

Commission on Housing Affordability
Minutes for February 8, 2021
Electronic Webinar - Via Zoom

Members Present

Senator Jacob Anderegg
Representative Joel Briscoe
Representative Steve Waldrip
Andrew Johnston
Ben Hart
Beth Holbrook
Casey Cameron
Chris Condie
Chris Gamvroulas
Grant Whitaker
Jacey Skinner
Janice Kimball
Jeff Jones
Matt Dahl
Michele Weaver
Mike Akerlow
Mike Gallegos
Mike Ostermiller

Representing

Senator
Representative
Representative
Salt Lake City Council
Economic Development
UTA
DWS Executive Director
Lehi City Council
Utah Homebuilders Association
Utah Housing Corporation
Salt Lake Chamber
Housing Connect
Summit County Economic Development
Utah Redevelopment Association
Rural Community Assistance Corporation
Community Development Corporation of Utah
Salt Lake County
Summit County Economic Development

Absent Members

Julie Humberstone

Staff Present

Jonathan Hardy	Director, HCD
Jess Peterson	HCD
Keith Heaton	HCD
David Fields	HCD

Visitors

Peter Asplund
Susan Olsen
Angela Price
Cameron Diehl
Ashley Spatafore
Steve Erickson
Bert Granberg

Welcome and Introductions

The Commission on Housing Affordability Board meeting was held electronically via Zoom on: February 8, 2021. Senator Jacob Anderegg called to order at 12:13pm.

Public Comments: (emailed in by Susan Olsen)

Dear Senator Anderegg and Rep. Waldrip, I'm a citizen of Utah who is greatly concerned about the shortage of affordable housing in the state, I have read every annual state report since 2016 and have observed every meeting the Commission on Housing Affordability for the past year, I was very impressed by the housing bills that the CHA developed in 2019 and 2020 which meaningfully pushed forward the agenda of increasing the affordable housing in the state, when this year's draft bill SB164 finally merged last week, it was a great disappointment, first the process that which the bill apparently took shape undermines the transparency with which the CHA has previously acted, some important provisions of the bill limitations on affordable housing ordinances, that which modifies the potential use of the community reinvestment agency housing allocation or not discussed in the public meeting of the CHA, even some official members of the CHA were not aware these provisions would be included, much less the general public. At a meeting about a year ago, I personally heard the request rejected to include childcare as an approved use of CRA funds, use of CRA funds for related services may not be a bad thing but it definitely needs discussion and if possible consensus of some of the members of the CHA. Second the limitations of affordable housing ordinances is questionable when on its face, there appears to be a block concept of inclusionary zoning before it has even received much consideration in Utah. It has been controversial in some cities but it is also amenable to negotiated modify amendments among local interests, state legislation should not prohibit the tools for affordable housing without any public discussion. Lastly, there is no request for money for affordable housing.

Senator Anderegg: There are some arguments in there that we will be discussing publically today and during the committee meeting once this goes forward, it's far from being a done deal.

Angela Price: project and policy manager for the SLC department of community and neighborhoods and appreciate the opportunity to provide the commission comments on SB164 Utah housing affordability amendments and I'd also like to thank the commission for their tireless work over the interim, we'd like to recognize Senator Anderegg's efforts in drafting a bill that looks at the many facets that play into affordable housing development and we'd like to offer our support and encouragement for the 300k appropriation for the landlord/tenant mediation program that the commission subgroup worked on and also like to encourage the commission to increase the many item options from SB34 that provides additional opportunities for collaboration between cities and developers, SLC appreciates a policy recommendations in part five grant for affordable housing and amendments to 10-8-501 of state code. We recommend that the commission amend the AMI requirements to a lower threshold to ensure housing is targeted at those individuals in the lower AMI bracket, additionally we'd like to offer support for the deed restriction component but would recommend that, that threshold be increased and encourage the commission to remove the need for housing community development divisions review of a housing plan, this will create an administrative step that will result in the delay of construction and

further drive up the cost of the unit to the developer. As such, we'd like to address the proposed policy recommendations in part 6 limitations on affordable housing ordinances, the proposed limitations would have a significant impact on the work that SLC does to create affordable housing by eliminating our ability to utilize zoning incentives, such as density bonuses and fee waivers for affordable units, this limitation would have a substantial impact on the upward trajectory that the city has and had in closing the affordable housing gap and again like to thank you for your time.

Cameron Diehl: Director of Utah league of cities and towns, I will be presenting SB164 to our policy committee as soon as I get off this call, we've been gathering feedback for over the last few days and cities share the concerns that you just heard from Angela, there are positive pieces of this bill, such as the predevelopment grants, rural communities, mediation for landlord and tenants and we also believe that there are considerable value sharing the economic development incentives and strategies, we share SLC's concern about the inclusionary zoning piece because this bill actually contemplates taking away this tool that one of the cities do have in the space of housing affordability and affordable housing and we're concerned about the language here that would totally change how the development fees are calculated and handled in cities that we don't see a nexus between that proposal and housing affordability or affordable housing, we stand as partners to address the housing crisis that is permitted over 30,000 new units last year, which is a state record and working on multiple bills this session to find common ground to make a difference and thank you for the opportunity to present.

Ashley Spatafore: Thank you for allowing me to speak and I'll be brief and speaking on behalf of our informal working group and also some of the cities we work with, one of the biggest things we noticed is and we talked about this last year, the states involved, the cities and developers and all these components have to go together to come up with good policy to really target certain affordable units and feels like some of these components within the bill are a little bit lopsided, everyone needs to give a little an everyone need to put a little in and I think that's the general concern about some of these proposals and hoping we can continue to work through them and get a little more detail and more equitable input from the different communities and partners, things that were vetted, the world grant program and the mediation program I think have been vetted really well by the commission and those are things that should not be lost, looking a couple things, what can we get done this year because it's important that the commission does pass the bill and so what can we continue to work on over the next week or so to get some conclusions, with inclusionary zoning, is there something that we can come up with that maybe it's not as big and bold as we want it to be, also the pilot program, are there ways to simplify it and make it more clear, the economic development tie is an interesting concept. We've heard a lot of feedback on is the expansion on the RDA uses and while I think potentially there is value in expanding those housing set aside for those uses, I don't think this is the appropriate venue and with that, I look forward to continue working with the commission and see what positive things can come out

Steve Erickson: I just wanted to say that I have grave concerns about the way that the provisions around inclusionary zoning is written seems to be a misperception that inclusionary zoning drives the prices through the roof and that's really not shown in the literature, there has been some analysis that indicate there are some minor increase overall in the market that inclusionary zoning is applied, however; in the

market like the one we have, right now we are talking about minimal increasing due to any kind of inclusionary requirement with the cost increases we're seeing, 500 cities in the state have implemented successfully and I think what we don't want to do is tie our hands prematurely before we thought this through, talked it out and become a little more familiar with how inclusionary housing operates and also let's see if we just can't come to a consensus with the commission that would benefit it's future work, so let's decide what we can agree upon, do that this year and study the rest of it over the course of the 2021 and prepare for the next session, so let's take a step back and try to arrive at a commonality that we can move forward with and get something done this session.

Senator Anderegg: I'd like to close this public comments section and thank you for everyone that shared their comments and motion to approve the minutes from January 12.

Approval of Minutes: Motion to approve the January 12, 2021 by Jonathan Hardy. Motion passes.

Senator Anderegg:

Moving on to the legislation update and I'm going to go fast and at the end of each sections, I'd like to have a discussion and a vote whether or not we continue to move forward with the language as is, or do we modify the language or delete the language.

(see attached draft SB0164)

Looking at the *"Grants for Affordable Housing, Grant of real property for affordable housing lines 53-70.*

"As used in this part of affordable housing unit means a housing unit where a household whose income is no more than 70% AMI for households where the housing unit is located, is able to occupy the housing unit paying no more than 30% of the household's income for gross housing costs including utilities" We may need to adjust that to 31%.

"Subject to the requirements of this section, a municipality may grant real property owned by the municipality to a private entity for the private entity to build one of more affordable housing units on the real property, before granting real property to a private entity as described in subsection (2) the municipality and the private entity shall present a plan for the building of one or more affordable housing units to the Housing and Community Development Division for the divisions approval. The municipality shall ensure that real property granted as described in subsection (2) is deed restricted for affordable housing for at least 15 years after the day on which each affordable housing unit is completed and occupied" (that's just a place holder, we can put whatever is reasonable there, I'm just trying to figure out what the balance would need to be for the financing behind it, probable needs to be more like 20-25 years or longer but it's just a place holder for now *"if applicable a municipality granting real property under this section shall comply with the provisions of title 78B. Chapter 6. Part 5. Eminent Domain"*

I know of no better and easier way to cut costs by 25-35% on a housing project than for the land to be granted in this format, we can put safeguards to ensure that those cost savings get transferred to the end users but this is the rough framework.

Mike Akerlow: I would like to know what a private entity is, does that include non-profits and I do agree that 15 years is to short, I think it ought to maybe even be double that and would love to hear from some other members of the commission and I personally feel if municipalities are going to be grating property, the AMI should be lower around that, those kind of subsidies are really needed for the lower

AMI and not at 70 or 80%, I'd like to have that discussion on moving or tying a lower AMI to that portion of the bill.

Senator Anderegg: Both are good suggestions and I already had them in mind.

Janice Kimball: Is this for homeownership only, or is this for affordable apartments?

Senator Anderegg: I'm talking for apartments.

Janice Kimball: Ok, I agree with Mike's comments then, it should be a lower AMI, like 50% and below and it should be a longer restriction.

Mike Gallegos: The granting of land, I'd like it to include counties or maybe we say government owned property and school districts because it only says municipality right now.

Senator Anderegg: Peter, I want all this to be incorporated into that definition, such as state, school districts, cities, counties and towns.

Matt Dahl: I'm curious Peter how this effects the 10-8-2, do we need to make any changes to that and how when the cities giving away property, you have to go through the dug short analysis, is there any reason we should eliminate that requirement and does this eliminate that requirement and curious on any thoughts how that impacted 10-8-2.

Peter Asplund: Is that the part where you have to go through a process if you're going to give land to a railroad or is this something else?

Matt Dahl: My understanding is part of the language has to do with, if the cities going to give away anything or get something at a reduced price and not fair market value, you have to show that you're still getting public benefit for it and there's an analysis and an approval process that you have to go through.

Peter Asplund: Ok, I'll have to look at it.

Jeff Jones: A couple questions, in many of the projects in our neck of the woods when we're putting together affordable housing projects, there's a mixture of product type on the sight and many times whether it's city owned, county or land owned then in order to entice a project, you've got to have a mixture within that development and I'm thinking rather than having a fixed 50% AMI target for donated land, it might be better if we were to put a percentage in with the majority of that targeted below the 60% somewhere to the LIHTC type project but also allowing some that would go up to the moderate income threshold of 80% to be packaged into that development.

Senator Anderegg: I would love to see what you have to say on that, just as far as how we might be able to put it together and what I'm really shinning away from is, Summit County's probably in a slightly different boat here just because of your land values and cost of living up there but I'm trying to avoid where we are subsidizing for fair market rate but it's not a bad idea especially if you have a mixed use property and we can certainly talk through that more.

Andrew Johnston: I think Jeff hit a good point, the language is going to be tricky but even in Salt Lake, our intention is always mixed income and mixed use, so I agree figuring out how to thread that needle is going to be important and lowering that AMI is crucial, also make sure that the [percentage matches up with existing federal but the only other piece was that state oversight and review process, that could be an issue in facilitating this going forward quickly, how do we mitigate that?

Senator Anderegg: What we are trying to do is just make sure that there was a review process in place to make sure that cities weren't inadvertently giving themselves into a giveaway that didn't result in what we were hoping to have, we already have a review process so I was trying to plug into that but what are your thoughts Andrew?

Andrew Johnston: I'm not opposed to ensuring that it gets used in the right ways, we just know that band width is an issue and if we do the entire state, it could be difficult for existing staff to be able to pull that off in a reasonable amount of time.

Rep. Waldrip: I'd like to just reinforce that discussion on mixed income, I think the research is pretty clear that we don't want to create a concentration of low income housing where you only have low income housing residents because there is some pretty good research on the best mix of low to moderate income and I think there are those in this body that would have a good feel for what those mixes are to look like and I would encourage that.

Senator Anderegg: I would too and if you have suggestions on what that might look like, please email me, as soon as possible with your suggestion.

Mike Akerlow: To follow up on that comment, I think what Matt Dahl brought up before about the dug short requirement may address that because it does require the entity to look at the subsidy or the grant amount being tied to that affordability so they would only be able to discount the land to the equate it to that public benefit, so if you have that mixed use, that will allow partial land to be subsidized or granted, Also, does private entity include non-profit housing authorities or what exactly is that definition?

Senator Anderegg: We can modify that definition to whatever we want to define it for the development of purposes, I don't want to limit it necessarily, so please provide suggestions for that.

Michele Weaver: I just wondered if we could use the LIHTC model for that averaging mixed use going all the way up to 80%

Senator Anderegg: Yes, we can do that. Moving on to (see attached draft SB0164) *“Limitations on Affordable Housing Ordinances lines 72-76. “If a local ordinance of a municipality requires a developer to provide a specified number of affordable housing units or requires a developer to contribute money to a housing fund, the municipality shall provide incentives to fully offset all costs to the developer of the developer’s affordable housing contribution”* this is something that the league of cities and towns say that they don’t like, why? Michele, help me understand.

Michele Weaver: My biggest question is, what is all costs, is that the developers revenue? We just went through line 53-69 and talked about how important it is to have mixed income development, if a developer doesn’t have to put in any kind of affordable housing, how are we encouraging mixed income areas and diverse communities? That’s my question.

Senator Anderegg: it’s a good question and some may say it has to do with how they zone it and I’ll just throw out the reason why we included this in here is quite literally that Sandy City got 2 fire engines that got paid for by developers to approve phases, whatever 3,4,5 and I’m curious how we coordinate what the cities getting out of a developer to get approval to build on a land that they own, it’s something that really bugs me there, say you’re a developer and you’re going to build 20 units and is zoned for a certain type of density but the city comes back and says, we want to put in a park or do this or that and what hap[pens is that has to go somewhere and has to come out of the available land and the density that is available for that, so there’s not an offset, I’m curious.

Matt Dahl: My take on it is, right now it appears there’s a handful of communities that currently use inclusionary zoning and is a tool that is working for them and I’m concerned that we would go and make a tool more complicating that’s already working, not everyone’s using that and part of the reason that we’re trying to do this is, we have a certain amount of money going towards building units, this I s another tool going towards affordable units and we’re starting to overlap them by requiring the offset developers costs, we’re just using the same pool of money and basically taking away one of the tools in my mind, so I think this would likely make it so that there would be less inclusionary zoning and it would just hurt the effort for affordable housing.

Andrew Johnston: I hear you concern Mr. Chair and the concept of an offset to help with that makes sense but the way it’s written right now however, SLC has at least 3 different options we’re currently using for affordable housing and this could preclude those the way it’s written right now, we’re talking about the mitigation ordinances we have now and to mitigate the loss of housing, housing fund and also the density bonuses and what Matt brought up earlier, the language here matters because we could lose those in here, it’s not clear that you have to offset with cash instead of a density bonus and the other thing we have in place and there’s got to be some discussion on this because inclusionary zoning is tricky and has to be targeted and be very carefully done.

Senator Anderegg: Let me tell you why I put it in here, this is the 3rd year in a row that we have punted on these types of issues because it’s not the cities that are building here, it’s the developers and the more they get pinched, either the developers get out of that space or they can’t afford to do it in that

price range and keep it low, so at what point, if I didn't include this in this bill, would we even be having this discussion today, or even having it throughout the year, most likely not so Steve Erickson and a few others, I appreciate where you're coming from on this but this is why we're having this discussion, so if we need more time, we can take more time, so if we need to have another meeting then we will have another meeting but there is no better time than the present to have this discussion.

Mike Akerlow: I think that this is a topic that is at the top of our list of items to discuss but it is complex, I don't think the commission has had the opportunity to really be briefed on this, and multiple people are presenting studies on this and it's conflicting with one another but I think for us to vote on something like this, we need to have more of a discussion but we need more information before we can make any kind of recommendation on this.

Rep. Briscoe: We've had subgroups knowing how complex this issue is, everyone I'm hearing talk is committed to spending more time on this and one of the ways we brought two bills forward in two years that have passed is that everyone hasn't gotten everything they wanted but we've all agreed with what's in the bill so inclusionary zoning, does this lead to a renaissance of inclusionary zoning as Chris says, or does it crimp SLC like Andrew says, if you can decide that in another meeting here, this week, great but if you can't, then let's make it topic #1 in April.

Rep. Waldrip: I would suggest rather than kick this can down the road any further, if anyone's got specific language that would address these issues, let's get that addressed now or soon and let's start looking at real language and if we can't come to before the time frame in this session, then it will give us a starting point so if you have issues on this and if you want to address it, let's get some language out there, that would be the challenge that I'd thrown down to those who don't like the way it is now.

Senator Andergg: As I mentioned earlier that we would take a vote on each of these sections, I don't think we are ready to vote just yet but I needed the feedback and the feedback I've gotten is with some tweaks, (Section 1, Grants for Affordable Housing, with some tweaks it sounds like the commission is in favor of keeping that in the bill. Section 2, Limitations on Affordable Housing Ordinances, so far the feedback has been less than supportive, so that's probably something the commission would likely not be in favor of without further discussion, so that was the type of feedback I was needing.

Michele Weaver: Again, just clarification of "all costs" and that, that's not revenue, we keep talking about how the private market needs to build us out of this and I'm going to just say that if I'm a private developer, I'm going to make the most money I can and that's going to be affordable housing and I'm not going to build something that someone at the grocery store can buy so when we talk about the private market building our way out, it's a little convoluted.

Jeff Jones: I think it would be helpful for the communities because they're fairly limited in the state of Utah to use inclusionary zoning and to make a brief presentation to the board on how it works and how it benefits and what the challenges have been, I think that would go a long way towards dispelling some

of the myths and also ways to potentially improve that tool and I believe would be a good path forward because the commission wants to get this right.

Senator Andergg: (see attached draft SB0164)

Moving on to lines 147. *“recommendation to implement (~~three~~) four or more of the following strategies”*

Lines 198-201. *“Municipality that is required to recommend the implementation of four strategies under subsection (3)(b)(iii) and that has a fixed guideway public transit station, shall include at least an additional fifth recommendation (~~to implement the strategies~~) that includes the recommendation to implement the strategy described in subsection (3)(b)(iii)(G) or (H)”*

Chris Gamvroulas: I think that this is terrific and just to give you a little data point, two years after the passing bill SB34, there are still seven cities in Salt lake County that have not adopted an ADU and five of those seven put it down as their #1 strategy.

Senator Andergg: (see attached draft SB0164)

Let's move on to line 244. *“Limit on fees – requirement to itemize fees – appeal of fee”*

On lines 254 – 258 – 260 – 261 that we are changing the threshold from (reasonable) costs of those impact fees estimated actual costs to get more fine-tuned in a direct pass through of costs.

Matt Dahl: I think there's a lot of antic notes that we've been hearing there's a problem but I don't know that we've actually seen that there is a specific problem when it comes to these fees, also, while it may be worth discussing, we've been good about this group coming up with legislation that will actually address issues in housing affordability and affordable housing but if you look at what this says, it doesn't really do anything for affordable housing and I would say there is no reason this should be in our bill.

Mike Ostermiller: It seems that in all our conversations regarding the fee issue is that the common ground we've always found is that fees and the calculation of the fees should be transparent number one and number two, that the building department of the city should not be a profit sector used to offset costs and other areas of the city so if this language doesn't get us to addressing those two areas on common ground, I would just challenge the commission members to work on some language that you think does because in my mind, that's what we're trying to get to, are those two things, and we can track this and see what fees are being charged and let's see if this makes an impact, let's see if we can increase transparency and I think we've found common ground here and if this language doesn't capture what we want, give us some that does.

Rep. Waldrip: The question I have to this is, what kind of administrative burden does that add, I think that maybe the other issue from the league and the municipality is, what are we talking about here in real word terms and I think we need to be wise about how we approach this and I like Mike Ostermiller's comments about finding some language that works, so we can take that as a group challenge and get some language together.

Michele Weaver: My concern is, from what I've heard from the league of cities, is that they are not overcharging or getting any kind of revenue out of this and as Rep. Waldrip stated especially in the rural areas, it's going to cause man administrative burden and actually could force those fees to go up, not come down and if that's the intention then I think we're going about it the wrong way.

Jonathan Hardy: That concludes this section and we'll move on to the Affordable Housing Pilot Program and Rep. Waldrip will take it from here.

Rep. Waldrip: (see attached draft SS0164) Line 323

Treasurer Damschen and I, along with the Jonathan Fellows and Jonathan Ball, we're going to figure out some language for this that works, the concept I think is not the issue, it's how we navigate this so we're not opening up a door into the money management bag that we don't want to open up and make this a program based investment, so this language won't be the final language and we'll have something that looks more like a legislatively appropriated pilot program as a program with a appropriations, so we just need to figure out how we get the money to flow correctly through that process, with that back drop does anyone have any questions on this? Also, this is a project that I've been working on that predates 5 years my time here in the legislature.

Michele Weaver: I love that you're working on something that's out of the box, I think when this was presented, I had some concerns about what protects the buyer in this particular program in the event they lose their job and what are the consequences if something happens and they'll potentially lose their home, do they lose all the equity that they've been putting in so I'd like to see some of the concerns being flushed out a little bit more before they get put into a bill.

Rep. Waldrip: the bottom line or the broad statement is, no they won't lose anything that they have accrued, again assuming that they're in compliance and have made their payments etc. and there's no penalty for them losing their job other than if their employer had a vesting schedule, then it would be applicable to that vesting schedule on the appreciation but as far as payments they've made, those aren't subject to a vesting schedule at all then we'll have kind of cobra like exit strategy for them where they'll have time to make a rational decision about the future of their home ownership and there will be more detail on that Michele, I appreciate the comments.

Mike Gallegos: So this is a home ownership program and we've done things like this already combining a down payment assistance program with a soft second, where the shared equities already determined based on the agreements and just makes for an easier way to administer a program for down payment distance in home ownership so that's what I'm reading through this part of the bill is to provide some incentives for home ownership from public employees in your jurisdiction.

Rep. Waldrip: It's really about access, you have a lot of people that just don't have access to housing anymore, the wage gap is getting greater so we're hopeful to take this out beyond the local area and have it be a broader program, so that's part of the things we're working on with the treasurer and that group, is how we provide the opportunity for government entities to participate and make it transparent

and accountable and make sure we get it right, so again I wouldn't get hung up on this language if that's the concern, we're just trying to do something that is a true pilot that's fairly limited in scope.

Janice Kimball: I just wanted to clarify the source of funding that would be used to do this program, is this coming out of appropriations or is this a redirect from the RDA funding?

Rep. Waldrip: it's coming from the entity itself so the intent is to use a portion of their reserves or what are not mandatory to be liquid, if an entity has some additional reserves beyond what they're mandated to keep at a very liquid state, this would allow them to use those funds to provide housing for employees, so there won't be a traditional appropriation as far as cash out of the general fund but we may need to do some modifications on to how we create this program so that it meets all the statutory requirements so the essence is, the money will come from each individual entity that chooses to participate and it's at their discretion if they participate but we would just need to get the money out of their reserves and into this program and that's what we're working on and so there will be no additional money allocated for this program.

Senator Anderegg: I want to just add my two cents on the pilot program, we have had some concerns raised by the State treasurer and maybe he spoke to this but if he didn't, we do need a thread, a very fine needle here without inadvertently messing up the money management act, so as Rep. Waldrip said, we're going to continue to work on this and I think this pilot has great potential but as the same time we have to make sure we aren't putting at risk unnecessarily the public trusts funds and tax payer money, and we'll let Rep. Waldrip continue to work on this.

I have pretty much decided that this bill needs to have one more solid work through before its ready to go prime time, so any additional insights anyone has or concerns that they have, lets continue to work through it.

(see attached SB0164) Next section which is "**Plan preparation**" which ties back into language in SB34 from a couple years ago and you'll see on line 443 that this is also an increase and this is related but related to counties, the last one was for municipalities, this one's for counties and goes from (three) to four and didn't have to worry about four to five on the county one.

Next section is the "**Use of housing allocation – Separate accounting required**" I think going back in to the cost of accounting that the developers would like see with the cities, that you'll see on lines 841 – 844 "**pay part or all of land or installation, construction, or rehabilitation of any building, facility structure, or other housing improvement including infrastructure improvements, relate to housing located in a project area, or income targeted housing within the boundary of the agency**" Peter, I'm not remembering what this is tied to.

Peter Asplund: These are all parts of what you can use the housing allocations for in a CRA.

Senator Anderegg: So lines 868-875, "**they can also be used to pay for local government building or publically owned infrastructure and improvements that benefit and support the development rehabilitation constructions of targeted housing within the boundary of the agency or pay part or all the cost of the land or installation, construction, rehabilitation or infrastructure improvement of any building, facility or structure within the**

boundary of the agency that will support income targeted housing or related service, including workforce development, education, healthcare, food pantry services or other community oriented services”

Matt Dahl: This effects the code, the Utah redevelopment association, the group I represent is based off of and as we’re looking through it, I very much appreciate what has been done here in efforts but if you look through 17c and what the housing funds can be used for, its already pretty broad on what it can be used for as long as it’s for that moderate income housing and I’m not sure that some of these expansions do a significant amount and it might just extra for legislation purposes sake.

Janice Kimball: I do not agree with expanding to other things besides housing, I feel like we have so few dollars for housing and such a great need, we need to prioritize the affordable housing first and foremost.

Mike Gallegos: I’m on the same line, we need housing production and we can’t dilute the fund when we need more funds, so with that I think we should take out that additional language.

Andrew Johnston: I would support this but only if we were to add more funding requests to broaden the pie.

Beth Holbrook: I do want to reiterate that, some of the public infrastructure that likely I believe this is targeting is specific to parking structures and other elements surrounding TOD’s and I understand everyone’s concerns and if there is a way to factor in some other element, then I’m all supportive for this but that is one of the primary challenges for housing development that’s not market based in TOD’s

Senator Anderegg: (see attached draft SB0164)

“Activities authorized to receive fund money – Powers of the executive director” lines 946 – 953, this is money that is meant to go for both predevelopment grants and mediation, this is in rural Utah and also ties in on lines 980 - 983 ***“the executive director under the direction of the board may award one of more predevelopment grants to non-profit or for-profit entities in preparation for the construction of low income housing units, award a predevelopment grant in an amount of no more than \$50,000 per project”*** I’d be open to if that needs to be higher but it seemed like a good spot to spread the wealth throughout the state.

Senator Anderegg: (see attached draft SB0164)

“State geographic information database” lines 1028 – 1031. ***“the center shall in coordination with county assessors and metropolitan planning organizations, inventory existing housing units and their general characteristics within each county of the first or second class to support infrastructure planning and economic development in each of those counties”***

Michele Weaver: I do have a concern on this, that it is limited to the first and second class and you know there’s been a lot of discussion about this but what that may do in the rural areas is it may stunt economic development because that’s one of the things that helps determine whether a business should go into an area, what is the land and housing inventory for it to be able to building housing in

that area to support their employees so unfortunately I think we need to dig on this a little deeper and see what kind of impact that's going to have on rural, I think we should open this up to more than just the first and second class counties but I also don't want to create an administrative burden to the rural areas but I think it's important in the economic development and encouraging businesses for that development to go to rural areas.

Mike Gallegos: I think this has a lot to do with the technology that a lot of the county assessors don't have out in the rural communities, and according to the surveys in rural areas, they just don't have the ability to track some of this right now, so that's why its limited to only the first and second class counties

Keith Heaton: We're very committed to doing this state wide and there are capacity issues that you're all well aware of but our office is committed to working with those rural counties, the assessors and such to comply with this even though it's not mandatory but it's certainly the intent, and working with the league and our office, we're committed to making this happen state wide, it was just making it mandatory and at this point in time for those rural counties was probably just asking a little too much of them.

Bert Granberg: I think the need and the benefit in the rural areas, everyone in agreement but the data from the assessors is in a better form to produce a working model of this so we see this as a first step idea that Keith and his group could maybe look at a rural component but we want to successfully demonstrate the concept without this coming off as an administrative burden and we see the benefits state wide but we think this is the best way to start.

Senator Anderegg: You'll see line 1054-1055, *"this is a local incentives, the GOED being used local incentives that have been or will be committed to provide within the area, including incentives that will address the housing needs of the community where a new commercial project will be located"* the reason that this is upset GOED has basically said that putting that language in there, makes it so that any and all businesses looking for tax credits to locate in the state will have to comply and look at their housing and how they're going to mitigate the housing and the problems it's going to create is based upon the commercial development but I've got some work to do on that, especially with the governors new commission and you'll see a bill that's going to roll out next week, the governors revamping GOED and they're up in arms because this is going throw a monkey in their systems but I think it should because I don't think we can just give away tens of millions of dollars' worth of tax credits without having any discussion about the impacts of schools, transportation, housing, affordable housing etc. this is another one we didn't have much discussion on, I brought it up a couple times in committee but here's the language for it and it's just one little sentence but it's got them in an up horse but I've got some more work on this.

Matt Dahl: The only suggestion that I have is whether it would be possible to add a "may", saying a city may include incentives for housing as part of their calculations to see if they are providing the local incentives needed to receive the funding from GOED.

Mike Akerlow: I like this and I think it's necessary but I do wonder if it just needs a little more clarity and perhaps the size of the incentive that's being given or the number of employees or something like that, it makes me wonder if SLC did a small business loan to a small business, does that count as an incentive and would they have to provide something, I'm just needing some clarity.

Senator Anderegg: I do need to put a qualifier in there

Peter Asplund: Currently this one is just in edtif (economic development tax incentive finance) and those are usually bigger deals, I'm not saying it won't change but it's not for everything.

Senator Anderegg: We probably need to address it on the city level as well, not just the edtif but Peter, you and will get together and work through this more.

Lines 1132 – 1146 "Appropriation" We should still get funding on this, I'm hopeful because we're asking for a smaller amount of ongoing money, we had over a hundred million dollars of one time money, we only have about 5 million dollars of ongoing money but I think we'll be able to get something worked out. I also want to let you know that I did submit and request 5 million dollars of one time money to replace what we did last year and it ended up in the fourth position and I'm feeling pretty good about that one, so we should get the 5 million back and will be split 2.5 million for the preservation fund and 2.5 million to Olene Walker Housing Loan Fund and this \$800,000 of ongoing money.

Andrew Johnston: I appreciate your work and any money is good money, my hope is that this will pass but we do need to make some statements about what the need is out there.

Senator Anderegg: I just want to say that I really, really appreciate this feedback and now that we've had time to go through the bill, I'll go back with Peter and massage some of the language but if any of you have any inputs that you can provide, then you should do it right away and I want to build consensus behind our bill and with a few more weeks away, I would like to get your input incorporated into the bill and meet one more time and hope we build consensus enough and have a majority of the commissions support. Peter and I will work on some revisions and we'll get a doodle poll sent out when our next meeting will be. Guys, I thank you and I'll entertain a motion.

Motion to adjourn by Michele Weaver at 1:53pm

