



Utah's Housing Approach

Partnership, not preemption

This pamphlet briefly outlines what we've done collectively the last few years to plan for growth and help you talk with legislators about how your city is planning for growth. For more information, contact ULCT staff or visit ulct.org.

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UTAH LEAGUE OF
CITIES AND TOWNS

Infrastructure as an Impediment.

*Per ULCT research in the summer of 2023, there were approximately **190,000 potential housing units** that cities have planned for, zoned for, or entitled for which builders have not requested building permits. Many of those housing units are unavailable for construction because of infrastructure challenges.*

What is the housing story in your city? For example, you could use the following data points:

_____ Entitled single family detached housing units without building permits

_____ Entitled single family attached housing units (townhomes/duplexes) without building permits

_____ Entitled multifamily attached housing units without building permits

Examples of where your city zoned for “starter homes” but the market did not build “starter homes”

Is your city using any of the planning tools that the legislature has recently enacted or used technical assistance funds for planning?

What is your infrastructure story?

What are the infrastructure challenges that your city faces?

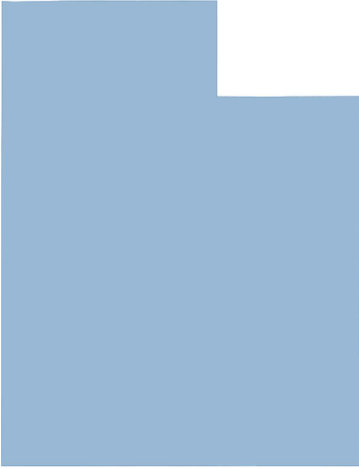
How much money did your city spend last year to maintain roads, sidewalks, sewer, and other infrastructure?

My city’s road improvement costs have increased by _____ % (or \$)

My city’s drinking water maintenance/improvement costs have increased by _____ % (or \$)

My city’s wastewater maintenance/improvement costs have increased by _____ % (or \$)

My city needed to hire _____ additional police officers, firefighters, and other public safety personnel to accommodate population growth



Statewide housing data:

Most new housing units built are townhomes and multifamily.

*In 2015, **58%** of new residential building permits were single family detached. In 2023, **that number was 41%***

In the last five and a half years, Utah cities have permitted more housing units than the prior ten combined.

*2008 - 2018: **155,731 housing units***

*2019 - June 2024: **165,720 housing units***



U.S. Census Bureau ranks Utah number 1 in housing growth for third year in a row
kslnnewsradio.com

What we have accomplished collectively.

Many state legislatures have preempted local government land use authority in the pursuit of housing affordability even though the results have not actually improved affordability. We've taken a more collaborative approach in Utah in planning for housing and growth.



New Planning Opportunities

Over the past few years, the Utah State Legislature, in conjunction with ULCT, has created new tools and requirements around planning:

Station Area Plans

Encourages the development of more affordable housing options near transit hubs, which reduces transportation costs and increases access to economic opportunities for residents.

- State objectives of planning for housing affordability, economic opportunity, transportation connectivity, and open space near transit stops
- Local flexibility to determine specific planning and zoning, because each transit stop is unique
- Deadline of 2025 for certification

Moderate-income housing plans (MIHP)

Creates a more equitable housing landscape by planning for a variety of housing types in every community

- Requirements: every city of more than 5,000 residents must select strategies to plan for moderate-income housing. Cities report on their progress annually to the Department of Workforce Services
- Incentives for compliance: eligibility for the "5th 5th" municipal portion of the county option sales tax, higher prioritization for the state Transportation Investment Fund and Transit Transportation Investment Fund
- Consequences for non-compliance: ineligible for state Transportation Investment Fund and Transit Transportation Investment Fund, daily fee

Modular housing and Internal Accessory Dwelling Units (IADUs)

Offers faster, more cost-effective, and sustainable alternatives to traditional construction methods.

- State process to centralize the inspection of modular construction
- IADUs shall be allowed in 75% of residential areas (33% of college towns) with some exceptions, and cannot be charged impact fees



Financing Tools

Utah has created new financing tools to help local governments pay for infrastructure and incentivize builders to construct affordable, owner-occupied housing units.

Housing and Transit Reinvestment Zones (HTRZs)

This optional tool enables a city, with willing developers, to plan for high-intensity development near some Frontrunner or TRAX stops. If the city's plan meets objectives around housing and the "but for" nexus, the HTRZ Committee provides tax increment from other taxing entities for infrastructure.

HB 572 Funding (2024)

This optional tool provides state funding for three years to builders who meet requirements to build at least 60% of units being affordable and owner-occupied "attainable housing."

First Home Investment Zone (FHIZ)

This optional tool enables a city, with willing developers, to accomplish two things. **First**, the FHIZ facilitates a medium-density, mixed use, town center. **Second**, the FHIZ facilitates affordable, owner-occupied housing units elsewhere in the city. If the FHIZ proposal meets objectives around housing and the "but for" nexus, the HTRZ Committee provides tax increment from other taxing entities for infrastructure.

Home Ownership Promotion Zone (HOPZ)

This optional tool enables a city, with willing developers, to capture some tax increment from other taxing entities for infrastructure so long as the housing units meet criteria for affordable, owner-occupied units.

Infrastructure Financing Districts (IFD)

This optional tool enables a property owner, once he/she has the land use approval from a city, to create a district with limited authority to finance public infrastructure through special assessment bonds. The city is not involved in the creation of the district.

Public Infrastructure Districts (PID)

This optional tool enables a city and a property owner to jointly create a district to finance public infrastructure. There is more flexibility within the PID than with an IFD because of the city's involvement in the PID creation.

"5th 5th"

This county option sales tax is 1/5 of a cent (.20) that must be spent on transportation. For cities that have to comply with moderate-income housing plans (MIHP), they must be compliant with MIHP in order to receive their distributions. Only two counties have imposed the 5th 5th to date.

In areas **where the counties are entirely within the UTA district**, the .20 is split this way:

- .10 for transit, .05 for the county, .05 for the cities and towns
- In areas with other transit services or counties that are partially

within the UTA district, the .20 is split this way:

- .05 for transit, .075 for the county, .075 for the cities and towns
- In areas **without transit**, the .20 is split this way:
- .12 for the county, .08 to the cities and towns within the county

CRA housing set-aside flexibility

Cities may now spend CRA dollars to facilitate owner-occupied units up to 120% area median income (AMI), facilitate rental units up to 80% AMI, and facilitate units regionally through interlocal agreements with other jurisdictions.



Process Updates

Subdivisions

- Cap on the number of reviews of infrastructure plans
- Maximum of one public hearing
- Since subdivision approval is an administrative and not a legislative action, council does not make the final decision
- Time frames and standards for review for both the city and applicant

Design standards, infrastructure standards, landscaping

- Can't require many design standards in zoning
- Can't require residential road widths larger than 32 feet
- Can't require bonding for private landscaping
- Shall allow bonds for sidewalk phasing
- Shall allow development phases to proceed that are not interdependent on infrastructure in other phases

Plan review and inspections

- Plan reviews for one-or-two family residences must occur within 14 business days
- Building inspections must occur within 3 business days

Referendum modernization

- Cities shall have voter participation areas and signatures to refer must come from majority of the areas
- City council member can explain why they voted the way they voted on the action being referred
- A unanimous council land use action is non-referable

Tips for meeting with your legislators.

Team ULCT is always happy to meet with you and connect you with your legislators. Just ask us!

The ULCT Board of Directors adopted principles to guide our advocacy on housing-related proposals. Urge legislators to use these questions when considering bills (see back panel).

Tell your city's story: successes and challenges

- How is your city planning for "centers" (such as the Wasatch Choice vision)?
- How is your city planning for a variety of housing types?
- How is your city planning for economic development or redevelopment?
- What are the MIHP strategies that your city is using?

Show your city's story: a picture is worth 1,000 words

- Take legislators on a field trip to show them transportation, housing, and water/sewer, and employment projects
- Share maps and photos about how your city is growing

What else can your city do?

- Work with willing developers to do an HTRZ, FHIZ, or HOPZ
- Consider various infrastructure funding tools
- Work with willing developers to incentivize the creation of affordable, owner-occupied housing units from condos to small units on small lots
- Utilize the Guiding our Growth survey results to have a productive dialogue with your residents about how we can grow
- Implement MIHP strategies that work best in your community
- Use the ULCT compliance checklist to ensure that your city is up to date with recent state laws

ULCT Board of Directors Housing Principles.

1. How does the proposal preserve the quality of life of current and future residents?
2. How does the proposal allocate the current and future costs of infrastructure and ensure the sustainability of infrastructure?
3. Will the proposal result in more housing units that are more directly affordable to the buyer or renter?
4. Will the proposal result in more home ownership?

Message tip: Legislators want to know how the bills that they passed are making a positive difference in the community. Both legislators and city leaders are hearing from residents who are concerned about housing affordability. Most legislators do not have local government experience. Remind them that "one size misfits all" and that we want to partner to improve affordable home ownership opportunities.