

Office of the  
Legislative Fiscal Analyst

## **FY 2002 Budget Recommendations**

Joint Appropriations Subcommittee for  
Community Development and Human Resources

**Utah Housing Finance Corporation**

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**1.0 Summary: Utah Housing Finance Corporation**

Utah Housing Finance Corporation’s job is to create an adequate supply of affordable housing. They make mortgage monies available at interest rates below market for low and moderate income home buyers, and developers of low-income apartment projects and for home improvements. They allocate federal income tax credits to builders and developers to stimulate the development and rehabilitation of low-income rental units in Utah.

	<b>Analyst FY 2002 Base</b>	<b>Analyst FY 2002 Changes</b>	<b>Analyst FY 2002 Total</b>
<b>Financing</b>			
Dedicated Credits	\$3,440,800		\$3,440,800
<b>Total</b>	<b>\$3,440,800</b>		<b>\$3,440,800</b>
<b>Programs</b>			
Utah Housing Finance Corporation	\$3,440,800		\$3,440,800
<b>Total</b>	<b>\$3,440,800</b>		<b>\$3,440,800</b>
<b>FTE</b>	<b>42.0</b>		<b>42.0</b>

**3.0 Programs: Utah Housing Finance Corporation**

**3.1 Administration**

**Recommendation**

The Analyst makes no recommendation because the Legislature does not appropriate UHFC’s budget. The program was started by the Legislature and still reports to the Legislature. This is their report.

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
Dedicated Credits	\$3,014,200	\$3,277,000	\$3,440,800	\$163,800
<b>Total</b>	<b>\$3,014,200</b>	<b>\$3,277,000</b>	<b>\$3,440,800</b>	<b>\$163,800</b>
<b>Expenditures</b>				
Pass-Through	\$3,014,200	\$3,277,000	\$3,440,800	\$163,800
<b>Total</b>	<b>\$3,014,200</b>	<b>\$3,277,000</b>	<b>\$3,440,800</b>	<b>\$163,800</b>
<b>FTE</b>	<b>40.5</b>	<b>41.5</b>	<b>42.0</b>	<b>0.5</b>

**Purpose**

Utah Housing Finance Corporation’s job is to create an adequate supply of affordable housing. They make mortgage monies available at interest rates below market for low and moderate income home buyers, and developers of low-income apartment projects and for home improvements. They allocate federal income tax credits to builders and developers to stimulate the development and rehabilitation of low-income rental units in Utah.

**Activity**

From 1977 through FY 2000, the program has financed about 58,200 residential units. The agency has financed about 8.1% of new single family construction and 12% of all multifamily construction in the State. When coupled with the Federal Low-Income Housing Tax Credit Program administered by the UHFC, the agency is responsible for about 29% of all multifamily construction. The Agency has imported nearly \$3.4 Billion for the development of affordable housing.

**Low-income Housing Tax Credits**

After three years of work, Congress has finally adjusted the Low-Income Housing Tax Credits by moving them from \$1.25 to \$1.75 per capita with indexing, effective January 2002. And one-half the increase (to \$1.50) is effective January 2001.

## 4.0 Additional Information

### 4.1 Funding History

	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
Dedicated Credits	\$1,794,000	\$2,812,500	\$3,014,200	\$3,277,000	\$3,440,800
<b>Total</b>	<b>\$1,794,000</b>	<b>\$2,812,500</b>	<b>\$3,014,200</b>	<b>\$3,277,000</b>	<b>\$3,440,800</b>
<b>% Change</b>		56.8%	7.2%	8.7%	5.0%
<b>Programs</b>					
UHFA	\$1,794,000	\$2,812,500	\$3,014,200	\$3,277,000	\$3,440,800
<b>Total</b>	<b>\$1,794,000</b>	<b>\$2,812,500</b>	<b>\$3,014,200</b>	<b>\$3,277,000</b>	<b>\$3,440,800</b>
<b>Expenditures</b>					
Personal Services	\$1,265,000	\$1,972,000	\$2,028,700	\$2,206,600	\$2,317,000
Travel	20,000	29,600	29,600	41,500	39,800
Current Expense	368,800	486,100	615,100	606,400	743,500
Data Processing	89,200	247,800	202,800	247,300	200,000
DP Capital					
Capital Outlay	51,000	77,000	138,000	175,200	140,500
Pass-Through					
<b>Total</b>	<b>\$1,794,000</b>	<b>\$2,812,500</b>	<b>\$3,014,200</b>	<b>\$3,277,000</b>	<b>\$3,440,800</b>
<b>% Change</b>		56.8%	7.2%	8.7%	5.0%
<b>FTE</b>	<b>28.5</b>	<b>41.0</b>	<b>40.5</b>	<b>41.5</b>	<b>42.0</b>