

**S.B. 140, Housing and Transit Reinvestment Zone Amendments
(Sen. Harper / Rep. Handy)**

[SB 140](#) amends various provisions related to [housing and transit reinvestment zones](#) (HTRZ), which were established in [SB217](#) during the 2021 General Legislative Session. HTRZs are designed to help Utah tackle its housing crisis by facilitating mixed-use, multi-family and affordable housing development within a [1/3-mile radius of UTA FrontRunner stations](#). HTRZ enables a portion of incremental tax revenue growth to be captured over a period of time to support costs of development. This bill would authorize a limited number of additional HTRZs around light-rail transit and bus rapid transit (BRT) stations.

The bill makes the following changes to the existing HTRZ statute:

- Allows HTRZ to be proposed around a light rail or BRT station (currently HTRZ is only allowed around FrontRunner commuter rail stations). This is intended to encourage housing and mixed-use “transit oriented development” around more stations.
 - Limits the size of a proposed HTRZ around light rail or BRT to 1/4 of a mile and no more than 100 noncontiguous acres (currently HTRZ around FrontRunner is limited to 1/3 of a mile and no more than 125 noncontiguous acres).
 - If certain municipalities with more than 150,000 residents in a county of the first class have a commuter rail or light rail station in an opportunity zone, or a master planned development of more than 500 acres, then the maximum radius is 1/2 mile, and 100 noncontiguous acres. Eligible municipalities may only propose a single HTRZ within an opportunity zone.
 - Clarifies that a full parcel may be included if bisected by radius limitations
 - Limits the period of value capture for HTRZ proposed around light rail or BRT to no more than 15 consecutive years within a 30-year period (currently HTRZ around FrontRunner is limited to 25 consecutive years within a 45-year period).
 - Limits the maximum number of HTRZ in any given county to eight around light rail and three around BRT (there is no limit for FrontRunner stations).
- Requires that a reasonable percentage of family, or multi-room housing is required in the HTRZ.
- Clarifies that the 50 dwelling units/acre requirement applies to the portion of the HTRZ that is dedicated to residential development (not to the entire HTRZ area). This is defined by developable acres in the bill.
- Currently, the maximum tax increment capture a city can propose is 80%. SB140 would reduce this to 60% *if* 39 to 49 units are proposed per acre for an HTRZ proposed at a BRT station, or by a public transit county.
- Requires that a city HTRZ proposal include:
 - an evaluation of the proposed HTRZ impact on parking availability.
 - possible benefits to active and public transportation availability and impacts on air quality.

- Requires that the HTRZ gap analysis evaluate the proposed density and increment capture needed for the minimum amount of potential public financing to cover the enhanced development costs for an HTRZ development to occur.
 - Does not allow a participant agreement to include a direct subsidy
- Modifies the HTRZ review committee composition to add representatives with financial expertise - with individuals from the State Treasurer's office and Tax Commission.
- Requires that the zoning for an HTRZ be in place before the HTRZ committee takes final action, rather than before the city submits the proposal.
- Clarifies that municipalities are required to participate at the same rate of tax increment capture as the county.