
SALT LAKE CITY COUNCIL MEMO

DATE: April 1, 2005

SUBJECT: **Housing and Neighborhood Development Division Briefing**

STAFF REPORT BY: Sylvia Jones

The Housing and Neighborhood Development (HAND) Division is housed within the Community Development Department. HAND is responsible for providing the following services:

1. Federal grant administration
2. Housing rehabilitation
3. First time homebuyer program
4. Staff support for the Community Development Advisory Committee
5. Management of Housing Trust Fund requests
6. Weed and Seed grant programs
7. CIP Administration
8. Staff support for the Capital Improvement Program Board

Following the division's presentation, the Council may wish to ask the following questions:

1. Have any funding sources been identified for the Housing Trust Fund?
2. How many homes were rehabilitated during 2004? (Goal: 110 units per year)
3. How many first time homebuyers participated in the City program in 2004? (Goal: 30 per year)
4. Given that many of the employees in the division are federally funded, is it correct to say that this division hasn't experienced the General Fund cuts that other divisions have experienced? What measures has the division taken in recent years to enhance efficiency? Is it correct to state that resources not used on personnel and administration can go toward the programs?

5. Will the City be able to reduce administrative costs if CDBG funding is significantly reduced?
6. Has the new mortgage system been implemented, and is it freeing up staff time as anticipated?
7. What is the status of the Division's effort to identify costs associated with boarded housing?

Council staff has provided a four-year budget history for the Housing and Neighborhood Development Division.

Housing and Neighborhood Development Division Budget Comparison		
Fiscal Year	Budget	Percent Change
2001-02	\$1,321,534	
2002-03	\$1,247,034	(5.6%)
2003-04	\$325,493	(73.9%)*
2004-05	\$348,113	6.9%

*The decrease in the division's budget between FY 2002/2003 and 2003/2004 was a result of moving all of the CDBG salary and operations funding from the General Fund to the Special Revenue Fund.

The Administration has been asked to provide the following paperwork: (See attached.)

- A. A list of functions / services performed by the Division and an organizational chart, including the number of FTE's.
- B. Information on any service level measurements available (for example, x number of permits were issued last year, a 2 percent increase / decrease over the previous year).
- C. Responses to the following questions:
 1. What successes has your Division achieved in the recent past, and what successes do you see in the near future?
 2. What are the most significant challenges the Division will face in the near future?
 3. Have the services provided by the Division increased / decreased or remained the same over the past 2 or 3 years, and do you anticipate that service levels will increase, decrease, or remain the same in the near future?
 4. Are there service level improvements that could be made in your Division with a minimal investment of funding, or are there functions where additional resources may be needed in order to maintain current service levels?

Housing and Neighborhood Development Division



Community Development Department
March 2005

Functions & Services Provided by HAND

- Capital Planning Section (8 staff)
- Housing Rehabilitation Section (10 staff)
- General Fund positions:
 - Accounting Clerk 15%
 - Special Projects Grants Monitor 50%
 - Loan and Grant Contract Administrator 50%
 - Administrative Secretary 40%
 - Director of HAND 30%

HAND

LuAnn Clark
Director

Housing Rehabilitation

Marion Barnhill, Program Manager

Gary Burg, Housing Rehab. Spec. II

Cheri Butters, Senior Secretary

Bob Drennan, Housing Rehab. Supvr.

Russ Johnson, Housing Rehab. Spec. II

Cinde Law, Rehab. Loan Officer

Judd Parr, Project Housing Manager

Olga Pinney, Accounting Clerk III

Ted Recuperero, Housing Rehab. Spec. II

Don Sparks, Housing Fin. Service Supvr.

Capital Planning

Jacob Brace, Weed & Seed Coordinator

Sherrie Collins, Grant Program Admin.

Jan Davis, Administrative Assistant

Bob Gore, Loan & Grant Contract Admin.

Greg Johnson, Comm. Dev. Planner

Sandi Marler, Program Admin./SS Coord.

Frank Ramos, Grant Compliance Spec.

Karen Wiley, Grant Fin. Admin./SS Coord.

Capital Planning Section

Administers, monitors, conducts public processes and coordinates appropriate citizen boards for the following grants and programs:

- U.S. Department of Housing and Urban Development (HUD):
 - Community Development Block Grant (CDBG)
 - HOME Investment Partnerships (HOME)
 - Emergency Shelter Grant (ESG)
 - Housing Opportunities for Persons With AIDS (HOPWA)
 - American Dream Downpayment Initiative (ADDI)

Capital Planning Section (Cont.)

- Fair housing, accessibility & labor issues
- Ten year plan to end chronic homelessness
- Housing policies and Housing Trust Fund
- Capital Improvements Program
- Neighborhood Matching Grant
- Revolving Loan Fund agreements
- Sister Cities Program
- Weed & Seed Program
- Monitors & assists with the financial reporting and administration of the grants from the U.S. Department of Education, Department of Justice, State of Utah, etc., grants.

Housing Rehabilitation Section

- Rehabilitation of single family homes
- Rehabilitation of multi-family and investor owned units
- First Time Homebuyer Program
- Construction management of public service building improvements (PSBI)
- Manages mortgage portfolio of \$38 million

Service level measurements

- First Time Homebuyers:
 - 30 homes a year
- Housing Rehabilitation:
 - 110 units a year
- CDBG spending level below the required 1.5 level

HAND Successes

- HUD deemed Salt Lake City a low risk community
 - Only two communities with smaller CDBG allocations received a lower risk score than SLC
 - No monitoring visit for 2005
- Met the goal for our CDBG drawdown to 1.25
- Survived the lead based paint regulations
- Exceeded our goal and rehabilitated 155 housing units
- Managed the construction improvements for 22 non-profits
- Leveraged \$1,914,867 of federal funds with \$2,007,313 of private lending institutions and County lead funds

HAND Successes (Cont.)

- New loan servicing system for our mortgage portfolio
- Adopted three new friendship cities:
 - Yinchuan, P.R. China
 - Turnio, Italy
 - Ishevski, Russia

Under consideration: Trujillo, Peru
- Five year Consolidated Plan and Citizen Participation Plan

Significant Challenges

- Potential elimination of CDBG
- Reduction of CDBG funding
 - HUD released four alternatives to change the funding formula. The City's allocation would be reduced from a low of 20% under formula #1 to a high of 32% under formula #4
- Finding qualified applicants for Rehabilitation and First Time Homebuyer programs
- Appropriate monitoring and coordination of CDBG and CIP programs and projects

Service Level Increases

- Addition of Capitol Improvement Program and Board
- Addition of HOPWA and ADDI grant programs
- HUD has increased or changed some reporting requirements
 - Outputs and outcomes
- Economic conditions have created a bigger demand for resources from non-profit agencies not normally funded by the City
- Outreach efforts have increased to find qualified borrowers for the FTHB and Rehabilitation programs
- Higher staff turnover in the non-profit agencies requires more training from the HAND staff
- Implementing the new initiatives proposed in the Housing Plan
- Additional environmental reviews by City staff for non-profit agencies and the Housing Authority
- Elimination of the Deputy Director position

Service Level Decreases

- Potential changes to CDBG program

Service Level Improvement

- Funding for a housing marketing and educational programs
- Position to coordinate and monitor projects that involve and overlap various divisions and/or departmental areas