

Davis  
COUNTY

SLFRF  
APPLICATION

*[CDBG HomeOwnership  
Assistance]*

Requested: [\$4,000,000]

2023 - 259

## ARPA SCOPE OF WORK WORKSHEET

### 1. Overview

Federal Award Grant Name	Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
Federal Assistance Listing Number	21.027
Subrecipient Name	Davis County Economic Development
Subrecipient UEI	LEX7LH3KN2R5
Subaward Start Date	July 1, 2023
Subaward End Date	December 31, 2026
1. Amount of Federal Funds Obligated in this SOW	\$4,000,000
2. Total Amount of ALL Federal Funds Obligated to Subrecipient from Davis County (including this SOW)	\$0
Federal Award Agency	US Department of Treasury
Pass-through Entity	Davis County, Utah
Awarding Official  After Approval by Davis County Commissioners	<b>Name:</b> Curtis Koch <b>Title:</b> Davis County Clerk Auditor <b>Address:</b> Davis County Admin Building 61 South Main Street Farmington, Utah 84025 <b>Phone:</b> (801) 451-3491 <b>Email:</b> Ckoch@co.davis.ut.us
Primary Contact	<b>Name:</b> Ryan Steinbeigle <b>Title:</b> Grant Administrator <b>Contact Address:</b> 61. S Main Street, Farmington, UT 84025 <b>Phone:</b> 801-451-3495 <b>Email:</b> rsteinbeigle@co.davis.ut.us

## 2. Expenditure Categories

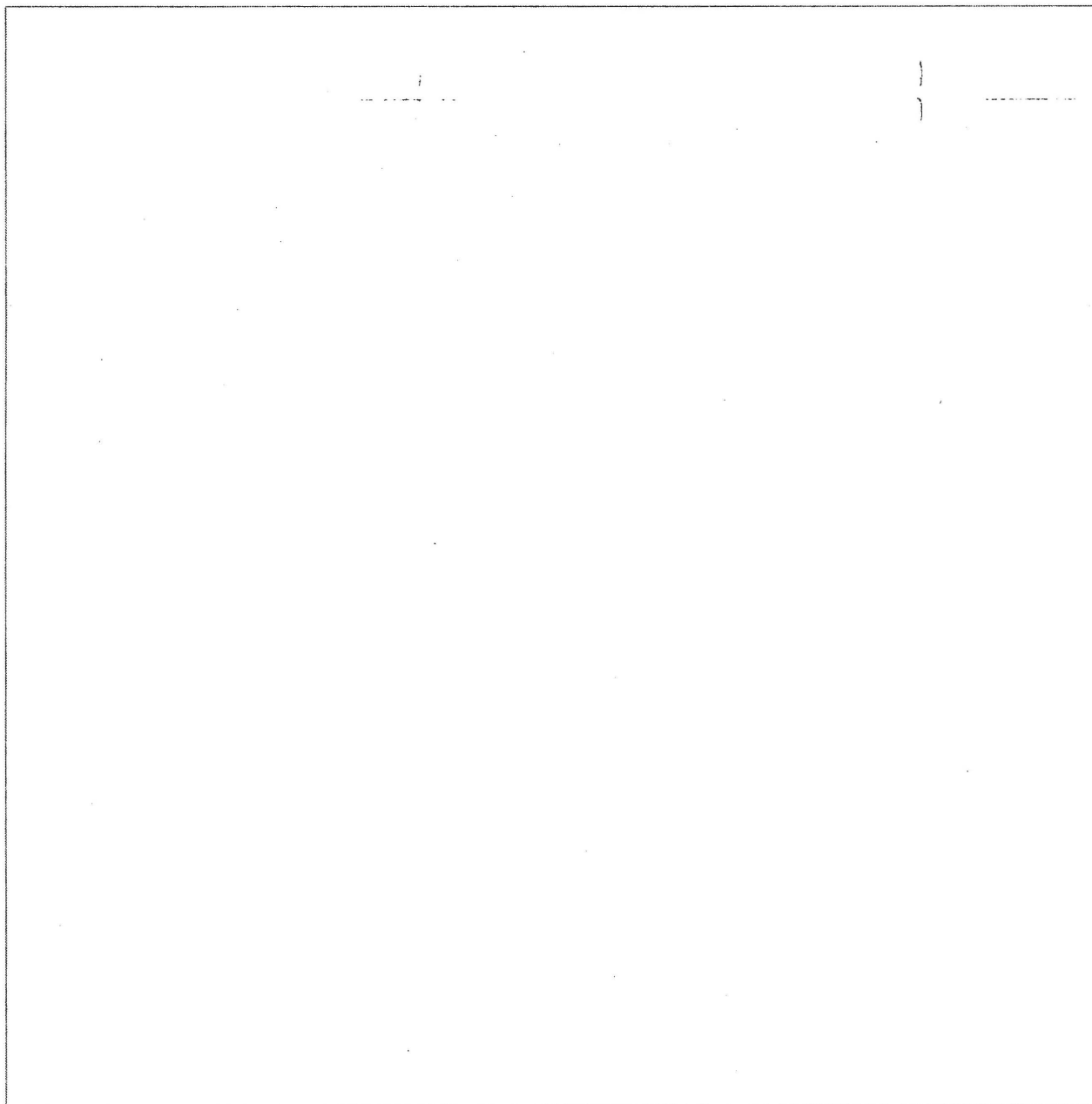
<b>Eligible Category</b>	Negative Economic Impact
<b>Expenditure Category Number</b>	2.1.5
<b>Expenditure Category Name</b>	Long-term Housing Security; Affordable Housing
<p><b>Primarily Disadvantaged Households</b></p> <p>Davis County Economic Development is creating a new HomeOwnership Assistance program to help low/moderate income residents purchase a home in the County. Through this program, Davis County Economic Development will offer 1% interest loans up to \$50,000 to reduce the purchase price of a home financed through a reputable financial institution. The loans provided to these low/moderate income households would be paid back to the County when the home is sold. This will create a revolving loan fund that will be used to finance additional loans for low/moderate income families in the future.</p> <p>This is a much needed program for Davis County residents. Low/moderate income families have been disproportionately impacted by circumstances created as a result of the pandemic, namely, unprecedented inflation not seen since the 1980's and disruptions in the supply chain that have caused housing prices in Utah and especially in Davis County to rise at a rate never before seen.</p> <p>According to the Davis County Assessor, the average home price in Davis County is approximately \$510,000 compared to \$350,000 in early 2020. This is a dramatic increase that has made it almost impossible for low/moderate income families to purchase a home in Davis County. Without this new program it is unlikely that low/moderate income families in the County would ever be able to realize the dream of homeownership and be on a path to creating long-term wealth through home value appreciation.</p>	
<p><b>Evidence-based practices</b></p>	

### COVID Impact Statement

The COVID-19 Pandemic triggered a variety of circumstances that have disproportionately impacted low and moderate income families. Over the course of the first 1-1.5 years of the pandemic "Stay Home, Stay Safe" orders had significant impacts to the supply chain that disrupted all sectors and industries leading to supply shortages and increased prices. These supply chain constraints have persisted despite the end of the pandemic and have now produced rapid inflation which has put increasing pressures on low/moderate income families.

Additionally, rapid growth throughout Utah has led to extraordinary demand for housing unlike anything the state has seen. This coupled with continued supply chain constraints (created largely by COVID) for building materials have led to the most significant home price appreciation the state has ever seen.

COVID-19 has largely contributed to an environment that has made it impossible for low/moderate income families to be able to afford a home in Utah and particularly in Davis County. This new Homeownership Assistance program is designed to fill a gap in the ability of low/moderate income families to purchase a home by subsidizing a portion of the most rapid increase in housing prices in the history of our state that is largely attributable to circumstances created by the Pandemic.



### 3. Staffing

*Provide list of staff and time commitments to be allocated to each activity in the statement of work.*

<b>Key Staff Name</b>	<b>Title/Activity</b>	<b>Time Commitment</b>
TBD	Housing Coordinator	100%
Ryan Steinbeigle	Grant Administrator	15%
Chanel Flores	Economic Development Dir.	5%

*Any changes in the key personnel assigned or their general responsibilities under this project are subject to the prior approval of Davis County.*

#### 4. Performance Monitoring

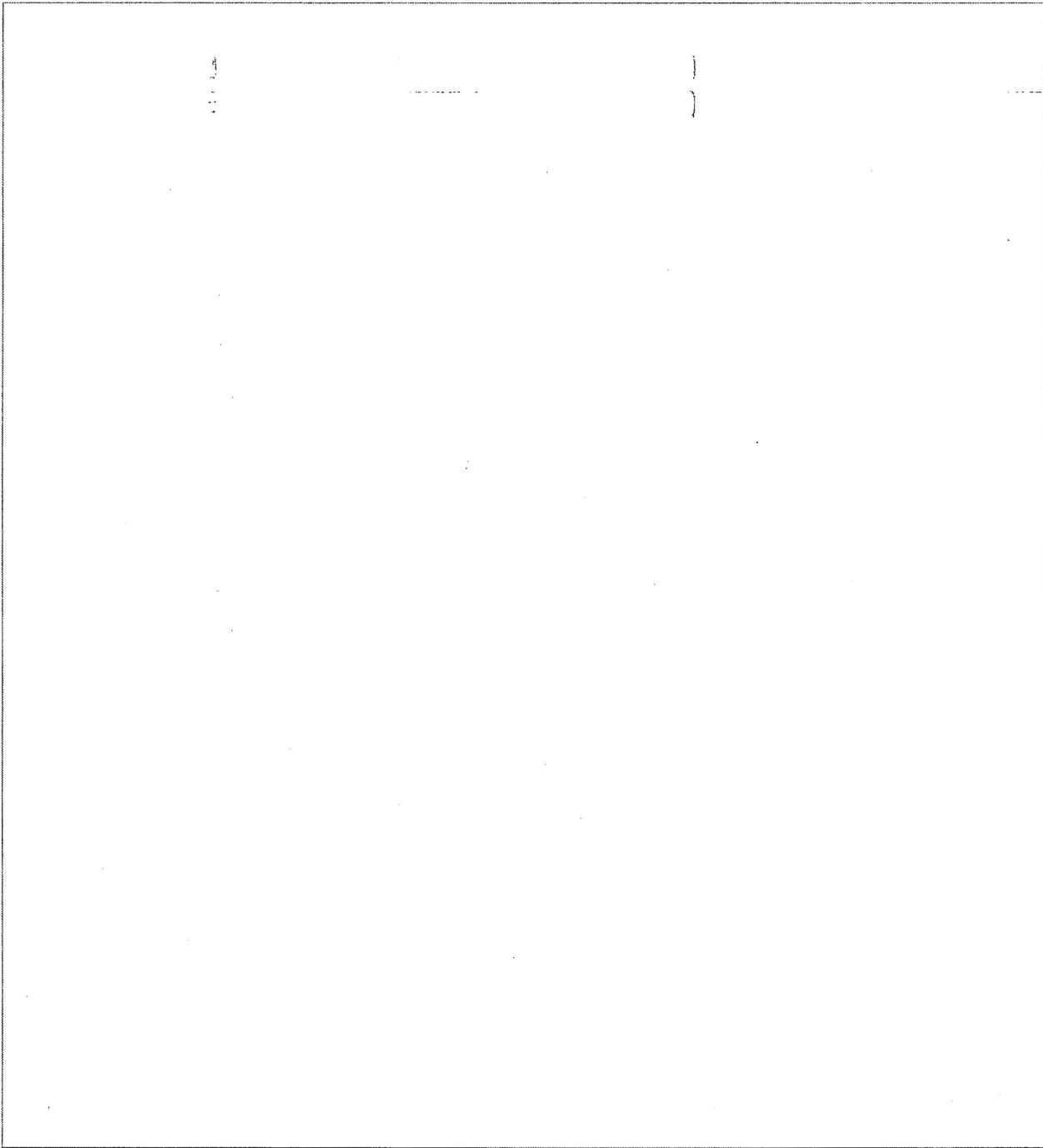
Davis County will monitor the performance of the Subrecipient against goals and performance standards as stated above. Substandard performance as determined by Davis County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by Davis County, contract suspension or termination procedures will be initiated.

##### Statement of Work

If our request is granted, Davis County Economic Development would be able to offer approximately 72 interest-free principal reduction loans (\$3,600,000/50,000). Additionally, our office intends to set aside \$200,000 annually of our community development block grant from the Office of Housing and Urban Development. In the first year of the new HomeOwnership Assistance program the County would be able to offer at least 72 1% interest principal reduction loans. In subsequent years the County may continue to offer at least 4 new interest-free principal reduction loans plus additional loans through re-lending any prior years loans that are paid back to the County when an assisted low/moderate income family sells their home. It is anticipated that in 10 years' time the County will have a revolving loan fund of approximately \$6,000,000 dollars that will be used to assist over 120 low/moderate income families afford to purchase a home.

As part of this project, Davis County Economic Development intends to hire a new Housing Coordinator. Our office doesn't currently have the capacity or bandwidth to support a Homeownership Assistance Program that will potentially provide over 72 interest free loans in the first 1-1.5 years plus additional new loans each year thereafter and administration/monitoring of all outstanding loans including a revolving loan fund that will be used to facilitate new loans with prior year repayments. Additionally, this new housing coordinator will work to create a coordinated response to creating and developing more affordable housing throughout Davis County.

At the end of this grant period, this individual's salary will be covered through a variety of relevant project streams including sources such as the 1% interest charges on the principal reduction loans, Social Services Block Grant, Community Development Block Grant activity delivery charges and other funding streams our office is currently exploring. Through program development and at the direction of the Davis County Commission certain details of the Homeownership Assistance program request may be subject to change.





**Description of population to receive assistance**

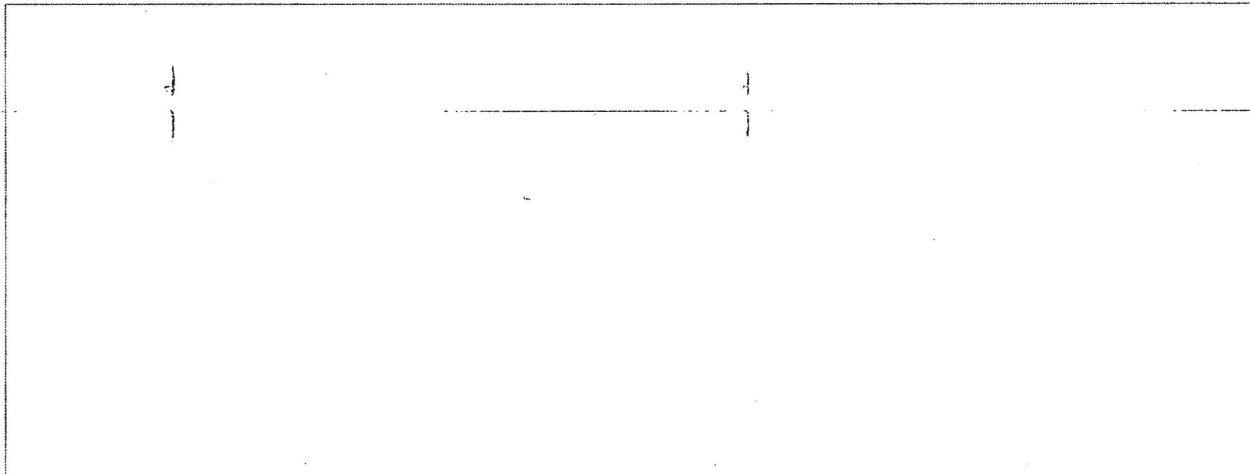
The new HomeOwnership Assistance program will only be available to individuals and families that intend to purchase a home in Davis County and meet the Office of Housing and Urban Developments definition of being low-moderate income. This is defined as making 80% or less of the area median income. In 2022, HUD set the area median income \$100,500, so that means that a family of four could not make over \$80,400 to qualify for the program. HUD releases new income thresholds each year. We expect the 2023 income thresholds to increase as a result of the unprecedented inflation that has happened all over the Country.

Additionally, in order to qualify for assistance through this program, applicants will need to provide a pre-qualification letter from a reputable mortgage lender (no sub-prime lenders) and have a fully executed real estate purchase contract (REPC).

**Description of process to ensure disadvantaged households are provided access to project**

As previously described, low/moderate income families have been disproportionately impacted by circumstances created by the COVID-19 pandemic including extraordinary inflationary pressures and supply chain constraints that have caused home prices to increase at rates never before seen. This new HomeOwnership Assistance program is limited to helping low/moderate income families purchase a home that they otherwise would not be able to afford.

Our office intends to do press releases and outreach to the community, mortgage brokers, title companies, and lenders to ensure that low/moderate income families throughout the County are made aware of this new program and are encouraged to apply for assistance.



<b>Physical location where assistance will be provided</b>	Davis Count Administration Building, Suite 304, 61 S. Main Street, Farmington, UT 84025
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<b>Geographic Service Area(s)</b>	Davis County
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**Project Outline**

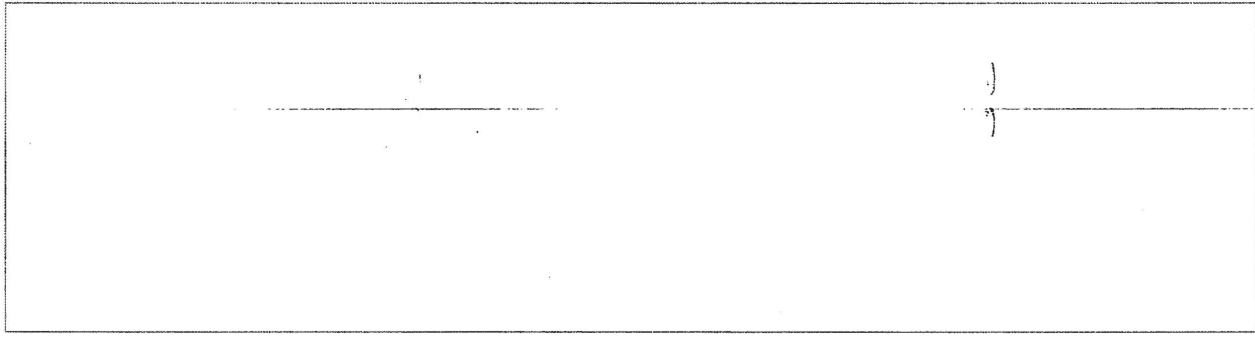
Davis County Economic Development is creating a new HomeOwnership Assistance program to help low/moderate income residents purchase a home in the County. Through this program, Davis County Economic Development will offer 1% interest loans up to \$50,000 to reduce the purchase price of a home financed through a reputable financial institution. The loans provided to these low/moderate income households would be paid back to the County when the home is sold. This will create a revolving loan fund that will be used to finance additional interest free loans for low/moderate income families in the future.

This is a much needed program for Davis County residents. Low/moderate income families have been disproportionately impacted by circumstances created as a result of the pandemic, namely, unprecedented inflation not seen since the 1980's and disruptions in the supply chain that have caused housing prices in Utah and especially in Davis County to rise at a rate never before seen.

According to the Davis County Assessor, the average home price in Davis County is approximately \$510,000 compared to \$350,000 in early 2020. This is a dramatic increase that has made it almost impossible for low/moderate income families to purchase a home in Davis County. Without this new program it is unlikely that low/moderate income families in the County would ever be able to realize the dream of homeownership and be on a path to creating long-term wealth through home value appreciation.

**Project Outcome**

Davis County Economic Development would be able to offer approximately 72 1% interest principal reduction loans (\$3,600,000/50,000). Additionally, our office intends to set aside \$200,000 annually of our Community Development Block Grant from the Office of Housing and Urban Development. In years 1-3 of the new HomeOwnership Assistance program the County would be able to offer approximately 72 1% interest principal reduction loans. In subsequent years the County may continue to offer at least 4 new interest-free principal reduction loans plus additional loans through re-lending any prior years loans that are paid back to the County when an assisted low/moderate income family sells their home.

### 5. Schedule/Timeline

Timeline reflect the time from the start to end of subaward date.

Budget calculations should match figures in budget table.

	3Q2023	4Q 2023	1Q 2024	2Q 2024
Activities	Project Lead Time	Project Lead Time	15 Principal Reductions Loans/Admin	15 Principal Reductions Loans/Admin
Budget Expenditures (SOW funding source only)			\$750,000/Admin \$32,500	\$750,000/Admin \$32,500

	3Q 2024	4Q 2024	CY 2025	CY 2026
Activities	15 Principal Reductions Loans/Admin	15 Principal Reductions Loans/Admin	12 Principal Reduction Loans/Admin	
Budget Expenditures (SOW funding source only)	\$750,000/Admin \$32,500	\$750,000/Admin \$32,500	\$600,000/Admin: \$135,000	Admin \$135,000

List all obligated funding sources individually and funding amounts for this project.

Funding Sources	Amount	Notes
CDBG	200,000	Portion of 2022 Allocation Set Aside for HomeOwnership Assistance

## 6. Budget Non-Construction

	ARPA	Other Federal Grants	State Funding	Local Funding, Grants, Donations	Other
Personnel	400,000	80,000			
Fringe Benefits					
Travel					
Supplies					
Contractual					
Construction					
Other (Loans)	3,700,000	720,000			
Indirect Charges					
Program Income					

## 7. Budget Construction

	ARPA	Other Federal Grants	State Funding	Local Funding, Grants, Donations	Other
Administration and legal expenses					
Land, structures, rights-of-way, appraisals, etc.					
Relocation expenses and payments					
Architectural and engineering fees					
Project inspection fees					
Site work					
Demolition and removal					
Construction					
Equipment					
Miscellaneous					
Contingencies					
Project (program) income					

Signature Page

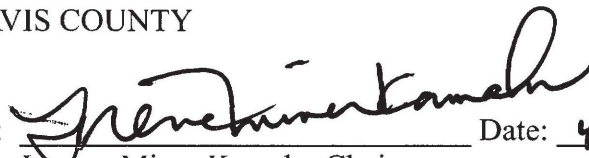
Contracting Entity: Davis County Auditor's Office

Contract No: **2023-259**

Contract Nature: Grant Application to apply for ARPA/SLFRF funding for new Homeownership Assistance program to assist low/moderate income families purchase a home in Davis County.

DAVIS COUNTY

By:

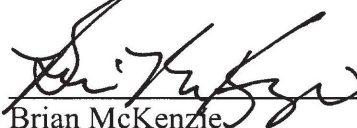


Date:

4/25/23

Lorene Miner Kamalu, Chair  
Board of Davis County Commissioners

ATTEST:



Brian McKenzie  
Davis County Clerk