



# LPC

December 11, 2023



# Roadmap

1. Welcome
2. Fiscal Response Team
3. Budget Highlights
4. Homelessness
5. Infrastructure Districts
6. Governor's First Home Initiative
7. Land Use Task Force Updates
8. Upcoming Events



# 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 Budget



[Budget Highlights](#)

[Full Budget](#)

# HOMELESSNESS

*“Investing in a holistic support system to make homelessness rare, brief, and nonrecurring”*



# HOMELESSNESS

## Current Policy Landscape

- **Code Blue** (15°): Counties of the 1st - 4th Class
- **Winter Response** (Oct-Apr): Operational in SLCo; 2nd Class Counties starting to plan
- **New Year Round Facilities:** Tooele and Sandy

**Ribbon cut on soon-to-open transformative housing project in Tooele**

**A shelter for seniors and medically vulnerable homeless will open this month in Sandy**

# HOMELESSNESS

## Governor's Budget – Alleviating Homelessness (\$193m)

- \$128m for emergency shelter (over 3 FYs)
  - \$100m for homeless services
  - \$25m to develop new facilities
  - \$2.5m for mitigation
- \$10m for housing preservation
- \$10.6m for HOME courts and judicial diversions
- \$8m for behavioral health
- \$30m for deeply affordable housing
- \$851,500 ongoing + Medicaid expansion





# HOMELESSNESS

## Proposed Policy: Governor's Budget

- Sequential Intercept Model (SIM)
- HOME Court problem solving court pilot in Salt Lake County
- Liquor store "round up" for Pamela Atkinson Homelessness Trust
- Prevention measures: affordable and deeply affordable housing
- Reviewing civil commitment standards
- Additional facilities *(\*unclear if new or currently proposed)*

## Proposed Policy: Legislative

- HB 499 clean up

# 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

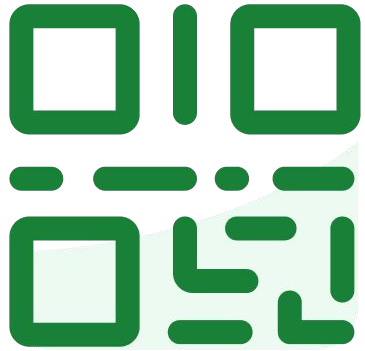
- The property tax rate is .0004
- Property tax revenue may not be used for repayment of the bonds.
- The lien on the unit has to be paid off before a certificate of occupancy is issued.
- There is specifically no eminent domain authority.

# 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.



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How do you feel about the infrastructure district proposal as currently presented?

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**What guardrails would need to be in place to make you more comfortable with the infrastructure districts proposal?**

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# Governor's First Home Initiative

# "Starter homes"

- **Governor's top priority in 2024:** our generation's post-WW 2 housing production and aspirational goal for first homes
  - 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?**

# All of the moving parts

## 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 “first homes” (small lots & units; ownership)

- ULCT officers met with Gov. Cox, Sen. Fillmore, & Rep. Whyte on Dec 1

## • 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



# ULCT principles on First Home Initiative

- 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)
- 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, with city staff from:

Herriman

Millcreek

Park City

Salt Lake City

Saratoga Springs

South Jordan

St. George

West Jordan

West Valley

# “First home” ideas out there

Details	rumbling 1	rumbling 2	ULCT Board framework
State policy	mandated density everywhere	optional density w/infra \$	policy, council discretion where to use it ... or % of city (Q still TBD)
density	min X units/acre everywhere	X units/acre in Y% of city	bonus to incentivize first homes, which must include THs, condos (mixed use), SF detached
land use process	silent	silent	“prioritize, expedite”; consider it w/shot clock
land use regs	TBD	maximums on setbacks, parking, lot coverage	modifications to incentivize first homes
house size, design	no limit	unclear	max house size, some design standards (pre-approved styles?)
owner occupied/price req’t	silent	silent	ban STRs, investors; <b>ensure owners are residents</b> ; deed restrictions for AMI/price?
existing/planned for units	no consideration	no consideration	“credit” for those units, data
state consequence	preemption	incentive w/infra \$, MIHP report flexibility	non-compliance: MIHP, default zoning incentive: more infra \$

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**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?**

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Should a city that has adopted policies to facilitate starter homes (planned for or existing) get 'credit' towards the statewide policy requirement?

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**Where should the policy apply within cities?**

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

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**Do you have an entitled residential project in your city that could utilize state infrastructure bank funding to unlock the housing units?**

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# “First home” ideas out there

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# Land Use Task Force Updates

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	<ul style="list-style-type: none"> <li>• Need sidewalks for C of O</li> <li>• 18 month bond to get bldg permit</li> </ul>
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) Rear landings permitted within setback if restricted 32 square feet

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) May still require public landscaping bond before building permit or C of O 2) May not withhold building permit or C of O for lack of bond for private landscaping
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



# Transportation items

Governor's budget requests

Transportation utility fee (TUF)

# Upcoming Dates

- December 16 - Newly Elected Online Training
- January 8 - 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

# 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