

Summary of SB 34 Affordable Housing Modifications (4th Substitute)

Sen. Jake Anderegg / Rep. Val Potter

Summary: SB34 encourages local communities to plan for housing for residents of all income levels, and coordinate that housing with transportation. Communities are required to develop a moderate income housing (MIH) plan as part of their general plan. Communities that are required to annually report on their MIH plan implementation must satisfy these requirements to remain eligible for state transportation investments.

Revisions to required elements of municipal and county general plans:

Land Use element must now consider location of land for housing for residents of various income levels in addition to the other categories of public and private uses of land (line 481 for municipalities; 1172 for counties).

Transportation and Traffic Circulation element:

- “Provide the general location and extent” of active transportation facilities in addition to freeways, arterial and collector streets, public transit, and other modes of transportation (491; 1182).
- Plan residential and commercial development around “major transit investment corridors” to improve connections between housing, employment, education, recreation, and commerce (494; 1185).
 - Defines “major transit investment corridor” as public transit service that uses or occupies: (a) public transit rail right-of-way; (b) dedicated road right-of-way for the use of public transit, such as bus rapid transit; or (c) fixed-route bus corridors subject to an interlocal agreement or contract between a municipality or county and (i) a public transit district as defined in Section 17B-2a-802, or (ii) an eligible political subdivision as defined in Section 59-12-2219 (246; 858).
 - Municipalities without a major transit investment corridor must plan for residential and commercial development in areas that maintain and improve these connections (498).
- Correlate the transportation plan with population and employment projections, and the proposed land use element (502, 1188).
- Consider the regional transportation plan developed by the region’s metropolitan planning organization (MPO); if outside an MPO, consider the long-range transportation plan developed by UDOT (575; 1258).

Moderate Income Housing (MIH) element:

- **Municipalities/counties covered:** Utah Code has long required municipalities and counties to plan for moderate income housing growth. SB34 requires, by December 1, 2019, the following municipalities and counties to update and adopt the moderate income housing element of their general plan (444; 1074), and annually report on implementation (614; 1296):
 - all municipalities of the 1st, 2nd, 3rd, and 4th class;
 - cities of the 5th class with a population of 5,000 or more that are located in counties of the 1st, 2nd, and 3rd class;
 - metro townships with a population of 5,000 or more; and
 - all counties must plan and adopt a MIH element including strategies from the ‘menu’ (see below) but only counties of the 1st, 2nd, and 3rd class with an unincorporated population of 5,000 or more must annually report on implementation.
- Facilitate a reasonable opportunity for a variety of housing including MIH and shall now 1) meet the needs of people of various income levels living, working, or desiring to live or work in the community (509; 1198); 2) “allow people with various incomes to benefit from and participate in all aspects of neighborhood and community life” (511; 1200); 3) towns may and cities shall analyze how they will provide a realistic opportunity for the development of MIH within 5 years for cities (513) and within the planning horizon for counties (1203).

- **Menu:** Shall include a recommendation to implement 3 or more of the following strategies, aka the ‘menu’ (518; 1205):
 - (A) rezone for densities necessary to assure the production of MIH
 - (B) facilitate the rehabilitation or expansion of infrastructure that will encourage the construction of MIH
 - (C) facilitate the rehabilitation of existing uninhabitable housing stock into MIH
 - (D) consider general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the city
 - (E) create or allow for, and reduce regulations related to, accessory dwelling units in residential zones
 - (F) allow for higher density or moderate income residential development in commercial and mixed-use zones, commercial centers, or employment centers
 - (G) encourage higher density or moderate income residential development near major transit investment corridors
 - (H) eliminate or reduce parking requirements for residential development where a resident is less likely to rely on their own vehicle, e.g. residential development near major transit investment corridors or senior living facilities
 - (I) allow for single room occupancy developments
 - (J) implement zoning incentives for low to moderate income units in new developments
 - (K) utilize strategies that preserve subsidized low to moderate income units on a long-term basis
 - (L) preserve existing MIH
 - (M) reduce impact fees, as defined in Section 11-36a-102, related to low and MIH
 - (N) participate in a community land trust program for low or MIH
 - (O) implement a mortgage assistance program for employees of the municipality or of an employer that provides contracted services to the municipality
 - (P) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of MIH
 - (Q) apply for or partner with an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity
 - (R) apply for or partner with an entity that applies for affordable housing programs administered by the Department of Workforce Services
 - (S) apply for or partner with an entity that applies for programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act [not in county list of recommendations]
 - (T) apply for or partner with an entity that applies for services provided by a public housing authority to preserve and create MIH
 - (U) apply for or partner with an entity that applies for programs administered by a metropolitan planning organization or other transportation agency that provides technical planning assistance
 - (V) utilize a MIH set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency
 - (W) any other program or strategy implemented by the municipality to address the housing needs of residents of the municipality who earn less than 80% of the area median income
- In addition to the recommendations required above, municipalities that have a “fixed guideway public transit station” shall include a recommendation to implement either “G” or “H” (568) [not required for counties].

- **Annual reporting and review of the moderate income housing plan:** The municipal/county legislative body shall annually review their MIH plan and implementation of that plan; prepare and post a report of their findings on their website; and send the report to Dept. of Workforce Services, AOG, and MPO if applicable (612; 1294).
 - The report shall include: a) revised estimate of the need for MIH in the next 5 years; b) description of progress made to provide MIH by analyzing and publishing data on the # of housing units that are at or below 80%, 50%, and 30% adjusted median family income; c) description of efforts to utilize a MIH set-aside from community reinvestment agency, redevelopment agency, or community development and renewal agency; d) description of the implementation of the MIH recommendations aka 'menu'.
 - Requires the DWS Division of Housing and Community Development to (i) assist in the creation of the MIH reports, and (ii) evaluate the reports for purposes of determining eligibility for state transportation funds. Gives DWS rulemaking authority to develop the evaluation process (1414).

Revisions to Olene Walker Housing Loan Fund (1325): SB34 did not provide any additional funding for housing. Revises Olene Walker Housing Loan Fund board to add 1 member w/expertise in transit-oriented development and 1 member who represents rural interests. The board must hold two public input meetings each year, once in a rural area. Allows fund money to be used to purchase land for low-income housing (1388).

Revisions to state transportation funding:

- Adds access to educational facilities and MIH to the prioritization process for new transportation capacity projects administered by the Utah Transportation Commission (1749).
- State Transportation Investment Fund (TIF) or Transit Transportation Investment Fund (TTIF) funds may not be used in a municipality or unincorporated county that has failed to adopt a MIH plan or has failed to report on implementation of their MIH plan as determined by DWS. TIF funds can still be used for a limited-access facility, but not for construction, reconstruction, or renovation of an interchange. TTIF funds can still be used for a multi-community fixed-guideway public transportation project, but not for the construction, reconstruction, or renovation of a station (1808).