

Budget Brief – Housing and Community Development

NUMBER 06-08

SUMMARY

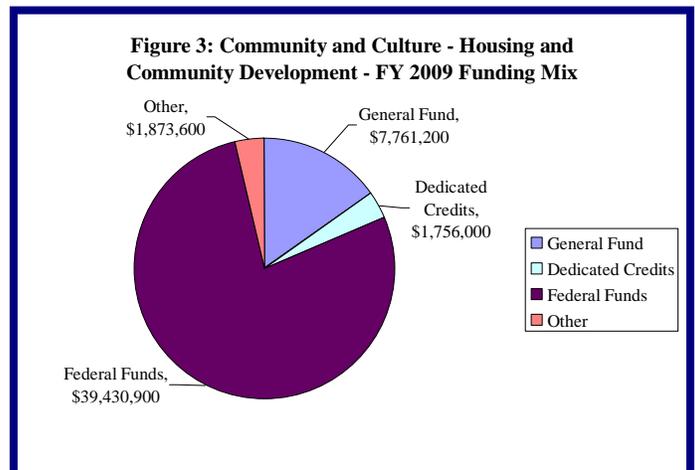
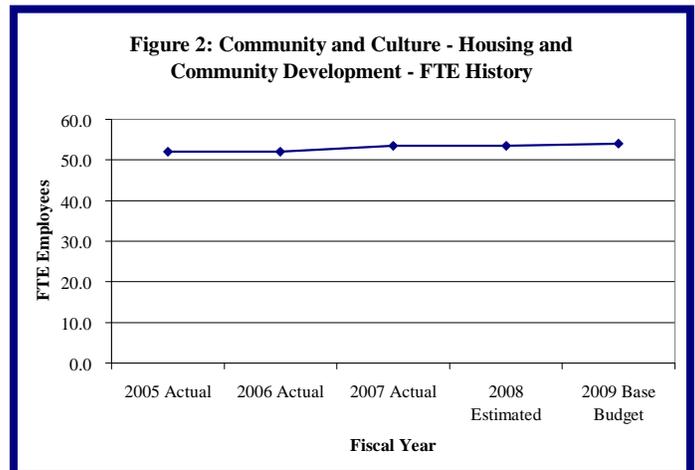
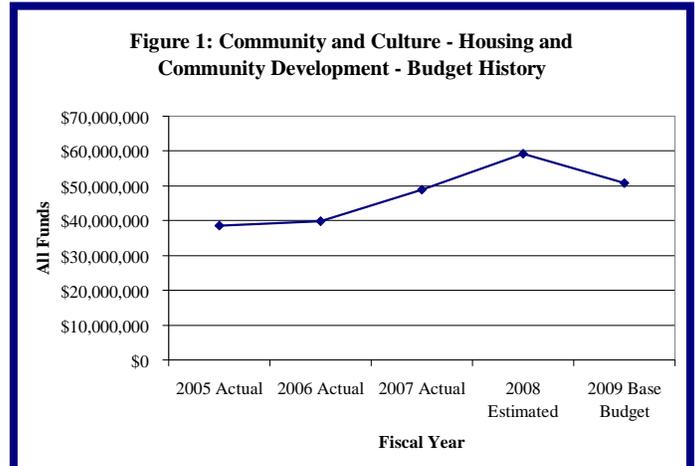
The Division of Housing and Community Development focuses resources in three areas, housing, community development, and community services.

Housing resources provided by the Division include the Olene Walker Housing Loan Fund, the Special Needs Housing Program, and Housing Opportunities for People with Aids. The Community Development Block grant is administered by the Division and provides Department of Housing and Urban Development (HUD) funding to small cities and counties for infrastructure development. The Division also administers the Home Energy Assistance Target (HEAT) and Weatherization programs which offer utility assistance or non-cash grants for home energy improvements.

Mineral Lease programs which are administered by Housing and Community Development include the Permanent Community Impact Fund, the Navajo Revitalization Fund, the Uintah Basin Revitalization Fund and the Rural Development Fund. These programs are used to develop infrastructure in mineral lease impacted areas.

The State Community Services Office provides services to communities which help people to become more self sufficient. The programs administered by the Office include the Community Services Block Grant, the Community Food and Nutrition Program, the Emergency Shelter Grant, Critical Needs Housing, the Pamela Atkinson Trust Fund, and the Emergency Food Network.

The Division also administers the Office of Ethnic Affairs. The office works closely with state agencies regarding their responsiveness to ethnic communities. Another program currently found in the budget is the Commission on Volunteers. Detailed information related to the budget can be found in the Compendium of Budget Information for Economic Development and Revenue pages 36-55.



ISSUES AND RECOMMENDATIONS***Faith Based Initiative***

The Office of Faith-Based and Community Initiatives was established last session to provide training and technical assistance to faith-based and community organizations trying to access federal and state resources. The Agency has requested that funding for this program be made a separate program in the amount of \$500,000 Federal Funds.

Ethnic Affairs Dedicated Credits

The Office of Ethnic Affairs has been successful in creating outside funding for programming. As a result the Office is asking that the committee increase its dedicated credit authority by \$147,000 in both FY 2008 and FY 2009.

Commission on Volunteers Dedicated Credits

The Commission on Volunteers is involved in the Seasons of Service Campaign which has been established to encourage citizens to give to the community through volunteer efforts. The Commission is asking for \$200,000 in additional Dedicated Credit authority to raise the funds to launch the campaign. The request is for both the FY 2008 and FY 2009 budget years.

Affordable Housing

The demand for affordable housing in the state exceeds the supply by approximately 2,500 units. The Olene Walker Housing Loan fund leverages a variety of funds to increase the supply of affordable housing. By leveraging the resources provided in FY 2007 the Division was able to create or maintain 713 housing units.

Homeless

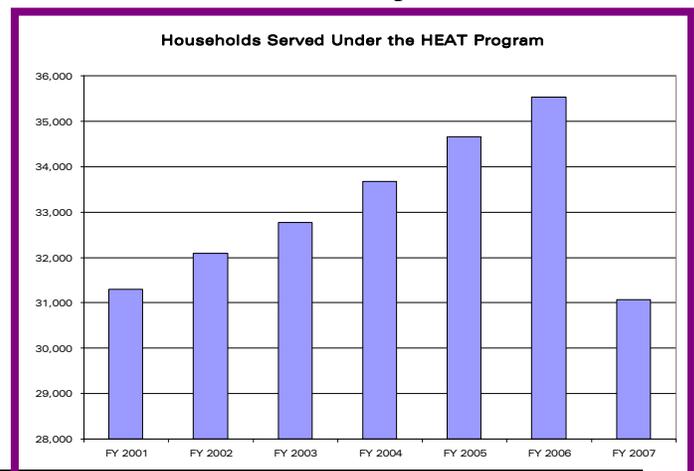
Utah's chronic homeless population is a concern for the Division of Housing and Community Development. Eleven percent of the homeless population in Utah is considered chronically homeless however they utilize 50 percent of the resources allocated to homeless services. The Division through the State Community Services Office is taking steps toward eliminating the chronic homelessness over a ten year period. To date 117 individuals who are considered chronically homeless have been placed in permanent supported housing.

ACCOUNTABILITY DETAIL

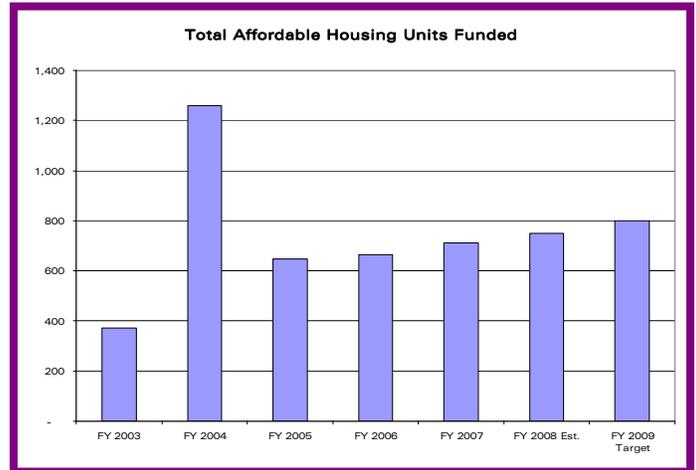
The mission of the Division of Housing and Community Development is "to be a catalyst for creating improving and preserving housing, community infrastructure, facilities, services and economic development that will enhance the quality of life for the people of Utah."

Homeless Services - The long range goal of the Division is to create 1,000 permanent housing units for the chronically homeless by 2014. Towards this effort 117 individuals have been placed in housing using the Housing-First Model. An additional 373 units are under construction. These individuals are provided intensive case management.

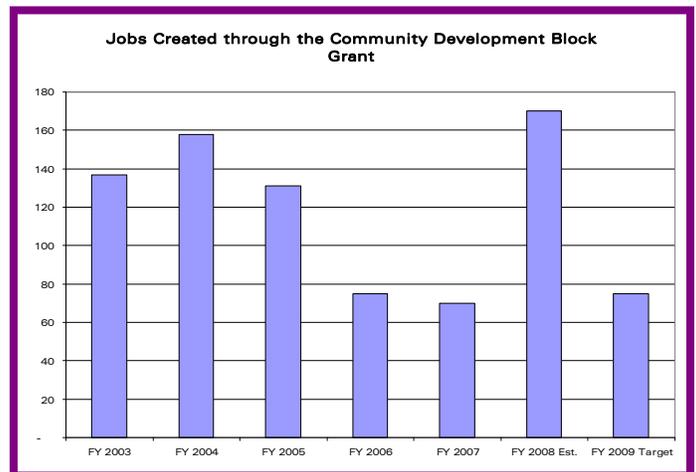
HEAT - The HEAT program helps promote and protect quality of life for citizens by helping to provide basic services like home heating assistance, weatherization assistance, and energy crisis intervention. Success is measured by the number of households served annually. The chart to the right shows the history of the program. The drop in FY 2007 is indicative of the overall well being of the State economy.



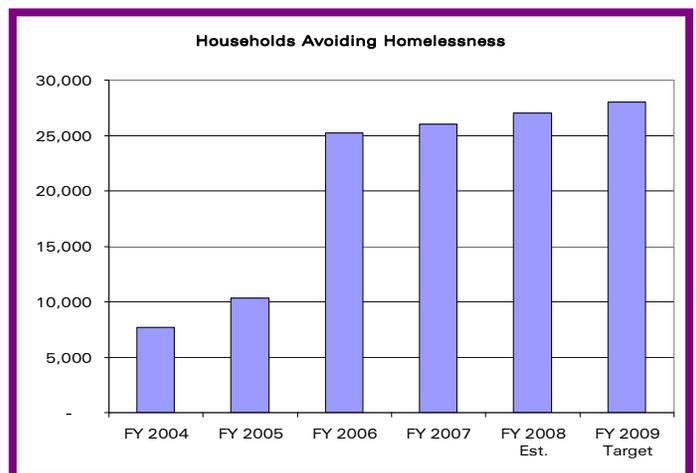
Housing - The creation of single and multi-housing units provides opportunities for citizens who otherwise would not be able to afford their own home or apartment. The target for the program is to meet Utah’s growing need for affordable housing by increasing capacity by 1,500 units per year. The trend in total units funded is shown at the right.



Community Development Block Grant – This program provides funding and technical assistance for the improvement of public facilities, public services, infrastructure, housing and economic development to benefit low-to-moderate income households. There is a requirement to create one new job for a low to moderate income individual for every \$35,000 loaned under this program. The number of jobs created from this program over the five years plus the estimated and forecast for FY 2008 and FY 2009 are shown at the chart on the right.



Community Services Block Grant – The CSBG uses funding to address poverty in the various regions of the state. A key measure under this program is the number of households avoiding homelessness by receiving housing counseling, rent or utility assistance. The results of the program are shown on the chart at the right.



BUDGET DETAIL

Funding for Housing and Community Development is used for a variety of purposes including housing and homeless services, infrastructure development assistance, ethnic affairs assistance, community services, and volunteer services. Most of the funding for the Division comes from federal funds.

Budget Recommendations for FY 2009

The Analyst recommends a total FY 2009 base budget of \$7,761,200 from the General Fund and \$43,060,500 from other funds.

BUDGET DETAIL TABLES**Community and Culture - Housing and Community Development**

Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
General Fund	3,538,900	7,761,200	0	7,761,200	0	7,761,200
General Fund, One-time	11,844,900	1,720,000	0	1,720,000	(1,720,000)	0
Federal Funds	34,896,400	40,624,600	872,900	41,497,500	(2,066,600)	39,430,900
Dedicated Credits Revenue	949,400	1,802,200	(46,600)	1,755,600	400	1,756,000
GFR - Homeless Trust	850,000	1,350,000	0	1,350,000	(500,000)	850,000
Permanent Community Impact	903,000	1,023,600	0	1,023,600	0	1,023,600
Transfers	26,000	0	0	0	0	0
Beginning Nonlapsing	105,200	0	4,232,400	4,232,400	(4,232,400)	0
Closing Nonlapsing	(4,232,400)	0	0	0	0	0
Lapsing Balance	(49,200)	0	0	0	0	0
Total	\$48,832,200	\$54,281,600	\$5,058,700	\$59,340,300	(\$8,518,600)	\$50,821,700
Programs						
Community Development Administration	583,100	642,700	4,900	647,600	(5,200)	642,400
Ethnic Office	839,200	885,900	43,100	929,000	(43,100)	885,900
Community Assistance	7,905,400	15,041,300	4,000,000	19,041,300	(4,170,900)	14,870,400
Housing Development	8,579,200	1,159,700	(170,000)	989,700	11,900	1,001,600
Special Housing	96,800	143,000	0	143,000	0	143,000
Homeless Committee	3,218,800	3,905,400	634,200	4,539,600	(759,000)	3,780,600
HEAT	15,706,300	18,791,600	(46,600)	18,745,000	(3,274,600)	15,470,400
Weatherization Assistance	5,605,600	6,848,500	161,000	7,009,500	(250,000)	6,759,500
Community Services	3,342,300	3,320,600	0	3,320,600	12,500	3,333,100
Commission on Volunteers	2,682,400	3,229,100	391,900	3,621,000	0	3,621,000
Emergency Food Network	273,100	313,800	40,200	354,000	(40,200)	313,800
Total	\$48,832,200	\$54,281,600	\$5,058,700	\$59,340,300	(\$8,518,600)	\$50,821,700
Categories of Expenditure						
Personal Services	3,628,800	4,386,900	(315,400)	4,071,500	108,200	4,179,700
In-State Travel	86,500	91,300	36,300	127,600	1,700	129,300
Out of State Travel	95,200	80,200	19,600	99,800	9,000	108,800
Current Expense	993,700	884,600	208,800	1,093,400	(263,500)	829,900
DP Current Expense	102,800	6,468,600	(6,396,800)	71,800	111,000	182,800
DP Capital Outlay	59,000	235,000	(235,000)	0	0	0
Other Charges/Pass Thru	43,866,200	42,135,000	11,741,200	53,876,200	(8,485,000)	45,391,200
Total	\$48,832,200	\$54,281,600	\$5,058,700	\$59,340,300	(\$8,518,600)	\$50,821,700
Other Data						
Budgeted FTE	53.5	51.5	2.0	53.5	0.5	54.0
Vehicles	1.0	1.0	0.0	1.0	0.0	1.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.