

State of Play:

- **Keeping Utah Affordable for Families:** We are focused on the median household income (100-120%) \$71,621-\$85,945.
 - Rural narrative (Spread is growing much faster in rural Utah)
- **Utah has the most extreme housing shortage in the nation.** After several years, the shortage has caught us and is now impacting Utahns beyond the most vulnerable. This has led to historic and perilous price increases, more than 50% increase in the past 5 years, that are quickly pricing out Utah families.
- **Our Market is Now Unaffordable for Most Utahns:** An income of \$90,000 would be needed to finance the median-price home in 2020 compared with only \$62,960 in 2015. As interest rates increase, even more Utahns will be priced out. Why such a huge increase? Because Utah housing prices have been increasing twice as fast as household income.
- **We simply need more housing:** Every additional unit, regardless of price, helps alleviate the overall shortage. The legislature has taken steps and pushed significant resources toward addressing the most vulnerable. Now is the time to focus on the first-time homebuyer.
- **All hands-on deck:** We need to act and treat this like the crisis this really is. We need immediate action. We are literally on the edge of a disaster.

Solutions Summary:

1. **Increase homebuilding momentum**
 - a. Track entitlement approvals
 - b. Reduce time for permit reviews for identical or near-identical plans
 - c. Significantly expand rapid workforce training, including for key city functions
2. **Expand where homes can be built**
 - a. Upzone state
 - b. Statewide Authorization of External ADUs
 - c. Big box redevelopment for high-density residential (Use federal funds to incentivize zoning)
 - d. Modular/manufactured housing in rural Utah
 - e. Inclusionary zoning with cost off-sets to encourage use of that tool
3. **Build homes faster**
 - a. Zoning as an administrative decision after adoption of general plan with moderate income targets spread throughout a municipality
4. **Build homes more affordably**
 - a. Development Standards Commission
 - b. Transparency on Municipal Fees
5. **Maximize Public Resources**
 - a. Address Truth-In-Taxation Inflation Adjustment for B&C Road Funds

Legislative Concepts for Commission on Housing Affordability
Working Draft: May 11, 2021

- b. Require audit of underutilized properties owned by public entities (municipalities, school districts, SSD's, etc.) and a plan for the disposition or utilization within 3 years.
 - c. Link Economic Development Incentives and Housing – no more state or local incentives for economic development projects that do not account for or address workforce housing proximate to project areas
 - d. Change Sales Tax Distribution Formula
 - e. Expand Utah Housing Preservation Fund
 - f. Property Tax Exemption for Extremely Affordable Housing
 - i. (60% AML/Lower) or Use Property Taxes as the Rental Subsidy
 - g. RDA 10% Affordable Housing Set Aside Sweep in 5-Years
 - h. Public Asset / Public Lands Statute
 - i. Impact Fee Ideas:
 - i. Reduce Impact Fees by Pushing Federal Stimulus Dollars to Parks and Infrastructure.
 - ii. Change Formula to Account for Unit Square Footage
 - iii. Make Independent Analysis Matter (Base It on Prior Occupancy of Similar Properties) and make analysis Binding Vs. Considered
6. **Measure Progress, Support Planning and Create Greater Accountability**
- a. Housing Needs Analysis Via MPO
 - i. B&C Road Funds awarded for progress, not as an entitlement
 - b. Remove protections in statute when there is a failure to follow (or even have) a Moderate Income Housing Plans
 - c. Change Moderate Income Housing TIF Trigger to Progress, Not Just Submitting the Report
7. **Other items:** Allowing for security deposits

Goal: Increase homebuilding momentum – Address capacity constraints for currently approved units, specifically inspections and workforce development initiatives. Utah reached a record number of permits processed in 2020. However, this is a lagging indicator that does not account for the number of future units approved through new entitlements.

- **Track New Unit Approvals, Not Just Permits:** Cities would submit a consolidated report to the Department of Workforce Services that includes any recent zoning approvals, type of housing approved, average density of approvals and total unit count.
- **Expand Workforce Training for the Trades and City Staff:** Significantly increase funding and reduce tuition for all trade based, short-term training - including support for Utah's Architecture, Engineering and Construction (UAEC) Pathway and support additional staffing to improve timeliness.

Goal: Expand where homes can be built — Allow more homes in more places, including more types of homes at greater densities, specifically ADUs, smaller single-family lots and town homes.

- **Increasing Housing Choices Statewide** - Provide Utahns with more housing choices, especially housing choices more people can afford. Legislation would re-legalize certain housing types and allow people to build ADUs, duplexes, triplexes, fourplexes, cottage clusters, and townhouses in all areas zoned for residential use that allow for the development of detached single-family dwellings.

- **Authorize External ADUs Statewide** – Following HB82, create a baseline statute for authorizing ADUs statewide.

- **Promote Smart Development** – The pandemic has accelerated existing economic forces that will lead to a decline in big box retailers. Legislation would establish by right zoning for multifamily and mixed-use development on existing big box locations located next to key transportation corridors.

- Look at federal dollars as grants from the state for infrastructure projects in exchange for rezoning/redevelopment that leads to new housing units.

- **Tailor Support for Rural Utah** – Utah’s housing challenges reach every corner of our state, including our rural communities. However, a lack of infrastructure and workforce constraints prevent housing development in rural areas. Manufactured housing has undergone a renaissance in recent years and facilitating those homes options in remote areas.

Goal: Build homes faster — Create certainty in the homebuilding process through straightforward rules and processes.

- **Making General Plans Matter:** Make zoning as an administrative function that creates a greater emphasis on well-developed general plans.

Goal: Build homes more affordably — Lower the cost of building to make rents and home prices more affordable.

- **Development Standards Commission:** Following the Building Code commission to create greater certainty, transparency and reduce costs by standardizing development standards statewide.
- **Transparency on City Fees:** Create greater transparency on fees related home construction and development.

Goal: Maximize Public Resources – Government cannot financially solve Utah’s housing crisis and resources are limited. As such, it is imperative that there when scarce resources are used, they are fully maximized.

- **Address Truth-In-Taxation Inflation Adjustment**
- **B&C Road Funds**
- **Link Economic Development Incentives and Housing**
- **Change Sales Tax Distribution Formula**
- **Expand Utah Housing Preservation Fund**
- **Property Tax Exemption for Extremely Affordable Housing**
 - (60% AMI/Lower) or Use Property Taxes as the Rental Subsidy
- **RDA 10% Affordable Housing Set Aside Sweep in 5-Years**
- **Public Asset / Public Lands Statute**

● **Modifying Impact Fees:**

- Reduce Impact Fees by Pushing Federal Stimulus Dollars to Parks and Infrastructure.
- Change Formula to Account for Unit Square Footage
- Make Independent Analysis Matter (Base It on Prior Occupancy of Similar Properties) and make analysis Binding Vs. Considered

Goal: Measure Progress, Support Planning and Create Greater Accountability

- **Analysis of Housing Needs and Production by City** – With the support of MPOs, require cities over 10,000 population to study the future housing needs of their residents at all income levels and to develop strategies that encourage the production of housing their residents need. In addition, support MPOs to perform a Regional Housing Needs Analysis to investigate where housing need is estimated and allocated on a regional level.
- **Make Moderate Income Housing Plans Actionable:** Change from simply turning in the report to DWS to actually demonstrating progress for the TIF eligibility or change to withholding B&C monies.
 - Allow for damages as a remedy withing moderate income housing statute