Grantee: State of Utah
Grant: B-11-DN-49-0001
April 1, 2011 thru June 30, 2011 Performance Report
**Narratives**

**Summary of Distribution and Uses of NSP Funds:**

The distribution of NSP funds will be in the targeted Salt Lake County. The funds will be used to develop rental housing for LMMI beneficiaries.

**How Fund Use Addresses Market Conditions:**

The State of Utah first determined that Salt Lake County was the county with the greatest need of stabilization. From there all of the areas in the county were reviewed to determine the best use of the funds. It was determined that leveraging funds and developing land that was purchased with NSP funds in the city of Midvale was one of the areas of greatest need. Development of the property will stabilize a community that has been hard hit by the downturn in the housing market; will be sustainable, inclusive and integrated into the overall metropolitan fabric. This includes access to public transit, affordable housing, employment and nearby services.

A tiered approach is not being utilized to determine the distribution of funding.

The State of Utah is the only entity in Utah receiving an NSP allocation.

**Ensuring Continued Affordability:**

Will be maintained for the NSP 3 funded projects in accordance with HOME regulation at 24 CFR Part 92.254(a)(5) which states, "to ensure affordability, the participating jurisdiction must impose either resale or recapture requirements, at its option." Participating Jurisdiction (PJ's) must choose one option or the other for each unit assisted. Accordingly, DHCD has chosen the recapture option based upon HUD HOMEfire Vol.5, November, 2003 which states.

The recapture option for HOME - assisted homebuyer units is described at 24 CFR 92.254 (a)(5)(ii). Under the recapture option, the PJ recovers all or a portion of the HOME assistance to the homebuyers, if the housing does not continue to be the principal residence of the qualified low-income family that purchased the unit for the duration of the period of affordability.

**Definition of Blighted Structure:**

The area delineated by the recipient meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local laws. Utah Code Annotated 1953, 17B-4-604, states that areas selected must be characterized by buildings or structures considered unsafe or unfit to occupy, or are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime because of any three or more of the following factors, which the applicant must demonstrate to be the case:

a) defective character of physical construction;

b) high density of population and overcrowding;

c) inadequate ventilation, light, or spacing between buildings;

d) mixed character and shifting of uses, resulting in obsolescence, deterioration, or dilapidation;

e) economic deterioration or continued disuse;

f) lots of irregular shape or inadequate size for proper usefulness and development, or laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions;

g) inadequate sanitation or public facilities which may include streets, open spaces, and utilities;

h) areas that are subject to being submerged by water; and existence of any hazardous or solid waste, defined as any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment under state or federal law or regulation.
Definition of Affordable Rents:
Will follow the HOME rental rate guidelines found in 24 CFR 92.252 as adopted by NSP.

Housing Rehabilitation/New Construction Standards:
The Division of Housing and Community Development will inspect all NSP3 funded projects and assess the adherence to rehabilitation standards using the same schedule and checklists as the HOME-funded programs. The HOME final rule (92.251(a)(1)) requires that every unit being rehabilitated with HOME funds meet one of the following rehabilitation standards: local housing code; or the articles on property or sanitary standards in one of three model codes (Uniform Building Code (ICBO), the National Building Code (BOCA), or the Council of American Building Officials (CABO) one or two family coded; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926. All gut rehabilitation or new construction of residential buildings up to three stories will be designed to meet the standard for Energy Star Qualified New Homes.

Vicinity Hiring:
The developer that is used will certify and report on Section 3 hiring and to the maximum extent feasible will provide for the hiring of employees that reside in the vicinity of the project or attempt to contradi with small businesses that are owned and operated by persons residing in the vicinity of the project.

Procedures for Preferences for Affordable Rental Dev.:
After a thorough review of the NSP3 requirements, needs analysis and the amount of rental housing for affordable housing available in the target area, a preference for affordable rental housing was determined to be the best use of the NSP3 funds for Utah.

Grantee Contact Information:
Keith Heaton
Kheaton@utah.gov
801-538-8732
324 S State Street #500, Salt Lake City, UT 84111

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<th>Overall</th>
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<tbody>
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The state of Utah is re-evaluating the NSP3 plan. We are concerned that we will not be able to have the money spent within the time frame required due to issues with the city the property is located. No funds have been drawn from NSP3.

**Overall Progress Narrative:**

The state of Utah is re-evaluating the NSP3 plan. We are concerned that we will not be able to have the money spent within the time frame required due to issues with the city the property is located. No funds have been drawn from NSP3.

**Project Summary**

<table>
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<tr>
<th>Project #, Project Title</th>
<th>This Report Period Program Funds Drawdown</th>
<th>To Date Program Funds Drawdown</th>
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