

OLENE WALKER HOUSING TRUST FUND**AMENDMENT**

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Chad E. Bennion

This act modifies provisions relating to the Olene Walker Housing Trust Fund Board. The act modifies the duties of the board. The act provides that the board direct the distribution of moneys from the fund. The act designates the director as a nonvoting member of the board.

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

AMENDS:

9-4-703, as last amended by Chapters 242 and 243, Laws of Utah 1996

9-4-704, as last amended by Chapter 286, Laws of Utah 2000

9-4-705, as last amended by Chapter 265, Laws of Utah 1994

9-4-707, as last amended by Chapter 276, Laws of Utah 1998

9-4-708, as renumbered and amended by Chapter 241, Laws of Utah 1992

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

Section 1. Section **9-4-703** is amended to read:

9-4-703. Housing trust fund board -- Duties -- Expenses.

(1) There is created the Olene Walker Housing Trust Fund Board [~~to advise the executive director in determining how fund moneys shall be allocated and distributed~~].

(2) The board shall be composed of [~~13~~] 11 voting members.

(a) The governor shall appoint the following members to four-year terms:

(i) two members from local governments;

(ii) [~~one member~~] two members from the mortgage lending community;

(iii) one member from real estate sales interests;

(iv) one member from home builders interests;

(v) one member from rental housing interests;

(vi) one member from housing advocacy interests;

- (vii) one member of the manufactured housing interest; and
- (viii) two members of the general public.

(b) The director or his designee [~~is a member of the board and~~] shall serve as [~~chair~~] the secretary of the committee.

~~[(c) The president of the Senate shall appoint a senator to serve on the board.]~~

~~[(d) The speaker of the House of Representatives shall appoint a representative to serve on the board.]~~

(c) The members of the board shall annually elect a chair from among the voting membership of the board.

~~[(3) The legislators shall serve two-year terms or until their legislative term expires, whichever comes first.]~~

~~[(4)]~~ (3) (a) Notwithstanding the requirements of Subsection (2), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.

(b) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term.

~~[(5)]~~ (4) (a) The board shall:

- (i) meet regularly, at least quarterly, on dates fixed by the board;
- (ii) keep minutes of its meetings; and
- (iii) comply with the procedures and requirements of Title 52, Chapter 4, Open and Public Meetings.

(b) Seven members of the board constitute a quorum, and the governor, the chair, or a majority of the board may call a meeting of the board.

~~[(6)]~~ (5) The board shall:

- (a) [~~advise the director on~~] review the housing needs in the state;
- (b) [~~advise the director on~~] determine the relevant operational aspects of any grant, loan, or revenue collection program established under the authority of this chapter;
- (c) [~~advise the director on~~] determine the means to implement the policies and goals of this

chapter; ~~and~~]

(d) ~~[recommend]~~ determine specific projects ~~[to the director]~~ that the board considers should receive grant or loan moneys~~[-]; and~~

(e) determine how fund moneys shall be allocated and distributed.

~~[(7)]~~ (6) (a) (i) Members who are not government employees shall receive no compensation or benefits for their services, but may receive per diem and expenses incurred in the performance of the member's official duties at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

(ii) Members may decline to receive per diem and expenses for their service.

(b) (i) State government ~~[officer and]~~ employee members who do not receive salary, per diem, or expenses from their agency for their service may receive per diem and expenses incurred in the performance of their official duties from the board at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

(ii) State government ~~[officer and]~~ employee members may decline to receive per diem and expenses for their service.

~~[(c) Legislators on the committee shall receive compensation and expenses as provided by law and legislative rule.]~~

~~[(d)]~~ (c) (i) Local government members who do not receive salary, per diem, or expenses from the entity that they represent for their service may receive per diem and expenses incurred in the performance of their official duties at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

(ii) Local government members may decline to receive per diem and expenses for their service.

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]~~ directed by the board;

(b) establish the criteria with the approval of the board by which loans and grants will be made; and

(c) determine with the approval of the board the order in which projects will be funded.

(2) The executive director shall distribute, as directed by the board, 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, as directed by the board, 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, as directed by the board, 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 servicing costs, but 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 with the approval of the board:

- (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 **9-4-705** is amended to read:

9-4-705. Activities authorized to receive fund moneys -- Powers of the executive director.

~~[With the recommendation]~~ At the direction of the board, the executive director may:

- (1) provide fund moneys to any of the following activities:
 - (a) acquisition, rehabilitation, or new construction of low-income housing units;
 - (b) matching funds for social services projects directly related to providing housing for special-need renters in assisted projects;
 - (c) shelters and transitional housing for the homeless; and
 - (d) other activities that will assist in improving the availability or quality of housing in the state for low-income persons;
- (2) do any act necessary or convenient to the exercise of the powers granted by this part or reasonably implied therefrom including:
 - (a) making or executing contracts and other instruments necessary or convenient for the performance of the executive director and board's duties and the exercise of the executive director and board's powers and functions under this part, including contracts or agreements for the servicing and originating of mortgage loans;
 - (b) procuring insurance against any loss in connection with property or other assets held by the fund, including mortgage loans, in amounts and from insurers it considers desirable;

(c) entering into agreements with any department, agency, or instrumentality of the United States or this state and with mortgagors and mortgage lenders for the purpose of planning and regulating and providing for the financing and refinancing, purchase, construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale, or other disposition of any residential housing undertaken with the assistance of the department under this part;

(d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of any real or personal property obtained by the fund due to the default on any mortgage loan held by the fund in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the performance of its duties; and

(e) selling, at a public or private sale, with [~~or without~~] public bidding, any mortgage or other obligation held by the fund.

Section 4. Section **9-4-707** is amended to read:

9-4-707. Application process and priorities.

(1) (a) In each calendar year that moneys are available from the fund for [~~use~~] distribution by the executive director under the direction of the board, the director shall, at least once in that year, announce a grant and loan application period by sending notice to interested persons.

(b) The executive director shall accept applications which are received in a timely manner.

(2) The executive director shall give first priority to applications for projects and activities that use existing privately-owned housing stock, including privately owned housing stock purchased by nonprofit public development authorities.

(3) [~~The executive director shall give preference~~] Preference shall be given to applications that demonstrate the following:

(a) a high degree of leverage with other sources of financing;

(b) high recipient contributions to total project costs, including allied contributions from other sources such as professional, craft and trade services, and lender interest rate subsidies;

(c) high local government project contributions in the form of infrastructure improvements, or other assistance;

- (d) projects that encourage ownership, management, and other project-related responsibility opportunities;
- (e) projects that demonstrate a strong probability of serving the original target group or income level for a period of at least 15 years;
- (f) projects where the applicant has demonstrated the ability, stability, and resources to complete the project;
- (g) projects that appear to serve the greatest need;
- (h) projects that provide housing for persons and families with the lowest income;
- (i) projects that promote economic development benefits;
- (j) projects that allow integration into a local government housing plan; and
- (k) projects that would mitigate or correct existing health, safety, or welfare problems.

Section 5. Section **9-4-708** is amended to read:

9-4-708. Annual accounting.

- (1) The executive director shall monitor the activities of recipients of grants and loans issued under this part on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the director with the approval of the board or by this part.
- (2) The entities receiving grants or loans shall provide the executive director with an annual accounting of how the moneys they received from the fund have been spent.
- (3) The executive director shall make an annual report to the board accounting for the expenditures authorized by the board.
- (4) The board shall submit an annual written report accounting for expenditures authorized by the board and evaluating the effectiveness of the program to the Business, Labor, and Economic Development Interim Committee before December 1 of each year.