

**REDEVELOPMENT AGENCY OF MIDVALE CITY
RESOLUTION No. 2022-16RDA**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY,
AUTHORIZING TWO NEW HOUSING PROGRAMS: DOWN PAYMENT
ASSISTANCE (DPA), AND HOME REPAIR LOAN PROGRAM (HRLP)**

Whereas, the Redevelopment Agency of Midvale City developed two new housing programs: DPA, and HRLP; and

Whereas, both programs are part of the RDA's Moderate Income Housing plan and Moderate-Income Housing element, as required by state law; and

Whereas, the DPA and HRLP programs are focused on households who fall on or below 80% AMI; and

Whereas, all funds are available on a first-come, first-served basis; and

Whereas, these programs will be supported by tax increment dollars as part of the City-Wide Housing fund which are restricted for affordable housing and any interest revenue generated by the loans. Furthermore, the RDA will apply for Community Development Block Grants (CDBG) to further support these programs; and

Whereas, the Down Payment Assistance Program (DPA) provides forgivable loans for low- to moderate-income first-time home buyers in Midvale City providing equitable access to home buying, homeowner education, and an increase home ownership in Midvale City.

Whereas, the Home Repair Loan Program (HRLP) provides income assistance for low- to moderate-income homeowners for improvements to address emergency repairs, eliminate blight, conserve energy, correct building violations, and preserve the housing community within the city limits of Midvale City; and

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY the RDA Board hereby approves both the Down Payment Assistance (DPA) program and the Home Repair Loan Program (HRLP) as described in Exhibits A and B.

This Resolution shall become effective immediately upon passage thereof.

Passed and Adopted by the Redevelopment Agency of Midvale City's Board of Directors, this 6th day of December 2022.


Marcus Stevenson
Chief Administrative Officer

Matt Dahl

Matt Dahl
Executive Director

ATTEST:

Rori L. Andreason

Rori L. Andreason, MMC
Secretary



Voting by the Board:

"Aye"

"Nay"

Dustin Gettel
Paul Glover
Quinn Sperry
Heidi Robinson
Bryant Brown

EXHIBIT A: Down Payment Assistance Program

THE REDEVELOPMENT AGENCY OF MIDVALE CITY DOWN PAYMENT ASSISTANCE (DPA) PROGRAM OUTLINE

Purpose:

The Redevelopment Agency of Midvale City Down Payment Assistance Program provides forgivable down payment loans for low to moderate-income first-time home buyers in Midvale City. The program seeks to provide equitable access to home buying, provide education to Midvale residents on home ownership, and increase home ownership in Midvale City.

Midvale City General Plan and Housing Plan Goals & Strategies:

Midvale City and the Redevelopment Agency of Midvale City adopted a shared Housing Plan in 2019. The following are goals and strategies adopted by the City and the RDA as part of the Housing Plan and the City's General Plan.

Focus Programs on Households Making 80% Ami or Less: The City and the RDA shall focus incentive programs on Midvale City households making 80% or less of AMI. These households are the most likely to be housing cost-burdened, and often lack the ability to find the housing that meets their needs. Supporting household stability through affordability can contribute to greater social mobility and improved quality of life for the affected residents, as well as making them more financially resilient when faced with short-term financial issues, such as the loss of a job.

Down Payment Assistance Program for New Homeowners: The City and the RDA shall work with regional housing partners to establish a down payment assistance program for new homeowners that make 60-80% of AMI. This program will allow potential homeowners the opportunity to receive funding from the City or the RDA for a down payment and/or closing costs associated with the purchase of a home in Midvale. A down-payment assistance program will help to incentivize home ownership in Midvale.

Provide Homeownership Education with Housing Partners: Throughout the public consultation process, one of the frequent issues brought up was the lack of education on available housing resources throughout the City. The education program would focus on providing easy to understand and accessible education on available housing resources in the City. This program will be in cooperation with housing service partners in the City and Salt Lake County.

Program Scope:

Each year, the DPA Program will:

- Aid up to ten low-to-moderate income individuals/families at 80% AMI and below.
- Loan up to \$20,000 per loan for non-Midvale residents.
- Loan up to \$25,000 for Midvale residents or employees of a public entity operating within Midvale. To qualify, the resident or employee must have lived in Midvale or worked for a public entity within Midvale for at least one year.
- Pay administrator fees to Contracting Organization.
- Provide homeowner education to potential home buyers.

Loan Terms:

A loan under the DPA Program is subject to the following terms:

- 5-year forgivable loan.
- 20% loan reduction each year.
- May be used for down payment, closing costs, single-pay mortgage insurance, or mortgage interest rate buydown.
- Borrower must complete certified HUD home buyers' education courses. RDA will support the cost of these classes.
- Borrower must participate in a post home purchase consultation/debrief with Contracting Organization.
- Borrower must be under contract to purchase home.
- Max purchase price of contracted home is based on the HUD maximum.

Eligibility:

In order to be eligible for a DPA loan, a borrower:

- Must purchase home in Midvale City
- Must be a first-time home buyer.
- Must occupy home within 30 days of closing and occupy home during the 5-year term of DPA loan.
- Cannot have more than \$20,000 in any account before or after funding.

Required Documents:

The following documents are required before issuance of a DPA loan.

- Completed application from Contracting Organization
- Verification of loan pre-approval
- Income analysis from lending institution
- Loan estimate/Loan Fee Worksheet
- Valid government issued ID
- Proof of income (last 60 days)
- Checking and saving account statements (last 60 days)
- Federal tax returns (2 years)
- Divorce decree (if applicable)
- Bankruptcy Explanation Letter (if applicable)

Repayment of Grant:

A repayment of some or all the DPA loan will apply if:

- The property is sold before 5 years elapses from the Closing date.
- The property is not owner-occupied within 30 days of closing.
- The property is rented, and the borrower does not occupy the home at any time during the 5-year term.