

COMMISSION ON HOUSING AFFORDABILITY

Minutes for May 9, 2023

Hybrid Meeting: In Person & Via Zoom

Members Present

Senator Lincoln Fillmore
Representative Stephen Whyte
Nate McDonald
Christina Oliver
Andrew Johnston
Christopher Gamvroulas
Wayne Niederhauser
David Damschen
Dina Blaes
Ginger Chinn
Janice Kimball
Beth Holbrook
Danny Walz
Kyle Palmer
Tom Macdonald
Michael Ostermiller
Nicholas Berger
Steve Waldrip
Matt Loo

Representing

Senator
Representative
Executive Director DWS Designee
Director, Housing & Community Development
Salt Lake City
Utah Homebuilders Association
State Homelessness Coordinator
Utah Housing Corporation President
Salt Lake County
Salt Lake Chamber
Public Housing Authority
President of UTA
Salt Lake County
Governor's Office of Economic Opportunity
City of Orem
CEO Northern Wasatch Association of Realtors
Rocky Mountain CRC
Non-Profit Rocky Mountain Home Funds
Southern Utah Municipal Government

Absent Members

Joel Briscoe
Rachelle Custer

Staff Present

Jess Peterson
Stacey Herpel
Alyssa Gamble
Dan Murphy
Jennifer Edwards
Jennifer Domenici

Guests

Robert Andreasen
Meg Ryan
Melia Dayley
Christopher Robinson

Ashley Spatafore
Michelle Flynn
Gayle Dawes
Gay Bennion

Susan Olson
Molly Wheeler
Patrick Putt
Miranda Jones-Cox

Shule Bishop
Peggy Hostetter
Justin Lee
Ryan Hunter
John Drew

Alan Matheson
Karson Eilers
John Hiskey
Alison Kuhlow
Audry Wood

Liam Thrailkill
Kory Holdaway
Habitat for Humanity

I. WELCOME AND INTRODUCTIONS

Representative Whyte:

Today is May 9, 2023, and it is now 1:00 pm. I would like to announce two new members to the Commission on Affordable Housing which are Dina Blaes from Salt Lake County who is here with us today and Rachelle Custer from Tooele County who is not here today. Thank You both.

II. PUBLIC COMMENT

Tara Rollins

I want to bring your attention to the fact that the Federal government right now is looking at making some significant cuts. The Federal cuts that are being proposed right now and housing is one of those. So, if the cuts are made, we lose 3100 units of housing. We would also be losing Snap Funding, Medicare for Seniors, and Veterans. So, there are just a lot of cuts that are happening. I want you to understand that 3100 units will not be paid for anymore. So, my request is to have a better understanding of that, maybe reach out to leadership and educate them on it and talk to our people in DC.

Steve Erickson

I wanted to add to what Tara said about the Federal Government and the impending cuts that we are hoping that those won't go through. I wanted to thank you all for your work this past year, and our legislative partners. It was a big year for housing, and we got a lot done. It is critical that if we start to lose Federal resources that the State be willing to step up and fill in those gaps.

Gayle Dawes

I am pleading with the Commission to consider making ways for our young people to obtain a house or to own a home. I urge us to continue to focus and do the work that we have done. We progressed quite a bit in 2023 and I wanted to let you know that it is really appreciated.

III. APPROVAL OF MEETING MINUTES:

Representative Whyte:

Item three is to approve the minutes from our meeting on December 27, 2022, can I have a motion to that effect?

A motion to approve the December 27, 2022, meeting minutes made by Wayne Neiderhauser and seconded by Christina Oliver. Motion passes with Lincoln Fillmore, Stephen Whyte, Nate McDonald, Christina Oliver, Andrew Johnston, Christopher Gamvroulas, Wayne Niederhauser, David Damschen, Ginger Chinn, Janice Kimball, Danny Walz, Kyle Palmer, Tom Macdonald, Michael Ostermiller, and Matt

Loo as approved, with Steve Waldrip, Dina Blaes, and Nick Berger abstaining, and Joel Briscoe, Beth Holbrook, and Rachelle Custer absent.

IV. Commission Business

a. Chair – Co-Chair Nominations

A motion to nominate Senator Lincoln Fillmore as Chair and Representative Stephen Whyte as co-chair for the Commission on Housing Affordability for the coming year made by Kyle Palmer and seconded by Chris Gamvroulas. Motion passes with Lincoln Fillmore, Stephen Whyte, Nate McDonald, Christina Oliver, Andrew Johnston, Christopher Gamvroulas, Wayne Niederhauser, David Damschen, Ginger Chinn, Janice Kimball, Danny Walz, Kyle Palmer, Tom Macdonald, Michael Ostermiller, Steve Waldrip, Dina Blaes, Nicholas Berger, and Matt Loo as approved, with and Joel Briscoe, Beth Holbrook, and Rachelle Custer absent.

b. Oath of Office and Conflict of Interest

Robert Andreasen conducted the Oath of Office for the Commissioners in person and Stacey Herpel as the notary witnessed. Those that were not present have been notified and sent the Oath's of Office and Conflict of Interest through email to complete and return.

c. OPMA Training

Robert Andreasen presented the Open and Public Meetings Act annual training.

V. UEOC 2023-2024 Calendar and Expectations

- May 31, 2023, UEOC Meeting
- June 6, 2023, Commission Meeting
- August 1, 2023, Commission Meeting
- August 30, 2023, UEOC Meeting
- September 5, 2023, Commission Meeting
- September 27, 2023, UEOC Meeting
- October 26, 2023, UEOC Meeting
- January 10, 2024, UEOC Meeting

VI. 2023 Legislative Recap

Wayne Niederhauser: Deeply Affordable Housing

- Deeply Affordable Housing Funding - \$50 Million, One Time
- Utah Low Income Housing Tax Credit - \$60 Million Program
- Housing Stabilization Grants – Project based rent support, \$5 Million On-Going
- Statewide Code Blue System
- Requiring Large Counties to Plan and Respond
- Shelters Cities Mitigation Fund - \$5 Million
- Provider Operation Money - \$12 Million Ongoing

David Damschen: 2023 GS Housing Affordability Amendments

SB 240 First Time Homebuyer Assistance Program

- \$20,000 per transaction “soft second”
- \$450,000 purchase price limit
- Permanent rate buydown, closing costs, or down payment
- Usable in combination with UHC’s regular DPA
- New Construction/Not yet inhabited
- Pending rules, DWS Contract

HB 231 Low Income Housing Property Tax Exemption

- Article XIII, Section 3(f), Utah Constitution
- Provides that a private owner of Permanent Supportive Housing qualifies as a “nonprofit entity”
- Aligned with definitions of PSH in U.S.C., C.F.R., and Utah Housing Corporation’s Qualified Allocation Plan
- 8 projects at present, \$280,000 annual collectively

HB 364 Housing Affordability Amendments

- Increases the state’s Low Income Housing Tax Credit 10x
- Six year sunset
- Boost production by 600-700 units each year
- No carry forward provision
- Administered in tandem with the federal LIHTC

Cameron Diehl: Utah League of Cities and Towns

What cities can and can’t do:

- Cities have no control over market forces, inflation, interest rates, supply chains, material costs, land costs, or labor shortage.
- Cities don’t build housing, but we plan for housing

Key Questions from 2022:

- Will the proposals result in good planning for growth?
- Will the proposals result in more housing units that are affordable to the buyer or renter?
- Do the proposals respect the traditional land use planning role of local government?

What SB 174 Does and Doesn’t do:

- Legislative: General Plan
 - No change to public process
- Legislative: Zoning
 - No change to public process.
 - Zoning Map
 - Leg Action: Land use authority recommends to the legislative body
 - Robust community engagement process with public hearings
- Administrative: Preliminary subdivision
 - City may hold one public hearing.
 - Systemic change to land use process.
 - Application congruent with general plan and zoning map
 - 15 day shot clock to review preliminary
- Administrative: Final Subdivision Review
 - The city shall approve or deny the application and may not require city council or planning commission approval.
 - Systemic change to land use process.

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- Required to meet shot clocks with 4 rounds of review max.
- 20 day shot clocks
- Developer must meet requirements in redline
- City must document redline

SB 174 Local Land Use and Development Revisions

3 Key Topics:

- Changes the municipal administrative subdivision review and approval.
- Assesses a fee of \$250/day for cities who fail to submit a MIHP or cure deficiencies (increases to Olene Walker Housing Loan Fund)
- Modifies and clarifies IADU policy to include a garage if it shares a wall with the primary residence and restricts municipalities from prohibiting IADUs on new plats after October 2021.
- Two part deadline: MIHP cities by February 1, 2024, all others by January 1, 2025.
- \$4 million in technical assistance, available on July 1

HB 406 Land Use, Development, and Management Act Modifications

- Annexation (more to come in 2023)
- Modifies the definition of rural real property for the purposes of annexation petition protests.
- Allows municipalities to reconsider a decision denying an annexation petition.
- Allows a boundary adjustment commission to consider a petitioner's or affected property owner's preferences when considering an annexation petition protest Residential roads/landscaping bond.
- Restricts municipalities from requiring *residential* road widths in new development to be constructed in excess of 32' with certain exceptions and creates an appeal process to arbitrate those exceptions. Clarifies restrictions on public landscaping bonds Moratorium.
- Prohibits municipalities from applying temporary land use regulations to applications after development moratoriums lapse if moratorium restricted the application. Development agreements
- Creates additional advisory requirements for development agreements (may need modifications)

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Christina Oliver: Housing and Community Development Other Investments

- \$600,000 (1x) Section 8 Landlord Incentive Program
- \$1,000,000 (1x) Habitat for Humanity Critical Home Repair Program
- \$2,750,000 (Ongoing) Rural Single-Family Home Land Revolving Loan Program
- \$500,000 (Ongoing) Single-Family Housing Rehabilitation
- \$5,000,000 (1x) Shared Equity Revolving Loan Fund • \$10,000,000 (1x) Utah Housing Preservation Fund

VII. A Comparison on State-Funded Affordable Housing Programs

James Wood:

Rental Assistance – 40,000 renters in Utah that have incomes of 30% AMI. Paying over 50% of their income for rent and utilities. Part of the homeless reduction program should be eviction prevention and rental assistance to the extremely low income. 35 States have rental assistance programs.

State Housing Trust – Olene Walker Housing Trust Fund. Only 35 States have a real estate transfer tax. The funds from the transfer tax run through the housing trust fund. The transfer tax provides a dedicated ongoing source of revenue for their housing trust.

State Tax Credits – Utah raised the state tax credits to 10%

Eviction –

- Eviction Filings – 2.2% of renters, about 6,600 annually
- Eviction Judgement – 1.0 % of renters, about 3,000 annually
- Notified within 3 days must pay or vacate. No response eviction filed. A tenant must pay treble damages if does not file an answer.
- Eviction as an indicator of housing instability Utah ranks 38th in eviction rate.

Observations-

- Housing affordability is a policy issue, affordable housing is an income issue.
- Can't build our way out of the affordable housing crisis for the very low and extremely low-income renter.
- Supply focused programs can't reach enough of these renters. Consequently, many states have added demand-focused programs that provide direct assistance to renters.

VIII. 2022 Moderate Income Housing Plan Results

Alyssa Gamble:

- Technical Assistance for MIHR was a benefit to the Communities
- Communities identify challenges identifying ADUs
- Cities with no current SAP requirements are coordinating with neighbors or planning for future stations.
- Program development strategies describe coordination, funding and incentives, research and data, and implementation.
- Zone and rezone strategies are difficult to timeline.

IX. Working Groups

Christina Oliver:

The three working groups for the Commission on Housing Affordability are as follows.

- Funding – This group will analyze what legislation has passed this last session, return on investment, and financial gaps and where we can improve next year.

A motion to nominate Wayne Niederhauser and David Damschen as Co-Chairs of the Funding Committee made by Senator Fillmore and seconded by Christina Oliver. Motion passes with Lincoln Fillmore, Stephen Whyte, Nate McDonald, Christina Oliver, Andrew Johnston, Christopher Gamvroulas, Wayne Niederhauser, David Damschen, Ginger Chinn, Beth Holbrook, Janice Kimball, Danny Walz, Kyle Palmer, Tom Macdonald, Michael Ostermiller, Steve Waldrip, Dina Blaes, Nicholas Berger, and Matt Loo as approved, with Joel Briscoe and Rachelle Custer absent.

- Policy – Look into things that we want to propose to legislation. Look at ordinance, standardization of fire marshal training, rural communities, infill land use and role, and how we can modernize our processes.

A motion to nominate Chris Gamvroulas and Tom Macdonald as Co-Chairs of the Policy Committee made by Senator Fillmore and seconded by Christina Oliver. Motion passes with Lincoln Fillmore, Stephen Whyte, Nate McDonald, Christina Oliver, Andrew Johnston, Christopher Gamvroulas, Wayne Niederhauser, David Damschen, Ginger Chinn, Beth Holbrook, Janice Kimball, Danny Walz, Kyle Palmer, Tom Macdonald, Michael Ostermiller, Steve Waldrip, Dina Blaes, Nicholas Berger, and Matt Loo as approved, with Joel Briscoe and Rachelle Custer absent.

- Data – Look at how we utilize the data we are collecting in order to target strategic funding for affordable housing.

A motion to nominate Janice Kimball and Dina Blaes as Co-Chairs of the Data Committee made by Christina Oliver and seconded by Kyle Palmer. Motion passes with Lincoln Fillmore, Stephen Whyte, Nate McDonald, Christina Oliver, Andrew Johnston, Christopher Gamvroulas, Wayne Niederhauser, David Damschen, Ginger Chinn, Beth Holbrook, Janice Kimball, Danny Walz, Kyle Palmer, Tom Macdonald, Michael Ostermiller, Steve Waldrip, Dina Blaes, Nicholas Berger, and Matt Loo as approved, with Joel Briscoe and Rachelle Custer absent.

X. Other Business

None

XI. ADJOURN

Representative Whyte:

Meeting adjourned @ 3:00 p.m.