



LPC

November 13, 2023



Roadmap

1. Welcome
2. Political Staging for 2024 Session
3. Legislative Updates
4. Interim Topics
5. Adjourn



Setting the Political Stage

BRACE YOURSELF

SESSION IS COMING

Declining State Revenues

- General Fund and Income Tax Fund revenues outperformed forecasts, still point to mild contractionary period.
 - YoY Q1 sales & use tax collection growth down **-0.6%**
 - YoY Q1 income tax collection down **-1.2%**

Utah faces a \$130 million budget shortfall, but it's not time to panic — yet

Income tax collections were \$130 million lower than expected, but lawmakers says they've built 'wiggle room' into the state's budget.

Last session, the message, "the State has a surplus but cities don't" resonated. This year, nobody anticipates a surplus.

Legislative Audits

Legislative Audit Subcommittee - November 14, 3:30 p.m.

- Intermountain Power Agency (IPA) Audit (October)
- A Performance Audit of Utah's Water Management:
 - Ensuring Data Integrity, Program Best Practices, and Comprehensive Water Planning
- A Performance Audit of Utah Housing Policy:
 - A Case for Statewide Strategic Planning and Accountability

Housing Database

New state tool to help forecast housing need.

- Expected to be public by the end of the calendar year.
- Combination of ACS, market data to estimate households and housing needs at various AMI range.

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

Housing Themes

State leaders: how can we collectively produce more starter homes?

- 1) "zoning reform"
 - a) SL County, Envision Utah, CHA
 - b) Land use processes
- 2) Infrastructure costs (infill and greenfield)
- 3) Developer actions/market forces
- 4) Let enacted bills work

Local leaders: cities don't control land, labor, materials, inflation, interest rates; we plan for housing but we don't build housing

- 1) Past bills: subdivisions, SAPs, MIHP, IADUs, etc.
- 2) Modular process
- 3) Data of entitled lots, #1 in permits in 2022

Housing, Infrastructure & Growth Interim Updates

Infrastructure Districts (Dunnigan)

- This bill creates a new type of special district – infrastructure financing districts – and relies on existing special district code.
- 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.
- 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 and 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.
- The special district cannot levy or collect tax revenue that exceeds the certified tax rate unless there is an elected board of trustees.
 - The sponsor's idea is that the entity could not tax until the board is elected.

Transportation Utility Fee

- 1) Potential narrowing of other specific city wide fees
- 2) "Reasonable" process with needs-based study, dedicated account, "enhanced notice", and regular review
- 3) Sunset of fee unless there is a new study & vote

Perceived problem, desired outcome:	Stakeholder proposal	ULCT concerns	ULCT potential alternatives
1 GOG: More small lots to facilitate small units 2 GOG: ADU; townhomes Envision UT: small lots in base zoning	1) Require % of resident zones to have small lots 2) Upzone state 3) By right units	1) Land use preemption 2) Do the proposals result in affordable home ownership?	1) ULCT data shows many small lots; record # of THs 2) MIHP, HB 82, DAs 3) Missing middle housing toolkit 4) Zoning atlas, database
3 GOG: more housing in commercial areas, build on parking lots Envision UT: mixed use	Nothing at this point	1) No need for mandate because already happening	1) SAPs 2) State \$ for parking structure for mixed use w/housing
1 CHA: State standards for setbacks; “efficiency of land” Envision UT: reduce setbacks	1) State standards of a max of 40% of a lot as setback 2)	1) One size misfits all 2) utility access 3) Do the proposals result in affordable home ownership?	1) No state setback standard 2) Building code definitions?
2 CHA: Parking drives up cost; “efficiency of land”	1) State standards on stall size, tandem defs 2) Reduce or cap minimums	1) One size misfits all land use preempt 2) Impact on neighborhoods	1) State defines the max garage size of what a city could require? 2) State defines garage of a certain size counts for minimum?

Perceived problem or desired objective:	Stakeholder proposal	ULCT concerns	ULCT potential alternatives
3 CHA: Facilitate modular housing production	1) No city inspection at factory 2) Rely on factory's quality control or third party inspect	1) Changes our inspection authority; and may be a precedent for other city inspections of normal houses	1) City responsible for inspections (rejected) 2) Limited liability C of O for modular; quality control
4 CHA: "make general plans matter" Binding general plans & minimum base density; "make plans matter"	1) Make general plans "binding"; zoning administrative 2) "minimum base density" that city must meet	1) Zoning is policy making and thus legislative; oppose loss of leg auth'y 2) One size misfits all 3) How to calculate?	1) Did so w/MIHP 2) Require more regular reviews of MIHP, SAPs?
5 CHA: Judicial process is lengthy, need damages for "bad actors"	1) Allow compensatory damages against cities 2) Collect attorneys fees against local gov'ts	1) Erosion of gov't immunity 2) Will slow down "good actors" because everyone will be more cautious	1) Land use expertise at district court level; timely, consistent decisions
6 CHA: RDA set-aside structure	1) Require spend or encumbrance of RDA \$ by X years	1) Small RDAs have small set asides	1) Ok with #1? 2) Regional use of \$ 3) Allow RDA \$ for condos

Perceived problem or desired objective:	Stakeholder proposal		ULCT input	ULCT potential alternatives
7 CHA funding: Resources for deeply affordable housing, wrap-around services, gap financing	1)	\$50 mill for deeply affordable housing grants	1) Focus on housing and services	1) TBD on land use policy around deeply affordable housing (Niederhauser idea)
	2)	\$5 mill for supportive housing		
	3)	\$15 mill for permanent supportive housing		
	4)	\$10 mill for Olene Walker		
	5)	\$25 mill for preservation		
8 CHA funding: Housing & Community Dev. staff	1)	\$318k for resources	1) Help w/DWS staffing	
9 CHA funding: Public safety mitigation	1)	Add \$2.5 million more of new state \$ to match \$5 million of state \$ in the fund	1) State would match city 30% increase last year	
10 CHA funding: homeless services revenue stream	1)	\$39 million in new revenue		
11 short term rentals	1)	Musselman: tweak Knotwell	1) preserve land use authority	ULCT work group considering all of the options
	2)	Bennion: many regs		
	3)	tourism: platform accountability	2) ensure revenue collection	

Perceived problem or desired objective:	Stakeholder proposal	ULCT concerns	ULCT potential alternatives
1 UEOC Growth: Align state infra funding with good local planning (fits w/CHA)	1) State \$ as incentive for cities w/good land use plans (density, housing types, ownership, etc.)	1) State prioritizes MIHP menu items 2) State \$ could facilitate afford. home ownership	1) Criteria for TIF/TTIF/ATIF (focus “above & beyond” from HB 462) 2) Parking structure fund for infill 3) St Infra Bank: greenfield utilities 4) Park/playing field \$
2 UEOC Growth: Increase transit ridership		1) Grants for locals for shuttles, service, pass	1) Transit innovation grants
3 UEOC Growth: Infrastructure funding to facilitate building the entitled units	1) LID: prop. owner creates LID w/o city approval though city must approve land use	1) Local gov’t must be gatekeeper (sovereign power) 2) City owned infra must be financially sustainable	1) LID UEOC: pay off at property transfer but still w/city as gatekeeper 2) LID Dunnigan: pay off at property transfer, LID has prop tax as sovereign power, can’t use it unless board is elected; if city says yes to land use, then can’t say no to LID 3) Provide toolkit to help cities w/LIDs, PIDs
4 UEOC Growth: (TUF) transportation utility fee	1) Rep. Peterson: define “reasonable” process, outcome 2) Others: preempt TUF, use prop tax instead	1) Prefer no bill, work w/Rep. Peterson on “reasonable” process to fight off preemption	1) Other fees 2) “reasonable” process 3) sunset and renewal

Perceived problem or desired objective:	Stakeholder proposal	ULCT concerns	ULCT potential alternatives
1 CHA/LUTF: subdivision infrastructure phasing	1) Clarify that separate, complete land use application can proceed so long as not dependent on incomplete infrastructure	1) Don't want incomplete infrastructure but want to respect complete applications	Waiting on language from PRC
2 CHA/LUTF: sidewalk installation timing; builder often has to build & rebuild sidewalks during project	1) Allow for sidewalk completion assurance bond separate from improvement completion bond for other infra., landscaping	1) Ensure that sidewalks are completed in timely way	Waiting on language from PRC <ul style="list-style-type: none"> • need sidewalks for C of O • 18 month bond to get bldg permit • let ULCT know if you want to see the language!
3 CHA/LUTF: subdivision technical clean up		1) Small cities have requested add'l time in the review of improvements	1) Distinguish between MIHP and non-MIHP cities/towns 2) Clarify terms
4 LUTF: setbacks and window wells, landings	1) Allow in setbacks for window wells and landings smaller than 32 sq ft that connect to ground	1) setback standards	1) received language 2) let ULCT know if you want to see the language

Perceived problem or desired objective:	Stakeholder proposal	ULCT concerns	ULCT potential alternatives
5 LUTF: "countervailing, compelling reason" in statute	1) TBD	1) Have local governments misused this authority?	1) TBD
6 LUTF: internal ADUs & impact on infrastructure	1) Clarify that cities cannot deny IADUs based on infrastructure needs	1) What is the impact on infrastructure from IADUs?	1) TBD
7 LUTF: excessive increases in disproportionate rental fee for rental units	1) Potentially restore state cap on amount of the fee (existed previously)	1) How many cities impose disproportionate rental fees?	1) Trying to determine impact of potential language
8 LUTF: “excessive” landscaping req'ts to get a building permit or C of O	1) Preclude withholding of C of O based on landscaping req'ts 2) Require notice to homeowner of city landscaping req'ts?	1) Balance of water conservation, housing cost/price, land use process	1) received language; let ULCT know if you want to see it
9 LUTF: Shot clock for issuing certificate of occupancy	1) TBD	1) How often are C of Os withheld for unreasonable times or rationales?	1) Trying to determine impact of potential language

Housing/land use items on horizon

1) Audit, Nov. 14

2) Envision UT land use recs

- Small lots, setbacks, mixed use

3) Guiding our Growth results

4) State database, Dec

- Strategic housing plan
- Long-range planning resources, software
- Benchmarks ... what does success look like?
- More incentives, penalties
- State upzoning by right

• Political urgency for starter homes (small lots, ownership)

- Gov. Cox (Oct & Nov) & state leaders
- Gov. Cox wants to meet again with ULCT officers in Dec.

• Actions in other states/provinces

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

Oct LPC survey results

Expedited administrative action for starter homes:

- Very comfortable - 6 votes, 7%
- Somewhat comfortable - 46 votes, 54%
- Uncertain - 6 votes, 7%
- Somewhat concerned - 20 votes, 24%
- Very concerned - 7 votes, 8%

Comfortable scale: 61%, concerned scale: 32%

Expedited legislative action for starter homes ("consider the re-zone"):

- Very comfortable - 10 votes, 12%
- Somewhat comfortable - 33 votes, 40%
- Uncertain - 5 votes, 6%
- Somewhat concerned - 22 votes, 27%
- Very concerned - 12 votes, 15%

Comfortable scale: 52%, concerned scale: 42%

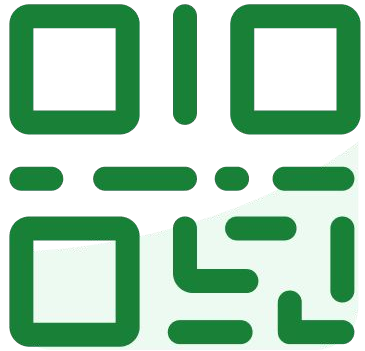
Summary of October LPC slido results

- Starter home definition
 - \$450k concern
 - Doesn't work in expensive areas
 - Market forces; why aren't developers building these units now?
 - How to ensure starter homes for sale?
- Expedite administratively
 - Conflicts with other applicants
 - May violate EQP, uniform application
 - How does this align with existing req'ts?
 - Lack of staffing
- Expedite legislatively
 - What is line between "req'd to consider rezone" and "req'd to rezone?"
 - Precedent; local legislative deference
 - Terrible rezone not worth a few more units
- Other ideas
 - Help the purchaser, not the builder
 - Use land trust, public assets, or other subsidies
 - Incentivize property owners in zoned areas to build starter homes
 - What about % of city must have starter homes?
- Other concerns
 - Data about whether reduced lot sizes actually reduces prices
 - What is the right threshold of starter homes in a project? In a built-out city? In a city with a lot of existing low-to-moderate units?
 - Profitability for developers v. affordable home ownership
 - Loss of opportunity for public input
 - One size misfits all/loss of local control

"Starter homes"

- **Governor's top priority in 2024:** our generation's post-WW 2 housing production and aspirational goal for starter homes (*definition still TBD*)
 - Cities must plan for them
 - Developer must build them
 - State provides infrastructure money, strategic goals
 - *"Everybody must stretch"*
- **ULCT principles:** afford. home ownership, sustainable infrastructure, quality of life
- **How to accomplish the Governor's desired outcome?**

slido



Join at slido.com
#2882885

① Click **Present with Slido** or install our [Chrome extension](#) to display joining instructions for participants while presenting.

slido



What is an owner-occupied "starter home" in your community?

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

slido



Based on your response to the previous question, how do you feel about a requirement for developers to build X% of housing units as defined "starter homes?"

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

slido



What is your city doing, or could your city do, to facilitate more "starter homes?" (e.g., administrative process, increase units per acre, etc.)

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

slido



Beyond MIHP process, what do you think the right benchmark or metric should be to show how every city is doing their part to facilitate "starter homes?"

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

slido



How many of you have shared information with your legislators about how your city is planning for growth, particularly housing?

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

Other Interim Updates

CODE BLUE (HB 499, 2023)

Applies to	1st – 4th class counties for winter 2023/24 onward
Stakeholders	Led by HHS and OHS with county, municipal, and service provider collaboration
Activated by	15°F or colder for 2 hours or longer within a 24-48 hour period within the county. Municipality can adopt stricter requirements. Additional rulemaking with HHS.
Municipal obligations	<ol style="list-style-type: none">1. No abatements or enforcement of no camping ordinance for code blue + 2 days following – unless there is shelter capacity within the county.2. May not seize any personal items used for survival in cold weather3. May not limit or restrict the provision of shelter in a facility owned by a non-profit, private organization, or government entity for the duration of code blue event + 7 days following4. Participate in street outreach with OHS, county, & service providers5. May not limit ability of service providers to provide enhanced services required in law

Micro Schools

SB 166 (2023) - failed 13-13 last year.

- Applies charter school permitted use status to micro-education facilities with additional health/safety requirements.
- LPC voted to stay neutral once concerns about health/safety and neighborhood impacts were addressed.
- Will be re-presented on Wednesday.

Public Safety Recruitment & Retention

- 3rd consecutive year of survey.
- > 1,000 responses and counting.
- Survey closes Nov. 30th

Please rank the following actions that policymakers could take to help retain your employment with 1 being the most significant and 8 being the least significant.

Field	Average	Standard Deviation	Variance
Increased pay	2.01	1.28	1.63
Increased retirement benefits	2.14	1.43	2.04
Increased health benefits	3.46	1.51	2.28
Training/Educational opportunities	5.13	1.64	2.67
Better equipment	5.31	1.50	2.25
Policy Changes	5.41	1.71	2.91
Management changes	5.84	2.04	4.15
Permanent Shifts	6.67	1.67	2.80

PRELIMINARY

Public Safety Recruitment & Retention

Expected bill

- Counting OT pay towards retirement benefit calculation for public safety officials.
- Reduce 1-year reemployment “cooling off period” to 90 days.
- Will cost the employee 15% less in benefit to make the cost difference neutral.

Other Interim Issues

- Rev and Tax
 - Revenue Lease Bonds
 - Sales Tax on Construction Materials
- Political Subdivisions - Transparency
- Gov Ops - Initiative and Referendum Updates

Upcoming Dates

- November 14-15 - Final Interim Meetings
- November 14 - Housing and Water audits released
- November 15 - ULCT Board meeting about the audits
- December 4-5 - Likely Governor's budget roll out
- December 11 - LPC
- 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