**COMMISSION ON HOUSING AFFORABILITY**

**Minutes for January 7, 2022**

Hybrid Meeting: In Person & Via Zoom

**Members Present Representing**

Senator Jacob Anderegg Senator

Representative Joel Briscoe Representative

Representative Steve Waldrip Representative

Andrew Johnston Salt Lake City Council

Christina Oliver Housing and Community Division

Christopher Gamvroulas Utah Homebuilders Association

Dave Damschen Utah Housing Corporation President

Jeffrey B. Jones Summit County Economic Development

Michael Ackerlow Community Development Corporation of Utah

Michael Gallegos Salt Lake County

Michael Ostermiller Utah Association of Realtors

Michele Weaver Rural Communities

Tammy Hunsaker Utah Redevelopment Association

Tom Macdonald Utah League of Cities and Towns

**Absent Members**

**Staff Present**

Jennifer Edwards

Jess Peterson

Keith Heaton

McKenna Marchant

Stacey Herpel

**Guests**

Mayor Wilson

Dina Blais

Jenny Schuetz

Andrew Gruber

Andrew Johnston

Christian

Ben

Beth Holbrook

Michael Parker

Cameron

Dave Spatafore

David Damschen

Paul Brick

1. **WELCOME AND INTRODUCTIONS**

The Commission on Housing Affordability meeting was held in person and via Zoom on: January 7, 2022. Representative Waldrip called the meeting to order at 9:10 am.

1. **PUBLIC COMMENT**

No public comment was given.

1. **SALT LAKE COUNTY HOUSING GOALS**

**Representative Waldrip:**

Let’s move on to our third agenda item: Salt Lake County’s Housing Goals – Mayor Wilson is with us to cover Salt Lake County’s Housing Goals.

**MAYOR WILSON:**

I appreciate the Invitation and appreciate the work you all have been doing, I feel the progress. I have some introductions and the majority of the people that have worked with Dina Blais on this project are online, but I will quickly mention who is here from our side. We have Valerie Walton, Senior Policy Advisor to the Office of Regional Development. Performance Analyst in our office of Data Innovation, Emily Moon Director of GIS in the Surveyors Office, and Jenny Scheutz a Senior Fellow at Brookings Metro and she is our main speaker today and an expert in urban economics housing policy.

**DINA BLAIS:** *(See Attached Presentation)*

Thank You Mayor Wilson and I would like to appreciate the commission’s willingness to let us come and share some of our goals for Salt County’s approach to Housing Affordability. We do have a request for the commission. Shared her presentation on Salt Lake Country’s Priorities for Housing Affordability and requests the Commission prepare a Statewide Housing Plan to influence better housing market outcomes for our housing market.

 So Salt Lake County priorities for housing. These are kind of in a priority order, so we are looking at a county wide housing plan as well and we would love to be able to do that in conjunction with the state so that our policy priorities and our goals are aligned. Jenny Schuetz from the Brookings Institution is going to be really focused on how the state starts that process. One recommendation, so I'm going to just go ahead and jump. I'm not going to focus a lot on the countywide housing plan at this point, except to share with you again some of these priorities that are helping us shape that. OK, the access to opportunity so this is the first sort of step. So my staff has been working on data for about 8 to 10 months. We know you've heard all the stats, 44,000 housing unit gap. Well, we took the information. We took the information from both DWS and the data that Dave Fields puts together each year, and the Ken Gardner Policy Institute the state of housing in the state, and we extrapolated what is relevant for Salt Lake County. We began that process so we knew at the time that the Ken Gardner Policy Institute had about 44,000. We knew that 23,000 of those housing units are in Salt Lake County. That gap is what we need. We know that our household formation, on average, over the last eight years has been about 8700 households are formed in Salt Lake County and we know that in the last three years there's been about 9400 permits for housing, so we know we're starting to close that gap. But in order to close that gap in eight years we've got to increase that permit to 10,400 units. So we've got the generalized numbers that are going to be the basis of our county wide housing plan and are the basis of what we feel for the statewide housing plan. What we don't know is within that 23,000. Where should they be? Should they be luxury? Should they be 80% area median income to 120% that's what we are wanting to figure out and in order for the county to serve its role as a regional government, we could come in and say OK, Draper you need this money and Midvale you need this money. We decided that was not the best approach. So what we did is we took information that we had about high employment growth areas. Licensed childcare facilities. And we did a proximity map and have developed a series of areas of opportunity. The dark blue that you can see and there is a link on the presentation that you're welcome to go to. It will show you within Salt Lake County. Where are those areas of opportunity? We intentionally did not include the geopolitical boundaries of the city because we fully expect there to be partnerships with multiple cities. To try to solve these problems. Now these are the metrics that we have prepared. What we would love to explore as part of a statewide housing plan is are these the right metrics for an urban core? Are they different for rural areas and what should that mean? So this is really the framework that we're using to direct most of our housing investments, but also we're looking at this as a framework to direct our workforce development, investments and our economic development investments as well and if you have any questions throughout please just interject or not.

**REPRESENTATIVE WALDRIP:**

Can I ask a quick question? You talk about 9600 units, is that from cities within the county?

**DINA BLAIS:**

 Yes. There's only about, I think, 494 members from the unincorporated county, so that is the city.

**REPRESENTATIVE WALDRIP:**

OK, thank you.

**DINA BLAIS:**

Yeah, and we also recognize we have very little land, we have no land use of learning in the county except for unincorporated through the municipal services district so the county we understand that what we need to bring to the table are resources and bandwidth we've already worked with a lot of cities that don't have a data innovation office and we can bring that expertise to the table.

**BETH HOLBROOK:**

You know I do have one other question before you change slides. UTA has actually implemented the micro transit pipe, not spillover plant, in the Southwest Salt Lake County and then in Salt Lake City itself on the West side is that included in that?

**DINA BLAIS:**

I don't think it is, but it's a really good point. We need to consider that and part of what we started looking at was ridership. Which of the UTA lines are seeing ridership now obviously the data during COVID made that a little complicated. So we're looking at sort of five year averages to see if we can get the right information, but as UTA changes how you are responding to new ridership numbers and just this new life of teleworking and so forth. We're probably going to be adjusting our metrics as well, so yeah and we'd like to do that in conjunction with the Commission and UTA.

**MIKE AKERLOW:**

Hey Dina, this is Mike Akerlow. Quick question for you on these areas of opportunity. When you say access to and then you have these six bullet points. Is that the criteria for an area of opportunity or what is the criteria using for that and then also, are you saying that in those darker blue areas that's where you would like to increase more housing.

**DINA BLAIS:**

Is where we would like to see affordable housing because these metrics that you see on the right hand side are beginning to address the social services and retail services, the kinds of things that folks that are in a lower, moderate income situation need access to. The last thing we want to do is locate a lot of Affordable housing so far away from services that household transportation costs now becomes unreasonable. So, like I said, this is our starting point this is our opening gambit and we are hoping to receive feedback from organizations like yours and UTA and others to help us refine what we're doing.

**MIKE AKERLOW:**

Yeah, this looks great.

**DINA BLAIS:**

Thank you. So in addition to those areas of opportunity being a ways away for us to channel our investments we're going to continue administering these federal funds that Salt Lake County does. We usually administer between $13 and $25 million a year with ARPA and emergency rental assistance and so forth. That has increased to $60,000,000 and we're doing that in partnership with Christine's office like we did last year.

**SENATOR ANDEREGG:**

How quickly will it be before those monies are gone? Pretty fine in this next fiscal year. Probably OK, so you drop back down to 15 to 20.

**DINA BLAIS:**

Yeah, so we have a little and you can sort of cure the anxiety or the fanaticism potentially in my voice because we know that cliff is coming and we need to prepare for it as best we can.

**SENATOR ANDEREGG:**

So it's in essence, you're in the same boat Legislature is in as far as making sure you're not using one time money for ongoing purposes.

**DINA BLAIS:**

One point exactly. So I should mention in addition to this HUD money, this does not include all the other money at the county, which includes behavioral health money, Medicaid money that can be used for housing and other things. This is just the money that my office administers. There's quite a few other opportunities and opportunities for us to do things jointly with Olene Walker Housing Trust Fund and other programs. So we are seeking a $20 million request from our County Council to capitalize our existing housing trust fund and we've been working with our attorneys to figure out how we can actually do loans. On that and we feel pretty good that we figured out how to kind of how to walk that path really.

**SENATOR ANDEREGG:**

Yeah, almost like a second Olene Walker Fund.

**REPRESENTATIVE WALDRIP:**

Yeah, our feedback from our Legislative fiscal analyst is that's going to be really tricky. So if you've got a way to do it, can you share that with other people?

**DINA BLAIS:**

Is it?

**CHRISTINA OLIVER:**

Yeah, so the governor's office of planning and budget did have a visit with Treasury and they specifically stated that you cannot have a revolving loan fund raised on our funds, so it has to be other funds,

**DINA BLAIS:**

So ultimately our Council will have to support ARPA eligible projects and our other access funds?

**REPRESENTATIVE WALDRIP:**

So when you swap those you can kind of trade money for one year.

**DINA BLAIS:**

Yeah it is, you know. Sure, yeah. How complex all this is right now if you want. But we would move funds that we have available and I don't know if this or how deep this State could benefit from the preemption that was allowed though we have built up some one-time reserves through utilization over the presumption which allowed our corrections budget to be supplemented with care funds, right?

**SENATOR ANDEREGG:**

You think you might be able to do the same thing, yeah and then free up any other place just one year. Then money goes back to how it normally was as long as you created the funding source for what you want.

**DINA BLAIS:**

Yeah. So what we do know now is that we come back to our final. Yeah, they're pretty good so we know that the delay time of pre development for projects is probably going to keep us where we need believes are for things like that we have a lot of low income housing tax credit projects that were just approved that we may actually be able to participate in a grant in their capital stack. We also know that as long as we have the expenditures determined by the end of 2024, we can continue spending until 2026. We're working through with our attorneys. That's the trickiness of that. But we can lend money, it just when it comes back it has to go back to treasury so that's where we're working with our Chief Financial Officer to say OK how much of this can we handle in terms of solving it peak and then what do we need for long term so it is going to be tricky, we're going to be pulling money from different places but this is a once in a generation opportunity, so we're not going to sit back. We already have about $3.8 million little bit of money in our Housing Trust fund. We've had a Housing Trust fund in Salt Lake County since 2001. It's been fairly inactive in the last little bit. I'd like to just really get it going and a $20 million capitalization from the council with on the major recommendation would really help us do that. Again, talking about what our areas of focus are starting to gel with regard to that housing Trust Fund first is expiring low income housing tax credits. 29% of the low income housing tax credit projects in Salt Lake County will expire in the next eight years so we can do all we can to increase those building permits. If we are not solving the problem of preserving existing affordable units, we're never going to get out of this. So that's where I think the county can make a bigger difference, not so much in production of new units, but preservation of existing units and then rehabilitating, indeed restricting naturally occurring affordable housing. This has been a big focus of the Utah Preservation Fund. I expect we're going to be doing some partnerships with that fund as well and then supporting that low income housing tax credits. Like I said, that ability to infuse cash and use the ARPA money quickly to help the capital staff in those projects? Our intended outcomes are listed here; we really want to be part of the effectively leveraging all of the other resources of the county, as well as any opportunities to partner with the state, and they only offer Housing Trust funds public activity bonds. Whatever we can do, we're looking for those opportunities. So I need to just keep this up as the mayor mentioned, Jenny Schuetz is a senior fellow at the Brookings Institution and is really focused on this information. Her presentation came to my attention at the innovation and Affordable Housing Summit that the David Eccles School of Business posted back in November. I have to say that was one of the most effective conferences I've been to because it was 10% about trimmer. Here's the problem, and 90% about solutions and it was incredible I would encourage everyone to get on the ivory innovation website and read the White Papers that were presented. A lot of good information. So Jenny, I'm going to turn it over to you. This is something that you presented a slightly different version of at the November 11th event per white paper and a sort of a short version of it that she did as a blog where I think we shared with all of the Commission members yesterday.

**JENNY SCHUETZ:** *(See attached presentation for SLCo Priorities for Housing Affordability)*

I appreciate the chance to come and share this with you. Thanks for making space. I think we have a slide deck to go with this. So, as Dina mentioned, this is a paper that I wrote for the University of Utah conference in November. They asked me to essentially describe what state governments across the country are doing in housing policy at this point, and what they could be doing differently. So I'll tee this up with some statistics that probably will be familiar. As I don't need to tell you housing prices over the last year, have just been going off the charts even before the pandemic, there was just enormous demand for housing in places like Salt Lake City, Boise that have been traditionally on the more affordable side and have built a lot of additional housing, but really just haven't been able to keep up with demand so you can see Salt Lake City metro area had the third highest year over year growth in housing prices over the last 12 months and this is obviously a much faster growth in housing prices than household incomes are seeing, which is obviously going to create affordability issues. This also comes at a time that more state governments are starting to get active in what's traditionally been a local government issue, which is direct control over land use and zoning and planning. So these are just a couple of headlines drawn to show you the types of states that have been getting more actively involved at the state level. California gets a lot of national attention, but this is actually happening in a lot of states across the country. Massachusetts at the beginning of the year or passed by a bipartisan majority a new statewide zoning bill focused around transit oriented development. Virginia and North Carolina have both been thinking about legalizing duplexes and expanding the ability to build smaller multifamily housing, so this is definitely a national trend, not just focused on the highest cost coastal stateside California and I think it's worth going back and thinking a little bit about why state governments might want to lean into housing policy, and especially on the production side, than they typically have. We know that the lack of production supply not keeping up with demand and the resulting high prices creates some real costs at the state level. The easiest way to think about this is for regional labor markets. So labor markets don't stop at the boundaries of a single city or county, they cross an entire region. If the region isn't producing enough housing that accommodates workers at different levels of income, then employers have a hard time attracting and retaining workers in different kinds of job categories that has statewide implications for the overall competitiveness of the economy. We also know that if housing isn't being built in places that have lots of economic opportunity, as Deena map showed, you close to jobs close to schools and transit and all the Community opportunities that are necessary for families to do well, then it's difficult for people, for instance, to send their kids to high performing public schools. So we want to make sure that there's access to opportunity because housing is available in those places. Typically we've seen that low density housing at the city level reinforces existing patterns of economic and racial segregation, so low income households have less access to high opportunity communities and we also know that land use can be a very powerful tool for protecting the environment and open space, making sure that housing isn't being developed in, for instance, areas that are at high risk of wildfire, so all of these are statewide outcomes, not limited to cities and counties, which creates a role for the state to lead in a little bit more. To think about whether local governments are maybe not aligning their incentives with the state goal. So what I want to do for the rest of this presentation is think about what are the kinds of outcomes that state governments might want to target and what are the ways that they can develop a policy that benefits their citizens and brings about these better outcomes. So what I did was create sort of a framework and I'm going to draw on the experience of five states, Utah being one, California, Massachusetts, Oregon and Virginia being the others to sort of talk about the kinds of policies that a state can use to achieve these outcomes and what you're going to see very clearly is there's not one template that's going to work in all states they start from very different baselines, partly based on their housing market conditions. So the housing market concerns and needs in Utah are not the same as in Oregon or Massachusetts, and identifying what the specific needs and outcomes that you want is the first step. It's also true that they're starting from very different places in the current legal environment. The current policies institutional capacity even something as straightforward as is there a statewide housing agency beyond the Housing finance agency that passes through funding and so taking an assessment of what's already there, there's really there's no way that Utah is going to become California or Massachusetts or any other state, nor should try to be. So the question is, how can you develop a policy that works for your state and your conditions and that fits your needs? The next slide is going to show you just a very quick overview of some of the differences in existing state policies and goals across these five states that I looked at. So Utah is highlighted in red. Here I'm going to talk about kind of four buckets of activity that state governments can do. The first one is doing a regular kind of assessment of housing market conditions across the state to get a sense of where they are currently. Utah does not have a regular state housing report that comes out. Virginia also does not have a regular one, although they do occasional ones and have actually just issued a new report in December. So that would be a good starting point you can see that the state doesn't lean in that heavily to housing production at this point, and I'll talk about the ways that it could think about doing it. One thing that all states do is provide some level of financial support for low income households, as Dino is telling you some of this is a pass through of federal funds like high tech and CDBG, some of it may be generated from state and local revenues, that's the one area where there is consistently policy. Although again, how that's implemented varies quite a bit across states so in the next state in the. I'm going to talk about these 4 broad housing policy goals and these are meant to cover a lot of different specific conditions that could arise. So the first, the first policy goal is really to have a better understanding of what the housing conditions needs are statewide and to understand the variation across communities within the state. The second is to encourage housing production in places with strong demand, and this is really where a lot of the attention is at the moment. If there are places where there is demand for housing and the market isn't providing enough, can the state figure out a way to encourage that right and this is really very much about unleashing the market, allowing the market to build where it wants to build, but hasn't been able to. The third goal provide financial support to low income households. Again, there is some action there already, but there may be some ways to do that better and then finally reduce climate risk.

So I'm going to show you just three metrics that describe housing market conditions when coming up with a sense of what the conditions and needs are there are lots of different metrics that can be used, but these three metrics give you a sense of a couple of different areas that might be of concern. So the first line here is just the population growth and this is going to be a real driver in Utah, in particular because you can see that over the last 10 years, Utah has had very rapid population growth. This is the average across all of the counties in the state, and so you can see that Utah has been growing much faster than any of the other states in this group. Like many of the Western mountain states, you just have a lot more people and more people means demand for more housing. So primarily the big issue here is just the need to build more median home value to income is a fairly standard metric of housing affordability, so this is thinking essentially about how much would the typical household have to pay to buy the typical house, and we typically think about home valued income ratios between three and four being sort of a healthy range so most households can afford to buy a house, put a down payment, make a mortgage payment on a home that costs three to four times their income. So you can see Utah is a little bit under 4, so it's at the high end of the healthy range, but not in dire shape yet and you know, I included California over here on the left as sort of the warning. You don't want to become California, right, where homes cost 7 times the median income statewide and in individual counties, they can be much higher than that so it you know, I think this is a really important time for Utah to get out in front of the production issues and affordability issues before they get worse and then we'll say from having done a lot of work in California, the politics of solving this get much, much harder the more unaffordable housing becomes and so this, I think, is a really good window for Utah to get engaged with this before it gets out of control and sort of the politics becomes much more intractable. The last metric here I included as the share of housing built prior to 1940. You can see that states like Massachusetts have a lot of older housing that creates a special kind of need because those homes need additional rehabilitation. They tend not to be very energy efficient. Utah's housing stock is very new, so this is not statewide an issue, but this is an area also where it's really important to look at differences across communities and in most states rural areas actually have a bigger issue with older housing and poor quality housing, and so there may be room for special kinds of grants to homeowners who live in older homes and need to upgrade them. So the main focus I think we want to talk about today is how the state could encourage more housing production in places with strong demand, and I'm going to show you on the next slide a graph that just kind of sketches out what the overall situation looks like in Utah. So this is a graph showing you on the horizontal axis the growth in housing stocks so this is just using census data on the change in number of housing units, and each dot here is showing you a county the change in housing over the last 10 years and then on the vertical axis. This is the median home value in each county as of 2019 and So what this is showing you is there's a positive relationship and upward slope to this relationship, meaning that the places that are growing faster are places that are relatively and that's the sign of a healthy housing market, right? So places with strong growth have high prices because they're in demand places with strong growth are the ones that are experiencing more growth in housing supply but what you will see is that although a lot of these dots are sort of clustered around the line, there are a couple that are pretty far above. So Summit County obviously pops out here, even though Summit County has been building fairly rapidly new housing the price shows that they really could be building more, right? There is unmet demand that the market has not been able to provide for Wasatch County also above the line, so these are sort of indications of places where it could be useful to produce more housing and to focus on more middle income housing and moderate income housing. The next slide is going to show you again sort of California as a warning, looking at the vacancy rate of housing and how much of that is seasonally vacant and some it has. I think something like a 40% vacancy rate, almost all of which is seasonal vacancies because it has been building a lot of these second homes vacation homes. So the fact that it's building a lot of housing that's not occupied year round, you know, is not going to help the overall affordability that doesn't help work for us. You know some it is typical for a lot of counties across the country that have really intense sort of second home markets that have a lot of seasonal recreation and one question is whether there's enough demand year round that you would need to have more housing for workforce, or whether some of this is seasonal and you can do things like you know. Essentially, dorm-style housing of some type that's not occupied year-round but is available for sort of peak surges in seasonal workforce. So the California graph I included in here just to give you a sense of you know what happens if you don't get out in front of housing affordability, California you can see here it has actually a downward sloping line, which means that the places that are building the most housing in California are not expensive places, they're not the highest cost places where everybody wants to live. California builds more homes in cheaper counties because those are the only places you're allowed to build the high demand places have such restrictions with their zoning and their environmental controls that it's almost impossible to build, which means that those places aren't growing rapidly, right? And the market is being pushed essentially to the cheapest places. So again, this is just you know, Utah at this point has a relatively healthy statewide market. It's a good time to get out in front to not become California and I say this as an ex Californian. So I want to spend a little bit more time thinking about specifically what are the kinds of strategies that state governments can use, and you know, we know that cities and counties have control over land use, and so the primary sort of decisions about how much land is available for housing. What kind of housing can be built in which locations and what the process is that responsibility rests primarily with local governments, but state governments do have a number of tools that they can use to influence it, so I'm going to start at the top here with financial carrots and sticks. So as an economist, I love the idea of using the market and using fiscal tools to incentivize changes in behavior and some of this is pretty straightforward, so we know that cities and counties often worry if they build more housing, particularly family housing, that increases the number of kids who go to school. The money has to come from somewhere to pay for the schools right? So one way that state governments can help out localities is by offsetting some of the increased costs of education. Right, if you build more homes and more kids come to your school, the state will kick in a larger share of funding for that. That takes away some of the financial incentive for local governments to zone out family size, housing, and especially workforce housing for families. You know the flip side is if the state wants to push a little bit harder, it can potentially withhold or attach strings, essentially to some of the funding that is already redistributed. States, do you know very different things with their funding? Some of them already do a lot of redistribution for schools, most do redistribution for things like roads and transportation, often for public safety so you know depending on how the funding in Utah works currently, it may be that you could put conditions on existing funds. The friendlier way to approach this is essentially as a bonus or a top up for localities that are willing to build more housing, or perhaps build more housing that's affordable to lower income households that the state will provide additional caches and incentives and you know the devil is obviously in the details. There are a lot of ways this can be structured, but that is sort of the preferred mechanism. You know that can create more of a partnership and a cooperation between the state and local government. The next item here, oversight of local land use planning. This is something that's probably not on the cards for Utah. California and Oregon have very long histories going back to the 1970s, where the state essentially has the right to oversee local land use plans, so they will develop a comprehensive plan at the local level submitted to a state agency for review and approval to go into effect, that's a pretty unusual relationship, you know, to the extent that local governments would like help in how to revise their land use plans or their zoning, the state can offer technical assistance, but I think probably direct oversight and approval is an unusual approach a third way that states can focus, particularly if they're interested in, say, affordable housing for low and moderate income households is to create something called a builder's remedy, and essentially what that does is say that a developer can override local zoning in order to build projects that meet certain kinds of conditions. Right, so one example is in Massachusetts. Local governments that don't have a lot that have less than 10% of their housing affordable to low-income households. A developer can come in and put in a proposal to build, say, an apartment building where at least 15% of the units are going to be affordable, right? So by choosing to set aside some units as affordable, the developer essentially gets to override local zoning; this is a not uncontroversial way to go about it. But in Massachusetts, it has actually created quite a lot of multifamily housing in cities and towns that don't allow it to be built otherwise. So that's one option. This can also be used for instance around transit that essentially the state creates sort of an overlay around transit areas, allowing for higher density housing that isn't normally zoned. The last option that I put here is state preemption of zoning rules, so this is the yes.

**PAUL BRICK:**

Hi Jennie, that Paul Brick with Utah Transit Authority and I just had a question on your last statement in regards to the transit oriented development piece to this and we are supportive of making sure that we maximize every single location that we can in terms of what that station area looks like where it has housing, where it has commercial but have you ever seen a scenario where if you have a developer who I'm just going to use the create the builders remedy discussion piece. If you have a situation where you want to maximize transit but if you create these zones that basically make your builders go beyond your acreage or beyond the zone. How do you address that?

**JENNY SCHUETZ:**

Yeah, this can be designed in a number of different ways, so typically it's limited in it would be limited in geography. Massachusetts has actually just passed a new law that essentially requires local governments to create a higher density zone if they have a commuter rail station or or a subway station through the state system and that one actually gives local governments a fair amount of flexibility in the size of the district and where it's located. So sort of tailor it to what the existing land uses are, this could be designed in a number of different ways. This could focus on housing. This could focus on mixed use and commercial as well, so this is. Sort of a broad umbrella, not necessarily kind of a specific proposal. So in other words, you're allowing that flexibility at that particular transit oriented development site to kind of navigate through some of that land use and zoning. Is that correct my understanding?

**PAUL BRICK:**

Exactly yeah, and you know some of the transit oriented sites are already surrounded primarily by commercial uses, and they're you know, good spaces for office and for retail, but they may not be the ideal location for housing, so you know having some flexibility.

**JENNY SCHUETZ:**

It could be high density housing. It could be commercial, it could be a combination of the two right giving local essentially the idea is that the state would tell local governments we want to make sure that those sites are used well and that there aren't obstacles to building the kinds of things that the market wants there, but then you know, local governments have some ability to designate what is it that they want around this and then you know, make sure that there is a capacity to build at higher density than what's there already.

**PAUL BRICK:**

Thank you.

**JENNY SCHUETZ:**

The very last bullet on this list is state preemption of specific zoning rules and an example of that is, for instance, California has now required all local governments to allow duplexes statewide. Oregon also has essentially preempted local governments' ability to zone out duplexes and triplexes state-wide, and this is not necessarily the first direction. I would recommend going in part because it's very hard for state governments to identify exactly what the laws are at the local level that are the biggest problem, and it's unusual that it's exactly the same law that's a problem in all localities, right? So legalizing duplexes across the state may be very useful in some localities and may not do anything in other localities at all, right? So some of the higher density existing places you may really want to allow four-plexes, or you know four story multifamily. So the state preemption you have to have a really good idea of what the specific problem is to fix it and that's quite hard to do, whereas the other forms are somewhat more flexible about, you know, working with different localities and I would say just in general you know it's important to start with the sort of the data step, figure out which places in the state are not building enough, what type of housing are they not building that the market wants to build, and you really need more of and that allows you to then craft an overall incentive plan that allows flexibility. Right, so in some places it may be they just need to build single family homes on quarter acre lots instead of on one acre. Lots and in other places it may be allowing townhouses in other places. It may be allowing mixed use around transit, right? So having a better sense of where the market is not meeting demand and what types of housing are important allows you to craft a better policy. So I'll pause for questions if they're more on this slide. Utah already provides subsidies for low income households through the Utah Housing Corporation currently, the corporation primarily focuses on administering lightech funds from the federal government, which then flow through to localities that assists with new construction of housing designated for low and moderate income households, although not generally the poorest household holds and Utah Housing Corporation also provides support for first time homebuyers, so you know there's sort of two goals that it's meeting on this list of four you know you can do. Think of a sort of household based rental assistance. Things like housing vouchers, supply side rental assistance like lightech, the moment Utah liens are on the supply side more than the household side, some states do have statewide housing voucher programs that supplement the federal allocation, and that's one potential area to explore in the homeowner side, there's sort of a question whether there's more need for down payment assistance for first time homebuyers. Helping people get into that, but also whether you have existing homeowners who have trouble paying their bills and in a lot of states this really comes down to older households who may live in a house where the mortgage is not that much but the property taxes the insurance and the maintenance costs are high, you know, because Utah doesn't have a lot of older housing, we worry a little bit less that people have, you know, astronomical utility bills or maintenance costs that are putting them at risk of losing the home. But there may be some areas where that's an issue too, so just this is again part of the kind of initial data step do you have existing homeowners who could benefit from some kinds of benefit of subsidies either to pay property taxes or maintenance and again this is an area where looking at the data lets you get a sense of both the scale of the problem, geographic differences across the state and where there's really need for assistance. This balance between rental and homeownership is so worth it and you know, I think Utah is in a good place with not having too many complicated programs and so it's easier to kind of keep track of where the money is going and who's being helped. But maybe think about whether there's a role for maybe some statewide vouchers or something like that. The final goal is to think a little bit about whether the state whether the state wants to do something on land use specifically targeted towards climate for many of the Western states, a lot of this comes down to how much development is happening in wildfire prone areas, and is there a more aggressive role to think about putting those into open space into permanent conservation to make sure that the areas that, for instance, are going to have water shortages are not getting too much development now that will be hard to walk back later and you know, again, local governments think about some of this stuff, but the state might also want to consider to the extent that there are open space needs and resource demands. How are the state land use policies lining up with that and this is an area too where it's important to balance. You don't want the Environmental Protection to be so restrictive and so rigid that it cuts back on housing production. Overall, that is absolutely an issue in California, so you know we want to balance the need to build more housing while also being aware of where it's being built and what the long term climate impacts are. So next slide just to wrap up Utah is at a place, I think, where the housing market starts to look like. It could use more assistance if there are some areas where production is falling short and prices are going up. It's actually an advantage in many ways that you're starting with a simpler set of policies at the beginning. Because you have a chance to really assess what kinds of needs you have now that are not being met, build up policies slowly to meet those you know the states that have sort of many, many layers of complicated regulation. You know California is a clear example between Prop 13 which distorts their local government financial incentives. Their environmental regulations. They need to take some stuff off the books. Utah is starting with closer to a blank slate and can really build up something that is targeted. One thing to consider is that the Utah Housing Corporation doesn't have a built in research function and so may need to build up some capacity staff and data in order to do this first stage of the analysis and then think about how to design the policies and administer from there. But I think this is a great time for you guys to be having this conversation. Thank you for inviting me to share and I've been happy to take any questions.

**MIKE GALLEGOS:**

I have a question, looking at the slide here, Utah doesn’t have a large number of older homes compared to some of the other states that you mentioned. However, we are in a different climate than the other states you are comparing to. Whereas conservation and energy, efficiency is an issue. As well as conditions of boulder housing stock. We put a lot of effort into rehabilitation into housing stock for low-income homeowners. There is indeed to do more work with existing housing with the homes that are older like in the 1940s as well as 1970s because that is when efforts started to begin on energy efficiency.

**CHRISTINA OLIVER:**

And to that end, I would add that you know, is our air shed in particular, and I see Michael Parker online is a attendee and weak noise submitting it but just steal his thunder a little bit. That is one area that he has been working diligently on with the forthcoming weatherization funds which we expect to receive from the state. Which is also through the Office of Housing and Community Development. We really do want to look at three deficiencies in existing homes in order to decrease the climate attack within the Salt Lake Valley.

**JENNY BLAIS:**

Christina, that's a good point, because Mike's team at the County did receive one of only 5 grants from the CDC on weatherization. So we're already focused on that and work really closely with UCA and others. So we again we'd love an opportunity to leverage that or coordinate in a way where we you know we're focused on Salt Lake County may need some additional help, but to allow those funds to be used elsewhere, I just think there's a huge opportunity for coordination but there's a couple of things I wanted to follow up on after Jenny’s presentation. Which is clearly we're already starting to do a lot of this, which was kind of the best part of her presentation at the innovation summit it was like, OK, we're moving in this direction, but I think we can't underestimate the value of the data, we have a data and innovation team that's greatly supported by the Mayor, I have actually a staff person that is a link between my office and the recovery and housing and our CFO's Office so we do work together to sort of look at the help of the overall county budget in addition to what we need for the resources that we're working on, but I think yesterday it was either Speaker Wilson or I don't know if it was Nathan Bracken, they were at the summit for the Great Salt Lake. They said you can't manage what you don't measure, and I think that could not be more true, in the realm of housing so I also do want to mention that there's the inventory that's happening, so this is another reason why the time is right, right now for the state to do the statewide housing plan we have those the studies that are showing the gaps. We're working on the inventory to show what we have so we're getting exactly the kind of data we need to be able to pinpoint this even more, so again, just a request that please we are the county is asking you to pick up this baton and run with it in terms of it a statewide housing plan and just to connect we would love to support and be part of that process.

**CHRISTINA OLIVER:**

We have Representative Briscoe online. Do you have the same issue?

**REPRESENTATIVE BRISCOE:**

Can you hear me? So this would be a question for our virtual guest. Thank you. When you indicate that three of the states or the five states you're comparing or collecting and analyzing statewide data, is this simply an issue of someone in a central location collecting information from housing authorities and counties across the state and aggregating it and putting it in one place. Is that what you mean?

**JENNY SCHUETZ:**

It's a combination of things. So California, Oregon, and Massachusetts have in their statewide housing agencies, they have a data and research function, so they have a group of people, and that's all they do, so they both collect some information from the localities aggregated create a set of dashboards and provide this back out to the whole state and they also do some research and analysis using things like census data. You know, looking at some of the measures that I showed earlier, so tracking annual updates to things like building permits, looking at trends in rents and prices Massachusetts has a very intensive GIS program, so they have actually created GIS maps that can show you what the existing land uses are down to the parcel level using assessor data so you can see for instance where there are commuter rail stations surrounded by single family homes on large lots, which might be an area where some mixed use higher density development would make sense so they have slightly different functions they have this sort of data aggregator and provider function. They also do some research that then leads into policy recommendations. So any of those would be things, and again, they've been doing this for many years and have built up existing capacity, have built up things like data that they get every year from localities you know, but just starting with some publicly available census data to get a better sense of what's going on, that would be a good starting place.

**REPRESENTATIVE BRISCOE:**

My initial reaction is that we've received a lot of that information from a third party from the Gardner Institute. I think maybe we would want to take this discussion offline and talk about with you and others about what some of those states are doing compared to the information we get from the Gardner Institute and to follow up on Salt Lake County request. Do any of those states pair that research and analysis function with the statewide housing plan?

**JENNY SCHUETZ:**

Yeah, the complicated states California and Oregon in particular. They have multiple state level housing plans of different kinds. So they have specific goals for, for instance, total production where housing is being produced, the types of production, and the price level. So the data collection is definitely a first step into developing plans, identifying areas where the market is not meeting demand and then figuring out what to do and I think again, you know Utah has a lot of variation across the state there going to be some localities that maybe don't need a lot of incentive to change what they're doing. They're doing OK at the moment and others that may need help, and the smaller localities generally don't have an in-house data capacity as Salt Lake County does, and so some of this is also the state providing them with support to do analysis that they can't do in house.

**REPRESENTATIVE BRISCOE:**

I mean, my guess is I'm in favor of collecting statewide data. We have worked with other third parties like Envision Utah and others. I think Utah's mentality will be that we want to collect the data to help you as locals make better decisions. Rather than the state making decisions for locals that won't fly anyway, it's an interesting presentation you've given us a lot to chew on. Thank you very much.

**REPRESENTATIVE WALDRIP:**

Thank you Joel. Representative Briscoe, let’s get these next with. No, no wait. So we have three more questions, just as a time check. I know this is an amazing tap of information. We do have a bill discussion that we have to get to, which is a little more immediate, but this is information that we need if we probably want to bring this conversation back up next term, because this is helpful in determining where we go, so let’s have Andrew, Andrew, and Ben.

**ANDREW GRUBER:**

Thanks, can you hear me? OK, well thank you very much and I want to representative to suit your last point, I want to tie what we've been hearing to the work going forward legislatively this upcoming session. First, I just want to commend Mayor Wilson and Dina, and the whole team at Salt Lake County for doing such a great job of thinking and working regionally and my comment really goes back to the to initially, what Dina presented about areas of opportunity, which is so consistent with the overall Wasatch choice of vision identifying the locations that really are ripe for absorbing more growth and more development done in a really good and smart and effective way in collaboration with the local cities. These and that notion that Dina was talking about is one of the core elements. There is the locational consideration of where the housing is developed that just putting housing anywhere is not nearly as effective if it's as if it is really carefully considered with the opportunities and connections to transportation and all the other items that Dina was noting and then representative to the point of how that applies legislatively now there are several items under discussion, and I believe Christina is going to be talking about some of the ones that the CHA has been considering, where that principle is carried forward, where housing is coordinated with transportation and land use, where the state transportation funds, and perhaps others if a community is going above and beyond in the creation of housing, particularly in proximity to those opportunities, then they get more  priority for the investment of state dollars. More technical assistance to help the communities sort that through, the Ed TIF tax credits having a locational consideration, I'd submit to you that the housing funding that former Senator Niederhauser and you all have been working on developing might also have an affective element of a locational consideration, you know that the location of those housing units around transit like Beth has said, and like Dina has said, can make the investment of those dollars go further and be more effective for the residents that we're attempting to serve. You know, HTRZ policies like we've talked about, so just this notion of the areas of opportunity being an organizing principle as we consider where housing is being located, I think there should be a theme that runs throughout all of the work and the policies that come out this legislative session and I love the direction that CHA is going on all of that work. Thank you.

**ANDREW JOHNSTON:**

Mr. Chair it's Andrew Johnston. Can you hear me? Sure, I want to echo Andrew Gruber's statement here at the very end about the areas of opportunity. I appreciate that the county's work is really taking them into consideration, and there's a lot of nuance obviously they couldn't present today with their maps and all the details there. It does, it is going to be an interesting discussion going forward about this Commission's role in promoting equity and we've talked a lot rightly about volume and density of housing how to locate it with transit and those kind of issues. But we haven't been at times very clear that the equity is a principal or priority for our work and I don't know how that discussion would go, but I think it's something we do need to take into account as we look at policies because if we look at the Gardner Institute Opportunity Index by census tract from a few years ago, it's very clear where the low opportunity areas are in in Salt Lake County particularly it's very stark, and if we continue to not think about that then we may continue to build a lot of housing and even dense housing but really congregate it very tightly within a very narrow corridor. Probably along tracks, probably along I-15 and a couple of major arterials and continue to segregate housing opportunity across the county particularly, but maybe even the state. So I just want to make sure that we're aware of that in our discussions as we go forward and it's a tough thing to do on a statewide level. Obviously because it's not tailored locally. But if we don't think about it, we could have some unintended consequences that may not help us long term.

**REPRESENTATIVE WALDRIP:**

Excellent point, Andrew, thank you. Let's see. I think Ben was next and then Mike Akerlow.

**Ben:**

Thank you Mr. Chair, can you hear me OK? OK, I'll keep my comments brief and I certainly understand what Andrew just prior to my comment is saying about equity and so I want to recognize that I this is something that I think we we've stayed and I know the legislature and certainly the governor have been thinking a lot about in terms of growth and you know, we've done a really good job and I can say this from our offices standpoint. We've done a really good job of promoting the state, making sure that we've got a great economy. But as we look at where we really, really, really need to be doing better, I think growth and planning and how we use our resources is one of those areas where quite frankly, we need to have a really, really hard conversation and say we've got to be doing better than what we are. Because when it comes to land water and how we're growing it it shouldn't surprise anybody that we're the fastest growing state in the country. We've been the fastest growing region in the country for the last 30 years now. If we're not prepared for this growth, it's our own fault, and I think we're seeing a lot of things, whether it's at the local state level, there's a lot of things that are naturally kind of resistant to each other when we talk about planning, zoning, and also just smart growth and how everything is working together. But we've got to start having more critical conversations. That's not always a welcome thing, and we feel like that's something that we've got to move up the priority list. Because if we don't get this right, future generations will definitely look back and wonder how we did so poorly with this topic so just a thought.

**REPRESENTATIVE WALDRIP:**

Thank you, and Mike.

**MIKE AKERLOW:**

Yeah, this has been a great presentation in discussion and I think overall, really supportive of what the county has been talking about today. I think there's a couple of things when you look at areas of opportunity. Oftentimes these are areas that are well established land values can be higher, zoning might also be less dense, so it kind of seems like you bump and I think Jenny mentioned this in her presentation talking about. You know the need for more density in some of these communities, which can in some instances really be an uphill battle, depending on the current uses there. But I'd also really like to just step back and support the county's idea of their Housing Trust fund, because if you look at these areas and the thing that is needed it is a subsidy to help pay down these land because lands in more expensive if there's a Housing Trust fund, or if there's funding available that can help us buy down those costs or is patient very affordable capital. That's the way that these projects can be built and I think as we look at lightech it is a competitive process. You know funds are limited the need for that subsidy is becoming even more important as we see costs go up, land values go up and everything, so just wanted to step back and say I think the Housing Trust Fund is such a great idea and hopefully you can figure out a way to either use ARPA or other funds to do that just to really see that growth in those areas of opportunity there's going to need to be some subsidies for those developments.

**REPRESENTATIVE WALDRIP:**

Thank you Michael point. Mr. Damschen.

**DAVID DAMSCHEN:**

Mr. Chair really quickly. Utah Housing Corporation, this is not the answer. First, what we're working on here it's fast collaboration and takes a village, a large village to move it along. But just a quick comment, we're taking a little bit of a different approach this year on the QAP which governs the administration and allocation of 9% federal tax credit for spending a lot of time sitting down with developers and getting feedback in a more dynamic fashion than we have in the past. We've added a step to the feedback process. We're actually going to start by releasing a revised QAP before we even engage with the developers. We already have a number revisions that have been applied based on the feedback we have received, so we proceed with a one on one discussion and we're putting a little bit of a spiff on TOD’s in terms of the CAP we're bumping our overall CAP. We've been capped at a million per project and I don't want to say exactly where we're falling, but we're bumping that cap up overall and then we're looking at having an even larger cast available on TOD to help with those land cost issues. So I just wanted to throw it out there. It's just, you know, one many approaches to but something that we're working on.

**REPRESENTATIVE WALDRIP:**

Thank you, OK back to the mayor.

**MAYOR WILSON:**

Thanks for your engagement and interest in this and we're available and want to operate more pursuant to Dina's point. If we can be involved in statewide housing

**REPRESENTATIVE WALDRIP:**

But you know and I think what we're all seeing here is the need for more regional and state and state agency integration corporations. That’s how we feel with these issues, the parochial nature of what we've done with zoning and development up to this point has gotten us where we are and, and so we need to step back and look at where it's appropriate for these regional state interests to have a bigger sway. Looking over it at a different camera and typing this. Know it, the question is how we do it. How do we do it appropriately and what is the right mechanism? What are the right set of tools we can use so that we're not disenfranchising our locals were not disenfranchising the people that vote for the local leadership, but we're also not allowed small groups of activists hold entire regions in the entire state hostage, so fun discussions upcoming and with that, let's go to the bill.

**CHRISTINA OLIVER:**

Yeah, and just in closing I mean Dina and I had great conversations and we're excited to jump on this database and working together in the next year and not necessarily having formalized groups all the time because really, these grassroots just getting the practitioners together to brainstorm to present ideas to all of you to make some changes is kind of the goal. So 2022 is going to be amazing for so many different reasons and it's just there's a renewed energy with new people and officers.

**SENATOR ANDEREGG:**

Good points as far. As that data recipient or the collection data and who is going to manage that? Is it going to be out of your office?

**CHRISTINA OLIVER:**

That's the idea. Yeah, so right now there's, I mean, you know there's building blocks of folks who are definitely going to be pieces of it so we've got a state, AGRC office with the various assessor’s office, partners that we're going to pull together data sharing agreements murder create that geospatial model that we were talking about which will capture deep restrictions. So right now HUD has a map, one layer that basically shows all of the land projects in the state of Utah, but that's where the data ends.

If you go onto the DWS website, it says the database of affordable housing knowledge doesn't simply list all of the housing authorities in the state of Utah, So what do we want to do is actually making usable database for folks it'll also educate decision makers such as yourselves in where to strategically place housing funds, what types of incentives will work for various housing projects in whatever it may look like at the end of the day, but the goal is to have a very robust data system in partnership with beyond and Ken Gardner, he's a great resource I've known him for years and also with the government also planning budget, so there's a whole bunch of really great individuals most. Plus we can do this as a personal day job and then we'll have repository work consistently updated it.

**DINA BLAIS:**

Yeah, well Christina you may want to call for like a call for data because we have a data sharing agreement with the national Low Income Housing Coalition. So we have all the information on those low income housing tax credit projects at least in Salt Lake County. We are also in our missing middle project that we did last year. We have all the zoning of every city in Salt Lake County in terms of whether or not they have zoning. Designations that will accommodate that. So we have a lot of data that we've been collecting over the last two years that probably can contribute to that. So I think before you start spending a lot of effort, it might be wise to just do a call for data and see where we can share from the county through those things we've already got. Plus, when we did that, we did an inventory in 2017 in every publicly owned piece of land in Salt Lake County. We have all that information.

**CHRISTINA OLIVER:**

And that's where we're going start off. Matt Powers, who runs the GIS endeavors for the state of Utah is one of the coolest guys I've ever met and he and his office are very excited to jump into this and utilize examples like Salt Lake County. It's already created and do it on a statewide basis, so yeah.

**REPRESENTATIVE WALDRIP:**

And I think you're highlighting the issue, you know some places are doing it right and doing it really well, some offices are and some aren't so we need to determine who's doing it well, who's doing it right, what we have and then what we're missing, we can't do that unless we have all of that data in one place and then they can start filling in those holes and this will also the Commission bill where we're talking about enhancing reporting requirements on our mutual partners so that we are going to strongly, strongly, strongly encourage the production of that information.

**SENATOR ANDEREGG:**

But this also means that maybe as the assistant of this president, there's another duty as a scientist from so much office.

**CHRISTINA OLIVER:**

Yeah, he's on it. I already asked.

**SENATOR ANDEREGG:**

That would be a part.

**CHRISTINA OLIVER:**

Of the bill, we've got some restructuring happening with existing resources. I guess I'll put it that way and then an additional assistant yes, yeah. Additional fiscal assistance to get it up and running and then then the next year we'll have a better idea of what we need to keep it robust and up to date.

**SENATOR ANDEREGG:**

Yeah, we just prepared members for this Commission redesign 2 weeks worth. Also develop with the housing corporation, but they're going through a revamp of their QEP, but.

**CHRISTINA OLIVER:**

And it'll be out for public comments, so that's what David was getting at.

**SENATOR ANDEREGG:**

Yeah, because if we're looking at the areas of opportunity. How does that influence decisions or your criteria? Even with the UTA and local government.

**DAVID DAMSCHEN:**

Be on the same page yeah, our purpose is adding that step, it's going to kick the pipe open a little wider for discourse. That's really what it's all about and so we're hoping to start the process with the market with the QAP. Discussion that we've already had with developers will give us an extra step or two into the process ahead of the next year. What comes out of that, the developers come to us to help us.

**MAYOR WILSON:**

Thank you so much.

1. **PROPOSED LEGISLATIVE BILLS**

**REPRESENTATIVE WALDRIP:**

Thanks for all your work. OK onto the bill.

**CHRISTINA OLIVER:**

The last time we met, we went over the presentation from December 13th of some of the items that are going to be in the Affordability bill. I will say that this is not all inclusive. These are some of the ideas that have evolved since this particular presentation. So we talked a little bit about accessory dwelling units, but wanted to open up the floor and ensure that anyone who has had a chance to think about these things just run through the list and get some feedback at this point. So it really isn't an open forum if people want to raise their hands and talk about any particular item again, this is the pivoting impact fees for the construction of ADU’s prohibiting municipalities from requiring business licenses from the owner of the ADU. Now, this may or may not be in the final bill. I'm recognizing there's a parenthesis missing. I apologize for not featuring it in the final bill.

**SENATOR ANDEREGG:**

But it is important to note that this is for business rights. Internal ADU’s  that don't have any additional off-site impacts if there is maybe you or an expansion that is requiring a new hookup or something that wasn't anticipated and will cause an increase on the capacity of the infrastructure those would not be included as part of this impact fee, so.

**REPRESENTATIVE WALDRIP:**

This is, yeah, this is the HP 8280 ADU’s, internal owner occupied you know, very specifically limited to those parameters.

**SENATOR ANDEREGG:**

Basically expanding the existing capacity opportunity is already there already approved submissions.

**BETH HOLBROOK:**

So Christina kinda said something we we've actually discovered some of this in some of the conversations we've been having. If the state would consider at least acknowledging that when someone builds an ADU or the internal external, I think the assumption is it would be a family member I think a lot of that but the homeowner becoming a landlord requires a little homeowner education. So my request would be to acknowledge that there are organizations like Mike Akerlow and UCA and others that you may want to add just a little bit more to that fiscal note to support some homeowner training and how to become a landlord. You're talking about a different schedule on your IRS. I mean, there's more to it than just closing off a stairway to the basement and turning it into a rental unit, especially if it's not a household member that might be moving in and you know there are impacts with regards to commercial revenue that you're getting when you sell your house like it's just there are some things that I think would be wise to keep from being a problem for the municipalities if they're not going to require business license to at least acknowledge it may be beneficial to support some homeowner education.

**REPRESENTATIVE WALDRIP:**

And Cameron will. Let's have Cameron take the lead on that because again, that does require coordination. A lot of students have good landlord policies, you know requirements and some of those things, so we need to make sure we're looking at how those integrate with what we're talking about here that makes sense. Good comment.

**CHRISTOPHER GAMVROULAS:**

Good morning everybody. I appreciate this topic coming up. I understand that there's a desire to have a bright line between internal lady use and external lady use. But that doesn't mean external ADU’s necessarily create additional burden. I think we do need to address externally to use at some point and have that conversation. One of the reasons why this is coming up now is because there aren't several cities. Those that really did oppose HB 82 that are saying things like, well, the central ADU was going to double the impact on the system and you know it was a home that was occupied by a family of 6 and now there's two people living there and so suddenly we're going to double the sewer outfall. You know, the sewer output and the water consumption. So it is something I agree with on that comment. The very last comment about the good landlord policy. I don't actually object to the idea of necessarily even requiring a business license, as long as it's, you know, a reasonable fee. I agree, having been a landlord it's a different animal, and that training is important and I think the idea is to bring people out of the dark, right? The people that have been doing it come make it OK for them to continue to do it and to encourage more people to do it as much as possible. So I agree with that last comment about the good landlord. I think there's probably some balance in there and I think the Utah Apartment Association does really good landlord training and I wouldn't keep them out of the discussion either. I think that's really important, so those are my thoughts. I will give you a couple of anecdotes about ADU’S really quickly. One is that there was a city in Utah County that saw the 25% as not a ceiling. So if you remember in HP 82 that a city could carve out 25% of their city, where they wouldn't allow them, and this city included a currently active ivory community. Maybe because they saw the 25% not as a ceiling, but a floor they were like Oh yeah, we were going to carve out absolutely 25%. So we went back to him and said look at these great ideas we're building in Midvale. Well, they said we just don't care. We just we. We don't really want 80 uses even though it's our number one H SB34 strategy. So that's why we're prohibiting it in your community. So even though we're building new ADU’S, they did use that carve out as a bit of a weapon, and that is happening. You just need to understand that still the case and then there was another community in Salt Lake County who even though we're zoned and they didn't carve out an area where we were planning on building, they wanted a development agreement where we would agree to not allow ADU’S in our Community. Then this new development that's an infill piece, and we said no, we wouldn't agree to that, and they said, well, we're going to count it against your density. If you have an ADU you lose a lot and he said no, that you can't do that either. And fortunately the staff was good enough to intervene and say you know to dial them back, but it is a reality that the minute that you know these cities adopted an ADU ordinance several of them are just looking for ways to just keep them out, and you need to be mindful that that you know eight SP 34 and HP 82 were not they were not silver bullets by any means, and I think we need to, you know, be mindful of that, but I would agree with these. But most of these comments that are on and on about the aid use and think that the Commission should advance these are part of the legislation.

**REPRESENTATIVE WALDRIP:**

Thanks Chris.

**CAMERON:**

Thank you Mr. Co chairs with respect to the three ADU pieces on here that leaked board measures this week actually with bullet point by bullet point, apparently. Each piece recognizing the bill isn't drafted yet our violins don't allow us to take official positions. I'll make that perfectly clear, but there was considerable concern around the business license fees. In large part because a major piece of negotiation that's related to it still needs to require business licenses in part for this very issue that homes are terms that current homes will turn into almost their functioning businesses, and that business licenses critical compliance issue there's concern on the affected piece, there's concern about the grandfathering piece. Actually reply, but I wanted to make sure that business license. There's tremendous concern about.

**REPRESENTATIVE WALDRIP:**

Thank you.

**SENATOR ANDEREGG:**

Can I ask a question? On that, is the concern for Health, safety, welfare or the system, right?

**CAMERON:**

So Mr. Chair. It's interesting that you ask the question since you have the business license bill a few years ago that tightened the ability of cities to use business license fees for revenue purposes. So it really is about the health, safety, and welfare compliance if people are converting their homes. Which House Bill 82 encourages them to do and cities are complying. Even the example Chris gave Utah County shows that the city is in compliance with this ability and they exercise their flexibility to pass house bill 82. But a key component of that is the clients to make sure that cities know which houses are being used as internally to use if they're not going to short term rentals, which then takes students about the market and making sure that they are safe.

**CHRISTINA OLIVER:**

So bullet point #2 specifically says within the owner’s property, so it wouldn't be investors going out and purchasing that home and breaking it into two separate units. It is owner occupied. That's the intent of the business. The exclusion from the business license.

**CAMERON:**

This is Mr. Chair, yes.

**REPRESENTATIVE WALDRIP:**

Yeah, I mean I'm looking for more ADU’s within owner’s property, owner occupied only one you have more than one language.

**CAMERON:**

So again, when we got to our hard compromise, it escalated to last year. One of the biggest pieces that they gave comfort to cities once the fact that we could still require, so let's take a look at the language which is no that's not a huge sticking point.

**SENATOR ANDEREGG:**

Fails, it's so that they can prohibit short term rentals. That's their big concern.

**CHRISTINA OLIVER:**

Right, so we're playing the makeup of the Olene Walker board. I don't know if anyone has any particular interest in this I don't know that we are also establishing the Rural Housing Fund should the money be appropriated and include this has been changed. A one-time appropriation of $250,000 for funding of the moderate income housing tracking system database and all of the other data that we've started to talk about today. So it's sort of a blanket $250,000 appropriation, again as I said, stepping in my office currently will be repurposed and be able to start this process by the next legislative session we'll have a better idea of what we need to do this going and making a robust tool for us.

**REPRESENTATIVE WALDRIP:**

I'm assuming Christina will get questions on that, we'll have to justify talk through that but that you know it's worth talking about what we're looking at today and gathering information assembly tracking all of these different pieces that it's going to be smaller, so I just don't want to short change that, and if that was something that doesn't get the job.

**SENATOR ANDEREGG:**

I guess we're in 3rd year.

**CHRISTINA OLIVER:**

Yes, I'm sorry so.

**SENATOR ANDEREGG:**

I think there was a year, five years sort of a, some type of state there to look at, but is there a way for us to have a score sheet on it?

**CHRISTINA OLIVER:**

So the current reporting mechanism, the form that's filled out by the required locations, is relatively ineffective. So no, you can't right now with the data that we've collected. I mean, that's the idea. This will be so the changes to the moderate income housing plan will, in effect, make it more objective. There will still be some subjectivity, so that's a topic that I'll bring up at the end of this presentation on how we're going to address that subjectivity because I'm sure everybody in the entire state of Utah does not want Christina to decide if they have met their implementation goals for the moderate income housing. Nor do I want that role or maybe Wayne does.

**SENATOR ANDEREGG:**

Yes, but we want you to have that role.

**REPRESENTATIVE WALDRIP:**

Let's see.

**CHRISTINA OLIVER:**

Well, but and so we're building a mechanism where there's a very smart body of individuals to assist. OK, next slide.

**SENATOR ANDEREGG:**

That might take some legislative change though, right? I just want to make sure so we're going to apply.

**CHRISTINA OLIVER:**

So the TOD topic. I don't know if anybody has any discussion pieces on this would you like me to explain.

**BETH HOLBROOK:**

So one of the things that I think we talked about this morning is where you have that first line where it says participating slash assisting into the unless a minimum of 20%. I think that that language was supposed to change the optimal it's got to be up too.

**SENATOR ANDEREGG:**

Starts not being able to be penciled out past 20% unless you get something like donated property, unless there's a significant write participant, you'll never have a project that will go over 20%.

**CHRISTINA OLIVER:**

No one is donating this property either, so yeah, pretty much done.

**REPRESENTATIVE WALDRIP:**

That's a concentration issue as well, which would be very good.

**BETH HOLBROOK:**

Of focus on this discussion at that and I said, Christina this just a couple days ago. This wasn't really marinated, I know, but the requirement to have a stationary at plan for every location and potential location for trans Orient's development site that I think is going to be a really critical piece because that's really going to address the land use the zoning and it's going to have all those stakeholders already engaged in that class is a station.

**SENATOR ANDEREGG:**

Area plan station area. Plan around TOD. It's a new concept that ties into the HTRC that Senator Harper did last year, but expands on it.

**BETH HOLBROOK:**

What the real goal is to make sure that the overall transit planning piece that Dina did a great job on that first slide that she did in terms of talking about that right criteria, but one of the things that is a challenge is if you are not looking at this site as a transit worksite, just sleeping as a development site, you're not calculating childcare, you're calculating access to grocery. You are not taking into account how you can maximize this location and so with that requirement I believe that that will address all of those needs and it won't create this situation where you've got up against the whole ball of another development, 0 access that has always been that challenges and if we just focused on the TOD site that UTA owns, that might not be sufficient to really create a transformative and really inclusive design sense of development. So that's where I think there would be a real strong requirement to that.

**SENATOR ANDEREGG:**

And if I may. Along those lines, because I know we spoke then we had some disagreements and then we've spoken again and I just want to put it out there, but also for Andrew Gruber if he's still online it looks like he is. One of the things that we're really trying to do around this TOD is bigger than just the affordable housing even though affordable housing is a major component here, we are also trying to set up a scenario and I'm saying this in front of Cameron Dhiel so that he understands kind of where I'm coming from. We are wanting the infrastructure of transit as well as the teody around transit to become a potential funding source with value add capture. These cities are good land use authorities within a certain scope; most of them don't have broad, expansive experience around maximizing TOD. They get anecdotal information and they get their constituents like their hair on fire and they get cold feet.

I saw it in Lehi just last month. So if you do this area station plan and I'm saying this also for my co-chairs benefit just so he understands, kind of what we discussed, and I know you're already with us on this plot. We're going to have to look at this in a two part phase number. One is going to be what do we do with the existing 2D infrastructure and how do we get this concept and maximize it as much as possible, given that, that horse has already left the barn and we already have some burning down the road on some of this, so we're going to have to have nuances as to how we deal with that existing theory of researcher.

The second aspect of this which needs to be in policy for any Greenfield TOD development going forward is if you're talking about a new line. You're talking about brand new TOD’s. It needs to have this area plan so that we can maximize its value, because ultimately the way TOD is properly funded across the world. The value-add capture of each of these sites has a tax increment component that helps fund future projects and the problem is the reason our transit hasn't expanded the way it probably could have and should have is because we are reliant upon federal dollars primarily to do so, our local option sales tax is not funding by and large, our capital development is funding operations by it large, and so because of that, our ridership is stagnant and and grow the ridership is somewhat stagnant. It's not because people don't like transit, but because it's the first and last mile issue and we have to get more people on, but they have to be able to get to where they need to be when they need to be there in a timely, efficient manner. So the whole idea is this area plan this the entire system infrastructure. Transit needs to be set up under this scenario so that these TOD area plants help these cities working in conjunction with UTA to maximize the area plan and that's really what we're trying to do. We're not going to take away anybody's land use authority, but we are going to say. If you're so, in essence 2 aspects of this is the existing we're going to need to sit down with the legal and beauty and figure out what the existing infrastructure, how we make this work for those existing sites. Then anything going forward needs to have these components in it and the truth is our property rights coalition people. Well, they shouldn't oppose this any way, shape or form, mainly because I believe having the state come in and say here are the parameters under which you need to consider in order to have one of these. Should help these developers get more out of these projects and they otherwise might be able to benefit from the cities because the cities are responsive. Responding to the local minority voice that is very vocal and comes out their torches and pitchforks that way it's also not being completely dictated by UTA as far as their interests versus the local properties interests and the state has a vested interest that we're going to continue to pile in hundreds of millions of dollars each year that we are actually getting everything out of this that we want to. So this is a good placeholder, but we're going to need to get back and actually figure out the nuances behind all of this, and I'm excited to see what this could do and we're also going to need to work with Senator Harper to make sure that folds into what he's got with the funding source with each year.

**REPRESENTATIVE WALDRIP:**

Yeah, that makes sense. Then it does.

**BETH HOLBROOK:**

And we talked about this briefly and I agree we do need to have some more dialogue to really kind of address some of those needs, but I think that I think that this is a good start because we don't want to be inadvertently left out and have these really expensive ADU’s. So basically you know the ground on the parking we want to make sure that this is as usable and it's transformative and usable as possible that is constant and that'll have.

**REPRESENTATIVE WALDRIP:**

Deportation with the league as well because that's how you guys are currently.

**BETH HOLBROOK:**

Right and there are sub sites that have environmental issues that are related to Union specifics, you know contamination issues, so housing has to be addressed, but it has to be addressed in a way that can fit with what that environmental land-use. This is what I think will be addressed in the stationary part really effectively. Yeah, now I'm just saying that.

**DINA BLAIS:**

 I don't think the county doesn't disagree that the growth strategy is to concentrate in centers and concentrate around that it's the financing component that makes us nervous because if you take Harper's bill to its full extent. That could be 30% of the account is taxable value in a capture in an incremental capture zone. Not only that, the land value around the track station and BRT tends to be 2 and a half times the value of the land outside of it, so that constraint with regard to the county's major revenue source is a real impact to us. So we've been working with Andrew and Wayne to try to figure out how to best do that and I think we're coming to agreements that are actually dovetail very effectively with what we just said.

**SENATOR ANDEREGG:**

We don't, we're not. I mean, I'll just speak for myself when I say we, it's me and the person in my pocket, we don't disagree with what you're saying. Right, it is if if the taxable base stays stagnant, then taking the increment hurts you absolutely, but if there's a value, add component to this because the infrastructure is put in place and its master plan in a in a way that helps us maximize that value there should be 8 and I can't guarantee that there will be a hold harmless, but it will be much of a less of a hold harmless or if done right, it should probably still be dangerous. So yeah, it's how it's done?

**DINA BLAIS:**

No, we agree entirely yes, yes.

**REPRESENTATIVE WALDRIP:**

I think we're agreeing on the intent and and so between all these different parties, we have to make sure that the intent is not producing an intent.

**DINA BLAIS:**

I have yet to see the Grandmasters met. It sometimes happens to explode, but I don't wanna, I think.

**REPRESENTATIVE WALDRIP:**

OK, we got some hands on so. Go ahead,

**CAMERON DIEHL:**

 Because there's still a gap here though with regard to some of the cities that don't have the capability to get a plan.

**CHRISTINA OLIVER:**

Right, we are working with WFRC and usually there are funds available. Taxation, we absolutely can do that. The creation, the resurrection if you will, of the Governor's Office of Planning and Budget with Lauren Hanson at the help, there will definitely be that coordination where it's going to be across the board. From stationary plants with the UTA transit investments in general, all of the arrow keys. That's the philosophy of creating this overarching convenience.

**REPRESENTATIVE WALDRIP:**

Yeah, great point. Thank you. Let's go to Representative Briscoe. First Co chair Briscoe and then it looks like we've got just. We line him up. We've got Christian Gamvroulas and then Michelle Weaver.

**REPRESENTATIVE BRISCOE:**

Thank you. I support the work we're doing on pushing on integrating transit and housing. Just going to express a personal point of view. I wish the 50% AMI and 80% AMI were lower. That's my comment. Thank you.

**REPRESENTATIVE WALDRIP:**

Thanks, Chris.

**CHRISTIAN GAMVROULAS:**

Thanks, I know I know time is short. I'll be brief. We as ivory and the property Rights coalition support this and the work that Beth communicated earlier and around planning around transit stops just for transparency, we Co-own a piece of property next to a track station where the zoning would be allow for 3rd to half acre lots, literally across the street from a from a track station and and we do just fine with that zoning. We think it's bad public policy, but I do want to let you know that. We do have a bit of a conflict on this one. Maybe it's not a conflict, it's just you know, letting you know that we do have some interest in a property that that would be allowed to have a different kind of density. If the city would allow it.

**REPRESENTATIVE WALDRIP:**

Michelle, are you on?

**MICHELLE WEAVER:**

No, and I don't mean to digress, and we got kind of a quite a large TV topic going on and I wanted to go back to the rural. I just wondered what the process was going to be to develop that program for those funds.

**REPRESENTATIVE WALDRIP:**

That's an excellent question. I don't know that that has been fleshed out in any significant degree, and I think we want you to be a part of that discussion, Beth.

**BETH HOLBROOK:**

I'm happy to help you in the rural side.

**REPRESENTATIVE WALDRIP:**

Looking at best. Yeah, I'm looking at Beth. Yeah, Michelle, that I don't know that there's a lot of definition to what that looks like. I think the discussions have revolved around a revolving loan fund of some type right potentially grants. Great question. Text me and we'll get involved in those discussions as well now.

**MICHELLE WEAVER:**

OK, great, thank you.

**REPRESENTATIVE WALDRIP:**

Really quick Andrew.Go ahead, Andrew.

**ANDREW JOHNSTON:**

Alright, thank you. Just to reiterate, Joel Briscoe’s comment. The data says that the greatest need is by far below 30%. AMI. It's not even close to the other AMIs. We gotta look at lowering some of this stuff. It's hard, it's expensive, but that is where the need is and if we're not going to be direct about that and these situations where there's transit and a density there with services, we're not going to do it anywhere, so I would strongly recommend us to looking at trying to lower these if possible. Thank you.

**REPRESENTATIVE WALDRIP:**

Thanks, Andrew.

**DAVID DAMSCHEN:**

My comment is Ditto. But we have made action here. A lot of these projects, especially some of these higher density, or probably like pet food and do those comport with my text, which based on our conversation yesterday element and so we got align those percentages up with what are other financing tax credits at all that require all that wire and you know you get the at the very minimum. I need to put a less than 50% or less than 80, but like 60%, right? And so that's the challenge. So it's going to be that way anyway if it's a lightech project because we can't change the federal statues. We might as well lower those too. Accommodate that and as Andrew mentioned, the need is in these lower percent models.

**SENATOR ANDEREGG:**

So my question is. My understanding was Wayne that did 30%, 50%, and 80% designations that were corporated in history incorporated into state code because it came to us from us from the federal code. If lightech tax already down to 60%, we can probably adjust it however we need. But the question is, don't we need to go back into the primary code that we have in the state and adjust those. The other question I have is if we do that, we run afoul of any of the federal programs, and on top of that, given the fact that we have such hyperinflation right now. I would bet you know Andrew is not wrong as far as saying all the data shows that 30 percent, 40% below is where the biggest need is. I don't disagree with that, but with the inflation I would bet 80% is probably more like 110% right now.

**REPRESENTATIVE WALDRIP:**

Next line.

**SENATOR ANDEREGG:**

It's probably higher than that. Now that's going to be a temporary blip, maybe for four or five ten years. I don't know what's going to happen in the economy, but I just don't know how I know what Andrew is trying to do. He's trying to make sure we get the money to the people who need it most. The problem is I don't know that that is necessarily going to fit what the current boots on the ground situation is in this economy but for, however, I'm sorry.

**DAVID DAMSCHEN:**

I'm just gonna say we're scheduling a meeting. We met yesterday with Christina, probably this next week. Our focus was making sure we're harmonizing on the appropriations stuff, but we'll take a look at the bill language as well. We definitely want to make sure that this all fits together and works, you know?

**SENATOR ANDEREGG:**

I agree with Andrew we need to get this to the lower area median income as much as possible. It's, but it also needs to fit with what the federal requirements are going to be and also what's reality to put boots on the ground.

**REPRESENTATIVE WALDRIP:**

Alright, it’s 11:03. If you look at the agenda, we're going till 11:00 PM, So we've still got 12 hours. Have more topics on this, this is going to be our last meeting prior to the legislative session. So we will continue if you want. You're welcome to go if you want to stay, you're welcome to stay. No one will feel bad either way, but. To give those who want to have an opportunity to have some input on this and again, the bill will come out and it'll get circulated. We'll have an opportunity for additional input so as we go. Yeah, we're going to try and go really, really quickly through these five topics. So let's restrict comments or why don't we try that? Or a quick event and see if we can get through these next 5 topics in the next 25 minutes here and be out of here by 11:30. But I do want to make sure everybody has a chance to share their thoughts to some degree with everybody else while we're together and then when the bill comes out, everybody has a chance to review it and have their input at that point as well. Yeah, I think we're going to lose some people, but it'll give everybody else a chance to at least hear what Christina has to say. Yeah, OK, all right Christina.

**CHRISTINA OLIVER:**

Yes, the next one is the point of the mountain. The point of the Mountain State land development. The 20%. It's the same concept as it was on the previous slide and so opening the floor to discussion on that.

**REPRESENTATIVE WALDRIP:**

Anybody have any comments on this very similar to what we just talked about, this one is a little easier because you're talking about Greenfield development. We don't have anything existing out there, and so you know as we go through this we are working with the point of land Commission to do this. Bruce.

**CHRISTINA OLIVER:**

All right, so the moderate income housing plan changes. We're going to be requiring comprehensive maps of land use. A couple of these things are going to actually be added to my conversations with the Utah League of Cities and towns so generally speaking, these strategies are going to be narrowed down a little and more succinct, and there will be the requirement that implementation aspects are actually adopted by the city and reported on an annual basis. This is just what I said so opening the floor to any discussion on the moderate income housing plan.

**REPRESENTATIVE WALDRIP:**

Spatafore, we will go to you. I know you're being promoted as a participant. Hopefully you could hear this.

**DAVID SPATAFORE:**

Thank you, thank you Mr. Chair. The question I had is in the last couple of slides that Christine has talked about. You know she's taught she's using the 50% AMI with the budget request that Wayne has made through OHS to the governor and the governor has put it in the budget that figures at 40%? Are we confusing everything if we have 50%, should we be consistent and have 80 and 40?

**REPRESENTATIVE WALDRIP:**

Dave, I think that's a question we need to refund. So we're going to work, we're going to look at that.

That is an issue we gotta kind of coalesce around what we're doing in Hawaii and then also consider what we're doing with the Utah Housing Corp. But we've got a lot of moving parts and we also are going to get some new income numbers out here next month. So thank you Dave that's a great point and that's on Christina's list.

**DAVID SPATAFORE:**

Thank you Mr. Chair.

**REPRESENTATIVE WALDRIP:**

All right Gamvroulas

**CHRIS GAMVROULAS:**

This is great, it's progress. The entire presentation basically that the Salt Lake County brought in today with the the doctor from the Brookings Institute based I mean, her entire thing was if there's not a penalty, it's not going to work. I mean, that's basically the bottom line, and where there's not a penalty in places like California and Oregon, they're doing preemptive land use, so I think that the Commission should forward a recommendation of the legislature that adds a penalty component in addition to looking at additional or different incentives for those who do make progress on their moderate income housing plans, but then I can tell you that if the TIF doesn't work it's and and this is the only place where there's a carve out in in all of state statute for somebody for an entity that doesn't comply with the law and there there needs to be a penalty, and that either needs to be damages or any either needs to be withholding B&C, Rd funds, or some other penalty, but this Commission. If we're going to do something hard, we're going to have to do something hard and if we want to make progress, we're going to. We're going to need to, you know, make it real.

**REPRESENTATIVE WALDRIP:**

Yep, understood and agreed, and that's one of the points of discussion in the league is how do we make sure, this does something, so thank you, Chris.OK. Any other comments on the modern housing plan to get this plan has gone through the league. They talked about it in detail. They don't have a bill, so they can't insure recommendations, but our understanding is they are on board with increasing this and figuring out how to make it work and also having reporting requirements meet what we want to see and and have some real structure to those. So I think this is all moving in the right direction.

**CHRISTINA OLIVER:**

Yeah, that's what it was really the rest of the slides pertaining to the moderate income housing plan, so implementation, reporting, et cetera. So there isn't any work on that so.

**SENATOR ANDEREGG:**

Are we going to have something in this bill this year that's going to say cities will have X percent of their land density.

**CHRISTINA OLIVER:**

Yeah, we work with 99% of all land.

**REPRESENTATIVE WALDRIP:**

And Senator Anderegg is going to be landing security for the entire state. No, I think we're good.

We got through that last bit quick, thank you very much everybody. You will see the bill come out. We will be looking for comments back on that from the League Office, we will have work to do on this.

You know the goal is to try to have it all pretty and with a bow on it, but we could do that if we weren't doing hard things, but we're doing hard things so that takes a little more effort and we're really grateful for everybody's input and participation. Thank you for your advocacy and as we go forward in next year, remember that after the session we will be talking about restructuring this Commission so that we have subcommittees that are focused on their different areas of influence in rural, different income brackets.

I mean we, we want your thoughts now to make this Commission more effective in dealing with the varied interests that we have in all of the different topics that we have to tackle and one of the thoughts is, we do subcommittees that come to this Commission with the report from that subcommittee, then the entire Commission consider the work those subcommittees, and we don't have to bog down the entire Commission with each subcommittee background work on that and it's going to take more structure. So thank you very much, appreciate everybody being here and have a great weekend. Thanks, and we adjourned.

1. **OTHER BUSINESS**

There was no other business to conduct.

1. **ADJOURNMENT**

REPRESENTATIVE WALDRIP: Meeting adjourned.

SENATOR ANDEREGG: All in favor say aye. All were in favor, none opposed and the Commission on Housing Affordability adjourned at 2:26pm.