



COUNCIL STAFF REPORT

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Allison Rowland
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DATE: October 15, 2024

RE: INFORMATIONAL: FOLLOW-UP ON DRAFT POLICIES FOR HOUSING PROGRAM FUNDS

Item Schedule:
Briefing: October 15, 2024
Public Hearing: n/a
Potential Action: n/a

ISSUE AT-A-GLANCE

This is a follow-up briefing on potential changes to Salt Lake City's housing program funds, which focuses on one aspect: the allocation process for annual Funding Our Future revenue that is directed to housing-related services. Since fiscal year 2018, the Council's role has been to approve or modify a list of proposed funding amounts for different programs, as part of the annual budget process. Examples include a shared housing program for people experiencing homelessness, and a mortgage assistance program for first-time homeowners.

The Community and Neighborhoods Department now proposes modifying this process by shifting funding decisions into the existing annual competitive application process for U.S. Department of Housing and Urban Development (HUD) funds. The Department notes that this shift would provide the Council with "more direct knowledge and control over the allocations to specific programs and activities." It would also eliminate the need for a separate administrative process for Funding Our Future funds, which "sometimes includes sending multiple checks to local organizations for essentially the same programs."

Goal of the briefing: *Consider and provide feedback to the Administration on additional proposals for a new Housing Program Funds policy, specifically, parts related to the distribution of Funding Our Future revenue for housing.*

ADDITIONAL & BACKGROUND INFORMATION

- A. **Background.** The three main sources for City housing program funds, which are administered by the Housing Stability Division in CAN, are U.S. Department of Housing and Urban Development (HUD) grant programs, Funding Our Future sales tax funds, and program income. In recent months the Council has considered a variety of proposed changes to City processes for allocating housing program funds. The most recent previous briefing was on August 13, 2024.

- B. **Proposed Process Changes.** In the existing process, the annual budget for programs supported by Funding Our Future is allocated by the Council in a lump sum as part of the annual budget process. The Housing Stability Division, in coordination with the City Purchasing and Contracts Management Division, issues a request for proposals (RFP) to community organizations which operate specific related programs and activities. A selection committee ultimately decides how these funds are distributed among the responses to the RFP.

The proposed new process would shift the annual Funding Our Future allocation into the existing annual competitive application process for U.S. Department of Housing and Urban Development (HUD) grants, as an additional source of program funds for programs and activities that include the proposed eligible uses (see Section C, below). Housing Stability staff would include current goals and objectives from the housing plans in the competitive application process, and the review process would include evaluation of the applicants' alignment with those goals and objectives. The Council would review all the HUD and Funding Our Future funding recommendations from the relevant board and the Mayor, and make the final decisions.

In addition, the proposed policy changes would clarify the difference between annual funding priorities and longer-term policy goals and objectives. The eligible uses of Funding Our Future would be defined generally as "Programs and activities that implement the moderate-income housing plans, anti-displacement plans, and/or other plans related to housing stability programs." The funding eligibility categories would be reduced to just two broad areas: Tenant Housing Assistance, and Equity and Homeownership Assistance. (A list of proposed eligible uses included in each of these categories can be found in Section C, below.) By distinguishing between annual funding priorities and adopted housing and anti-displacement plans, the proposed policy would not need to be changed to reflect each new housing plan.

- C. **Proposed Eligible Uses.** CAN proposes the following categories and eligible uses for Funding Our Future housing program funds. They are divided into those that serve residents who rent their homes (including some people emerging from homelessness), and those that help residents build equity, reach homeownership, and remain in homes they own.

1. **Tenant Housing Assistance:** Programs and activities that provide
 - landlord/tenant mediation;
 - eviction prevention;
 - tenant-based rental assistance;
 - emergency rental assistance;
 - tenant and homelessness- related supportive services;
 - utility assistance;
 - tenant relocation; and
 - tenant navigation and resource coordination.
2. **Equity and Homeownership Assistance:** Programs and activities that provide:
 - mortgage assistance;
 - equity sharing;
 - foreclosure prevention;
 - homeownership preparedness; and

- home repairs necessary to meet code requirements, meet habitability standards, and for energy/water conservation.

D. Relevant Goals of Current Plans. The transmittal includes a list of relevant goals and objectives from the current housing and anti-displacement plans, *Housing SLC* and *Thriving in Place*.

1. Protect the Most Vulnerable from Displacement
 - a. Develop a Tenant Relocation Assistance Program
 - b. Improve and Expand Tenant Resources and Services [including resources for unsheltered individuals in need of housing]
 - c. Help Tenants Become Owners
2. Increase housing stability throughout the City by dedicating funding to:
 - a. Mitigate displacement
 - b. Serve renter households
 - c. Serve family households
 - d. Increase geographic equity
 - e. Increase physical accessibility
3. Provide affordable homeownership and wealth and equity building opportunities to a minimum of 1,000 low-income households.

POLICY QUESTIONS

- 1. Does the Council support changing the annual distribution process for Funding Our Future funds from the existing RFP-based selection process to one that is based on a competitive application and is combined with annual HUD allocation process?**
- 2. Does the Council agree with proposed eligible uses for Funding Our Future housing program funds (see Section C, above): 1. Tenant Housing Assistance and 2. Equity and Homeownership Assistance?**