

Maximizing Legislative Funding for Housing Solutions

Speakers:

- Steve Waldrip, Senior Advisor for Housing Strategy and Innovation
- Lincoln Fillmore, Utah State Senator
- David Damschen, CEO, Utah Housing Corporation
- Jed Nilson, Nilson Homes

Steve Waldrip

Senior Advisor for Housing Strategy and Innovation

Utah Governor's Office



Qualified Project

After entering into agreement with local land use authority**, developer/builder requests financing for qualified project.



\$5 Million Loan at Blended Rate

Lending Institution loans to Developer/Builder at a *maximum spread of 3.5% above rate received from treasurer.*



\$5 Million Request

After underwriting project, lending institution*** presents project to Treasurer.

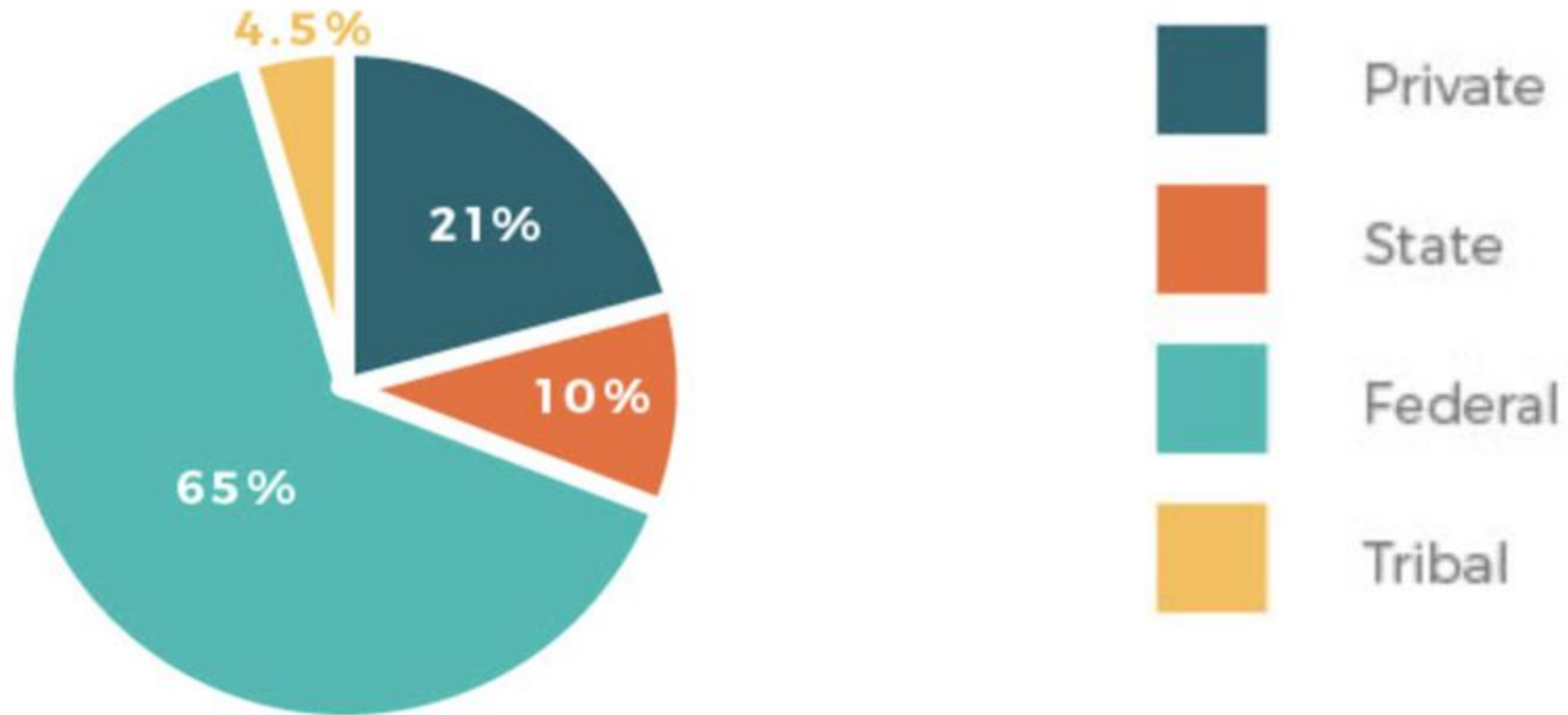


\$5 Million Deposit at Reduced Rate

Treasurer deposits funds into lending institution at *2% below fed funds rate* – term is earliest of 24 months, project completion, or June 30, 2027.

Public Lands

UTAH LAND OWNERSHIP



Legacy Cities



Corporate Ownership and Overnight Rentals

Top 20 States By Share of Home Purchases by Investors - August 2023

State	2019	2020	2021	2022	2023
California	18.66%	17.15%	28.64%	31.44%	34.03%
Washington DC	20.45%	16.73%	24.92%	29.00%	33.23%
Georgia	22.40%	20.58%	33.00%	34.90%	33.12%
New Mexico	21.56%	20.21%	26.73%	29.13%	31.46%
Kansas	20.01%	19.94%	25.97%	28.64%	30.51%
Texas	22.08%	20.28%	29.29%	31.20%	29.93%
Utah	19.76%	20.35%	27.86%	29.48%	29.64%
Nevada	20.46%	17.77%	29.92%	33.10%	29.49%



Process Issues



Communication

UWVHHA

UTAH WORKFORCE HOUSING ADVOCACY

Lincoln Fillmore

Utah State Senator

Co-Chair of the Commission on Housing Affordability

Optimizing Legislative Appropriations to Promote Homeownership



September 11, 2024

David Damschen, President & CEO

Who We Serve

*AMI = Area Median Income



Utah Housing Corporation (UHC) is an independent state housing finance agency, created in 1975 by state legislation to finance and develop affordable housing opportunities for low to moderate-income households throughout the State of Utah. UHC combines expertise by forming partnerships and collaborating with private sector banking and lending institutions, developers, investors, nonprofit community partners, real estate agents, and others to achieve our mission through the administration and financing of programs which support affordable housing.

UHC's Mission:

Serving Utah's Housing Needs Through Finance and Innovation



Single Family Homeownership

- UHC purchases & services 1st mortgages
- We provide down payment assistance (“DPA”) ~99% of the time
- Average DPA ~ \$20,000, or ~ 5% of 1st mortgage loan amount
- Over 90% of all homebuyers are first-time
- Average purchase price ~ \$396,000
- Average 1st mortgage ~ \$386,000
- Over 110,000 families financed, 1977 - 2024



“Standard” Down Payment Assistance

- Second mortgage loan
- Funds used for down payment *and/or closing costs*
- 6% of FirstHome or FHA/VA first mortgage
- 6% of Freddie Mac HFA Advantage mortgage up to \$25,000
- 30-year fixed rate
- Interest rate = first mortgage rate + 1%*
- Both the 1st and 2nd mortgages serviced by UHC



*Not to exceed 8%



FY 2024 SINGLE FAMILY HIGHLIGHTS



3,384

families assisted in achieving home ownership



\$19,704

average amount of down payment assistance provided



\$4.9 billion

total mortgage loan portfolio serviced



17,324

Families served by mortgage loan servicing



\$1.27 billion

in loans funded

HOMEOWNERSHIP PROGRAMS

UHC's "FirstHome" loan program is designed for families with lower incomes and a credit score of 660 or higher who are first time homebuyers. This program offers our lowest interest rates and more affordable monthly mortgage payments. A FirstHome mortgage is an FHA-insured loan.

Our "FHA/VA" mortgage loan program serves individuals and families of low-or-moderate income with a credit score of 620 or higher who are either first-time homebuyers or have previously owned a home.

The "HFA Advantage" loan is a conventional loan product which requires a credit score of 700 or higher, carries a slightly higher interest rate than the FHA/VA Mortgage but a lower monthly mortgage insurance premium than available with an FHA-insured mortgage.

Down Payment Assistance

UHC offers down payment assistance in the form of a 30-year amortizing subordinate mortgage loan which can be combined with any of our first mortgage loan programs to help families that do not have sufficient funds for down payment or closing costs. 96% of the families UHC helped to achieve homeownership during the 2023 fiscal year utilized down payment assistance. UHC's investment in down payment assistance in fiscal year 2023 totaled \$37.9 million.





First-Time Homebuyer Assistance Program

- SB 240 (2023 GS)
- Sponsored by Utah Senate President Stuart Adams
- \$50 million appropriated
- Newly constructed homes only
- First-time homebuyers only
- Launch date July 11, 2023

FTHB ASSISTANCE PROGRAM FY24

DWELLING TYPE	
Townhomes/Attached PUD	66.2%
Single Family/Detached PUD	16.8%
Condominiums	16.7%
Manufactured Homes	0.2%

TOP CITIES IDENTIFIED PROPERTIES	
Saratoga Springs	15%
Eagle Mountain	8%
Tooele	8%
Spanish Fork	7%
Magna	7%
All other cities	19%



1,162
reservations funded, totaling
\$23,176,957



\$19,945
average assistance amount



\$90,945
average annual income



\$386,500
average home purchase price



LE & CORRECTIONAL OFFICER GRANT FY24

OFFICER TYPE	
Law Enforcement Officer	75
Correctional Officer	41
Division of Wildlife	1
Peace Officer Authority	0

TOP CITIES IDENTIFIED PROPERTIES	
Saratoga Springs	15%
Eagle Mountain	8%
Tooele	8%
Spanish Fork	7%
Magna	7%
All other cities	19%



111
grants funded, totaling
\$1,546,655



\$13,933
average grant amount



\$90,945
average annual income

David Damschen

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**UTAH
HOUSING**
corporation

Scan the QR code to learn more:





A FIRST HOME, AT LAST

Partnering for Starter Home Solutions
In Weber County

The Time is Now: Bring Back the Starter Home



UTAH FIRST HOMES



BUILDING 35,000 NEW STARTER HOMES BY 2028



Spencer Cox

@SpencerJCox

I believe the price of housing is the greatest threat to our prosperity. We cannot allow an entire generation to never own a home. We must build starter homes again. Today I am proposing the largest starter home initiative in the country. Our kids deserve this. We must build.



It started with an intention:
**Facilitating the American Dream for
Today's Utahns**

Critical Elements:

- Commitment to Quality from all parties
- Strong Municipal/County leadership
- Pricing Cap – realistic & adjustable
- Reasonable Land Price
- Creativity & persistence in meeting challenges
- Builder/developer partnership

How can we make a difference?

Bring Back the Starter Home to Utah

We are building up to 275 single-family, detached First Homes in our JDC Ranch Community in western Weber County.



A First Home = A Quality Home

- **Long-term Quality**
- **Single-Family, Detached Homes**
 - **Owner Occupied**
 - **Attainable Pricing**
- **Integrated into the Community**

Attainability doesn't require the sacrifice of quality

Starter Homes in the JDC Ranch Community

- Long-term Quality
- **Single-Family, Detached Homes**
- Owner Occupied
- Attainable Pricing
- Integrated into the Community



DESIGN:

- Architecture
 - Garage Placement & Access
 - Front Porch Focus
 - Vertical Variation

Starter Homes in the JDC Ranch Community

- Long-term Quality
- Single-Family, Detached Homes
- **Owner Occupied**
- Attainable Pricing
- Integrated into the Community



Deed Restrictions ensure owner occupancy of the homes.

Priority Pre-Sales to First Time Homebuyers and public servants bring home ownership within reach for even more Utah families.

Starter Homes in the JDC Ranch Community

- Long-term Quality
- Single-Family Homes
- Owner Occupied
- **Attainable Pricing**
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SAMPLE PRICING

Home Type:	HOME A - RAMBLER
Approx. Sq. Footage:	Single-Family Detached
Bed/Bath:	900-1,100 sq. feet
	2-3 bed/2 bath
Base Price:	\$340-390k
(Excludes basement, garage, landscaping)	
Home Type:	HOME B - 2-STORY
Approx. Sq. Footage:	Single-Family Detached
Bed/Bath:	1,200-1,500sq. feet
	2-4 bed/2 bath
Base Price:	\$370-400k
(Excludes basement, garage, landscaping)	

A **base price** of no more than \$400k.

Starter Homes in the JDC Ranch Community

- Long-term Quality
- Single-Family, Detached Homes
- Owner Occupied
- Attainable Pricing
- **Integrated into the Community**

DESIGN:

- Installed landscaping
- Streetscaping
- Amenities that matter
 - Gathering spaces
 - Trails
 - Recreational amenities

The starter homes will be **fully integrated** within the JDC Ranch community.

Stakeholder Stretches

Shared commitment & participation is crucial



	State of Utah	Weber County	Developer/Builder	Lender	Buyer
Commitment	<ul style="list-style-type: none"> • New legislation • Support municipalities • Focus on solutions 	<ul style="list-style-type: none"> • Lead out on Starter Homes • Implement new solutions • Open to solutions 	<ul style="list-style-type: none"> • Build starter homes • Quality products • Community building 	<ul style="list-style-type: none"> • Fund Attainable Home Projects • Underwrite w/ bank resources • New processes 	<ul style="list-style-type: none"> • Live in the home • Pre-sale verification
Stretch Contributions	<ul style="list-style-type: none"> • Reduced return on invested funds • Expend political capital 	<ul style="list-style-type: none"> • Expend Political Capital • Implement new processes 	<ul style="list-style-type: none"> • Capped profits • Risk- new products to market • Deed Restrictions 	<ul style="list-style-type: none"> • Lower interest rate on loans • Follow process & requirements from State. 	<ul style="list-style-type: none"> • Sweat equity • Small home • Fewer bells & whistles
Benefits	<ul style="list-style-type: none"> • Improve housing attainability • Quality of life for Utahns 	<ul style="list-style-type: none"> • Improve housing attainability • Workforce housing 	<ul style="list-style-type: none"> • Build more homes • Build our community • Workforce 	<ul style="list-style-type: none"> • New deposits • Increased capacity • New relationships 	<ul style="list-style-type: none"> • Home ownership • Build equity • Build generational wealth

What can you do to promote quality First Homes in your community?



A FIRST HOME, AT LAST

Thank You



Questions