

Representative Kim F. Coleman proposes the following substitute bill:

COMMUNITY REINVESTMENT AGENCY MODIFICATIONS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kim F. Coleman

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies provisions related to the Community Reinvestment Agency Act.

Highlighted Provisions:

This bill:

- ▶ removes provisions that prevented the creation of an economic development project area after 2016;
- ▶ addresses measurement of the project area funds collection period;
- ▶ addresses which agencies are authorized to receive tax increment;
- ▶ requires a community that creates an agency having a housing allocation from tax increment to create an affordable housing plan;
- ▶ allows an agency to use the housing allocation to achieve the affordable housing plan;
- ▶ requires a description of how an agency used the housing allocation in the agency's annual budget report; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:



26 None

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **17C-1-102.5**, as enacted by Laws of Utah 2016, Chapter 350

30 **17C-1-401.5**, as renumbered and amended by Laws of Utah 2016, Chapter 350

31 **17C-1-402**, as last amended by Laws of Utah 2016, Chapter 350

32 **17C-1-405**, as last amended by Laws of Utah 2016, Chapter 350

33 **17C-1-412**, as last amended by Laws of Utah 2016, Chapter 350

34 **17C-1-603**, as last amended by Laws of Utah 2016, Chapter 350

35 **17C-3-201**, as last amended by Laws of Utah 2016, Chapter 350

36 **17C-5-307**, as enacted by Laws of Utah 2016, Chapter 350

37 REPEALS:

38 **17C-3-101.2**, as enacted by Laws of Utah 2016, Chapter 350



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

41 Section 1. Section **17C-1-102.5** is amended to read:

42 **17C-1-102.5. Project area created on or after May 10, 2016.**

43 Beginning on May 10, 2016, an agency:

44 (1) may create:

45 (a) an economic development project area under Chapter 3, Economic Development; or

46 (b) a community reinvestment project area under Chapter 5, Community Reinvestment;

47 (2) except as provided in Subsection (3), may not create:

48 (a) an urban renewal project area under Chapter 2, Urban Renewal; or

49 ~~[(b) an economic development project area under Chapter 3, Economic Development;~~

50 ~~or]~~

51 ~~[(c)]~~ (b) a community development project area under Chapter 4, Community

52 Development; and

53 (3) may create an urban renewal project area ~~[-an economic development project area,]~~

54 or a community development project area if:

55 (a) before April 1, 2016, the agency adopts a resolution in accordance with:

56 (i) Section **17C-2-101.5** for an urban renewal project area; or

57 [~~(ii) Section 17C-3-101.5 for an economic development project area; or]~~
58 [(iii)] (ii) Section 17C-4-101.5 for a community development project area; and
59 (b) the urban renewal project area~~[, economic development project area,]~~ or community
60 development project area is effective before September 1, 2016.

61 Section 2. Section 17C-1-401.5 is amended to read:

62 **17C-1-401.5. Agency receipt and use of project area funds -- Distribution of**
63 **project area funds.**

64 (1) An agency may receive and use project area funds in accordance with this title.

65 (2) (a) A county that collects property tax on property located within a project area
66 shall, in accordance with Section 59-2-1365, distribute to an agency any tax increment that the
67 agency is authorized to receive.

68 (b) Tax increment distributed to an agency in accordance with Subsection (2)(a) is not
69 revenue of the taxing entity.

70 (3) (a) The project area funds collection period shall be measured:

71 (i) for a pre-July 1, 1993, project area plan, from the first tax year regarding which the
72 agency accepts tax increment from the project area;

73 (ii) for a post-June 30, 1993, urban renewal or economic development project area
74 plan:

75 (A) with respect to tax increment, from the first tax year for which the agency receives
76 tax increment under the project area budget; or

77 (B) with respect to sales and use tax revenue, as indicated in the interlocal agreement
78 between the agency and the taxing entity that authorizes the agency to receive the taxing
79 entity's sales and use tax revenue;

80 (iii) for a community development project area plan, as indicated in the resolution or
81 interlocal agreement of a taxing entity that authorizes the agency to receive the taxing entity's
82 project area funds;

83 (iv) for a community reinvestment project area plan that is subject to a taxing entity
84 committee:

85 (A) with respect to tax increment, from the first tax year for which the agency receives
86 tax increment under the project area budget; or

87 (B) with respect to sales and use tax revenue, in accordance with the interlocal

88 agreement between the agency and the taxing entity that authorizes the agency to receive the
89 taxing entity's sales and use tax revenue; [or]

90 (v) for a community reinvestment project area plan that is subject to an interlocal
91 agreement, in accordance with the interlocal agreement between the agency and the taxing
92 entity that authorizes the agency to receive the taxing entity's project area funds[-]; or

93 (vi) for an economic development project area plan that an agency adopts after May 10,
94 2016, in accordance with the project area budget.

95 (b) Unless otherwise provided in a project area budget that is approved by a taxing
96 entity committee, or in an interlocal agreement adopted by a taxing entity, tax increment may
97 not be paid to an agency for a tax year before the tax year following:

98 (i) for an urban renewal project area plan, an economic development project area plan,
99 or a community reinvestment project area plan that is subject to a taxing entity committee, the
100 effective date of the project area plan; and

101 (ii) for a community development project area plan or a community reinvestment
102 project area plan that is subject to an interlocal agreement, the effective date of the interlocal
103 agreement that authorizes the agency to receive tax increment.

104 (4) With respect to a community development project area plan or a community
105 reinvestment project area plan that is subject to an interlocal agreement:

106 (a) a taxing entity may, through interlocal agreement, authorize an agency to be paid
107 any or all of the taxing entity's project area funds for any period of time; and

108 (b) the interlocal agreement authorizing the agency to be paid project area funds shall
109 specify:

110 (i) the base taxable value of the project area; and

111 (ii) the method of calculating the amount of project area funds to be paid to the agency.

112 (5) (a) (i) The boundaries of one project area may overlap and include the boundaries
113 of an existing project area.

114 (ii) If a taxing entity committee is required to approve the project area budget of an
115 overlapping project area described in Subsection (5)(a)(i), the agency shall, before the first
116 meeting of the taxing entity committee at which the project area budget will be considered,
117 inform each taxing entity of the location of the overlapping boundaries.

118 (b) (i) Before an agency may receive tax increment from the newly created overlapping

119 portion of a project area, the agency shall inform the county auditor regarding the respective
120 amount of tax increment that the agency is authorized to receive from the overlapping portion
121 of each of the project areas.

122 (ii) The combined amount of tax increment described in Subsection (5)(b)(i) may not
123 exceed 100% of the tax increment generated from a property located within the overlapping
124 boundaries.

125 (c) Nothing in this Subsection (5) gives an agency a right to receive project area funds
126 that the agency is not otherwise authorized to receive under this title.

127 (d) The collection of project area funds from an overlapping project area described in
128 Subsection (5)(a) does not affect an agency's use of project area funds within the other
129 overlapping project area.

130 (6) With the written consent of a taxing entity, an agency may be paid tax increment,
131 from the taxing entity's property tax revenue only, in a higher percentage or for a longer period
132 of time, or both, than otherwise authorized under this title.

133 (7) Subject to Section 17C-1-407, an agency is authorized to receive tax increment as
134 described in:

135 (a) for a pre-July 1, 1993, project area plan, Section 17C-1-403;

136 (b) for a post-June 30, 1993, project area plan:

137 (i) Section 17C-1-404 under a project area budget adopted by the agency in accordance
138 with this title;

139 (ii) a project area budget approved by the taxing entity committee and adopted by the
140 agency in accordance with this title; or

141 (iii) Section 17C-1-406;

142 (c) a resolution or interlocal agreement entered into under Section 17C-2-207,
143 17C-3-206, 17C-4-201, or 17C-4-202;

144 (d) for a community reinvestment project area plan that is subject to a taxing entity
145 committee, a project area budget approved by the taxing entity committee and adopted by the
146 agency in accordance with this title; ~~or~~

147 (e) for a community reinvestment project area plan that is subject to an interlocal
148 agreement, an interlocal agreement entered into under Section 17C-5-204~~[-];~~ or

149 (f) for an economic development project area plan that an agency adopts after May 10,

150 2016, in accordance with Chapter 3, Economic Development.

151 Section 3. Section **17C-1-402** is amended to read:

152 **17C-1-402. Taxing entity committee.**

153 (1) The provisions of this section apply to a taxing entity committee that is created by
154 an agency for:

155 (a) a post-June 30, 1993, urban renewal project area plan [~~or economic development~~
156 ~~project area plan~~];

157 (b) any other project area plan adopted before May 10, 2016, for which the agency
158 created a taxing entity committee; [~~and~~]

159 (c) an economic development project area plan; and

160 [~~(c)~~] (d) a community reinvestment project area plan that is subject to a taxing entity
161 committee.

162 (2) (a) (i) Each taxing entity committee shall be composed of:

163 (A) two school district representatives appointed in accordance with Subsection

164 (2)(a)(ii);

165 (B) (I) in a county of the second, third, fourth, fifth, or sixth class, two representatives
166 appointed by resolution of the legislative body of the county in which the agency is located; or

167 (II) in a county of the first class, one representative appointed by the county executive
168 and one representative appointed by the legislative body of the county in which the agency is
169 located;

170 (C) if the agency is created by a municipality, two representatives appointed by
171 resolution of the legislative body of the municipality;

172 (D) one representative appointed by the State Board of Education; and

173 (E) one representative selected by majority vote of the legislative bodies or governing
174 boards of all other taxing entities that levy a tax on property within the agency's boundaries, to
175 represent the interests of those taxing entities on the taxing entity committee.

176 (ii) (A) If the agency boundaries include only one school district, that school district
177 shall appoint the two school district representatives under Subsection (2)(a)(i)(A).

178 (B) If the agency boundaries include more than one school district, those school
179 districts shall jointly appoint the two school district representatives under Subsection

180 (2)(a)(i)(A).

181 (b) (i) Each taxing entity committee representative described in Subsection (2)(a) shall
182 be appointed within 30 days after the day on which the agency provides notice of the creation
183 of the taxing entity committee.

184 (ii) If a representative is not appointed within the time required under Subsection
185 (2)(b)(i), the board may appoint an individual to serve on the taxing entity committee in the
186 place of the missing representative until that representative is appointed.

187 (c) (i) A taxing entity committee representative may be appointed for a set term or
188 period of time, as determined by the appointing authority under Subsection (2)(a)(i).

189 (ii) Each taxing entity committee representative shall serve until a successor is
190 appointed and qualified.

191 (d) (i) Upon the appointment of each representative under Subsection (2)(a)(i), whether
192 an initial appointment or an appointment to replace an already serving representative, the
193 appointing authority shall:

194 (A) notify the agency in writing of the name and address of the newly appointed
195 representative; and

196 (B) provide the agency a copy of the resolution making the appointment or, if the
197 appointment is not made by resolution, other evidence of the appointment.

198 (ii) Each appointing authority of a taxing entity committee representative under
199 Subsection (2)(a)(i) shall notify the agency in writing of any change of address of a
200 representative appointed by that appointing authority.

201 (3) At a taxing entity committee's first meeting, the taxing entity committee shall adopt
202 an organizing resolution that:

203 (a) designates a chair and a secretary of the taxing entity committee; and

204 (b) if the taxing entity committee considers it appropriate, governs the use of electronic
205 meetings under Section [52-4-207](#).

206 (4) (a) A taxing entity committee represents all taxing entities regarding:

207 (i) an urban renewal project area plan;

208 (ii) an economic development project area plan; or

209 (iii) a community reinvestment project area plan that is subject to a taxing entity
210 committee.

211 (b) A taxing entity committee may:

- 212 (i) cast votes that are binding on all taxing entities;
- 213 (ii) negotiate with the agency concerning a proposed project area plan;
- 214 (iii) approve or disapprove:
 - 215 (A) an urban renewal project area budget as described in Section 17C-2-204;
 - 216 (B) an economic development project area budget as described in Section 17C-3-203;
- 217 or
- 218 (C) for a community reinvestment project area plan that is subject to a taxing entity
- 219 committee, a community reinvestment project area budget as described in Section 17C-5-302;
- 220 (iv) approve or disapprove an amendment to a project area budget as described in
- 221 Section 17C-2-206, 17C-3-205, or 17C-5-306;
- 222 (v) approve an exception to the limits on the value and size of a project area imposed
- 223 under this title;
- 224 (vi) approve:
 - 225 (A) an exception to the percentage of tax increment to be paid to the agency;
 - 226 (B) except for a project area funds collection period that is approved by an interlocal
 - 227 agreement, each project area funds collection period; and
 - 228 (C) an exception to the requirement for an urban renewal project area budget, an
 - 229 economic development project area budget, or a community reinvestment project area budget
 - 230 to include a maximum cumulative dollar amount of tax increment that the agency may receive;
- 231 (vii) approve the use of tax increment for publicly owned infrastructure and
- 232 improvements outside of a project area that the agency and community legislative body
- 233 determine to be of benefit to the project area, as described in Subsection
- 234 17C-1-409(1)(a)(iii)(D);
- 235 (viii) waive the restrictions described in Subsection 17C-2-202(1);
- 236 (ix) subject to Subsection (4)(c), designate the base taxable value for a project area
- 237 budget; and
- 238 (x) give other taxing entity committee approval or consent required or allowed under
- 239 this title.
- 240 (c) (i) Except as provided in Subsection (4)(c)(ii), the base year may not be a year that
- 241 is earlier than five years before the beginning of a project area funds collection period.
- 242 (ii) The taxing entity committee may approve a base year that is earlier than the year

243 described in Subsection (4)(c)(i).

244 (5) A quorum of a taxing entity committee consists of:

245 (a) if the project area is located within a municipality, five members; or

246 (b) if the project area is not located within a municipality, four members.

247 (6) Taxing entity committee approval, consent, or other action requires:

248 (a) the affirmative vote of a majority of all members present at a taxing entity

249 committee meeting:

250 (i) at which a quorum is present; and

251 (ii) considering an action relating to a project area budget for, or approval of a finding
252 of blight within, a project area or proposed project area that contains:

253 (A) an inactive industrial site;

254 (B) an inactive airport site; or

255 (C) a closed military base; or

256 (b) for any other action not described in Subsection (6)(a)(ii), the affirmative vote of
257 two-thirds of all members present at a taxing entity committee meeting at which a quorum is
258 present.

259 (7) (a) An agency may call a meeting of the taxing entity committee by sending written
260 notice to the members of the taxing entity committee at least 10 days before the date of the
261 meeting.

262 (b) Each notice under Subsection (7)(a) shall be accompanied by:

263 (i) the proposed agenda for the taxing entity committee meeting; and

264 (ii) if not previously provided and if the documents exist and are to be considered at
265 the meeting:

266 (A) the project area plan or proposed project area plan;

267 (B) the project area budget or proposed project area budget;

268 (C) the analysis required under Subsection 17C-2-103(2), 17C-3-103(2), or
269 17C-5-105(2);

270 (D) the blight study;

271 (E) the agency's resolution making a finding of blight under Subsection
272 17C-2-102(1)(a)(ii)(B) or Subsection 17C-5-402(2)(c)(ii); and

273 (F) other documents to be considered by the taxing entity committee at the meeting.

274 (c) (i) An agency may not schedule a taxing entity committee meeting on a day on
275 which the Legislature is in session.

276 (ii) Notwithstanding Subsection (7)(c)(i), a taxing entity committee may, by unanimous
277 consent, waive the scheduling restriction described in Subsection (7)(c)(i).

278 (8) (a) A taxing entity committee may not vote on a proposed project area budget or
279 proposed amendment to a project area budget at the first meeting at which the proposed project
280 area budget or amendment is considered unless all members of the taxing entity committee
281 present at the meeting consent.

282 (b) A second taxing entity committee meeting to consider a proposed project area
283 budget or a proposed amendment to a project area budget may not be held within 14 days after
284 the first meeting unless all members of the taxing entity committee present at the first meeting
285 consent.

286 (9) (a) Except as provided in Subsection (9)(b), each taxing entity committee shall
287 meet at least annually during a project area funds collection period under an urban renewal, an
288 economic development, or a community reinvestment project area budget to review the status
289 of the project area.

290 (b) A taxing entity committee is not required to meet in accordance with Subsection
291 (9)(a) if the agency prepares and distributes on or before November 1 of each year a report as
292 described in Section [17C-1-603](#).

293 (10) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and
294 Public Meetings Act.

295 (11) A taxing entity committee's records shall be:

296 (a) considered the records of the agency that created the taxing entity committee; and

297 (b) maintained by the agency in accordance with Section [17C-1-209](#).

298 (12) Each time a school district representative or a representative of the State Board of
299 Education votes as a member of a taxing entity committee to allow an agency to receive tax
300 increment, to increase the amount of tax increment the agency receives, or to extend a project
301 area funds collection period, that representative shall, within 45 days after the vote, provide to
302 the representative's respective school board an explanation in writing of the representative's
303 vote and the reasons for the vote.

304 (13) (a) The auditor of each county in which an agency is located shall provide a

305 written report to the taxing entity committee stating, with respect to property within each
306 project area:

307 (i) the base taxable value, as adjusted by any adjustments under Section 17C-1-408;

308 and

309 (ii) the assessed value.

310 (b) With respect to the information required under Subsection (13)(a), the auditor shall
311 provide:

312 (i) actual amounts for each year from the adoption of the project area plan to the time
313 of the report; and

314 (ii) estimated amounts for each year beginning the year after the time of the report and
315 ending the time that each project area funds collection period ends.

316 (c) The auditor of the county in which the agency is located shall provide a report
317 under this Subsection (13):

318 (i) at least annually; and

319 (ii) upon request of the taxing entity committee, before a taxing entity committee
320 meeting at which the committee considers whether to allow the agency to receive tax
321 increment, to increase the amount of tax increment that the agency receives, or to extend a
322 project area funds collection period.

323 (14) This section does not apply to:

324 (a) a community development project area plan; or

325 (b) a community reinvestment project area plan that is subject to an interlocal
326 agreement.

327 (15) (a) A taxing entity committee resolution approving a blight finding, approving a
328 project area budget, or approving an amendment to a project area budget:

329 (i) is final; and

330 (ii) is not subject to repeal, amendment, or reconsideration unless the agency first
331 consents by resolution to the proposed repeal, amendment, or reconsideration.

332 (b) The provisions of Subsection (15)(a) apply regardless of when the resolution is
333 adopted.

334 Section 4. Section 17C-1-405 is amended to read:

335 **17C-1-405. Tax increment under a project area plan adopted on or after May 1,**

336 **2006.**

337 (1) This section applies to tax increment under [a]:

338 (a) an urban renewal project area plan adopted on or after May 1, 2006, and before
339 May 10, 2016[-]; and

340 (b) an economic development project area plan adopted on or after May 1, 2006.

341 (2) Subject to the approval of the taxing entity committee, a board may provide in the
342 urban renewal or economic development project area budget for the agency to be paid:

343 (a) for an urban renewal project area plan that proposes development of an inactive
344 industrial site or inactive airport site, at least 60% of tax increment for at least 20 years; or

345 (b) for each other project, any percentage of tax increment up to 100% or any specified
346 dollar amount of tax increment for any period of time.

347 (3) A resolution or interlocal agreement relating to an agency's use of tax increment for
348 a community development project area plan may provide for the agency to be paid any
349 percentage of tax increment up to 100% or any specified dollar amount of tax increment for
350 any period of time.

351 Section 5. Section **17C-1-412** is amended to read:

352 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**
353 **of bonds for housing -- Action to compel agency to provide housing allocation.**

354 (1) (a) An agency shall use the agency's housing allocation, if applicable, to:

355 (i) pay part or all of the cost of land or construction of income targeted housing within
356 the boundary of the agency, if practicable in a mixed income development or area;

357 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
358 boundary of the agency;

359 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
360 private entity or business, or nonprofit corporation for income targeted housing within the
361 boundary of the agency;

362 (iv) plan or otherwise promote income targeted housing within the boundary of the
363 agency;

364 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
365 any building, facility, structure, or other housing improvement, including infrastructure

366 improvements, related to housing located in a project area where blight has been found to exist;

- 367 (vi) replace housing units lost as a result of the project area development;
- 368 (vii) make payments on or establish a reserve fund for bonds:
- 369 (A) issued by the agency, the community, or the housing authority that provides
- 370 income targeted housing within the community; and
- 371 (B) all or part of the proceeds of which are used within the community for the purposes
- 372 stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 373 (viii) if the community's fair share ratio at the time of the first adoption of the project
- 374 area budget is at least 1.1 to 1.0, make payments on bonds:
- 375 (A) that were previously issued by the agency, the community, or the housing authority
- 376 that provides income targeted housing within the community; and
- 377 (B) all or part of the proceeds of which were used within the community for the
- 378 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi); or
- 379 (ix) relocate mobile home park residents displaced by project area development.
- 380 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
- 381 any portion of the agency's housing allocation to:
- 382 (i) the community for use as described in Subsection (1)(a);
- 383 (ii) a housing authority that provides income targeted housing within the community
- 384 for use in providing income targeted housing within the community;
- 385 (iii) a housing authority established by the county in which the agency is located for
- 386 providing:
- 387 (A) income targeted housing within the county;
- 388 (B) permanent housing, permanent supportive housing, or a transitional facility, as
- 389 defined in Section [35A-5-302](#), within the county; or
- 390 (C) homeless assistance within the county; or
- 391 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,
- 392 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within
- 393 the community.
- 394 (2) The agency shall create a housing fund and separately account for the agency's
- 395 housing allocation, together with all interest earned by the housing allocation and all payments
- 396 or repayments for loans, advances, or grants from the housing allocation.
- 397 (3) An agency may:

398 (a) issue bonds to finance a housing-related project under this section, including the
399 payment of principal and interest upon advances for surveys and plans or preliminary loans;
400 and

401 (b) issue refunding bonds for the payment or retirement of bonds under Subsection
402 (3)(a) previously issued by the agency.

403 (4) (a) Except as provided in Subsection (4)(b), ~~[an]~~ if a project area budget requires an
404 agency to make a housing allocation, the agency shall allocate money to the housing fund each
405 year in which the agency receives sufficient tax increment to make [a] the housing allocation
406 ~~[required by the project area budget].~~

407 (b) Subsection (4)(a) does not apply in a year in which tax increment is insufficient.

408 (5) (a) Except as provided in Subsection (4)(b), if an agency fails to provide a housing
409 allocation ~~[in accordance with]~~ that the project area budget requires and, if applicable, the
410 housing plan adopted under Subsection [17C-2-204](#)(2), the loan fund board may bring legal
411 action to compel the agency to provide the housing allocation.

412 (b) In an action under Subsection (5)(a), the court:

413 (i) shall award the loan fund board reasonable attorney fees, unless the court finds that
414 the action was frivolous; and

415 (ii) may not award the agency the agency's attorney fees, unless the court finds that the
416 action was frivolous.

417 (6) If the community that created the agency is a municipality, the community shall
418 create an affordable housing plan in accordance with this Subsection (6).

419 (a) (i) The community shall ensure that the affordable housing plan includes:

420 (A) an estimate of the need for the development of additional moderate income
421 housing within the community; and

422 (B) a plan to provide an opportunity to meet the estimated needs described in
423 Subsection (6)(a)(i)(A) if long-term projections for land use and development occur.

424 (ii) The community may include the following in the affordable housing plan:

425 (A) existing housing rehabilitation within the boundaries of the project area;

426 (B) homeless service offerings within the boundaries of the project area;

427 (C) contribution to or utilization of the statewide Olene Walker Housing Loan Fund,
428 created in Section [35A-8-502](#);

429 (D) contribution to or utilization of a county-wide affordable housing fund;
430 (E) federal low-income housing credits described in Section 42, Internal Revenue
431 Code;
432 (F) housing projects under programs like the United States Department of Housing and
433 Urban Development's Community Development Block Grant Program;
434 (G) donations to municipal and county housing services; and
435 (H) contributions to statewide funding of homeless resource centers.
436 (b) in drafting the moderate income housing plan, the community:
437 (i) shall consider the legislative determination that cities facilitate a reasonable
438 opportunity for a variety of housing, including moderate income housing:
439 (A) to meet the needs of people desiring to live in the community; and
440 (B) to allow individuals with moderate incomes to benefit from and fully participate in
441 all aspects of neighborhood and community life; and
442 (ii) may recommend means and techniques for providing a realistic opportunity for the
443 development of moderate income housing, including:
444 (A) rezoning for densities necessary to assure the production of moderate income
445 housing;
446 (B) facilitating the rehabilitation or expansion of infrastructure that will encourage the
447 construction of moderate income housing;
448 (C) encouraging the rehabilitation of existing uninhabitable housing stock into
449 moderate income housing;
450 (D) considering general fund subsidies to waive construction related fees that are
451 otherwise generally imposed by the city;
452 (E) considering utilization of state or federal funds or tax incentives to promote the
453 construction of moderate income housing;
454 (F) considering utilization of programs offered by the Utah Housing Corporation,
455 created in Section [63H-8-201](#), within that agency's funding capacity; and
456 (G) considering utilization of affordable housing programs administered by the
457 Department of Workforce Services; and
458 (iii) may include an analysis of why any recommendation described in Subsection
459 (6)(b)(ii) provides a realistic opportunity for the development of moderate income housing

460 within the planning horizon.

461 Section 6. Section 17C-1-603 is amended to read:

462 **17C-1-603. Annual report.**

463 (1) Beginning in 2016, on or before November 1 of each year, an agency shall:

464 (a) prepare an annual report as described in Subsection (2); and

465 (b) submit the annual report electronically to the county auditor, the State Tax
466 Commission, the State Board of Education, and each taxing entity from which the agency
467 receives project area funds.

468 (2) The annual report shall, for each active project area whose project area funds
469 collection period has not expired, contain the following information:

470 (a) an assessment of the change in marginal value, including:

471 (i) the base taxable value;

472 (ii) the prior year's assessed value;

473 (iii) the estimated current assessed value; and

474 (iv) a narrative description of the relative growth in assessed value;

475 (b) the amount of project area funds the agency received, including:

476 (i) a comparison of the actual project area funds received for the previous year to the
477 amount of project area funds forecasted when the project area was created, if available;

478 (ii) (A) the agency's historical receipts of project area funds, including the tax year for
479 which the agency first received project area funds from the project area; or

480 (B) if the agency has not yet received project area funds from the project area, the year
481 in which the agency expects each project area funds collection period to begin;

482 (iii) a list of each taxing entity that levies or imposes a tax within the project area and a
483 description of the benefits that each taxing entity receives from the project area; and

484 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;

485 (c) a description of how the agency expended the agency's housing allocation, if
486 applicable;

487 [~~(c)~~] (d) a description of current and anticipated project area development, including:

488 (i) a narrative of any significant project area development, including infrastructure
489 development, site development, participation agreements, or vertical construction; and

490 (ii) other details of development within the project area, including total developed

491 acreage and total undeveloped acreage;

492 ~~[(d)]~~ (e) the project area budget, if applicable, or other project area funds analysis,

493 including:

494 (i) each project area funds collection period;

495 (ii) the number of years remaining in each project area funds collection period;

496 (iii) the total amount of project area funds the agency is authorized to receive from the
497 project area cumulatively and from each taxing entity; and

498 (iv) the remaining amount of project area funds the agency is authorized to receive
499 from the project area cumulatively and from each taxing entity;

500 ~~[(e)]~~ (f) the estimated amount of project area funds that the agency is authorized to
501 receive from the project area for the current calendar year;

502 ~~[(f)]~~ (g) the estimated amount of project area funds to be paid to the agency for the next
503 calendar year;

504 ~~[(g)]~~ (h) a map of the project area; and

505 ~~[(h)]~~ (i) any other relevant information the agency elects to provide.

506 (3) A report prepared in accordance with this section:

507 (a) is for informational purposes only; and

508 (b) does not alter the amount of project area funds that an agency is authorized to
509 receive from a project area.

510 (4) The provisions of this section apply regardless of when the agency or project area is
511 created.

512 Section 7. Section **17C-3-201** is amended to read:

513 **17C-3-201. Economic development project area budget -- Requirements for**
514 **adopting -- Contesting the budget or procedure -- Time limit.**

515 (1) (a) If an agency anticipates funding all or a portion of [~~a post-June 30, 1993~~] an
516 economic development project area plan with tax increment, the agency shall, subject to
517 Section **17C-3-202**, adopt a project area budget as provided in this part.

518 (b) An economic development project area budget adopted on or after March 30, 2009
519 shall specify:

520 (i) for a project area budget adopted on or after March 30, 2009:

521 (A) the project area funds collection period; and

522 (B) the percentage of tax increment the agency is authorized to receive from the project
523 area under the project area budget; and

524 (ii) for a project area budget adopted on or after March 30, 2013, unless approval is
525 obtained under Subsection 17C-1-402(4)(b)(vi)(C), the maximum cumulative dollar amount of
526 tax increment that the agency may receive from the project area under the project area budget.

527 (2) To adopt an economic development project area budget, the agency shall:

528 (a) prepare a proposed economic development project area budget;

529 (b) make a copy of the proposed project area budget available to the public at the
530 agency's offices during normal business hours;

531 (c) provide notice of the budget hearing as required by Chapter 1, Part 8, Hearing and
532 Notice Requirements;

533 (d) hold a public hearing on the proposed project area budget and, at that public
534 hearing, allow public comment on:

535 (i) the proposed project area budget; and

536 (ii) whether the proposed project area budget should be revised, adopted, or rejected;

537 (e) (i) if required under Subsection 17C-3-203(1), obtain the approval of the taxing
538 entity committee on the proposed project area budget or a revised version of the proposed
539 project area budget; or

540 (ii) if applicable, comply with the requirements of Subsection 17C-3-203(2);

541 (f) if approval of the taxing entity committee is required under Subsection (2)(e)(i),
542 obtain a written certification, signed by an attorney licensed to practice law in this state, stating
543 that the taxing entity committee followed the appropriate procedures to approve the project
544 area budget; and

545 (g) after the budget hearing, hold a board meeting in the same meeting as the public
546 hearing or in a subsequent meeting to:

547 (i) consider comments made and information presented at the public hearing relating to
548 the proposed project area budget; and

549 (ii) adopt by resolution the proposed project area budget, with any revisions, as the
550 project area budget.

551 (3) (a) For a period of 30 days after the agency's adoption of the project area budget
552 under Subsection (2)(g), any person may contest the project area budget or the procedure used

553 to adopt the project area budget if the budget or procedure fails to comply with applicable
554 statutory requirements.

555 (b) After the 30-day period under Subsection (3)(a) expires, a person may not contest:

556 (i) the project area budget or procedure used by either the taxing entity committee or
557 the agency to approve and adopt the project area budget;

558 (ii) a distribution of tax increment to the agency under the project area budget; or

559 (iii) the agency's use of tax increment under the project area budget.

560 Section 8. Section 17C-5-307 is amended to read:

561 **17C-5-307. Allocating project area funds for housing.**

562 (1) (a) For a community reinvestment project area that is subject to a taxing entity
563 committee, which does not include an economic development project area under Title 17C,
564 Chapter 3, Economic Development, an agency shall allocate at least 20% of the agency's
565 annual tax increment for housing in accordance with Section 17C-1-412 if the community
566 reinvestment project area budget provides for more than \$100,000 of annual tax increment to
567 be distributed to the agency.

568 (b) The taxing entity committee may waive a portion of the allocation described in
569 Subsection (1)~~(a)~~ if:

570 (i) the taxing entity committee determines that 20% of the agency's annual tax
571 increment is more than is needed to address the community's need for income targeted housing
572 or homeless assistance; and

573 (ii) after the waiver, the agency's housing allocation is equal to at least 10% of the
574 agency's annual tax increment.

575 (2) For a community reinvestment project area that is subject to an interlocal
576 agreement, an agency shall allocate at least 10% of the project area funds for housing in
577 accordance with Section 17C-1-412 if the community reinvestment project area budget
578 provides for more than \$100,000 of annual project area funds to be distributed to the agency.

579 (3) The agency may use the housing allocation described in Subsection (1) to achieve
580 the affordable housing plan the community establishes in accordance with Section 17C-1-412.

581 Section 9. **Repealer.**

582 This bill repeals:

583 Section 17C-3-101.2, **Applicability of chapter.**