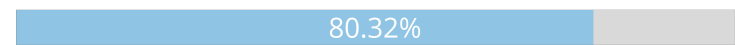
by Year



CY Purchase Count vs 2025 (YTD)



CY Purchase AMT vs 2025 (YTD)



CY Purchase Count vs 2024 (YTD)



CY Purchase AMT vs 2024 (YTD)

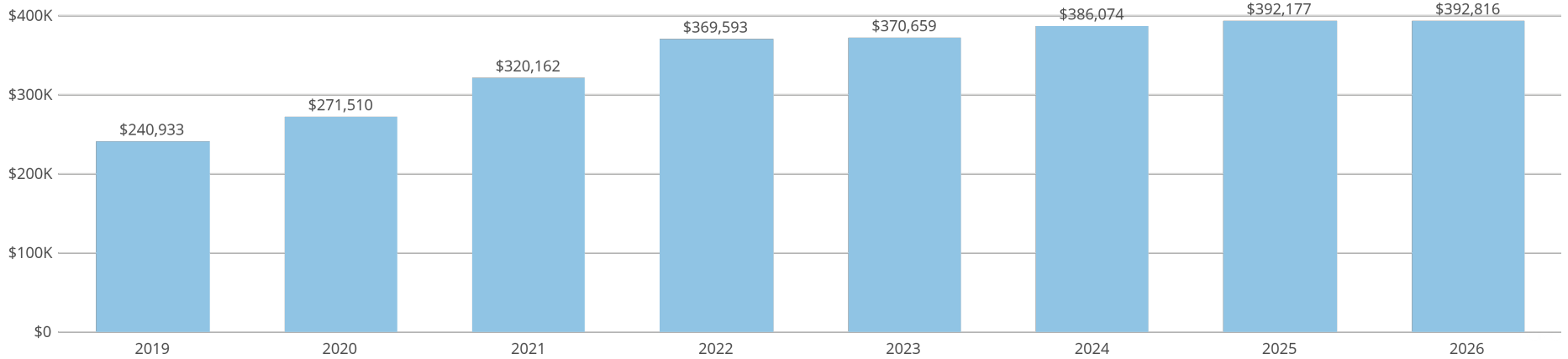


Capital Markets Dashboard

Average Original Loan Amount - 1st Mortgages - Purchased Loans

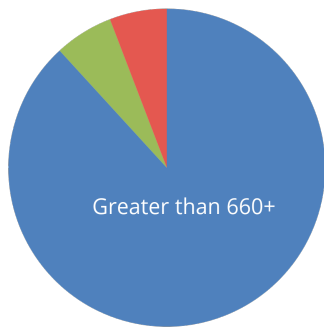
by Year

**\$392,816** 2026 Average Loan Amount



Credit Scores - Entire Pipeline

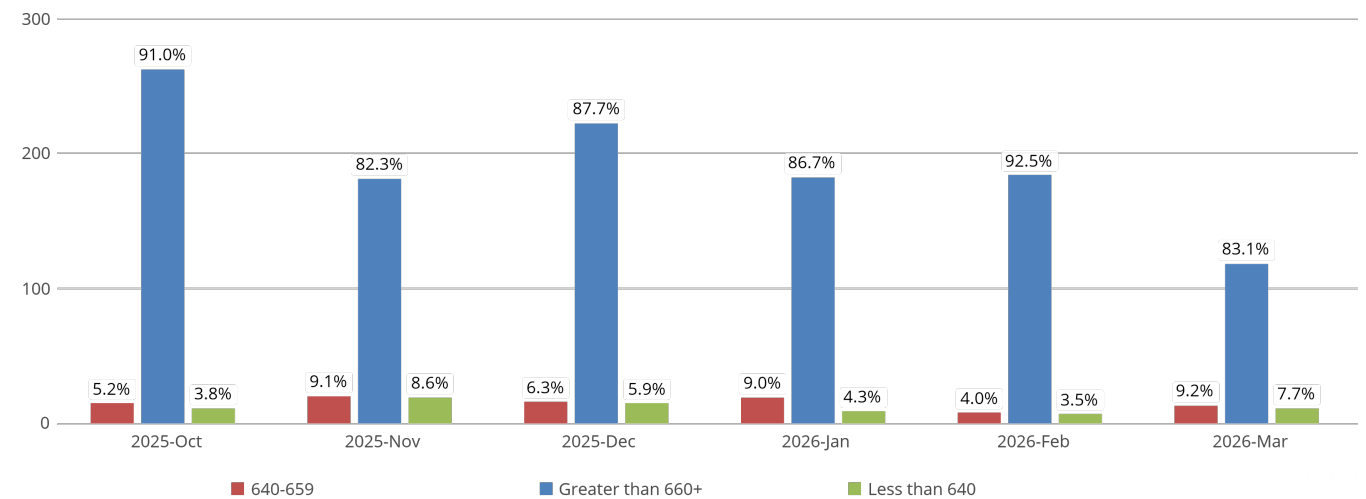
719 Total Loans



Greater than 660+	634	88.2%
Less than 640	43	5.98%
640-659	42	5.84%

Purchased Loans by Credit Score - Percent of Monthly Loans by Credit Score

by Month

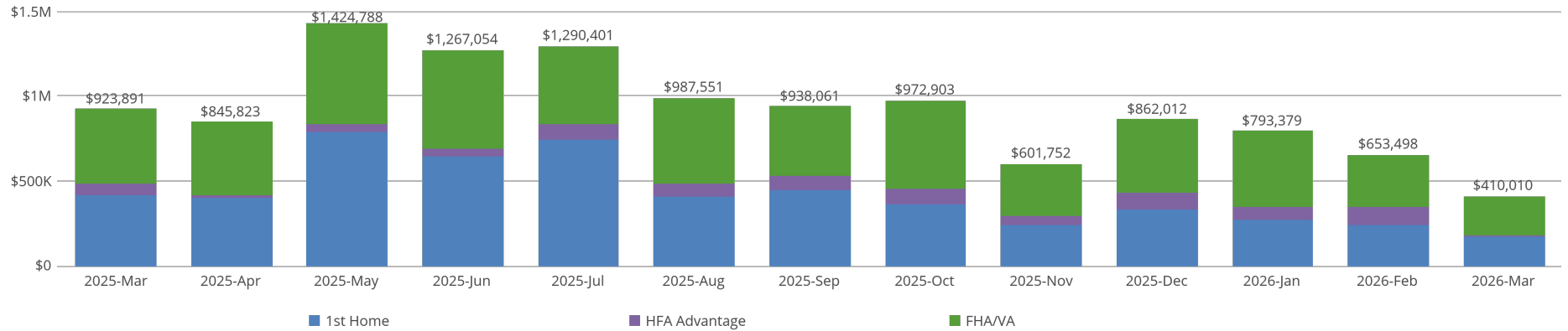


Capital Markets Dashboard

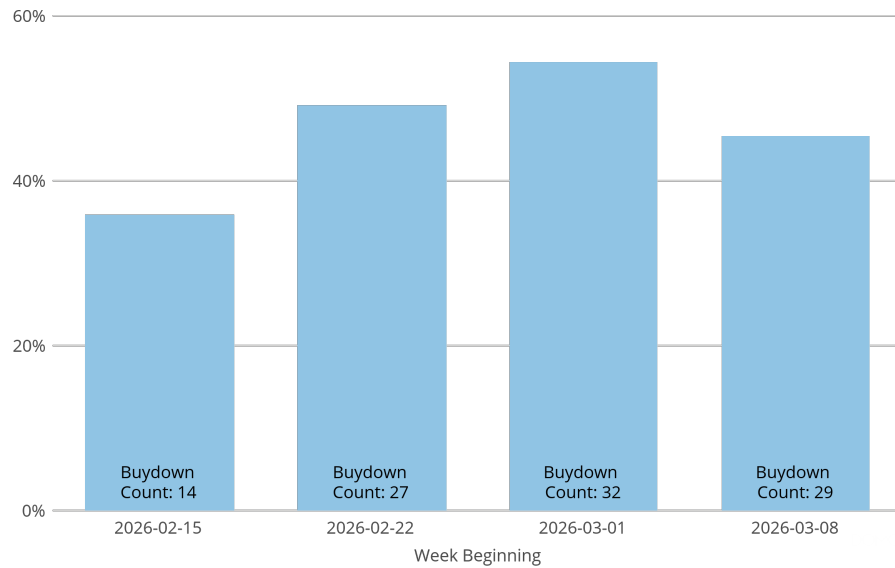
Buydown Amounts - Purchased Loans

by Month

\$11,971,124 Total Buydown Amount



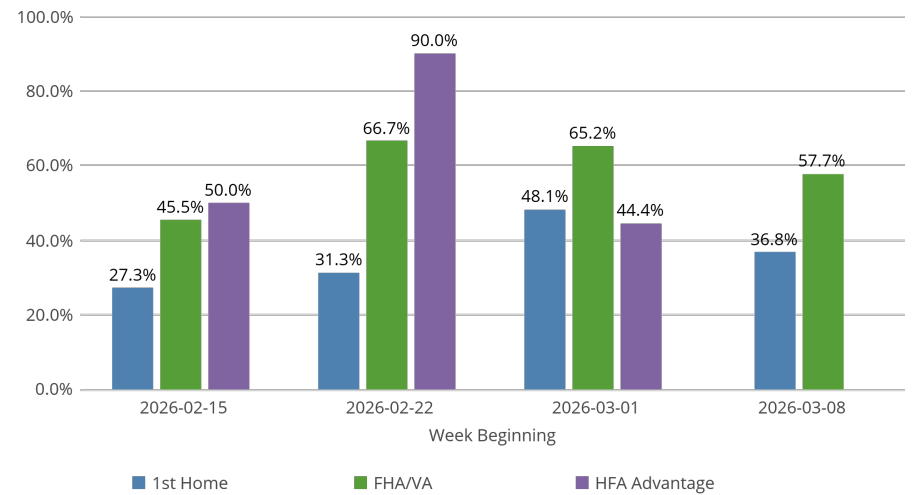
Weekly Buydown Count - Purchased Loans



Percent of Purchased Loans with a Buydown Amount by Program

by Week

47.22% Percent of Loans with a Buydown Amount



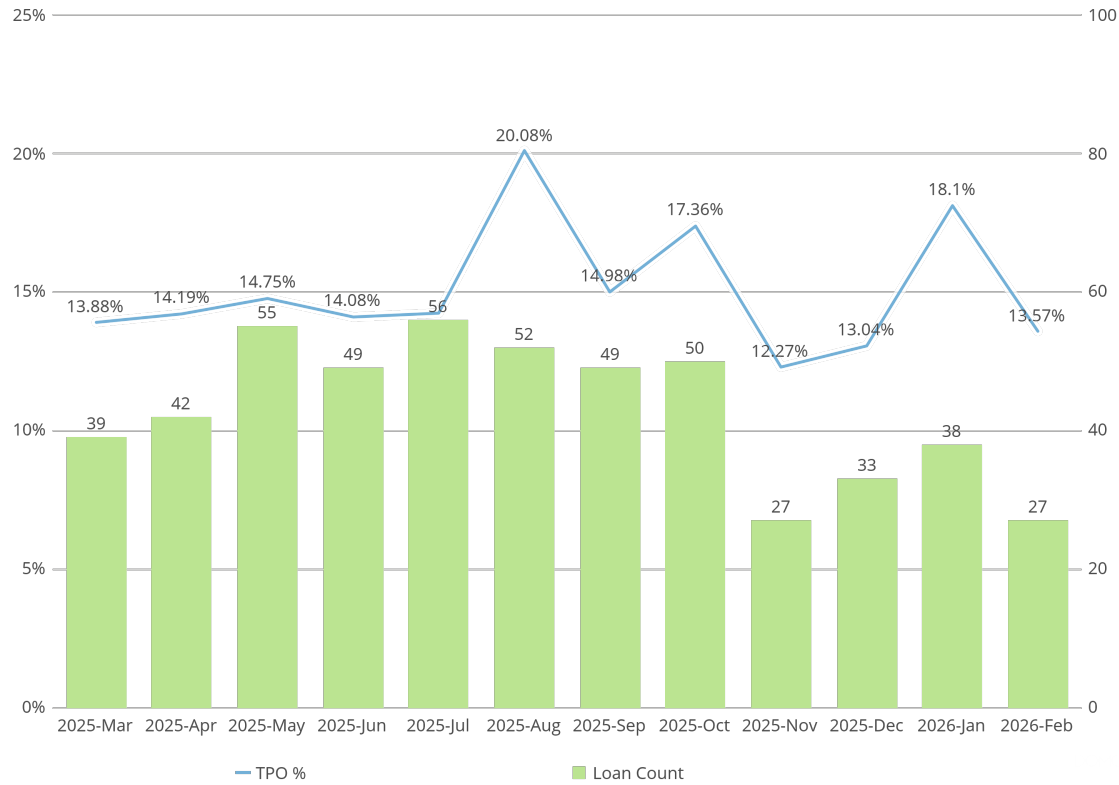
TPO Pull through - Rolling 12 Months

81.5%

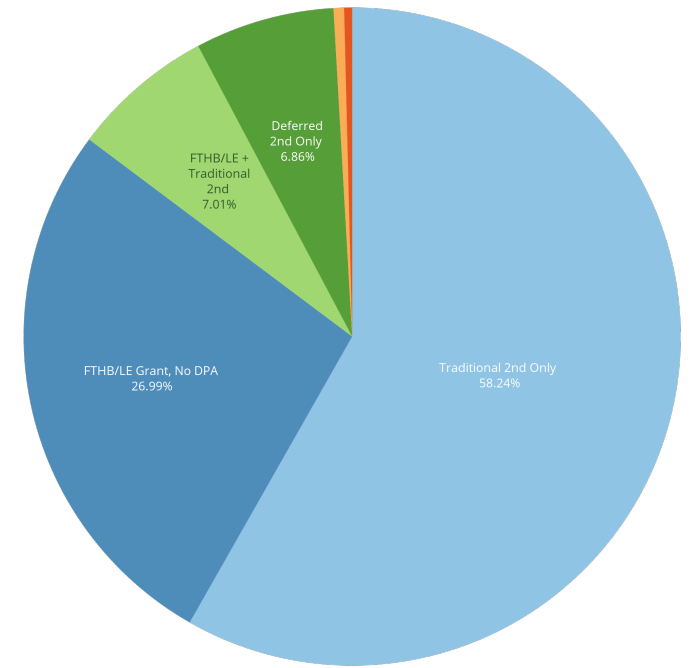
% of TPO Loans - Rolling 12 Months

14.99%

Total TPO Loans and % of Purchase Production - Rolling 12 months by Month



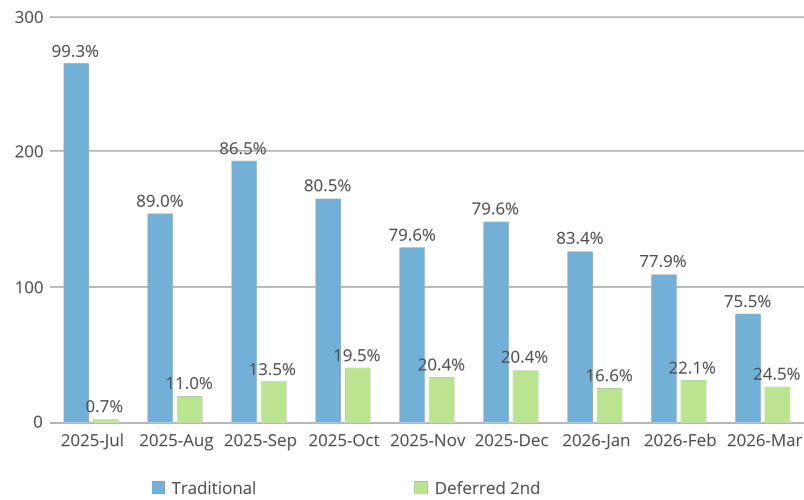
2nd Mortgages- Rolling 12 Months - Purchases



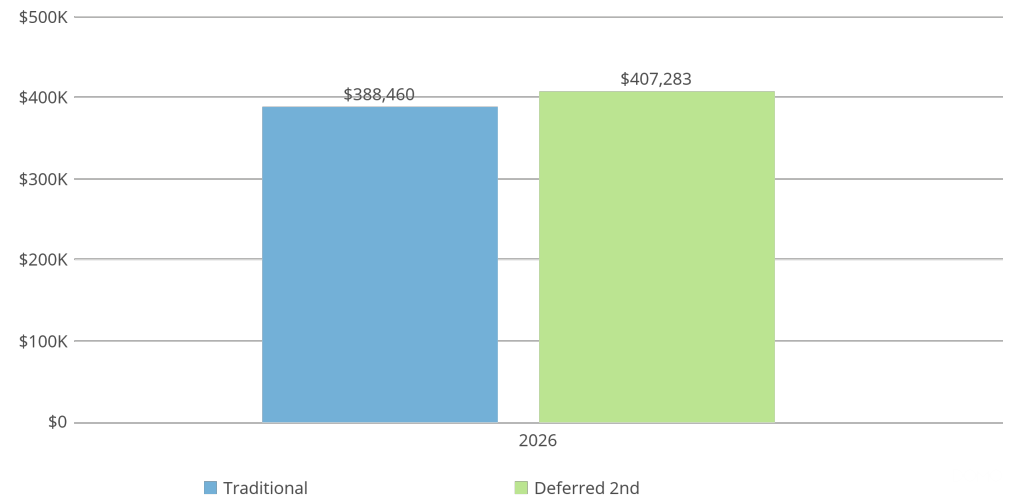
Traditional 2nd Only	1.93K	58.2%
FTHB/LE Grant, No DPA	893	27.0%
FTHB/LE + Traditional 2nd	232	7.01%
Deferred 2nd Only	227	6.86%
FTHB/LE Grant + Deferred 2nd	17	0.51%
No DPA or FTHB/LE	13	0.39%

Capital Markets Dashboard

1st Mortgage Purchases - Traditional and Deferred  
by Month

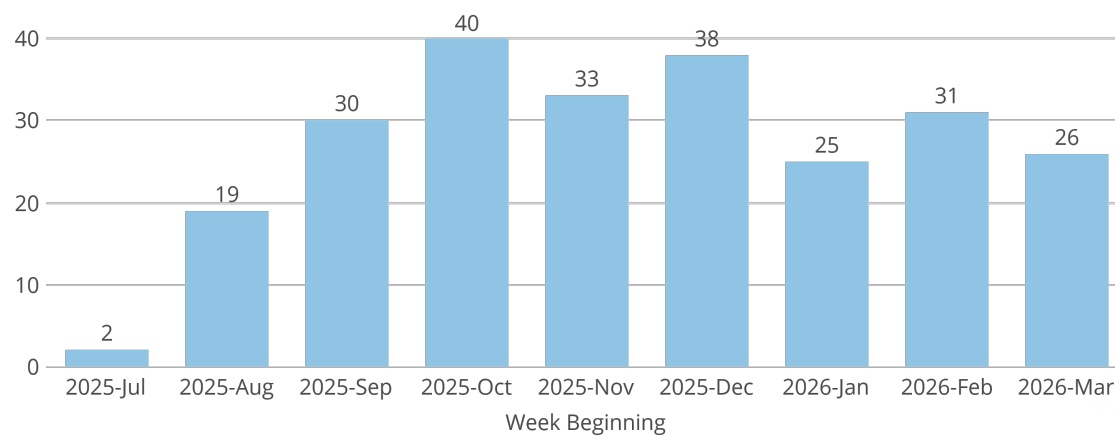


Avg. 1st Mtg Amt - Traditional and Deferred - FY  
by Year



Deferred 2nds - Purchases  
by Month

244 Total Deferred 2nds



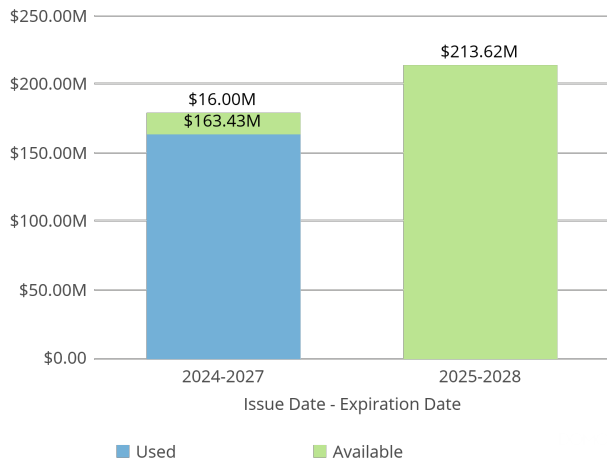
Deferred 2nds - Purchase Amount  
by Month

Month	Purchases	Avg Loan Amount	Total Loan Amount
2026-Mar	26	\$403,798	\$10,498,744
2026-Feb	31	\$401,031	\$12,431,953
2026-Jan	25	\$423,548	\$10,588,704
2025-Dec	38	\$407,515	\$15,485,582
2025-Nov	33	\$408,099	\$13,467,275
2025-Oct	40	\$406,282	\$16,251,274
2025-Sep	30	\$417,076	\$12,512,271
2025-Aug	19	\$386,893	\$7,350,965
2025-Jul	2	\$395,160	\$790,319
<b>GRAND TOTAL</b>	<b>244</b>	<b>\$407,283</b>	<b>\$99,377,087</b>

Capital Markets Dashboard

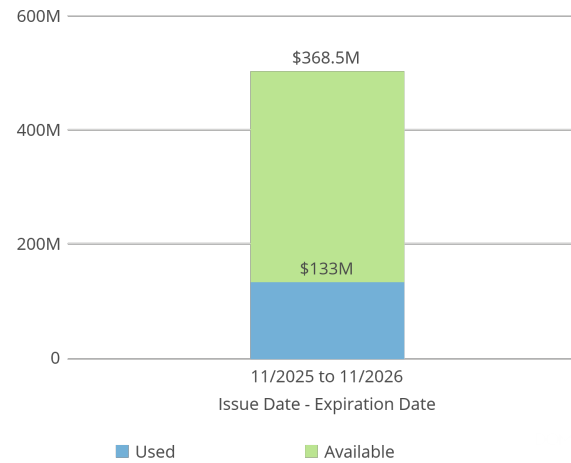
Volume Cap Usage

\$229.62M Total Amount Available



GNMA Commitment Authority

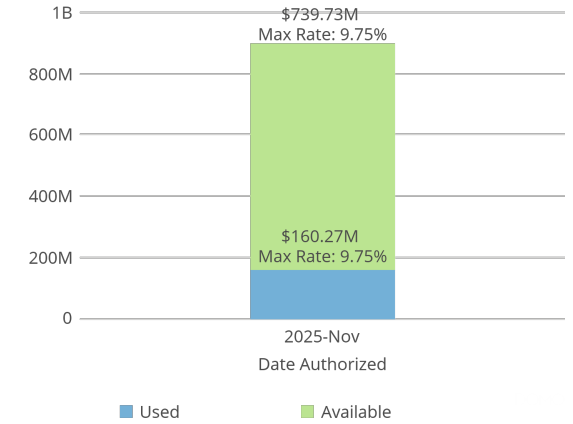
\$368.50M Total Amount Available



Board GNMA Authority

by Month

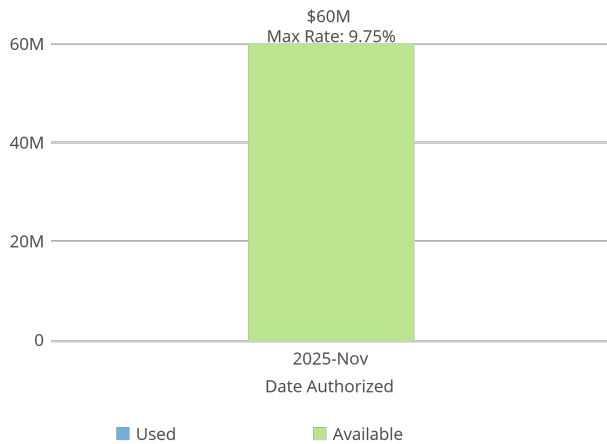
\$739.73M Total Amount Available



Board Freddie Authority

by Month

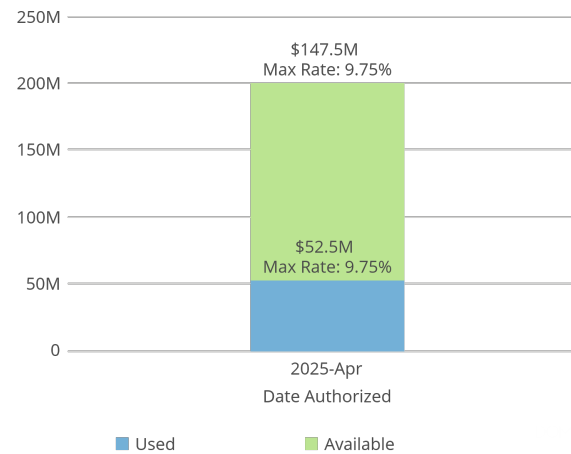
\$60.00M Total Amount Available



Board 2012 Indenture Authority

by Month

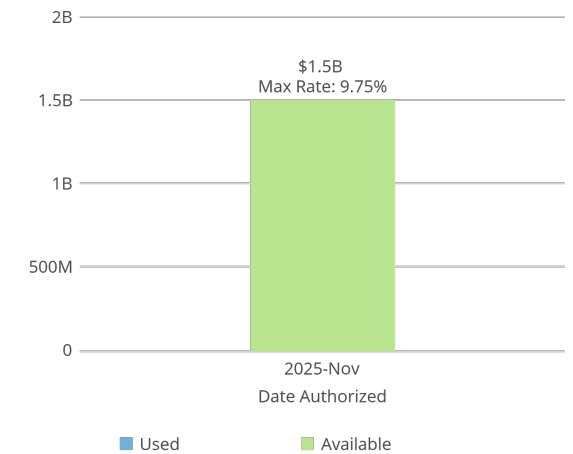
\$147.50M Total Amount Available



Board 2019 Indenture Authority

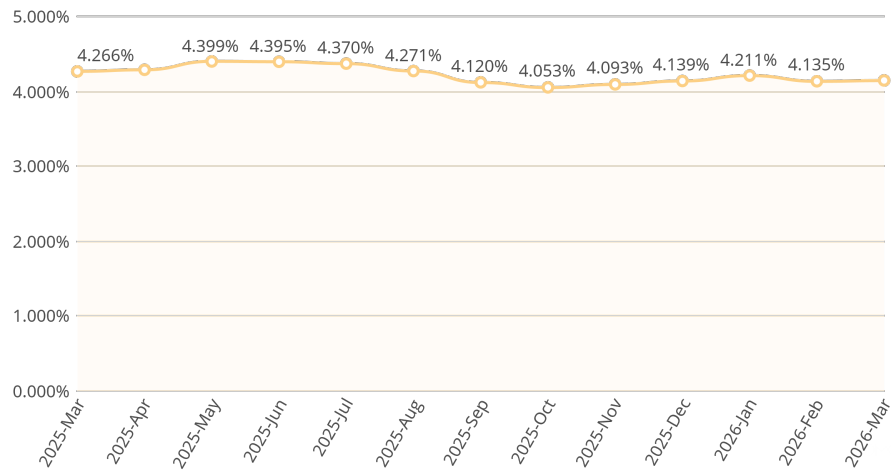
by Month

\$1.50B Total Amount Available



# Capital Markets Dashboard

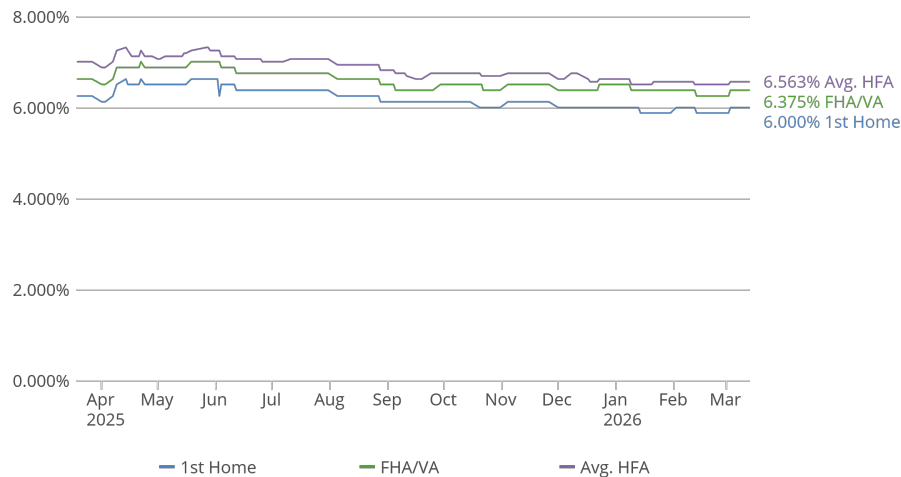
## Average 10 Year Treasury Rate by Month



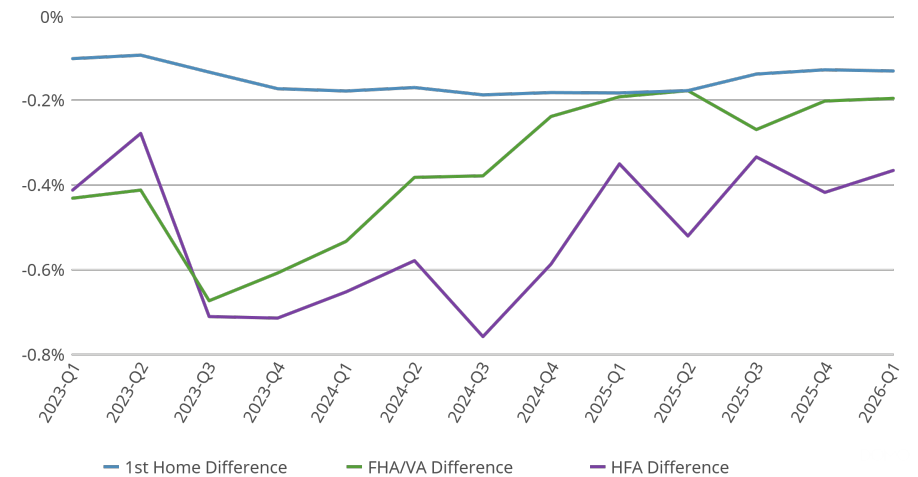
## 10 Year minus 2 Year Spread



## Rate Tracker by Day



## Actual Rates minus Posted Rates by Quarter



**Utah Housing Corporation**  
**Swap Portfolio Valuation**  
as of February 28, 2026

Bond Series Hedged	Effective Date	Scheduled Termination Date	First Optional Termination Date	Swap Type	Fixed Rate Paid / Cap Strike	Variable Rate Received	Hedged Bonds Outstanding (\$)	Outstanding Notional Amount (\$)	Counterparty	Counterparty Rating	Total Valuation <sup>1</sup>			
											Principal (\$)	Accrued Interest (\$)	Mark-to-Market (\$)	
<b>Single Family Mortgage Bonds</b>														
<b>Total SFMB</b>							<b>116,665,000</b>	<b>116,665,000</b>				<b>(2,119,640)</b>	<b>(209,384)</b>	<b>(2,329,024)</b>
2024 Series K	11/20/2024	7/1/2055	7/1/2032	Floating-to-Fixed	4.6375%	100% SOFR + 0.05%	40,000,000	40,000,000	Bank of New York Mellon, N.A.	Aa1/AA-/AA	543,255	(52,762)	490,493	
2025 Series G <sup>2</sup>	7/1/2025	7/1/2055	7/1/2030	Floating-to-Fixed	5.0834%	100% SOFR + 0.05%	76,665,000	76,665,000	Royal Bank of Canada	Aa1/AA-/AA-	(2,662,895)	(156,622)	(2,819,517)	
<b>Grand Total</b>							<b>116,665,000</b>	<b>116,665,000</b>			<b>(2,119,640)</b>	<b>(209,384)</b>	<b>(2,329,024)</b>	

<b>Bonds vs Swaps Outstanding</b>			
Bonds Hedged	Hedged Bonds Outstanding (\$)	Outstanding Notional Amount (\$)	Over / (Under) Hedged (\$)
<b>Total</b>	<b>116,665,000</b>	<b>116,665,000</b>	<b>-</b>
2024 Series K	40,000,000	40,000,000	-
2025 Series G	76,665,000	76,665,000	-

<b>Counterparty Exposure</b>				
Counterparty	CP Rating	Outstanding Notional Amount (\$)	Outstanding Notional Amount (%)	Total Mark-to-Market (\$)
<b>Total</b>		<b>116,665,000</b>	<b>100.0%</b>	<b>(2,329,024)</b>
Bank of New York Mellon, N.A.	Aa1/AA-/AA	40,000,000	34.3%	490,493
Royal Bank of Canada	Aa1/AA-/AA-	76,665,000	65.7%	(2,819,517)

(1) A positive value represents a MTM value in UHC's favor, and a negative value represents a MTM value in the counterparty's favor.

(2) Partial par termination starting on 7/1/2030. Full par termination available 7/1/2032.

**Utah Housing Corporation**  
**BALANCE SHEET**  
As of January 31, 2026

	Operating Fund	Mortgage Servicing	Single Family	Housing Development	January 31, 2026	06/30/2025	Difference	%
	Actual	Actual	Actual	Actual	Total	Total		
<b>Assets</b>								
Cash and Cash Equivalents	21,827	10,132,906	148,209,329	97,563	158,461,625	53,641,033	104,820,592	195.41 %
Encumbered Cash	-	55,477,315	-	41,827,634	97,304,949	104,233,026	(6,928,077)	(6.65) %
Trustee Investments	-	-	3,313,814,704	-	3,313,814,704	2,816,027,757	497,786,947	17.68 %
Mortgage Loans Available for Sale	-	-	169,776,101	-	169,776,101	190,383,841	(20,607,740)	(10.82) %
Mortgage Loans Held for Investment	1,965,951	344,061	430,701,962	27,473,584	460,485,558	436,503,550	23,982,007	5.49 %
Second Mortgages	-	-	250,756,702	-	250,756,702	239,615,961	11,140,742	4.65 %
Accounts Receivable	787,234	7,968,317	-	3,289	8,758,840	3,826,517	4,932,324	128.90 %
Notes Receivable	-	-	-	7,549,198	7,549,198	7,953,384	(404,187)	(5.08) %
Mortgage Servicing Rights	-	42,878,251	-	-	42,878,252	40,111,681	2,766,571	6.90 %
Interest Receivable- Mortgages	9,743	-	6,249,805	407,927	6,667,475	5,280,229	1,387,246	26.27 %
Interest Receivable- Investments	-	-	13,874,111	-	13,874,110	12,161,076	1,713,034	14.09 %
Net Pension Asset	-	-	-	-	-	-	-	-
Deferred Outflows of Resources	3,419,257	-	619,522	-	4,038,779	5,215,657	(1,176,878)	(22.56) %
Capital Assets	6,029,209	-	-	-	6,029,209	6,207,162	(177,953)	(2.87) %
Other Assets	1,206,473	(108,347)	1,676,422	(466,233)	2,308,315	1,926,836	381,480	19.80 %
<b>Total Assets</b>	<b>13,439,694</b>	<b>116,692,503</b>	<b>4,335,678,658</b>	<b>76,892,962</b>	<b>4,542,703,817</b>	<b>3,923,087,710</b>	<b>619,616,108</b>	<b>15.79 %</b>
<b>Liabilities and Net Position</b>								
Liabilities								
Notes Payable	1,965,951	-	48,576,188	-	50,542,139	56,303,927	(5,761,788)	(10.23) %
Bonds Payable	-	-	1,977,042,000	-	1,977,042,000	1,798,713,866	178,328,134	9.91 %
Bonds Payable- General Obligation	-	-	25,260,000	-	25,260,000	26,475,000	(1,215,000)	(4.59) %
Bonds Payable- Taxable	-	-	1,652,652,000	-	1,652,652,000	1,234,307,000	418,345,000	33.89 %
Bonds Payable- Variable	-	-	-	-	-	-	-	-
Warehouse Line of Credit Payable	-	-	-	-	-	-	-	-
Derivative Instrument	-	-	619,522	-	619,522	1,796,400	(1,176,878)	(65.51) %
Accrued Interest Payable	17,189	-	15,317,495	-	15,334,684	49,638,509	(34,303,825)	(69.11) %
Escrow Payable	-	55,424,301	-	-	55,424,300	61,757,045	(6,332,745)	(10.25) %
Other Payable	3,687,286	520,073	68,499,370	1,459,644	74,166,374	76,584,632	(2,418,258)	(3.16) %
Net Pension Liability	5,502,957	-	-	-	5,502,957	5,502,957	-	-
Deferred Inflow or Resources	56,421	-	1,669,938	-	1,726,359	1,337,411	388,948	29.08 %
Unearned Income	3,075	-	-	-	3,076	21,851	(18,775)	(85.92) %
Inter-Company Payable (Receivable)	(48,089,937)	57,821,459	(9,731,522)	-	-	-	-	-
Total Liabilities	(36,857,058)	113,765,833	3,779,904,991	1,459,644	3,858,273,411	3,312,438,598	545,834,813	16.48 %
Net Position	50,296,752	2,926,670	555,773,667	75,433,318	684,430,406	610,649,112	73,781,295	12.08 %
<b>Total Liabilities and Net Position</b>	<b>13,439,694</b>	<b>116,692,503</b>	<b>4,335,678,658</b>	<b>76,892,962</b>	<b>4,542,703,817</b>	<b>3,923,087,710</b>	<b>619,616,108</b>	<b>15.79 %</b>

**Utah Housing Corporation**  
**STATEMENT OF REVENUE AND EXPENSES**  
As of January 31, 2026

	Operating Fund	Mortgage Servicing	Single Family	Housing Development	January 31, 2026	January 31, 2025	January 31, 2026	Forecast Difference	%
	Actual	Actual	Actual	Actual	Total	Total	Forecasted		
<b>Net Income</b>									
Operating Revenue									
Interest Income- Mortgages	63,200	-	25,259,840	545,390	25,868,430	24,683,739	25,039,583	828,847	3.31 %
Interest Income- Investments	785,385	450,064	93,579,513	-	94,814,962	64,568,902	88,552,334	6,262,629	7.07 %
Service Fees	-	13,728,196	-	-	13,728,196	11,938,950	12,191,666	1,536,528	12.60 %
Late Fees	123,748	808,000	-	-	931,747	884,391	875,000	56,748	6.49 %
Fee Income	4,629,336	88,112	-	242,372	4,959,820	4,554,732	5,121,084	(161,264)	(3.15) %
Gain on Sale of Loans	-	1,527	11,066,098	-	11,067,626	8,905,913	7,092,750	3,974,876	56.04 %
Other	15,528	20,817	673	6,046	43,065	157,314	16,333	26,732	163.66 %
<b>Total Operating Revenue</b>	<b>5,617,197</b>	<b>15,096,716</b>	<b>129,906,124</b>	<b>793,808</b>	<b>151,413,846</b>	<b>115,693,941</b>	<b>138,888,750</b>	<b>12,525,096</b>	<b>9.02 %</b>
Expenditures									
Interest Expense	53,468	-	94,322,433	-	94,375,901	62,526,470	80,466,750	13,909,151	17.29 %
Servicing Rights Amortization	-	8,250,179	-	-	8,250,179	7,368,424	9,708,353	(1,458,174)	(15.02) %
Mortgage Servicing Fees	-	-	1,468,279	-	1,468,279	1,369,217	1,458,333	9,946	0.68 %
Salaries and Benefits	8,010,705	2,433,616	-	-	10,444,321	9,928,902	11,415,863	(971,542)	(8.51) %
General and Administrative	2,361,547	1,485,956	87,152	11,127	3,945,782	3,753,303	4,549,708	(603,926)	(13.27) %
Capital Acquisitions	405,172	-	-	-	405,172	439,339	589,167	(183,995)	(31.23) %
Servicing Losses	-	295	-	-	296	1	87,500	(87,204)	(99.66) %
Perpetual Program Costs	6,750	-	6,283,953	49,200	6,339,902	4,559,278	6,336,750	3,153	0.05 %
Loan Loss Reserve/Bad Debt	-	-	1,418,992	-	1,418,992	1,189,800	1,458,333	(39,342)	(2.70) %
<b>Total Expenditures</b>	<b>10,837,642</b>	<b>12,170,046</b>	<b>103,580,809</b>	<b>60,327</b>	<b>126,648,824</b>	<b>91,134,734</b>	<b>116,070,757</b>	<b>10,578,067</b>	<b>9.11 %</b>
<b>Total Net Income Before FMV Adjustment</b>	<b>(5,220,445)</b>	<b>2,926,670</b>	<b>26,325,315</b>	<b>733,481</b>	<b>24,765,021</b>	<b>24,559,207</b>	<b>22,817,993</b>	<b>1,947,028</b>	<b>8.53 %</b>
Fair Market Value Adjustment	-	-	49,014,474	-	49,014,474	14,971,719	-	49,014,474	-
<b>Total Net Income Before Transfers</b>	<b>(5,220,445)</b>	<b>2,926,670</b>	<b>75,339,789</b>	<b>733,481</b>	<b>73,779,495</b>	<b>39,530,926</b>	<b>22,817,993</b>	<b>50,961,502</b>	<b>223.34 %</b>
Transfers	-	-	(5,666,399)	72,947	(5,593,452)	-	-	(5,593,452)	-
<b>Total Net Income</b>	<b>(5,220,445)</b>	<b>2,926,670</b>	<b>81,006,188</b>	<b>660,534</b>	<b>79,372,947</b>	<b>39,530,926</b>	<b>22,817,993</b>	<b>56,554,954</b>	<b>247.85 %</b>

**Utah Housing Corporation**  
**General and Administrative Budget**  
As of January 31, 2026

	Year Ending	Month Ending		Year To Date		% of Budget	Budget Variance
	06/30/2026	01/31/2026		01/31/2026			
	Annual Budget	Monthly Budget	Actual	Monthly Variance	Year to Date		
<b>Expenses</b>							
Salaries and Benefits	15,243,250	1,270,271	1,166,893	103,378	8,010,705	52.55 %	7,232,545
Administrative							
Professional Development	453,000	37,750	38,080	(330)	206,813	45.65 %	246,187
Office and Administrative	762,000	63,500	65,883	(2,383)	527,681	69.25 %	234,319
Program Development	54,000	4,500	(146,864)	151,364	(121,085)	(224.23) %	175,085
Building/Systems and Equipment	1,902,000	158,500	137,758	20,741	1,009,825	53.09 %	892,175
Board of Trustees	51,000	4,250	62	4,189	16,829	33.00 %	34,171
Communication and Promotion	275,000	22,917	50	22,866	94,323	34.30 %	180,677
Professional Services	1,336,500	111,375	55,999	55,376	502,620	37.61 %	833,880
Total Administrative	4,833,500	402,792	150,968	251,823	2,237,006	46.28 %	2,596,494
Capital Acquisitions	414,000	34,500	16,853	17,647	227,219	54.88 %	186,781
<b>Total Expenses</b>	<b>20,490,750</b>	<b>1,707,563</b>	<b>1,334,714</b>	<b>372,848</b>	<b>10,474,930</b>	<b>51.12 %</b>	<b>10,015,820</b>

**Utah Housing Corporation**  
**Mortgage Servicing Budget**  
As of January 31, 2026

	Year Ending	Month Ending		Monthly Variance	Year To Date	% of Budget	Budget Variance
	06/30/2026	01/31/2026	Actual		01/31/2026		
	Annual Budget	Monthly Budget			Year to Date		
<b>Expenses</b>							
Salaries and Benefits	4,326,800	360,567	363,366	(2,800)	2,433,617	56.25 %	1,893,183
Administrative							
Professional Development	48,000	4,000	3,774	227	13,413	27.95 %	34,587
Office and Administrative	25,000	2,083	2,302	(219)	7,435	29.74 %	17,565
Program Development	8,000	667	1,200	(533)	8,240	103.00 %	(240)
Building/Systems and Equipment	1,350,000	112,500	92,871	19,629	633,722	46.94 %	716,278
Professional Services	710,000	59,166	86,733	(27,566)	409,457	57.67 %	300,543
MBS Pool Interest Expense	370,000	30,834	33,093	(2,260)	255,406	69.03 %	114,594
Other	140,000	11,666	18,672	(7,005)	158,282	113.06 %	(18,282)
Total Administrative	2,651,000	220,916	238,645	(17,727)	1,485,955	56.05 %	1,165,045
Capital Acquisitions	90,000	7,500	0	7,500	0	0.00 %	90,000
Servicing Losses	150,000	12,500	0	12,500	296	0.20 %	149,704
Servicing Rights Amortization	16,642,890	1,386,908	1,178,597	208,310	8,250,179	49.57 %	8,392,711
<b>Total Expenses</b>	<b>23,860,690</b>	<b>1,988,391</b>	<b>1,780,608</b>	<b>207,783</b>	<b>12,170,047</b>	<b>51.00 %</b>	<b>11,690,643</b>

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# M E M O R A N D U M

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To: UHC Trustees  
From: Jonathan A. Hanks, COO  
Date: March 19, 2026  
Subject: Operating Report

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## SF Mortgage Activity Report (through 02/28/2026)

- FY26 loan purchases YOY ▼ 10% (\$) and ▼ 10% (#); UHC DPA usage ▲ 2% at 70%
- February purchases YOY ▼ 13% (\$) and ▼ 13% (#); UHC DPA usage ▲ 3% at 70%
- CY25 purchases YOY ▼ 21% (\$) and ▼ 21% (#); UHC DPA usage ▲ 5% to 71%
- First-time Homebuyer Assistance Program (see attached)

## SF Portfolio Performance as of 02/28/2026

- 1<sup>st</sup> mortgage portfolio: 21,127 loans, \$6.3B; 2<sup>nd</sup> mortgage (DPA) portfolio: 15,903 loans, \$257M
- Delinquency statistics (YOY):
  - Total DQ ▲ 466 bps (13.64%)
  - 30-60 DQ ▼ 45 bps (5.81%)
  - 90+ day DQ ▲ 411 bps (7.83%)
  - Loans in foreclosure ▲ 35 bps (.58%)
- Loans in loss mitigation ▲ 479 bps (7.50%)

## February 2026 Foreclosure Aging Report

# of months since origination	0-12	13-36	37-60	61 or more	TOTAL
# of loans	4	40	40	38	122

## Multifamily Lending Activity

<b>Housing Development Loan Fund (HDLF) Loans (as of 3/19/2026)</b>				
Project	Loan Type	Loan Amount	Loan Term (mo)	Maturity Date
Confluence Cottages	Construction	\$ 4,727,954	24	2/28/2026
El Cap	Land Loan	\$ 459,000	60	2/19/2030
Unity Place	Bridge	\$ 323,000	60	4/1/2030
Sunrise Terrace	Land Loan	\$ 462,000	60	4/10/2030
Red Hills	Land Loan	\$ 177,000	60	9/25/2030
Beaver Meadows	Subordinate Financing	\$ 133,996	180	5/28/2039
Beaver Meadows	Subordinate Financing	\$ 192,800	180	5/28/2039
	<b>Total Loans Outstanding</b>	<b>\$ 6,475,750</b>		
Mountain Maple Habitat	Construction	\$ 1,461,225		
Beaver Meadows	Construction	\$ 5,892,410		
Iron Falcon	Land Loan	\$ 650,000		
Copper Eagle	Land Loan	\$ 325,000		
Peekaboo Paradise	Land Loan	\$ 325,000		
Meadowlark Acres	Land Loan	\$ 273,000		
West River Bend	Land Loan	\$ 323,000		
South Bend (Fillmore)	Land Loan	\$ 89,500		
South Bend (Aurora)	Land Loan	\$ 144,000		
Silver Hawk	Land Loan	\$ 536,715		
Iron Falcon	Site Improvement Loan	\$ 1,430,586		
Copper Eagle	Site Improvement Loan	\$ 715,293		
Buffalo Ridge	Site Improvement Loan	\$ 1,222,107		
	<b>Total Paid in Full</b>	<b>\$ 13,387,836</b>		
	<b>Total HDLF Lending</b>	<b>\$ 19,863,586</b>		

## Risk Share Lending

Project Name	Address	LOI Date	Anticipated Loan Amt	Expected Closing Date	4% or 9%	Developer Name	Comment
Project Open	355 N 500 W	8/15/2024	\$12,250,000	Undetermined	9%	Giv Communities	Cash out refi
Citizens West 2	50 N 600 W		\$3,050,178	Q2 2026	9%	Giv Development	Rate locked 9/9/2024
Citizens West 3	509 W 300 N		\$1,497,011	Q2 2026	9%	Giv Development	Rate locked 9/9/2024
Homestead, fka Saltair Lofts	107 S 800 W		\$4,650,000	Q1 2027	9%	Valley Mental Health	Rate locked 11/26/2025

# UTAH FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM

Program Data as of March 16, 2026

DWELLING TYPE	
Townhomes/Attached Planned Unit Development (PUD)	66.8%
Single Family/Detached PUD	17.7%
Condominiums	15.1%
Manufactured Homes	0.4%

TOP CITIES WITH IDENTIFIED PROPERTIES	
Saratoga Springs	16%
Eagle Mountain	12%
Tooele	7%
Magna	6%
Spanish Fork	5%
All other cities	54%

TOP COUNTIES WITH IDENTIFIED PROPERTIES	
Utah	45%
Salt Lake	18%
Tooele	8%
Washington	8%
Cache	4%
All other counties	17%



**3,032** reservations funded, totaling **\$60,479,208**



**62** reservations approved & awaiting funds, totaling **\$2,000,000**



**\$19,947** average assistance amount



**\$90,521** average annual income



**\$388,050** average home purchase price



**430** reservations remaining\*  
\*includes 37 reservations awaiting approval



**\$742,203** payoff amount returned to UHC

Program administered by:



TO LEARN MORE, CONTACT:

801-902-8200

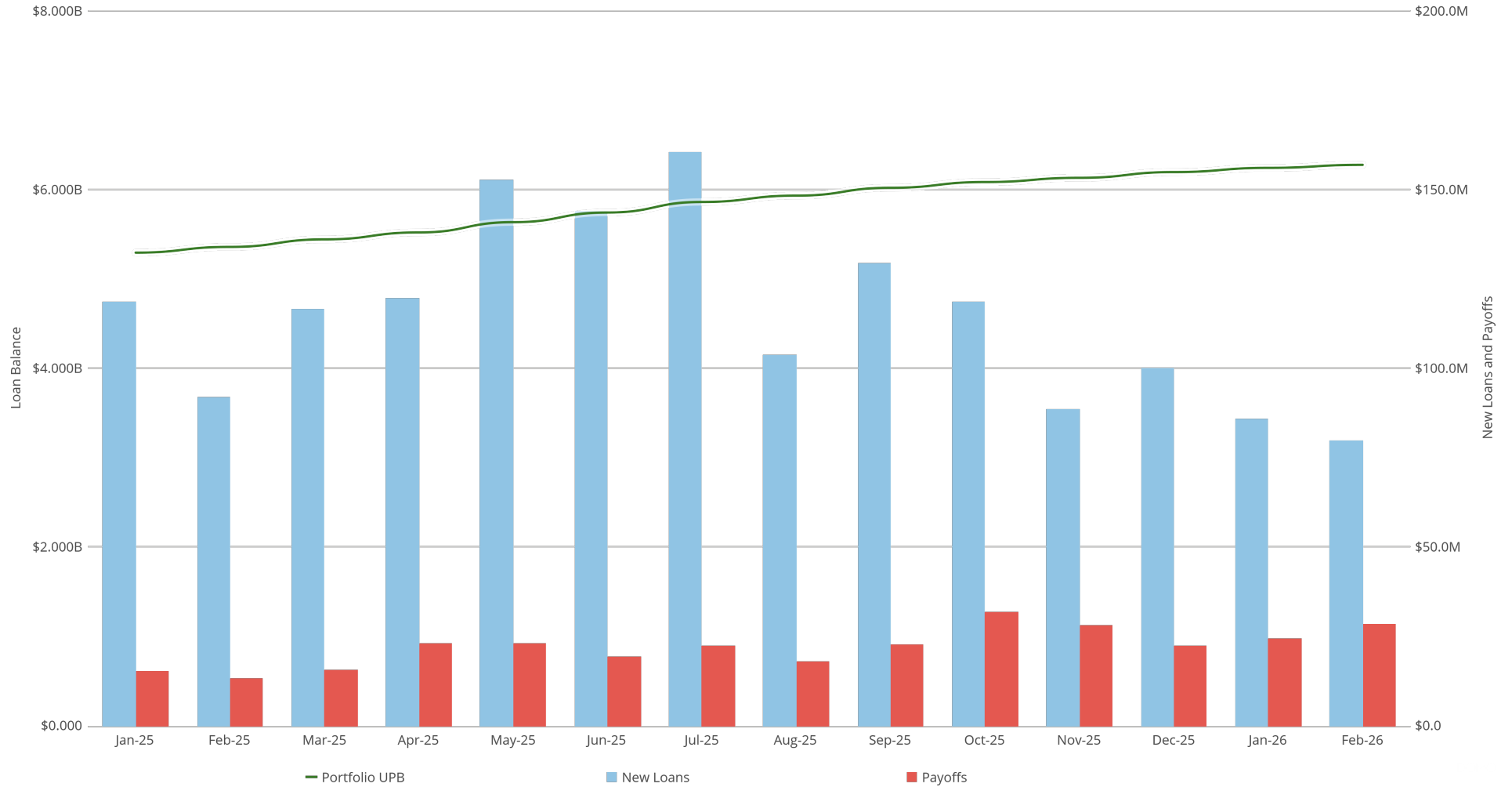
[www.utahhousingcorp.org](http://www.utahhousingcorp.org)

UTAH'S HOUSING FINANCE AGENCY

Monthly Single Family Loan Stats

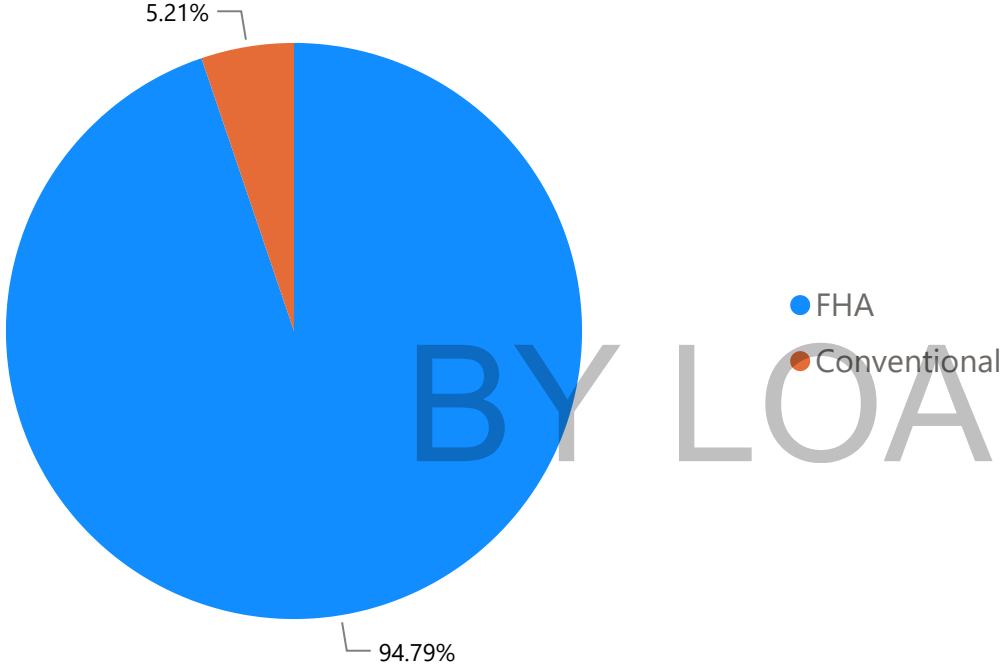
# As of February 28, 2026

## Monthly Single Family Mortgage Loan Activity by Month

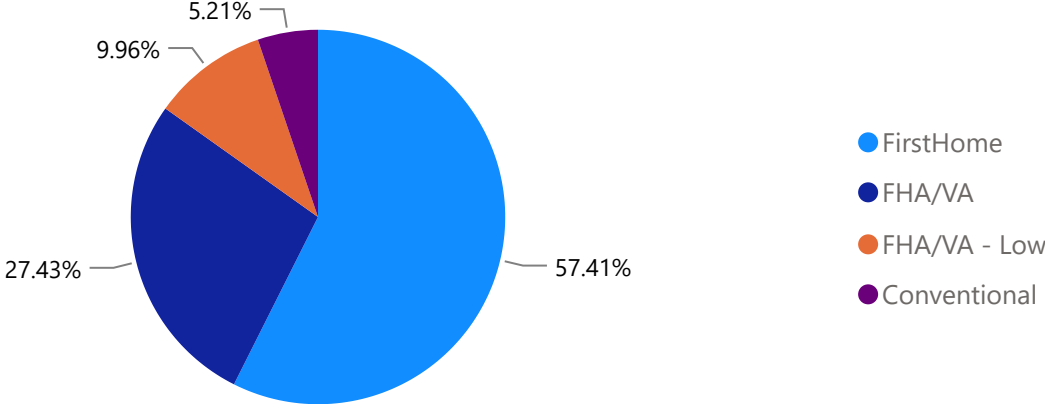


# Utah Housing 1st Mortgage Portfolio Breakdown As of 02/28/2026

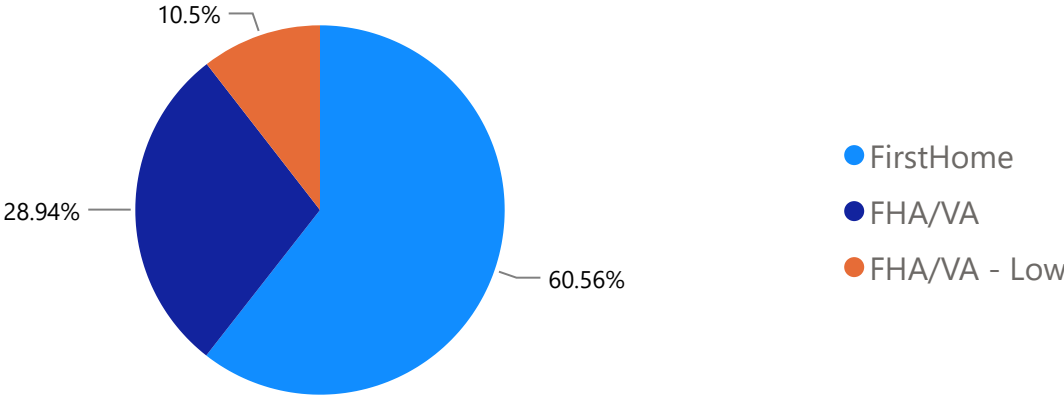
Loan Type by Count



Loan Program by Count



FHA Program by Count



Loan Program Breakdown ▼ Count of Loans

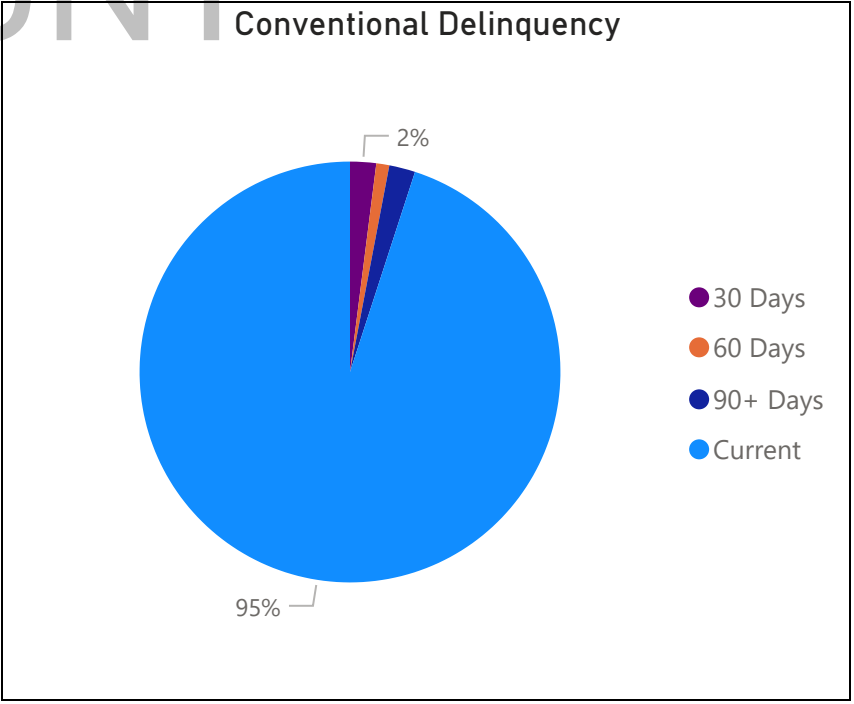
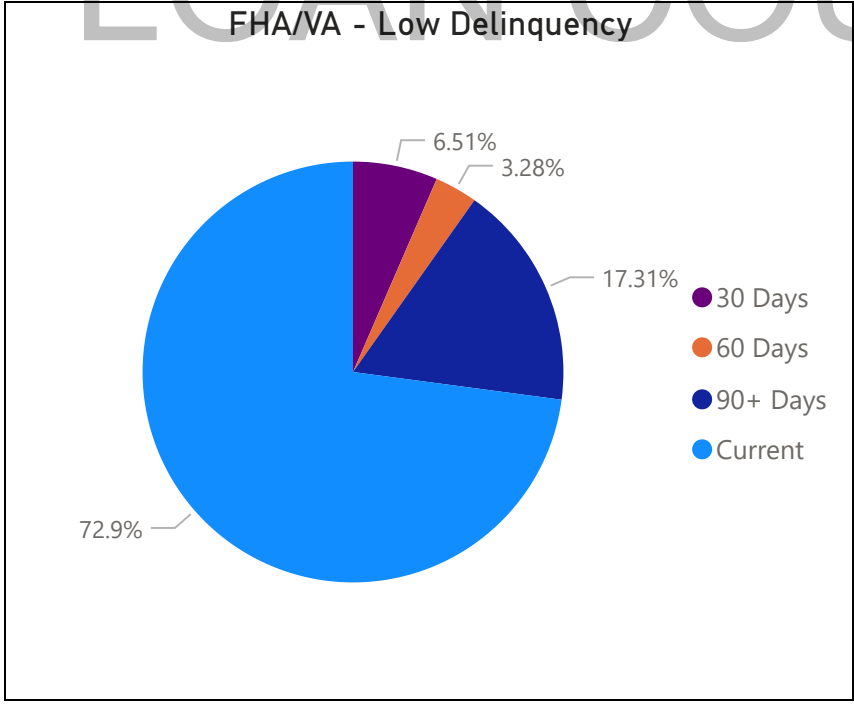
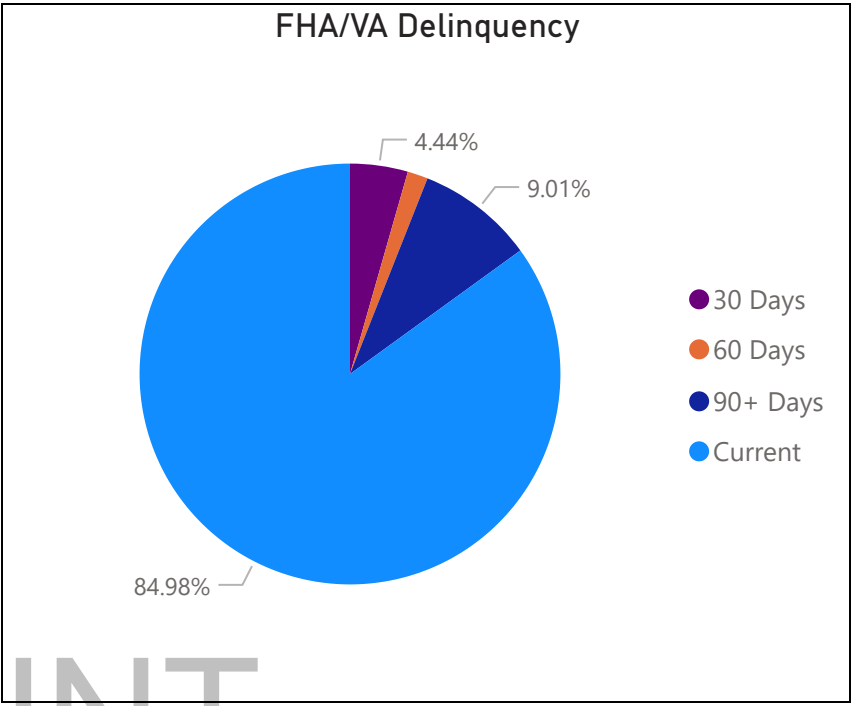
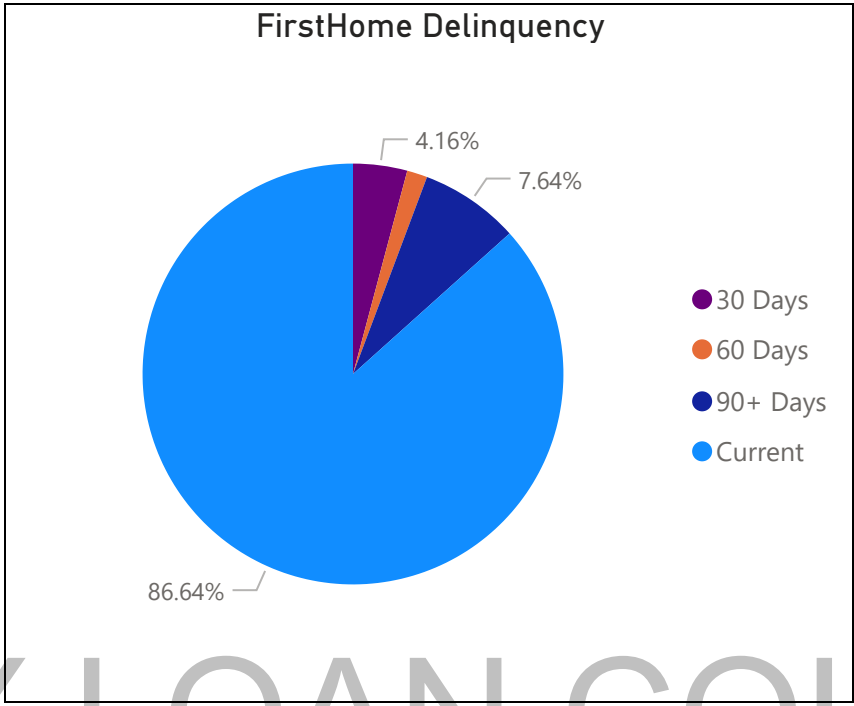
FirstHome	12127
FHA/VA	5794
FHA/VA - Low	2103
Conventional	1100
<b>Total</b>	<b>21124</b>

# Utah Housing 1st Mortgage Portfolio Breakdown

## As of 02/28/2026

Loan Program Breakdown	Loan Count	Percent of Total
FirstHome	12127	57.41%
FHA/VA	5794	27.43%
FHA/VA - Low	2103	9.96%
Conventional	1100	5.21%
<b>Total</b>	<b>21124</b>	<b>100.00%</b>

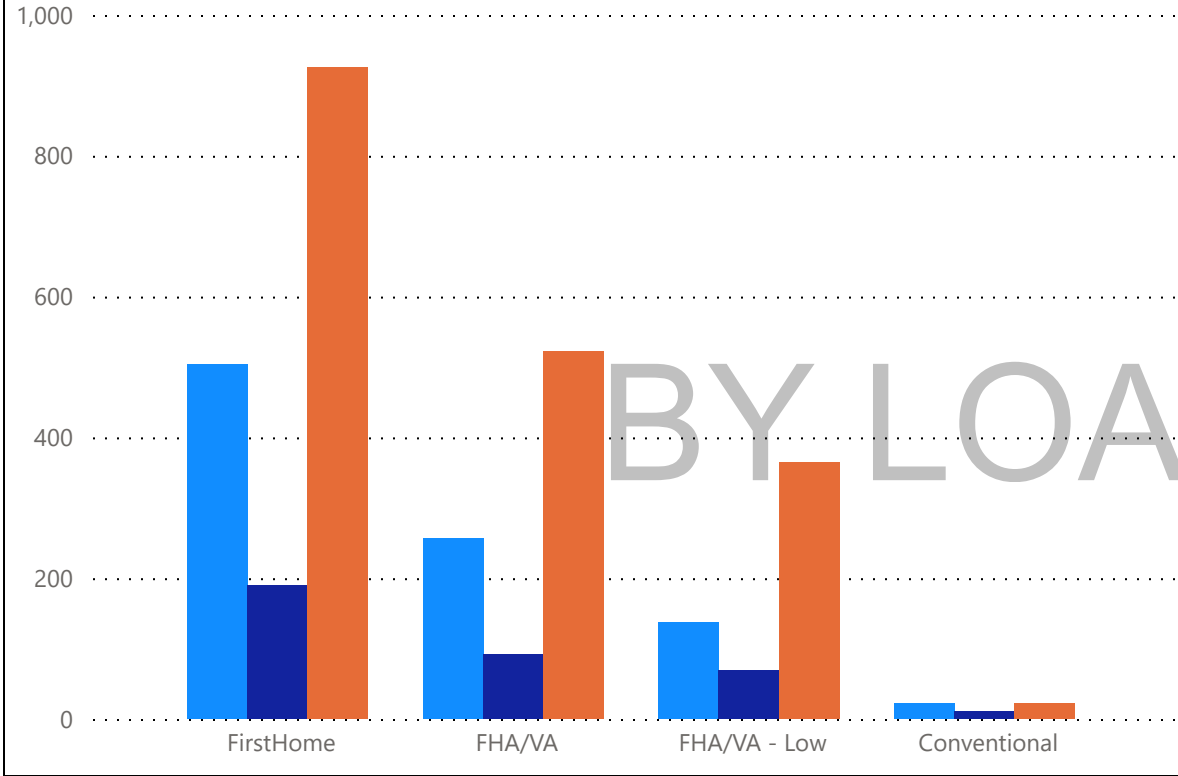
DLQ Levels	Loan Count	Percent of Total
30 Days	920	4.36%
60 Days	361	1.71%
90+ Days	1834	8.68%
Current	18009	85.25%
<b>Total</b>	<b>21124</b>	<b>100.00%</b>



# Utah Housing 1st Mortgage Portfolio Breakdown As of 02/28/2026

## Loan Program Delinquency Breakdown

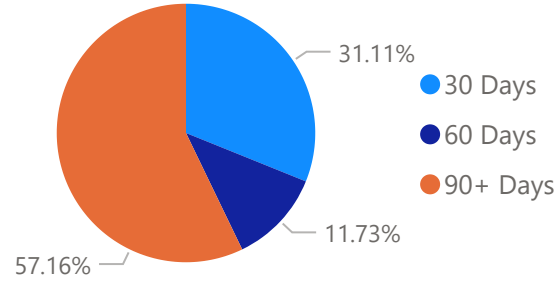
● 30 Days ● 60 Days ● 90+ Days



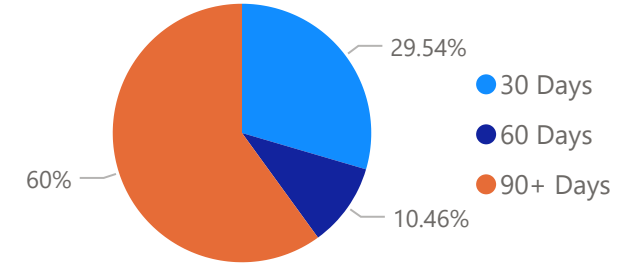
Loan Program Breakdown	Count of Loans
FirstHome	1620
FHA/VA	870
FHA/VA - Low	570
Conventional	55
<b>Total</b>	<b>3115</b>

DLQ Levels	Count of Loans
30 Days	920
60 Days	361
90+ Days	1834
<b>Total</b>	<b>3115</b>

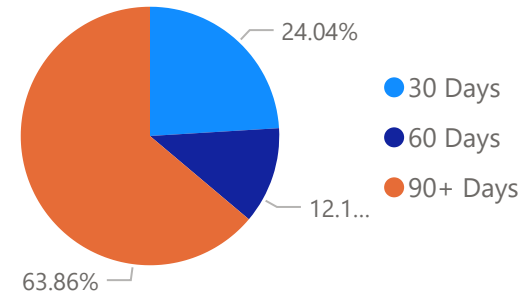
## FirstHome Delinquency



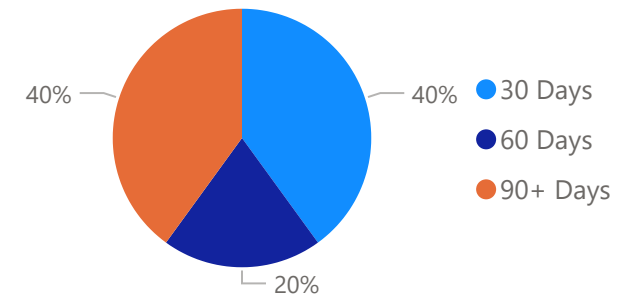
## FHA/VA Delinquency



## FHA/VA - Low Delinquency

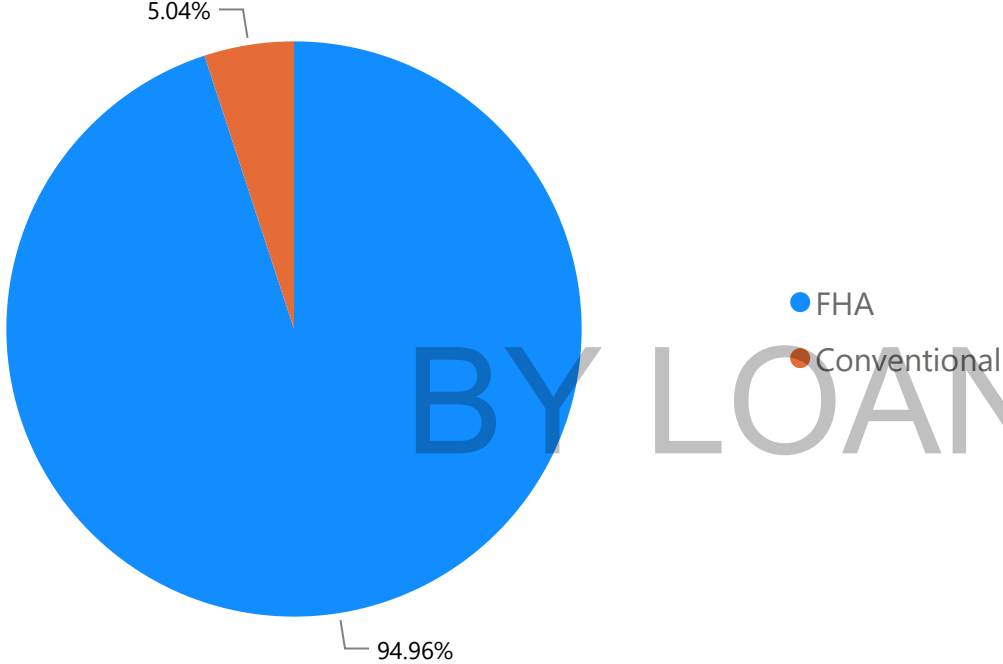


## Conventional Delinquency

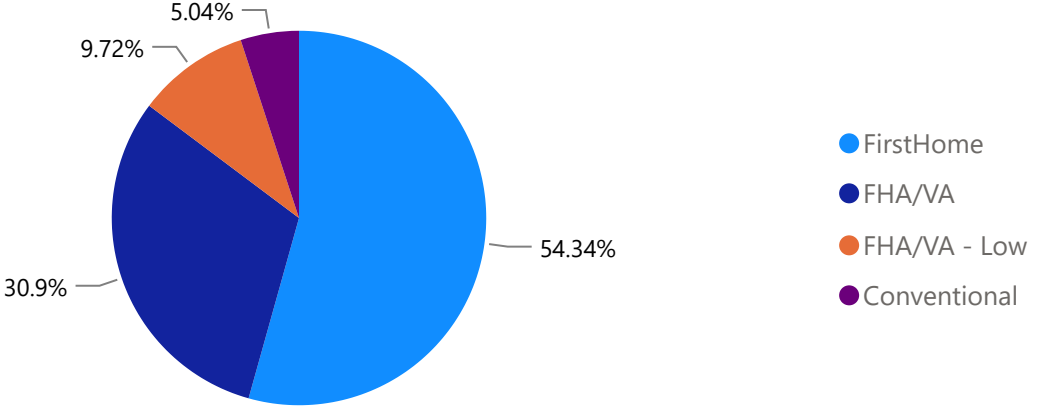


# Utah Housing 1st Mortgage Portfolio Breakdown As of 02/28/2026

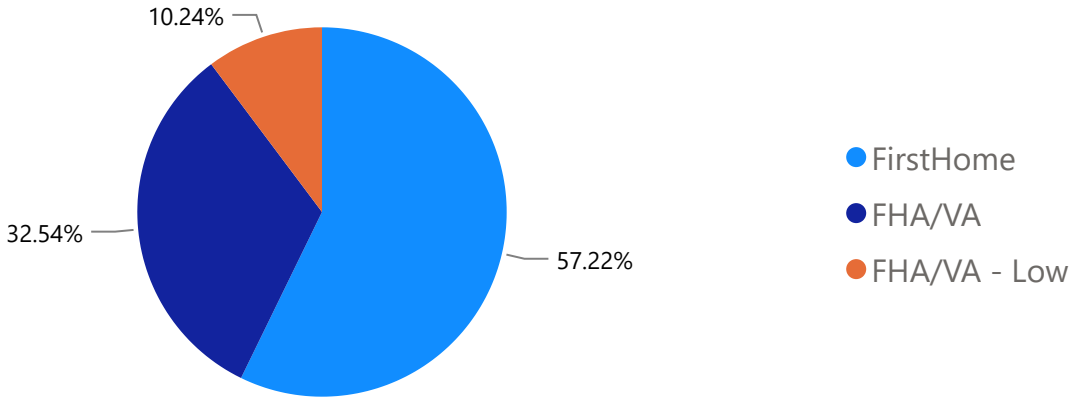
Loan Type by UPB Amount



Loan Program by UPB Amount



FHA Program by UPB Amount



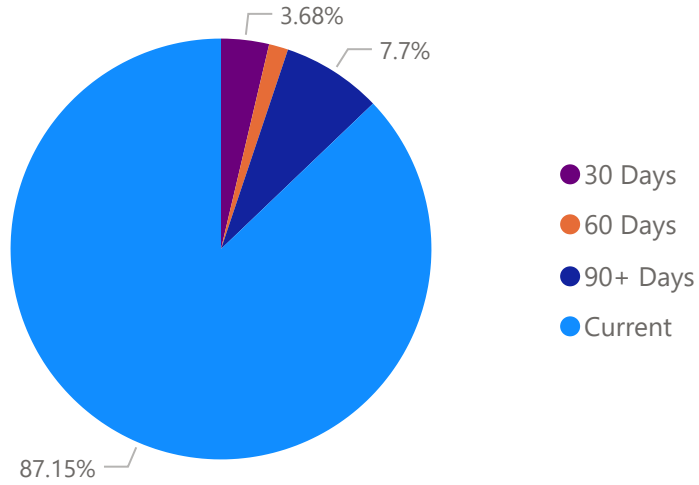
Loan Program Breakdown	UPB
FirstHome	\$3,407,094,008.56
FHA/VA	\$1,937,142,387.43
FHA/VA - Low	\$609,652,370.82
Conventional	\$315,954,151.72
<b>Total</b>	<b>\$6,269,842,918.53</b>

# Utah Housing 1st Mortgage Portfolio Breakdown

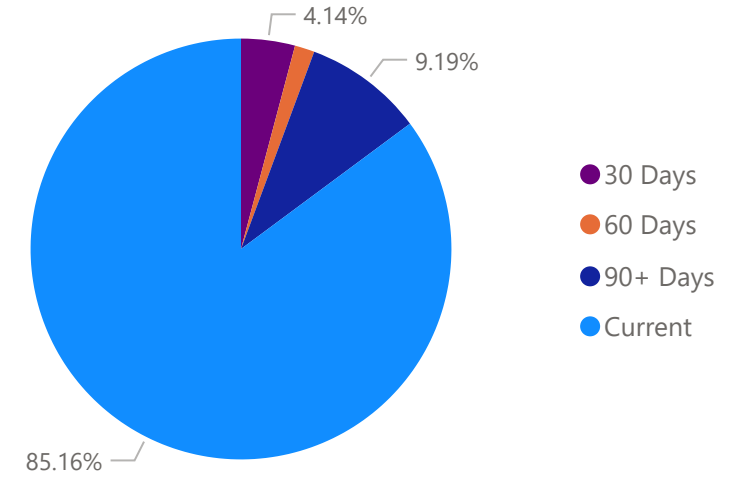
## As of 02/28/2026

Loan Program Breakdown	UPB	Percent of Total
FirstHome	\$3,407,094,008.56	54.34%
FHA/VA	\$1,937,142,387.43	30.90%
FHA/VA - Low	\$609,652,370.82	9.72%
Conventional	\$315,954,151.72	5.04%
<b>Total</b>	<b>\$6,269,842,918.53</b>	<b>100.00%</b>

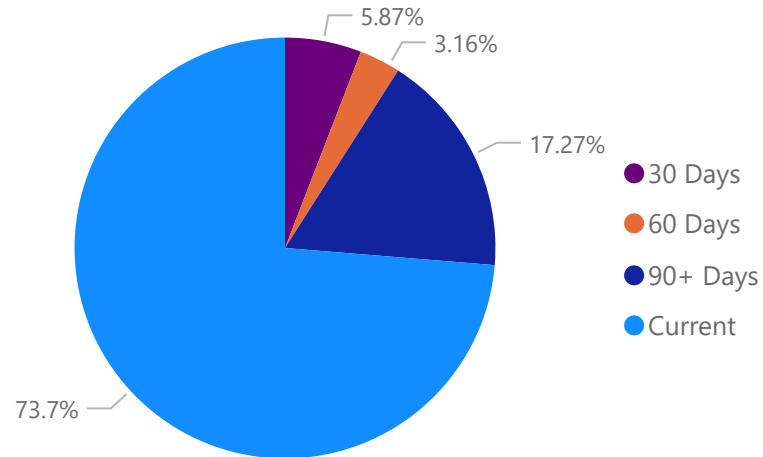
### FirstHome Delinquency



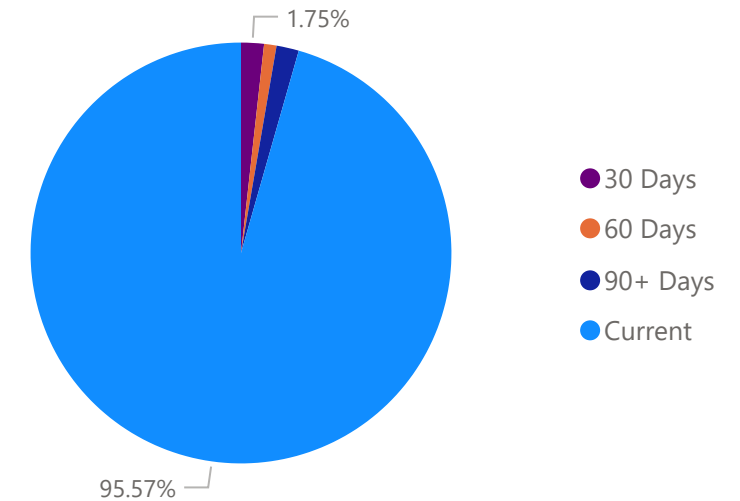
### FHA/VA Delinquency



### FHA/VA - Low Delinquency



### Conventional Delinquency



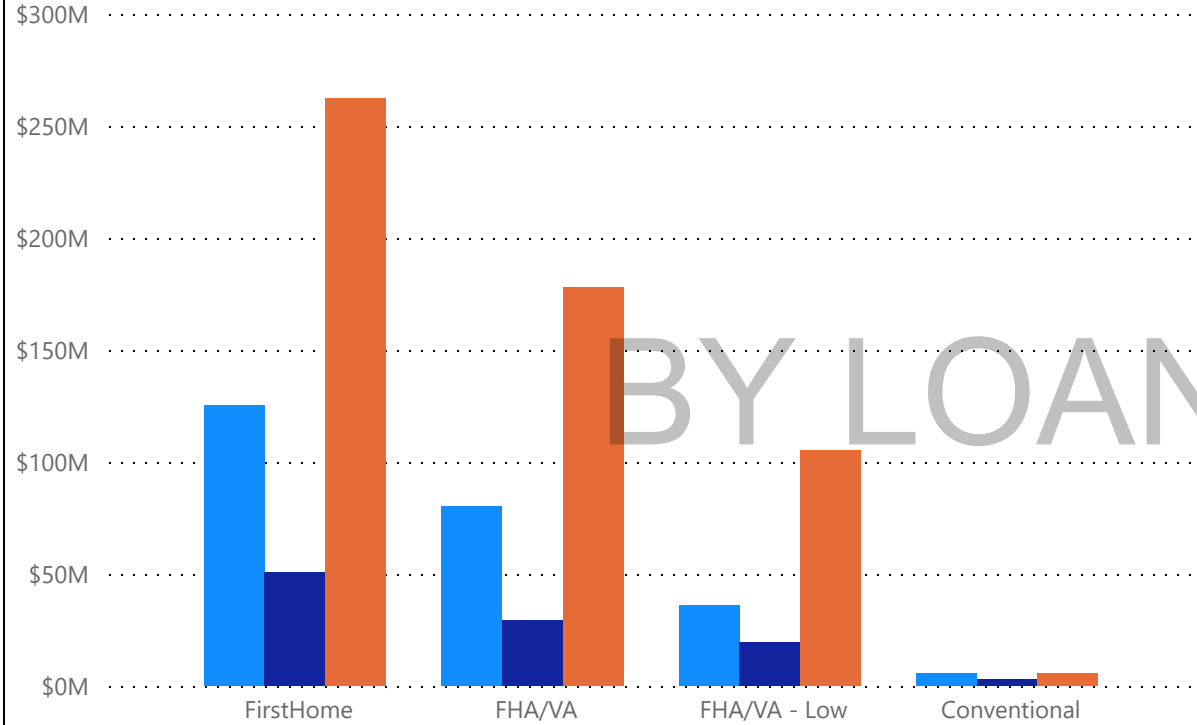
DLQ Levels	UPB	Percent of Total
Current	\$5,370,019,232.25	85.65%
90+ Days	\$550,838,103.54	8.79%
30 Days	\$246,814,352.54	3.94%
60 Days	\$102,171,230.20	1.63%
<b>Total</b>	<b>\$6,269,842,918.53</b>	<b>100.00%</b>

BY LOAN AMOUNT

# Utah Housing 1st Mortgage Portfolio Breakdown As of 02/28/2026

## Loan Program Delinquency Breakdown

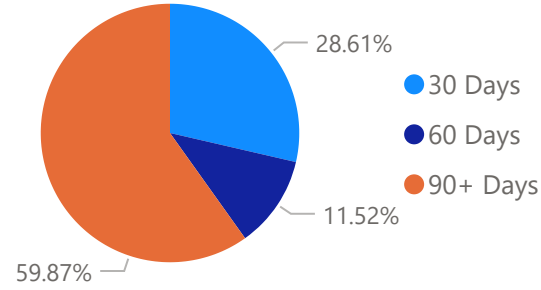
● 30 Days ● 60 Days ● 90+ Days



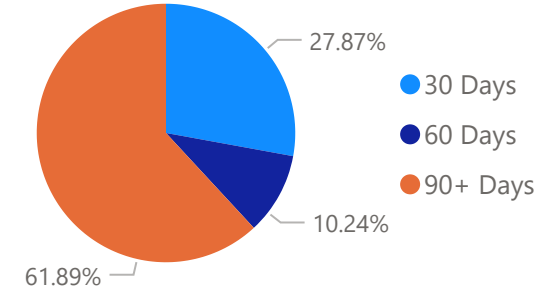
Loan Program Breakdown	UPB
FirstHome	\$437,965,577.52
FHA/VA	\$287,547,949.45
FHA/VA - Low	\$160,322,024.11
Conventional	\$13,988,135.20
<b>Total</b>	<b>\$899,823,686.28</b>

DLQ Levels	UPB
30 Days	\$246,814,352.54
60 Days	\$102,171,230.20
90+ Days	\$550,838,103.54
<b>Total</b>	<b>\$899,823,686.28</b>

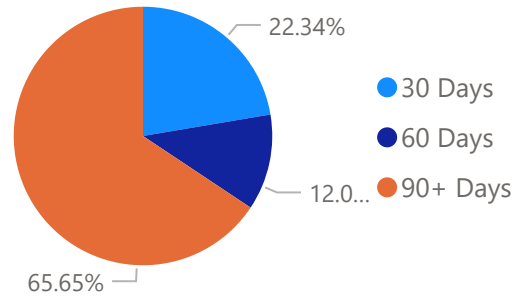
## FirstHome Delinquency



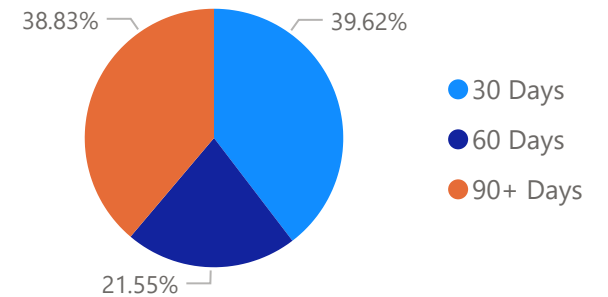
## FHA/VA Delinquency



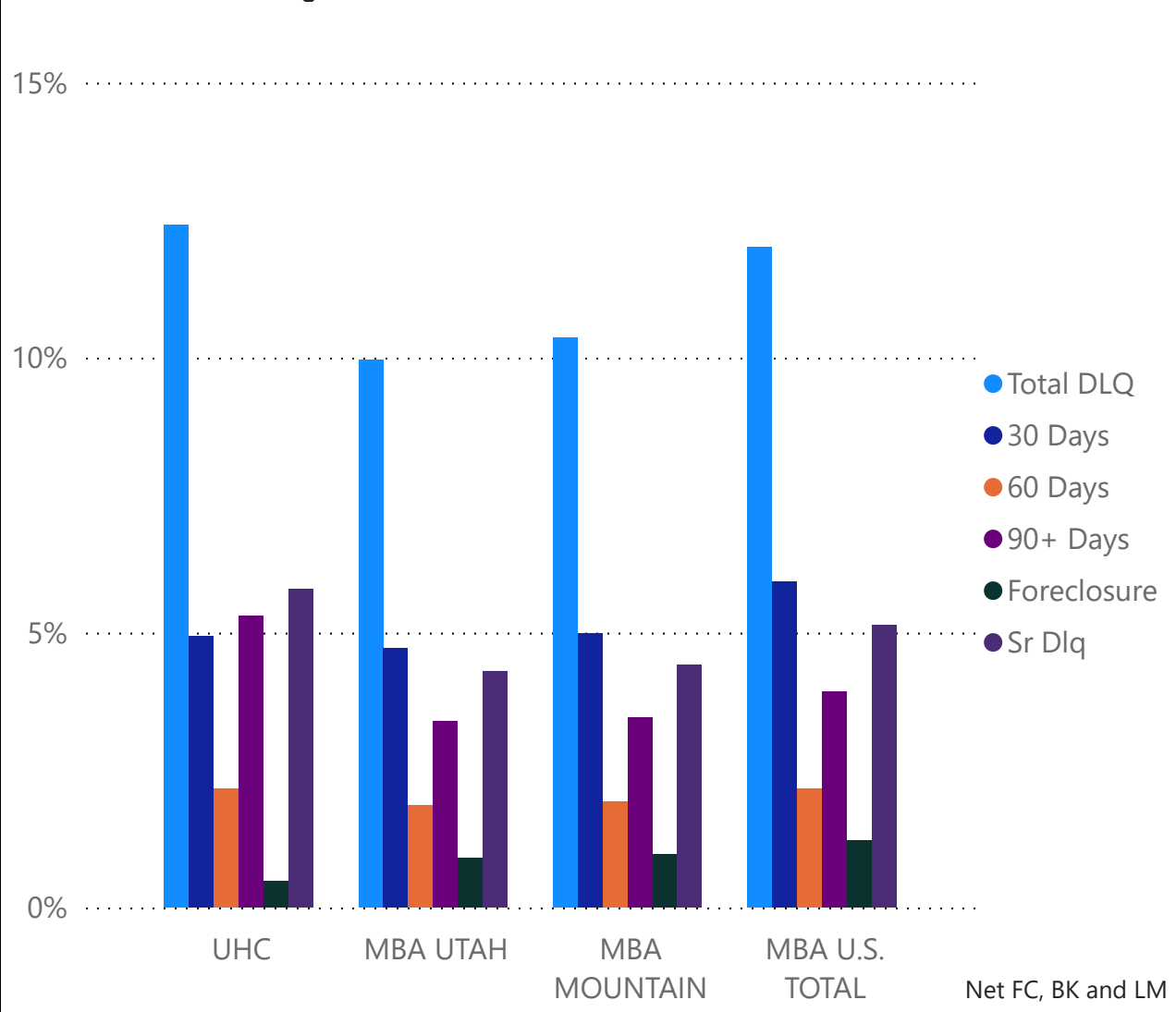
## FHA/VA - Low Delinquency



## Conventional Delinquency

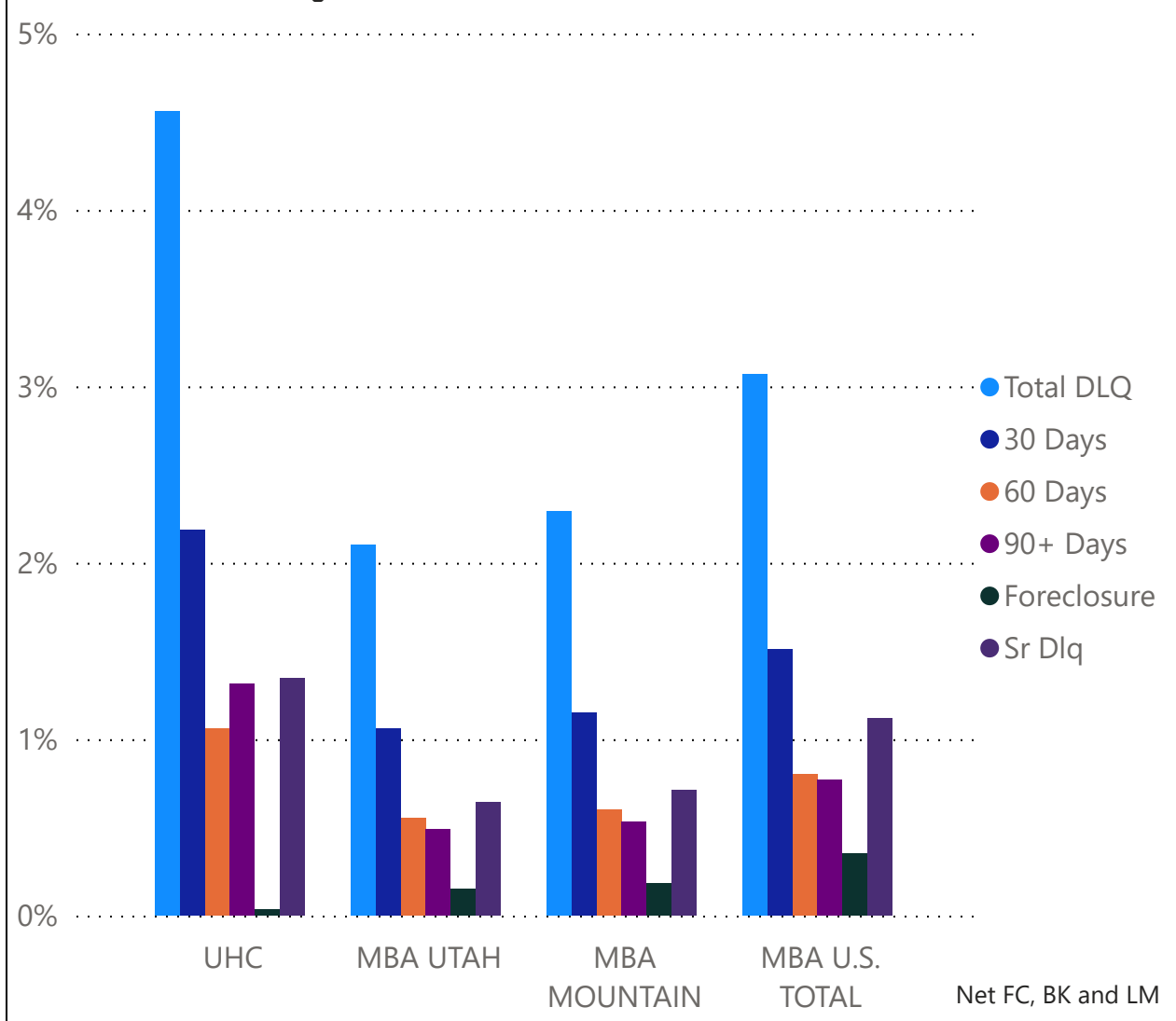


UHC vs MBA Servicing Q4: FHA FRM Loans



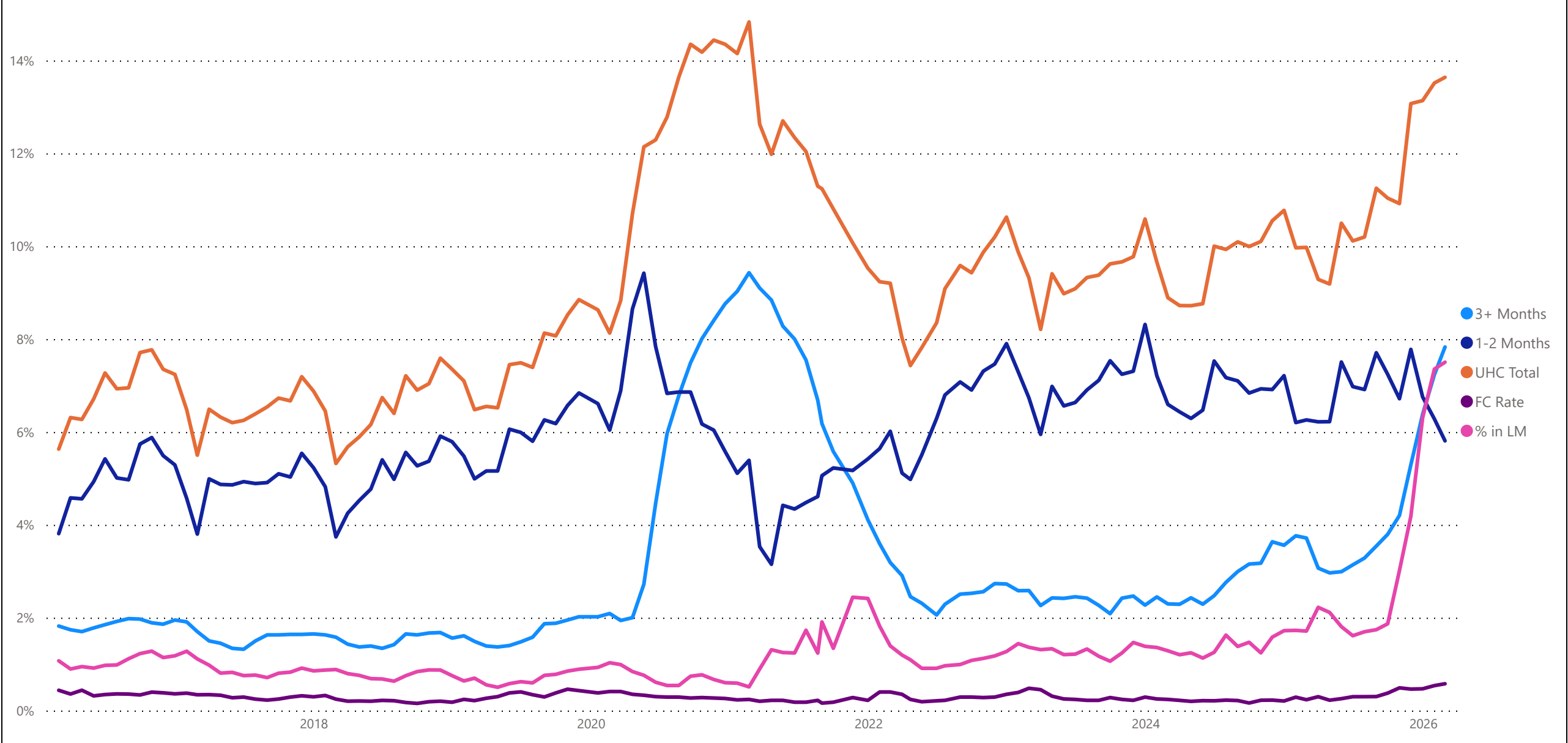
UHC vs MBA Servicing Q4: FHA FRM Loans						
Org-Area (groups)	Total DLQ	30 Days	60 Days	90+ Days	Foreclosure	Sr Dlq
UHC	12.41%	4.94%	2.16%	5.31%	0.47%	5.78%
MBA UTAH	9.96%	4.71%	1.86%	3.39%	0.90%	4.29%
MBA MOUNTAIN	10.36%	4.99%	1.92%	3.45%	0.97%	4.42%
MBA U.S. TOTAL	12.01%	5.93%	2.16%	3.92%	1.22%	5.14%

UHC vs MBA Servicing Q4: Conventional FRM Loans



UHC vs MBA Servicing Q4: Conventional FRM Loans						
Org-Area (groups)	Total DLQ	30 Days	60 Days	90+ Days	Foreclosure	Sr Dlq
UHC	4.56%	2.18%	1.06%	1.31%	0.03%	1.35%
MBA UTAH	2.10%	1.06%	0.55%	0.49%	0.15%	0.64%
MBA MOUNTAIN	2.29%	1.15%	0.60%	0.53%	0.18%	0.71%
MBA U.S. TOTAL	3.07%	1.51%	0.80%	0.77%	0.35%	1.12%

# UHC Single Family Delinquency and FC Rates



2/29/2016



2/28/2026



**Active FHA Portfolio**  
as of 01/31/2026

