

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND HUMAN RESOURCES
APPROPRIATIONS SUBCOMMITTEE**

ROOM 225 STATE CAPITOL BUILDING
January 28, 2004

Members Present: Sen. Scott Jenkins, Co-Chairman
Rep. Sheryl Allen, Co-Chairman
Sen. Gene Davis
Rep. Jackie Biskupski
Rep. Steven R. Mascaro
Rep. Carol Spackman Moss

Members Excused: Sen. Curtis Bramble
President Al Mansell
Rep. Greg J. Curtis

Staff Present: Dr. Andrea Wilko, Fiscal Analyst
Cherri White, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Senator Jenkins called the meeting to order at 2:15 P.M. and asked Dr. Wilko to introduce the budget information for Utah Housing Corporation after the minutes of January 22, 2004 had been adopted.

MOTION: Senator Davis moved to adopt the minutes of January 22, 2004. The motion passed unanimously with Senator Bramble, President Mansell, and Representative Curtis absent for the vote.

UTAH HOUSING CORPORATION

Dr. Wilko, Fiscal Analyst, indicated that the Utah Housing Corporation doesn't receive any state monies, however, they are in attendance to give their annual report as required by statute.

Bill Erickson, Executive Director, Utah Housing Corporation, addressed the committee regarding the annual report of the Utah Housing Corporation. As indicated by Dr. Wilko, Utah Housing Corporation does not receive any state funds. They are given the task of creating an adequate supply of affordable housing. To this end they are able to allocate federal income tax credits to builders and developers to stimulate the development and rehabilitation of low-income rental units in Utah.

COMMUNITY DEVELOPMENT

Dr. Wilko, indicated that the Division of Community Development provides technical assistance, grants and loans to help local governments, agencies and citizens develop public infrastructure and provide services to improve the quality of life in Utah.

The Division of Community Development has applied with the U.S. Department of Housing and Urban Development to administer the Section 8 Project Based Housing Assistance Program. This program provides safe, decent, and affordable housing to low and moderate income individuals. The administration of this program is being shifted from HUD to other entities. As this is fully funded with federal funds the Analyst is recommending a federal fund increase of \$2,500,000 in FY 2004 and an increase of \$10,000,000 in FY 2005.

The Analyst further recommends the following intent language:

It is the intent of the Legislature that funding for Community Development be non-lapsing subject to the provisions of UCA 63-38-8.1.

Funds encumbered to pay contractual obligations issued prior to May 1 shall be considered non-lapsing.

Museum Services is another program administered through the Division of Community Development. It is the recommendation of the Analyst that this program have a budget of \$291,500.

The Community Assistance Program administers the federal Community Development Block Grant (CDBG). It also provides staff leadership for and financial management of the Permanent Community Impact Fund, the Navajo Revitalization Fund, the Uintah Basin Revitalization Fund, the Rural Development Fund and the Rural Electric Commerce Communications System Fund. The Analyst Recommendation is \$8,644,200, with \$137,900 coming from the General Fund.

The Housing Development Program, known in Utah as the Olene Walker Housing Loan Fund, assists low-income individuals, first time home buyers, residents with special needs like the elderly, mentally and physically disabled, victims of domestic abuse, and Native Americans. This assistance comes through a variety of mechanisms, though generally the revenue stream is supported through loan repayments, interest income and investment income. It is the Analyst's recommendation of \$11,635,700, with \$738,400 from the General Fund.

The Martin Luther King Jr. Human Rights Commission has an Analyst recommendation of \$69,600. This commission is appointed by the governor and is charged with promoting Martin Luther King, Jr. Day.

Gordon Walker, Director, Community Development addressed the committee concerning the programs and needs of the Division of Community Development. Assisting in the presentation regarding Community Development was Kimberly Schmeling, DCED, and Keith Burnett, Project Manager, Community Impact Board.

Director Walker indicated that there were several worthwhile projects to be highlighted that the Division had been involved with during the last FY. Overall 76 projects in the state were completed last year. These projects utilized private sector funds as well as public.

Housing needs in the state were also addressed, including the annual report. Over 6,000 new housing units were made available to those in need of affordable housing. One project that was highlighted was the new home purchased by Kenny Robertson. Mr. Robertson was able to get into his home through this program and partnerships within the private sector.

Other projects highlighted include weatherization where private donations are matched \$340 private sector dollars for every \$1 of public assistance funding.

Within Museum services it was indicated that there are 212 museums in Utah. These museums were surveyed for specific individual collection management needs and 20 were identified as needing assistance. Additionally, this last year a van had been purchased that would travel around the state to assist with preservation of collections and provide hands-on training.

Representative Harper then addressed the committee regarding a request of \$500,000 for either on-going or a one-time appropriation to assist local museums in collection acquisition and preservation.

Co-chair Allen addressed the committee regarding a Task Force on the Cultural Arts she is sponsoring. She also discussed preservation of dinosaur tracks in St. George.

Kenneth S. Robertson addressed the committee representing The Legislative Coalition for People with Disabilities. Mr. Robertson extended an invitation to members of the committee to tour his home as it was made possible through the funding options with the affordable housing efforts of the state. It was through this funding mechanism and private sector partnerships that he is able to be self-sufficient and have good quality affordable housing. Mr. Robertson echoed earlier statements of the never ending need for good quality housing across the state. The Olene Walker Housing Loan Fund helps to provide the housing for those who need assistance with affordable housing.

Leslie Gurch, Affordable Housing Advocates addressed the committee regarding housing needs in Utah. (See FACT Sheet on file.)

Geneva Powell, Section 8 Housing Advocate, President Utah HUD Tenants, Salt Lake City Housing Trust Fund Board, addressed the committee regarding section 8 housing needs. Ms. Powell indicated that once Section 8 funds are lost it is gone forever, and these funds as well as the Olene Walker Housing Funds are necessary. Critical needs include the homeless programs as well as the housing funds.

Darla Bell, resident of New Grand Hotel, single room occupancy addressed the committee regarding the needs of the residents at the New Grand Hotel.

Steve Erickson, Utah Housing Corporation addressed the committee regarding the need for good quality affordable housing. (See handouts on file.)

Sara Wilhelm, Utah Issues, addressed the committee regarding an additional \$500,000 appropriation for FY 2004 for the Olene Walker Housing Loan Fund. (See handout on file)

MOTION: Co-Chair Allen moved to add to the wish list a \$500,000 Building Block for Olene Walker Housing Loan Fund, and \$500,000 for Museums Grants. The motion passed unanimously with Senator Bramble, President Mansell, and Representative Curtis absent for the vote.

MOTION: Senator Davis moved to adjourn. The motion passed unanimously and the meeting adjourned at 4:00 p.m.

Sen. Scott Jenkins, Co-Chair

Rep. Sheryl L. Allen, Co-Chair