

CHAPTER 5. HOUSING PROGRAMS

It is the state's policy to encourage all grant applicants to participate in federal housing programs including, but not limited to, the following:



A. HOME

The state's Housing and Community Development Division receives new funding in July of every year. Money is available on a loan basis, though terms and conditions can vary to ensure that very low income persons will be served - variations in loans can include zero interest loans and deferred payment loans if justified by the project cash flow. The division will fund only projects that benefit low and very low-income persons. No project will be funded which, in the opinion of the reviewers, unduly enriches the applicant. Due to the demand for affordable housing statewide, HCD is focusing resources on creating new units of multifamily housing.

- Eligible activities are:**
- ◆ Property/land acquisition;
 - ◆ Rehabilitation including energy efficiency and green upgrades;
 - ◆ Site improvement;
 - ◆ Other development hard costs;
 - ◆ Project-related relocation;
 - ◆ New multifamily construction

Prohibited activities are project reserves, use of funds for federal match or to assist projects previously assisted with HOME funds.

B. SECTION 502 RURAL HOUSING LOANS

This program's objective is to provide eligible persons living in rural areas with an opportunity to obtain adequate but modest, decent, safe, and sanitary dwellings and related facilities. Loans are available to qualified applicants to buy, build, rehabilitate, improve or relocate a dwelling and provide related facilities for use by the applicant as a permanent residence, and for a farm owner to provide housing for farm managers, tenants, sharecroppers and farm laborers. Monies may also be used to purchase sites, pay reasonable acquisition costs, provide adequate and safe water supply and/or sewage disposal facility, provide site preparation, and purchase and install essential equipment in the dwelling. Contact USDA Rural Development at (801) 524-4320 for more information.

C. SECTION 504 RURAL HOUSING LOANS AND GRANTS

The purpose of this program is to assist eligible very low-income owner-occupants of single-family dwellings in rural areas, who lack repayment ability, to obtain loans to repair or improve their dwellings. Those repairs will result in the removal of most health or safety hazards, thereby making the dwellings safer and more sanitary for the occupants, their families, and the community. Authorized loan and grant purposes include, but are not limited to, installation and/or repair of sanitary water and waste disposal systems, together with related plumbing and fixtures; payment of reasonable connection fees for utilities that are required to be paid by the

applicant which cannot be paid from other funds; energy conservation measures; repair or replacement of heating systems; electrical wiring; and repair or provision of structural supports, roofs, siding and other necessary repairs when it is clearly necessary to remove health hazards to the occupants. Maximum grants are \$7,500, maximum loans are \$20,000 and grant loan combination maximums are \$27,500. The only eligible applicants for grants are those 62 years of age and older. For more information please contact USDA Rural Development at (801) 524-4320.

D. SECTION 515 RURAL RENTAL HOUSING LOANS

The objective of this program is to provide eligible occupants economically designed and constructed rental housing and related facilities suited to their living requirements. The purposes of the loan are to construct new housing; purchase existing buildings only when major rehabilitation is necessary; purchase and improve the necessary land on which the housing will be located; develop and install water supply, sewage disposal, streets, heating, cooling and lighting systems necessary in connection with the housing; develop other related facilities; construct office and living quarters for the resident manager and other operating personnel; and construct fallout shelters or similar structures and other related costs. Contact USDA Rural Development at (801) 524-4320 for more information.

E. EMERGENCY SOLUTIONS GRANT (ESG)

The state received an allocation of \$1,213,239 from the Stewart B. McKinney Act for FY2016. The ESG program provides funding to engage homeless individuals and families living on the street, improve the quality of emergency shelters for homeless individuals and families, help operate these shelters, provide essential services to shelter residents, rapidly re-house homeless individuals and families and prevent families and individuals from becoming homeless.

ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance and HMIS. No more than 60 percent of these funds can be used for shelter and outreach. In February, the State Community Services Office of the Housing and Community Development Division published a Request for Proposals with application deadlines set for March. Funding decisions are made in May with funds being made available on July 1.

F. SECTION 8 HOUSING ASSISTANCE

City and county housing authorities administer the HUD Section 8 Existing Housing Voucher and Certificate Programs. The programs provide rent subsidies for low-income persons that are paid directly to a qualified landlord. Assistance is provided to low-income persons who have to pay large portions of their income for rent and utilities.

G. CRITICAL NEEDS HOUSING FUND

For FY 2016, the Utah State Legislature appropriated \$552,800 for this program. This source of funding provides grants generally from \$8,000 to \$166,000. Eligible projects include housing rehabilitation, rental assistance, housing case management and accessibility design. In February, the Housing and Community Development Division publishes a Request for Proposals with application deadlines set for March. Funding decisions are made in May with funds being made available on July 1.

H. WEATHERIZATION

Private non-profit organizations and the Associations of Government for a number of years have operated this program. Weatherization services and repairs are provided for rental and owner-occupied units that house low income families at 200 percent of federal poverty levels or less. Participating homes experience a 30 percent reduction in utility bills on average. Weatherization is only for energy efficiency NOT general rehabilitation or home repair. In the FY2016, the program received federal funding from the Department of Energy (DOE) for \$1,970,108.

I. PAMELA ATKINSON HOMELESS TRUST FUND

FY 2016 legislative appropriations totaled \$2,808,600. This funding source subsidizes a variety of homeless and transitional housing across the state, with a statutory mandate that 20 percent must go to rural areas. In February, the Housing and Community Development Division publishes a Request for Proposals with application deadlines set for March. Funding decisions are made in May with funds being made available on July 1.

J. RURAL SINGLE FAMILY HOUSING REHABILITATION

Funds are available for rehabilitation and replacement of existing rural single family, owner-occupied dwellings to fix code deficiencies. All applications are generated at the local level of government, e.g., Associations of Government or local housing authorities. There is a local loan review committee in each locality that reviews the applications. Every project is a loan. Funds are leveraged for each project with USDA Rural Development which has some limited grants available for emergency situations.

K. OLENE WALKER HOUSING LOAN FUND

The Olene Walker Housing Loan Fund makes loans from federal funds received by HCD and HUD HOME programs or from state matching funds. HOME program income is governed by federal restrictions. Money in this fund is targeted to acquisition, rehabilitation and new construction of single family and multi-family housing, as well as housing serving special needs including the homeless and chronically mentally ill.

Besides federal funds, the Olene Walker Housing Loan Fund was appropriated ongoing funds from the Utah State legislature for FY 2016 with \$2,242,900; \$9,800 for affordable housing planning as well as \$1,000,000 as a one-time appropriation.

L. OTHER HCD HOUSING OPPORTUNITIES

The Housing and Community Development Division welcomes opportunities to partner with local governments, quasi-governmental agencies such as public housing authorities and non-profits in providing affordable housing opportunities to Utahns. These partnerships have applied successfully in national competitions for the following federal housing programs, with the division often pledging a significant portion of the required matching dollars:

Housing Opportunities for People with Aids (HOPWA) is a federally funded HUD program. It provides short- and long-term housing assistance to prevent homelessness and maintain stable housing for those receiving medical treatment for HIV/AIDS. The Division received \$153,375 in FY 2016 to provide this housing assistance.

The HOPWA program is administered throughout the state by various agencies: Salt Lake Community Action Program, Housing Authority of Salt Lake City and Housing Authority of Salt Lake County for rural Utah and for the Salt Lake County Area; and by Ogden Housing Authority and Catholic Community Services-North in Ogden for those in the northern part of the state.

The State HOPWA program manager works closely with the HIV/AIDS Steering Committee that meets bi-monthly to ensure that the needs of households with HIV/AIDS are being met. Active members of the Steering Committee include University of Utah Clinic 1-A, Utah Aids Foundation, Salt Lake City's HOPWA providers and the state's HOPWA providers.

Contact persons for the various programs listed above are:

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