



Governor's Office of Economic Opportunity

FIRST HOME INVESTMENT ZONES (FHIZ)

Prioritizing home ownership and affordability throughout Utah.



Utah municipalities can access a new tool to actively address housing affordability challenges within their communities. The First Home Investment Zone (FHIZ) allows cities to strategically plan mixed-use, medium-density city or town centers accompanied by surrounding single-family homes.

Upon approval, a FHIZ allows a portion of incremental tax revenue growth to be captured over a period of time to support development costs. This revenue must directly benefit the FHIZ and related homes outside the zone, promoting home ownership and affordable housing and covering project and system infrastructure costs.

CHARACTERISTICS OF FHIZ



Home ownership



Medium density



Affordable housing



Variety of housing options



Owner-occupied



Improves air quality



Conserves water



Connectivity

WHERE IS A FHIZ ALLOWED?

A FHIZ cannot be proposed around a transit station where a Housing and Transit Reinvestment Zone (HTRZ) may be proposed, nor can it overlap with an existing Community Reinvestment Area (CRA). There is also a limitation on FHIZ if a municipality's CRA funds are more than 20% of its ongoing, unencumbered annual revenue. New homes may not yet be permitted by the city, and the relevant areas must be zoned appropriately before the FHIZ is approved.

FHIZ REQUIREMENTS

Medium Density

FHIZs can make medium-density city or town centers feasible. The residential density requirement for a FHIZ is 30 dwelling units per acre in at least 51% of the developable areas within the zone. Up to half of these homes can be outside of the FHIZ zone, but each must be within the proposed city boundary (“extraterritorial homes”). Extraterritorial homes can “count” towards the FHIZ density requirement if they are at a minimum density of six units/acre, single-family homes, and owner-occupied (deed restricted) for at least 25 years. At least 80% of the extraterritorial homes must be detached.

Home Ownership

FHIZs provide increased opportunities for home ownership. At least 50% of homes in the FHIZ must be deed-restricted and owner-occupied for at least 25 years. Extraterritorial homes are allowed to “count” towards the owner occupancy requirement inside the FHIZ. A city may limit short-term rentals of homes included in a FHIZ. The FHIZ proposal must include an owner-occupancy plan to ensure homes remain owner-occupied throughout the term of the FHIZ.

Affordable Housing

Within the FHIZ, at least 12% of owner-occupied homes and 12% of rental homes must be affordable. Additionally, at least 20% of the related homes outside the zone must be affordable. Owner-occupied homes are affordable at 80% of the county median sales price and rental homes are affordable at 80% Area Median Income (AMI). Affordable homes must be spread across the development. The FHIZ proposal must include an affordable housing plan to ensure the affordable housing requirement continues to be met throughout the term of the FHIZ.

Mixed-use Developments

FHIZs should be transformative mixed-use developments with dynamic opportunities for the community. They should improve availability of housing options, optimize access to employment, educational opportunities, and childcare, and provide efficiencies in parking and transportation. Efficiencies include walkability, interconnectivity within the development and connections to surrounding communities, and access to roadways, and public and active transportation.

BY THE NUMBERS



*Density requirement inside FHIZ will decrease as extraterritorial homes are added.

**Outside FHIZ owner occupied 'For Sale' homes ("extraterritorial homes") are allowed to count towards the owner occupancy requirement inside the FHIZ.