

TO: Executive Appropriations Committee

SUBJECT: The INN Between Funding Request

SUBMITTED BY: State Homeless Coordinating Committee (SHCC)

SUMMARY:

The INN Between has submitted a proposal to the State Homeless Coordinating Committee (SHCC) for additional, one-time funding due to a recently discovered budget deficit for staffing and operations at their new facility.

In October, The INN Between requested a meeting with HCD staff to discuss their deficit and possible funding options. The Homeless to Housing (H2H) Restricted Account is the only funding source with a significant FY19 balance, however, there are questions as to whether The INN Between proposal supports the legislative intent of this specific funding source. In addition, SHCC has discussed utilizing FY19 H2H funding to support program capacity building for the three new homeless resource centers in anticipation of the centers opening in July 2019.

As mentioned, the H2H Restricted Account has specific requirements and priorities according to legislative intent. It has been unclear to HCD whether or not The INN Between meets the legislative intent for this funding source, therefore, HCD has referred to the Attorney General's office for guidance on the matter.

See *Uses of Homeless to Housing Restricted Account*, code 35A-8-604-8a, 9a and 9b below. The full code can be viewed at https://le.utah.gov/xcode/Title35A/Chapter8/35A-8-S604.html?v=C35A-8-S604_2018050820180508#

- (8) (a) As used in this Subsection (8) and in Subsection (9), "homeless shelter" means a facility that:
 - (i) is located within a municipality;
 - (ii) provides temporary shelter year-round to homeless individuals; and
 - (iii) has the capacity to provide temporary shelter to at least 50 individuals per night.

- (9) (a) If a homeless shelter commits to provide matching funds equal to the total grant awarded under this Subsection (9), the Homeless Coordinating Committee, with the concurrence of the division, may award a grant for the ongoing operations of the homeless shelter.

- (b) In awarding a grant under this Subsection (9), the Homeless Coordinating Committee, with the concurrence of the division, shall:
- (i) give priority to a homeless shelter located in a county of the first class that has the capacity to provide temporary shelter to at least 200 individuals per night; and
 - (ii) consider the number of beds available at the homeless shelter and the number and quality of the homeless services provided by the homeless shelter.

The INN Between FY19 State Funding Source Summary:

- During the 2018 legislative session, \$100,000 in ongoing funding and \$975,000 toward the purchase the new facility was allocated for The INN Between.
- In May, \$51,000 for case management was approved by SHCC through the HCD Homelessness Programs Funding (previously known as Unified Funding).
- The Olene Walker Housing Loan Fund provided the \$1,000,000 secondary loan (the primary loan of \$1.9MM will be paid off in full this month and the secondary loan should be paid in full by the beginning of 2019).

The actual cost of operating the program in the new facility was underestimated, primarily due to the staffing (salaries and contract workers at \$1.3MM). To comply with Department of Health rules, the facility is required to maintain a base-line of staff whether there is one client or 50. They also underestimated facility maintenance and supplies costs. The net result is an FY18/19 budget deficit of approximately \$700,000. See full proposal and budget.

SHCC RECOMMENDATION:

We recommend to fund a portion of The INN Between request at a maximum of \$350,000.