



Date: May 26, 2021

To: Sen. Jake Anderegg, Rep. Steve Waldrip  
Chairs of the Commission on Housing Affordability

From: Utah League of Cities and Towns

Re: Planning for Growth “Wish List”

At the May 11, 2021, meeting of the Commission on Housing Affordability, the commission chairs requested stakeholder groups to prepare for commission consideration policy “wish lists” on housing and growth issues. ULCT appreciates the chairs’ efforts to bring all stakeholders to the table on these pressing issues in our state.

ULCT asked its Board and members to submit items for wish list consideration. We have included that wish list below. We also encourage commission members as they discuss these complex problems to consider the following points of discussion to frame the discussion around housing, address the real problems and consequences of growth, and find solutions for the public and private sectors, but foremost Utah’s residents.

If you have any questions, please reach out to Cameron Diehl, Executive Director of ULCT ([cdiehl@ulct.org](mailto:cdiehl@ulct.org)) or Victoria Ashby, Director of Government Relations ([vashby@ulct.org](mailto:vashby@ulct.org)).

### **Growth and Housing Points of Discussion**

- 1) Cities are planning for the future and housing is one piece of the plan. Many cities are planning for a variety of housing but we have to balance all of the needs, rights, and amenities in a community (jobs, commercial centers, industry, recreation, transportation, schools, quality of life). After a housing unit is built, we are forever responsible for it and for the accompanying infrastructure and impacts.
- 2) City leaders are also frustrated by NIMBYism.
- 3) Location matters. ULCT supports the principles of the Wasatch Choice 2050 vision and the Unified Transportation Plan to ensure that we are planning center-based development that integrates land use, housing, economic development, and transportation. If we upzone everywhere with a one-size-fits-all approach, we undermine the role of good planning and potentially negatively impact the livability of our communities.
- 4) City leaders are frustrated by “legislation by anecdote,” by being scapegoated for the housing crisis when we permitted more units in 2020 than any other year in state history and the market is overheating due to conditions outside of our control (i.e. land costs, material scarcity and costs, labor shortage, role of speculation and investment, etc.). We recognize that cities have some keys to address housing affordability and affordable housing.
- 5) Stakeholders need to consider potential inequities of centralizing affordable housing in the same geographic area and consider all types of housing units.
- 6) Policymakers must consider who should bear the primary burden of funding infrastructure for population growth: existing residents or new development? This encapsulates the tug of war between property taxes and impact fees to pay for new infrastructure.

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- 7) Infrastructure is not free. What are the real infrastructure impediments to growth and how should we pay for them? Infrastructure helps to mitigate the potential negative impacts on our collective quality of life and addresses concerns from residents. Infrastructure issues vary in communities based on their life cycle: redevelopment, green field, rural.
- 8) What are the real costs driving up housing and how are costs and prices related for new housing and for existing housing?
- 9) If we are all invested in solutions to housing affordability and affordable housing, what are all stakeholders bringing to the table?
- 10) There is still a disconnect over the definition of the problem around housing affordability and affordable housing and thus the proposed solutions. For example, some cities will permit higher densities and the private sector will respond by building luxury housing which does not address the need for starter homes. Density does not always equate to affordability and more luxury housing does not automatically filter to more affordable housing.

### ULCT Planning for Growth Policy “Wish List”

The following wish list reflects review and input by the ULCT Board and our membership. Items are not listed in order of priority but are organized in general categories.

|    | Category                                | Specific topic  |
|----|---|---|
| 1  | General                                 | <b>Coordinated public relations effort</b> by all levels of government to address the core drivers of NIMBYism (real impacts and perceptions)   |
| 2  | Economic development/RDA                | <b>Incentivize other property tax entities</b> (counties, school districts) to participate in RDA, CRAs, TRZs, and HTRZs with low- and moderate-income housing components (build on SB 217) |
| 3  | Economic development/RDA                | <b>Require a plan for low- and moderate-income housing as part of state economic development incentives</b>   |
| 4  | Economic development/RDA                | <b>Incentivize low- and moderate-income housing development in rural Utah</b> , particularly as part of rural downtowns   |
| 5  | Economic development/RDA                | <b>Include housing as a feature of the Governor’s One Utah Plan</b>   |
| 6  | Infrastructure                          | <b>Option to locally impose road usage charge</b> (RUC) along with State of Utah to supplement B&C and ensure sufficient revenue for transportation needs                                   |
| 7  | Infrastructure                          | <b>Authorize local "user fee" for transportation</b> (i.e. transportation utility fee) to ensure sufficient revenue to meet local transportation needs                                      |
| 8  | Infrastructure                          | <b>Review impact fee framework</b> to ensure local governments have the resources to meet growing capacity needs  |
| 9  | \$ for low- and moderate-income housing | <b>Continued ARPA investment in affordable housing</b> and/or housing-related infrastructure (SB 1001)  |
| 10 | \$ for low- and moderate-income housing | <b>Displacement mitigation fund</b> for those who lose affordable housing due to market pressures and redevelopment   |

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|----|---|---|
| 11 | \$ for low- and moderate-income housing | <b>New statewide revenue streams</b> to support low- to moderate-income housing (i.e. real estate transfer tax on second homes and houses above a certain price, linkage fee on new commercial development, recording fee)          |
| 12 | \$ for low- and moderate-income housing | <b>State growth grants for cities</b> to update general plans, perform impact fee analyses, contract with affordable housing subject matter experts, and other processes to better plan for growth and meet changing state mandates |
| 13 | \$ for low- and moderate-income housing | <b>Utilize ARPA funding to ensure sufficient water supply</b> for housing and population growth   |
| 14 | \$ for low- and moderate-income housing | <b>Create a revolving loan fund</b> to facilitate non-profit and community land trust acquisition of property for low- and moderate-income housing development  |
| 15 | Land use planning                       | <b>Incentivize low- and moderate-income housing near transit and key transportation corridors</b> (SB 217; implementation of Wasatch Choice vision)   |
| 16 | Land use planning                       | <b>Inclusionary zoning definition</b> that is a win-win for the public and private sectors  |
| 17 | Land use planning                       | <b>Funding for public asset inventories to facilitate lower-cost housing</b> (land owned by local gov'ts, districts, the State of Utah, SITLA, etc.)  |
| 18 | Land use planning                       | <b>Review local land use processes</b> to identify inefficiencies   |
| 19 | Land use planning                       | <b>Improve state transportation planning processes</b> to enhance strategic coordination and facilitate updates to local land use plans   |
| 20 | Data                                    | <b>Require homebuilders to submit the number of units they complete, and the price charged for each unit to DWS</b> to fill a data gap between the number of building permits and how many result in affordable housing units       |
| 21 | Data                                    | <b>Require all new construction to disclose all costs to homebuyers</b> (local fees, land, materials, profit, etc.) for full transparency in housing costs  |
| 22 | Data                                    | <b>Fix the SB 34 report so that it is more meaningful for policymakers, planners, and developers, and the public</b> (e.g.) adding transparency about how the CRA/RDA set-aside \$ is used  |
| 23 | Data                                    | <b>Require public real estate sale price disclosure</b> to reduce information asymmetry, improve property tax appraisals, and provide information to policymakers   |
| 24 | Property tax                            | <b>Improve truth in taxation process</b> (accuracy of ad, inflationary component, increase taxable value above 55%) to improve transparency about the real property tax rate and improve funding for services infrastructure        |
| 25 | Property tax                            | <b>Facilitate short-term rental enforcement</b> (tax collection, ads) to ensure units planned for long term residents don't turn into vacation rentals  |