



NEWS RELEASE
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Affordable Homeownership Program Renewed and Expanded Along Wasatch Front

Salt Lake City (22 May 2007)—Community Development Corporation of Utah (CDC) has been approved by the US Department of Housing and Urban Development (HUD) to administer the Asset Control Area homeownership and neighborhood revitalization program for another two years, and has expanded from Salt Lake and Davis Counties into parts of Utah and Weber Counties.

Community Development Corporation of Utah is one of fewer than 20 Asset Control Area program partners in the country (Ogden City is another partner and is focused on a specific neighborhood near downtown Ogden, which work CDC hopes to compliment). Under the program, CDC purchases HUD-foreclosed properties at 50% of their as-is value in specific areas designated for any combination of three factors, i.e. low income, low homeownership, or high foreclosure rates. CDC rehabilitates the homes and resells them to police officers, firefighters, emergency medical technicians, school teachers, and income-eligible homebuyers. The new sales price of these homes is their fair market (renovated) value; yet in many cases, CDC has been able to improve the homes while keeping its costs below the improved, fair market value. This means that the eligible buyers secure mortgages for the cost of the homes and HUD retains temporary “enforcement notes” or soft second mortgages for any difference. HUD forgives these enforcement notes after one to three years, allowing the buyers to realize the equity. Through this partnership, CDC helps to revitalize neighborhoods and raise homeownership rates.

Community Development Corporation of Utah began administering this Asset Control Area program two years ago. During that time, CDC has:

- acquired 81 homes from HUD and rehabilitated and resold nearly all of these already;
- contributed to the increase in the fair market value of these properties on average by 39%;
- provided a source of highly affordable housing in a market that is escalating beyond the reach of working Utah families--the average sales price of homes in Salt Lake County is currently \$250,000 while the average sales price of CDC Asset Control Area program homes sold to date (67 houses) is \$111,762;
- the average income of the homebuyers has been 72% of the area median income (AMI)--17 homebuyers have had incomes below 50% of the AMI and 30 homebuyers have had incomes between 51% and 80% of the AMI; and
- demolished six dilapidated, functionally obsolete homes which CDC is replacing with seven new homes.

Cheryl Cook, CDC President notes: “We are pleased with HUD’s confidence in the Community Development Corporation of Utah to administer this very beneficial program. We have shown that we can execute it successfully to help dozens of families

who otherwise may never have been able to buy homes.”

Community Development Corporation of Utah (cdc.utah.org) is a Utah non-profit corporation founded in 1991 with the mission to develop affordable homeownership in order to promote strong families, self-sufficiency, and stable neighborhoods. To date, CDC has helped over 1700 families in more than 125 Utah communities to become homeowners. Programs offered by the CDC also include home construction, homebuyer education and counseling, and down payment assistance.

“Extending this partnership with HUD another two years while expanding our footprint to include parts of Utah and Weber Counties will magnify our impact,” says Darin Brush, CDC Executive Director. “The Asset Control Area program has become an important part of our affordable homeownership and neighborhood revitalization strategy.”

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