

Commission on Housing Affordability
Minutes for September 23, 2020
Electronic Webinar - Via Zoom

Members Present

Senator Jacob Anderegg
Representative Joel Briscoe
Representative Val Potter
Andrew Johnston
Ben Hart
Beth Holbrook
Chris Condie
Chris Gamvroulas
Grant Whitaker
Jaycee Skinner
Janice Kimball
Jeff Jones
Julie Humberstone
Matt Dahl
Michele Weaver
Mike Akerlow
Mike Gallegos
Mike Ostermiller

Representing

Senator
Representative
Representative
Salt Lake City Council

UTA

Utah Homebuilders Association
Utah Housing Corporation
Salt Lake Chamber
Housing Connect
Summit County Economic Development
Policy Analyst with LRGC
Utah Redevelopment Association
Rural Community Assistance Corporation
Community Development Corporation of Utah
Salt Lake County
Summit County Economic Development

Staff Present

Jonathan Hardy Director, HCD
Jess Peterson HCD
Holly Taing HCD
Rebecca Banner HCD
Keith Heaton HCD
David Fields HCD
Sanobi Johnson HCD
Lori Page HCD
Christina Davis HCD

Visitors

Michelle Larsen
Otelo Reggy-Beane
Lani Kai Eggertsen-Goff
Meredith Roberts
Austin Kimmel

Tara Rollins
Wilf Sommerkorn
Linda Hull
Kaitlyn Pieper
Charles Stormont
Francisca Blanc
Ashley Spatafore
Dave Spatafore
Jim Wood
Karen McCandless
Luke Garrott
Melia Dayley
Peter Asplund
Shule Bishop
Spencer Cawley
Susan Olsen
Steve Erickson

Welcome and Introductions

The Commission on Housing Affordability meeting was held electronically via Zoom on September 23, 2020. Representative Val Potter called to order at 10:01am.

Review of the OPMA guidelines (see attached)

No Public comments

Approval of Minutes – Motion by Mike Gallegos, passed unanimously.

July 29, 2020

August 12, 2020

Rep. Val Potter: Moving on to SB122, Housing Loss Mitigation Amendments with Charles Stormont and Linda Hull from Utah Dept. of Transportation.

Charles Stormont: (see attached)

I'm hoping you all received the report and had a chance to review it but I'll go over it at a very high level, we tried to provide a little bit of background on our acquisition process and in particular when someone is displaced from a home and the benefits that are available to them, these benefits are in addition to the compensation that is provided for their real property, the law recognizes the distinction between real property and personal property when it comes to compensation and relocation benefits. We've walked through those benefits in a little bit of detail and there are a lot of regulations that apply, so this is a high level overview and one thing I would call your attention to is that the high level standard that we have to meet with when moving someone from a home to a new home, we have to provide them a

comparable replacement dwelling, that is decent safe and sanitary and is functionally equivalent to their prior home, we also have to ensure that meeting that standard is actually available in the market. We work very hard to make sure that we can find something that meets the needs of the families and individuals that are being displaced by our projects and what that means sometimes is what we call supplemental housing payment or last resort housing payment, so a lot of folks that are displaced, they receive compensation based on market value for the property that we acquire and then we provide additional compensation to help them with the moving process and getting into a new home that meets the relocation standards. We've also provided a little background information on the corridor preservation fund that was established back in the 90's, these are voluntary transactions and as we went through the data, we felt like it would be helpful to split it out just a little more so the commission could see where the homes that are being impacted by our projects and how they're being acquired. We provided a little context on the projects that have caused homes to be lost or demolished and provide some information on our strategic goals and our high level goal of keeping Utah moving, working to improve economy and enhance quality of life and a little information on each of the projects that we've had in fiscal year 20 that lead homes to be demolished. There were 3 such projects, the first was in Davis County, highway 89 which is improving mobility and safety in Davis County by widening and installing great separated interchanges in a number of locations. On this project, we had 40 housing units that were permanently vacated or destroyed, of those 40, 33 qualified of moderate income housing units. One thing that UDOT does when we acquire property, particularly through the corridor preservation fund, we manage those in the interim and we're able to generate a little bit of income by renting those properties until they are needed for the project. The next project is Bangeter highway and with this, we'll be replacing existing intersections with freeway-style interchanges, which will eliminate conflict points and improve traffic flow and safety and finally the last project is the West Davis Corridor which is currently out for bid and hopefully in construction by next year, but it will be a new 19-mile, 4-lane divided highway currently plans to be constructed in western Davis County for the growing population. I am happy to discuss any of this information in more detail but at a high level that's the contents of our report. I'd like to mention that Jess Petersen and the folks in his office have been helpful to us as we've been preparing the work for this report and I appreciate the assistance they have provided.

Rep. Val Potter: Thank you Charles for your presentation and what you've put together here for us, are there any questions from the commission?

Rep. Joel Briscoe: Good to see you Charles, have all the people who have lost a home along one of the transportation routes, are they currently in housing?

Charles Stormont: I can't tell you currently but they were all successfully relocated, but at least at the time we ended our communication, I am not sure after that.

Rep. Joel Briscoe: Ok, that's a fair response and what's the time frame we're looking at on these relocations?

Charles Stormont: Under law, we are required to provide at least 90 days to facilitate a relocation and so we work very hard to provide as much time as we can, given the very hot real estate market that we have up and down the Wasatch front, we recognize as a department it will typically take a little bit longer than that, so we work hard in our planning phase and time line as we are setting that out for our projects , we plan on 6 months even though the law only requires 3, we want to build in a little cushion to make sure we can help folks get into a better situation.

Rep. Joel Briscoe: But all the people were successfully places in housing?

Charles Stormont: Correct.

Rep. Joel Briscoe: Thank you

Michele Weaver: Thank you for your comprehensive report, I heard Rep. Briscoe ask about the homeowners and I had a question about the renters, I noticed in this report that the owners were being addressed and wanted to make sure that the renters were also being addressed as well I'm assuming and that's a bad thing to do is assume so I'm going to ask this question but moderate income is moderate and lower, it includes anything moderate and lower income?

Charles Stormont: To your second question, yes we've used the statutory definition which is, they would be able to pay rent if they are at 80% of the area medium income and not spending more than 30% on their housing, the rent payment and that's the formula that the statutory set out for the definition of moderate income, so it would include lower income units depending on where those lines are, I have to confess, I don't know. Renters are provided relocation benefits if they qualify and the basic qualification is, are you renting at the time the project approaches landowners to acquire property, so if they move in after a certain time, if it's one that we have purchased through corridor preservation and our renting, those folks are informed that you will not be eligible for relocation and so those renters come in with their eyes open that they aren't eligible and anybody's who's in the home and I think it's a 90 day requirement, so you can't just move in and try and claim relocation benefits at the last moment but if you have been there for a couple months, you're eligible if you're going to be displaced by the projects, so it does provide benefits for not just owners but for their tenants as well.

Michele Weaver: Great, thank you.

Rep. Val Potter: Seeing no other questions, we will move on to Housing GAP updates with Jim Wood.

Jim Wood: It's good to be with you and I wanted to provide some numbers with what we've been hearing about the housing market, as Charles said, it's a hot housing market and we're at record levels through the first 6 months of this year in permits authorized for residential units and even if you go back to the great recession, we're still at record levels, for the first 6 months of the year, Salt Lake County came off a little bit because of apartments and that's tied to Salt Lake City as well, back in April I was quite concerned about what would happen to the housing market in terms of new starts, I thought

maybe builders would pull back a bit, buyers would pull back a bit, they'd be reluctant and want to see the dust settle before they move into the market but low interest rates are just overwhelmed by the impact of COVID 19 on the housing market and a measure in the year over for western states and Utah is up 6.4% over what we were last year, Arizona is up a remarkable 24.2% and it's pretty much divided half and half. About half are seeing less construction than they did last year, it's a bit surprising how strong a market is at this point, do we still have a housing shortage? Yes, the way we generally look at this is a number of households vs. the numbers of new housing units and we've had more households over time for the last several years with the exception of maybe the last two years, where it's pretty even but another way to look at it, is on the ground, the points of entry into the housing market and there are 3 points of entry, you can purchase an existing home, purchase a new home or rent an apartment, all of these market entry points still show a stress, a days on market for existing home through August of this year down to 19 days, last year it was at 27 days, purchase of new homes, home builder inventory are almost non-existent and metro studies report that the inventory is way below equilibrium, and the apartment market, the studies show this is the 9th consecutive year for rental vacancy rate is below 4%. All 3 entry points still show stress and indicate that we do still have our housing shortage, even though COVID 19 doesn't seem to have cut into our supplies but I think the real question now is, how has it affected affordability, and if you look at the median sales price of a Utah home, you can see through June, statewide we're up 7.6% and since 2016 then we're averaging 8.6%, if you look at just Salt Lake County or Utah County, the two large housing markets were up at 9% and these are worrisome numbers. I hope it's not a harbinger of things to come, where we lose good people because they can't afford the Utah housing market, just an indicator of what we've had from a federal index, the Salt Lake metro area since 2015 first quarter, we're up 55% in the housing price and we ranked 4th in pricing increase for the 100 largest metropolitan areas, from the national realtor association for Salt Lake metro, we ranked 18th in price of 180 metro areas and over 10 years ago, we ranked 45th, so we are accelerating and we have really high rates of demographic employment growth and it's showing up in the housing market and it's really hurting affordability. With new home prices and rental rates for the 2nd quarter are up 3.5% and the past 5 years, new home prices are up 25%, the year over rental rates are up 3.2% also in the 2nd quarter, Salt Lake County in the past 5 years are up 30%, so if you look at those increases compared to existing homes which are up over 50%, we've had some advantages in the last few years on the new homes market as well the rental market, where we've put on more high density housing than we ever have and because of that, that's one of the reasons here on the new home price is at 3.5%, that's lower than it was over the last few years but again the shortage continues and like I said, we're getting more high density which helps but I wish more of it were affordable and much of the housing stock and rental is pretty expensive and is not really affordable for moderate income renters or low income renters, there's still as many as 60,000 renter households face with severe housing cost burden and about 200,000 people, while COVID hasn't effected I don't think, increasing our housing GAP, we still have this issue of affordability which I would guess is probably getting worse, certainly for the renter and lastly, the shortage is an advantage for homeowners, landlords and seller but for those who are trying to get in and particularly renters, I think are under greater stress and what we really don't know for the renter is, the loss of income or reduction in hours and we don't know how close many renters are to exhausting government help, or charity from friend and family. Jonathan and Jess should have some data on the number of renters who've applied for

rental assistance and that the state has reached out as well the cities and counties, at least Salt Lake City and Salt Lake County are in the process of fashioning rental assistance which is really needed and we don't know how great the need is because we don't have real good information on loss of income for renters over the last 6 months, but it's a mixed market and there's some winners and some losers and gains are being made for homeowners and landlords but for many others, there's still a fair amount of stress and probably will be for the next few months. I'd be glad to take any questions now.

Rep. Val Potter: Thank you Jim and as always great presentation and very thorough.

Rep. Joel Briscoe: Thank you and good to see you Jim, and in regards to the top 5 Large Metro areas, I remember 2 years ago when we started this commission and I remember hearing that the average sale price of a home reported by realtors in Salt Lake City on the Wasatch front were higher than the average sale of a home than Boise and Las Vegas, so those percentages increase doesn't show the nominal numbers so do you know where we've started from to where we increased too?

Jim Wood: Well, that's still the case with both Boise and Las Vegas and particularly with Las Vegas, we're far ahead in terms of our prices compared to Las Vegas, Boise has been closing the GAP between SLC and the other areas in the west, like Denver is really a hot market but both of those metro areas are still lower prices than we have in the SL metro area and I said, that Salt Lake metro area ranked 18th, I think Reno is above us and Boulder and Denver, but I could easily produce those values or where they are for each one of these metro areas.

Rep. Joel Briscoe: Just a follow up with Jim, do you do any look at the housing market outside the metro area, like Salt Lake City?

Jim Wood: Yes, I do.

Rep. Joel Briscoe: So there's been a lot of talk and writing online about the virus, people selling out of homes in big metro areas and moving away and getting out of the big cities, have you had any chance to look at anything that would suggest to you that, that's the case in Utah?

Jim Wood: we don't have any data on that, but we certainly have antidotes and we have antidotes from both homebuilders as well as the real estate community and I did hear yesterday about some rural communities that are saying that, and you hate to reach conclusion on antidotes or form policy on antidotes, but we get about 20,000 new emigrants a year and we've talked to the MLS about surveying, taking a random survey of new buyers so that would be existing homes and they do handle a fair number of new homes where we would be able to find out where they are coming from, so that's in the works but presently antidotes is all we have.

Rep. Joel Briscoe: Thank you

Matt Dahl: Jim, I'm on the land use sub-committee of this Commission and one of the things that we've spent a lot of time discussing has been fees charged by cities and potential ways that we might be able to in some address those without getting into necessarily discussion of, are the fees justified or what not but in a market like this, I'm curious if you have any thoughts or research on if there were to be a deep increase on fees from local governments, would that have any effect on the affordability of the homes or would adjustments on those kind of things be primarily absorbed by the developers because of the nature of the market and if you had any other thoughts on those fees, and a second thought unrelated to that topic, if you had a thing that you think this group should focus on as far as affecting the affordability of homes, if there's something we haven't been discussing in these meetings that you thought maybe we should? So the fees is one thing and then if you had a number 1 priority that we should be looking at addressing through legislation?

Jim Wood: On the fee issue, I spent several months a few years ago working on that issue, looking at fees, fees by city and it is really difficult to unravel the impact of fees even in a city, because across the city you'll have different fee structures depending on a mosquito abatement, water etc., so it's a difficult question, fees do add of course to housing prices and if your fees are amortized in the cost of that home, it adds marginally to the mortgage payment but we haven't done anything on that issue specifically, whether or not how the fees are being used has been a longtime issue, it's a constant refrain at the meetings I'm on a board with and what the cities are doing with fees they have to pay, but that's really an area that we haven't ventured into for a while, we know for the homeowner that it increases their price, their payment marginally. We've looked at those factors that are driving housing prices and some are out of our control like materials, labor and land. Although on the land side, the one area where you can make some intervention, comprehensive and meaningful effect on housing prices is in zoning and land use so if there was one area, its state leadership on land use.

Matt Dahl: So if I understood this right, my hypothesis is, is that when you have a market that is driven by a lack of supply, that if the inputs into the cost of the housing were to go down, the demand would keep the prices up and adjustments like fees would not have a short term impact on the affordability of housing, is that fair?

Jim Wood: Well, that would certainly fit with economic theory and as some of that, I would guess would depend on the builders but when you've got a hot market builders are in the business of making money.

Mike Akerlow: Hi Jim, a couple questions on the existing housing, do you have any data on how many affordable housing units we may be losing to for market developers and I know it's a hard thing to get around because not everything gets reported, I'm just wondering if there's any data showing the number of units that were down?

The second question I have is and I was thinking about the 3 items you talked about, land values, materials and labor costs and this there something that this commission ought to be looking at in terms of subsidies or other ways to help funding this housing, whether it's increased credits or increased GAP financing or what else is there that we should be considering?

Jim Wood: Those are really good questions and I think you really need to divide it into owner occupied, and renters, and units, on a homeowners side and what we're seeing is a loss of affordability but it's just the housing prices increasing and I looked at the data on the numbers of homes that were sold in Salt Lake County last year that would be affordable to the median income household and I looked at the 80% and is how moderate income is defined, what we're losing with affordability of existing stock just because of housing prices and a few years ago that number was higher in terms of how many units were affordable so that's one measure on the homeowners side and on the renters side in terms of what you say, units being lost, I think you're referring to aging out of programs, I have the numbers in a piece on best practices and we looked at the number of units that would age out of tax credits and also HUD programs over the next 5 years and also looked at how many units have aged out since the inception of the tax credit program so the data is there, I just don't have it in my head but I can send you that Mike.

Mike Akerlow: That would be great and any ideas on the funding for renters?

Jim Wood: The renters are definitely the most vulnerable market and you've probably seen the data on overcrowding and again there's not a lot of dollars around and that's the issue, the feds have really backed out and that might change and it might not but we've got the Olene Walker funding and what I've heard in passing is what it was years ago which is a couple million dollars and this commission knows the difficulty of trying to get additional money for housing and how difficult it is but it's a matter of resources and there's plenty of ideas but we need more resources.

Mike Akerlow: Jim, thanks so much.

Michele Weaver: Hi Jim, I just had a couple quick questions and I don't know if you had any data on this yet but I noticed something from the National low income housing coalition from last week about the impact of large corporate landlords doing a push to evict people before the CDC mandate came out and I just wondered if you had heard anything about that, the report did not encompass Salt Lake so I was wasn't sure if you had heard anything about that happening in Salt Lake and what the impact was?

Jim Wood: No, I have not heard anything about that, I've been in meetings with the CARES Act financing and the information we get from the apartment owners association is that evictions haven't really been a problem at this point and I think that was as of a couple weeks ago but I haven't heard anything about a spike in evictions and we've been really lucky here, like every state we got a fair amount of federal dollars to help individuals and we also have the lowest unemployment rate in the country which is 4.5%, we have a recovery that is far ahead of where I thought it would, we're so lucky to be at 4.5% and you still see signs out for "now hiring" so I think that has given us a real buffer and we've been insulated a bit when we had the federal help but on the eviction issue, as far as I know there hasn't been a real spike, now having been a landlord, the problem with eviction numbers is a real process, you want to work with them, you hate to evict them and it is costly and typically a renter just leaves and find support and lives someplace else and this goes back to the stress of the renters, the eviction data may be too low and I think it understates the stress in the housing market for those renters who know they're not going to be able to make it and they just leave and go live with family or friends.

Michele Weaver: Just a follow up to that, is there any way to track early release terminations on either the landlord's side or the tenant's side?

Jim Wood: On release termination, we don't do that now and it would be a matter of a survey, it would have to randomly survey landlords and certainly it can be done but we don't have that nor anyone.

Michele Weaver: Thank you Jim, I just have one last comment on the city fees and I'm going to go with my youth and being naïve here, I know you mentioned that city fees had been something you had looked at and we've had a lot of conversation about that and I know that Chris and Mike aren't going to be super happy about what I have to say but I'm just wondering if we could have some kind of impact rather than barking up the lower of city fees tree and trying to make housing more affordable, lowering fees based on that method since economy, the economic indicators would indicate that the builders may go ahead and keep that money, would it be something that we could or should look into as a commission to maybe drive some of those fees towards affordable housing rather than request those be lowered, keep those fees the same but we think so much should be invested in affordable housing in each community, I know cities are really struggling right now with their tax revenue all over the nation because of COVID and its had a major impact on our economy and lowering the city fees is.. I just don't think it's a good solution in any sense of the word, whether the builders take that profit for themselves and not pass it along or just a loss of revenue of the cities that are already struggling, I don't know that, that's really a question or a comment or maybe both but I'd love to hear what you have to say about it.

Jim Wood: I think that on the city revenue side, that's a real issue right now, I think whether or not that it be passed on, that would be a really difficult accounting issue that would lead to a lot of lawsuits probably between builders and any sort of legislation or regulations it tried to earmark that reduction in fee on to that it should go to the homebuyer, Chris I'm sure has some opinions on that and he's on the ground and I've looked at some of the data of some of the past years and I wish they were lower and I wish housing prices were lower, reduction in fees, I think you could have more benefit to the homeowner on issues about, like I mentioned whether it's about providing affordable housing in RDA's or preservation or changing some of the land use requirements but fees, I think it's just on the margin and it's a mind fill.

Michele Weaver: Right, I understand that, they are housing fees and a lot of them are permit fees, architecture fees and it seems like we could encourage the portion of those fees to go towards RDA's or some kind of affordable housing and its especially hard in rural communities.

Jim Wood: Again, this is a little outside my sweet spot and I'm sorry I can't really answer that Michele.

Chris Gamvroulas: This is such an interesting conversation, such a conflation of issues here, the idea that government can take money to provide a service and use it to provide another service, usually we call that theft but its justified, and god forbid a builder make a profit, this whole conversation is just absolutely maddening to listen to this, I mean what the heck are we talking about, this is not the commission on affordable housing, this is the commission on housing affordability and so no Michele,

it's not ok to take money and put it into a different fund because it's for affordable housing, by law they're supposed to use the money for what they are collecting it for and not anymore, and the idea that we can take money and "oh well it's ok let's just build a profit and so what, who cares about that", and I can tell you that costs relate to price, don't think for one second if a city raises their fees that it doesn't increase the cost of housing, well if we lower the fees then are we going to automatically drop costs, what a ridiculous question is that. Are we really going to just have that conversation or we going to say, look, we're talking about all the costs that go into this such a lumber but this idea that it's ok to do that, and I have to tell you that prices are up but margins are not because we can't raise prices every time someone raises a fee, so it is a legitimate question, will increasing costs continue to increase prices, of course it will.

Rep. Val Potter: Yeah, it's a big problem. Senator Anderegg I see you had a question.

Senator Anderegg: I think specifically to the fee discussion, State law technically prohibits the utilization by a city of fees that aren't directly associated with costs at the permitting stage, so they have to actually list all of those out, under the permitting fees, some of those are connection reimbursement costs, some of them are sewage capacity, lift station costs etc. they have to list all those out so the idea that we can pull some of these fees back or maybe add fees to utilize them for this is actually prohibited under State statute. The reason I'm talking to this to this point is because we do have a concept that later on I'm going to bring to the group for discussion and it is going to look at potential revenue source for housing affordability development and what not, but I will wait until we are to that point in the presentation.

Rep. Val Potter: Well I don't see any further questions for Jim but I want to thank you again Jim for your report and I have no doubt that we'll call on you again.

Moving on to Sub-committee meeting update on Land-use from Chris Gamvroulas and Housing Production Preservation from the Dave and Ashley Spatafore.

Chris Gamvroulas: I want to first off apologize for being a little testy, it's an issue that this land use subcommittee's been debating and it's become very frustrating about the debate whether or not its ok to collect fees because it might not immediately translate into lower prices, nevertheless it's a debate worth having, as Jim said earlier it's something that has come up around the home builders for years and as a representative of the homebuilders association, I'm obligated to bring this up and we've had conversation around that and around inclusionary zoning and residential design standards, Senator Anderegg has been kind enough to put me in touch with a ledge research to talk to them about drafting some language that the subcommittee could debate, rather than just debate the idea of fees or the idea of inclusionary zoning and residential design standards, we could debate the actual language, so those are the things that the subcommittee has been looking at and again I apologize for being a little bit testy, it's been a long go and to my fellow commission members, I hope you'll forgive me, that's all I have, thanks.

Rep. Val Potter: Thanks Chris and we realize when someone starts talking about the fees and I know you've mentioned it before and saying we need to maintain or increase or use them for something at all, is like calling your dog ugly and I know that's not a happy thing for you and I appreciate you doing your job and representing the homebuilders and you do it well, thanks for all you're doing. Let's move on to either Ashley or Dave, the time is yours.

Ashley Spatafore: (see attached)

Thank you for having us, we really enjoy working with our group and working with the commission, as you all know what Dave and I have been working on, so what we try to do and because we have such a large group, we try to break it up into 3 different smaller groups to get into a little more and better specific ideas and as you can see, we have housing production and preservation, financial assistance and landlord/tenant reform and eviction law modifications and we wanted to gauge from the commission where there is interest and what you would like us to continue to pursue and we like to spend a little more time on something that stands a chance on turning into full blown proposals. As you can see we have the list of everyone who is part of these subgroups and they're all from different areas of expertise, starting with the housing production and preservation and one thing I'd like to pull up is the Utah housing corporation modified their tax credit allocation plan, which application are due October and one major change is that 10% of the tax credits will be reserved for preservation of naturally occurring affordable housing, we don't have proposal for this but I think this is something we should look at, do we add on to this, do we continue to monitor over the years? Next biggest thing obviously is more money and we were given a task to look at more policies also being told that there is not a good option or not a good chance of having additional funding which is difficult, so I think we need to throw that out there and is there any way to locate a specific funding source, general funds or whatever it is, we know it's going to be a tough 2021 session but that is at the top of the list. #3 and what we're looking at is, where is our vacant land, vacant buildings? Is there a possibility of using this vacant land or vacant buildings for the development for affordable housing, we thought developing a database would be a good place to start. #5, we talked about it a couple commission meetings ago and it might no longer be applicable due to timing but to utilize some of that's CARES Act funding to purchase hotels or motels for emergency shelter and then eventually be converted into alternative living solutions, I know that rep. Eliason has interest but I don't know what leaderships interest is in this and/or timeline, if we have enough time.

Dave Spatafore: Let me interject really quickly, when I talked with Rep. Eliason, he had a couple session with house leadership and he got a little discouraged because he didn't get a lot of support from house leadership and right now as we bump up to December 30th calendar date, unless congress does anything to extend that date, this may not be an alternative but I do know there are some interests in this issue with both Salt Lake and Midvale particularly and there are a number of motels that operate quote on quote cash basis, they create a lot of significant public safety issues and so this might be an opportunity that we can utilize funds if they can be broadened down the road to deal with community problems and create different housing solutions.

Ashley Spatafore: Another thing we're looking at is workforce housing and can we add a statutory definition, I think workforce housing is sometimes a very interesting concept that we can look at to expand, some communities how they look at affordable housing, sometimes people just see it as low income or affordable housing but workforce housing whether it's for teachers, firefighters, police officers or certain professionals or individuals and could that open and expand the terminology for affordable housing to certain communities and help them look at it a little differently?

Dave Spatafore: Ashley, if I may for a second, I've been working with Senator Hemmert on a project that he's familiar with up at Kimball junction and from what I understand of that housing project is one of the goals is to try to keep housing affordable and attainable for first responders and teachers who live outside of Summit county but work in Summit county, and as we look at the term affordable, that may become a negative connotation to individuals and maybe we need to take a look at a different term for workforce.

Ashley Spatafore: Another thing I didn't put on here that we did discuss is, what about density bonuses, we were looking at some of the other states are looking at density bonuses, so providing developers with certain incentives, allowing them to increase their density if a certain allocation is reserved for deed restricted affordable housing, so that may be a tool that could be of some substance. One of the more difficult groups was financial assistance, we see the need for financial assistance we saw how the legislature reacted to our proposal last year, but one thing we do have right now is a rental assistance program now specifically for COVID, the S.B. 6009 cares act and I'll let Dave take it from here.

Dave Spatafore: During that special session, we coordinated a lot with Senator Hemmert, the Senates sponsor of S.B. 6009 and this could provide us a lot of interesting information about retaining tenants in their housing, Senator Hemmert with the proper education and marketing and training that we should not see any evictions between now and the end of 2020 based solely on financial reasons, that statement is easy to quantify and we're working with Senator Hemmert and all the other agencies to determine if that's the case, I think one of the things we want to do here is, we have to do a good job of conversion of legislative leadership and we know there's not money, however; it's better for both tenants and landlords to keep tenants in units if there's only a financial issue and that's one of the things we are looking at.

Ashley Spatafore: What we're kind of looking at and Jess will provide the update with how that program is working but it's easy to see how we monitor, quantify the successes or failures of that rental assistance program, is the money going directly to who it should be going too, what is the process, is it helping the situation etc. but if this is seen as a positive and as a state we can see that some sort of assistance program benefits not only the renter but really does benefit the landlord as well. As DWS monitors this, can we use this to develop and build relationships, develop some stake holder's relationships to maybe expand a rental assistance program in the future?

Matt Dahl: Thank you for presentation, there's a lot of really good ideas here and I think trying to summarize when looking for areas of focus or not but my initial take on this is, I really think the ideas

you have around mediation, I think are really good. In the community I work for, we've had issues where we have a lot of tenants that don't understand what their rights are and I think can be taken advantage of and I know that cuts both ways but it just happens to be the one that's come to my attention recently and so those are good ideas for focusing on going forward on education and mediation, so on the first page #1 and 2 I think are great things for us to focus on if we think there is potential for that, overall I good work, I think that there are some areas that we as a commission could look at putting into legislation and if there's any way I can support your efforts, please let me know.

Senator Anderegg: One of the items I was going to bring up is on your list, doing a top to bottom inventory of surplus properties, not only state properties, DFCM, UDOT but also of counties and cities and school districts and maybe from that, municipality area by area and taking that list and then determining where those properties are located and determining what low hanging fruit there might be in certain areas where we could and this was the next concept I was going to bring up later, if we have a nexus of the property with the transit investment corridor with the concept of a transit reinvestment zones, where you can take a property tax increment of the value added increase and dedicated for repayment infrastructure, to on top of that or as a part of that designate a portion of that increase as a dedicated for what I'm going to ternate as HRZ (housing reinvestment zone) which is brand new concept, if we use an HRZ on top of that along those investment corridors, you can set up the scenario where you can gift the land, you can decrease costs by probably 25%, you have an HRZ to help fund the project, you can deed restrict it and could help address that 45,000 unit short fall in a must faster component, and here are the limits around gifting it, you couldn't utilize eminent domain for a gifting process, you would still have to follow the guidelines of the eminent domain, so I would say existing surplus property not future surplus properties, maybe we'd need to work out the nuance distinction but I think that would be something we would definitely want to move forward on contemplating on how that might work and basically creating another avenue that a city could utilize to be able to help us with the direct stock development.

Beth Holbrook: Thank you, I wanted to comment on Senator Anderegg's HRZ primase and I think that has a lot of potential and wanted to let everyone know a little bit about is every time UTA does a transit oriented developments site, one of the things with Senate bill 150, in order to get rid of UTA's cap we now had 2 requirements for any community that wants to do one, so one is the station area plan and the other is the moderate income housing plan, the station area plan does have several determining factors that incorporate affordable housing and what I think would be incredibly valuable is to have that dialog and to understand where some of these nexus points could be integrated with an HRZ and I think it has a lot of potential.

Rep. Val Potter: Well thank you very much Dave and Ashley on your report, you've put a lot of work into it and we appreciate that, moving onto Legislation Thoughts and Discussion, Housing Assistance Program with Senator Anderegg.

Senator Anderegg: Thank you, I think I jumped the gun a little bit but I think what's great about this committee and the commission, is that it's a working group, a broad working group and we set up these

subcommittees and really has through what the possibilities are and the brain waves that come, like why couldn't we set up an HRZ and then that percolated some ideas and just got to the whole, well, what about a state wide inventory of properties and some properties just aren't going to be any good but some properties will have a lot of potential and based upon our definition of transit investment corridor which in rural Utah includes basically their main streets or the contracted dedicated route and all of those end up being potentials on this and I would like to expand this idea, which is why I kind of jumped in a little early with Dave and Ashley's presentation because they do have a good working group to fair it out of the ideas and figure out the logistics of it. In addition to some other conversations we've had to land-use and what not, I am open for any other ideas as well.

Rep. Val Potter: Seeing no questions we'll move onto the CARES Act, Housing Assistance Program with Jess Peterson and the time is yours.

Jess Peterson: Thank you Mr. Chair, so we've got the 2 housing assistance programs, one is for the tenants can apply for and the other is the landlord can apply on behalf of the tenants, so on the tenants side we have a tracking sheet that the agencies fill out and let us know how much they spend as how many people they've helped, on that report we've spent out 1.2 million and helped 1,585 people which is just about over \$1,300 per application and on the housing assistant once for the tenant, we've set aside 10 million for that program and we have quite a bit left. On the landlords side which has only been up and running for almost 3 weeks, we have 5 million set aside and in that 3 weeks, we've spent \$215,000 and we currently have 137 applications that have been submitted and 106 have been approved and that averages about \$2,000 per request and we've had about 48 different landlords apply for this program, most of them are along the Wasatch front and we have a couple units in St. George but the bulk is along the Wasatch front, but that's pretty much the details of it, does anyone have any questions with this?

Rep. Val Potter: I'm not seeing any questions, these are definitely interesting times aren't they? Thank you Jess for your report. Looks like we have a request from Rep. Briscoe for a subcommittee on rural housing.

Rep. Joel Briscoe: Michele Weaver and I have been discussing creating another subcommittee and I have sent out a one page summary to you, Senator Anderegg and Jonathan Hardy as well Holly and Jess to send out to the commission and Michele will give a quick update on the details.

Michele Weaver: Thank you, I know you have heard me say a million times that the challenges that rural areas face are unique, they lack capacity for skills, lack funding and financial resources, the capacity of the agencies for developers importing construction materials etc. I would like to get a subcommittee of elected officials, leaders, community developers and partners to analyze these challenges. I think it would be beneficial for this commission and request that this commission allow a rural subcommittee.

Rep. Val Potter: I see no issues with starting this subcommittee and I thank you all for participating with this commission and with that I will entertain a motion.

Motion to adjourn by Senator Anderegg at 12:09pm

Next Meetings: October 14, 2020 at 10:am