

WHEN RECORDED MAIL TO:
Utah Department of Workforce Services
Housing and Community Development Division
Olene Walker Housing Loan Fund
140 East 300 South, First Floor
Salt Lake City, UT 84111

Space Above This Line for Recorder's Use

CT-174402-CAB
LOAN NO: WHP1996

DEED RESTRICTION

THIS DEED RESTRICTION ("Restriction") is made and effective as of the 13th day of March, 2024 by Victory Heights, LLC, ("Borrower"), for the benefit of the Utah Department of Workforce Services Housing and Community Development Division, Olene Walker Housing Loan Fund, ("Beneficiary"). For good and valuable consideration, Borrower agrees:

1. **PROPERTY ENCUMBERED.** The restriction shall be recorded against real property ("Property") located in SALT LAKE COUNTY as more fully described as follows:

LEGAL DESCRIPTION:

PARCEL 1:

Beginning at the Northeast corner of Lot 8, Block 29, Plat "F", Salt Lake City Survey and running thence West 246.25 feet; thence South 132.00 feet; thence East 246.25 feet; thence North 132.00 feet to the point of beginning.

ALSO:

Beginning 142.0 feet South of the Northeast corner of Lot 8, Block 29, Plat "F", Salt Lake City Survey and running thence South 33.0 feet; thence West 142.5 feet; thence North 33.0 feet; thence East 142.5 feet to the point of beginning.

PARCEL 1A:

The non-exclusive easements, appurtenant to Parcel 1 described herein, for pedestrian and vehicular access, as created and described in that certain Warranty Deed recorded November 12, 1919 as Entry No. 422717 in Book 10K at Page 300, described as follows:

Beginning 132.0 feet South of the Northeast corner of said Lot 8 and running thence South 10 feet; thence West 142.5 feet; thence South 188.00 feet; thence West 12.0 feet; thence North 178 feet; thence Northwesterly 14.0 feet, more or less; thence West 135.0 feet; thence North 10.0 feet; thence East 18 rods to the point of beginning.

Tax Id No.: 16-05-206-024

2. **RESTRICTIONS.**

- a. All Olene Walker Housing Loan Fund monies, regardless of the source of funds, must be used to assist families whose annual incomes do not exceed 80 percent of the median family income for the area as determined by HUD, with adjustments based on family size. In addition, at least 90 percent of Olene Walker Housing Loan Fund monies used for rental housing must be used to assist families whose annual incomes do not exceed 60 percent of the median family income for the area as determined by HUD.
- b. Rental housing will qualify as affordable only if the project:

- i. has at least 20 percent of the Olene Walker Housing Loan Fund assisted rental units occupied by families who have annual incomes that are 50 percent or less of median income as defined by HUD. These units must sustain the Low HOME rents as described in the following section.
- ii. has at least 70 percent of the Olene Walker Housing Loan Fund assisted rental units occupied by families who have annual incomes that are 60 percent or less of median income as defined by HUD. These units must sustain the High rents as described in the following section.
- iii. has the remainder of the Olene Walker Housing Loan Fund assisted rental units occupied by families who have annual incomes that are 80 percent or less of median income as defined by HUD. These units must sustain the High rents as described in the following section.
- c. Every Olene Walker Housing Loan Fund assisted unit, whether federally funded or State funded, is subject to rent limitations that ensure rents are affordable to low and very low-income families. Maximum rents are referred to as HOME rents as further defined in 24 CFR 92.252.
 - i. High HOME rents: 80% of assisted rental units must have rents that are the lesser of: A) Section 8 Fair Market Rents or area-wide exception rents for existing housing, minus tenant paid utilities, or B) rents which are 30% of adjusted income for households at 65% of median income, minus tenant paid utilities.
 - ii. Low HOME rents: 20% of assisted rental units must have rents which equal 30% of annual income for households at 50% of median income, minus tenant paid utilities.
 - iii. Projects with five or more HOME-assisted rental units shall reserve 20% of those units for very low-income families.
- d. In projects where Low-Income Housing Tax Credits are part of the financing:
 - i. Qualified tax credit units must not exceed tax credit rent limits, while HOME-assisted units must meet HOME rent requirements. If a unit is being counted under both programs, the stricter rent limit applies.
 - (A) Low HOME rent units are subject to the lower of the Low HOME rent or the tax credit rent.
 - (B) High HOME rent units are subject to the lower of the High HOME rent or the tax credit rent.
 - ii. When tenants receive additional subsidy through rental assistance programs such as Section 8, additional requirements apply:
 - (A) If the rental assistance program rent limit exceeds the tax credit rent, the unit rent may be raised to the higher limit as long as tenants pay no more than 30 percent of their adjusted monthly income for housing costs.
 - (B) Rent may be raised to the rental assistance program limit only if the tenant pays no more than 30 percent of adjusted income, the subsidy is project-based (not tenant-based), and tenant's income is less than 50 percent of the area median income.
 - (C) In a joint tax credit/HOME-assisted unit, the stricter HOME requirements apply.
- e. Every Olene Walker Housing Loan Fund assisted unit, whether federally funded or State funded, is subject to rent limitations that ensure rents are affordable to low and very low-income families. Maximum rents are referred to as HTF rents as further defined in 24 CFR 93.302.
 - i. Extremely low-income tenants: The HTF rent plus utilities of an extremely low-income tenant shall not exceed the greater of 30 percent of the federal poverty line or 30 percent of the income of a family whose annual income equals 30 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. HUD will publish the HTF rent limits on an annual basis.

- ii. Very-low-income tenants: The HTF rent plus utilities of a very low-income tenant shall not exceed 30 percent of the income of a family whose annual income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. HUD will publish the HTF rent limits on an annual basis.
 - iii. If the unit receives Federal or State project-based rental subsidy, and the tenant pays as a contribution toward rent not more than 30 percent of the tenant's adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental subsidy program.
- f. Property shall include no less than 6 LIH-assisted units on a floating basis, which will consist of 4 studio and 2 three-bedroom units. Property will also have a minimum of 8 units designed to be Type A fully accessible for physically handicapped in accordance with Federal Fair Housing/HOME regulations.

3. **ENFORCEMENT.**

- a. This deed restriction constitutes an enforceable restriction, runs with the title to the Property, shall not be subordinated, and shall survive any foreclosure proceeding. If the deed restriction is violated, the Beneficiary will be irreparably damaged unless the deed restriction is specifically enforced. In the event of a violation of the deed restriction, the Beneficiary may institute and prosecute a proceeding to enforce the deed restriction, enjoin the continuing violation, and exercise any other rights and remedies provided by law or equity. Within thirty (30) days after the date of a written request from Beneficiary, Borrower shall provide to Beneficiary a report evidencing Borrower's compliance with the Restriction. The report must include project financials for each year of the affordability period, and any additional information requested by Beneficiary. Borrower shall allow Beneficiary to inspect the Property, and the Borrower's and the Property's records, in the event that Borrower fails and/or refuses to provide the report. Beneficiary may consider a failure and/or refusal by Borrower to provide the report and/or allow the inspection to be an admission by Borrower that Borrower is not in compliance with this Restriction.
- b. If an enforcement action is initiated and Beneficiary prevails, Beneficiary shall be entitled to its costs and attorneys' fees from the owner of the property, and an order requiring that units reserved for low income housing shall be brought into and remain in conformity with the deed restriction throughout the affordability period and until the loan is paid off, whichever date is later.


4. **TERM.**

This Deed Restriction is irrevocable, runs with the land, and is binding upon the successors, assigns, lenders, and beneficiaries of the parties. This Deed Restriction runs from the date of execution and remains in effect during the Affordability Period under Section 92.252 or Section 92.254 of 24 CFR Part 92 (HOME Investment Partnership Program) as amended, or until the Trust Deed Note of like date is paid in full, whichever is later. Upon such occurrence, this Deed Restriction will automatically terminate without need for any other documentation, notice or recorded material.

Dated this 13th day of MARCH, 2024

VICTORY HEIGHTS LLC,
a Utah limited liability company

By: Victory Heights Phase 1 GP LLC,
a Utah limited liability company,
Its: Managing Member

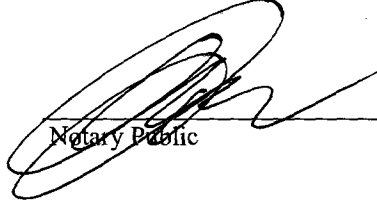
By: 
Name: BRANDON BLASER
Title: Authorized Representative

signature continues on the following page

STATE OF UTAH)

COUNTY OF Salt Lake ss:

The foregoing instrument was acknowledged before me this 17th day of March, 2024, by Brandon Blaser, Authorized Representative of Victory Heights Phase 1 GP LLC, a Utah limited liability company, Managing Member of Victory Heights LLC, a Utah limited liability company.



Notary Public

