

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Community Development and Human Resources

Utah Housing 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.

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
Dedicated Credits	3,926,700		3,926,700
Total	<u>\$3,926,700</u>	\$0	<u>\$3,926,700</u>
Programs			
UHFC	3,926,700		3,926,700
Total	<u>\$3,926,700</u>	\$0	<u>\$3,926,700</u>
FTE/Other			
Total FTE			

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.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Dedicated Credits Revenue	3,277,000	3,761,500	3,926,700	165,200
Total	<u>\$3,277,000</u>	<u>\$3,761,500</u>	<u>\$3,926,700</u>	<u>\$165,200</u>
Expenditures				
Other Charges/Pass Thru	3,277,000	3,761,500	3,926,700	165,200
Total	<u>\$3,277,000</u>	<u>\$3,761,500</u>	<u>\$3,926,700</u>	<u>\$165,200</u>
FTE/Other				
Total FTE				

Purpose

The Utah Housing Corporation (UHC) previously known and the Utah Housing Finance Corporation (UHFC), was established by the Legislature in 1975 to create an adequate supply of capital for affordable housing opportunities in Utah. UHC makes mortgage monies available, at interest rates below the market rate, for low and moderate income homebuyers, developers of low income apartment projects, rent-to-own opportunities and for home improvement loans. Additionally, UHC is the allocation corporation for federal and state low-income rental units throughout Utah.

The budget of the Utah Housing Corporation requires no funds from the State of Utah to support the Corporation's operations. The Appropriations Subcommittee has reviewed the Corporation's expenditures and budget proposal each year however. In past years, the operating budget of the Utah Housing Corporation has been approved by the Appropriations Subcommittee but it has never appropriated funds nor is it included in the Agencies request.

Activity

From 1977 through FY 2001, the program has financed about 60,800 residential units. The agency has financed about 8.1% of new single family construction and 12.3% 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 in the past twelve years. The Agency has imported nearly \$3.8 Billion for the development of affordable housing.

4.0 Additional Information

4.1 Funding History

	1999	2000	2001	2002	2003
Financing					
Dedicated Credits	2,812,500	3,014,200	3,277,000	3,761,500	3,926,700
Total	<u>\$2,812,500</u>	<u>\$3,014,200</u>	<u>\$3,277,000</u>	<u>\$3,761,500</u>	<u>\$3,926,700</u>
Programs					
UHFC	2,812,500	3,014,200	3,277,000	3,761,500	3,926,700
Total	<u>\$2,812,500</u>	<u>\$3,014,200</u>	<u>\$3,277,000</u>	<u>\$3,761,500</u>	<u>\$3,926,700</u>
Expenditures					
Pass through	2,812,500	3,014,200	3,277,000	3,761,500	3,926,700
Total	<u>\$2,812,500</u>	<u>\$3,014,200</u>	<u>\$3,277,000</u>	<u>\$3,761,500</u>	<u>\$3,926,700</u>
FTE/Other					
Total FTE	2	2	2	2	2