



June 24, 2019

Re: Veto Statement

Dear Council Members:

I want to first thank you and your staff for once again working diligently through the budget process. Crafting and adopting a budget for a city as complex and unique as Salt Lake City is not easy, and it is a great testament to the individuals who work for Salt Lake City government, along with the residents who engage in these conversations, that over the last few years we have successfully passed balanced budgets which more than ever address the critical needs our City is facing.

While this year, we are once again mostly aligned in our budget priorities, my concern over some of the changes you have made to my recommended budget require that I issue several **line item vetoes** in Salt Lake City Ordinance No. 23 of 2019 (Adopting the City budget) and In Redevelopment Agency resolution R-9-2019 (adopting the RDA budget), both passed on June 11<sup>th</sup>. In accordance with City policy, these vetoes will reinstate the Mayor's budget recommendations.

My vetoes are largely in response to changes you have proposed regarding our shared interest in addressing the affordable housing crisis. These include a last-minute shifting of \$2.59 million dollars from the City's Housing Trust Fund (HTF) to the Redevelopment Agency (RDA), as well as placing contingencies on funding for housing programs developed in cooperation with community partners.

It is important to note, that while we may disagree on how we should move forward over the next year to address the housing crisis, we do not disagree that we must. The residents of this City have been clear that they consider this to be a top funding priority, and through our work on Funding Our Future and other endeavors, we have heeded their call.

Specifically, my concerns lie in these key areas:

**VETO 1.**

**Transfer of \$2.59-million dollars from Housing Trust Fund to the Redevelopment Agency**  
(Referenced in section 4.E.3.b of the Salt Lake City budget ordinance and in section A of the Redevelopment Agency budget resolution)

Following the two budget public comment periods, the City Council began discussing an option to move the funding I recommended for the HTF to the RDA for affordable housing programs. This represents a significant shift in City policy and function, without appropriate public input. Practically, this adjustment will leave the HTF without funding once the final loan is issued to help Lincoln Towers, a senior housing development, renovate their building.



Like all loans made by the HTF, the Lincoln Towers financing was approved in an open and transparent manner. The loan was vetted by the City's resident-based Housing Trust Fund Board, and later approved by the City Council.

Under this transparent and effective model, the City has allocated \$11,038,250 since March 2016, adding 992 units of affordable housing to the market and preserving an additional 303 affordable units.

Prior to voting for this change, the City Council indicated that efficiency and transparency were paramount concerns for this funding. The current HTF process which makes critical financing available for affordable housing developments—particularly for those targeting very low-income individuals or individuals exiting homelessness—clearly meets these criteria.

Shifting the funding to the RDA through an as of yet defined process will inevitably slow down the delivery of this critical financing. With the region poised to begin implementing a new service model for homelessness, now is not the time to create any delays in bringing additional affordable housing online.

I respectfully ask the City Council to maintain this veto and allow the proven and effective HTF model to continue this coming fiscal year, while the Administration and Council discuss the intentions of both bodies and receive feedback from those impacted by this change.

## **VETO 2.**

### **Contingency funding for housing programs administered by the Division of Housing and Neighborhood Development**

*(Referenced in sections 3.C and 4.E.3a of the Salt Lake City budget ordinance and Motion 5.N of the Motion Sheet attached thereto)*

The City Council has placed in a holding account \$1.9-million dollars of funding recommended to support a variety of homeless and housing programs implemented by our community partners. Throughout the months of March and April, Salt Lake City helped formally launch some of these programs including:

#### **VETO 2A** *(See Motion 5.N.iv.a of the Motion Sheet)*

**The Road Home's Shared Housing Opportunities;** a program which provides rent assistance and light case management to individuals experiencing housing instability. The program promotes co-living arrangements by matching individuals in shelter and in other vulnerable situations to help bridge the housing affordability gap. This program fills a gap that exists because traditional rent assistance programs do not allow for roommate situations.

#### **VETO 2B** *(See Motion 5.N.iv.c of the Motion Sheet)*

**Support for the Most Vulnerable: VOA's Assertive Community Treatment;** a program which provides intensive, integrated services for clients living with mental illness. Through our partnership with the VOA, Salt Lake City is able to provide a critical housing component to this program, filling a gap for individuals who have found themselves in homeless situations, but do not qualify for assistance set aside for those defined as "chronically homeless."



**Support for the Most Vulnerable: Utah Community Action's School Based Homelessness;** a program intended to find stable housing for students experiencing homelessness within the same boundaries of their current school by providing housing location services as well as well as rent and deposit assistance.

**VETO 2C** (See Motion 5.N.iv.e of the Motion Sheet)

**Down Payment Assistance: CDC Utah's Community Heroes Program;** a down-payment assistance program for nurses, teachers, police officers, fire fighters, EMTs, and 911-dispatchers who live and work in Salt Lake City. The program helps to ensure that individuals critical to the City's operation can live and work in Salt Lake City.

**VETO 2D** (See Motion 5.N.iv.d of the Motion Sheet)

Along with providing resources to these pilot programs, my budget recommendation expanded a critical initiative the City has been supporting since 2015, **The Road Home's New House 20** program.

With City funding, the Road Home has targeted the highest users of emergency services providing intense trauma informed case-management and assistance in finding housing. The results of the program show a 90% reduction in emergency services. The Council's decision to place funding in a holding account will jeopardize case management services because funding for this long-term program lapses on June 30<sup>th</sup>.

My budget also recommended funding for new programs, which includes partnerships with community organizations. These partnerships provide support for:

**VETO 2E** (See Motion 5.N.iv.f of the Motion Sheet)

**Landlord Insurance Program,**

**VETO 2F** (See Motion 5.N.iv.b of the Motion Sheet)

**Incentivized Rent Assistance**

**VETO 2G** (See Motion 5.N.iii.b of the Motion Sheet)

Eviction prevention program (**Build a More Equitable City**).

The Council's decision to place funding for these programs in holding accounts until a proposed ordinance can be passed, creates a two-tiered system for how the City provides financial assistance to reputable partners. Within this budget alone, there are several examples of non-contingent funding being awarded to organizations assisting with housing and homelessness efforts, including the Wasatch Community Garden's Green Team which the City Council advocated for a reinstatement of funding.

I respectfully ask the City Council to maintain each of my vetoes of these programs to allow financing to move forward this fiscal year, while the Administration and Council discuss the intentions of both bodies and receive feedback from those impacted by these changes.



**VETO 3.**

**Transfer of City memberships in civic organizations from the "Non-Departmental" budget to the "NEW-Legislative Non-Departmental" budget**

*(See section 3.A of the Salt Lake City budget ordinance and page 2 of the Key Changes attached thereto)*

The transfer of the funds for these four memberships violates the Mayor-Council separation of powers. The Mayor's Office has requested a legal opinion from the City Attorney's Office on this issue.

Again, thank you for your dedication to this process. As always, the Administration is available to help answer any questions you may have. I understand you will most likely be reviewing and taking action on these vetoes in the coming week. Please note, that I will be at the annual Conference of Mayors gathering but am always available to any Council Member by phone should you wish to further discuss my reasoning.

With warm regards,

A handwritten signature in cursive script that reads "Jacqueline M. Biskupski".

Jacqueline M. Biskupski  
Mayor