

COMMISSION ON HOUSING AFFORDABILITY

Minutes for April 26, 2022

Hybrid Meeting: In Person & Via Zoom

Members Present

Senator Jacob Anderegg
Representative Joel Briscoe
Representative Steve Waldrip
Nate McDonald
Andrew Johnston
Christina Oliver
Christopher Gamvroulas
Wayne Neiderhauser
Dave Damschen
Jeffrey B. Jones
Michael Ackerlow
Michael Gallegos
Michael Ostermiller
Michele Weaver
Tammy Hunsaker
Tom Macdonald
Ginger Chinn
Janice Kimball
Ben Hart
Beth Holbrook

Representing

Senator
Representative
Representative
Executive Director DWS Designee
Salt Lake City Council
Housing and Community Division
Utah Homebuilders Association
State Homelessness Coordinator
Utah Housing Corporation President
Summit County Economic Development
Community Development Corporation of Utah
Salt Lake County
Utah Association of Realtors
Rural Communities
Utah Redevelopment Association
Utah League of Cities and Towns
Salt Lake Chamber
Public Housing Authority
Executive Director GOEO
President of UTA

Absent Members

Staff Present

Jennifer Edwards
Jess Peterson
S. Pete Kane
Stacey Herpel
Amanda McPeck

Guests

Kyle Palmer
Sarah Nielson
Danny Walz
Andrew Gruber
Megan Townsend

Miranda Jones-Cox
Jonathan Hanks
Cameron Diehl
Mike Sobczak
Justin Lee
Deborah Phillips

Tyson Butterfield
Jean Hill-Diocese
Susan Olson
Andi Beadles
Tara Rollins

Ted Knowlton
Michelle Larsen
Shule Bishop
Justin Lee
Francisca Blanc

I. WELCOME AND INTRODUCTIONS

Welcome everyone. I would like to announce that I will not be running for office again after this term is complete at the end of the year. We passed a fantastic housing bill, HB 462. That was a collaborative effort between an absolute ton of people and it couldn't have happened without everybody collaborating without so many people pitching in and weighing in and bringing great thought to the table we were able to create. Development zones around our transportation hubs and we're looking now to build on that success with both the league and the developers to the Property Rights Coalition and there are some other great things in there that I think we'll probably have Christina talk a little bit about as far as reporting and how we handle sort of tracking. what we have in Utah and the resources we now have available through DWS and some new appropriations from the legislature to help us to get a better data set so that as we talk about these issues, we have a much better option. A much better opportunity to understand what it is we're going, what it is we're going after. OK, so having said all that, do we have a quorum? Do we have any public comments submitted?

II. PUBLIC COMMENT

No public comment was given.

III. APPROVAL OF MEETING MINUTES:

November 16, 2021
December 13, 2021
January 7, 2022

A motion was made by Ginger Chinn to approve the meeting minutes as written for the dates above without any changes. Beth Holbrook seconds the motion. Motion passes unanimously.

Representative Waldrip:

OK, let's go to item number 4, scheduled 2022 Commission meeting dates. Christina, is that going to be you that's going to tackle that?

IV. APPROVAL OF 2022 COMMISSION MEETING SCHEDULE

Christina Oliver:

Stacey, would you mind reading off the scheduled dates for 2022?

Stacey Herpel:

May 10, 2022 , May 24, 2022, June 7, 2022, June 21, 2022, July 5, 2022, July 19, 2022 , August 2, 2022, August 16, 2022 , August 30, 2022 , September 13, 2022, September 27, 2022, October 11, 2022, October 25, 2022, November 8, 2022, November 22, 2022, December 6, 2022, December 20, 2022

Christina Oliver:

Thank you, Stacey. Representative, there are three dates that could be in conflict with the majority of schedules. July 5th, November 22nd, and December 20th.

Representative Waldrip:

I don't think we'll have any conflicts with interim meetings on those days that I'm aware of because we're meeting on Tuesday afternoon. Does anybody have any other major conflicts with those dates obviously as we go through the year we will look at workload and assign tasks and see if you know we want to meet every two weeks or if we want to and you know, skip a meeting if we've got a significant workload that people are working on and would just be for an update?

Christina Oliver:

Representative the Utah Housing Coalition does have one conflict they'd like to bring up.

Tara Rollins:

It's actually a comment on the August, August 30th, which is a Tuesday. This is the second day of our annual Utah Housing Matters Conference, so this is an invitation to all of the Commission members and staff anyone who wants to come to our conference will be wonderful to have the Commission meeting in Midway at Zermatt. Thank you.

Christina Oliver:

So Representative, did you want to adopt the calendar excluding July 5th, November 22nd, and December 20th?

Representative Waldrip:

Yes, I'd entertain a motion for that.

Ginger Chinn:

I'll make a motion. This is Ginger.

Danny Walz:

I will second that this is Danny.

Representative Waldrip:

OK, all in favor. Is there any discussion of those dates and the other conflicts that people are seeing, obviously summer times going on vacations, but let's try and keep the schedule and keep moving on stuff? We got some big things to do. OK, all in favor.

Quorum:

Aye

Representative Waldrip:

Any opposed? OK, thank you, will you have those set as the official meeting times, so it's the 2nd and 4th Tuesday of every month at 1:00 PM, with the exception of those dates that were noted. OK, let's move on to the next item on the agenda item number 5 Ben, are you ready to talk about HP 36 and 151?

**V. OVERVIEW OF HB36 COMMISSION ON HOUSING AFFORDABILITY AMENDMENTS
OVERVIEW OF HB151 RETAIL FACILITY INCENTIVE PAYMENTS AMENDMENTS**

Ben Hart:

Of course, and thank you, Mr. Chair, for your good service, and sad to hear of your recent announcement. But also congratulations on new opportunities and so HP 36 and HP 151 and I might cover just a couple of other pieces of legislation that are relevant for this conversation. I think it's been apparent that housing is really one of the most important items that we have to address here in the state of Utah and from a workforce housing standpoint from also transitional housing. Deeply affordable. This remains one of our really, really most important issues. You know, right up there with water and other issues really related to growth and so some of the pieces of legislation that we saw that are directly salient to this conversation. HP 36. So this bill officially we had talked about quite a bit. I know it is a Commission prior to the session, but this bill now just links this Commission, the Commission on housing affordability to the Unified Economic Opportunity Commission, and the opportunity there is that the items that come forward from this committee now have the opportunity to go to the unified Economic Opportunity Commission for recognition support and help them through, is just a quick thumbnail sketch reminder. The Economic Opportunity Commission is the one that is chaired by the governor, by the speaker, and the president, and ultimately, they are the ones that really helped to drive forward that policy. It's meant to be a group that takes on really big policy initiatives, and I think the challenge coming back to the CHA from the Economic Opportunity Commission as part of this legislation is what we really want is your big ideas, and Christina and I've had great conversations and she's going in a wonderful direction and so, this does not so HP 36 does not usurp the CHA and I know there were some concerns about that, but ultimately it's a link that allows Christina and her team to still do the wonderful work they've been doing just allows us to bring forward those ideas for support and making sure that that we're coordinated and working together because I do think this is one of our most important issues and so HP 36 I won't go through all the details, I'll just give a thumbnail sketch, but that's kind of ultimately what it did. HP 151 so housing, transportation, and reinvestment zones and we sure appreciate and certainly appreciate everyone's interest in this project. That conversation HP 151 in my mind is coordinated within the sense that we're really looking for. Where are the best places where we can accommodate multifamily and higher density housing so 151 actually has some sales tax requirements now that allow communities to do housing mixed in with retail development. In fact, it becomes one of the levers that they. They have to have in certain situations to be able to use tax increment for retail sales tax and so HB 151 I think is going to be a great encouragement for multifamily development in the future. I would also mention that in conjunction with the housing, Transportation, and reinvestment zones. So we did see A and this was not specifically something that we worked on, so I want to thank the Wasatch Regional Commission and others who really put in a lot of time and effort certainly. Senator Harper for their amazing work on this topic, but the idea is how can we create density around transportation nodes and so I think that's something we'll see kind of built out, hopefully in the next several years as well. The legislation was originally passed last year. We didn't have any takers for it and so this broadens it a little bit and so we're hopeful that we can get some applications and use what is a really unique capability there with the HTRZ and then also I with what we're doing with the larger unified Economic Opportunity Commission, and definitely, we've been given that encouragement/direction from the speaker, the President, and the governor to really be aggressive in finding good solutions and our hope is that we can start that policy process as early as possible and also, and perhaps look in segment to the different housing needs, but my our hope is that we can do that sooner and really start to get some of these things vetted and threw up so that we can get them ready and adopted when it comes to the time of the legislature and so on, we really like what these several bills are doing in terms of giving new capabilities for not only mixed-use but also density where it's

appropriate and also just encouraging housing in general. So, we'll keep working hand in glove with Christina and her team, but we are excited about the future and this pivot is as we kind of try and get our minds wrapped around what these tools really are, and last but not least, I would just say I GOP and Laura Hanson are doing some really amazing things with housing as well. I'm excited for what they're going to bring to bear one of the most important things for us is ensuring that people really understand and can we can have meaningful conversations around growth, and I'm not saying they're charged with this, but you know, sometimes we ourselves, whether we want to acknowledge it or not, or are some of the greatest opponents to really smart growth and really helping find meaningful solutions across the housing spectrum and so I think, is we can. We can help educate the public and make sure people know that we are a state that's growing and we can find ways not only to push people to the fringes, but grow smarter and in areas where we already have urban density. Hopefully, we can educate everybody and make sure we're finding good solutions, and so we're excited. We're just one cog in a wheel here that's got a lot of people, but we're excited for this next year working with the CHA and bringing forward some really good ideas for consideration and hopefully ultimately implementation. So that's my report, Mr. Chair.

Representative Waldrip:

Thank you, Ben. Excellent report and excellent overview of how we can move forward and you know, kind of where we are and how we can move forward. Are there any questions for Ben on the notes he just shared? I can't see hands-on my screen. One question I might ask as part of and I know we'll get into this in a second on HP 462 but there were some specific questions that we go through the Economic opportunity, unified Economic Opportunity Commission, particularly on determining what the structure is for our cities. Kind of creating that fair share model or something that we have as a measuring stick. Do you want to talk about that now or do you want to do that as part of the 462 discussions? Just since we're kind of on that UEOC portion.

Ben Hart:

Well Mr. Chair, it's a really good question and I think that is something the fair share is something that really came up a lot during the legislative session, not only in terms of this bill but also in several pieces of related budget legislation and so as we look at that fair-share model, I do think that it's important that we come up with the right number and so that is definitely one of the things that I think we need to come to an agreement on that everyone can support 'cause I do think that's something that will come up time and time again. The other piece that we have a direct touchpoint within 462 is funding for the stationary plans and I would say that we committed to giving money from the industrial assistance account to help get those stationary plans are done, which I think is a great smart growth principle strategy and we're seeing some great things happen around our transit stations across the Wasatch Front. So, Andrew did not even let the grass grow under my feet even a little bit before reaching out to me. I think it was probably the day after the session to remind me that we had made that commitment and if we're going to stick with it, we know it's a large sum of money. I think it's going to end up being \$5,000,000 plus and so, but we think it could really lead to some really meaningful solutions, so we're continuing to work with the stakeholders on that as well, just to make sure that we have a good process. We know where money will be flowing to. We've got all our stakeholders set up and so we're working through that, but that's the other touchpoint that we have, but on the fair share housing, that's definitely something that probably needs to be addressed by this Commission.

Representative Waldrip:

OK, yeah Ben that was going to be my point, is I think our intent was to have this Commission work through the nuts and bolts of that and get everybody engaged in that process and discussion. Then monthly have just a check-up with the UEOC so that they know that process is in place and kind of what direction we're heading. We can make sure that the direction we're heading is amenable to that Commission as well. Does that make sense?

Ben Hart:

That makes perfect sense. I think we can create and make sure of the linkages.

Representative Waldrip:

OK, thank you. I just wanted to get with you on that. Alright, thanks. Any other questions for Ben? Let's see no other hands. No? OK, I would like to welcome our czar Mr. Niederhauser into the house. I see you out of the corner of the camera there. So welcome, I should be careful with that nomenclature. Now you know it's got some more negative overtones since you know we're no longer talking about Peter the Great anymore. Let's move to the next item and I'll turn it over to the triumvirate of Christina, Andrew, and Cameron to talk about 462.

VI. OVERVIEW OF HB462 UTAH HOUSING AFFORDABILITY AMENDMENTS

Christina Oliver:

Thank you, Representative. I will start by just going over some of the more mundane changes. They're actually very critical to pushing the needle forward on affordable housing, but then Cameron Diehl will present on the moderate-income housing plan component and then Andrew Gruber will present on the station area plan. A couple of things that HP 462 did was we'll start with a grant of real property, so agencies throughout the state are now more abl. They've been given more freedom if you will, to provide their land, whether it's a special service district. SITLA there are many, many agencies that fit under this particular category for the promotion and development of moderate-income housing and to remind everyone that is 80% of the county's area median income. So, we're hoping that this is utilized throughout the state in order to move forward on some of the projects that have been stalled out. A second change was with the private activity bond allocation. If you recall almost a decade ago, The Utah higher education group apologized that the group was able to provide student loans and they no longer do that under the federalization of the student loan program, so this allocation had been sitting languishing, if you will, for months on end, and this allows the Board of Education to provide us with the ability to utilize that volume cap earlier in the year. We've already discussed the fair share component, and I believe that the last thing that I will quickly touch on, well, there are a couple of things we did create, the rural Housing Development Fund in the Olene Walker Board. Unfortunately, we didn't receive any funding for it this year, but it is in statute, so hopefully next year we will get some funding. We loosened up some of the predevelopment grant criteria that have run through the Olene Walker board as well. In fact, this week we will be receiving our first review of our first two pre-development grant applications, and then finally impact fees for internal accessory dwelling units are now prohibited under HB 462. This was a concession basically, municipalities were handling this at all different levels of impact fee analysis, and this just brings everybody on a level playing field, and with that, I'll turn it over to Cameron.

Cameron Diehl:

Thank you, Mr. Co-chairs and members of the Commission. It's nice to be back with you again. Cameron Diehl is the Executive Director of the Utah League of Cities and Towns and Christina. I'm going to take the next 15 minutes or so to give an overview, but before I dive into the bill, I think it's important for this Commission to remember the conversations of last spring and summer. I have taken the liberty Cristina of using many of the slides that your team prepared as part of our spring training. So, thank you for that work and for your team's participation in our training efforts, so you know the next slide we as a league sat before this Commission a year ago, along with our partners. The Property Rights Coalition identified 3 primary buckets that the land use Taskforce was going to work on and that the league was going to work on three buckets. You can see the picture of the kiddie buckets there, 'cause I have a four-year-old, a 2-year-old, so these are the buckets that I use on a regular basis. The three buckets were first a win-win on inclusionary housing. That worked for both local governments and for the development community number two was enhancing the Nexus between economic development and housing and then the third bucket was improving modern income housing plans, which we dubbed last year, SB34 Plus, which became hospital 462 and the good news is that I can sit before you and say we made significant progress in all three of these buckets. I've also added for former president Niederhauser's benefit here House Bill 440, which was not part of our initial buckets but was a major point of discussion with this Commission and within the League of Cities and Towns and that was dealing with homelessness and the public safety mitigation fund location of temporary homeless resource centers and the like, so now part of the initial 3 buckets, but another heavy-lift during this last legislative session house bill 303. I'm not going to dive into 'cause that was the land-use task force consensus bill, and there were quite a few pieces in there that addressed housing and land use, and the really the biggest takeaway from that bill is that it was a consensus bill. The land use Taskforce consists of representatives from local governments and the Property Rights coalition, and we spend a significant amount of time every spring, summer, and fall, working through concepts and trying to forge compromises and define consensus in House Bill 303. The final version of House Bill 303 elected that consensus is and part of that included language on inclusionary housing that better articulated what inclusionary housing looks like in the state of Utah, what the responsibilities are of local government and the property owners, and then also have some specific carve-outs for a handful of resort communities. The second two bills Ben Hart just referenced on the Nexus of economic development, housing break. I really want to drive home a point that Ben made about House Bill 151 for the first time. State law starting this here will now say to any local government. Any level of government, if you are going to incentivize this certain type of development in this case, retail development. There are limits about how you can do it, but one way that you can do it is if housing is incorporated as part of that project, and that housing also has to have an inclusionary component to it, and so again it's not mandatory. A city could choose not to use the tools. A developer could choose not to use the tools, but if you are going to use this tool, one way to use this tool is to include housing and have 10% of those housing units be inclusionary affordable housing units. Over the last now 6 plus weeks since the end of the legislative session, we have been on the road training we have met with and I'll go through some stats later in the presentation, but within the aggregate over 1000 people about what happened during the legislative session and we've done specific training on House Bill 462, House Bill 151, SB 140, House Bill 303. All of them, and I'm going to share with you 2 comments that came to me from long-standing members of the league, but I think it's important for this Commission to hear and it's a tribute to the leadership of this Commission. One city manager, who has been around a long time, grabbed me a few weeks ago. We chatted for a while and he said it feels like this past session that it was more collaborative than it's been in the past when it comes to growth, housing, and land use and he said, can you just make sure you relay that to the powers that be, that he's one who defers to other people in his city to engage with the legislature? But he said from his vantage point, as city manager he felt like it was more collaborative and he used 462 as

a specific example here and he works for a transit city, and he said the ultimate outcome with stationary plans and the enhanced data Collection 462, he said this makes sense. This is a good policy. Yes, it means more work for my city, but it's good policy and it just feels like we got to a better collaborative outcome than we have in the past. Second, conversations from one of my most senior planners who also works for a transit city but has been in local government for several decades he came up to me after one of our trainings on House Bill 462 and he said he just relayed that where we got to was great. He had frustrations about the practicality and implementation of SB34. Not the policy but the implementation and he said the work that was done over the last few months to bridge the gap between SP34's implementation and what is on paper for HB462's implementation, he said were night and day and said it's gonna be a lot more work for my team. It's gonna be a lot more work for me, but I think this will get us to a better outcome with better data and better analysis that can help inform those policy conversations those are two of countless conversations over the last seven weeks, but I think speaks volumes to how people feel about where we ended up through the process last year. The last thing I'll point out then touches on this briefly, but I think it would be worth the time of this Commission to meet with Laura. Have Laura present about the governor's office of Planning and Budgets campaign. The strategic campaign around engaging the public on growth and piggybacking that having envisioned Utah share their most recent data around Utahns values and concerns about growth last summer when we asked our Members for their top priorities in the Housing and growth space, their number one item out of the 44 items we gave them to choose from their number one item was for a public conversation around the positive and negative impacts of growth and the number 2 item they requested was additional technical assistance money well again, kudos to state leaders because we collectively delivered on both and Laura spent all week last week with us at our midyear conference in Saint George. Christina thank you for your time and your team's time as well. With us last week, and I know Laura was taking copious notes and we actually posed her question about this. What this engagement effort should look like and to all our members in our caucus meetings to get their feedback on what success looks like in this effort. So, I think it would be worthwhile for this Commission to have that conversation, and then the technical assistance money that this Commission supported will also be huge in helping those communities whose hearts are in the right places. But they need that additional expertise in order to implement the policies in the tech, those technical assistance dollars will be really valuable. OK then with that as the background, let's talk specifically about House Bill 462 and modern income housing planning so you can see these are the five main points that came out of House Bill 462 then what I want to focus on is really the implementation aspect and the implementation piece is a new language from SB34 from several years ago. That was actually the Charter bill of this Commission. House Bill 462 is taking SB30. So, the White House for 462 really tried to take language from SP34 and make sure that there was an implementation component to it and that the annual reporting that DWS will be requiring takes into account those implementation plans. Cities planned for housing, but we don't build housing. You've all heard me say that you'll continue to hear me say that, and that was actually one of the key themes we heard from our Members last week at our conference was they're willing to be accountable for things they can control, but not for things that they can't control, like market forces and land costs and materials and labor and all of those other components from a planning perspective, the House Bill 462 should give us a better data set about what's happening on the ground and also what's working on the ground and SB34 had 23 menu items in cities and towns. Cities were required to select at least three in transit cities at least four. We still have that number, but we actually added one which is stationary plans, which you'll hear about in a moment. But what we did with these 23 items is we went through it with a fine-tooth comb, and you saw this as a Commission, and kudos to DWS staff, 'cause they've put it into this PowerPoint where you can see what it looked like in SB34 versus what it will look like. Now when this bill officially goes into effect later this spring, so now with these implementation components built into the menu items, now those annual reports will show how the plans are being implemented

and what barriers are in place or exist and how the market is responding to those plans that are being put in place, so we're hoping it will result in a more robust data set. Thank you for your time with the league board back in January as we were really talking through this specific piece. Well, kudos again to the DWS staff for doing the compare and contrast of the existing ones versus the previous ones or the new ones versus the previous ones. But you'll see that the language is tighter, and you'll also see that there are now new menu items that didn't exist before that over the last few years. We have learned from experience or seen other best practices that are now going to be incorporated and we eliminated menu items that either cities weren't selecting or really weren't resulting in new housing units or new moderate-income housing units. But one example of a new strategy is the HDRZ tool, which didn't exist when SB34 was enacted. Now it does so now it's a menu item, and what's also interesting about that is for cities. HDRZ is one of the options that they have to choose from in the transit Subs. The sub-menu for transit. So, before the sub menu for transit or transit city had to pick one of two items. Now they have three items they have to select one of those three-plus do a stationary plan. So, House Bill 462 let's not kid ourselves, resulting in a tremendous amount of new work for cities that have transit. But going back to that comment from the city manager, he acknowledged, hey, we're willing to do more work as long as the bill still respects the traditional role of local government, and we feel like we got there with the outcome on House Bill 462. While work is already underway, you heard Ben reference Andrew Gruber asking for an update on the technical assistance money for stationary plants, which again is part of 462. DWS is already hard at work on their new report format, which has to be released July 1, and then we moved up the deadline for cities is from December 1st to October 5th and this will be a challenge because you have to go through the public noticing and public input pieces when you're in many general plans. So, we have been pounding the pavement over the last few weeks to make sure this gets prioritized at the city level so that they can meet the October 1st deadline for reporting and take all the steps that are necessary prior to that report. What that means from a Commission perspective is that unlike in past years where the report would come in December and then we jump right into the legislative session, there'll now be a gap of time between the report and the legislative session. Now, to be clear what that looks like in 2022 versus what it will look like in 2023 and beyond is going to be different. That's been part of the dialogue, is what the data said. Well, what data will be collected in 2022 with the condensed time frame versus what will be collected in 2023 going forward, so I'll defer to DWS to provide those specifics and we're working through all those specifics behind the scenes.

Representative Waldrip:

Cameron let me just interrupt you really quick. Go back one slide if you wouldn't mind. So, on this, and I think you've done a fantastic job of just helping your cities understand what it is that needs to be done? In this process, and I know you do this, but just as a thought for everybody as we talk about these annual reports. If we get good data back from the cities, that will help us and them come to the same conclusions about what the best next steps are to the extent we don't have very good data or it's you know this is to me, this is a critical piece to what we do going forward. Because it will help them see clearly the same picture that you know that the legislature seasoned the choices, 'cause I think that's been part of the problem historically is everybody kind of has their own take on what the situation is, does that make sense? So you know I think just as you go through that process of training and we get this new report out you know that this is not just a burden for those municipalities. This is their opportunity to paint an accurate picture with us and them. So that they can come, you know, everybody can look at the real data and say OK, now we see it.

Cameron Diehl:

Now that's an excellent point Representative and I do and Representative, I again want to thank you for spending the time with the League board the first week of the session because you are indeed beating a dead horse now because they beat you up in that meeting about the data or lack thereof, informing the dialogue and let me give an example that I think what the gaps were trying to fill at our conference last week, we had the Mayor of Enoch speak and the city of Enoch is one of the smallest cities that have to comply with SP34 and now House Bill 462 because as a reminder, only 83 of the 248 cities and towns have to comply with the moderate-income housing requirements because it's based on population. So, Enoch is one of the smaller cities. Well, Mayor Chestnut addressed our general session and he said we have, you know, ballpark 2000 housing units in the City of Enoch now and he said over the next few years we've entitled about 1500 more so the city of Enoch is close to doubling in population over the next few years and he said, we're trying to figure out what that means for our infrastructure, and he said 11% of their city flooded. So, when you talk about stormwater runoff you talk about culverts. You talk about infrastructure in general. Enoch had the real-world tragedy last year around planning and so is there figuring out what the next step looks like in planning for housing. Kind of setting aside the affordability issue they have all of these infrastructure challenges that they're trying to face knowing that their city is going to grow significantly in the next few years and they are a very small city, so trying to figure out they have the staffing resources to meet the planning needs to meet the infrastructure needs and then he said my residents are concerned right now and the city of Enoch about affordability because the housing units that are being built are not affordable and worry. Enoch people moved to Enoch because it was the affordable alternative to Cedar City. So, it's not just a Wasatch Front challenge. It's a challenge everywhere as we deal with growth and infrastructure and housing and the like. OK to wrap up this portion of House Bill 462 again. Want to thank the legislature and the governor's office for your support on the technical assistance piece. There was more technical assistance invested in local communities this past session than we've had in my career, and coming from a variety of different sources, there's always been good technical assistance. Money is available through the MPOs like Wasatch run Regional Council and through Salt Lake County. But now there are more dollars that are available and that's something that will continue to pound the drum with state leaders on how do we make sure we've got that technical assistance? In fact, I was on a call yesterday with the six County Association of Governments, which is headquartered in Richfield, but in Central Utah, the number one thing they asked me for is can you relate to state leaders and whether we need more technical assistance dollars to help on planning for growth? So, the partnership thus far is greatly appreciated, and there's still a lot of work to be done there. In subsequent years post-2023, you'll see there'll be some additional points that will be part of that data collection, but our hope is that this does lead to a very robust data set that then drives policy discussion. Well, I mentioned that since the session ended, we've been on the road and so I want to finish my comments with a couple of key takeaways. For you number one, we had our mid-year conference. I went to the mid-year conference last week in Saint George. We had over 500 attendees and I want to publicly thank DWS and the Governor's Office of Planning and Budget for the amount of staff time that they dedicated to our conference last week. That was a very well-received standing room only in workshops, with lots of follow-up questions, so thank you for taking the time to join. We also had our spring training. We did a standalone training for two hours or 90-minute blocks on House Bill 303 and then part one and part 2 of House Bill 462, where we really dove deep into the details and those three sessions alone had a combined attendance online of over 500 so it gives you a sense of in-depth training and I was manning the chat room. My colleague Carson Eilers now remained in the chat room during the House Bill 62 training, and we ended up getting over 10 pages worth of questions in the chat room on House Bill 462 so it gives you a sense of how complicated the policy is that you enacted, but also how meaningful it can be and thank you to our partners there. The database that DWS is developing will be absolutely instrumental in these

conversations and the last piece I want to emphasize is this prioritization piece for transport. This was a concept that actually came from our members that we brought back to this Commission and that is this last year. Well, not just last year. Three years ago, when SB34 was enacted for the first time, the state said Cameron City only qualifies for state transportation investment fund dollars if Cameron City. Selects 3 or 4 menu items and does the annual report. What House Bill 462 does is it recognizes that three or four not as the ceiling, but as the floor as the baseline. So now we have Cameron City does 3 or 4, Cameron Cities eligible for those state dollars? But if Christina City does 7 and is going above and beyond the requirements, then Christina City now is eligible for enhanced prioritization of those state transportation dollars and again, this actually came from the dialogue with our members because we had a lot of cities saying we're going above and beyond and what we're planning for in our community. We want this state to recognize that and so this was the process that we proposed that was built into house bill 462. Now inevitably, someone is going to ask me the follow-up question of what that prioritization looks like. So, I'm going to preempt that question by saying. We still don't yet know the specifics because we've been working through with UDOT exactly what that would look like as part of their prioritization process. But we think it's a meaningful model and look forward to putting that into action with our friends over at UDOT. So last but not least, I'll turn it over to my colleagues at WRC with stationary plans, but this isn't this 1 where I hope everyone on this Commission and just everyone in this space takes a moment to recognize the importance of what we accomplished here with station area plans you look at what's happening in other States and other states you're seeing state mandates one size in my mind. All approach is basically state dictates to local planning. Correct, that is not what happened with stationary plans. Again, it was a consensus bill with a considerable amount of time from those on the property, property rights side, and development side, as well as those on the City side and the MPO side working out. They've processed the respects and threw up local governments, but also provide key objectives for what these station areas should look like to maximize that transit asset. In fact, just yesterday we celebrated the ribbon cutting at the Clearfield frontrunner station, which to me is going to be a tremendous illustration of the value of station area plans and everything that a stationary plan can look like. Stationary plans were one of the concepts that came from our folks as we were talking about what does this partnership look like between the state and local governments? Not necessarily the tool per southeast, but more how do we enhance the planning around transit that was something we heard loud and clear from our members last year and this spring. We're in the process of doing our outreach to our members. So today I don't have a list for you of the things that we'd like to see as an organization. We are working through our internal process to build that list, we'll have that listed sometime at some point in May, and as we pivot from our spring training to then our outreach for the 2023 sessions, so I know that there's a great desire to be aggressive. We share the desire to make sure we have good planning and good partnerships and look forward to having that conversation at the appropriate time later this spring without Mr. Co-chair I hesitate to say this, but I'm willing to stop talking and cede the floor to my good friends at WFC unless there are any other questions.

Representative Waldrip:

See any questions from the group. Thank you very much Cameron for all your good work on this, it's been a major effort. Christina, do you want to introduce your new planner while they're getting set up?

Christina Oliver:

I do, yes, thank you if you haven't had the opportunity to meet him, he's a fantastic planner that I was lucky to steal back. I used to work with him in Draper City and now he is heading up the moderate-income housing plan and the database for the Department of Workforce Services, Pete Kane if you wouldn't mind just standing up for a moment, I know most of you can't see him on camera, but he will be here. He has already been doing the training with the Utah League of Cities and Towns members. He

has built an online portal for municipalities to submit their information which was requested multiple years in a row and this year we're happy to say it will be available. We are going to be doing outreach work and I say we, I mean Pete, I'm kind of catching him off guard here for a minute, so Pete will be going out and working with municipal partners to ensure that the report that we are requesting that they fill out is not only legible and understandable but actually has meaning. Furthermore, we are working on creating a database as was mentioned earlier. We are working with local partners on what that particular database is going to encompass. There are many ideas that are being outlined which we will present to the Commission, hopefully in the next meeting so we can start to get going on those efforts. We anticipate having more updated income and household material in this format whether it's a geospatial model, whether it's a dashboard that's to be done. But greater detail than what was provided before, when it was the 3050 and 80% material that was based on a less than accurate equation and a lot of the municipalities had heartburn. As a former municipal employee who did have to fill that out with that material, I also had heartburn. So, I come from a place of experience and I think Cam, if I'm not speaking too boldly, the cities and towns are excited to work with us in this new reformatted process, so thank you Pete, and also for putting all the training together and now Mr. Gruber.

VII. OVERVIEW OF SB140 HOUSING AND TRANSIT REINVESTMENT ZONE AMENDMENTS

Andrew Gruber:

OK, thank you very much Mr. Co-Chair, Representative Waldrip, and members of the Commission, Housing, Affordability colleagues friends. I'm Andrew Gruber, executive director of the Wasatch Front Regional Council. I am joined by two of my colleagues from WFRC. Megan Townsend is our community and economic development director, and Miranda Jones-Cox is our government affairs manager. We are going to go through as requested, some information about HB462 and Representative Waldrip I think it would perhaps make sense. Just roll right into Senate Bill 140 'cause they really do relate to each other. I do want to start by saying if I was a member of this Commission, which I'm not, I would make a motion to disapprove representative Waldrip's decision to not run again, but I'm not a member of the Commission, so that would be out of order, so I also want to start with perhaps an obligatory but very sincere expression of thanks for the collaboration and just tremendous amount of effort that has been put in by all the people in this room and many, many others to tackle the thorny issues, the really important issues that we are confronting together as a state that derived from growth and I don't need to go over all of them. We know what they are. Housing and housing availability and forward and affordability being at the top of that list, and I just say thank you and let's keep at it, we have a lot to do. Do I think maybe part of our job here today in talking about this legislation, you know you go through the session and you're in the heat of it and it's intense and you pass a bill, and then maybe you take a little bit of time off and then the dust settles, and you say wait a minute, what did we do? And now what? How do we actually make that make a difference? So, I think our obligation today in thinking about this legislation is to chart the course for how we are moving forward to actually implement these bills in a way that makes a difference and I'll just say sort of echoing Representative Waldrip and Cameron. We have an opportunity and an obligation to do jobs to make this legislative framework actually make a difference. We have a moral obligation to our community. I'll be candid. We have a political obligation to make sure that we make a difference together on this, because if we don't, we're going to be right back at it again. Representative Waldrip already said we have eight months for the next bill. Well, we hope to make a lot of progress between now and then and keep working collaboratively. So, here's what I'm going to do, I'm just going to provide a little bit of context. For the reason that we did these bills in the way that we did, Representative Waldrip, of course, as the lead sponsor for HB462 please, please feel free to jump in with color commentary or corrections at any point here, but the notion here is that housing can't and shouldn't be looked at in isolation. Housing has to be looked at to

be successful. Housing has to be looked at in conjunction with transportation, economic development where jobs are located, where transportation is, and tying all of these things together. Mr. Niederhauser and I have had this conversation over the years as well. In our region on the Wasatch Front, where the Wasatch Front Regional Council works as a metropolitan planning organization and an association of governments that sort of principle of coordinating these elements together falls under the banner of what we refer to as the Wasatch Choice Vision, a vision for how we can grow and maintain and even enhance the great quality of life and it really is through the coordination of transportation, housing, job creation, open space, etc. Now, within that broad framework of the Wasatch Choice Vision, you get to the theory behind HB 462 and Senate Bill 140, which is that transit stations in particular are well suited to accommodate and absorb growth while also preserving community character. Those areas around a frontrunner station or track station or a BRT station are ideal areas for there to be a mix of uses and multi-family housing, and I say to preserve community character, what I mean is there is no one type of housing that works in every part of a community, right? There are certain areas that it makes sense to have more density, more multifamily, and other areas where it doesn't make sense for that, and transit stations are really great areas to have that more intensive use and by doing so, we actually have the ability to preserve the character of existing suburban and single-family neighborhoods. It's a quilt that runs across the entirety of our region if you can think of it that way. OK, now within that, around transit stations. If we can provide a smaller lot and multi-family housing in strategically centered locations, again, think around transit stations, ideally with reduced parking minimums. We can allow for greater affordability. Now we also know that just because we have multi-family housing or mixed-use development or transit-oriented development that does not automatically guarantee affordability, but it can help if we can through this more intense development around transit stations can increase supply. We can help get at affordability if we can reduce developer land costs and infrastructure costs by having more intensity of development around those transit stations, particularly if we reduce parking minimums and therefore reduce parking structured costs for developers. We can bring costs down if we can take advantage of the financial tools that are in place, like HTRZ that Miranda is going to talk about and other federal and state funding programs or funding or financing programs. We can make housing more affordable, particularly when it's coordinated with transit.

Point #3 - Coordinating mixed-use development with transportation infrastructure gives residents more options to bike, walk or take transit. Reducing household housing plus transportation, H + T, costs now we have seen over the past few years unprecedented support for what we call multimodal transportation investment from the state roadway investment, transit, investment, and active transportation investment and bike paths as a means of transportation. All of this is part of Utah's unified transportation plan. Now, how does this relate to housing and housing affordability? If we can reduce the cost of transportation of car ownership for a family, rather than having three cars, they have two. Rather than having two cars, they have one. Because transportation is typically the second-largest expenditure for a household you can bring down the overall cost of housing plus transportation.

Point #4 -Linking, housing, and transportation provide greater access to job and educational opportunities. This is pulling all of this together and realizing that by thinking holistically about the connections between where people live and where they work, and the transportation system, we give people a better path to upward mobility, professor Raj Chetty at Harvard has done an extensive study about this all over the country and one of the things that he found was that in terms of the ability for upward mobility, somebody who's in the bottom quintile of the socioeconomic strata is more likely to be able to move up to upper levels of the income strata in Utah in our region than in most other places in the country, and one of the reasons that he found for that is because of the really good, generally speaking, access that people have to job and educational opportunities. We need to do more of that and this kind of gets back to what Cameron was talking about a few minutes ago. By tying state investment in transportation to communities that go above and beyond in their moderate-income housing by

linking the coordination of where homes are built with frontrunner stations or track stations, we increase that access to opportunities, which then has that direct relationship to people being able to get ahead to get an education to get a job and be more self-sufficient and help with affordability. So, with all of that kind of context, we mean, perhaps that's overlong, but I just think it's essential 'cause we're going to get into now what's in the bills? But what is the point of all of it, what is the point in all this coordination under the Wasatch Choice Vision? Well, actually we think if we do it right and we work hard on it, it will really make a difference in housing availability, affordability, and overall quality of life, now I will turn it over to Megan Townsend, who is going to talk through how are we actually implementing stationary plans with our communities.

Megan Townsend:

Thanks, Andrew, and thank you to the Commission on Housing Affordability for having us here to talk about this today. I'm going to dive into the details of the station area plan portion of HB 462. These details we've been working on and Andrew says, maybe we took a break and let the dust settle after the session. I've been working on these details ever since the session ended with partners. Mountainland Association of Governments down in Utah County, UTA, and GOEO, I know we've got partners on the line. Thank you to all of you for working with us on this and if I say anything wrong you can tell me quietly after just getting it incorrectly. So, I really do think the solution area plan portion of this perfectly strikes the balance between highlighting the investment in transit in our transit stations, that sunk investment that we already have in our region, this robust transit system and also respecting local control, understanding that the local context is really important here and the cities have the capability to enhance these transit stations that they're planning. The objectives are the objectives right in HB 462, four-station area plans they very much aligned with the Wasatch Choice Vision goals. Those are to increase the availability of affordability and affordability of housing, promote sustainable environmental conditions, enhance access to opportunities, and increase transportation, choices and connections. Those should sound very familiar if you're familiar with our Wasatch Choice Vision and our collective vision. I am typically a brief presenter, but I went to Miranda and Andrew this morning and said I need some other time because there are so many details in the station area plan provisions of HB 462, but I tried to boil it down to these three buckets. They're probably oversimplifying the work that needs to be done, but the first bucket cities will prepare, adopt and submit their stationary plans. That's the key here as they will also adopt relevant land use regulations. Going to get into that the timeline for all of this a little bit more following this is a key detail here in the preparation, adoption, and submission of station area plans is affecting the timeline, qualifying land use application by a developer property owner may trigger a one-year timeline for completion of the station area plan, so that's really a key point here. The second bucket is the MPO certification, so the metropolitan planning organizations NAG and WFRC are responsible for certifying these station area plans that will be submitted to us by the cities reviewed and certified by or the peers of these cities, and that is another great balance struck there. The third bucket is technical assistance, so Ben mentioned earlier the partnership with GOEO \$5 million, in addition to our staff time at both the MPOs and UTA will be available for technical assistance throughout the work of the cities on all of this. So, this should look familiar. Cam showed this earlier in the meeting. Just a summary here that 20 cities are impacted by this legislation. 20 cities have either frontrunner, Trax, streetcar, bus, rapid transit stations or a mix of those different modes of transit, and they're impacted by this legislation. Some of them have several stations, some just one, some just a sliver of a station area from a station in a neighboring community. There are 20 cities that will be working on this. The required planning area around the stations is 1/2 mile around rail stations and a quarter mile around BRT stations. We were talking about this earlier, so you're seeing the map. This map is available on our website now as well as on MAGS website. This really makes it real right? As you zoom into this map you see all of the station area boundaries overlaid on our watch trace vision. So, the colored polygons you

see under those. Those circles in the station areas are the last choice centers and I think that I'm going to get out of Salt Lake City where you get this stationary a conglomeration and go up to Ogden, because Ogden has a mix of station areas and they have several different types of centers, and so I think Ogden is a really great example, as you zoom in and you see that there are overlapping BRT stations in that quarter-mile radius, you see Ogden frontrunner station overlaid on a center-right in that center it takes up about half of that station area, and that's important because Ogden has been planning this station area right. There's so much planning that's already been done. There's plenty to build on with these requirements of the station area plan but you can see that they've identified where there is room or a more compact station area. Oriented development station-oriented development transmitter into development and you can see in areas where they've identified that that type of development may not fit or there's more planning work to be done there. Take a look at this map on your own time. I think it really brings this into perspective. I think the link is in the chat. Alright, here's a timeline for the station area planning work. This is really general. Like I said, there's so many details here and we could be here all day, but there's a little old training on there, but there are training videos up online that we did with the League, WFRC and MAG goes a little deeper than we'll be able to do here today. June 1st, this bill takes effect July 15th is when we're looking at having applications for round one of technical assistance funding available through the MPO'S. We're looking to make awards in early summer in August. We don't want to be a bottleneck. We want to help cities get moving on this. There are deadlines at play, so I'm looking to turn around quickly on technical assistance. In 2023 you'll see we have a highlighted update here. July 1st, 2023. That's the first state that station area plans might be due to be certified for station areas that receive qualifying land-use applications built, the bill specifies very much what qualifies a land-use application to be able to ignite this timeline for a city so that that deadline is one year after, whenever that qualifying land use application is received for that station to have a then begin or complete their station area planning work, submit that for certification. Then I'll highlight the 2025 deadline of December 31st of 2025 as the deadline for cities to adopt station area plans and relevant land-use regulations for four or more of their stations. There are all the other details in the bill about whether or not how many stations a city has to complete a year. All of that, but essentially that 2025 deadline is when we'll see those stations that did not receive a qualifying land-use application. Have their stationary plan beat, but ongoing technical assistance throughout this entire time.

Andrew Gruber:

Yeah, that's the outside deadline we're anticipating and hoping that communities are actually going to be moving faster than that deadline.

Megan Townsend:

OK, the components of a station area plan. There are five key components, 5 buckets here. There's the station area vision. That idea says many cities have begun to move. They know their vision. Maybe they need to expand the area that this vision covers. Maybe they need to adopt things, but this is what will continue working with cities on the station area, the map and this has to cover that full radius if they're half-mile for rail quarter mile for BRT. The five-year implementation plan. So how is the city planning to bring this vision to fruition. An explanation of how the station area plan works meet the four objectives that I highlighted earlier in the presentation these station area plans all have to have public involvement and stakeholder engagement and the key stakeholders are listed in the bill, but that includes MPOs, UTA, the public businesses property owners right all of those key stakeholders need to be involved in the process. Couple of things to note here. The city may demonstrate how prior actions satisfy requirements, so we don't want cities to begin again if they've already done some of this right, we want them to submit what they have a resolution for what they already have, and then we will work to build the rest with them. Then they can work on their own either way, and then cities may demonstrate that

satisfying certain requirements are impractical at a particular station area, and that is only certain to require what you know. Whichever requirements are impracticable, it's not that's not to say that they can say that the whole thing is impracticable, right? With that station area plan certification this is the next bucket there are three key steps here, the city will adopt their station area plan or landing circulations and the resolution. Submit that to the MPO. The MPO is working with UTA to certify that station area plan requirements have been met for the station and then the city will include a certification of a certificate of compliance of some sort from the MPOs in their report to TWS on the October 1st deadline that can be mentioned so that those are three steps to certifying scenario plan work. The hope is that we've worked closely with cities throughout the whole process, and we know that they meet regulations, and we can work smoothly there. Just to note MPOs are reviewing the solution area plans, they are not reviewing the zoning changes also required by the legislation. Technical assistance, here's the summary of the technical assistance that has been mentioned that's available through the MPOs. Again, working closely with partners on that Utah GOEO, there's \$5 million from GOEO that's appropriated in the bill that will be local matching money. We imagine the cities will do a lot of this work on their dime as well, with their in-kind folks as well as staff support from the MPO's and from UTA. That might be the technical assistance awarded might be that staff time or it may be consulted time using that funding and the imposer required by the legislation to give priority considerations to station area plans that are triggered by those qualifying land use applications. So, because that timeline, that one-year timeline has been triggered and we want to get working with those cities as quickly as possible, so we're required to do that. Funds will be awarded really frequently. I mentioned that we'll be making our first round of awards this summer, and it won't be annual after that. We don't exactly know what the periods will be, but maybe monthly, maybe bi-monthly, maybe rolling, but we want to be able to put this money to work as quickly as possible. There are some local land use process modifications that come along with completing station area plan requirements and those are that land use legislative actions are non-referable, with a 2/3 approval by the legislative body in a station area compliant with the station area plan requirements. Along with that, the signal signature thresholds are increased for a zoning referendum within a station area. If station area requirements are met and finally, a first priority review for residential development applications requiring zoning changes in station areas that do not yet have an adopted station area plan.

Andrew Gruber:

I just want to make a brief comment on this element here. So, what you should take from this is that these changes in the bill, the requirements, or stationary plans are not actually just about the planning element from the cities. They are also meant for a community that makes good plans that advances these shared objectives and state, regional, and local objectives that there is going to be. I don't know if it's going to be harder for those plans for those development plans. Those development patterns for those housing developments to be overturned to be referred because we know this is a significant challenge that we're facing right now. I think we'll have to see how this plays out, but I think it's going to be significant as we go forward.

Megan Townsend:

Thanks Andrew

Mike Gallegos:

This means. OK good. This mean then a. With a 2/3 approval then an exact or a mayor cannot overturn. The approval. That we're saying.

Andrew Gruber:

There this is what this is getting at is a U.S. citizen or public referendum. So, if the City Council adopts a zoning to implement a housing development in an area that has a station area plan adopted if the City Council acts with a greater than 2/3 majority vote, then it is not subject to public referenda. That's actually the same basic numeric standard that applies to state legislative actions as well and if you want more detail on that, I'm going to phone a friend and ask Cameron to come up.

Senator Anderegg:

Mike, that is correct. So, we followed basically the same referenda threshold that the legislature is under, so in essence, it's that balance between the people versus their elected representatives, and you have to have a clear 2/3 majority in order for that to not be referable, so we just mimicked the same thing that the legislature has to do.

Mike Gallegos:

Thank you.

Andrew Gruber:

Any other questions? And I hope Representative Waldrip is OK. I'm kind of driving the ship at this point, and you let me know if you still want to please continue.

Representative Waldrip:

You're fantastic, perfect, thanks.

Megan Townsend:

Thank you very much. I hope I don't have to have Cam follow me around for the rest of my life but. I might have to ask questions on that specifically. All these details that we've talked about, but it also just expands housing options. It focuses the compact development on these transit stations. This incredible investment we've made, and here are some of those highlights that Andrew had before just on the. The overall impact on housing and the implementation of our wash that choice vision. So, with that I am actually going to wrap up the station area plan portion of this, and unless there are questions.

Andrew Gruber:

I'll just say Senator Co-Chair, Senator and Representative Waldrip. We would be happy to address any questions about this. We have just a few pieces of information about what's related. The modifications of Senate Bill140 HTRZS, but if you'd like.

Senator Anderegg:

We do have a couple of questions, so we're going to go first to Janice Kimball.

Janice Kimball:

Thank you. I think this is more of a comment than a question, so I represent local housing authorities and so there were those clients that are extremely low income and as I was watching your presentation about the benefits of tying housing to transportation, it occurred to me that those are the places where we should figure out how to incentivize or require increased affordability and by that I mean going deeper than 80%. So, at 40 percent, 30% AMI and so with that second objective I'm wondering if there's a way we could look at if you're investing public resources that you get more points or more benefits for really pulling down those AMI's, thank you.

Senator Anderegg:

It's not a bad suggestion. Wayne Niederhauser.

Wayne Neiderhauser:

Thank you, Mr. Chair and Ditto, to that comment. So, I want to just briefly talk about just the accountability part of this with the municipalities land use authorities. So, you certify their station area plan SAP I guess, and but what if somebody doesn't, I'm just gonna throw out a couple of questions. What if municipality does not submit a stationary plan and then there's obviously an implementation phase. You mentioned the I guess five years to implement, but there is an implementation of that plan. What happens then?

Andrew Gruber:

OK, thank you great questions. I'll comment on this. Christina can comment. Meg, Cameron can comment. If a community does not submit, thereby doesn't allow the MPO, WFRC, or MAG to certify, then we don't certify and if we don't certify, then the municipality, when they do their annual report on October 1st to DWS. Pursuant to the moderate-income housing plan requirements, they will not be able to demonstrate compliance to DWS, so what we have done here is we have built the station area planning requirements into the existing, now modified by HB 462 enhanced framework or architecture for modern income housing plan compliance. So, if they don't do the stationary plan, if we don't certify they are not going to be in compliance, and then there are the penalties for noncompliance that are triggered if DWS can't, I guess certify that a community has in fact, complied with all the modern income housing plan requirements, such as UDoT now cannot spend state transportation dollars in a community that is out of compliance. There's some details associated with that, but it triggers into the whole moderate income housing plan benefits and non-compliance structure. So that's on the front end, right? Getting the station area plan submitted, adopted, and certified. Your second question, what about the implementation similarly? Right? On an ongoing basis, once a station area plan is adopted now under the modified enhanced framework for moderate income housing plans, communities are required to submit reports of progress. There's essentially required to demonstrate progress and implementation of their overall moderate-income housing plan each year that includes making progress on implementing what they laid out in their station area plan. So, if their station area plan, as you noted, as Meg noted has a five-year implementation plan. Here are the steps and who needs to take them if the community is going to have the obligation in their DWS annual reporting to say, here is what progress is actually being made and if the progress isn't being made on this item or on the other items in the entirety of the modern income housing plan report, then that also triggers a finding of noncompliance which leads to the penalties that I just mentioned.

Wayne Neiderhauser:

So, thank you and I just made follow up so if somebody is in non-compliance and DWS triggers that UDOT can't spend any money in that area. So, let's just take Perry for example or Willard, Hwy 89 goes through those cities and they don't, they're in non-compliance. Does that mean we're not going to improve Hwy 89?

Andrew Gruber:

Yeah, what you're inviting me to do is go a little deeper into the details of how this works. I'll try to do this briefly, OK? The penalty provisions. The non-compliance provisions related to the expenditure of state transportation dollars. TIF Transportation Investment Fund and TTF transit Transportation Investment fund. Those are dollars that are used for capacity projects for highways, state highways and

transit. First of all, it is the way this works is that the State Transportation Commission cannot program dollars to be spent in a community. So, it is not actually a restriction on the expenditure of the dollars. It is a restriction on the Commission's ability to program, meaning allocating real money to a specific project over the course of the next few years in the state transportation improvement program. So, if a community is saying "hey we need dollars", we need a project in our community if they're out of compliance. UDOT and the Commission say we might think that's a good project. We are not allowed by state law to program dollars in that in your community. So, it's not on the expenditure. It's on the programming which kind of fits. Better with the planning and the modern income, housing planning and the programming of the dollars. So that's point number one. To your other point about Perry, which is 1 community that has state highway infrastructure running through it. The way that the law is written, and this actually goes back to Senate Bill 34, is that if there is a, and I may get the words not exactly right, but if there is a transportation facility that is a major thoroughfare, like an Interstate that runs through a community, improvements can be made that affect the entirety of that line, or roadway. What can't be done is that money can't be spent to build or improve an intersection or an interchange that is specifically within that community. So if community X isn't in compliance, then UDOT and the Transportation Commission are not going to give or program a new intersection or interchange improvements in that community, but they still could program dollars that run along the entirety of I-15 or 89. This is the balance that we tried to strike that one community's failure to comply would not negatively impact other communities along the line, except to the extent that people want to get off and you know, get off 89 in Perry, and then the thought also is along that line there would be peer pressure that communities would work together, and if one community is not stepping forward and doing what they need to do, if there's a failure. If the state can't program dollars, an improvement in that community is going to have some degree of impact on the neighboring communities even though they're not situated immediately there, and those communities would turn to that non-compliant community and urge "you've got to do your part. This is actually hurting all of us", even if it's somewhat indirect.

Wayne Neiderhauser:

So, I just hope that that is sufficient and just my experience over the years is that you know if it's an interchange you know or not the interchange there, but it puts more pressure on the interchange in the city next to it. I think it is more robust, and of course, this is statutory changes. So, it's the local dollars that they're going to have an impact at transportation. Local dollars not necessary state dollars because they deal with state roadways and there's an impact to everybody else when we don't, that's just a point that maybe the Commission considers that.

Senator Anderegg:

We looked at that and the lowest hanging fruit for those local dollars was the B&C Rd funds and that was going to create a World War III so we took where we felt like was the next best option, but your point is, a valid one. We had much discussion on that as to whether or not we should have something a little bit more teeth.

Wayne Neiderhauser:

Thank you for that answer and I'll just move on.

Andrew Gruber:

If I may just very briefly note to you, this is somewhat anecdotal, but President Neiderhauser, I'm not going to name any particular communities, but I will say to you, anecdotally, that we did have some communities after these requirements were established that came to some of us and said they would

not otherwise have developed and adopted a modern income housing plan but for the penalty provisions that they were concerned of, and they said that through gritted teeth, I will admit to you. But the evidence to this point suggests that the risk of the penalty is having an impact, and the overwhelming majority of the communities that have to do these moderate-income housing plans have projects that they want to have funded from these state dollars. The overwhelming majority I think it's fair that we're going to have to look and see how this plays out over time. But as Senator Andregg noted we have had a lot of discussion on this topic area.

Senator Andregg:

We'll go to Christina Oliver and then we've got a question online from Chris Gamvroulas we will go to Christina first.

Christina Oliver:

So, I just also wanted to tie in the transit-oriented development change that was made in HB 462 as well, so I mean public transit district may participate in a TOD only if they've developed and adopted this station area plan and is in compliance with the moderate-income housing plan. So, there's additional pressure that, Andrew, if you wanted to speak to it.

Andrew Gruber:

Well, just thank you. It's I really appreciate you bringing it up UTA and trustee Holbrook is online right now. There is, as you're noting UTA can't enter into a joint development agreement, can't participate in a TOD with a community if that community is out of compliance. So, it's yet another tying of all of these elements together, thanks for bringing that up.

Senator Andregg:

I'll just chime in here before we go to Chris. What we were trying to do is, I believe and have felt for a long period of time that we literally are spending hundreds of millions of dollars between TIF, money and TTIF money each year that arguably are coming from our gasoline tax, right? So, I mean, it's coming from our citizens, but ultimately they are benefiting cities when infrastructure goes in the city and says oh, good, now we'll rezone this and we'll do that well and then they get their Starbucks and they get you know everything around it. They get sales tax from that and it's great and it benefits the city, but oftentimes we still find ourselves at a loss with those cities because they want what they want, and if someone lights their hair on fire within their city, they're not going to do anything else. Yet, there's some regional aspects here. We were trying to tie these millions, hundreds of millions of dollars of infrastructure money directly to a city's actions. Get up, get going, get off your butt, get something done, and if they're unwilling to do so, there will be costs associated with it and there is an argument to say that there isn't an immediate or direct cost like we would get with something like a B&C Rd fund reduction or something, but ultimately what mining I'm understanding is that our compliance level originally with SB34, there was like fifth, there's like 87 cities or towns that this would complete would affect, and I believe that initially there was like only four or five cities that weren't in compliance by the end of that year, but within a few months into the following year they were all in compliance and everyone was trying to get there. So this is HTRZ transit oriented development is kind of that next inevitable step of where do we go to tying that into the plan saying, OK, yeah you want something on the Interstate but hey, this also applies to your TOD and I just had this discussion with Alan Mathison at the point when we were talking 'cause I tried to put in this bill requiring the point to have affordable housing up to 20%, there was some resistance because I think there was a lack of understanding I just sat down with Alan and he said so as we went through it all he said OK, area median and we're going to use Drapers area, median-income or Salt Lake County area median-income. I said we've got to use Salt

Lake. Tony, he says, well, that's going to even push the pressure that much more and less profitability, I said you're absolutely right, but you might get teenagers from Draper, who will work those retail jobs, but they will be drastically unstable, or you will get people from Kearns and Taylorsville who will drive in the transportation component of housing. Exactly what we're talking about, which is going to cause error issues, it's going to cause traffic issues, it's going to cause parking issues on site and so if I can use the 7.50 of 80% of area, median-income or whatnot versus Draper's \$1100.00 for rent at an area median-income 80%. I said I'd much rather use the county because you're going to, we will end up just like Park City. Where 95% plus of their workforce will have to transport in and in migrate in and so to that point. What this bill this year did is, it's trying to not only tie those infrastructure dollars that cities benefit from, but also in their area meet their area plans to make sure that there's affordable housing so that the transportation, 'cause obviously what we're trying to do is 30% of a person's household expenses could go to housing, typically in that lower area median income. If it's more than 20 to 25% going to transportation, then they stop being able to pay for medical. They stop being able to pay for food. I mean, there's a lot of other things. So, if we can simultaneous to the housing gap issue address lowering the cost of transportation we are compounding the impacts of positive and that's ultimately what this bill is trying to do. Let's go online now to a question from Chris Gamvroulas.

Chris Gamvroulas:

Thank you, Mr. Chair, and for the reports I've been listening very carefully to Cameron report and WFRC and well done. I can tell you. If it were B&C Rd funds the compliance would be faster. I will tell you anecdotally what has passed so far with the stationary plans and the retail incentives. It's starting to work. I would say it's still got a ways to go, but I do want to compliment Cameron and his team and Andrew and his team for being out in front on these issues. We are seeing mayors and council members who otherwise would never have even considered multi-family housing or housing affordability now at the table talking about it. That is a big first step. We've got a long way to go. So, it's not that I know one need. I hope no one's out spiking the ball 'cause we're not over the goal line yet. I did want to just say publicly that they have they've taken this mantle up and in other states we see because we keep a pretty close eye on what you know, league people do in other states. My son lives in Maine and their league has never been at the table the way that our league has. So, it's starting to work, and I appreciate everything you guys have been doing.

Senator Anderegg:

Thank you, Chris. Seeing no further questions, we got several in the audience or do. I have another one. Deborah from the Cache Coalition asks:

"I truly appreciate this conversation. I believe that much of what you were talking about will be great asset to those who live in Ogden and Provo areas. My question would be how does this apply to Cache County? We are having a huge influx of people into the communities concerns of the devaluation of property by building these high-density housing is a huge deterrent. That may be the case as far as their perception goes, but the data doesn't actually prove that out. How is that addressed when someone goes to sell comps are used in the loan valuation process. Yes, we know a single home near a mixed housing development is a major concern, yes, but the data doesn't actually prove that out. How can we best support your efforts in our community? I am an educator and would love to help in the overall education planning, and growth developments in Utah and Cache County? Christina, would you maybe address what the data actually shows do you?"

Christina Oliver:

Yeah, absolutely. So, the Ken Gardner Policy Institute recently published material regarding this specific topic. It is perceived by pretty much everyone who lives in a single-family home. Very few people will say I don't believe that multifamily devalues my home, but the data that Senator alluded to specifically calls out the facts, and the fact is, multifamily housing adjacent to single family residential neighborhoods does not devalue single family residential homes.

Senator Anderegg:

I do think it's important to note that we're not talking about density projects, i.e., the projects that we used to see in the 70s and 80s, especially tied around Section 8 housing and other section other federal subsidies housing those under those scenarios where you had blight. You did see devaluation to a large extent and that is, I think, what this notion is a carryover from those issues that we had in the 70s and 80s, and even into the early 90s the way that density is done now you actually see an increase of value, especially when you have more growth. It's kind of a misnomer, right? If you have more growth should that devalue your land, and yet if you have more growth, that means there's a higher demand. It's location, location, location, so long as you don't have a deleterious effect happening within the community. Andrew, you have additional assets.

Andrew Gruber:

Well, I'll just add that that fact is true also for proximity to transit. That increases value and is again part of the reason. Part of the rationale for why developing around transit stations is a good approach to take.

Representative Waldrip:

Can I add something?

Senator Anderegg:

Please Steven.

Representative Waldrip:

And I think Deborah, I appreciate that question and the fact that you're an educator, I think, is really critical because I think that part of the issue with this is traditional notions. And I had Senator Anderegg just mentioned it. You know, traditional notions of density are bad. You know we have density. That means we have low-income concentrations, and you know blight and drugs, crime, et cetera, et cetera. Part of this initiative and part of why the funding for the planning dollars that went to Wasatch Front Regional Council was so critical that we can develop good density and good density has a net positive impact on Community valuation, particularly as it relates to access to transit. Now, this does not address the Cache County issue, which I think is something that you know as we look at adding on to this and looking at going forward. What do we do with our kind of Wasatch back or off Wasatch Front communities that do need to develop density in order to meet need how do we help them develop good density? How do we encourage and support that instead of just having it be, you know, kind of the traditional, well, whatever the developer comes in and proposes something and whatever they say goes, the cities have to take a more active role in ensuring that whatever density is put into place meets the definition of good density so that we don't have those negative impacts. Does that help there, senator?

Senator Anderegg:

It does. Thanks Steve. Appreciate it. Do we have another question? I see a Q&A and other. There isn't anything else and then. OK, let's move on to your next item for HTRZ.

Andrew Gruber:

We can conclude briefly with this. This is enhancements to housing and transit reinvestment zones, and I'll turn it over to Miranda Jones-Cox.

Miranda Jones-Cox:

Yeah, thank you so I'll be brief. I know we're running out of time on the agenda. OK, so that'll take all the time. Just getting so housing in transit reinvestment zones hopefully aren't a new idea to this Commission. I believe we've talked about them in the past here but want to touch on some changes that were made this year in the legislative session to HTRZs and maybe give a quick refresher on what HTRZs are set to accomplish. So, Andrew, Cam, and Megan, they touched on new requirements for our cities as it relates to station area planning, moderate-income, housing plans, etc. But HTZS housing and transit reinvestment zones aren't a requirement for city. HTRZs are a financial tool available to locals to plan for or to plan and accomplish multi-use and multifamily development around transit. HTRZ as it was originally when it passed in the 2021 general session, did a few things and I'll touch on what it did and then now how it was expanded this session. So, when it allows for that multi use multifamily development around the front runner, specifically, 1/3 of a mile around front runner allows for this development but it allows for tax increment capture of state and local sales and use tax for and allows those tax revenues to go towards the development costs of the project in that area. Where this ties into affordable housing is in a certain way, so one I have here the desired outcomes of an HTRZ, and again want to highlight increased availability and affordability of housing, specifically in an HTRZ it will be required that rough that 51. A minimum of 51% of the developable land is residential of that residential area in the HTRZ there's a minimum density requirement of 50 units per acre, so again looking for this multifamily housing and then multi use within the development and then on top of that of the residential units in the HTRZ. There's a minimum 10%. A requirement of affordable housing, and so again it touches on the availability and affordability of housing in these areas around transit stations and ties in these other outcomes and, you know, benefits that Andrew and Meg touched on as it ties in the Wasatch Choice Vision, like increase access to opportunities, affordability of transportation, access to transportation, etc. So, with SB140, which was passed, this last legislative session. HTRZs were given a limited expansion, so like I said it was just given to or just allowable around 1/3 of a mile of frontrunner stations. With the bill at limited expansion to tracks and BRT stations, a quarter of a mile radius around those stations and the idea here and why we why it makes sense to expand HTRZ is so that there's greater opportunity to use the tool right? There's more communities which now have access to this tool, and it also ties in really well with station area planning that maybe wasn't the intent going in right, but you know, we didn't do HTRZ because of SAP because of HTRZ, but HTRZ is a tool that can be utilized and as cities put together, their station area plans that can then turn to HTRZ to accomplish their station area planning around transit. So, kind of just to briefly run through some of the changes. High level the limited expansion while it expands to tracks and BRT. There is a limited number of HTRZs allowable in counties so, 8 tracks HTRZ in the County and three BRT stations, bus, rapid transit and tracks have limited numbers of housing and transit reinvestment zones per county.

Senator Anderegg:

I think that was done as I recall, because those are already partially fully developed with predesignated areas already. So, in essence, this was kind of the grandfather section of what is already out there was my understanding.

Miranda Jones-Cox:

Yeah, that's definitely part of it. I think another point of why it makes sense to limit the number of total HTRZ is to not overburden the local taxing entities with unlimited tax increment capture at any given station. So additionally, one other point that's worth noting is that in the bill, it requires that a reasonable percentage of units in an HTRZ are multi-room or multi-family units and the idea here is to get at that. Missing middle housing that we all have heard so much about recently and how important that is to try and address and we really see that lack in what we have in our housing inventory and then lastly, like I'd mentioned before, I actually didn't mention this before. They HTRZ allowed for tax increment capture up to 80% in any given area. This bill also adjusts that if the proposed units are between 39 to 49 units less than the 50 units which it had before that it would reduce the amount of increment capture allowable and again this is just for bus rapid transit area. So, I guess, kind of like I said, I think we're all somewhat familiar with this tool. I think this kind of shares some more information about where we're moving and how other cities can now use this tool at their bat tracks and BRT stations. But again, I think it just it really ties well with these other requirements that we now have for cities with station area planning, and we hope that this tool HTRZ. These can and will be utilized moving forward. One thing I didn't mention, and I know Ben touched on this earlier in the meeting was that GOEO is actually heavily involved in the HTRZ process as well. When HTRZ is proposed, it goes through the Governor's Office of Economic Opportunity for a gap analysis and though we haven't seen a HTRZ application just yet. I think there are a few on the horizon and so we're looking forward to seeing how this tool is utilized and how it ties with these other requirements and tools that we have. So, Andrew I don't know if you have anything to add?

Senator Anderegg:

Thank you. We do have a couple questions. I also have some comments and I'd like to give you guys a job to do a task if you will. Let's go first to Mike Gallegos.

Mike Gallegos:

Thank you, Mr. Chair. Such as the reporting on the modern income housing plan. When are we gonna be able to measure the impact of these developments? As far as how to impact that of that community?

Andrew Gruber:

Yes, Mike, the one of the requirements Miranda mentioned for HTRZs. One of the requirements is that there's a gap analysis, that is that is performed. Part of the notion of the gap analysis is what development in terms of residential development etc. would not occur, but for utilizing the HTRZ tool so baked right into the HTRZ analysis in order to be approved. There has to be a demonstration made that there will be additional development that would not have occurred. So, in terms of the differential impact from the tool that's part of the evaluation process.

Mike Gallegos:

And the affordability. We would also be part. Of that, yes.

Andrew Gruber:

They have to demonstrate that they're complying with the terms of the statute in order to take advantage of that using the tool.

Senator Anderegg:

OK, and that reporting requirement Mike also is something that we will get on an annualized basis, because what we're really trying to do is we're trying to see. OK, here's the requirements. This is how the city says that they're going to comply and now with the reporting requirements were going to see what actually was done in their city.

Mike Gallegos:

Yeah, we have to look at the benefit to the public.

Senator Anderegg:

Exactly agreed. Any other questions? OK, I've got an assignment for you guys. I have no authority to do this, but I'm going to do it.

Andrew Gruber:

We take your assignments, Senator, we're ready.

Senator Anderegg:

OK, you know, we've talked about this forever about and this actually goes back to when Wayne Niederhauser was President Wayne Niederhauser and we actually set up the T-TIF and we had active discussions of how do we set up a permanent funding source for the T-TIF and we didn't quite develop anything so. The way that I have seen this done in Europe, specifically in Switzerland, the way I've seen it done in China and throughout parts of Asia for transit and transit development, to have an ongoing state funding source so that we're not relying entirely upon the feds. The T-TIF I would very, very much like to see what some of these other countries have done and say could you guys. Here's the task. Could you go and do an analysis of if we were to set up a dedicated funding source similar to what we've seen in Europe, similar to what we've seen in Asia, how would we do it? What recommendations specific to the nuances within Utah? How would we do it, i.e., property value, capture something, i.e., property tax increment. Whether a new portion on top or a dedicated portion of the existing, I don't know, I know that any of this is going to end up with a huge discussion in the legislature. I get that perhaps a small overage on sales tax at those retail sites. Perhaps a delivery component for freight in those sites for retail utilization, let's say every time Starbucks gets, you know, new cups or something. I don't know if I'm pulling rabbits out of a hat, but all of the above approach, what I would love to see from you guys as soon as humanly possible. Because I have a potential bill in mind to address this and here's how it affects housing. One of our biggest issues is we're never going to build roads sufficient enough to keep up with the growth and the foreseeable growth that we're going to have. We have to have a multimodal transit option. Our first and last mile are killing us. Our cost associated around transit infrastructure are killing us I think we took big steps with Representative Kay Christopherson bill this, last year in in bringing a lot of that oversight under UDOT. But we still don't have a funding source. We need an expansion program of what we do for transit, i.e. all of the above Trax, frontrunner, BRT, whatever it is, and I have to in order to justify. A funding source is going to be dedicated to this. We need to have kind of a better comprehensive plan for what we're going to do and what we're going to go after and how we address that first and last mile because I think one of our biggest impacts, we can have over the next several decades. Is an expansion program of transit until we reach that tipping point that people will say I can pretty much get anywhere I want and not have to set foot in a car? That's the goal. I can pretty much let me take two decades. I get. It's probably going to take some time. But if we don't have a plan and we don't have a funding source for it, we're all just kind of oh well, we have to have multimodal, but we don't have a plan to do it, we really don't, and we're reactive more than we are active. So, what I'd like to see is I'd like to see you guys come back with a recommendation. Say if you were to do this here

are some recommendations for how you might do this, and I would love to see, and here's who's going to be upset about it is the league or the 'cause we start talking about your sales tax right? Yeah, or whatever my point is, I'm OK saying if we're going to set this up, let's start small and just, you know, broaden the base. Lower the rate. Let's get something going and then over time, as we see the benefits of this, we can move it to where it needs to go. That's what I'd like to see. I would like to see that we actually have something in a T-TIF that can actually do what needs to be done, and that overall is going to help our drive down our cost of transportation and make housing that much more affordable thoughts.

Andrew Gruber:

Well, first of all, Senator, thank you. This is indeed the topic that we've had a lot of discussion about. I've enjoyed our conversations about this over the years, and I think. It's fair to say that all of us, or at least almost all of us share the goal of having real ability to invest in transit in our entirety of our transportation system and as you note, up until just a few years ago, we had no ongoing source of funding for transit investment, we did implement the T-TIF which is not gas tax funding. It's sales tax funding, but it's a calculation tied to the increase in the in the gas tax and it's doing well. I liken it to you know, a toddler that's learning how to walk. It's growing up. We want it to grow up big and strong as time goes on so we can have an adequate balance of the funding that we can invest in infrastructure over the past few years, the legislature for the first time has invested significant amounts of. Funding into transit one time dollars. What we don't have yet to your point senator, is an ongoing source of funding. Now former President Niederhauser will remember a few years ago authorizing an additional .20 local option. County option sales tax that can be imposed for transit. That has only been done by Summit County so far, so there is right now in law, a source of funding available County option. OK, we don't yet have I think adequate funding ongoing for state level investment in transit. Two points, one your request for a menu of options. We're happy to take that on in collaboration with our partners to look at various sources around the country about what some of the options are. The Who hate it list. Let's talk about that. The other point I'll note is the recent Congress adopted the infrastructure investment and JOBS Act, the largest federal infrastructure investment in history, and there are a lot of competitive discretionary grant funds available through that bill that in order to be competitive for them, we have to have local dollars. When I say local, I mean nonfederal dollars available to compete. So, the more money that we can come up with at the state or local. Level we will be. In a better position to compete for and match or even over match the available federal dollars. So, the time is ripe for us to crack this nut that we've been working on to have an ongoing source of funding for transit and I'll say for active transportation as well.

Senator Anderegg:

OK, I would never, never, never suggest what I'm about to suggest in the real world to any human, but let's jack him up with steroids and take that toddler into teenage football playing gears and let's do that right now. OK, toddlers are great, that's OK, but let's keep going, that's what I'm asking for is that. I think that needs to be part of solution. I'm off my soapbox. Thank you. Any other things? Any other questions, comments, concerns? Let's I know we're over, but I'd like to give Tara Rollins some time real quick to come up and to talk about the eviction records, amendments, Tara or Francisca.

VIII. OVERVIEW OF HB359 EVICTION RECORDS AMENDMENTS

Francisca Blanc:

Yes, thank you. This is Francisca Blanc. Housing Coalition, my captain needs to rest, so I'm going to do the presentation today. We also need a lot of money for affordable housing, so we'd love to hear some

ideas on a dedicated source for affordable housing. But I'm here to talk today about evictions. So, prior to House Bill 359 sponsor, my Representative Marsha Judkins. We didn't have a process in place to address expungement of evictions. The courts always had the ability to do that to a judge ruling, but they never feel comfortable to do an expungement because they never had a legislative intent so we now have the legislative intent and we also have the process in which an expungement of an eviction can happen. The bill takes effect July 1, which is great because it's giving us time to figure out how we're going to do the marketing. The forms, and you know anything else that we need to do. So the bill in itself has two parts, has an automatic expungement of evictions, and also has a petition expungement by petition, and in both cases the debt has to be paid and the case has to be dismissed where we are right now in the process is this currently, the courts are really busy with amending all of the forms necessary for all of the laws which we're going to take effect next week, beginning of May. So, we have a little bit more time until July 1st to work more with the court on how that expungement form will look like. What actually can happen on the ground, you know, and the goal of the bill is to produce housing stability. So, if someone had an eviction in their past and the debt is paid, that person should have that eviction expunged out of their record completely so they can get, you know, future apartment and hopefully rebuild their credit. As well, the challenges that we're going to have starting July 1st is that this bill is kind of trial and error. We're going to have to do the work and change as we go work with our stakeholders. We are planning to work with Utah Apartment Association for marketing and outreach and ultimately, we have to see what's happening in real world. You know, we also gonna reach out to the housing division to Miss Christina Oliver and also to the courts to see how we can establish the level of communication where one division has access to all of the renters. They receive rental assistance since the beginning of Covid. Many of them have an eviction on their record and also the courts have the files on who got evicted. So, we have to make sure those two entities talk to each other so that collaboration exists are not going to be a burden for the nonprofits and finally, I would like to thank all of you guys, the Commission Members who have been part of this Commission for the past year. The number of views sitting on this Commission that have been very supportive of the legislation. You know who you are and I would like to express our great appreciation for it and also like to express appreciation for the stakeholders, the apartment association, the eviction attorneys and also Mr. Wayne Neiderhauser for all the help provided anyone that made it possible for this bill to pass. So you're going to hear more from us from Utah Housing coalition between now and July 1st, we're going to be doing a lot of outreach and you know figuring out the process. So that's the eviction, thank you.

Senator Anderegg:

Thank you very much. I'm not seeing any questions. Thank you very much for your presentation and we've failed to put on the agenda. So if someone wants to sue me for you know, not getting it on the agenda, I'm going to ask if Wayne would like to talk a little bit about the appropriations we got for homelessness and permanent assisted housing and casework management so Wayne Neiderhauser.

IX. OTHER BUSINESS

Wayne Neiderhauser:

Thanks to Senator Anderegg and Representative Waldrip. Five cheers, 10 cheers, 100 cheers. Thank you for your effort on SB 238. That granted us through the Office for Homeless Services. \$55 million for deeply affordable housing grants. The requirements of those it'll be a competitive grant process and a couple of things in statute that we have to look at. That's the rent flow. How long that this facility will be dedicated to deeply affordable housing. This is 30% AMI and below and so that's kind of deed restriction question and then services. What is the Service plan that that you're proposing to be awarded a grant.

As I've mentioned several times and I continue to mention and even have some really touching examples of this, but when there's a service rich to a service rich case managed housing project, especially with those who have events who've been on the streets. Who experience anxiety, mental health trauma? Housing is most successful when that is case managed with services, and you minus that out and housing is not nearly as successful for a lot of those individuals. So those are the things that we will be looking at. There may be a couple other things. We had a meeting this morning with the Salt Lake area stakeholders and this is more for permanent supportive housing, but I think under ARPA will be able to do some transitional housing. We're still looking into that. Happy to take any questions.

Senator Anderegg:

Thank you. Mike Gallegos has a question right.

Mike Gallegos:

Thank you. somewhat related, but it has to go to the request that went in. So, there's you know, a huge reconcile difference there between the ASK and what was approved by the legislature. Is there anything there looking forward that we're going to have to do to demonstrate the need for housing affordable housing. Deeply affordable housing. The national low Income Housing Coalition put out their national their annual GAP report on the gap of affordability in each state. So, I thought maybe you guys would have reported on this, but I will. I'll do it for you. There's just over 61,000 households. 21% are extremely low income, of those 70%. 70% are housing burden. Extremely housing burden.

Senator Anderegg:

Which means if you don't mind Mike, where's the where are those numbers coming from?

Mike Gallegos:

They come from, well, they're coming from each state. There is a report or is a formal. Report has been published on this. So, the Ken Gardner Policy Institute puts out information like this as well, but as you start looking at those extremely low income and the percent that are the numbers that are severely housing burden. It's amazing that you know they're just surviving, and a lot of these individuals probably work a number of jobs, more than one job to get by, and in trying to look at ways to improve their economic status. Looking at training programs, it's they can't even afford to go to school. So, as we look at increasing economic economic ability of households, you know there are some other strategies that, with the help of Bannon and the GOEO and our relationship with them going forward, so hopefully we get to start addressing this as well.

Senator Anderegg:

Should I appreciate that? And sorry, Wayne, I just that was actually one of my questions I have written down here is like we keep talking about the GAP and now this is coming from a national. Sounds like it's a National Coalition organization. That's fine. That's great. I'm wondering Utah specific what our GAP is today. I know Jim Wood helped us put those numbers together, but then where I feel like we fell down on getting our funding. I mean we. Were able to be clear here. This is the most money we've ever gotten, so 55 million was.

Wayne Neiderhauser:

And thank you.

Senator Anderegg:

It was it was big deal. Where I feel like I've had additional conversations even since we talked Francesca. Have a breakdown of that GAP. I'd like to know deeply affordable, I guess we could say 50% and less? How many units of that GAP are in that range? If we're talking about affordable from 50 to 80% of AMI, how many are in that range when we're talking from that missing middle from 80% up to, I don't know 120% how many are in that range and then anything above that I'm going to say is really not affordable at all or you know, I'd like to know if we're saying the GAP is 61,000 and 21% of those are the deeply affordable. We're talking about 12,000 units that then helps me have a number of what are we going after? Because my own opinion is that as much as I am grateful for what we did get, it was wholly inadequate for what we were asking, especially for what available money was out there. This last year and there seems to be just this blatant disconnect between the efforts of this Commission. This committee. The Governor's economic opportunity. Committee Commission, whatever you want to call it, and the legislature and I think we're trying to tie those two together the Affordable Housing Commission to the Economic Opportunity Commission so that we coordinate that effort better, which I'm applauding, and I'd like to see what we can do there. But then it just seems to fall in deaf ears when it goes to the. Legislature because it's just like "the free market". It's like OK, yeah, I don't disagree with that, but the free market's fantastic until it's not. And in the deeply affordable housing area, it's often not because there's no incentive for a developer who's just, you know, relying on market rate to get their profit. So, I need to be able to tie what dollars we're asking for directly to a concrete target, I think short of doing that, we are going to waste our efforts again in trying to go and ask for hundreds of millions of dollars, I've got several other questions Christina.

Christina Oliver:

Thank you, senator. One of the things that we're working on with the database is collecting more real time data. The as I mentioned before, the ACS is it has margins of errors and various portions of their data that don't allow us to pinpoint specifically locations of where we should be strategically placing funding for these households that are at 30, 20, 10 percent. We are working on a plan; I may need assistance with to obtain more real time data. It'll be cleaned, but at that point we'll be able to overlay it on a in a Geospatial model to show you these are the people, the number of people in the household. Here's their gross income and where do they fit within all the other data pieces that we have. So hopefully we'll be able to provide more than that.

Senator Anderegg:

That would probably be very valuable, not only from an aggregate level, but from a focused targeted city by city level. I'd like to see that let's come back to Tara Rollins for input, and then we'll go to a couple questions online.

Tara Rollins:

I was just going to indicate that we'll get the report to you and get it sent out to the Commission and also the out of reach report will be coming out, which is another annual report, and it really does break it down into the categories that you had indicated. You know 30, 50, 60, 80 and it indicates how many units that we have available per 100 with that particular gap, and so I think it is, I think it's good. Report also talks about who it, who are the people and most of them are working and so if we could get DWS also, you know look at the workforce and the type of jobs that are in particular areas. I think it would be really helpful to kind of merge this information, sort of.

Senator Anderegg:

I would very much not like to not have to wait to run a bill to get that.

Tara Rollins:

No, I mean, I think we can get you good information, but I think also Christina has actually been working towards getting drilling down information.

Senator Anderegg:

No, it's awesome. So, let's go to a couple of questions. Online Mike Ackerlow.

Mike Ackerlow:

Yeah, just quickly. Congratulations on the money. That's a huge achievement and I appreciate everybody who worked on that. One thought to put out there is, and I think your point Senator Anderegg about, you know we gotta show impact on this or it's going to be difficult in the future to ask for additional funding is to perhaps consider how do we house those who are the greatest in need and also those who kind of appear to be what most people associate with homelessness. So, I guess I'm most likely referring to, or probably referring to, the chronically homeless. Those are the people that you see most many suffer from mental illness or substance abuse. So perhaps you know we ought to look at when, I don't know if it's we but Senator Wayne's office looking at how do we get the people that we see the most off the streets and into housing. So anyway, just as a suggestion there or thought there, and then the second question I had, I don't know if I missed this, but was there any funding allocated for the 4% for the private activity bonds? I know that this, I think the student housing money is moving over in July and there may be additional funding in the fall. I'm just curious if there's any additional funding for bonds and maybe Dave knows answer to that.

Senator Anderegg:

The answer is no. There is no additional funding for that. Dave, did you have something you wanted to say?

Dave Damschen:

On that well, no. We do have all your cap it's all oversubscribed, what we're running into, too, and Christina, her team and my team have had a conversation about this. Related to another project that cost overruns are really coming home to roost in this environment and we just found out from another developer today and Christina you and Chair Crandall will be hearing from me within a few days about another project and maybe more than one more project that it will be coming back for incremental volume caps. So, these are projects have already been given private activity, bond volume CAP, and they're running into these cost overruns, and they're having to come back to the private activity Bond board and review saying, you know, we need another 2, 3, 4 million. In bond and volume cap to get this project over the finish line. And that's even with reductions in the number of units, reductions in amenities, and increases in rent based on what's allowable under HUD regulations. So, it's a tough sledding, Needless to say.

Senator Anderegg:

David, did you have other aspects where you raised your hand?

David Damschen:

Wanted to thank you Mr. Just want to provide the board a quick update. Those of you that are working with developers and Mr. Niederhauser would be aware of this and of course Ms. Oliver would be where. We had a. Supplemental allocation of 9% low-income housing tax credits related to the earthquake and that caught the developer community a little bit by surprise last year. That combined with a number of

factors, I would say inflation primarily and the fact is that QAP that we use to govern the allocation and administration of those tax credits that QAP had a cost efficiency component that made it difficult/impossible for some projects to even come for tax credits last year. So, the upshot is we had the, what I refer to, full term value these tax credits are taken over the period of 10 years. So, in a typical year we get about 9,000,000 in 9% lightech that's taken over 10 years. So, a typical year we have about 90 million that we can push out into the market in terms of equity, well based on the under subscription last year and the supplemental allocation related to the earthquake. Combined with this years regular allocation, we have a big slug this year, so the full term value of equity that will be putting out to the market and we hope the developers can come with strong applications. We're looking at 100 and 80 million roughly in full term value of equity that can go out into the market, as I mentioned with what we're hearing from developers coming back for incremental volume CAP, I don't need to tell you we're buying less and less with more and more it's the opposite of what you want in government. We want to do more with less always, but now where inflation is killing us, but I wanted to point out this can be a big year we brought forward the application date. Usually, we're taking applications for the 9% lightech in September time frame. We're actually going to take them in June this year, so we're moving things up. We made very significant changes to the AP based on very significant input that we received from the developer community. We're very hopeful it'll be a very successful round. Want to point out too that we have a set aside 30% to permanent supportive housing and so that's 60 million, so we're hopeful that you know that the real rub with permanent supportive housing is ongoing. Revenue sources, you know we can put a big, huge plug of equity into those projects, but they've gotta even with a high equity injection, typical equity position of a permanent supportive or 9% tax credit project is about 70. So, their debt service is quite low, but it has to be really low for the people that they serve in a permanent supportive housing facility. So, we're just hopeful that we'll see really good things and strong applications from the developer community. I just wanted to give you. That brief update happy to. Take any questions if you have any.

Senator Anderegg:

Thank you, David. I would actually request from you a simple metric that might illustrate the purchasing power parity year over year with inflation, i.e., how much do we get? How many units of affordable housing are we getting per million? Something like that. Some sort of metric that could help, because I would imagine with the inflation, you're exactly right we are getting. We're putting more into the marketplace and getting less out, and that's very understandable given the fact that the value of our dollar is decreasing and we're putting more into traditional financing interest just for the same amount, I would be very curious if you could develop some sort of metric for a layman to be able to look and see just year over year. Are we improving, are we getting worse and in a metric that would help us understand. Thoughts, maybe you and I can talk offline, but that would be valuable to me.

David Damschen:

I'd be more than happy to put that together for you. I want a really quick comment too. So, this developer that we met with this morning. Christina will know who this is. It's roughly \$80 million a project. The magnitude of cost increase that they're trying to scramble and deal with right now, 14 million. Against a project originally projected at 80 million. What we all know about inflate based on what we all know about inflation, that probably comes as. No surprise. But holy smokes.

Senator Anderegg:

That's like 16 or 17 percent.

David Damschen:

It's not pretty.

Senator Anderegg:

What, was the timeframe for that increase? It was at an 18-month, 12 month or less.

David Damschen:

I don't know this. It is just based on where they are in the project and what the general contractor came back with and it's all the things that we've heard about its supply chain deficiencies and disruptions, it's labor shortages and deficiencies and so forth, and it's hitting the subcontractors. Continues to be a massive supply and demand disconnect. Contractors are saying we're turning away project after project, we can pick and choose the project so that obviously has implications in terms of pricing power.

Senator Anderegg:

I appreciate that, David. Any other questions? Wayne Niederhauser Mr. Niederhauser.

Wayne Neiderhauser:

Sorry to I know we want to get this meeting closed, but this is something I've been thinking about and I'm just going to throw it out there because I think it's something this Council Commission should start to think about if we're not already thinking about it is. We're throwing out an additional 100 million in lighttech over last year, right?

David Damschen:

We're a little under that last year.

Wayne Neiderhauser:

OK so yeah, I mean yeah 180 million it had how much? Last year Well, they.

David Damschen:

Are typical years allocation? Would be worth about 90 million but we. We were under subscribed last year.

Wayne Neiderhauser:

So, we got totally dish and a huge amount of money. We didn't do last year. Got \$55 million, we got 15 million to preservation. These are new dollars chasing. A limited supply, it only is going to increase. The affordability problem? That's the economics of it. We have to deal with the supply side of this. Not sure how we deal with that, but that's got to be a discussion here or we'll never ever approach affordability if we got too many dollars chasing a limited supply.

Senator Anderegg:

Agreed, which is why the \$228 million request that we only got 55 million for was a little discouraging.

Wayne Neiderhauser:

But maybe a blessing in disguise a lot.

Senator Anderegg:

You're right. It may be. We have one more question, Mike Gallegos.

Mike Gallegos:

Yes, again, I want to follow up with David comments and that is. Having trouble to make current projects pencil out with inflation. There's a number of current projects that are coming out of compliance over a period of time, and we could end up losing. You know it's by a developer wanting to flip it and so just wondering if the \$180 million you have, could there be a priority for the preservation of those at least a portion of it? And then can we also encourage some type of metric for the Utah Preservation Fund?

Senator Anderegg:

That was actually going to be one of my suggestions for this year is to invite the Utah Preservation Fund here and have them give a report on what they've done with what they've gotten. Oh, she has it on the agenda for. Next time I think great, thank you.

David Damschen:

We do have a set aside for active rehab I want to say it's 10% and some of the changes to the QAP that we made also liberalized the playing field. If you will, for ACH rehab type projects that's definitely something we're sensitive to and trying to make sure we're being effective with.

Senator Anderegg:

That would be good. We have. Additional question. Beth Holbrook.

Beth Holbrook:

Thank you, Mr. Chair. This was not in regard to the conversation that we've been having, which I do agree is quite critical. I just wanted to offer up a discussion or an opportunity for this Commission to attend a transit Academy. It's on May 24th, the same day as. Our next meeting or. Meeting after next meeting and I'll send out more information, but I just thought if it's an opportunity that you guys would enjoy, we'd love to do it and we can just talk. About some of the other elements in terms of some of our transit-oriented community developments. Thank you, I'm sorry I didn't mean to change the dynamic, but I wanted to make sure that. I got an opportunity. To say that so thank you.

Senator Anderegg:

You just took us off the rails. No pun intended.

Beth Holbrook:

You know I appreciate your puns.

Senator Anderegg:

It's all good. All right we. Are 40 minutes over? Are there any other items that we need? To bring back. That we need to discuss. I would personally. May 10th I think should work I'm I'm looking at my schedule right now to see if that could work 10th from 1:00 until three. Assuming we don't go 40 minutes over, I'd like to maybe come back in that meeting and discuss. What this year's efforts ought to be? Oh, it's the one Utah Summit on May 10th, which I'm attending. I need to get that on my calendar 'cause I have it. On my kill. Up so the 10th is. Probably not going to work. I would imagine that I might actually be asked to speak for something at the Governor's meeting, so. We'll discuss, we'll send out some dates and ask for a Doodle poll. What I'd like to do in that meeting is I'd like to have some time. I mean, we'll have additional reports, but I'd like to have some time to discuss what our approach should be for this coming year and what things we need to convey to the Economic Opportunity Commission because we are trying to tie what's happening on the whole economic development side of things with things like water development, housing development, transportation, and other things. But I'd like to maybe suggest

that. We are realistic about this is the third year in a row that we've gone with sizable requests and got very little now getting, done me wrong. 55 million is the most we've ever gotten, but compared to what we had asked for, it was relatively small and I think we've got to rethink how we approach the legislature and connect the dots between the two commissions to what we're trying to get at the legislature, and I'd like to brainstorm around that I would say that there is some discussion of potentially changing the statute to modify this Commission I don't know if those discussions will go anywhere. But if they do, we need to be aware of what those discussions are and have some suggestions as to other, if not outright pushback, ways that we might make it work better. I'm not entirely sure where that's going to go. I know we're going to be losing our good friend. Representative Waldrip who is going to be stepping away from the legislature. So if we do continue as is, we're probably going to pick up a new Co chair from the House to work with Joel and I. So anyhow, I would like you to provide feedback as to what recommendations coming into our next meeting, whenever that is so that we can be efficient in those meetings on the agenda to really have a discussion as to what the future of this Commission ought to be and what our approach needs to be because. I for one am not enjoying the experience of taking a bill to the legislature that ultimately just falls on its face. We've been able to actually get some policy improvements in place around. Disease tiers these codes, housing and whatnot, but my gut feeling is if you really want to know what someone thinks about something, look at how they spend their money on it and so to that end, my gut feeling is that this is the housing funding. That we're talking about is not a high priority, and it is not a high priority and I've got to figure out why we need to figure out why it's not a high priority when you talk to the governor, the governor's office, you talked to GOEO there like this is like our number one issue, but then it is there somehow, somewhere there's this just a drop off disconnect between, I mean that this Commission's efforts, governor's office and his efforts and what's happening within the legislature, and I'd like to really brainstorm how we approach it because. I'm not in for running another bill that's ultimately going to fall on deaf ears, and I think policy-wise we've gone about as far as we're going to be able to go without giving more time. To the legacies and towns, i.e., as an example or others, to implement what we've already done, I'd like to see what the outcomes of those efforts are before we throw on something else. It's just my two cents, so we're over time. I don't know that we want to have a lengthy discussion here, but I could see coming into next. Our next meeting would be. I think we're going to send out a doodle poll with several options and then within about a week we should have a new date set. So, any other options or conversations with other businesses before we round up? OK, I just want to say from my standpoint. Thank you. Thank you for your efforts. Thank you for your expertise. Let's brainstorm and let's see if we can't put together a better approach for accomplishing what needs to be accomplished here.

X. ADJOURNMENT

Senator Anderegg: Meeting adjourned.

Senator Anderegg: All in favor say aye. All were in favor, none opposed, and the Commission on Housing Affordability adjourned at 3:50 p.m.