# HB0492S03 compared with HB0492S02

~~{Omitted text}~~ shows text that was in HB0492S02 but was omitted in HB0492S03
inserted text shows text that was not in HB0492S02 but was inserted into HB0492S03

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## Transportation, Infrastructure, and Housing Amendments

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Calvin Roberts**

Senate Sponsor:Kirk A. Cullimore

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**LONG TITLE**

**General Description:**

This bill modifies transportation, infrastructure, and housing provisions.

**Highlighted Provisions:**

This bill:

- defines terms;
- creates the State Housing Infrastructure Partnership Fund (fund);
- creates the State Housing Infrastructure Partnership Board (board) and describes the board's membership and duties;
- authorizes the board to make loans from the fund to qualifying political subdivisions to finance system improvements that will facilitate the construction of housing;
- establishes certain terms and requirements for the infrastructure loans awarded by the board;
- repeals the Affordable Housing Infrastructure Grant Board and transfers duties for awarding affordable housing infrastructure grants to the board;
- requires the board, in awarding infrastructure loans and affordable housing infrastructure grants, to give preference to projects that include certain starter homes;

- requires the Governor's Office of Economic Opportunity to provide staff support to the board;
- requires annual reporting from the board and provides the board with rulemaking authority;
- authorizes the board to use a certain amount of money in the fund to offset administrative expenses;
- increases the maximum amount of bonds that may be authorized in relation to affordable housing infrastructure; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

- This bill appropriates $100,000,000 in restricted fund and account transfers for fiscal year 2027, all of which is from the various sources as detailed in this bill.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63B-34-101** , as enacted by Laws of Utah 2025, Chapter 502

**72-2-121** , as last amended by Laws of Utah 2025, First Special Session, Chapter 17

**72-2-501** , as enacted by Laws of Utah 2025, Chapter 502

**72-2-503** , as enacted by Laws of Utah 2025, Chapter 502

ENACTS:

**63N-3-1801** , Utah Code Annotated 1953

**63N-3-1802** , Utah Code Annotated 1953

**63N-3-1803** , Utah Code Annotated 1953

**63N-3-1804** , Utah Code Annotated 1953

**63N-3-1805** , Utah Code Annotated 1953

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

Section 1. Section **63B-34-101** is amended to read:

**63B-34-101. Transportation bonds -- Maximum amount -- Use for transportation projects related to affordable housing initiatives.**

(1)

(a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed [~~$70,000,000~~] $140,000,000.

(b) When the Department of Transportation certifies to the commission the amount of bond proceeds that the commission needs to provide funding for the projects described in Subsection (2), the commission may issue and sell general obligation bonds in an amount equal to the certified amount plus costs of issuance.

(c) The commission may not issue general obligation bonds authorized under this section if the issuance for general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in Utah Constitution, Article XIV, Section 1.

(2)

(a) Proceeds from the bonds issued under this section shall be provided to the Department of Transportation through the Transportation Investment Fund of 2005 created in Section 72-2-124 to pay for or to provide funds to public entities for costs related to affordable housing initiatives as described in Subsection (2)(b).

(b) Bond proceeds described under Subsection (2)(a) shall be used to pay for infrastructure to assist in affordable housing related grants and allocated as described in Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants.

(c) The costs under this Subsection (2) may include the costs of acquiring land, interests in land, easements and rights-of-way, the costs of improving sites, making all improvements necessary, incidental, or convenient to the facilities, and the costs of interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

(3) The executive director of the Department of Transportation may allocate bond proceeds under this section as provided in Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants.

Section 2. Section **2** is enacted to read:

**63N-3-1801. Definitions.**

18. State Housing Infrastructure Partnership

As used in this part:

(1) "Board" means the State Housing Infrastructure Partnership Board, created in Section 63N-3-1803.

(2) "Development agreement" means the same as that term is defined in Section 10-20-102.

(3) "Fund" means the State Housing Infrastructure Partnership Fund, created in Section 63N-3-1802.

(4) "Housing development" means a land development proposal to construct new housing that a municipality or a county approves with a land use application, development agreement, or zone change.

(5) "Infrastructure facility" means a facility used in connection with system-level infrastructure, including:

(a) a drinking water facility;

(b) a wastewater facility;

(c) a sewer lift station;

(d) a stormwater system;

(e) a water drainage system; {~~or~~}

(f) a secondary water system{~~.~~} ;

(g) power transmission and distribution lines, including burying of the lines; or

(h) regional roads.

(6) "Infrastructure loan" means a loan of fund money to finance a system improvement.

(7) "Land use application" means the same as that term is defined in Section 10-20-102.

(8) "Qualifying political subdivision" means:

(a) a municipality;

(b) a county;

(c) a special district;

(d) a special service district;

(c){(e)} an agency, as defined in Section 17C-1-102; or

(d){(f)} the Point of the Mountain State Land Authority, created in Section 11-59-201.

(9) "Special district" means the same as that term is defined in Section 17B-1-102.

(10) "Special service district" means the same as that term is defined in Section 17D-1-102.

(10){(11)}

(a) "System improvement" means a project to construct or {~~expand~~ } improve a publicly owned:

(i) {~~road~~ } highway, public transit facility, or paved pedestrian or non-motorized trail that is a part of:

(A) the statewide long-range transportation plan;

(B) a regional transportation plan of a metropolitan planning organization; or

(C) a municipal or county general plan, transportation master plan, or economic development initiative; or

(ii) infrastructure facility that is part of:

(A) a municipal or county general plan, infrastructure plan, or economic development initiative; or

(B) a special district infrastructure plan or strategic plan.

(b) "System improvement" may include the costs of:

(i) designing a project described in Subsection {~~(10)(a)~~} (11)(a); {~~or~~}

(ii) acquiring property for a project described in Subsection {~~(10)(a).~~} (11)(a); or

(iii) environmental remediation for a project described in Subsection (11)(a).

Section 3. Section **3** is enacted to read:

**63N-3-1802. State Housing Infrastructure Partnership Fund.**

(1) There is created a revolving loan fund known as the "State Housing Infrastructure Partnership Fund."

(2) The fund consists of money generated from the following revenue sources:

(a) appropriations made to the fund by the Legislature;

(b) amounts received for the repayment of infrastructure loans made by the board under this part;

(c) grants, gifts, loans, or other funding from:

(i) the federal government; or

(ii) other public or private sources; and

(d) interest or other earnings deposited under Subsection (3).

(3) The state treasurer shall:

(a) invest the money in the fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and

(b) deposit all interest or other earnings derived from those investments into the fund.

(4) The board may use money in the fund only to:

(a) make infrastructure loans in accordance with this part; and

(b) pay the office's administrative costs related to this part, in an amount that does not exceed 0.5% of the revenues of the fund, including any appropriation to the fund.

Section 4. Section **4** is enacted to read:

**63N-3-1803. State Housing Infrastructure Partnership Board.**

(1) There is created within the office the State Housing Infrastructure Partnership Board composed of:

(a) five voting members as follows:

(i) the executive director of the office or the executive director's designee;

(ii) the executive director of the Department of Transportation or the executive director's designee;

(iii) one member appointed by the governor;

(iv) one member appointed by the president of the Senate; and

(v) one member appointed by the speaker of the House of Representatives; and

(b) any number of nonvoting members appointed by the chair and vice chair of the board.

(2)

(a) The members described in Subsections (1)(a)(iv) and (v) shall serve a four-year term.

(b) When a vacancy occurs in a position described in Subsections (1)(a)(iv) and (v), the person that appointed the member shall appoint a new member for the unexpired term.

(c) If a member described in Subsections (1)(a)(iv) and (v) leaves elected office, the appointing entity shall appoint a new member for the unexpired term.

(3)

(a) The voting members of the board shall elect a chair and vice chair from the board's voting members.

(b) The chair and vice chair of the board shall serve a term of one year.

(c) The chair of the board is responsible for the call and conduct of board meetings.

(4)

(a) A majority of the voting members of the board constitutes a quorum.

(b) Action by a majority vote of a quorum of the board constitutes action by the board

(5)

(a) A voting member of the board who is a legislator shall be paid salary and expenses in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

(b) A voting member of the board who is not a legislator may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(i) Section 63A-3-106;

(ii) Section 63A-3-107; and

(iii) rules made by the Division of Finance in accordance with Sections 63A-3-106 and 63A-3-107.

(6) A voting member of the board shall comply with the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

(7) The office shall provide staff support to the board.

Section 5. Section **5** is enacted to read:

**63N-3-1804. Board duties -- Annual report -- Rulemaking.**

(1) The board shall:

(a) make infrastructure loans to qualifying political subdivisions for system improvements that will facilitate the construction of housing in accordance with Section 63N-3-1805;

(b) for the infrastructure loans described in Subsection (1)(a):

(i) establish criteria for determining infrastructure loan eligibility;

(ii) establish criteria by which an infrastructure loan will be made and repaid; and

(iii) determine the order in which system improvements will be funded;

(c) award affordable housing infrastructure grants to public entities in accordance with Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants; and

(d) administer the fund in a manner that will keep a portion of the fund revolving.

(2) On or before September 1 of each year, the board shall submit a written report to the Economic Development and Workforce Services Interim Committee and the Political Subdivisions Interim Committee that includes:

(a) information regarding the activities of the board, including any rules made under Subsection (3);

(b) the number and types of infrastructure loans made;

(c) a list of qualifying political subdivisions that received an infrastructure loan;

(d) the number of constructed housing units that each infrastructure loan facilitated; and

(e) any recommendations for legislation.

(3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and subject to any recommendations provided by the Economic Development and Workforce Services Interim Committee and the Political Subdivisions Interim Committee, the board may make rules governing:

(a) management of the fund; and

(b) infrastructure loan application requirements and eligibility review criteria.

Section 6. Section **6** is enacted to read:

**63N-3-1805. Infrastructure loans to qualifying political subdivisions -- Application -- Loan requirements.**

(1) A qualifying political subdivision may receive an infrastructure loan under this part to finance a system improvement that will facilitate the construction of a housing development.

(2) To receive an infrastructure loan, a qualifying political subdivision shall submit an application to the board that:

(a) demonstrates:

(i) the qualifying political subdivision has approved or will approve a housing development;

(ii) the infrastructure loan will accelerate the completion of the housing development;

(iii) the builder or developer of the housing development has agreed to, or will agree to, a specific timeline to complete the housing development if the board approves the infrastructure loan;

(iv) the qualifying political subdivision will provide matching funds for the system improvement in an amount determined by the board;

(v) the qualifying political subdivision has a primary revenue source for repaying the infrastructure loan; and

(vi) if the qualifying political subdivision is a municipality or county, the qualifying political subdivision has adopted a moderate income housing plan that complies with Section 10-21-202 or 17-80-202;

(b) identifies the qualifying political subdivision's current bonding capacity; and

(c) includes any other information the board requires.

(3) In considering an application for an infrastructure loan, the board shall:

(a) give preference to a housing development that includes, as a substantial component, the construction of detached single-family owner-occupied starter homes; and

(b) consider criteria including:

(i) the number of housing units that may be built compared to the requested infrastructure loan amount;

(ii) geographic diversity, including whether the applicant is urban or rural;

(iii) the inclusion of affordable housing in the housing development;

(iv) the inclusion of for-sale owner-occupied housing units in the housing development;

(v) the likelihood that the housing development will be completed in accordance with the timeline described in Subsection (2)(a)(iii);

(vi) the amount of matching funds the qualifying political subdivision will provide for the system improvement;

(vii) other available sources of funding that may be used to construct the system improvement; and

(viii) existing public facilities and services nearby the housing development.

(4) The board shall ensure that each infrastructure loan:

(a) is secured by any combination of revenue sources for the loan recipient, whether the revenue is actualized or anticipated, and which may include revenue the loan recipient receives from:

(i) the imposition of property taxes;

(ii) the collection of impact fees;

(iii) the issuance of bonds; or

(iv) any other revenue source the board determines to be sufficient for securing the infrastructure loan;

(b) has a term that does not exceed 20 years, except as provided in Subsection (5)(b)(ii);

(c) charges interest:

(i) to a presumed repayment date established by the board, regardless of the actual repayment date; and

(ii) at a rate that is within 1.5% of the federal funds rate target:

(A) established by the Federal Open Market Committee; and

(B) in effect on January 1 of the year in which the loan is made; and

(d) specifies the terms and revenue sources for the loan recipient's repayment of the loan.

(5)

(a) The board may make one infrastructure loan to the Point of the Mountain State Land Authority created in Section 11-59-201.

(b) The infrastructure loan described in Subsection (5)(a) may not exceed:

(i) an amount of $18,000,000; and

(ii) a term of three years.

(6) In making infrastructure loans, the board may:

(a) restructure all or part of a loan recipient's liability to repay an infrastructure loan for extenuating circumstances, subject to the requirements of Subsections (4) and (5); and

(b) condition approval of an infrastructure loan on whatever assurances the board considers necessary to ensure that loan proceeds are used in accordance with this part.

Section 7. Section **72-2-121** is amended to read:

**72-2-121. County of the First Class Highway Projects Fund.**

(1) There is created a special revenue fund within the Transportation Fund known as the "County of the First Class Highway Projects Fund."

(2) The fund consists of money generated from the following revenue sources:

(a) any voluntary contributions received for new construction, major renovations, and improvements to highways within a county of the first class;

(b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b) deposited into or transferred to the fund;

(c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or transferred to the fund;

(d) a portion of the local option highway construction and transportation corridor preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited into or transferred to the fund; and

(e) the portion of the sales and use tax transferred into the fund as described in Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).

(3)

(a) The fund shall earn interest.

(b) All interest earned on fund money shall be deposited into the fund.

(4) Subject to Subsection (11), the executive director shall use the fund money only:

(a) to pay debt service and bond issuance costs for bonds issued under Sections 63B-16-102, 63B-18-402, and 63B-27-102;

(b) for right-of-way acquisition, new construction, major renovations, and improvements to highways within a county of the first class and to pay any debt service and bond issuance costs related to those projects, including improvements to a highway located within a municipality in a county of the first class where the municipality is located within the boundaries of more than a single county;

(c) for the construction, acquisition, use, maintenance, or operation of:

(i) an active transportation facility for nonmotorized vehicles;

(ii) multimodal transportation that connects an origin with a destination; or

(iii) a facility that may include a:

(A) pedestrian or nonmotorized vehicle trail;

(B) nonmotorized vehicle storage facility;

(C) pedestrian or vehicle bridge; or

(D) vehicle parking lot or parking structure;

(d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts transferred in accordance with Subsection 72-2-124(4)(a)(v);

(e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond issuance costs for $30,000,000 of the bonds issued under Section 63B-18-401 for the projects described in Subsection 63B-18-401(4)(a);

(f) for a fiscal year beginning on or after July 1, 2013, and after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to transfer an amount equal to 50% of the revenue generated by the local option highway construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in a county of the first class:

(i) to the legislative body of a county of the first class; and

(ii) to be used by a county of the first class for:

(A) highway construction, reconstruction, or maintenance projects; or

(B) the enforcement of state motor vehicle and traffic laws;

(g) for a fiscal year beginning on or after July 1, 2015, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(e) has been made, to annually transfer an amount of the sales and use tax revenue imposed in a county of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:

(i) the appropriate debt service or sinking fund for the repayment of bonds issued under Section 63B-27-102; and

(ii) the appropriate debt service or sinking fund for the repayment of bonds issued under Sections 63B-31-102 and 63B-31-103;

(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer $2,000,000 to a public transit district in a county of the first class to fund a system for public transit;

(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, through fiscal year 2027, to annually transfer 20%, and beginning with fiscal year 2028, and each year thereafter for 20 years, to annually transfer 33% of the amount deposited into the fund under Subsection (2)(b) to the legislative body of a county of the first class for the following purposes:

(i) to fund parking facilities in a county of the first class that facilitate significant economic development and recreation and tourism within the state; and

(ii) to be used for purposes allowed in Section 17-78-702;

(j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for 15 years thereafter, to annually transfer the following amounts to the following cities and the county of the first class for priority projects to mitigate congestion and improve transportation safety:

(i) $2,000,000 to Sandy;

(ii) $2,300,000 to Taylorsville;

(iii) $1,100,000 to Salt Lake City;

(iv) $1,100,000 to West Jordan;

(v) $1,100,000 to West Valley City;

(vi) $800,000 to Herriman;

(vii) $700,000 to Draper;

(viii) $700,000 to Riverton;

(ix) $700,000 to South Jordan;

(x) $500,000 to Bluffdale;

(xi) $500,000 to Midvale;

(xii) $500,000 to Millcreek;

(xiii) $500,000 to Murray;

(xiv) $400,000 to Cottonwood Heights; and

(xv) $300,000 to Holladay;

(k) for the 2024-25, 2025-26, and 2026-27 fiscal years, and subject to revenue balances after the distributions under Subsection (4)(j), to reimburse the following municipalities for the amounts and projects indicated, as each project progresses and as revenue balances allow:

(i) $3,200,000 to South Jordan for improvements to Bingham Rim Road from Grandville Avenue to Mountain View Corridor;

(ii) $1,960,000 to Midvale for improvements to Center Street between State Street and 700 West;

(iii) $3,500,000 to Salt Lake City for first and last mile public transit improvements throughout Salt Lake City;

(iv) $1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard and 2300 East;

(v) $3,450,000 to Draper for improvements to Bangerter Highway between 13800 South and I-15;

(vi) $10,500,000 to Herriman to construct a road between U-111 and 13200 South;

(vii) $3,000,000 to West Jordan for improvements to 1300 West;

(viii) $1,050,000 to Riverton for improvements to the Welby Jacob Canal Trail between 11800 South and 13800 South;

(ix) $3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700 South;

(x) $470,000 to the department for construction of a sound wall on Bangerter Highway at approximately 11200 South;

(xi) $1,250,000 to Murray for improvements to Murray Boulevard between 4800 South and 5300 South;

(xii) $1,840,000 to Magna for construction and improvements to 8400 West and 4100 South;

(xiii) $1,000,000 to South Jordan for construction of arterial roads connecting U-111 and Old Bingham Highway;

(xiv) $1,200,000 to Millcreek for reconstruction of and improvements to 2000 East between 3300 South and Atkin Avenue;

(xv) $1,230,000 to Holladay for improvements to Highland Drive between Van Winkle Expressway and Arbor Lane;

(xvi) $1,000,000 to Taylorsville for improvements to 4700 South at the I-215 interchange;

(xvii) $3,750,000 to West Valley City for improvements to 4000 West between 4100 South and 4700 South and improvements to 4700 South from 4000 West to Bangerter Highway;

(xviii) $1,700,000 to South Jordan for improvements to Prosperity Road between Crimson View Drive and Copper Hawk Drive;

(xix) $2,300,000 to West Valley City for a road connecting U-111 at approximately 6200 South, then east and turning north and connecting to 5400 South;

(xx) $1,400,000 to Magna for improvements to 8000 West between 3500 South to 4100 South;

(xxi) $1,300,000 to Taylorsville for improvements on 4700 South between Redwood Road and 2700 West; and

(xxii) $3,000,000 to West Jordan for improvements to 1300 West between 6600 South and 7800 South; and

(l) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay debt service and bond issuance costs for [~~$70,000,000~~] $140,000,000 of the bonds issued under Section 63B-34-201 for the grants awarded under Part 5, Affordable Housing Infrastructure Grants.

(5)

(a) If revenue in the fund is insufficient to satisfy all of the transfers described in Subsection (4)(j), the executive director shall proportionately reduce the amounts transferred as described in Subsection (4)(j).

(b) A local government may not use revenue described in Subsection (4)(j) to supplant existing class B or class C road funds that a local government has budgeted for transportation projects.

(6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes described under Section 72-2-123.

(7) The department may expend up to $3,000,000 of revenue deposited into the account as described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as provided in Part 4, Public Transit Innovation Grants.

(8) The additional administrative costs of the department to administer this fund shall be paid from money in the fund.

(9) Subject to Subsection (11), and notwithstanding any statutory or other restrictions on the use or expenditure of the revenue sources deposited into this fund, the Department of Transportation may use the money in this fund for any of the purposes detailed in Subsection (4).

(10) Subject to Subsection (11), any revenue deposited into the fund as described in Subsection (2)(e) shall be used to provide funding or loans for public transit projects, operations, and supporting infrastructure in the county of the first class.

(11) For the first three years after a county of the first class imposes a sales and use tax authorized in Section 59-12-2220, revenue deposited into the fund as described in Subsection (2)(e) shall be allocated as follows:

(a) 10% to the department to construct an express bus facility on 5600 West; and

(b) 90% into the County of the First Class Infrastructure Bank Fund created in Section 72-2-302.

Section 8. Section **72-2-501** is amended to read:

**72-2-501. Definitions.**

As used in this part:

(1) "Affordable housing unit" means a dwelling that:

(a) is offered for rent at a rental price affordable to a household with a gross income of no more than 80% of the area median income for the county in which the residential unit is offered for rent; or

(b) is offered for sale to an owner-occupier at a purchase price affordable to a household with a gross income of no more than 120% of the area median income for the county in which the residential unit is offered for sale and is deed restricted for no fewer than five years.

(2) "Board" means the [~~affordable housing infrastructure grant board~~] State Housing Infrastructure Partnership Board created in Section [~~72-2-503~~] 63N-3-1803.

(3) "Grant" means a grant issued to a public entity in a county of the first class as provided in this part.

Section 9. Section **72-2-503** is amended to read:

**72-2-503. Affordable housing infrastructure grant administration.**

[~~(1) There is created the affordable housing infrastructure grant board consisting of the following members:~~]

[~~(a) the executive director of the department, or the executive director's designee;~~]

[~~(b) the executive director of the Governor's Office of Economic Opportunity appointed under Section 63N-1a-302, or the executive director's designee; and~~]

[~~(c) an employee of the governor's office that is an expert or advisor on housing strategy, appointed by the governor.~~]

[~~(2)~~] (1)

(a) The Governor's Office of Economic Opportunity shall provide staff support for the board and the grant program.

(b) The Governor's Office of Economic Opportunity may use and the department shall transfer grant funds for the costs of the Governor's Office of Economic Opportunity to administer the grant program under this part.

(c) The Governor's Office of Economic Opportunity and the department shall enter into a memorandum of understanding to facilitate the calculation and transfer of funds for the administrative costs described in Subsection [~~(2)(b)~~] (1)(b).

[~~(3)~~] (2) The Governor's Office of Economic Opportunity, in consultation with the board, shall develop a process for the prioritization of grant proposals that includes:

(a) instructions on making and submitting a grant proposal;

(b) methodology for selecting grants; and

(c) methodology for awarding grants.

[~~(4)~~] (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Governor's Office of Economic Opportunity shall make rules to establish the process described in Subsection [~~(3)~~] (2) and as otherwise necessary to implement this part.

[~~(5)~~] (4) The board shall:

(a) accept grant applications;

(b) rank grant proposals; and

(c) award grants in accordance with this part.

[~~(6)~~] (5) A grant applicant shall ensure that each grant proposal includes:

(a) information about the proposed project, including the projected number of affordable housing units, which may not be less than 50 units of affordable housing;

(b) the projected time line of the proposed project;

(c) data and information regarding the proposed types of affordable housing; and

(d) information about the public infrastructure and other improvements needed.

[~~(7)~~] (6)

(a) In considering a grant proposal, the board shall:

(i) give priority to a project that includes, as a substantial component, the construction of detached single-family owner-occupied starter homes; and

(ii) consider criteria including:

[~~(i)~~] (A) the value and number of housing units the project will produce;

[~~(ii)~~] (B) the value of any matching contribution from the grant applicant, including information about how the public entity determined the value of the matching assets; and

[~~(iii)~~] (C) any other criteria the board determines relevant.

(b) For a grant proposal including highway infrastructure, the board may not award a grant unless the grant applicant provides a minimum matching contribution of the right-of-way needed for the highway improvements.

(c) If a grant proposal includes highway infrastructure, the board shall give priority to the construction of public highways that are highways of regional significance that connect to other highways or points of regional significance.

[~~(8)~~] (7)

(a) Subject to available funding, and subject to Subsection [~~(8)(b)~~] (7)(b), the board may award a grant to a recipient that the board determines advisable.

(b) For every $20,000 of grant funding awarded to a recipient, the infrastructure shall support at least one unit of affordable housing.

(c) The board may not award a grant to a recipient if the board determines that the recipient will not be able to satisfy the requirement under Subsection [~~(8)(b)~~] (7)(b).

[~~(9)~~] (8) If the board approves the award of a grant as provided in this part, the department shall transfer the money to the grant recipient in accordance with Subsection [~~(10)~~] (9).

[~~(10)~~] (9)

(a) Before the department may provide grant money to a public entity for a project related to a grant awarded by the board, the public entity shall provide a detailed cost estimate of costs to complete the planning and design of the project.

(b) If the executive director approves the cost estimate described in Subsection [~~(10)(a)~~] (9)(a), the department may provide to the public entity grant money reasonably necessary to complete the planning and design of the project.

(c) After completion of the planning and design of a project related to a grant awarded by the board, the public entity shall provide to the department a detailed estimate of the costs to construct and complete the project described in Subsection [~~(10)(b)~~] (9)(b).

(d) If the executive director approves the cost estimates described in Subsection [~~(10)(c)~~] (9)(c), the department may provide grant money to a public entity to construct and complete the project described in Subsection [~~(10)(b)~~] (9)(b).

Section 10. **FY 2027 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for fiscal year 2027.

Subsection 10(a). **Restricted Fund and Account Transfers**

The Legislature authorizes the State Division of Finance to transfer the following amounts between the following funds or accounts as indicated. Expenditures and outlays from the funds to which the money is transferred must be authorized by an appropriation.

ITEM 1 To State Housing Infrastructure Partnership Fund

From Transportation Infrastructure General Fund Support Subfund, One-time 100,000,000

Schedule of Programs:

State Housing Infrastructure Partnership Fund 100,000,000

Section 11. **Effective date.**

Effective Date.

This bill takes effect May 6, 2026.

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