



Local Administrative Advisor

Local Government 101:

All About Utah's Municipalities

Zoom | February 14th at Noon



Legislative Policy Committee

February 12, 2024



AGENDA:

1. Natural Resources
2. Infrastructure Funding
3. Taxes
4. Government Operations
5. Housing and Land Use
6. Other Topics
7. Ratify Bill Tracker
- 8 Adjourn

REMINDERS:

- Make sure you are signed up for daily updates and Friday Facts
- **1) Partnership, not preemption**
- **2) The state has a tight budget and so do cities**

UPCOMING MEETINGS:

Legislative Policy Committee:

- February 20th @ 12 PM *(hybrid)*
- February 26th @ 12 PM *(hybrid)*

Session Checkpoint

Session LPC #4

Day 28

Week 5

ULCT Tracking

25.6%

of all bills

ULCT tracking 211 bills | 824 bills/resolutions numbered | 933 TOTAL numbered last year



Housing & Land Use



DRAFT LEGISLATION

HB 289– Property Rights
Ombudsman Amendments
(Birkeland)



Staff recommendation: Oppose

HB 289 adds **consequential damages** to for prevailing parties of land use disputes resolved in court if the decision is consistent with a Property Rights Ombudsman (PRO) opinion...

Amendment:

Property Rights Ombudsman Process (existing law)

- When a land use dispute arises, parties can request an opinion from the PRO.
- If parties disagree with the PRO opinion, they can still proceed to court.
- If the dispute is resolved consistently with the PRO's ruling, the prevailing party can collect reasonable attorneys fees.
- If the court finds that the municipality knowingly and intentionally violated the law governing the cause of action, awards a \$250/day fee.

DRAFT LEGISLATION

HB 289– Property Rights
Ombudsman Amendments
(Birkeland)



Staff recommendation: Oppose

| Issue | Original HB 289 (Birkeland) | Second Substitute (Loubet) |
|--------------------------------------|---|--|
| Reasonable Attorneys Fees | -Shall to substantially prevailing party | -Shall to substantially prevailing party |
| Consequential Damages | -Shall -No standard of proof of bad faith | -Shall -Knowingly and Intentionally |
| Fine of \$250 per day | -Shall -"Knowingly and Intentionally" | -Shall -Knowingly and Intentionally" |

DRAFT LEGISLATION

SB 185 – Residential Building
Inspection Amendments (Vickers)



*Staff recommendation: Oppose as
drafted*

- Authorizes building permit holders to contract with 3rd party building inspectors to enforce state construction code.
- Requires local governments to accept approval from 3rd party building inspectors.

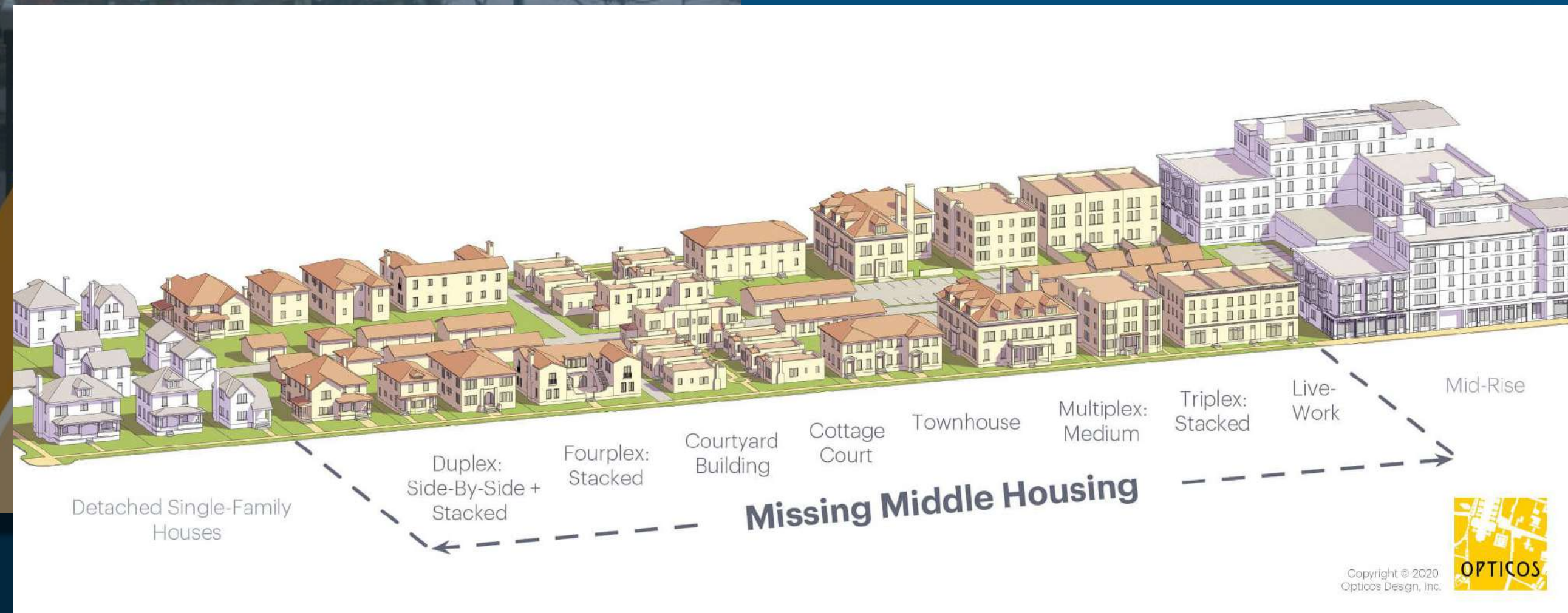
UTAH PARKING MODERNIZATION GUIDEBOOK

SEPTEMBER 2023

PREPARED BY

FEHR PEERS

**LELAND
CONSULTING
GROUP**





Senate President Stuart Adams isn't giving up his ideal of the American dream.

“It felt to me like, previous to last session, we’ve been focusing on getting people into apartments and focusing on multifamily zoning, trying to get additional density in cities,” Adams told The Tribune. “It just felt to me like we’d lost the focus on the American dream. And that is actually homeownership.”

As interest rates lower, Adams believes demand for the first-time homebuyers program will only grow.

Plus, he’s “hoping that the cities will allow for smaller lots for the product line that allows people to get into a first home at that [lower] price point.”

Rumbling 1 (similar to HB 306)

Key Provisions:

- All residential areas shall allow 8 single family detached units to the acre SO LONG AS 6 units are deed restricted at some AMI

Board principles: *Oppose*

Jan ideas

Key Provisions:

- Cities shall allow at least 8 units/acre (single family, townhomes, condos) in % of city's residential zones
- builders would access the zoning so long as they build % affordable, owner-occupied units
- limited "credit" for city's existing/plan housing
- Third party review of zoning

LPC slido 1/22: *concerned*

Rumbling 5

Key Provisions:

- facilitate small units/lots
 - parking, setback, open space
- MIHP reports/data
- tax increment zone, PTIF to facilitate first homes
 - infra \$, or
 - finance housing, or
 - buy down price
- Criteria for use:
 - builder targets: affordable, ownership
 - cities: plan for sufficient density

Staff rec: *deliberate w/ stakeholders*



New housing product

Modular Housing(SB 168)



Financing tools

- a) Infra districts (HB 13)
- b) PTIF (HB TBD)
- c) FHIZ (HB/SB TBD)



Process updates

- a) CHA bill (HB 465)
- b) LUTF (HB 476)



Partnership, not preemption, in planning for housing

(but, other bad bills are still out there)

DRAFT LEGISLATION

HB 306 – Residential Housing
Amendments (Ward)



Applies to cities in all first & second class counties and cities of 15k+ in third class counties

Cities have to allow 8 units to acre

Starter home = 5 year deed restriction to be owner-occupied; must be initially sold to first time buyer

~~Cities can only impose impact fees for roads, sewer, and fire protection~~

Staff recommendation: Oppose

DRAFT LEGISLATION

HB 465 – Housing Affordability
Revisions (Whyte)



Staff recommendation: support

Moderate Income Housing Plans

- Be compliant with MIHP to be eligible for state Outdoor Recreation grants

POTM, SITLA, Inland Port

- Encourage POTM, SITLA, Inland Port to try to increase housing supply

CRA/RDA

- Extend CRA/RDA set-aside eligibility for owner-occupancy up to 120% AMI (maintains renter units up to 80% AMI)
- Flexibility for interlocal between cities/agencies
- Must spend or encumber the set-aside within 6 years

Other

Changes to housing tax credits, pass-through funds

Still to come (either in HB 365 or SB 168)



- some definitions of parking req'ts
- MIHP reports & annual data collection

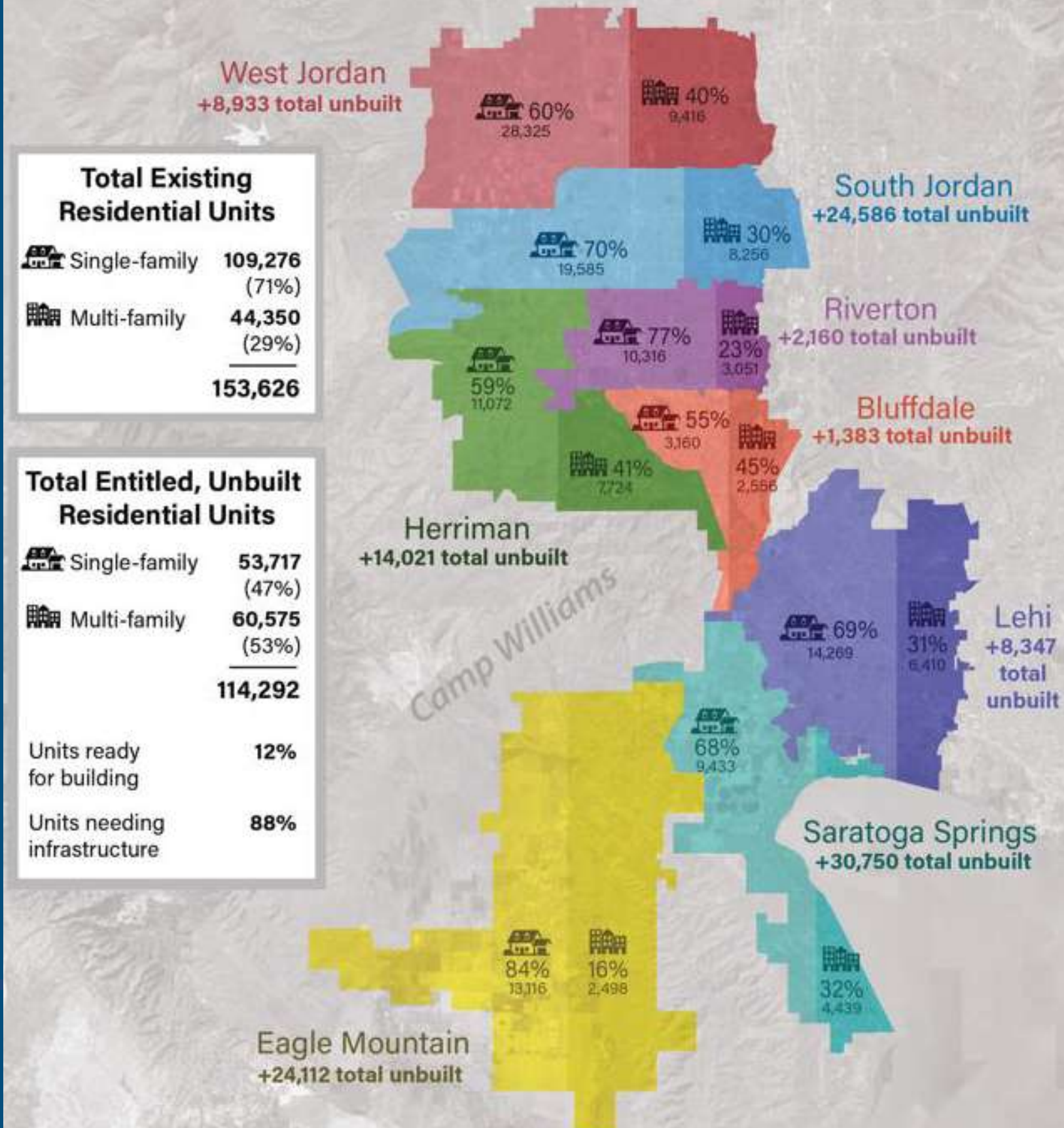
Vested Residential Units

Southwestern Salt Lake County Northwestern Utah County

Current Estimated Housing Stock

Updated
Summer 2023


 Single-family/detached  Multi-family/attached



Total Existing Residential Units

| | |
|---|-------------------------|
|  Single-family | 109,276 (71%) |
|  Multi-family | 44,350 (29%) |
| | 153,626 |

Total Entitled, Unbuilt Residential Units

| | |
|---|------------------------|
|  Single-family | 53,717 (47%) |
|  Multi-family | 60,575 (53%) |
| | 114,292 |
| Units ready for building | 12% |
| Units needing infrastructure | 88% |

Proposed Additional MIHP Reporting Fields

Planned residential unit information

- Number of housing units anticipated by general plan
- Number of vested units (legally approved through zoning or development agreement)
- Number of housing units in active development (moving through approval process)
- Number of permit-ready lots
- Number of active building permits

Planning information

- Current zoning map (GIS file, PDF, image)
- Current land use map (GIS, PDF, image)
- Current land use table
- Number of deed restricted units

DRAFT LEGISLATION

HB 476 – Municipal Land Use
Regulations Amendments
(Whyte)



Staff recommendation: support

Subdivision phasing

- Clarifies that land use applications for separate and distinct phases are independent unless agreed to in advance.

Development agreements

- Clarifies allowable conditions for development agreements and removes language voiding provisions if notice is not provided.

Overpressure zone exemption

- Exempts overpressure zones from architectural design standard prohibition.

Waterwise landscaping provisions

- Clarifies restriction on local government private landscaping bond requirements, building permit/CO enforcement.
- Allows local governments to require developer to inform first homebuyer of waterwise landscaping req's.

DRAFT LEGISLATION

HB 476 – Municipal Land Use
Regulations Amendments
(Whyte)



Staff recommendation: support

Landings and setbacks

- States that window wells and small landings may be located in the rear setback of a residential lot.

Subdivision cleanup

- Provides more flexibility for local governments to choose which step of the two-step approval engineering review occurs on.

Sidewalk phasing

- Sidewalks can be required for issuance of CO, not building permit.
- Authorized bonding requirement for sidewalk construction.

State coordinate system

- Addresses conflicting provisions regarding the Utah Coordinate system. (**changes coming**)

Annexation rewrite

- Reorganization of annexation code section expected in substitute.

DRAFT LEGISLATION

HB __ – Money Management
Act (Spendlove)

*Staff recommendation: position
pending; work toward support*

Public Treasurers Investment Fund background

- Between 2017 and 2023, PTIF doubled to \$30 billion
- State of Utah and political subdivision money
- PTIF currently yielding 5.47% one-year rate of return

PTIF proposed action

- 1) authorize State Treasurer to invest up to \$1 billion as **deposits** in banks/credit unions for “qualified projects”
- 2) “Qualified project” = housing proposal with
 - a) % sold at “first home” levels (affordability)
 - b) owner-occupancy req’ts
 - c) all types of units (SF-D, townhomes, condos)
- 3) Banks/CUs could request deposits for a % of the “qualified project” cost
- 4) PTIF \$ deposited at Fed Funds Rate - XX basis points
- 5) Lender loans to builder at + YY bps over
- 6) sunsets

DRAFT LEGISLATION

First Home Investment Zone
(HB/SB ___)

First Home Investment Zone objectives: medium density town center AND owner-occupied, affordable units outside center

- 1) City option to propose
- 2) HTRZ committee approves it & awards % of TIF from taxing entities to fund infrastructure
- 3) Proposal must include:
 - a) density req'ts (housing units inside & outside center count for it)
 - b) 51% of developable acreage for housing
 - c) significant % must be owner-occupied
 - d) % must be affordable
- 4) still deliberating on details

*Staff recommendation:
position pending, work to
support*



DRAFT LEGISLATION

HB 507 – Construction
Amendments (Musselman)



- No local or state agencies can adopt permits or rules that are more stringent than the Federal Clean Water Act or Safe Drinking Water Act.
- Directs Division of Water Quality to determine standard operating procedures.
- Requires each municipal system to determine their best management practice method and publish it on a website.
- Stormwater permits are automatically issued if the municipality does not issue a permit within three days of receiving the application.
- DWQ collects a \$500 fee for each plan permit issued, \$350 of which is sent to the municipal system.
- standardizes violation cure process & sets fines.
- Makes several other process changes.

Staff recommendation:

Short-term Rental Update



The Salt Lake Tribune

‘Horribly imbalanced:’ How short-term rentals affect housing in Utah’s tourism-driven towns

Short-term rentals create a Catch-22 in some Utah towns, an expert said, because they help expand tourism but limit housing supply and affordability.

DRAFT LEGISLATION

Short term rentals (STRs)

HB 32 - Short-term Rental Modifications (Barlow)

- Clarifies that car sharing services are not short-term rental lodging does not include car rentals in tax code.
- *ULCT staff recommendation: neutral*

HB 180 Short-term Rental Amendments (Bennion)

- Requires all municipalities who allow STRs to adopt specific business license requirements.
- Limits type of structures that can be rented as STRs.
- *ULCT staff recommendation: oppose*

SB 204 Condominium & Community Assoc. Amendments (Harper)

- Prohibits HOAs from requiring STR owners use a specific operator/management service.
- *ULCT staff recommendation: position pending*

RFA: STR Address Verification (Whyte)

- Dedicate \$600,000 ongoing to tax commission for address verification to ensure STRs are paying taxes.
- *ULCT staff recommendation: support*



Transportation



DRAFT LEGISLATION

SB 208 – Housing and Transit
Reinvestment Zone
Amendments (Harper)



Staff recommendation: support

- Housing %
 - Increase from 10 to 12% for affordable
 - up to 9% at 80% AMI; up to 3% at 60% AMI
 - addresses phasing of housing, HTRZ
 - still likely to come: owner-occupancy req'ts
- “But for” test:
 - “data showing the cost difference between what type of development could feasibly be developed absent the HTRZ and the type of development that is proposed to be developed with the HTRZ”
- HTRZ committee
 - SQ: legislators, Gov office, taxing entities
 - increases legislative membership by 2
 - And here comes the ... FHIZ! (stay tuned)

DRAFT LEGISLATION

HB 430 – Local Gov't
Transportation Services
Amendments 1st sub



*Staff recommendation: supportive
of transit innovation grants;
position pending on other details*

- Large public transit district shall provide an accounting report to each city about revenues and services
- Transit innovation grants (UEOC)
 - Transit Transportation Investment Fund (TTIF)
 - 5th 5th (.20)
 - only imposed in Utah Co within UTA dist
 - % of the 4th quarter
 - already imposed in all counties within UTA dist



Natural Resources

DRAFT LEGISLATION

SB 172 – Protection Areas
Revisions



Staff recommendation: Oppose

Changes to Mining & Critical Infrastructure Protection Areas

- Senator Hinkins is no longer the sponsor
- Senator Bramble is now the sponsor

DRAFT LEGISLATION

HB 502 – Critical Infrastructure
and Mining



Land Use Preemptions

- Local governments must allow gravel pit operations and mining as a permitted use or conditional use subject to certain standards (preemption default).
 - Applies to all land that is >1,000 feet from any dwellings, <500 feet from rail/highway
- Local governments are prohibited from restricting, prohibiting, or imposing conditions that “unreasonably” limit gravel pit or mining operations.

Staff recommendation: Oppose

DRAFT LEGISLATION

HB 502 – Critical Infrastructure
and Mining



Utility Service Requirements

- Local governments must provide utilities to gravel pit and mining operations if:
 - they are within the entity's service area,
 - the entity provides similar service within 2 miles of the entity's boundaries to a similar operation and the local government has capacity to provide the service
 - the local government can reasonably provide the service without detrimental impact on other customers.
- The gravel pit or mine must pay a reasonable cost for the service.
- The local government may charge impact fees on the gravel pit or mine

Staff recommendation: Oppose

DRAFT LEGISLATION

HB 502 – Critical Infrastructure
and Mining



County Planning Req's.

- counties must adopt a critical infrastructure materials plan providing how they will supply adequate infrastructure materials to meet the needs. Must address:
 - levels of production,
 - number and location of operations in the county
 - transportation & distribution costs
 - projected future demand (20 years) based on residential construction & infrastructure
 - plan for accommodating new materials operations
 - Other potential needs
- Reports are submitted to the Legislative Management Committee

Staff recommendation: Oppose



Water

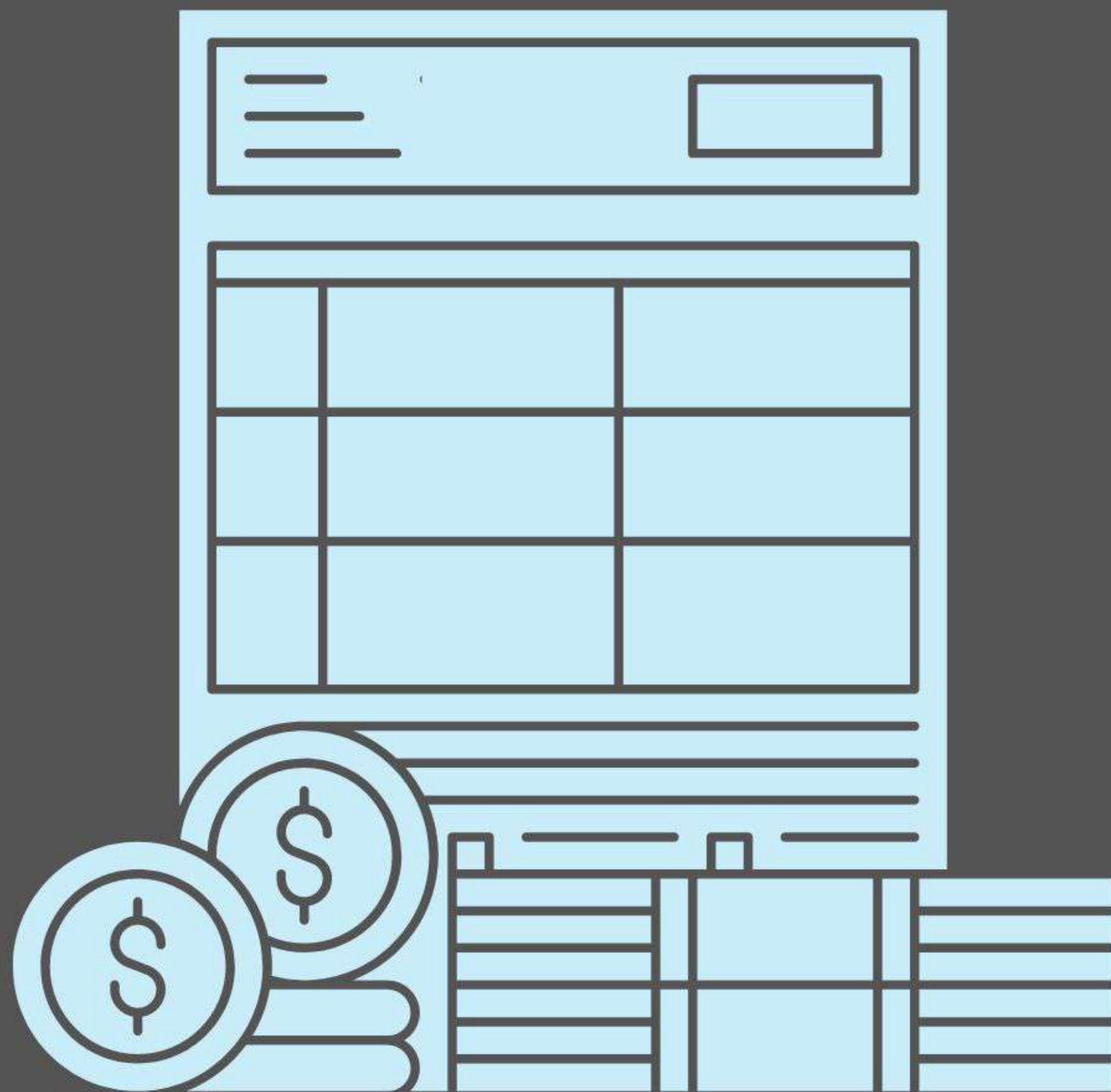
DRAFT LEGISLATION

HB 280 – Water Related
Changes (Snider)



- Division of Water Resources will now be conducting studies on fees and funding water infrastructure.

Staff recommendation: Neutral



Taxes & Fees

DRAFT LEGISLATION

**SJR 2 – Prohibition on Real Estate
Transfer Tax (McCay) AND**

**SB 30 – Property Transaction
Amendments (McCay)**

- SJR 2: Proposes to voters to amend the constitution to say that state nor local gov't can impose a tax or fee on the transfer of real property
- SB 30: requires when ownership of real property is transferred, the grantor/closing agent shall provide purchase price and other property info to the county recorder

*Staff recommendation: position
pending (ongoing dialogue)*



Government Operations

DRAFT LEGISLATION

HB 335 – State Grant Process
Amendments (V. Peterson)



*Staff recommendation: oppose
as drafted*

- Except as otherwise provided in the grant appropriation, only a nonprofit entity or a political subdivision that is, or is located within, a third-sixth class county may receive a grant (lines 173-176)
- Does not apply to a grant established in statute unless the grant is subject to this chapter (lines 168-170)
- Grant DOES NOT include an expenditure of federal money, public assistance, a loan, a rebate, an incentive, or a claim payment (lines 173-176)
- Multi-year grants may not exceed 5 years
- Direct award grants only valid if identified in the intent language (lines 223-231)
- May not receive competitive grant if applicant has received direct award grant for same purpose as competitive grant and grant period overlap. (lines 240-246)

DRAFT LEGISLATION

HB 489 – Party Affiliation
Disclosure Amendments (Acton)



*Staff recommendation: oppose
as drafted*

- Allows a candidate to have their party affiliation included on the ballot
 - must be a member of the the party
 - candidate remains a nonpartisan candidate

DRAFT LEGISLATION

SB 28 1st sub – Scenic Byway
Program Amendments (Harper)



Staff recommendation: neutral

- Modifies process for designating a state scenic byway
- ~~Restructures Utah Scenic Byway Committee:~~
 - ~~at least 5 members, at least 2 of which are local (40% local gov't)~~
 - ~~1 rep. appointed by the Office of Tourism~~
 - ~~1 rep. appointed by the UDOT~~
 - ~~1+ rep. from the counties with the proposed scenic byway~~
 - ~~1 rep. appointed by ULCT~~
 - ~~1 rep. appointed by outdoor advertising industry~~
- Maintains the current Utah Scenic Byway Committee
 - 4 state: GOEO, UDOT, Culture, Parks
 - 3 fed: NPS, Forest Service, BLM
 - 1 local tourism
 - 1 industry
 - 3 local electeds
- Legislature would give final approval to recommendations from the committee for scenic byway designations

Other

CONVERSATIONS

& NEGOTIATIONS

Religion in the public workplace





- HB 396 - Workplace Discrimination Amendments (Brammer)
- SB 150 - Exercise of Religion Amendments (Weiler)
- HB 460 - Government Employee Conscience Protection (M. Petersen)

CONVERSATIONS

& NEGOTIATIONS

Data Privacy

- 1/22/2024 State Privacy Officer Report
 - 34% of the 1600+ governmental entities had a compliant formalized privacy policy statement (UCA 63D-2-103).
 - Privacy policies must have
 - Contact info of website operator, summary of PII used, how PII is collected, sharing practices, access/correction procedures, and security measures.
- Rumored bill dealing with AI and government data governance
- Stay tuned for more information...

| | |
|---|------------------|
|  Hot | Oppose |
|  Work | Support |
|  Watch | Position Pending |
|  Monitor | Neutral |

Bill

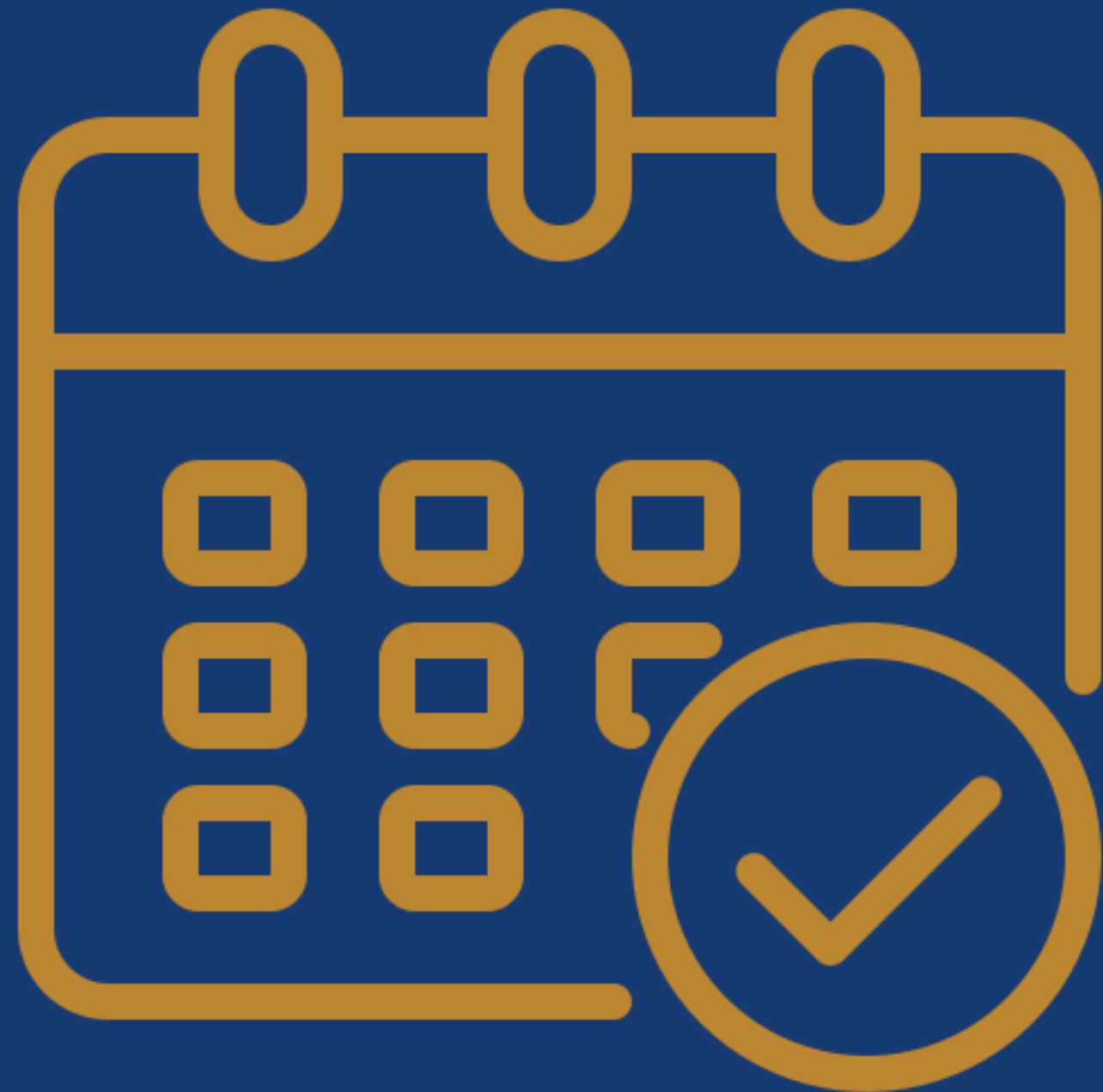
Tracker

Ratify Positions

IMPORTANT DATES

Legislative Policy Committee:

- February 20th *(hybrid)*
- February 26th *(hybrid)*



**MIDYEAR
CONFERENCE INFO**

ST. GEORGE | APRIL 17-19



Stay connected



**Sign up for Friday Facts &
Daily Legislative Recap**

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**Utah League of Cities and
Towns**

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Questions?



U
CT

#CitiesWork