

MODIFICATION OF RESTRICTIVE COVENANTS

This MODIFICATION OF RESTRICTIVE COVENANTS (Modification) is made as of this 21 day of March, 2019 by Tooele County, Utah (Recipient), its successors and assigns, and is given to the United States Department of Housing and Urban Development (HUD).

RECITALS

WHEREAS, Recipient submitted an application for a Supportive Housing Grant to HUD dated November 11, 2009, and was awarded said Grant by HUD in the amount of \$458,520.00; and

WHEREAS, Recipient entered into a Supportive Housing Grant Agreement (Agreement) with HUD dated December 15, 2010 for Project Number UT0043B8T000900; and

WHEREAS, pursuant to the Agreement, Recipient is obligated to acquire, rehabilitate and operate the supportive housing project located on that certain real property in the County of Tooele, Utah, and more particularly described in Exhibit A hereto (the "Project"), to be maintained and operated as supportive housing as defined by the Agreement; and

WHEREAS, the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11381 et seq. (Act), imposes use and repayment requirements on projects receiving acquisition, rehabilitation, and new construction funding; and

WHEREAS, as required by the Agreement, Recipient executed a Declaration of Restrictive Covenants (Covenants) that obligates Recipient and its successors and assigns to operate and maintain the supportive housing in accordance with the Agreement, the Act, and HUD regulations as provided for in the Agreement; and

WHEREAS, the Declaration of Restrictive Covenants, dated January 27, 2011, was recorded in the public records of Tooele County, Utah, on February 1, 2011, as Entry Number 352920; and

WHEREAS, in the Covenants, Recipient agreed to operate the supportive housing and provide supportive services to homeless individuals throughout a period of twenty (20) years commencing from the date of initial occupancy or the provision of initial services, in accordance with the terms of the Agreement, the Act, HUD regulations, and all applicable federal, state, and local laws; and

WHEREAS, Recipient and HUD acknowledge that the Recipient failed to provide supportive housing for the minimum term in accordance with the Covenants and Grant Agreement; and

WHEREAS, Recipient acknowledges the need to fully document and record the dates of initial occupancy and provision of supportive housing to demonstrate compliance with the Covenants; and

WHEREAS, Recipient wishes to continue operating the Project in a way that best serves the housing needs in Tooele County; and

WHEREAS, Recipient has requested to convert the use of the Project for the direct benefit of low-income persons and supportive housing under Paragraph 2 of the Covenants and pursuant to 24 C.F.R. § 583.405(a); and

WHEREAS, Recipient and HUD acknowledge that Tooele County has a need for housing and services for low-income persons in addition to chronically homeless and homeless persons; and

WHEREAS, HUD desires to authorize Tooele County to use the Project for the direct benefit of low-income persons in addition to chronically homeless and homeless persons.

NOW, THEREFORE, in consideration of the foregoing and for other consideration below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree to extend the term of the restrictive covenant for an additional eighteen (18) months beyond the original twenty (20) year restrictive covenant term, as described in paragraph 2 of the Covenants, running from the date of fully-documented initial occupancy of the Project; and

All other terms and conditions of the Declaration of Restrictive Covenants, recorded February 1, 2011, shall remain in effect and unchanged.

RECIPIENT

Tooele County, Utah

By:

Name: Kendall Thomas

Title: Tooele County Commissioner

STATE OF UTAH)
) SS
COUNTY OF TOOELE)

The foregoing instrument was acknowledged before me on this 21 day of March, 2019
by Kendall Thomas, on behalf of Tooele County.

Witness my hand and official seal.



Cory Cook
NOTARY PUBLIC

My commission expires on: 6-1-2020



U. S. Department of Housing and Urban Development

Community Planning and Development

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March 11, 2019

Mr. Shawn Milne
Tooele County Commissioner
47 South Main Street
Tooele, UT 84074

Dear Mr. Milne:

This letter responds to your request for a modification of restrictive covenant terms for the property located at 135 East Vine Street, Tooele, UT 84074 ("subject property"). In an effort to help Tooele County come into compliance with its Supportive Housing Program grant, we are willing to modify the restrictive covenants for the subject property as described below.

Tooele County was awarded a new Supportive Housing Program (SHP) grant in 2009, grant award UT0043B8T000900, to acquire and rehabilitate the subject property, as well as to provide supportive services, operating costs and administration of housing to homeless clients on an annual competitive grant renewal basis.

Pursuant to the December 15, 2010 Supportive Housing Grant Agreement (Agreement) between HUD and Tooele County, and pursuant to the January 27, 2011 Declaration of Restrictive Covenants (Covenants), Tooele County is obligated to operate and maintain the supportive housing and homeless assistance at the subject property for a minimum period of twenty (20) years from the date of initial occupancy or provision of initial services. The date of initial occupancy for this project is February 1, 2011.

The County continued to receive annual grant renewals of SHP funds through the 2011 competition year and then Continuum of Care (CoC) funds through the 2013 competition year; however, Tooele has not drawn from the grant account since July 3, 2013. The grant was not selected for renewal by the Salt Lake County Continuum of Care in the FY2014 award cycle.

HUD and Tooele County acknowledge that Tooele County failed to provide supportive housing for the minimum term in accordance with the Agreement and Covenants. Tooele County noted an insufficient number of eligible clients as one reason for noncompliance. In order to bring the property back into compliance and to continue serving Tooele County residents, Tooele County wishes to modify the restrictive covenants to allow the County to serve low-income residents in addition to homeless and chronically homeless persons.

Pursuant to Paragraph 2 of the Covenants, HUD may authorize the Recipient to convert the use of the project for the direct benefit of low-income persons. **We hereby acknowledge that authority and do approve the conversion of the project to one that provides housing and services**

for the direct benefit of low-income, homeless, and chronically homeless individuals.

For purposes of this modified covenant, "low-income" shall conform to the terms related to HUD's Community Development Block Grant programs:

Low-income person means a member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose. Low-income household means a household having an income equal to or less than the Section 8 very low-income limit established by HUD. [24 CFR 570.3]

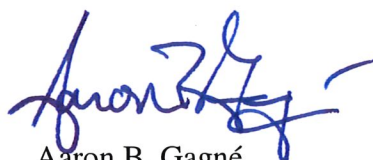
In line with the regulations for providing affordable housing under the Continuum of Care program and Section 8 (Housing Choice Voucher) programs, persons who qualify to be housed in the subject property may pay up to the Fair Market Rent for the type of unit and area. Further, resident rents may not exceed the highest of:

- (1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses);
- (2) 10 percent of the family's monthly income; or
- (3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs. [24 CFR 578.77(b) and (c)]

Additionally, we agree to modify the restrictive covenants for the subject property by extending the County's obligation to operate and maintain the supportive housing services for an additional eighteen (18) month period. This time frame reflects the period of noncompliance. Thus, the Modification of Restrictive Covenants will remain in effect for a total of 21.5 years, running from the date of initial occupancy of the project through July 31, 2031. Enclosed is a copy of the Modification of Restrictive Covenants.

Please sign three copies: record one copy of the enclosed Modification, return a recorded copy to our office, and retain one copy for your files. If you have any further questions, please contact Katy Burke, Office of Community Planning and Development Program Manager, at 303-839-2634, or kathleen.s.burke@hud.gov.

Sincerely,



Aaron B. Gagné
Regional CPD Director

Enclosures