

Legislative Report



GOVERNOR'S OFFICE OF
Planning & Budget



**WORKFORCE
SERVICES**
HOMELESS SERVICES

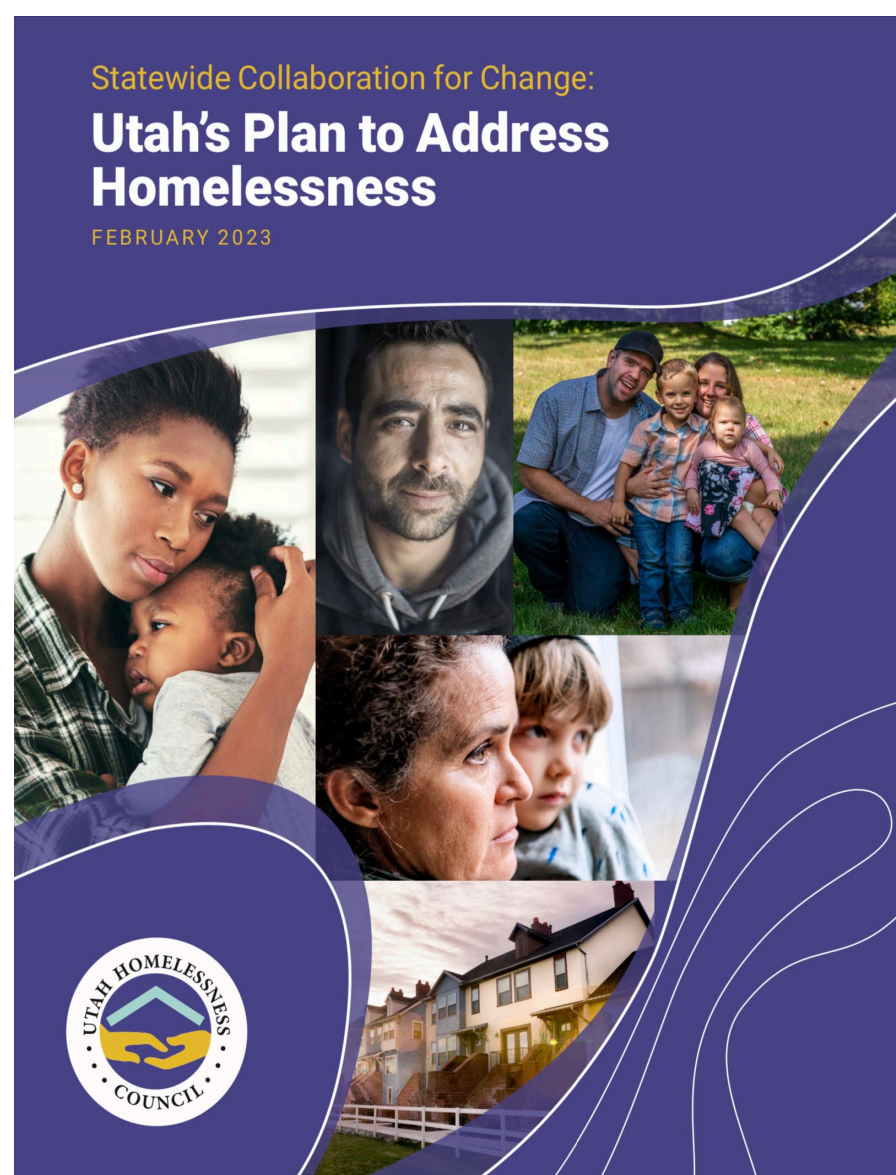
- **Deeply Affordable Housing Funding**
 - \$50 Million, one time
- **Utah Low Income Housing Tax Credit**
 - \$60 Million Program Program
- **Housing Stabilization Grants**
 - Project based rent support
 - \$5 Million, on-going
- **Statewide Code Blue System**
- **Requiring Large Counties to Plan and Respond**
- **Shelters Cities Mitigation Fund**
 - Approximately \$5,000,000
- **Provider Operation Money**
 - \$12 Million, on-going



GOVERNOR'S OFFICE OF
Planning & Budget



**WORKFORCE
SERVICES**
HOMELESS SERVICES



Supportive Housing.

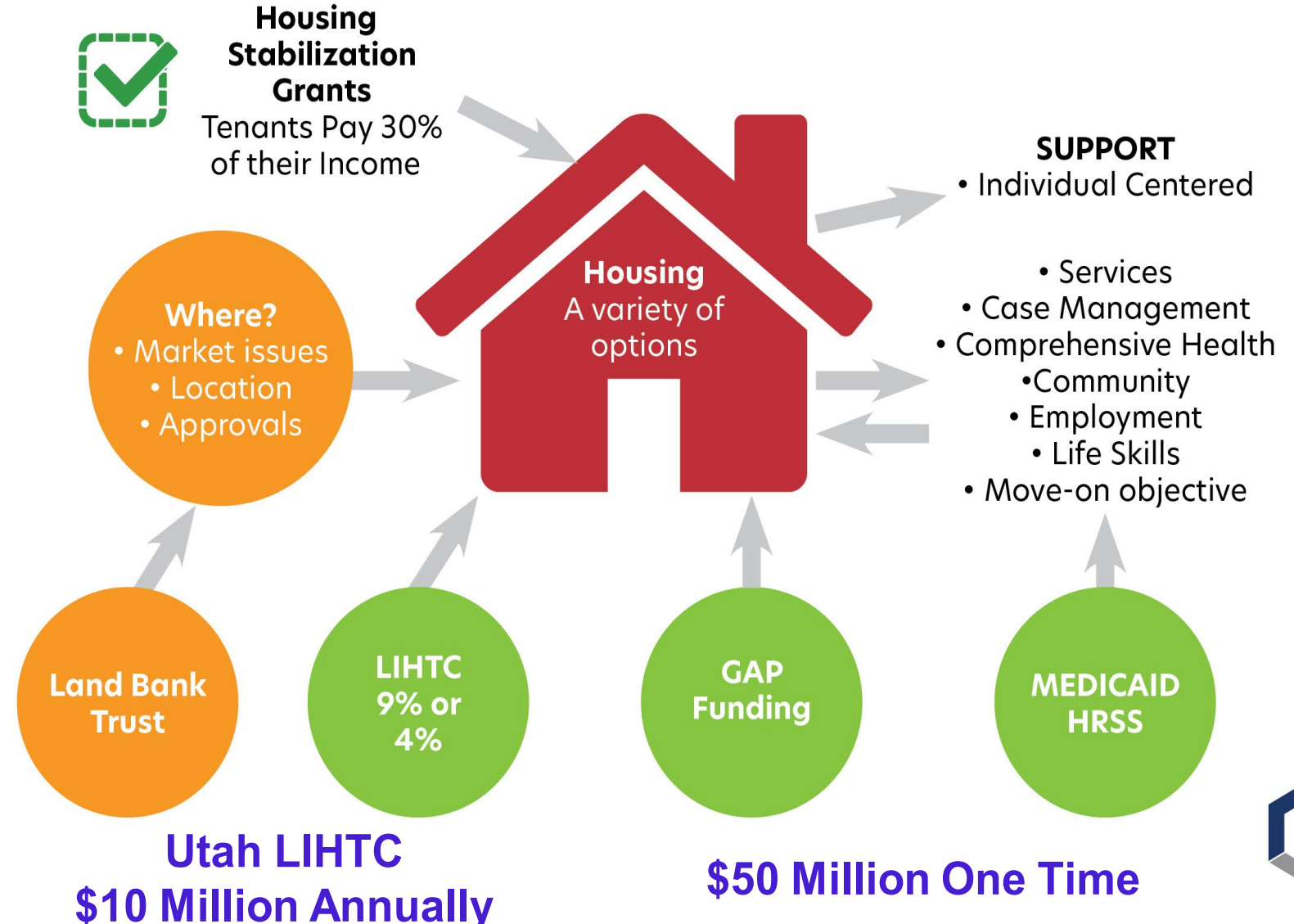
\$5 Million On-going



Housing Stabilization Grants

Tenants Pay 30% of their Income

How to fund it



2023 GS Housing Affordability Amendments

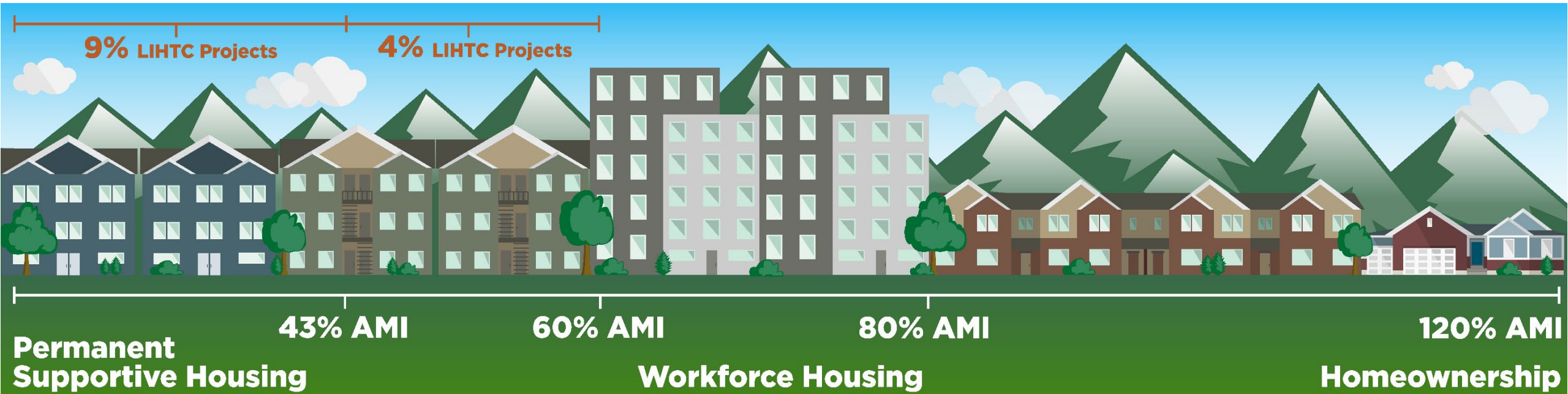


Utah Commission on Housing Affordability

May 9, 2023

David Damschen, President & CEO

Who We Serve



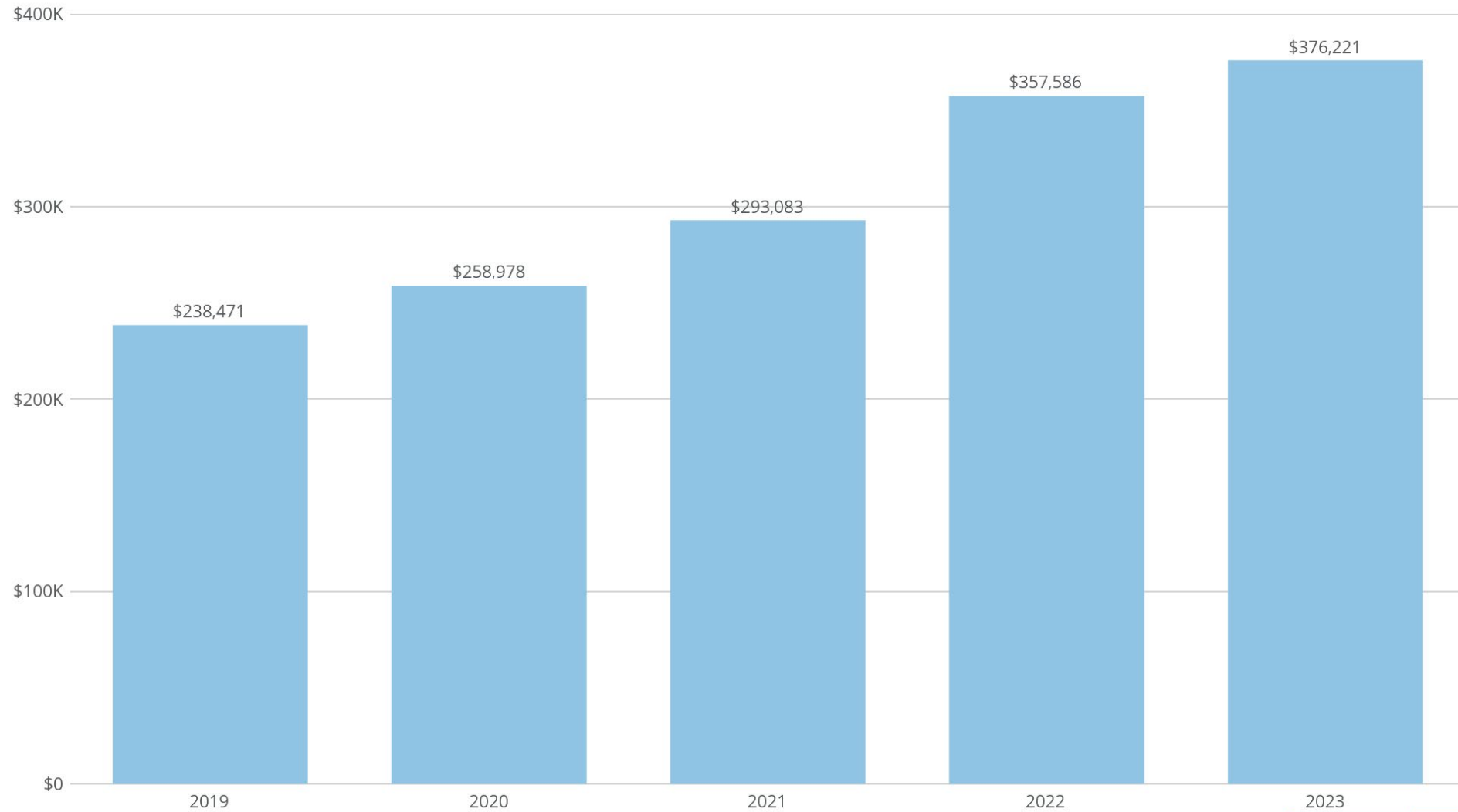
Utah Housing Corporation (UHC) is an independent state housing finance agency, created in 1975 by state legislation to finance and develop affordable housing opportunities for low to moderate-income households throughout the State of Utah. UHC combines expertise by forming partnerships and collaborating with private sector banking and lending institutions, developers, investors, nonprofit community partners, real estate agents, and others in order to achieve our mission through the administration and financing of programs which support affordable housing.

UHC's Mission:

Serving Utah's Housing Needs Through Finance and Innovation

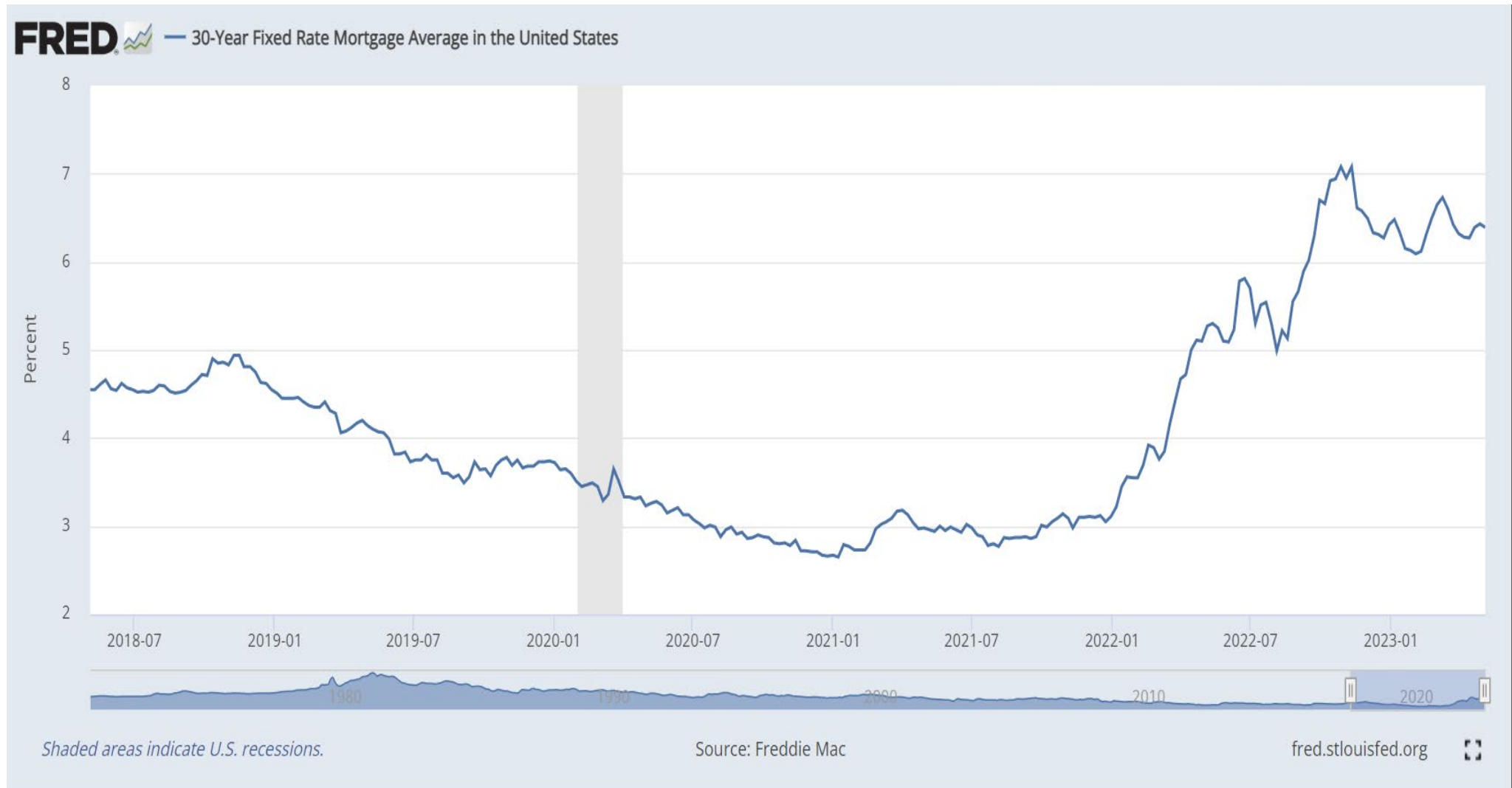
Home Ownership

Average Purchase Price

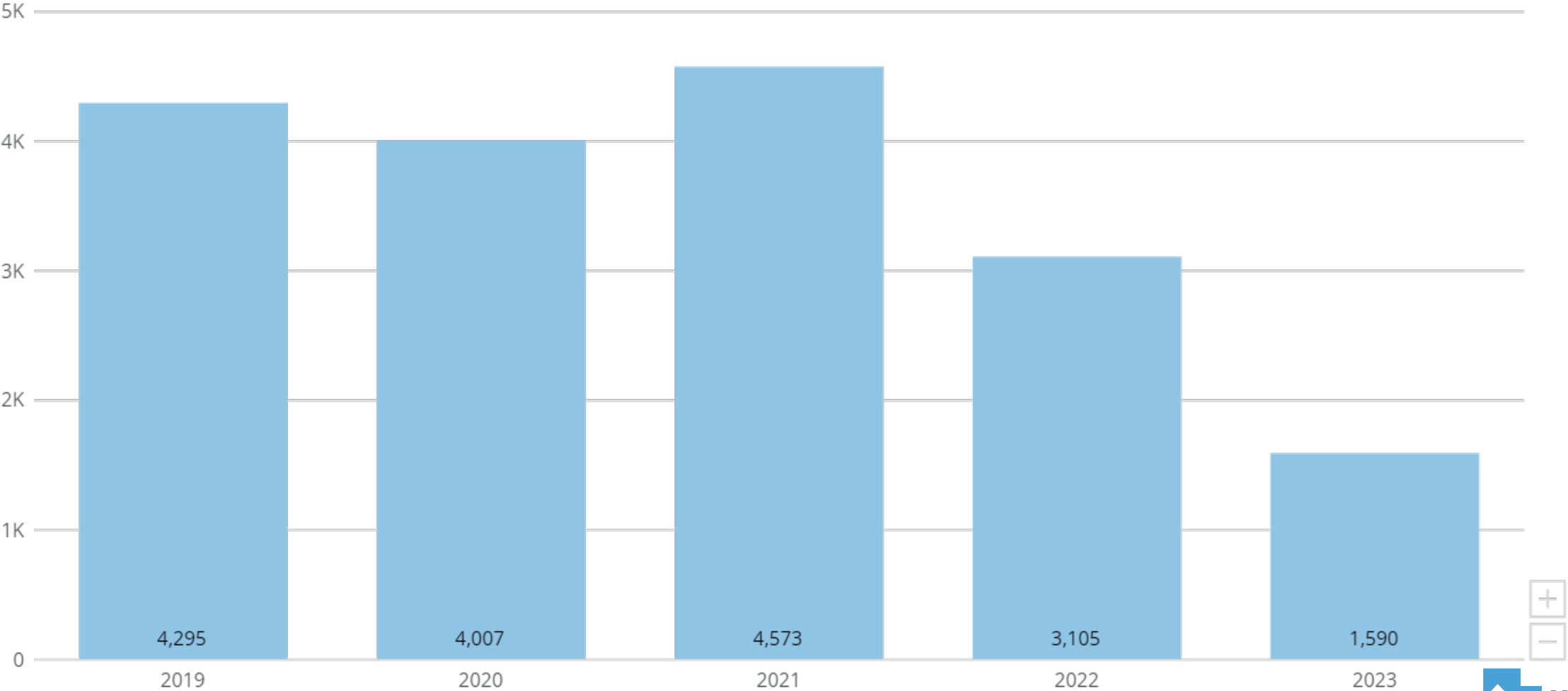


POWERED BY DOMO

30-Year Mortgage Rates



Mortgages Funded Annually



SB 240 First-Time Homebuyer Assistance Program

- \$20,000 per transaction “soft second”
- \$450,000 purchase price limit
- Permanent rate buydown, closing costs, or down payment
- Usable in combination with UHC’s regular DPA
- New construction/not yet inhabited
- Pending rules, DWS contract



Permanent Supportive Housing

HB 231 Low Income Housing Property Tax Exemption

- Article XIII, Section 3(f), Utah Constitution

“property owned by a nonprofit entity used exclusively for religious, charitable, or educational purposes”

- Provides that a private owner of Permanent Supportive Housing qualifies as a “nonprofit entity”
- Aligned with definitions of PSH in U.S.C., C.F.R., and Utah Housing Corporation’s Qualified Allocation Plan
- ~8 projects at present, ~\$280,000 annual collectively

Affordable Rental Housing

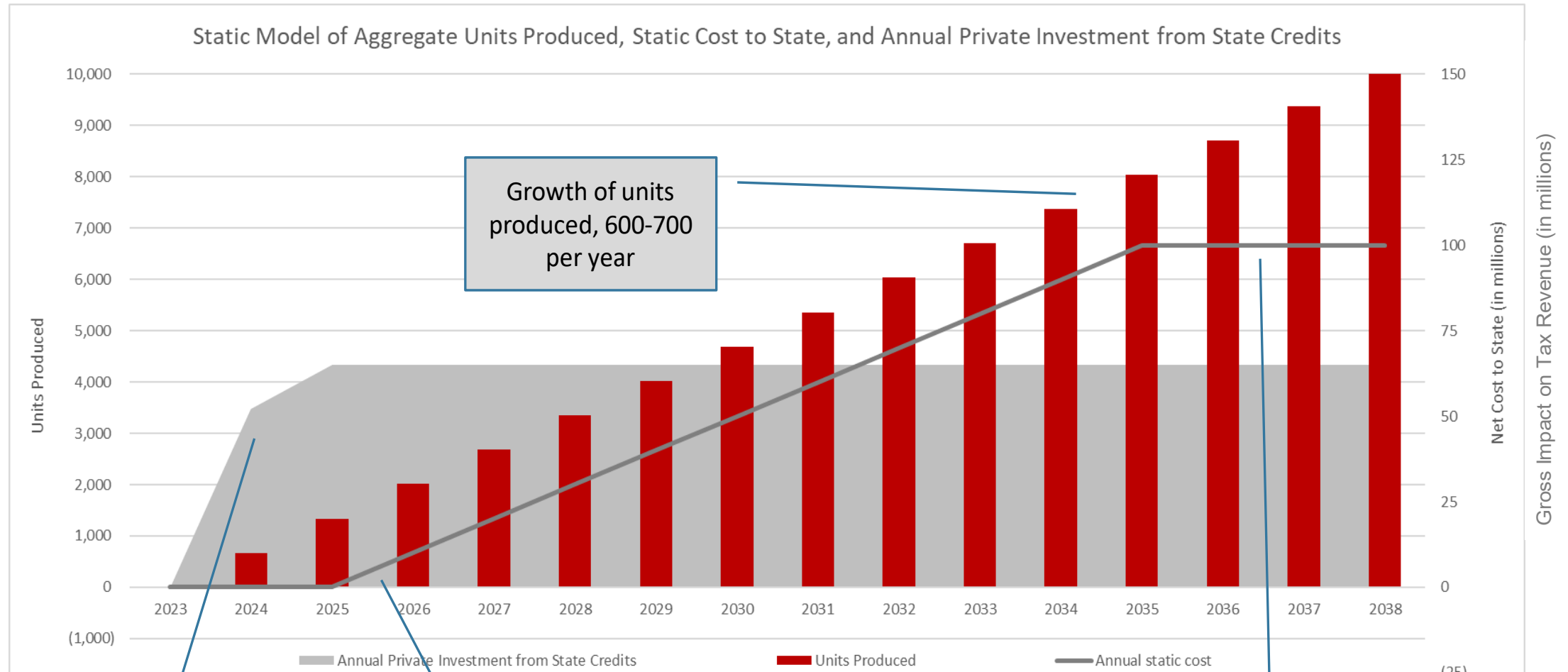
HB 364 Housing Affordability Amendments

- Increases the state's Low Income Housing Tax Credit 10X
 - ~(\$1MM annually - \$10MM annually)
- Six year sunset
- Boost production by ~600-700 units each year?
- No carryforward provision
- Administered in tandem with the federal LIHTC



Providence Place, Salt Lake City

Revenue Impact And Credit Pricing



Private capital comes upfront during construction

(Deferred) growth of foregone revenue from program increase

Subject to market demand and "at maturity," revenue impact plateaus



ULCT report to CHA

Partnership not preemption

WHY DO THEY
CALL IT THE
"DEATH STAR
BILL"?



Nick ANDERSON
© 4.21.23
RA NEWS

ULCT perspective

What cities can and can't do:

- Cities have no control over market forces, inflation, interest rates, supply chains, material costs, land costs, or labor shortage
- Cities don't build housing but we plan for housing

Key questions from 2022:

- 1) Will the proposals result in good planning for growth?
- 2) Will the proposals results in more housing units that are actually affordable to the buyer or renter?
- 3) Do the proposals respect the traditional land use planning role of local gov'ts?

What SB 174 does and doesn't do: clarifies leg & admin roles on subdivisions

Legislative: general plan

SB 174: No change to public process

Legislative: zoning

SB 174: No change to public process

Administrative:
preliminary subdivision

SB 174: *city may hold one public hearing*

SYSTEMIC CHANGE TO
LAND USE PROCESS

Administrative: final
subdivision review

SB 174: *the city shall approve or deny the application and may not require city council or planning commission approval*

SYSTEMIC CHANGE TO LAND
USE PROCESS

What SB 174 does and doesn't do: clarifies leg & admin roles on subdivisions

Legislative: general plan

- **SB 174: no change to public process**

Legislative: zoning

- Zoning map
- Leg action: land use authority recommends to the legislative body
- Robust community engagement process w/public hearings
- **SB 174: no change to public process**

Administrative: preliminary subdivision

- Application congruent w/general plan & zoning map
- 15 day shot clock to review preliminary
- **SB 174: may have 1 public hearing for prelim. application**

Administrative: final subdivision review

SB 174: Approve or deny the subdivision based on standards and not in a public hearing

- Required to meet shot clocks w/4 rounds of review max.
- 20 day shot clocks
- Developer must meet req'ts in redline
- City must document redline
- City may approve or deny

SB 174 Local Land Use & Development Revisions

3 key topics:

- 1) Changes the municipal administrative subdivision review and approval
- 2) Assesses a fee of \$250/day for cities who fail to submit a MIHP or cure deficiencies (increases to \$500/year if fails to submit a sufficient plan the following year). Revenue from the fee goes to the Olene Walker Housing Loan Fund
- 3) Modifies and clarifies IADU policy to include a garage if it shares a wall with the primary residence and restricts municipalities from prohibiting IADUs on new plats after Oct 2021.

Two part deadline: MIHP cities by Feb. 1, 2024; all others by Jan. 1, 2025

\$4 million in technical assistance, available on July 1

HB 406 Land Use, Development, and Management Act Modifications

Annexation (more to come in 2023)

- Modifies the definition of rural real property for the purposes of annexation petition protests
- Allows municipalities to reconsider a decision denying an annexation petition
- Allows a boundary adjustment commission to consider a petitioner's or affected property owner's preferences when considering an annexation petition protest

Residential roads/landscaping bonds

- Restricts municipalities from requiring *residential* road widths in new development to be constructed in excess of 32' with certain exceptions and creates an appeal process to arbitrate those exceptions.
- Clarifies restrictions on public landscaping bonds

Moratorium

- Prohibits municipalities from applying temporary land use regulations to applications after development moratoriums lapse if moratoria restricted the application.

Development agreements

- Creates additional advisory requirements for development agreements (may need modifications)

HB 364 Housing Affordability Amendments (Whyte)

HB 364 seeks to build on HB 462 (2022)

- Modifies the MIHP reporting timeline.
- Clarifies MIHP requirements and municipalities' reporting requirements to DWS & the process that will be followed
 - 90 day cure window if the plan is found deficient & 10 days to appeal the findings
- Clarifies the definitions, use, transfer, and calculations of state low-income housing tax credits.

Single family/townhome results

- Previous bills
 - SB 34/HB 462/MIHP (2018, 2022, 2023)
 - IADUs as allowed use in most areas (Hb 82, 2021)
 - Design standard preemption (HB 98/1003, 2021)
- 2 step subdivision process (SB 174)
- Maximum 4 subdivision infra reviews (SB 174)
- Maximum residential road width of 32' (HB 406)



Multifamily results

- Station Area Plans (HB 462, 2022)
 - 1st: Farmington, 6500 housing units planned
 - SAP deadline of 2025
- HTRZs (several)
 - 1st: Vineyard, 17,778 housing units planned
 - 11% of units as “affordable”
 - Tax increment to convert from wood to steel for height



Total results to date, 2018-22

- Permits, per Gardner = 144,581
 - 69,608 single family
 - 31,596 condos/townhomes
 - 43,377 apartments
- Entitled units awaiting permits per ULCT data = 130,000+
- Utah = 15th smallest median lot size in US
- Median lot size for sale in Utah decreased by 8.1%

2021 = best housing production year ever!

- 40,144 permitted units
- Most townhomes and apartments in state history

2022 1Q, 2Q = townhomes & apartments ahead of 2021 pace





Other Investments:

- \$600,000 (1x) Section 8 Landlord Incentive Program
- \$1,000,000 (1x) Habitat for Humanity Critical Home Repair Program
- \$2,750,000 (Ongoing) Rural Single-Family Home Land Revolving Loan Program
- \$500,000 (Ongoing) Single-Family Housing Rehabilitation
- \$5,000,000 (1x) Shared Equity Revolving Loan Fund
- \$10,000,000 (1x) Utah Housing Preservation Fund

