



COUNCIL BUDGET STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

[SLC Budget FY25](#)

TO: City Council Members
FROM: Allison Rowland
Public Policy & Budget Analyst

Item Schedule:
Briefing: May 30, 2024
Budget Hearings: May 21, June 4
Potential Action: June 11

DATE: May 21, 2024

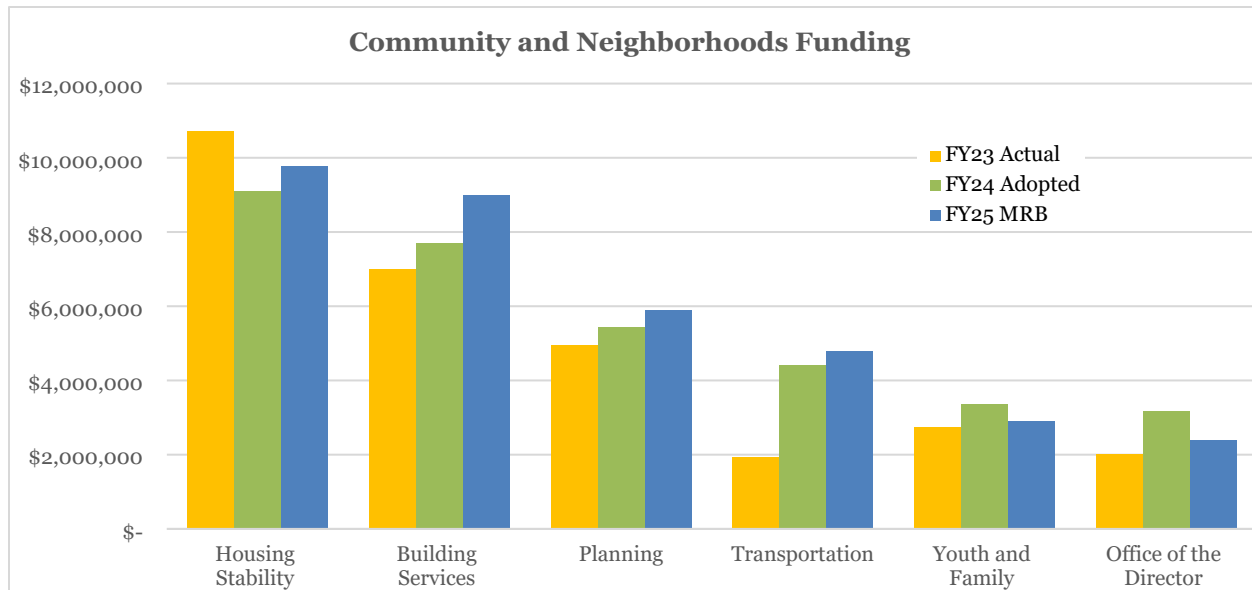
RE: FY2025 BUDGET – DEPARTMENT OF COMMUNITY AND NEIGHBORHOODS

MAYOR’S RECOMMENDED BUDGET PAGES:

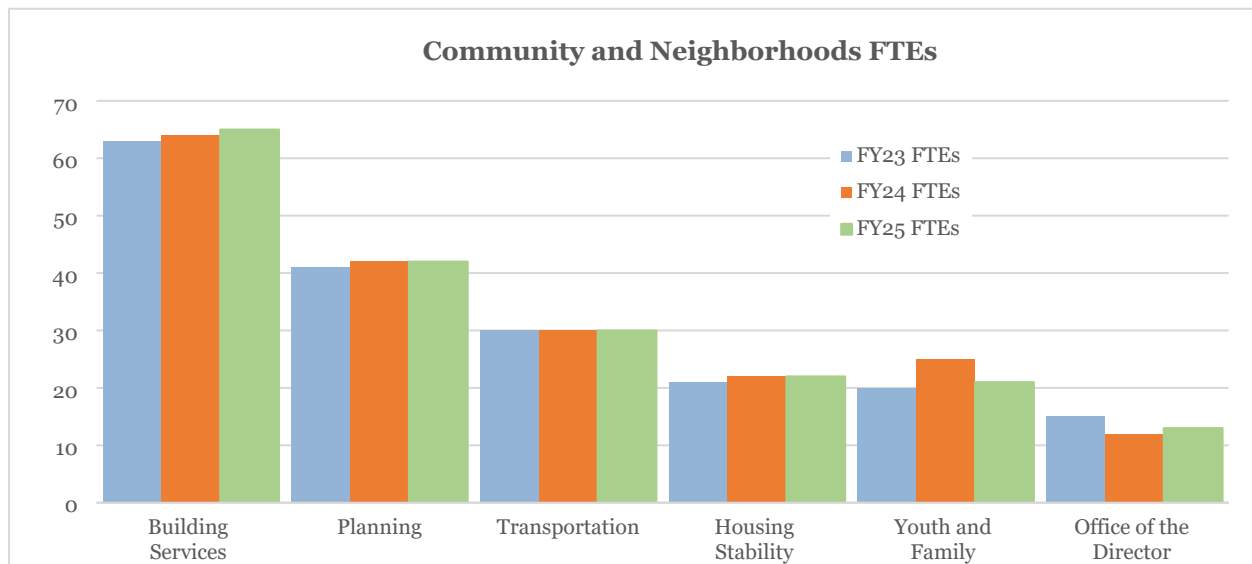
- Key Changes, 55-56; Department Overview, 170 to 175; Staffing, 281-283

KEY ISSUES AND POLICY QUESTIONS

General Fund Budget. The Community and Neighborhoods Department’s (CAN’s) proposed budget for FY25 is \$34.7 million, which is over \$1.6 million (4.7%) higher than in FY24. The Housing Stability Division’s budget would continue to be the largest funding item (\$9.8 million proposed) but Building Services would receive the largest increase for FY25, at \$1.3 million, or 14.6% (see chart below). [Staff note: *This amount is listed in the Mayor’s Recommended Budget (MRB); it is being reviewed by Finance for accuracy.*] The Youth and Family Division would experience a one-time reduction of \$440,977, for four FTEs who typically are supported by a grant but needed temporary support last year. The Office of the Director, the smallest division, would be reduced by \$785,280, reflecting a shift of Police Department substation contracts to the Public Services Department and the consolidation of City leases into the Capital Improvement Program (CIP).



Staffing Levels. Increased costs in personal services (including increases in salaries and insurance rates) are the biggest proposed change in CAN’s budget, amounting to an additional \$2,976,704 or 12.8% over FY24. The net number of CAN FTEs would shrink by 2, to 193, which is still higher than in FY23 when the total was 190.



One-time FY24 funding for four Senior Community Programs Manager FTEs in the Youth & Family Division would be removed for FY25 (typically, they are paid by Federal grants), and two new FTEs would join different divisions, as listed below. In the MRB, the costs listed for the new FTEs are for 10 months; they would need to be fully funded in FY26.

- **Office of the Director:** Communications & Engagement Manager (\$139,715 in FY25, \$167,658 for 12 months). According to the Department, *“This position will help craft effective*

f. *communication strategies, ensuring consistent messaging across divisions/department, including public relations, internal communications and monitoring media coverage.”*

- **Building Services Division:** Building Inspector III (\$104,580 in FY25, \$125,496 for 12 months). To ensure compliance with multifamily rental housing regulations.

BACKGROUND AND ADDITIONAL INFORMATION

A. **Housing Stability Division** (\$9,762,459; 22 FTEs). The Housing Stability Division administers housing support programs and coordinates the City’s responses to homelessness, among other duties. Housing support programs are funded with both Federal and City monies, including the local sales tax increment known as *Funding Our Future*. In recent years, the Housing Stability budget also was greatly expanded with emergency Federal funding in response to the Covid-19 pandemic and subsequent economic instability. These funds are scheduled to be fully expended by December 31, 2024. One ARPA-funded FTE remains in the Housing Stability Division, funded by the US Treasury Emergency Rent Assistance Program (ERAP) allocations to the City. That position will continue until the remaining, roughly \$2.6 million is expended, or September 2025, at the latest.

1. **Staffing.** Housing Stability staffing, at 22 FTEs for FY24, would not change for FY25.
2. **Funding Our Future Housing Funds.** The bulk of Housing Stability’s FOF funds are passed through to community-partner organizations for service delivery. Aside from sizable increases for the two FTEs funded through FOF, the FY25 housing programs are proposed to continue at the same levels as in FY24 (see chart below). For current names and short descriptions of each program, see Attachment C1.

Funding Our Future Support for CAN Housing Programs			
	FY23 Actual	FY24 Adopted	FY25 MRB
Planner	120,786	115,872	127,827
Community Development Grant Administrator	103,220	91,344	131,684
Shared Housing	100,000	100,000	100,000
New House 20	250,000	250,000	250,000
Build a More Equitable City	388,000	388,000	388,000
Expanded Housing Opportunity Program - Landlord Insurance	115,000	115,000	115,000
Incentivized Rent Assistance	671,620	671,620	671,620
Mortgage Assistance	50,000	50,000	50,000
Marketing Home Ownership Programs	300,000	300,000	300,000
Service Models for Most Vulnerable	525,380	525,380	525,380

TIP Tenant Relocation Assistance	0	180,000	180,000
TIP Tenant Resource Center	0	92,000	92,000
TOTAL	\$2,624,006	\$2,879,216	\$2,931,511

3. **Proposal for Changes.** In responses to Council staff questions, the Housing Stability Division proposed to change the names and current FOF categories because they were tied to the previous housing plan, *Growing SLC: 2018-2022*: The new categories would “align with and help advance the goals and objectives of the current, Council-approved housing plan, *Housing SLC: 2023-2027* as outlined below.” The proposal is budget neutral. [Council staff is clarifying whether this proposal would need to be transmitted separately for Council review.]

Funding Our Future Support for CAN Housing Programs (HSD Proposal)				
	FY23 Actual	FY24 Adopted	FY25 MRB	
Planner	120,786	115,872	127,827	
Community Development Grant Administrator	103,220	91,344	131,684	
Shared Housing	100,000	100,000	1,524,500	Tenant Housing Assistance
New House 20	250,000	250,000		
Build a More Equitable City	388,000	388,000		
Expanded Housing Opportunity Program - Landlord Insurance	115,000	115,000		
Incentivized Rent Assistance	671,620	671,620		
Mortgage Assistance	50,000	50,000	350,000	Equity and Ownership Assistance
Marketing Home Ownership Programs	300,000	300,000		
Service Models for Most Vulnerable	525,380	525,380	525,500	Housing Innovations Programs
TIP Tenant Relocation Assistance	0	180,000	180,000	
TIP Tenant Resource Center	0	92,000	92,000	
TOTAL	\$2,624,006	\$2,879,216	2,931,511	

- ***In FY24 the Council funded several other specific housing-related programs. Would the Council like to request information on the status of these programs and projects?***

- a. ***Partnership with Neighborworks for construction of new shared-equity housing to be managed in a land trust (\$2 million).***
- b. ***Potential matching funds for adding affordable housing units to the County’s remodeling of the Sunday Anderson Senior Center.***

4. **Repurposing HUD Grant Program Accounts.** In FY23, the Administration identified dormant accounts that held \$12 million in repaid loans originally associated with HUD Grant Programs. The Administration worked with the Council to repurpose these funds for affordable housing-related activities that comply with the original HUD Grant guidelines. The

Administration transmitted a proposal for allocating the remaining amount of “dormant income” to new projects and programs in April 2024. The proposal is scheduled to be discussed after FY25 budget adoption.

5. **Fix the Bricks Program.** Fix the Bricks, a Federal Emergency Management Agency (FEMA) grant program, was transferred to the Housing Stability Division in FY22. The goal was to place it in the hands of existing employees who are familiar with grant accounting and decrease wait times for program participants. Since taking over the program, the Division has managed to significantly accelerate project completion. US Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding was allocated to fully fund project costs for homeowners who have 80% or less of County Average Median Income (AMI). The Division continues to look for additional outside funding sources to assist low-income homeowners with the 25% match requirement.

Fix the Bricks Program Status

July 2022 to February 2024

- Waitlist (Applications with no funding): Over 4,000. Working with IMS to clean up the list by inquiring whether applicants are still at the same address and are still interested in the program.
- Backlog (Applications funded but not started): 366
- In Progress (Site visits, pre-bids, contract review): 45
- Under Contract (Executed contract, construction in progress): 31
- Completed Jobs (Project completed and paid out): 67
- Homeowner GF Match Grant FY 23 (Closed): Budget \$84,000, Spent \$56,106
- Homeowner GF Match Grant FY 24 (Open): Budget \$ 84,000, Spent \$30,803

The Council has been informed that the City also recently applied for another FEMA *Building Resilient Infrastructure and Communities* (BRIC) grant, worth over \$5.1 million, for use by the Fix the Bricks program in both single-family housing and duplexes. If this is awarded, it would and would require hiring one additional FTE.

At the Council’s request, the Housing Stability Division and the IMS Department produced maps of program recipients to help analyze service equity. Attachment C2 shows the approximate location of homes on the waiting list that would be funded if the grant is awarded. Attachment C3 shows the approximate location of all seismic work that was completed as of September 15, 2023.

The City has not yet identified and applied for funding for commercial properties. The Division notes, *“The most critical structures from a life-saving standpoint would continue to be residential properties.”* The Department also plans to transmit information on the existing program to the Council for a policy discussion intended to establish legislative policies for the program.

B. Responses to Homelessness.

1. **Housing Stability Division.** Within the Housing Stability Division, the HEART team (Homeless Engagement and Response Team) provides services ranging from direct aid for unsheltered people to mitigation programs for residents and businesses affected by encampments and other aspects of the housing crisis. The FY25 MRB would shift funds among some programs while keeping the total flat (see summary chart below), and the Administration indicates that *“The decrease to [these] program[s] will have little to no effect on current levels of service because other State homeless funding exists to help fill this gap.”* According to CAN:

“Service levels remain largely unchanged with the budget as proposed for FY25. Reductions in portable toilet funding (part of the Clean Neighborhoods line item), are based on spending actuals for the past few years. Ambassador program increase reflects their annual program cost increase as well as a continuation of light trash pickup services that were added to that program this fiscal year. The reduction in overflow motel funding and detox bed funding is based on projected increased capacity in both winter overflow beds, as the stated goal of 1,000 beds and new counties implement winter overflow plans, and detox beds, with VOA’s move to a new facility with increased bed capacity.”

Expenditures Related to Homelessness

	FY23 Actual	FY24 Adopted	FY25 MRB
Day Shelter	127,000	127,000	127,000
Clean Neighborhoods	777,000	1,375,000	1,346,601
Detox Program	84,000	84,000	65,000
Storage Program	85,000	85,000	85,000
Overflow Fund (Motel Vouchers & St Vincent)	360,000	360,000	300,000
Landfill Camp Abatement Fees	17,000	17,000	17,000
Ambassadors Central City/Ballpark	1,288,101	1,384,101	1,581,500
Blackwater Vouchers	-	10,000	-
RV Repairs	-	100,000	-
Total	\$2,738,101	\$3,532,101	\$3,542,101

The final two items on the table above were requested by Council Members as services for people who are experiencing homelessness and also would have broader public benefits. Funding for “Blackwater Vouchers” was allocated in the FY24 budget to encourage people living in recreational vehicles (RVs) to seek appropriate disposal of their wastewater. The one-time \$10,000 allocated was not spent and the initiative is proposed to be shifted to Public Services in FY25 MRB. CAN stated the following:

“No funds were used this fiscal year for RV blackwater disposal. HEART explored options for a voucher program, but private companies were unwilling to partner on a voucher system. HEART identified a vendor that was willing to provide mobile RV pumping and engaged several outreach

service providers for referrals for needed pumping services, but no referrals were received.”

Funding for RV Repairs (one-time, \$100,000) was allocated to cover the costs for simple repairs of occupied RVs, as well as decommissioning RVs that were unfit for occupancy. *[Council staff has asked the Administration for the amount of this one-time funding that was spend.]* In the FY25 MRB, funding for this program would be shifted to Public Services.

2. **Work on Homelessness across City Departments.** The Administration compiled a list (below) of all proposed FY25 City funding that would assist people experiencing homelessness, and alleviate problems associated with the homelessness crisis more generally. These efforts would amount to over \$30.5 million, include both \$4.2 million for CAN’s work (note that “HAND Team” in the chart refers to the Housing Stability Division), and efforts in other departments, like over \$12.0 million in Police Department Emergency Response and \$5.7 million for Fire Department Emergency Response. *Council staff requested additional information on the Public Services line-item adjacent to the Department name.*

	FY23 Amended	FY24 Approved	FY25 MRB
1. Mayor’s Office	271,300	\$271,300	\$276,851
2. Community & Neighborhoods			
Hand Team - General Fund	331,439	\$331,439	\$494,506
Hand Team - Mitigation Grant			\$175,239
Contractual Obligations			
Advantage Services	802,000	\$1,400,000	\$1,400,000
United Site Services	60,000	\$60,000	\$60,000
Ambassadors	1,288,100	\$1,384,100	\$1,581,500
Emergency Shelters			
CCAS Weigand Center Operations	127,000	\$127,000	\$127,000
Winter Motel Vouchers/St Vinny's Overflow	360,000	\$360,000	\$300,000
VOA Detox Beds	84,000	\$84,000	\$65,000
Landfill	17,000	\$17,000	\$17,000
Black Water		\$10,000	
RV Removal/Disposal		\$100,000	
3. E911	523,000	\$523,000	\$768,882
4. Fire			
CHAT	350,000	\$748,667	\$842,077
Emergency Response	5,566,000	\$5,566,000	\$5,699,129
5. Justice Court			
Personnel & Security	27,000	\$27,000	\$27,000
Homeless Outreach Operating Costs	2,000	\$2,000	\$7,000
6. Police			

Social Worker Outreach	1,741,565	\$1,741,565	\$2,196,369
PCRT / CCC /PR Outreach			\$73,770
Victim Advocate Outreach	256,510	\$256,510	\$170,359
Camp Cleanup	1,640,000		\$1,982,000
Overflow Shelter Overtime			
Emergency Response	11,989,925	\$11,989,925	\$12,001,545
7. Public Lands	368,000	\$1,124,350	\$1,124,350
8. Public Services	398,000	\$176,000	\$176,000
Black Water Disposal			\$10,000
RV Removal/Disposal			\$100,000
Long-Term Parking Mitigation Team		\$292,706	\$292,706
Rapid Intervention Team 1		\$286,860	\$286,860
Rapid Intervention Team 2			\$363,021
TOTAL	26,202,839	\$26,879,422	\$30,618,164

- ***The Council may wish to discuss whether these approaches, along with other recommendations in the FY25 MRB, are likely to result in progress toward neighborhood safety, and whether there are specific metrics that can be tracked this year to evaluate effectiveness.***

3. **Recent State Legislation.** A law passed in the 2023 Legislative Session (Homeless Services Amendments, HB499) requires that Salt Lake City enforce its prohibition on camping as a condition of receiving funds from the Homeless Shelter Cities Mitigation Restricted Account. The City will receive approximately \$3,107,201 in mitigation funds for the current year. This amount is not included in the MRB; it will be brought to the Council in a future budget amendment.

C. **Transportation and Transit (\$4,781,912; 30 FTEs).** The Transportation Division is responsible for the City’s transportation system, as well as transit programs and projects. (It does not maintain streets and gutters; these are covered by the Streets Division in the Public Services Department.)

1. **Staffing.** As noted in the Department Staffing section above, the Transportation Division does not plan to add new FTEs in FY25.
2. **Transit Funding.** Funding is proposed to increase by 3% (\$330,777) for FY25 (see chart below), reflecting the slower growth forecast for sales tax funding through Funding Our Future and Quarter-Cent Sales Tax revenue. The Westside On-Demand Ride Service would receive a 10% increase (\$307,807 to meet demand for this service. In addition, the Frequent Transit Network (FTN) Key Routes would remain steady at \$7 million. These routes serve 200 South, 900 South, and 2100 South. (Council staff note: The On-Demand Ride Services and transfer to UTA For Key Bus Routes appear in the “Non-Departmental” budget, not CAN. Also, staff requested additional information on the Transit Route Improvements item for FY24—specifically, whether or not funding was allocated to this item in FY24.

**Funding Our Future and Quarter-Cent Sales Tax
Support for Transportation and Transit**

	FY23 Actual	FY24 Adopted	FY25 MRB
Transit Planner	105,410	118,080	113,730
Planner (Planning Division)	132,628	146,401	146,961
Transportation Engineer	138,228	147,436	174,196
Transit Key Routes	6,600,000	7,000,000	7,000,000
On-Demand Ride Services	1,900,000	3,000,000	3,307,807
Transit Route Improvements	990,000	0	0
Branding and Outreach	100,000	100,000	100,000
TOTAL	\$9,966,266	\$10,511,917	\$10,842,694

➤ ***Would the Council like to request “before and after” ridership data for Transit Key Routes, On Demand Ride Services, Transit Route Improvements, and Bus Service Mobilization.***

3. **Traffic Calming.** The Transportation Division completed its Livable Streets Program report in Fall, 2021, and two Transit Program Planners began implementation of the program in FY23. The program provides low-cost, quick-action projects to support targeted safety needs that arise within the community throughout the year. No new capital funding for project implementation is proposed in the CIP budget for FY25, though \$3 million was requested. This program received \$1.6 million in FY24.

➤ ***The Council may wish to ask what the first two years of the Livable Streets Program has accomplished, and how a regular reporting mechanism could be added to this program.***

Other street safety and traffic improvement projects can be found in CIP requests recommended for funding, namely:

- Complete Streets Reconstruction: \$3.5 million
- Complete Streets Overlay: \$2.75 million
- Safer Crossings (Citywide): \$300,000
- Neighborhood Byways program: \$970,000

4. **Hive Passes.** The FY25 budget proposes to continue offering the traditional HIVE pass for public transit (\$350,000) along with free Hive Passes (\$100,000) for school children and a parent, guardian, or faculty member. These costs appear in the Non-Departmental section of the MRB.
5. **Train Crossing Safety Signage.** At the Council’s request, the Transportation Division began work on a pilot program (\$150,000 one-time in FY24) for train crossing safety signage. Sensors were installed at the 900 West crossing in March 2024 to collect data about train frequency,

5. length, and other information. Based on this data, the location has been deemed by the Division to be appropriate for the signage. Messaging will be developed for the signs based on that data.

The Engineering Division in the Public Services Department hopes to install the signs—which weigh about 1,000 pounds each—in June and is working to add this to an existing contract. Once installation is complete, the Transportation Division will collect data on the system’s operation to assess its performance.

The Division estimates that the cost for each new intersection would be \$150,000 in one-time costs and approximately \$18K per intersection per year ongoing:

“For eight additional intersections, we estimate that this would cost \$700K one-time and \$40K per year ongoing for the annual license fee (including the intersection where equipment will already have been installed). The intersections that are preliminarily considered good candidates are:

- 25 South 1000 West
- 25 South 800 West
- 25 South 600 West
- 675 West 200 South
- 625 West 800 South
- 625 West 900 South
- 600 West 1700 South
- 475 West 300 North”

6. **Other Transportation Projects.** Many other projects proposed in the FY25 MRB will be discussed in further detail in the CIP briefings. Funding of \$2.75 million has been proposed for this purpose.

D. Additional Information from CAN Divisions

1. **Youth and Family (\$2,908,111; 21 FTEs).** The Youth and Family Division, which was shifted to CAN from Public Services in FY22 has expanded and broadened the variety of programming it provides.
 - a. **Staffing.** The number of FTEs proposed for the Youth & Family Division would drop by four Senior Community Programs Managers, but only because in FY24, the Division received one-time support from the general fund (\$447,136, for 12 months; or \$111,784 each). The MRB describes them as “program leadership for YouthCity at Fairpark location and the Fairpark Learning Center,” and they have been funded in the past by a grant from the Federal Temporary Assistance for Needy Families (TANF) program.
 - b. **Strategic Plan.** In FY24, the Youth & Family Division received \$100,000 for a Strategic Plan to help ensure that the City effectively serves local youth and does not duplicate other community programs. The Division coordinated with CAN’s Procurement group on an RFP for a consultant to be charged with the strategic plan. The project is now out for bid and Council staff is working with the Administration to clarify when the project will be complete.

2. **Planning Division** (\$5,888,337; 42 FTEs). The Division works on the goals of the City’s general plan, while reducing zoning barriers to achieving those goals. This work is done in tandem with land use application processing.

- a. **Staffing.** Planning Division staffing would remain at 42 FTEs for FY25.
- b. In FY24 the Division received \$100,000 in the annual budget to hire a consultant for a Neighborhood Amenities Study. The goal was to study City neighborhoods and ensure they support residents by making it possible to meet their “basic core needs” within walking distance or through active transportation. This effort is also known as the 15-Minute City. The Division reports,

“The neighborhood amenities study went out to RFP but there were no respondents. Planning teamed up with IMS to complete the study in-house. The study is expected to be completed by the end of June. The budget appropriation for FY24 will drop to fund balance.”

➤ ***The Council may wish to request the study be transmitted for review.***

3. **Building Services Division** (\$8,994,317; 65 FTEs). The Building Services Division is home to Building Permits, Inspections, and Civil Enforcement teams. Their [monthly newsletter](#) contains a variety of measurements of the work of these teams, including the numbers of building permit applications received and issued, the value of these permits, the number of open enforcement cases (including for boarded buildings), and the number of inspections scheduled.

The FY25 MRB proposes one new FTE for this division, a Building Inspector III (\$104,580 in FY 25, \$125,496 for 12 months) who would be charged with ensuring compliance with multifamily rental housing regulations, ensuring each building is inspected on a four-year rotating schedule. This would raise the total number of Building Services FTEs by one, to 65.

Building permit revenue is projected to decrease by \$3.6 million from FY24. This is a conservative projection to account for the toll inflation may take on the pace of construction in the City.

4. **Office of the Director** (\$2,374,003; 13 FTEs). Staffing for this office—considered a division for the purposes of this report—would grow by one FTE, a Communications & Engagement Manager (\$139,715 in FY25, \$167,658 for 12 months). According to the Administration, *“This position will help craft effective communication strategies, ensuring consistent messaging across divisions/ department, including public relations, internal communications and monitoring media coverage.”*

The sharp funding decrease in this division (from \$3,159,283 in FY24) is due in large part to the removal of one-time funding for the Downtown Police Substation Tenant Improvements (\$513,000) and the consolidation of City leases in CIP (\$560,000).

ATTACHMENTS

Attachment C1. Names and Descriptions of FOF Housing Programs.

Attachment C2. Fix the Bricks Map 2023.

Attachment C3. Fix the Bricks Map 2017.

Attachment C1. Names and Descriptions of FOF Housing Programs.

Shared Housing	Provide supportive services and direct assistance to single adults. Services may include: roommate matching, application fees, deposit assistance, rental/utility assistance, barrier removal, and six months case management.
Mortgage Assistance	Provide certain homeowners financial assistance in a temporary financial crisis.
Incentivized Rent Assistance	Provide rent, utilities, deposits, application fees, and barrier removal to certain households that are willing to participate in case management programs.
Vulnerable Populations	Case management services for specific populations, including, rent, utilities, deposits, application fees, and barrier removal.
Build a More Equitable City (Prevent and Eliminate Housing Discrimination)	Landlord-tenant mediation and/or legal representation and consultation for renters facing eviction
Expanded Housing Opportunity Program (Landlord Insurance)	Provide incentives to landlords for leasing to a low-income individual exiting homelessness.
Marketing Home Ownership Programs	Down Payment Assistance and Home Rehabilitation for qualifying buyers. Note that “loan forgiveness” is included in some of the funded programs.