

**DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT AMENDMENTS**

2000 GENERAL SESSION

STATE OF UTAH

**Sponsor: Gerry A. Adair**

AN ACT RELATING TO COMMUNITY AND ECONOMIC DEVELOPMENT; AMENDING THE DUTIES OF THE DIVISION OF COMMUNITY DEVELOPMENT; CREATING THE STATE COMMUNITY SERVICES OFFICE; OUTLINING DUTIES AND RESPONSIBILITIES; PROVIDING FOR REPORTING AND EVALUATION REQUIREMENTS; AMENDING PROVISIONS RELATING TO THE HOMELESS TRUST ACCOUNT; AMENDING PROVISIONS RELATING TO THE DISTRIBUTION OF OLENE WALKER HOUSING TRUST FUNDS; AND MAKING TECHNICAL CHANGES.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**9-4-202**, as last amended by Chapter 145, Laws of Utah 1999

**9-4-704**, as last amended by Chapters 276 and 279, Laws of Utah 1998

**9-4-802**, as last amended by Chapter 36, Laws of Utah 1996

ENACTS:

**9-4-1401**, Utah Code Annotated 1953

**9-4-1402**, Utah Code Annotated 1953

**9-4-1403**, Utah Code Annotated 1953

**9-4-1404**, Utah Code Annotated 1953

**9-4-1405**, Utah Code Annotated 1953

**9-4-1406**, Utah Code Annotated 1953

**9-4-1407**, Utah Code Annotated 1953

**9-4-1408**, Utah Code Annotated 1953

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **9-4-202** is amended to read:

**9-4-202. Powers and duties of division.**

(1) The division shall:

(a) assist local governments and citizens in the planning, development, and maintenance of necessary public infrastructure and services;

(b) cooperate with, and provide technical assistance to, counties, cities, towns, regional planning commissions, area-wide clearinghouses, zoning commissions, parks or recreation boards, community development groups, community action agencies, and other agencies created for the purpose of aiding and encouraging an orderly, productive, and coordinated development of the state and its political subdivisions;

(c) assist the governor in coordinating the activities of state agencies which have an impact on the solution of community development problems and the implementation of community plans;

~~[(d) provide assistance to communities in preparing applications to the Four Corners Regional Commission;]~~

~~[(e)]~~ (d) serve as a clearinghouse for information, data, and other materials which may be helpful to local governments in discharging their responsibilities and provide information on available federal and state financial and technical assistance;

~~[(f)]~~ (e) carry out continuing studies and analyses of the problems faced by communities within the state and develop such recommendations for administrative or legislative action as appear necessary;

~~[(g)]~~ (f) assist in funding ~~[adequate]~~ affordable housing and addressing problems of homelessness;

~~[(h)]~~ (g) support economic development activities through grants, loans, and direct programs financial assistance;

~~[(i)]~~ (h) certify project funding at the local level in conformance with federal, state, and other requirements; ~~[and]~~

~~[(j)]~~ (i) utilize the capabilities and facilities of public and private universities and colleges within the state in carrying out its functions[-];

(j) assist and support local governments, community action agencies, and citizens in the planning, development, and maintenance of home weatherization, energy efficiency, and antipoverty

activities; and

(k) assist and support volunteer efforts in the state.

(2) The division may:

(a) accept for and on behalf of, and bind the state to, any federal program in which the state is invited, permitted, or authorized to participate in the distribution, disbursement, or administration of any fund or service advanced, offered, or contributed in whole or in part, by the federal government for purposes consistent with the powers and duties of the department;

(b) if any federal program requires the expenditure of state funds as a condition to participation by the state in any fund, property, or service, with the governor's approval, expend whatever funds are necessary out of the money provided by the Legislature for the use of the department; and

(c) in accordance with Part 13, Domestic Violence Shelters, assist in developing, constructing, and improving shelters for victims of domestic violence, as described in Section 77-36-1, through loans and grants to nonprofit and governmental entities.

Section 2. Section **9-4-704** is amended to read:

**9-4-704. Distribution of fund moneys.**

(1) The executive director shall:

(a) make grants and loans from the fund for any of the activities authorized by Section 9-4-705, as recommended by the board;

(b) establish the criteria by which loans and grants will be made; and

(c) determine the order in which projects will be funded.

(2) The executive director shall distribute any federal moneys contained in the fund according to the procedures, conditions, and restrictions placed upon the use of those moneys by the federal government.

(3) (a) The executive director shall distribute any funds received pursuant to Section 17A-2-1264 to pay the costs of providing income targeted housing within the community that created the redevelopment agency under Title 17A, Chapter 2, Part 12, Utah Neighborhood Development Act.

(b) As used in Subsection (3)(a):

(i) "Community" has the meaning as defined in Subsection 17A-2-1202(5).

(ii) "Income targeted housing" has the meaning as defined in Subsection 17A-2-1264(1)(g).

(4) Except federal money and money received under Section 17A-2-1264, the executive director shall distribute all other moneys from the fund according to the following requirements:

(a) Not less than 30% of all fund moneys shall be distributed to rural areas of the state.

(b) At least 50% of the moneys in the fund shall be distributed as loans to be repaid to the fund by the entity receiving them.

(i) (A) Of the fund moneys distributed as loans, at least 50% shall be distributed to benefit persons whose annual income is at or below 50% of the median family income for the state.

(B) The remaining loan moneys shall be distributed to benefit persons whose annual income is at or below 80% of the median family income for the state.

(ii) The executive director or his designee shall lend moneys in accordance with this Subsection (4) at a rate based upon the borrower's ability to pay.

(c) Any fund moneys not distributed as loans shall be distributed as grants.

(i) At least 90% of the fund moneys distributed as grants shall be distributed to benefit persons whose annual income is at or below 50% of the median family income for the state.

(ii) The remaining fund moneys distributed as grants may be used by the executive director to obtain federal matching funds or for other uses consistent with the intent of this part, including the payment of reasonable loan [~~processing fees~~] servicing costs, but [~~may not~~] no more than 3% of the revenues of the fund may be used to offset other department or board administrative expenses.

(5) The executive director may:

(a) enact rules to establish procedures for the grant and loan process by following the procedures and requirements of Title 63, Chapter 46a, Utah Administrative Rulemaking Act; and

(b) service or contract, pursuant to Title 63, Chapter 56, Utah Procurement Code, for the servicing of loans made by the fund.

Section 3. Section **9-4-802** is amended to read:

**9-4-802. Purposes of Homeless Coordinating Committee -- Uses of Homeless Trust**

**Account.**

(1) The Homeless Coordinating Committee shall work to ensure that services provided to the homeless by state agencies, local governments, and private organizations are provided in a cost-effective manner. Programs funded by the committee shall emphasize emergency housing and self-sufficiency, including placement in meaningful employment or occupational training activities and,

where needed, special services to meet the unique needs of the homeless who ~~[are mentally ill and those who are in]~~ have families with children, or who are mentally ill, disabled, or suffer from other serious challenges to employment and self-sufficiency. The committee may also fund treatment programs to ameliorate the effects of substance abuse or a handicap.

(2) The committee designated in Subsection 9-4-801(2) is responsible for awarding contracts funded by the Homeless Trust Account. The committee shall award contracts with the advice and input of those designated in Subsection 9-4-801(3), and shall consider need, diversity of geographic location, coordination with or enhancement of existing services, and the extensive use of volunteers. Priority for funding shall be given to programs that serve the homeless who are mentally ill and who are in families with children.

(3) (a) In any fiscal year, no more than 80% of the funds in the Homeless Trust Account may be allocated to organizations that provide services only in Salt Lake, Davis, Weber, and Utah Counties.

(b) The committee may expend up to 3% of its annual appropriation for administrative costs associated with the allocation of funds from the Homeless Trust Account, and up to 2% of its annual appropriation for marketing the Homeless Trust Account and soliciting donations to the Homeless Trust Account. The committee may pay for the initial costs of the State Tax Commission in implementing Section 59-10-530.5 out of the Homeless Trust Account.

(4) (a) The committee may not expend, except as provided in Subsection (4)(b), an amount equal to the greater of \$50,000 or 20% of the amount donated to the Homeless Trust Account during fiscal year 1988-89.

(b) The committee may expend funds held in reserve to provide program stability in the event of decreases in contributions to the fund, but the committee shall reimburse to the reserve fund the

amount of any such expenditure.

(5) The committee shall make an annual report to the Economic Development and Human Resources Appropriations Subcommittee regarding the programs and services funded by contributions to the Homeless Trust Account.

(6) The moneys in the Homeless Trust Account shall be invested by the state treasurer according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that all interest or other earnings derived from the fund moneys shall be deposited in the fund.

Section 4. Section **9-4-1401** is enacted to read:

**Part 14. State Community Services Act**

**9-4-1401. Title.**

This part is known as the "State Community Services Act."

Section 5. Section **9-4-1402** is enacted to read:

**9-4-1402. Definitions.**

As used in this part:

(1) "Community action agency" means a local subdivision of the state, a combination of political subdivisions, a separate public agency, or a private nonprofit agency which has the authority under its applicable charter or laws to receive funds to support community action activities and other appropriate measures designed to identify and deal with the causes of poverty in the state, and which is designated as a community action agency by federal law, federal regulations, or the governor.

(2) "Community action program budget" means state funds, federal block grants, and federal categorical grants that are received by the state for community action activities.

(3) "Community action statewide organization" means community action programs, organized on a statewide basis, to enhance the capability of community action agencies.

(4) "Community Services Block Grant" means the Federal Community Services Block Grant Act, 42 U.S.C. 9901 et. seq., and any corresponding federal regulations.

(5) "Local share" means cash or in-kind goods and services donated to a community action agency to carry out its responsibilities.

(6) "Low-income person" means a person who is a member of a household with a gross

annual income equal to or less than 125% of the poverty standard accepted by the federal agency designated to establish poverty guidelines.

(7) "Office" means the State Community Services Office created in Section 9-4-1403.

(8) "Service area" means the geographical area within the jurisdiction of a community action agency or a community action statewide organization.

Section 6. Section **9-4-1403** is enacted to read:

**9-4-1403. State Community Services Office created -- Purpose.**

(1) There is created within the Division of Community Development the State Community Services Office.

(2) The office shall strengthen communities by reducing poverty and improving the quality of life for low-income persons in this state.

Section 7. Section **9-4-1404** is enacted to read:

**9-4-1404. Duties of office.**

The office shall:

(1) coordinate state activities designed to reduce poverty;

(2) encourage entities in the private sector to participate in efforts to ameliorate poverty in the community;

(3) cooperate with agencies of local, state, and federal government in reducing poverty and implementing community, social, and economic programs;

(4) receive and expend funds for the purposes outlined in this part;

(5) enter into contracts with and award grants to public and private nonprofit agencies and organizations;

(6) develop a state plan based on needs identified by community action agencies and community action statewide organizations;

(7) designate community action agencies to receive funds through the Community Services Block Grant program;

(8) fund community action agencies and community action statewide organizations;

(9) make rules in conjunction with the division pursuant to Title 63, Chapter 46a, Utah

Administrative Rulemaking Act, to carry out the purposes of this part:

(10) provide assistance to local governments or private organizations for the purpose of establishing and operating a community action agency;

(11) provide technical assistance to community action agencies to improve program planning, program development, administration, and the mobilization of public and private resources;

(12) convene public meetings which provide citizens the opportunity to comment on public policies and programs to reduce poverty;

(13) advise the governor and Legislature of the nature and extent of poverty in the state and make recommendations concerning changes in state and federal policies and programs;

(14) encourage Utah's nonprofit humanitarian assistance agencies serving low-income persons

by facilitating, coordinating, training, partnerships, and providing technical assistance in addressing Utah's low-income persons by enhancing management, improving service and program delivery, and preserving flexibility and local initiative;

(15) develop and implement management goals which fulfill the Community Services Block Grant mission, state requirements, and the mandates of federal legislation;

(16) prepare a Community Services Block Grant plan which contains provisions describing how the state will carry out the assurances of the Community Services Block Grant Act;

(17) act as the state agency responsible for the evaluation and improvement of emergency food assistance services in the state;

(18) monitor the impact of social policies on the emergency food network;

(19) provide training and technical assistance to all grantees to assist them in program development and implementation, compliance with state and federal regulations, and reporting and management information systems;

(20) certify, monitor, and decertify food pantries eligible for state sales tax rebates under Section 59-12-902; and

(21) administer other programs to alleviate poverty assigned to the office.

Section 8. Section **9-4-1405** is enacted to read:

**9-4-1405. Distribution of Community Services Block Grant funds.**



Community Services Block Grant funds received by the office shall be distributed as follows:

(1) 90% to community action agencies;

(2) 5% to organizations with a statewide focus to accomplish specific objectives that

complement the Community Services Block Grant poverty programs; and

(3) 5% to:

(a) reimburse costs incurred by the office in administration of this part;

(b) provide training and technical assistance to grantees of Community Services Block Grant funds; or

(c) supplement anti-poverty projects.

Section 9. Section **9-4-1406** is enacted to read:

**9-4-1406. Evaluations -- Reports.**

(1) The office shall periodically evaluate grantees of Community Services Block Grant funds as established by rule by the division in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(2) Grantees of Community Services Block Grant funds shall submit to the office a year-end report, covering a reporting period consistent with the federal fiscal year, which provides an account of all programs operated with or supported by Community Services Block Grant funds, including:

(a) types of programs operated by that grantee;

(b) the program outcomes;

(c) the number of persons served;

(d) the number of times service was given; and

(e) an accounting of all Community Services Block Grant funds expended by the grantee.

(3) The office shall report annually to the appropriate legislative appropriations subcommittee on the distribution and expenditure of Community Services Block Grant funds.

Section 10. Section **9-4-1407** is enacted to read:

**9-4-1407. Program development by grantees.**

Grantees of Community Services Block Grant funds shall develop specific programs and goals, consistent with the Community Services Block Grant Act, designed to provide the most

effective solutions to the problems of poverty identified in their communities within the constraints of available funding, including projects related to:

- (1) employment;
- (2) education;
- (3) income management;
- (4) housing;
- (5) emergency assistance;
- (6) nutrition;
- (7) linkages and coordination with other programs;
- (8) health; and
- (9) self-sufficiency.

Section 11. Section **9-4-1408** is enacted to read:

**9-4-1408. Recognition of community action agencies.**

The office shall have the power to:

- (1) recognize eligible organizations as community action agencies;
- (2) withdraw the recognition or terminate funding of a designated community action agency for cause, as established by rule; or
- (3) change the boundaries and the number of recognized community action agencies,  
provided that the governing board of each affected community action agency concurs in the action.