

1 **DEPARTMENT OF COMMUNITY AND**
2 **ECONOMIC DEVELOPMENT AMENDMENTS**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Gerry A. Adair**

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

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

14 AMENDS:

15 **9-4-202**, as last amended by Chapter 145, Laws of Utah 1999

16 **9-4-704**, as last amended by Chapters 276 and 279, Laws of Utah 1998

17 **9-4-802**, as last amended by Chapter 36, Laws of Utah 1996

18 ENACTS:

19 **9-4-1401**, Utah Code Annotated 1953

20 **9-4-1402**, Utah Code Annotated 1953

21 **9-4-1403**, Utah Code Annotated 1953

22 **9-4-1404**, Utah Code Annotated 1953

23 **9-4-1405**, Utah Code Annotated 1953

24 **9-4-1406**, Utah Code Annotated 1953

25 **9-4-1407**, Utah Code Annotated 1953

26 **9-4-1408**, Utah Code Annotated 1953

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

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

29 **9-4-202. Powers and duties of division.**

30 (1) The division shall:

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

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

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

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

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

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

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

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

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

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

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

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

60 (2) The division may:

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

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

69 (c) in accordance with Part 13, Domestic Violence Shelters, assist in developing,
70 constructing, and improving shelters for victims of domestic violence, as described in Section
71 77-36-1, through loans and grants to nonprofit and governmental entities.

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

73 **9-4-704. Distribution of fund moneys.**

74 (1) The executive director shall:

75 (a) make grants and loans from the fund for any of the activities authorized by Section
76 9-4-705, as recommended by the board;

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

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

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

82 (3) (a) The executive director shall distribute any funds received pursuant to Section
83 17A-2-1264 to pay the costs of providing income targeted housing within the community that
84 created the redevelopment agency under Title 17A, Chapter 2, Part 12, Utah Neighborhood
85 Development Act.

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

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

88 (ii) "Income targeted housing" has the meaning as defined in Subsection
89 17A-2-1264(1)(g).

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

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

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

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

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

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

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

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

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

109 (5) The executive director may:

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

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

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

115 **9-4-802. Purposes of Homeless Coordinating Committee -- Uses of Homeless Trust**
116 **Account.**

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

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

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

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

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

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

142 (b) The committee may expend funds held in reserve to provide program stability in the
143 event of decreases in contributions to the fund, but the committee shall reimburse to the reserve
144 fund the amount of any such expenditure.

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

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

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

153 **Part 14. State Community Services Act**

154 **9-4-1401. Title.**

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

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

157 **9-4-1402. Definitions.**

158 As used in this part:

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

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

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

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

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

173 (6) "Low-income person" means a person who is a member of a household with a gross
174 annual income equal to or less than 125% of the poverty standard accepted by the federal agency
175 designated to establish poverty guidelines.

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

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

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

180 **9-4-1403. State Community Services Office created -- Purpose.**

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

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

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

186 **9-4-1404. Duties of office.**

187 The office shall:

188 (1) coordinate state activities designed to reduce poverty;

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

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

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

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

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

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

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

201 (9) make rules in conjunction with the division pursuant to Title 63, Chapter 46a, Utah
202 Administrative Rulemaking Act, to carry out the purposes of this part;

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

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

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

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

212 (14) encourage Utah's nonprofit humanitarian assistance agencies serving low-income
213 persons by facilitating, coordinating, training, partnerships, and providing technical assistance in

214 addressing Utah's low-income persons by enhancing management, improving service and program
215 delivery, and preserving flexibility and local initiative;

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

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

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

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

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

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

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

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

230 **9-4-1405. Distribution of Community Services Block Grant funds.**

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

233 (1) 90% to community action agencies;

234 (2) 5% to organizations with a statewide focus to accomplish specific objectives that
235 complement the Community Services Block Grant poverty programs; and

236 (3) 5% to:

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

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

240 (c) supplement anti-poverty projects.

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

242 **9-4-1406. Evaluations -- Reports.**

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

245 Administrative Rulemaking Act.

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

- 250 (a) types of programs operated by that grantee;
 - 251 (b) the program outcomes;
 - 252 (c) the number of persons served;
 - 253 (d) the number of times service was given; and
 - 254 (e) an accounting of all Community Services Block Grant funds expended by the grantee.
- 255 (3) The office shall report annually to the appropriate legislative appropriations
256 subcommittee on the distribution and expenditure of Community Service Block Grant funds.

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

258 **9-4-1407. Program development by grantees.**

259 Grantees of Community Services Block Grant funds shall develop specific programs and
260 goals, consistent with the Community Services Block Grant Act, designed to provide the most
261 effective solutions to the problems of poverty identified in their communities within the constraints
262 of available funding, including projects related to:

- 263 (1) employment;
- 264 (2) education;
- 265 (3) income management;
- 266 (4) housing;
- 267 (5) emergency assistance;
- 268 (6) nutrition;
- 269 (7) linkages and coordination with other programs;
- 270 (8) health; and
- 271 (9) self-sufficiency.

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

273 **9-4-1408. Recognition of community action agencies.**

274 The office shall have the power to:

- 275 (1) recognize eligible organizations as community action agencies;

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

Legislative Review Note
as of 2-2-00 7:13 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel