

Commission on Housing Affordability
Minutes for April 20, 2021
Electronic Webinar - Via Zoom

Members Present

Senator Jacob Anderegg
Representative Joel Briscoe
Representative Steve Waldrip
Beth Holbrook
Chris Gamvroulas
Grant Whitaker
Jacey Skinner
Janice Kimball
Jeff Jones
Michele Weaver
Mike Gallegos

Representing

Senator
Representative
Representative
UTA
Utah Homebuilders Association
Utah Housing Corporation
Salt Lake Chamber
Housing Connect
Summit County Economic Development
Rural Community Assistance Corporation
Salt Lake County

Absent Members

Andrew Johnston
Ben Hart
Casey Cameron
Chris Condie
Julie Humberstone
Matt Dahl
Mike Akerlow
Mike Ostermiller

Staff Present

Nathan Mcdonald	Deputy Director
Jess Peterson	HCD
Keith Heaton	HCD
David Fields	HCD
Ian Shumway	HCD
Deann Zebelean	HCD

Welcome and Introductions

The Commission on Housing Affordability Board meeting was held electronically via Zoom on: April 20, 2021. Senator Jacob Anderegg called to order at 3:06pm.

Review of OPMA Statement read by Senator Anderegg.

Public Comments:

Bill Tibbets: To encourage the Commission to encourage the legislature for this special session in May, to use some of the funding from the American rescue plan for Affordable Housing as well mentioned turning old hotels into affordable housing.

Steve Erickson: Also mentioned that shovel ready projects that are not fully funded and to encourage the legislature to use some of the ARP funding for those projects.

Approval of Minutes:

Feb 8, 2021 Minutes

Feb 26, 2021 Minutes

Motion to approve both sets of minutes by Rep. Joel Briscoe. Motion passes. Minutes approved.

Senator Anderegg: We have some updates with SB164 and we'll start with Michele Weaver on predevelopment Grants update.

Michele Weaver: I'd like to first thank everyone for your hard work on this bill, we did have a subcommittee meeting a week ago to talk about what the next steps will be and are getting a smaller subcommittee meeting together to work out the details of the application and what those guidelines will look like for this program, once we've outlined that in which we've talked about multiple things how the project will look like and how we'll present to the Olene Walker Board in July. We also talked about marketing and what that will look like, doing a quick reference guide and how to get the word out that this is available so we can get it used and hopefully down the road, maybe ask for more. Again, we'll be getting a subcommittee together to work on that and plan to have that meeting here in a couple weeks.

Mike Gallegos: Are you considering the need for housing in some of the rural communities that are dependent on tourism and there's a lack of housing for local employees, will that be part of it?

Michele Weaver: We are planning on prioritizing remote, which was in the bill and we also have David Fields who works with the Olene Walker Board help us with the research on exactly what those needs are but to answer that question, I think the priority is more on remote and not on tourist's cities and towns but of course tourists areas are just as eligible. Does that answer your question?

Mike Gallegos: So Moab would not be a priority?

Michele Weaver: No it would not, it's the really remote areas that the services listed in SB164 are going to be considered priority but of course we want to get the funding spent as well.

Mike Gallegos: Thank you.

Senator Anderegg: Seeing no further questions, we'll move on with Dave Spatafore for Mediation services updates.

Dave Spatafore: Where we are on mediation is, we had a meeting yesterday with Keith, Jess and some others and the first step we have to do is prepare the RFP which we hope to have something drafted and ready to go by the end of next week and our primary concerns is we asked for the money to be ongoing but ended up with one time money because that's what fit into the budget, to send out an RFP and get folks to respond to an RFP on one year is going to be difficult. The first thing we're going to ask is during the special session with the RFP funding, if we can try to get at least a second year budgeted of another \$300k using federal funds for mediation, which would give us at least 2 years and would make it a little more incentivized for folks to submit an RFP. That would give us 2 years' experience and 1 year practical experience to go before the legislature a year from now to get ongoing funding if approves useful. During the FRP, we're also going to ask for a successful experience in landlord/tenant mediation and ask for a mediator that can provide wrap around services and able to assist tenant with rental assistance, and who ever does this mediation, if they can not only work with the landlord and tenant on mediation and keep the individuals in the units but also to give the landlords some sense of comfort that there's rental assistance available so the tenants can stay there longer than month to month based on their financial situation and that will help make the mediation a lot more successful. We want to get the RFP situated so we have all the services that we want included to be provided by that entity, to get the biggest bang of the buck for mediation, and if possible I'd like the Commission to take a vote today to see if the commission would recommend the legislature during the special session in May, at least look for \$300k to keep this for a second or third year on what we've already got, that should give us a pretty good track record to take a look and see how successful that this program is as we move from ongoing funding in the future.

Senator Anderegg: I would actually like to entertain a motion at this time but let's have a discussion about that concept first. Is there anyone on the Commission that would have any hesitation in asking for 3 years' worth, so \$900k to be disbursed \$300k per year with this year's funding that should get us past the year 2024 in a restricted account.

Mike Gallegos: I'll make that motion.

Senator Anderegg: The motion before us as a Commission is to respectfully request that they executive appropriations committee as well as the appropriations subcommittees of the legislature to prioritize \$900,000 to go over the next 3 years, which is \$300,000 per year towards mediation. Discussion to that motion?

Rep. Briscoe: I think this is a good motion and I'm speaking in favor while I've been supportive of the eviction moratoriums and it hasn't solved all the problems, and in many ways its simply pushes forward for our renters, apartment owners and property managers and I think this money is one of the more humane things we've done as a legislature for a while and I've dealt with people who've gotten their knickers twisted with their managers in their apartments, and it's not always the renters fault, sometimes it is the renters fault and they don't often have much of a voice when it comes to dealing with the establishment and trying to resolve issues but to find equitable solutions to help people on

both sides of these issues is something that I'm really proud that we've got done and like the idea of giving it enough time of 3 years is a good time period.

Senator Anderegg: If I may make a suggestion to part of that motion, that we instruct Keith Heaton or someone else from DWS to write a letter, if this motion passes that goes to the executive appropriations requesting these funds in these manners but also reminding the good chair of executive appropriations that this was intended to be ongoing money and we respectfully request that we receive these funds over the next 3 years to be able to help us give us a 4 year runway, I would highly recommend this letter with the chairs signatures, seeing no further discussion, I will restate that we will send a letter of requesting officially from the Commission on Housing Affordability that the executive appropriations allocate \$900,000 total, \$300,000 per year over the next 3 years towards mediation. All in favor of the motion. Motion passes unanimously. Motion approved.

Senator Anderegg: Moving onto the Interim study items, we're only about a month out from the legislative session but let's start brainstorming and I'd like to get everyone's input and would like to use if we may, this Commission meeting at this time to formulate ideas of the things that we really want to address or the housing affordability issue in this upcoming interim and what would be incorporated into next year's bill and to that end, I will entertain a discussion of any ideas.

Janice Kimball: As I've been thinking about the work of this Commission and what it takes to build affordable housing and it really comes down to two things, the first is zoning and land to be able to actually get the building and the other is funding and I think as a committee, we really need to look at where can we find ongoing funding for affordable housing, like what fee revenue can we get, and what can we do along the line of inclusionary zoning?

Senator Anderegg: When you say zoning and land, you are specifically talking about inclusionary?

Janice Kimball: Yes, I think whatever we can do to increase density and affordability is where we need to focus on and I realize as a committee, that we're not all going to land on the same side but it would be nice to have kind of a list of things that we know work and here are the things we think we can get through.

Senator Anderegg: I know Chris Gamvroulas sent out an article on zoning and one of the statements in that really, really stuck to me and is we zoned our way into this problem and is an accumulative aggravated problem, and I'm not pointing my finger at any one city or one council or anything like that but it's kind of the accumulation of that. In my opinion, I do think zoning is one of the biggest single hurdles that has caused the problems that we're facing. I think inclusionary zoning is just one aspect of that.

Chris Gamvroulas: The article was from the New York Times and I really think the article speaks for itself and I think you are right when you say, it's not the only thing, but it is one of the things but we really just kind of dance around the issue of zoning when we talk about housing affordability because we don't

want to touch the third rail of local land use. There are more elegant solutions than taking away local land use but as long as we have plans to see city councils act a really fractured way, it's hard to make progress throughout an entire region, so I do think we need to start thinking about this, the way we think about WFRC and larger transportation projects and think about housing affordability from a regional planning stand point and bring the cities along. One of the thoughts I had this year was, how we address this on a regional basis and is there an analog from Wasatch front regional council for Housing Affordability.

Beth Holbrook: I wanted to discuss what Chris was talking about in terms of WFRC and looking at some of those elements from a regional perspective and that is one of the things that WFRC has been working on and with a lot of other stake holders. It's really about a public engagements process that's really designed to help city councils and mayors navigate some of these really difficult and emotional issues and I think most people know this, it's really a challenge to have a dialog with someone about land because land is very personal and we all have our own little slice of it and you feel like you want to protect it. We're doing a presentation before the league talking about specifically how to get council members a greater understanding of how land use and zoning is impactful to their communities and talking about growth issues and having the understanding of it. I think it is an education piece for everyone to a certain extent and I appreciate the information that Chris sent, I think its spot on and I think we have to think of a strategy to get this communication to these council members who have to make these face to face communication pieces about how they're going to do their land use and zoning.

Rep. Briscoe: I'm feeling a disconnect and 2-3 years ago when we started, Senator Anderegg said, this is a process, we're not going to fix everything in one year, we've got 5 years and we'll get done what we can get done and we were successful in mending the Utah law to provide some incentives with some threatened punishments for cities if they didn't even have on their master plans concept that people could build affordable housing, we've been told by ULCT that, that piece of legislation was successful and I've talk to people offline, not in this meeting ad I understand politics and understand the need not to embarrass, which not everyone believes that in politics, and so we don't mention the names of those cities publically and we protect people and I guess part of my frustration is, I'm not a home builder, developer or apartment manager and I don't sit on a city council or am a planner, I'm just a legislator and so I don't know what cities we're talking about here and I kind of want some specifics. I'm told we built 30,000 units last year and built a state record for production for housing but told we are still 50,000 units short, so I feel like I'm operating out of ignorance because I don't know as much as other people do and I'd like to find a way to protect people that need to be protected but how aggressive do we need to be? Where are we really struggling to get communities to open up? Am I barking up the wrong tree?

Keith Heaton: If I could on behalf of the Housing and Community Development, one of our responsibilities is to research on these topics and educate and inform the decision making process and as you know David Fields in our office, that's his primary responsibility in putting together the annual housing report. He's been looking at inclusionary zoning now for the last year, specifically in the state and he's got some information that we can share and we think it will help educate the entire commission, the affordable housing community and hopefully make more informed decisions. I agree

with Rep. Briscoe, I don't know that any of us are experts in all of these things, you know we all have some information and we all have our own perspective based on our experience, I think If we can all better educate ourselves, we'll be better off and with your permission Senator and Representative, we'll begin that process and I think that will be helpful.

Karson Eilers: Thank you for your time, I'd like to first mention that our board is meeting tomorrow and hoping to have some housing discussions and come up with some additional ideas for either inclusionary zoning or affordability in general and I'd like to also mention that fact regardless the conversation is happening with the legislature, the growth discussions also been happening for a number of years at the regional level, at the municipal level and it might not be as fast as some of the housing community would like to see but I think the conversation is undeniably happening and I'd like to refer back to the record number of residential units permitted last year and in the past several years, there's been record number of multifamily in particular but zoning is also nuance that requires community involvement and I think that there are situations where there are reasons, some valid more than others that a community may prefer a lower density residential development over a higher density residential development, which there are valid reasons for that as well.

Jeff Jones: I think it would be really helpful as we move forward, if we work from a common data point analysis when it comes to future growth that we look at how many household are going to be generated by future populations, how many household would be created through new employment growth, how many household that are currently cost burdened and by county, put those numbers together and take the income numbers and start to look at the average earnings per job because that's going to differ greatly from one location to another depending upon the strategy of application of employment opportunity within a given region and as we do that, we can figure out some type of fair share formula and if one jurisdiction is generating more than its fair share with regards to affordable housing, that there's a way to increase revenue streams to those folks to where they are being rewarded for that. I think we need to look at it through some type of common lens to put together an actionable plan.

Senator Anderegg: I'm wondering if this is something you could help develop, maybe working with DWS to determine what those data points are, what the formula ought to be and where the cut off lines are and come back and present to this concept? It's a great idea and date helps inform people.

Jeff Jones: I think we can do that. Data isn't a replacement for talking to people but does help you discover and much of the data we use is lag time data and we need to move beyond that to some of the data sources to things like employment that are being fairly accurate projected, as well population and get a little better handle on that.

Senator Anderegg: It would be good to know how we're doing in each of those areas of the AMI spectrum as well and maybe you could work with Keith Heaton and other at DWS to formulate maybe what that looks like and keep us updated as you're developing this concept, this could be something we can put into part of the ongoing analysis aspect of placing the policy and the dollar in the most effective way.

Jeff Jones: I'd be happy to do so. Thank you.

Senator Anderegg: So I mentioned that I had three items I wanted to share and mentioned the one item earlier about possibly putting on new requirements for zoning, which might include inclusionary zoning and a few other things but coupling that with a funding source for roads and we need to work that one out but that was just an idea or concept but I want to continue to explore that. The second item goes back to house bill 82 on ADU's and the league was fantastic with working with Rep. Ward in coming up with a solution there and I made a personal commitment to the league that I would withdraw the ratcheting up the requirements along a transportation investment corridor, I removed that because HB82 passed which in essence automatically put that requirement in, so we got the ratchet up through that stand alone bill and this is the idea I'd like to explore, so I'm wondering if maybe to develop that ADU concept a little bit further and to look at ADU's not only as an internal but maybe also an out building ADU with new connections and what not. I would like to look at the development of an ongoing data report that helps inform cities on the status of quite literally their occupied density, for lack of a better term. I think when you're talking about a burgeoning city and development, you tend to see the number of occupants per acre, depending what the unit of measure ought to be and I think the State average is 3.6, Salt Lake County might be 2.8 and what I mean by that is, if you're talking about a quarter acre lot and you're at 4. something acre, that would mean you're probably anywhere between 8-16 potential people per occupied acre, which would set a certain thresh hold which if you are above that, should you have an ADU? Then you might have a number of people that drops below that certain thresh hold, let's say density factor drops so you don't have that many people per acre anymore, so if we have the upper, middle and the lower range depending the analysis but one of the biggest problems the leagues expressed was parking and more parking but if you're already down at less than 4 people per acre, then parking is a non-issue. I think there might be a way for us to modify the ADU for us to analyze the zone and how many people are occupying per acre and that can be a trigger point for various levels. We may need to modify or expand what we've done under HB82, such that we could expand it a little more but do it in a reasonable manner that the data will show and the league of cities and towns would probably say they didn't have a problem with it because the data will reflect it. I'd like to explore that a little more and try to put together some sort of analysis for it. The third thing is and I'm going to vent a little bit, I've had cities call me upset with HB82 because they're angry because they still want to have control of this and that and what I was told to my face by a Mayor was that, we're going to go ahead and make this so expensive that we're going to charge an impact fee, I asked why would you charge an impact fee for an enclosed unit and he said we're just doing this for profit, this is a business and we're going to get our fair share out of it, those were the words out of his mouth and I told him, No you're not. I don't think they should be allowed to charge those fee's when there's no new connections and it's tying into the existing infrastructure.

Rep. Waldrip: In essence when we look at these statutory zoning changes or impacting local zoning authorities, we're asking these entities to agree on something that's acting against their own best interest by any objective standard, they are elected officials running these things, and they're responsible to their constituents that we're sending to them and as we do this process or look at these different options, I think we do have to keep very closely in mind the other side of the equation, which is

what are the artificial barriers we put in place that make these entities structured the way they do, as far as sales tax revenue, property tax revenue or road taxes, we've zoned ourselves into his problem, I think that's a very fair statement but I think we've also built some artificial barriers on the municipality side that create a disincentive for them to want to address this because it's just a straight loss for them so I think it's important as we go through this to keep that in mind, that's all I wanted to say, thank you.

Senator Anderegg: Thank you very much. Seeing no other insights, what else is on the agenda?

Keith Heaton: Scheduling the next meeting, the 2nd week in May is what we're looking at.

Senator Anderegg: I am wide open on Tuesday May 11th.

Dave Spatafore: Yes, this is regarding the text I sent you that Matt Dahl has been promoted from the RDA Director of Midvale to now the City manager of Midvale and with yours and Rep. Waldrip's approval the RDA association would like to fill his spot with Tammy Hunsaker for the RDA position and she can be available for the next Commission meeting.

Senator Anderegg: Ok great Tammy, you're welcome to join us further as a member of this Commission.

Tammy Hunsaker: Thank you, I know several of you on the Commission and I just found out about this new position opening up yesterday and listening in and learning a lot and excited to join you in the next meeting.

Grant Whitaker: I just wanted to say thank you and express my admiration and appreciation to the Commission, this will be my last meeting as I'm approaching retirement here within the next couple of weeks and to thank you for all the work that everyone's doing to try to correct our problems with housing affordability and particularly affordable housing and that's the kind of work I've done for the last 45 years, so it's pretty important to me and express an appreciation to the legislature for creating this commission because it is such an important thing we have to do in this State. I just want people to think about something and that is when it comes to affordable housing, which used to be called low income housing and it's not truly a housing problem, it's in income problem and that is something that really needs to be addressed whether that means raising the minimum wage up or what but there needs to be a focus on. I wanted to say that David Damschen will be taking my spot and will serve on this commission as well and I think he'll do a very good job on this commission. Thank you all and wish you good luck on this endeavor.

David Damschen: It's been a huge honor as a member of the Utah Housing Corporations board, as you can imagine, I'm stepping onto a heavy learning curve and one of the things I do to approach that is, I take careful notes and have almost a verbatim transcript of this discussion if anyone would like a copy and thank you for letting me join you today.

Michele Weaver: I'm glad that Grant brought up the Income because I think that would be a valuable discussion going forward.

Senator Anderegg: Getting back to the next scheduled meeting, we'll plan on Tuesday May 11, 2021 from 10am-12pm. With that any further discussion from the commission and seeing none, I will entertain a motion to adjourn.

Rep. Waldrip: Motion to adjourn at 4:37pm.