

Hurricane City announces Affordable Housing Grant

On January 21, 2010 the City Council of Hurricane approved the "Home to Hurricane" affordable housing grant. This new grant provides qualifying first-time home buyers with up to \$2,000 towards closing costs. Approximately 70 grants will be available in calendar year 2010.

The objectives of the grant are to:

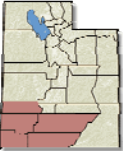
- 1) Improve the affordability of home ownership for Hurricane residents who have not previously owned a home, and
- 2) To further strengthen the local economy, preserving and creating jobs.

To be eligible for the grant, home buyers and the property must meet certain criteria, namely:

- Buyers must not have previously owned a home (i.e. within 3 years prior to closing),
- Buyers must use a USDA 30 year or longer fixed rate loan (Rural Housing Guaranteed or Direct Lending program),

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- The property must not have been previously occupied,
- Home buyers must occupy the subject property as their primary residence, and
- The property must be located in Hurricane City limits.

"The Rural Housing Loan Program serves to identify borrowers who are in greatest need of assistance" noted City Manager, Clark Fawcett. "By teaming with USDA, we streamline the process of identifying and helping citizens who need help to acquire their first home."

In order to qualify for participation in the program the applicants must meet income

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Individual Development Accounts: Saving for the future

Individual Development Accounts (IDAs) are special savings accounts that match the deposits of low- and moderate-income people. For every dollar saved in an IDA, savers receive a corresponding match which serves as both a reward and an incentive to further the saving habit. Savers agree to complete financial education classes and use their savings for an asset-building purpose, typically for post-

"The highest use of capital is not to make more money, but to make money do more for the betterment of life."

– Henry Ford

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Taking Stock: The ebb and flow of states and localities

The following is an excerpt from the February 2010 *Governing* magazine as illustrated by Alan Ehrenhalt.

“When the first issue of *Governing* appeared 22 years ago, the editors made clear that this was a magazine about states and localities—their strengths, weaknesses, accomplishments and challenges—not a publication focused on one level of government or the other.

At the same time, it was clear which one was the senior partner in the American federal system. States were in good fiscal shape and more innovative than they had been in years. Governors of both parties...were dreaming up all sorts of economic development schemes to keep their states healthy in a post-industrial world. As anybody who was around state government in those days will recall, it was a heady time.

And it lasted quite a while. Notwithstanding a pair of moderately severe recessions, states remained the fulcrum of public policy experiment in America for the better part of two decades.

To say that the balance has shifted in 22 years would be to make an even greater understatement. In 2010, the states aren’t laboratories of democracy; they aren’t laboratories of anything, unless it’s insolvency. The numbers are familiar enough that there’s no need to spend whole paragraphs repeating them. Suffice it to say that states as a whole are facing, by reliable estimates, a combined fiscal shortfall of up to \$170 billion this year and \$120 billion next year; that some are looking at budget holes equal to a quarter of their general fund or even more; that they are laying off thousands of workers and furloughing many thousands more; and that this still leaves them far short of the revenue they need to meet constitutional balanced-budget requirements.

If life has changed dramatically in the state capitols over the past two decades, it has changed just as much in the cities. And on the whole, it has changed for the better.

The recession may be about over, but the fiscal crisis is not. The bottom line is that it may be unrealistic to consider states major innovators in public policy anytime in this decade. There are creative things they can do that don’t cost a lot but since most genuine innovation requires spending, it’s fair to say that the laboratories of democracy will be closed, or at least inactive, for quite a while.

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To say that cities are doing better is not to minimize the perilous fiscal shape that many of them are in right now. But on whole fiscal problems are more recession-based and less structural than those of the states...and they have been more creative at finding ways to render the services citizens demand of them. Raising taxes and fees hasn’t always been the best economic development strategy, but it has helped keep budgets under control.



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Empty Lot Syndrome

According to a NewReach housing analyst, the ample supply of vacant lots in Utah will help to prolong the pain felt by developers.

“There are lots and lots of lots on the market right now,” said VP of Housing/Senior Analyst Todd Cook. “And it is going to take us a long time to get through the lots based on the number of home closings we have seen.”

The number of home closings increased in nearly every county in the state. Builders have been crediting the influx to the federal and state tax credits made available to homebuyers.

NewReach compared the number of closings in 3rd quarter 2009 to the number of vacant lots in the same time frame to determine how long before the supply of lots would be depleted.

Washington County, with close to 5,000 available lots and 152 closings in 3rd quarter 2009, has 11 years of supply, Cook said, In 3rd quarter, 182 lots were introduced in the area.

“We have plenty of lots down there. And more phases and more products were introduced,” said Cook, pleading with the present builders to do their research before building in Southern Utah. “Please do your due diligence and make sure it is a product that isn’t saturated down there...I want very badly for this area to succeed, but I think we still have some pain in St. George.”

While it may take some time before the supply of vacant lots catches up with demand, Cook said the number of unoccupied homes in Utah has declined substantially. Salt Lake, Utah, Davis, Wasatch, Weber, Tooele and Washington counties all saw declines in the number of unoccupied homes from 2nd quarter 2009 to 3rd quarter 2009. “We firmly believe we have seen the worst of the market in terms of unoccupied homes,” Cook said.

However, most of the unoccupied homes within Utah are listed for more than \$350,000- a market segment that will be difficult to deplete, Cook said. “These homes will have to be reduced or remain on the market for quite some time.”

Based upon these findings, one naturally wonders what can be done to alleviate the problem. Cities don’t like vacant lots. While some are turned into parking lots, most are overgrown with weeds and look like scars on the landscape. At their worst, they accentuate the perception of blight. But the days when a lot stood empty until a developer moved in are ending. A movement called temporary urbanism is filling the void, turning blighted lots into parks, gardens etc.

Nationwide, examples of temporary urbanism abound. Here in southwestern Utah there are several good examples; most notably, community gardens. In light of this example it should be noted that trespassing on private property is certainly a serious offense; therefore, any initiative must be acceptable to landowners. However, it could be argued that this temporary use adds value, improvement and protection to a vacant lot. As such, it may prove to be a viable solution in your community’s endeavors to alleviate the blight brought on by the vacant lot syndrome.



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secondary education or job training, home purchase, or to capitalize a small business. In addition to earning match dollars, savers learn about budgeting, saving and receive additional training before purchasing an asset. IDAs make it possible for individuals to build the financial assets they need to achieve the American Dream.



Each IDA program may differ slightly and may have their own guidelines for how the savings can be used. However, in most cases, IDAs are used specifically for three purposes:

- 1) starting a business,
- 2) buying a home, or,
- 3) for going back to school.

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guidelines as prescribed by HUD and implemented through the USDA Rural Housing Loan Program.

In order to participate in this amazing program, prospective home buyers simply fill out the application and submit it with their traditional loan application to the approved USDA lender. The lender then submits both applications to loan underwriting in order to ensure efficiency and streamline the overall process.

Individual Development Accounts help people with modest means to save towards the purchase of a lifelong asset, such as a home.

As mentioned before, each IDA program is unique. However there are some common approaches that are used. To begin with, typically an orientation meeting is required in order to familiarize interested parties. Eligibility to participate would likely be determined at this first meeting. Generally speaking, this eligibility is determined using specific income guidelines. Once accepted into the program, a savings account is opened at a bank that is tied to the IDA organization. From here, a contract between the participant and the participating IDA organization is signed. Once the participant achieves their savings goal, the IDA caseworker confirms the purchase (or investment) and the savings are released.

Individual Development Accounts help people with modest means to save towards the purchase of a lifelong asset, such as a home. They truly provide an amazing opportunity and should be encouraged at every opportunity. For additional info about the IDA program, feel free to contact Utah Individual Development Account Network at 877-787-0727 or info@uidan.org.

For additional information about the Home to Hurricane affordable housing grant contact Toni Foran at 435-635-2811 or toni@cityofhurricane.com



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In any case, the renewal of cities is not primarily a fiscal matter. It is shown more clearly in the revival of residential life and street vitality all across the country. Most of all, urban revival is linked with changing demographics, as increasing numbers of people in their teens, 20s and early 30s, the vast majority of them single or childless couples express a preference for some form of urbanized life as a change from the cul-de-sac suburbia in which many of them grew up.

The urban comeback has stalled in the recession, as lending for central-city residential and commercial development has dried up. Some experts insist the comeback hasn't only stalled but ended. They believe that once the economy recovers, suburban sprawl will simply resume. I think the evidence, from demographics, surveys and simple on-the-ground realities of the past few years, is clearly against them.

Whatever the future of urban revival may be, its recent past reflects a record of impressive innovation by many mayors. From the downtown development strategies of Richard M. Daley in Chicago, to the environmental activism of Greg Nickels in Seattle, the transportation planning initiatives of Michael Bloomberg in New York, and the housing reforms under Shirley Franklin in Atlanta, the past decade has seen a budding of new ideas in urban policy far more interesting than anything preceded it for a long time.

Some may be tempted to say that the laboratories of democracy haven't closed; they simply have moved from state capitols to city halls. But I would be wary of taking the argument too far. If we have learned anything...it is that power and creativity in the American system ebb and flow in cycles. The states have a huge task of restructuring ahead of them in the next decade. It will be excruciating, but once they accomplish it there is reason to hope that they can eventually regain the spirit of optimism and innovation they displayed two decades ago."

Foreclosure Prevention Grant

Home foreclosures are at an all time high in Utah. According to a February 2010 RealtyTrac Inc. report, Utah ranks 6th highest in the nation for foreclosures at 1 in every 275 homes. Here in southwestern Utah, Iron (1 in every 248) and Washington (1 in every 116) counties have been hit hard by foreclosure activity.

Fortunately, 2009 marked significant progress toward fighting foreclosure in Utah. The Governor's office granted \$1.8 million to Utah Housing Coalition and eight partner housing counseling agencies for foreclosure prevention. Since the foreclosure prevention grant was

approved in August 2009, 16 full- and part-time foreclosure intervention counselors have been hired throughout the state to assist homeowners in default in saving their homes.

Since August 2009, more than 1,400 households have been serviced at the eight participating State counseling agencies. Of these eight agencies, southwestern Utah is afforded with an amazing resource through the Cedar City Housing Authority. The Housing Authority offers free assistance to the community with trained and certified housing counselors located in Cedar City and St. George. If someone you know is

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facing foreclosure, these trained counselors are ready to help. Additionally, they (or an affiliated constituent) can provide assistance related to first-time homebuyer education and foreclosure preventions, as well as counseling for budgeting and basic financial competence. For more information contact the Cedar Housing Authority at:

Cedar City: 435-586-8462 (Ask for Kim)

St. George: 435-673-3548 (Ask for Dan)

We're on the Web!

Visit us at:

www.SouthernUtahHousing.com



Utah Foreclosure Prevention
Do you know the resources
available to save your home?



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