



LPC

February 6, 2023

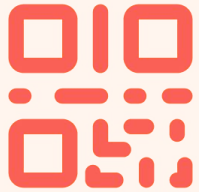


ROADMAP

1. **Minutes and Bill Tracker**
2. **Homelessness – Discussion & Feedback**
3. **Retirement– Discussion & Position**
4. **Aggregated Appropriation Request –Update**
5. **Housing & Land Use – Discussion & Position**
6. **Various Updates**
7. **Ratify Bill Tracker Positions – Action**



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① Start presenting to display the joining instructions on this slide.





**Have you talked to your
legislator in the last three
weeks?**

① Start presenting to display the poll results on this slide.

KEY MESSAGE TO LEGISLATORS



The State has a surplus but cities do not.



Partner with local government to plan for growth.

- Approve Minutes
- Bill Tracker Preview – ulct.org/bills

HOMELESSNESS (update)

Mitigation Fund: Background (2018)

- **The Mitigation Fund was created in 2018 to help shelter cities offset the cost of hosting a shelter in their cities.**
 - There were 5 qualifying shelter cities.
 - The fund was entirely supported by local government.
- **Every city participates in some way to address homelessness by hosting a qualifying shelter OR contributing to the mitigation fund.** Currently, cities without qualifying shelters contribute into the fund according to your population. Tax Commission pulls 1.8% of the population portion of sales tax at a cap of \$200k.

HOMELESSNESS (update)

Mitigation Fund: Background (2022)

- **There are more mouths to feed.** Since its inception, Utah has gone from qualifying shelters in 5 (2018) cities to 10 (2022) cities.
 - More shelter cities are coming online
 - **In 2022, ULCT secured \$5m ongoing and \$1m one time state funding**
- **Shelter city taxpayers still shoulder the majority of the public safety cost of hosting a shelter.** In FY '22, Shelter cities received ~\$10.5m from the fund but spent \$32m resulting in a **\$22m+ deficit.**
 - **2022 Mitigation Fund Total:** \$11.5 million (36% of need)
 - \$5.5 million from cities/towns
 - \$6 million from State of Utah (\$5 ongoing, \$1 one-time)

HOMELESSNESS (update)

Mitigation Fund: Current Landscape

- Salt Lake County Mayors supported increasing local contributions to the Mitigation Fund amid the SLCo COM process on HB 440.
- On Jan 18th, ULCT Board of Directors voted to approve the following negotiations:
 - **Increase the local contribution rate and caps to secure an additional \$2.5m in local dollars** *accompanied by:*
 - **A \$2.5m state increase to match the local dollars**
 - **Reduce preemption buffers for the HB 440 “failsafe”**

HOMELESSNESS (update)

Mitigation Fund: 2023 Potential Outcomes

- **GOAL: Secure an additional financial support for the mitigation fund**
 - Increase city/town contribution by \$2.5 mill
 - SL Co. Conf. of Mayors supported more city \$
 - Wayne & Rep. Eliason are working to determine what % and cap will generate \$2.5m in local contributions AND working to secure \$2.5m in state match
 - Increase state match by \$2.5 mill
 - **Total Mitigation Funding would be \$16.5 million (51.5%)**
-
- ***This week:*** appropriation prioritization
 - ***Coming soon:*** HB 440 replacement for overflow process & mitigation fund

FY 24 new appropriations we are tracking

Transportation/other infra

- Active transportation (ATIF)
 - \$55 mill one-time
 - \$44 mill ongoing
- Corridor preservation
 - \$50 mill (Gov), \$150 mill (Christofferson)
- Redevelopment match grant
 - \$50 mill (Harper)
- State Infrastructure Bank
 - \$50 mill (Gov), \$100 mill (Harper)

Housing (Whyte)

- Deeply affordable (\$100 mill)
- Down payment aid (\$11 mill)
- Olene Walker (\$15 mill)
- Rural housing (\$2.25 mill)
- State low-income housing tax credit (\$9 mill)
- Wrap-around housing (\$10 mill)

General gov't

- **Homelessness mitigation**
 - Add \$2.5 mill to exist. \$5 mill (Eliason)
- **Local Administrative Advisor (Wed)**
 - \$1.58 mill (D. Owens)
- TBD: Public safety retirement
 - (\$40 mill, one-time possibility; Gwynn)

FISCAL IMPACTS (update)

Current Fiscal Impact Analysis

- ULCT has been [tracking](#) the fiscal impacts of legislation per LFA as well as our own internal estimates of publicly available, numbered bills.
- Currently, **36 bills impact city budgets**. They fall into 4 categories
 - Unfunded mandates
 - Partially-funded mandates
 - Revenue loss
 - Revenue shifts
- **The conservative estimate for total impact for local gov't to date is \$55m+ ongoing.**
 - It is still early in the session. Not all of these bills will pass; however, we need to remain vigilant to avoid death by 1,000 cuts.

RETIREMENT (take a position)

HB 104 S01: Modifications to Public Safety Retirement (Gwynn)

- Implements 3 policy changes over a 5-year period (2024-2029):
 - 1) Shortens the re-employment period from 1 year to 183 days
 - 2) Reduces years of service from 25 to 22 years
 - 3) Increases Tier 2 hybrid multiplier from 2% to 2.27%
- Fiscal Impact: Total cost for the bill for local governments is \$23m+, compounding as Tier 2 grows.
 - Gwynn has \$40 mill RFA to pay off the unfunded liability created from the Tier 1 re-employment period. If funded, would still likely create a \$15m+ cost for cities to cover the Tier 2 changes.
 - Individual: 4% of salary. Gwynn expects employers to pickup

RETIREMENT (take a position)

January 30 LPC Slido Results (not scientific)

- 97% of participating LPC attendees reported that they raised public safety wages in FY 2022
- **54% of participating LPC attendees reported that they would need to raise taxes to afford this additional expense**; 39% reported that they could absorb the expense, but would have to make cuts elsewhere; 7% reported that they could absorb the expense
- **80% of participating LPC attendees reported that this expense would reduce their ability to raise wages in the future**; 19% were unsure, 1% said it would not impact their ability to raise wages in the future

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 - Gwynn has \$40 mill RFA to pay off the unfunded liability created from the Tier 1 re-employment period (#1).
 - If funded, would still likely create a \$15m+ cost for cities to cover the Tier 2 changes (#2, #3).
 - Individual: 4% of salary. Gwynn expects employers to pickup
- Position on 1 (with & without RFA), 2, & 3? Position on bill overall?

LOCAL REVENUE: gas tax (B&C = \$202 mill)

Gas tax: HB 301 (Schultz)

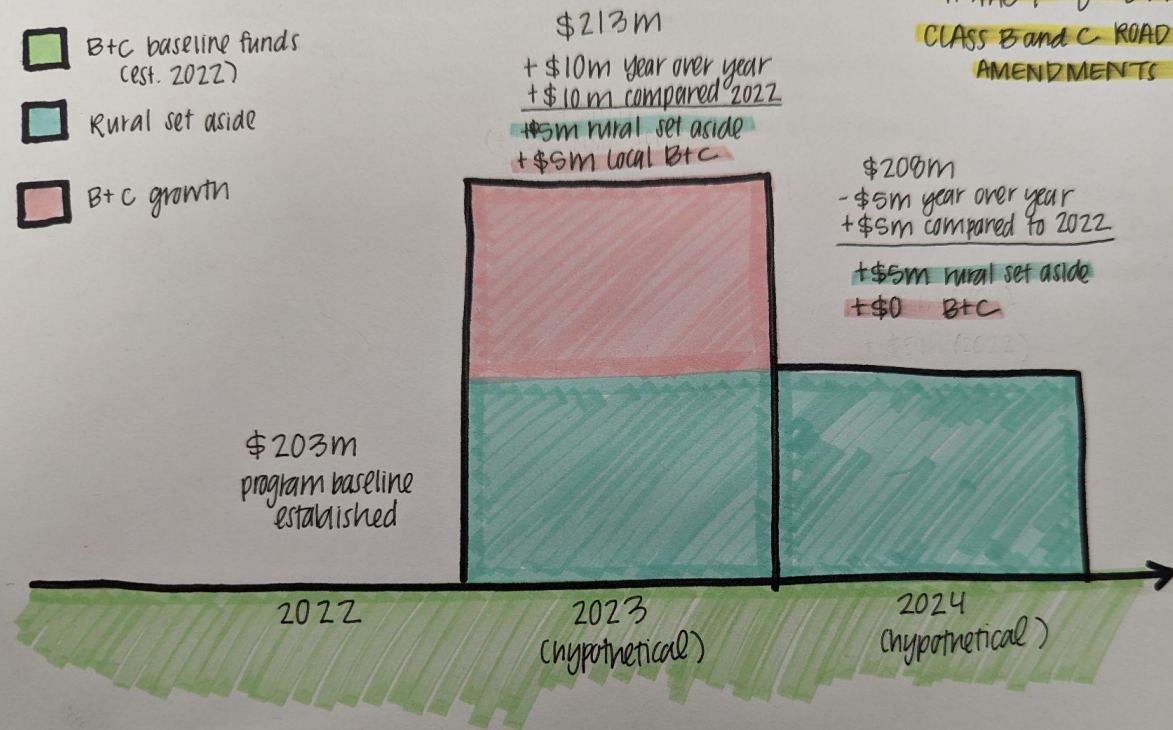
- Intent: decrease in gas tax and delay of hitting statutory cap
- Other: increase in vehicle reg. fee, impose fee on EV stations
- Impact: 70% of gas tax to UDOT, 30% to cities & counties (50% pop., 50% weighted lane mile); short-term decrease in gas tax but long-term increase of other revenues

Gas tax: SB 175 (Derrin Owens)

- Intent: up to \$5 million (2.5% of B&C) of new growth in local gov't portion of gas tax goes to rural account for counties & cities therein outside of UTA counties/cities
- Vehicle miles traveled (VMT): state = 68%, county = 7%, city = 25%
- Many rural counties have not imposed any transportation sales taxes
- Impact: all cities & counties lose a portion of gas tax to the rural account

Other gas tax bill to come: road usage charge and local gov't involvement (UEOC)

- B+C baseline funds (est. 2022)
- Rural set aside
- B+C growth



E.G., year over year changes

- FY 2017/18: -1.25% (-\$2.15m)
- FY 2018/19: +5.69% (+\$9.65m)
- FY 2019/20: -0.97% (-\$1.6m)

LOCAL REVENUE

Sales tax: several bills to remove state (not local) sales tax from food

- \$99 million impact on cities/towns

Sales tax: 5th 5th for transportation (bill to come) ... new \$ for cities!

- Status quo: county imposed .20 by June 30 exclusively for transit (only Summit Co. has imposed it to date)
- Potential changes:
 - Extend sunset
 - UTA must get 50% (.10); remaining 50% split between counties (.05) & cities (.05)
 - In non-UTA, transit gets 25%; remaining split between counties (.075) & cities (.075)
 - Extend authorization to non-transit counties; 60% counties (.12), 40% cities (.08)
 - City portion based on HB 462/MIHP compliance

RECAP: HOUSING AND LAND USE

Housing and Land Use in the 2022 Interim and happenings in other states

- 1) Binding general plans
- 2) Change zoning from legislative to administrative
- 3) Preemption of local zoning
- 4) Housing allowed in all residential zones (“by right housing”)
- 5) State mandated minimum density in cities
- 6) State mandated reduction of impact fees
- 7) Creation of state appeals board to review local land use regs or decisions
- 8) Withholding B&C funds
- 9) Authorizing attorneys fees for suing over MIHPs



Your city housing data, “one size misfits all” message, and our willingness to address our own administrative land use have helped!

UEOC/Comm. on Hous. Aff.: Fillmore SB 174

1) Subdivisions (ULCT Board & LPC proposal from Oct/Nov)

- Step 1: preliminary approval; Step 2: final approval
- Staff administers final approval
- Note: will need to crosswalk with the Whyte LUTF bill on engineering standards

2) Station Area Plans: not in this bill but elsewhere

3) Internal ADU modifications

- Garage IADU = connected by common wall to primary dwelling
- City may not regulate “internal circulation” or external unless consistent with other SF units
- Parking: 1 add’l based on local ordinance; 4 maximum off-street units for entire house
- 75%/25%: still there, but excludes new units platted after Oct. 1, 2021 (HB 82 effective date)

4) Consequence for non-compliance with HB 462/MIHP

- \$250 per day fee to Olene Walker Housing Fund (per LPC survey results)
 - Sub bill: double the fee in year 2 of non-compliance
- Withholding of Class B&C revenue is not in the current bill

UEOC/Comm. on Hous. Aff.: Whyte HB 364

1) Clarifications to MIHPs

- **Urgent next steps:** planners contact Karson at keilers@ulct.org to meet tomorrow.
- Overlap w/Fillmore's SB 174 on consequences and "5th 5th"

2) Appeal process about compliance/non-compliance

3) Increase low-income housing tax credit annual cap from \$1.1 mill to \$10 mill

4) Creation of Housing Support Grant Program and other approps

- Projects for affordable housing for households at 30% area median income or below as approved by homelessness council

Land Use Task Force (Rep. Whyte bill coming)

Contact Shawn Guzman or Cam

1. Annexation
 - a. def. of rural real property; consider preference of owner; other changes likely for 2024
2. Development agreements
 - a. can't require DA to access underlying zoning
3. Development standards (see next slide)
4. Landscaping bond
 - a. When a local gov't can require a bond to complete privately owned landscaping that has a quasi-public use
5. Moratorium
 - a. def. of how & when moratoriums may be used; overlap with temporary land use regs

Non-LUTF/CHA but housing related: LIDs (subgroup underway)



How do you feel about the proposal that limits requiring private landscaping bonds to publicly-accessible trails.

① Start presenting to display the poll results on this slide.

Results of Jan. 31 negotiations

(red: areas without consensus yet)

Where we are:

- 1) *PRC wants a 25 foot standard; ULCT opposes a 25 foot standard*
- 2) Vesting in improvement standards at the time of a complete application
- 3) Appeal process (mirroring existing framework in statute)
- 4) Engineering review timelines -
 - Four Review Maximum - no new city requirements after four
 - 20 day shot clocks for local gov't review
 - Must have all redlines addressed to count toward a review
 - **This is a huge step toward improving land use applications & helping cities do our jobs**
 - *PRC wants "deemed approved" standard after four; ULCT opposes "deemed approved"*
- 5) Requirement to have checklist for all items necessary for complete application
- 6) Requirement for pre-application meeting within 15 business days (if requested by applicant)

Housing package as of today (no preemption of legislative land use)

- 1) Significant state investment in low-income & permanent supportive housing
- 2) State Infrastructure Bank
- 3) Subdivisions systemic change for *administrative* land use
 - # of hearings
 - Development engineering standards
 - shot clocks
- 4) IADU clarifications
- 5) SAP clarifications
- 6) MIHP consequences based on what we plan to do
 - Incentive (new sales tax \$, 5th 5th)
 - Penalty (Olene Walker Fund)
- 7) LUTF:
 - annexation
 - development agreements
 - landscaping bonds
 - moratoriums

LIDs: still TBD; ULCT workgroup will meet at 2 pm

SHORT TERM RENTALS – HB 291

Applies to All	Voluntary Program
<ul style="list-style-type: none">1) Re-writing of Knotwell language2) Requirement for STR owner to disclose valid state sales tax license number	<ul style="list-style-type: none">1) Sunset in 2026<ul style="list-style-type: none">a) Legal Q about sunseting land use2) Must allow STRs in 80% of residential zones3) Amnesty to STR owner who by Oct 4, 2023 obtains all licenses4) Report data to GOEO5) City may increase their TRT to 1.5%6) City may assess fine of up to \$1000 for lack of license

Next steps: LPC STR sbugroup reviewing

Other Bills of Note

H.B. 173 Government Attorney Fees Amendments (Birkeland)

S.B. 87 Criminal Prosecution Modifications (Weiler)

S.B. 43 Public Notice Requirements (Pitcher)

H.B. 61 School Safety Requirements (Wilcox)

S.B. 75 Sand and Gravel Sales Tax Amendments (Sandall)

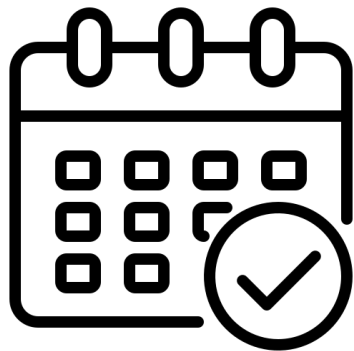
H.B. 345 Local District Property Tax Amendments (Peterson, K.)

LIDS - Working Group Meeting Today

Bill Tracker – Ratify Positions

www.ULCT.org/bills

OTHER KEY DATES & INFORMATION



- **Upcoming LPCs**

- Monday, February 13
- Tuesday, February 21
- Monday, February 27

- **National League of Cities: March 26-28 in Washington, DC**

- **Midyear Conference: April 19-21 in St. George**

Appendix

The State of Utah has a surplus but cities don't.

Growth message

Call to Action: All Cities and Towns

The State Has A Surplus, Cities Don't



We Need You to Contact Your Legislators!

Call to Action: All Cities and Towns

The State Has A Surplus, Cities Don't

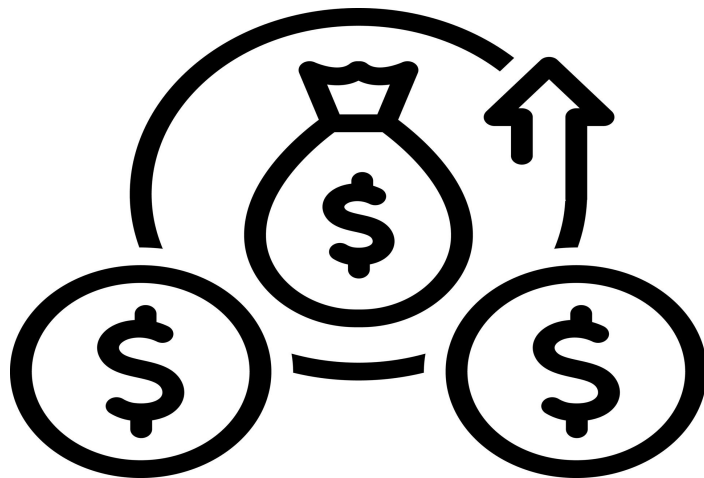


**SURPLUS
BUDGET**

We Need You to Contact Your Legislators!

Call to Action: All Cities and Towns

The State Has A Surplus, Cities Don't



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#CITIESWORK

Call to Action: All Cities and Towns



Ensures Quality of Life Amid Growth

Call to Action: All Cities and Towns

Partnership



Fosters Quality of Life in a Growing Utah