PROVO MUNICIPAL COUNCIL

Redevelopment Agency of Provo

Work Meeting

12:00 PM, Tuesday, June 20, 2023
Council Chambers (Room 100)
Hybrid meeting: 445 W. Center Street, Provo, UT 84601 or
https://www.youtube.com/provocitycouncil

The in-person meeting will be held in the **Council Chambers**. The meeting will be available to the public for live broadcast and on-demand viewing on YouTube and Facebook at: youtube.com/provocitycouncil and facebook.com/provocouncil. If one platform is unavailable, please try the other. If you do not have access to the Internet, you can join via telephone following the instructions below.

To listen to the meeting by phone: June 20 Work Meeting: Dial 346-248-7799. Enter Meeting ID 860 6627 9063 and press #. When asked for a participant ID, press #.

Agenda

Roll Call

Prayer

Approval of Minutes

May 2, 2023 Work Meeting
May 16, 2023 Work Meeting
June 6, 2023 Work Meeting
June 13, 2023 Budget Work Meeting

Redevelopment Agency Governing Board

1. A discussion regarding expanding the tax increment finance agreement with the Noorda College of Osteopathic Medicine. (23-045)

2. A discussion regarding expanding the tax increment finance agreement with Rivers Edge on University (The Mix). (23-045)

3. A discussion regarding a RDA Shared Services Agreement (23-045)

4. A discussion regarding an update to the RDA bylaws (23-045)

Council Business

5. An ordinance enacting procedures and requirements related to agriculture protection areas. Citywide Application. (PLOTA20230092)

6. A discussion regarding unreinforced masonry buildings (23-032)

7. A discussion on an ordinance amending city code regarding apartment building signage requirements. (23-048)

8. A discussion regarding housing affordability strategies. (23-043)

9. A presentation regarding the general operations and library property tax rates. (23-008)

10. A presentation on rates and payment schedules for Provo's general obligation bonds. (23-008)

11. A presentation regarding FY24 supplemental budget requests. (23-008)

12. A presentation of the FY24 tentative budget and council priorities (23-008)

13. A discussion regarding property tax (23-008)

Adjournment

If you have a comment regarding items on the agenda, please contact Councilors at council@provo.org or using their contact information listed at: provo.org/government/city-council/meet-the-council

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The next Budget Work Meeting will be held on Tuesday, June 27, 2023. The meeting will be held in the Council Chambers, 445 W. Center Street, Provo, UT 84601 with an online broadcast. Work Meetings generally begin between 12 and 4 PM. Council Meetings begin at 5:30 PM. The start time for additional meetings may vary. All meeting start times are noticed at least 24 hours prior to the meeting.

Notice of Compliance with the Americans with Disabilities Act (ADA)

In compliance with the ADA, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting are invited to notify the Provo Council Office at 445 W. Center, Provo, Utah 84601, phone: (801) 852-6120 or email evanderwerken@provo.org at least three working days prior to the meeting. Council meetings are broadcast live and available for on demand viewing at youtube.com/ProvoCityCouncil.

Notice of Telephonic Communications

One or more Council members may participate by telephone or Internet communication in this meeting. Telephone or Internet communications will be amplified as needed so all Council members and others attending the meeting will be able to hear the person(s) participating electronically as well as those participating in person. The meeting will be conducted using the same procedures applicable to regular Municipal Council meetings.

Notice of Compliance with Public Noticing Regulations

This meeting was noticed in compliance with Utah Code 52-4-207(4), which supersedes some requirements listed in Utah Code 52-4-202 and Provo City Code 14.02.010. Agendas and minutes are accessible through the Provo City website at agendas.provo.org. Council meeting agendas are available through the Utah Public Meeting Notice website at utah.gov/pmn, which also offers email subscriptions to notices.

Pending minutes – awaiting approval

Please Note – These minutes have been prepared with a timestamp linking the agenda items to the video discussion. Electronic version of minutes will allow citizens to view discussion held during council meeting.

PROVO MUNICIPAL COUNCIL
Work Meeting Minutes

12:30 PM, Tuesday, May 02, 2023
Council Chambers
Hybrid meeting: 445 W. Center Street, Provo, UT 84601 or
https://www.youtube.com/provocitycouncil

Agenda (0:00:00)

Roll Call

The following elected officials participated:

Council Chair Katrice MacKay, conducting
Council Vice-chair Rachel Whipple
Councilor George Handley
Councilor David Shipley
Councilor Travis Hoban, arrived 12:50 PM
Councilor Shannon Ellsworth, arrived 1:04 PM
Mayor Michelle Kaufusi

Excused: Councilor Bill Fillmore

Prayer

Ginny Smith offered the prayer.

Approval of Minutes

April 18, 2023 Work Meeting
Approved by unanimous consent.

Business

1. **An ordinance amending the Zone Map of approx. 0.48 acres, located at 2050 N Canyon Road, from General Commercial (CG) and Two Family Residential (R2PD) to Medium Density Residential (MDR) & authorizing a related development agreement. (PLRZ20220302) (0:17:45)**

2. **An ordinance amending the General Plan Map classification of approx. 0.23 acres of real property, generally located at 2050 North Canyon Road, from Commercial (C) to Residential (R). Pleasant View Neighborhood. (PLRZ20220301) (0:18:15)**

Aaron Ardmore, Planning Supervisor, presented on both items 1 and 2. This project is located north of the BYU stadium. The original concept included 12 one-bed residential units; they are required to provide 18 parking stalls and the project will include 21 stalls. The height is also

limited to 30 feet. These elements of the project will be memorialized in a development agreement. Mr. Ardmore explained that the applicant had revised their original project proposal in response to some of the concerns from residents of the surrounding neighborhoods and this represents the updated proposal.

Councilor Katrice MacKay asked about owner-occupancy with the project. Mr. Ardmore said that based on his discussions, his understanding was that the developer intended to include a provision or percentage of owner-occupancy in the CCNRs on the property, which would be established at a later step of the project. Mr. Ardmore responded to another question from Ms. MacKay about signage. Councilor Rachel Whipple shared her support of the owner-occupancy component of the project. Mr. Ardmore indicated that the applicant would be present at the Council Meeting that evening. ***Presentation only. This item was already scheduled for the Council Meeting on May 2, 2023.***

3. **A resolution accepting an annexation petition for further consideration for approximately 9.1 acres of property generally located at 5500 N Canyon Road. North Timpview Neighborhood. (PLANEX20230020) (0:24:40)**

Brandon Larsen, Planning Supervisor, presented. The subject property is located at the northeast end of the City. It includes two lots of unincorporated property on North Canyon Road along University Avenue. Historically, the property has been used for agricultural production.

Mr. Larsen presented another case of an annexation. He explained that the property in question is unincorporated land. The zone that the property is in allows for more development. The family who owns the land wants to bring it into city jurisdiction to help preserve the agricultural nature of the land. Mr. Larsen explained that the property was currently not under city jurisdiction so this annexation would bring the property into the city so that local law enforcement could better respond to requests for service in the area. The family have had a few altercations on the property and desire public safety to be able to help them when needed. Mr. Larsen explained that this step was just initially accepting the annexation petition to allow the process to move forward. Following the City Recorder's receipt of the petition, a 30-day public notice period will begin and then the annexation will come to the Council for a final decision.

Councilor George Handley was fully supportive of the annexation and expressed his gratitude to the Smiths and staff who have been moving this forward. ***Presentation only. This item was already scheduled for the Council Meeting on May 2, 2023.***

4. **A resolution appropriating $1,060,000 in the Mountain Vista Fund for completing the Mountain Vista Business Park Road construction project. (23-006) (0:31:45)**

Dixon Holmes, Assistant CAO, presented. This project has been underway for the last 20 years or so and this is the last section to be built. They have a matching grant from the federal government, and they need an additional $1,060,000.00 to finish off the project. Half of this amount will be reimbursed by the matching grant. This road will provide access to new businesses. Councilor Katrice MacKay asked if the matching grant money would just go back to

fund balance and Mr. Holmes indicated that was the case. ***Presentation only. This item was already scheduled for the Council Meeting on May 2, 2023.***

5. A presentation updating the Council and public on Accessory Dwelling Units (ADUs). (23-034) (0:33:25)

Scott Johnson, Zoning Administrator, presented. Mr. Johnson gave an update on ADU statistics in the city. Four have been approved since the process changed. This includes allowing the process of properties east of I-15 being allowed to have special use permit status and have ADUs. They are working with IS to map it all out. They have had 40 inquiries about the process overall and have had 14 applications for ADUs since the process has been approved. Six of those applications are in ADU zones with one on the West Side. Six applications are in the process of being constructed so they are going through the building permit process.

Councilor David Shipley asked about the application for 30 properties and whether this had been delayed and what the status update was for this application. Mr. Johnson said since this application more closely approximated a zone change amendment, the Planning division was handling it. He was not aware of any issues holding it up. Mr. Shipley asked if these rates of applications were consistent with the department's expectations because it did not feel like a very large volume at all. Mr. Johnson said the applications they have received is typical based on what they have received in the past; they have not noted a major difference in volume of applicants. Councilor Rachel Whipple asked how many applications were for people trying to come into compliance; Mr. Johnson said they have not had any such applications. ***Presentation only.***

6. A presentation regarding efforts addressing homelessness in Provo City- Community Action Services & Food Bank. (23-018) (0:41:30)

Jessica Miller, Community Strategies Director at Community Action Services & Food Bank, presented. The organization has been around since 1967 and they provide assistance with the goal of self-reliance. They try to help individuals in obtaining safe and affordable housing, healthy and life-sustaining food, adequate economic opportunities, and support systems of people in their life they can count on. Their service areas include Utah, Wasatch, and Summit counties, with 48% of their population served in Provo. They are located in Provo and they have five other foodbanks in their service area (Orem, Springville, and several in Wasatch County). In response to a question from Councilor Katrice MacKay, Ms. Miller clarified details about their population served. Their clients are not required to provide economic information, but one-quarter of the people they served in Provo have been unhoused or only temporarily housed. They try to help along a continuum of housing. Because they are community-based, they have a mandate to find out what the community needs are. Their board membership is comprised of a mixture of public and private groups as well as some individuals who have experienced homelessness and can offer their perspective. They also have focus groups with staff and clients to learn more information, compile, and prioritize needs.

The top four needs they have observed in the community are more affordable housing, livable wages that keep up with inflation and housing, greater food security, and improved access to healthcare (including mental and behavioral health supports). Housing issues impact all the other

needs. Rent has gone up 11% each of the last two years, with housing prices and inflation continuing to go up. When housing is scarce, vulnerabilities and inequalities are magnified and exacerbated regarding access to housing. Ms. Miller explained more about the resources they have to help serve different populations across the affordable housing continuum. These resources aim to help people become more self-reliant. Ms. Miller gave details of the emergency motel vouchers for emergency shelter for individuals.

Ms. MacKay asked questions about people who help out with emergency housing needs. Ms. Miller elaborated on this. There are people of similar socioeconomic strata who may be willing to help but they may not be in a position financially to provide that help on an ongoing basis without some kind of compensation or financial help. There can also be restrictions on peoples' leases for now allowing visitors for an extended period. Councilor David Shipley asked some additional questions about emergency motel vouchers and the demand for these versus other services or housing options available in an emergency. Ms. Miller shared additional insight into how this process works. Funding for these vouchers is donated by the Church of Jesus Christ of Latter-day Saints. She shared several example scenarios to illustrate how vouchers are distributed and the action plan they create with a resident to try and get them situated with work and to improve their situation. They have a limited supply of vouchers, so they try to divert people to other emergency housing options. She shared data from the previous year, noting they were able to limit the use of vouchers due to hard work put into diverting people from the system. Ms. Miller also noted that they do a lot of work with prevention in order to prevent people from becoming unhoused in the first place. Ms. MacKay asked about how the vouchers work, how many vouchers the Church funds, and how the review process works. Ms. Miller explained that they have a grant for a lump sum, and they try to use their dollars wisely. If they are running low, they reassess and may consider re-applying. In response to another question from Ms. MacKay, Ms. Miller said she thought the Church also provides some vouchers to the domestic violence shelter.

Ms. Miller explained that the first step is to get someone shelter. They then work on applying for work and for housing. They create an action plan with the resident to help them make progress on these items. Ms. Miller outlined details of the rapid rehousing program. Ms. Miller also shared a breakdown of what kind of income someone needs to be earning in order to afford a certain size of apartment. It is incredibly difficult in the current market to find landlords who are offering rents below market rate and to these kinds of tenants.

Councilor Shannon Ellsworth asked if the statistics that Ms. Miller had were from the county. Ms. Miller confirmed that the statistics were from the county. Councilor Ellsworth also asked if Ms. Miller knew where Provo was in comparison to the region when it comes to rent rates. Ms. Miller did not know and said that she started putting together a survey last year for landlords asking about the rents they were charging in Utah County. She sent 300 surveys and only got 17 responses back.

Ms. Miller highlighted other barriers to finding housing for individuals. She highlighted some of the programs they have in place to help remove some of the potential barriers. They have a commercial kitchen business incubator to help people start food-based businesses if they have the requisite skills, community gardens, financial literacy classes, homebuyer education classes,

and the Circles initiative. Circles focuses on those experiencing intergenerational poverty and seeks to help them to break the poverty cycle.

Councilor Rachel Whipple asked about renter protections and resources for renters. Ms. Miller needs to get more information on these things. Ms. Whipple explained some of the concerns and lack of protection for tenants. She also asked if someone could still participate in the Section 8 voucher program if they were evicted in the past.

Ms. Miller said they do not work on Section 8 vouchers. Those types of voucher are administered by the Provo City Housing Authority. However, Ms. Miller said any eviction would probably impact their ability to find housing in the future based on the housing landscape of how landlords feel about evictions. Ms. MacKay said if they have owe money on an eviction they have to pay it before they can be back in the system. Ms. Miller also noted that there are a lot of predatory elements in lease agreements.

Ms. Miller said that another program they have is mortgage assistance through some city and state-level programs. Food assistance and their food banks are another major service. If families do not have to buy food, they will have more funds remaining that can go toward their housing. Ms. Ellsworth asked about donating expired food. Ms. Miller indicated that food can be expired within a certain timeframe and still be donated. She highlighted several upcoming food drives and noted that they need support year-round. The increase in who they are servicing has put strain on the foodbank capacity and they really rely on private donations. She also said that volunteer hours are also incredibly helpful.

Ms. Miller highlighted several areas in which the Council could help, including identifying ways to provide additional housing, garnering support for a general population non-congregate shelter in Utah County, and improving food access throughout the city. She noted that for low-income individuals, the distance to a grocery store is a major factor for housing options if someone is using and relying on transit to access the grocery store.

Ms. MacKay asked how many units are located in Provo in which they house people. Ms. Miller responded and said she did not have the answer but could find out. Ms. Whipple asked if they paid market rate for the motels. Ms. Miller said there are two motels they use; other motels have opted not to participate. She shared details about the rates as well as the hotel conditions, noting they are not paying market rate which helps. ***Presentation only.***

7. A discussion on parking requirements in the Downtown core (23-045) (1:19:45)

Bill Peperone, Development Services Director, presented. Mr. Peperone shared that he does a regular survey of apartment buildings in the downtown area every three years or so to check on rents. He found that they continue to steadily increase. He does this in order to stay informed about the market data on apartment rents in these areas of the city. Mr. Peperone introduced this item. He observed that if people were frequently asking for exceptions to various standards, there may be an issue with the standard that is in place. He shared several recent requests they have received regarding exceptions to parking standards. The downtown area is unique so it may be appropriate to treat it differently for parking standards. Mr. Peperone indicated that they have

treated most uses as nonconforming when it comes to parking. When one standard land use code leaves and a different use comes in, they lose the non-conforming status since it is a different use. With downtown, it becomes tricky to evaluate because there may be a lot of parking in the vicinity but because it is not technically on-site it is not allowed to be counted.

They have 12,600 parking spaces including public, private, and off-street spaces in the downtown area. There is sufficient parking downtown and just need to help direct citizens to the available parking. Their wayfinding projects have helped a lot with this. It is problematic to have this issue come up every time they change out businesses in this very defined downtown area. Mr. Peperone displayed a map showing a very limited central corridor identifying these areas.

Councilor David Shipley proposed the idea to change rules so that when a business use changes (not just the specific business) they do not have to go back to planning to request an exception to the parking standard. Mr. Peperone highlighted several recent examples of this where it has been problematic. It is also an expensive process for businesses in having to do a traffic study. Councilor Rachel Whipple mentioned this change would also help with the demands on staff time. Mr. Peperone agreed with her. She asked about the old city center building and how it is not included in the map area. Mr. Peperone said that new construction or if a building is being demolished and built new, would have to have parking based on the city code. Ms. Whipple noted this is a way to facilitate preservation of facades and buildings and keep them vibrant and in use to have parking reconfigured when a use changes. Mr. Peperone said they would much rather incentivize reuse than encourage demolition.

Councilor George Handley likes and supports this proposal. He wondered if this is even more important if they moved in the direction of a more pedestrian-friendly Center Street or if they had seasonal pedestrian activities in the street that may obviate some of the on-street parking on Center Street. Mr. Peperone agreed that this amendment would become even more helpful in that situation. Mr. Handley likes the idea of incentivizing walking downtown.

Ms. Whipple asked about any other areas in the City where this would be appropriate. Mr. Peperone said it has been an ongoing problem in the Startup District. If the Council is supportive of this concept, this is the first step or test case of looking at other areas. This particular proposal is very manageable and finite, so it is a helpful test case before looking at this solution in other areas. ***Presentation only.***

8. A discussion regarding zoning code. (23-042) (1:52:30)

Michael Sanders, Policy Analyst, presented. The Council asked staff to look at form-based code as a means of modernizing the existing city code. A 1926 Supreme Court case solidified the term "Euclidean zoning" based on the town of Euclid, Ohio, where a municipality is divided into zones with permitted uses. Mr. Sanders reviewed some of the basics of Euclidean zoning. Provo City Code has 88 different defined zones. Some of the benefits of Euclidean zoning are that it is predictable, it protects property rights, and encourages public safety. Possible negative aspects can include urban sprawl, civic isolation, and increased home costs. Civic isolation means there is a separation of human activities. It can be difficult to navigate for staff and applicants. Euclidean zoning focuses on a hierarchy of regulatory use, operations, and then form.

In contrast, form-based code focuses on the design and form that the built environment takes. The first form-based code was implemented in 1982. The Form-Based Code Institute has identified 728 form-based codes broadly speaking throughout the United States. Some of Provo's zones such as the Interim Transit-Oriented Development zone count as a form-based code element. Form-based codes are typically more pedestrian friendly, easy to navigate for developers, and aesthetically pleasing. Some of the cons of form-based code is that it is administratively complex, potentially expensive, and can have political ramifications. The hierarchy of form-based code is form, operations, and then regulatory use.

Form-based code is not the only alternative to Euclidean zoning. The staff memo identifies several other options that could be used. Staff also consulted with Development Services who offered several suggestions. The current city code needs a comprehensive cleanup. There are so many static ordinances, incomprehensible or conflicting ordinances, or other ordinances which were attempting a quick fix rather than lasting solutions. Development Services estimates that a comprehensive cleanup would require hiring a consultant and about $300,000-$400,000 to do. Mr. Sanders outlined several potential directions the Council could take.

Council Chair Katrice MacKay asked Mr. Bill Peperone to share his thoughts as Director of Development Services and what they see as the best path forward. Mr. Peperone said he agreed with Mr. Sanders' presentation and research. He would like to hire him in the Planning department if he is ever available. The Supreme Court Judge Sutherland who wrote the majority opinion in that Supreme Court Case is from Provo, UT. They are supportive of doing something better and would like to consider the incentive zoning possibility. There are some opportunities that could be beneficial to the City which could encourage affordable housing and the transfer of development rights (as a solution for property owners of private lots that are geologically difficult to build on). Mr. Peperone identified some potential TDRs and how this could work. Between now and fiscal year 2025, he thought Development Services staff could work with Council staff to identify some solutions for moving forward.

Councilor George Handley was fully supportive of using funds to explore these changes. He was willing to do everything that was feasible for Provo. He asked how the transition period works if areas have not yet been built out. He also asked if this would allow the City to target certain areas for rejuvenation. Mr. Handley shared additional comments about changing to a new zoning code and the potential costs and benefits implied. He was supportive of an effort to explore this further and receive more recommendations from staff.

Mr. Sanders said it is rare for form-based code to go in citywide; it is usually targeted for certain areas. Salt Lake City has several form-based code districts like North Temple and West Temple Gateways. The ordinance itself is very brief as it summarizes the form buildings should take. Mr. Sanders referred the Council to a March 2017 Work Meeting where the Council had another discussion on form-based codes. Ms. MacKay said she met with Mr. Peperone before she was voted onto the Council and Mr. Peperone said he would want to change the city code. As she has been involved with the City code, it has become apparent through various development proposals and conversations with business owners that this could be improved to become easier. She noted

they could be creative and offer a few different options depending on the area of the city and what is appropriate.

Councilor Shannon Ellsworth said a lot of form-based code is based on design standards. She noted the State Legislature has made some laws that prohibit cities from requiring sign standards on certain types of housing. She was concerned about the state continuing to prevent cities from implementing design standards, and how this may impact the City's ability to implement a form-based code. Ms. Ellsworth also said she was concerned about any money that is still there in the Development Services department and how the Council allocated it for the various plans. Mr. Peperone said he would have a staff member look into that. Ms. Ellsworth suggested that if the City were going to overhaul a large volume of the City's laws, that the Council be more involved throughout the process. Councilor Travis Hoban said he would prioritize use over form. Quality of life is important to him and that residents would point more toward use than aesthetics as quality of life factors. In more residential areas of the City, he would not want to prioritize form over use. He is in favor of simplifying things for staff or exploring how things could be simplified. He supported doing some more research about what the best solution would be; he wasn't sure if form-based code was the best fit in Provo politically. Ms. MacKay noted form-based code would be used only in certain areas like near transit or in certain commercial areas. Mr. Hoban said he would be okay with looking at where form-based code would make sense.

Councilor Rachel Whipple mentioned that some things about Euclidean zoning are helpful such as keeping some types of uses separate. She said the Council needed to decide which uses need to be preserved while also simplifying the code. For form-based code generally, the downtown area was originally built before Euclidean zoning even existed, which accounts for its mixture of uses and walkability. Mr. Peperone said that was the irony of this discussion; the most noteworthy place to bring visitors to Provo is downtown, but the current downtown Provo would not be possible under current design and engineering standards—we have zoned ourselves out of what works, what is unique, and what we value about our City. Ms. Whipple said it is nice to have residential areas that can have little commercial elements in them as well, like a corner market or dry cleaners which are nice to have in a residential area. It would help those residential areas to be more walkable.

Ms. MacKay said she liked that any changes would be done with citizen input. She assumed the General Plan would still be in place with whichever type of zoning. Form-based code would not be used everywhere; there would still be some prohibited uses. Mr. Peperone indicated that was correct; the use of form-based code would depend on the area of the City. Ms. MacKay invited feedback from the Council on the next steps. Ms. MacKay suggested they get things rolling and discuss the topic again in October. Ms. Ellsworth proposed that Council staff and Development Services staff work together to create a scope of what needs to be changed, the scope of any form-based code to be used, and create a written recommendation. Mr. Peperone was given permission to do this with staff and will report to Council leadership. However, the point was brought up that they can move more quickly if they can do that independently. Mr. Hoban said to have them come back with recommendations.

Motion: Katrice MacKay moved to request that staff report back within five months with recommendations as to the next steps, an outline of a new zoning ordinance, and a scope of the work that needs to be done. Seconded by Rachel Whipple.

Vote: Approved 6:0, with Bill Fillmore excused.

9. A discussion regarding housing policy in Provo. (23-043) (2:29:45)

Melia Dayley, Policy Analyst, presented. She reviewed the housing policy issues submitted by Councilors. These items have been ranked based on Council feedback to help staff prioritize what is coming to upcoming Work Meetings. The housing item with the highest priority is down payment and mortgage assistance. She noted there is a lot of relevant data and information from the Gardner Policy Institute as well as the Provo City Moderate Income Housing Plan.

Councilor Travis Hoban commented about the data and how expensive a house someone earning $100,000 a year can afford. Councilor Rachel Whipple said the average selling price of homes in Provo in April was over $500,000. It is very difficult to find affordable housing in Provo. Ms. Dayley also noted the disparity between County assessed value rates versus how much housing is actually selling for.

Ms. Dayley outlined several existing resources and policy options for down payment and mortgage assistance. There are a number of programs available through the federal government, state, county, and city levels. Some programs require that someone be a first-time homebuyer and that the homes are new builds. Ms. Dayley noted several specific policy options for the Council, including continuing to support and fund HOME/CDBG funding for Provo's down payment assistance program, setting up a Provo City matching and/or independent down payment and mortgage assistance fund, sponsor or partner to provide homeownership education and counseling, affordable housing initiatives, and partnerships with or creating a home equity-building program. Ms. Dayley shared information about the perpetual housing fund in Salt Lake City and how that program works.

Councilor Katrice MacKay asked about some of the existing programs. Ms. Dayley responded and gave more details on the various financial literacy classes. Ms. Whipple shared comments and ideas. Ms. Dayley responded and said there are some requirements about housing so she thought it would make the most sense to find programs that are already in place and support those. Ms. MacKay asked if the City could supplement a set amount to help bridge the gap if houses do not fall under the required threshold. Ms. Whipple also asked if lenders in the area know about these programs, and she hoped they could help point people to these resources. Mr. Hoban said this seemed like an overwhelming problem. The average home price is $150,000 above the recommended levels. Ms. Dayley noted that providing more affordable housing that meets demand from more income levels can help alleviate some of the strain on housing supply.

Councilor George Handley shared comments. He felt this was a serious problem, but he was unclear about what the role of the Council is in these kinds of housing issues. He feels that option four is a high priority for the council to focus on. The other options did not feel as clear to him, and he does not know what the right solution is. Option three seemed easy to him but option four seems like it is already in the General Plan. He said that he needs to be convinced about the

impact they could have with a certain amount of money to help this issue. He wants to make sure that the money is maximized and that they can make a great impact on families.

Ms. Whipple said there are things the Council could do to help increase affordable housing and that they need to have more concrete things to support what they have in the plan. She gave some ideas like decreasing lot sizes and setbacks, encouraging infill development, and allowing lots to be subdivided into smaller lots in established neighborhoods. These are steps the Council can take and would open up more opportunities for affordable housing to be built that can be integrated into existing neighborhoods. Sometimes requirements like minimum unit size and parking requirements can add more to project costs. She mentioned that if the Council cared about making housing more affordable, they needed to carefully examine the restrictions that added to the cost of housing and how these things are exacerbating costs. Ms. MacKay noted the Council has been doing some of those things but there are also quality of life considerations.

Councilor Shannon Ellsworth added to Ms. Whipple's comments. She thought updating the residential zoning code would make a significant impact. In her time on the Planning Commission and Council, she cannot remember any duplex being approved. She said this is an easy type of infill project and was an easy way to develop more of the missing middle type of housing. She thought this could be addressed through updates to the residential zoning codes. Ms. Dayley asked if there was any motion to be made at the moment. Several Councilors noted that Development Services is currently preparing to do a review of the zoning code.

Another housing issue submitted by Councilors was Posted Public Contact Information, to "provide both the residents of a managed residential property, like an apartment complex, with better contact to a responsible party when there is a maintenance concern or emergency on the property." Council staff suggested that the Council could codify this as a business licensing requirement. Ms. Dayley cited several examples of this from other states. Ms. Ellsworth asked what is defined as an apartment in the city code and how many units it needs. Ms. Ellsworth said that it makes her nervous is on how they are supposed to control the information and how it can be done appropriately.

Brian Jones, City Attorney, said the current definition of an apartment is in an apartment building with 5 or more units. Ms. Whipple commented and said she was not concerned about privacy or protecting information for individuals operating a business. She thought this proposal would be beneficial. Ms. MacKay agreed and said there are some apartment complexes that are well-managed, but many are not. She and Ms. Whipple both heard concerns about this from constituents and she did not see a downside to this proposal. Mr. Handley liked this idea and agreed they should do something like this. He thought this could help improve relationships with landlords in the city as well as make things easier for renters to get things done.

Motion: George Handley moved that they instruct staff to move forward on a recommendation on option number 1 – amending city code to require "responsible person signs" in Chapter 6.26 making it a business licensing regulation at a future Work Meeting with the draft prepared by the end of June. Seconded by David Shipley.

Vote: Approved 6:0, with Bill Fillmore excused.

10. A resolution authorizing the Mayor to submit an application for a Utah County Municipal Recreation Grant to be used for restroom and playground improvements at Rock Canyon Park. (23-044) (3:09:35)

Doug Robins, Parks and Recreation Assistant Director, presented. This is an annual grant from Utah County funded by the local tourism tax revenue. The revenues are distributed based on population. Past grants have been used for improvements to the Provo River Trail, Lakewood Park improvements, and other park improvements over the years. This involves restroom replacement and playgrounds at Rock Canyon Park. Updated restrooms are a high priority for residents, and they are consolidating this to a larger, nicer facility with ADA access, family-style restrooms with added capacity. There will be water-conservative fixtures as well as better windows allowing in more natural light and reducing electrical use. The existing playgrounds are 25 years old; playground safety has changed over the years and the recommended life of fixtures is 15 years for playgrounds. It is increasingly difficult to find replacement parts when repairs are needed. They will be using more of an adventure playground concept, with zip lines, swings, climbing platforms, and slides which will add a lot of value to this facility.

Councilor Katrice MacKay loves the bathroom design with the additional natural light. Councilor David Shipley said improvements like this are great for families and accessibility. He wondered if there were any concerns about updating these bathrooms and improving safety. Mr. Robins explained details about the design of the facility and how it will improve safety by being well-lit on all sides, closer to parking, and more prominent. Mr. Shipley also asked if the new play equipment would be as durable and if the durability had been tested. In addition, he asked if they have decades worth of use or if it will require a lot of maintenance. Mr. Robins said the use is quite resilient. Metal slides get very hot, so the plastic doesn't retain heat and are safer. They have done a lot of testing and these new surfaces are quite resilient.

Mr. Hoban mentioned that some parks on the west side don't have bathrooms and asked if there were any updates on those parks and plans. This includes Lakewood Park bathrooms. Mr. Robins said two years ago they replaced the playground. Restrooms will go in that expansion area to south of existing park. Mr. Shipley asked if there is a plan for that. Mr. Robins said in the expansion plan, they will expand by three to four acres on the south side. Mr. Robins did not have the exact timing in the five-year plan. Mr. Hoban asked why they would not use the grant to add a bathroom. Mr. Robins said Rock Canyon is more of a regional facility with higher use, where they are trying to care for the existing facilities. Councilor Rachel Whipple said she is still advocating for a restroom at Memorial Park. She knows they are developing plans for that. Mr. Handley was supportive of the grant proposal. ***Presentation only. This item was already scheduled for the Council Meeting on May 2, 2023.***

11. A discussion regarding water management programs for Provo City residents. (23-031) (3:18:30)

Hannah Salzl, Sustainability Coordinator, introduced the presentation and presented the first section. The programs are presented in the same order as they were laid out in the materials. Ms. Salzl reiterated the paradigm shift discussed in previous presentations from plant and soil health

and reduction in water waste to achieve wise water management. This is the driving logic of all the programs they have designed and discussed at the City. They also want to remove barriers for residents to make things simpler for the average resident to do. Ms. Salzl reiterated the elements of a Provo-specific program. She listed a number of programs they can implement that are all administrative in nature. It is difficult to estimate costs in the first year, as they are unsure which residents will engage in which programs, with so many options available. They will evaluate participation after the first year and then recalibrate moving forward. The costs for residents are very competitive with other areas and programs available. They want to facilitate ease of access to these programs for Provo residents.

Councilor David Shipley asked about the Utah Savers program and some of the county and other programs and whether Provo residents were eligible. Ms. Salzl said there are some programs that city residents are still eligible for, and they are including this information in materials for the Council and for residents. Ms. Salzl outlined some of the elements of the programming that will be available, including education and outreach, pre-approved waterwise landscaping plans (still in progress), landscape code update (in progress—coming to the Council on May 16), demonstration garden (virtual resource initially), and a website (live on the City website).

Dave Decker, Public Works Director, outlined several programs available through Provo Public Works: smart irrigation controllers, turf trade, and a high-efficiency sprinkler rebate program. There is also an incentive program for narrow parkstrips, and Mr. Decker outlined details about this program and the requirements for the landscaping. Trees should remain in place and have appropriate irrigation. Chaz Addis, City Forester, presented on the programs through Provo Power. He shared some negative examples of failed parkstrip conversion. He outlined the programs available through Provo Power.

Councilor Shannon Ellsworth asked about how these proposed programs were better than programs initiated or supported by Central Utah Water Conservancy District and the State. Ms. Salzl shared a brief overview in response to this. The major statewide program is the turf buyback program. Provo is offering $1 more per square foot for landscaping, and $0.50 less for permeable pavers, in order to incentivize landscaping. Provo has a broader range of programs and incentives available and the City's turf buyback program is comparable to Salt Lake. Provo's water controller incentives are stackable with the state programs. Ms. Salzl was not aware of any programs that were stronger at the regional, district, or state level.

Ms. Ellsworth asked about the dialogue about the importance of the urban forest. She was curious how the City could take additional measures within the City code to better support the urban forest. Mr. Addis said the code requires seven-foot parkstrips for new developments; new homes should not have anything less than seven-feet for single-family or commercial structures. Ms. Ellsworth said there must be some differences in the zoning code as she passed a newer apartment complex which did not have seven-foot parkstrips. She suggested a more detailed review of the city code and what would facilitate better tree health. Mr. Addis said structural soil is needed for tree wells that helps trees grow. Ms. Ellsworth was interested in bigger parkstrips and more space for trees that are in parking lots.

Councilor George Handley asked about the recommendations for changes to the landscaping code. Ms. Salzl said they were very minor, such as standardizing and increasing standards for vegetative coverage, and widening landscape strips in parking lots to seven feet. Mr. Handley asked about commercial properties. Ms. Salzl said they investigated this somewhat but had not been prioritized with these programs. If the Council would like them to pursue this, they could do so. Mr. Handley said he thought this had been expressed, but maybe a formal vote had not been taken. Mr. Handley would like to see proposals for changing the landscaping code for commercial properties. Ms. Salzl said the only item that requires legislative action is the landscaping code that is coming to the Council on May 16.

Mr. Handley provided additional context on what he had wanted to happen for commercial properties. He noted that business parks are a very wasteful commercial water user. Ms. MacKay said she was more concerned about heat islands and parking issues for commercial. Mr. Handley said that studies from Utah State showed that business parks typically have large areas of only grass, which are very over-watered. Ms. Salzl noted that commercial properties are eligible for smart controllers, which have an average of 17% reduction in water use.

Motion:	George Handley moved to instruct staff to include suggested changes to the landscape code for commercial properties. Seconded by Shannon Ellsworth.
Vote:	Approved 6:0, with Bill Fillmore excused.

Mr. Handley asked about the information available on the City website. Ms. Salzl clarified that the website includes programs that are already within the jurisdiction of departments and their discretion to use already budgeted funds. The only item with a legislative impact that is coming back to the Council was the landscaping code item coming back to the Council on May 16.

Mr. Handley asked about residents who have been xeriscaping properties beyond what the City code allowed. He was concerned about penalizing people who may be implementing waterwise landscaping designs. Ms. Salzl said xeriscaping is already permitted in City code and is pretty flexible; it has requirements for minimum vegetative coverage not including trees and weeds and they have not had any issues with it in recent years.

Mr. Shipley recalled that Central Utah Water Conservancy District was supposed to get back to them about whether commercial properties would be eligible for their programs if the city was not adopting their landscaping standards. Ms. Salzl said that commercial users are not eligible unless Provo City adopts CUWCD's landscaping standards. Ms. Salzl clarified that the landscaping plans are available for any users, and smart controllers are available to any water users in the city. Most of the other programs are focused on residents.

Councilor Rachel Whipple asked about zoning enforcement with regards to landscaping. She wondered how much of a priority this is to zoning enforcement and whether it would be helpful for it to be more of a priority. Bill Peperone, Development Services Director, spoke to this and said that in reports they had from Provo Power about losing street trees, they have made this a higher priority to evaluate park strips and the health of street trees. Ms. Whipple asked if they needed further support from the Council on this. Mr. Peperone said they would evaluate this

summer and if they need additional resources, they will come back, but he thought they could manage it with their existing resources.

Ms. Whipple appreciated that the City's rebate was more generous. She thought they would get pushback from residents about parkstrips over four-foot wide which do not have the same rebate programs available. Ms. Salzl said that is correct and that parkstrips narrower than four feet do not need as much water. For the larger parkstrips, they really do need the water in order to preserve the health of the trees. Ms. Salzl shared additional comments on the Conservancy District standards and parkstrip sizes. Ms. Whipple shared additional comments about the use of parkstrips. Ms. Whipple had a question for Mr. Addis about parkstrip tree care. Mr. Addis said for utility service areas, the city is divided into three areas for the parkstrip tree crews. They are planning to divide this slightly differently in the future to make it more manageable by having the utility area crews also attend to the parkstrip trees in their areas.

Ms. Whipple asked when 300 South was redone by UDOT, many of the trees have died and have grates with trash and asked if there was a way to remediate and replant those trees. Mr. Addis responded that they do plan to replace those trees. Some of the selections were not the best choices, either due to the tree size or soil structure, but they would be working on replacing those trees. The reorganization of the utility and street tree crews will help address some of these issues as well. Dave Decker, Public Works Director, shared some additional insight into those trees. They will continue to work with Provo Power to address those trees. Likely the drip irrigation systems that were installed are not supplying an adequate amount of water to those trees. The soil condition is also poor along that corridor. Mr. Decker said that supporting street trees is not a primary concern of the CUWCD program but that Provo has always encouraged this and are continuing to expand the availability of trees to city residents and encouraging the planting of these trees.

Ms. Ellsworth asked about the budgets and whether the budgets came from departments allocating their own funds or how this was provided. Mr. Decker said the funding comes either from Energy or Water budgets already and that they have not relied on the ARPA funding for these initiatives. Justin Harrison, Council Executive Director, noted the Council allocated about $57,000 to the General Fund, so it would still need to be moved to a specific budget by the Council once they have decided where and how to expend those funds. ***Presentation only.***

Adjournment

Adjourned by unanimous consent.

Pending minutes – awaiting approval

Please Note – These minutes have been prepared with a timestamp linking the agenda items to the video discussion. Electronic version of minutes will allow citizens to view discussion held during council meeting.

PROVO MUNICIPAL COUNCIL
Work Meeting Minutes

11:30 AM, Tuesday, May 16, 2023
Council Chambers
Hybrid meeting: 445 W. Center Street, Provo, UT 84601 or
https://www.youtube.com/provocitycouncil

Agenda (0:00:00)

Roll Call

The following elected officials participated:

Council Chair Katrice MacKay, conducting
Council Vice-chair Rachel Whipple
Councilor David Shipley
Councilor Bill Fillmore
Councilor Shannon Ellsworth, arrived 12:41 PM
Councilor George Handley, arrived 12:56 PM
Mayor Michelle Kaufusi, arrived 12:04 PM

Excused: Councilor Travis Hoban

Prayer

The prayer was given by Katrice MacKay.

Approval of Minutes

March 28, 2023 Work Session
April 18, 2023 Council Meeting
May 2, 2023 Council Meeting
Approved by unanimous consent.

Business

1. An ordinance amending Provo City General Plan Appendix C regarding annexation map and policies. Citywide application. (PLGPA20230063) (0:28:45)

Aaron Ardmore, Planning Supervisor, presented. This amendment will adjust descriptions on the annexation policy map in the General Plan. For areas 5 and 6 on the map, agricultural properties that are annexed into the City, these should remain as an agricultural zone. This amendment makes those changes to the area descriptions.

Councilor Rachel Whipple asked how they determine the intention for a property to remain in agricultural use. Mr. Ardmore illustrated that the Smith property, which is currently being

considered for annexation, as an example of this. The owners have used it as agricultural land and intend to continue doing so while they are the property owners. Brian Jones, City Attorney, shared some additional insight. Mr. Jones noted that the Council can interpret that provision as they deem fit; annexations are subject to approval by the Council. Mr. Jones noted that this policy change removes one of the hurdles for an agricultural property owner, so they do not have to make a request of the Council that goes directly against the policy. Mr. Jones shared some additional insight about the agricultural zones versus Open Space Parks and Recreation zones. ***Presentation only. This item was already scheduled for the Council Meeting on May 16, 2023.***

2. **An ordinance amending the zone map class. of approx. 2 acres of property, located at 2075 W Center Street, from One-Family Residential (R1.8) to Mixed Use (MU) & authorizing and related development agreement. Provo Bay Neighborhood. (PLRZ20210271) (0:33:01)**

Aaron Ardmore, Planning Supervisor, presented. He shared a brief overview of the property and its history. When applicants ask for recommendations about how they should rezone their property, staff generally offer the guidance of the General Plan as a suggestion. If an applicant wants to do something that does not comply with the General Plan, they communicate to the applicant that there may not be broad support for such a proposal. Mr. Ardmore highlighted the history of the subject property; staff and the Planning Commission have recommended denial of the proposal. However, they felt that one acre of mixed-use would comply with the General Plan. The plan for this property is to rezone the top two acres of the property as mixed-use.

Councilor David Shipley asked about the General Plan Southwest Area Future Land Use Map and how they can determine how much acreage is contemplated. Mr. Ardmore shared a detail section of the Southwest Area Future Land Use Map. Mr. Ardmore shared additional comments and they would anticipate about 22 acres in that particular area to be mixed-use. In the case of this proposal, they are doubling the occupancy on the property (a 100% increase of the density contemplated). Councilor Rachel Whipple did not feel the Southwest Area Future Land Use Map was very specific as to how it defined properties, since the shapes on it were more nebulous in nature. She thought it was problematic how it has been interpreted. Mr. Ardmore clarified staff's position on this proposal.

Councilor Katrice MacKay asked about some of the things she has been hearing which did not seem to be addressed in the documents sent to the Planning Commission, such as electric charging stations and bike lockers, which she did not see on the plans anywhere. She has also heard discrepancies about whether it would be apartments or condominiums. Mr. Ardmore said the concept plan before the Planning Commission did not include those details, so that is new information and that those aspects of the project could be brought in. Ms. MacKay asked about how rumors on social media have been saying this would be condos for rent and asked Mr. Ardmore to clarify what condos for rent means. Mr. Ardmore said that condos can still be rental units. He said that whether they are condos are apartments, they could still be rented. Ms. MacKay asked if there was anything else that could change within the rules of the zone. Mr. Ardmore said that there could be some changes. Mr. Ardmore clarified the types of things that would be memorialized in the CCNRs for the property. Mr. Shipley asked about the future land use map again. He asked if they took the acreage to the left, would it give them another acre or

half-acre to incorporate into the proposal. Ms. Whipple asked additional questions about the acreage. She asked how the 22 acres was calculated; Mr. Ardmore said it was calculated based on the development potential in the area. ***Presentation only. This item was already scheduled for the Council Meeting on May 16, 2023.***

3. An ordinance amending Provo City Code regarding development landscaping requirements. Citywide Application. (PLOTA20230079) (0:48:10)

Hannah Salzl, Sustainability Coordinator, presented. The amendments in this chapter will:

- Standardize requirements and language
- Encourage more vegetative coverage in yards and parkstrips with xeric landscaping
- Encourage larger shade trees in parking lots
- Cleanup several existing items

Ms. Salzl summarized the proposed updates and shared the context for the various proposed changes. She clarified that the parking lots requirements only applied to parking lots with over six spaces. Councilor Bill Fillmore asked if this was a citywide change for new development; Ms. Salzl confirmed this. Councilor Rachel Whipple clarified whether this was only talking about a resident who wanted to use xeric landscaping. Ms. Salzl confirmed that this section was meant to address turf replacement; homeowners replacing or removing turf are usually venturing into some kind of xeric landscaping. Ms. Whipple asked if Provo was allowing more turf coverage than permitted by Central Utah Water Conservancy District. Ms. Salzl said this was the case. Ms. Whipple wanted to make sure she understood the differences between the programs. Ms. Salzl said Provo's vegetative coverage of 40% includes turf as well as other types of plants.

Ms. Salzl continued and addressed the code section about artificial turf. This section was added in 2019; there has been a trend in the planning field to have some policy about artificial turf in order to regulate it when it is used. Provo's ordinance requires natural green coloring and they had tried to get ahead of any potential controversy. Artificial turf does contribute to the heat island effect, so it is not ideal, but they are open to the Council's direction on this. Staff thought it made sense to have some provisions for the elderly or disabled but from their internal discussions that is what they have discussed. Councilor Katrice MacKay thought artificial turf putting greens might be a consideration. Councilor Bill Fillmore asked if Planning wanted them to strike that section of code; Ms. Salzl said they saw the benefits of having that section of code.

Dave Decker, Public Works Director, said that Public Works staff recommend striking this section. The aquifer and natural environment are very important to the City. He thought it was important for the Council and public to understand the context for this. Public Works recommended removing this and allowing a committee of staff to produce recommended language about artificial turf. Councilor Bill Fillmore asked Mr. Decker for an update on flooding. Mr. Decker gave an update on water runoff flows in various areas near and around Provo and its canyons. Mr. Fillmore asked additional questions about some of the flow amounts.

Motion: Katrice MacKay moved to remove the artificial turf from the proposal. Seconded by Bill Fillmore.

Brian Jones, City Attorney, noted that the Planning Commission did not discuss artificial turf. Bill Peperone, Development Services Director, said the Planning Commission did not talk about this, so they will need to take that component back to the Planning Commission. The motion was retracted, and staff indicated that a new amendment addressing artificial turf would be forwarded to the Planning Commission for a recommendation.

4. An ordinance to amend the General Plan Appendix S: Downtown Master Plan to update the document policies, graphics, and data. (PLGPA20220362) (1:15:02)

Javin Weaver, Planner, presented. Mr. Weaver explained that they are amending the Downtown Master Plan for this year. He said they will be adding a few appendices to the plan. He noted that the findings from the Transportation and Mobility Advisory Committee about Center Street were not being included as an appendix. Councilor Katrice MacKay asked why it would not be a part of the ordinance and Mr. Weaver said there needs to be more discussion on it before they add it to the ordinance. They have brought these proposed updates as the Downtown area has experienced a lot of growth. They also wanted to make updates to reflect the new General Plan. Mr. Weaver shared some population and employment projections and statistics showing the changes happening in the downtown area. Mr. Weaver shared responses from the public outreach and surveying they did of residents in Provo.

Councilor Bill Fillmore asked how they see this playing into the momentum toward a pedestrian mall and redo of Center Street. Mr. Weaver said they are currently looking into that. This plan includes having more green space and outdoor dining. Councilor Shannon Ellsworth asked how this plan interplays with the gateways plan. Mr. Weaver said that this plan interfaces with the General Plan; the I-15 Center Street gateway was the only location impacted by downtown. Ms. Ellsworth asked if the gateways plan should be informing the downtown master plan. Mr. Weaver explained that the Gateways Plan identifies gateways in the City and the existing policies which should apply to them. He also said that there needed to be a distinction between a gateway into the city and a gateway into downtown.

Councilor David Shipley asked about the rezone map and Mr. Weaver responded with some information about this, noting that most properties in the downtown area were already zoned as DT1 and DT2. Councilor Rachel Whipple asked about the south area with mobile home parks. She said that she is against rezoning the mobile home parks because this type of housing is very affordable and needed and she did not want to see that housing type lost. ***Presentation only. This item was already scheduled for the Council Meeting on May 16, 2023.***

5. A presentation regarding the Redevelopment Agency of Provo City Corporation. (23-045) (1:32:09)

Brian Jones, City Attorney, shared some legal foundations on this presentation. The Council, as a legislative body, has the ability to create and dissolve community redevelopment agencies. He noted that right now, the Council is meeting as the Council and not as the Governing Board of the Redevelopment Agency. Any discussion items for the Governing Board would need to be deferred to one of the Board's meetings. Mr. Jones shared several definitions from state law which define redevelopment agencies, project areas, and other related terms. Mr. Jones also

outlined some of the duties and privileges of the redevelopment agency. One of the key distinctions is that the City cannot gift property, but the RDA has the ability to gift property. They are governed by the bylaws, which can be amended by the governing board. Councilor Katrice MacKay asked about the Mayor's role in the RDA board meetings. Mr. Jones indicated that her role is the same as when she is in a Council meeting; she does not vote in the governing board meetings but is permitted to be there.

Councilor David Shipley asked about how the RDA is funded and where that is established. Mr. Jones shared details on this but noted that generally their funding comes from the sale and purchase of property, as well as the tax increment financing. Mr. Shipley asked if Provo has established any ongoing funding for the RDA. Keith Morey, Development Services Assistant Director, explained that once the city sets up a RDA area with a sale of land or tax increment financing, those funds can still be used in the city but the money that came from it is intended to go back into the RDA projects. If funds are going to be used for other things in the city, there needs to be some correlation with RDA projects. Mr. Morey said they typically have some discretionary funds from the sale of properties sold at market rate. He believed that they could transfer property to the RDA but he may need to look at that to be sure.

Dixon Holmes, Assistant CAO, said that in the past, the City has given property to the RDA, but there were typically some specific considerations for why the City would do that, such as with the Mountain Vista area.

Mr. Jones read a portion of the RDA bylaws regarding the RDA executive committee. The bylaws were recently amended for the executive committee to meet at least quarterly. Mr. Morey said the RDA has a set of tools created under state law that helps to facilitate economic development and eliminating blight. Ms. MacKay asked him to explain the part about housing and Mr. Morey responded by saying basically a portion of any of these projects need to include a portion of affordable housing. Mr. Morey listed all the project redevelopment areas, with details about each including the duration, starting versus, and current values.

Ms. MacKay asked if they do an RDA area does it automatically mean there is a tax increment financing portion to the developer. Mr. Morey said it does not have to, but there is not really a reason to create an RDA area unless you are planning to do that. The Mountain Vista community development area expired in 2021 and Mr. Morey acknowledged the tremendous impact of this area on job creation and property tax in Provo. Mr. Morey shared maps of each of the other areas with highlights about various projects that have taken place. The Mix at River's Edge is another redevelopment area that has facilitated the development. Sometimes the success of a project really depends on the development partner who is involved, but they are seeing improvements on this project, and it has been turned around with a new development partner. Mr. Shipley asked when the RDA has a developer that it has entered into an agreement with for tax increment financing, whether the RDA had any recourse if a developer did not follow through on commitments made. Mr. Morey said that in contracts, certain specifications are set. The contract also dictates when the RDA can exit the contract or rework it to help plans move forward.

Mr. Morey commented on various companies that have relocated outside of Provo, versus others that have expressed they want to stay in Provo. Mr. Shipley shared additional comments on this

point. Mr. Shipley asked how the RDA governing board can evaluate proposals and how they can be more proactive about helping businesses that have been in Provo for many decades. Mr. Morey suggested they have the RDA set some money aside to be used in these situations.

Ms. MacKay asked if there needed to be a rubric. Mr. Shipley did not think it needed to be that rigid. Ms. MacKay also asked about how some of the money from the tax increment goes back to the entity and if the rest of that percentage stays with the RDA. Mr. Morey explained that they get estimates from entities on how much they need for improvements to work around that.

Councilor Bill Fillmore asked if the RDA had any specific properties that they are looking at because of how little land Provo has left. Mr. Morey said they are not as far with that issue as they would like to. He wanted input from the Council on areas that the RDA should look at. Mr. Fillmore said it is a necessity to start targeting areas so they don't miss out on opportunities.

Councilor Rachel Whipple liked the idea of building up a fund. She wondered about the ability to issue bonds against a future tax increment. Mr. Holmes said they have bonded once before a number of years ago for the Duncan Aviation project. Councilor George Handley asked if the bond strategy is something that could be used with the redevelopment of the former city center. He wondered if this made sense to consider. Mr. Morey said they needed to think about actual dollar amounts involved and if the capital investment and revenue increases make the debt worth it. Additionally, he said they need to consider if the increase in increment is significant enough to make this possible and advisable. The Councilors thanked Mr. Morey for his presentation and this discussion. Mr. Morey welcomed further input from the Council about this discussion. ***Presentation only.***

6. A presentation regarding an appropriation for a new golf cart storage building at Timpanogos Golf Club. (23-046) (2:40:19)

Brett Watson, Golf Manager, presented. Mr. Watson shared the golf course revenue over the last four years. There has been a significant increase in revenue over the last four years. They need to address their golf cart storage. With some of the changes to the neighboring Noorda school property, they would like to make some upgrades to their cart storage as their parking will be reconfigured and combined with the Noorda school. They would like to move to an all-electric cart fleet, which would be a great benefit to more sustainable practices at the golf course. They would like to build a barn that will be the storage for the golf carts, as well as a cart wash area, breezeway for players, and other supporting functions. Everything will be internally funded through the Parks and Recreation Department internal revenues.

John Borget, Administrative Services Director, also presented. They are recommending doing an interfund loan over seven years, paid back with a fixed principal payment and a variable interest rate, similar to how they have done other interfund loans. The loan would come from the Parks and Recreation CIP and the golf course would repay that loan. They initially thought five years, but they wanted to be a bit more conservative to ensure a viable repayment so they extended it to seven years. ***Presentation only. This item will return to a future Council Meeting.***

7. A presentation regarding efforts addressing homelessness in Provo City- Food & Care Coalition. (23-018) (2:45:37)

Brent Crane, Food and Care Coalition Executive Director, presented. They have a 501c3 and an operational entity that runs the coalition. He shared details about their facilities. Their facility is in East Bay Provo. The facility has 4.5 acres with 11 buildings. They also have 6 new apartment complexes as well. They provide a number of different services, including meal service three times a day, seven days a week and sack lunches with food donations from the community. They also have different hygiene services such as dental cleanings and haircuts. They also have educational materials such as an onsite library. Candlelight Villas is their 1-bedroom apartment building with 72 units. They also have a community center with additional educational programming. Councilor Rachel Whipple asked if they can accept or hold mail for clients. Mr. Crane indicated they cannot do a mail forward on it through the post office, but they can receive mail there for clients.

Mr. Crane continued with the presentation and said they have many wonderful musical performers. They have had many Councilors and the Mayor give service there, as well as former Council members. Ms. Whipple asked about what happens if clients have drugs and Mr. Crane explained how this is addressed. Mr. Crane shared more about their hygiene services—many of their resources are donations from the community, which greatly expands their impact. They have several permanent partners located onsite, including Wasatch Behavioral Health and Mountainlands Community Health. They have many additional community partners who provide services and give service hours. Local law enforcement such as the Provo Police give a lot of service to their organization; law enforcement also frequently interacts with many of their clients out in the community. Their onsite medical facilities have allowed many clients to receive basic care, which diverts traffic from the emergency room.

Mr. Crane gave more information about their clients. Only 18% of their clients have a criminal background. One third of their residential stay clients obtain employment within 8 weeks. He shared data on their meal and housing trends. He noted that the nights housed has increased significant in 2023 due to their having 72 onsite apartment units. Their beds come with other support services that are essential to helping the unhoused population. Candlelight Villas is permanent supportive housing and has been very beneficial. He also shared a list of ways the community and volunteers can get involved.

Councilor David Shipley asked if they had finished the apartments project. He asked if the property allows for any kind of expansion. Mr. Crane said any expansion would have to come somewhere else in a different project. They have been operational since last June. Mr. Shipley thanked Mr. Crane for his leadership and for everything he has given. Councilor Bill Fillmore said he has had wonderful experiences volunteering at the Food and Care Coalition. He was very impressed by how extensive their services have become. Mr. Fillmore asked if they have attracted people from outside of Provo. Mr. Crane explained that they imposed some limitations on their facilities. He said that there are some scoring advantages to those trying to get into their housing for Utah County residents, so that is how they try to combat that impact. They will still provide services to others, but they want to prioritize people who are long-term residents of Utah County. Mr. Fillmore question I missed

Mr. Crane said there are some opportunities to do outreach with the local jails to help these populations to be in a better position when they are released so they can return to being contributing members of the community. He would advocate for another level of service for individuals with greater mental health impacts who have greater needs as a result. Councilor Katrice MacKay thanked Mr. Crane for his work. She agreed with his comments about mental health and referenced a recent meeting she had with Wasatch Mental Health. ***Presentation only.***

8. A presentation regarding the Quarterly Report for the 2nd Quarter of FY23. (23-020) (3:19:02)

John Borget, Administrative Services Director, presented. He reviewed the quarterly report and its purpose, which was to give a summary of information about that quarter's revenues and expenditures. He wants to highlight things that are happening in the city's current fiscal year. He said the Quarterly Report gives an unaudited summary of information to the reader about the city's revenues and expenses for the fiscal year ending in December 2022. He wants to share the five-year comparison as well. Mr. Borget reviewed each section of the General Fund revenues and the other fund revenues as well.

Councilor David Shipley asked if 50% of property tax seems right for halfway through the year and wants to know if the city is on track or behind. Mr. Borget thought they were on track for where they expected to be halfway through the year. Mr. Shipley asked about the sales tax trajectory and if it sunk at all, he wondered if they could update the FY2024 budget to reflect that. Mr. Borget explained how they prepare the projections. Mr. Borget said these could definitely be adjusted if the Council wanted them to do that. ***Presentation only.***

9. A presentation regarding the projected revenues for Fiscal Year 2023-2024. (23-008) (3:31:13)

John Borget, Administrative Services Director, presented. Mr. Borget illustrated where the revenues are coming from in the FY2024 budget—about 61% of the City's total revenues comes from the enterprise funds. The next highest fund for revenues is the General Fund. Of the General Fund revenues, about 42% comes from sales tax, with the rest coming from other fees, franchise fees, and property tax. Mr. Borget shared a breakdown of the enterprise funds, illustrating that Energy comprises 39% of the revenues, followed by the airport (due to large capital project budgets).

For the proposed budget in FY2024, revenues have decreased by about $12 million. The enterprise funds are $24 million less than the previous year, with the other funds each up from the last year. He planned to spend some time on this and explaining additional context for these changes. Mr. Borget shared a detailed breakdown of the increases to the General Fund revenues, which included some growth in sales tax and interest income. Some of the decreases are also on account of several positions that had been funded by ARPA funds in the last fiscal year, which will no longer be the case.

Mr. Borget shared details of their sales tax revenue comparison and he explained how they prepared the sales tax budget projections each year. Mr. Borget also displayed the sales tax

percentage change, which showed a significant decrease during the recession in 2008, with sales tax figures generally rising since then until the COVID pandemic. Mr. Borget shared a property tax revenue comparison. Councilor David Shipley asked if the property tax revenue comparison contemplated a possible property tax increase by the Council; Mr. Borget said the projections did not factor in any increases from a Truth-in-Taxation process. Mr. Borget shared several revenue category comparisons and budget figures. Councilor Katrice MacKay asked if they would make the airport fees their own category at some point. Mr. Borget said that since the airport's public safety staffing were still being paid by Police and Fire, it is still combined but it would probably make sense to separate it out in the future. Mr. Borget continued and shared several other revenue comparisons. Mr. Shipley thanked Mr. Borget for his work on this. ***Presentation only.***

10. A presentation regarding the FY 23-24 Consolidated Fee Schedule. (23-008) (3:49:01)

Kelsey Zarbock, Budget Officer, presented. The proposed fees are built into the FY2024 revenue projections, so these have been fully incorporated into the proposed budget. Ms. Zarbock gave a high-level overview of the fee schedule, which she broke out by department. Ms. Zarbock reviewed some new fees which have been added and gave details of each, including a towing bond fee, accessory dwelling unit fees, ice skate sharpening, airport passenger facility charge, document review fee, and pretreatment compliance reinspection fee. Councilor David Shipley asked about the parking fee at the airport. Ms. Zarbock noted that was in a different section. Next she highlighted increases for non-utility fees. Many Parks and Recreation fees are increasing in line with inflation to account for increased operating costs. For more detail about the actual price differences, Ms. Zarbock said page 148 of the budget book has a summary of all the fees listed out, as well as the annotated copy of the consolidated fee schedule. The airport parking fee is increasing from $10 to $12. Additionally, compost will increase for residents from $3 to $5.

Ms. Zarbock outlined the major fee increases to utilities, noting that the budget and consolidated fee schedule contained all the information (as some fees differed for residential versus commercial customers). For some of the water and wastewater fees, these will go into effect in the fall, as Public Works recognizes that summertime can be a higher-use time of year, so they do not want to hit residents during that season with the higher fees. Ms. Zarbock also noted a couple of fees that were being reduced or eliminated. She said that Parks and Recreation is decreasing the cost of their photography class. The Library is reducing the cost for printing in color and the internet usage fee will be eliminated entirely. Ms. Zarbock reiterated where more detail was available and invited any questions from the Council. ***Presentation only.***

11. A presentation regarding transfers in the proposed tentative FY23-24 budget. (23-008) (3:57:38)

Dan Follett, Finance Division Director, presented. For transfers, state law requires they provide an annual disclosure of funds regarding transfers from utility funds to other funds. A notice has been sent to ratepayers and they are required to hold a public hearing, which will take place on June 6, 2023. There are six different transfers that take place:

- 10% of utility fund revenues (since Provo operates most of its own major utilities). This transfer helps keep other taxes low, particularly property taxes, and better spreads the

costs of services throughout entities that utilize these services in the community (since Provo is home to many non-taxable property owners).
- 1% transfer of utility revenues to the General Fund for road maintenance
- Administrative Overhead for central services within the City organization such as facilities, finance, information systems, etc.
- Telecom Debt Service which provides the debt service payments on the telecom bonds (which will be paid off in FY2026).
- Provo360 for the City's software replacement project (which will be paid off in FY2025)
- Water (for water used by the wastewater fund)

Mr. Follett outlined each of these categories of transfers and details of each. He invited any questions from the Council. Councilor David Shipley asked where the 10% figure came from for the 10% transfer and whether there were any risks from the State government to eliminate transfers. Mr. Follett has been at the city for nearly 15 years and it has always been 10% during that time. He was not aware of any threat to this. From his perspective, the City takes on a certain level of risk and responsibility in providing these services and utilities; the City feels the 10% transfer is a reasonable return to the City for taking on this risk and management responsibility. Mr. Shipley thought this was a huge benefit to Provo. For a private utility, a portion of their earnings would be returned to their stockholders; for the City, these revenues are being returned to the City to continue to provide services. ***Presentation only.***

12. A discussion regarding the General Fund (23-008) (4:06:54)

Michael Sanders, Policy Analyst, presented. The City revenues come from three categories, including taxes, transfers in, and fees. The city has nine General Fund departments. Mr. Sanders said the city has $85 million dollars in revenue from the General Fund. He explained that taxes are broken up into subsets that flow into the revenue for the General Fund. Mr. Sanders said that the total expenditure was also $85 million for a balanced budget.

Next, Mr. Sanders analyzed the fund ratios. The service obligation ratio shows that the city is spending a little more and so it needs a bit more from transfers in to balance the ratio out. The next fund ratio was the dependency ratio. It shows how much the city is relying on other governmental entities. The graph that Mr. Sanders displayed shows that the dependency ratio has gone down in recent years. The next ratio was the financing obligation. This shows how much of the General Fund is going towards Debt Service. This ratio has been going down in recent years. The next ratio was the leverage ratio which also has been going down. Mr. Sanders showed a graph of which departments have the most expenses. Police require the most money from the General Fund. He also showed a graph of how much money each departments are requesting for Fiscal Year 2024 when compared to Fiscal Year 2023.

Mr. Sanders explained that all departments had an increase except for General Services. Mr. Sanders reviewed each of these departments and divisions in more detail, highlighting the increases and what these increases were for. Councilor David Shipley asked about the 3 fire captains and Mr. Sanders said these are a gross expense but these are being repaid by the other department, which Mr. Sanders indicated was the case. Mr. Sanders invited any questions or requests for additional research on the General Fund from the Council. Councilor Shannon

Ellsworth thanked Mr. Sanders for doing this analysis. Mr. Shipley thought it was great that Provo had come in right in line with the required ratios. ***Presentation only.***

13. A presentation of the FY2024 Tentative Budget and Council Priorities (23-008) (4:20:09)

Justin Harrison, Council Executive Director, presented. He shared a list of the Council's priorities and highlighted the funding status of these priorities. The long-range plans were identified as a high priority by the Council and Mr. Harrison gave a status update on these plans. The General Plan was updated earlier this year; the Council will be able to adopt the updated Downtown Master Plan at the Council Meeting that evening. Several additional plans are in progress with Development Services, including the Conservation and Resiliency Plan and the Gateways Plan. The Canyons and Hillsides Plan and River and Lakeshore Plan also both kicked off at the end of last year, and staff anticipate those will be brought to the Council later this year.

The next priority the Council included was a Provo-specific housing audit or study, which has been discussed extensively in Work Meetings. Staff are currently working on some internal efforts to identify relevant data points. Stan McShinsky, GIS Analyst, has been incredibly helpful in facilitating this process in order to help the Council realize some of their goals related to this.

The five-year staffing plan for Police and Fire is still being developed by the Administration. There are several positions that have been funded in the tentative budget and Mr. Harrison gave details about these. There are two additional patrol police officers that were unfunded in the budget but have been requested.

IS and Cybersecurity enhancements is another Council priority. Mr. Harrison provided details on a number of supplemental requests that were submitted for the budget and which have been addressed with funding in the tentative budget. The one critical unfunded ask was for a Cayenta software analyst.

For employee retention, the tentative budget includes a number of relevant items, including a 4% cost of living adjustment and other Human Resources initiatives related to the pay study and merit increases. For the priority of city debt reduction, Mr. Harrison gave updates on the City's debt. There is currently only one variable interest rate as part of the City's debt portfolio.

A Provo app is an ongoing project and a priority of the Mayor as well. Staff are doing internal cleanup and a redesign of the City website, which will make the process easier moving forward for creating a Provo app in the future.

Several other priorities of the Council relate to some of the CIP items. The Rock Canyon Master Plan has partial funding in the proposed CIP budgets for fiscal year 2024. The Rock Canyon trailhead project costs roughly $3 million. About $2 million has been funded through grants, and $500,000 will come from the City as a match to $500,000 of community fundraising. In FY2025, a roundabout for the Rock Canyon trailhead parking lot entry has been funded in the CIP.

Slate Canyon and the Slate Canyon Park Master Plan is another priority of the Council. Many portions of the project are funded in the CIP over the next five years. RAP tax and impact fees are contributing to this project. As additional design work and planning takes place on this project, Parks and Recreation will have a better sense of the final project budget. Parks and Recreation continues to seek outside funding and grants for this project as well.

The Peaks Ice Arena and Fieldhouse updates are another priority of the Council. They are receiving $6 million from the State for upgrades to the facilities, which will be received in increments. Additional funds will continue to be released if Salt Lake secures an Olympic bid. The initial estimate of the fieldhouse expansion and ice ribbon is about $6 to 8 million, which has not been funded at this time. Councilor Shannon Ellsworth said she did not recall talking about the ice ribbon at the Council's priority meeting. Mr. Harrison said this was just the estimate Parks and Recreation had received based on their rendering and their budget presentation. Ms. Ellsworth wanted to remain focused on the Council priorities specifically.

Sidewalk repair and replacement is another important priority to the Council. Mr. Harrison gave some details on items relating to sidewalk repair that are included in the FY2024 CIP. Areas that are not yet developed will be developed with sidewalks and curb and gutter when they are built in the future. The FY2024 budget includes $500,000 for sidewalk replacement, however the CIP lists a number of additional projects that are unfunded. Councilor Rachel Whipple asked about the Shoreline Middle School temporary asphalt path and the school-related sidewalk funding item. If the City is having to pay more for essential and critical infrastructure to support School District decisions to move schools, she wants this to be clearly articulated as such. She also asked about the details of the unfunded item for new sidewalk, curb, and gutter. Mr. Harrison indicated there is a prioritization list for sidewalk repair and replacement, but he was not sure about the new sidewalk category and how this was prioritized. Ms. Whipple asked whether the main budget for sidewalk replacement ends up getting diverted to pay for those things. Mr. Harrison said the questions about school-related sidewalks would require some additional follow-up with Public Works. Councilor Katrice MacKay said they asked for an expansion of the soccer field so it would be helpful to have two numbers (one with the ice ribbon and one without) in order to compare those figures.

The next priority is traffic calming. Traffic calming measures on Slate Canyon Road are unfunded in the tentative budget. Mr. Harrison noted that the Police department shared the results of data collection they did with speeds on Slate Canyon Drive, which was shared at a recent neighborhood district meeting.

Center Street improvements are another Council priority. There has been some partial funding allocated by the tentative budget; the partial funding includes $250,000 for Center Street improvements phase 1 and there remains $2.5 million in unfunded improvements.

A southeast grocery store has come up as a priority a number of times. The City continues to work with potential grocers and retailers about coming into the Provo market, however these retailers are highly dependent upon their own market research. Economic Development continues to work with these interested parties.

The last priority was open space preservation, which is another ongoing priority. The Conservation and Resiliency Plan is fully funded. Conservation easements and land acquisition funding have also been discussed by the Council. Moreover, there is no funding being put into these items presently but this could continue to be discussed by the Council. Provo City is made up of 28,000 acres; about 1400 acres are zoned as Open Space Parks and Recreation, so roughly 5% of the City. Councilor Katrice MacKay asked if this included parks. Mr. Harrison said this includes parks and conservation easements, and may include several other categories. Ms. MacKay said it would be helpful to know where Provo fell relative to other cities.

Mr. Harrison said they had intended this presentation to be helpful to the Council in identifying which of their priorities have been addressed and funded in the budget. Councilor George Handley commented on the open space preservation item. He did not know if comparing to other cities was the best data point; he referenced specific properties that might be desirable for the City to purchase. Mr. Harrison said it could be appropriate to have discussions with the relevant departments to encourage them to bring opportunities and appropriations to the Council to address things like this. ***Presentation only.***

Closed Meeting

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with 52-4-204 and 52-4-205 et. seq., Utah Code. ***None requested.1***

Adjournment

Adjourned by unanimous consent.

Pending minutes – awaiting approval

Please Note – These minutes have been prepared with a timestamp linking the agenda items to the video discussion. Electronic version of minutes will allow citizens to view discussion held during council meeting.

PROVO MUNICIPAL COUNCIL
REDEVELOPMENT AGENCY GOVERNING BOARD
Work Meeting Minutes

1:00 PM, Tuesday, June 06, 2023
Council Chambers
Hybrid meeting: 445 W. Center Street, Provo, UT 84601 or
https://www.youtube.com/provocitycouncil

Agenda

Roll Call

The following elected officials participated:

Council Chair Katrice MacKay, conducting
Council Vice-chair Rachel Whipple
Councilor David Shipley
Councilor Shannon Ellsworth
Councilor Travis Hoban, arrived 1:33 PM
Councilor Bill Fillmore, arrived 1:54 PM
Councilor George Handley *(due to technical issues, Mr. Handley was only able to participate for a few minutes at the beginning of the meeting)*
Mayor Michelle Kaufusi, arrived 1:06 PM

Prayer

The prayer was given by Katrice MacKay.

Business

1. **A discussion on an ordinance amending Provo City Code regarding location of boats, recreational vehicles, and trailers, Section 14.34.060. Citywide Application. (PLOTA20230034) (0:08:55)**

Abinadi Borja, Senior Code Compliance Officer, presented. He wants to see enforcement expand equally to all trailers because the current code just addresses boats and travel trailers. The other element to Mr. Borja's presentation is to allow parking in specific areas of the front yard area of a house. There is a 12.5 foot area at the front of a driveway where parking of trailers over 3' high is prohibited, in alignment with a standard of Provo Public Works. They are also having a continuing issue is the occupancy of RVs and trailers on residential properties. They have several issues with ongoing occupants in temporary trailers on residential properties. Mr. Borja said trailers can occupy up to seven consecutive days and up to 30 days in a calendar year total.

Councilor Shannon Ellsworth asked if there are trailers that are three feet or shorter. Mr. Borja indicated that a flatbed trailer when empty is about three feet high. The main concern is with visibility for pedestrians on the sidewalk and of the area connecting the driveway to the street.

Ms. Ellsworth asked why they would not apply the higher standard more broadly to keep it simple. Mr. Borja explained that Public Works' visibility triangle standard is three feet so they kept this ordinance consistent with that standard.

Councilor Rachel Whipple asked about roll-on dumpsters. Mr. Borja indicated that was separate from a trailer. She also asked if someone was doing something like a pod for storage or moving, whether the setback applied to that. Ms. Whipple lived in the downtown area and wanted to understand more about how these requirements and standards apply in older homes in the downtown area that have smaller setbacks. Mr. Borja clarified that these standards only apply to trailers parked off-street; there were different standards that applied to on-street parking of trailers. Ms. Whipple shared additional comments and concerns about this ordinance. Councilor Katrice MacKay noted that this ordinance is making the law and requirements less strict. ***Presentation only. This item will be scheduled for the Council Meeting on June 20, 2023.***

2. A discussion on an ordinance amending Provo City Code regarding downtown parking in Sections 14.21A.150 and 14.21B.140 (PLOTA20230094) (0:23:16)

Aaron Ardmore, Planning Supervisor, presented. Staff have presented this item previously and have brought it back to the Council after it has gone to the Planning Commission. This solution seeks to address some issues with parking in the downtown area and changes in the use of existing downtown properties. Mr. Ardmore noted that these requirements would not apply to new construction, so any new construction projects would need to provide the parking spaces required for them. Councilor Rachel Whipple asked if this applies only to commercial uses downtown, or if it included residential uses as well. Mr. Ardmore indicated that some properties downtown may have both residential and commercial uses; the standard applies to any existing properties downtown. ***Presentation only.***

3. A presentation regarding the Utah Local Technical Assistance Program Concrete Report. (23-047) (0:25:37)

Gordon Haight, Engineering Division Director, introduced the presentation. David Michelsen, Engineer, presented the concrete report completed by the Utah Local Technical Assistance Program. He said the purpose of the LTAP study was to provide budget estimates of needed sidewalk repairs and suggest priorities for maintenance and repair, obstruction removal, and accessibility. Mr. Michelsen said there are 88 miles of sidewalk missing or not installed, which accounts for about 1/3 of the city. He stated that installing the missing sidewalks would cost over $200 million to address.

Mr. Michelsen elaborated on the existing sidewalk conditions and said the majority of City sidewalks are in good condition. The study identified 9258 sidewalk distress points in the city (including trip hazards, cracked sidewalk, sagging, and holes) and 1416 obstructions (such as mailboxes or tree branches or landscaping). Additionally, there are 5164 crossing locations with ADA ramps which means 51.5% of locations (with 49.5% missing or incomplete). Mr. Michelsen said that of the needed repairs, 60% relate to vertical separations that are trip hazards from ¼" to 2", which are generally easy to repair. He also explained that more extensive damage requires removal and replacement of the sidewalks. This report did not look at curbs and gutters

but only sidewalks. Some damage may also include damage to (and thus repair to) the curb and gutter. Mr. Michelsen gave more details on ADA ramps.

Councilor Shannon Ellsworth asked if they need to have 2 ADA ramps at each corner, or if they can install one on the corner at a diagonal. Councilor Katrice MacKay asked if corners with one ramp are counted toward the total. Mr. Michelsen said these types of ramps are part of the missing or incomplete ramps as they do not meet current standards. Councilor Rachel Whipple asked when the City started installing ramps. Mr. Michelsen said he did not have that information. Ms. MacKay noted there were current projects where they were installing ADA ramps in older areas of the City. Ms. MacKay asked if that was being done as part of the regular budget for sidewalk replacement each year. Mr. Michelsen shared their project plan process and how they are prioritizing different elements.

Ms. Whipple said she has several neighbors in wheelchairs and asked if she should call in or have the wheelchair users call in if they need a vertical offset. Mr. Michelsen said all of them calling is helpful. They have a large volume of projects to prioritize. Ms. Whipple asked more about their project list. Mr. Michelsen said they try to address citizen calls and then their list, but he noted they try to address areas where they are already doing work to save on costs and do repairs more efficiently. Ms. MacKay said in her neighborhood, there are a lot of mailboxes in the way on the sidewalks which prevents wheelchair users from using those sidewalks. Mr. Michelsen said he met with the USPS several months ago and learned that the postal service's standard is having the mailbox just behind the curb and gutter. They are working through some of those issues, which will be a longer process to address.

Mr. Michelsen shared charts that illustrated the last five years data on their concrete replacement, including curb and gutter, sidewalks, and ADA ramps. Mr. Michelsen shared the LTAP estimates for addressing sidewalk damage, which they estimate at about $1 million and about $10 million to replace or construct new ADA ramps. Mr. Michelsen said their staff reviewed these items and made their own estimates based on other considerations (such as current pricing) and estimate about $4.6 million to address sidewalk damage and $15.4 million to address ADA ramps. Mr. Michelsen shared their current projects and anticipated completion time based on the current annual budget for sidewalk maintenance. One idea is to make incremental increases to the sidewalk budget to slowly begin to address those needed repairs and expansions.

Ms. Whipple asked if the Council gave them $16 million and how long it would take to complete all the projects. Mr. Michelsen said if he received all the funding, he would divide the city into four areas with four different contractors, each working in one of the areas. Ms. MacKay asked about the financial projections. Mr. Michelsen said the Provo estimates are more accurate because there are a lot of issues that go into replacing sidewalk that were not factored into the estimates prepared by LTAP. Mr. Michelsen explained the rationale for how they plan their sidewalk projects in order to be as efficient as possible with their use of the budgeted funds.

Ms. MacKay said she has had questions from citizens about the importance of curb and gutter. Mr. Michelsen explained that there are certain requirements of the City for capturing stormwater. Capturing it in the curb and gutter allows this to be handled correctly rather than letting water damage roads, sidewalks, and private properties. Ms. Whipple asked if they have priority for

replacing the old irrigation gutters in the older area of the City. Mr. Michelsen said these are problematic because these usually fall into major capital projects, as they either have to do more work behind the curb and gutter or re-profile the road.

Mr. Haight said there are some issues with asphalt that they also need to address in addition to sidewalks. In looking at the recommendations from LTAP, they suggest trying to clean things up in a ten-year cycle. Ms. MacKay asked if replacing sidewalks is the responsibility of homeowners. Mr. Haight explained that citizens are responsible for clearing sidewalks (i.e., of snow, etc.) but the City is responsible for replacing the sidewalks. Councilor Shannon Ellsworth asked about the ownership of park strips and sidewalks. Mr. Haight indicated that in most cases, the City owns the infrastructure and owns the area to the back of the sidewalk. Ms. MacKay said she had a question about whether new developments have a sidewalk usage fee. Mr. Haight said they do not have that; they do not charge any fees for sidewalk usage. Ms. MacKay asked if they have investigated creative solutions from other cities to fund sidewalk repairs. Ms. Whipple asked about the process of a homeowner having to replace a sidewalk after doing major construction to their home—it can be frustrating when a homeowner has to replace it multiple times because they did not meet certain specifications. Mr. Michelsen said they do not encourage homeowners to replace sidewalks themselves. Ms. MacKay joined in and said she heard differently. Mr. Haight says you do need a permit and commit to not having any trip hazards. He suggests homeowners use private contractors. Ms. Whipple asked if a homeowner was interested in redoing their sidewalk, where they could find resources for that. Mr. Haight mentioned that they could help with that. ***Presentation only.***

4. A presentation regarding efforts addressing homelessness in Provo City - Mountainland Continuum of Care (23-018) (1:05:18)

Heather Hogue, Mountainland Continuum of Care Project Coordinator, presented. The organization is a federally designated planning body that does strategic planning to prevent homelessness. They have three entities in Salt Lake County, Wasatch County, and Utah County. Continuum of Care is not a service agency; rather, they are a homeless response system for a geographic area of Utah, Summit, and Wasatch Counties. They coordinate with all the various service agencies within these areas so they can address needs, fill service gaps, and avoid duplication of services. Ms. Hogue outlined the things they do. They do annual reporting to identify unhoused population. On July 10, they will release the 2023 point in time count. If anyone is interested in participating, they are doing their next point in time count in January.

Coordinated entry is also a responsibility of the Continuum of Care. Anyone entering the homeless response system is given a universal assessment and then the agencies meet together to coordinate and connect individuals with needed resources, specifically housing opportunities. This is critical coordination that is happening behind the scenes. Ms. Hogue shared a list of the Continuum of Care membership, which included many community organizations including local cities and governments and local non-profits. Ms. Hogue shared current data for Utah County about the homeless population in this community.

Ms. Hogue shared information about several types of services that are available as well as some of the service gaps in the community. One of the service gaps is permanent supportive housing.

This is for people who cannot be housed without intervention (who may be disabled, experiencing generational poverty, or have experienced severe trauma) and it means that the housing has built-in or wrap-around services from professionals. There is a 91% retention rate of people in permanent supportive housing who have retained housing for one year. Councilor Katrice MacKay asked about the Food and Care Coalition and Candlelight Villas. Ms. Hogue explained that this is a different type of service than those organizations and facilities; the people in permanent supportive housing are at a higher level of vulnerability. Ms. Hogue said Provo Housing Authority has converted several of the old hotels on 300 South to permanent supportive housing. Ms. Hogue explained that they contract with two agencies to provide the wrap-around services—Wasatch Behavioral Health and the Refuge are medical organizations with trauma-informed services. Ms. Hogue shared additional insight into permanent supportive housing and how this functions to help people, some of whom will be able to become more self-reliant with the right kinds of support to help them attain a more stable situation.

Councilor Rachel Whipple asked about the services. Ms. Hogue said the services really vary from individual to individual. She said it is not assisted living, it is not a locked down facility, and it is not 24/7 support. Ms. Whipple said some individuals struggle with the structure involved in order to receive housing. Ms. Hogue said she has not seen that as much in permanent supportive housing. For this type of housing, it is their own apartment and it allows for a lot of flexibility and agency. The case management is designed to be individually need-based. Most people who lose permanent supportive housing usually do so because they are unable to set boundaries with people staying overnight (which is usually not allowed). She sees most of the difficulty in that area. Ms. Whipple asked what they do in a circumstance when someone lacks legal capacity. Ms. Hogue said that happens on occasion and that there is an evaluation that can be conducted by Wasatch Behavioral. If more intense services are needed there may be other interventions that would be more appropriate.

Ms. Hogue continued with her presentation, noting that there is a current service gap with the first 90 days of homelessness. Many individuals max out the use of hotel/motel vouchers as they usually cannot find housing quickly enough. There are several options to meet this need that need further discussion as a community. Another gap in the community is enough domestic violence shelter beds. Ms. Hogue shared some of the data from the Refuge and their service data from the last several years. She noted they needed to be able to expand rather than duplicating services with another organization and that it would be great to give them the means to expand. The last service gap is supportive services.

Ms. MacKay said she had met with the Food and Care Coalition, who indicated they noted about a 30% increase in clientele once the Frontrunner was built, due to clients coming in from Salt Lake. Ms. Hogue said that more data gives them better information to understand where people are coming from for services so that service gaps can be appropriately addressed.

Councilor Bill Fillmore asked about whether there has been any initiative taken to partner with the Church of Jesus Christ of Latter-day Saints. Ms. Hogue says they collaborate closely with the faith-based communities in the area. However, it is important that those who are in need of professional help get that kind of help and not only rely on faith-based help.

Ms. MacKay asked about building another new location for the Refuge instead of expanding, Ms. Hogue said since they do their services so well it makes sense to her to expand. But she would not want to bring in another organization to duplicate what the Refuge is doing. Ms. Whipple asked about the gap for the first 90 days of homelessness. Ms. Hogue indicated that the first 90 days are critical. This is usually the minimum window in which someone's problems can be self-resolved. Ms. Whipple asked what the solutions are for this gap. Ms. Hogue said a non-congregate shelter is one solution. Master leasing of hotel rooms or long-term stay hotels are other solutions. She was not sure which one is best for this community, but she thought congregate shelters were problematic. She thought they should consider the needs of the population being served and the needs of the community to consider their solution. She felt what they are doing now is not sufficient.

Ms. MacKay would love to have some kind of symposium or summit with mayors throughout Utah County. Mayor Michelle Kaufusi said they meet monthly with all the Mayors in Utah County. It includes elected officials and they are responsible for implementing HB499. It is the COG leadership that decides all of this. Ms. Hogue said they have been developing plans for a winter response and could share more information. ***Presentation only.***

5. A presentation regarding Fiscal Year 2023 Year End Cleanup Appropriations. (23-008) (1:58:15)

Kelsey Zarbock, Budget Officer, presented. As they are nearing the conclusion of the fiscal year, they do some projections to identify whether departments will stay within their budgets. Ms. Zarbock displayed a chart of year-end appropriation requests. The requests included:

- $265,000 for salt and overtime due to heavy snowfall this winter
- $550,000 for spring runoff prep
- $439,000 for the Airport (including loan interest payments, vehicle repairs and fuel, and facility maintenance)
- $2.1 million for the airport CIP (from the ¼ cent sales tax revenue from FY20-FY23)
- $75,000 for wayfinding project (from scooter revenues)
- $750,000 for fire equipment (after not receiving a grant they had expected to receive)
- $65,000 for fire vehicle replacement
- $13,790 for first year loan payment on a new fire vehicle

Councilor Bill Fillmore asked about the spring runoff expenditures. Jimmy McKnight, Public Works Budget Analyst, answered this question. The material of the sandbags does not have much longevity; once water gets in, the material does not hold up well over time. They are not a long-term solution or purchase. Mr. Fillmore asked some additional questions about how they might utilize these resources. Mr. McKnight shared some of the challenges and says they plan for an average year. This year's snowfall was above average. Pumps can still be used in the future, as well as pipe they purchased. Mr. Fillmore asked about the current water flows. Mr. McKnight said he understood that the highest flows were expected last week.

Councilor David Shipley asked about the conversations they have had about the airport budget and whether the proposed budget going forward factors in the cost of the loan repayment. Mr. Shipley asked about the interest change going forward, but there has also been a general fund

transfer to cover this payment. Airport revenues would cover the new FTEs but he wondered whether airport revenues been projected to cover loan repayment in the future. John Borget, Administrative Services Director, said they would double check this information. Mr. McKnight shared some additional insight into the airport terminal construction process and funding sources, noting that they had understood that if the terminal was successful and needed to expand or grow in the future, there were some potential funding sources available.

Ms. Zarbock continued reviewing the list of appropriation requests. In response to a question from Mr. Fillmore, Jeremy Headman, Interim Fire Chief, shared additional details about the apparatus that would be purchased with the requested funds. ***Presentation only.***

6. A discussion regarding the adoption of the 2023-2024 Annual Action Plan. (23-027) (2:17:11)

Melissa McNalley, Community Grant Administrator, presented. She previously presented on this at the end of April, which initiated a public comment period which ends at the Council Meeting that evening. Ms. McNalley summarized the total amount of funding that they have for the Annual Action Plan. She also gave a summary of the projects they are proposing funding for. Councilor Rachel Whipple thanked Ms. McNalley for her work on these grants. ***Presentation only. This item was already scheduled for the Council meeting on June 6, 2023.***

7. A discussion on an ordinance amending city code regarding apartment building signage requirements. (23-048) (2:20:40)

Melia Dayley, Policy Analyst, presented. This item was a request of several Councilors and staff have prepared an ordinance amendment addressing this solution.

Councilor Katrice MacKay asked if the sign should specify that the sign be street-facing. Ms. Dayley said they could update the ordinance to specify that. Ms. Dayley said they have built in a timeline of six months to allow properties to come into compliance with this ordinance.

Councilor Bill Fillmore asked about adding language to specify the signage is street-facing, and also on the main street that is the entrance to the complex. Ms. MacKay invited comments from other councilors. Councilor Shannon Ellsworth asked if there were other cities in Utah that do this. Ms. Dayley said they were not aware of any others in Utah, but they identified cities in other states. The examples they pulled were the simplest ordinances they could find, which included Austin, Texas and New York. There are some states with a state-level requirement, so there is a multitude of available examples. Councilor David Shipley asked them to show the apartment building definition. Apartment building is defined in code as containing five or more units, so it would not include a duplex or four-plex.

Brian Jones, City Attorney, said that often there are apartment complexes which may include multiple buildings that may not even face the street. He asked if they are looking for a sign for every building or a sign for the entire complex when it comes to multibuilding complexes. Ms. Dayley said there are examples from other cities that specify a sign at the main building, or one at the main building and two (or other number) other signs in a conspicuous place on the

building. Other ordinances specify all buildings. Ms. MacKay requested that staff look at some other options. Mr. Fillmore shared additional thoughts on the sign placement. Ms. Ellsworth asked how this would work if a complex is condominiums with separate owners. Mr. Jones said that condominiums would also qualify as apartments and apartment buildings under the current code definitions. Ms. Ellsworth was trying to clarify if a building with 20 different owners needed 20 different signs. The Council asked if there were apartment buildings that did not have an HOA. Mr. Jones shared an anecdote of a recent issue. They may need some additional staff research on this. Ms. Ellsworth thought the Council needed to be clearer about the intent behind this ordinance. She wondered if the intent was to allow passerby to report visible issues to a property manager, or if the intent was to help tenants; she had heard different things about the intent. She felt there were some complex elements that have not been addressed.

Ms. MacKay said this item was citizen-initiated by citizens in areas with apartment buildings that are not well-maintained. Ms. MacKay thought the intent was to cut down on 311 and police calls. Ms. Ellsworth wondered about the feasibility of this. Ms. Dayley wondered if language such as "an owner or a coalition of owners within a building" would be suitable language to address that concern. Ms. Ellsworth shared thoughts about additional complications. Ms. Dayley indicated they could look at some additional examples and criteria.

Motion: Rachel Whipple moved for staff to look at other municipalities for posting and other requirements, to explore how this would work with condominiums with multiple owners, complexes with multiple buildings, whether there is a way to automate what information can be published online as a supplement, and minimums (of number of apartments that comprise an apartment building). Seconded by Bill Fillmore.
Vote: Approved 6:0, with George Handley excused.

8. A discussion regarding property tax (23-008) (2:41:05)

Justin Harrison, Council Executive Director, presented. Mr. Harrison shared some information on the discussions which have been had thus far regarding a potential property tax increase. He outlined the timeline of these discussions as well as the upcoming dates and deadlines the Council must meet if they decide to pursue a truth in taxation process. Mr. Harrison shared a list of requirements for the City if the Council pursues a truth in taxation process.

Mr. Harrison gave some background information on property taxes in the City. The City's property tax is in four different rates:

- General operations
- Interest and sinking fund/bond
- Library
- Discharge of Judgement (which is not currently used by the City)

Brian Jones, City Attorney, explained the discharge of judgement category and its purpose and use, if the City ever needed to use it.

Mr. Harrison shared the recommendations of the Library Board. The Library Board has recommended a $100,000 increase for each of the next five years. Councilor Rachel Whipple asked for some clarification about the projections and recommendations and Mr. Harrison

responded to this. Mr. Harrison shared a spreadsheet showing some calculations for the projections of the library portion of property tax. They are waiting on the latest valuation figures from the County for 2023 property valuations. Councilor David Shipley commented on the reserve fund for the library and how the property tax was allowed to help it become a fund to maintain the building. He asks if they correct the financial predictions once a year or multiple times a year to ensure the library has the necessary funding. He asked if that would close the gap or if they would still be short. He believes it might be helpful to go to the public and explain they need to account for inflation.

Carla Gordon, Library Director, shared some comments. She explained that there is some deferred maintenance at the Library which has not been budgeted. John Borget, Administrative Services Director, shared comments and said the Provo Foundation also has a Library Legacy fund set aside for the Library. He shared that simply as additional insight into some of the resources and facility planning for the Library. Ms. Whipple asked if they would be setting the rate and it would stay there for the future. Her main concern was that if the Council did this first year of truth in taxation, there was not a way for them to bind future Councils to follow through on doing the annual truth in taxation process. Councilor Travis Hoban asked what the Provo School Board was doing this year. Councilors did not think they were doing anything this year.

Mr. Harrison shared some details on inflation in the western states and across the United States in recent years. He then moved onto the General Operations portion of the City's property tax revenue. Mr. Shipley asked about the cost of adding a new police officer (including equipment), which Mr. Harrison indicated was shy of $130,000. Mr. Shipley said his expectation with the property tax discussion each year is that they have a nominal, modest increase each year to help with public safety each year. Councilor Bill Fillmore said his understanding is that Provo still has a deficit of total police officers. ***Presentation only.***

9. A discussion regarding housing affordability strategies. (23-043) (3:13:16)

This item was continued to the next Work Meeting on June 20, 2023.

Redevelopment Agency Governing Board

10. A discussion regarding RDA strategy (23-045) (3:13:24)

Shannon Ellsworth, RDA Chair, introduced this item which was intended as a discussion for the board members. Ms. Ellsworth has heard from board members that they would like to see more proactivity and strategy from the Redevelopment Agency Governing Board. She thought it was important to identify what their economic goals were and what they hoped to accomplish, as well as identifying the RDA's role with respect to those goals. Ms. Ellsworth indicated that other states have stricter requirements for how tax increment financing (TIF) is used. She thought it would be beneficial to have some more guidelines in place for when the RDA uses TIF. Travis Hoban, RDA Vice-Chair, thought it would be helpful to be more intentional with the RDA as a tool and be more proactive; he thought they could do more than they currently were doing.

Katrice MacKay, RDA Board Member, thought that there has been some change on the administration side which would hopefully help. She wanted to address things as they come up, especially since there has been a change in staffing. She would like better communication, so the Board is more aware of possible projects or items that are up for consideration before the Board.

David Shipley, RDA Board Member, shared that there were certain types of projects and opportunities that seemed like obvious priorities for the RDA, such as remediating blighted properties. For situations like giving a boost to companies, he was less certain that those were always the right opportunities. He thought the role of economic development was slightly different yet complementary to that of the Redevelopment Agency.

Rachel Whipple, RDA Board Member, thought that some type of regular reporting that came to the RDA Board would be very helpful (similar to the CIP for the entire City). In her experience, it seemed that often, the RDA Board does not have all the information they need to make decisions. She thought better communication and reporting would be very useful, including regular written reports to the entire board, as well as having items come to the entire board so they are on the same page. Ms. MacKay agreed with Ms. Whipple's comments. The Council has followed a similar structure of bringing all policy discussions directly to the entire body. She supported eliminating the RDA Executive Board in favor of bringing items directly to the entire Redevelopment Agency Governing Board. At this juncture with new RDA staff, the RDA Board Members are interested in discussing their vision. Ms. MacKay thought it was an opportunity to eliminate the RDA Executive Board.

Bill Fillmore, RDA Board Member, agreed with many of the comments made. The RDA is a useful tool that he felt has been underutilized for economic development, affordable housing, and more. He thought Keith Morey was perfect for the job and he wants to get things going with the RDA. He is concerned about the assumption that everyone has the right to a TIF. Mr. Fillmore wanted Mr. Morey to pre-screen applications and come up with minimum criteria.
Ms. MacKay wanted clarification on whether the State already gives a requirement.

Mr. Morey said yes and that he has a lot of thoughts on that. He said that TIF is one of very few tools. There are other states that provide other limitations on how TIF can be used, but in most instances, those states have many other tools available to them to utilize. Utah is quite different from many of those states, so restricting TIF further was concerning to him. He encouraged the RDA Board to be cautious in proceeding. He said Provo can leverage this tool quite effectively to retain important businesses in the City.

Mr. Fillmore asked about the additional tools in other states and how if Utah wanted to use those additional tools. Mr. Morey responded and said it would have to come from the State legislature and the states that are already utilizing other tools also have more money. One example is Texas and how it gives huge incentives through financial opportunities. Provo is different in that they have put quality of life over financial incentives. TIF is the only tool they have at this point. Mr. Fillmore was interested in education about these other tools.

Ms. Ellsworth agreed with the suggestions of having monthly or quarterly reports to the RDA Board from RDA staff. She also suggested that the Council do something similar with Economic

Development. She asked if there was a list of the economic policies adopted by the Council, and if those things were supported by the RDA board. She thought that would help the RDA board move toward having more strategic proactive discussions. Mr. Shipley asked if the RDA board could have another discussion like this in the future so the Administration could come give them an update and be involved in that discussion of where the RDA is going.

Motion: Katrice MacKay moved to change the bylaws so they can hold RDA meetings as a collective board of 7 and to eliminate the RDA Executive Committee. Seconded by Bill Fillmore.

Brian Jones, City Attorney, clarified that the Mayor, as CEO of the Redevelopment Agency, is a member of the RDA Executive Committee, but she is not a member of the RDA Governing Board. Mr. Jones explained what the bylaws say about the executive committee, its purpose, and composition. He gave several examples of potential motions that the Board could make to accomplish what it seemed they wanted to accomplish. Ms. Ellsworth noted that they do need to amend the bylaws to update the address of the Redevelopment Agency, so it was possible they could include this amendment as part of the amendments to be considered at a future meeting.

Mr. Shipley wondered if there were some unintended consequences of eliminating the RDA executive committee. Mr. Morey shared some thoughts in response to this. He shared some potential scenarios in which the presence of the RDA executive committee could be problematic, but he thought it made sense to eliminate it. Ms. Ellsworth said there were some communication issues. The RDA Chair and Vice-chair should still meet with administrative staff regarding incoming projects or applications. She noted some situations in which the Council chair or vice-chair were aware of RDA items that had never been forwarded to the RDA Chair or RDA Vice-chair for placement on a meeting agenda.

Mr. Jones noted that some of the communication issues may be a holdover from the time when the Council Chair and the RDA Chair were the same person. Mr. Jones shared some insight into some of the communication issues that may be able to be addressed by Council staff in the process for how meeting agendas are developed and compiled. Mr. Jones noted that doing away with the executive committee would not preclude the ability of the agency CEO to speak or meet with the Agency chair and vice-chair. He did not see any specific downside of doing that and said the only upside of keeping it is just if there were a specific purpose of that committee that they would like to continue.

Mr. Shipley did not hear a main purpose of the executive committee that could not be solved by a regular report and regular discussions of the RDA Board. He thought the Board could hear the regular reports in a Work Meeting setting.

Ms. Ellsworth said that the bylaws had been changed recently from specifying monthly RDA Executive Committee meetings to just a quarterly meeting. Ms. Ellsworth asked Mr. Jones She recalled that the only time the RDA Executive Committee met in order to respond to an RFP or RFQ. She asked if that needed to be taken to the RDA Executive Committee or if it would have been able to come to the full RDA Governing Board. Mr. Jones responded saying that there was some ambiguity in the bylaws and he thought that probably needed to be addressed. Ms.

Ellsworth asked about having a second and then having a conversation on the motion. Mr. Jones said the mayor's role as an executive member is not as defined. He explained that nothing in the bylaws says an issue must go to the executive member before it goes to the board. He gave a few options to define that even more. Ms. Ellsworth proposed the need to eliminate the executive committee and then better redefine the processes in place. Ms. Whipple made note of the unintended consequences and asked if there any sensitive real estate conversations that would have to happen with the whole board. She wondered if this could happen in a closed meeting, which staff indicated was the case. Ms. Whipple mentioned that when items are requested by chair, or by a majority of the board, the Board would need some kind of analogous process as the Council to bring those up. Ms. Whipple wants to start strategizing and envisioning things. She thinks it would be helpful to have more regular board meetings.

Vote: Approved 6:0, with Board Member George Handley excused.

The RDA chair and vice-chair could bring back some recommendations on the bylaws and can work with RDA administrators to work on better communication with the board. Ms. Ellsworth referenced a shared services agreement which they will circulate to the board members and have on the next meeting agenda. Mr. Jones thought it would be logical that the Council staff, through the shared services agreement, provide the similar types of support to the RDA board as they do to the Council. Due to the separation of powers, the RDA board would have some control over those employees versus the other RDA employees which are under the direction of the RDA CEO. The revised bylaws would be brought to a future RDA Governing Board meeting.

The Council reconvened to consider holding a closed meeting.

Closed Meeting

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with 52-4-204 and 52-4-205 et. seq., Utah Code.

Brian Jones outlined the statutory basis for the closed meeting, which related to personnel character and competency and a property sale.

Motion: David Shipley moved to close the meeting. Seconded by Rachel Whipple.
Vote: Approved 6:0, with George Handley excused.

Adjournment

Adjourned by unanimous consent.

Pending minutes – awaiting approval

Please Note – These minutes have been prepared with a timestamp linking the agenda items to the video discussion. Electronic version of minutes will allow citizens to view discussion held during council meeting.

PROVO MUNICIPAL COUNCIL
Budget Work Meeting Minutes

2:00 PM, Tuesday, June 13, 2023
Provo Peak Meeting Room
Hybrid meeting: 445 W. Center Street, Provo, UT 84601 or
https://www.youtube.com/provocitycouncil

Agenda (0:00:00)

Roll Call

The following elected officials participated:

Council Chair Katrice MacKay, conducting
Council Vice-chair Rachel Whipple
Councilor Shannon Ellsworth
Councilor Travis Hoban
Councilor David Shipley
Councilor George Handley
Mayor Michelle Kaufusi

Excused: Councilor Bill Fillmore

Prayer

Katrice MacKay offered the prayer.

Business

1. A training on Council meeting procedures. (23-002) (00:08:30)

Brian Jones, City Attorney, gave a brief training on the procedures for making motions in Council meetings. He explained the intricacies and what is permitted as far as making motions, amending motions, and subsequent motions, noting that no more than three motions may be on the table at any one time. Mr. Jones recommended always restating the motion prior to taking a vote. Mr. Jones also cautioned against multiple Councilors editing a motion as it was being made. If a Councilor was still in the formative stages of deciding what their motion should be, he suggested that the Councilor share an idea, and discuss that idea first. After a motion is made, if another Councilor asks if a motion included something, the original motion maker should clarify the intent of their motion and ask if the second still stands. If this new comment was not contemplated or explicitly included, they should say it was not their intent and the commenter is welcome to make a substitute motion or amend the motion to that effect. Mr. Jones noted that the intent is to preserve the formality of the process while also allowing some flexibility to the Councilors as they are formulating their ideas. Councilor Rachel Whipple shared her thoughts from the perspective of someone making a motion and asked for clarification about the formal procedure. Justin Harrison, Council Executive Director, also briefly commented on the nature of

Councilors making suggestions for motions. In response to a question from Ms. Whipple, Mr. Jones gave further clarifications about the differences between an amended motion versus a substitute motion. ***Presentation only.***

2. A discussion regarding unencumbered ARPA funds. (23-049) (00:22:21)

Justin Harrison, Council Executive Director, presented. Mr. Harrison gave background information about the ARPA fund allocations approved by the Council. With the recent agreements in Congress regarding the debt ceiling, one provision in the Fiscal Responsibility Act of 2023 was to rescind unobligated ARPA funds. The language is very ambiguous, but there is the potential for the City to lose any of its unspent or unallocated funds. Staff thought it would be prudent to bring this to the Council for further discussion and consideration. Council Chair Katrice MacKay thought it would be most prudent to allocate the funds.

Councilor Shannon Ellsworth thought it would be good to use the unallocated funds for water conservation initiatives. She suggested implementing smart controllers at City parks. She also suggested flipping the strips on Center Street where there is turf. Wayne Parker, CAO, shared some insight about smart controllers in city parks and some of the factors impacting irrigation. Ms. MacKay asked about the urgency of the ARPA fund allocations. Mr. Parker said they have spoken with Congressional staff and everything they have heard is about the federal government reclaiming funds from federal agencies. If certain municipalities have missed the deadlines, then they will no longer receive the funds. However, if funding has already been allocated to a city, those dollars are considered encumbered. Ms. MacKay suggested they asked for Parks and Recreation to come to a Work Meeting. Mr. Parker said they could facilitate that for a future Work Meeting. ***Presentation only.***

3. A presentation regarding FY24 tentative budget amendments. (23-008) (00:31:00)

Kelsey Zarbock, Budget Officer, presented. She shared a list of the proposed amendments to the tentative budget and reviewed each change with more context. Councilor Rachel Whipple asked about the certified tax rate from the County. Ms. Zarbock explained that the property valuations had dropped slightly, which impacted the City's resulting revenue from property tax. Ms. Zarbock continued with the line-by-line review. Councilor David Shipley asked if there were usually a $10,000 increase in expenses, would they try to allocate that equally. Ms. Zarbock explained that for this particular cost, this fits into the General Fund divisions portion of the chargeback, so it was split across departments. Councilor Travis Hoban asked about how they typically account for shortfalls in the budget. Ms. Zarbock explained that the miscellaneous revenue account really is miscellaneous, so they try to avoid using this account to balance the budget. John Borget, Administrative Services Director, explained they also avoid adjusting sales tax revenues, as there is a calculation they use to forecast sales tax. Mr. Shipley asked why the County had two different calculations of valuation, one with revenues increasing and one with revenues decreasing. Ms. Zarbock explained her conversation with Utah County—there were some additional data points entered in by the County on Friday related to redevelopment areas which was what caused the changes. Mr. Shipley asked why the City versus the Library's budgets moved in opposite directions. Ms. Zarbock clarified that both budgets moved in the same direction, just by different amounts. Ms. Whipple said it would be helpful to get a better

explanation from the County about this. Mr. Shipley asked an additional question about the property tax calculations and the Library's budget. Ms. Zarbock responded and said she has not reevaluated the Library's property tax. Mr. Borget said the concern from the Library Board and the City Administration is the trend of not keeping up with inflation. ***Presentation only.***

4. A discussion regarding property tax (23-008) (00:48:14)

Justin Harrison, Council Executive Director, presented. Council Chair Katrice MacKay suggested they move right to discussion as the Council has had a previous presentation on this. Mr. Harrison said they would look at the library and general operations property tax rates separately. Councilor Travis Hoban asked if they could briefly review the highlights of each of the entities. Mr. Harrison reviewed the recommendation from the Library Board. Mr. Hoban asked if the Council would need to do Truth in Taxation to change the Library rate, which Mr. Harrison indicated was the case. Councilor Shannon Ellsworth shared some comments as a member of the Library Board. She thought they needed to have a more comprehensive facilities plan in order to properly plan for the facility's capital needs. Mr. Hoban wondered if the Library has said where specifically they would spend this money. Councilor David Shipley said that Carla Gordon, Library Director, recently presented and said that every year they are using funds from their general reserves for facilities needs. Councilor George Handley asked about what the ask from the Library was. Mr. Harrison indicated that the Library asked for a specific dollar amount for each year over the next five years. Mr. Handley clarified that he wondered if the requested increase was commensurate with the typical inflation or cost-of-living increase of 4%. Mr. Shipley said the Library's requested amount was under 4% of their total budget. Mr. Shipley thought they were trying to be very conservative about this. Ms. Whipple thought it was a conservative solution but it did not solve their issue entirely.

Mr. Shipley noted again that they cannot commit a future Council to this. In the last discussion he asked how much they would need up front if this Council were to do a larger, one-time increase. Councilors discussed the possible increase for the Library. Mr. Shipley noted that the Council could do a one-time increase that was less than $500,000 and due to the Library earning interest they could still accomplish their goal with a smaller one-time property tax increase. In response to a question from Mr. Shipley, Brian Jones, City Attorney, said the Council must notice the maximum rate they would consider adopting for the two different tax rates. Mr. Jones said it was most helpful for staff to know as soon as possible if there was consensus among the Council on whether to do Truth-in-Taxation at all. Ms. Zarbock said they needed to alert the County by June 22 if the Council intends to pursue Truth-in-Taxation and must submit the final rate by June 30.

Motion: David Shipley moved to move forward on Truth-in-Taxation on the requested amount from the Library Board of $100,000. Seconded by Katrice MacKay. ***Mr. Shipley rescinded this motion.***

Councilors discussed the Truth-in-Taxation process and the other taxing entities in the area. Mr. Handley suggested the Council consider the amount for public safety so they could consider the total dollar amount impacting residents. The Council discussed a potential increase to property tax for public safety. Mr. Harrison reviewed previously presented information about inflation.

Mr. Shipley shared comments—sales tax is strong now, but it may not always be the case, so he thought it was important to plan for public safety with property tax with a nominal adjustment each year. Ms. Ellsworth asked if the Council was budgeting for outcomes within the public safety operations at the City or if they were just raising taxes; she suggested connecting the property tax increase to specific public safety needs. Ms. MacKay asked how many police officers were not fulfilled in the budget. Mayor Michelle Kaufusi said that four were requested as necessary, and two were budgeted. Ms. Whipple noted the impact of inflation on the city budget. Mr. Shipley noted that sales tax revenue does typically increase with inflation, although the property tax revenue does not. Ms. Whipple thought the property tax revenue should go up every year to account for these costs. She noted the Council did not necessarily need to tie the property tax increase to a public safety officer; it could be an increase simply to account for inflation. Mr. Shipley noted that doing the increase for inflation would allow the Mayor some more flexibility in budgeting the funds to the areas where they are most needed. Mr. Handley thought it would be confusing to the public if the increase was not tied to public safety.

Mr. Harrison continued presenting—he shared a spreadsheet showing a breakdown of the property tax rates for the City and the possible discussed increases and impact of each. Mr. Shipley shared comments on keeping up with inflation each year with the property tax rate. Mr. Handley suggested the Council consider the maximum portion for the City as the rate which will cost the average household $7.80 and the maximum amount for the Library of $300,000. Mr. Shipley said this was not accomplishing his desired outcome of pre-funding the Library. Ms. MacKay indicated that Central Utah Water Conservancy District would likely do a 4% increase.

Captain Brian Taylor, Provo Police Department, was present to answer any questions from the Council. Mr. Shipley summarized the Council's intent to have some additional funding each year through Truth-in-Taxation to fund public safety. The Council's understanding is that even if the Council added an officer each year for the next several years, there would still be a need as they would still be short of the ideal number. Captain Taylor said that understaffing hurts their ability to provide public safety to the community, particularly at the airport and in patrol.

The Council continued their discussion. Mr. Shipley wanted to make this year's increase as minimal as possible due to a high increase in property taxes for Provo residents last year. Mr. Handley restated his motion. Mr. Shipley was not in favor of the 5% increase for the general operations rate that Mr. Handley was proposing. Mr. Hoban preferred noticing at the lower levels; he was comfortable with 3% on the City side and $100,000 on the Library side. Ms. Ellsworth also said she was comfortable with that.

Motion: George Handley moved to notice $100,000 for the Library and a 5% increase for the City as the maximum. Seconded by Katrice MacKay.

Amended motion: David Shipley moved to amend the motion to $100,000 for the Library and a 3% increase for the maximum for the general operations rate increase. Seconded by Travis Hoban.

The Council discussed the amended motion. Ms. Whipple liked the idea of noticing a higher amount so they could have more flexibility in discussing the options and potential ramifications with constituents.

Vote on amended motion: Failed 3:3, with George Handley, Katrice MacKay, and Rachel Whipple opposed and with Bill Fillmore excused.

Vote on Mr. Handley's motion: Failed 3:3, with David Shipley, Travis Hoban, and Shannon Ellsworth opposed and with Bill Fillmore excused.

Motion: Katrice MacKay moved to notice $100,000 increase in property tax revenue for the Library. Seconded by David Shipley.
Vote: Approved 6:0, with Bill Fillmore excused.

The Council asked staff to prepare several items, including ascertaining the intent of Central Utah Water Conservancy District for a property tax increase and to prepare the exact dollar figures for one and two additional police officers.

Ms. MacKay noted that the Council did not appropriate the funds from the Truth-in-Taxation increase last year; she wondered if the Council needed to make a motion to have this item put into the budget as a line item. Mr. Borget explained that there was one-time money in FY2023 that could still be appropriated from the increase. In the FY2024 budget, this property tax increase will be part of the general property tax revenue listed in the budget. Staff offered several other alternatives for how these funds could be allocated. Ms. MacKay asked if Finance staff could prepare an appropriation for those funds. The Council discussed these options further and Mr. Jones and Mr. Borget offered clarification for how this might be handled. The Council intended to ensure this was addressed proactively in the coming year's budget.

5. A discussion regarding the FY24 budget adoption process. (23-008) (02:24:04)

Kelsey Zarbock, Budget Officer, presented. Ms. Zarbock reviewed the categories of things that are addressed slightly differently in the budget ordinance this year. She reviewed the past process and noted that they have added several of the historically agreed-upon carryover categories into the budget, in order to ensure that the Council is supportive of those categories and uses of carryover funds, including equipment maintenance and replacement, ongoing projects, and other expenses (elections, tuition reimbursements, and indigent defense). Councilor Shannon Ellsworth asked if this approach satisfies the intent of the former Council Carryovers Committee. Councilor David Shipley said he understood that this approach (the color-coded chart and the standard categories) satisfied the intent of that committee. Mr. Shipley noted that the full list of carryovers is brought to the full Council. Ms. Zarbock noted they may indicate one-time carryovers (versus carryovers that occur every year) if that information would be helpful.

Ms. Zarbock continued with her presentation. She outlined how the sick leave buy-out process works for City employees. As they have looked back at several years of past budgets, they observed that many departments are not utilizing all the sick leave buy-out. This formula was pretty accurate in the end, although there were several areas in the General Fund that utilized

more of the sick leave buy-out budget. This new provision in the budget would allow the Administration to reallocate dollars within the General Fund to other General Fund departments. Mr. Shipley asked about the sick leave policy generally and how that works. John Borget, Administrative Services Director, shared details of how the sick leave policy works and how it relates to the sick leave buy-out program.

Ms. Zarbock reviewed the Recreation Facilities Capital Fund and how this fits into the budget. Councilor Katrice MacKay asked if the Council had already authorized this. Ms. Zarbock said this was new to the budget ordinance. Mr. Borget shared some additional comments on the impetus for this section in the budget. Ms. Zarbock explained how the recreation capital facilities fund works with the recreation center, ice sheet, and golf course with the revenues from each.

The last item that is new to this year's budget ordinance is multi-year purchase agreements. This provision would authorize the Mayor to enter into purchase agreements for certain types of purchases which may not become available until a later fiscal year due to supply chain issues. Mr. Borget gave another example of transformers purchased by Provo Power which are sometimes two to three years out for delivery. Councilor Rachel Whipple asked if doing this binds future Councils. Brian Jones, City Attorney, noted that under the current system, the Council were authorizing the contracts and essentially obligating future Councils. It is a challenging situation due to supply chain issues. ***Presentation only.***

6. A presentation regarding FY24 supplemental budget requests. (23-008) (02:57:07)

Melia Dayley, Policy Analyst, noted that there were only a few minutes remaining in the scheduled time and several Councilors had a meeting scheduled immediately after this one. Staff indicated these two items could be continued to the Work Meeting on Tuesday, if the Council was amenable to discussing them then. ***This item was continued.***

7. A presentation of the FY24 tentative budget and council priorities (23-008) (03:00:32)

This item was continued.

Closed Meeting

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with 52-4-204 and 52-4-205 et. seq., Utah Code. ***None requested.***

Adjournment

Adjourned by unanimous consent.

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MDAYLEY
Department: Council
Requested Meeting Date: 06-20-2023

SUBJECT: A discussion regarding expanding the tax increment finance agreement with the Noorda College of Osteopathic Medicine

RECOMMENDATION: Review the proposal amendment requested by Noorda-Com for approval at the next available Board Meeting.

BACKGROUND: The economic costs of constructing on this site have increased due to the removal of thousands of tons of trash as well as the required foundational systems, and the installation of a methane mitigation system to dissipate methane gasses. The initial scope of the project was estimated at $160 million but has now increased to over $400 million. Expanding the scope and term of the agreement will increase the estimated value of the property from $22 million to over $400 million.

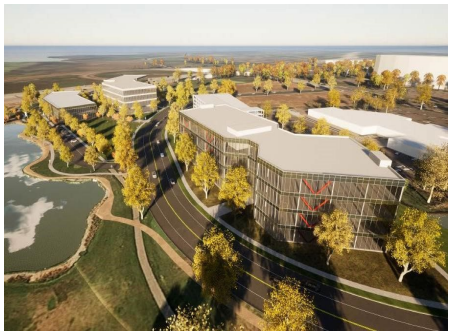
FISCAL IMPACT:

PRESENTER'S NAME: Keith Morey, Asst Director of Development Services

REQUESTED DURATION OF PRESENTATION: 20 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
This project supports Provo City's goal to increase property values, create jobs and diversify our economy.

CITYVIEW OR ISSUE FILE NUMBER:



Overview:

- Asking for Tax Increment Financing
- The economic costs of constructing on this site have increased due to the removal of thousands of tons of trash as well as the required foundational systems, and the installation of a methane mitigation system to dissipate methane gasses. The initial scope of the project was estimated at **$160 million** but has now increased to over **$400 million**.
- (Asked we accepted the land with the knowledge that we would have to remove the trash. The trash removal cost increased by **$4 million alone**.)

Revenue Created from NCOM with TIF:

  - This will not happen without the TIF
- 20-year Tax Increment Financing, the annual property value dramatically increases from the current $22 million dollars to over $400 million dollars.
- Tax Revenue for Provo City: Current **$41,737 to $203,253**. After the 20-year TIF, annual tax income would be **$797,513**
- Tax Revenue for Utah County: Current **$16,182** to **$141,426.** After the 20-year TIF, annual tax income would be $**309,205**
- Tax Revenue for Provo City School District: **$167,480 to $945,223**. After the 20-year TIF, annual tax income would be **$3,200,190.**

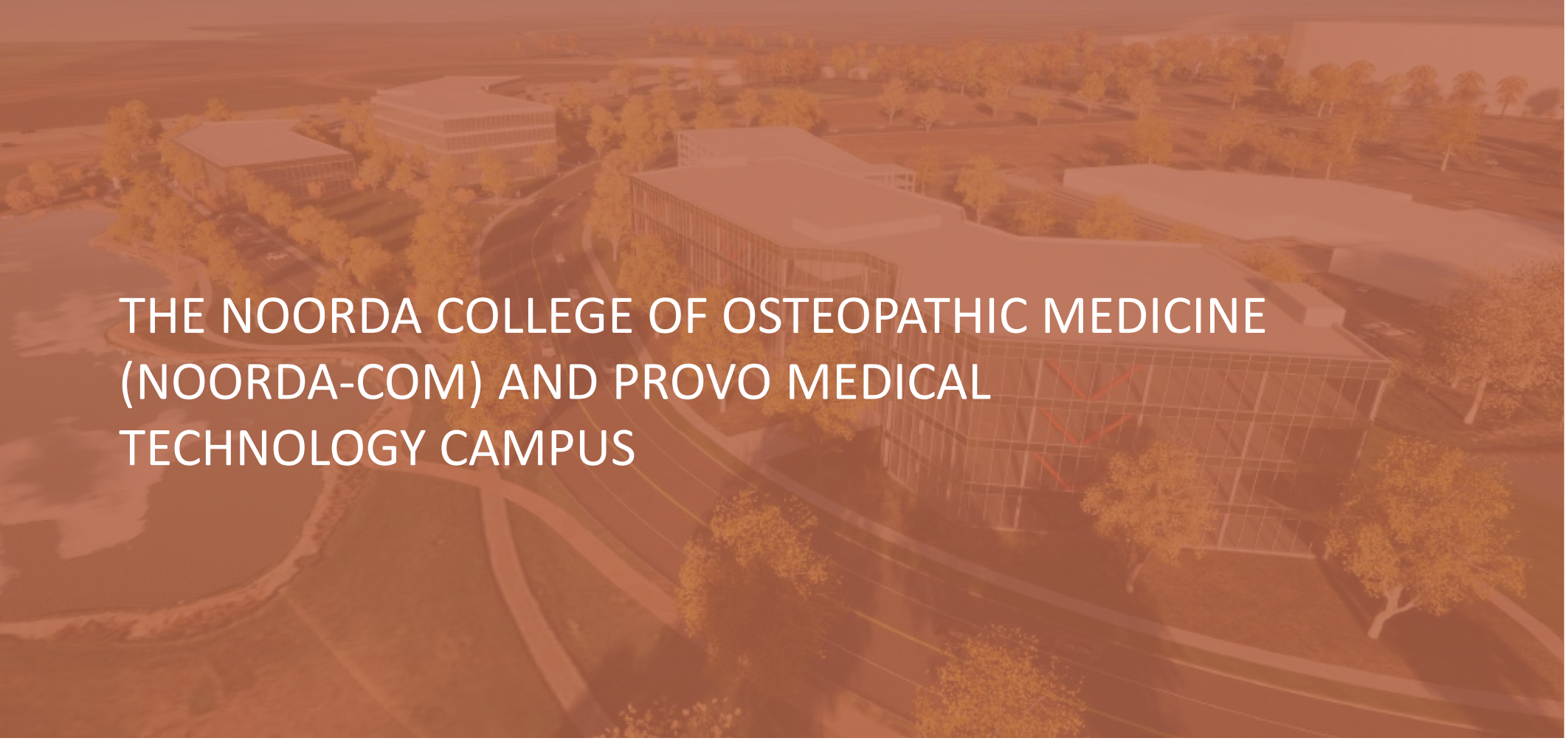
Jobs/Community:

- Not only will the taxable value of the property increase, but the new business activity surrounding the college is projected to generate more than $345 million dollars in annual economic activity, while impacting roughly 8,500 families through direct, indirect and new employment opportunities.

Proposed TIF Structure:

- $35 million/20 year with a 75/25 split on the school district.

	Existing TIF	Proposed TIF
Building Valuation/Development Cost	38,230,500	364,302,452
Buildings included in TIF	East Bay Apartments	East Bay Apartments Medical School (NCOM), Campus (biotech, neurosurgical, hotel, parking garages)
Buildings Square footage	638,000	1,365,000
Timing	12 years	20 years
TIF amount	4,800,000	35,000,000
Tax Revenue to City over TIF period	1,244,710	5,880,000
Tax Revenue to County over TIF period	260,000	2,770,000
Tax Revenue to School District over TIF period	2,700,000	17,200,000
Tax Revenue to CUWCD over TIF period	180,000	900,000



THE NOORDA COLLEGE OF OSTEOPATHIC MEDICINE (NOORDA-COM) AND PROVO MEDICAL TECHNOLOGY CAMPUS

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

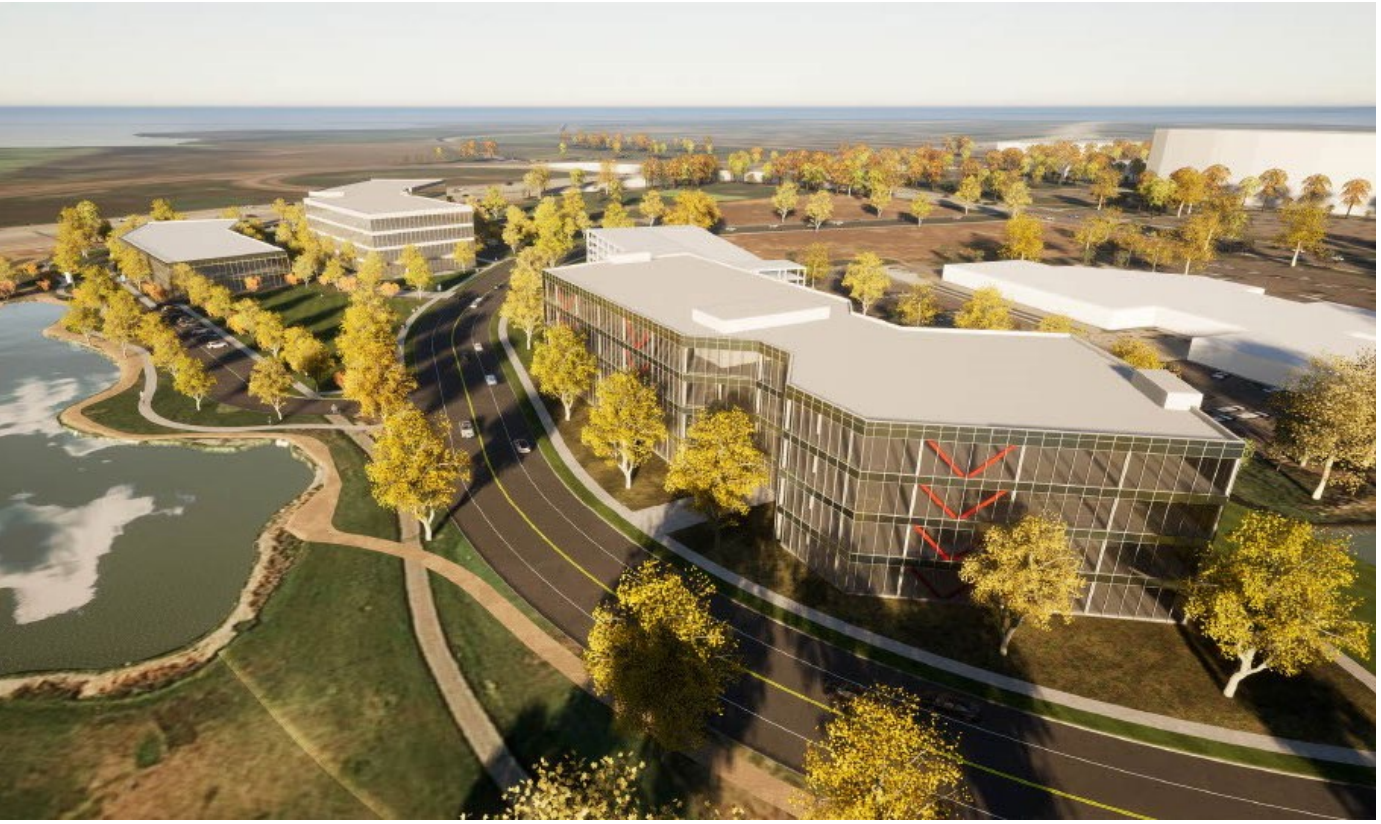
OVERVIEW

The Noorda College of Osteopathic Medicine (Noorda-COM) and Provo Medical Technology Campus is a project that will maximize the positive impact on the community.

It is not just a long-lasting significant economic impact but a tremendous societal impact. It is hard to imagine a development on this site that could have a more significant and far-reaching societal impact.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

OVERVIEW



1. The size, scope, and costs of the Provo Medical Technology Campus have **increased significantly**, creating a $364.8 million development.

2. The campus is being built on a **former landfill** with limited economic benefit to the community.

3. The project should generate at least $64.9 million in property taxes over the next 30 years and continue in **perpetuity**.

4. The project will generate more than $345.7 million annually in **new business activity** and over 8,520 employees through direct, indirect, and induced new employment opportunities.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

SOCIETAL IMPACT

The Campus will maximize the positive impact on the community by providing significant and far-reaching societal impact.

Noorda-COM is open and providing a next-generation Medical School education highlighted by an innovative and transformational curriculum and by using advanced medical technology to prepare a new physician workforce to practice in the future healthcare delivery system.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

SOCIETAL IMPACT - MEDICAL

- ✓ Utah is currently 42nd in the country for overall physicians to 100,000 population.
- ✓ Utah is 49th in the country for primary care physicians and 50th in the nation for female physicians and general surgeons.
- ✓ By 2030, the Noorda-COM will have educated, trained, and graduated 987 new physicians to help offset a growing physician shortage.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

SOCIETAL IMPACT - COMMUNITY

Noorda-COM has been collaborating with Provo School District representatives for over a year.

Noorda-COM has also recently established a partnership with Mayor Michelle Kaufusi and the City of Provo to work with the Provo School District to provide yearly medical screenings of all elementary age students.

Noorda-COM is committed to engaging with its local community through community service and outreach events and will have a positive impact on healthcare for Utah and the region.

Noorda-COM also has established relationships with other local organizations and charities in the Provo/Utah County area and students and employees are actively engaged in a variety of outreach activities.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

SOCIETAL IMPACT - RESEARCH

- ✓ Noorda-COM's research endeavors focus on addressing some of Utah's most pressing healthcare challenges, including behavioral health, women's health, and the use of artificial intelligence.
- ✓ Noorda-COM has spearheaded the establishment of the Utah Behavioral Health Research Consortium.
- ✓ Noorda-COM has established clinical and research partnerships with nearby community hospitals and is developing further relationships with academic institutions.
  - A dual DO/MBA program for Noorda-COM medical students with Utah Valley University.
  - Collaborative research projects with faculty from Brigham Young University, and Roseman University.
  - Interprofessional activities with students from other healthcare programs at Rocky Mountain University.

CONVERTING LANDFILL TO LANDMARK

G.T. Medical Holdings has taken this very challenging, difficult, and expensive site—a landfill with minimal economic impact—and is maximizing beneficial community and economic impact by converting it into a **landmark and icon** for the community that will continue for generations.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

CAMPUS

The size, scope, and costs of the Provo Medical Technology Campus have increased significantly, creating a $364.8 million development, which will add:

1. a creative, state-of-the-art Medical Technology Campus;
2. an innovative and transformational medical school;
3. 683 multi-family housing units which are critical to optimizing the experience of the medical students;

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

INCREASED SIZE AND SCOPE

Increase in the size and scope from $83 million to $365 million.

Noorda College of Osteopathic Medicine & Provo Medical Technology Campus		
Building	**Estimated Tax Value**	**Total Development Costs**
Noorda-COM	$41,884,360	$60,940,721
East Bay Phase 1	$27,931,786	$73,247,196
Research Building	$14,358,600	$24,431,992
East Bay Phase 2	$31,794,546	$82,478,081
Surgical Center	$20,121,000	$26,284,381
Building 3 (Lot 1)	$33,657,064	$54,744,934
Building 4 (Lot 2)	$19,120,000	$31,095,875
Parking Garage	$10,585,000	$11,527,065
Common Area	$0.00	
Wetlands	$0.00	
Wetlands/Retention Basin	$0.00	
Loop Road	$0.00	
Loop Road	$0.00	
Total	**$199,452,356**	**$ 364,750,245**

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

INCREASED COSTS

Noorda College of Osteopathic Medicine & Provo Medical Technology Campus		
Task	**Anticipated Costs**	**Actual Costs**
Trash Removal	$8,000,000	$12,000,000
Sewer	$1,200,000	$2,100,000
Golf Course Improvements	$3,400,000	$6,200,000
Kunhi Road Development	Not expected	$310,000
Building Permits	$990,000	$1,230,000
Totals	**$13,590,000**	**$22,385,000**

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

TAX BENEFIT

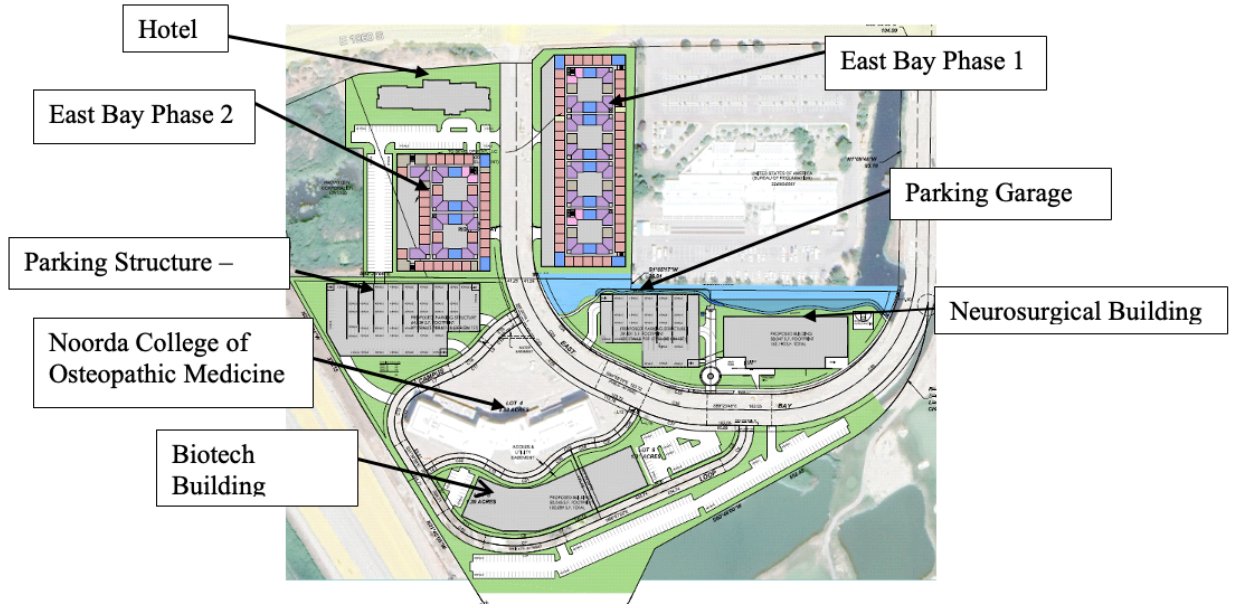
Generates $65 million in property taxes over the next 30 years and then will continue in perpetuity.

Total Direct Property Tax Increment Total Project	15 Year Totals	20 Year Totals	30 Year Totals
Utah County	$2,850,884	$3,924,061	$6,132,813
Provo City School District	$19,865,594	$27,343,729	$42,734,802
Provo City	$6,313,278	$8,689,827	$13,581,104
Central Utah Water District	$1,132,427	$1,558,713	$2,436,072
Total Combined Incremental Taxes W/O PID	$30,162,183	$41,516,331	$64,884,791

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

ECONOMIC IMPACT

- ✓ Noorda-COM will help Utah address workforce needs which are driven by continued growth throughout the state and in Utah County, one of the fastest-growing areas in the country.
- ✓ The project will generate more than $345.7 million annually in new business activity and over 8,520 employees through direct, indirect, and induced new employment opportunities.
- ✓ During the construction period, the Medical School will create new jobs
  - 1,375 temporary construction jobs on-site during the start-up period (2023- 26)
  - 773 new regional jobs at suppliers and partners
- ✓ The College will create 193 new permanent direct high wage jobs
- ✓ Additional 1,200 new direct jobs and with a total employment impact of 8,500 new jobs with a payroll of $345.6 million for suppliers of goods, services, and housing.



NOORDA COLLEGE of OSTEOPATHIC MEDICINE

PROPOSED TIF STRUCTURE

Same economic splits in the existing agreement between taxing entities and the developer

Natures' Sunshine Property

- ✓ 25 Years, starting in 2023
- ✓ $12.3 MM in total TIF
  - $2.3 MM for Provo City (75%/25% Split until Provo receives $2.3 MM)
  - $10 MM for Developer

Medical Campus

- ✓ Noorda COM Building – No TIF
- ✓ 25 Years, starting in 2023
- ✓ $15 MM in total TIF

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

SUMMARY

TIF funding will ensure that the expanded project can move forward.

By providing the $27 million in TIF funding, Provo City, the Provo School District, Utah County, and the Central Utah Water Conservancy District will invest in a project which will have tremendous societal and economic long-term impact on the region.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

SUMMARY

Just as the establishment of the University of Utah College of Medicine had a direct and positive impact on the growth and development of research and innovation in Salt Lake City and the region, the establishment of the Provo Medical Technology Campus, with the Noorda College of Osteopathic Medicine as an anchor, will establish the City of Provo and Utah County as a regional center for medical technology and innovation.

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

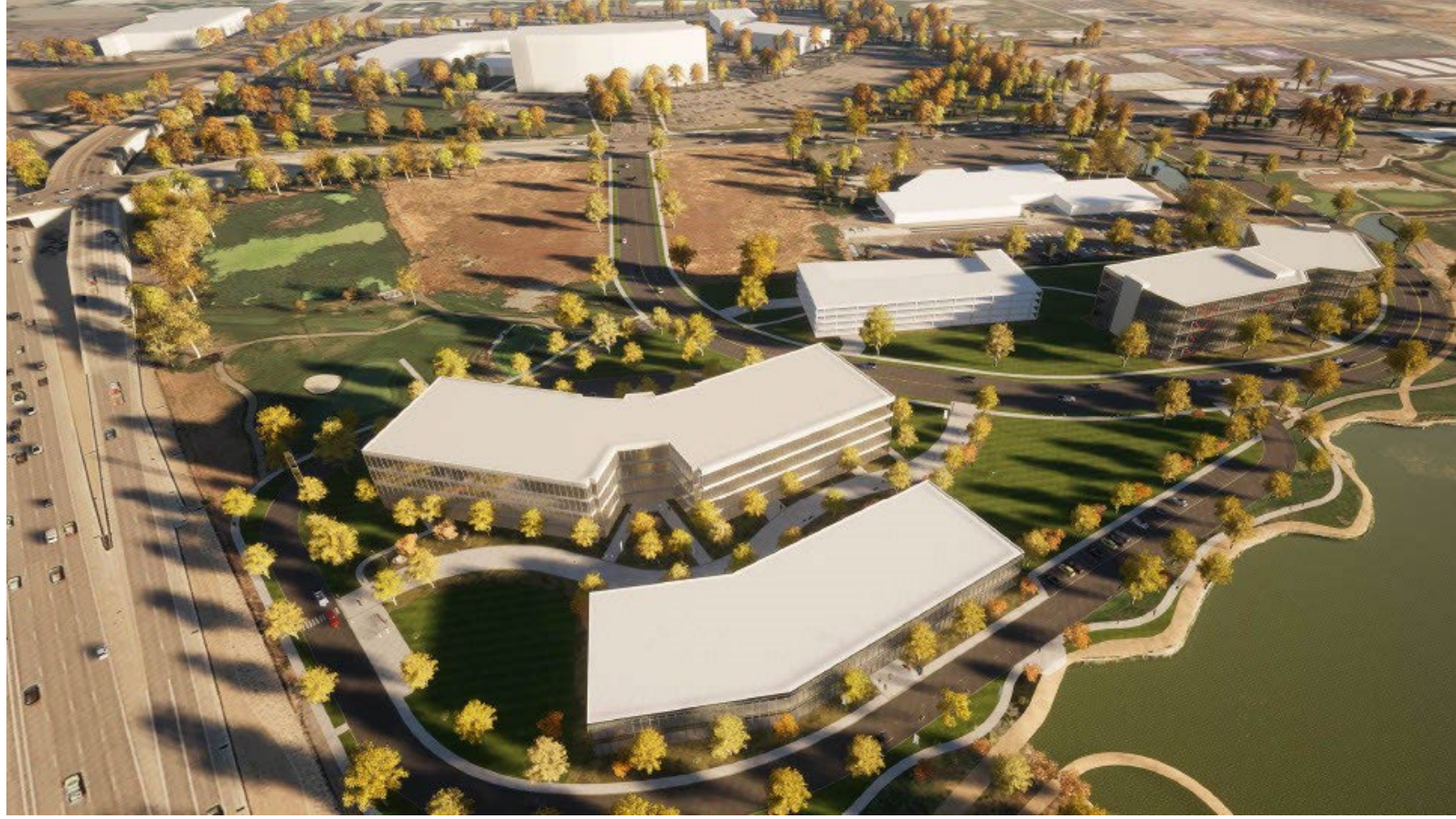
TIF

There are 10 parcels that make up the medical school campus

220500070
386720002
386720003
386720004
386720005
386720006
386730001
386730002
386720001
386720009

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

TIF



The current combined market value of these parcels is $22,106,700

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

TIF

The amount of current annual tax revenue these parcels currently generate to each entity is as follows:

a. To the city
$41,737 per year

b. To the County
$16,182 per year

c. To the School District
$167,480 per year

d. To CUWCD
$8,843 per year

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

TIF

If we are approved for a 20-year TIF we will be able to increase the value of the land from $22M to $364M and increase the Annual Tax Revenue to each entity as shown in the below table.

	Current Tax Revenue	Proposed Tax Revenue with TIF	Increase in Annual Tax Revenue	Annual Tax Revenue AFTER 20-year TIF
Amount to City	$ 41,737	$ 203,253	$ 161,516	$ 767,513
Amount to County	$ 16,182	$ 141,426	$ 125,244	$ 309,205
Amount to School District	$ 167,480	$ 945,223	$ 777,743	$ 3,200,190
Amount to CUWCD	$ 8,843	$ 49,906	$ 41,063	$ 168,965

NOORDA COLLEGE of OSTEOPATHIC MEDICINE

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MISANDERS
Department: Council
Requested Meeting Date: 06-20-2023

SUBJECT: A discussion regarding expanding the tax increment finance agreement with Rivers Edge on University (The Mix).

RECOMMENDATION: Review the proposal amendment requested by Brighton Communities for approval at the next available Board Meeting.

BACKGROUND: Due the delay in obtaining control of the project and with the accompanying rapid increase in both construction and financing costs, Brighton is requesting the Agency to amend the interlocal agreements to start in 2025 and to collaborate with the School District to allow Brighton to receive tax increment beyond the six-year term.

FISCAL IMPACT:

PRESENTER'S NAME: Keith Morey, Asst Director of Development Services

REQUESTED DURATION OF PRESENTATION: 20 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES: This project supports Provo City's goal to increase property values, create jobs and diversify our economy.

CITYVIEW OR ISSUE FILE NUMBER:

RIVERS EDGE ON UNIVERSITY

TIF PRESENTATION

2300 N University Parkway, Provo, Utah, 84604

RIVERS EDGE ON UNIVERSITY

2300 N University Parkway, Provo, Utah, 84604

Condition of property at time of purchase in March 2021

BRIGHTON COMMUNITIES

RIVERS EDGE ON UNIVERSITY

2300 N University Parkway, Provo, Utah, 84604

Current condition of property as of March 2023

BRIGHTON COMMUNITIES

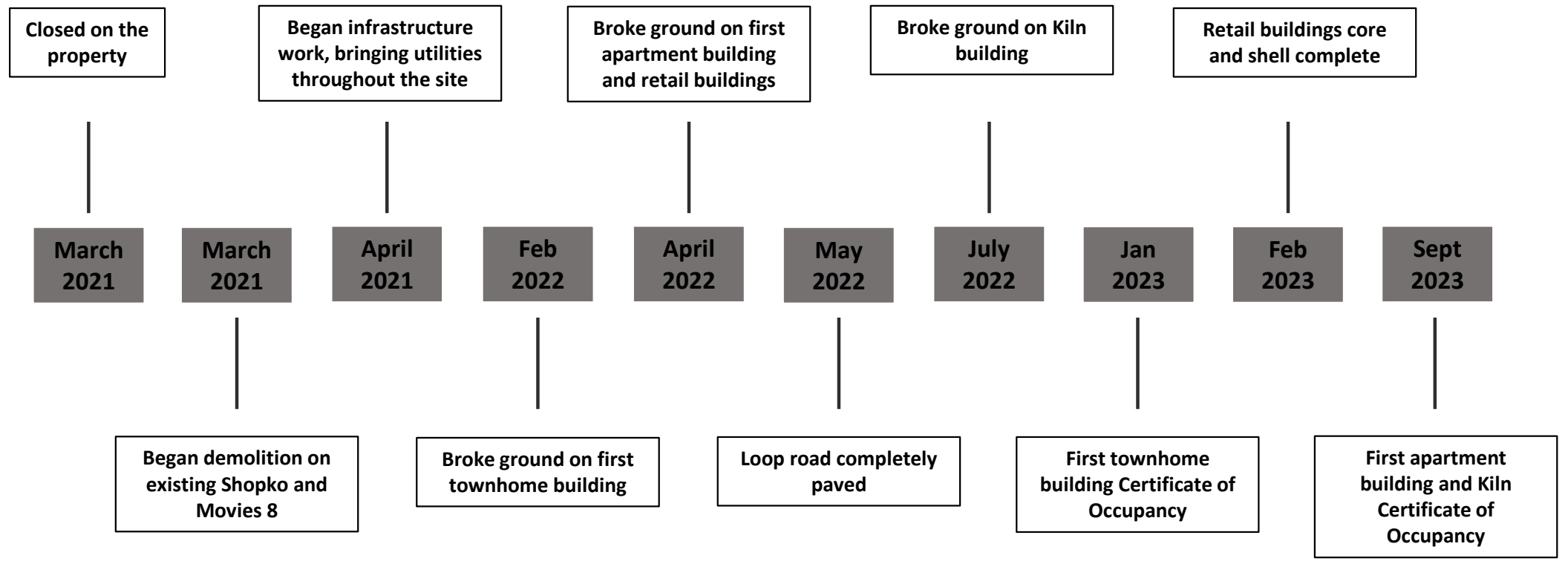
RIVERS EDGE ON UNIVERSITY

SITE PLAN

2300 N University Parkway, Provo, Utah, 84604

RIVERS EDGE ON UNIVERSITY

2300 N University Parkway, Provo, Utah, 84604



Confidential - Brighton Development Utah, LLC

BRIGHTON COMMUNITIES

RIVERS EDGE ON UNIVERSITY

2300 N University Parkway, Provo, Utah, 84604

Partnership

- We would love to stay partnered with the Provo School District over the long-term as an active member of the community. Here are a few ways that Brighton has committed or will commit to Provo School District:
    - Brighton Communities is a local company with an office currently under construction within the River's Edge project where we hope to have a local presence over the long-term.
    - Hire one high school student within Provo School District each semester in an internship role.
    - Kiln, a coworking office user, will bring opportunities for students to be involved in an entrepreneurial setting, including an event this fall where high school students will be invited to learn from local entrepreneurs.
    - Providing housing for new schoolteachers to live in. New housing will have minimal impact on the school system (few k-12 age children will live in the new housing units).
    - Revitalizing the Plum Tree Shopping Center through an investment of over $150M.

2300 N University Parkway, Provo, Utah, 84604

Project Difficulties

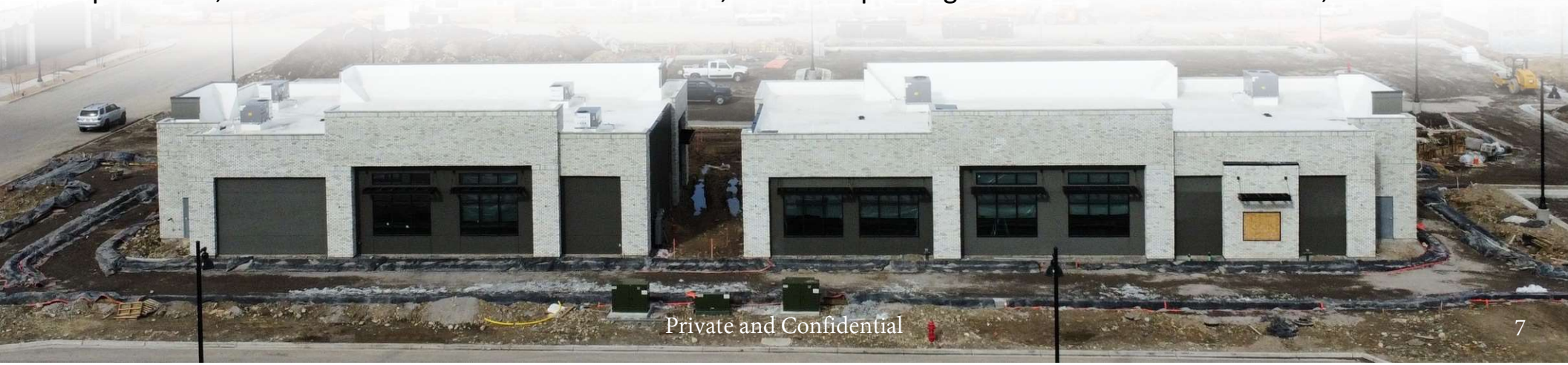
- The perfect storm. Commercial real estate has been decimated over the past two years. Construction costs have skyrocketed. Interest rates have effectively doubled. Commercial building values have dropped as much as 25-30%, and vacancy rates as high as 13% in Utah County.

- Investors and banks will not allow us to begin additional buildings until a resolution to these issues is found and an increase to the TIF is a solution that was identified by the Investment team.

- Currently the project has $35 million invested with an addition of $115 million of debt.

- Permanent financing from banks has dropped from roughly 75% to 60% of our loan to value resulting in an additional $3 million in equity required for the commercial alone. The residential is expected to require an additional $10 million of equity that we don't have.

- The TIF agreement was meant to offset Brighton's costs made to "offset Developer's costs for the Sewer Line Improvement Project and other associated infrastructure project costs." Because of the increase in costs we've experienced, and the difficult economic environment, we are requesting that the TIF amount increase, as well.



2300 N University Parkway, Provo, Utah, 84604

Cost Increases

- The table below illustrates the changes in costs we have experienced since acquiring the project:

	Initial Bid Date	Initial Total Cost Amount	Current Cost Amount	Difference	% Change
Wags Capital	August 30, 2021	$ 2,834,136.00	$ 3,356,882.00	$ 522,746.00	15.57%
Spec Building	February 9, 2021	$ 1,714,802.00	$ 2,630,583.00	$ 915,781.00	34.81%
Kiln	January 14, 2022	$ 8,513,366.00	$ 9,911,820.00	$ 1,398,454.00	14.11%
Lofts at Rivers Edge	May 27, 2021	$ 44,089,212.00	$ 50,769,215.00	$ 6,680,003.00	13.16%
Towns at Rivers Edge	August 24, 2021	$ 40,597,380.00	$ 50,973,751.00	$ 10,376,371.00	20.36%
Offsite Costs	September 9, 2020	$ 4,000,000.00	$ 6,228,000.00	$ 2,228,000.00	35.77%
	Total	**$ 101,748,896.00**	**$ 123,870,251.00**	**$ 22,121,355.00**	**17.86%**

RIVERS EDGE ON UNIVERSITY

2300 N University Parkway, Provo, Utah, 84604

Request

- Originally, Westport Capital negotiated the sewer improvement agreement and kicked off the TIF/Interlocal Agreements. The Interlocal Agreements had a 2021 Commencement Date.

- With the change of ownership and the change of economic conditions, we have two requests:

- **#1 Adjust the term of the agreement to commence in 2025.** With us purchasing the property in 2021, we did not have time to significantly change the value of the property at the commencement date.

- **#2 Increase the timeframe from a 6-year term to a 12-year term and increase the maximum amount to $7,000,000.** This would allow Brighton to recoup more money to help cover infrastructure costs, major cost overruns due to COVID, and make future development in the project more feasible, while still allowing the School District to share in the upside from the increased tax revenue.

Increase in tax value to the School District due to development

	Average Yearly Income Over 12 Year Period	Total Amount Over 12 Years
School Districts Tax Income Under Previous Development	$ 170,857	$ 2,050,288
School Districts Tax Income Under Proposed Agreement	$ 298,661	$ 3,583,931

RIVERS EDGE ON UNIVERSITY

2300 N University Parkway, Provo, Utah, 84604

Increase in tax value to the School District due to development

	Average over 12 year period	Ammount at year 13
School Districts Yearly Tax Income Under Previous Development	$ 170,857	$ 182,166
School Districts Yearly Tax Income Under Proposed Agreement	$ 298,661	$ 1,104,537
Brighton Homes Portion of Yearly Tax Income Under Proposed Agreement	$ 583,711	$ -

Questions?

Memo

To: Travis Hoban, Vice Chair Redevelopment Agency Board

From: David Walter

Date: March 16, 2023

Re: The Mix background information

The Mix at River's Edge commercial center, the former Plumtree Plaza, has been an issue for Provo City for a number of years. The center went through a prolonged period of decline which was further exacerbated by the closure of the Shopko store. Located on a highly traveled corridor between Orem and Provo, its position made it attractive for retail but that same position also makes it problematic for retail. The center had difficult ingress and egress and the layout and structures are showing their age. As retail transitions, older spaces developed to an earlier standard required more resources to try and bring them to a more productive reuse.

In 2016, representatives of Westport Capital (Westport), a real estate investment firm out of Connecticut, was interested in investing in Utah and in Provo and approached us in January of that year. In July of 2016, the Redevelopment Agency adopted its first resolution to create a redevelopment project area for the Plumtree Plaza area. At that time, Westport was proposing to replace the tired shopping center with a mixed -use development consisting of 260 market rate apartments, 81,000 square feet of retail, 311,250 square feet of Class A office, 110,000 square feet of hotel use and two parking structures with 1,960 spaces between them. This ambitious plan was put on hold by Westport was the real estate market continued to undergo multiple system shocks. Eventually, as a result of the collapse of the retail real estate market and the large number of office projects being constructed in Utah County, Westport withdrew their proposal and considered their options.

Westport returned with a scaled back proposal that removed the office space, the parking structures, increased the residential, cut back on both the retail and hotel spaces. During this time, we discovered that there were sewer upgrades that needed to be done to benefit this project and other projects further away. The City entered into an Improvement Agreement and a Development Agreement with Westport in 2019. We also met with the Provo School District and got them to agree to allow tax increment generated by the project to pay for some of those sewer improvements. We told the School District we would collect tax increment from them for only 6 years maximum.

However, Westport still continued to take no action and waited for another two years before putting the project up for sale. The interlocal tax increment agreements, the mechanism to allow

the Agency to capture a portion of the increase in tax receipts generated by the development, were supposed to start in 2019. Brighton Homes purchased the Mix project in 2021.

Due the delay in obtaining control of the project and with the accompanying rapid increase in both construction and financing costs, Brighton is requesting the Agency to amend the interlocal agreements to start in 2025 and to collaborate with the School District to allow Brighton to receive tax increment beyond the six-year term.

Brighton is pursuing a mixed-use development with 90,000 square feet of office space for Kiln as well several commercial pads and townhomes and apartments. They estimate they will invest over $150 million into the project and intend to hold and manage the project themselves. If unsuccessful in their request, they will put the project up for sale in order to minimize their losses.

I hope this provides the background you requested. If you have any further questions or would like additional information, please let us know.

Total School Increment under current agreement

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	TOTALS
TOTAL SCHOOL INCREMENT													
Tax Rate	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	
Increment - Real	$ 130,366	$ 568,409	$ 575,710	$ 583,084	$ 590,531	$ 598,053	$ 605,650	$ 613,323	$ 621,073	$ 628,901	$ 636,806	$ 644,791	
Percent to School District	30%	30%	30%	30%	30%	75%	100%	100%	100%	100%	100%	100%	
Percent to Agency	70%	70%	70%	70%	70%	25%	0%	0%	0%	0%	0%	0%	
Amount to School District	$ 39,110	$ 170,523	$ 172,713	$ 174,925	$ 177,159	$ 448,540	$ 605,650	$ 613,323	$ 621,073	$ 628,901	$ 636,806	$ 644,791	**$ 4,933,514**
Amount to Agency	$ 91,256	$ 397,886	$ 402,997	$ 408,159	$ 413,372	$ 149,513	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,863,183**
Housing Allocation	$ (9,126)	$ (39,789)	$ (40,300)	$ (40,816)	$ (41,337)	$ (14,951)	$ -	$ -	$ -	$ -	$ -	$ -	**$ (186,318)**
Net	$ 82,131	$ 358,098	$ 362,697	$ 367,343	$ 372,035	$ 134,562	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,676,865**

Total School Increment under proposed agreement.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	TOTALS
TOTAL SCHOOL INCREMENT													
Tax Rate	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	0.007576	
Increment - Real	$ 308,598	$ 828,360	$ 838,260	$ 848,259	$ 858,358	$ 868,558	$ 878,861	$ 889,266	$ 899,775	$ 910,390	$ 921,110	$ 931,938	
Percent to School District	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
Percent to Agency	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	
Amount to School District	$ 92,579	$ 248,508	$ 251,478	$ 254,478	$ 257,507	$ 260,568	$ 263,658	$ 266,780	$ 269,933	$ 273,117	$ 276,333	$ 279,581	**$ 2,994,520**
Amount to Agency	$ 216,018	$ 579,852	$ 586,782	$ 593,781	$ 600,851	$ 607,991	$ 615,202	$ 622,486	$ 629,843	$ 637,273	$ 644,777	$ 652,356	**$ 6,987,212**
Housing Allocation	$ (21,602)	$ (57,985)	$ (58,678)	$ (59,378)	$ (60,085)	$ (60,799)	$ (61,520)	$ (62,249)	$ (62,984)	$ (63,727)	$ (64,478)	$ (65,236)	**$ (698,721)**
Net	$ 194,417	$ 521,867	$ 528,104	$ 534,403	$ 540,766	$ 547,192	$ 553,682	$ 560,237	$ 566,858	$ 573,545	$ 580,299	$ 587,121	**$ 1,868,829**

RIVERS EDGE ON UNIVERSITY

TIF PRESENTATION

2300 N University Parkway, Provo, Utah, 84604

RIVERS EDGE ON UNIVERSITY

2300 N University Parkway, Provo, Utah, 84604

Condition of property at time of purchase in March 2021

BRIGHTON COMMUNITIES

RIVERS EDGE ON UNIVERSITY

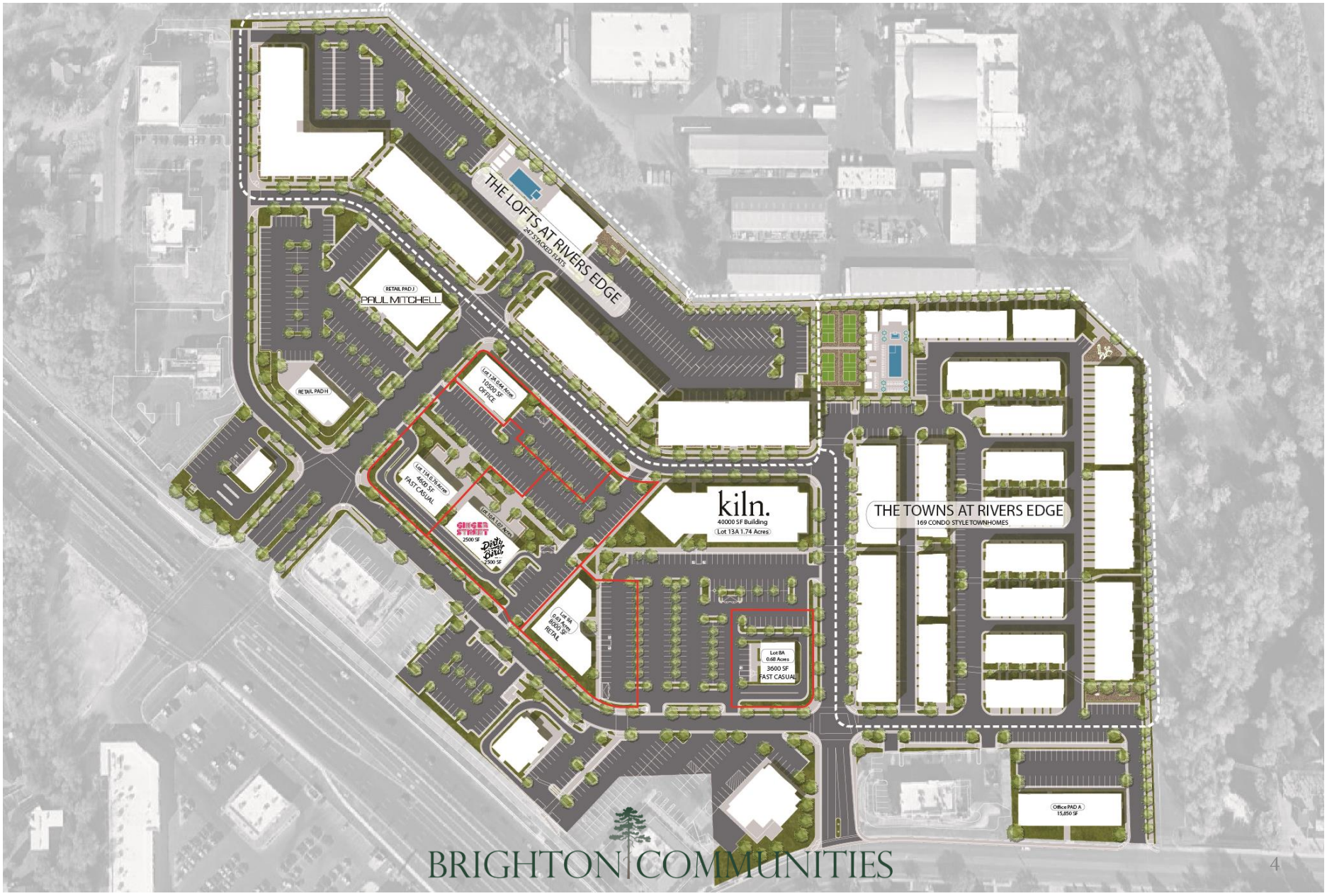
2300 N University Parkway, Provo, Utah, 84604

Current condition of property as of March 2023

RIVERS EDGE ON UNIVERSITY

SITE PLAN

2300 N University Parkway, Provo, Utah, 84604

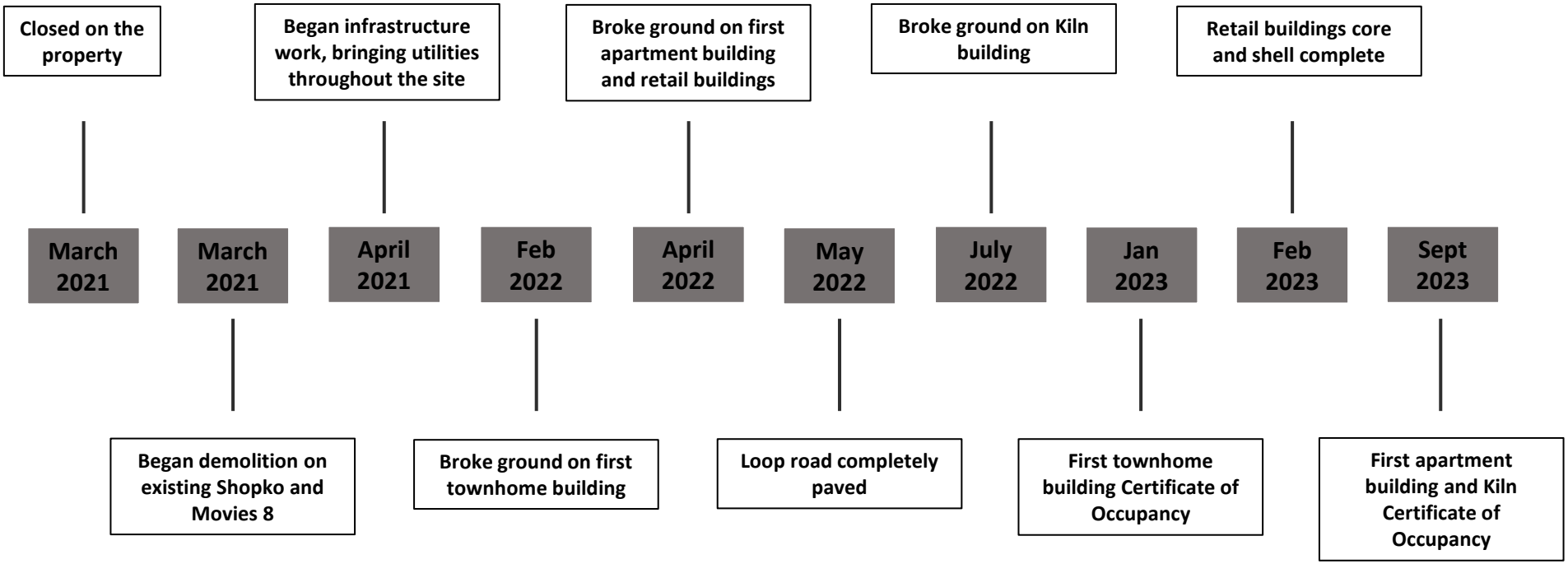


BRIGHTON | COMMUNITIES

RIVERS EDGE ON UNIVERSITY

PROJECT TIMELINE

2300 N University Parkway, Provo, Utah, 84604



Confidential - Brighton Development Utah, LLC

BRIGHTON COMMUNITIES

2300 N University Parkway, Provo, Utah, 84604

Partnership

- We would love to stay partnered with Provo City over the long-term as an active member of the community. Here are a few ways that Brighton has committed or will commit to Provo City:
    - Brighton Communities is a local company with an office currently under construction within the River's Edge project where we hope to have a local presence over the long-term.
    - Hire local talent, including high school and college students.
    - Kiln, a coworking office user, will bring opportunities for start up companies to grow in Provo. We hope this leads to companies staying in Provo over the long term. Kiln will also facilitate many events for the business community.
    - Work closely with the city to find homes within the center for local businesses looking to stay in Provo
    - Providing 416 housing units for a supply constrained market.
    - Revitalizing the Plum Tree Shopping Center through an investment of over $150M.

2300 N University Parkway, Provo, Utah, 84604

Project Difficulties

- The perfect storm. Commercial real estate has been decimated over the past two years. Construction costs have skyrocketed. Interest rates have effectively doubled. Commercial building values have dropped as much as 25-30%, and vacancy rates as high as 13% in Utah County.

- Investors and banks will not allow us to begin additional buildings until a resolution to these issues is found and an increase to the TIF is a solution that was identified by the Investment team.

- Currently the project has $35 million invested with an addition of $115 million of debt.

- Permanent financing from banks has dropped from roughly 75% to 60% of our loan to value resulting in an additional $3 million in equity required for the commercial alone. The residential is expected to require an additional $10 million of equity that we don't have.

- The TIF agreement was meant to offset Brighton's costs made to "offset Developer's costs for the Sewer Line Improvement Project and other associated infrastructure project costs." Because of the increase in costs we've experienced, and the difficult economic environment, we are requesting that the TIF amount increase, as well.

2300 N University Parkway, Provo, Utah, 84604

Cost Increases

- The table below illustrates the changes in costs we have experienced since acquiring the project:

	Initial Bid Date	Initial Total Cost Amount	Current Cost Amount	Difference	% Change
Wags Capital	August 30, 2021	$ 2,834,136.00	$ 3,356,882.00	$ 522,746.00	15.57%
Spec Building	February 9, 2021	$ 1,714,802.00	$ 2,630,583.00	$ 915,781.00	34.81%
Kiln	January 14, 2022	$ 8,513,366.00	$ 9,911,820.00	$ 1,398,454.00	14.11%
Lofts at Rivers Edge	May 27, 2021	$ 44,089,212.00	$ 50,769,215.00	$ 6,680,003.00	13.16%
Towns at Rivers Edge	August 24, 2021	$ 40,597,380.00	$ 50,973,751.00	$ 10,376,371.00	20.36%
Offsite Costs	September 9, 2020	$ 4,000,000.00	$ 6,228,000.00	$ 2,228,000.00	35.77%
	Total	**$ 101,748,896.00**	**$ 123,870,251.00**	**$ 22,121,355.00**	**17.86%**

2300 N University Parkway, Provo, Utah, 84604

Request

- Originally, Westport Capital negotiated the sewer improvement agreement and kicked off the TIF/Interlocal Agreements. The Interlocal Agreements had a 2021 Commencement Date.
- With the change of ownership and the change of economic conditions, we have two requests:
- **#1 Adjust the term of the agreement to commence in 2025.** With us purchasing the property in 2021, we did not have time to significantly change the value of the property at the commencement date.
- **#2 Increase the maximum amount to $2,500,000.** This would allow Brighton to recoup more money to help cover infrastructure costs, major cost overruns due to COVID, and make future development in the project more feasible, while still allowing the City to share in the upside from the increased tax revenue.

Increase in tax value to the City due to development

	Average Yearly Income Over 12 Year Period	Total Amount Over 12 Years
City's Tax Income Under Previous Development	$ 42,579	$ 510,948
City's Tax Income Under Proposed Agreement	$ 94,531	$ 1,134,372

Questions?

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MDAYLEY
Department: Council
Requested Meeting Date: 06-20-2023

SUBJECT: A discussion regarding a RDA Shared Services Agreement (23-045)

RECOMMENDATION: Disscussion only.

BACKGROUND: The purpose of this agreement is to better facilitate the coordination of staff members between the City and the RDA.

FISCAL IMPACT:

PRESENTER'S NAME: Brian Jones, City Attorney

REQUESTED DURATION OF PRESENTATION: 15 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-045

SERVICES AGREEMENT BETWEEN PROVO CITY AND THE REDEVELOPMENT AGENCY OF PROVO CITY CORPORATION

This agreement regarding the provision of services ("Agreement") is made and entered into by and between the Redevelopment Agency of Provo City Corporation ("RDA"), a political subdivision of the State of Utah, and Provo City, Utah, a municipal corporation and political subdivision of the State of Utah ("CITY"), (each a "Party" and collectively the "Parties").

PREAMBLE

WHEREAS, RDA was originally incorporated under Provo Ordinance No. 284, approved March 20, 1972 pursuant to the provisions of Utah Code Title 11, Chapter 19 (currently Utah Code Title 17C).

WHEREAS, RDA incorporation came about as the result of action taken by the Commission of Provo City in an effort to provide greater economic growth in the city;

WHEREAS, both CITY and RDA aim to further improve the economic welfare of the citizens of Provo and CITY and RDA have worked closely together over the last 51 years to accomplish this purpose; and

WHEREAS, because of the mutual benefit derived by the Parties from their close relationship, the Parties desire to enter into an agreement to document the details of their working relationship.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and promises of the Parties contained herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1. EFFECTIVE DATE; DURATION

This Agreement shall become effective and shall enter into force upon the execution thereof by the Parties to this Agreement. The term of this Agreement shall be from the effective date hereof until terminated, but is no longer than 50 years from the effective date of this Agreement.

Section 2. PURPOSE

This Agreement has been established and entered into between RDA and CITY for the purpose of reducing to writing those services that will be provided by CITY to RDA in recognition of the benefits provided to CITY by the RDA's work.

Section 3. SERVICES TO BE PROVIDED BY CITY

CITY agrees to provide the following administrative and support services to RDA at no cost:

- Use of CITY offices for RDA meetings;
- Use of CITY resources, including employees, to create agendas, record meetings, draft minutes, send meeting notices, and perform other basic support services related to holding RDA board meetings;
- Use of CITY resources, including employees, to provide basic accounting services, including tracking funding to and expenditures from RDA and providing budget and expense reports to the RDA board;
- Use of CITY resources, including employees, to provide Human Resources services and assistance with regard to RDA employees;
- Use of CITY resources, including employees, to perform management and operational activities of the RDA under the direction of the RDA Chief Executive Officer, including, but not limited to, receiving and reviewing project applications, preparing and reviewing documents, deeds, agreements, etc.; and
- Assist the RDA in securing insurance to cover RDA activities.

Section 4. RDA COOPERATION WITH CITY.

RDA agrees to work closely with CITY staff in considering the projects and economic and redevelopment opportunities for which RDA funds will be used.

Section 5. METHOD OF TERMINATION

This Agreement will automatically terminate at the end of its term herein, pursuant to the provisions of Section 1 of this Agreement. Prior to the automatic termination at the end of the term of this Agreement, any Party to this Agreement may terminate the Agreement sixty (60) days after providing written notice of termination to the other Party.

Section 6. AMENDMENTS

This Agreement may not be amended, changed, modified or altered except by an instrument in writing approved by the Parties.

Section 7. SEVERABILITY

If any term or provision of the Agreement or the application thereof shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and shall be enforced to the extent permitted by law. To the extent permitted by applicable law, the Parties hereby waive any provision of law which would render any of the terms of this Agreement unenforceable.

Section 8. NO PRESUMPTION

Should any provision of this Agreement require judicial interpretation, the Court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against the Party, by reason of the rule of construction that a document is to be construed more strictly against the person who himself or through his agents prepared the same, it being acknowledged that each of the Parties have participated in the preparation hereof.

Section 9. HEADINGS

Headings herein are for convenience of reference only and shall not be considered any interpretation of the Agreement.

Section 10. BINDING AGREEMENT

This Agreement shall be binding upon the heirs, successors, administrators, and assigns of each of the Parties hereto.

Section 11. NOTICES

All notices, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been properly given if delivered by hand or by certified mail, return receipt requested, postage paid, to the Provo City Recorder (for CITY) or to the RDA Secretary (for RDA), or at such other addresses as may be designated by notice given hereunder.

Section 12. ASSIGNMENT

The Parties to this Agreement shall not assign this Agreement, or any part hereof, without the prior written consent of the other Party to this Agreement. No assignment shall relieve the original Parties from any liability hereunder.

Section 13. GOVERNING LAW

All questions with respect to the construction of this Agreement, and the rights and liability of the Parties hereto, shall be governed by the laws of the State of Utah.

Section 14. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by the Parties to it.

PROVO CITY:

_____	_____
MICHELLE KAUFUSI MAYOR	HEIDI ALLMAN RECORDER
DATE: _____	DATE: _____

REDEVELOPMENT AGENCY OF PROVO CITY CORPORATION:

_____	_____
MICHELLE KAUFUSI CHIEF EXECUTIVE OFFICER	HEIDI ALLMAN SECRETARY
DATE: _____	DATE: _____

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MISANDERS
Department: Council
Requested Meeting Date: 06-20-2023

SUBJECT: A discussion regarding an update to the RDA bylaws (23-045)

RECOMMENDATION: Discussion only.

BACKGROUND: The Board has expressed a desire to update the RDA bylaws. The draft that will be presented today will include minor clerical updates as well as other more substantive updates as requested by the Board.

FISCAL IMPACT:

PRESENTER'S NAME: Brian Jones, City Attorney

REQUESTED DURATION OF PRESENTATION: 30 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-045

BYLAWS OF THE REDEVELOPMENT AGENCY OF PROVO CITY CORPORATION

Amended July 18, 2023

Table of Contents

Article I - The Agency
Section 1.1. Name of Agency
Section 1.2. Governing Board
Section 1.3. Quorum
Section 1.4. Manner of Acting
Section 1.5. Seal of Agency
Section 1.6. Offices of Agency
Section 1.7. Registered Agent

Article II - Officers and Employees
Section 2.1 Officers
Section 2.2. Removal
Section 2.3. Chair
Section 2.4. Vice-Chair
Section 2.5. Chief Executive Officer
Section 2.7. Secretary
Section 2.8. Treasurer ~~and Auditor~~
Section 2.9. Employees

~~**Article III - Executive Committee**~~
~~Section 3.1. Executive Committee~~
~~Section 3.2. Duties~~

Article III~~IV~~ - Meetings
Section 3.1. Annual Meeting
Section 3.2. Regular Meetings
Section 3.3. Special Meetings

Article IV - Amendments and Miscellaneous Provisions
Section ~~5~~4.1. Amendments

Article I - The Agency

Section 1.1. **Name of Agency.** The name of the Agency isshall be the "Redevelopment Agency of Provo City Corporation," in accordance with an ordinance dated ~~May~~ March 20, 1972.

Section 1.2. **Governing Board.** The governing body of the Agency isshall be the legislative body of Provo City and isbe known as the Governing Board of the Redevelopment Agency of Provo City Corporation. The Board isshall be comprised of those persons who are members of the Municipal Council of Provo City, Utah in accordance with state law. The Board shall determines policy for the Agency, including but not limited to, the appropriation of Agency funds.

Section 1.3. **Quorum.** A majority of the members of the Board shall constitutes a quorum at a meeting of the Board.

Section 1.4. **Manner of Acting.** TheAn act of the majority of the Board present at a meeting at which a quorum is present isshall be the an act of the Board.

Section 1.5. **Seal of Agency.** The Agency shall hasve a seal in a form whichapproved by the Board shall approve.

Section 1.6. **Offices of Agency.** The principal office of the Agency in the State of Utah isshall be located at:

445 W Center St
Provo, Utah 84601

The principal office of the Board isshall be located at:

Provo Municipal Council Office
445 W Center St
Provo, UT 84601

The Agency may have such other offices, either within or without the State of Utah, as the Board may designates or as the business of the Agency may from time to time requires.

Section 1.7. **Registered Agent.** The registered agent for the Agency and the Agent's principal address isshall be the same person and same address registered for the Provo City Corporation.

Article II - Officers and Employees

Section 2.1. **Officers.** The Officers of the Agency areshall be a Chair, First Vice-Chair any other Vice-Chair approved by a majority vote of the Board, Chief Executive Officer, Director, Secretary and Treasurer. The positions of Chair and First Vice Chair and any other Vice-Chair areshall be appointed annually at the beginning of each calendar year by majority vote of the Board. The position of Chief Executive Officer isshall be held concurrently by the Mayor of Provo City. The position of the Secretary isshall be held concurrently by the Recorder of Provo City. The position of the Treasurer and Auditor shall beis held concurrently by the Finance Director of Provo City Corporation. The Director is appointedAll other appointments of offices shall be made by the CEO, subject to the advice and consent of the Board.

Section 2.2. **Removal.** Except for Board members and the CEO, any Agency officer or agent elected or appointed may be removed by the CEO, subject to the advice and consent of the Board, whenever in the judgement of the CEO the best interest of the Agency is would be served thereby. All removals areshall be without prejudice to the contract rights, if any, of the person so removed.

Section 2.3. **Chair.** The Chair shall presides at all meetings of the Board and Executive Committee and submits recommendations and other information as the Chair considers proper to the Board. The Chair may hasve other such duties as may be determined by the Board.

Section 2.4. **Vice-Chairs.** The First Vice-Chair of the Agency shall performs the duties of the Chair in the absence or incapacity of the Chair or as otherwise directed by the Chair or by resolution. In the case of the resignation or death of the Chair, the First Vice-Chair willshall perform such duties as are imposed on the Chair until such time as the Agency shall elects a new Chair.

Section 2.5. **Chief Executive Officer.** The Chief Executive Officer, (CEO), shall executes all policies of the Board and, shall provides supervision over the administration of the affairs of the Agency and the Agency Director. The CEO maywill regularly attend meetings of the Board, take part in Board meeting discussions, and freely give advice and may make recommendations to the Board, but may not vote on matters before the Board. The CEO shall signs all contracts, deeds, and other instruments made by the Agency or may authorize the Director to sign.

Section 2.6. **Director.** The Agency Director shall, under the administrative supervision of the CEO, directs the affairs of the Agency, and shall prepares all contracts, deeds, and other instruments made by the Agency. The Director isshall be the custodian of the Agency seal and sees that the seal of the Agency is affixed to all of the documents, as necessarythe execution of which on behalf of the Agency under its seal is duly authorized. The Director shall, under the administrative supervision of the CEO, submit fiscal year quarterly and annual report(s) including information as described;

1) the status of current project areas including:

i) timeline of TIF expiration
ii) general construction and/or improvement updates

2) the tax increment collected by the agency for each project area;
3) the amount of tax increment paid to each taxing entity
4) the outstanding principal amount of bonds issued or other loans incurred to finance the costs associated with the agency's project areas;
5) the amount of property tax revenue generated
6) the actual amount expended for:
i) acquisition of property;
ii) site improvements or site preparation costs;
iii) installation of public utilities or other public improvements; and
iv)i) administrative costs of the agency.

The Director, shall provide to the Board Executive Committee with any other Agency information, including financial information, requested by the Chair or as otherwise requested by a majority of the Board. The Director shall meet regularly with the Chair and Vice-Chair to coordinate Board Meeting agendas. The Director may perform such other duties as may be assigned by the Board. The Director may delegate such duties as may be assigned by the Board.

Requests for information may be made to the Director by four or more Board members in writing or by the Chair.

Section 2.7. **Secretary.** The Secretary shall acts as a recorder of the meetings of the Agency, and records all votes, and shall keeps a record of the proceedings of the Agency in a journal of proceedings to be kept for such purpose, shall beis the custodian of the Agency records, and shall performs all duties incident to the office of Secretary.

Section 2.8. **Treasurer and Auditor.** The Treasurer and Auditor of the Agency shall havehas the care and custody of all Agency funds of the Agency and shall deposits them same in the name of the Agency in thesuch bank or banks as the Agency may selects. The Treasurer shall signs all orders and checks for the payment of money and shall pays out and disburses such monies under the direction of the Agency Director. The TreasurerAuditor shall keeps regular books of accounts showing receipts and expenditures and shall renders to the Board at each annual meeting, or more often when requested by the Board, an account of all Agency transactions, and also of the financial condition of the Agency. The Treasurer and Auditor shall give a bond for the faithful performance of his or her duties as the Agency may determine.

Section 2.9. **Employees.** The Agency CEO and Director may from time to time employ such personnel, subject to the Board's approval for budgeting and funding said personnel, as the CEO and Director deem necessary to carry forth and execute the policies, duties and functions prescribed by the Board and the laws of the State of Utah. Employees are subject to duties and roles as described within the Agency's Shared Services Agreement with the City of Provo.

~~*Article III - Executive Committee*~~

~~Section 3.1. **Executive Committee.** The Chair, Vice-Chairs and CEO of the Agency shall constitute the Agency Executive Committee. Vice-Chair positions, other than the First Vice-Chair, shall not have voting privileges at meetings of the Executive Committee.~~

~~Section 3 .2. **Duties.** The Executive Committee shall meet at least once a fiscal quarter, but may meet more frequently as needed. It shall be the responsibility of the Executive Committee to keep informed of the day-to-day operations of the Agency and its staff and to call meetings of the Board when required. The Agency Director shall provide the Executive Committee with any Agency information, including financial information, requested by the Chair or as otherwise requested by a majority of the Board.~~

Article III ~~IV~~ – Meetings

Section 43.1. **Annual Meeting.** ~~The annual meeting of the Agency shall be held concurrently with, or immediately after, the last Provo City Municipal Council Meeting to be held before the 22nd day of June.~~ The Board shall meet at least annually. The annual meeting in June to approve the Agency budget satisfies this requirement. ~~Said meeting shall be noticed as required by law.~~

Section 43.21~~2~~. **Regular Meetings.** Regular meetings are~~shall~~ be held concurrently, or immediately after, any regular meeting of the Municipal Council of Provo City. ~~Said regular meetings shall be noticed as required by law.~~ Requests for Board action may be brought forward by two Board members, the Board Chair, or the Agency CEO. ~~Items to be heard at regular meetings shall be placed on the agenda by:~~

~~direction from Chair and Vice-Chair and/or;~~
~~support by at least two Board members~~

Section 43.32~~3~~. **Special Meetings.** The Chair may, when deemed expedient, call a special meeting of the Agency ~~for the purpose of transacting any Agency business designated in the call~~. ~~The call for a~~ Notice of a special meeting must~~shall~~ be provided ~~delivered~~ to each member of the Board~~'s residence~~ at least two (2) days prior to the date of the~~such~~ special meeting, or as otherwise ~~allowed or~~ required by law if the law requires greater notice. Attendance of a member of the Board to a special meeting waives these~~said~~ notice requirements, unless ~~objected to by~~ the member objects at the special meeting.

????Section 3.4. **Review of Agency Information.** The Board will review quarterly annually the following information:

2) the status of current project areas including:
    i) timeline of TIF expiration; and
    ii) general construction and/or improvement updates;
3) the tax increment collected by the agency for each project area;
4) the amount of tax increment paid to each taxing entity;
5) the outstanding principal amount of bonds issued or other loans incurred to finance the costs associated with the agency's project areas;
6) the amount of property tax revenue generated; and

7) the actual amount expended for:
   i) acquisition of property;
   ii) site improvements or site preparation costs;
   iii) installation of public utilities or other public improvements; and
   iv) administrative costs of the agency.

Article IV - Amendments and Miscellaneous Provisions

Section ~~5~~4.1. **Amendments.** The Agency By~~l-L~~laws ~~of the Agency may~~shall be amended only with the approval of at least a majority of all the members of the Board. No ~~such~~ amendment ~~may~~shall be adopted unless at least 24 hours ~~seven~~ (~~7~~) ~~days~~ written notice ~~thereof~~ of the meeting and the contents of the amendment ha~~ves~~ been previously given to all members of the Board.

These By~~-L~~laws were approved and adopted at a meeting of the Governing Board ~~Board of Commissioners~~ on the 18th day of July, 2023 and are effective as of that date~~to be effective 18 of July, 2023. 19 day of April, 2022 to be effective April 19, 2022.~~

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: SWILMOTH
Department: Development Services
Requested Meeting Date: 06-20-2023

SUBJECT: An ordinance enacting procedures and requirements related to agriculture protection areas. Citywide Application. (PLOTA20230092)

RECOMMENDATION: To be heard at the June 20, 2023 Work & Council Meeting. Please see supporting documents.

BACKGROUND: Within the City there are many acres of land in agriculture production. The Municipal Council adopted a resolution expressing the intent to consider annexing additional land (the proposed Smith-Provo Annexation near the northeast boundary of the City) into the City that is in agricultural production. §17-41-101(2)(a), Utah Code Annotated (UCA), defines agricultural production as "production for commercial purposes of crops, livestock, and livestock products." The Utah Code has established a process by which land in agricultural production can be afforded additional legal protections, including protection from nuisance claims for agricultural activities or operations "using sound agricultural practices, unless that activity or operation bears a direct relationship to public health or safety" [see §17-41-403(1)(a), UCA]. To obtain these protections a landowner can seek approval of an agricultural protection area. Most of these requirements are laid out well in Title 14, Chapter 41 of the Utah Code. However, the Utah Code establishes that the agriculture protection area process should be done at the City level. The final decision on these proposals is to be made by the Municipal Council.

FISCAL IMPACT:

PRESENTER'S NAME: Brandon Larsen (801) 852-6408 jblarsen@provo.org

REQUESTED DURATION OF PRESENTATION: 10 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: PLOTA20230092

ORDINANCE 2023-___.

AN ORDINANCE ENACTING PROCEDURES AND REQUIREMENTS RELATED TO AGRICULTURE PROTECTION AREAS. CITYWIDE APPLICATION. PLOTA20230092

WHEREAS, it is proposed that Provo City Code, Chapter 15.24 be enacted to add procedures and requirements related to agriculture protection areas; and

WHEREAS, on May 24, 2023, the Planning Commission held a duly noticed public hearing to consider the proposed amendment, and after such meeting, the Planning Commission recommended approval to the Municipal Council by a vote of 6-0; and

WHEREAS, on June 20, 2023, the Municipal Council met to ascertain the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Council's consideration; and

WHEREAS, after considering the Planning Commission's recommendation and facts and comments presented to the Municipal Council, the Council finds (i) Provo City Code Chapter 15.24 should be enacted as described herein and (ii) the proposed enactment reasonably furthers the health, safety, and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it ordained by the Municipal Council of Provo City, Utah, as follows:

PART I:

Provo City Code Chapter 15.24 is hereby enacted as set forth in Exhibit A.

PART II:

A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance shall prevail.

B. This ordinance and its various sections, clauses and paragraphs are hereby declared to be severable. If any part, sentence, clause or phrase is adjudged to be unconstitutional or invalid, the remainder of the ordinance shall not be affected thereby.

C. The Municipal Council hereby directs that the official copy of the Provo City Code be updated to reflect the provisions enacted by this ordinance.

D. This ordinance shall take effect immediately after it has been posted or published in accordance with Utah Code 10-3-711, presented to the Mayor in accordance with Utah Code 10-3b-204, and recorded in accordance with Utah Code 10-3-713.

END OF ORDINANCE.

Exhibit A

Chapter 15.24
AGRICULTURE PROTECTION AREAS

Sections:

15.24.010 Definitions.

15.24.020 Agriculture Protection Area Proposals.

15.24.030 Area Requirements.

15.24.040 Evaluating Proposals.

15.24.050 Safeguards for Land in an Agriculture Protection Area.

15.24.010 Definitions.

For purposes of this Chapter, any terms defined in Utah Code Title 17, Chapter 41, as amended, shall have the same meaning as given therein.

15.24.020 Agriculture Protection Area Proposals.

(1) Agriculture protection area applications must meet, and will be processed according to, the requirements of Utah Code Title 17, Chapter 41, as amended, as well as the requirements set forth in this Chapter.

(2) The Municipal Council designates the Development Services Department to accept, notice, and process agriculture protection area applications. Acceptance and processing will occur only if the application is properly completed and accompanied by the filing fee. The filing fee is set forth in the Provo City Consolidated Fee Schedule.

(3) After receiving the written report from the Advisory Board and the Planning Commission, and providing proper notice, the Municipal Council shall make the final decision on all proposed agriculture protection areas.

15.24.030 Area Requirements.

In accordance with Utah Code Section 17-41-301, as amended, the minimum number of continuous acres that must be included in an agriculture protection area within Provo City is five (5) acres, which land must be receiving the benefits of Title 59, Chapter 2, Farmland Assessment Act, Utah Code, as amended (commonly called “greenbelt”).

15.24.040 Evaluating Proposals.

(1) A proposed agricultural protection area will be considered at an Advisory Board meeting prior to consideration at a Planning Commission meeting.

(2) In evaluating a proposal, and in determining whether or not to recommend the creation of an agriculture protection area, the Advisory Board and Planning Commission may recommend modification of the proposed agricultural protection area to exclude land planned for a roadway, park, utility corridor, or commercial development, as determined by the official maps of the City or another political subdivision or state agency. The Municipal Council may approve, modify and approve, or reject the proposal.

15.24.050 Safeguards for Land in an Agriculture Protection Area.

(1) Any agricultural activity or operation within an agriculture protection area conducted using sound agricultural practices shall be excluded from the definition or prohibition of a public nuisance under Title 7 or any other provision of the Provo City Code dealing with public nuisances, unless that activity or operation bears a direct relationship to public health or safety.

(2) For any new subdivision development located in whole or in part within 300 feet of the boundary of an agriculture protection area, the owner of the development shall comply with the notice requirements of Utah Code 17-41-403, as amended.

DEVELOPMENT SERVICES

Planning Commission Hearing Staff Report
Hearing Date: May 24, 2023

***ITEM #2** Development Services requests an Ordinance Text Amendment to Title 15 (Land Use and Development) to add procedures and requirements related to agriculture protection areas. Citywide Application. Brandon Larsen (801) 852-6408 jblarsen@provo.org PLOTA20230092

Applicant: Provo City Development Services

Staff Coordinator: Brandon Larsen

ALTERNATIVE ACTIONS

1. **Continue** to a future date to obtain additional information or to further consider information presented. *The next available meeting date is June 14, 2023, at 6:00 P.M.*

2. **Recommend Denial** of the requested Ordinance Text Amendment. *This action would not be consistent with the recommendations of the Staff Report. The Planning Commission should state new findings.*

Relevant History: Provo City is currently considering the annexation of land in agricultural production near its northeast boundary. There are other properties already within the City in agricultural production. The Utah Code has established a process by which land in agricultural production can be afforded special legal protections.

Summary of Key Issues:

- The State has established a process to give land in agricultural production legal protections to keep them viable and safe from nuisance claims.
- The provisions of the Utah Code for agricultural protection areas are not repeated within this proposal. This proposal would supplement and build upon the agricultural protections allowed by the State in support of agricultural lands within the City.

Staff Recommendation: That the Planning Commission recommend approval of the proposed text amendments to the City Council.

OVERVIEW

Within the City there are many acres of land in agriculture production. The Municipal Council adopted a resolution expressing the intent to consider annexing additional land (the proposed Smith-Provo Annexation near the northeast boundary of the City) into the City that is in agricultural production. §17-41-101(2)(a), Utah Code Annotated (UCA), defines agricultural production as "production for commercial purposes of crops, livestock, and livestock products."

The Utah Code has established a process by which land in agricultural production can be afforded additional legal protections, including protection from nuisance claims for agricultural activities or operations "using sound agricultural practices, unless that activity or operation bears a direct relationship to public health or safety" [see §17-41-403(1)(a), UCA]. To obtain these protections a landowner can seek approval of an agricultural protection area. Most of these requirements are laid out well in Title 14, Chapter 41 of the Utah Code. However, the Utah Code establishes that the agriculture protection area process should be done at the City level. The final decision on these proposals is to be made by the Municipal Council.

It appears to be appropriate to add requirements in the City Code to address agricultural protection areas, as well as address issues in the process that are left to the discretion of the legislative body (Municipal Council), such as establishing the minimum number of continuous acres included in an agricultural protection area. The proposal would also delegate the Development Services Department to accept, notice, and process these applications, rather than the Municipal Council.

This proposal would also give the Municipal Council discretion on excluding land in a proposed agricultural protection area, which land has been planned for a roadway, park, utility corridor, or commercial development, as per the official maps of the City or other political subdivision or state agency.

The proposal also sets forth specific nuisance protections for agricultural operations with sound practices. For example, operations with sound operations would be excluded from the definition of public nuisance under Title 7 or other nuisance prohibitions in the City Code, unless the activity would impact public health or safety.

The agricultural protection area application process appears to be a legislative matter, which would offer the Council broad discretion in making decisions when considering a particular application.

STAFF ANALYSIS

Section 14.020.020(2) of the City Code establishes criteria for the amendments to the zoning title as follows: **(Staff response in bold type)**

(a) Public purpose for the amendment in question.

Staff response: To support and protect agricultural operations and activities that incorporate sound practices. Agricultural operations produce crops, livestock, and livestock products that benefit the public at large.

(b) Confirmation that the public purpose is best served by the amendment in question.

Staff response: The language proposed has been reviewed by the Provo City Attorney's Office. This proposal will protect agricultural operations, which benefit the public.

(c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives.

Staff response: This proposal is very much in harmony with the General Plan policies, goals, and objectives. The "Agricultural Land" paragraph of the "Fostering a More Resilient City Through Land Use" section of the Land Use Element of the General Plan states: *"Another consideration for making Provo more resilient is preserving agricultural land. Agricultural lands can play a key role in providing locally grown food. Local options are key in events that produce supply-chain disruptions."* Agricultural protection areas, or the allowance thereof, can be a powerful tool for agricultural land preservation.

(d) Consistency of the proposed amendment with the General Plan's "timing and sequencing" provisions on changes of use, insofar as they are articulated.

Staff response: There are no timing and sequencing issues related to this request.

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan's articulated policies.

Staff response: The proposed amendments will not hinder or obstruct attainment of any of the General Plan policies.

(f) Adverse impacts on adjacent land owners.

Staff response: The point of the agricultural protection area process is to give the City a transparent process to consider establishing new protection areas. The nature of these protection areas is to protect agricultural operations that incorporate sound practices from legal issues and nuisance claims. So, the very nature of the process is to establish areas in which agricultural operations are given a priority use status.

(g) Verification of correctness in the original zoning or General Plan for the area in question.

Staff response: Not applicable.

(h) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies.

Staff response: No such conflict exists.

CONCLUSIONS

Staff believes this proposal will help clarify and facilitate the process for those property owners with agricultural operations and activities within Provo City who are seeking protection from nuisance claims and other related legal entanglements. This proposal can be a valuable tool to protect agricultural operations within City boundaries.

ATTACHMENTS

1. Proposed Amendments

ATTACHMENT 1 – PROPOSED AMENDMENTS

Chapter 15.24

AGRICULTURE PROTECTION AREAS

Sections:

15.24.010 Purpose.
15.24.020 Definitions.
15.24.030 Agriculture Protection Area Proposals.
15.24.040 Area Requirements.
15.24.050 Evaluating Proposals.
15.24.060 Safeguards for Land in an Agriculture Protection Area.

15.24.010
Purpose.

This Chapter establishes procedures and requirements for agriculture protection areas in the City and are supplemental to those found in Title 17, Chapter 41, Utah Code, as amended. These provisions help protect established agriculture operations from encroachment of urban development and nuisance claims. They also safeguard important planning interests, such as road and utility corridors.

15.24.020
Definitions.

For the purpose of this Chapter, the following words and terms shall be defined, as follows:

(1) **"Advisory board"** means:

(a) the agriculture protection area Advisory Board created as provided in Title 17, Chapter 41, Part 2, Utah Code, as amended.

(2) **"Agriculture production"** means production for commercial purposes of crops, livestock, and livestock products. Agricultural production Includes the processing or retail marketing of any crops, livestock, and livestock products when more than 50% of the processed or merchandised products are produced by the farm operator.

(3) **"Agriculture protection area"** means a geographic area created under the authority of this Chapter that is granted the specific legal protections contained in this chapter.

(4) **"Crops, livestock, and livestock products"** includes:

(a) land devoted to the raising of useful plants and animals with a reasonable expectation of profit, including:

(i) forages and sod crops;

(ii) grains and feed crops;

(iii) livestock as defined in Title 59, Chapter 2, Utah Code, as amended;

(iv) trees and fruits; or

(v) vegetables, nursery, floral, and ornamental stock; or

(b) land devoted to and meeting the requirements and qualifications for payments or other compensation under a crop-land retirement program with an agency of the state or federal government.

15.24.030
Agriculture Protection Area Proposals.

(1) Agriculture protection area applications shall meet and be processed according to the requirements of Title 17, Chapter 41, Utah Code, as amended, as well as those requirements set forth in this Chapter.

(2) The Municipal Council designates the Development Services Department to accept, notice, and process agriculture protection area applications only if they are properly completed and accompanied by the filing fee. The filing fee is set forth in the Provo City Consolidated Fee Schedule.

(3) After receiving the written report from the Advisory Board and the Planning Commission, and providing proper notice, as set forth in Title 17, Chapter 41, Part 3, Utah Code, as amended, the Municipal Council shall make the final decision on all proposed agriculture protection areas.

15.24.040
Area Requirements.

(1) In accordance with Title 17, Chapter 41, Utah Code, as amended, the minimum number of contiguous acres that must be included in an agriculture protection area within Provo City is hereby established at twenty (20) acres, which land must be receiving the benefits of Title 59, Chapter 2, Farmland Assessment Act, Utah Code, as amended (commonly called “greenbelt”).

(2) An agriculture protection area may be approved for land with a minimum contiguous area of ten (10) acres provided the land is receiving the benefits of Title 59, Chapter 2, Farmland Assessment Act, Utah Code, as amended, and if the land is:

(a) used in an intensive livestock operation;

(b) used for fruit production; or

(c) contiguous to an existing agriculture protection area whether within or without Provo City.

15.24.050
Evaluating Proposals.

(1) In evaluating a proposal, and in determining whether or not to create or recommend the creation of an agriculture protection area, the Advisory Board, Planning Commission, and Municipal Council may exclude land planned by Provo City, or another political subdivision or state agency, for a roadway, park, utility corridor, or commercial development, as determined by the official maps of the City or other political subdivision or state agency.

15.24.060
Safeguards for Land in an Agriculture Protection Area.

(1) Any agricultural activity or operation within an agriculture protection area conducted using sound agricultural practices shall be excluded from the definition or prohibition of a public nuisance under Title 7 or any other provision of the Provo City Code dealing with public nuisances, unless that activity or operation bears a direct relationship to public health or safety.

(2) Property located within an approved agriculture protection area shall enjoy the benefits and protections as provided in the Utah Code, as such may be amended from time to time. Such benefits may include limitations on local regulations, limitations on zoning map amendments, protection from civil and criminal nuisance claims, favorable policy from state agencies, restrictions on eminent domain, and restrictions on state development projects.

(3) (a) For any new subdivision development located in whole or in part within 300 feet of the boundary of an agriculture protection area, the owner of the development shall include the following notice on any plat filed with the County Recorder:

"Agriculture Protection Area
This property is located in the vicinity of an established agriculture protection area in which normal agricultural uses and activities have been afforded the highest priority use status. It can be anticipated that such agricultural uses and activities may now or in the future be conducted on property included in the agriculture protection area. The use and enjoyment of this property is expressly conditioned on acceptance of any annoyance or inconvenience which may result from such normal agricultural uses and activities."

Provo City Planning Commission

Report of Action

May 24, 2023

*ITEM #2	Development Services requests an Ordinance Text Amendment to Title 15 (Land Use and Development) to add procedures and requirements related to agriculture protection areas. Citywide Application. Brandon Larsen (801) 852-6408 jblarsen@provo.org PLOTA20230092

The following action was taken by the Planning Commission on the above-described item at its regular meeting of May 24, 2023:

RECOMMENDED APPROVAL

On a vote of 6:0, the Planning Commission recommended that the Municipal Council approve the above-noted application.

Motion By: Jeff Whitlock
Second By: Robert Knudsen
Votes in Favor of Motion: Melissa Kendall, Andrew South, Jeff Whitlock, Daniel Gonzales, Lisa Jensen, and Robert Knudsen
Lisa Jensen was present as Chair.

- Includes facts of the case, analysis, conclusions and recommendations outlined in the Staff Report, with any changes noted; Planning Commission determination is generally consistent with the Staff analysis and determination.

TEXT AMENDMENT
The text of the proposed amendment is attached as Exhibit A.

STAFF PRESENTATION
The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations.

NEIGHBORHOOD MEETING DATE
- Citywide Application; all Neighborhood Chairs received notification.

NEIGHBORHOOD DISTRICT AND PUBLIC COMMENT
- No district chairs were present.
- Ginny Smith explained that she and her husband (Scott Smith) are fruit growers. They deal with a lot of regulations at the state and federal level. The agricultural advisory board will be familiar with agricultural regulations.
- It is very possible to have a successful agricultural operation on ten acres. She expressed support for allowing agricultural protection areas for operations on ten acres. She knows people who are successful doing such.
- Scott Smith also voiced his support for agricultural operations on ten acres. He used the Crandall fruit operation on east Center Street in Orem as an example of a successful endeavor on ten acres.
- You can produce a significant amount of produce on ten acres.
- It is not a problem to remove land from an agricultural protection area.
- Scott Smith echoed the comments of Ginny Smith who mentioned that regulations help to ensure sound agricultural practices.
- People should feel comfortable buying fruit from an operation that is under federal and state regulations. A grower is subject to inspection at any time.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- Lisa Jensen feels the proposal is logical and the Planning Commission has been able to get answers to questions they had about the proposal. They had questions about the meaning of the term "sound agricultural practices" and the minimum amount of land that should be required for an Agricultural Protection Area.
- The Planning Commission recommended the proposal be revised to allow agricultural operations on ten acres, as well as requiring review by the Agricultural Advisor Board before going to a Planning Commission meeting.

Lisa Jensen

Planning Commission Chair

Bill Peperone

Director of Development Services

See Key Land Use Policies of the Provo City General Plan, applicable Titles of the Provo City Code, and the Staff Report to the Planning Commission for further detailed information. The Staff Report is a part of the record of the decision of this item. Where findings of the Planning Commission differ from findings of Staff, those will be noted in this Report of Action.

Legislative items are noted with an asterisk (*) and require legislative action by the Municipal Council following a public hearing; the Planning Commission provides an advisory recommendation to the Municipal Council following a public hearing.

Administrative decisions of the Planning Commission (items not marked with an asterisk) **may be appealed** by submitting an application/notice of appeal, with the required application and noticing fees to Development Services, 445 W Center Street, Provo, Utah, **within fourteen (14) calendar days of the Planning Commission's decision** (Provo City office hours are Monday through Thursday, 7:00 a.m. to 6:00 p.m.).

BUILDING PERMITS MUST BE OBTAINED BEFORE CONSTRUCTION BEGINS

EXHIBIT A

Chapter 15.24
AGRICULTURE PROTECTION AREAS

Sections:

15.24.010 Purpose.
15.24.020 Definitions.
15.24.030 Agriculture Protection Area Proposals.
15.24.040 Area Requirements.
15.24.050 Evaluating Proposals.
15.24.060 Safeguards for Land in an Agriculture Protection Area.

15.24.010
Purpose.

This Chapter establishes procedures and requirements for agriculture protection areas in the City and are supplemental to those found in Title 17, Chapter 41, Utah Code, as amended. These provisions help protect established agriculture operations from encroachment of urban development and nuisance claims. They also safeguard important planning interests, such as road and utility corridors.

15.24.020
Definitions.

For the purpose of this Chapter, the following words and terms shall be defined, as follows:

(1) **"Advisory board"** means:

(a) the agriculture protection area Advisory Board created as provided in Title 17, Chapter 41, Part 2, Utah Code, as amended.

(2) **"Agriculture production"** means production for commercial purposes of crops, livestock, and livestock products. Agricultural production Includes the processing or retail marketing of any crops, livestock, and livestock products when more than 50% of the processed or merchandised products are produced by the farm operator.

(3) **"Agriculture protection area"** means a geographic area created under the authority of this Chapter that is granted the specific legal protections contained in this chapter.

(4) **"Crops, livestock, and livestock products"** includes:

(a) land devoted to the raising of useful plants and animals with a reasonable expectation of profit, including:

(i) forages and sod crops;

(ii) grains and feed crops;

(iii) livestock as defined in Title 59, Chapter 2, Utah Code, as amended;

(iv) trees and fruits; or

(v) vegetables, nursery, floral, and ornamental stock; or

(b) land devoted to and meeting the requirements and qualifications for payments or other compensation under a crop-land retirement program with an agency of the state or federal government.

15.24.030
Agriculture Protection Area Proposals.

(1) Agriculture protection area applications shall meet and be processed according to the requirements of Title 17, Chapter 41, Utah Code, as amended, as well as those requirements set forth in this Chapter.

(2) The Municipal Council designates the Development Services Department to accept, notice, and process agriculture protection area applications only if they are properly completed and accompanied by the filing fee. The filing fee is set forth in the Provo City Consolidated Fee Schedule.

(3) After receiving the written report from the Advisory Board and the Planning Commission, and providing proper notice, as set forth in Title 17, Chapter 41, Part 3, Utah Code, as amended, the Municipal Council shall make the final decision on all proposed agriculture protection areas.

15.24.040
Area Requirements.

(1) In accordance with Title 17, Chapter 41, Utah Code, as amended, the minimum number of contiguous acres that must be included in an agriculture protection area within Provo City is hereby established at ten (10) acres, which land must be receiving the benefits of Title 59, Chapter 2, Farmland Assessment Act, Utah Code, as amended (commonly called “greenbelt”).

15.24.050
Evaluating Proposals.

(1) A proposed agriculture protection area shall be considered at an Advisory Board meeting prior to consideration at a Planning Commission meeting.

(2) In evaluating a proposal, and in determining whether or not to create or recommend the creation of an agriculture protection area, the Advisory Board, Planning Commission, and Municipal Council may exclude land planned by Provo City, or another political subdivision or state agency, for a roadway, park, utility corridor, or commercial development, as determined by the official maps of the City or other political subdivision or state agency.

15.24.060
Safeguards for Land in an Agriculture Protection Area.

(1) Any agricultural activity or operation within an agriculture protection area conducted using sound agricultural practices shall be excluded from the definition or prohibition of a public nuisance under Title 7 or any other provision of the Provo City Code dealing with public nuisances, unless that activity or operation bears a direct relationship to public health or safety.

(2) Property located within an approved agriculture protection area shall enjoy the benefits and protections as provided in the Utah Code, as such may be amended from time to time. Such benefits may include limitations on local regulations, limitations on zoning map amendments, protection from civil and criminal nuisance claims, favorable policy from state agencies, restrictions on eminent domain, and restrictions on state development projects.

(3) (a) For any new subdivision development located in whole or in part within 300 feet of the boundary of an agriculture protection area, the owner of the development shall include the following notice on any plat filed with the County Recorder:

"Agriculture Protection Area
This property is located in the vicinity of an established agriculture protection area in which normal agricultural uses and activities have been afforded the highest priority use status. It can be anticipated that such agricultural uses and activities may now or in the future be conducted on property included in the agriculture protection area. The use and enjoyment of this property is expressly conditioned on acceptance of any annoyance or inconvenience which may result from such normal agricultural uses and activities."

Agriculture Protection Areas

Agricultural protection areas (APA) protect agricultural operations in the following ways:

- Strong limits on nuisance claims
- City must make sure its laws, ordinances, and regulations encourage the continuity, development, and viability of agriculture use
- City cannot change the zoning of a property in an APA without the property owner’s permission
- Subdivision plats within 300 feet of an APA must include a notice of proximity to an APA. The notice states that normal agricultural uses and activities have been afforded the highest priority use status

Agriculture Protection Areas

Elements of this Agricultural Protection Area (APA) Amendment:

- A limited number of definitions
- Requirement to follow the Utah Code APA provisions
- Designation of Development Services as the body to process APA applications
- Area requirements (these are to be established by the individual jurisdictions)
  - Minimum number of acres required to be included in an APA
- Establishment of power for the Municipal Council to excluded land from an APA, which land is planned for roadways, parks, utility corridors, commercial development, as per official jurisdictional maps
- Establishment of protections for land in APAs
  - Nuisance claims, legal protections, zone map amendments, special noticing requirements, etc.

Agriculture Protection Areas

Does and Doesn’t:

- Does facilitate approval of APAs in Provo City
- Does establish the minimum acreage required to be included in an APA in Provo City
- Doesn’t repeat the Utah Code requirements for APAs
- Doesn’t include all requirements that must be addressed in an APA application (most requirements are in the Utah Code)
- Does establish a new chapter in Title 15

www.utahagriculture.org

Exhibit A

Chapter 15.24
AGRICULTURE PROTECTION AREAS

Sections:

15.24.010 Definitions.
15.24.020 Agriculture Protection Area Proposals.
15.24.030 Area Requirements.
15.24.040 Evaluating Proposals.
15.24.050 Safeguards for Land in an Agriculture Protection Area.

15.24.010 Definitions.

For purposes of this Chapter, any terms defined in Utah Code Title 17, Chapter 41, as amended, shall have the same meaning as given therein.

15.24.020 Agriculture Protection Area Proposals.

(1) Agriculture protection area applications must meet, and will be processed according to, the requirements of Utah Code Title 17, Chapter 41, as amended, as well as the requirements set forth in this Chapter.

(2) The Municipal Council designates the Development Services Department to accept, notice, and process agriculture protection area applications. Acceptance and processing will occur only if the application is properly completed and accompanied by the filing fee. The filing fee is set forth in the Provo City Consolidated Fee Schedule.

(3) After receiving the written report from the Advisory Board and the Planning Commission, and providing proper notice, the Municipal Council shall make the final decision on all proposed agriculture protection areas.

15.24.030 Area Requirements.

In accordance with Utah Code Section 17-41-301, as amended, the minimum number of continuous acres that must be included in an agriculture protection area within Provo City is ten (10) acres, which land must be receiving the benefits of Title 59, Chapter 2, Farmland Assessment Act, Utah Code, as amended (commonly called "greenbelt").

15.24.040 Evaluating Proposals.

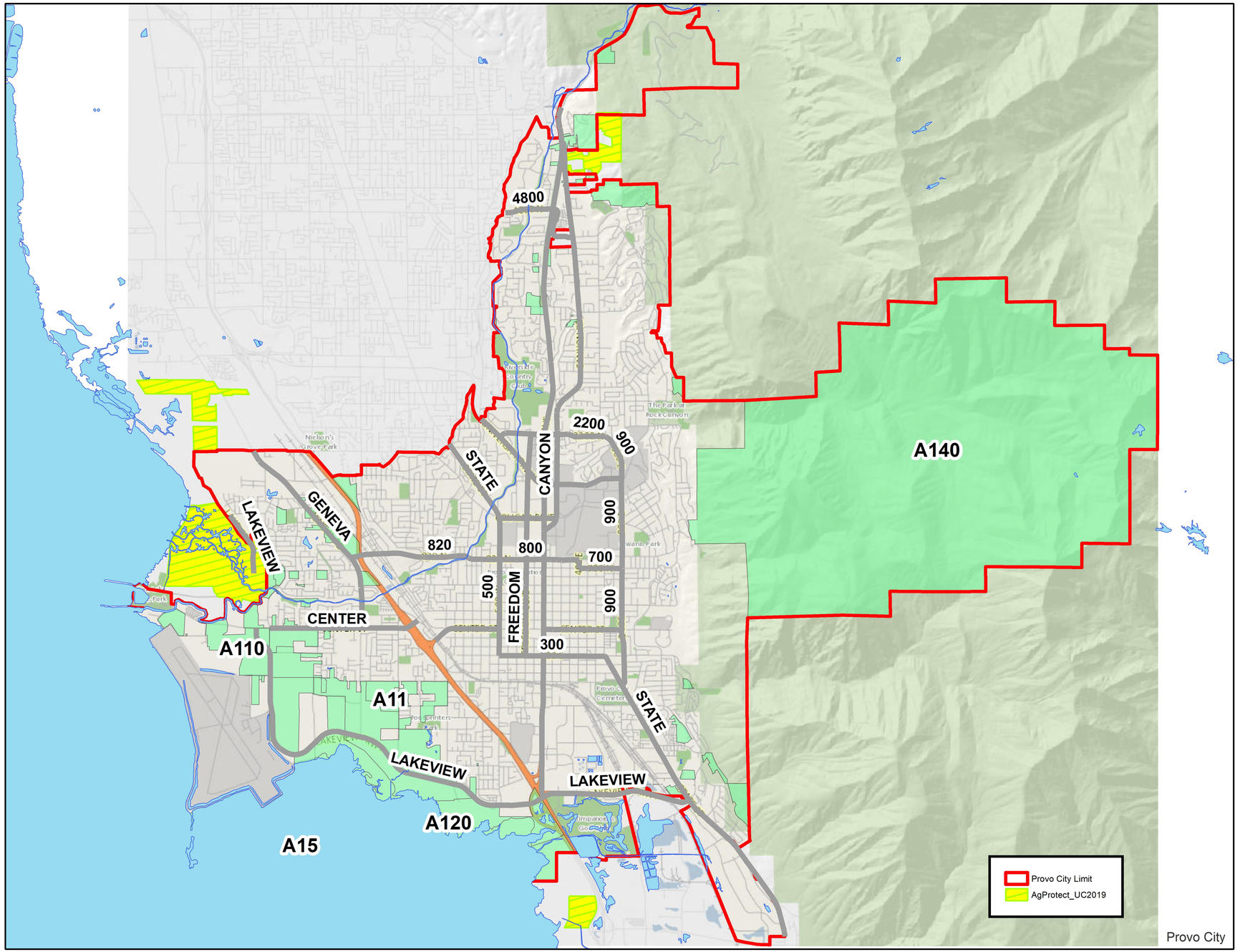
(1) A proposed agricultural protection area will be considered at an Advisory Board meeting prior to consideration at a Planning Commission meeting.

(2) In evaluating a proposal, and in determining whether or not to recommend the creation of an agriculture protection area, the Advisory Board and Planning Commission may recommend modification of the proposed agricultural protection area to exclude land planned for a roadway, park, utility corridor, or commercial development, as determined by the official maps of the City or another political subdivision or state agency. The Municipal Council may approve, modify and approve, or reject the proposal.

15.24.050 Safeguards for Land in an Agriculture Protection Area.

(1) Any agricultural activity or operation within an agriculture protection area conducted using sound agricultural practices shall be excluded from the definition or prohibition of a public nuisance under Title 7 or any other provision of the Provo City Code dealing with public nuisances, unless that activity or operation bears a direct relationship to public health or safety.

(2) For any new subdivision development located in whole or in part within 300 feet of the boundary of an agriculture protection area, the owner of the development shall comply with the notice requirements of Utah Code 17-41-403, as amended.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PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MDAYLEY
Department: Council
Requested Meeting Date: 06-20-2023

SUBJECT: A discussion regarding unreinforced masonry buildings (23-032)

RECOMMENDATION: Presentation and discussion. If the Council desires further action on this issue, a formal motion is required.

BACKGROUND: This item is coming from the issue tracker sponsored by Vice-chair Whipple and co-sponsored by Councilor Handley. Given the high number of unreinforced masonry structures in Provo, it was requested that Staff come with options to mitigate the hazards associated with these buildings. A particular interest to the sponsors was the feasibility of implementing a program similar to Salt Lake City's "Fix the Bricks" program.

For more information, please see the memo attached in your meeting packets.

FISCAL IMPACT:

PRESENTER'S NAME: Michael Sanders, Policy Analyst

REQUESTED DURATION OF PRESENTATION: 25 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Evaluate what city infrastructure, including unreinforced masonry buildings, may need to be updated or replaced to help make infrastructure more resilient in the event of a hazard.

Work with other governmental entities and property owners within the city to help encourage the rehabilitation of unreinforced structures.

CITYVIEW OR ISSUE FILE NUMBER: 23-032

PROVO CITY MUNICIPAL COUNCIL

Staff Memorandum

Michael Sanders, Policy Analyst

Unreinforced Masonry Buildings

June 14, 2023

This item has been sponsored by Vice-chair Whipple and co-sponsored by Councilor Handley.

PROBLEM

There are many Provo residents that are at risk of hazards associated with unreinforced masonry (URM) structures. According to data obtained from the Utah State Historic Preservation Office, there are 1,800 structures containing unreinforced masonry which represent about 4% of the 48,000 address points of the city. Most structures older than 1975 are URM's. According to preliminary data from Utah County, there are 8,930 residential structures older than 1975 not including parcels where there are two structures and the primary structure is newer than 1975, apartments, and commercial structures in Provo. That would bring the percentage up to over 18% of address points. The actual number is likely higher.

RECOMMENDATION

The Council Office recommends to better mitigate the risks involved associated with URM's, the Council take the following two actions:

1. Encourage the Administration through resolution to engage in a public information campaign on Earthquake Safety highlighting the dangers of URM's
2. Amend the City Code to require a disclosure if a structure is a URM

BACKGROUND

A URM is generally considered to be a structure made of grouted or stacked masonry and contains only 50% steel reinforcement. Most of these structures were built prior to 1975. These structures generally lack reinforcing rods in addition to the roof, walls, and chimneys not being secured to each other.

According to the State Division of Emergency Management, Utah Geological Survey, and University of Utah Seismograph Stations, there is a "57% probability that the Wasatch Front region

will experience at least one magnitude 6.0 or greater earthquake and a 43% probability of at least one magnitude 6.75 or greater earthquake in the next 50 years." It has been estimated that during an earthquake, 58% of building losses and 90% of fatalities occur in URM's.

A recent case study on the effects of earthquakes in Utah can be drawn from the 2020 Magna Earthquake. This 5.7 magnitude earthquake caused $62 million in damage and $629 million in economic losses related to buildings. Neither of those figures represent damage to public infrastructure. Photography of URM's damaged in the quake are found in Appendix I.

ALTERNATIVES

There are a variety of options the Council could opt for to mitigate the hazards associated with unreinforced masonry homes in Provo. Including:

- Encourage the Administration through resolution to pursue a pre-mitigation grant program
- Encourage and partner with the Administration through resolution to engage in a public information campaign
- Amend the City Code to include a URM disclosure requirement
- Train the neighborhood district board members
- Maintain the Status Quo

ENCOURAGE THE CITY ADMINISTRATION TO APPLY FOR A "FIX THE BRICKS" GRANT PROGRAM

Fix the Bricks is a program housed in the Salt Lake City Emergency Management office. In 2016, the city was awarded a FEMA BRIC Grant to "assist owners of unreinforced masonry dwellings with structural improvements to reduce risk of injury due to structural collapse in an earthquake." (FEMA) The grant is not perpetual and needs to be renewed periodically for funding to continue. The program as administered by SLC specifically aims to help residents secure the homes walls and chimneys to the roof.

The average cost of the basic seismic retrofits this grant covers run between $15,000 - $20,000. The grant covers approximately 75% of the cost and normally leaves the homeowner paying approximately $5,000. Currently, the grant can accommodate anywhere between 100-200 homes per year and there is typically a three-to-seven-year waiting period between application and construction. Given that there are 140,000 URM's in SLC, if that current pace was maintained, it would take 700 years to retrofit all the homes. The purpose of the grant is not to solve the URM problem, but to provide funds to those who otherwise could not afford retrofits.

JOINT COUNCIL/ADMINISTRATIVE - PUBLIC INFORMATION CAMPAIGN

If residents are aware of the dangers and have the resources to prepare for a disaster situation, overall impact to city resources during an event can be lessened.

In Utah, April is designated as Earthquake Preparedness Month. After reviewing the social media accounts for the Administration as well as the Council, the main posts regarding earthquake safety surround public facilities. Only the Council account has ever posted about private earthquake safety by participating in the Great Utah Shakeout. This posting occurred every April since 2015 with the exception of 2020 in the aftermath of the Magna Earthquake where there were 6 posts.

The Provo City Government page currently has 28K and 23.1K followers on Facebook and Instagram respectively. A robust social media campaign has the potential to reach a large number of residents. Additionally, information could be included in the Provo Connect Newsletter or a targeted city mailer to further reach more residents.

The public information campaign does not need to be limited to administrative channels only. The Neighborhood District Program could also be an effective avenue to distribute information to citizens.

Information that could be sent to residents includes but is not limited to:

- Hazards associated with URM's
- Information helping residents determine if they currently live in an URM
- Resources leading residents to retrofit contractors
- Earthquake safety guidelines
- Guidance to navigate city requirements and permit processes

Amend City Code to include a disclosure requirement

Chapter 6.25 of City Code requires sellers or lessors of property used for residential purposes to disclose to potential buyers or lessees of the property certain Provo City zoning requirements prior to the buyer or lessee undertaking any obligation to acquire, rent or lease the property. In a similar way, Provo could require sellers or lessors of property to disclose whether real estate includes or may include unreinforced masonry.

This option was drafted as H.B. 214 during the 2021 Legislative Session but was never heard on the House Floor. During committee, the bill was supported by the Structural Engineers Association of Utah and opposed by the Utah Association of Realtors. A full recording of the committee hearing can be found online.

Train Neighborhood District Board Members

Training the Neighborhood District Board members on promoting preparedness, establishing community emergency response teams, fostering partnerships between residents, local authorities, and organizations working in disaster management could aid in the aftermath of a disaster.

STATUS QUO

Maintaining the status quo would include the City Council not using any legislative action to mitigate the hazards associated with URM's.

CRITERIA

Evaluation of the proposed alternatives will be weighed against a variety of criteria including:

- Equity
- Policy Sustainability
- Efficiency
- General Plan Goals
- Cost

EQUITY

Certain communities in the City may be disproportionately affected by the hazards posed by URM's, such as CDBG-Eligible neighborhoods, historically marginalized groups, or areas with limited access to financial resources. In this context, equity would involve ensuring fairness in the distribution of resources, support, and opportunities to all residents, particularly those who are most vulnerable and disadvantaged.

POLICY SUSTAINABILITY

Policy sustainability refers to the ability of implemented measures and strategies to endure over time, ensuring their continued effectiveness in mitigating the risks associated with URM's. The policy should be viable, adaptable, and resilient to ensure a long-lasting impact to the safety of residents as there is no way to fix this problem with one single shot.

EFFICIENCY

Efficiency includes the optimal use of both financial and personnel resources available to the city. An efficient approach recognizes the importance of streamlining processes, minimizing waste, and avoiding unnecessary duplication of efforts.

GENERAL PLAN GOALS

The recently adopted General Plan includes two goals related to URM's. Alternatives should be evaluated in their success in aiding the accomplishment of the following two goals:

1. Evaluate what city infrastructure, including unreinforced masonry buildings, may need to be updated or replaced to help make infrastructure more resilient in the event of a hazard.

2. Work with other governmental entities and property owners within the city to help encourage the rehabilitation of unreinforced structures.

COST

Cost as a criterion involves assessing the economic feasibility and affordability of different options. A cost-conscious approach seeks to balance the need for effective risk mitigation measures with the available budgetary constraints. The least or most expensive alternative does not necessarily indicate the superiority of an option.

ANALYSIS

ENCOURAGE THE CITY ADMINISTRATION TO APPLY FOR A "FIX THE BRICKS" GRANT PROGRAM

The money which funds this grant is a very competitive national grant which would require a lengthy application process taking 1-2 years. However, money awarded from a successful application to a FEMA BRIC Grant could potentially have life-saving impacts to residents. While this is true, there are no income limit rules attached to the grant which does not ensure that low income or very low income are the recipients of the grant. It could act as a discount to wealthier residents who could have otherwise paid for the retrofits themselves. The grant is not perpetual and needs to be renewed periodically which does not ensure the program would stay in effect long enough to retrofit a significant number of URM's. Participation in this program would require intense collaboration between several departments including but not limited to public works, human resources, finance, the Mayor's office, and public safety. In addition, several new grant managers would need to be hired with the sole function of administering this grant. While this alternative has the highest time and personnel cost, it would achieve the second of the two goals in the General Plan regarding URM's.

JOINT COUNCIL/ADMINISTRATIVE - PUBLIC INFORMATION CAMPAIGN

Many residents are unaware of the dangers of living in a URM. Passing a resolution encouraging the Administration to partner with the Council to engage in a public information campaign regarding earthquake safety and the dangers associated with URM's coupled with ways to mitigate them will raise awareness to this important issue.

This could involve a social media series as well as sending a mailer to every household in Provo. The last time this was done, the cost was between $10,000-$12,000. While a mailing would quickly inform all current residents, it is a one-time event. On average, there are about 6,000 new move-ins (not counting apartments) yearly who would miss the mailing. This alternative would help achieve the second General Plan goal.

As resolutions are non-binding, this alternative would need Administrative buy in. If this option is chosen by the Council, there is no guarantee that it will occur. It would simply be the Council advocating for administrative action with a united voice.

Amend City Code to include a disclosure requirement

This option would ensure that a person was aware of the risks associated with living in a URM. Generally, living in a URM prevents someone from pursuing earthquake insurance. Adding a disclosure requirement would allow a purchaser to decide if they are tolerable of the risk or willing to retrofit their property. This code change would be applied equally to all property transactions and is similar to other disclosures currently in City and State Code. Additionally, a fine could be included as a penalty to property owners who fail to include this disclosure. The second URM related General Plan goal would be achieved by this alternative.

Train Neighborhood District Board Members

This alternative would increase the time burden to administrative staff taking time to train Neighborhood Executive Board Members. Additionally, it would likely result in duplication of efforts as the City already manages a Community Wide Preparedness initiative under the Emergency Management Division. The Neighborhood District ordinance does not indicate an obligation for Neighborhood District Board members to participate in a training of this kind. As some neighborhoods are not represented in the program and the districts represent large areas of land, this option may prove cumbersome to the Executive Board members. It would be more efficient to simply use the already existing Community Wide Preparedness initiative to bolster earthquake disaster response.

Maintain the Status Quo

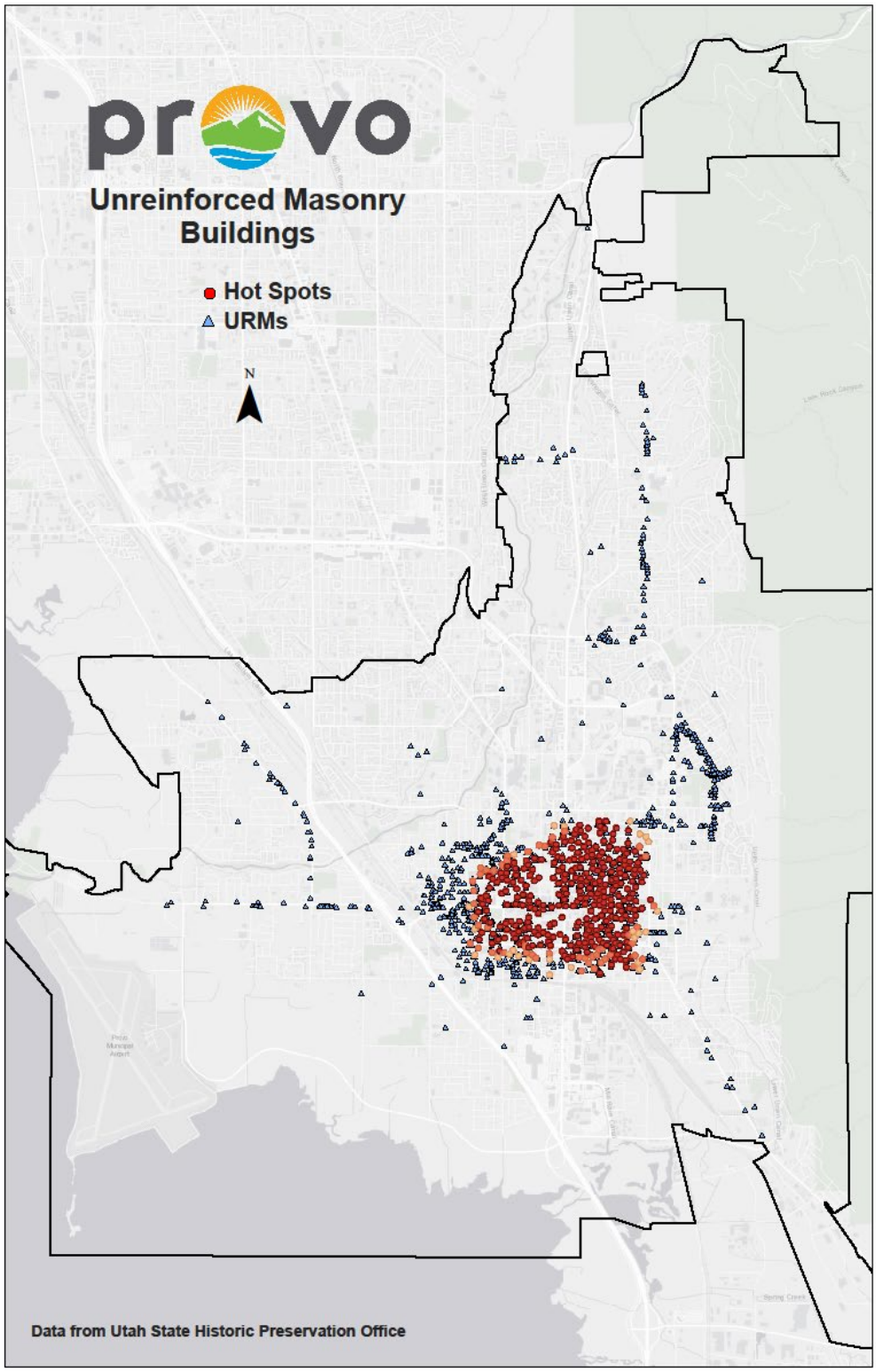
All previously mentioned hazards from URM's will remain, and Provo citizens would continue to rely on private sector avenues to learn about and retrofit their URM.

Council Office Recommendation

By combining a public information campaign with a URM disclosure requirement, all current citizens and the 6000 yearly move-ins (excluding apartment dwellers) will be informed on the dangers of URM's. They will have the ability to decide if they will still occupy a URM and whether to retrofit. The gain of being able to reach all citizens through a one time and on-going basis regarding this issue is worth giving up the benefits of a grant program which would provide benefits to a relatively small number of people per year. While a "Fix the Bricks" style grant program would provide resources to some residents to retrofit their homes, the administrative burden and financial uncertainty is not worth giving up the ability to inform all residents about the dangers of URM's and providing informational resources to finance their own retrofits.

APPENDIX I

URM GIS Heat Map



Unreinforced Masonry Buildings

APPENDIX II

2020 Magna Earthquake Damage Photos (courtesy of Earthquakes.utah.gov)

MEET ME AT
THE EMPRESS

APPENDIX III

Analysis Matrix

	Equity	Policy Sustainability	Efficiency	General Plan Goals	Cost
Encourage The City Administration to Apply For A "Fix The Bricks" Grant Program	Moderate	Low	Low	Moderate	High
Joint Council/Administrative - Public Information Campaign	High	Moderate	Moderate	Moderate	Low
Amend City Code To Include A Disclosure Requirement	High	High	Moderate	Moderate	Low
Train Neighborhood District Board Members	Low	High	Low	Moderate	Low
Maintain the Status Quo	High	High	Low	Low	High

Unreinforced Masonry Buildings

Michael Sanders, Policy Analyst

Introduction

Unreinforced masonry buildings pose a serious threat to public safety in seismic regions. This presentation will outline the **hazards** associated with these structures and provide strategies to mitigate those hazards.

What is an Unreinforced Masonry Building?

An **unreinforced masonry building** is a structure made primarily of brick, stone, or concrete blocks that does not have a **reinforcing frame** of steel or other materials. These buildings are common in older cities and are often **vulnerable** to seismic activity.

Hazards of Unreinforced Masonry Buildings

During an earthquake, **unreinforced masonry buildings** are susceptible to **collapse**, which can result in **injury** or **death**. These structures are also prone to **fire** and **water damage**, which can weaken the building and make it more likely to fail during an earthquake.

Policy Options

- Encourage the Administration through resolution to pursue a pre-mitigation grant program
- Encourage and partner with the Administration through resolution to engage in a public information campaign
- Amend the City Code to include a URM disclosure requirement
- Train the neighborhood district board members
- Maintain the Status Quo

ENCOURAGE THE CITY ADMINISTRATION TO APPLY FOR A “FIX THE BRICKS” GRANT PROGRAM

Criteria	Score
Equity	Moderate
Policy Sustainability	Low
Efficiency	Low
General Plan Goals	Moderate
Cost	High

JOINT COUNCIL/ADMINISTRATIVE - PUBLIC INFORMATION CAMPAIGN

Criteria	Score
Equity	High
Policy Sustainability	Moderate
Efficiency	Moderate
General Plan Goals	Moderate
Cost	Low

AMEND CITY CODE TO INCLUDE A DISCLOSURE REQUIREMENT

Criteria	Score
Equity	High
Policy Sustainability	High
Efficiency	Moderate
General Plan Goals	Moderate
Cost	Low

TRAIN NEIGHBORHOOD DISTRICT BOARD MEMBERS

Criteria	Score
Equity	Low
Policy Sustainability	High
Efficiency	Low
General Plan Goals	Moderate
Cost	Low

MAINTAIN THE STATUS QUO

Criteria	Score
Equity	High
Policy Sustainability	High
Efficiency	Low
General Plan Goals	Low
Cost	High

Recommendation

The Council Office recommends to better mitigate the risks involved associated with URM's, the Council take the following two actions:	1. Encourage the Administration through resolution to engage in a public information campaign on Earthquake Safety highlighting the dangers of URM's
	2. Amend the City Code to require a disclosure if a structure is a URM

Council Discussion & Action

Prepare legislation or Council Policy

- “I motion to request that [Council Staff or the Administration] prepare legislation _____ for consideration by the Council at _____ Work/Council Meeting(s)

Continue the issue for additional discussion or research

- “I motion to continue this item to a future agenda [specific date] and request that [Council Staff or administration} pursue research regarding _____.”

Unreinforced Masonry Buildings

- Hot Spots
- URMs

N

Data from Utah State Historic Preservation Office

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MISANDERS
Department: Council
Requested Meeting Date: 06-06-2023

SUBJECT: A discussion on an ordinance amending city code regarding apartment building signage requirements. (23-048)

RECOMMENDATION: Presentation and discussion.

BACKGROUND: During the May 2nd Work Meeting, the Council motioned to direct staff to prepare an amendment requiring apartment buildings to post a sign listing the contact information of the property and or maintenance manger. The intent was to facilitate open lines of communication between tenants & landlords and to provide a channel for prompt/efficient maintenance services to residents.

FISCAL IMPACT:

PRESENTER'S NAME: Melia Dayley, Policy Analyst

REQUESTED DURATION OF PRESENTATION: 15 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-048

ORDINANCE 2023-

AN ORDINANCE AMENDING PROVO CITY CODE REGARDING APARTMENT BUILDING SIGNAGE REQUIREMENTS. CITYWIDE APPLICATION. (23-xx)

WHEREAS, it is proposed that Provo City Code Chapter 6.26 (Rental Dwellings) be amended; and

WHEREAS, ensuring the safety and convenience of residents and visitors within our city is a prioritized responsibility of the Municipal Council;

WHEREAS, apartment buildings require prompt and efficient maintenance services to maintain the quality of living for residents;

WHEREAS, the Municipal Council aims to establish a clear and practical framework that encourages open lines of communication between tenants and landlords;

WHEREAS, on May 2, 2023, the Municipal Council met to consider the issue, and after such meeting, the Municipal Council motioned Council staff to prepare an amendment by a vote of 6:0; and

WHEREAS, on June 6, 2023, the Municipal Council met to ascertain the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Council's consideration; and

WHEREAS, after considering the facts and comments presented to the Municipal Council, the Council finds (i) Provo City Code should be amended as described herein and (ii) the proposed amendment reasonably furthers the health, safety, and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it ordained by the Municipal Council of Provo City, Utah, as follows:

PART I:

Provo City Code Chapter 6.26 (Rental Dwellings) is hereby amended as set forth in Exhibit A.

PART II:

A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance shall prevail.

B. This ordinance and its various sections, clauses, and paragraphs are hereby declared to be severable. If any part, sentence, clause, or phrase is adjudged to be unconstitutional or invalid, the remainder of the ordinance shall not be affected thereby.
C. The Municipal Council hereby directs that the official copy of the Provo City Code be updated to reflect the provisions enacted by this ordinance.
D. This ordinance shall take effect immediately after it has been posted or published in accordance with Utah Code Section 10-3-711, presented to the Mayor in accordance with Utah Code Section 10-3b-204, and recorded in accordance with Utah Code Section 10-3-713.

END OF ORDINANCE.

Exhibit A

Option 1- Original Proposal

6.26.120 Signage Requirements

Within six (6) months of the adoption of this Section, the owner of an apartment building, as defined in 14.06.020, shall conform to the following signage requirements:

(1) An owner(s) shall post and maintain signs, in English and in Spanish, in a conspicuous place on the exterior premises of the apartment building that includes
the phone number of either the apartment building's office or the maintenance manager for the apartment building, or both.
(2) The signs required in this section shall be a minimum of 12 inches by 24 inches. Sign facings shall be weather-proof.

~~6.26.120~~ 6.26.130 Inspections.
~~6.26.130~~ 6.26.140 Effective Date.
~~6.26.140~~ 6.26.150 Compliance Reports.
~~6.26.150~~ 6.26.160 Rental Disclosure Required (Effective August 1, 2018).

Option 2- Updated Proposal

6.26.120 Signage Requirements

Within six (6) months of the ordinance approval of this Section, responsible party signage for an apartment building, as defined in 14.06.020, and has at least 12 units, shall conform to the following signage requirements:

(1) An owner(s) shall post and maintain at minimum one sign, in English and in Spanish, in a conspicuous place on the exterior premises of the apartment building, including on the block face of the main or primary entrance of the apartment building or apartment group, that include the following information:
    (A) the phone number of the apartment building's office and/or maintenance manager/office for the apartment building, or both.
(2) The signs required in this section shall be a minimum of 12 inches by 24 inches. Sign facings shall be weather-proof with contrasting colors between text and background.

~~6.26.120~~ 6.26.130 Inspections.
~~6.26.130~~ 6.26.140 Effective Date.
~~6.26.140~~ 6.26.150 Compliance Reports.
~~6.26.150~~ 6.26.160 Rental Disclosure Required (Effective August 1, 2018).

Option 3- Exclude Condo Projects (+updated proposal)

6.26.120 Signage Requirements

Within six (6) months of the ordinance approval of this Section, responsible party signage for an apartment building, as defined in 14.06.020, and has at least 12 units, shall conform to the following signage requirements:

(1) An owner(s) shall post and maintain at minimum one sign, in English and in Spanish, in a conspicuous place on the exterior premises of the apartment building, including on the block face of the main or primary entrance of the apartment building or apartment group, that include the following information:
   (B) the phone number of the apartment building's office and/or maintenance manager/office for the apartment building, or both.
(2) The signs required in this section shall be a minimum of 12 inches by 24 inches. Sign facings shall be weather-proof with contrasting colors between text and background.

This requirement does not apply to condominium projects, as defined in 14.06.020.

~~6.26.120~~ 6.26.130 Inspections.
~~6.26.130~~ 6.26.140 Effective Date.
~~6.26.140~~ 6.26.150 Compliance Reports.
~~6.26.150~~ 6.26.160 Rental Disclosure Required (Effective August 1, 2018).

Option 4- Specifically including Condo Projects (+updated proposal)

6.26.120 Signage Requirements

Within six (6) months of the ordinance approval of this Section, responsible party signage for an apartment buildings and condominium projects, as defined in 14.06.020, and has at least 12 units, shall conform to the following signage requirements:

(3) An owner(s) shall post and maintain at minimum one sign, in English and in Spanish, in a conspicuous place on the exterior premises of the apartment building, including on the block face of the main or primary entrance of the apartment building or apartment group, that include the following information:
   (C) the phone number of the apartment building's office and/or maintenance manager/office for the apartment building, or both.

(4) The signs required in this section shall be a minimum of 12 inches by 24 inches. Sign facings shall be weather-proof with contrasting colors between text and background.

~~6.26.120~~ 6.26.130 Inspections.
~~6.26.130~~ 6.26.140 Effective Date.
~~6.26.140~~ 6.26.150 Compliance Reports.
~~6.26.150~~ 6.26.160 Rental Disclosure Required (Effective August 1, 2018).

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MDAYLEY
Department: Council
Requested Meeting Date: 05-02-2023

SUBJECT: A discussion regarding housing affordability strategies. (23-043)

RECOMMENDATION: Dsicussion seeking Council motion for possible further action.

BACKGROUND: As part of the Council's priority to discuss housing affordability in Provo, this discussion aims to assess various strategies the Council may take to improve housing attainability for residents.

FISCAL IMPACT: N/A

PRESENTER'S NAME: Melia Dayley, Michael Sanders, Abi Maccabee; Council Staff

REQUESTED DURATION OF PRESENTATION: 35 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-043

PROVO CITY MUNICIPAL COUNCIL

Staff Memorandum

Abi Maccabee, Melia Daley, and Michael Sanders, Policy Analysts

Housing Affordability Strategies

June 6, 2023

There is no "silver bullet" to solving the current housing affordability problem facing Utah and Provo. However, affordable housing and housing affordability initiatives, some of which are outlined below as the most accessible options to the Council, can help lessen the burden placed on low and very low-income families and encourage owner-occupied home ownership, an identified policy priority for the Council.

Maintaining the Status Quo

Maintaining the status quo includes the City continuing to make incremental improvements in housing affordability through current practices outlined in the General Plan, the most impactful being:

- Promoting a mix of home types, sizes, and price points
- Support zoning to promote ADUs and infill development
- Recognize the value of single-family neighborhoods

The outcome of these goals will be a Provo that is a "desirable and attainable place to live" and offers "a mix of housing for residents in all walks of life."

In addition to the General Plan strategies, City is currently working on 7 goals outlined in Appendix A aimed at increasing housing stock for moderate income ($42,000-$67,520) levels. Many of the strategies include rezones and land use amendments that increase density. Relying solely on the strategies from the General Plan and moderate-income housing report may lead to potential policy stagnation. In other words, opportunities for innovation and progress could be limited as a lack of change hinders the ability to dynamically respond to emerging trends and challenges.

General Plan strategies are simply markers aimed at achieving policy goals over a 20-year period. If the Council would like to see faster change, additional legislative action may be needed.

Redevelopment Agencies & Affordable Housing

Redevelopment Agencies have unique tools available to them to help in the development of affordable housing (30-50% AMI), through funding which can take various forms and be derived from a couple sources. These affordable housing projects are built in coordination with developers and often funding through the RDA is conditional on the development providing varied AMI price points for units. The systems through which funding is provided, while constrained by some key rules, can be a creative endeavor and up to the discretion of RDA staff and governing boards. Tools include, but aren't limited to, tax increment financing, discounted

land sales, land gifts, and original funding mechanisms such as Salt Lake City's as outlined here.

Salt Lake City's RDA has multiple housing projects, accomplished and in the works, for reference although it is good to note that their budget, largely based on the revenue from their land values the RDA holds, is much larger than Provo's. While current RDA projects must set aside some revenue towards future affordable housing projects, this funding is not currently dedicated to any specific project plans or areas and the Governing Board would need to leverage the funds in relation to the cost of developing housing in the current market.

Accessory Dwelling Units

Accessory dwelling units are reported as one of the best practices for improving housing affordability and affordable housing within already established neighborhoods and built-out cities. Per Council direction, Development Services will be reporting on ADUs throughout the city in October 2023 as a follow-up to the changes to Provo's ADU ordinance last year. After this report, Council can review the code again and make additional amendments. In addition to city-level code amendments, the Council may also coordinate with state-level efforts to address ADU code concerns.

Many concerns brought up by Councilors during the ADU discussion last year are reflected across the state. In fact, during the May meeting of the State Commission on Housing Affordability, state officials noted that multiple cities across the state noted various difficulties with ADUs including enforcement, state code ambiguities, units being used as short-term rentals, pushback from homebuilders and relators on ADU-specific zoning and regulations, and other general difficulties. As such, the Commission's subgroup on policy is scheduled to assess statewide ADU policy with the potential for amendments to be proposed in the 2024 Legislative Session.

State Level Changes & Lobbying

In addition to policy actions taken at the city level, the Council has the ongoing opportunity to advocate and lobby for change at higher levels of government, especially at the Utah State Legislature. Changing policy at the state level, much as it is at the local level, requires establishing clear policy goals, advocating for specific funding and/or incentive structures, drafting or helping to draft legislative proposals or resolutions, and engaging with legislators which can take many forms.

Appendix B contains a chart listing all the major legislation regarding Utah State housing programs from 1995 to 2023 (full report on Utah Housing Programs can be found here). Staff recommends reviewing this legislation in tandem with identifying Council's own housing priorities. If overlap exists, the Council can then take direction on where existing state programs could be modified or if a new approach is needed to fill in an identified gap in housing needs.

There are forums the Council can participate in to be more involved in the policy making process at the state level: the Utah League of Cities and Towns (ULCT) Legislative Policy Committee (Councilors MacKay and Ellsworth are voting members) and attending the monthly meetings of the State Commission on Housing Affordability (CHA) which has subgroups on funding, policy,

and data that all directly draft legislation often then adopted at the following Legislative Session with minor to major monetary support.

Lite-Deed Restrictions

Lite-deed restrictions are a potential solution to increase owner-occupied housing. This method involves the process of compensating homeowners in exchange for restricting who can occupy the home. For example, a homebuyer could enter into a lite-deed restriction and receive compensation for their home as long as either they are the primary occupant or rent to a long-term renter. This usually entails a one-time payment from the city that may be used for down payments, renovations, mortgages, and other housing expenses. Furthermore, a lite-deed restriction can promote an increase of homeownership for middle-income households and sustain a culture of long-term residents in Provo. A few cities in the intermountain west have implemented programs along these lines and a further study into how Provo could adopt similar programs can be pursued at Council direction. This memo's aim is to give information about just one of these cities' programs: Park City.

In recent years, Park City has had an increase of short-term rentals due to its tourist-driven economy. However, this has caused local residents who live and work in Park City to find housing and job opportunities elsewhere, as housing and renting costs have dramatically increased. A similar phenomenon occurs in Provo where home sale prices in Provo have rapidly increased over the past several years. Based on data compiled in January and February 2021, the median sales price for a home in Provo is $449,000, which is nearly twice the affordable threshold of $273,765 (assuming a 4 percent mortgage interest rate) for a family of four. Even at 120% of the area median income, that same family of four could not comfortably afford that home price. Instead, this family might be forced to live outside of Provo or settle for suboptimal housing within the city.

To help mitigate the negative effects of short-term rentals, Park City's City Council has implemented a pilot program using lite-deed restrictions. The "Live Park City Lite Deed Restriction Program" will pay homeowners 10 to 20 percent of the appraised value of their home as long as they remain the primary occupants or rent out their home to long-term rentals with a minimum lease of six months.

This program is an administrative program managed through an enabling resolution adopted by the Park City's City Council. As it is a pilot program, $1 million was allocated for it in Park City's annual budget. The $1 million budget was allocated from discretionary dollars that came from the sale of city property. As the City developed various housing programs, the Housing team worked with their Council liaisons to discuss which programs were most promising and realistic. As of now, Park City has not identified a long-term funding source if the program were to be extended. Other housing projects are funded by a general obligation housing bond but the language in that bond is limited in its ability to fund programs that are not explicitly for affordable housing. The City is in the process of modifying the language of that bond to establish more flexibility in how it can be used.

While Park City is in the beginning stages of implementing its lite-deed restriction program, other cities in the United States were the inspiration for Park City. Vail, Colorado, a mountain town known for its ski resort and film festival, has also faced its own affordable housing issues.

To mitigate this housing challenge, Vail developed the Vail InDeed program where 15 to 20 percent of the property is paid for through the program. This program is managed by the Vail Local Housing Authority and is funded through the town's general fund. Under the perpetuous deed-restriction, households must be occupied by a "qualified resident" – meaning a person who works at least 30 hours in Eagle County whether they are the owner of the property or a person who is renting long-term. Since 2017, Vail has purchased over 1,000 deed-restricted housing units — surpassing their original goal of acquiring 1,000 deed-restricted units by 2027.

While the Vail InDeed program has increased homeownership for participating properties, rental units still outnumber homeowners 3:2. Additionally, rents and mortgages are still unobtainable for many local residents. To bridge the affordability gap, Vail is working on solutions to also implement other affordable housing plans that will be supported through financial means like increases in sales tax. Moreover, Vail has considered allowing zoning changes to create a community housing district with high-density affordable housing. The town's hope is that by implementing both deed-restricted housing units and affordable housing solutions, Vail will provide housing for low-income, middle-income, and high-income households.

In addition to Vail, Colorado, other cities in the intermountain west have implemented similar deed-restriction programs. Summit County, Colorado, Sedona, Arizona, and Truckee, California have all developed and established deed-restriction programs that compensate homeowners in exchange for occupancy restraints.

Lite-deed restriction programs may help bridge the gap between affordable housing and wealthy housing options. When paired with other affordable housing solutions, lite-deed restrictions can help improve housing security for households from different income backgrounds. Provo can develop and establish a similar program based on what other cities have done. Citizens of Provo feel the effect of the expensive housing market and the slim chances of becoming homeowners. Providing lite-deed restrictions can alleviate the burden of purchasing homes and promote long-term residency to support the local community of Provo.

Community Land Trusts

Another solution to increasing housing affordability is community land trusts. A community land trust is a self-sustaining model that involves a public investment to provide affordable properties and homes for lower-income households. Both governmental entities and nonprofit organizations can participate in community land trusts by purchasing or funding a piece of land and allowing residents to buy a house within that space. Because another organization owns the land, the homebuyer is only responsible for purchasing the housing unit thus lowering the costs of buying a house overall. This approach allows lower-income families the opportunity to build equity and own a home – an opportunity that some may never attain otherwise.

Investing in a community land trust is a potential solution to help increase affordable housing in Provo. Like the lite-deed restriction programs, Provo can look to other areas within the United States to develop an effective and feasible plan for a community land trust.

According to the National League of Cities, community land trust homeowners acquire approximately $14,000 in equity after they sell their home. The increase in equity allows around 60% of homeowners to purchase market-rate homes. In addition to building equity, community land trust homeowners are ten times less likely to foreclose on their homes. In partnership with the National League of Cities, Grounded Solutions has released numerous resources to help organizations plan for and implement community land trusts. Its guide includes incorporation and structure considerations, budget templates, bylaw considerations, and more. Government entities that share the same vision of affordable housing can sponsor community land trusts through federal and local community development funds. Because of the support that many community land trusts are receiving from governmental agencies, community land trusts have been and are likely to continue to be successful.

Examples of municipal agencies involved with community land trusts span across the country from California to New York. Municipal governments begin the process by initiating and funding community land trusts. In 2006, the Irvine City Council in Irvine, California authorized the implementation of the Irvine Community Land Trust where it has since then developed 407 affordable housing units for low-income households who earn up to 30 to 80 percent of the Area Median Income. This particular community land trust has a variety of housing units including condos, apartments, and townhomes. As of 2022, 68 moderate income families were able to purchase their first home and start the journey towards home ownership.
Community Land Trusts have been proved to be another successful model for providing and sustaining affordable housing. Provo can partner with other private and public entities and contribute resources to establishing a community land trust. Ideally, a community land trust in Provo could be developed near transit-oriented development to reduce parking requirements and expectations and provide residents with the ability to commute as needed. This is especially relevant as the Utah Transit Authority seeks to expand its services across Utah County.

Higher density housing within community land trusts can help reduce the cost of a home for low-income and middle-income households. Including higher density housing does not mean high rise apartment buildings but rather the "missing middle." The "missing middle" (see Appendix C for graph) includes any housing unit that falls between single family homes to high rise apartment buildings. These housing units that fall in the middle could include townhomes, condos, duplexes, ten-unit apartment buildings and more. As Provo City continues to address the issue of housing, community land trusts may be a solution that propels the goal of housing affordability forward and provide residents with necessary resources.

Appendix A

Implementation Table

This implementation table spread across on the following pages includes Provo's housing goals from the State's list in UCA 10-9a-403(2)(b). All of these goals are also included in the Provo City General Plan's chapter on housing, which gives a more complete picture of how Provo plans to expand its housing stock for all income levels.

UCA 10-9a-403(2)(b) requires cities to adopt several of the listed goals to improve access to moderate-income housing with additional goals for cities that meet certain criteria, including Provo. The table immediately below gives code references for those lists of goals and identifies how many of each are included in Provo's housing goals. As of 2022, the City already implements six of the goals, all of which have been included here so staff can more easily monitor progress and update the State.

CODE REFERENCE	NUMBER OF GOALS OPTIONS	NUMBER OF GOALS REQUIRED	NUMBER OF GOALS ALREADY MET	NUMBER OF GOALS IN THIS PLAN (including already met)
UCA 10-9a-403(2)(b)	24	3	6	7
10-9a-403(2)(b)(iv)(A) Station Area Plan	1	1	0	1
10-9a-403(2)(b)(iv)(B) Goals G, H, or Q	3	1	2	2

Timing Note: short means 2022-2023; mid means 2024-2025; long means 2026-2027

GOAL	STATUS/BENCHMARK	COST	TIMING	RESPONSIBILITY	CODE REFERENCE
UCA 10-9a-403(2)(b)					
(A) Rezone for densities necessary to facilitate the production of moderate-income housing	Complete Provo has mixed use, very low-, low-, medium-, and high-density zones that have been applied throughout the city.	N/A	Complete	Development Services, Council, Development Community	UCA 10-9a-403(2)(b)(iii)(A)
(B) Demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate-income housing.	Complete/Ongoing Provo is a funding partner on a pedestrian bridge to the FrontRunner station that is currently under construction; Provo has committed funding to	$-$$$	Short-Long	Development Services, Council	UCA 10-9a-403(2)(b)(iii)(B)

	increase active transportation to and from the FrontRunner station				
(D) Identify and utilize general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the municipality for the construction or rehabilitation of moderate-income housing.	Not Yet Started Housing Committee will explore viability by end of 2023	$$-$$$	Short	Development Services, Council	UCA 10-9a-403(2)(b)(iii)(D)
(E) Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.	Complete/Ongoing ADUs are allowed in most residential zones and in all residential zones west of I-15 Housing Committee will review off-street parking requirements for ADUs by the end of 2023	$$	Short	Development Services, Council	UCA 10-9a-403(2)(b)(iii)(E)
(F) Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers.	Complete/Ongoing Much of the land near commercial and transit hubs is already zoned mixed-use and/or higher density Provo will continue to review rezone applications from the development community	N/A	Complete	Development Services, Council	UCA 10-9a-403(2)(b)(iii)(F)
(I) Amend land use regulations to allow for single room occupancy developments.	Complete/Ongoing Provo's Mixed Use Zone allows for single room occupancy developments Determine feasibility of microunits and pass code by end of 2023	$	Short	Development Services, Council	UCA 10-9a-403(2)(b)(iii)(I)
(O) Apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce	Complete/Ongoing Provo is the lead entity on the HOME Consortium; Provo administers two downpayment assistance programs for first-time home buyers for Provo and Utah County; Provo provides funding for Self Help Homes which provides moderate-income housing assistance	$-$$$	Short-Long	Development Services, Council, Administration	UCA 10-9a-403(2)(b)(iii)(O)

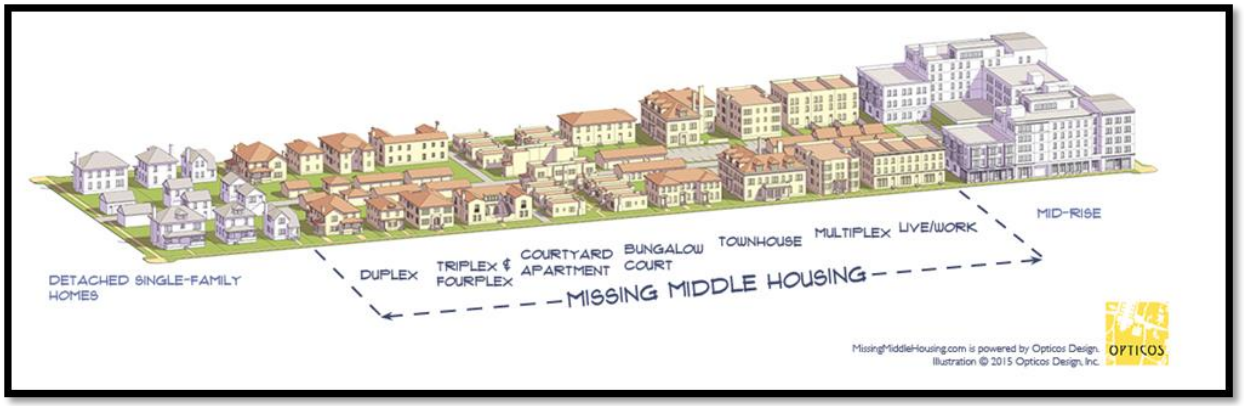
Appendix B

Table 3: Major Legislation Supporting Utah State Housing Programs, 1995-2023

New Construction and Preservation of Affordable Housing	Administrative Policies and Support	Homeless Assistance	Affordable Housing and Public Transportation	Municipal Zoning Ordinances
Annual funding of Olene Walker Housing Loan Fund (established 1985, annual state funding (1995)	H.B. 295 requires the needs assessment of municipalities (1996)	H.B. 441 initial funding for new homeless resource centers (2017)	S.B. 217 establishes requirements for municipalities to create reinvestment zones at TODs with tax increment financing (2021)	H.B. 82 made it illegal in most cases for cities to prohibit the development of accessory dwelling units. (2021)
S.B. 39 additional one-time funding for OWHLF and creation of the Utah Housing Preservation Fund (2020)	H.B. 430 creates Commission on Affordable Housing (2018)	H.B. 347 creates the Office of Homeless Services and the Utah Homelessness Council. (2021)		S.B. 174 streamlines the subdivision process (2023)
S.B. 238 provides $55 million in federal funds to develop deeply affordable housing (2022)	S.B. 34 requires the municipality's general plan to include provisions for moderate-income housing (2019)	S.B. 238 provides $55 million in federal funds for deeply affordable housing (2022)		S.B. 199 limits referendums challenging housing development (2023)
S.B. 240 provides loans to first-time homebuyers (2023)	H.B. 347 creates the Office of Homeless Services (2021)	H.B. 440 provides increase in funds for municipalities with shelters and allows capacity increases for shelters (2022)		
H.B. 364 expands to state tax credit program from $1.2 million annually to $10 million (2023)		H.B. 499 funding for increased homeless shelter services during winter months. (2023)		
		H.B. 359 allowing eviction expungement if both parties agree (2022)		

Source: Kem C. Gardner Policy Institute and Utah Housing Coalition

Appendix C


DETACHED SINGLE-FAMILY HOMES
DUPLEX
TRIPLEX & FOURPLEX
COURTYARD APARTMENT
BUNGALOW COURT
TOWNHOUSE
MULTIPLEX
LIVE/WORK
MID-RISE
MISSING MIDDLE HOUSING
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A Comparison of State-Funded Affordable Housing Programs

Utah policymakers have significantly expanded affordable housing programs in response to the housing crisis. As this effort continues, a comparison of state housing programs provides valuable policy insight.

April 2023

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Table of Contents

Analysis in Brief 1
Introduction 2
The Need for Affordable Rental Housing 2
Low Vacancy Rates and High Rental Rates 3
Job Growth in Relatively Low Paying Jobs 3
The State's Expanding Role in Affordable Housing Programs 4
Chronology of Housing Legislation 4
Summary of 2023 General Session Housing Legislation 5
Summary of Utah Housing Legislation 1995 to 2023 6
Selection of the "Best Fit" Programs for Utah 7
State-Funded Rental Assistance Programs 7
HUD Housing Choice Section 8 Vouchers 9
State-Funded Housing Vouchers 9
State-Funded Short-Term Housing Assistance Programs 9
State-Funded Transitional Housing Assistance Programs 9
State Housing Trusts 12
Olene Walker Housing Loan Fund (OWHLF) 12
A Comparison of State Trust Funds 13
Real Estate Transfer Tax 13
State Tax Credit Programs 16
Utah's State Tax Credit Program 16
Comparison of State Programs 16
State Eviction Laws and Policies 18

Figures:
Figure 1: Rental Vacancy Rates in Salt Lake and Utah Counties, 2001-2022 (mid-year) 3
Figure 2: Annual Percent Increase in Rental Rates in Salt Lake and Utah Counties, 2011-2022 (mid-year) 3
Figure 3: Average Rental Rates in Salt Lake and Utah Counties, 2010-2022 (mid-year) 3
Figure 4: States with Rental Assistance Programs Entirely Funded by the State, as of 2020 7
Figure 5: State-Funded Housing Voucher Programs, as of 2020 9
Figure 6: States with Real Estate Transfer Tax, as of 2020 14
Figure 7: States with State Tax Credits for Low-Income Housing, as of 2022 16

Tables
Table 1: Very Low and Extremely Low-Income Renters with Severe Housing Cost Burdens, 2015-2019 2
Table 2: Projected Annual Labor Demand by Minimum Education Level, 2020-2026 3
Table 3: Major Legislation Supporting Utah State Housing Programs, 1995-2023 6
Table 4: States with Rental Assistance Programs Entirely Funded by the State, as of 2020 8
Table 5: Vouchers and Waitlists Administered by Public Housing Authorities, 2020 8
Table 6: Characteristics of State-Funded Housing Voucher Programs, as of 2020 10
Table 7: Short-Term Rental Assistance Programs, as of 2020 11
Table 8: State-Funded Transitional Housing Programs, as of 2020 11
Table 9: Annual State General Fund Appropriations for the Olene Walker Housing Loan Fund, 1995-2023 12
Table 10: State Funding Levels for Housing Trust Funds, 2022 13
Table 11: States with Trust Funds but Undetermined State Funding, as of 2022 13
Table 12: State Real Estate Transfer Tax Rates, 2020 14
Table 13: Revenue Allocation of Real Estate Transfer Taxes by State, 2020 15
Table 14: Selected Features of State Tax Credit Programs, as of 2021 17
Table 15: State Tax Credits Available, 2021 17
Table 16: States Ranked by Eviction Rate, 2019 19
Table 17: Eviction Filings by State, 2019 20
Table 18: Monthly Eviction Filings in Utah, 2017-2022 20
Table 19: Eviction-Related Legislation Passed in Response to COVID-19, as of 2022 21

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A Comparison of State-Funded Affordable Housing Programs

Analysis in Brief

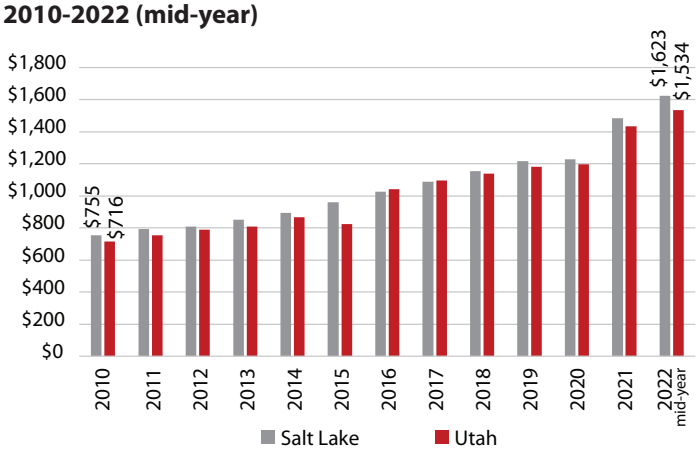
Housing instability and homelessness threaten the economic well-being of at least 40,000 extremely low-income renter households in Utah. These households have annual incomes of less than $24,000 and must devote at least half of their income to housing and utilities. Many states have programs to help reduce this instability and increase the number of affordable housing units.

This report specifically focuses on four state-funded programs or policies that provide direct assistance to very low-income renters: (1) rental assistance, (2) state tax credits, (3) housing trusts, and (4) eviction policies.

Key Findings

- **Utah has a shortage of several thousand affordable rental units –** The need for affordable rental housing will likely continue to grow due to the high cost of homeownership, rising rental rates, and historically low vacancy rates.
- **The Utah Legislature took significant steps in the 2023 General Legislative Session to ease the shortage of affordable housing –** They passed six housing-related bills providing assistance to the homeless, first-time homebuyers, low-income housing developers, and home builders. A review of housing legislation from 1996 through 2023 suggests this was the most productive session for housing assistance in recent history.
- **Rental assistance programs reduce housing instability for very low-income households in many states –** Thirty-one states have state-funded rental assistance programs. Many programs directly supplement the income of very low-income households through one-time rent payments, rental assistance to those leaving correctional systems or state psychiatric hospitals, loans for the first month's rent, and housing vouchers patterned on the U.S. Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers.
- **The Olene Walker Housing Loan Fund (OWHLF) is Utah's primary state-funded housing program –** OWHLF has participated in the development of 24,561 affordable rental units since first funded in 1995 (at $2.4 million). State General Fund appropriations, however, have not increased since the creation of the trust fund.

Average Rental Rates in Salt Lake and Utah Counties, 2010-2022 (mid-year)



Source: Greater Salt Lake Area Multifamily Market, CBRE, 2022

- **Utah's state tax credits for low-income housing helped fund 8,000 units across 147 affordable rental housing projects –** Utah's tax credit program facilitates the development of affordable units for extremely low-income renters. In 2021 the available credit of $1.1 million ranked second lowest among the 25 states with tax credit programs (only Arkansas' credit level was lower). That said, Utah's Legislature increased the program to $10 million annually during the 2023 legislative session, aligning Utah's funding with most state tax credit programs.
- **Utah's state-funded programs have focused on the supply side of the affordable housing crisis –** State tax credits, OWHLF gap financing, and funding of homeless shelters support the development of additional affordable units; however, these programs provide little housing assistance to the 40,000 extremely low-income renters (≤30%). Supply-focused programs can't reach these renters due to the high cost of construction. Consequently, many states have added demand-focused programs to their affordable housing arsenal, programs that provide direct assistance to renters through rental assistance, state housing vouchers, and expanded eviction assistance. Expanding direct assistance programs would provide a lifeline to the state's most vulnerable renters and broaden Utah's efforts in addressing the affordable housing crisis.

Introduction

This report continues the Kem C. Gardner Policy Institute's research on housing prices and affordability in Utah. In 2020, the Gardner Institute published *Housing Affordability: What Are Best Practices and Why Are They Important?* That report focused on the most effective city and county policies for improving housing affordability.

While the 2020 study addressed *housing affordability*, this study has a narrower focus, *affordable housing*. For clarification, affordable housing refers to a specific type of housing, generally government-assisted rental housing, targeted for very low– to extremely low–income households. Housing affordability is a much broader term and refers to the general level of housing prices relative to the general level of household income as opposed to a specific type of housing.

The Need for Affordable Rental Housing

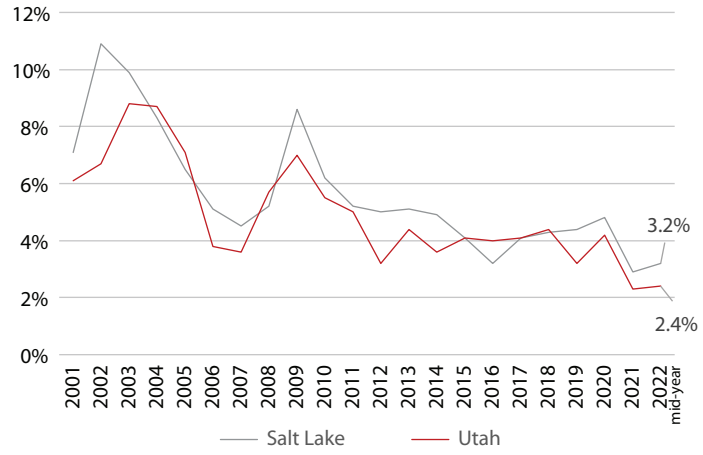
At least 40,000 renter households in Utah are extremely low-income renters (≤30% of Area Median Income, AMI), meaning they pay at least 50% of their income towards housing and utilities (Table 1). These households receive no rental assistance and live in market-rate rental units. They face housing instability and financial stress. For example, the nearly 17,000 extremely low-income households in Salt Lake County have an income of $2,000 per month or less and a monthly housing cost of at least $1,000. This severe housing cost burden underscores the need for state housing policies that increase housing opportunities for extremely low-income and very low-income renters (≤50% AMI).

Table 1: Very Low and Extremely Low-Income Renters with Severe Housing Cost Burdens, 2015-2019
(Housing costs ≤50% of renter's income)

County	Extremely Low-Income Renter Households ≤30% AMI	Very Low-Income Renter Households 30%-50% AMI	Total Renter Households Income ≤50% AMI	Total Renters	% Share of Renters with Incomes ≤50% AMI
Salt Lake	16,795	5,215	22,010	123,265	17.9%
Utah	7,435	2,195	9,630	53,700	17.9%
Weber	3,320	430	3,750	22,235	16.9%
Davis	3,035	565	3,600	24,035	15.0%
Cache	2,345	440	2,785	14,215	19.6%
Washington	1,675	955	2,630	16,915	15.5%
Iron	1030	110	1,140	6,130	18.6%
Summit	435	145	580	3,215	18.0%
Box Elder	445	80	525	3,905	13.4%
Tooele	330	180	510	3,900	13.1%
Carbon	415	65	480	2,055	23.4%
Wasatch	270	145	415	2,670	15.5%
Sanpete	300	45	345	1,925	17.9%
Uintah	315	4	319	2,545	12.5%
Duchesne	275	35	310	1,705	18.2%
Grand	90	170	260	1,460	17.8%
Sevier	155	10	165	1,610	10.2%
Kane	80	10	90	595	15.1%
San Juan	75	10	85	835	10.2%
Beaver	75	4	79	590	13.4%
Emery	75	0	75	845	8.9%
Millard	60	10	70	1,105	6.3%
Garfield	30	30	60	360	16.7%
Juab	40	0	40	745	5.4%
Morgan	15	0	15	495	3.0%
Wayne	15	0	15	260	5.8%
Rich	15	0	15	180	8.3%
Piute	10	0	10	85	11.8%
Daggett	0	0	0	20	0.0%
Total	**39,155**	**10,853**	**50,008**	**291,600**	**17.1%**

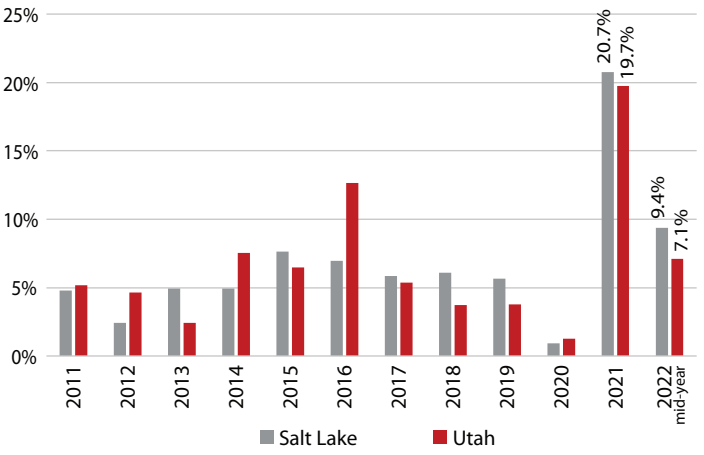
Source: HUD CHAS 2015-2019

Figure 1: Rental Vacancy Rates in Salt Lake and Utah Counties, 2001-2022 (mid-year)



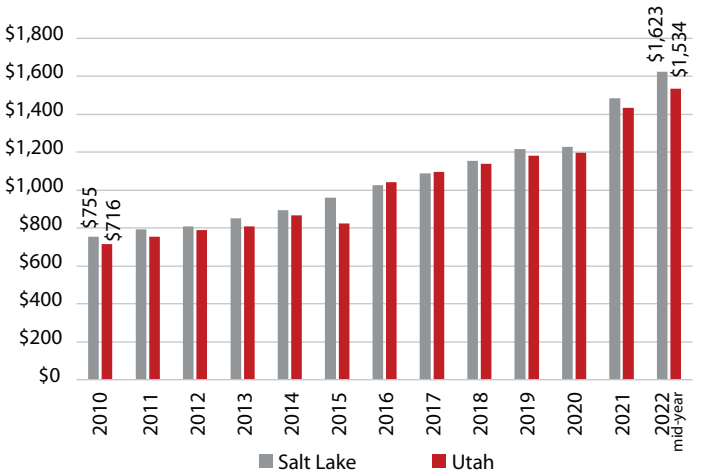
Source: Greater Salt Lake Area Multifamily Market, CBRE, 2022

Figure 2: Annual Percent Increase in Rental Rates in Salt Lake and Utah Counties, 2011-2022 (mid-year)



Source: Greater Salt Lake Area Multifamily Market, CBRE, 2022

Figure 3: Average Rental Rates in Salt Lake and Utah Counties, 2010-2022 (mid-year)



Source: Greater Salt Lake Area Multifamily Market, CBRE, 2022

Table 2: Projected Annual Labor Demand by Minimum Education Level, 2020-2026

Education Level	% of Annual Demand
High school diploma or equivalent	39.2%
No formal educational credential	29.4%
Bachelor's degree	17.2%
Postsecondary certificate	6.3%
Some college no degree	2.6%
Doctoral or professional degree	2.0%
Associate degree	1.9%
Master's degree	1.5%

Source: *"An Analysis of Labor Supply and Demand in Utah,"* (September 2019) Kem C. Gardner Policy Institute and Utah Department of Workforce Services.

Low Vacancy Rates and High Rental Rates

In the past two years, the rental vacancy rates in Salt Lake and Utah counties (the state's two largest apartment markets) dropped to historically low levels of 2-3%. These low rates follow nine years of vacancy rates below 4% (Figure 1). The 2014 to 2022 period marks the longest stretch of rental shortages in the counties' histories.

Low vacancy rates inevitably lead to higher rental rates as shown in Figures 2 and 3. The average overall rental rates in each county doubled since 2012, and rates rose by about 30% in the past two years (2020 to 2022 mid-year). Since 2012, renter income grew at about half the pace of rental rates. From 2012 to 2021, the median income of renters in Salt Lake and Utah counties increased by about 50%, while rental rates doubled.[1]

Job Growth in Relatively Low Paying Jobs

The demand for affordable housing is expected to grow as future job growth concentrates in low-wage jobs. "The Utah Department of Workforce Services projects that nearly 70% of annual job openings from 2020 to 2026 will center on occupations typically requiring at most a high school diploma"[2] (Table 2). Jobs that required only a high school diploma or no formal education will generally be low paying jobs. Thus, the rising share of workers in low wage jobs will lead to a greater need for affordable housing.

The State's Expanding Role in Affordable Housing Programs

Utah's Housing and Community Development Division (HCDD) within the Department of Workforce Services is the primary state agency overseeing housing programs. The division administers the Section 8 Landlord Incentive Program, the development of tools to assess municipal housing needs, and the Olene Walker Housing Loan Fund (OWHLF). The OWHLF, established in 1995, is Utah's main state-funded housing program (discussed on p. 12)

H.B. 347 (2021) expanded the state's administrative and funding role related to housing programs. This bill created the Office of Homeless Services (OHS) and was the culmination of four years of legislative activity targeting homelessness. During this four-year period, the Utah Legislature passed several bills that provided support for affordable housing. In 2023, the Legislature further expanded housing funding and policies. The historical chronology outlined below gives a brief description of these legislative achievements.

Chronology of Housing Legislation

- **H.B. 295 Providing Affordable Housing (1996 General Session) –** H.B. 295 was the first substantive affordable housing bill passed by the Utah Legislature. This bill directed municipalities to create a plan for housing moderate-income households. Municipalities also needed to assess their need for affordable housing annually and evaluate zoning practices to better implement affordable housing plans. This bill allocated $250,000 for the state to help municipalities meet these requirements.
- **Hiatus from housing legislation (1996 to 2017) –** From 1996 to 2017 the Legislature did not create any notable affordable housing or related programs. By 2016, however, there was a growing concern that a shortage of affordable housing and increasing homelessness could become serious problems in the state. Since then, the Legislature has passed a number of bills related to homelessness and housing affordability.
- **H.B. 441 Housing and Homeless Reform Initiative Amendments (2017 General Session) –** Following the Great Recession, Utah experienced an increase in its homeless population. The Legislature passed H.B. 441 in the 2017 General Session to address the growing need for homeless aid. This bill provided the Homeless to Housing Reform Restricted Account with $10.1 million to open three new resource shelters that could house 700 people each. The bill also closed the largest shelter in Salt Lake County, which provided shelter for up to 1,100 people.
- **H.B. 430 Affordable Housing Amendment creates Commission on Housing Affordability (2018 General Session) –** H.B. 430 created a Commission on Housing Affordability. The commission consists of 20 members, including three legislators, directors from various state agencies and municipalities, and 12 members appointed by the governor from the home building and real estate development community. The commission provides recommendations for affordable housing legislation. In 2022, the Legislature modified the commisson's membership and repealed the sunset provision.
- **S.B. 34 Affordable Housing Modifications (2019 General Session) –** In 2019, the Legislature passed S.B. 34, "Affordable Housing Modifications," which changed the state code to require every local community's general plan to include three components: (1) land use, (2) transportation, and (3) moderate-income housing. This provision was originally outlined in H.B. 295, which was passed 23 years prior to S.B. 34. The new bill provides additional direction and detail for moderate-income housing development, broadens some requirements to all cities, and requires specific communities to provide more robust housing strategies and an annual report on the implementation of those strategies.
- **S.B. 39 and the Utah Housing Preservation Fund ($10 million to OWHLF, 2020 General Session) –** S.B. 39 "Affordable Housing Modifications" provided the largest, one-time General Fund appropriation to OWHLF since its creation in 1995. OWHLF received a $10 million appropriation, half of which was for gap financing on private activity bond-financed multifamily housing, and the other half to match private dollars for the preservation or construction of affordable housing. The private match funds came from the Utah Housing Preservation Fund started by a $20 million joint commitment from the Ivory Foundation, Intermountain Health, and Zions Bank. The fund specifically works to maintain and preserve affordable rental units aging out of assistance programs as well as naturally occurring affordable housing. The Utah Non-Profit Housing Corporation manages the fund, which continues to grow with the support of significant private investment from Utah's business and philanthropic community. Interestingly, a June 2020 special legislative session, called due to the COVID-19 pandemic, reduced the $10 million appropriation by 50%.

- **H.B. 82 Single-family Housing Modifications (2021 General Session) –** H.B. 82 made prohibiting most accessory dwelling units (ADUs) by municipalities and counties illegal. This change in zoning law is intended to increase the number of affordable "mother-in-law" apartments, which are less expensive and easier to build than new houses or apartment buildings. The legislation also includes provisions to limit the use of ADUs as short-term rentals.
- **S.B. 217 Housing and Transit Reinvestment Zone Act (2021 General Session) –** S.B. 217 enacted the Housing and Transit Reinvestment Zone Act, which established objectives and requirements for a municipality or public transit county to create a housing and transit reinvestment zone. Tax increment financing provides funding for the reinvestment zone. The objective is to promote transit-oriented development that, in turn, increases the availability of affordable housing near public transportation locations.
- **H.B. 347 Homeless Services Modification (2021 General Session) –** H.B. 347 created the Utah Homelessness Council. This bill also centralized and coordinated services for the homeless under the direction of the state homelessness coordinator.
- **S.B. 238 "Homeless Services Modifications" (2022 General Session) –** S.B. 238 included the largest allocation for homeless services and affordable housing in Utah's history. This bill allocated $55 million of American Rescue Plan Funds to the Department of Workforce Services to fund affordable housing projects in response to the COVID-19 pandemic. These funds will provide an estimated 1,078 affordable units across Utah.
- **H.B. 440 Homeless Services Amendments (2022 General Session) –** H.B. 440 allows certain municipalities to receive increased funding from the Homeless Shelter Cities Mitigation Restricted Account. The funds mitigate the impact of homeless shelters and established a formula for the disbursement of funds.

Summary of 2023 General Session Housing Legislation

The 2023 legislative response to Utah's high housing costs culminated with the passage of six housing-related bills and significant funding for housing programs. The session likely ranks as the most productive for housing assistance. The legislation (listed below) provides assistance to the homeless, first-time homebuyers, low-income housing developers, and home builders.

- **S.B. 174 Local Land Use and Development Revisions (2023 General Session) –** This bill streamlines city and county subdivision processes by limiting subdivision requests to only one public hearing. If the application complies with existing zoning requirements, city officials are required to approve it with no subsequent public hearings.
- **S.B. 199 Local Land Use Amendment (2023 General Session) –** S.B. 199 prohibits municipal residents from challenging, through referendum, a municipal council's unanimous approval of a housing development.
- **S.B. 240 First-Time Homebuyer Assistance Program (2023 General Session) –** This bill sets aside $50 million to help first-time homebuyers purchase newly constructed homes. The new single-family home, condominium, or townhome can cost no more than $450,000. The state can provide a loan up to $20,000 for down payment assistance, closing costs, or buying down the interest rate. The loan is a lien on the home and would be paid back if the owner refinances or sells the house. The program has the potential to assist at least 2,500 homebuyers.
- **S.J.R. 1 Proposal to Amend Utah Constitution (2023 General Session) –** A joint resolution to amend the Utah Constitution to prohibit a transfer tax on real estate passed the Legislature with a two-thirds majority and will be on the November 2024 general election ballot. If a majority of voters approve the amendment it will become a constitutional amendment.
- **H.B. 364 Housing Affordability Amendment (2023 General Session) –** H.B. 364 expands the state tax credit program from $1.2 million in 2022, to $10 million annually from January 1, 2023 to December 31, 2028. The allocation period for state tax credit projects remains at 10 years, therefore a $1 million dollar allocation in 2023 would become a $10 million tax credit in the aggregate (over the 10-year period).

- **H.B. 499 Homeless Services Amendments (2023 General Session) –** H.B. 499 provides funding to increase homeless shelter options during the winter months and creates an emergency response plan during freezing temperatures. The bill requires each Wasatch Front County to convene a county winter response task force for the purpose of preparing a winter response plan. The legislation also requires Wasatch Front counties to provide shelter(s) for the homeless during winter months. The legislation modifies the formula used by the Office of Homeless Services to disburse funds from the Homeless Shelter Cities Mitigation Restricted Account and prohibits a municipality from receiving funds from the account if the municipality does not enforce an ordinance that prohibits homeless camping.

Selected Appropriations for Housing Programs, FY 2024

Office of Homeless Services:

- $50 million (one-time) for deeply affordable housing.
  - – $20 million from General Fund.
  - – $30 million from federal funds (American Rescue Plan Act)
- $5 million (on-going) for attainable housing grants.
  - – Gap financing for deeply affordable projects (grants to projects, not renters; to assist with rent flow; similar to project-based housing).
- $12 million (on-going) dedicated to Office of Homeless Services for shelter operations, winter response, request for grant applications, and non-congregate shelters.
- $1 million (one-time) for shelter planning of non-congregate shelters.
- $2.5 million (one-time) for homeless shelter cities mitigation reform restricted account.

Department of Workforce Services:

- $10 million (one-time) for Utah Housing Preservation Fund.
- $10 million (on-going) for state tax credits for low-income housing.

Summary of Utah Housing Legislation 1995 to 2023

Since the passage of H.B. 295 (1996), housing-related legislation in Utah has targeted five areas: (1) new construction and preservation of affordable housing, (2) administrative policies and support, (3) homeless assistance, (4) affordable housing and public transportation, and (5) municipal zoning ordinances. Table 3 summarizes the legislation.

Table 3: Major Legislation Supporting Utah State Housing Programs, 1995-2023

New Construction and Preservation of Affordable Housing	Administrative Policies and Support	Homeless Assistance	Affordable Housing and Public Transportation	Municipal Zoning Ordinances
Annual funding of Olene Walker Housing Loan Fund (established 1985, annual state funding (1995)	H.B. 295 requires the needs assessment of municipalities (1996)	H.B. 441 initial funding for new homeless resource centers (2017)	S.B. 217 establishes requirements for municipalities to create reinvestment zones at TODs with tax increment financing (2021)	H.B. 82 made it illegal in most cases for cities to prohibit the development of accessory dwelling units. (2021)
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S.B. 240 provides loans to first-time homebuyers (2023)	H.B. 347 creates the Office of Homeless Services (2021)	H.B. 440 provides increase in funds for municipalities with shelters and allows capacity increases for shelters (2022)		
H.B. 364 expands to state tax credit program from $1.2 million annually to $10 million (2023)		H.B. 499 funding for increased homeless shelter services during winter months. (2023)		
		H.B. 359 allowing eviction expungement if both parties agree (2022)		

Source: Kem C. Gardner Policy Institute and Utah Housing Coalition

Selection of the "Best Fit" Programs for Utah

To understand what state-funded affordable housing programs may be a "best fit" for Utah, the Gardner Institute conducted a literature review and internet search of state housing programs and policies. In addition, the Gardner Institute contacted several state agencies, local associations, and national non-profit organizations about their understanding of affordable housing policies. Groups contacted include the Utah Housing Corporation, Utah Division of Housing and Community Development, Utah Apartment Association, Salt Lake County Division of Housing and Community Development, National Association of Housing and Redevelopment Official (NAHRO), National Low Income Housing Coalition, and others.

The Gardner Institute also contacted many out of state housing offices about their state programs. Unfortunately, these inquiries received limited responses. State websites therefore proved to be the best source of information. While useful in identifying and describing state programs, these websites contained very little information on the outcomes (metrics) of housing programs. The Gardner Institute's 2020 study of Utah municipalities, *Housing Affordability: What Are Best Practices and Why Are They Important?* also encountered a scarcity of outcome data.

The evaluation of the pros and cons of a program or policy is only meaningful and effective if outcome data are available. Consequently, the selection of "best fit" programs relied heavily on the Gardner Institute's experience with local housing markets, the need for affordable housing, the political environment, and agency capacity. This experience is coupled with information gleaned from state websites.

In summary, the Gardner Institute selected to review four state-funded programs and policies that provide direct assistance to very low-income renters: (1) rental assistance programs, (2) housing trust funds, (3) state low-income housing tax credits, and (4) eviction policies.

Rental assistance programs are selected as a "best fit" because they provide direct financial assistance to low-income renters and have been implemented in 31 states (Table 1). Housing trust funds and state tax credits are selected as "best fits" because of their program histories in Utah, established administrative structure, and general political acceptance. A comparison of state eviction policies is also included because of eviction's impact on housing insecurity and future housing stability.

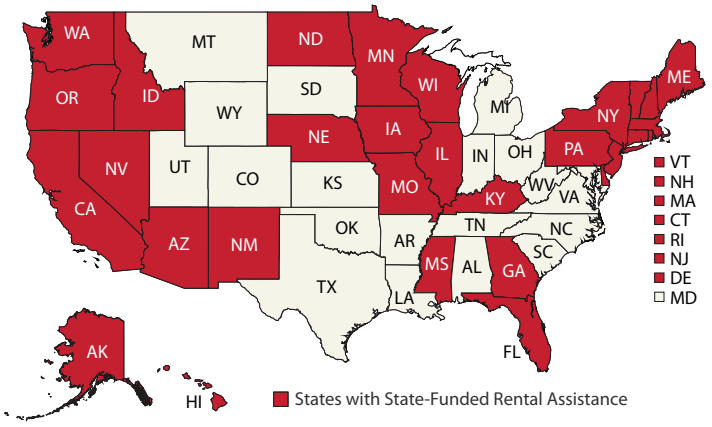
State-Funded Rental Assistance Programs

Thirty-one states have rental assistance programs entirely funded by state revenue (Figure 4, Table 4). Many of these programs have been in operation for over 20 years. This section focuses on state-funded programs that are directed to renter households. The programs do not support the construction of additional affordable units, as state tax credits and housing trust programs do, but rather provide direct rental assistance to qualified, very low and extremely low-income households. High priority is often given to households with special needs, such as serious and persistent mental illness, youth aging out of foster care, victims of domestic violence, the homeless, and individuals facing an imminent threat of homelessness.

Rental assistance programs are divided into three categories: short-term, transitional, and long-term programs. Long-term programs include housing vouchers. Vouchers are of special interest since the Utah Commission of Housing Affordability has considered proposals for homeless voucher assistance programs in the past. Consequently, housing vouchers receive special attention in this section.

Utah's rental assistance program is funded by a combination of state dollars and federal funds, such as HUD HOME program funds.

Figure 4: States with Rental Assistance Programs Entirely Funded by the State, as of 2020



Source: Based on data from the National Low Income Housing Coalition

Table 4: States with Rental Assistance Programs Entirely Funded by the State, as of 2020

State	Rental Assistance	Types of Rental Assistance			
		Short-Term	Transitional	Long-Term	Vouchers
Alabama					
Alaska	■		■	■	
Arizona	■		■	■	■
Arkansas					
California	■		■		
Colorado					
Connecticut	■			■	
Delaware	■			■	■
Florida	■		■		
Georgia	■			■	■
Hawaii	■			■	■
Idaho	■		■		
Illinois	■		■	■	■
Indiana					
Iowa	■		■	■	■
Kansas					
Kentucky					
Louisiana					
Maine	■		■		
Maryland					
Massachusetts	■	■	■	■	■
Michigan					
Minnesota	■		■	■	■
Mississippi	■		■		
Missouri	■	■			
Montana					
Nebraska	■			■	■
Nevada	■	■			
New Hampshire	■		■		
New Jersey	■	■		■	■
New Mexico	■	■	■	■	■
New York	■			■	
North Carolina	■			■	■
North Dakota	■		■		
Ohio					
Oklahoma					
Oregon	■		■		
Pennsylvania	■	■	■		
Rhode Island	■		■	■	■
South Carolina					
South Dakota					
Tennessee	■	■	■		
Texas					
Utah					
Vermont	■		■	■	■
Virginia					
Washington	■			■	
West Virginia					
Wisconsin	■	■			
Wyoming					

Source: State websites and National Low Income Housing Coalition

Table 5: Vouchers and Waitlists Administered by Public Housing Authorities, 2020

Housing Authority	Vouchers	Waitlist Open	Length of Waitlist	EHV
Beaver City Housing Authority	14	yes	No waitlist	0
Housing Authority of Carbon County	185	yes	18 months	15
Cedar City Housing Authority	277	no	1 year (131 individuals on list)	15
Davis Community Housing Authority	813	no	3 years	0
Emery County Housing Authority	58	yes	12 months	0
Logan City Housing Authority	351	yes	12 to 18 months	0
Myton City Housing Authority (Vernal)	28	yes	18 months	0
Housing Authority of the City of Ogden	1,037	yes	14 months (980 on list)	29
Housing Authority of the City of Provo	884	yes	1-3 years	34
Roosevelt City Housing Authority	63	yes	6 months	0
Housing Authority of Salt Lake City	2,624	no	5 years (5,000 households on list)	99
Housing Connect (Salt Lake County H.A.)	3,102	no	4 years (6,500 on list)	131
Housing Authority of Southeastern Utah	53	yes	No waitlist	0
St. George Housing Authority	256	no	3 years (500 applicants)	21
Tooele County Housing Authority	193	yes	2.5 years	0
Housing Authority of Utah County	1,023	yes	2 years	40
Weber Housing Authority	173	yes	4 years	0
West Valley City Housing Authority	505	yes	4 years	0
Total	**11,639**			**384**

EHV = emergency housing vouchers provided by American Rescue Plan (2021) funding.
Source: Kem C. Gardner Policy Institute survey of local housing authorities and U.S. Treasury Department

HUD Housing Choice Section 8 Vouchers

Housing vouchers are the single most effective rental assistance program for very low and extremely low-income households. HUD's Housing Choice Program (Section 8) provides long-term rental assistance to 11,639 Utah households.

At least 35,000 more Utah households qualify for vouchers but do not receive assistance because of limited funding. Most of these households are extremely low-income (≤30% AMI), living in unstable, overcrowded housing conditions, and most likely to experience homelessness. Vouchers are the only housing assistance program that can effectively reach a significant number of these households.

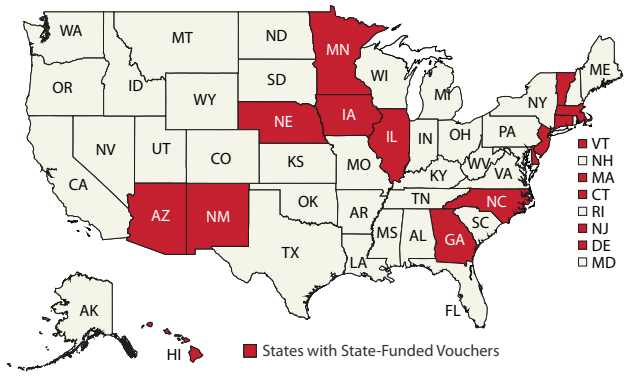
Utah's 18 local public housing authorities administer the federal Housing Choice vouchers (Table 5). Housing Connect (formerly Housing Authority of the County of Salt Lake) administers about 3,100 vouchers, accounting for 27% of all vouchers in the state. The Gardner Institute surveyed all 18 housing authorities regarding the length of their waitlists. Only two housing authorities, Beaver City and Southeastern Utah, have immediate availability. The remaining 16 have waitlists ranging from six months to five years with a hundred to 6,500 individuals on the lists. The length and number of individuals on the waitlists confirm that voucher demand far exceeds supply.

State-Funded Housing Vouchers

The Center on Budget and Policy Priorities reported in 2021 that "only 1 in 4 households that are eligible for a voucher receive any form of federal rental assistance."[3] In response to the federal voucher shortage, 14 states have established ongoing annual state-funded voucher programs (Table 6).

The 30-year-old Massachusetts Rental Voucher Program (MRVP) is well-established. The MRVP awards vouchers to a select number of low-income renter households at or below 80% AMI with at least 30% of their income going towards rent and utilities. MRVP has tenant and project-based options and has over $100 million in funds annually. MRVP is like Connecticut's program, in that they do not restrict vouchers to special needs populations; however, they do give priority to the homeless. Eleven other state programs prioritize the homeless, mentally ill, youth aging out of foster care, elderly, and victims of domestic violence. Table 6 provides greater detail on these state programs.

Figure 5: State-Funded Housing Voucher Programs, as of 2020



Source: State websites and National Low Income Housing Coalition

State-Funded Short-Term Housing Assistance Programs

In addition to the 14 state-funded voucher programs, eight states have short-term housing programs funded entirely by ongoing state revenues (Table 7). A substantial share of the assistance available in the short-term programs goes directly to the renter. Short-term programs focus on preventing homelessness and often include variations of eviction prevention programs, which in some cases are limited to special needs populations, youth, and the mentally ill.

Below is a brief description of each state-funded program. Utah has provided funding and support for short-term housing assistance over the past several years, which includes a significant share of federal funding.

State-Funded Transitional Housing Assistance Programs

Nineteen states have transitional housing programs funded exclusively by ongoing state revenue (Table 8). Most transitional housing programs provide temporary housing assistance for the homeless or those at risk of homelessness.[4] Length of stay varies from a few weeks to a few years. Housing assistance is available for a rental unit (both single units and multifamily unit structures). Many programs are described as rapid rehousing, transitioning individuals from unstable housing conditions to stable housing conditions. These transitions often include support services such as mental and substance use disorder treatment, employment, and financial counseling.

Several transitional programs offer assistance to special needs populations other than the homeless— youth aging out of foster care, individuals with serious and persistent mental illness exiting care facilities or state institutions, individuals exiting substance use residential facilities, individuals released from incarceration, and victims of domestic violence. Rather than focusing on individuals, some programs provide operating funds to organizations assisting the homeless (e.g., shelters, food pantries). Table 8 provides a brief description of each state-funded program.

Although state-funded housing programs generally play a secondary role to federally and locally funded programs, they provide targeted support for the lowest income and most difficult-to-reach special needs populations. Consequently, state programs augment and complement the more traditional federal and local housing assistance programs.

Table 6: Characteristics of State-Funded Housing Voucher Programs, as of 2020

State	Name	Income Target	Funding Source	Special Needs Populations	Tenant Based	Project Based	Required Share of Tenant	Level of Funding	Year Est.
AZ	Bridge Subsidy Program	≤30% AMI	State	Individuals with serious mental illness. Participants expected to transition eventually to Federal Housing Choice vouchers.	yes	no	Tenants pay 30%-40% of their income	$8 million	pre-2016
CT	Rental Assistance Program (RAP)	≤50% AMI	State	None	yes	no	40% of rent and utilities, 30% for the elderly and disabled	$64 million	---
DE	State Rental Assistance Program (SRAP)	40% AMI	State	Youth exiting foster care, individuals exiting long-term care facilities.	yes	no	28% of tenant's income	$6 million	2011
GA	Housing Voucher and Bridge Program	Three times the SSI federal benefit level	State	Supportive housing to individuals with mental illness. The program focuses on chronically homeless, mentally ill individuals.	yes	no	30% of the tenant's income	$17.4 million	Pre-2014
HI	Rent Supplement Program	≤80% AMI	State	None specified.	yes	no	30% of the tenant's income	$1.5 million	pre-2016
IL	Rental Housing Support Program	≤30% AMI, 50% of resources for households at ≤15% AMI	State	Homeless or at risk of homelessness, elderly.	no	yes	30% of income	$9.8 million	2005
	Bridge Subsidy Program	---	State	Individuals with serious mental illness living in an institutional setting. Applicants must be on the waiting list for federal vouchers.	yes	no	30% of tenant's income	$9.9 million	pre-2018
IA	Home and Community-Based Services Rent Subsidy Program	≤30% AMI	State	Assistance for people who receive medical services through Medicaid 1915c waivers. To qualify, patients must qualify for care in an institution.	yes	no	30% of the tenant's income	$600,000	---
MA	Rental Voucher Program (MRVP)	≤80% AMI	State	General but priority to homeless or at risk of homelessness and victims of domestic violence.	yes	yes	30% to 40% of tenant's income	$115 million in 2020	1992
	Alternative Housing Voucher Program (AHVP)	≤80% AMI	State	Non-elderly disabled persons. At least one member of the household must be less than 60 years old and disabled. Homeless or risk of homelessness, victims of domestic violence, mental illness.	yes	no	25% to 30% of tenant's income	$8 million in 2020	1995
MN	Supplemental Housing Assistance	Housing costs greater than 40% of income	State	Under 65 years of age, relocating from an institution, or eligible for Medical Assistance personal care attendant services. Disabled individuals.	yes	no	40% of the tenant's income	$43.5 million	pre-2017
	Bridge Assistance	≤50% AMI	State	Individuals with serious mental illness. The highest priority is given to individuals discharged from an inpatient mental health setting.	yes	no	30% of the tenant's income	$8.1 million	pre-2019
NE	Housing Related Assistance Program	≤30% AMI	State	Adults with serious mental illness.	yes	no	30% of the tenant's income	$2.9 million	2006
NJ	State Rental Assistance Program (SRAP)	75% of participants at ≤30% AMI, and the remaining participants at ≤40% AMI	State, including the Affordable Housing Trust Fund	General but also homeless or at risk of homelessness, persons with disabilities, and the elderly.	yes	yes	30% of the tenant's income	$18.5 million from the Gen. Fund and $20 million from the Housing Trust Fund	Pre-2018
NM	Linkages Supportive Housing Rental Assistance	≤30% AMI	Funded by the State's Behavioral Health Collaborative	Homeless adults with serious mental illness.	yes	no	30% of the tenant's income	$2.8 million	2007
	Transition Supportive Housing	≤30% AMI	State	Voucher for mentally ill youth aging out of foster care.	yes	no	30% of the tenant's income	$900,000	2007
NC	Key Rental Assistance	≤30% AMI	State	Persons who are disabled and/or experiencing homelessness with extremely low incomes.	yes	no	25% of the tenant's income, 30% if the landlord pays utilities	$5.5 million	2004
VT	Housing Support Fund for Housing Subsidy	≤30% AMI	State	Persons with serious and persistent mental illness enrolled in the Community Rehabilitation and Treatment Program.	yes	no	30% of tenant's	$27.2 million	1988

Source: State websites and National Low Income Housing Coalition

Table 7: Short-Term Rental Assistance Programs, as of 2020

State	Program Description
Massachusetts	*Residential Assistance for Families in Transition (RAFT)* – Homeless prevention program for households who are at risk of becoming homeless. Most assistance is in the form of one-time payments. Can fund up to $4,000 per household to prevent homelessness.
Missouri	*Rental Assistance Program* – Provides funds for one-time payments that restore housing stability by paying off rent and utilities in arrears. Assisted households must be receiving mental health or substance use disorder services.
Nevada	*Welfare Set Aside Program* – Funds allocated to local government to assist eligible persons or families with housing needs. Participants must have income under 60% AMI. Funds targeted for the homeless or those at risk of homelessness.
New Jersey	*Homeless Prevention Program* - Provides limited financial assistance to low and moderate-income renters in imminent danger of eviction due to temporary financial problems.
New Mexico	*Move-In Assistance and Eviction Prevention* - Provides assistance to qualified households for rent, damage deposits, and utility deposits. Applicants must have documented serious and persistent mental illness or co-occurring substance use disorder.
Pennsylvania	*Housing Assistance Program* - Offers a variety of supportive services to families experiencing or at risk of homelessness.
Tennessee	*Children and Youth Homeless Outreach Project* - Provides outreach and case management for homeless families or those at risk of homelessness and identifies youth with severe emotional disturbance. The program assists parents in securing needed mental health services for their children.
Wisconsin	*Housing Assistance Program* - Provides funds for housing, support services, and administrative costs to facilitate the movement of homeless individuals and families to independent living.

Source: National Low-Income Housing Coalition

Table 8: State-Funded Transitional Housing Programs, as of 2020

State	Program Description
Alaska	*Homeless Assistance Program (HAP)* – Provides operating support for Emergency Shelters, Transitional Housing, and Rapid Rehousing and Prevention Programs. The purpose of the HAP program is to support activities that prevent displacement from permanent, affordable housing and rapidly return displaced persons to permanent housing while also providing safe temporary housing. The program is funded through state capital funds.
Arizona	*Arizona State Housing Fund* – Provides funds for Rapid Rehousing, which is currently in its third year of operation. Households seeking assistance in this program must meet the HUD definition of homeless. The program provides 6-9 months of financial assistance and supportive services for up to a year to assist a household at ≤30% AMI to become independent and take over the rent.
California	*California Emergency Solutions and Housing Program* – Provides funds for five primary activities: (1) housing relocation and stabilization services (including rental assistance), (2) operating subsidies for permanent housing, (3) flexible housing subsidy funds, (4) operating support for emergency housing interventions, and (5) systems support for homeless services and housing delivery systems.
Idaho	*Transition Funding Program* - Provides housing assistance for individuals transitioning out of the correctional system. The program is aimed at preventing recidivism. Funds may be used to assist with rent payments and living expenses for up to 30 days.
Illinois	*Emergency and Transitional Housing Program* – Provides comprehensive shelter services to homeless persons and persons at risk of becoming homeless. The program provides funding for meals, shelter, and support services to not-for-profit organizations and local governments.
Illinois	*Homeless Youth Services* - Participants must be homeless youth. The program is designed to increase the safety of youth, ensuring their basic need while also providing safe and stable housing.
Iowa	*Aftercare Rent Subsidy Program* – Provides support for youth who are aging out of foster care and are participating in the Aftercare Services Program. The youth must be an active participant in aftercare services, making progress toward an identified goal of obtaining or maintaining stable housing.
Maine	*Bridging Rental Assistance Program (BRAP)* – Provides transitional rental subsidy for persons suffering from serious and persistent mental illness. Participants pay 51% of their income towards rent.
Massachusetts	*HomeBASE* – Provides housing assistance for rehousing families in the Emergency Assistance (EA) program and eligible families in domestic violence shelters and residential substance use treatment programs. HomeBASE provides up to $10,000 in eligible rehousing expenses over a 12-month period.
Minnesota	*Transitional Housing Program* - Provides support to agencies that provide housing and supportive services for homeless individuals and families. The agencies provide case management and rental assistance in the form of tenant or project-based assistance to people who are homeless. Funding can also be used for an agency's operating and service costs. Assistance is limited to 24 months and has no income restrictions.
Mississippi	*Creating Housing Options in Communities for Everyone (CHOICE)* - The program provides assistance to individuals being discharged from a state psychiatric hospital after a stay of more than 90 days. It also assists individuals with intellectual disabilities leaving a nursing facility or intermediate care facility after a stay of more than 90 days.
New Hampshire	*Homeless Housing and Access Revolving Loan Fund* - Loans for first month rent and security deposit for homeless individuals. Participants must be residing in a shelter. Repayment shall commence no later than 120 days after the loan is disbursed.
New Mexico	*Crisis Housing Program* - Provides temporary, transitional housing for persons with serious mental illness being discharged from psychiatric centers, hospitals, jails, or other institutional settings who would otherwise be homeless. The program offers a 120-day maximum stay in short-term housing with support services.

North Dakota	*North Dakota Homeless Grant* - Provides financial assistance to facilities and programs within North Dakota to identify sheltered and unsheltered homeless persons at risk of homelessness. Grants help fund the services necessary to help those persons experiencing a housing crisis regain stability in permanent housing.
Oregon	*Emergency Housing Assistance (EHA)* - EHA funds are designed to prevent and reduce homelessness. Eligible uses are street outreach, homelessness prevention, rapid re-housing, emergency, and transitional shelter, supportive in-home services, data collection, and community capacity building.
Pennsylvania	*Nursing Home Transition (NHT) Tenant-Based Rental Assistance* – Provides housing funds for people transitioning out of institutional housing. The NHT Program was developed to assist individuals who want to move from a nursing facility back to a home of their choice in the community.
Rhode Island	*The State Rental Assistance Program* – Provides funding to help the chronically homeless achieve housing stability. The primary goal is to address the barriers and challenges that cause individuals and families to be chronically homeless while also working to stabilize program participants in housing through the provision of wraparound services after the family or individual obtains housing.
Tennessee	T*he Inpatient Targeted Transitional* – Provides funding to assist persons awaiting discharge from regional mental health institutes. The program gives temporary financial assistance for up to 6 months of rental and utility payments, transportation, medication co-pay, etc.
Vermont	*Vermont Rental Subsidy Program* – Provides funds for a state-funded rapid rehousing initiative providing rental assistance to households experiencing homelessness whose monthly income would otherwise be insufficient to afford a rental unit.

Source: National Low-Income Housing Coalition

State Housing Trusts

Forty-seven states and the District of Columbia have at least one state housing trust fund, which provides a dedicated revenue source for affordable housing. In total, these housing trust funds had $2.3 billion in 2022, effectively leveraging funds to increase the supply of affordable housing. While there are hundreds of local housing trust funds (that work in partnership with national and state housing trust funds), this section discusses state-level housing trust funds.

Trust funds typically fund the preservation and building of low-income and affordable units. To receive aid, most projects must provide a certain amount of housing for people earning 80%, 50%, or 30% of AMI. Typically, the fund provides rental assistance or loans for disabled persons and the elderly. Some states allow low-income renters to apply for assistance directly through the housing trust fund, although this is rare.

State housing trust funds have multiple revenue sources and a variety of funding structures.[5] Some are self-sustaining and do not require regular state government allocations. Others receive annual funding from their state legislature. The size and scope of most housing trust funds reflect the state's affordable housing need. Most have a dedicated funding source (such as a tax or fee) that provides the fund's annual allocation. The two most popular dedicated funding sources for state housing trusts are a document recording fee and the real estate transfer tax. A document recording fee is usually $80 to $100 and paid at the time of sale. A real estate transfer tax can be a flat fee or an ad valorem tax (based on value) up to 2% of the cost of the home. Interest on real estate escrow accounts also provides funding for some trusts. These funding sources, along with federal funds and payments on current loans, make up the budget for most states' housing trusts.

Olene Walker Housing Loan Fund (OWHLF)

Utah's state housing trust fund, the Olene Walker Housing Loan Fund, was established in 1995 and reclassified as a loan fund in 2001. In 2003, the Legislature allowed the fund to provide loans and grants to develop affordable housing. OWHLF funds four programs: (1) the multifamily program, (2) the Single-Family Rehabilitation & Reconstruction Program, (3) the Home Choice program (for individuals with disabilities), and (4) individual development accounts.[6] Annually, 15% of allocated federal HOME funds must be set-aside for community housing development organizations (CHDO).

Table 9: Annual State General Fund Appropriations for the Olene Walker Housing Loan Fund, 1995-2023

Year	State Funding	Year	State Funding
1995	$ 2,400,000	2010	$ 2,295,700
1996	$ 2,500,000	2011	$ 2,242,900
1997	$ 3,500,000	2012	$ 2,242,900
1998	$ 2,250,000	2013	$ 2,242,900
1999	$ 2,500,000	2014	$ 2,242,900
2000	$ 1,500,000	2015	$ 2,242,900
2001	$ 2,000,000	2016	$ 3,242,900
2002	$ 2,313,000	2017	$ 2,242,900
2003	$ 2,525,000	2018	$ 4,803,900
2004	$ 2,084,500	2019	$ 2,242,900
2005	$ 2,284,500	2020	$ 2,242,900
2006	$ 2,836,400	2021	$ 2,242,900
2007	$ 3,286,400	2022	$ 2,242,900
2008	$ 2,736,400	2023	$ 2,242,900
2009	$ 3,246,400		

Source: Olene Walker Housing Loan Fund

OWHLF receives funding from state general revenue, the federal HOME Investment Partnerships Program, the federal National Housing Trust Fund (HTF), and payments on outstanding loans. Since 2010, the state appropriates about $2.2 million annually from the General Fund (Table 9). Each year the fund typically receives another $3 million to $5 million in non-state-funded support. OWHLF reports that each dollar spent in 2021 was leveraged to $31.38. Over the last 27 years, 24,561 affordable units have been funded by OWHLF.

In 2020 and 2021 (during the COVID-19 pandemic), Utah received federal money from the CARES Act to support the homeless population. The OWHLF received $13 million of CARES Act funding in 2020 and 2021 and received another $44.6 million from the American Rescue Plan in 2022.

A Comparison of State Trust Funds

Utah ranks 21st among the 24 states with publicly available data on state funded housing trusts (Table 10). Fifteen of the state housing trust funds rely on a document recording fee, 11 on a real estate transfer tax, and five on a real estate escrow tax. Of the funds with publicly available data, the vast majority received more state funding than the OWHLF in 2022, although it should be noted that many of these states also have larger populations. The amount of state funding in the 24 state trusts was disaggregated from other sources of revenue, then compared and ranked on a state-by-state basis (Table 10). Sixteen additional states have trust funds, but the amount of state funding could not be determined due to the combining of funds with other sources of revenue (Table 11).

While Utah does not have the same scale of affordable housing needs as larger states, most other states have additional programs beyond their housing trust fund to provide low-income housing. Until recently, Utah relied on the OWHLF to provide most of the state-funded affordable housing assistance. Starting in 2017, however, the Utah State Legislature appropriated over $100 million in assistance to homeless programs and $56.5 million to the Utah Housing Preservation Fund (a large share of this recent funding, particularly for homeless programs, were federal dollars provided by the CARES Act and the American Rescue Plan).

Real Estate Transfer Tax

Many states use a real estate transfer tax as a source of ongoing revenue for their housing trust funds. The tax is imposed on the sale of residential and commercial property and is equivalent to a sales tax on the transfer of a property's title and deed. The seller officially pays the tax in several states but that is negotiable and may differ from who bears the economic burden of the tax. Thirty-five states have a real estate transfer tax (Figure 6). The average transfer tax rate is 0.004% (Table 12).

Table 10: State Funding Levels for Housing Trust Funds, 2022

State	Funding Source	State Funding
New York	General Fund	$194,751,071
Florida	Documentary stamp taxes	$62,500,000
Pennsylvania	Realty transfer tax, document recording fees	$39,123,701
Louisiana	Initial surplus funds	$20,123,000
Delaware	Document recording fees, General Fund	$18,000,000
Maine	Real estate transfer tax	$13,260,000
Illinois	Real estate transfer tax	$11,584,000
Connecticut	Document recording fees	$10,909,733
Vermont	Real estate transfer tax	$10,800,000
Nevada	Real estate transfer tax	$10,404,597
Iowa	Real estate transfer tax	$9,434,060
New Mexico	2.5% of annual severance tax bond capacity	$9,000,000
Arizona	State Unclaimed Property Fund	$6,000,000
South Dakota	Corporate excise tax	$5,394,456
Kentucky	Document recording fees	$5,084,000
New Hampshire	Other	$5,000,000
Texas	General Revenue	$4,736,262
Missouri	Document recording fees	$4,093,799
Georgia	General Fund	$2,962,892
Indiana	Program income, smokeless tobacco tax	$2,648,305
Utah	**General Fund**	**$2,242,900**
Kansas	Bond and fee revenues	$2,000,000
Maryland	Interest on title escrow accounts	$1,984,396
Wisconsin	Interest on real estate escrow account	$250,000

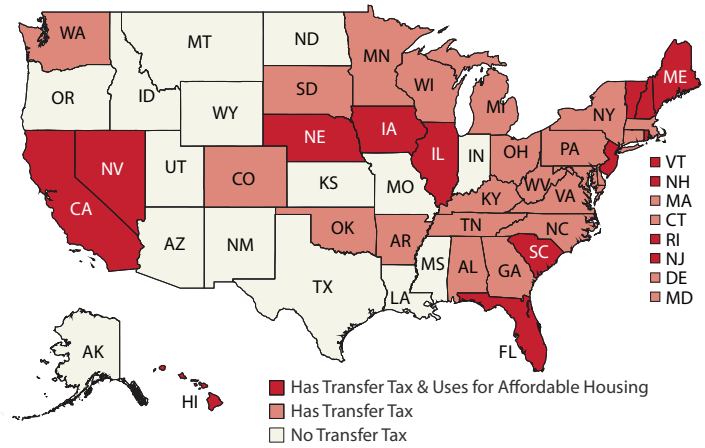
Source: Kem C. Gardner Policy Institute survey of states

Table 11: States with Trust Funds but Undetermined State Funding, as of 2022

State	Funding Source
California	Document filing fees
Colorado	Vendor fees
Hawaii	Real estate conveyance tax
Massachusetts	G.O. bonds, document recording fees
Michigan	General Fund
Minnesota	Interest on real estate escrow
Nebraska	Documentary stamp taxes
New Jersey	Realty transfer tax
North Carolina	General Fund
North Dakota	Tax credit contributions
Ohio	Document recording fees
Oklahoma	Initial capitalization appropriations
Oregon	Public purpose funds, interest, and fees
Tennessee	Tennessee housing development authority funds
Virginia	General Fund
Washington	Interest on escrow accounts, document recording fees

Source: Kem C. Gardner Policy Institute survey of states

Figure 6: States with Real Estate Transfer Tax, as of 2020



Source: National Low Income Housing Coalition

Table 12: State Real Estate Transfer Tax Rates, 2020

State	Tax Rate
Alabama	0.0010%
Arkansas	0.0033%
California (local)	0.0011%
Colorado	0.0001%
Connecticut	0.0075%
Delaware	0.0300%
Florida	0.0070%
Georgia	0.0010%
Hawaii	0.0020%
Illinois	0.0010%
Iowa	0.0016%
Kentucky	0.0010%
Maine	0.0044%
Maryland	0.0050%
Massachusetts	0.0046%
Michigan	0.0075%
Minnesota	0.0033%
Nebraska	0.0023%

State	Tax Rate
Nevada	0.0026%
New Hampshire	0.0150%
New Jersey	0.0025%
New York	0.0040%
North Carolina	0.0020%
Ohio	0.0010%
Oklahoma	0.0015%
Pennsylvania	0.0100%
Rhode Island	0.0046%
South Carolina	0.0037%
South Dakota	0.0010%
Tennessee	0.0037%
Virginia	0.0025%
Washington	0.0128%
West Virginia	0.0033%
Wisconsin	0.0030%
Average	**0.0040%**

Source: Lincoln Institute of Land Policy, Significant Features of the Property Tax. Available from https://www.lincolninst.edu/real-estate-transfer-charge/state-transfer-tax-wisconsin-2020

An Example of a Utah Residential Real Estate Transfer Tax

In 2022, the total value of residential real estate sales in Utah was nearly $25 billion; 40,639 sales transactions with an average price of $614,248.[11] At four-tenths of one percent (the average of the 12 states that allocate funds to affordable housing programs), a Utah transfer tax would generate $100 million in revenue, while a rate of one-tenth of one percent rate would raise about $25 million in funding. At one-tenth of one percent, the average transfer tax would cost $614 per transaction, less than the sales tax on a new car.

A portion of real estate transfer tax revenue is often allocated to the county administering and collecting the tax. Use of the revenue varies widely, from allocation to the state general fund to conservation, land preservation, public infrastructure, education, and housing trust funds. Twelve of the 35 states listed in Table 13 allocate a portion of the transfer tax revenue to affordable housing programs (state names are bolded).

As noted above, the Utah Legislature passed a joint resolution in 2023 to amend the Utah Constitution. The proposed amendment would prohibit a transfer tax on real estate. The resolution passed the Legislature with a two-thirds majority and will now be on the November 2024 general election ballot. If a majority of voters approve the amendment, the Utah Constitution will prohibit a transfer tax on real estate.

Table 13: Revenue Allocation of Real Estate Transfer Taxes by State, 2020

(States in bold allocate at least some of the tax revenue to affordable housing)

State	Revenue Allocation
Alabama	Allocated to county and state treasury.
Arkansas	Allocated for open space, recreation, and preservation, Arkansas Natural and Cultural Resource Grants and Trust Fund.
California	Fifty percent of revenue goes to local governments to update planning documents and zoning ordinances and 50% to support of homeless programs.
Colorado	Allocated to the county treasurer to defray costs incurred for filing, recording, and releasing title or lien to real property.
Connecticut	Revenue split between county (general revenue) and state (General Fund).
Delaware	Seventy-five percent of revenue to the state Division of Revenue and 25% to the state treasurer to be allocated to municipalities and counties where transfers occur.
Florida	Allocated to Land Acquisition Trust Fund, State Transportation Trust Fund, Grants and Donations Trust Fund, and state and local housing trust fund for Florida Affordable Housing Guarantee Program.
Georgia	Allocated proportionally, based on millage rate, to the state and other tax jurisdictions.
Hawaii	Ten percent Land Conservation Fund, 50% or $38 million, whichever is less, into Rental Housing Revolving Fund, and the remainder to the General Fund.
Illinois	Fifty percent to the Illinois Affordable Housing Trust Fund, 35% to the Open Space Lands Acquisition and Development Fund and 15% to the Natural Areas Acquisition Fund.
Iowa	States portion is allocated at 65% to the State General Fund, 30% to the Housing Trust Fund, and 5% to the Shelter Assistance Fund.
Kentucky	Allocated to county General Fund.
Maine	Allocated to the General Fund, Maine's Housing Opportunities for Maine Fund, and 10% to the county for services in collecting the tax.
Maryland	Allocated to the General Fund.
Massachusetts	Allocated to the state (General Fund) and county where property transfer occurs.
Michigan	Allocated to State School Aid Fund.
Minnesota	Allocated to State General Fund after deduction for counties cost of administration and collection.
Nebraska	Twenty-two percent was allocated to the transferring county, 42% to Affordable Housing Trust Fund, 11% to the Site and Development Fund, 11% to Homeless Shelter Assistance Trust Fund, and 14% to Behavioral Health Services Fund.
Nevada	State portion allocated to the General Fund. County and city portions are allocated for the development of affordable housing.
New Hampshire	One-third of transfer tax revenue is allocated to the State Education Trust Fund. Law requires the state treasurer to transfer the sum of $5,000,000 from the transfer tax revenue to the Affordable Housing Fund.
New Jersey	Allocated to the county to cover the cost of collection and administration, the remainder goes to Shore Protection Fund, Highlands Protection Fund, Neighborhood Preservation Fund, and State General Fund.
New York	First $119 million of revenue deposited in the Environmental Protection Fund, the remaining revenue in the Clean Water/Clean Air Fund.
North Carolina	State and county each receive 50% of revenue from the transfer tax. State share goes to the State General Fund.
Ohio	Revenue retained by counties.
Oklahoma	County retains revenue for the county's Common School Fund.
Pennsylvania	Allocated to the State General Fund, 15% of the allocation goes to the Keystone Recreation, Park, and Conservation Fund.
Rhode Island	Thirteen percent of revenue is allocated to State Distressed Community Relief Fund, 13% Housing Resources Commission, 26% to the state, and 48% kept by counties.
South Carolina	Eight percent allocated to the Heritage Land Trust Fund, 16% to Housing Trust Fund, and the remaining revenue to the General Fund.
South Dakota	Allocated to county General Funds.
Tennessee	Allocated to county and state land acquisition funds, historical places, state parks, Civil War preservation sites, and abatement of pollution from agricultural activities.
Vermont	First $2.5 million allocated to Vermont Housing Finance Agency to be used for affordable housing. The remaining revenue is allocated to state's General Fund, county, and Vermont Housing and Conservation Trust Fund.
Virginia	Allocated to the following: Interstate 73 Corridor Development Fund, transportation fund, Washington Metropolitan Transit Authority, county and city transportation funds, and public education.
Washington	Seventeen percent allocated to Education Legacy Trust Account, small amount to cities and counties for administration and collection, and 80% to the General Fund.
West Virginia	Allocated to the General Fund.
Wisconsin	Twenty percent is allocated to counties and 80% to State General Fund.

Bold: States that allocate a portion of the transfer tax revenue to affordable housing programs.

Source: Lincoln Institute of Land Policy

State Tax Credit Programs

Utah's State Tax Credit Program

State tax credits provide an important source of funding for the development of low-income rental housing. In 2022, 25 states had tax credit programs, and another five states have tax credit programs pending (Figure 7). In the 2005 General Session, the Utah Legislature passed H.B. 170 "Extension of Utah Low-Income Housing Tax Credits", making Utah an early state in offering state tax credits. Since 2005, state tax credits have been used in 147 low-income rental housing projects, helping to finance 8,006 affordable rental units with nearly $26 million in tax credits.[7]

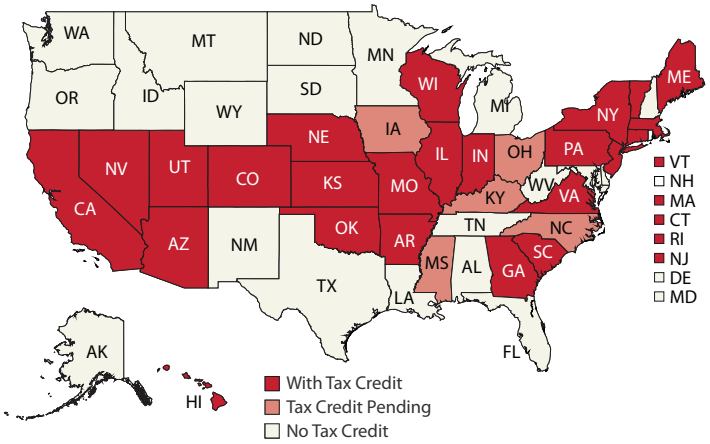
The state credit program is administered by the Utah Housing Corporation (UHC), a quasi-public corporation created in 1975 by the Utah Legislature to assist in financing affordable housing (owner and rental units) for low- and moderate-income households. UHC creates the criteria for state credit awards and has the authority to determine eligible activities, affordability requirements, and most features of the state credit program.

In concept, state credits for low-income rental housing mirror the federal tax credit program. Generally, state tax credits, like federal credits, are sold by the developer to raise equity, reducing the project's financing costs. However, since state tax credits issued in Utah can only be used against state tax liability, the credits sell for less, currently about 65 cents compared to 97 cents for federal credits.[8]

Additional features of Utah's state tax credit program include:

- State tax credits can be used for new construction, rehabilitation, and preservation.
- Additional credits are awarded to projects that have up to 10 units reserved for extremely low-income renters (≤30% AMI).

Figure 7: States with State Tax Credits for Low-Income Housing, as of 2022



Source: Novogradac

- In the past, the annual ceiling of available tax credits each year was determined by multiplying the state's population by 34.5 cents. Using this formula, the ceiling of available credits was $1.1 million in 2021. In 2023, however, the Utah Legislature approved an expansion of the state tax credit program to $10 million annually from 2023 to 2029. The annual ceiling of tax credits is divided into two pools; Pool I receives 37% of the available credits and Pool II receives 63%. Pool II's credits are set aside for permanent supportive housing projects.[9] In the case of permanent supportive housing, the credits can be used for services.
- Most often, state credits are used to reduce individual income tax, corporate franchise, or income taxes.
- State tax credits are only awarded to low-income housing projects that have received federal tax credits.

Comparison of State Programs

In 2021, 25 states issued state tax credits for the development of low-income housing (Table 14). The first state to pass enabling legislation was California in 1988. As noted, Utah passed enabling legislation in 2005. The popularity of state programs has increased in recent years with the addition of nine states since 2017. An additional five states have made proposals to their legislatures. Most state credit programs allow credit for both 4% and 9% tax credit projects.[10]

Utah's state credit program has a credit period of 10 years (i.e., the owner of the credits can use the credits against their state tax liability over a 10-year period). Therefore, the tax credits available in Utah in 2021 of about $1.1 million accrue to $11 million in credit over the 10-year period. Ten of the 25 states have adopted the 10-year credit period. Four states allow only a one-year credit period.

Although Utah's state tax credit program has been effective in terms of providing incentives for the development of affordable units for extremely low-income renters, the 2020 funding level of $1.1 million ranked near the bottom among the 25 states with state tax credit programs (Table 15). That said, the Utah Legislature passed several housing-related bills and provided significant funding for housing programs during the 2023 legislative session, including expanding the state tax credit program.

Table 14: Selected Features of State Tax Credit Programs, as of 2021

State	Tax Credits Available in 2020	Credit Period	Type of Credit*	Yr. Established
Arizona	$4,000,000	10 years	4%, 9%	2021
Arkansas	$250,000	6 years	4%, 9%	1997
California	$500,000,000	4 years	4%, 9%	1987
Colorado	$10,000,000	6 years	4%, 9%	2013
Connecticut	$10,000,000	10 years	4%, 9%	1988
Georgia	Automatic match to federal credit up to $29,700,000	10 years	4%, 9%	2001
Hawaii	$4,000,000	5 years	4%, 9%	2011
Illinois	$23,620,968	1 year	4%, 9%	2001
Indiana	$30,000,000 cap starting in 2023	5 years	4%	2022
Iowa	pending	pending	pending	pending
Kansas	Equal to the federal low-income housing tax credit (LIHTC) amount	10 years	4%, 9%	2006
Kentucky	pending	pending		pending
Maine	$10,000,000	1 year	4%, 9%	2020
Massachusetts	$40,000,000	5 years	4%, 9%	2004
Mississippi	pending	pending	pending	pending
Missouri	50% of the federal LIHTC amount	10 years	4%, 9%	1997
Nebraska	$8,000,000	6 years	4%, 9%	2016
Nevada	$10,000,000	1 year	9%	2019
New Jersey	Amount not reported	TBD	TBD	2021
New Mexico	$4,000,000	5 years	4%, 9%	2006
New York	$8,000,000	10 years	4%, 9%	NA
North Carolina	pending	pending	pending	pending
Ohio	pending	pending	pending	pending
Oklahoma	$4,000,000	10 years	4%, 9%	2014
Pennsylvania	$10,000,000	10 years	NA	2019
South Carolina	Amount not reported	10 years	4%	2020
Utah	**$1,121,250**	**10 years**	**4%, 9%**	**2005**
Vermont	$4,000,000	5 years	4%, 9%	2000
Virginia	$60,000,000	1 year	4%, 9%	2021
Wisconsin	$42,000,000	6 years	4%	2017

*The 4% and 9% low-income housing tax credit programs provide, respectively, 30% and 70% project subsidies for approved low-income projects. The subsidy is derived from the sale by the developer of tax credits. While the program provides a significant subsidy to the developer, the developer gives up significant future rental revenue due to the restricted low rental rates.
Source: State websites and Novogradac

Table 15: State Tax Credits Available, 2021

State	Tax Credits Available
California	$500,000,000
Virginia	$60,000,000
Wisconsin	$42,000,000
Massachusetts	$40,000,000
Indiana	$30,000,000
Georgia	$29,700,000
Illinois	$23,620,968
Colorado	$10,000,000
Connecticut	$10,000,000

State	Tax Credits Available
Maine	$10,000,000
Nevada	$10,000,000
Pennsylvania	$10,000,000
Nebraska	$8,000,000
New York	$8,000,000
Arizona	$4,000,000
Hawaii	$4,000,000
New Mexico	$4,000,000
Oklahoma	$4,000,000

State	Tax Credits Available
Vermont	$4,000,000
Utah	**$1,100,000**
Arkansas	$250,000
Kansas	Equal to the federal LIHTC amount
Missouri	50% of the federal LIHTC amount
New Jersey	TBD
South Carolina	TBD

State	Tax Credits Available
Iowa	pending
Kentucky	pending
North Carolina	pending
Ohio	pending

Source: State websites and Novogradac

State Eviction Laws and Policies

Utah's rental housing market has one of the lowest eviction rates in the nation. According to Princeton's Eviction Lab, Utah's eviction rate was 0.9% in 2019 (about 2,700 renters). Of the 47 states reporting eviction data, Utah ranked 38th (Table 16). The eviction rate is calculated by dividing the number of judgments against renters by the total number of renters. Often the eviction process is terminated as the parties resolve the dispute. In that case, no judgment or eviction is reported, only the filing of an eviction is reported. In terms of filings, Utah ranked 38th of the 47 states with a 2.2% rate, or about 6,600 renters (Table 17).

The Rental Housing Association of Utah collects and publishes monthly eviction court filings for the state. Prior to the COVID-19 pandemic, eviction filings in Utah were around 7,000 annually (Table 18). During the pandemic, the rate of filings dropped by more the 30% to around 4,000. The decline was partly due to the CARES Act and the American Rescue Plan, which established eviction moratoriums, rental assistance, and other financial assistance to households. However, as the level of federal assistance phased down, eviction filings increased again in 2022.

While eviction filings increased in 2022, they remain below pre-pandemic levels. Without ongoing federal assistance, it is difficult to predict what will happen to eviction filings in Utah in the future. As rent continues to increase, renters may need to commit more of their income to housing.

Utah's Eviction Process

If a tenant does not pay rent when due, Utah landlords can give written notification that the tenant must pay rent within three business days, or vacate the property. If the tenant does not comply with the notification by either paying or moving in three business days, the landlord can file an eviction. The landlord serves notice of the eviction filing along with a summons that requires the tenant to file an answer within three business days. If the tenant files an answer, then the court schedules a hearing date. Utah law requires a renter who does not pay or move within the three-day notice to pay treble (that is, triple) damages for each day he/she remains in the unit. The tenant is also responsible for any back rent owed as well as attorney's fees and collection costs incurred during the eviction process. According to the Utah Bar Foundation, Utah is the only state to combine a three-day notice period with treble damages.

The Utah Office of Homeless Services currently participates in funding eviction prevention through rapid rehousing and homelessness prevention programs. Using a combination of federal and state funding, these programs can provide short-term and medium-term rental assistance and pay rental arrears. Utah also has three funded eviction prevention specialists who help renters by providing them with funds to pay amounts owed and settle evictions. Utah Community Action administers and operates this program.

Other non-governmental organizations, such as The Church of Jesus Christ of Latter-day Saints, also provide assistance for families facing housing insecurity and eviction. A philanthropic safety net, coupled with Utah's strong economy and low unemployment rate, could contribute to Utah's low eviction rate.

Several states implemented additional eviction laws and policies to assist renters as a result of the COVID-19 pandemic. Table 19 outlines some of the different measures states have taken since March 2020 to keep people housed. Some of these measures are set to expire while many will be extended or made permanent fixtures of the state's eviction policy.

The Utah Legislature passed H.B. 359 "Eviction Records Amendments" in the 2022 General Session. This bill streamlines the expungement process, allowing a former tenant to have their eviction case sealed by the courts provided the balance due has been paid and the landlord doesn't object to the expungement. Many landlords and collections attorneys actively use the expungement option to encourage renters to settle their debt and remove the eviction from their record. This bill is meant to restore a tenant's rental record and allow renters to find housing following a non-payment eviction.

Other states intervene before the ruling of an eviction case or even before the case appears in court. For example, some states put a stay on eviction proceedings if the tenant applies for rental assistance through the state. Illinois and Texas require that information regarding the eviction be given to tenants in plain language when they are presented with an eviction filing. Connecticut and California have established legal defense funds to provide tenants with professional legal assistance, as opposed to relying on pro bono work or navigating the process on their own.

Eviction filings and judgments are sometimes used as indicators of rental market conditions (e.g., a low eviction rate suggests a low level of housing instability). However, it is important to remember that eviction data, on their own, do not capture the housing instability 40,000 Utah renter households live with due to severe housing cost burdens.

Table 16: States Ranked by Eviction Rate, 2019

State	Eviction Rate (2019)	Days until Eviction Notice	Days until Summons	Late Fee Limits	Legal Assistance
Alaska	N/A	7	2	None	No
Arkansas	N/A	3	N/A	None	No
North Dakota	N/A	3	3	None	No
South Carolina	8.9%	5	N/A	None	No
Delaware	5.1%	5	5	5% of monthly rent	No
Virginia	5.1%	14	10	10% of rent due	No
Georgia	4.7%	N/A	N/A	None	No
North Carolina	4.6%	10	2	5% of monthly rent	No
Oklahoma	4.2%	5	5	None	No
Indiana	4.1%	10	5	None	No
Mississippi	4.0%	3	5	None	No
Arizona	3.9%	5	2	Reasonable Amount	No
Maryland	3.6%	10	N/A	5% of rent due	Yes
Ohio	3.5%	3	7	None	No
West Virginia	3.5%	N/A	10	None	No
Nevada	3.4%	7	10	5% of monthly rent	No
Michigan	3.3%	7	3	None	No
New Mexico	3.2%	3	7	10% of monthly rent	No
Rhode Island	3.1%	5	5	None	No
Connecticut	3.0%	3	N/A	None	Yes
Kentucky	2.9%	7	3	None	No
Missouri	2.9%	10	4	None	No
Colorado	2.8%	10	7	5% of rent due	No
Tennessee	2.8%	14	6	10% of rent due	No
District of Columbia	2.6%	30	7	5% of monthly rent	No
Louisiana	2.6%	5	3	None	No
Florida	2.5%	3	5	None	No
Kansas	2.3%	3	N/A	None	No
Maine	2.3%	7	7	4% of monthly rent	No
Nebraska	2.2%	7	10	None	No
New York	2.2%	14	10	5% of monthly rent	No
Texas	2.2%	3	5	10% of monthly rent	No
Iowa	2.0%	3	3	$60/$100	No
Wisconsin	1.9%	5	5	Specified in lease	No
Alabama	1.8%	7	N/A	None	No
Pennsylvania	1.8%	10	7	None	No
New Hampshire	1.7%	7	N/A	None	No
Illinois	1.6%	5	10	None	No
Massachusetts	1.5%	28	7	None	No
Oregon	1.1%	10	7	5% of monthly rent	No
Montana	0.9%	3	N/A	None	No
Utah	**0.9%**	**3**	**3**	**None**	**No**
Wyoming	0.9%	3	3	None	No
California	0.8%	3	N/A	None	No
Washington	0.8%	14	60	No late fees	Yes
Idaho	0.6%	3	5	None	No
Minnesota	0.6%	Not Required	7	8% of rent due	No
South Dakota	0.5%	3	4	None	No
Hawaii	0.4%	5	N/A	8% of rent due	No
Vermont	0.1%	14	10	None	No
New Jersey	0.0%	Not Required	N/A	None	No

Source: Law Atlas Policy Surveillance Program, Eviction Lab

Table 17: Eviction Filings by State, 2019

State	Eviction Filing Rate
Maryland	69.6%
South Carolina	23.3%
Georgia	18.8%
District of Columbia	17.2%
Michigan	16.6%
Delaware	15.9%
Virginia	14.9%
Mississippi	14.7%
New Jersey	12.1%
North Carolina	11.7%
New York	9.0%
Indiana	8.9%
Arizona	8.5%
Kentucky	7.6%
Pennsylvania	7.1%
Colorado	6.9%
Nevada	6.7%
Rhode Island	6.4%
Tennessee	6.4%
Texas	6.4%
Ohio	6.2%
New Mexico	6.1%
Oklahoma	5.8%
Missouri	5.7%
West Virginia	4.9%
Iowa	4.3%
New Hampshire	4.3%
Florida	4.1%
Connecticut	4.0%
Alabama	3.8%
Nebraska	3.6%
Wisconsin	3.6%
Massachusetts	3.5%
Kansas	3.2%
Illinois	2.9%
Oregon	2.9%
Maine	2.8%
Minnesota	2.8%
Alaska	2.5%
Idaho	2.5%
Louisiana	2.3%
California	2.2%
Utah	**2.2%**
Vermont	2.1%
Washington	1.5%
Wyoming	1.5%
Montana	1.3%
Hawaii	1.2%
Arkansas	1.1%
North Dakota	1.0%
South Dakota	0.7%

Source: Eviction Lab

Table 18: Monthly Eviction Filings in Utah, 2017-2022

Month	2017	2018	2019	2020	2021	2022
January	674	623	678	646	369	472
February	623	567	495	599	289	481
March	571	546	486	459	342	513
April	563	525	574	216	319	420
May	653	633	609	261	300	459
June	606	629	636	332	356	544
July	667	640	591	373	410	548
August	635	660	620	671	373	644
September	629	648	672	356	524	607
October	638	623	629	322	440	594
November	579	492	518	273	431	534
December	474	458	548	279	389	539
Average	609	587	588	399	379	530
Total	**7,312**	**7,044**	**7,056**	**4,787**	**4,542**	**6,355**

Source: Rental Housing Association

Table 19: Eviction-Related Legislation Passed in Response to COVID-19, as of 2022

State	Legislation
Arizona	Stay of evictions for 30 days if an application for rental assistance is underway and the landlord participates in Emergency Rental Assistance (ERA).
California	Eviction Legal Defense Fund provided.
Colorado	Requires tenant to be informed of legal aid assistance. 30 days stay of eviction with ERA application. Seals eviction record if the tenant prevails.
Connecticut	The landlord must apply for ERA and give a 30-day notice before filing. The Eviction Legal Defense Fund provides attorneys to low-income tenants.
Delaware	If an ERA application is submitted during the eviction process, the tenant is given conditional approval for ERA funds.
D.C.	Stays evictions for 60 days after ERA application.
Hawaii	Extended eviction period to 15 days, created more avenues for landlord-tenant mediation (set to expire by the end of 2022, may be extended).
Illinois	Requires eviction notices to give information to the tenant on court-based rental assistance.
Indiana	Established Pre-Eviction Diversion Program: if both parties agree, stays eviction for 90 days and seals eviction records.
Kentucky	Landlords accepting ERA money cannot evict for past due rent not covered by ERA and must give 30 days' notice before eviction (45 days after assistance concludes.)
Louisiana	ERA-participating landlords cannot evict until 60 days after assistance ends (only applies to COVID-related eviction filings.)
Maine	Must provide "plain language" notice with information on the eviction process, requesting mediation, and access to rental and legal assistance.
Maryland	Free legal counsel for evictions by 2025.
Massachusetts	Pauses eviction proceedings while ERA application in progress. Two-tier eviction process, 14 days for mediation, 14 after to start eviction proceedings.
Michigan	Pauses eviction proceedings if ERA application is submitted before or during pre-trial hearings; 30 days until proceedings continue.
Mississippi	Requires summons to provide reasons for eviction, able to pay back rent until the court date, must cease eviction proceedings if tenant applies for ERA.
Nebraska	Eviction notices must list statutory reasons and must make a diligent effort to inform tenants. Landlord and tenant have the opportunity to provide good cause continuance. State supreme court must report on evictions semiannually.
Nevada	Stay on eviction proceedings during ERA application. No late fee if rent is paid within three days of the due date.
New York	Increased housing voucher availability and covers 100% of fair market rent, established landlord rental assistance program to supplement NY Emergency Rental Assistance Program. Cannot evict for one year after ERA assistance.
North Carolina	Cannot evict until 60 days after the end of ERA assistance.
Oregon	60-day grace period after ERA application. Established Landlord Compensation Fund if ERA application denied.
Texas	Specific language to be included in citations. Housing advocates can help defendants in court. Tenants must be informed of rental assistance program. Evictions stay 60 days if the tenant applies for ERA.
Utah	**Can petition court to expunge eviction record.**
Washington	Fund established for eviction prevention and housing stability (approximately $150 million per year through a $100 document recording fee on real estate transactions).
West Virginia	Cannot evict until 30 days after the end of ERA assistance.

Source: National Low-Income Housing Coalition

Endnotes

1. U.S. Census Bureau, Median Household Income, Table B25119.
2. Downen, J. An Analysis of Labor Supply and Demand in Utah (2019). Fact Sheet. Kem C. Gardner Policy Institute.
3. More Housing Vouchers: Most Important Step to Help More People Afford Stable Homes (May 2021) Center on Budget and Policy Priorities.
4. HUD definition of homelessness.
5. Information on state housing trust funds come from state housing trust websites and interviews with officials.
6. State of Utah 2018-2019 Olene Walker Housing Loan Fund Program Guidance & Rules (26 November 2018) Utah Department of Workforce Services Housing & Community Development. Available from https://nlihc.org/sites/default/files/files/Utah%20Olene%20Walker%20Program%20Guidance.pdf
7. Utah Housing Corporation.
8. Recent experience of tax credit developers as referenced by Utah Housing Corporation.
9. Permanent Supportive Housing (PSH) combines rental assistance with support services, counseling, health care services, employment opportunities, etc. PSH generally targets households threatened by homelessness or who have been homeless.
10. The low-income housing tax credit (LIHTC) program, created in 1986 by U.S. Congressional Act, provides an indirect financial subsidy to developers of affordable rental housing. The amount of the tax credit created by the development of a new or the rehabilitation of an existing rental project is either 4% or 9% of the eligible basis of the project. Eligible basis costs include all the "hard" construction costs and most of the "soft" costs (e.g., architectural, engineering, market studies, fees, and contractor profit). Land, interest, insurance, and property taxes are excluded from the eligible basis. Hence, the tax credits issued on a $10 million, 9% LIHTC project, with an eligible basis of $9 million, is $810,000 in tax credit annually for ten years. The tax credits awarded to a project are generally sold by the developer to an investor (Goldman Sachs, Wells Fargo, American Express), who becomes a partner in the project. The proceeds from the sale of the tax credits become part of the developer's equity in the project, thus subsidizing the development of the affordable rental project. In Utah, projects receiving tax credits are required to maintain their affordability status for 50 years. Rents at tax credit projects are generally 10% to 20% below market rents, and tenants have incomes on average of about 43% AMI for 9% projects and closer to 60% AMI for 4% projects. The 35,000 tax credit units statewide account for about 11% of Utah's 333,000 renter-occupied units.
11. Derived from UtahRealEstate.com

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Housing Affordability: What Are Best Practices and Why Are They Important?

A survey of leading housing practitioners identified five "best practices" for meeting the housing affordability challenge in Utah. This study examines why these practices are "best practices," the implementation of the practice, and the outcomes produced.

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Housing Affordability: What Are Best Practices and Why Are They Important?

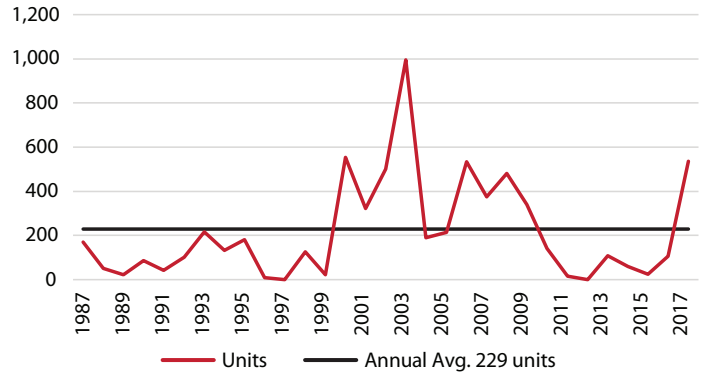
Analysis in Brief

Utah's housing shortage and escalating prices reflect local housing policies. To be sure, market conditions—land, labor, and material costs—affect housing production and prices, but these factors offer scant opportunity for policy intervention. The best chance to shrink the shortage and improve affordability depends on local policies and practices. This study identifies five best practices developed by local jurisdictions to improve housing affordability. They include practices targeted at redevelopment agencies (RDAs), transit-oriented developments (TODs), accessory dwelling units (ADUs), preservation of existing affordable units, and changes in land use.

Key Findings

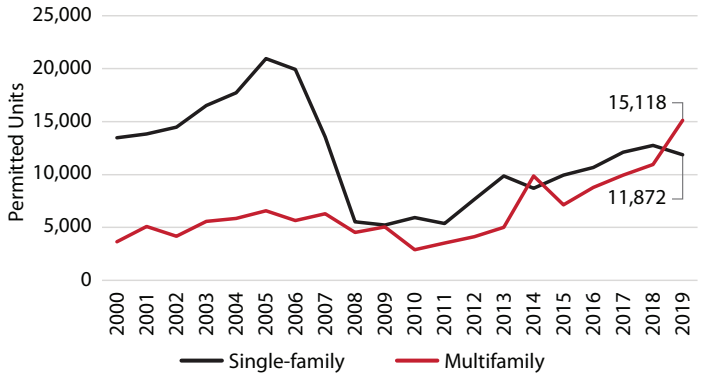
- **No Single Practice Answers the Growing Threat of Housing Affordability**—Addressing the housing crisis requires a multi-practice approach. Successful housing strategies involve a set of practices tailored to the city's political climate, development history, and socioeconomic conditions. While a city's housing practices are unique to that city's needs, there are a few universal elements for successful housing strategies: community outreach, commitment, and flexibility.
- **Success Is Measured in Small Increments**—By design and necessity, best practices often produce small, incremental outcomes. They are targeted at site-specific developments. For example, from 1987 to 2017, tax credits were used to preserve an average of 229 affordable rental units annually. While the annual average was incrementally small, the total number of units preserved over the 30-year period is 6,644 a sizeable share of Utah's affordable housing inventory.
- **Land Use Regulations Determine the Effectiveness of All Best Practices**—Land use regulations control what type of housing gets built, where it gets built, and its affordability. Without accommodative land use regulations, there is little chance a city's housing policies can influence prices, provide diverse housing types, or meet changes in homebuyers' preferences. Recently, housing preferences have moved toward multifamily housing (condominiums, twin homes, townhomes, and apartments). From 2000 to 2009, multifamily units accounted for only 27% of all new residential units in Utah, but from 2010 to 2019 the share of multifamily units increased to 44%, and in the last three years, it climbed to nearly 50%. Zoning ordinances, in many cities, do not reflect the shift in preferences to higher-density, more affordable housing. Zoning often lags changes in market preferences.
- **Leadership and Political Will**—Progress on the housing crisis needs continued state and civic leadership. Without it, today's children, Utah's next generation, will face an even greater scarcity of affordable housing and more burdensome housing prices.

Annual Preservation of Affordable Rental Units Using Tax Credits



Source: Utah Housing Corporation

Permits Issued for Single-Family and Multifamily Units in Utah



Source: Kem C. Gardner Policy Institute

Table of Contents

I. Zoning Changes and Housing Affordability 1
Background 1
Why Zoning Changes Are a Best Practice 1
Framework for Implementation 5
Examples of Best Practice 6

II. Preservation of Affordable Housing 8
Background 8
Why Preservation is a Best Practice 8
Framework for Implementation 10
Examples of Best Practice 10
Variations on a Theme 11

III. Redevelopment Agencies, Tax Increment Financing, and Housing Affordability 12
Background 12
Why Tax Increment Financing Is a Best Practice 12
Framework for Implementation 14
Examples of Best Practice 14

IV. Accessory Dwelling Units and Housing Affordability 16
Background 16
Why ADUs Are a Best Practice 16
Framework for Implementation 17
Examples of Best Practice 17

V. Transit-Oriented Development and Housing Affordability 19
Background 19
Why Transit-Oriented Developments Are a Best Practice 19
Framework for Implementation 20
Examples of Best Practice 20
Variations on a Theme 21

VI. Survey of Best Practices 22

VII. Examples of Best Practices Outside of Utah 23
A. Public Asset Management and Housing Affordability 23
B. Up-Zoning and Housing Affordability 24
C. Housing Affordability and Adaptive Reuse of Commercial for Residential 24
D. Housing Trust Funds and Affordable Housing 25
E. State Leadership and Housing Affordability 26

Other Local Studies on Housing Affordability 27

Figures
Figure I.1: Change in Housing Price Index by State 2
Figure I.2: Top 25 Metro Areas Ranked by Median Sales Price of Single-Family Homes, Q1 2020 3
Figure I.3: Market-Rate Apartment Projects Completed in Salt Lake County, 2000–2019 4
Figure I.4: Comparison of Form-Based Code to Conventional Zoning 7
Figure II.1: Acquisition and Rehabilitation of Rental Units Financed Through the Low-Income Housing Tax Credit 10
Figure IV.1: Different Ways to Integrate ADUs with Existing Housing 16
Figure IV.2: Permitted ADU Occupancy in Cities that Allow ADUs 18
Figure A.1: Copenhagen Mechanism for CPH City & Port Development 23

Tables
Table I.1: Utah Households for Selected Years, 2009–2025 . . 1
Table I.2: Permits Issued for Residential Units in Utah 2
Table I.3: Top Five Large Metropolitan Areas Ranked by Change in Price Index 2
Table I.4: Developed Residential Acreage by Type of Use, Salt Lake County, 2019 4
Table I.5: S.B. 34 Strategies Selected by Municipalities 6
Table II.1: Rental Properties at Risk of Opting Out, 2020–2025 8
Table II.2: Expiration Date and At-Risk Units in HUD Apartment Communities in Utah 8
Table II.3: Expiration Date of Low-Income Housing Tax Credit Projects in Utah, 2020–2025 9
Table II.4: Gap of Affordable and Available Rental Units for Renters at 0–50% AMI in Utah 9
Table II.5: Rental Rate Increase in Wasatch Front Counties, 2008–2019 10
Table II.6: Cities That Have Selected Preserving Existing Moderate-Income Housing as an S.B. 34 Strategy 11
Table II.7: Cities That Have Selected to Preserve Subsidized Low- to Moderate-Income Units on a Long-Term Basis as an S.B. 34 Strategy 11
Table III.1: Housing Units Facilitated by Tax Increment Financing in Selected Cities 12
Table III.2: Project Areas by Type in Cities and Counties, 2018 12
Table III.3: Project Areas by County and City 13
Table IV.1: Share of Attached Renter-Occupied Units in Single-Unit Structures for Cities with 20,000 or More Residents in Utah, 2014–2018 18
Table V.1: Market Rate Apartments Near UTA Rail Stations in Cities and Towns in Salt Lake County, 2018 . . 19
Table V.2: Low-Income Housing Tax Credit Units Near UTA Rail Stations in Cities and Towns in Salt Lake County, 2017 19
Table VI.1: Respondents to Best Practices Survey 22

I. Zoning Changes and Housing Affordability

Background

In 1908, Los Angeles became the first city to adopt a local zoning ordinance. It wasn't until 1925 that the Utah legislature passed the Municipal Land Use, Development, and Management Act. This enabling act allowed a city to "divide the territory over which it has jurisdiction into zoning districts to regulate and restrict the use of the land."[1] The enabling legislation provides the city the authority to control the land use and control what type of structures can be built, limit the size of structures, and, importantly, define the approval process required for new development. And beyond the broad fundamental authority given to cities, municipal zoning laws can also regulate dozens of related activities such as off-street parking, landscaping, setbacks, etc. Thus, the power to regulate and oversee development is vested in local authorities. The standardized language in Salt Lake County's municipal code sets out the purpose of zoning ordinances as "promoting the health, safety, morals, conveniences, order, prosperity and welfare of present and future inhabitants of Salt Lake County."[2]

Until recently, housing policy discussions rarely included much talk about zoning, except for the voices of ardent housing advocates. But Utah's extraordinary demographic and economic growth since 2010 has brought zoning to the forefront of housing policy discussions. Growth has led to a housing shortage, which has contributed to the rapid increases in housing prices and rents. According to the National Association of Realtors, the year-over median sales price of a home in the Salt Lake metropolitan area increased by 12.3% in the first quarter of 2020. The Salt Lake metropolitan area ranked 16th of 182 metropolitan areas surveyed for year-over price increase. Housing price increases were lower in 90% of the metropolitan areas surveyed. And rents across Wasatch Front counties have been increasing at 5% to 7% annually despite the addition of a record number of new apartment units. Consequently, attention by housing advocates, civic groups, and the business community has turned to factors restricting housing supply. One such factor is zoning, which allows municipalities to achieve valuable planning, aesthetic, and social goals, but can also contribute to the housing affordability problem.

For current residents, zoning is among the most popular of municipal regulations. Zoning ordinances, in all their complexity, reflect a bottom-up approach to governance. As city councils and planners respond to their constituents, zoning ordinances come to embody, in part, resident concerns, interests, and preferences. And a facet of land use regulation familiar to every developer is the opportunity for neighbors to express their views, in front of the city council and planning commission, on proposed new residential and commercial developments. While neighborhood participation has long been a feature of city council and planning commission meetings, social media have increased and intensified resident involvement in the approval process.

Researchers and academics have tried to measure zoning stringency and develop comparative city-to-city metrics without much success. The "typical" zoning ordinance escapes definition. There are too many qualifications and nuances to the ordinances. For example, the minimum lot size in a city can vary throughout zones in the city. Surveying planners about the typical minimum lot size turns out to produce a complicated answer.

Zoning ordinances are the dominant public policy in determining the character of a community's housing stock. The number, type, price, size, and location of housing units reflect the local zoning ordinances. As a best practice, zoning reform has the greatest potential of any practice to positively affect housing affordability.

Why Zoning Changes Are a Best Practice

- *Provide a Powerful Policy Tool to Increase the Supply of Housing*—Zoning ordinances, in no small measure, control the supply of housing through land use, density, design regulations. These regulations, more than any other local policies, govern the annual supply of single-family and multifamily housing. In recent years, the supply of housing has not met the demand. Since 2009, the number of Utah households has increased by 220,720, while the number of dwelling units has increased by 185,334, a shortfall of 30% (see Tables I.1 and I.2).[3] The housing shortage has driven-up housing prices and rents and created a serious housing affordability problem. The shortage has also excluded many from homeownership, added to substantial increases in doubling-up of households, delayed marriages, and discouraged young people from forming new households. Household projections from the Gardner Policy Institute show that the housing shortage and

Table I.1: Utah Households for Selected Years, 2009–2025

Year	Households
2009	864,771
2010	877,692
2019	1,085,491
2020	1,109,803
2025	1,247,948
2009–2019	220,720
2020–2025	**138,145**
Annual Avg.	**27,600**

Source: Kem C. Gardner Policy Institute

Table I.2: Permits Issued for Residential Units in Utah

Year	Permitted Dwelling Units
2009	10,597
2010	9,079
2011	9,083
2012	11,919
2013	15,008
2014	18,807
2015	17,287
2016	19,639
2017	22,374
2018	23,931
2019	27,610
Total	**185,334**

Source: Kem C. Gardner Policy Institute

its impacts will only worsen in the next five years, without the addition of at least 27,600 new housing units annually. Over the past five years, the number of new dwelling units in Utah has averaged 21,150 units, about 75% of the number required to meet the annual demand over the next five years.

- *Provide, Through Higher Density or Up-Zoning, a Counterweight to Housing Price Increases*—In a recent survey conducted for the Salt Lake Chamber, housing affordability topped the list of issues that most concerned Utah families, ahead of transportation, air quality, and education. Since 2015 the median sales price of a home in Salt Lake County has increased from $269,000 to $405,000. The monthly mortgage payment on the median-priced home has increased from $1,490 in 2015 to $2,110 in 2020. Another measure of price increase comes from the Federal Housing Finance Agency. Of the largest 100 metropolitan areas in the country, the Salt Lake metro area ranks fourth in housing price increase since 2015, and the state also ranks fourth behind Idaho, Washington, and Nevada (see Table I.3 and Figure I.1). This troubling price trajectory can't be tamped down without a larger supply of high-density housing. Several sources of housing prices show that the Salt Lake metropolitan area and Utah have not only rapidly *increasing* housing prices but also have among the highest housing prices in the country. Of 183 metropolitan areas surveyed by the National Association of Realtors, the Salt Lake metro area ranks 22nd highest, with a median home price of $372,100. Map 1.

- *Provide the Most Effective Policy Response to Changing Housing Preferences*—Single-family parcels account for nearly 90% of developed residential land in Salt Lake County. A high concentration of residential land zoned for single-family homes is typical in many urban areas.[4] But housing demand, due primarily to affordability issues and changing

Table I.3: Top Five Large Metropolitan Areas Ranked by Change in Price Index

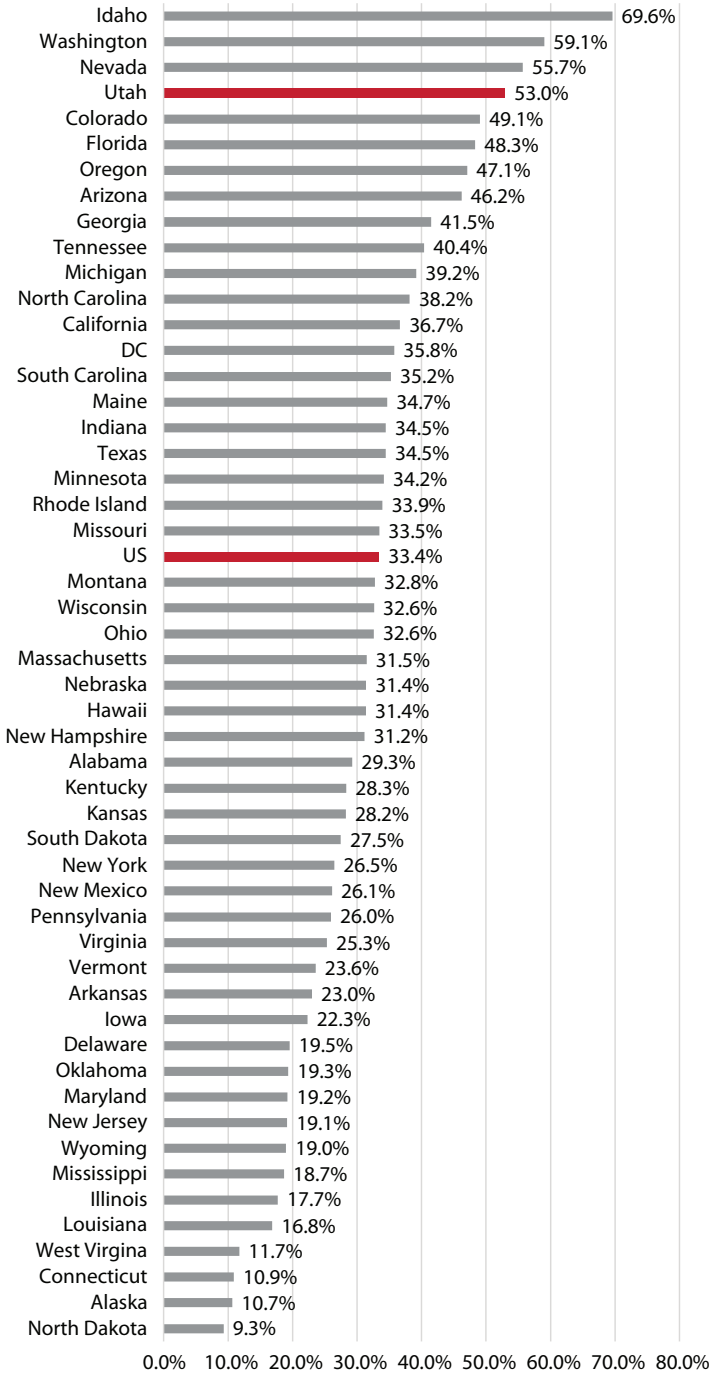
(First Quarter 2015 to First Quarter 2020)

Metropolitan Area	% Change
Boise, ID	84.1%
Seattle-Bellevue-Kent WS	58.9%
Tampa-St Petersburg-Clearwater FL	56.2%
Salt Lake, UT	55.1%
Las Vegas, NV	54.7%

Source: Price Changes in 100 Largest Metropolitan Areas, Federal Housing Finance Agency.

Figure I.1: Change in Housing Price Index by State

(First Quarter 2015 to First Quarter 2020)



Source: FHFA

Figure I.2: Top 25 Metro Areas Ranked by Median Sales Price of Single-Family Homes, Q1 2020

Area	Price	% Change YoY
Salem, OR	$331,400	13.4%
Colorado Springs, CO	$339,100	14.4%
Austin-Round Rock TX	$341,500	12.6%
Salt Lake City, UT	$372,100	12.3%
Miami-Fort Lauderdale-West Palm Beach FL	$375,000	7.1%
Newark NJ PA	$388,000	7.9%
Sacramento-Roseville-Arden Arcade, CA	$392,300	9.0%
Riverside-San Bernardino-Ontario, CA	$393,000	7.7%
Reno, NV	$407,600	7.7%
Portland-Vancouver-Hillsboro, OR, WA	$416,100	6.5%
New York-Newark- Jersey City, NY NJ	$420,300	6.0%
Barnstable Town, MA	$426,600	4.7%
Bridgeport-Stamford-Norwalk, CT	$432,100	7.7%

Area	Price	% Change YoY
Washington-Arlington-Alexandria, DC-VA-MD-WV	$438,900	4.5%
Denver-Aurora, CO	$473,800	6.1%
Naples-Immokalee-Marco Island, FL	$480,000	11.9%
Nassau County-Suffolk County NY	$487,700	2.8%
Boston-Cambridge-Newton, MA	$494,400	7.2%
Seattle-Tacoma-Bellevue, WA	$554,500	11.5%
Los Angeles-Long Beach-Glendale CA	$592,800	8.1%
San Diego-Carlsbad, CA	$670,000	8.1%
Honolulu, HI	$788,800	-0.7%
Anaheim-Santa Anna-Irvine, CA	$875,000	9.4%
San Francisco-Oakland-Hayward CA	$985,000	5.9%
San Jose-Sunnyvale-Santa Clara, CA	$1,350,000	10.7%

Source: National Association of Realtors

preferences, has shifted toward multifamily living (condominiums, townhomes, twin homes, and apartments). From 2000 to 2009, multifamily units accounted for only 27% of all new residential units in Utah, but from 2010 to 2019 the share of multifamily units increased to 44%, and in the last three years it climbed to 50%. Zoning ordinances in many cities lag market preferences. Some cities and states are addressing the issue of outdated zoning ordinances with aggressive responses. Oregon and Minneapolis have ended the single-family zone and allowed higher density development on formerly single-family parcels. Massachusetts, Maryland, Washington, Virginia, and Nebraska are also considering proposals to change the single-family zone. Without changes in zoning ordinances that allow more multifamily housing, little progress will be made on easing Utah's housing shortage and tempering the increase in housing prices and rental rates.

Developed residential acreage in Salt Lake County is heavily concentrated in single-family lots. High-density, multifamily acreage represents a little less than 10% of developed land (see Table I.4). To accommodate shifting preferences for affordable, high-density housing, the future share of developed multifamily acreage will likely increase.

Table I.4: Developed Residential Acreage by Type of Use, Salt Lake County, 2019

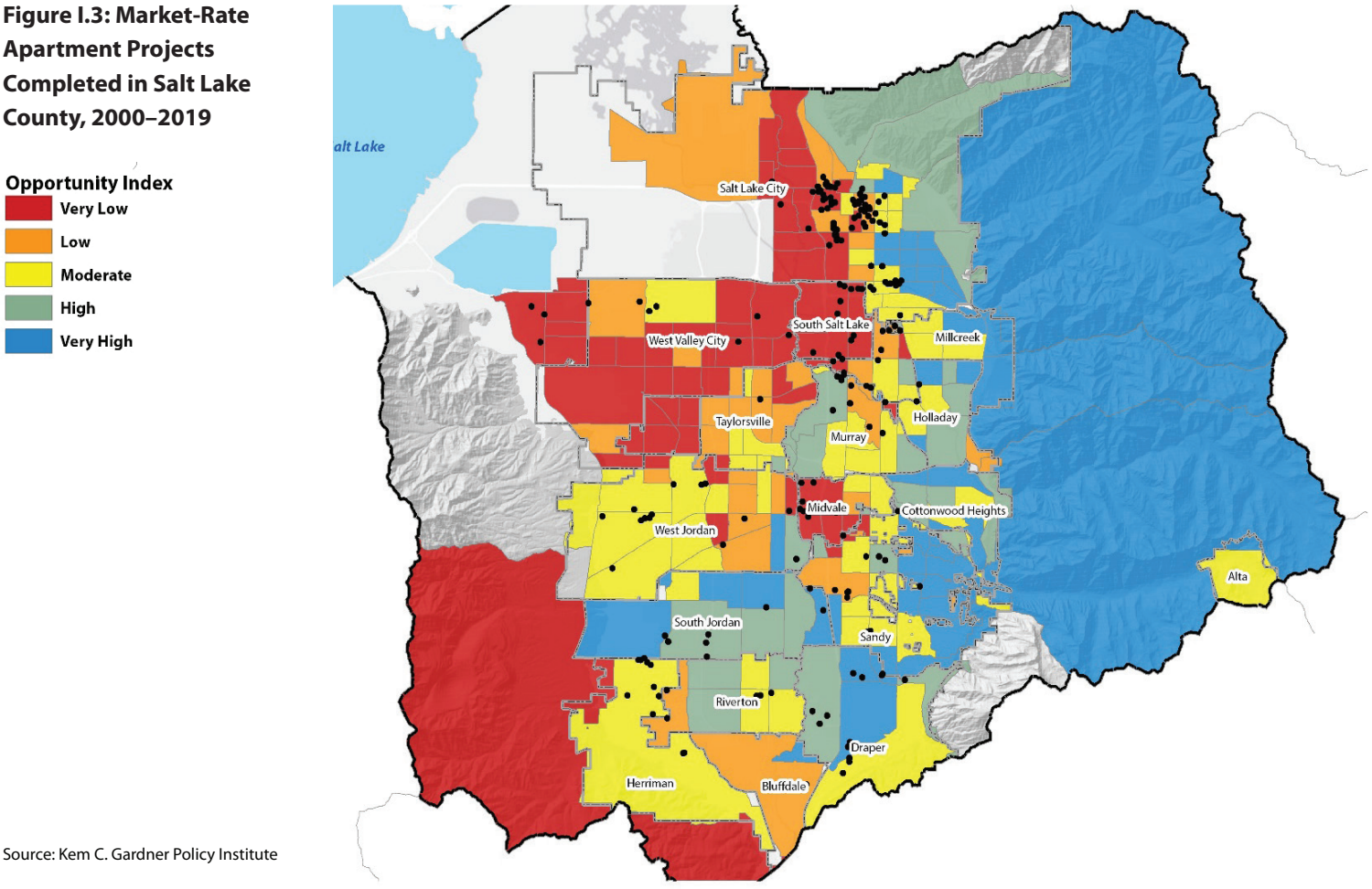
Category	Acres	Share
Single-Family	65,118	88.1%
Multifamily	7,277	9.8%
Condos	2,201	3.0%
Townhomes	834	1.1%
Twin homes/duplex	1,119	1.5%
99 plus rental units	1,912	2.6%
50–98 rental units	357	0.5%
20–49 rental units	212	0.3%
10–19 rental units	167	0.2%
5–9 rental units	138	0.2%
3–4 rental units	338	0.5%
Group home	222	0.3%
Manufactured home	1,288	1.7%
Total	**73,905**	**100.0%**

Source: Housing and Community Development, Salt Lake County

- *Provide a Policy Tool to Reduce the Spatial Concentrations of Moderate- to Low-Income Renter Households of Color*—Salt Lake and Utah counties have relatively high levels of moderate- to low-income households of color. A majority of these households rent; however, affordable rental opportunities are limited in many cities because of zoning ordinances and Nimbyism. The consequences of limited housing choices are particularly harmful to children, affecting their schools, social environment, health, and long-term economic opportunities. The Kem C. Gardner Policy Institute has developed an opportunity index to categorize census tracts–from very low-opportunity neighborhoods to very high-opportunity neighborhoods. The opportunity index was developed from a set of nine variables. A map of the locations of market-rate apartment projects developed in Salt Lake County since 2000 (26,200 units) shows that approximately 70% of new market-rate apartment units (18,000) are located in very low- to low-opportunity neighborhoods, thus limiting socio-economic opportunities for these renter households (see Figure I.3). Relaxing zoning ordinances, along with other measures, can help provide greater opportunity for households of color.

- *Provide, Through Higher Density or Up-Zoning, Greater Economic Efficiencies for Households and Government*—Higher-density housing, which is often closer to employment centers, may reduce household transportation costs. Public infrastructure costs will be lower per household in higher-density residen-

Figure I.3: Market-Rate Apartment Projects Completed in Salt Lake County, 2000–2019



Source: Kem C. Gardner Policy Institute

tial developments. Higher housing densities, particularly surrounding transit-oriented developments (TODs), improve public transportation efficiency. And high-density housing is an essential component of a walkable community.

- *Facilitate Long-Term Economic Growth and Employment Opportunities*—In Silicon Valley and New York City, restrictive zoning ordinances have constrained the housing supply, limited employment growth, and left many workers poorer due to the mismatch between where people live and where they work. While Utah's economic growth has not yet been curbed by housing supply constraints, without modifications of local zoning ordinances, its long-term economic potential will not be realized.

- *Facilitate the Effectiveness of Other Best Practices*—The other best practices discussed in this report depend on revisions or adaptations in existing zoning ordinances. Pursuing measures to address housing affordability through the development of TODs, redevelopment agencies, accessory dwelling units, or preservation will likely require conditional use permits and at least some minor changes in the zoning ordinances. And at a broader level, two of Utah's leading planning organizations, Wasatch Front Regional Council and Envision Utah, both see metropolitan centers, urban centers, and city centers as key to the future of land use development. A concept of centered development includes high-density residential development.

- *Facilitate, Through Increased Rates of Homeownership, Wealth Creation*—Homeownership is the major source of wealth for moderate-income households. Harvard's Joint Center for Housing Studies found that, nationally, moderate-income households ($39,500 to $45,570 in household income) with a household head between 50 and 64 years old have median home equity of $75,000, while a renter has no wealth from home equity.[5] Nationally, housing wealth accounts for about half the net wealth of moderate-income households. In Utah, where housing prices over the last 30 years have increased at more than double the national rate, the moderate-income homeowner could have as much as $150,000 in home equity or housing wealth. Zoning that allows for more affordable homeownership opportunities reduces wealth inequality and provides housing security in some cases for multiple generations.[6]

- *Satisfy S.B. 34*—The 2019 Utah Legislature passed S.B. 34 Affordable Housing Modifications. The bill requires local communities to develop a moderate-income housing (MIH) plan as part of their general plan. The MIH plan requires local communities to adopt at least three strategies from a list of 23 strategies targeted at improving housing affordability. Communities are then required to report on the implementation and outcomes of their selected strategies annually. Failure to implement the strategies will exclude the community from state transportation funds. The first strategy listed in S.B. 34 encourages a city "to rezone for densities necessary to assure the production of moderate-income housing."[7] Up-zoning meets one of the requirements of S.B. 34.

Framework for Implementation

- *Political and Civic Engagement*—The level of participation in housing issues by the Utah Legislature, cities and counties, the Salt Lake Chamber, nonprofit organizations, and corporations is unprecedented. The convergence of three issues has prompted this engagement: (1) the homeless crisis, (2) the housing shortage, and (3) the housing affordability challenge. These related issues pose near- and long-term threats to the economic well-being of Utah households, individual opportunity, and the state's economic prosperity. But given the more favorable political and civic environment, the chances of meaningful local land-use revisions, to mitigate these threats, are the best in years.

- *Community Engagement*—New residential or commercial developments often require a zoning variance and/or conditional use permit. Approval for the variance will trigger public hearings. Thus, land use regulations provide opportunities for neighborhoods and individuals to be involved in the approval process, to voice their support or opposition to a proposed high-density development. Consequently, community engagement and coalition building become an essential component of the implementation framework. In addition to stakeholder outreach, another critical component is project design; careful design, compatible with zoning ordinances and neighborhood expectations, increases the likelihood of approval.

- *Complementary Policies*—Less restrictive zoning is a necessary condition for improved housing affordability and increased housing production. Complementary policies that would enhance less restrictive zoning include streamlining and standardizing the uncertain and time-consuming approval process and adopting form-based code for selected zones.

- *S.B. 34 Incentivizes Zoning Changes*—The 2019 Utah Legislature passed S.B. 34 Affordable Housing Modifications. The bill enacted new policies for cities to encourage local officials to plan and zone for affordable housing. The legislation provided a list of 23 strategies to encourage housing affordability. Cities are required to select at least three strategies to be eligible to apply for $700 million in

Table I.5: S.B. 34 Strategies Selected by Municipalities

Strategies	Number of Municipalities Committing to Strategy
Create or allow for, and reduce regulations related to, accessory dwelling units in residential zones	57
Rezone for densities necessary to assure the production of MIH (moderate-income housing)	50
Allow for higher density or moderate-income residential development in commercial and mixed-use zones, commercial centers, or employment centers	46
Encourage higher density or moderate-income residential development near major transit investment corridors	39
Facilitate the rehabilitation or expansion of infrastructure that will encourage the construction of MIH	32
Preserve existing MIH	28
Implement zoning incentives for low- to moderate-income units in new developments	26
Any other program or strategy implemented by the municipality to address the housing needs of residents of the municipality who earn less than 80% of the area median income	22
Eliminate or reduce parking requirements for residential development where a resident is less likely to rely on their own vehicle, e.g. residential development near major transit investment corridors or senior living facilities	21
Facilitate the rehabilitation of existing uninhabitable housing stock into MIH	17
Utilize strategies that preserve subsidized low- to moderate-income units on a long-term basis	15
Apply for or partner with an entity that applies for services provided by a public housing authority to preserve and create MIH	14
Utilize an MIH set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency	13
Consider general fund subsidies or other sources of revenue to waive construction-related fees that are otherwise generally imposed by the city	12
Reduce impact fees, as defined in Section 11-36a-102, related to low and MIH	12
Apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of MIH	12
Apply for or partner with an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity	12
Apply for or partner with an entity that applies for programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act.	11
Implement a mortgage assistance program for employees of the municipality or of an employer that provides contracted services to the municipality	10
Apply for or partner with an entity that applies for programs administered by a metropolitan planning organization or other transportation agency that provides technical planning assistance	10
Apply for or partner with an entity that applies for affordable housing programs administered by the Department of Workforce Services	9
Allow for single-room-occupancy developments	6
Participate in a community land trust program for low or MIH	4

Source: Utah Department of Workforce Services

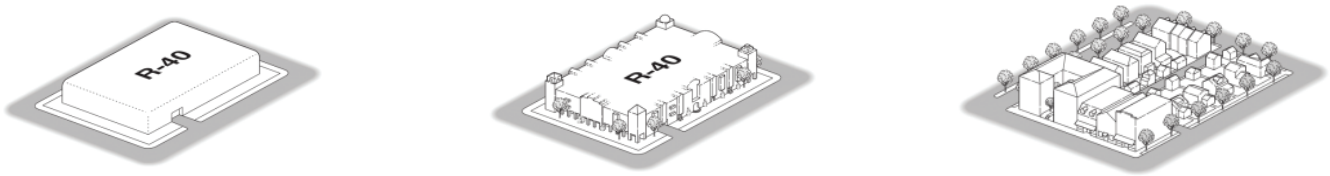
state transportation funds. While outcomes of policy changes will not be documented until 2021, it's encouraging that three of the four most frequently selected strategies applied to zoning (see Table I.5).

Examples of Best Practice

- *Salt Lake City's Affordable Housing Overlay*—The American Planning Association defines an overlay zone as "a zoning district applied over one or more previously established zoning districts, establishing additional or stricter standards and criteria for covered properties in addition to those of the underlying zoning district. Overlay zones can be used to promote specific development projects such as mixed-use developments, waterfront developments, housing along transit corridors, or affordable housing."

Salt Lake City is the first municipality in Utah to pursue an overlay zone for affordable housing. While Salt Lake City's overlay zone has not yet been finalized, the city is in the final stages of community engagement and input. In 2019 the city surveyed residents regarding an overlay zone. The survey results have helped the city develop the overlay's preliminary criteria. In July 2020, the city held a virtual open house to discuss the survey results and overlay zone's criteria. The city has made an extensive effort at resident and stakeholder engagement. The city's goal is to modify zoning to promote more affordable housing and increase the residential density in the city. The overlay zone will have three basic elements: modification of density limits, modification of lot requirements, and accommodation of adaptive reuse.

Figure I.4: Comparison of Form-Based Code to Conventional Zoning



Conventional Zoning

Density use, FAR (floor area ratio), setbacks, parking requirements, maximum building heights specified

Zoning Design Guidelines

Conventional zoning requirements, plus frequency of openings and surface articulation specified

Form-Based Codes

Street and building types (or mix of types), build-to lines, number of floors, and percentage of built site frontage specified.

- *Form-Based Code: Millcreek*—Conventional zoning focuses on permissible property uses and the control of the use through floor area ratios, dwelling units per acre, setbacks, etc. Design guidelines can be used to complement the conventional zone but the guidelines are only advisory. Form-based code regulates land development of a designated area (from parcel to multi-block development) to achieve a specific physical form. A form-based code is a regulation adopted by the municipality rather than a mere guideline. A few cities have adopted form-based codes, but the practice is not widespread. West Valley City has adopted form-based code for its city center, and Clearfield, Millcreek, Provo, and Salt Lake City have all used form-based code for specific development areas.

  Under form-based code, the form and scale of a project determine use rather than land use type and density. Form-based codes are generally developed through a collaborative process involving residents, municipal officials, consultants, and developers. This process creates a vision for development that includes the interaction between streets, buildings, and open space in terms of form and scale. The Form-Based Codes Institute uses the graphic below to show the difference in land use between conventional zoning and form-based code (see Figure I.4).

  Millcreek has adopted a form-based code for a site at 3000 South Richmond Street. The form-based code has facilitated the development of a 328-unit apartment project, which will include street-level retail. Achieving the density of 100 units/acre would not have been possible without form-based code.

- *Form-Based Code: South Salt Lake*—South Salt Lake wrote two form-based codes, one focusing on transit-oriented development along the S-Line streetcar between 500 East and State Street, and another focused on the city's redevelopment area between State Street and I-15, and I-80 and 2100 South. Between 2012 and 2016, the city entitled over 600 new dwellings along the Streetcar Corridor, in three major projects east of State Street. West of State Street, in South Salt Lake's downtown, two projects were approved in 2016 and 2017, totaling 195 units, most of which are set aside as affordable housing. In 2019, the city approved a significant mixed-use project incorporating 150,000 square feet of office and housing units in a 10-story multifamily structure at approximately 2200 South Main Street.

  South Salt Lake's two form-based codes facilitated a significant redevelopment of the streetcar corridor and an ageing industrial area, bringing hundreds of new households, jobs, and retail/restaurant opportunities to the city. The Downtown South Salt Lake Zoning Ordinance and Design Standards, in particular, encouraged the adaptive reuse of existing industrial buildings. As a result, the city is not only experiencing significant population growth and new development, but is also enjoying the benefits of reusing existing buildings, in the form of restaurants, breweries and distilleries, art galleries, and small retail spaces.

- *Adaptive Reuse: South Salt Lake and Salt Lake City*—The first local adaption of a motel to housing occurred more than 20 years ago. The Frontier Motel, located in South Salt Lake at 3579 South State Street, was converted from a 14-unit motel to transitional housing. Following conversion, the Salt Lake County Division of Housing and Community Development purchased the complex. The Frontier is currently part of the affordable housing portfolio of Housing Connect (formerly the Housing Authority of the County of Salt Lake).

  Salt Lake City, in recent years, has had a number of adaptive reuse housing projects. Most notable is Palmer Court, a 201-unit apartment project at 999 South Main Street. Prior to becoming rental housing for extremely low-income households, the structure was a Holliday Inn. The motel was converted in 2009 to affordable rental units.

  Two projects, converting struggling commercial space into mixed use projects including housing, are in the approval process in Salt Lake City. The conversion of Lamplighter Square, 1615 South Foothill Boulevard, will demolish existing commercial offices, a restaurant, gas station, and motel. The new development will include over 100 residential units, with a share of the units affordable. The second project, located at 2100 South and 2100 East, will convert the use from a restaurant, barbershop, tailor, salon, and commercial offices to 99 apartments units and16,000 square feet of retail.

II. Preservation of Affordable Housing

Background

Affordable housing preservation programs usually, but not always, target privately owned subsidized rental housing. The subsidies most often include HUD's Project-Based Rental Assistance (PBRA) program and the Low-Income Housing Tax Credit (LIHTC) program. Privately owned subsidized rental properties are required to remain affordable for a specific period, depending on the program. Once the time requirement has expired, the property owner has three options: (1) renew the original subsidy, (2) secure a different subsidy that maintains the property's affordability, or (3) opt out of the subsidy program. Opting out almost always leads to a loss of affordable units as rents at the once-affordable project are increased to near market-rate levels. In high-rent markets, owners of subsidized rental properties have a strong incentive to opt out when their subsidy expires.

As indicated above, preservation efforts are not solely limited to subsidized rental property. Unsubsidized affordable rental properties and owner-occupied single-family homes also have been targeted for preservation. Generally, nonprofits and for-profit, private entities are involved in the preservation of unsubsidized affordable housing.

Why Preservation is a Best Practice

- *Preserves Low Costs*—The preservation and rehabilitation of existing affordable units typically cost, at least, 40% less than the cost of new affordable rental units. Preservation avoids the high development costs of new construction and the neighborhood opposition (Nimbyism) associated with developing new units.

- *Preserves Affordability*—The number of LIHTC and HUD Project-Based units at risk of opting out over the next five years totals 2,493 units (see Tables II.1–II.3). The loss of any of these units will increase the shortage of affordable rental housing for very low-income renter households. The current shortage of affordable units for these renters is 49,500 units (see Table II.4).

- *Preserves Investment*—At-risk subsidized units represent millions of dollars of taxpayer investment in affordable housing. If owners opt out, this investment is lost. Since the commencement in 1988 of the Low-Income Housing Tax Credit Program, 27 apartment projects in Utah with 968 affordable units have opted out of their affordability status. Replacing these lost units today would cost well over $100 million.

- *Counters Rapidly Rising Housing Costs in Hot Markets*—Rapid economic growth increases rental rates, which renders any new units much less likely to be affordable and increases the likelihood of owners opting out of affordable projects (see Table II.5). High growth conditions and rising rental rates place a premium on preservation efforts. In a high-growth market, preservation buyers face fierce competition from investors.

- *Accesses Multiple, Well-Established Funding Sources*—The Low-Income Housing Tax Credit program has been the most important source of funding for the acquisition, preservation, and rehabilitation of existing affordable units. Since

Table II.1: Rental Properties at Risk of Opting Out, 2020–2025

Year	Project-Based Units	LIHTC Units	Total
2020	63	266	1,043
2021	133	272	459
2022	320	280	600
2023	136	382	518
2024	99	351	1,341
2025	191	0	191
Total	**942**	**1,551**	**2,493**

Source: HUD Multifamily Assistance and Section 8 Contracts Database and Utah Housing Corporation

Table II.2: Expiration Date and At-Risk Units in HUD Apartment Communities in Utah

Property Name	Expiration Year	Assisted Units
Mountain View Apartments	2020	29
Foothill Manor	2020	14
Parkwood Apartment	2020	20
Brigham City Senior Apartments	2021	29
Bramwell Court	2021	18
Midshore Manor I	2021	62
Midshore Manor II	2021	24
Capitol Villa	2022	108
Dominguez Park I and II	2022	50
Dominguez Park I and II	2022	60
St. Mark's Gardens	2022	72
Calvary Tower	2022	30
Wedgewood Villa	2023	50
Union Gardens	2023	50
Operation Conquest	2023	15
Canyon Cove	2023	21
St. Benedicts Manor II	2024	40
Glenbrook Apartments	2024	24
Jefferson Circle	2024	20
Foxborough	2024	15
Lorna Doone Apartments	2025	141
Black Hills Apartments	2025	50
Total		**942**

Source: HUD Multifamily Assistance and Section 8 Contracts Database

Table II.3: Expiration Date of Low-Income Housing Tax Credit Projects in Utah, 2020–2025

Name	Address	City	Year of Expiration	AMI Target Income	LIHTC Units
Riverwood Cove Apartments	592 N. Riverside Drive	Salt Lake City	2020	31	110
Liberty Heights Apartments	8176 S 1300 E	Sandy	2020	46	104
Sun Ridge Apartments	277 S 1000 E	St. George	2020	52	52
Elk Meadows Apartments	2627 W Kilby Road	Park City	2021	44	96
Lexington Park Apartments	2293 W. Lexington Park Drive	West Valley City	2021	48	80
Hidden Oaks V	6330 Dixie Drive	West Jordan	2021	49	96
Mill Hollow	598 S 100 E	Bountiful	2022	36	16
Riverside Cove	558-560 N. Redwood Road	Salt Lake City	2022	45	19
Rio Grande Hotel	428 W 300 S	Salt Lake City	2022	29	49
McGregor	810 E 25th Street	Ogden	2022	29	55
Parkway Commons	875 W Meadowbrook Expressway	Salt Lake City	2022	45	81
Holladay Hills II	3678-3680 S Highland Drive	Salt Lake City	2022	43	60
Roselane Apartments	105 S Fairfield Road	Layton	2023	57	64
Millcreek Meadows	885 E. Meadow Pine Court	Salt Lake City	2023	51	56
Holladay Hills I	3714 S Highland Drive	Salt Lake City	2023	47	70
Southgate I	609 S 300 W	Cedar City	2023	41	42
Canyon Pointe I	1737 W 360 N	St. George	2023	46	50
Southgate II	468 S 75 W	Cedar City	2023	33	30
Cedar Crest Apartments	1926 S. West Temple	Salt Lake City	2023	28	12
Stonecrest PUD	211 E Crestone Avenue	South Salt Lake	2023	47	16
Wedgewood Apartments	1888 N. Wedgewood Lane	Cedar City	2023	26	24
Royal Hotel	2522 Wall Avenue	Ogden	2023	21	18
Northfield Village	315 W 1175 N	Cedar City	2024	43	52
Westgate Apartments (Provo)	1187-1189 W 200 N	Provo	2024	38	8
Ridgeland Apartments	2685 S. Ridgeland Park Dr.	West Valley City	2024	49	64
Art Space II	353 W 200 S	Salt Lake City	2024	37	53
Riverview Townhomes	1665 S. Riverside Drive	Salt Lake City	2024	33	61
Willow Cove	580 N 1187 W	Orem	2024	21	8
Sierra Pointe I Apartments	1503 N 2100 W	St. George	2024	46	97
KD Apartments	1460-1490 W 25 N	Clearfield	2024	11	8
Total					**1,551**

Source: Utah Housing Corporation

1988 the program has provided funding to acquire and rehabilitate 6,644 units, an average of 229 affordable units annually. Both the 9% and 4% tax credit programs have been used to preserve affordable units (see Figure II.1). Another well-established source of funding, tax increment financing from a redevelopment agency has provided significant support for the preservation and rehabilitation of affordable housing. Salt Lake City has recently committed $1,000,000 to the rehabilitation of the Jackson Apartments in the city's central business district. Other common sources of preservation funding are HUD HOME dollars, Community Development Block Grant funding (primarily single-family rehabilitation), and the private sector (Restore Utah).

- *Provides Recapitalization of Affordable Units*—Recapitalization is an important component of preservation programs. Aging subsidized and unsubsidized units often need recapitalization to fund improvements. Of the 28,000 LIHTC units

Table II.4: Gap of Affordable and Available Rental Units for Renters at 0–50% AMI in Utah

Year	Renter Households at ≤50%	Available and Affordable	Affordability Gap
2010	111,251	70,199	41,052
2011	113,717	78,010	35,707
2012	114,283	68,570	45,713
2013	116,299	69,012	47,287
2014	118,947	71,844	47,103
2015	121,701	77,037	44,664
2016	119,230	74,161	45,069
2017	123,432	75,417	48,015
2018	123,861	74,317	49,545
AARC	1.35%	0.72%	2.38%

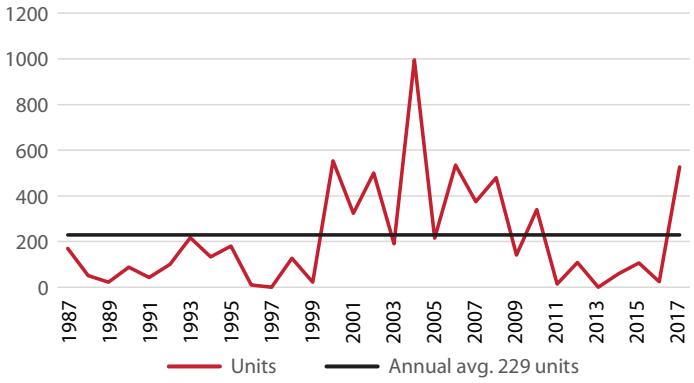
Source: HUD CHAS, 2010–2015, and Kem C. Gardner Policy Institute, 2016–2018

Table II.5: Rental Rate Increase in Wasatch Front Counties, 2008–2019

Year	Davis	Salt Lake	Utah	Weber
2008	$715	$793	$719	$651
2009	$701	$740	$701	$639
2010	$711	$720	$716	$640
2011	$701	$754	$753	$655
2012	$720	$814	$788	$684
2013	$756	$850	$807	$678
2014	$796	$865	$868	$698
2015	$839	$907	$924	$754
2016	$933	$949	$1,041	$810
2017	$1,005	$1,011	$1,097	$864
2018	$1,060	$1,060	$1,138	$937
2019	$1,102	$1,145	$1,188	$1,021
AARC 2008–2019	4.01%	3.40%	4.67%	4.17%
AARC 2016–2019	5.07%	6.46%	4.50%	8.02%

Source: CBRE, The Greater Salt Lake Area Multifamily Market, and Cushman Wakefield, Annual Apartment Market Report (Salt Lake County)

Figure II.1: Acquisition and Rehabilitation of Rental Units Financed Through the Low-Income Housing Tax Credit
(6,644 units, 1987–2017



Source: Utah Housing Corporation

in Utah, 6,100 are at least 20 years old, and by 2025 that number will grow to 11,400 units. Many of these older units will need recapitalization for improvements and updating. LIHTC is a common source of funding for recapitalization through acquisition and rehab. The original partners of an LIHTC are allowed to sell their project after a 15-year holding period. At that point, a new owner can apply for tax credits to finance the acquisition and rehabilitation of the affordable LIHTC project.

- *Enjoys Broad Support and Less Opposition*—Preservation has been a long-standing practice in the housing policy toolkit of many cities and nonprofits, and for good reason. Preservation is a rare policy that has positive, quantifiable outcomes with a minimum of local opposition.
- *Satisfies S.B. 34* - Preservation is one of S.B. 34's strategies: "(strategy L) preserve existing moderate-income housing."

Framework for Implementation

- *Give Preservation Priority*—Commit to preservation as a housing strategy. Set performance targets and establish metrics to measure progress. Institute collaboration with stakeholders; owners of affordable housing projects, nonprofits and for-profit developers, HUD, and Utah Housing Corporation.
- *Identify At-Risk Properties*—Create an inventory of at-risk affordable projects and their characteristics, such as types of subsidies, rent restrictions, and expiration dates of affordability. Contact owners regarding their intentions about opting out and recapitalization needs.
- *Target Resources for Preservation*—Assist in financing preservation efforts through several potential funding sources: HUD HOME dollars, CDBG grants, LIHTC financing (through housing authorities), and tax increment financing.
- *Collaborate with Preservation Entities*—Nonprofit and for-profit organizations engage in preservation of affordable housing. Collaboration with experienced entities will improve outcomes. The local landscape for preservation expanded in March of 2020 with the creation of the Housing Preservation Fund. The fund is backed by the Clark and Christine Ivory Foundation, Intermountain Healthcare, and Zions Bank, plus a state appropriation of $2.5 million from the Utah Legislature. The fund will contract with Utah Nonprofit Housing Corporation to manage preservation activities. Utah Nonprofit Housing Corporation has, over many years, acquired and rehabilitated hundreds of affordable units in Utah. The Housing Preservation Fund hopes to leverage seed money into $100 million for affordable housing preservation.
- *S.B. 34 Strategies*—Twenty-eight municipalities have selected preservation of moderate-income housing and 14 have selected preservation of *subsidized* low- to moderate-income housing as their S.B. 34 strategies to encourage housing affordability (see Tables II.6 and II.7).

Examples of Best Practice

- *A Nonprofit's Innovative Layering of Financial Support for Preservation*—NeighborWorks Salt Lake, a 40-year-old local nonprofit, has focused housing preservation and rehabilitation efforts on two neighborhoods in Salt Lake County: the Guadalupe neighborhood in Salt Lake City and neighborhoods on the west side of Murray. With the financial support of HUD's HOME and CDBG programs, tax increment financing revenue, Salt Lake City's financial assistance, and private sec-

Table II.6: Cities That Have Selected Preserving Existing Moderate-Income Housing as an S.B. 34 Strategy

Alpine	Harrisville	Pleasant View	Terrace
Bountiful	Heber	Provo	West Bountiful
Centerville	Herriman	Salt Lake County	West Jordan
Clearfield	Kaysville	Sandy	West Valley City
Farmington	Midvale	South Ogden	White City
Farr West	Millcreek	South Salt Lake	
Fruit Heights	Murray	Taylorsville	
Grantsville	North Salt Lake	Washington	

Source: Utah Department of Workforce Services

Table II.7: Cities That Have Selected to Preserve Subsidized Low- to Moderate-Income Units on a Long-Term Basis as an S.B. 34 Strategy

Cedar City	Logan	Providence	Washington City
Harrisville	Magna	Provo	West Valley City
Heber	Orem	Smithfield	
Kearns	Pleasant Grove	Tremonton	

Source: Utah Department of Workforce Services

tor contributions, NeighborWorks Salt Lake has preserved and rehabilitated dozens of homes through acquisition and rehab financing in the Guadalupe neighborhood, along with home improvement loans, and home improvement grants. NeighborWorks Salt Lake has also revitalized, through similar innovative funding, neighborhoods on the west side of Murray. Twelve deteriorating homes were purchased for $1.98 million, rehabbed at a cost of $718,000, and sold to moderate-income households. NeighborWorks Salt Lake also provided $179,500 in favorable home loans to eight Murray homeowners and $44,761 in home improvement grants to seven Murray homeowners.

This example demonstrates the value of a collaborative effort, spearheaded by a dedicated nonprofit, targeting public and private resources for the preservation of affordable housing.

- *Two Public Housing Authorities' $21 Million Rehabilitation Project*—A joint venture with Housing Connect, formerly the Housing Authority of the County of Salt Lake, and the Housing Authority of Salt Lake City has secured $21 million in tax credit funding for the hard costs to rehabilitate 299 affordable units in two high-rise projects; City Plaza and the County High Rise. These two projects were developed in the 1970s as traditional public housing properties and owned by the two public housing authorities. City Plaza, with 150 units, provided subsidized housing for very low– and extremely low–income disabled and elderly households, while the 149-unit County High Rise provided housing for very low– and extremely low–income households of all ages.

The joint venture is known as New City Plaza, LLC, and made use of HUD's Rental Assistance Demonstration (RAD) program, which "gives public housing authorities a powerful tool to preserve and improve public housing properties." Through the RAD program, the 299 units move from public housing to HUD project-based vouchers. The vouchers were critical as a revenue source, making the tax credit program financially feasible and paving the way for $21 million in funding for rehabilitation of the units. As public housing units, City Plaza and the County High Rise were losing money and had become cost burdens for the housing authorities. This raised the inevitable question, Should the units be sold? Housing authorities do sell their public housing units when costs become too burdensome. If the buyer is a for-profit developer, the affordable units are most likely lost to the affordable housing inventory. However, in the case of City Plaza and the County High Rise, affordability will be preserved through the use of HUD's RAD program and tax credit funding. These two programs make the rehabilitation of 299 units possible and relieve two housing authorities of financially troublesome public housing properties.

This example demonstrates the role that aggressive public housing authorities can play in the preservation and rehabilitation of affordable housing units. Utah has 18 public housing authorities, each with its priority for preservation.

Variations on a Theme

- *Incentives*—Some preservation programs in municipalities outside of Utah include incentives through property tax rebates or tax exemptions on the incremental increase in a property's value due to rehabilitation and preservation.

- *Preservation Compacts*—The largest compact, The Chicago Preservation Compact brings together Cook County's public, private, and nonprofit leaders to address the loss of affordable housing.

- *Preservation Funds*—There are several dozen preservation funds throughout the country. Operational geographies vary from nation, region, states, and cities. The funding level is often tens of millions of dollars with the largest fund being the Partnership for the Bay's Future Fund, which has funding commitments of $500 million. Seed funding was provided by Facebook, the Ford Foundation, and Kaiser Permanente. Kaiser Permanente is also involved with two other preservation funds, both operating in Oakland, California. Most funds target low- to very low-income households, and their missions include production and preservation of affordable housing.

III. Redevelopment Agencies, Tax Increment Financing, and Housing Affordability

Background

Redevelopment agencies (RDAs) in Utah have used tax increment financing or over 50 years to spur economic development. Tax increment financing is used to help finance investment, generally for 20 to 25 years, in a targeted geographical area designated as a project area. At the establishment of a project area, the current local property tax revenue from the land and structures within the project area becomes the "base" amount of property tax revenue. As economic development occurs in the project area, property values rise, and property tax revenues increase. The incremental increase in property taxes above the "base" amount provides the funding for redevelopment. The tax increment funds often finance an RDA bond for infrastructure development—roads, sidewalk, utilities, sewer, etc.—or the funds can be used to pay for land and construction of affordable housing within the RDA.

Why Tax Increment Financing Is a Best Practice

- *Provides Funding Targeted for Housing Needs of Moderate- and Low-Income Households*—In most cases, the project's housing fund receives at least 10% of the tax increment revenue. These funds are for "income-targeted housing" within the city's boundaries. Income-targeted housing is defined as housing affordable to moderate-income households, that is, households with incomes at 80% or less of the area median income. Since the establishment of their RDAs, the five most aggressive cities have facilitated the development of 13,801 housing units, many of them affordable units (see Table III.1).

- *Provides Funding for Multiple Uses*—The RDA, as spelled out in Title 17C of the Utah Code, "shall use the agency's housing allocation to pay for part or all of the cost of land or construction of income-targeted housing…pay for the rehabilitation of income-targeted housing…replace housing units lost as a result of development" or transfer tax increment funds to the local housing authority or the Olene Walker Housing Loan Fund for the development of moderate- and low-income housing.[8]

- *Provides a Self-Financing Source of Funds*—Tax increment financing does not require approval at the ballot box or approval by federal agencies or politicians. The project areas are a self-financing source of funding for affordable housing projects.

- *Provides a Stable Source of Funding*—The creation of a project area requires the approval, usually through interlocal agreements, of the taxing entities within the boundaries of the Community Reinvestment Area (CRA). Legislation in 2016 changed the nomenclature to CRA.[9] The interlocal agreement specifies the share of the tax increment allocated to the tax entities and the project area. Once established, the project area represents a stable source of funding for new construction, rehabilitation, and preservation of affordable housing within the municipality. See Tables III.2–III.3 for project areas by type and location.

- *Provides an Opportunity for Public-Private Partnership*—The use of a project area's housing set-aside funds often results in a public-private partnership between the project area and a private or nonprofit developer of affordable housing. The availability of project area funds provides a strong financial incentive for a developer to partner with the RDA. Since affordable housing projects present economic challenges to developers due to low rents, the tax increment financing provided by the project area makes the project financially feasible.

Table III.1: Housing Units Facilitated by Tax Increment Financing in Selected Cities

City	Units
Salt Lake City	7,000
Midvale	3,252
Orem	2,007
Murray	1,026
Salt Lake County	516
Total	**13,801**

Source: Utah Association of RDAs

Table III.2: Project Areas by Type in Cities and Counties, 2018

Unincorporated County	Project Areas	City	Project Areas
CRA	0	CRA	1
URA	2	URA	9
EDA	6	EDA	36
CDA	21	CDA	55
NDP	1	NDP	46
RDA	0	RDA	63
Amendment	0	Amendment	2
Unspecified	2	Unspecified	12
Total	**32**		**224**

Source: Utah Association of RDAs

Table III.3: Project Areas by County and City

County/City	RDA	CDA	EDA	URA	NDP	Unspecified
Beaver County Unincorporated		8				
Box Elder County Unincorporated			4			
Cache County Unincorporated						1
Brigham City	1	1	2			
Perry City		1				
Tremonton City		1	1			
Logan City	4	2				
North Logan City		1	1	1		
Smithfield						
Carbon County Unincorporated			1			
Price		1				
Wellington			1			
Davis County Unincorporated	0	0	0	0	0	0
Bountiful	2					
Centerville		2				1
Clearfield		1	1		3	2
Farmington	1				2	
Layton	1		3			
North Layton		3				
Syracuse	2		1			
West Bountiful	3	1				
West Point		1				
Woods Cross	3	5				
Iron County Unincorporated		10				1
Brian Head		1				
Cedar City		1	1			1
Morgan County Unincorporated	0	0	0	0	0	0
Morgan	1	1				
Rich County Unincorporated						
Garden City	1					
Salt Lake County Unincorporated				2		1
Cottonwood Heights		1				
Draper		2			5	
Herriman		2				
Holladay	1	1				
Midvale	2					
Murray	2				1	2
Riverton					1	
Salt Lake City	3	2		1	4	
Sandy	1	4	1		2	
South Jordan	3	2	2		3	
South Salt Lake				2	2	
Taylorsville		1		2		
West Jordan	1		2		5	
West Valley						
Sanpete County	0	0	0	0	0	0
Mount Pleasant					1	
Salina			1			
Summit County Unincorporated	0	0	0	0	0	0
Park City	2				1	
Tooele City	1				1	
Uintah County Unincorporated						
Naples City					1	
Vernal City					1	
Utah County Unincorporated	0	0	0	0	0	0
American Fork	2		1			
Eagle Mountain	2		1			
Lehi City						
Lindon	1	1				
Orem						
Pleasant Grove		2				
Provo	3	2				
Spanish Fork		2			1	1
Springville					1	
Vineyard				3		
Washington County Unincorporated	0	0	0	0	0	0
St. George		2	4			
Weber County Unincorporated		1	1			
Ogden	13	1	3	1		
Pleasant View						1
Riverdale	1				1	
Roy	2					
South Ogden					1	1
Total	**59**	**67**	**32**	**12**	**37**	**11**

Source: Utah RDA Association.

- *Provides an Opportunity to Offset Higher Housing Prices from Gentrification*—RDAs were first created, some 50 years ago, to spur local economic development and neighborhood revitalization, or "urban renewal" in the parlance of the day. Economic development continues as the primary mission of RDAs; however, economic development often comes from neighborhood gentrification and higher housing costs. The housing funds generated by a CRAs project area can help preserve existing affordable housing.
- *Provides an Opportunity for Local Officials to Hand-Pick Developer and Location of Affordable Housing*—In June 2018, the Redevelopment Agency of Salt Lake City invited developers to submit proposals for developing affordable housing in the city to be supported by $10 million in RDA financial assistance. The RDA selected developers and reserved $4.5 million in funding for projects in high-opportunity neighborhoods—areas with higher quality-of-life measures for schools, housing, jobs, and income. This example under-

scores how RDA funding can guide affordable housing development, its location, and the selection of the most qualified developer.

- *Satisfies S.B. 34*—Using a Redevelopment Agency's Tax Increment Financing for moderate and low-income housing meets one of the requirements of S.B. 34.

Framework for Implementation

- *Establish a Project Area*—Sixty-three cities and 8 counties in Utah have RDAs, with a combined total of 256 project areas (Tables III.2–III.3). State statutory guidelines govern the establishment of project areas. The guidelines require a general description of the proposed project area's current social and economic conditions and how establishing a project area will promote economic development that "but for" RDA assistance would not occur. The project area must be consistent with the municipality's general plan, and the financial assistance anticipated described. While project areas differ widely in scope and projected tax revenue, the sheer number of project areas demonstrates the potential of tax increment financing as a tool for developing and preserving affordable housing. In addition to meeting statutory guidelines, a project area must have approval from the tax entities within the proposed project area.

- *Develop a Strategy for Housing Fund Expenditures*—For most of the project areas, a housing fund was created at inception. The share of tax increment revenue earmarked for the housing fund varies by project area, from at least 10% to as much as 20%. As mentioned above, RDAs have a fair amount of latitude regarding housing fund expenditures, including the purchase of land, construction, infrastructure, preservation, etc. The one restriction is funds must assist moderate- and low-income households with affordable housing.

  Many cities have project areas that don't generate significant amounts of housing funds. Nevertheless, low annual dollar amounts can be accumulated over a few years, providing sufficient funding for down payment assistance, preservation loans and grants, or rental assistance. If an RDA lacks a strategy for disbursing tax increment funds, the funds can be transferred to the Olene Walker Housing Loan Fund to support statewide programs for affordable housing. Most important, housing funds should not sit idle on the sidelines. With a severe shortage of housing, particularly affordable housing, aggressive housing fund strategies should employ tax increment dollars.

- *Assess Policy Considerations*—In Utah, RDAs and tax increment financing have been relatively free of controversy; however, in many states, there has been sharp criticism of tax increment financing. Some principal policy considerations should include transparency, absence of favoritism, demonstration of public benefit, and sensitivity to the impacts of economic development on local government entities, notably increased enrollment at public schools.

Examples of Best Practice

- *West Capitol Hill Project Area*—In 1996, the RDA of Salt Lake City created the West Capitol Hill Project Area. The boundaries are 300 North to 800 North and 400 West to 200 West. This 18-block area includes Salt Lake City's Marmalade neighborhood. The project area has generated $5.8 million in tax increment financing, which has helped revitalize the neighborhood, preserve a historic building, and develop 12 owner-occupied townhomes, a plaza, city library, and, currently under construction, 252 market-rate rental units and 12 two-bedroom live/work units. In addition to assisting in development costs, the Salt Lake City RDA provided a land write-down on the sale of the property. The tax increment financing meets several goals of the RDA: "stabilization through the rehabilitation of single-family, owner-occupied homes, preservation of the neighborhood's historic fabric, and diversification of the tax base."[10]

- *Central Business District Project Area*—The RDA of Salt Lake City created the Central Business District Project Area in 1983. The trigger year—the first year tax increment funds were disbursed—was 2009. In 2018, the RDA received $25 million in tax increment funding from the Central Business District, the largest single-year funding level of any of the 256 project areas in Utah. The RDA has recently provided substantial support for a large housing development at 255 South Main. The site had become blighted due to a half-finished mixed-use development. In 2012, the developer ran into financial problems and structural engineering issues and eventually lost the project to bankruptcy. Over the next five-years, the abandoned site and structure sat idle and became a well-known eyesore in downtown Salt Lake City.

  In 2017 the parcel was put up for auction, and the RDA purchased the site for $4 million. A year later, the RDA entered into a purchase agreement with Brinshore Development, LLC of Chicago, for the 1.1-acre site. The RDA agreed to issue a seller's note for $4 million to the developer for the land and provide a $9.2 million loan for the construction of a

190 unit mixed-income housing project. Only 15 rental units are market-rate while 175 are tax credit units affordable to renters at 57% AMI. The total value of the project is $46.7 million. The one-bedroom tax credit units will rent for $930 and the two-bedroom units for $1,110. These rents, which include utilities, are at least 30% below market-rate rents for new units in the Central Business District. For the many low-income employees working in downtown retail, offices, or restaurants, 175 new affordable units will be a welcome addition to the "tight" and expensive housing market.

- *The Redevelopment Agency of Murray*—The Redevelopment Agency of Murray created the Fireclay Redevelopment Area in 2005. The tax increment was triggered in 2014. Since then, the tax increment funding has been about $800,000 annually. The project area's boundaries are State Street on the east, 4500 South on the south, the heavy rail line on the west, and Big Cottonwood Creek (4000 South) on the north. The project area facilitates mixed-use development in a blighted area dominated by deteriorating commercial buildings.

  Since 2012 the project area has seen several large apartment communities with affordable and market-rate units. The RDA entered into development agreements with Hamlet Homes, Fireclay Investment Partners, and Parley's Partners. Hamlet Homes developed 41 condominium units, and 10 townhomes live/work units. Fireclay Investment Partners completed two of three phases of development. The completed phases included two large apartment communities with a total of 400 market-rate units and 268 tax credit units. The third development agreement was with Parley's Partners. Phase I is a 137-unit family apartment community. Phases II and III include a 65-unit family apartment community and a 105-unit senior community. Three-quarters of the units developed by Parley's Partners (228 units) are tax credit units. The RDA's development agreements reimbursed the developers for roads and environmental remediation.

  In 1999, the Redevelopment Agency of Murray created the Smelter Site Redevelopment Area to improve a blighted area that included the smokestacks of American Smelting and Refining Company. The project area is now the location of Costco and the Intermountain Medical Center. Tax increment at the Smelter project area was triggered in 2009 and generates about $900,000 annually.

  In contrast to the large housing projects discussed above, tax increment financing from the Smelter project area has helped facilitate the acquisition and rehabilitation of nearly 50 homes for moderate- to low-income families.

IV. Accessory Dwelling Units and Housing Affordability

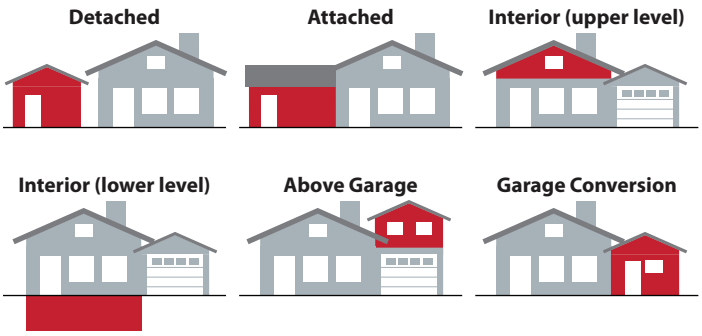
Background

An accessory dwelling unit (ADU) is a smaller dwelling on the same property as a single-family structure. As limited housing supply continues to push prices and rents higher, affordability remains a challenge for many, especially those entering the housing market and those looking to downsize. While accessory units have been around for some time, they have emerged in recently as a viable option in addressing affordable housing challenges. Their flexibility to serve as an affordable option while providing additional income makes ADUs an attractive housing product.

The building of ADUs is still somewhat of a challenge for most communities. Financing alternatives are limited. Currently, the only viable option is to use personal savings or a home equity line of credit. Additionally, lenders may undervalue ADUs, and zoning may require parking or other burdensome stipulations. Cities are continuing to explore how to fit ADUs within existing zoning. Regulations and the permitting process can vary across the same municipalities, making it confusing for developers or potential owners. Additional requirements such as floor size restrictions, permitting and impact fees, and occupancy restrictions (family member versus non-family member), continue to be challenges for the construction of ADUs.

ADUs come in many different shapes and sizes, but are classified either as detached structures on the same lot, attached but as a separate unit within a single structure, or as an interior unit such as a basement or upper level. As shown in Figure IV.1, there are numerous ways to integrate an additional unit into an existing property.

Figure IV.1: Different Ways to Integrate ADUs with Existing Housing



Source: "The ABCs of ADUs," AARP

Why ADUs Are a Best Practice

- *Provide an Affordable Housing Option*—According to a recent survey completed by the Terner Center for Housing Innovation out of UC Berkeley, ADU rents average 58% below market value. ADUs are an essential tool for delivering affordable units to the market. They can quickly provide affordable options in areas with higher rents increasing affordable housing in owner-occupied, high-cost, residential neighborhoods.

- *Deliver Units to the Market Quickly*—The construction timeline of new ADUs is relatively fast compared with a traditional dwelling unit such as single-family or apartments. However, the timeframe can vary based on the approval process.

- *Generate Wealth*—ADUs offer an attractive housing alternative that benefits both renters and homeowners in various community types. Financial gain through rental income is the most common motivation for the homeowner-developers who create ADUs, followed by offering housing for a family member or caretaker. ADUs provide homeowners with additional income to maintain their properties, sustain their mortgages, and increase disposable income.[11]

- *Appeal to All Ages*—Because ADUs tend to charge below-market rents, they are an affordable option to those entering the housing market. They also provide empty nesters with a possibility of aging in place while renting their larger homes to a family member or caretaker. ADUs are an attractive housing or investment option for older generations and allow families to expand beyond their primary residence. For example, in Portland, Oregon, ADUs are disproportionately owned by 55- to 64-year-olds.

- *Fit into Existing Neighborhoods*—ADUs can create lower-cost housing without disrupting architectural or community character. Accessory units provide a more dispersed and incremental way of adding homes to a neighborhood and avoiding Nimbyism. Additionally, ADUs do not need new infrastructure investments and can connect to existing water, sewer, and power lines.

- *ADUs Are Environmentally Sustainable*—Their median square feet per resident is 44% lower than newly constructed single-family residences, and some ADUs have a notable number of above-code green features. For example. Portland, Oregon, ADUs are associated with an average of 0.93 cars per rental, lower than the city average of 1.31 vehicles per rental unit. Of those 0.93, just under half are parked on the street.[12] ADUs are likely to have a low environmental impact compared with other dwellings.

- *Satisfy S.B. 34*—Permitting ADUs is one of S.B. 34's affordable housing strategies.

Framework of Implementation

- *Zoning & Approvals*—Allowing ADUs is an essential step in the implementation of this strategy. While some cities allow detached and attached ADUs, others allow only attached accessory units or forbid them entirely, particularly in single-family zones.

  Most ADUs are built by homeowners who are typically unfamiliar with the development process, so navigating the permitting and building process can be a barrier. The approval of ADUs can be difficult, with parking, infrastructure, and neighborhood character some of the more noted concerns. Regulations on parking, lot size, and setbacks, as well as impact fees, often increase the costs, making ADU construction financially unfeasible at times.

  Often homeowners aren't aware of ADU opportunities, and cities around the country are beginning to promote and market their ADU programs. Educating residents about the approval process and design challenges facilitates bringing more ADUs to the market. For example, the city of Hillsborough, California, formed a 22-person advisory committee to identify neighborhoods where ADUs would be a good fit. The committee also provided input on design elements and overall neighborhood fit. By doing this, the city was able to get greater acceptance of ADU zoning upgrades, which can often be the biggest obstacle to overcome. Another California city, Santa Cruz, provides several tools to encourage ADU construction. These include ADU manuals, architectural prototypes, a loan fund, fee waivers, and community workshops.

- *Financing*—ADUs are an investment, and like any investment, the numbers have to be appealing. Currently, there are limited financial tools for existing homeowners to use to build accessory units. Existing financing vehicles include personal savings, a cash-out refinance, a home equity loan, and renovation financing. A recent study out of Oregon found that the majority of homeowners who built an ADU financed it through personal cash savings. Traditional home builders may not see a big enough profit margin to add an ADU to new single-family construction projects. Many homeowners already have a mortgage on their existing property, therefore borrowing against it may be limited depending on their loan-to-value ratio.

  The debt-to-income ratio of the homeowner may be improved by rental revenue generated by the ADU. Since lenders assess individuals' debt-to-income ratio, the potential rental income from an ADU may allow borrowers to obtain a larger loan and reduce out-of-pocket costs.

  Another financial constraint is municipal fees. ADUs' impact on municipal infrastructure and services is different from those created by traditional development, such as single-family homes or multifamily units. Often, cities charge the same fees for ADUs as for larger projects. Proportional municipal fees are vital in keeping ADUs affordable.

  Some cities across the United States are developing low-interest or forgivable loan programs for ADUs. For example, Santa Cruz offers 20-year loans up to $40,000 with interest-only payment. At the end of the 20-year term the principal can be forgiven if the ADU has been rented at specified affordable guidelines.

Examples of Best Practice

- *The Alley Flat Initiative*—The Alley Flat Initiative is a nonprofit created in 2005 by the University of Texas School of Architecture and Austin Community Design and Development Center, in Austin, Texas. The goal of the initiative is to provide planning and design of ADUs that specifically target affordable housing. The nonprofit works with homeowners and guides them through the construction and financing, with the goal of providing an affordable rental unit to low- and moderate-income households.

- *State of California Reforms*—In 2016 and 2017, California passed ADU reforms that require cities to permit one ADU per single-family home, streamlined ADU permitting, set utility fees proportional to the burden of ADUs, and further reduced fees for ADUs built inside an existing home. The law also waived parking requirements for ADUs located within a half-mile of a transit stop or within a block of a car-share stop. Other reforms addressed structure setbacks and floor space. As a result of these reforms, ADU applications increased, especially in Los Angeles. Before these reforms, the city was permitting 100 to 200 ADUs per year. After the reforms, permits increased to 2,326 in 2017 and nearly doubled to 4,171 in 2018, accounting for 20% of all new housing permits for the year.

- *Portland, Oregon Reforms*—The city of Portland-added almost 2,000 units between 2010 and 2016. Portland began reforming housing regulations to encourage more ADUs in 1997, when it revised minimum square footage and owner-occupancy requirements. By 2004, citywide garage conversions were permitted with no on-site parking requirements, and the code relaxed design standards. In 2010, the System Development Charges were waived, leading to a spike in permits; and in 2014, short-term-rentals were permitted. By 2015, design and setback standards had been further relaxed, leading 2016 to be a record year for ADU permitting in the city.

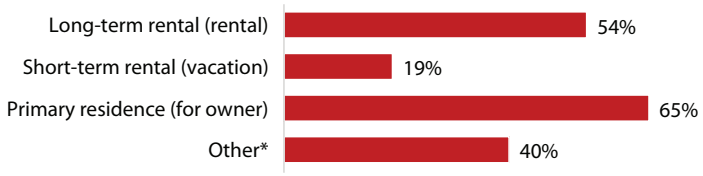
  In Portland, ADU construction costs range from a few thousand dollars to nearly $300,000, averaging approximately $150,000. One intervention that stood out for Portland was the fee waiver, which allowed the construction of more affordable ADUs. As a result of these combined policy changes, ADU permits are issued at about the same rate as single-family permits.

ADUs in Utah

Utah cities are revising their affordable housing strategies to use ADUs as one tool to address rising housing costs. A survey completed by the Salt Lake County Department of Regional Development in early 2018 found that 58 out of the 92 cities surveyed allow some type of ADU in one of its zones, and 40 of the cities allow for a detached structure. Among the cities that allow ADUs, a little over 50% permit long-term rentals of ADUs, as shown in Figure IV.2. Sixty-five percent of cities allowing ADUs require that the owner live in either the main or accessory unit.

Additional findings from the survey show that a little over half of the cities that approve of ADUs allow them to be built across 75% or more of residential zones. Unfortunately, an estimate of the total number of ADUs legally allowed in cities does not exist. Many cities have not tallied their ADUs. But half the cities acknowledged they have illegal ADUs in their jurisdictions. Census data provide an estimate of the number of attached rental units in single-family homes, primarily basement apartments. Some of these units may be legal ADUs, but a large share are likely illegal. Attached rental units of single-family homes total 8.3% of the rental inventory of cities with more than 20,000 population, a total of 19,428 units.

Figure IV.2: Permitted ADU Occupancy in Cities that Allow ADUs



Note: Respondents were allowed to select multiple answers, therefore the sum exceeds 100%.
*Includes limitations of occupancy where rent can't be charged or only family members can occupy unit.
Source: Salt Lake County Planning Division, Survey of Utah Cities.

Table IV.1: Share of Attached Renter-Occupied Units in Single-Unit Structures for Cities with 20,000 or More Residents in Utah, 2014–2018

City	Total Renter Units	1-Unit Attached	% of Total Renter Units
Provo	19,913	2,041	10.2%
Orem	11,395	1,514	13.3%
Salt Lake City	40,360	1,500	3.7%
St. George	10,147	1,256	12.4%
Logan	10,356	1,152	11.1%
West Valley City	11,734	1,115	9.5%
West Jordan	8,519	841	9.9%
Cedar City	4,836	811	16.8%
Ogden	13,297	686	5.2%
Clearfield	3,998	653	16.3%
Millcreek	9,626	606	6.3%
Midvale	7,033	520	7.4%
Draper	2,705	517	19.1%
Springville	2,805	451	16.1%
Sandy	6,752	420	6.2%
Lehi	3,026	412	13.6%
Spanish Fork	2,388	398	16.7%
Cottonwood Heights	3,522	348	9.9%
South Jordan	3,888	330	8.5%
Taylorsville	6,173	326	5.3%
South Salt Lake	5,424	322	5.9%
Washington	2,586	316	12.2%
Murray	6,423	313	4.9%
Pleasant Grove	3,653	304	8.3%
Holladay	2,574	303	11.8%
Herriman	1,410	223	15.8%
American Fork	1,857	220	11.8%
Magna	2,032	192	9.4%
Bountiful	3,769	185	4.9%
Layton	6,700	176	2.6%
Tooele	2,243	173	7.7%
Riverton	1,233	142	11.5%
Saratoga Springs	1,245	119	9.6%
North Salt Lake	1,745	79	4.5%
Eagle Mountain	930	78	8.4%
Farmington	1,183	74	6.3%
Kaysville	1,022	73	7.1%
North Ogden	907	58	6.4%
Syracuse	525	52	9.9%
Roy	2,132	50	2.3%
Kearns	1,909	43	2.3%
Clinton	957	36	3.8%
Total	**234,932**	**19,428**	**8.3%**

Source: US Census Bureau, 2014–2018 American Community Survey

V. Transit-Oriented Development and Housing Affordability

Background

Transit-oriented developments (TODs) are compact, mixed-use developments anchored around transit hubs and walkable communities. Zoning for high-density housing often comes with the establishment of a TOD. TOD housing has the additional advantage of reducing transportation costs and increasing access to jobs, education, essential goods, and local services.

The establishment of a TOD requires multiple agency coordination and regional planning. These entities can include municipalities, counties, regional planners, associations of governments, transit and transportation authorities, and private developers. Funding for a TOD comes from a variety of national, state, and local sources.

The development of a TOD generally increases the value of the surrounding land. Higher land costs require collaborative efforts by cities, developers, and nonprofits to provide financial incentives to housing developers, particularly developers of affordable housing.

Why Transit-Oriented Developments Are a Best Practice

- *Provide Infill Development*—Utah Transit Authority (UTA) manages 72 rail transit stations along the Wasatch Front and owns 442 acres of property within half a mile of 36 of those stations; 14 of these are commuter rail stations, and 22 are light rail stations. A majority of the UTA-owned property is currently used as surface parking, bus loops, drop-off areas, and other uses. The average amount of contiguous property within these 36 station areas is 12.55 acres. Much of this property could be consolidated and incorporated into more active developments. Through cooperation with the landowners of other surrounding properties and municipal leadership, much of this area is available for future TOD development.

- *Provide the Opportunity for Increased High-Density Housing and Reduced Transportations Costs*—UTA completed the first TRAX line (Salt Lake City to Sandy) in 1999. Since then additional TRAX lines have been completed, along with FrontRunner and the S-line (streetcar). With this transit development has come a number of transit stations. About 20 of these transit stations have become TODs with mixed-use developments. These TODs have spurred construction of several thousand housing units. Without the transit hub most of these housing units would not have been built or built in locations far from rail transit. At present, about 35% of all market-rate apartment units in the cities and towns in Salt Lake County, nearly 30,000 units, are within walking distance (half a mile) of a rail (TRAX or FrontRunner) station (see Table V.1). And 45% of all Low-Income Housing Tax Credit units, 5,100 units, are within walking distance of a rail station (see Table V.2).

Table V.1: Market Rate Apartments Near UTA Rail Stations in Cities and Towns in Salt Lake County, 2018*

City	Within One-Half Mile	Total Units
Bingham Canyon	0	15
Bluffdale	0	311
Cottonwood Heights	0	646
Draper	1,373	3,637
Herriman	0	2,496
Holladay	0	354
Kearns	0	24
Magna	0	703
Midvale	1,863	5,009
Millcreek	0	20
Murray	921	2,569
Riverton	0	517
Salt Lake City	21,060	45,455
Sandy	1,032	4,723
South Jordan	817	2,807
South Salt Lake	377	646
Taylorsville	0	1,968
West Jordan	876	5,747
West Valley City	492	3,626
Total	**28,811**	**81,273**

*Does not include unincorporated Salt Lake County.
Source: CoStar

Table V.2: Low-Income Housing Tax Credit Units Near UTA Rail Stations in Cities and Towns in Salt Lake County, 2017*

City	Within One-Half Mile	Total Units
Bluffdale	0	336
Draper	0	113
Herriman	0	258
Kearns	0	9
Magna	0	164
Midvale	446	725
Murray	624	837
Salt Lake City	3,607	5,747
Sandy	192	486
South Salt Lake	96	166
Taylorsville	0	331
West Jordan	0	825
West Valley City	138	1,247
Total	**5,103**	**11,244**

*Does not include unincorporated Salt Lake County.
Source: Utah Housing Corporation

- *Utilize Existing Transportation Infrastructure*—Utilizing the existing infrastructure, municipalities and regional authorities can focus TOD growth around existing transit hubs, minimizing the need for significant new transportation infrastructure.

- *Access Multiple, Well-Established Funding Sources*—Financing for TODs comes from a variety of public and private sources, including federal grant funds from the Federal Transit Administration: Many regions, including Atlanta and Denver, have partnered with municipalities, financial institutions, state and federal government, and nonprofits to create TOD-specific funds.

  In Utah, the Utah Equitable TOD Loan Fund will have an initial two-year origination period and a total term of five years, with the intent of renewing these terms annually. The fund is made possible by the support of $5 million from the State of Utah Division of Housing and Community Development and $2 million from Salt Lake County. Envision Utah, Morgan Stanley, Synchrony Financial, Zions Bank, the Utah Center for Affordable Housing, and other partners have also made this fund possible.

- *Revitalize Neighborhoods/Create a Sense of Space*—The promotion of TOD on urban infill parcels can create opportunities to revitalize older communities and neighborhoods. Mixed-use developments at TODs can also serve as an essential tool in achieving broader community strategies. TOD neighborhoods provide gathering places, open spaces, and community resources that may not otherwise be available to the community.

- *Satisfy S.B. 34*—TODs are included in S.B. 34's strategies: "(G) encourage higher density or moderate-income residential development near major transit investment corridors."

Framework for Implementation

- *Multiple Stakeholder Coordination*—Municipal leadership, regional authorities, transportation agencies, private developers, and other community stakeholders coordinate efforts to bring affordable housing to TODs. Inclusion of low- to very low-income housing in TODs is rare and generally requires the development of Low-Income Housing Tax Credit projects. Private-public partnership can facilitate affordable housing with land write-downs, tax increment financing, and federal assistance.

- *Accommodative Zoning*—TOD zoning, in a number of cities, has facilitated the development of high-density housing. Some of the most successful are American Fork, Sandy, Midvale, Millcreek, Salt Lake City, Farmington, and Ogden. These cities are a ready resource in the implementation and development of TOD housing.

Examples of Best Practice

- *American Fork*—In 2018, American Fork lifted a moratorium on new development in its TOD zone surrounding the American Fork FrontRunner station. With the repeal and replacement of Section 17.4.608 of the American Fork City Development Code, the city council issued revised design guidelines for the TOD section of its municipal code. American Fork's plans allow for housing development that ranges from high-intensity urban designs to low-intensity designs, including single-family homes. The city plans to incorporate affordable housing opportunities and create housing communities that accommodate a variety of economic and demographic segments. Currently, two notable residential projects are in the review process: the Castlewood Apartments located at 900 West 200 South, and the Edgewater TOD residential development at 1150 West 200 South.

- *Farmington*—Station Park opened in 2011 and has been a commercial anchor of transit-oriented development in Farmington. Farmington City has adopted a mixed-use district development plan that encourages a compatible mix of uses. By allowing for flexibility in design, the plan promotes a transit- and pedestrian-oriented pattern of development that is consistent with the objectives of the Farmington City General Plan. Specifically, the Transit Mixed Use District (TMU) is intended to develop retail and mixed-use projects in a manner that promotes walkability and enhances the desirability of transit use. The TMU allows for higher-intensity development as long as it doesn't impair walkability or transit use and helps create a viable TOD that transitions smoothly into the surrounding communities.

- *Denver Transit-Oriented Development Fund*—Led by the Office of Economic Development (OED), Denver established a TOD fund to provide a new financing mechanism allowing for the acquisition and preservation of affordable housing along existing and new transit corridors. The TOD fund brought funds from the City of Denver, the MacArthur Foundation, U.S. Bank, Wells Fargo, Colorado Housing and Fi-

nance Authority, Rose Community Foundation, and the Mile High Community Loan Fund, among others. OED also leveraged other federal funds, including the Neighborhood Stabilization Program, to maximize the fund's impact. The Urban Land Conservancy, a local nonprofit, acts as the fund's sole borrower and oversees land purchases to target three types of properties in TOD areas: existing federally assisted rental properties, existing unsubsidized but below-market-rate rental properties, and vacant or commercial properties to be converted to new affordable housing. Since its inception, 17 loans have been made through the Denver Regional TOD Fund, providing a total of $34 million in financing for property acquisitions near public transit in the Denver metro area. As a result, more than 1,450 affordable homes near public transportation have been created or preserved.

Variations on a Theme

- *Land Value Capture*—Potential value capture tools include special assessments and taxes, tax increment financing, varying forms of developer contributions, and joint development or other public sector real estate transactions. These tools are used to help offset the significant upfront investment needed to develop TODs, including public infrastructure, connectivity improvements, affordable housing, and other community features, including parks and open space. Value capture tools work best in areas where there is a robust real estate market, significant development potential, strong political and community support, one (or few) jurisdictions involved, and a strong municipal fiscal position.

VI. Survey of Best Practices

To identify "best practices" the Gardner Policy Institute conducted a survey of 35 practitioners. The survey included a list of 16 potential practices gleaned from a literature search. The survey asked the practitioner to identify practices that in their experience were most effective in addressing the issue of housing affordability. Thirty of the 35 practitioners responded. The selection of best practices for this study was confirmed by the results of the survey. See below for the survey and the list of practitioners.

Best Practices Survey

The Gardner Policy Institute is engaged in a study of "best practices" used by Utah's cities and counties to improve housing affordability and increase the supply of affordable housing. I've conducted a literature search to identify some best practices used in other states; see below. I need help in identifying the practices that have been most effective in Utah. I'd appreciate it if you'd take a few minutes and identify, from your experience, a couple practices that you feel have been most effective. Please return your comments by email. Any specific examples of implementation, outcomes, and jurisdictions with best practices would be very helpful.

List of some possible best practices

Accessory Dwelling Units
Use of RDAs, CRAs, tax increment financing
TODs as source of housing development
Preservation and rehabilitation of existing affordable housing
Density bonuses
Up-zoning and land use regulations
Inclusionary zoning
Development incentives for city (S.B. 34)
Repurposing of underutilized commercial space
Streamlining approval process
Reduced fees for affordable housing
Land trust
Housing trust fund Olene Walker, Pamela Atkinson Homeless
Tax or fee rebates
Use of innovative materials to reduce cost
Rental assistance/down payment assistance
Other practices you are familiar with

Table VI.1: Respondents to Best Practices Survey

Practitioner/ Respondent	Organization
Ackerow, Mike	Executive Director, Community Development Corporation of Utah
Bishop, Brad	Executive Director, Self-Help Homes
Brereton, John	Consultant to Utah Private Activity Bond Authority
Corroon, Peter	Former mayor of Salt Lake County, developer of affordable housing
Dahl, Matt	Redevelopment Agency Director, Midvale City
Datwyler, Kim	Former Executive Director, Neighborhood Housing Solutions
Diehl, Cameron	Executive Director of Utah League of Cities and Towns
Erickson, Steve	Housing advocate
Funk, Tim	Director of Community Housing Assistance Programs, Crossroads Urban Center
Gallegos, Mike	Director of Housing and Community Development, Salt Lake County
Garciaz, Maria	CEO, NeighborWorks Salt Lake
Goff, Lani	Director, Salt Lake City Housing and Neighborhood Development
Gray, Lilly	National Development Council Greater Salt Lake Area
Jepperson, Randy	Housing Program Manager, Salt Lake County
Jones, Jeff	Economic Development and Housing Director, Summit County
Kimball, Janice	CEO, Housing Connect (formerly the Housing Authority of the County of Salt Lake)
Lofgren, Dan	President and CEO, Cowboy Partners
Loomis, Scott	Executive Director, Mountainlands Community Housing Trust
Milligan, Marci	Development Consultant, Utah Nonprofit Housing Corporation
Nelson, Chris	Professor of Planning & Real Estate Development, University of Arizona
Parker, Chris	Executive Director, GIV Group
Price, Tim	Executive Director, Ogden City Housing Authority
Rollins, Tara	Executive Director, Utah Housing Coalition
Royall, Heather	West Valley City Grants Division
Schulte, Jim	President, Restore Utah
Smith, Lynell	CEO, Housing Authority of Utah County
Springmeyer, Bob	Bonneville Research
Stauffer, Rhoda	Director, Park City Affordable Housing Program
Tippits, Bill	Associate Director, Crossroads Urban Center
Weaver, Michele	Rural Community Assistance Corporation

VII. Examples of Best Practices Outside of Utah

A. Public Asset Management and Housing Affordability
B. Up-Zoning and Housing Affordability
C. Adaptive Reuse
D. Housing Trust Funds and Housing Affordability
E. State Leadership

A. Public Asset Management and Housing Affordability

Public entities such as states, cities, counties, school districts, utilities, transportation agencies, special districts, etc., own billions of dollars in real estate assets. However, these assets are not utilized to their full potential. This creates an opportunity to develop new streams of revenue for public entities by optimizing the uses of these assets in partnership. Rather than disposing of surplus land or an underutilized real estate asset, the public entity enters into a partnership with a private or state public entity to maximize the asset's market potential. This improves the value of the asset and generates new revenue.

A critical piece for managing public assets is identifying commercially valuable assets versus those public assets that should remain as public goods. The concept of using public assets to generate revenue isn't new, but it is not often utilized. The most successful utilization of this strategy comes from Denmark, while a few US cities are beginning this process as are several tech and philanthropic institutions.

How It Works

Many public institutions don't know the true market value of their assets. A critical step to public asset management is a comprehensive inventory and value assessment. Often, an independent public entity is established to manage the assets. The assets are transferred from the local government to the entity. This allows for transparency and objective valuation, while insulating the project from political interference.

The assets can also be merged or bundled. For example, a school district and a city can form an entity to execute a project plan. In most cases, public ownership is fragmented across different entities. Combining assets under a single entity eases entitlement and financial lending obstacles. It is likely that the project will require a land-use rezone. This step alone can increase the project value without significant financial investment.

This new entity can borrow (generally with favorable terms) by using the improved land value as collateral. The asset can also be applied as a capital contribution for a public-private partnership, or leased to a private entity.

The public entity can then use the profits from the development to invest in other public infrastructure projects such as transportation, education, and other public amenities. This, in theory, increases the value of remaining land and assets, further enabling the entity to invest and expand.

Example of Strategy

CPH City & Port Development Corporation—Copenhagen, Denmark

As the city of Copenhagen, Denmark, was facing major budgetary and economic woes in the early 1990s, local and national government entities formed a public-private corporation to redevelop a part of the city. The goal was to revitalize a part of the city and finance large-scale infrastructure by increasing revenue from publicly owned land and buildings without raising taxes.

Upon forming the development corporation, strategic parcels of land were identified then rezoned to reflect favorable market conditions. This step immediately increased the value of the land. The process followed with a favorable loan against the rezoned property from the Denmark National Bank. The capital was used to expand the transit system and pay for additional local infrastructure. As the project expanded, revenue was raised from land sales and lease agreements, which was used to service the original debt.

Figure A.1: Copenhagen Mechanism for CPH City & Port Development

Source: Brookings Institute

Applications to Utah

Utah's public entities are uniquely positioned to utilize the public asset, public-private partnership model. There are numerous public universities, utilities, and even health care providers that could provide a wide range of public benefits such as affordable housing or health care services.

This could involve making land available for critical public needs such as providing affordable housing, addressing food deserts, increasing education and job training, and expanding green or open space. Public asset management could also involve commercial endeavors, generating returns that flow back into government budgets to be invested in transportation, infrastructure, public housing, behavioral health care, public education, or other government services.

B. Up-Zoning and Housing Affordability

Background

Up-zoning is defined as land use change that allows for higher development intensity. During the 1970s cities rezoned land to increase restrictiveness of land use intensity, such as housing. Today, the opposite philosophy is applied to up-zoning. Cities use the policy to increase housing density and provide options for affordable housing. As housing affordability continues to be a burden, policy makers are using up-zoning as one of the solutions to decrease displacement as well as provide new opportunities to lower-income residents in amenity-rich areas.

Examples of Up-Zoning

Minneapolis, Minnesota—Over the last three years the city worked on the Minneapolis 2040 plan, which includes strategies aimed at addressing climate change, density, and affordable housing. The plan went into effect at the beginning of 2020 and included at least two drafts and over 100 amendments.

The major affordable housing intervention includes a two-strategy approach. First, the plan allocates $25 million in subsidies to a housing fund and requires that 10% of apartment units must be reserved for moderate-income households. Second, the plan effectively up-zones the whole city to allow denser development with more units to be built in areas that previously contained only single-family homes.

The plan also focuses on providing higher density near transit stops and eliminating off-street minimum parking requirements to free up land for denser multifamily development.

State of Oregon—Because Oregon has defined urban growth boundaries, metropolitan and state regulatory authorities regularly assess whether cities are meeting their population needs to accommodate 20 years of growth.

In 2019 the Oregon State Legislature passed H.B. 2001, allowing for increased housing density in residential areas where only single-family building was previously approved, thus up-zoning the whole state. The policy eliminates any local bans on duplexes in low-density residential areas that have more than 10,000 residents. In cities with more than 25,000 residents, the policy allows triplexes, fourplexes, and attached townhomes. The bill gives cities the ability to regulate design characteristics and size, and allows for flexibility to incentivize projects that create new, below-market units.

Seattle, Washington—The city established a Mandatory Housing Affordability (MHA) policy with new zoning guidelines ensuring that new commercial and multifamily residential developments provide affordable housing units. This policy change is expected to produce over 6,000 low-income units over the next decade.

There are five zones throughout the city requiring different levels of development density, ranging from low-rise detached and row house neighborhoods to taller mixed-use districts, where buildings will be allowed to rise to a height of 95 feet or more. Approximately 6% of Seattle's single-family zones will be up zoned.

For builders, there are options to opt out of these regulations; however, required fees in lieu of on-site affordable housing construction start at $5.58 per square foot for developments located in low-rise areas outside downtown and increase to a maximum of $35.75 per square foot for larger mixed-use developments.

C. Housing Affordability and Adaptive Reuse of Commercial for Residential

Background

Adaptive reuse or repurposing of office, industrial, and retail properties for residential use is not a new idea. It has been a redevelopment staple in major metropolitan areas like New York City and San Francisco for years. Salt Lake City has several examples of adaptive reuse in the Central Business District (CBD). The 2002 Olympics spurred the adaptive reuse of aging warehouses to residential use, including the Dakota Lofts, Artspace, Broadway Lofts, and Pierpont Lofts. The city has adopted a D-3 Downtown zone that allows for the adaptive reuse or replacement of warehouse space with mixed-use, multifamily spaces. Repurposing commercial space to residential in Utah has been limited to Salt Lake City's CBD. But the recent closures of big box locations by Shopko, Kmart, Sears, J.C. Penney, and Toys-R-Us provides adaptive reuse opportunities for suburban and even some rural communities.

In the past two years Shopko has closed 19 locations in Utah. A review of commercial listings shows Shopko properties for sale in four cities: Ogden, Nephi, Roosevelt, and Brigham City.

The continued growth of online shopping, along with the impact of COVID-19, will likely open up more opportunities to convert retail space to residential uses. But the conversion can be difficult. A different use will require a zoning change. The best prospects for conversion are freestanding buildings that require demolition, which can cost as much as $500,000. There can be local tax issues. Additionally, there could be many interested parties in the "dark space." Amazon, At Home, and Dick's Sporting Goods have all expressed interest in former Sears and Kmart locations. Despite these complications, collaborative efforts by cities and developers have created additional housing through adaptive reuse in markets facing housing shortages.

Examples of Adaptive Reuse—In Burbank, California, the relocation of an IKEA store left an abandoned site that was developed into a mixed-use location with several hundred housing units. A 94-unit apartment complex in Westport, Connecticut, was developed after demolition of an abandoned office building. The Howard Hughes Corp., landlord of a shuttered mall in Alexandria, Virginia, donated a Macy's store to temporarily house the homeless. Converted office space in downtown Dallas provided over 500 new rental units. Numerous examples of commercial-to-residential conversion can be found through a web search. Crucial to all conversions is the receptivity of the local planning commission and city council to a change in land use.

D. Housing Trust Funds and Affordable Housing

Background

Funding is one of the many challenges facing affordable housing projects in Utah. One way to address funding challenges is through housing trust funds (HTFs). These state and local funds secure ongoing dedicated public funds for affordable housing needs. Common revenue sources for HTFs include developer fees, penalties on late payments of real estate taxes, a dedicated portion of the local real estate transfer tax, and fees from other real estate–related transactions. Most often, HTFs address affordable housing needs by providing financing for affordable housing construction and preservation through techniques like zero-interest loans or gap financing. Other tactics may include demand-side solutions such as subsidizing down payments for low- to moderate-income households.

The National Housing Trust Fund, created in 2008, complements existing local efforts to preserve and produce affordable housing. The program provides block grants to states to increase or preserve the supply of rental housing affordable to extremely low-income households (30% of the area median income or less, or below the federal poverty guideline). The national HTF requires 90% of awarded funds to be used for rental housing. The first awards of the national HTF began in 2016, with Utah awarded funds for three projects for a total of 39 units.

Housing Trust Funds in Utah

The Olene Walker Housing Loan Fund (OWHLF) is Utah's state housing trust fund. The fund supports quality affordable housing options to meet the needs of Utah's individuals and families, with a focus on developing housing for very low-income, low-income, and moderate-income persons. The program is administered by the Utah Housing and Community Development Division. It combines federal HOME funding, USDA rural development funding, annual appropriations from the state legislature, and, recently, program income and loan repayments. For the 2018–2019 program year, the OWHLF had 933 current loans, a $146.4 million total portfolio value, and assisted 1,217 units for a lifetime total of 20,703 units funded.

Salt Lake City also has a housing trust fund, and while it acts similar to a traditional HTF, it is not subject to the same rules and regulations from HUD. This fund provides loans to housing sponsors and developers to support affordable and special needs housing within the city. It is funded through the general fund of the city and functions as a revolving loan fund that accepts applications year-round and requires detailed descriptions of the project and how it will assist with the city's affordable and special needs housing. Since 2009, 2,330 affordable units in 29 developments have been assisted by Salt Lake City's HTF. From July 2018 to June 2019, 65 new units and 95 rehabilitated units in three developments were completed. As of March 2020, 11 developments, including two rehabilitation projects, were in the development process and 10 projects in the pipeline for HTF funding. Currently, the city's Housing and Neighborhood Development department is working with the RDA under the direction of the city council to streamline the funding process for multifamily developments.

Housing Trust Funds in Other Regions

Nationally, there are over 800 state and local HTFs generating more than $2.5 billion a year to support critical housing needs. These funds are a result of state and local action led by community organizers, housing advocates, elected officials,

and other allies who have agreed that the development of a permanent stream of revenues dedicated to affordable housing is a public priority. For HTFs to be effective on a local level, there needs to be persistent advocacy, ongoing revenue support, and administrative direction.

In King County, Washington, the county collaborated with cities to create a regional HTF, A Regional Coalition for Housing (ARCH), to address the affordability crisis driven by robust economic growth in the region. Each jurisdiction contributes funds to the HTF, and all members receive an equitable distribution of ARCH resources. Additional revenue sources include general funds, federal Community Development Block Grant funds, payments by developers, loan repayments, earned interest, fee waivers, infrastructure improvements, and contributions of land. Since 1993, the ARCH HTF has funded over 3,250 units of housing for families, seniors, and persons with special needs.

The Sadowski Fund operates as an HTF in Florida and is administered by the Sadowski Coalition. The coalition of 32 statewide organizations began in 1991 to obtain a dedicated revenue source to fund the state's affordable housing programs. Initially, Florida's housing programs were funded when the "document stamp tax" paid on all real estate transactions was increased in 1992. All monies generated were dedicated to state and local housing trust funds.

E. State Leadership and Housing Affordability

Local opposition often impedes progress on Utah's housing shortage. Any housing development that requires a special permit or variance will likely trigger a public meeting. Public meetings have their virtues. They allow those who are most affected to voice their views and can act as a check on developer excesses. But they can also allow a small group of unrepresentative neighbors to amplify opposition to new developments. In addition to being relatively few in number, the opponents may not be representative demographically or socioeconomically of the jurisdiction. Their interests may not reflect the larger community's interests and housing needs.

A large share of those who would benefit from a new development almost always live outside the jurisdiction. Their voices in support of additional housing go unheard. This imbalance between staunch opposition and widely diffused support underscores the need for the state to step in and balance the scales. Local governments are often limited in their ability to make meaningful progress on the challenges of affordability. State support can help. An example, in 2019 the Utah Legislature passed S.B. 34, the most consequential affordable housing legislation to date. S.B. 34 incentivizes affordable housing development by tying state transportation funding to strategies aimed at encouraging affordable housing.

State leadership, as a best practice, is exemplified by Oregon and California. In 2019 the Oregon Legislature passed H.B. 2001 that eliminates single-family zoning in much of the state. "Under the new bill, cities of more than 1,000 in the Portland metropolitan area and those of more than 25,000 in the rest of the state will have to allow up to fourplexes in single-family neighborhoods. Cities between 10,000 and 25,000 would have to at least allow duplexes."[13] Oregon will be a test case for other cities and states contemplating eliminating the single-family zone.

In 2016 and 2017, California passed accessory dwelling unit reforms that require cities to permit one ADU per single-family home, streamline ADU permitting, set utility fees proportional to the burden of ADUs, and further reduce fees for ADUs built inside an existing home. The law also waived parking requirements for ADUs located within half a mile of a transit stop or within a block of a car-share stop. After passage of the ADU legislation, the annual number of ADU units receiving building permits in Los Angeles increased from a few hundred to almost 4,200 in 2018.

Progress on the housing crisis needs continued state and civic leadership. Without it, today's children, Utah's next generation, will face an even greater scarcity of affordable housing and more burdensome housing prices.

Other Local Studies on Housing Affordability

Utah League of Cities and Towns

In 2018, the Utah League of Cities and Towns published *Keys to Housing Policy in Utah*. The first section of this report is devoted to housing terminology: common housing terms, land use terms, and financial terms. The second section includes brief descriptions of 15 strategies followed by four case studies briefly describing the implementation of a strategy: Clearfield (form-based code for downtown housing), Park City (workforce deed-restricted housing), South Salt Lake (TOD/Community Redevelopment Area), and Ogden (Community Reinvestment Area and zoning code updates).
https://site.utah.gov/ulct/wp-content/uploads/sites/4/2018/06/Keys-to-Housing-Report.pdf

In November 2019 the Utah League of Cities and Towns published *One Key to Housing, Accessory Dwelling Units: A Resource Guide for Municipal Officials and Staff*. This is a how-to publication for municipalities considering adopting an ADU ordinance.
http://www.ulct.org/wp-content/uploads/sites/4/2019/08/One-Key-ADUs_Updated-8.13.2019.pdf

University of Utah, Department of City & Metropolitan Planning

Graduate students have produced a 50-page draft report titled *Affordable Housing Strategies: State-of-the-Practice in Ten Utah Cities*. The study identifies 15 housing strategies and then examines the use of those strategies in 10 major cities in Utah. The report was produced and published under the direction of Professor Reid Ewing.

Utah Foundation

This study will address the issue of housing affordability and the "missing middle." In this report, missing middle is defined as those households who earn too much to qualify for subsidized housing but not enough to cover the costs of market-rate housing. This study will examine the scope of the problem, identify geographic problem areas where the issue is most acute, and analyze the pros and cons of various strategies that could help alleviate it. Particular emphasis will be placed on exploring homeownership options.

Endnotes

1. Utah Code Ann., 10-9a-5.
2. Salt Lake County Municipal Code, Chapter 19.02.020.
3. Kem C. Gardner Policy Institute, Demographics, and Ivory-Boyer Construction Database.
4. "Cities Start to Question an American Ideal: A House with a Yard on Every Lot," *New York Times*, June 18, 2019.
5. *Housing America's Older Adults 2019,* Harvard Joint Center for Housing Studies.
6. "One Home, a Lifetime of Impact," *Washington Post*, July 23, 2020.
7. Utah Code Ann., 10-9a-403.
8. Utah Code Ann., 17C-1-412.
9. Original Redevelopment Agency legislation used the nomenclature of RDA. In 2006, legislation created Urban Renewal Areas (URA), Community Development Areas (CDA) and Economic Development Areas (EDA). In 2016 Legislation collapse URA, CDA, and EDA into a single designation of Community Reinvestment Area (CRA). Project areas retain the nomenclature used at the time of their creation.
10. The Redevelopment Agency of Salt Lake City, 2019 Annual Report.
11. Karen Chapple, et al., *Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle, and Vancouver* (Terner Center for Housing Innovation, UC Berkeley: 2017).
12. Tara Horn, Debi Elliott, and Amber Johnson, *Accessory Dwelling Unit Survey for Portland, Eugene, and Ashland, Oregon* (Survey Research Lab for the State of Oregon Department of Environmental Quality: September 2013).
13. "Oregon Strikes Exclusive Single-Family Zoning, But Effects May Take Years," Oregon Public Broadcasting, July 3, 2019.

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Housing: Affordability & Affordable

Council Staff
Melia Dayley, Michael Sanders, Abi Maccabee

June 6, 2023

Agenda

01. Status Quo

02. The RDA & Housing Development

03. Accessory Dwelling Units

04. State Legislature: Policy & Budgetary Changes

05. Community Land Trusts

06. Deed Restrictions

Council Discussion & Action

Prepare legislation or Council Policy

"I motion to request that [Council Staff or the Administration] prepare legislation that _____ for consideration by the Council at _____ Work/Council Meeting(s)."

Continue the issue for additional discussion or research

"I motion to continue this item to a future agenda [specific date] and request that [Council Staff or administration} pursue research regarding _____."

Status Quo

General Plan and Moderate-Income Strategies

- 16 goals in the General Plan
- 10 goals in Moderate-Income Strategies Report
- HOME Purchase Plus Program

Redevelopment Agency & Housing

Housing Development Strategies

•Providing construction and acquisition loans that serve as gap financing with below-market terms to enable the financial viability of the development of new affordable units.

•Acquiring, assembling, and preparing of property for future affordable housing development.

•Reselling of property at a discount for affordable housing development at a pricing level determined by the project's financial need and public benefits.

Accessory Dwelling Units

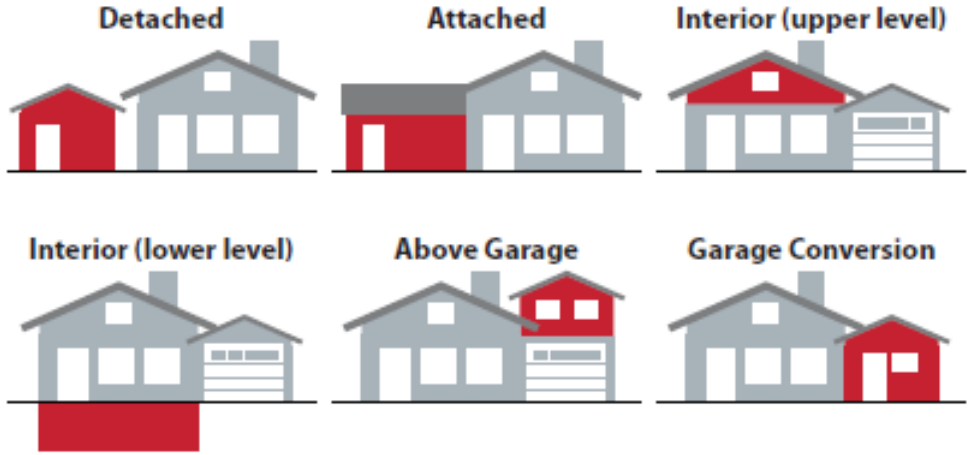
Status Quo Strategy

Identified strategy in the city's Moderate Income Housing Report

Coming to Council Work Meeting on October 3

- 1 year follow-up to ADU ordinance changes from 2022

Figure IV.1: Different Ways to Integrate ADUs with Existing Housing



Source: "The ABCs of ADUs," AARP

State Policy & Budget Changes

Table 3: Major Legislation Supporting Utah State Housing Programs, 1995-2023

New Construction and Preservation of Affordable Housing	Administrative Policies and Support	Homeless Assistance	Affordable Housing and Public Transportation	Municipal Zoning Ordinances
Annual funding of Olene Walker Housing Loan Fund (established 1985, annual state funding (1995)	H.B. 295 requires the needs assessment of municipalities (1996)	H.B. 441 initial funding for new homeless resource centers (2017)	S.B. 217 establishes requirements for municipalities to create reinvestment zones at TODs with tax increment financing (2021)	H.B. 82 made it illegal in most cases for cities to prohibit the development of accessory dwelling units. (2021)
S.B. 39 additional one-time funding for OWHLF and creation of the Utah Housing Preservation Fund (2020)	H.B. 430 creates Commission on Affordable Housing (2018)	H.B. 347 creates the Office of Homeless Services and the Utah Homelessness Council. (2021)		S.B. 174 streamlines the subdivision process (2023)
S.B. 238 provides $55 million in federal funds to develop deeply affordable housing (2022)	S.B. 34 requires the municipality's general plan to include provisions for moderate-income housing (2019)	S.B. 238 provides $55 million in federal funds for deeply affordable housing (2022)		S.B. 199 limits referendums challenging housing development (2023)
S.B. 240 provides loans to first-time homebuyers (2023)	H.B. 347 creates the Office of Homeless Services (2021)	H.B. 440 provides increase in funds for municipalities with shelters and allows capacity increases for shelters (2022)		
H.B. 364 expands to state tax credit program from $1.2 million annually to $10 million (2023)		H.B. 499 funding for increased homeless shelter services during winter months. (2023)		
		H.B. 359 allowing eviction expungement if both parties agree (2022)		

Source: Kem C. Gardner Policy Institute and Utah Housing Coalition

Utah League of Cities & Towns

- Councilors MacKay & Ellsworth are voting members but all Councilors welcome
- Legislative Policy Committee (LPC) in interim & during Legislative Session

State Commission on Housing Affordability

- Meets monthly, drafting policy & fiscal asks
- Subcommittees on funding, policy, & data
- Housing Inventory Audit

Lite-Deed Restriction

- **Lite-deed restrictions** involve the process of compensating homeowners a percentage of their home in exchange for restricting who can occupy the home. This encourages a long-term local community and housing affordability.
- **Occupancy Requirements:**
  - Primary Owner
  - Long-Term Renter (minimum 6-month lease)
- **Average Compensation:**
  - 10%-20%

Lite-Deed Restriction

Live Park City Lite-Deed Restriction Program

- Park City, Utah has experienced rapid increases in the housing costs due to its tourist-driven economy thus forcing local residents to look for housing elsewhere. To help mitigate the expensive housing market, Park City has implemented its **Live Park City Lite-Deed Restriction Program.**

- This program compensates homebuyers 10 to 20 percent of their home in exchange for occupancy restrictions. Occupancy requirements include:
  - **Primary Homeowner**
  - **Long-Term Renter** (minimum lease of six months)

- Park City adopted an enabling resolution to administer this program.
- $1 million were allocated from discretionary dollars that came from the sale of city property
- Park City anticipates buying 3 deed restrictions in the next few weeks.

Lite-Deed Restriction

Vail InDeed Program

- Vail developed the **Vail InDeed** program where 15 to 20 percent of the property is paid for through the program. This program is managed by the Vail Local Housing Authority and is funded through the town's general fund.
- This program compensates homebuyers 15 to 20 percent of their home in exchange for occupancy restrictions. Occupancy requirements include:
  - **An individual who works at least 30 hours in Eagle County**
- This deed restrictions helps separate the local housing market and the out-of-town market; it gives local residents a chance to afford housing and build equity.

Lite-Deed Restriction

Vail InDeed Program

- In 2016, George Ruther, director of the Vail Department of Housing, found that **90%** of sales by local homeowners were to nonresidents and rarely reverted back to local ownership.
- Since the deed restriction program was implemented, Vail has obtained 1,027 deed restrictions – surpassing its original goal of 1,000 deed restrictions by 2027.

1,027
Deed Restrictions

$11.5M
Invested

386
Residents

$82.18
Per Sq. Ft.

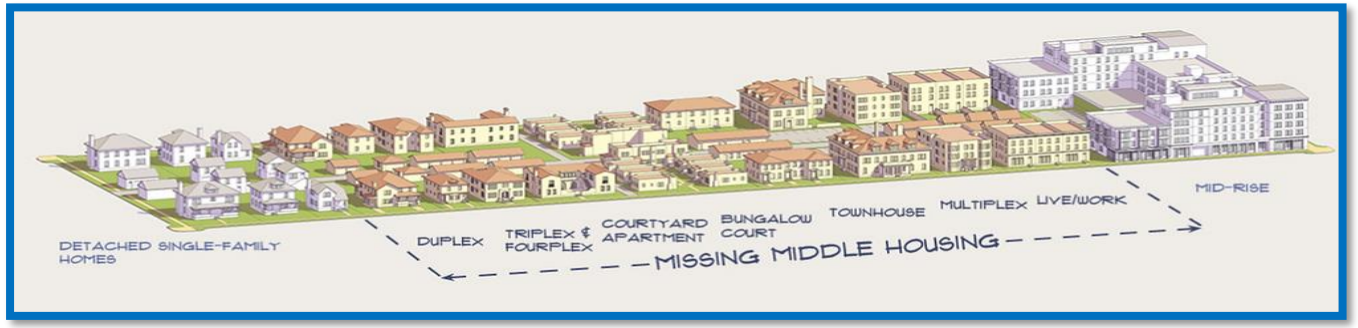
Community Land Trusts

- A **community land trust** is a self-sustaining model that involves a public investment to provide affordable properties and homes for lower-income households.
- Both governmental entities and nonprofit organizations can participate in community land trusts by purchasing or funding a piece of land and allowing residents to buy a house within that space thus lowering the overall cost.
- This model can be developed near transit-oriented development to accommodate parking requirements and provide individuals access to transportation.
- According to the National League of Cities, homeowners acquire **~$14,000** in equity after they sell their home thus allowing them to purchase market-rate homes. Additionally, homeowners are **10 times** less likely to foreclose.

Community Land Trusts

Irvine Community Land Trust

- In 2006, the Irvine City Council authorized the implementation of a community land trust. Since then, the city has developed **407** affordable housing units for low-income households who earn **30-80** percent of the AMI.
- This community land trust has a variety of condos, apartments, and townhomes. This helps make up for the "missing middle."
- The **"missing middle"** refers to housing units that are not single-family homes and not high-rise apartment buildings. Instead, it is any housing unit that falls in-between such as duplexes, fourplexes, courtyard buildings, townhomes, cottage courts, multiplexes, and more.
- As of 2022, **68** moderate-income families were able to purchase their first home because of this model.



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PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: KZARBOCK
Department: Finance
Requested Meeting Date: 06-20-2023

SUBJECT: A presentation regarding the general operations and library property tax rates. (23-008)

RECOMMENDATION: Presentation only

BACKGROUND: The Council has requested an overview of the City's general operations and library property tax rates.

FISCAL IMPACT:

PRESENTER'S NAME: Kelsey Zarbock, City Budget Officer

REQUESTED DURATION OF PRESENTATION: 10 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-008

Provo City Property Tax Calculations

Provo City's General Operations

Tax Year	Fiscal Year	Citywide Property Valuation (Does not include growth)	Prior Year Budgeted Revenue (Provo City's General Operations)	Property Tax Rate (Prior Year Budgeted Revenue/Valuation)	New Year Revenue	New Growth Revenue	Final Budgeted Revenue (New Fiscal Year)	Property Tax Increase
2019	FY20	6,243,726,132	4,765,300	0.000763	4,763,963	84,652	4,848,615	-
2020	FY21	6,660,951,680	4,848,615	0.000728	4,849,173	66,927	4,916,099	-
2021	FY22	7,201,519,094	4,916,099	0.000683	4,918,638	81,198	4,999,835	-
2022	FY23	9,547,800,082	4,999,391	0.000524	5,003,047	87,272	5,090,319	147,619
2023	FY24	9,496,465,553	5,237,939	0.000552	5,242,049	75,972	5,318,021	

Provo City Library

Tax Year	Fiscal Year	Citywide Property Valuation (Does not include growth)	Prior Year Budgeted Revenue (Provo City Library)	Property Tax Rate (Prior Year Budgeted Revenue/Valuation)	New Year Revenue	New Growth Revenue	Final Budgeted Revenue (New Fiscal Year)	Property Tax Increase
2019	FY20	6,243,726,132	3,456,603	0.000554	3,459,024	61,464	3,520,488	-
2020	FY21	6,660,951,680	3,520,488	0.000529	3,523,643	48,632	3,572,276	-
2021	FY22	7,201,519,094	3,572,276	0.000496	3,571,953	58,966	3,630,920	-
2022	FY23	9,547,800,082	3,630,597	0.000380	3,628,164	63,289	3,691,453	-
2023	FY24	9,496,465,553	3,691,453	0.000389	3,694,125	1,623,896	5,318,021	

Property Tax Overview:

Provo City General Operations & Library

Overview

1) **“Why has my property tax bill increased?”**
    a) Property Tax Bill Breakdown
    b) Property Valuation – 4 Scenarios

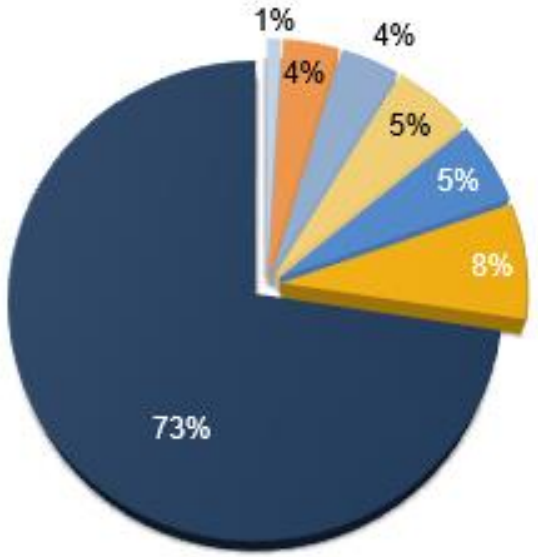
2) **Five-Year Overview of Property Taxes**
    a) Provo City General Operations
    b) Provo City Library

“Why Has My Property Tax Bill Increased?”

1) A taxing entity raised its portion of the property tax
2) Your property valuation increased in greater proportion than the average property in your area

Property Tax Bill Breakdown

State Charter Schools	$ 23.93	1%
Provo Library Fund	$ 94.70	4%
Central Utah Water	$ 99.69	4%
Provo General Fund	$ 134.33	5%
Utah County	$ 139.81	6%
Provo Debt Service Fund	$ 197.13	8%
School District	$ 1,825.05	73%
Total Tax Burden for the taxable value of a $453,129 home	**$ 2,514.64**	**100.0%**

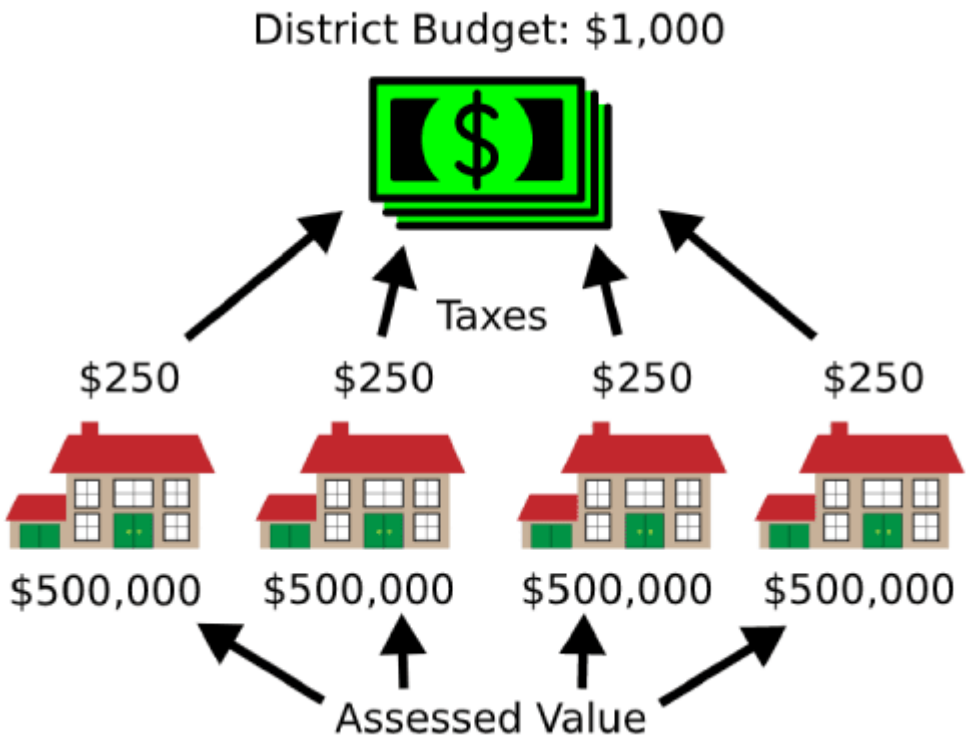


Provo City's Total Portion = $426.16 or 17% of total tax bill

Based on 2022 Tax Year Rates

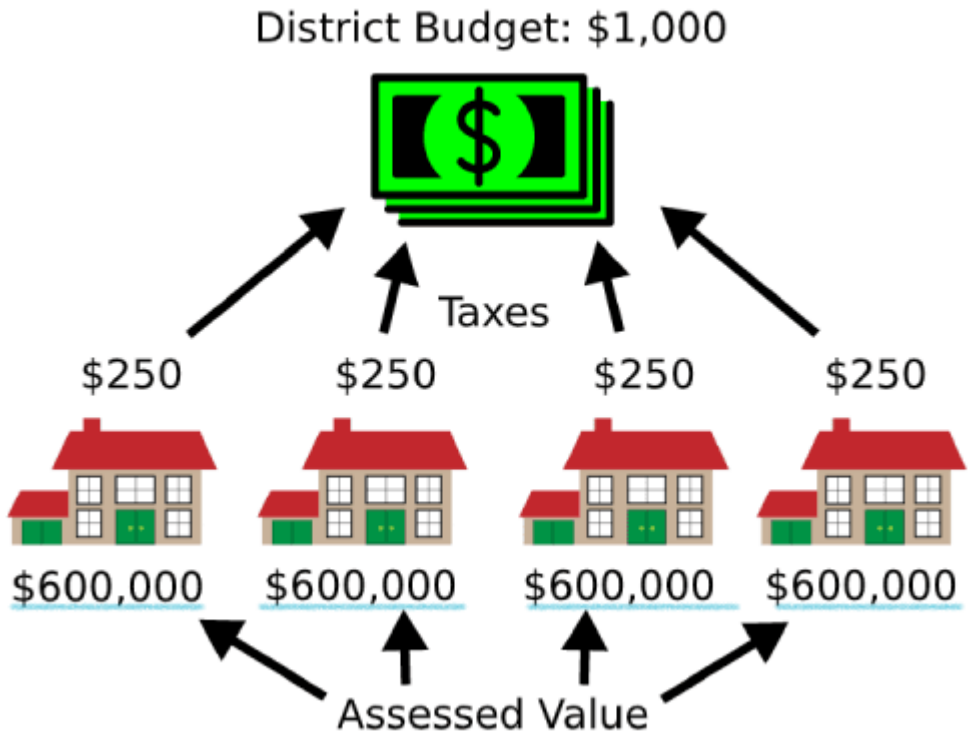
Property Valuation

Year 1



Total Valuation: $2,000,000
Property tax rate: 0.0005

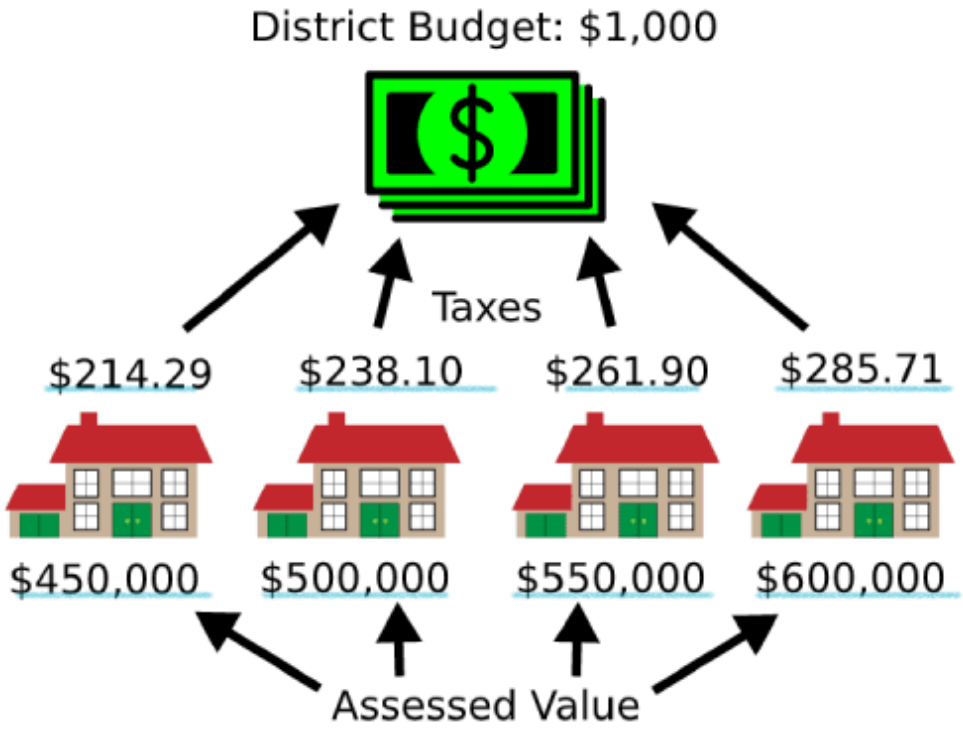
Year 2



Total Valuation: $2,400,000
Property tax rate: 0.000417

Property Valuation

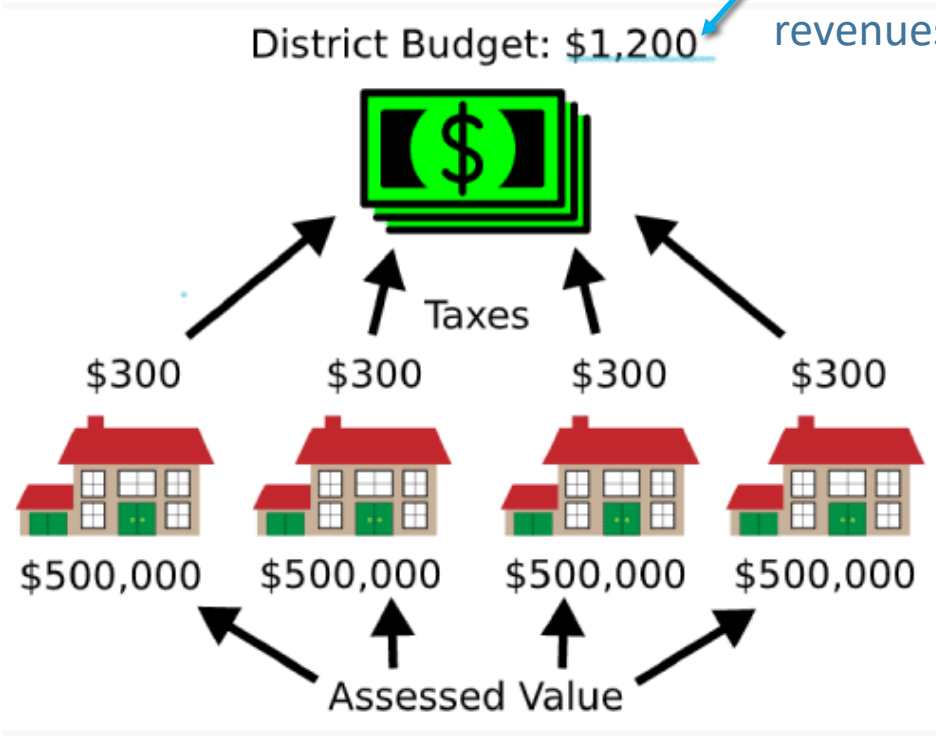
Year 3



Total Valuation: $2,100,000
Property tax rate: 0.000476

Year 4

Increase revenues by 2%



Total Valuation: $2,000,000
Property tax rate: 0.0006

Five Year Overview – General Operations

Provo City's General Operations								
Tax Year	Fiscal Year	Citywide Property Valuation (Does not include growth)	Prior Year Budgeted Revenue (Provo City's General Operations)	Property Tax Rate (Prior Year Budgeted Revenue/Valuation)	New Year Revenue	New Growth Revenue	Final Budgeted Revenue (New Fiscal Year)	Property Tax Increase
2019	FY20	6,243,726,132	4,765,300	0.000763	4,763,963	84,652	4,848,615	-
2020	FY21	6,660,951,680	4,848,615	0.000728	4,849,173	66,927	4,916,099	-
2021	FY22	7,201,519,094	4,916,099	0.000683	4,918,638	81,198	4,999,835	-
2022	FY23	9,547,800,082	4,999,391	0.000524	5,003,047	87,272	5,090,319	147,619
2023	FY24	9,496,465,553	5,237,939	0.000552	5,242,049	75,972	5,318,021	

**Data available on taxrates.utah.gov*

Five Year Overview – Library

Provo City Library								
Tax Year	Fiscal Year	Citywide Property Valuation (Does not include growth)	Prior Year Budgeted Revenue (Provo City Library)	Property Tax Rate (Prior Year Budgeted Revenue/Valuation)	New Year Revenue	New Growth Revenue	Final Budgeted Revenue (New Fiscal Year)	Property Tax Increase
2019	FY20	6,243,726,132	3,456,603	0.000554	3,459,024	61,464	3,520,488	-
2020	FY21	6,660,951,680	3,520,488	0.000529	3,523,643	48,632	3,572,276	-
2021	FY22	7,201,519,094	3,572,276	0.000496	3,571,953	58,966	3,630,920	-
2022	FY23	9,547,800,082	3,630,597	0.000380	3,628,164	63,289	3,691,453	-
2023	FY24	9,496,465,553	3,691,453	0.000389	3,694,125	56,979	3,751,104	

**Data available on taxrates.utah.gov*

Questions?

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: KZARBOCK
Department: Finance
Requested Meeting Date: 06-20-2023

SUBJECT: A presentation on rates and payment schedules for Provo's general obligation bonds. (23-008)

RECOMMENDATION: The Council has requested an overview of the City's general obligation bonds, specifically the duration of the bonds and how the property tax rate is calculatd.

BACKGROUND: The City has two general obligation bonds (bonds approved by voters) that are paid for by property taxes - specifically the "Debt Service" portion of Provo City's overall tax rate. The first bond is for the Recreation Center and the second bond is for the new public safety building/city hall. The bonds have been structured so that the payments are the same each year, and the debt service rate is adjusted only because overall property valuation changes from year to year.

FISCAL IMPACT:

PRESENTER'S NAME: Dan Follett, Finance Director

REQUESTED DURATION OF PRESENTATION: 10 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-008

Provo City
General Obligation Bond Debt Service

GO Bonds (Approved by Voters)	Original Issue Amount	Outstanding Balance	Interest Rate	Final Maturity Date
Recreation Center GO Bond (Refinanced)	24,550,000	20,965,000	2.32%	1/1/2032
City Hall GO Bond	65,930,000	56,580,000	3.03%	2/1/2039

GO Bond Debt Service Payments	2023	2022	2021
Recreation Center Principal + Interest Payment	2,948,250	2,946,250	2,951,650
Plus: City Hall Principal + Interest Payment	4,738,206	4,742,606	4,739,456
Equals: Total GO Bond Debt Service Payment	7,686,456	7,688,856	7,691,106

GO Bond Tax Rate Calculation	2023	2022	2021
Total GO Bond Debt Service Payment	7,686,456	7,688,856	7,691,106
Divided By: Provo City Total Assessed Valuation	9,496,465,553	9,714,349,742	7,320,402,737
Equals: GO Bond Tax Rate	0.000809	0.000791	0.001051

Residential GO Bond Property Tax on Average Home Value	2023	2022	2021
Average Residential Property Valuation	453,129	458,601	381,608
Less: Primary Residential Exemption of 45%	203,908	206,370	171,724
Equals: Average Residential Property Value Subject to Tax (55%)	249,221	252,231	209,884
Times: GO Bond Tax Rate	0.000809	0.000791	0.001051
Equals: Interest and Bond Property Tax on Average Home Value	$202	$200	$221

Residental Property Tax Per GO Bond on Average Home Value	2023	2022	2021
Recreation Center GO Bond (Refinanced)	$77	$76	$85
City Hall GO Bond	124	123	136
Total Interest and Bond Property Tax on Average Home Value	$202	$200	$221

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: JUHARRISON
Department: Council
Requested Meeting Date:

SUBJECT: A presentation regarding FY24 supplemental budget requests. (23-008)

RECOMMENDATION: Presentation and discussion.

BACKGROUND: A presentation to review the supplemental list to identify what items would be consistent with the Council's stated priorities. Possible funding sources for supplemental requests include a review and reallocation of existing revenues, future consideration of carryovers, or use of one-time funds.

FISCAL IMPACT:

PRESENTER'S NAME: Melia Dayley, Policy Analyst

REQUESTED DURATION OF PRESENTATION: 25 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-008

PROVO CITY MUNICIPAL COUNCIL

Staff Memorandum

Melia Dayley, Policy Analyst

Supplemental Requests

June 6, 2023

During budget preparation, Finance gathered all supplemental requests including important details such as if the funding is one-time or recurring, a General Fund appropriation or otherwise, the total increase required to fulfill the request, and other information.

Summary Statistics

- Total number of requests: 63
- Grand Total (General and Other Funds together): $5,274,746
    - General Fund: $3,840,504
    - Other Funds: $1,434,242
- Critical Requests: 25
- Aspirational Requests: 4
- Necessary Requests: 32

Funded Requests

- Requests currently funded in the FY2024 Tentative Budget *(as seen in chart below):*
    - Funded through…
        - General Fund: requests totaling $1,041,986
        - Other Fund: requests totaling $543,184
        - Grand Total (General and Other Funds together): requests totaling $1,585,170
    - Type of Appropriation
        - Ongoing: 17
        - One-time: 0

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Public Works/Airport Analyst	Critical	36,250	108,750	Recurring	1.0
Admin Services	Email Gateway	Critical	89,387	35,613	Recurring	
Admin Services	Patch/Endpoint Management	Critical	32,179	12,821	Recurring	
Fire	Airport Staffing (3 captains + $46,692 in equipment + $65,344 for OT)	Critical	470,418		Recurring	3.0
Public Works	Pretreatment Specialist	Necessary		116,000	Recurring	1.0
Public Works	Instrumentation Technician	Necessary		111,000	Recurring	1.0
Public Works	Create Flood Plain Manger Position	Necessary		143,000	Recurring	
Public Works	Create an Deputy Director of Admin position by modifying an existing position	Necessary		16,000	Recurring	1.0
Parks & Rec	Part Time Studio Coordinator Position	Necessary	22,500		Recurring	
Parks & Rec	Recreation Instructors	Necessary	4,000		Recurring	
Parks & Rec	Usher Staffing	Necessary	23,500		Recurring	
Parks & Rec	Harbor Park Lease	Critical	3,000		Recurring	
Municipal Council	Resident Communications and Programing	Critical	25,000		Recurring	
Police	Flock Safety	Critical	52,500		Recurring	
Police	Officer	Critical	127,158		Recurring	1.0
Police	Officer	Critical	127,158		Recurring	1.0
Develop. Services	Increase in PTE Personnel budget	Critical	28,936		Recurring	
		TOTAL	$ 1,041,986	$ 543,184		9

TOTAL Requested & Included	$ 1,585,170

Not Funded Requests

- **Requests currently <u>NOT funded</u> in the FY2024 Tentative Budget** ***(as seen in chart below):***
  - **Potentially funded through…**
    - **General Fund:** $2,798,518
    - **Other Funds:** $891,058
    - **Grand Total (General and Other Funds together):** $3,698,576
  - **Type of Appropriation**
    - **Ongoing:** 36
    - **One-time:** 8

Potentially fund with FY2023-FY2024 Carryover

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Cayenta Analyst	Critical	110,600	47,400	Recurring	1.0
Admin Services	East West Firewall & Internal Threat Prevention	Critical	73,655	29,345	One-time & Recurring	
Admin Services	Citywide Office 365 Standard	Necessary	72,841	41,136	Recurring	
Admin Services	Server Infrastructure Hardware Support	Necessary	14,139	5,633	Recurring	
Admin Services	Wireless Networking Upgrade	Necessary	80,240	37,760	One-Time	
Admin Services	Fully Funded Training Budget	Necessary	18,102	7,212	Recurring	
Admin Services	Full Time Administrative Assistant	Necessary	57,923	23,077	Critical	1.0
Admin Services	Improved Access Control	Necessary	115,765	78,235	One-Time	
Admin Services	Cyber Security Analyst	Necessary	112,986	45,014	Recurring	1.0
Admin Services	Website Quality Tools	Aspirational	13,840	3,460	Recurring	
Admin Services	Infrastructure Resiliency Utilizing Cloud Services	Aspirational	12,014	4,786	Recurring	
Admin Services	Mapping Licensing Optimization	Aspirational	48,000	12,000	Recurring	
Admin Services	Public Safety Social Security -Increase in police 401K to be comparable to surrounding Cities	Critical	316,000		Recurring	
Fire	Capital Equipment	Critical	85,000		Recurring	
Public Works	Reclassify Airport Admin Assistant position to Executive Office Assistant	Necessary	8,000		Recurring	
Public Works	Laboratory Technician at the Reclamation Plant	Necessary		107,000	Recurring	1.0
Public Works	Add one Wastewater Collections Maintenance worker	Necessary		95,000	Recurring	1.0
Public Works	Engineering Uniform Allowance	Necessary	3,300		Recurring	
Public Works	Replacement of current fleet maintenance and repair software	Necessary		180,000	One-time	
Public Works	Add one Full-time Streets Maintenance worker	Necessary	90,000		Recurring	1.0
Public Works	Add Full-time Stormwater Operator position	Necessary		90,000	Recurring	1.0
Public Works	Public Works Dedicated IS Resource	Critical	28,000	84,000	Recurring	1.0
Parks & Rec	Full Time Marketing Specialist	Necessary	80,000		Recurring	1.0
Parks & Rec	String Trimming Assistance	Necessary	10,500		Recurring	
Parks & Rec	Center Street Turf Conversion	Critical	70,000		One-Time	
Parks & Rec	Foothill and Trails	Critical	62,555		One-Time	
Parks & Rec	Mobile Stage	Critical	109,463		One-Time	
Parks & Rec	Epic 100 Seasonal Staff	Critical	38,400		Recurring	
Parks & Rec	Epic 100 Utilities	Critical	45,000		Recurring	
Legal	Computer Bank Reconciliation	Critical	10,000		Recurring	
Council	Communications Consultant	Critical	25,000		One-Time	
Police	Officers	Critical	127,158		Recurring	1.0
Police	Axon OSP10+ Program	Necessary	276,083		Recurring	
Police	Axon Fleet Program	Necessary	221,476		Recurring	
Police	Right Sized Overtime	Necessary	193,267		Recurring	
Police	Full Time Victim Advocate	Necessary	74,793		Recurring	1.0
Police	Limited English Proficiency Program	Aspirational	36,600		Recurring	
Mayor	Combine 2 part-time positions for 1 full-time position	Critical	60,000		Recurring	1.0
Develop. Services	Provo Jurisdictional cash assessment for MAG	Critical	6,333		Recurring	
Develop. Services	Training	Necessary	5,000		Recurring	
Develop. Services	Travel	Necessary	2,000		Recurring	
Develop. Services	Building Inspector Travel	Necessary	4,500		Recurring	
Develop. Services	Uniforms	Necessary	1,000		Recurring	
Develop. Services	Full-Time Parking	Necessary	78,985		Recurring	
		TOTALS	**$ 2,798,518**	**$ 891,058**		**12.0**

TOTAL Requested & Excluded	**$ 3,689,576**

Critical Requests

Summary statistics for "Critical" budget requests:

- **Total number of requests:** 25
- **Total # of Ongoing Requests:** 20
- **Total # of One-Time Requests:** 5
- **# of Requests that could be funded through FY2022-2023 Carryovers:** 7

- **# of Requests included in Tentative Budget** ***(as seen in the chart below):*** 10

FY 2024 Supplemental Requests- Funded Critical Requests

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Public Works/Airport Analyst	Critical	36,250	108,750	Recurring	1.0
Admin Services	Email Gateway	Critical	89,387	35,613	Recurring	
Admin Services	Patch/Endpoint Management	Critical	32,179	12,821	Recurring	
Fire	Airport Staffing (3 captains + $46,692 in equipment + $65,344 for OT)	Critical	470,418		Recurring	3.0
Parks & Rec	Harbor Park Lease	Critical	3,000		Recurring	
Council	Resident Communications and Programing	Critical	25,000		Recurring	
Police	Flock Safety	Critical	52,500		Recurring	
Police	Officer	Critical	127,158		Recurring	1.0
Police	Officer	Critical	127,158		Recurring	1.0
Develop. Services	Increase in PTE Personnel budget	Critical	28,936		Recurring	
		TOTAL	**$ 991,986**	**$ 157,184**		**6**
		TOTAL Requested	**$ 1,149,170**			

Necessary Requests

Summary statistics for "Necessary" budget requests:

- **Total number of requests:** 32
- **Total # of Ongoing Requests:** 29
- **Total # of One-Time Requests:** 3
- **# of Requests that could be funded through FY2021-2022 Carryovers:** 2

Funded Necessary Requests

- **# of Requests included in Tentative Budget (*as seen in the chart below):*** 7

FY 2024 Supplemental Requests- Funded Necessary Requests

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Public Works	Pretreatment Specialist	Necessary		116,000	Recurring	1.0
Public Works	Instrumentation Technician	Necessary		111,000	Recurring	1.0
Public Works	Create Flood Plain Manger Position	Necessary		143,000	Recurring	
Public Works	Create an Deputy Director of Admin position by modifying an existing position	Necessary		16,000	Recurring	1.0
Parks & Rec	Part Time Studio Coordinator Position	Necessary	22,500		Recurring	
Parks & Rec	Recreation Instructors	Necessary	4,000		Recurring	
Parks & Rec	Usher Staffing	Necessary	23,500		Recurring	
		TOTAL	**$ 50,000**	**$ 386,000**		**3**
		TOTAL Requested	**$ 436,000**			

Aspirational Requests

Summary statistics for "Aspirational" budget requests:

- **Total number of requests:** 4
- **Total # of Ongoing Requests:** 4
- **Total # of One-Time Requests:** 0
- **# of Requests that could be funded through FY2021-2022 Carryovers:** N/A
- **# of Requests included in Tentative Budget:** 0

FY 2024- All Aspirational Requests

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Website Quality Tools	Aspirational	13,840	3,460	Recurring	
Admin Services	Infrastructure Resiliency Utilizing Cloud Services	Aspirational	12,014	4,786	Recurring	
Admin Services	Mapping Licensing Optimization	Aspirational	48,000	12,000	Recurring	
Police	Limited English Proficiency Program	Aspirational	36,600		Recurring	
		TOTAL	$ 110,454	$ 20,246		-
			TOTAL Requested	**$ 130,700**		

Supplemental Requests FY2024

Melia Dayley

Council Policy Analyst

June 6, 2023

Summary Statistics

- Total number of requests: 63
- Grand Total (General and Other Funds together): $5,274,746
  - General Fund: $3,840,504
  - Other Funds: $1,434,242
- Critical Requests: 25
- Necessary Requests: 32
- Aspirational Requests: 4

Funded Supplementals

Requests currently funded through…

- General Fund: $1,041,986
- Other Fund: $543,184
- **Grand Total (General and Other Funds together): $1,585,170**
- Type of Appropriation
  - Ongoing: 17
  - One-time: 0

Unfunded Supplementals

Requests currently NOT funded through…

- General Fund: $2,798,518
- Other Funds: $891,058
- **Grand Total (General and Other Funds together): $3,698,576**
- Type of Appropriation
  - Ongoing: 36
  - One-time: 8

Funded Supplementals

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Public Works/Airport Analyst	Critical	36,250	108,750	Recurring	1.0
Admin Services	Email Gateway	Critical	89,387	35,613	Recurring	
Admin Services	Patch/Endpoint Management	Critical	32,179	12,821	Recurring	
Fire	Airport Staffing (3 captains + $46,692 in equipment + $65,344 for OT)	Critical	470,418		Recurring	3.0
Public Works	Pretreatment Specialist	Necessary		116,000	Recurring	1.0
Public Works	Instrumentation Technician	Necessary		111,000	Recurring	1.0
Public Works	Create Flood Plain Manger Position	Necessary		143,000	Recurring	
Public Works	Create an Deputy Director of Admin position by modifying an existing position	Necessary		16,000	Recurring	1.0
Parks & Rec	Part Time Studio Coordinator Position	Necessary	22,500		Recurring	
Parks & Rec	Recreation Instructors	Necessary	4,000		Recurring	
Parks & Rec	Usher Staffing	Necessary	23,500		Recurring	
Parks & Rec	Harbor Park Lease	Critical	3,000		Recurring	
Municipal Council	Resident Communications and Programing	Critical	25,000		Recurring	
Police	Flock Safety	Critical	52,500		Recurring	
Police	Officer	Critical	127,158		Recurring	1.0
Police	Officer	Critical	127,158		Recurring	1.0
Develop. Services	Increase in PTE Personnel budget	Critical	28,936		Recurring	
		TOTAL	$ 1,041,986	$ 543,184		9

TOTAL Requested & Included	$ 1,585,170

Critical Requests

Summary statistics:

- **Total number of requests:** 25
- **Total # of Ongoing Requests:** 20
- **Total # of One-Time Requests:** 5

- **Funded:** 10
- **Unfunded:** 15
- **Requests potentially funded through FY22-23 Carryovers:** 7

Funded Critical Requests

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Public Works/Airport Analyst	Critical	36,250	108,750	Recurring	1.0
Admin Services	Email Gateway	Critical	89,387	35,613	Recurring	
Admin Services	Patch/Endpoint Management	Critical	32,179	12,821	Recurring	
Fire	Airport Staffing (3 captains + $46,692 in equipment + $65,344 for OT)	Critical	470,418		Recurring	3.0
Parks & Rec	Harbor Park Lease	Critical	3,000		Recurring	
Council	Resident Communications and Programing	Critical	25,000		Recurring	
Police	Flock Safety	Critical	52,500		Recurring	
Police	Officer	Critical	127,158		Recurring	1.0
Police	Officer	Critical	127,158		Recurring	1.0
Develop. Services	Increase in PTE Personnel budget	Critical	28,936		Recurring	
		TOTAL	**$ 991,986**	**$ 157,184**		**6**

TOTAL Requested	**$ 1,149,170**

Unfunded Critical Requests

Potentially fund with FY2023-FY2024 Carryover

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Cayenta Analyst	Critical	110,600	47,400	Recurring	1.0
Admin Services	East West Firewall & Internal Threat Prevention	Critical	73,655	29,345	One-time & Recurring	
Admin Services	Public Safety Social Security -Increase in police 401K to be comparable to surrounding Cities	Critical	316,000		Recurring	
Fire	Capital Equipment	Critical	85,000		Recurring	
Public Works	Public Works Dedicated IS Resource	Critical	28,000	84,000	Recurring	1.0
Parks & Rec	Center Street Turf Conversion	Critical	70,000		One-Time	
Parks & Rec	Foothill and Trails	Critical	62,555		One-Time	
Parks & Rec	Mobile Stage	Critical	109,463		One-Time	
Parks & Rec	Epic 100 Seasonal Staff	Critical	38,400		Recurring	
Parks & Rec	Epic 100 Utilities	Critical	45,000		Recurring	
Legal	Computer Bank Reconciliation	Critical	10,000		Recurring	
Council	Communications Consultant	Critical	25,000		One-Time	
Police	Officers	Critical	127,158		Recurring	1.0
Mayor	Combine 2 part-time positions for 1 full-time position	Critical	60,000		Recurring	1.0
Develop. Services	Provo Jurisdictional cash assessment for MAG	Critical	6,333		Recurring	
		TOTAL	**$ 1,167,164**	**$ 160,745**		**4**

TOTAL Requested	**$ 1,327,909**

Necessary Requests

Summary statistics:

- **Total number of requests:** 32
- **Total # of Ongoing Requests:** 29
- **Total # of One-Time Requests:** 3

- **Funded:** 7
- **Unfunded:** 25
- **Requests potentially funded through FY22-23 Carryovers:** 2

Funded Necessary Requests

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Public Works	Pretreatment Specialist	Necessary		116,000	Recurring	1.0
Public Works	Instrumentation Technician	Necessary		111,000	Recurring	1.0
Public Works	Create Flood Plain Manger Position	Necessary		143,000	Recurring	
Public Works	Create an Deputy Director of Admin position by modifying an existing position	Necessary		16,000	Recurring	1.0
Parks & Rec	Part Time Studio Coordinator Position	Necessary	22,500		Recurring	
Parks & Rec	Recreation Instructors	Necessary	4,000		Recurring	
Parks & Rec	Usher Staffing	Necessary	23,500		Recurring	
		TOTAL	**$ 50,000**	**$ 386,000**		**3**

TOTAL Requested	**$ 436,000**

Unfunded Necessary Requests

Potentially fund with FY2023-FY2024 Carryover

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Citywide Office 365 Standard	Necessary	72,841	41,136	Recurring	
Admin Services	Server Infrastructure Hardware Support	Necessary	14,139	5,633	Recurring	
Admin Services	Wireless Networking Upgrade	Necessary	80,240	37,760	One-Time	
Admin Services	Fully Funded Training Budget	Necessary	18,102	7,212	Recurring	
Admin Services	Full Time Administrative Assistant	Necessary	57,923	23,077	Critical	1.0
Admin Services	Improved Access Control	Necessary	115,765	78,235	One-Time	
Admin Services	Cyber Security Analyst	Necessary	112,986	45,014	Recurring	1.0
Public Works	Reclassify Airport Admin Assistant position to Executive Office Assistant	Necessary	8,000		Recurring	
Public Works	Laboratory Technician at the Reclamation Plant	Necessary		107,000	Recurring	1.0
Public Works	Add one Wastewater Collections Maintenance worker	Necessary		95,000	Recurring	1.0
Public Works	Engineering Uniform Allowance	Necessary	3,300		Recurring	
Public Works	Replacement of current fleet maintenance and repair software	Necessary		180,000	One-time	
Public Works	Add one Full-time Streets Maintenance worker	Necessary	90,000		Recurring	1.0
Public Works	Add Full-time Stormwater Operator position	Necessary		90,000	Recurring	1.0
Parks & Rec	Full Time Marketing Specialist	Necessary	80,000		Recurring	1.0
Parks & Rec	String Trimming Assistance	Necessary	10,500		Recurring	
Police	Axon OSP10+ Program	Necessary	276,083		Recurring	
Police	Axon Fleet Program	Necessary	221,476		Recurring	
Police	Right Sized Overtime	Necessary	193,267		Recurring	
Police	Full Time Victim Advocate	Necessary	74,793		Recurring	1.0
Develop. Services	Training	Necessary	5,000		Recurring	
Develop. Services	Travel	Necessary	2,000		Recurring	
Develop. Services	Building Inspector Travel	Necessary	4,500		Recurring	
Develop. Services	Uniforms	Necessary	1,000		Recurring	
Develop. Services	Full-Time Parking	Necessary	78,985		Recurring	
		TOTAL	$ 1,520,900	$ 710,067		8

TOTAL Requested	$ 2,230,967

Unfunded Aspirational Requests

Summary statistics:

- **Total number of requests:** 4
- **Total # of Ongoing Requests:** 4
- **Total # of One-Time Requests:** 0
- **Funded:** 0
- **Unfunded:** 4
- **Requests potentially funded through FY22-23 Carryovers:** 0

Department	Request	Dept Priority	General Fund	Other Fund	One-Time or Recurring	FTE
Admin Services	Website Quality Tools	Aspirational	13,840	3,460	Recurring	
Admin Services	Infrastructure Resiliency Utilizing Cloud Services	Aspirational	12,014	4,786	Recurring	
Admin Services	Mapping Licensing Optimization	Aspirational	48,000	12,000	Recurring	
Police	Limited English Proficiency Program	Aspirational	36,600		Recurring	
		TOTAL	$ 110,454	$ 20,246		-

TOTAL Requested	$ 130,700

Included	Ranking	Division	Request	Dept Priority	General Fund	Other Fund	Total Increase Requested	One-Time or Recurring Cost
	1	Police	Officer	Critical	127,158		127,158	Recurring
	2	Airport	Full-time operations Specialist	Critical	94,000		94,000	Recurring
	3	Airport	Full-time operations Specialist	Critical	94,000		94,000	Recurring
	4	Cybersecurity	Patch/Endpoint Management	Critical	32,179	12,821	45,000	Recurring
	5	Cybersecurity	East West Firewall & Internal Threat Prevention	Critical	73,655	29,345	103,000	One-time & Recurring
		IS	Cayenta Analyst	Critical	110,600	47,400	158,000	Recurring
		HR	Public Safety Social Security -Increase in police 401K to be comparable to surrou	Critical	316,000		316,000	Recurring
		Operations	Capital Equipment	Critical	85,000		85,000	Recurring
		Public Works	Public Works Dedicated IS Resource	Critical	28,000	84,000	112,000	Recurring
		Parks and Grounds	Center Street Turf Conversion	Critical	70,000		70,000	One-Time
		Parks and Grounds	Foothill and Trails	Critical	62,555		62,555	One-Time
		Parks and Grounds	Mobile Stage	Critical	109,463		109,463	One-Time
		Parks and Grounds	Epic 100 Seasonal Staff	Critical	38,400		38,400	Recurring
		Parks and Grounds	Epic 100 Utilities	Critical	45,000		45,000	Recurring
		Legal	Computer Bank Reconciliation	Critical	10,000		10,000	Recurring
		Council	Communications Consultant	Critical	25,000		25,000	One-Time
		Airport	Full-time operations Specialist	Critical	94,000		94,000	Recurring
		Airport	Full-time operations Specialist	Critical	94,000		94,000	Recurring
		Airport	Full-time operations Specialist	Critical	94,000		94,000	Recurring
		Airport	Full-time operations Specialist	Critical	94,000		94,000	Recurring
		Airport	Full-time operations Specialist	Critical	94,000		94,000	Recurring
		Media Services	Combine 2 part-time positions for 1 full-time position	Critical	60,000		60,000	Recurring
			Provo Jurisdictional cash assessment for MAG	Critical	6,333		6,333	Recurring
	6	Cybersecurity	Patch/Endpoint Management	Critical	32,179	12,821	45,000	Recurring

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: JUHARRISON
Department: Council
Requested Meeting Date:

SUBJECT: A presentation of the FY24 tentative budget and council priorities (23-008)

RECOMMENDATION: Presentation and discussion.

BACKGROUND: This presentation will review the FY2024 Tentative Budget and the Municipal Council priorities that have been included. The purpose is to discuss the Municipal Council priorities that have been funded and unfunded and evaluate the need for any changes to the Final Budget.

FISCAL IMPACT:

PRESENTER'S NAME: Justin Harrison, Council Executive Director

REQUESTED DURATION OF PRESENTATION: 30 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-008

	Council Priority	Status	Notes
1	Long-Range Plans	**Ongoing - Funded**	General Plan (Adopted) **(Funded)** Downtown Master Plan Update - 5/16/2023 **(Funded)** Conservation and Resiliency Plan - July 2023 **(Funded)** Gateways Plan - August 2023 **(Funded)** Canyons and Hillsides - October 2023 **(Funded)** River and Lakeshore - October 2023 **(Funded)**
2	Provo Specific Housing Audit/Study	**Ongoing**	Council Staff is looking into a potential software solution (up to $4,000 software licensing cost per year)
3	Five-Year Staffing Plan (Police & Fire)	**Ongoing - Partial Funding**	**FY24** Fire -three captains (airport) $443,486 **(Funded)** Police - two officers (patrol) $254,316 and Flock Safety Program $52,500 **(Funded)** Police - one officer (patrol) $127,158 **(Unfunded)**
4	IS/Cybersecurity Enhancements	**Partial Funding**	**Cybersecurity - Supplemental Requests** Email Security Gateway - $125,000 (Critical/Ongoing) **(Funded)** Patch Management Tools -$45,000 (Critical/Ongoing) **(Unfunded)** Internal Threat Preventions - $186,000 (Critical/Ongoing) **(Unfunded)** Total - **$125,000 funded/$231,000 unfunded** Access Control Upgrade - $194,000 (Necessary/One-time) **(Unfunded)** Cyber Security Analyst - $158,000 (Necessary/Ongoing) **(Unfunded)** Total - **$352,000 unfunded** **IS - Supplemental Requests** Airport/PW Analyst - $158,000 (Critical/Ongoing) **(Funded)** Cityview Upgrade - $191,000 (Critical/One-time) **(Funded)** Cayenta Analyst - $158,000 (Critical/Ongoing) **(Unfunded)** Total - **$349,000 funded/$158,000 unfunded** Citywide O365 Standard - $114,000 (Necessary/Ongoing) **(Unfunded)** Server Hardware Support - $19,800 (Necessary/Ongoing) **(Unfunded)** Wireless Network Upgrade - $118,000 (Necessary/One-time) **(Unfunded)** Training Budget - $25,300 (Necessary/Ongoing) **(Unfunded)** FT Admin Assistant - $81,000 (Necessary/Ongoing) **(Unfunded)** Total - **$358,100 (Unfunded)**
5	Employee Retention	**Funded**	**COLA** 4% -$1,910,256 includes General Fund departments and the Covey Center, Justice Court and Emergency Response. **(Funded)** **Merit Increase** 2.5% - $885,305 - includes General Fund departments and the Covey Center, Justice Court and Emergency Response. **(Funded)** **Health Insurance Cost Increase (January 1, 2024)** 4.6% - $121,797 - includes General Fund departments and the Covey Center, Justice Court and Emergency Response. **(Funded)** **Market Grade Study** $262,804 - citywide **(Funded)**
6	City Debt Reduction		Currently, the City has only one variable interest rate as part of the debt portfolio (3 mo. LIBOR+ .20%) Principal balance $1,679,000, current fiscal year payment of $246,500 has not yet been paid.
7	Provo App	**Funded**	Cost of app included in new City website.
8	Rock Canyon Master Plan	**Ongoing - Partial Funding**	**FY24** - $2,953,397 (Parks & Rec. CIP -Pg.75 - dependent on outside funding) Rock Canyon Trailhead (2d/B) $1,953,397 from grants, $500,000 from transfers, $500,000 from impact fees **(Funded)** $500,000 Outside Fundraising Campaign - city to match **(Unfunded)** **FY25** - $825,000 (Engineering CIP - Pg. 48) Rock Canyon Trailhead Roundabout (Funded)
9	Slate Canyon Master Plan	**Ongoing - Partial Funding**	Slate Canyon Master Plan (Parks & Rec. CIP - Pg. 74 - dependent on outside funding) **(2d/B)** Cost to date - $250,000 **(Funded)** **FY24** - $300,000 (Planning/Construction Docs - RAP Tax) **(Funded)** **FY25** - $1,200,000 (Impact fees) **(Funded)** **FY26** - $1,000,000 (Impact fees) **(Funded)** **FY27** - $1,200,000 (Impact fees) **(Funded)** Total - **$3,950,000 (Funded)** Park balance - TBD **(Unfunded)**
10	Peaks Ice Arena/Fieldhouse Updates	**Ongoing - Partial Funding**	$6,000,000 allocated from the State in increments for upgrades, refurbishment, and olympic readiness. **(Funded)** $6-8M (Initial estimate for fieldhouse expansion and ice ribbon) **(Unfunded)**
11	Sidewalk Repair and Replacement	**Ongoing - Partial Funding**	**Sidewalk Repair** - $6,000,000 (estimated) **ADA Ramps** - $10,000,000 (estimated) **Missing Sidewalk** - LTAP Sidewalk Study (494,000 feet of missing sidewalk) **FY24** - Sidewalk Replacement - $500,000 (B&C Roads CIP - Pg. 80) (1/B) **(Funded)** **FY24-28** - New Sidewalk, Curb, and Gutter - $500,000 per year (B&C Roads CIP - Pg. 99) (1e/B) **(Unfunded)** **FY24 -**Shoreline Middle School Temporary Asphalt Path - FY24 $150,000 (B&C Roads CIP - Pg. 100) (1e/B) **(Unfunded)** **FY24-28** - School Related Sidewalk Funding - $500,000 per year (B&C Roads CIP - Pg. 101) (1e/B) **(Unfunded)** **FY24** -Trail behind Walmart (Carterville) - $70,000 (B&C Roads CIP - Pg. 102) (2e/B) **(Unfunded)** **FY25** - Canyon Rd. Sidewalk 4380 N to Foothill Dr. - $250,000 (B&C Roads CIP - Pg. 95) (2e/B) **(Unfunded)** **FY25** - Canyon Rd. Sidewalk 3450N to 3540 N - $250,000 (B&C Roads CIP - Pg. 96) (2e/B) **(Unfunded)** **FY25** - 600 S Sidewalk - $1,000,000 (B&C Roads CIP - PG. 97) (2e/B) **(Unfunded)**
12	Traffic Calming	**Unfunded**	**FY24** - Slate Canyon Street Improvement - $500,000 (B&C Roads CIP - Pg. 93) (**2e/B**) **(Unfunded)**
13	Center Street Improvements	**Ongoing - Partial Funding**	**FY24** - $250,000 Center Street Phase 1 (Engineering CIP - Pg. 50) (**2/B**) **(Funded)** **FY24** - Center Street Improvements Option 2 - $2,500,000 (B&C Roads CIP - Pg. 92) (2e/B) **(Unfunded)** **FY25** - $2,500,000 (B&C Roads CIP - Pg. 92) (2e/B) **(Unfunded)**
14	Southeast Grocery Store	**Ongoing**	
15	Open Space Preservation	**Ongoing - Funded**	Strategies for preserving open space will be included in the long-term plans. **(Funded)** Acrage and % of the city that is currently open space.

Classification Levels: **1** - Critical Health and Safety, **2** - Necessary Infrastructure, **3** - Aspirational Projects
c - Projects with conditional funding, **d** - Projects depending on outside funding, **e** - No funding specified
Operating Impact: **A** - Potential decrease, **B** - Little to no impact, **C** - Potential increase, **D** - Current budget increase needed

PROVO MUNICIPAL COUNCIL STAFF REPORT

Submitter: MISANDERS
Department: Council
Requested Meeting Date: 06-06-2023

SUBJECT: A discussion regarding property tax (23-008)

RECOMMENDATION: Presentation and discussion

BACKGROUND: If the Council wishes to enact the Truth in Taxation process, it must adopt a proposed tax rate on or before June 22, 2023. The purpose of this presentation is to inform the Council on a variety of options to increase revenue via property tax. Council Staff will present a variety of scenarios and forecasts. The last property tax increase occurred last year and consisted of a 2.9% increase in the General Operations portion of the property tax levy.

FISCAL IMPACT:

PRESENTER'S NAME: Justin Harrison, Council Executive Director

REQUESTED DURATION OF PRESENTATION: 30 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 23-008

FY2024 Property Tax

June 20, 2023

Important Dates

- Before June 8, 2023 - County Auditor to provide certified tax rates, forms, instructions and valuation information to each taxing entity.
- Before June 22, 2023 – Adopt tentative budgets and proposed tax rates and report them to the County Auditor.
- On or before June 22, 2023 – Enter proposed tax rates in the Certified Tax Rate system so they may be finalized by the Utah State Tax Commission or begin the Truth in Taxation process for fiscal year entities.
- July 2023 - Publishing of notices
- After August 1, 2023, or at least 10 days after mailing of Valuation Notice – Hold public hearing(s) on property tax increase before adopting final budget.

Fiscal Year Entity
Property Tax Increase Requirements (TNT)

(Section 59-2-919, 59-2-919.1 & 59-2-919.2)

Special Service Districts & Local Districts may be subject to additional requirements; Please contact the Property Tax Division if considering a tax increase

DATE	Action	Requirement
On or Before June 22nd	Entity Adopt a tax rate & budget	(1)Taxing entity shall adopt a final or ***proposed*** tax rate, (2) Entity shall adopt a tentative budget. (59-2-924), (3) ***If*** an entity wants to increase the certified tax rate the county auditor must be notified.
2 Weeks before Public Hearing	County Auditor 1st Newspaper Advertisement	**If two or more entities are going through TNT**, the auditor must publish a combined newspaper ad and post on the public notice websites: www.utah.gov/pmn/index.html, www.utahlegals.com. It must also be posted to the county website. It is recommended to post it on the entity websites. The form can be completed on the Certified Tax Rate System (www.taxrates.utah.gov); hover on the View tab, click on T-in-T Admin, and then click on Combined Ad. This ad must run twice. (59-2-919.2)
On or Before July 22nd	County Auditor	The Auditor **must** include the date, time, and location of public hearings on the "Notice of Property Valuation and Tax Changes." The date of the public hearing can be no earlier than 10 days after the notice has been mailed. (59-2-919.1). **The only other hearings allowed on the same day are budget, fee, and enterprise fund hearings. Any meetings on the same day must end before the TNT hearing. The TNT hearing must be held BEFORE September 1st.**
2 weeks before Public Hearing **(Not required if auditor published a combined ad)**	*Entity (if only entity in county raising taxes) 1st Newspaper Advertisement*	*Publish a newspaper advertisement and post on the public notice websites: www.utah.gov/pmn/index.html, www.utahlegals.com. It is also recommended to post on the county and entity websites. TNT ad's must be completed on the Certified Tax Rates System (www.taxrates.utah.gov); hover over the Data Entry tab click on Tax Rate Summary (693), then click on the gold Truth in Taxation button.* ***A combined ad published by the county auditor counts as the 1st newspaper Ad.***
1 Week before Public Hearing	Entity *and Auditor* 2nd Newspaper Advertisement	Same advertisement as was used the week before. This is **required** regardless if the Auditor published a combined ad. **All copies of newspaper advertisements must be sent in to county auditor and tax commission.** *The combined ad must run again this week. (59-2-919.2)*
Public Hearing	Adopt the Property Tax Increase	***Public Hearing must be held at or after 6PM*** After the public hearing, the property tax increase may be adopted by the governing body. **Resolution (PT-800) must be sent in to tax commission before rate can be finalized.**

PLEASE SEND A COPY OR PROOF OF ALL THE REQUIREMENTS TO THE COUNTY AUDITOR AND THE TAX COMMISSION!!!

Exception: A taxing entity is not required to meet the advertising notice requirements if the taxing entity budgeted less than $20,000 for the previous fiscal year and sets a budget during the current fiscal year of less than $20,000 of ad valorem tax revenues.

Judgment Levy: Section 59-2-918.5

PROVO, UTAH

Provo City Property Taxes

- General Operations
- Interest and Sinking Fund/Bond
- Library
- Discharge of Judgement

Budget Code	Budget Name	2021 Year End Budgeted Revenue	2021 Year End Adjusted Budgeted Revenue	Calc. Certified Tax Rate	2021 Year End Final Tax Rate	% Change	Certified Tax Rate Revenue W/O New Growth	New Growth Revenue	Certified Tax Rate Revenue W/ New Growth	Auditor's Certified Tax Rate	Auditor's Certified Rate Revenue	Proposed Tax Rate	Budgeted Revenue	Final Tax Rate	Final Budgeted Revenue
10	General Operations	$ 4,999,835	$ 4,999,391	0.000524	0.000683	-23.28 %	$ 5,003,047	$ 87,272	$ 5,090,319	0.000524	$ 5,090,319	0.000539	$ 5,237,938	0.000539	$ 5,237,938
20	Interest and Sinking Fund/Bond	$ 7,691,106	$ 7,691,106		0.001051					0.000791	$ 7,688,856	0.000791	$ 7,688,856	0.000791	$ 7,688,856
30	Library	$ 3,630,920	$ 3,630,597	0.000380	0.000496	-23.39 %	$ 3,628,164	$ 63,289	$ 3,691,453	0.000380	$ 3,691,453	0.000380	$ 3,691,453	0.000380	$ 3,691,453
190	*Discharge of Judgement*														
	Grand Total	$ 16,321,861	$ 16,321,094	0.000904	0.002230		$ 8,631,211	$ 150,561	$ 8,781,772	0.001695	$ 16,470,628	0.001710	$ 16,618,247	0.001710	$ 16,618,247

Library

Recommendation from the Library Board

- $100,000 increase each of the next five (5) years
- Current library property tax rate: 0.000395
- Increase to average Provo home ($453,129):
- $100,000 = 2.62 /year
- $250,000 = 6.56 /year
- $500,000 = 13.12 /year

Inflation

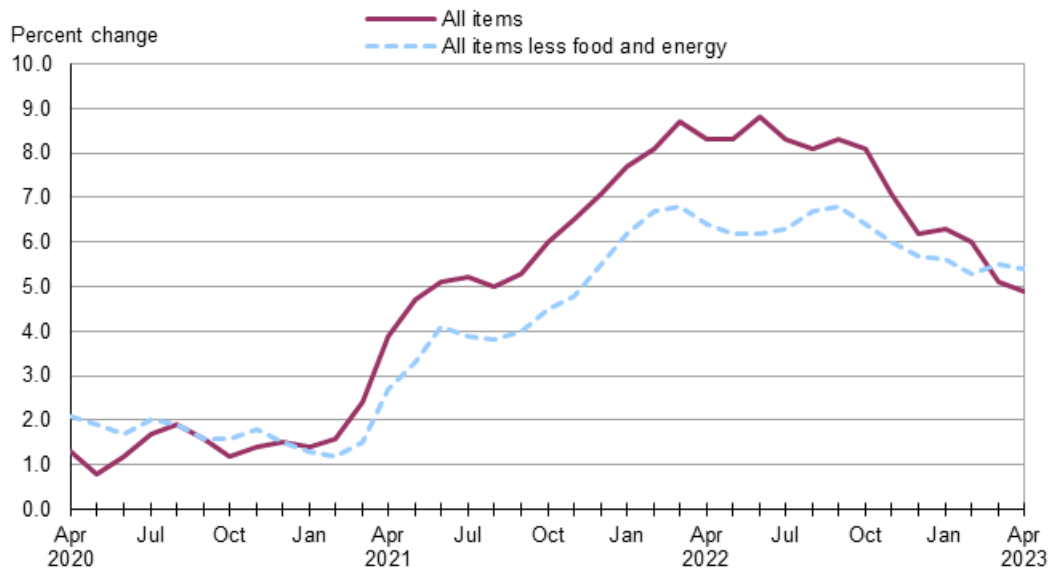
Bureau of Labor Statistics
United States Inflation

- 2022: 6.5%
- 5-year average: 4.42%
- 10-year average: 2.97%

Bureau of Labor Statistics
Western United States Inflation

- 2022: 7.4%
- 5-year average: 5.18%
- 10-year average: 3.46%

Chart 1. Over-the-year percent change in CPI-U, West region, April 2020–April 2023



Source: U.S. Bureau of Labor Statistics.

General Operations

- Current general operations property tax rate: 0.000560

Increase to average Provo home ($453,129):

- 2022: 6.5% = $12.68/year
- 5-year average: 4.42% = $9.78/year
- 10-year average: 2.97% = $7.76/year

- 2022: 7.4% = $13.94/year
- 5-year average: 5.18% = $10.84/year
- 10-year average: 3.46% = $8.44/year

General Operations

- Current general operations property tax rate: 0.000560

Increase to average Provo home ($453,129):

- 3% = $7.80/year
- 5% = $10.59/year

New Revenue

- 3% = $159,540.62
- 5% = $265,901.04

Police Officer(s)

The budgeted cost of an additional Provo City Police Officer includes salary, benefits, equipment, and the first payment on a vehicle.

- One (1) officer = $127,158
- Two (2) officers = $254,316