

1 **MUNICIPAL PLAN FOR MODERATE INCOME**

2 **HOUSING**

3 2002 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Paul Ray**

6 **This act modifies the Utah Municipal Code by amending the requirements for municipalities**
7 **to plan for moderate income housing. The act redefines the contents and process of**
8 **developing a moderate income housing plan. The act limits the scope of the moderate income**
9 **housing planning requirement to cities. The act makes technical changes.**

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

11 AMENDS:

12 **10-9-307**, as last amended by Chapter 117, Laws of Utah 1998

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

14 Section 1. Section **10-9-307** is amended to read:

15 **10-9-307. Plans for moderate income housing.**

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

18 (a) municipalities should [~~afford a reasonable opportunity for~~] plan for and encourage a
19 variety of housing, including moderate income housing, to meet the housing needs of [~~people~~
20 ~~desiring to live there; and~~] current and future residents of the state;

21 (b) moderate income housing should be encouraged to allow persons with moderate
22 incomes to benefit from and to fully participate in all aspects of neighborhood and community
23 life[-]; and

24 (c) where the ability to serve new housing is under severe fiscal constraint, moderate
25 income housing should be directed to areas in cities where current and planned infrastructure and
26 services capacity are most available.

27 (2) As used in this section:



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

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

33 ~~[(i) an estimate of the existing supply of moderate income housing located within the~~
34 ~~municipality;]~~

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

37 ~~[(iii) a survey of total residential zoning;]~~

38 ~~[(iv) an evaluation of how existing zoning densities affect opportunities for moderate~~
39 ~~income housing; and]~~

40 ~~[(v) a description of the municipality's program to encourage an adequate supply of~~
41 ~~moderate income housing;]~~

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

44 ~~[(4) A plan may provide moderate income housing by any means or combination of~~
45 ~~techniques which provide a realistic opportunity to meet estimated needs. The plan may include]~~

46 ~~(a) "Affordable" means that a household would pay no more than 30% of its gross income~~
47 ~~for the housing, including costs of water, sewer, electric, and heating utilities.~~

48 ~~(b) "Housing opportunity assessment" means a written assessment consisting of:~~

49 ~~(i) a worksheet containing measures of housing shortfalls and city capacity by which~~
50 ~~housing opportunity can be evaluated;~~

51 ~~(ii) a report that considers the variety of housing opportunities contemplated in the city's~~
52 ~~general plan and written development codes in terms of existing and proposed land area designated~~
53 ~~for various housing types, existing and proposed numbers of dwellings of various types, and~~
54 ~~existing and proposed populations and percentages of the city population which would be housed~~
55 ~~in various housing types;~~

56 ~~(iii) a market analysis of housing demand for the next five years prepared by the relevant~~
57 ~~association of governments to help define the level of need;~~

58 ~~(iv) an analysis of fiscal ability to serve new housing and of how this ability varies by~~

59 location in the city in terms of current and planned availability of infrastructure and public service
 60 capacity; and

61 (v) a statement certifying that the city qualifies for the exemption from the housing
 62 opportunity strategy as established by the ad hoc committee under Subsection (3)(d).

63 (c) "Housing opportunity strategy" means a written plan which:

64 (i) evaluates how existing city ordinances and formally adopted policies affect
 65 opportunities for a variety of housing, including moderate income housing and special needs
 66 housing;

67 (ii) describes how the city proposes to modify its ordinances and policies to allow the
 68 market to respond to demand for moderate income housing, including special needs housing; and

69 (iii) describes how the city will proactively promote and encourage the creation of an
 70 adequate supply and variety of housing, including moderate income housing, as determined by the
 71 housing opportunity assessment, and including an analysis of why the means or techniques selected
 72 provide a realistic opportunity [to meet the objectives of this section. Such techniques may
 73 include] for:

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

76 ~~[(b)] (A) infrastructure expansion and rehabilitation that will facilitate the preservation and~~
 77 ~~construction of moderate income housing;~~

78 ~~[(c)] (B) rehabilitation of existing uninhabitable housing stock;~~

79 ~~[(d)] (C) consideration of waiving [~~construction~~] development related fees generally~~
 80 ~~imposed by the [~~municipality~~] city;~~

81 ~~[(e)] (D) utilization of local, state, or federal funds or tax incentives to promote the~~
 82 ~~construction of moderate income housing;~~

83 ~~[(f)] (E) utilization of programs offered by the Utah Housing [~~Finance Agency~~]~~
 84 ~~Corporation within that agency's funding capacity; and~~

85 ~~[(g)] (F) utilization of affordable housing programs administered by the Department of~~
 86 ~~Community and Economic Development.~~

87 ~~[(5) (a) After adoption of a plan for moderate income housing under Subsection (3)]~~

88 (d) "Moderate income housing" means housing affordable to households with a gross
 89 household income equal to or less than 80% of the median gross income of the metropolitan

90 statistical area, the county, or the state, whichever has the highest median, for households of the
91 same size.

92 (e) "Moderate income housing plan" or "plan" means a written document adopted by a
93 city's legislative body that includes a housing opportunity assessment and, unless exempted, a
94 housing opportunity strategy.

95 (f) "Regional housing review" means a meeting organized by each association of
96 governments to review special housing needs and other moderate income housing issues as they
97 apply to the municipalities and counties belonging to the association of governments.

98 (3) (a) Before July 31, 2002, an ad hoc housing opportunity committee shall be convened
99 by the Division of Community and Economic Development to create the worksheet required as
100 part of the housing opportunity assessment.

101 (b) The ad hoc housing opportunity committee shall consist of:

102 (i) three representatives from Utah municipal governments, one each from a city of the
103 first, second, and third class;

104 (ii) two representatives from Utah county governments;

105 (iii) two representatives from Utah State government; and

106 (iv) one representative each from the private for-profit development and nonprofit housing
107 provider sectors.

108 (c) The worksheet shall be used to evaluate the following criteria:

109 (i) community income level;

110 (ii) urban or rural character;

111 (iii) housing market conditions;

112 (iv) city growth pressure;

113 (v) city-imposed constraints on the housing market;

114 (vi) transportation facilities;

115 (vii) infrastructure availability;

116 (viii) low to moderate income housing support facilities; and

117 (ix) availability and demand for assisted and special-needs housing.

118 (d) The committee shall define in the worksheet objective criteria upon which a city will
119 be exempted from preparing a housing opportunity strategy.

120 (e) The committee shall complete the worksheet and submit a copy of it to each city of

121 first, second, or third class before December 31, 2002.

122 (f) The committee may be reconvened from time to time by the Division of Community
 123 Development to consider changes to the worksheet.

124 (4) (a) Before December 31, 2002, and at least once every three years thereafter, each
 125 association of governments shall hold a regional housing review.

126 (b) Each member municipality and county shall be represented at least once every three
 127 years at a regional housing review by at least one elected or appointed official who is involved in
 128 the development of housing policy for the municipality or county.

129 (c) The primary purposes of the regional housing review shall be to promote voluntary
 130 discourse among participating entities on issues of housing opportunity in the region and to aid
 131 cities and counties in preparing and updating their plans. The association of governments shall
 132 lead a discussion among the member entities of regional housing needs and how the member
 133 entities could voluntarily address these needs in their own communities.

134 (d) The association of governments shall present statistical and other information regarding
 135 housing market conditions and availability and demand for special needs housing which cities and
 136 counties may use in preparation and updating of their housing opportunity assessments.

137 (5) (a) Before December 31, 2003, the legislative body of each city of the first, second, or
 138 third class shall, as part of its general plan, adopt a moderate income housing plan.

139 (b) Each city shall submit its moderate income housing plan to its association of
 140 governments and to the Division of Community Development by January 31, 2004.

141 (c) After adoption of a plan the legislative body of each city that is located within a county
 142 of the first or second class and of each other city with a population over 10,000 shall [annually]
 143 at least once every three years:

144 (i) review and update the plan [and its implementation]; and

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

146 (ii) if the city was required to include a housing opportunity strategy in the previous plan,
 147 prepare a report on its implementation.

148 ~~[(b)]~~ (d) Each report under Subsection (5)[(a)](c)(ii) shall include a description of:

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

151 (ii) actions taken by the [municipality] city to encourage preservation of existing moderate

152 income housing and development of new moderate income housing;

153 (iii) progress made within the [municipality] city to provide moderate income housing, as

154 measured by permits issued for new units of moderate income housing; and

155 (iv) efforts made by the [municipality] city to coordinate moderate income housing plans

156 and actions with neighboring [municipalities] cities.

157 [~~(e)~~] (e) The legislative body of each city that is located within a county of the first or

158 second class and of each other city with a population over 10,000 shall send a copy of the updated

159 plan and report if required under Subsection (5)[~~(a)~~](c)(ii) to the Department of Community and

160 Economic Development and the association of governments in which the [municipality is located]

161 city is located by January 31 of the calendar year following the calendar year in which the plan and

162 report were adopted.

163 (f) In the allocation of selected funds administered by the Department of Community and

164 Economic Development, the department shall devise methods of giving a competitive advantage

165 to cities which, in the preceding calendar year, have complied with the requirements of this

166 section.

Legislative Review Note
as of 11-14-01 2:04 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Committee Note

The Political Subdivisions Interim Committee recommended this bill.