

#CITIESWORK



UTAH LEAGUE OF  
CITIES AND TOWNS

# LPC

January 8, 2024



# ULCT's key messages for 2024

1. The state has a tight budget – so do cities
1. Partnership not preemption

# Fiscal Response Team

# Fiscal Response Team

- ULCT submits fiscal impact statements “fiscal notes” for each individual bill affecting local government.
- ULCT needs a small group of individuals who can quickly respond to fiscal note requests during leading up to and during the session.



# Governor's First Home Initiative

# Housing narrative at capitol: good, bad, ugly

**Good:** 81/95 MIHP cities/counties are in compliance as of Jan. 5 (remaining 14 are in the cure process)

**Bad:** perception that some cities/counties “phoned in” their MIHP actions

**Good:** ULCT data shows 190,000ish entitled housing units awaiting permits

**Bad:** anecdotes drive policy; City X denied a rezone so therefore cities are stopping supply

**Good:** ULCT data shows 73% of cities have reduced lot sizes in last 5 years; SL County lot & house size

- 27% haven't

**Bad:** Envision UT data claims most cities don't have small lots (EU didn't look at develop. agreements)

**Good:** Comm. on Housing Afford. consensus items: modular housing, state infra bank, CRA/RDA flex. and recent bills (station area plans, subdivisions, etc.)

# "Starter homes/First homes"

- **Governor's top priority in 2024: how to accomplish it?**
  - Wants cities to zone for small lots
  - Wants builders to build smaller houses, maybe w/deed restrictions for ownership and/or price
  - State provides infrastructure money, strategic goals
    - Note: State budget is tight this year!
  - *"Everybody must stretch" ... but how to overcome market forces??*
- **ULCT principles:** affordability, home ownership, sustainable infrastructure, quality of life
- **ULCT resolution:** opposes land use preemption

# All of the moving parts

## 1) Audit, Nov. 14

## 2) Envision UT land use recs

- Small lots, setbacks, mixed use

## 3) Guiding our Growth survey results

- housing variety

## 4) State database, Dec

- Strategic housing plan
- Long-range planning resources, software
- Benchmarks; what does success look like?

## • Political urgency for “first homes” (small lots & units; ownership)

- ULCT officers met with Gov. Cox, Sen. Fillmore, & Rep. Whyte on Dec 1
- Almost daily mtgs w/Steve Waldrip

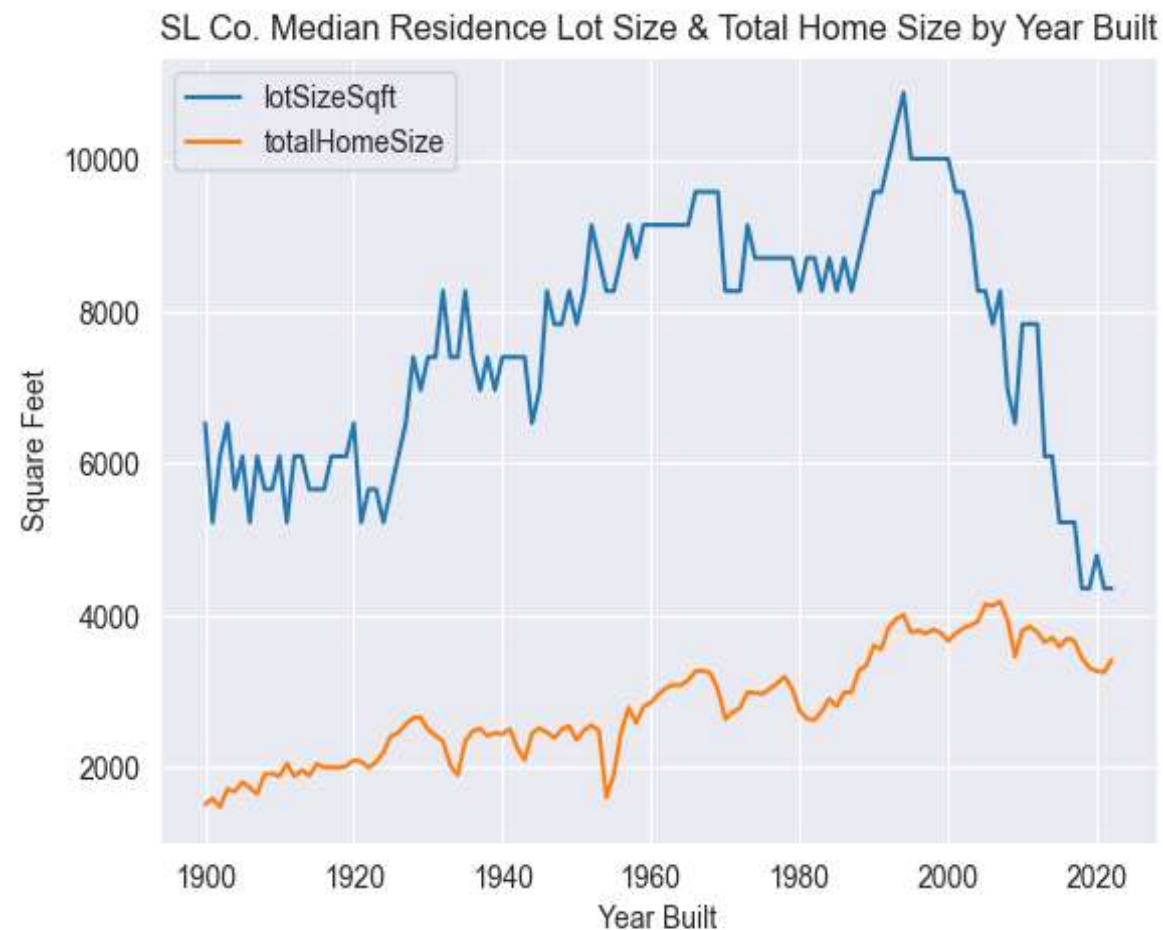
## • Actions in other states/provinces

- Upzoning preemption (ADUs, duplexes, mixed use, etc.)
- State targets with penalties
- State overlay for affordable units
- “Builders remedy” to build regardless of local zoning



# Focus at capitol: smaller lots

- **73%** of ULCT-surveyed cities have reduced min. lot sizes in some or all residential zones in last 5 years.
- Median lot size for new homes in **SL Co.** are the smallest they have been in a century (TBD data in other counties)
- Market is driving larger homes on smaller lots; prices haven't come down



Source: SL Co. Assessor Data

# ULCT principles on First Home Initiative *Pt. 1*

- 1) Avoid one size misfits all state mandates
- 2) Starter homes should be defined broadly **in type** (single family detached, townhomes, condos) and focus on **affordable home ownership** with financially sustainable infrastructure
- 3) The path forward should result in defined starter homes (requirements on builders)
- 4) The path forward should include flexibility to identify ways to facilitate starter home production locally (incentives for builders/requirements on local gov't)

*continued...*

# ULCT principles on First Home Initiative

## *Continued*

- 5) The path forward should recognize infrastructure challenges
- 6) The path forward should not punish cities for things outside of their control
- 7) The path forward should require cities to plan for starter homes
  - a. Could be a simple percentage of residential areas
  - b. Could be a sliding scale that takes into account existing or planned housing stock that meets the first home definition of (data)
- 8) If cities don't do their part to plan for starter homes, then consequences should apply (example: MIHP)

# ULCT internal work group

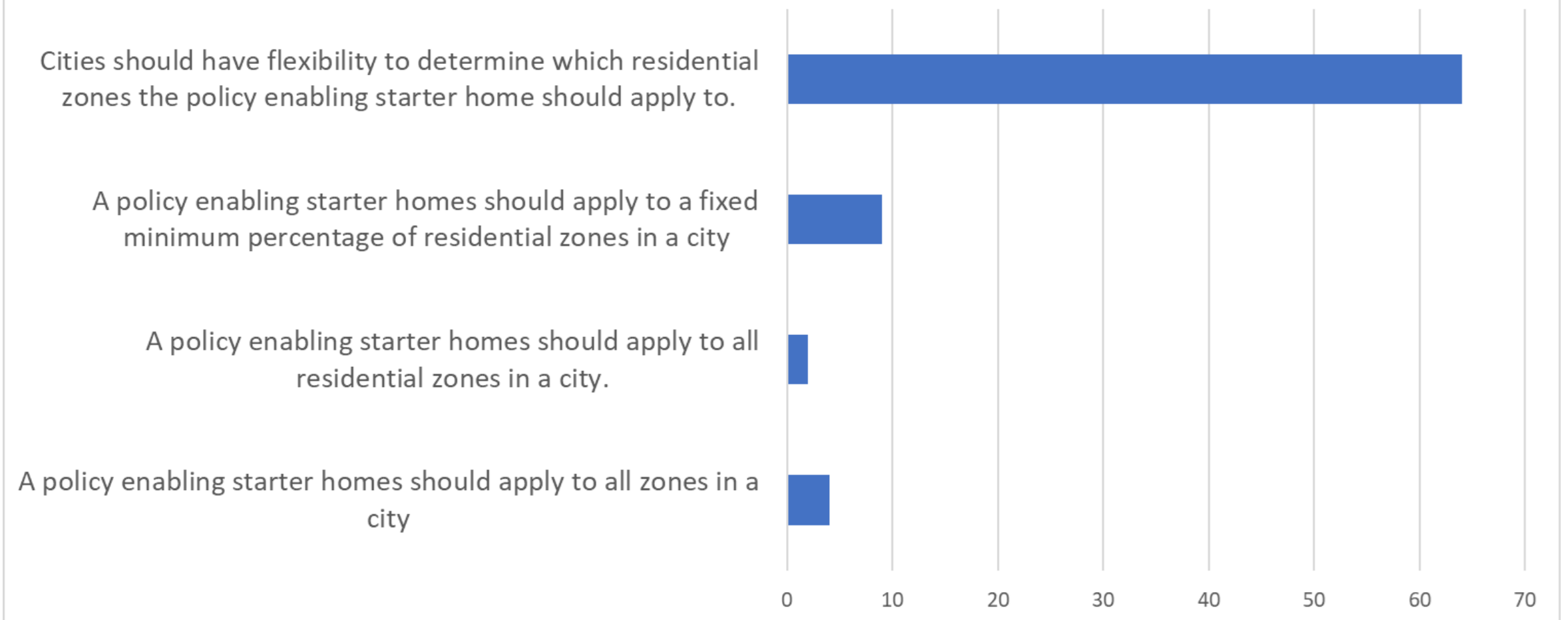
- ULCT internal work group has met 5 times since December LPC.
- Includes ULCT staff and city staff from:
  - Clearfield
  - Heber
  - Herriman
  - Holladay
  - Millcreek
  - North Ogden
  - Park City
  - Salt Lake City
  - Saratoga Springs
  - South Jordan
  - St. George
  - West Jordan
  - West Valley

# Dec LPC feedback: Starter Home Policy Req.

<b>What do you think about every city of a certain size being required to adopt a starter home policy with a mix of incentives and requirements to facilitate actual starter homes?</b>	
Very comfortable	7%
Somewhat comfortable	50%
Uncertain	7%
Somewhat concerned	22%
Very concerned	14%

# Dec LPC Feedback: Applicability

## Where should the policy apply within cities?



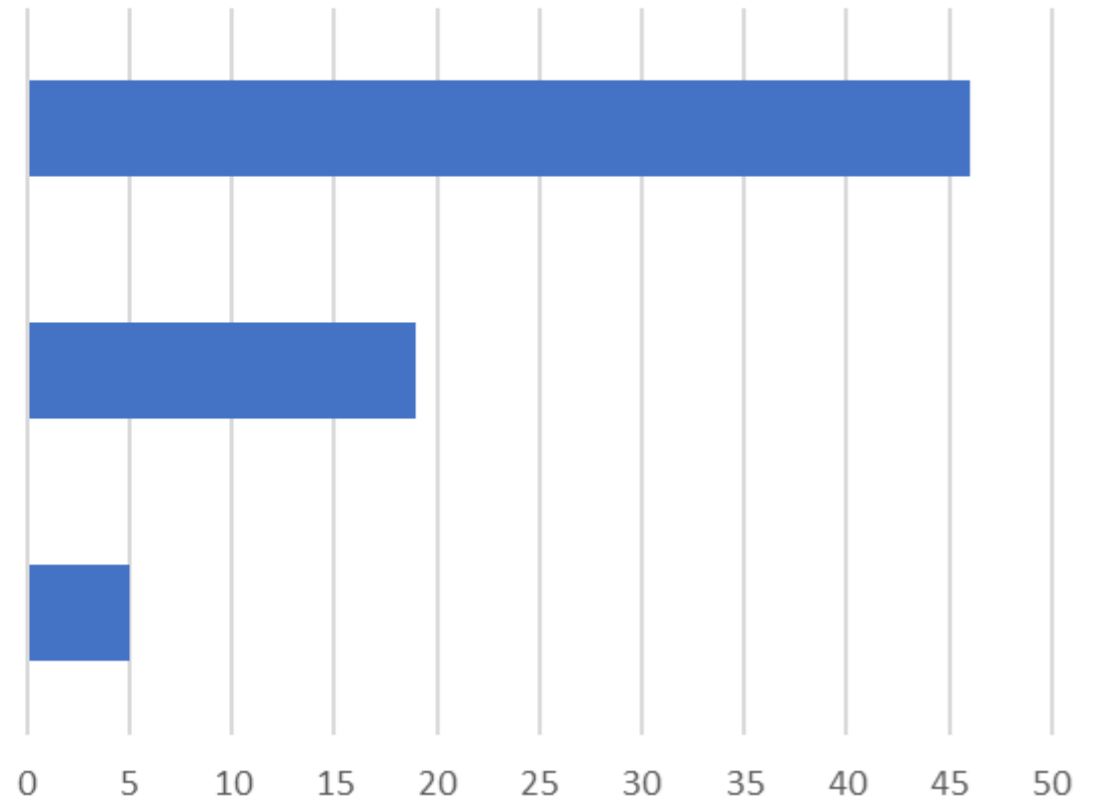
# Dec LPC Feedback: Consequences

**If a city does not adopt a starter home policy, what should the consequence be?**

Existing MIHP consequences (e.g., ineligible for state transportation dollars, 5th 5th, and paying a fee towards the Olene Walker housing fund)

Default state-created starter home policy (e.g. IADU)

Other consequence



# “First home” ideas out there

Details	rumbling 1 (update)	rumbling 2	ULCT Board framework	rumbling 3 (new)
density	8 units to acre everywhere so long as 6 are price capped	X units/acre in Y% of city	bonus to incentivize first homes, include THs, condos (mix use), SF detached	IADU approach: % of residential areas must allow small lots (8 to acre) or THs (12-18 to acre)
land use process	silent	silent	“expedite”; consider it w/shot clock	silent
land use regs	silent	setback, parking, lot cover max	zoning to incentivize first homes	city adopts % by X date
house size, design	no limit	unclear	max house size, some design standards (pre-approved styles?)	have pre-approved design process; need tool to limit house size
owner occupy/price req't	deed restriction on 6	silent	ban STRs, investors; <b>ensure owners are residents</b> ; deed restrict AML/price?	Need tool for deed restriction for owners as residents and/or price cap
existing/planned for units	no impact on dev. agree but that's all	no consideration	“credit” for those units, data	Could count toward the % req't
state consequence	preemption	incentive w/infra \$, MIHP report flex	non-compliance: MIHP, default zoning incentive: more infra \$	a) MIHP compliance process; b) by right starter homes
market result	unclear	unclear	unclear	still need a subsidy



# slido



**How do you feel about "rumbling 1": 8 units to acre everywhere so long as 6 are deed restricted to be price capped and owner occupied?**

① Click **Present with Slido** or install our [Chrome extension](#) to activate this poll while presenting.

# slido



**How do feel about "rumbling 2": require the city to allow X units/acre of small lots/townhomes in Y% of the city?**

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**How do you feel about "rumbling 3" (IADU framework): X% of residential areas must allow small lots or THs but with credit for planned/existing units and ability to regulate some things in some places (e.g. house size, ownership)?**

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# slido



**Which starter home requirements would your city be interested in applying on these new housing units? (select all that apply)**

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**Do you have some form of plan pre-approval process for new housing builds?**

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# slido



**What do you think about governments contributing some property tax revenue for housing-related infrastructure and to incentivize home ownership when cities zone for smaller lots**

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# On rumblings 1 and 2, we've pushed back:

- 1) How do these proposals build the 190k entitled units?
- 2) Many cities have currently zoned for 8 units/acre and the market has not built starter homes
- 3) Greenfield v. infill ... proposals unlikely to have an impact in infill areas and would likely only result in starter homes in areas where land is cheaper
- 4) Infrastructure impacts, current and future, of blanket density increases
- 5) blanket land use preemption v. more targeted incentives/intervention

# Our ask for Local Officials Day

Tell your legislators the following:

- 1) What has your city done to plan for housing?
  - a) *talk to your admin./planning staff to get numbers on lot sizes/recent approvals*
- 2) How can the state help facilitate starter homes in your city?
- 3) Why we oppose state preemption of local land use
  - a) Infrastructure
  - b) Planning
  - c) Anything else?

On Local Officials Day, we'll do a return and report!



# Infrastructure Districts

# Infrastructure Districts (Dunnigan)

- This bill creates a new type of special district – infrastructure financing districts – and relies primarily on existing special district code in UCA 17B.
- Creation is done by petition signed by 100% of property owners, which will include governing document provisions that include how the district transitions from an appointed to elected board.

# Infrastructure Districts (Dunnigan)

- The district is separate and distinct from other political subdivisions.
- A board member does not have to be a resident in certain circumstances including:
  - Consent from all owners, and
  - The district does not include any residents

# Infrastructure Districts - continued

- The property tax rate is .0004
- Property tax revenue may not be used for repayment of the bonds.
- The lien on the unit has to be paid off before a certificate of occupancy is issued.
- There is specifically no eminent domain authority.

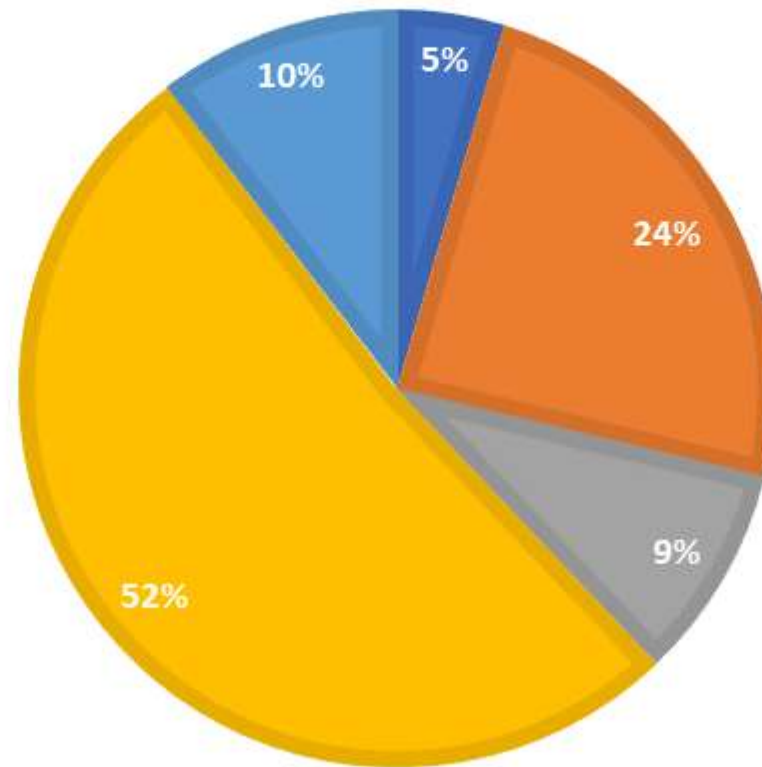
# Infrastructure Districts - continued

- The special district cannot levy or collect tax revenue that exceeds the certified tax rate unless there is an elected board of trustees.
- No later than 180 days after all debt is paid the district shall be dissolved.

# Infrastructure Districts

## LPC SUPPORT FOR CURRENT PROPOSAL

■ Very Comfortable ■ Somewhat Comfortable ■ Neutral ■ Somewhat Concerned ■ Very Concerned



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**What issues still need to be addressed to resolve your concerns with IFDs?**

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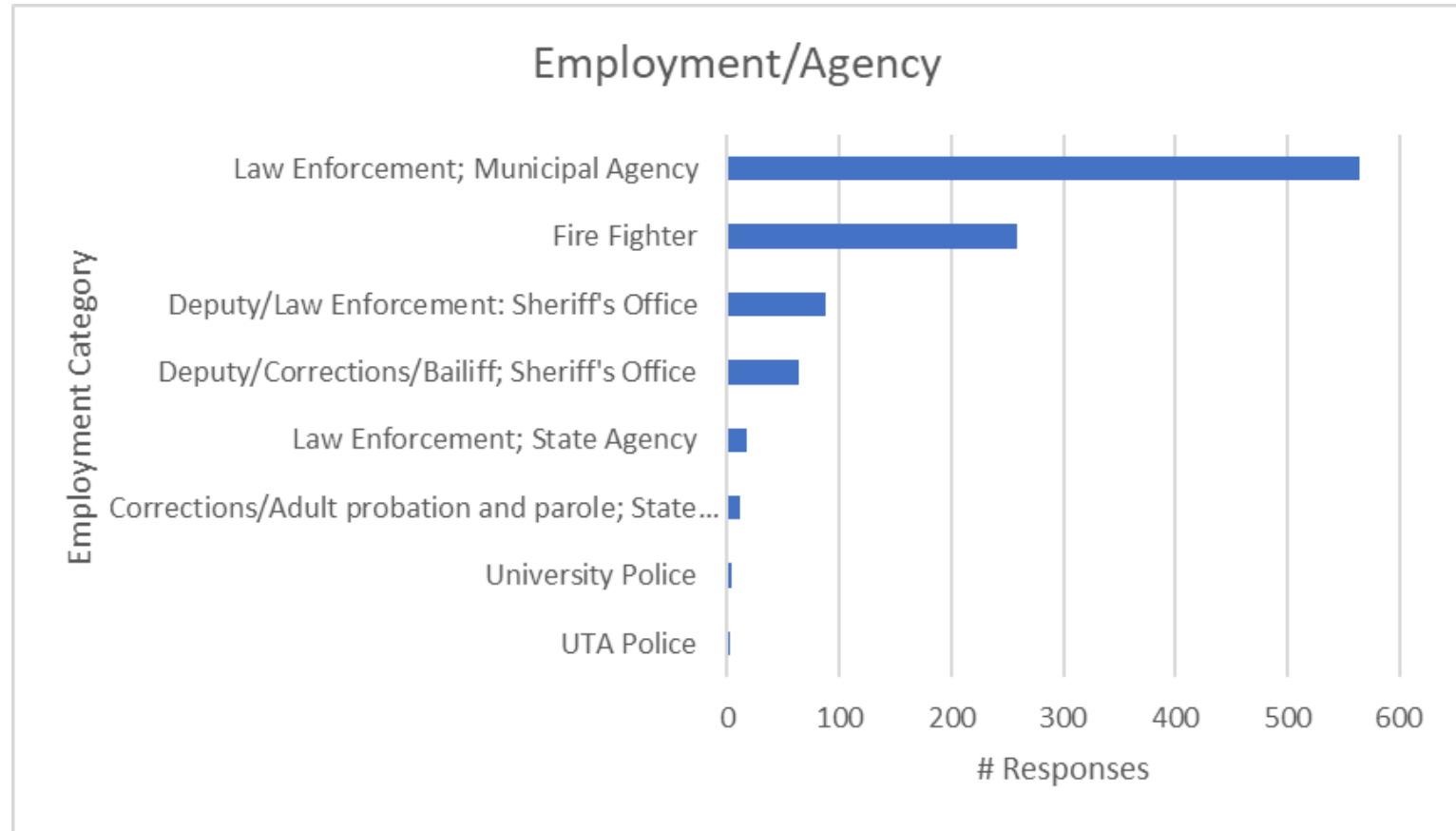
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# Public Safety Survey



# 2023 Survey Highlights

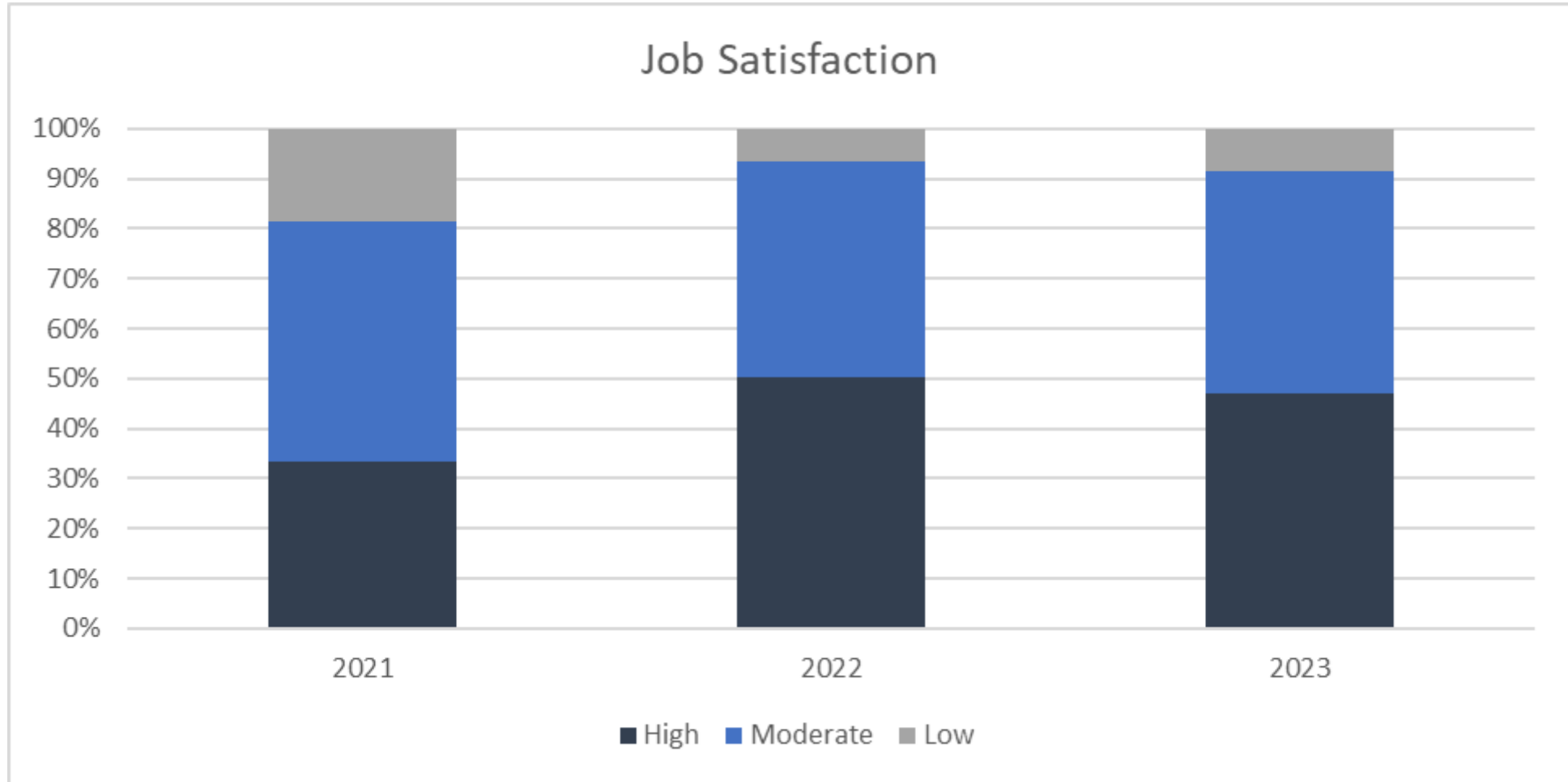
- >1,000 complete responses
- Primarily municipal police and fire
- Many response categories consistent with prior years



# 2023 Ranked Reasons for Considering Leaving Agency/Public Safety Service

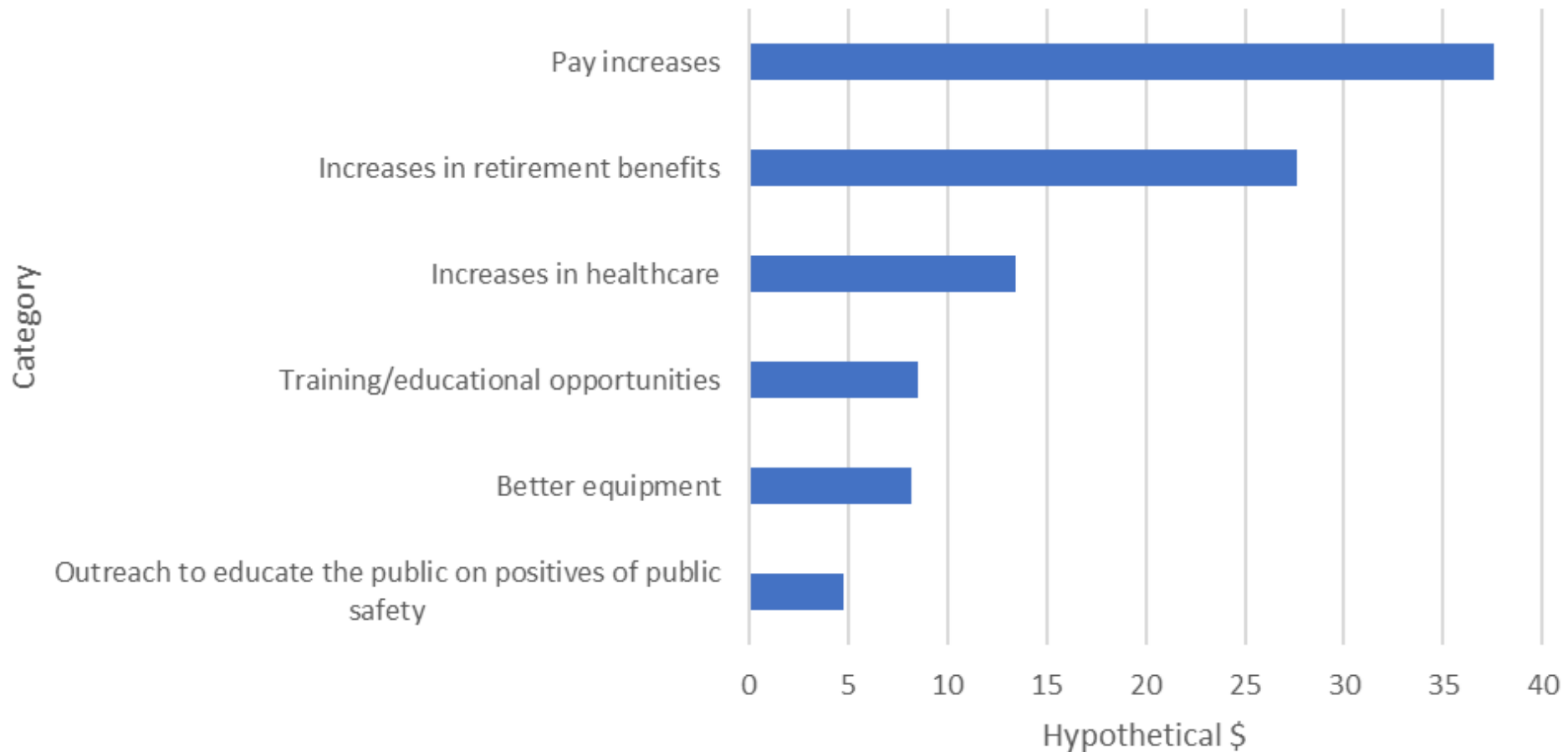
Reasons for Considering Leaving	Average Score (1 higher Rank)
Higher wages	2.311475
Increase retirement benefits	3.237705
Lack of support from elected leaders	3.704918
Benefits: Vacation, health insurance, education (exclude retirement benefits)	4.032787
Lack of support from administration	4.901639
Portrayal of law enforcement in the media	5.319672
Lack of community support	5.401639
Public safety is not the right career	7.090164

# Job Satisfaction

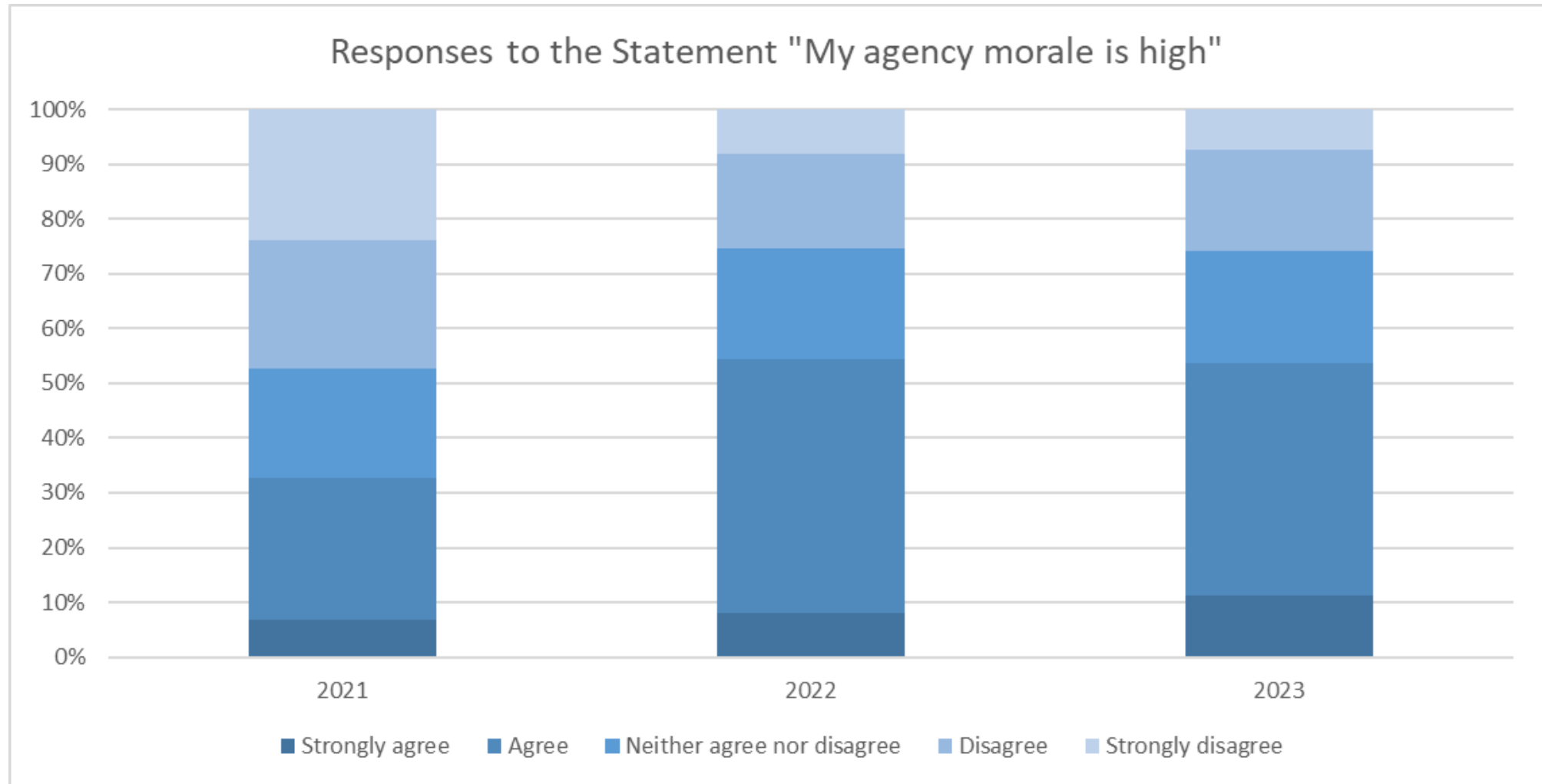


# Funding Prioritization

How would you allocate \$100 in new funding?



# Agency Morale



# Other Numbered Bills

## **H.B. 138 - Lobbyist Disclosure and Regulation Act Amendments (Ward)**

26 36-11-302. Improper influence -- Communication with an elected official's  
27 employer prohibited.

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28 ~~[A person may not seek to influence the vote of any legislator through communication~~  
29 ~~with the legislator's employer.]~~

30 (1) As used in this section:

31 (a) "Elected official" means a member of:

32 (i) the Legislature;

33 (ii) the legislative body of a local government; or

34 (iii) a board of education.

35 (b) "Elected official" includes a person who is appointed to fill a vacancy in the office  
36 of an elected official described in Subsection (1)(a).

37 (2) A person may not seek to influence the vote of an elected official through  
38 communication with the elected official's employer.

39 **Section 2. Effective date.**

40 This bill takes effect on May 1, 2024.

# Other Numbered Bills

## S.B. 28 Scenic Byway Program Amendments - Harper

300        (2) (a) Subject to the other provisions of this section, a local legislative body may  
301        submit a designation, removal, or nomination proposal to the Office of Tourism for the:  
302        (i) designation of a state scenic byway;  
303        (ii) removal of a state scenic byway designation; or  
304        (iii) nomination of a highway or state scenic byway as a National Scenic Byway or  
305        All-American Road.

# Other Numbered Bills

## S.B. 28 Scenic Byway Program Amendments - Harper

306      (b) Upon receiving a designation, removal, or nomination proposal, the Office of  
307      Tourism shall, before the committee meeting, provide the proposal received to each committee  
308      member.

309      (c) The committee shall:  
310      (i) review the proposal in a public hearing; and  
311      (ii) endorse or reject the proposal.

312      (d)(i) If the committee endorses a proposal to designate a state scenic byway or  
313      remove a state scenic byway designation:  
314      (A) the committee shall submit the proposal to the Transportation Interim Committee  
315      on or before October 31 of the year in which the committee endorses the proposal to designate  
316      or remove a designation as a state scenic byway; and  
317      (B) the Transportation Interim Committee may propose a joint resolution to approve  
318      the proposal.



# Other Numbered Bills

## **C D 22 Scenic Byway Program Amendments – Harner**

221        **72-4-302. Utah Scenic Byway Committee -- Creation -- Membership -- Meetings**  
222        **-- Expenses.**

223        (1) There is created the [~~Utah State~~] Scenic Byway Committee.

224        (2) [~~(a)~~] The committee shall be temporary, meet as needed by call of the chair, and  
225 consist of the following [43] members:

226        [~~(i) a representative from each of the following entities appointed by the governor:]~~

227        (a) one representative appointed by the managing director of the Office of Tourism;

228        (b) one representative appointed by the executive director of the department;

229        (c) one representative from each county where the proposed or current scenic byway  
230 exists, appointed by the legislative body of that respective county;

231        (d) one representative appointed by the executive director of the Utah League of Cities  
232 and Towns; and

233        (e) one representative from the outdoor advertising industry appointed by the executive  
234 director of the Governor's Office of Economic Opportunity.

# Upcoming Dates

- January 16 - 2024 Legislative Session Begins
- January 17 - Local Officials Day
- January 22 - First LPC of Session (every Monday during session)
- March 1 - End of 2024 Legislative Session

# Envision Utah Study

Local government recommendations (*NOT state/regional recommendations*)

1. Allow smaller lots
2. Allow multiple units per lot
3. Facilitate smaller homes
4. Promote mixed-use development
5. Reduce development delays and costs (*SB 174/HB 406 last year*)
6. Facilitate the use of offsite construction techniques (*CHA recommendation*)



# Guiding our Growth

## HOUSING SUMMARY



Urban Utahns want to allow more housing, and a greater variety of housing types, throughout urban areas.

- 60% choose the housing **option that allows the most new housing**: in centers and TODs, existing neighborhoods, and new greenfield development.
  - Younger Utahns and renters are particularly likely to choose this option.
- 58–59% want to allow **more small lots, townhomes, duplexes, and accessory dwelling units**.
  - They also want to allow more strip malls, big box stores, and parking lots to be redeveloped into housing.

Rural Utahns want much of the state's rural growth to focus around existing town centers and main streets.

- A majority support **focusing new development along main streets** to create a lively town center and maintain country roads outside of town.
- 63% disagree with building new housing on large, spread-out lots.

# Legislative Actions in Other States

- Upzoning preemption (ADUs, duplexes, mixed use, etc.)
- State targets with penalties
- State overlay for affordable units
- Builders remedy
- Preempt zoning authority