UTAH LEAGUE OF CITIES AND TOWNS

Political Subdivisions October 2019
Planning for Growth: SB 34

Impact Fees

Utah in 2050: Local officials urged to plan for Utah's population boom

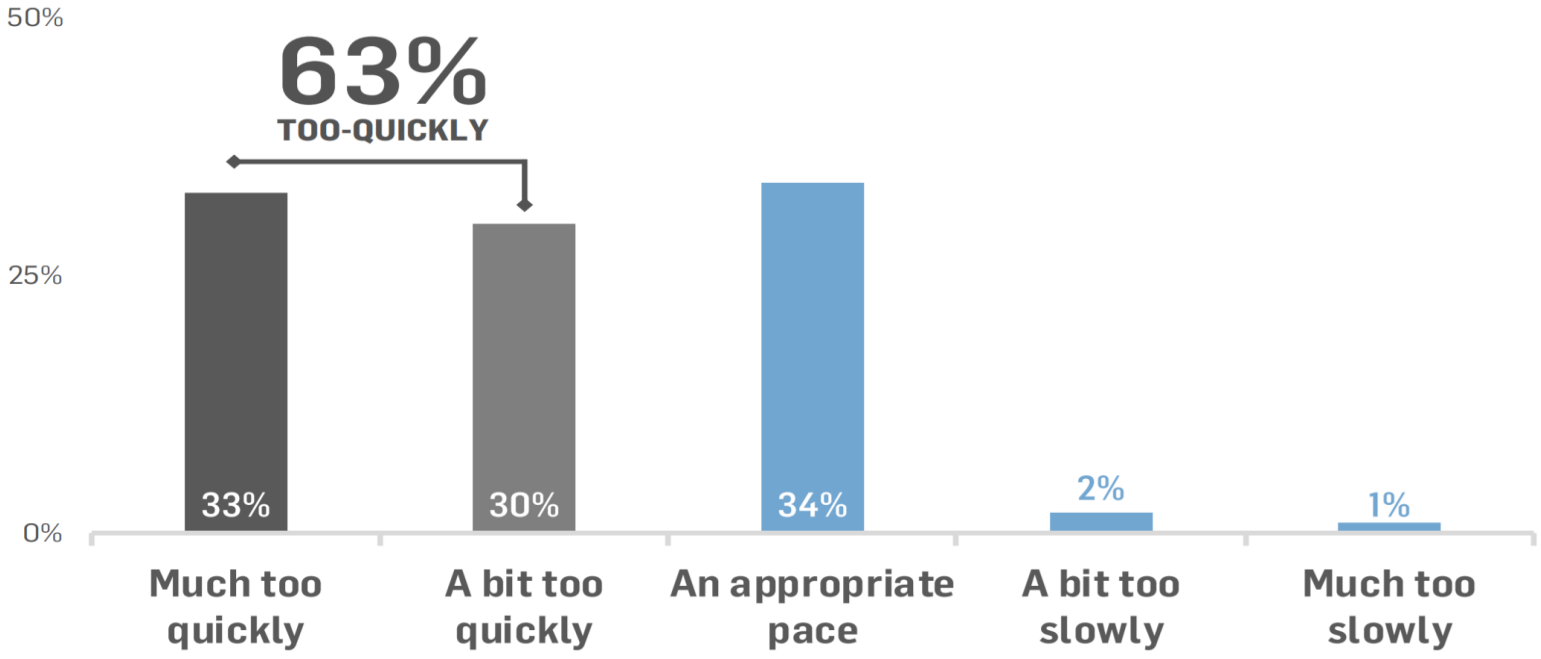
By Katie McKellar | @KatieMcKellar1 | Jan 23, 2018, 5:42pm MST

DeseretNews.

2018 Session

- SB 136: Transportation Governance Amendments
  - Land use and economic development considerations in TIF and TTIF prioritization and UDOT strategic priorities.
- HB 259: Moderate Income Housing Amendments
  - 5 year planning horizon
  - Evaluate housing stock at 80/50/30% AMI

Residents are nervous about growth



Q Which of the following statements best reflects how you feel about the pace at which your city or town is growing? (n = 2,210 registered voters in Box Elder, Cache, Davis, Salt Lake, Summit, Utah, Wasatch, Washington, and Weber Counties)

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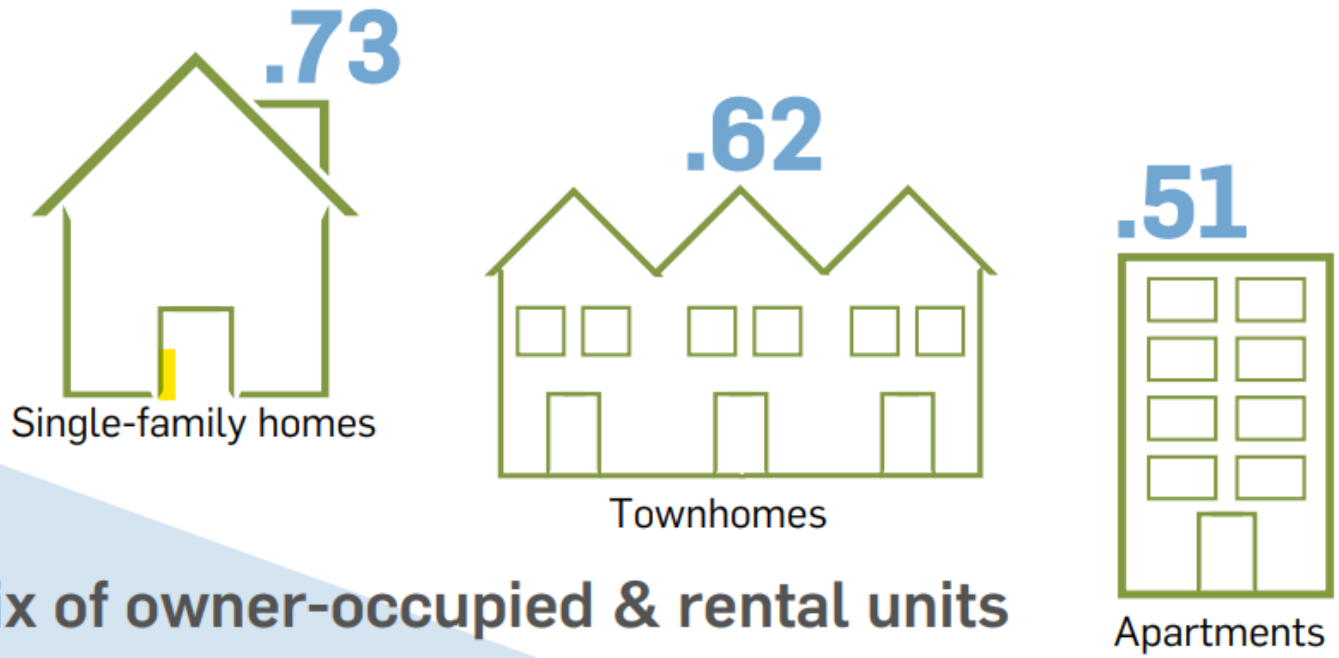
TRANSIT ACCESS, MIXED-USE, & CLEAR PLANNING HELP THE MEDICINE GO DOWN

While not every development can include single-family homes that are owner-occupied, there are aspects of higher density developments that can help mitigate some of the public's concerns about growth.

The predicted probability of a respondent selecting a housing option that included apartments jumped to 0.52 when the development included a mix of owners and renters, offered amenities like schools & dining within walking distance, was transit accessible, and included plans for infrastructure that would accommodate the development.



Mix of owner-occupied & rental units

A few hundred new residents

New roads & parking

Transit accessible

Business & recreational mixed-use

Walking distance from amenities like schools & dining

Approved by planning commission & city council after public meetings

Built in undeveloped open space

Y2 Analytics

UTAH FOUNDATION

RESEARCH • ANALYZE • INFORM

BUILDING A BETTER BEEHIVE

Land Use Decision Making, Fiscal Sustainability and Quality of Life in Utah

Utah Foundation key findings

COMPARED TO TEN YEARS AGO, 83% OF RESPONDENTS SAID THEY ALLOW FOR HIGHER DENSITIES AND 72% ALLOW FOR SMALLER LOTS.

93% OF RESPONDENTS SAID THEIR CITY HAS MADE PROGRESS TOWARD THE HOUSING GOALS SET FORTH IN THEIR GENERAL PLANS.

68% OF RESPONDENTS SUPPLEMENT IMPACT FUNDS WITH OTHER FUNDS IN ORDER TO KEEP COSTS LOWER FOR HOMEBUYERS. .

76% OF RESPONDENTS NOTED THAT THE NEED TO INCREASE ROAD CAPACITY WAS THE GREATEST IMPEDIMENT TO GROWTH.

PRESERVING GREEN SPACE AND NATURAL ASSETS IS KEY TO QUALITY OF LIFE.

UTAHNS WOULD LIKE TO SEE IMPROVEMENTS TO COMMUNITY SPACES LIKE STREETSCAPES.

SB 34: Affordable Housing Modifications

Continuing effort to emphasize the nexus between planning for transportation and planning for housing.

MIH plan must be included in the general plan (2018); transportation and traffic circulation elements must be updated.

"Menu" of 23 options; cities must implement at least 3 (4 if the city has a fixed transit stop) if they want access to state transportation funds.

Cities will annually report on implementation to be eligible for TIF and TTIF.

CITYLAB

A Red-State Take on a YIMBY Housing Bill

Utah's SB 34, aimed at increasing the state's supply of affordable housing, may hold lessons for booming cities of the Mountain West, and beyond.

FEB 20, 2019

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GOVERNING
THE STATES AND LOCALITIES

For the Housing Crisis, Cities and States Need Each Other

Constructive relationships and complementary policies are emerging in the quest for affordability.

APRIL 8, 2019 AT 6:15 AM

"Cities do not control the cost inputs of housing such as land, labor, materials and tariffs, or the profit that a developer can make from building one type of housing over another," said Cameron Diehl, executive director of the Utah League of Cities and Towns. "The new legislation leverages the most powerful housing-affordability key that cities do hold -- planning -- while not punishing them for what they do not control." The state established a minimum set of requirements for cities -- a "floor" -- but collaborated with local governments to develop some two dozen options for how they can approach the housing mandate in ways that consider local circumstances.

UTAHPOLICY.COM
WHERE POLITICAL JUNKIES GET THEIR DAILY FIX

Builders are currently planning to build more residential units across the Wasatch Front than at any other time, according to the Ivory-Boyer Construction Database, which tracks building permits issued in Utah.

Through August of this year builders have taken out permits to build 13,560 housing units across Weber, Davis, Salt Lake, and Utah counties. That is higher than the record-setting 13,119 units permitted through August of last year and the previous record of 12,003 units set in 2006. Additionally, plans to build multifamily units have outpaced detached, single-family units.

According to Randy Shumway, chairman and partner at Cicero Group, there are good indications that housing supply is starting to catch up to pent up demand.

“The fact that builders are rapidly bringing so many units to the market and that housing prices appear to be moderating signals that prices will be friendlier for future home buyers,” he said.

SB 34: implementation

DEADLINES:

- By Dec. 1, 2019, cities must adopt a MIH with specific elements from the SB 34 “menu” into their General Plan
- By Dec. 1,2020, cities will begin annual reporting on implementation
- As cities update the land use, transportation, and traffic circulation elements of their General Plans, they will incorporate new SB 34 requirements (population projections, job growth)

TRAINING:

- 8 formal trainings, dozens of conference presentations, numerous one-on-one sessions
- WC 2050 implementation
- MAG outreach
- Website resources
- Individual follow-up

How are cities walking the talk? A few case studies.

Clearfield City

Updated General Plan and Zoning to allow for more downtown residential; adopted Downtown Small Area Plan and Form-Based Code.

Park City

In 2016, the city council set a goal of building 800 new affordable units within 10 years.

To get there, they revised zoning codes to permit a wider variety of housing types in neighborhoods, offer fee waivers for affordable housing developments, educate larger employers on the benefits of employee housing, and acquire property for future housing development.

South Salt Lake

Master Planning, Form-Based Code and rezoning to allow for TOD in a CRA, which will include a grocery store, commercial uses, and multi-family housing.

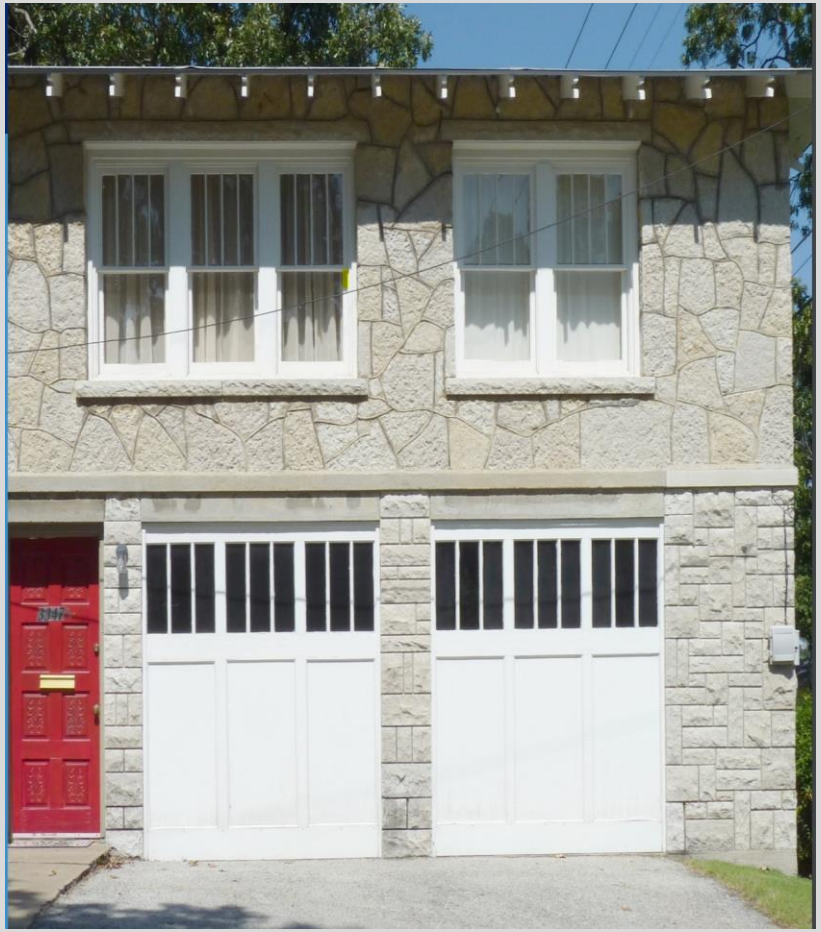
Tower View Apartments, Photo courtesy of Mitch Shaw, Standard-Examiner

Ogden

Community Reinvestment Area creation and zoning code updates for an Infill Development Plan to increase the permanent resident population downtown.

ADUs: everyone's doing it!

Alpine
Bluffdale
Bountiful
Brigham City
Cedar Hills
Centerfield
Clinton
Cottonwood Heights
Draper
Eagle Mountain
Grand County
Lindon
Logan
Mapleton
Moab
Millcreek
Murray
North Salt Lake
Park City
Payson
Ogden
Orem
Pleasant Grove
Pleasant View
Providence
Provo
Salem
Sandy
Salt Lake City
South Jordan
St. George
Springdale
Summit County
Taylorsville
Tooele County
Weber County
West Point
West Valley
Vineyard



What’s next?

December 1, 2019: update MIH and adopt as part of General Plan

December 1, 2020: begin reporting to DWS on implementation

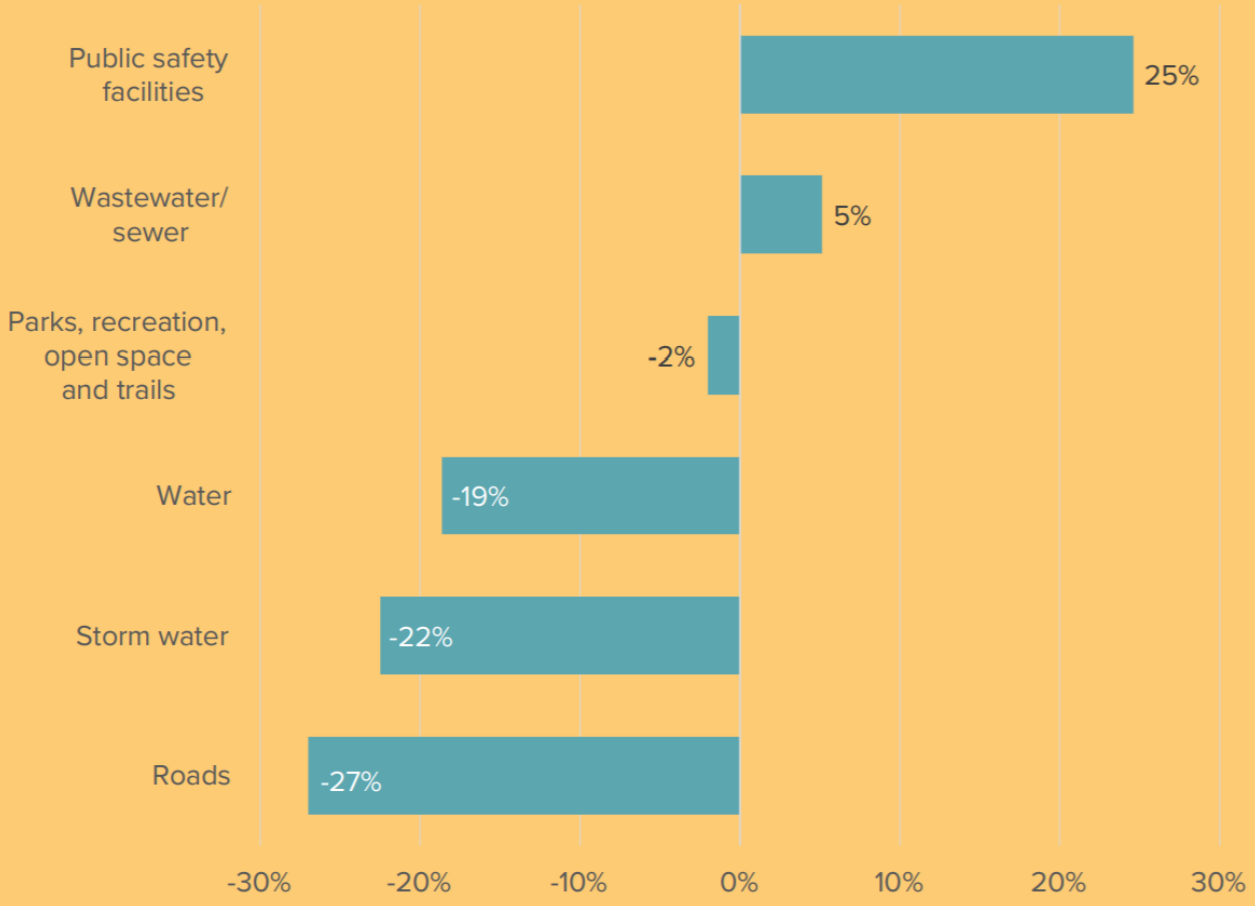
Update land use, transportation, and traffic circulation elements of General Plans

What is an Impact Fee?

Impact fees for multi-family units in SB 34 cities have decreased over the past decade.

After adjusting for inflation, impact fees decreased for most multi-family development items.

Figure 7: Percent Change in the Median Amount of Impact Fees for Multi-family Units, 2007–2018, Adjusted for Inflation



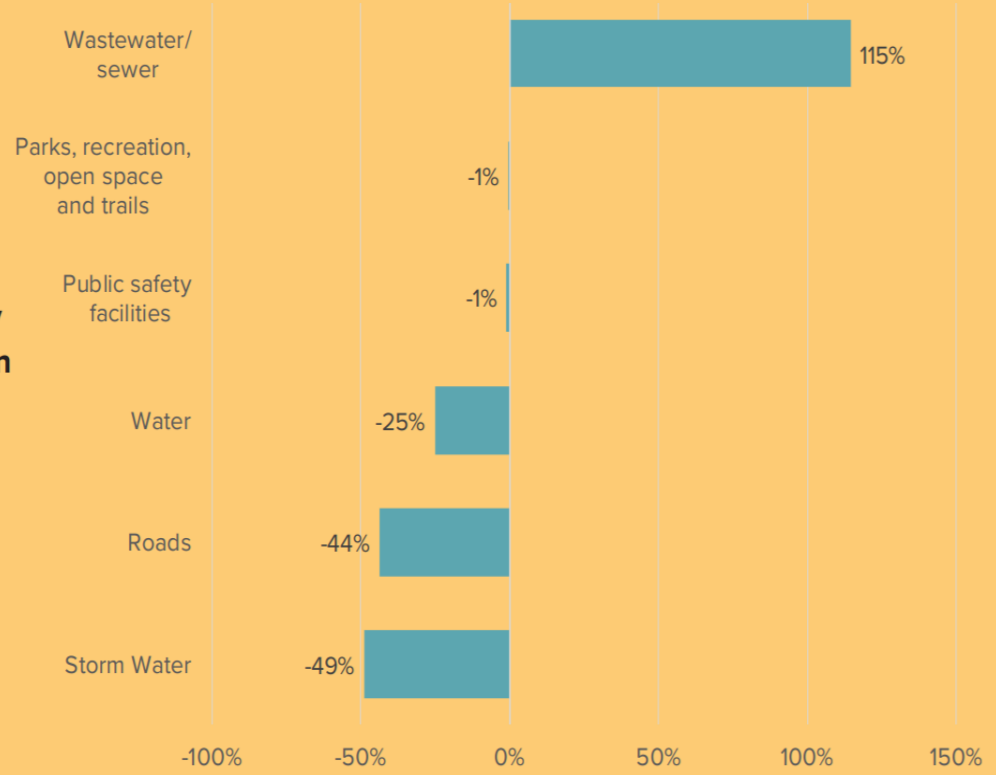
Source: Utah Foundation survey for the Utah League of Cities and Towns.

Most fees for single family units have also decreased.

After adjusting for inflation, waste-water/sewer facilities were the only single-family development item that increased in cost.

Figure 8: Percent Change in the Median Amount of Impact Fees for Single-Family Units, 2007 – 2018, Adjusted for Inflation

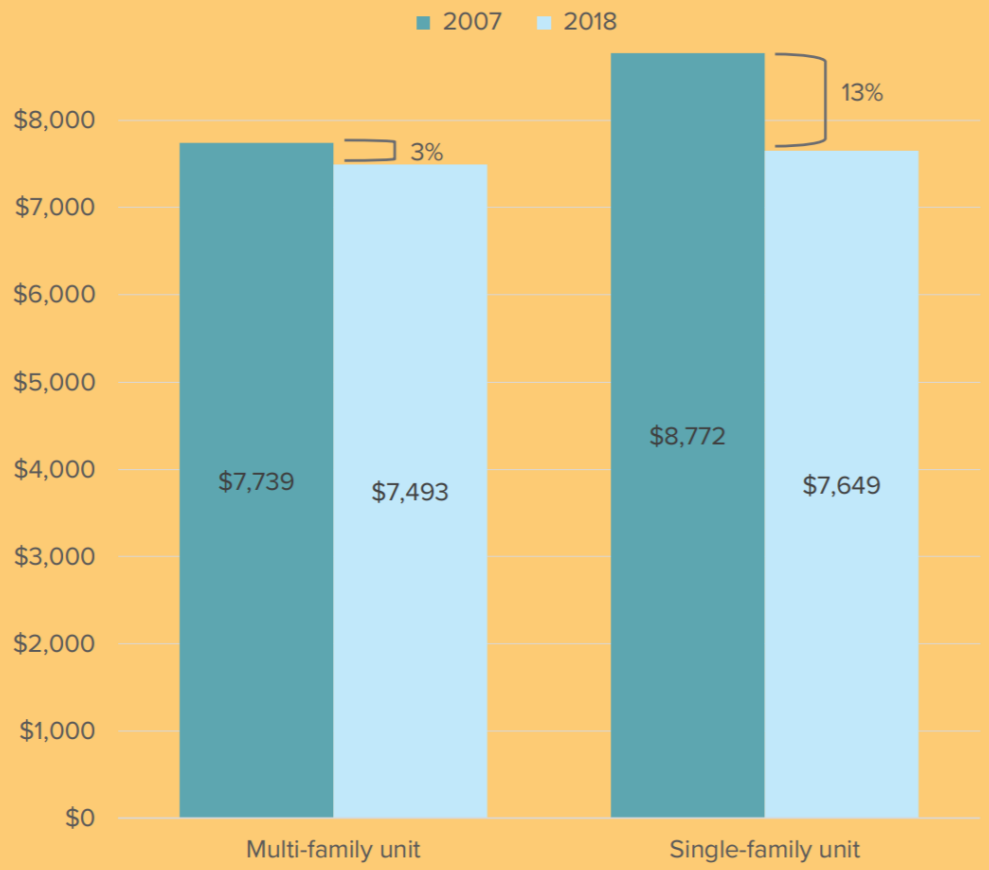
Source: Utah Foundation survey for the Utah League of Cities and Towns.



Total impact fees have decreased since 2007.

After adjusting for inflation, total impact fees decreased by 3% for multi-family units from 2007 to 2018, and 13% for single-family units.

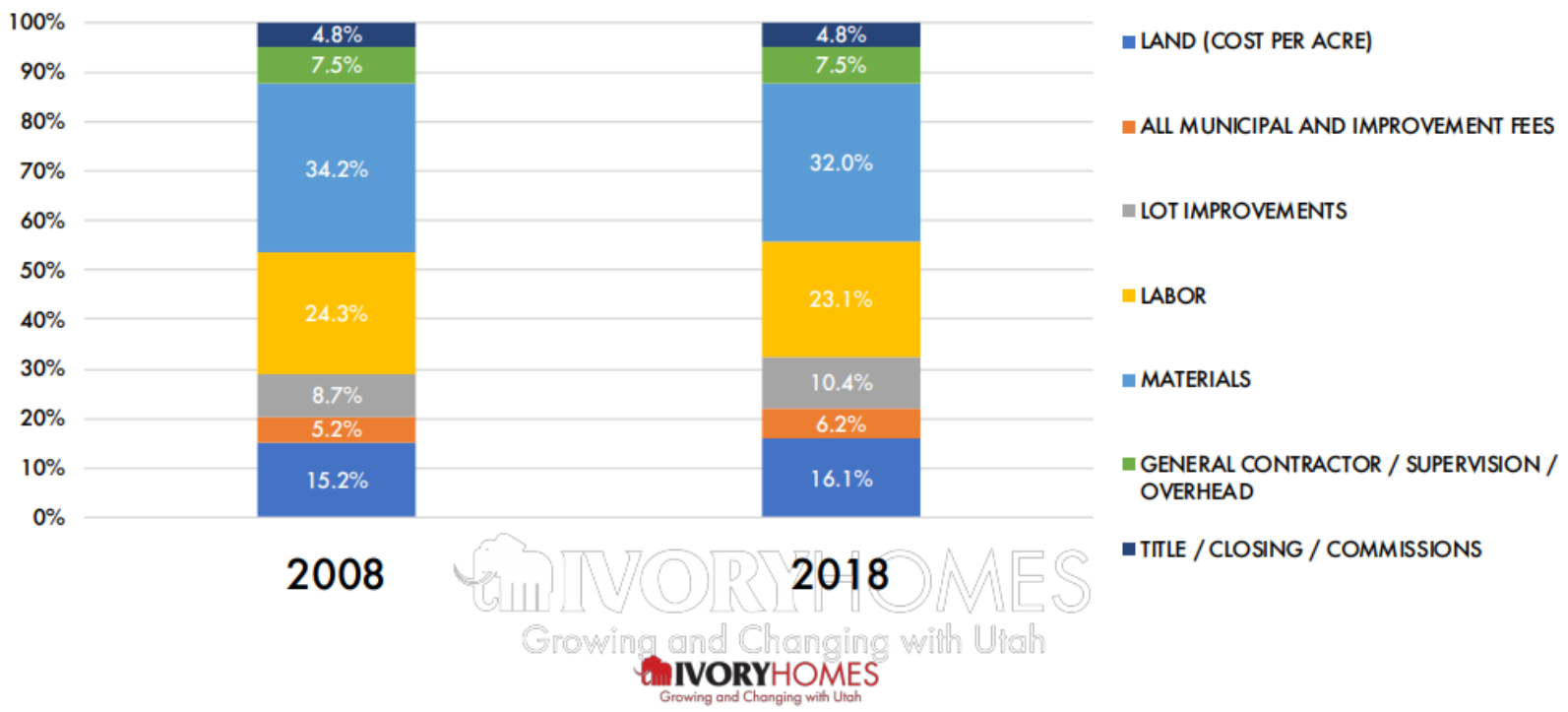
Figure 9: Change in Total Impact Fees for Multi-family and Single-family Units in Utah, 2007 – 2018, Adjusted for Inflation



Source: Utah Foundation survey for the Utah League of Cities and Towns.

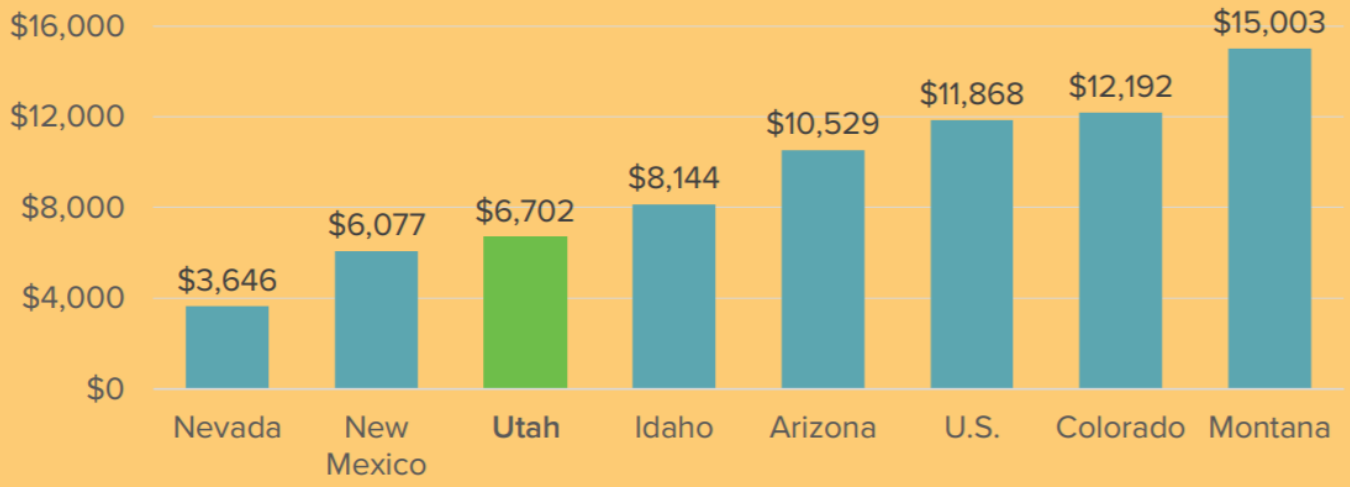
According to Ivory's data, the proportion of municipal fees in the overall cost of a home has grown 1% since 2008 but is still only 6.2% of the total cost of a home.

COST AS % OF TOTAL



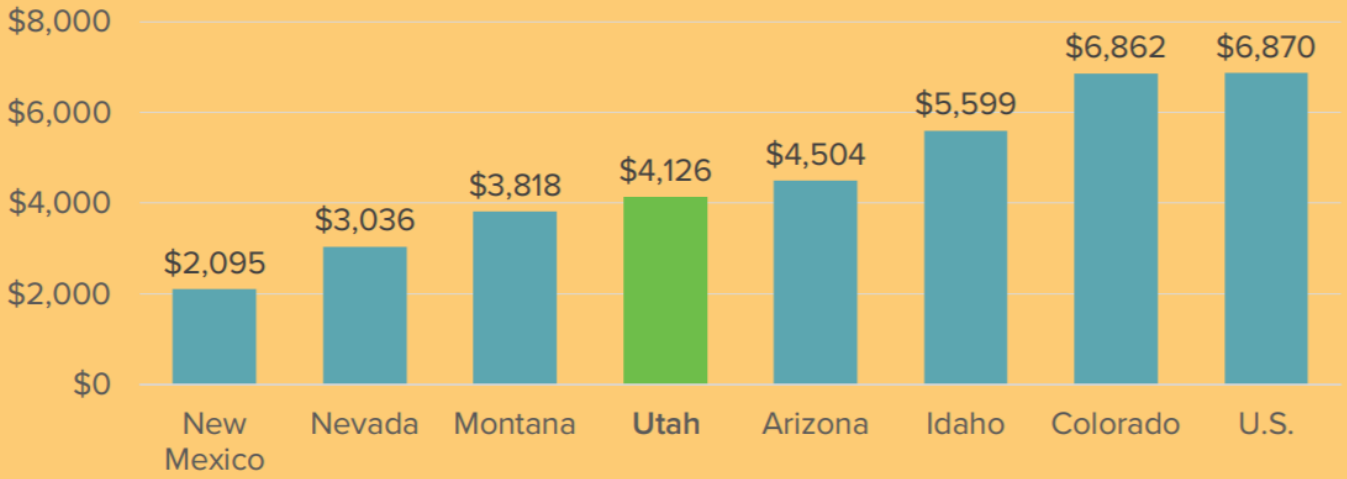
Utah's average total impact fees for a single-family unit were among the lowest in the Mountain States in 2015.

Figure 10: Average Total Impact Fees for Mountain States for a Single-family Unit, 2015



Utah's average total impact fees for a multi-family unit were well below the national average in 2015.

Figure 11: Average Total Impact Fees for Mountain States for a Multi-family Unit, 2015



Source: Duncan Associates, National Impact Fee Survey, 2015. No available data for Wyoming.