

COMMISSION ON HOUSING AFFORDABILITY

Minutes for July 12, 2022

Hybrid Meeting: In Person & Via Zoom

Members Present

Senator Lincoln Fillmore
Representative Stephen Whyte
Representative Steve Waldrip
Representative Joel Briscoe
Nate McDonald
Andrew Johnston
Christina Oliver
Christopher Gamvroulas
Wayne Niederhauser
Dave Damschen
Jeffrey B. Jones
Michael Ackerlow
Michael Gallegos
Tom Macdonald
Ginger Chinn
Janice Kimball
Kyle Palmer
Beth Holbrook
Matthew Loo

Representing

Senator
Representative
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 League of Cities and Towns
Salt Lake Chamber
Public Housing Authority
Representative GOEO
President of UTA
Ascend Utah – Rural Housing

Absent Members

Michael Ostermiller

Staff Present

Jennifer Edwards
Jennifer Domenici
Jess Peterson
Stacey Herpel
Bill Cobabe
Richie Wilcox

Guests

Tara Rollins
Cameron Diehl
Susan Olson
Jason Glidden

Shule Bishop
Karen McCandless
Michelle Larsen
Kara Trevino

Karson Eilers
Meg Ryan
Alison Kuhlow
Danny Harris

Margaret Hostetter
Rachel Boe
Megan Townsend
Christy Dahlberg
Russell Goodman
Shawn Milne
Joseph Jensen

Sarah Nielson
Laura Hanson
Michael Parker
Lia Baez
Audry Wood
Habitat for Humanity
Billy Hestermann

Kate Bradshaw
Ashleigh Jensen
Erin Jemison
CCPC
Steve Erickson
Weber Prosperity Center
Andrew Gruber

I. WELCOME AND INTRODUCTIONS

Senator Fillmore:

We will start our Commission on Housing Affordability Meeting. Today is Tuesday, July 12th. It's 1:05 PM. Good, we'd like to welcome Representative Stephen Whyte, like Representative Waldrip, who's joining us online today, who will not be returning to the legislature, and so Representative Whyte at this point has accepted the wonderful assignment to co-chair this subcommittee, and so we welcome Representative Whyte. Thank you for being here today when it's a long drive. Do we have any open comments from the public? Did anybody submit public comment that we know of none? I don't see anybody jumping up from the audience that's here, so we'll move on. Item 3 is approval of our minutes from our meeting on May 24th, can I get a motion to approve the minutes? Chris Gamvroulas, so moved we have a motion to approve the Minutes. Beth has a second, great, all in favor say aye aye, any opposed.

II. PUBLIC COMMENT

Senator Fillmore:

Do we have any open comments from the public? Did anybody submit a public comment that we know of none? I don't see anybody jumping up from the audience that's here, so we'll move on. Item 3 is the approval of our minutes from our meeting on May 24th, can I get a motion to approve the minutes? Chris Gamvroulas, so moved we have a motion to approve the Minutes. Beth has a second, great, all in favor say aye aye, any opposed.

III. APPROVAL OF MEETING MINUTES:

Senator Fillmore:

Item 3 is an approval of our minutes from our meeting on May 24th, can I get a motion to approve the minutes? Chris Gamvroulas, so moved we have a motion to approve the Minutes. Beth has a second, great, all in favor say aye, any opposed? Motion Passes.

May 24, 2022

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

Senator Fillmore:

Any opposed say no, I should have called those minutes the transcript. Those are very detailed minutes. Alright, good. Our meeting today is going to hear presentations from our three working subgroups. So I assume that all of those subgroup chairs are present today, we're scheduled to start with the subgroup on rural housing. We'd like to hear from Matt Loo. We'd like you to keep your presentations and Q&A about 20 minutes or so, but please as you go through, let's talk about what your subgroup talked about, what kind of recommendations you have, and what we have written. We have written reports from two of those subgroups, but we look forward to receiving them all. Alright Matt,, I hate to put you on the spot if you're just joining, but you are in fact on the spot. If you're ready, we'd love to hear the report from the subgroup on rural housing.

IV. PRESENTATION – SUBGROUP ON RURAL HOUSING

Matt Loo:

Thank you, senator. We'll just dive straight into it myself, Jeff Jones, as well, as Haley Hernandez was kind of more of the focus on the group here on Utah rural housing. We did submit some notes from the meetings that we have held with other partners and other groups. Individuals that know a lot more about this than I do for sure. I'm speaking from St. George, UT and it is still very toasty out there anyway, let's dive straight into it. What, as a group, or as a subcommittee, we first went to identify objectives when we were looking at the 170 odd rural communities in Utah. Obviously, we started on a high level when we say high level, we're looking at what can we do to help support rural Utah. I know our task and assignment is on housing which we will drill down but we wanted to give first-hand objective on what we'd like to be a part of and that's basically an assessment in the communities and figuring out what their priorities are. We understand that there are several orgs in the state that actually do this and go out to the various communities that they're assigned and do this amortized list and I think what we found is there are certain things that need to be in play in order for us to support affordable housing or housing development or remodel or strengthen the current housing inventory in rural Utah. Some of those things that we have discussion over was basically, general plans you know, as the general plans as updated as they can be, other pieces of this puzzle is impact fee. How is that address you know? Is it being assessed correctly with the growth that some of these communities may be facing, and then we kind of drilled down into our second objective, which is more specifically to our task which is centered around affordable housing. We really did anything extraordinary or think earth shattering after several meetings with the group and those that joined us from different entities, we identified that there are great things that are working right now and with a little bit of help with financing or funding that those good programs can improve and become better and reach more families or more homes or more individuals as they receive additional funds so in essence, in a simple form we did not want to recreate the wheel, we just wanted to support what's currently working and see if that can help. How do I say, move the needle on rural housing and the programs that are available and that's what you'll see. On that first section of the little notes, a little handout that we just sent out. Basically, it's we entitled immediate execution and in essence, it's increasing funding to support current working programs. Such programs we identified a single-family program. USDA Mutual self-help programs and the Utah Housing Corp. Again, we appreciate Travis for helping us with some of these facts and figures, but in essence, we'd like to present this as an idea that's up for discussion as far as a possible strategy to kind of help us accomplish the goal that we have on supporting and building rural housing opportunities in the in our communities. That way, and of course the next piece is more of an extended execution. We just kind of put together a four-step toolkit that basically starts with data, like anything else, we need to know where we're at, where we've been before. We know where we're going or where we can go. The

strategy there is in essence, gathering data, getting to know and what community we're dealing with. What are some of the inventories, some of the stock, some of the work environment, employment environment, income environments? Just a lot of those type of questions that we are all familiar with when we start talking about housing and what that looks like and then obviously, how that calculates in the AMI's and what level of needs or what level of a housing units or products that we will need to deploy in order to various categories and then we dive deeper into the inventory in the next step and basically you know, look at current needs, future needs, available sites, size configurations, partners, property owners, infrastructure challenge. Obviously in rural Utah, being here in southern Utah, I have clients and projects that we are currently working on, in Kanarrville, in Leeds, in Ivins that really, these types of challenges or opportunities ring really true and then bring in a 200 acre development 200-acre City of Leeds. For example, you know how you're going to facilitate that with infrastructure and then it just kind of goes on there as far as our second step and then the third step again talks about, you know what we mentioned earlier with general plans and ordinances. What are some of the things that might be challenging attitudes of community members, availability of land costs, construction costs obviously in this day and age, that's a major challenge there and then what are some of the opportunities in financing? Some of these challenges we're having is having financing resources to work through these challenges and then the 4th is just expanding current inventory and knowing what's there. Knowing what opportunities are there, knowing if we need to look at building incentives to attract a developer and just kind of going through that little checklist of things that we've kind of outlined to fill that or to bring in a solution with what's going on there. Obviously, the last note is on funding. We're not actually sure what that amount might look like. That's where we'd love to have some feedback and some guidance from the Commission or from the those here this afternoon on what direction or how would we want to create this toolkit and then we can probably put some values on it and some manpower or womanpower on it to make sure that at the end of the day we do something productive with the potential funding that may be earmarked for moving a concept like this forward, I know with Christina and her team they are working diligently on helping us with the first steps with the data and collecting data, and we appreciate that, and I think we've got, I think like Kem Gardner institute that's being contracted to kind of help us with that so I've kind of gone full circle there on the extended strategy, but again 5 minutes or less that's kind of what we want to bring to the Commission and to the committee, and we are open for recommendation and or suggestions.

Senator Fillmore:

I have a couple questions. Going through your report, I look at your immediate execution section and you list three programs there with funding. Just so I'm clear, does this money currently exist? And are you asking for this much in additional to what already exists?

Matt Loo:

So, I believe, yeah, so this money currently exists and we were just doing simple math.

Senator Fillmore:

Give me the full context there, yeah?

Matt Loo:

If we were to double this money, those are the additional households, so these were asks. I guess the amount of money there.

Senator Fillmore:

And you're asking whom? So the funding there exists. If I'm hearing you right, \$100,000 for single family housing rehab. Where does that money come from?

Matt Loo:

If Travis is online I could probably have him help me answer that question.

Senator Fillmore:

We don't see Travis.

Matt Loo:

OK, not a problem, so this again I don't know where it's coming from. To be honest this is a program that he's working on in the six county region and this is money that he has set aside that he has gotten and then with that funding he is basically affected by the outcomes.

Senator Fillmore:

OK, and then combine that with like your last note in your report is we don't know what kind of a funding request you will ultimately make. Well, I guess you'll probably pin that down and report back to us by September, for kind of, you know, in time for our final meeting of the year so that the subcommittee can kind of make its final recommendation and ask before the legislative session, right?

Matt Loo:

Absolutely, absolutely yes. We just want to have a starting point and then modify the details here after this meeting and after we meet together again as a subcommittee.

Senator Fillmore:

OK, talking about your extended execution where you have four steps there, your first two steps are basically research. If I'm reading that right, you want to gather data, and so you're working with some people to gather that data, and that's good. Once you get the data, I want to make sure I understand Step 3. Which is labeled housing constraints and challenges. I'm not quite sure what the step is for step three. If steps one and two are gathered data. Then step three looks kind of like here's a list of constraints that may impact housing affordability, but what's your goal there in listing those constraints? Is it to overcome those constraints, correct? Yeah, I guess tell me about your strategy for it. It sounds like Step 3 might be finding ways to overcome these constraints. OK.

Matt Loo:

Correct. Again these are what I do on the house in my day job is working with various entities, various municipalities, very various towns and in every town has a different requirement on development and different zones, different ordinances and certain towns. If you're coming in with a multifamily project, they do not have those current ordinances in place. So these are ways, or this step is basically identifying what would those roadblocks be and how would we go about amending those ordinances to allow products and or projects to to move through the entitlement process.

Senator Fillmore:

OK, thank you. Jeff Jones. I see you kind of waiting online. Do you have things to add to this or some further detail?

Jeff Jones:

I think Matt did a fine job conveying our thoughts. I think with regards specifically to the constraints issue that can drive funding if we have huge gaps in infrastructure programming, even if there's a desire for housing, it doesn't mean we can actually put housing packages together and so understanding is out of the constraints. If you were to look at all of these jurisdictions, if 60% have trouble with the infrastructure but another 30% is just a public outcry to new development. The resource allocation would be different depending upon what we discover coming through that process and then there's also a percentage of things that are going to be beyond our control as well, like interest rates that we see climbing that is a significant issue, housing prices will have to drop in response to that and development costs some way there needs to be additional monies pumped into the system to overcome that. Then that could also lead to a particular strategy, but we just don't know what all those various breakdowns are yet.

Senator Fillmore:

OK, thank you and thank you. I've been able to get my immediate questions answered, so we're just going to go to other subcommittee members.

Representative Briscoe:

Thank you Mr. Chair, a clarification question for Christina. My memory was the legislature appropriated. \$300,000 comes to mind. Maybe it was more, but one of the things we appropriated money for was to collect a lot of the information that's listed under Step 1 and Step 2, do I have that correct?

Christina Oliver:

We actually have \$500,000 and we are under contract to have the scope of work pulled up. I'd sent it out about a month ago and were almost to signature level with the Kem Gardner Policy Institute to collect about 70% of the state, other things like, site configurations that we don't have as part of our scope but if that's something that the Commission wants we can always look to further our scopes in the future. What we're trying to do is build the affordable housing database with all the inventory.

Representative Briscoe:

Now one I don't, I guess he's not online, but one of the people who participated in some of these group meetings is the Director of one of the Association of Government. So there are 49 cities and towns in his counties. One of his he sees a threshold of about 51000 that a lot of the money is once you hit a town of 505,000 or less, that little money goes there or and I don't know exactly why. I'd like to see some more research done. Jeff, still on the line. The single family housing rehab on the first page you listed \$100,000. Is that a state appropriation or is that a federal appropriation? Anyone know?

Christina Oliver:

Federal right? So Jess, do you want to talk a little bit?

Jess Peterson:

Yeah, the existing single family rehab housing program and it is funded with state funds.

Representative Briscoe:

Is \$100,000 the state appropriation.

Jess Peterson:

No, we have more than that. I actually was just going through our contracts right now.

Christina Oliver:

To clarify, you're talking about the State Department of Workforce Services has more than that, but the local AOG's the oh geez, get their funding from where? This is the question.

Jess Peterson:

The state they get it from us.

Representative Briscoe:

It's possible that \$100,000 might be what goes to one set of AOG's.

Jess Peterson:

Yeah, six county actually received \$100,000. So that may be what they're talking about.

Representative Briscoe:

What the people in the meetings I attended said was a lot of this money runs out in three or four months. We spend it. We think we spend it well, we think we're helping people and the thing I like about the housing we have is it's less expensive to put a new roof on a home than it is to let it just go into the ground and then build a new building and one of the things I've learned on this Commission over the last several years is that we put a lot of attention on building new housing. We need to, but we also need to not forget the rearview mirror and let the stuff that's currently affordable slip away 'cause then that makes the building more, or new housing more harder and more difficult. So you know what I'd like to see is rural people come back with the list of the state. This is maybe one. I guess what you're trying to tell me is if you we had another \$100,000 we could help another seven to 10 houses if we if the USDA had another 300 or we matched it, we could help another six to 10 houses.

Christina Oliver:

Yeah, and the key with this \$100,000 is we can do things for the AOGs, that can do things like fixed roofs. Our weatherization program, which does receive a significant amount of money, is not allowed to do things like roofs, so we have used Olene Walker funds and it's just over 2,000,000 that we receive from the state every year, to subsidize our weatherization program for items that can't be used that that can't be funded through the federal dollars. So yes, the single-family housing rehab fund. If it were more robust it could help more people and be utilized for the things that we can't do with our weatherization program.

Representative Briscoe:

Yeah, in some ways I don't want to spend a lot of time on this because we really need to build stuff and these communities have some hurdles that some other Wasatch Front communities don't have. They have some hurdles that they don't have, but you know they're lacking people in some places and access to credit and other items. Anyway, there's things we could do as a state that wouldn't cost us an enormous amount of money that would help preserve housing. Thank you.

Senator Fillmore:

Thank you, Chris Gamvroulas,

Chris Gamvroulas:

Thank you, Mr. Chair. So I have some questions for Matt and your group. You know at the end of your presentation you talked about some of the barriers being just local ordinances and different rules and

different cities and that's true in all 270 some odd cities in Utah. It seems this is going to sound very simplistic, but you know as a home builder we build in nine different counties, but we're not building in Kane County, I mean, it's just, there's some places you just can't build. We're not building in Juab. The manufactured homes and I'm not talking about the old fashioned 70s mobile home parks and there's a place for those too, but that's not looking forward. Manufactured housing that's built in warehouses is a real solution in rural Utah. It just really is, and in a lot of ways that housing is superior. If you took a tour of a manufactured housing plant and you saw how tight those homes are built, you would be shocked how energy efficient they are and it just seems to me that having a way to, you know, create that kind of new housing and even replacement housing and it is more affordable than building new using our techniques that we're building in the field, right? So, the funding comes from the buyers, right? Like there are people that don't want to leave rural communities that need new housing options and can't get new housing and they would like to do that and the state doesn't need to fund that. People get mortgages for that like we don't always have to go to the government to look for solutions we can have people and the private sector and financing solve those and so the question is as the rural Subgroup is working, maybe is there some data around? If there are communities that allow that kind of housing or that don't allow that kind of housing, what that means, and you know there are some very large home building companies in the country. There's a Clayton homes that is now owned by Berkshire Hathaway, 20,000 manufactured homes a year, mostly in Southeast USA and I am trying to think of how you bridge not having the workforce in rural Utah and still getting the good housing. You know that's economic and getting it there and are there barriers to doing that more than just not shipping it here, right? Like what happens if they get it into town XYZ and it's not allowed to go there? Or, you know, economically, it's you know it's one unit for every 20 acres and it's just not financially possible? So how can we bridge this private sector solution in rural Utah and as the rural subgroup thought about that or looking into those things, thank you.

Matt Loo:

Great question. Yes again great, great question we did. We have reached out to several different companies. Manufacturers of Manufactured homes there's some great products, state-of-the-art products out there, energy-efficient products, structurally sound projects and great designs and it's, we believe that is a solution to some of our challenges in rural Utah. As far as cost and affordable housing, I think there is opportunities there for us to learn from our neighboring states that are now certain mobiles on a state level that will allow products like this to be built in rural communities, so that's definitely one direction that we would like to pursue as a committee is finding out what the requirements are how like for example, how Arizona is dealing with these type of products and how we can adapt or look at least their processes and their approval processes so that we can actually pull this off and build or bring some of these Manufactured homes again. It's not the same as it's been 20 years ago, 10 years ago, and in fact, even five years ago, there's some really great advances being made in manufactured homes that I mean, I tried to talk my wife into living in one, but she's not sure she could live with me in 640 square feet, but it was a thought. So anyway, I think that's a great comment, and I think we do have opportunities to do that. We may have to look at maybe, on a higher level on how other states are doing it and allowing it in their States and then kind of see what that means to the state of Utah and then if we need to drill down to the local communities municipalities, how does that affect them? Then do we need to go to each municipality and have approvals in each municipality? Or can we do it with a, I don't want to say a bigger influence and having that approval come through the state? We're not sure yet, but those are some ideas that we're playing with.

Senator Fillmore:

Thanks Matt. Chris, you done. Thank you, thank you. Who's next? is that Beth? I don't know I turned on #5. Which light is that? OK, go ahead, tell me your name.

Mike Gallegos:

Mike guys, yeah all right.

Senator Fillmore:

Mike, go ahead.

Mike Gallegos:

Thank you. I agree with Chris with regard to manufactured housing. What I wanted to just bring up is, I think that in 21 there was half a million dollars, \$500,000 appropriated for rural Housing pre-development cost and so I don't know how that's been going if there's any update on how those dollars are being spent and that could be one source for this committee or subgroup to be looking at as well. Also, the former member of this Commission is now the state director, Michelle Weaver, yes, so maybe Matt Could outreach to her as well.

Matt Loo:

Perfect, I appreciate that Mike.

Senator Fillmore:

OK, thank you. Good feedback everyone. Beth did you have comments on this also OK? OK, that's good. So Matt, you kind of have gotten some committee feedback and questions that I hope can inform you guys. As you guys know, kind of further do your research and refine your proposals. We look forward to hearing back from you in September. Thank you, yes.

Matt Loo:

I appreciate that. Thank you.

V. PRESENTATION – SUBGROUP ON LOW-INCOME HOUSING

Senator Fillmore:

OK, we are on next one is the subgroup on low-income housing. So go ahead.

Beth Holbrook:

Thank you very much, Mr. Chair, and thank you to all of my outstanding group. They really have done a lot of work and I have a lot of experience which is very helpful. This one is a nuanced and challenging framework a lot of we have a wide range. We have the unhoused. We have the under 30% less than 30% AMI, up to 50% deeply affordable and then the 80% am I as well and So what we tried to accomplish with this is we tried to work out a strategy that addressed kind of both of these levels to a certain extent so that we can maximize that access and I would articulate that. One of the things that is really challenging is you're working first on the, we just need to get them a place to live. Then you're on the other side of the spectrum, which is talking about how we get our service workers for housing. How do we get first responders? How do we get people into housing that can eventually, maybe turn into what we would then consider to be intergenerational wealth and so which is actually purchasing a home? There are several other requirements and all of that, but I'm basically going to give you the highlights knowing that this is still a draft. One of the things that I wanted to start out by talking about is we've like

I said we've taken this into three different sections and so the first section I'm just going to talk about it, but I'm going to have Wayne articulate some of the specifics and as you can see, excuse me, I've made some changes since this was printed out, and as you know it's an ongoing draft process. But the goal is to create and establish ongoing funding for housing opportunity grants. Certainly there is LITECH that can be involved. This would definitely be focused on the UNHOUSED to 30% or below categories. The goal is to ask for \$15 million ongoing for a minimum of 15 years to create approximately 1000 housing opportunity grants per year and with that I'm, going to turn over the discussion to Wayne, who's going to talk briefly. I think he has one slide. He's gonna talk briefly about the proposal and working with GOP as well as updates on the 55 million that was allocated through this past legislative session.

Wayne Niederhauser:

Thank you, Beth, I will forgo the slide because it's a pretty simple slide and the important element that I've learned and I just was reading an article that Michael Parker sent me from every home that just collaborates what we've been learning at the Office of Homeless Services that housing and services go together. One does not work without the other. When we're dealing with a population of the persistent homeless population, this is not an acute homeless population that has fallen on hard times, ended up in a shelter for a few nights and then found some other place to go. Most people, either with a little bit of help or by themselves, recover from a homeless situation, but what we do find is people falling into a more persistent homeless situation.

Senator Fillmore:

Wait wait, what kind of number are we talking about there? So are we in the hundreds to thousands, the dozens?

Wayne Niederhauser:

Let me tell you, there's some data from last year. OK, 17,500 people touched the homeless services system. That's individual people. That's correct. 17,500 touched the system, no duplicates.

Senator Fillmore:

No duplicates, no duplicates in that number, OK.

Wayne Niederhauser:

And on a point in time in January when we count those who are in shelters or who are living on the streets, we had about 3600 people.

Senator Fillmore:

OK.

Wayne Niederhauser:

We didn't get to everybody, the count in the shelter is accurate, but the count on the streets is probably low, sure but those are the combined numbers of about 3637 hundred individuals. As you can tell from the numbers, 17,000 touched the homeless system and on a given night we had 3700, let's say 4000, that were experiencing homelessness and so the systems self-recovery work to a large degree, but that's acute homeless homelessness and what I'm working on right now and what we're working on with Beth and our group is this persistent homeless population. These are people that have been on the streets for at least over a year, sometimes decades. These are individuals who have mental health issues, behavioral health issues, definitely addiction. Lots of addiction, lots of addiction. In fact, I don't know if I've met anybody living on the streets that's not addicted or taking illegal drugs for a lot of various

reasons and we can get really critical about the reasons why they do that. But some people are coming into this having aged out of foster care 20 I'm told 20% of the youth that age out of foster care will end up in homelessness. I, you know, their life, I'm not trying to belittle foster care, but obviously their parents had some struggles, it's intergenerational poverty so there are individuals that just have never known anything much different that to help mom and dad sell drugs or mom sell drugs or something and this is the stories that I hear all the time. I try to get the background. What happened in your life? and our system really can't do a lot for a population of persistent, homeless individuals who are not ready who don't want to who don't want the help and there's a significant population that don't want the help. They don't want to get into housing, but there are some that are ready and there are the disabled, the aged, and the medically vulnerable and we've determine there are's probably about 6 to 800 individuals now that we could get into housing and stabilize, and we proved it over the last two winters with non-congregate shelter. At the point in a year, a year and a half ago or the winter of 2021, 2020 and 21, and then this year at the Ramada, or this last winter at the Ramada where we housed people and then they had to leave and this medically vulnerable, aged and disabled population and people. Why would we have to leave work? We want to stay into housing and they were successful in housing and we have, we know of a waiting list. It's at least 400 with the Salt Lake Valley coalition of end homelessness. We've determined that just in Salt Lake County Prime is 600 of those individuals. They're ready to get into housing and I want to see us get them into housing as soon as possible, and so how are we going to do that supportive housing and we can probably take care of the housing with litech with some one-time funds out of the matching grant fund that the office of Homeless Services has maybe from Olene Walker funds if we can get some funds in there with very little one time money we can have the units with low-income housing tax credit and we've been working with Utah Housing Corporation. They think that we can have some enhancement of the funding with litech because of services off word, and so you know, we, I think we can get really close to funding it without any debt and that's an important part. Here is very little debt because the money you get from rents is going to pay for services along with Medicaid paying for those intent services. Like addiction and mental health issues and fortunately we have the Medicaid revenue stream now to help support people in this situation, that means that with rents coming in I think we're really close to funding a long-term sustainable housing for this deeply affordable, medically vulnerable, aged and disabled population. They're ready to get into housing. But the thing that's missing, the one element now and it's taken me a year and a half to figure it out, is we've got to have rent support, and this is the deeply affordable housing grants that I'm asking are we're all asking \$15 million ongoing. It has to be ongoing, and it has to be something you can't take away in a budget downturn because it's funding housing and those grants will be awarded to those projects and the individuals had to pay 30%. It would be a state program and so you know, we could determine what that is. There's some flexibility there, but I'd say we follow kind of the Section 8 voucher program with some variations. We can make those variations, but 30% of your income would go to the rent and the voucher had paid for the rest with that voucher revenue coming into the housing that pays for the housing and some support the 24/7 365 days a year support that is needed to stabilize this community. Get them into housing long term without a lot of incidents and then provide employment services. Addiction treatment and mental health services and health services which would come from Medicaid. So that's it in a nutshell and it's a little more complicated in that, but that's the simplified version and that's essentially the ask that we're that we're coming forward with is the \$15 million of ongoing money, which I know is hard to get through the legislature, but that's the missing part in all that we're doing.

Beth Holbrook:

Thanks, Wayne, so I'm going to go ahead and continue on and again just the highlights of that. I wanted to address the fact that the 55 million is being allocated and that was the most recent funding for the

the 30% AMI and below and that's going to be funded. Going to multiple projects that incorporate the housing groups that are unhoused or are in significant AMI categories means that they're going to develop these types of projects that incorporate all of those housing types and one of the things that I also wanted to talk about, I also wanted to again articulate that we kind of broke this into 3 categories of 30% and below AMI the 31 to or the 31 to 50% AMI and then the 51 to 80% AMI and now I'm going to talk about the 31 to 50% and part of this we understand is a complete overlap and one of the elements of this is we're working to get up to speed and I am very fortunate also to have David Damschen who is working to incorporate what can be done in his group to address some of these housing needs and to be candid, he is relatively new to this role and is still working to establish some of these elements and so one of the things that I wanted to also articulate is that we intend to have more funding and more, well, more articulation of what the request will be in the next couple of months. So I don't have as much to put into here right now, but I do anticipate fall of 2022 and I just confirmed that with David, in terms of what we're really trying to look at is how can we get deeply affordable housing developments established. What can we do to incorporate elements of funding revenue streams? For instance, there is an opportunity to do some type of tax structure or some other element, you know there's a lot of discussions going on, can you use unclaimed property funds? I'm sure that's probably articulated and probably over-allocated, but there's a lot of opportunity I think to have these discussions, especially when we're talking to our communities who want to make sure that they're funding housing for service individuals, service workers, municipal workers, again the firefighters and 1st responders. Those are really some of those key things and those are some of the projects that are currently being worked on and so we should have more data on that for our next presentation. The third group that I wanted to talk about again is a 51 to 80% AMI and this is probably the most fluid group in the sense that there is a challenge. These are people who oftentimes wouldn't consider maybe going to the state or maybe they aren't fully connected to state services, and to understand that they could even apply for a low interest grant or some other element to help them out. Oftentimes these are people who are going to their families or really trying to figure out a strategy that they can do to make ends meet and I talked about the fact that part of this is simply a housing discussion. We need to help these housing opportunities be available to people in this 80% and below in addition to that, though, we want to make sure that we're looking long term, and if there are opportunities given some of the challenges of certainly of our values in our homes as well as supply chain, that's not looking like the immediate need. But as we all know, the long term goal is to get into that process where you are able to purchase a starter home. Then you are upgrading and upgrading and then down zoning or downgrading your homes and size wise all of that is a cycle, and that's what we want to get people to, and this group is really where if there is an opportunity to get them in stability housing. As far as the costs go, then they have an opportunity to actually save and purchase a home at one point. That is the goal, because that's the changing model of intergenerational housing and so with that as part of the discussion I wanted to talk about some of the things that we had discussed in our committee, knowing that there will be a continued upgrade in our discussions as we move forward to September, we wanted to talk about the fact that can we work with the local communities to maybe look at some of their moderate housing, where would that be located in? Can there be an opportunity to do that? Is there an opportunity to put additional funding into the Olene Walker Housing Fund so that they can get so a developer could get a low interest loan at one or 1 1/2%? That can help them to cover that cost structure that as we all know, has gone up significantly even since, just as far as six months ago, the infrastructures right now have changed dramatically and that changes all of the other elements and funding is one of those key things, and so my suggestion would be to our suggestion is to incorporate and increase the Olene Walker fund by 7,000,000 ongoing and that would be specifically focused to this group of people. So a developer going in has to identify the number of units that he has that fit this category in addition to other categories if that's applicable, but the real goal is to make sure that we can create a funding mechanism so that there are no opportunities

lost as a result of cost increases. This is, I think, one of our greatest challenges right now is how do we still fund programs when in reality just with interest rates alone? You have now lost a percentage of housing, so how can we manage doing that and Olene Walker has a process for development for developers that's not only just for new developments, but also rehabilitations of existing properties and if we can incorporate that into some of our strategies long term, then there's an opportunity for a developer to go in and fund that cost structure that normally he would not. He or she would not be able to do so. As you can see, I have other lists of ideas as well, but structurally I think cost is the bottom line. Cost is the thing that makes a decision for a developer hands down. I don't know the details that Chris does, but I would guarantee that any developer is looking at their bottom line, and that is a way for us to maybe stabilize that group of housing that we want to get into that recycle housing mode. So with that I'd entertain any questions that you might have.

Senator Fillmore:

Thank you. Chris Gamvroulas

Chris Gamvroulas:

Thank you, Mr. Chair, so I've got a question for Beth and or Wayne but it's my belief I'm interested in getting some perspective on this, that if we were building more in that 80 to 120%. That we would have people moving up into that, that there are people who are, for lack of a better word, trapped in 50% of my housing, that probably could afford a little bit more, but just don't have those opportunities and that building more in those in that 80 to 120% helps people move up, opening up other opportunities for people living out of homelessness into that 30 or 40 or 50% is that. That's anecdotally what I believe is that, would you say that's true?

Wayne Niederhauser:

It might be true for something over 30 or 40, but I don't see it for the deeply affordable housing because for the people. The population I talked about today they're going to be living there until the end of their life. This is the risk, labeled mental, mentally health challenge that has mental challenges and have been on the streets a long time and have medical conditions. So I don't see a lot of these people moving on, so to speak or moving up. They'll have Social Security and 30% of that can probably, would be used to help supplement that. They paid towards their rent, but if we're serious about housing that population, we got to see that as a long term. Now above that yeah, I can see that happening, but this is deeply affordable, there is no profit in it right now for developers or anybody.

Chris Gamvroulas:

On profit in 50% right?

Wayne Niederhauser:

Yeah, and that's why we're here discussing this is because government, you know probably has a role to fit in where the private sector can't make it work absolutely.

Beth Holbrook:

And if I can just dovetail onto what Wayne said, I do completely agree with your statement about the 80 to 120% in terms of that population group or that socioeconomic area. However, I think one of the challenges that we have is when you're oftentimes when you're looking at that 50 to 80% again, that is where there's a gray area. A lot of times people might either don't believe that they can have access to services or some other element to even have help with their housing needs and so a lot of times they're not asking, but there's still that viable group that if we can get them to move up then we have an

opportunity to capture them in the discussion that you were talking about and to me I just want to make sure that those that group doesn't get what's missed in this whole discussion, so, but absolutely I do agree with what you're saying, but I also think that this group is, they've come up where they've been at this rate for a while and how do we make sure that they can continue to be involved in our society in a way that they're moving up and then recycling their homes so.

Chris Gamvroulas:

Well, when I get into my report it will bring that full circle.

Senator Fillmore:

Just a moment. Joel Briscoe.

Representative Briscoe:

Thank you Mr. Chair, just to put some numbers on it. I assisted a lot of people who are receiving Social Security and this is not retirement. They were receiving 700 to 750 dollars a month. This is two or three years ago, they're not making \$10,000 a year. Many of these people are very resourceful. They know how to scour the community for all kinds of things. But that \$10,000 they're living on, plus some snap some of which could be as low as 13 or \$15.00 if they're single. They may, it was almost disgusting to see how little money they were receiving to help them pay for food, but they're not going to be resourceful at turning 10,000 into 30. I mean, my daughter has been working two years now at ARUP. I think she's making about \$37,000 a year, 30% of her income. She's struggling. If she makes it out of our house when she makes it out of her house, it'll probably be with someone else. It'll probably be a roommate situation, right? So two or three people are paying, so do we need to build holy heck we need to build and we've done a lot of building. The private community has stepped up. Cities and counties have stepped up and we've really put the concrete and the two by fours and everything together in the last two or three years. We need more of it, but a lot of these people are on the very, very low end. I mean it's stunning how they make it.

Beth Holbrook:

And I would again articulate. I think that's where the value is of that, not just for. Certainly not for just those individuals in those varying structures, but also for our society as a whole when we're looking at all of these service connectivity's, making sure that we are doing what we can to provide for the next generation right? And I think that again, if you're talking about how can you move the needle the best way to do that is to look at the funding and the funding piece. I know I'm probably preaching to the choir as I want to do. I know my daughter is in the same place and she lives with roommates. So yes, I think that if we can get a structure in place that will allow developers to complete that funding process. Yes, so that we can have multiple revenue streams for the developer in multiple markets, in you know housing assistance of some kind. All of those elements and getting that cost structure down so that it's a reasonable dollar figure given all of the interest rate costs that have increased. That's where I think the value is.

VI. PRESENTATION – SUBGROUP ON ATTAINABLE HOUSING

Senator Fillmore:

OK, thank you. We've exhausted the questions for you, so we'll move on to attainable housing. Where we had a little preview already, Chris.

Chris Gamvroulas:

Thank you Mr. Chair. I appreciate the opportunity to give a quick report. We did have a meeting and we've got another one coming up in another couple of weeks. I think Stacey got us scheduled out for another one. I asked that question for both curiosity and also just because I think it makes a point of what are we doing, what is the purpose of this Commission and how do we look at all levels of housing, including even up to 120% and you know, I've known Wayne for a long time and and I I, I know he is very sincere and is probably absolutely right there. There's not going to be a lot of movement in that 30% in that persistent group. But not everybody at 50% will be stuck there at 50%. I have two daughters who were in that position. I have 23 year old twins and I get it. I understand it and whether it's roommates or getting married or whatever, it's a challenge, but they're young and they're moving up and it is the idea that you know, save for Wayne's population that there have to be some of these opportunities and then getting the barriers for those opportunities for them. For the 80, the 90 the 100% I can tell you there are barriers to 100% AMI, there are, you know what 100% AMI is in Salt Lake County. It's what \$60,000 a year close by in Salt Lake County?

Senator Fillmore:

That's for a family of four, right?

Chris Gamvroulas:

That's a family of four. What is it for a single though? It's 60, something 1000, right? Well, you know how hard it is for a family of four to qualify for a home on \$100,000 a year? And where do you get to build that? There are a lot of barriers, so it's not going to come as a surprise that I'm going to talk about local government and land use. If any of you've known me for any period of time you know that I am nothing if not consistent. Right, Carson? I'm not cynical, I'm just realistic. But we've been doing this a long time. We've been at this. Well, we've been doing this a long time in the state of Utah. In 1996, the legislature passed the moderate Income housing Plan statute in 1996, requiring cities to have a moderate income housing plan in their general plans, and it was not until 2018 that cities. That is true. We have been at this a long, long time as a state. This Commission has been at it, well, every time I go to a meeting and I see representative Briscoe we started this before he had a ponytail. We've been doing this a long time. We do need to build a lot more homes in the next number of years. It's estimated we need to build another 250,000 additional units by 2030 and whether or not we can do that. Last year we took out 35,000 building permits in the state of Utah. That's building permitted, not land use permitted units. So these are things they could have been permitted 10 years ago, like apartments on 4th South, that was a permitted use 20 year, 22 years ago when Trax was built, but they just took out the building permit recently, that number is going to go down this year. The market will react. The market will build fewer homes this year. So how do we build more? We've done some things, some of the more, most impactful things have not come out of this Commission, like the internal aid use that was Representative Paul Ray's reducing regulation on new construction through design standards was HP 1003 or it was HP 98. It was also HP 1003 in a special session in 21, but it exempted Townhomes in PE. A lot of things have happened. I got a long list of bills that have passed. A lot of them have been funding bills. We are not going to fund 80 to 120 the government is not going to fund that. It's going to have to be funded by the private sector and it should be funded by the private sector and so what have there, there are some things that we've really key themes one is letting local governments respond through their moderate income housing plans, but having some bumpers around that so that cities still get to do what cities say they want to do, and that's planned, but then also to plan in accordance with State statutes also this won't be the first time most of you heard this, but states are a creation of the or cities are a creation of the state, so the only power cities have are the powers the state gives them. So the state can have that authority if it does have that authority and the relationship of cities to the state is not the same as the

state to the federal government. So the cities can do that, but the state has bumpers. They have guidelines and they should be doing that, and if they won't do things like approving internal aid use and the state steps in and has a kind of more blanket approach promoting density through incentives along transit that's been happening for 20 years. I think we said 70% of that multifamily housing that's been built in Salt Lake counties before was built along transit. But we're talking about incentivizing. Even more and that is important when the government puts in, you know millions of dollars per mile to build it to build infrastructure, that's the right place for it significant appropriations for new affordable units. Housing preservation. You know, one of the things that the rural group talked about Beth talked about is housing preservation and the Housing Preservation Fund. It's 42 to 46 million. I think right now, Christina is being matched by film philanthropy, and it's about a \$600 million fund now trying to buy affordable units to preserve them so they don't get so someone doesn't buy them and put granite countertops and raise the rent 800 bucks a month, right? Like blocking those in is important and then removing barriers like referendums and architectural design standards. So we have a long list of some concepts we're going to break those out and start to put some language together for some proposed statutory language and take that to the sub group and then bring it here. Some of the big picture things linking economic development incentives to moderate income housing plans. This is going to be really, really, really, really hard by the way. That's going to be hard because you're going to have even state people saying, well, maybe we shouldn't have. Maybe we shouldn't tie our hands if a big user comes in, maybe we you know it's OK that there isn't moderate income housing workforce housing by them or maybe we should do that, maybe there should be workforce housing near job centres maybe that should happen, especially if they're using state money or local money TIFs? Paying for the infrastructure so that's something that we're going to bring tying the modern income housing plan to B&C Rd funds, that is going to be much more impactful. Not TIF and TIF funds, which in the four years that that's been in statute, no city, even those who have not done anything towards their modern income housing plans, has lost TIF or TIF money. Not a single city has lost that, So what about B&C Rd funds that would have some adoption of the general plan as an administrative decision tracking entitlement approvals there, there are some things that have happened nationally, like Massachusetts 40 be that was a by right moderate income housing by right statute where if someone was going to build some housing in a city that didn't meet a certain threshold, that that could be built by, right? Something like that it hasn't produced a lot of housing, probably because we could maybe tweak it to make it work a little bit better. SB-9, which was a California bill. Basically up zoned most of the state of California has had some impact, although some pushback from some local communities. You know other things, fee districts, impact fees? A Development standards Commission. There are two of these are our land use task force priorities. One is a development standards Commission and the other is a transparency and municipal fees similar to what municipalities do with impact fees, they have to submit reports to the state auditor and what about like building permit fees and other fees that they're also capped statutory only on those? So those are some of the things that we're going to bring back, and the goal is to come in and just bring some language we're going to just bring some black and white language. We'll debate it, and we can have a conversation here and hopefully get some support from our Co chairs and support from leadership and the executive department, the executive branch and move some of these ideas forward so that is what we're going to do.

Senator Fillmore:

Thank you Chris. Any questions for him? I seen none. Thank you. Who else is on your work group? Oh, hang on Wayne did, you have a question. OK, who else is on your work group, Chris?

Chris Gamvroulas:

It's I'm trying to remember we've only met.

Senator Fillmore:

OK thanks, OK Wayne.

Wayne Niederhauser:

Thanks Mr. Chair, I just wanted to report on this 55 million that Beth talked about so this was money, ARPA funds that the legislature appropriated to the Office of Homeless Services for deeply affordable housing and that applications for that money opened up a week ago and today we had a meeting for applicants to a Q&A session and it's anticipated that we'll be, or we'll close that towards the end of the month those grants will be scored and awards given towards the middle of August and just wanted to let everybody know that that's where we're at with that 55 million and hopefully that will be working for us by fall and out on the streets, providing deeply affordable housing with services and so I wanted to just clarify that point and let everybody know that that's what's going on.

Senator Fillmore:

OK, thank you. All right, I appreciate that Mr. Niederhauser. Yeah, go ahead, Chris.

Chris Gamvroulas:

Just one last time, I should have noted that to Tom McDonald, who's a City Council member from Orem is Co-Chairing the working group and he's a un-appointed by the League of Cities and towns.

Senator Fillmore:

OK, great thank you. OK then as we close up here, our next item is a discussion on sub-group projects, so I'm going to discuss and then we can have some other discussion too. So as you thank you so much that I thought this was really productive. It's really great for me to hear these reports to see the written reports. I'm excited to see what's going to come out over the next couple of months. I'd like to give the subgroups some guidance over the next couple of months when you come back to us. It would be very good if we had concrete proposals instead of just aspirations or problems, right? To the degree that we can get, you know, specific legislative language or in the app and you know, I mean, if we don't have drafting attorneys, that's fine. It's just like we want to change code so that we can do this right or to eliminate this, please be as specific as you can. If you come back with funding requests, I really want those funding requests to be tied to a specific project, a specific outcome, and a specific impact, and I want to be able to see why you think that that is the best use of money as opposed to other things right? Knowing that any time we take any time, we give a legislative appropriation, it's not like we're competing against some other housing grant. It's we're competing against providing dental care to poor kids, right? We're competing against giving school teachers a raise so that they can afford a house as well in this kind of a housing and inflationary environment. So make the best argument that you can for, I mean make your case and make sure that that case is going to have a substantial impact. Remember that this is a sub committee and we don't have any authority to open bill files or to prioritize bill files, which is both good and bad. It's good in the sense that you're not limited. If you have a good idea, you can go to any of 104 legislators and see if they will prioritize your bill file and whether or not it goes through this subcommittee, is not going to have any impact on, you know, on it's at least, it's legal fate once the legislative session starts, but to the degree that we legislators who are sitting here and listening to this have the ability, I have a bill file or two open. Representative White I'm sure is going to open a bill file or to you know, to just kind of carry this committee work along and I know Representative Briscoe will as well, so just keep those things in mind as you come back with proposals we we really want to see specific proposals that are going to make a specific impact, and it is better to take incrementally small steps to get things done rather than to try to swallow a whole burrito. All right, Kyle.

Kyle Palmer:

Yeah, I just wanted to add a little supplement to that of course, for timing we have a meeting of the UFC coming up in a few weeks in about August 9th is where that ended up. We'll have another meeting at the end of September, which I know is after the next meeting of this group. So just going along with that, and if you aren't then pacing from last time we do want to try and get all those things honed in, if the Center for more is referring to 'cause, then we can actually get the buy off from the governor speaker president. The others that are on the OC and start moving all these into interim committees and then of course that's where all the meat grinders get to work and get the gal there, everything drafted and done so anyway, just wanted to add that.

Senator Fillmore:

Thank you, yeah so we have about two months or so to refine your proposals. Probably a tiny bit less than that, I don't know it's September or something probably the second Tuesday in September like this one. OK, all right. Further discussion from the subcommittee. I see none. OK, somebody want to make a motion to adjourn. Representative Briscoe moves to adjourn, do we have a second? Yes we do, uh Wayne Niederhauser all in favor say aye any opposed say no. That motion carries, unanimously, we are adjourned. Thank you everyone.

VII. ADJOURN

Senator Fillmore:

Meeting adjourned @ 2:18 p.m.