

HOUSING AND COMMUNITY DEVELOPMENT

ECONOMIC DEVELOPMENT AND REVENUE APPROPRIATIONS SUBCOMMITTEE
STAFF: ANDREA WILKO

BUDGET BRIEF

SUMMARY

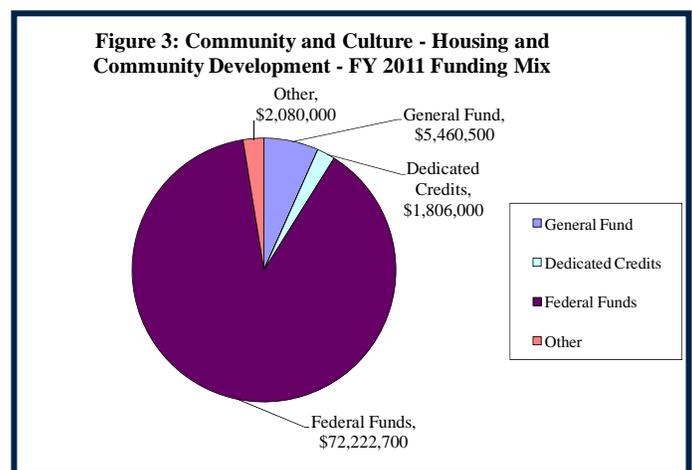
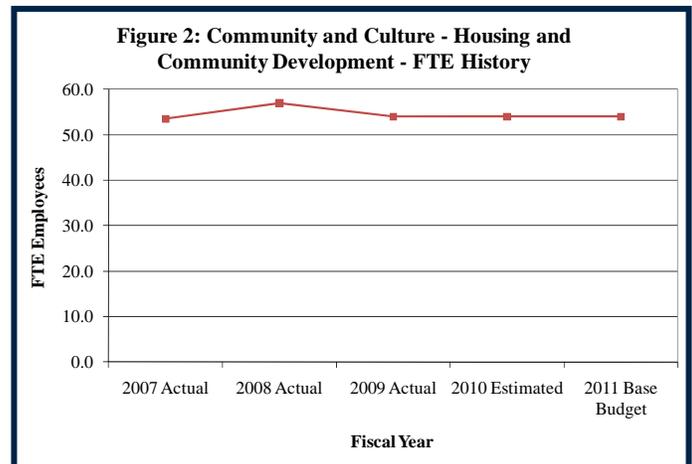
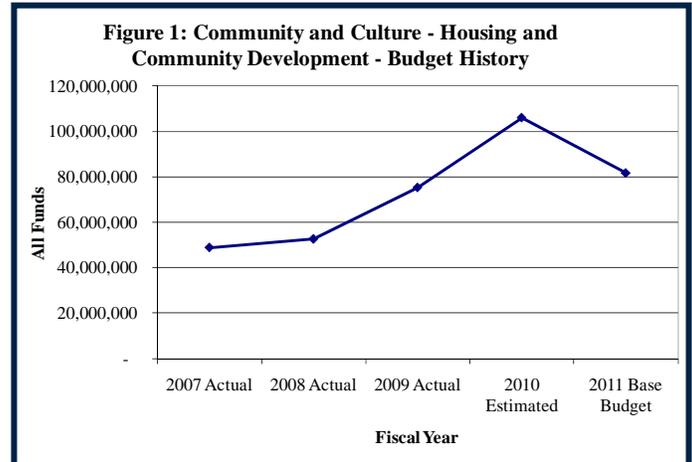
The Division of Housing and Community Development focuses on three primary areas, housing, community development, and community services.

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 of 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. This office works closely with state agencies regarding their responsiveness to ethnic communities. The Division is also responsible for the Commission on Volunteers which is charged with finding innovative and creative ways to increase volunteerism in the state.



ISSUES AND RECOMMENDATIONS

Permanent Community Impact Funds - The Analyst recommends increased funding of \$75,000 from the Permanent Community Impact Fund to provide Administrative support to the various mineral lease programs housed in the Division of Housing and Community Development. The Division continues to process more applications annually because increased mineral lease collection has encouraged more applications. The increased funding is to process and provide staff support related to the grants.

Restricted Fund and Dedicated Credit Authorization - The Division requests the following increases in funds for FY 2011.

- ARRA Funds \$25,437,700
- Dedicated Credits for the Homeless Management Information System \$200,000
- Federal Funds from the Neighborhood Stabilization Fund \$1,000,000

Supplemental Funding – The Division requests the following supplemental appropriations from federal funds, and dedicated credits:

- TANF Funds for Homeless Services \$2,000,000
- Dedicated Credits for the Homeless Management Information System \$200,000
- ARRA Funds for the Commission on Volunteers \$911,600

Homeless Program – The Homeless Trust Fund amount in the Homeless Program needs to be adjusted from \$850,000 to \$733,100 to account for reductions to the restricted from previous budget actions.

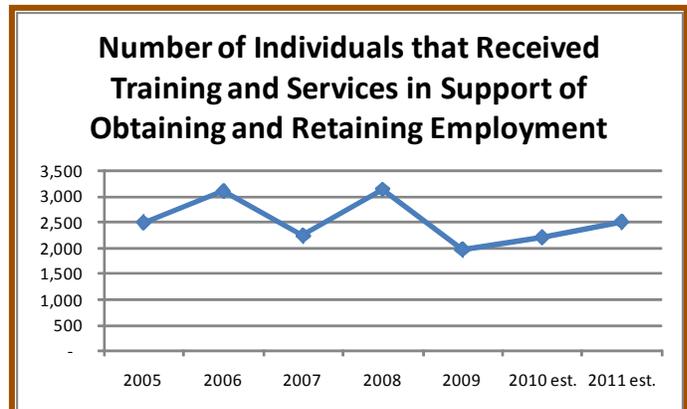
Five Percent List –The committee may want to consider the following items on the 5 percent reduction list:

- \$57,800 in current expense;
- \$1,500 in personnel services;
- \$114,000 from the Olene Walker Housing Loan Fund;
- \$30,000 from the Pamela Atkinson Homeless Trust Fund;
- \$58,000 from the Emergency Food Network;
- \$58,900 from the homeless providers pass-through;
- \$97,400 from the Huntsman Cancer Center pass-through;
- \$2,000 from the individual development accounts pass-through;
- \$2,000 from the earned income tax credit pass-through.

ACCOUNTABILITY DETAIL

Community Services – The State Community Services Block Grant is utilized to help communities address poverty issues. There are nine grantees statewide. The grantees must account for their success based on six national goals.

1. Helping low-income people become self-sufficient.
2. Give low-income people a stake in their communities.



3. Improve the living conditions of low-income people.
4. Create partnerships among supporters and providers of services to low income people.
5. Increase capacity to provide services
6. Strengthen the support system of low income people.

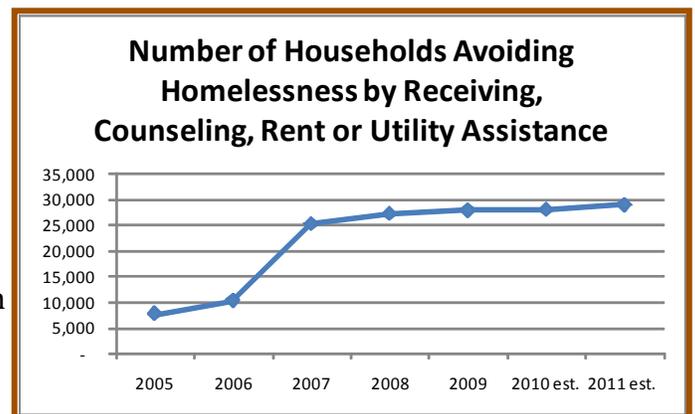
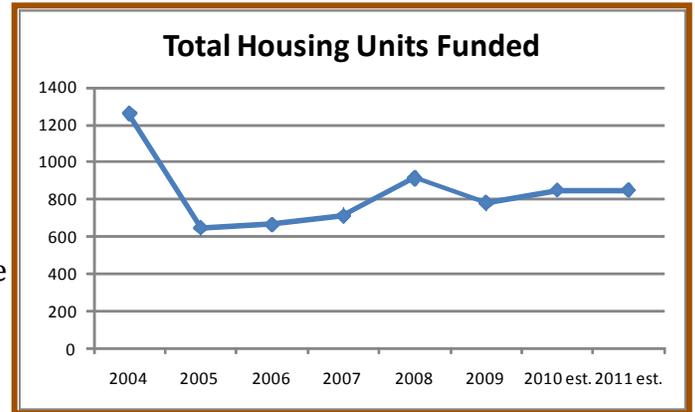
Housing – As part of its mission the Division is responsible for enhancing affordable housing efforts statewide. The primary goal the Division has set is the creation of safe and affordable multi-family rental housing for very low, low and moderate income households. The Division is also focused on the preservation and improvement of existing single family affordable housing through rehabilitation and replacement when necessary. Towards this end the Division is measuring the number of low and moderate income households assisted, the number of affordable units preserved, the number of rental units rehabilitated, and the number on investment dollars leveraged.

Homeless Prevention – Utah has actively promoted services that assist in the prevention and amelioration of homelessness. Prevention is the most effective strategy in dealing with homelessness. Towards this goal the Division provides short term rent or mortgage assistance, legal assistance, transportation assistance, and housing placement services.

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, community services, and volunteer services. Most of the funding for the Division comes from federal funds.

The Executive Appropriations Committee adopted FY 2011 General and Education Fund revenue estimates that are 98% of the original FY 2010 ongoing appropriations. The FY 2011 base budget bills (S.B. 1 and H.B. 1) reduce appropriations for all line items and programs proportionately to match revenues. However, the Executive Appropriations Committee allocated 95% of original FY 2010 ongoing appropriations to each subcommittee and directed the subcommittees to compile a list of options equal to a 5% ongoing cut. The Executive Appropriations Committee will use these options to make final adjustments to the FY 2011 budget.



BUDGET DETAIL TABLE

Community and Culture - Housing and Community Development

	FY 2009	FY 2010		FY 2010		FY 2011*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	6,696,700	5,572,000	0	5,572,000	(111,500)	5,460,500
General Fund, One-time	14,672,800	622,000	0	622,000	(622,000)	0
Federal Funds	49,377,600	51,280,100	41,740,500	93,020,600	(20,797,900)	72,222,700
American Recovery and Reinvestm	0	34,400,000	(34,400,000)	0	0	0
Dedicated Credits Revenue	1,593,800	1,806,000	2,401,900	4,207,900	(2,401,900)	1,806,000
GFR - Homeless Trust	1,350,000	850,000	200,000	1,050,000	(200,000)	850,000
Permanent Community Impact	1,194,800	1,256,000	200,000	1,456,000	(226,000)	1,230,000
Beginning Nonlapsing	426,100	0	0	0	0	0
Lapsing Balance	(96,800)	0	0	0	0	0
Total	\$75,215,000	\$95,786,100	\$10,142,400	\$105,928,500	(\$24,359,300)	\$81,569,200
Programs						
Commission on Volunteers	2,784,600	3,319,900	960,100	4,280,000	3,071,900	7,351,900
Community Assistance	24,840,900	19,544,400	1,814,000	21,358,400	(3,344,400)	18,014,000
Community Development Administ	782,800	803,400	0	803,400	(3,300)	800,100
Community Services	3,752,800	3,430,700	5,133,000	8,563,700	(4,875,600)	3,688,100
Emergency Food Network	463,300	320,600	0	320,600	(30,800)	289,800
Ethnic Office	784,500	823,900	0	823,900	(15,200)	808,700
HEAT	27,824,700	18,974,700	(700)	18,974,000	13,747,000	32,721,000
Homeless Committee	3,839,000	6,859,700	2,200,000	9,059,700	(4,325,600)	4,734,100
Housing Development	662,900	2,858,900	36,000	2,894,900	(1,841,900)	1,053,000
Special Housing	165,900	143,000	0	143,000	0	143,000
Weatherization Assistance	9,313,600	38,706,900	0	38,706,900	(26,741,400)	11,965,500
Total	\$75,215,000	\$95,786,100	\$10,142,400	\$105,928,500	(\$24,359,300)	\$81,569,200
Categories of Expenditure						
Personnel Services	4,117,200	6,201,200	(1,126,300)	5,074,900	223,700	5,298,600
In-state Travel	71,700	138,800	36,800	175,600	4,400	180,000
Out-of-state Travel	73,500	106,200	12,000	118,200	1,800	120,000
Current Expense	904,900	1,638,500	23,600	1,662,100	(183,800)	1,478,300
DP Current Expense	152,400	233,200	156,800	390,000	(120,000)	270,000
DP Capital Outlay	0	0	2,186,000	2,186,000	(2,186,000)	0
Total	\$75,215,000	\$95,786,100	\$10,142,400	\$105,928,500	(\$24,359,300)	\$81,569,200
Other Data						
Budgeted FTE	54.0	75.7	(21.7)	54.0	0.0	54.0
Vehicles	1.0	1.0	0.0	1.0	3.0	4.0

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