

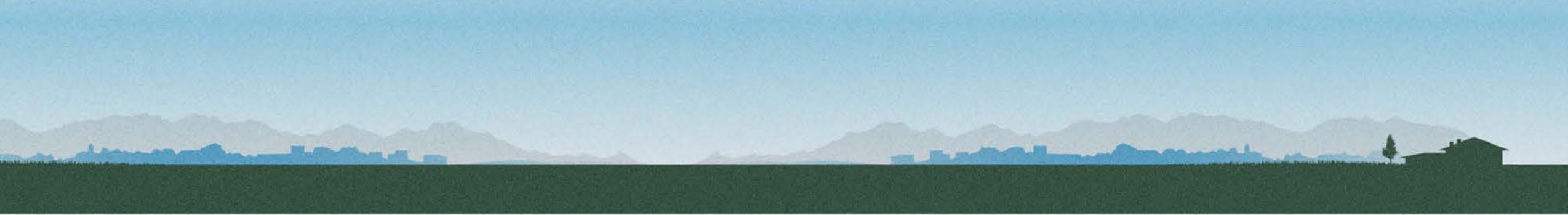
Legislative Policy Committee
January 8, 2018



LPC procedures for 2018

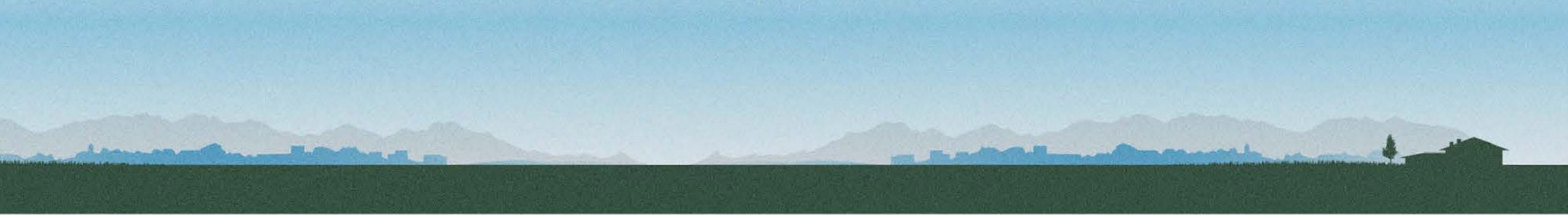
CONSENSUS

- The LPC will support or oppose a bill by a consensus of voting members who are present.
- A consensus is defined as a vote of 60% or more of voting members being present (including remote participation).
- ULCT will have “no position” on a bill that does not have consensus
- ULCT may be neutral on a bill that does not warrant support or opposition but still may have an impact on local government.



QUORUM

- In order to achieve a quorum, the LPC must have at least 30 voting members present for voting, AND
- At least 1 voting member from one of the cities of the first class (Salt Lake, West Valley, West Jordan, Provo, Sandy) OR one of the cities of the second class (Ogden, Orem, Layton, St. George, Millcreek, South Jordan) must be present.
- Electronic participation counts toward the quorum requirement.



VOTING MEMBERSHIP AND PROCEDURE

- Every city and town is entitled to up to 3 voting members with the following exception:
- Board members are entitled to be LPC members and may be the 4th voting members from their city or town
- The LPC may support, oppose, neutral, or take no position on a bill. The LPC generally does not take a position on concepts that are not yet in a bill.

Land use and related legislation

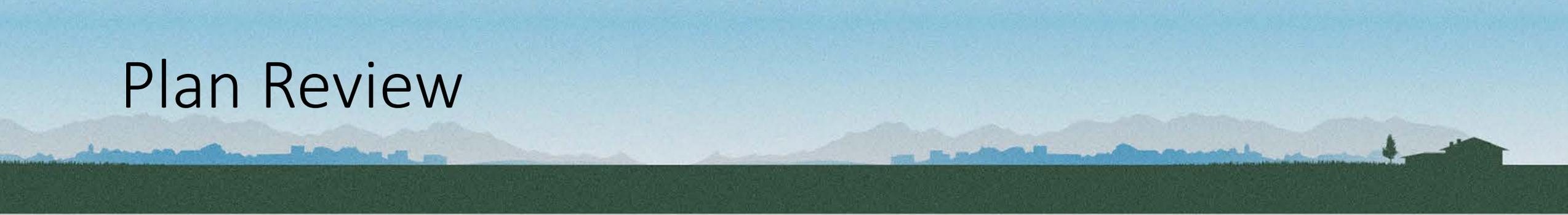
Land Use Task Force consensus bills

- Vesting clarification (10-9a-509)
- Clarification to definitions of administrative decision and legislative decision (10-9a-103)
- Improvement completion assurance (10-9a-604.5) and enforcement clarification (10-9a-802)
- Impact fees – clarification of standing and statute of limitations
- Plan review

Non- or yet-to-be consensus bills

- Conditional Use Permit proposal
- Building inspector license enforcement
- Ombudsman funding

Plan Review



- The 14 and 21 day timelines from S.B. 241 will remain in place.
- Third-party plan review is available if the technical nature of the plan is outside the training and expertise of the person who regularly performs plan reviews.
- Bill includes plan review checklist and specific items the city will enforce during construction.

Conditional Use Permits (10-9a-507)

- (3) In making a determination on the imposition of any mitigating conditions the land use authority shall, on the record specify:
- (a) The reasonably anticipated detrimental effect of the conditional use at the proposed location;
 - (b) The standard applicable to the condition imposed;
 - (c) How the imposed condition mitigates the reasonably anticipated detrimental effect of the proposed use.
- (4) No municipality may impose any requirement or standard on a Conditional Use that conflicts with a provision of this chapter, other state law, or federal law.
- (5) Conditional uses are administrative land use decisions.

Building inspector license enforcement

- HBA wants to add provisions to 58-56-9 giving DOPL grounds to investigate and punish inspectors by denying licenses, issuing reprimands, etc.
- Current proposed language for 58-56-12:
(12) a building inspector negligently disregarding or violating the building codes or construction laws of this state, including requiring items that are not in or required by the building codes or construction laws of this state.

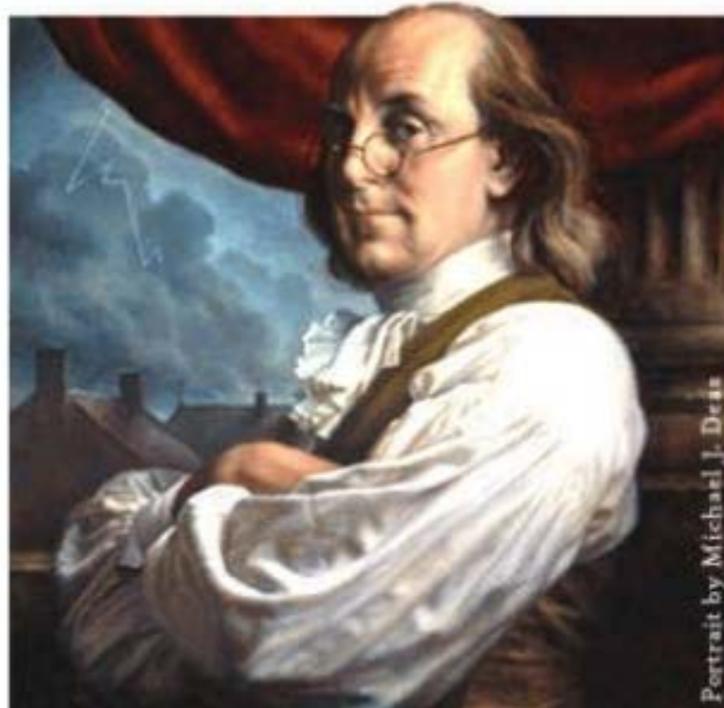
Property Rights Ombudsman funding

- Proposed changes to the allocation of the 1% building permit surcharge requirement – 15A-1-209(5)(a)
- Proposal that a portion of the 1% (perhaps 80%) would help offset the cost of additional contract attorneys for the Ombudsman and supplement the Land Use Academy of Utah (LUAU), while 20% would go to building inspector training.
- We have agreed in principle to more funding for OPR and LUAU, but do not have an agreement on specifics.

The power of ULCT: #leaguearmy

“We must all hang together, or assuredly we shall all hang separately.”

*- Benjamin Franklin,
at the signing of the
Declaration of
Independence*



**UNITED WE STAND,
DIVIDED WE FALL.**

- AESOP



Narrative about “affordable housing” & housing affordability

DIFFERENT THINGS

AFFORDABLE HOUSING

- 30% of adjusted median income
- 50% of adjusted median income
- 80% of adjusted median income

HOUSING AFFORDABILITY (median price)

- Salt Lake Co. 2015: \$272,900
- Salt Lake Co. 2016: \$295,000

- Argument from developers: 3 fold reason for increasing housing costs
 - Land costs
 - Labor/material costs
 - Local government regulation/zoning
- Gardner Institute, Ivory Homes

STATE OF UTAH

AFFORDABLE HOUSING ASSESSMENT AND PLAN

2016

Average Affordable & Available Units Per 100 Renter Households by Income Threshold

■ Affordable Units

■ Affordable & Available Units

≤80%
HAMFI

146

108

≤50%
HAMFI

110

73

≤30%
HAMFI

61

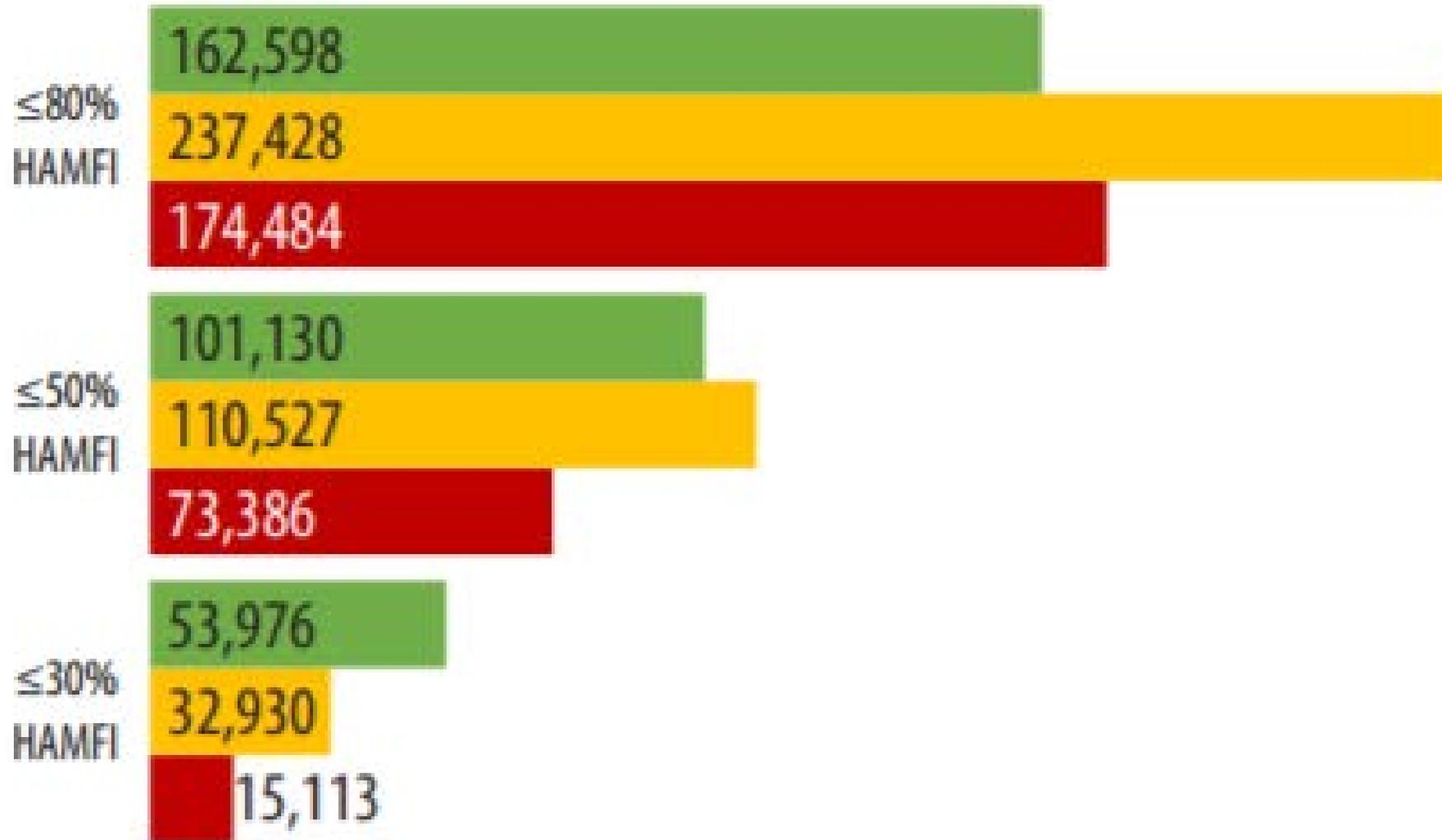
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Source: HUD: Comprehensive Housing Affordability Strategy, 2009–2013

Average Gap in Affordable & Available Rental

Units in Utah by Income Threshold

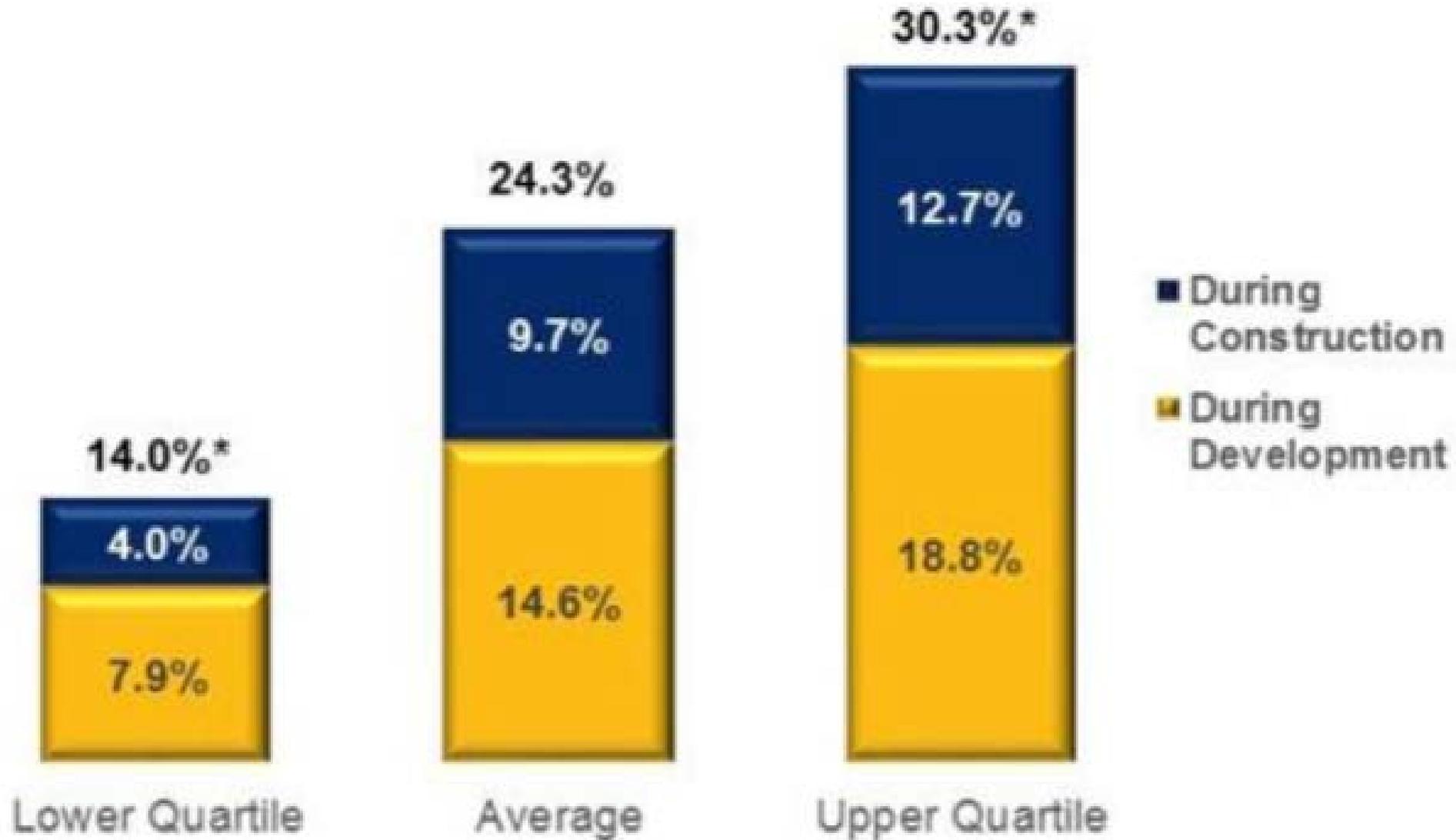
■ Renter Households ■ Affordable Units ■ Affordable & Available Units



Source: HUD: Comprehensive Housing Affordability Strategy, 2009–2013



Figure 1. Regulatory Costs as a Share of Home Price

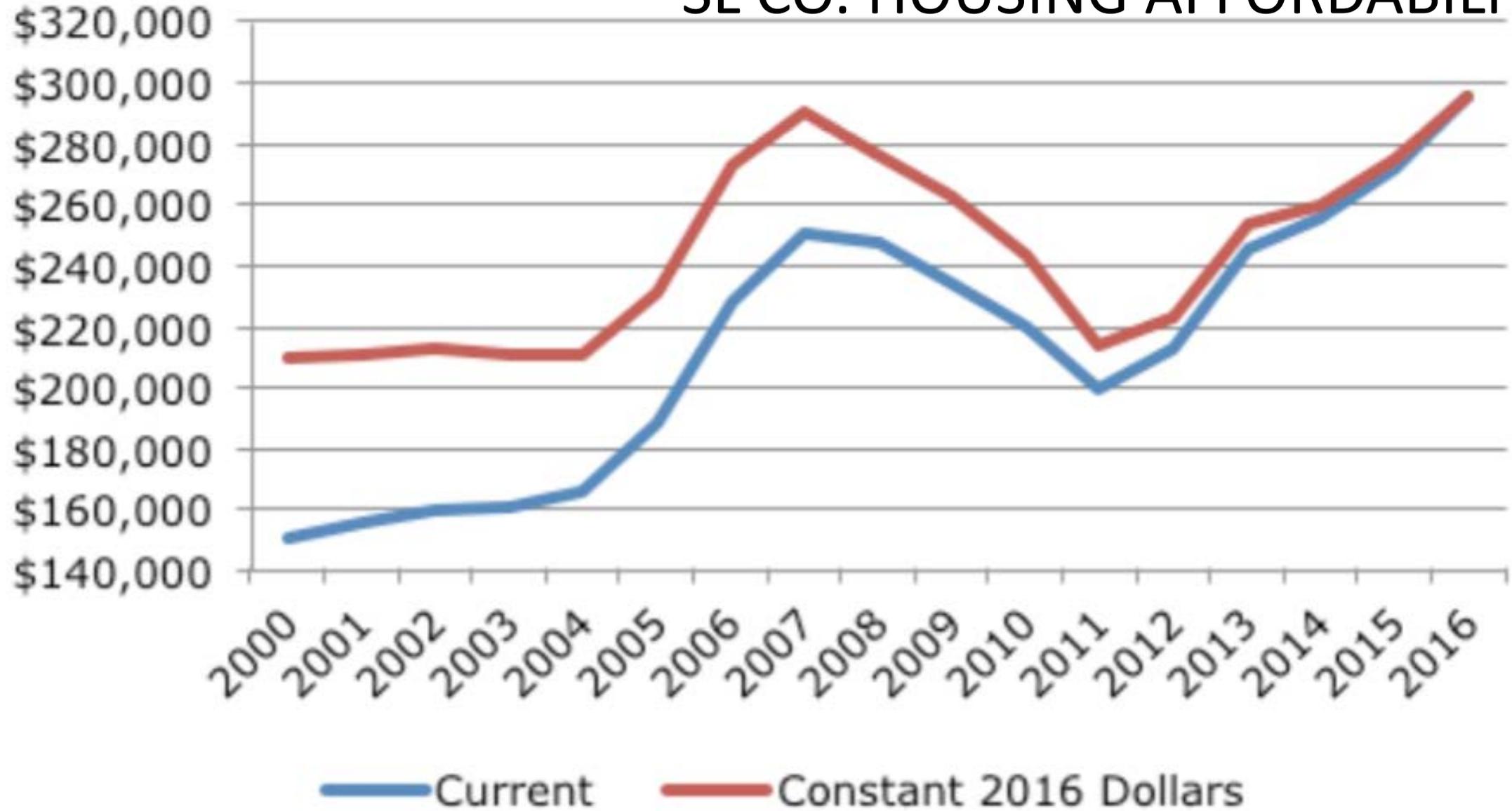


2016 NAHB study: “no attempt is made to estimate benefits (from government regulation) here.”

* For quartiles, construction and development costs do not sum to the total.
Source: NAHB/Wells Fargo HMI survey, assumptions described in the Appendix.



SL CO. HOUSING AFFORDABILITY



Research on Housing Gap and local gov't fees: Jan 2018

- 2007-17 change in local gov't development fees
 - Hook up
 - Impact
 - Inspection
 - Permitting
 - Plan review
- Single family only (townhome, rambler, 2 story)
- Individual parcels by square footage of building
- "Housing Gap" = 21,000 new units; 25,000 new households
- 20 cities; check w/Karson Eilers



Kem C. Gardner

POLICY INSTITUTE

THE UNIVERSITY OF UTAH

Looking at costs of production, including materials and labor
Not looking at post-production costs (interest rates, realtor fees, mortgages) or land costs



Colorado and California

CO: ballot measure that would restrict housing development across 10 Front Range counties

Berkeley's zoning code, it took the developer two years and as many lawsuits to get approval. He plans to start building next year. The odyssey has become a case study in how California dug itself into a vast housing shortage — a downside, in part, of a thriving economy — and why the State Legislature is taking power from local governments to solve it.

“The housing crisis was caused by the unwillingness of local governments to approve new-home building, and now they’re being held accountable,” said [Brian Hanlon](#), executive director of California Yimby, a housing lobbying group that is backed by the tech industry and helped plan the lawsuits.

Mary Trew, a retired graphic designer who fought the project, drew the same conclusion with a different spin: “Municipalities are losing their authority.”

Back to Brian Hanlon of California YIMBY. Working with Sen. Nancy Skinner, D-Oakland, a fortified, 2017 version of the Housing Accountability Act (SB 167) passed into law, along with 14 other housing bills signed by Gov. Jerry Brown in September.

In addition to raising the legal burden of proof for cities to deny new housing projects, the bill makes the suits more expensive to defend by requiring cities that lose to pay the other side's lawyers' fees.

Market conditions or other factors outside of local government land use authority

- Building materials
- Financing tools (public and private)
- Labor costs
- Land values
- Market demand (i.e. “luxury apartments”)
- Mental health of residents
- Partners
 - Non-profits, private sector
- Property owner
- Realtor fees, other costs (real estate commissions = \$325 million in SL Co. in 2016)
- Substance abuse and recovery of residents

Partial list of how local gov't can address the market failure of "affordable housing"

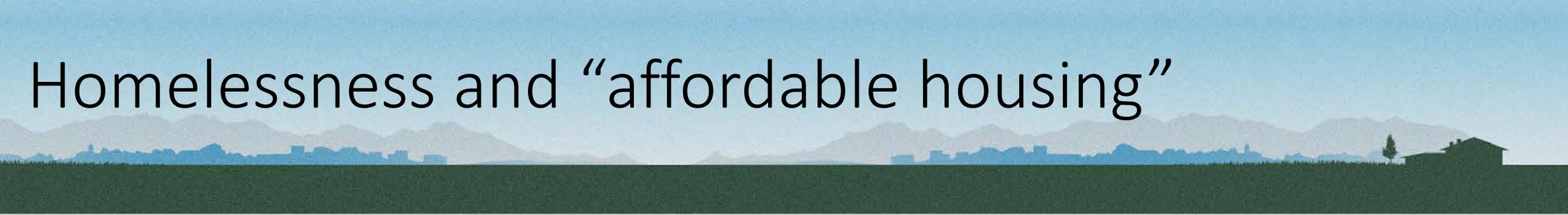
Current

- Housing authorities/subsidized housing
- Moderate income housing plans
- Zoning
- Deed restrictions
- RDA/CDA/EDA 10% set aside
- Housing preservation
- Accessory dwelling units
- Tax credits/incentives
- Density credits (note: density does NOT always mean affordable)
- Fee/timeline/parking/regs flexibility

Potential

- Inclusionary zoning req'ts
- Rent control
- Minimum lot flexibility (tiny homes)
- Property tax abatement
- Procurement exceptions for Design Build
- Different standard of review or presumption of approval (Rep. Wilde)
- State assessment for homelessness (Rep. Eliason)

Homelessness and “affordable housing”



Lawmakers may impose fees on Utah cities that lack affordable housing

Bill would encourage cities to build housing for extremely low-income residents, help fund homeless shelters.



General concept

- Operation Rio Grande: \$67 million of state investment
- State would assess a fee on cities and counties to raise revenue for the operation and maintenance of homeless resource centers
 - Amount of the fee still undefined
 - Collection agency still undefined
- State would calculate how much each city/county would be assessed
 - 2017 bill: population based
 - 2018 concept: formula considers amount of “affordable housing” in each city/county (30% AMI, 50% AMI, 80%)
- Cities that house a homeless resource center would not pay the fee

Key questions

- Should the state impose a fee/tax on local governments for homelessness?
 - The state pre-empted local gov't for HRCs but now expects local gov't to pay for the HRC O&M?
- Should local gov'ts w/o a homeless resource center contribute to the O&M?
 - Impact on private donations?
- Should local gov'ts w/o a homeless resource center help mitigate the impacts?
 - Is that already happening? ULCT research on impacts from Operations Rio Grande/Diversion
- Which homeless resource centers would qualify?
 - 2017 bill: overnight shelter of 200+ beds; what about others (VOA, Lantern House, etc.)?
 - How much revenue is necessary?
- If there is a fee, what should the formula be?
 - Population based? Based on housing stock within a community? (“affordable housing”)
- If there is a fee, who collects, manages, and expends it and how long does it last?

No Cell Left Behind

Cellular service providers are changing their coverage strategy to fill in gap coverage.

Current Strategy

Historically, tall towers have been used to provide coverage to several thousand people.

This area could be up to a 3-mile radius.

Towers are typically several hundred feet tall. They can also be located on rooftops.

Multiple carriers can affix transmitters to these towers, operating on their respective frequencies.

Shortcomings - While great for large areas, they can get congested when many people try to stream data simultaneously.

New Strategy

Outdoors - Small cells are increasingly being used to fill in gaps and improve capacity. They typically cover a few hundred feet and only about 100 users.

Providers are striking deals with municipalities to attach them to street lamps and utility poles.

They're also being placed atop newly installed poles on municipal land, such as the grass strips between the sidewalk and street. These can be 35 feet to 120 feet tall.

Indoors - Some small antenna systems are designed to serve dead spots in buildings, serving about 30 people.

This can cover a 10,000 to 20,000 square foot area.

Others are designed to serve concentrated indoor populations such as airports and mall.

Some of these have been met with public opposition.



Legislation already passed in 12 states

- California = lone industry setback (veto)

Some in the industry are pursuing a federal FCC preemption of local control of the right-of-way



In conclusion

- Tax reform
 - Property tax, truth in taxation
 - Sales tax distribution formula
- Transportation Task Force
 - Incentives v. “disincentives”; UTA governance, TIF eligibility, utility fees
- Homelessness/affordable housing
- JRI, public safety, law/code enforcement
- Housing affordability
- Land use law changes
 - Training, definitions, process, penalties
- Small cell placement

- Election year for House and ½ of Senate
- Budget pressure from Our Schools Now
- Other statewide initiatives (SB 54, marijuana, Medicaid, redistricting)
- Population growth & a strong economy
- #leaguearmy
- Remember HB 164 last year... we will raise taxes to maintain services and it will be the “Rep. so-and-so tax”

