

**AFFORDABLE HOUSING AMENDMENTS**

1998 GENERAL SESSION

STATE OF UTAH

**Sponsor: Wayne A. Harper**

Patrice Arent

AN ACT RELATING TO COMMUNITY AND ECONOMIC DEVELOPMENT, COUNTIES, AND CITIES AND TOWNS; IMPOSING AN ANNUAL REVIEW AND REPORT REQUIREMENT ON CERTAIN COUNTIES AND CITIES REGARDING THEIR PLAN FOR MODERATE INCOME HOUSING; APPROPRIATING \$25,000 FROM THE GENERAL FUND FOR FISCAL YEAR 1998-99 TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT FOR ASSISTING COUNTIES AND MUNICIPALITIES WITH THEIR PLANS FOR MODERATE INCOME HOUSING; MAKING TECHNICAL CORRECTIONS; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**9-4-1204**, as renumbered and amended by Chapter 30, Laws of Utah 1997

**10-9-307**, as enacted by Chapter 316, Laws of Utah 1996

**17-27-307**, as enacted by Chapter 316, Laws of Utah 1996

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **9-4-1204** is amended to read:

**9-4-1204. Technical assistance to political subdivisions for housing plan.**

(1) [~~Until January 1, 1999, and within~~] Within appropriations from the Legislature, the division shall establish a program to assist municipalities to meet the requirements of Section 10-9-307 and counties to meet the requirements of Section [~~17-27-407~~] 17-27-307. Assistance under this section may include:

(a) financial assistance for the cost of developing a plan for low and moderate income housing;

(b) information on how to meet present and prospective needs for low and moderate income housing; and

(c) technical advice and consultation on how to facilitate the creation of low and moderate income housing.

(2) The division shall annually report to the Legislature's Business, Labor, and Economic Development, and Human Services Interim Committees regarding the scope, amount, and type of assistance provided to municipalities and counties under this section, including the number of low and moderate income housing units constructed or rehabilitated within the state.

Section 2. Section **10-9-307** is amended to read:

**10-9-307. Plans for moderate income housing.**

(1) The availability of moderate income housing is an issue of statewide concern. To this end:

(a) municipalities should afford a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of people desiring to live there; and

(b) moderate income housing should be encouraged to allow persons with moderate incomes to benefit from and to fully participate in all aspects of neighborhood and community life.

(2) As used in this section:

(a) "Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the metropolitan statistical area for households of the same size.

(b) "Plan for moderate income housing" or "plan" means a written document adopted by a municipal [governing] legislative body that includes:

(i) an estimate of the existing supply of moderate income housing located within the municipality;

(ii) an estimate of the need for moderate income housing in the municipality for the next five years as revised annually;

(iii) a survey of total residential zoning;

(iv) an evaluation of how existing zoning densities affect opportunities for moderate income housing; and

(v) a description of the municipality's program to encourage an adequate supply of moderate

income housing.

(3) Before December 31, 1998, each municipal [~~governing board~~] legislative body shall, as part of its general plan, adopt a plan for moderate income housing within that municipality.

(4) A plan may provide moderate income housing by any means or combination of techniques which provide a realistic opportunity to meet estimated needs. The plan may include an analysis of why the means or techniques selected provide a realistic opportunity to meet the objectives of this section. Such techniques may include:

(a) rezoning for densities necessary to assure the economic viability of inclusionary developments, either through mandatory set asides or density bonuses;

(b) infrastructure expansion and rehabilitation that will facilitate the construction of moderate income housing;

(c) rehabilitation of existing uninhabitable housing stock;

(d) consideration of waiving construction related fees generally imposed by the municipality;

(e) utilization of state or federal funds or tax incentives to promote the construction of moderate income housing;

(f) utilization of programs offered by the Utah Housing Finance Agency within that agency's funding capacity; and

(g) utilization of affordable housing programs administered by the Department of Community and Economic Development.

(5) (a) After adoption of a plan for moderate income housing under Subsection (3), the legislative body of each city that is located within a county of the first or second class and of each other city with a population over 10,000 shall annually:

(i) review the plan and its implementation; and

(ii) prepare a report setting forth the findings of the review.

(b) Each report under Subsection (5)(a)(ii) shall include a description of:

(i) efforts made by the municipality to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;

(ii) actions taken by the municipality to encourage preservation of existing moderate income

housing and development of new moderate income housing;

(iii) progress made within the municipality to provide moderate income housing, as measured by permits issued for new units of moderate income housing; and

(iv) efforts made by the municipality to coordinate moderate income housing plans and actions with neighboring municipalities.

(c) The legislative body of each city that is located within a county of the first or second class and of each other city with a population over 10,000 shall send a copy of the report under Subsection (5)(a)(ii) to the Department of Community and Economic Development and the association of governments in which the municipality is located.

Section 3. Section **17-27-307** is amended to read:

**17-27-307. Plans for moderate income housing.**

(1) The availability of moderate income housing is an issue of statewide concern. To this end:

(a) counties should afford a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of people desiring to live there; and

(b) moderate income housing should be located in all areas of a community to allow persons with moderate incomes to benefit from and to fully participate in all aspects of neighborhood and community life.

(2) As used in this section:

(a) "Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the county statistical area for households of the same size.

(b) "Plan for moderate income housing" or "plan" means a written document adopted by a county [governing] legislative body that includes, but is not limited to:

(i) an estimate of the existing supply of moderate income housing located within the county;

(ii) an estimate of the need for moderate income housing in that county for the next five years as revised annually;

(iii) a survey of total residential zoning;

(iv) an evaluation of how existing zoning densities affect opportunities for moderate income housing; and

(v) a description of the county's program to encourage an adequate supply of moderate income housing.

(3) Before December 31, 1998, each county [governing board] legislative body shall, as part of its general plan, adopt a plan for moderate income housing within the unincorporated areas of that county.

(4) A plan may provide for moderate income housing by any means or combination of techniques which provide a realistic opportunity to meet estimated needs. The plan may include an analysis of why the means or techniques selected provide a realistic opportunity to meet the objectives of this section. Such techniques may include:

(a) rezoning for densities necessary to assure the economic viability of inclusionary developments, either through mandatory set asides or density bonuses;

(b) infrastructure expansion and rehabilitation that will facilitate the construction of moderate income housing;

(c) rehabilitation of existing uninhabitable housing stock;

(d) consideration of waiving construction related fees generally imposed by the county;

(e) utilization of state or federal funds or tax incentives to promote the construction of moderate income housing;

(f) utilization of programs offered by the Utah Housing Finance Agency within that agency's funding capacity; and

(g) utilization of affordable housing programs administered by the Department of Community and Economic Development.

(5) (a) After adoption of a plan for moderate income housing under Subsection (3), the legislative body of each county with a population over 25,000 shall annually:

(i) review the plan and its implementation; and

(ii) prepare a report setting forth the findings of the review.

(b) Each report under Subsection (5)(a)(ii) shall include a description of:

(i) efforts made by the county to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;

(ii) actions taken by the county to encourage preservation of existing moderate income housing and development of new moderate income housing;

(iii) progress made within the county to provide moderate income housing, as measured by permits issued for new units of moderate income housing; and

(iv) efforts made by the county to coordinate moderate income housing plans and actions with neighboring counties.

(c) The legislative body of each county with a population over 25,000 shall send a copy of the report under Subsection (5)(a)(ii) to the Department of Community and Economic Development and the association of governments in which the county is located.

**Section 4. Appropriation.**

There is appropriated from the General Fund for fiscal year 1998-99, \$25,000 to the Department of Community and Economic Development for use by the Division of Community Development to continue to implement the provisions of Section 9-4-1204.

**Section 5. Effective date.**

Section 4 of this act appropriating funds from the General Fund takes effect July 1, 1998.