

Affordable Housing Commission-

Below is a list of items that I believe will help Utah and Utah County specifically to attack the homeless and affordable housing issues here. We talk a lot about housing but have yet to make a significant investment that acknowledges the size of the problem.

1. **20% for HOUSING** – a state-wide coalition of nonprofit housing developer/providers and service agencies are requesting that 20% of the discretionary ARA funds be invested in housing and land with local entities that understand the needs and expectations of their communities.
2. **Homeless Mitigation Fee** – As you know, every city in Utah County is sending a check every year to Salt Lake City to help them with their homeless problem. Utah County has a growing homeless problem but it is not as large or visible as Salt Lake yet. This law needs to be changed to be flexible and workable for Utah County. Each City should be able to hold their yearly payments for up to three years to accumulate enough money to invest in homeless solutions in Utah County. We also need to be able to combine efforts so that if Provo has a shelter that serves Orem and other surrounding communities, those communities can pay to support local homeless efforts instead of funding SLC. One dollar spent today for prevention will save hundreds of dollars needed to address the problem 10 years from now.
3. **Fund Utah County Homeless Solutions** -- Utah Regional Housing Corporation has master leased two motels in downtown Provo that provides 57 permanent supportive housing units for chronically homeless. We are working with the Continuum of Care to purchase an adjoining motel to provide 35 units for a nightly homeless shelter run by members of the Continuum. We now have all three motels under contract to purchase for \$12.9 million and need funding. The State has invested millions of dollars in SLC homeless shelters and needs to start investing in Utah County homeless.
4. **Utah Community Land Trust** – UCLT is asking the legislature set aside \$50 million in matching funds for Utah County similar to what happened last year for the SLC Preservation Fund. UCLT works across Utah County and can develop or preserve hundreds of affordable units with a similar amount of matching funds from individuals and companies in Utah County.
5. **Permit Fees** – Make sure that impact fees are directly applicable to affordable housing developments. My latest development, 85 North, is paying over \$10,000 per unit with \$240,000 not being applicable to our development.
6. **Tax Exempt status of vacant land** – I fight every year with Utah County to have the vacant land I own be tax exempt. As you are aware, it can take up to three years or more to put the financing together to build an affordable development like 85 North. Any vacant land held by a nonprofit or HA developer should automatically be exempt. Nonprofits can't afford to land bank for long periods of time, we buy to develop.
7. **Make LIHTC developments tax exempt** – Many states have codified tax exemption for LIHTC developments, including Colorado. The LIHTC partnerships must be taxable for the investor to receive the tax credits, but the development produces affordable units and the managing member is usually a nonprofit. Every dollar paid in taxes decreases the amount of money for debt service which decreases the number of units.

8. **Tear down fee** – Many high cost states and cities have implemented an affordable housing replacement requirement or significant fee (\$100,000) to approve the demolition of existing housing. These fees go to local land trusts to assist in building more housing. Most of the older housing stock is NOAH and the demolition takes affordable housing out of stock. Developers can buy an old house on a good lot as cheaply as buying a lot in some areas. Utah may not be there yet but we are getting closer.

Robert Vernon, CEO
Utah Regional Housing Corporation
Utah Community Land Trust