{deleted text} shows text that was in HB0418 but was deleted in HB0418S01.

inserted text shows text that was not in HB0418 but was inserted into HB0418S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

LOCAIRED CASE TEAM TEST CONTROLL STATE OF THE PROPERTY OF THE

ECONOMIC REVITALIZATION AND INVESTMENT MODIFICATIONS

2016 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Rebecca P. Edwards

Senate	Sponsor:		

LONG TITLE

General Description:

This bill modifies provisions related to {zoning districts and land use application review for energy efficient buildings}housing and community development.

Highlighted Provisions:

This bill:

- ► {allows municipalities and counties to establish exemptions to certain zoning district regulations for buildings that meet certain energy efficiency standards; ► allows municipalities and counties to establish expedited land use review processes for buildings that meet certain energy efficiency standards} defines terms;
- <u>creates the Economic Revitalization and Investment Restricted Account;</u>

- establishes requirements for the distribution of funds from the account; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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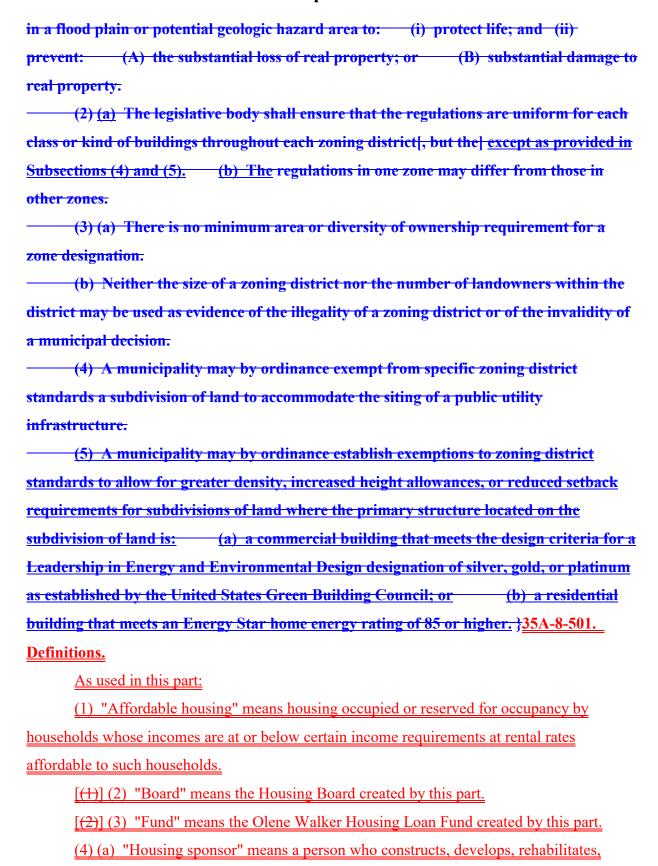
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35A-8-510, Utah Code Annotated 1953
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35A-8-513, Utah Code Annotated 1953
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Be it enacted by the Legislature of the state of Utah:

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Section 1. Section \frac{10-9a-505}{35A-8-501} is amended to read:
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{10-9a-505. Zoning districts. (1) (a) The legislative body may divide the territory over which it has jurisdiction into zoning districts of a number, shape, and area that it considers appropriate to carry out the purposes of this chapter.

- (b) Within those zoning districts, the legislative body may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings and structures, and the use of land.
 - (c) A municipality may enact an ordinance regulating land use and development



purchases, or owns a housing development that is or will be subject to legally enforceable

restrictive covenants that require the housing development to provide, at least in part, affordable housing.

- (b) "Housing sponsor" may include:
- (i) a local public body;
- (ii) a nonprofit, limited profit, or for profit corporation;
- (iii) a limited partnership;
- (iv) a limited liability company;
- (v) a joint venture;
- (vi) a subsidiary of the Utah Housing Corporation;
- (vii) a cooperative;
- (viii) a mutual housing organization;
- (ix) a local government;
- (x) a local housing authority;
- (xi) a regional or statewide nonprofit housing or assistance organization; or
- (xii) any other entity that helps provide affordable housing.
- (5) "Restricted account" means the Economic Revitalization and Investment Restricted Account created in Section 35A-8-509.
- [(3)] (6) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

Section 2. Section $\{10-9a-509.5\}$ 35A-8-506 is amended to read:

{10-9a-509.5. Review for application completeness -- Substantive application review -- Reasonable diligence required for determination of whether improvements or warranty work meets standards -- Money damages claim prohibited. (1) (a) (i) Each municipality shall, in a timely manner, determine whether an application is complete for the purposes of subsequent, substantive land use authority review.

(ii) A municipality may establish expedited procedures for determining whether an application is complete for the purposes of subsequent, substantive land use authority review if the application is for land use that includes the construction or renovation of a building that meets increased energy efficiency standards as established by the municipality. (b) After a reasonable period of time to allow the municipality diligently to evaluate whether all objective ordinance-based application criteria have

been met, if application fees have been paid, the applicant may in writing request that the municipality provide a written determination either that the application is: (i) complete for the purposes of allowing subsequent, substantive land use authority review; or (ii) deficient with respect to a specific, objective, ordinance-based application requirement. (c) Within 30 days of receipt of an applicant's request under this section, the municipality shall either: (i) mail a written notice to the applicant advising that the application is deficient with respect to a specified, objective, ordinance-based criterion, and stating that the application shall be supplemented by specific additional information identified in the notice; or (ii) accept the application as complete for the purposes of further substantive processing by the land use authority. (d) If the notice required by Subsection (1)(c)(i) is not timely mailed, the application shall be considered complete, for purposes of further substantive land use authority review. (e) (i) The applicant may raise and resolve in a single appeal any determination made under this Subsection (1) to the appeal authority, including an allegation that a reasonable period of time has elapsed under Subsection (1)(a). (ii) The appeal authority shall issue a written decision for any appeal requested under this Subsection (1)(e). (f) (i) The applicant may appeal to district court the decision of the appeal authority made under Subsection (1)(e). (ii) Each appeal under Subsection (1)(f)(i) shall be made within 30 days of the date of the written decision. (2) (a) (i) Each land use authority shall substantively review a complete application and an application considered complete under Subsection (1)(d), and shall approve or deny each application with reasonable diligence. (ii) A land use authority may establish expedited procedures to review an application under Subsection (2)(a)(i) if the application is for land use that includes the construction or renovation of a building that meets increased energy efficiency standards as established by the municipality. (b) After a reasonable period of time to allow the land use authority to consider an application, the applicant may in writing request

that the land use authority take final action within 45 days from date of service of the written request. (c) The land use authority shall take final action, approving or denying the application within 45 days of the written request. (d) If the land use authority denies an application processed under the mandates of Subsection (2)(b), or if the applicant has requested a written decision in the application, the land use authority shall include its reasons for denial in writing, on the record, which may include the official minutes of the meeting in which the decision was rendered. (e) If the land use authority fails to comply with Subsection (2)(c), the applicant may appeal this failure to district court within 30 days of the date on which the land use authority is required to take final action under Subsection (2)(c). (3) (a) With reasonable diligence, each land use authority shall determine whether the installation of required subdivision improvements or the performance of warranty work meets the municipality's adopted standards. (b) (i) An applicant may in writing request the land use authority to accept or reject the applicant's installation of required subdivision improvements or performance of warranty work. (ii) The land use authority shall accept or reject subdivision improvements within 15 days after receiving an applicant's written request under Subsection (3)(b)(i), or as soon as practicable after that 15-day period if inspection of the subdivision improvements is impeded by winter weather conditions. (iii) The land use authority shall accept or reject the performance of warranty work within 45 days after receiving an applicant's written request under Subsection (3)(b)(i), or as soon as practicable after that 45-day period if inspection of the warranty work is impeded by winter weather conditions. (c) If a land use authority determines that the installation of required subdivision improvements or the performance of warranty work does not meet the municipality's adopted standards, the land use authority shall comprehensively and with specificity list

(4) Subject to Section 10-9a-509, nothing in this section and no action or inaction

the reasons for its determination.

of the land use authority relieves an applicant's duty to comply with all applicable substantive ordinances and regulations.

- (5) There shall be no money damages remedy arising from a claim under this section.
- 35A-8-506. Entities authorized to receive fund money.
- [(1)] The executive director, with the approval of the board, may grant or lend fund money to a housing [sponsors] sponsor.
- [(2) "Housing sponsor" includes a person who constructs, develops, rehabilitates, purchases, or owns a housing development that is or will be subject to legally enforceable restrictive covenants that require the housing development to provide, at least in part, residential housing to low and moderate income persons:]
 - [(3) A housing sponsor includes:]
 - [(a) a local public body;]
 - [(b) a nonprofit, limited profit, or for profit corporation;]
 - [(c) a limited partnership;]
 - [(d) a limited liability company;]
 - [(e) a joint venture;]
- [(f) a subsidiary of the Utah Housing Corporation or any subsidiary of the Subsidiar
 - [(g) a cooperative;]
 - [(h) a mutual housing organization;]
 - [(i) a local government;]
 - [(i) a local housing authority;]
 - [(k) a regional or statewide nonprofit housing or assistance organization; or]
- [(1) any other type of entity or arrangement that helps provide affordable housing for low and moderate income persons.]
- Section 3. Section {17-27a-505 is amended to read: 17-27a-505. Zoning districts. (1) (a) The legislative body may divide the territory over which it has jurisdiction into zoning districts of a number, shape, and area that it considers appropriate to carry out the purposes of this chapter.
 - (b) Within those zoning districts, the legislative body may regulate and restrict

the erection, construction, reconstruction, alteration, repair, or use of buildings and structures, and the use of land.

- (c) A county may enact an ordinance regulating land use and development in a flood plain or potential geologic hazard area to: (i) protect life; and (ii) prevent: (A) the substantial loss of real property; or (B) substantial damage to real property.
- (d) A county of the second, third, fourth, fifth, or sixth class may not adopt a land use ordinance requiring a property owner to revegetate or landscape a single family dwelling disturbance area unless the property is located in a flood zone or geologic hazard except as required in Title 19, Chapter 5, Water Quality Act, to comply with federal law related to water pollution.
- (2) The legislative body shall ensure that the regulations are uniform for each class or kind of buildings throughout each zone except as provided} 35A-8-509 is enacted to read:

35A-8-509. Economic Revitalization and Investment Restricted Account.

- (1) There is created in the General Fund a restricted account known as the "Economic Revitalization and Investment Restricted Account."
 - (2) The restricted account shall be funded by:
 - (a) money appropriated to the account by the Legislature;
 - (b) private contributions;
 - (c) donations or grants from public or private entities; and
 - (d) money returned to the department under Section 35A-8-512.
- (3) The restricted account shall earn interest, which shall be deposited into the restricted account.
- (4) Upon appropriation by the Legislature, the executive director shall distribute money into the restricted account to fund one or more projects that:
 - (a) include affordable housing units for households:
- (i) that make no more than 30% of the area median income for households of the same size in the area where the project is located; and
- (ii) at rental rates no greater than the rates described in {Subsections (4) and (5), but the regulations in one zone may differ from those in other zones.
 - (3) (a) There is no minimum area or diversity of ownership requirement for a zone

designation.

- (b) Neither the size of a zoning district nor the number of landowners within the district may be used as evidence of the illegality of a zoning district or of the invalidity of a county decision.
- (4) A county may by ordinance exempt from specific zoning district standards a subdivision of land to accommodate the siting of a public utility infrastructure.
- (5) A county may by ordinance establish exemptions to zoning district standards to allow for greater density, increased height allowances, or reduced setback requirements for subdivisions of land where the primary structure located on the subdivision of land is:

 (a) a commercial building that meets the design criteria for a Leadership in Energy and Environmental Design designation of silver, gold, or platinum as established} Subsection 35A-8-511(2)(b);
- (b) have not been awarded a 9% tax credit as part of the Low Income Housing Tax

 Credit program administered by the United States {Green Building Council; or (b) a

 residential building that meets an Energy Star home energy rating of 85 or higher} Department of Housing and Urban Development; and
 - (c) have been approved by the board as described in Section 35A-8-510.
- (5) (a) A housing sponsor may apply to the department to receive a distribution in accordance with Subsection (4).
 - (b) The application shall include:
 - (i) the location of the project;
- (ii) the number, size, and income requirements of affordable housing units described in Subsection (4)(a) the project will include; and
- (iii) a written commitment to enter into a deed restriction that reserves for a period of 30 years the affordable housing units described in Subsection (5)(b)(ii) or their equivalent for occupancy by households that meet the income requirements described in Subsection (5)(b)(ii).
- (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:
- (i) (A) occupied or reserved for occupancy by a household that makes no more than 30% of the area median income for households of the same size in the area where the project is located; or

- (B) occupied by a household that makes no more than 60% of the area median income for households of the same size in the area where the project is located if that household met the income requirement described in Subsection (4)(a) when the household originally entered into the lease agreement for the housing unit; and
 - (ii) rented at a rate no greater than the rate described in Subsection 35A-8-511(2)(b).
- (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make additional rules providing procedures for a person to apply to the department to receive a distribution described in Subsection (4).
- (6) In accordance with Section 63J-1-602.2, appropriations from the account are nonlapsing.

Section 4. Section {17-27a-509.5 is amended to read: 17-27a-509.5. Review for application completeness -- Substantive application review -- Reasonable diligence required for determination of whether improvements or warranty work meets standards -- Money damages claim prohibited. (1) (a) (i) Each county shall, in a timely manner, determine whether an application is complete for the purposes of subsequent, substantive land use authority review.

(ii) A county may establish expedited procedures for determining whether an application is complete for the purposes of subsequent, substantive land use authority review if the application is for land use that includes the construction or renovation}35A-8-510 is enacted to read:

35A-8-510. Housing loan fund board approval.

- (1) The board shall review the project applications described in Subsection 35A-8-509(5).
- (2) The board may approve a project that meets the requirements of Subsections 35A-8-509(4) and (5) to receive funds from the restricted account.
 - (3) The board shall give preference to projects:
- (a) that include significant additional or matching funds from an individual, private organization, or local government entity;
- (b) with high recipient contributions to total project costs, including allied contributions from other sources such as professional, craft, and trade services and lender interest rate subsidies;

- (c) with high local government project contributions in the form of infrastructure, improvements, or other assistance;
- (d) that encourage ownership, management, or other project-related responsibility opportunities;
- (e) where the applicant has demonstrated the ability, stability, and resources to complete the project;
 - (f) that will serve the greatest need;
 - (g) that promote economic development benefits;
 - (h) that allow integration into a local government housing plan;
 - (i) that would mitigate or correct existing health, safety, or welfare concerns; and
 - (i) that remedy a gap in the supply of and demand for affordable housing.

Section 5. Section 35A-8-511 is enacted to read:

35A-8-511. Activities authorized to receive account money.

- (1) Subject to appropriation, the executive director may distribute funds from the Economic Revitalization and Investment Restricted Account for any of the following activities undertaken as part of an approved project:
- (a) the acquisition, rehabilitation, or new construction of a building that {meets} increased energy efficiency standards as established by the county. (b) After a reasonable period of time to allow the county diligently to evaluate whether all objective ordinance-based application criteria have been met, if application fees have been paid, the applicant may in writing request that the county provide a written determination either that the application is:

 (i) complete for the purposes of allowing subsequent, substantive land use authority review; or

 (ii) deficient with respect to a specific, objective, ordinance-based application requirement.
- (c) Within 30 days of receipt of an applicant's request under this section, the county shall either: (i) mail a written notice to the applicant advising that the application is deficient with respect to a specified, objective, ordinance-based criterion, and stating that the application must be supplemented by specific additional information identified in the notice; or
- (ii) accept the application as complete for the purposes of further substantive processing by the land use authority.
 - (d) If the notice required by Subsection (1)(c)(i) is not timely mailed, the application

- shall be considered complete, for purposes of further substantive land use authority review. (e) (i) The applicant may raise and resolve in a single appeal any determination made under this Subsection (1) to the appeal authority, including an allegation that a reasonable period of time has elapsed under Subsection (1)(a). (ii) The appeal authority shall issue a written decision for any appeal requested under this Subsection (1)(e). (f) (i) The applicant may appeal to district court the decision of the appeal authority made under Subsection (1)(e). (ii) Each appeal under Subsection (1)(f)(i) shall be made within 30 days of the date of the written decision. (2) (a) (i) Each land use authority shall substantively review a complete application and an application considered complete under Subsection (1)(d), and shall approve or denv each application with reasonable diligence. (ii) A land use authority may establish expedited procedures to review an application under Subsection (2)(a)(i) if the application is for land use that includes the construction or renovation includes affordable housing units; (b) the purchase of land for the construction of a building that \{\text{meets increased energy}\} efficiency standards as established by the county. (b) After a reasonable period of time to allow the land use authority to consider an application, the applicant may in writing request that the land use authority take final action within 45 days from date of service of the written request. (c) The land use authority shall take final action, approving or denying the application within 45 days of the written request. (d) If the land use authority denies an application processed under the mandates of Subsection (2)(b), or if the applicant has requested a written decision in the application, the
- (e) If the land use authority fails to comply will include affordable housing units; or

land use authority shall include its reasons for denial in writing, on the record, which may

include the official minutes of the meeting in which the decision was rendered.

- (c) pre-development work, including planning, studies, design, and site work for a building that will include affordable housing units.
 - (2) The maximum amount of money from the restricted account that may be distributed

for each affordable housing unit that has been committed in accordance with Subsection {(2)(c), the applicant may appeal this failure to district court within 30 days of the date on which the land use authority should have taken final action} 35A-8-509(5)(b)(iii) is the present value, based on the current market interest rate as determined by the board for a multi-family mortgage loan in the county or metropolitan area where the project is located, of 360 monthly payments equal to the difference between:

- (a) the most recent United States Department of Housing and Urban Development fair market rent for a unit of the same size in the county or metropolitan area where the project is located; and
- (b) an affordable rent equal to 30% of the income requirement described in Subsection 35A-8-509(5)(b)(ii) for a household of:
 - (i) one person if the unit is an efficiency unit;
 - (ii) two people if the unit is a one-bedroom unit;
 - (iii) four people if the unit is a two-bedroom unit;
 - (iv) five people if the unit is a three-bedroom unit;
 - (v) six people if the unit is a four-bedroom unit; or
 - (vi) eight people if the unit is a five-bedroom or larger unit.

Section 6. Section 35A-8-512 is enacted to read:

35A-8-512. Repayment of funds.

- (1) Upon the earlier of 30 years from the date of funding or the sale or transfer of the affordable housing units acquired, constructed, or rehabilitated as part of an approved project funded under Section 35A-8-511, the housing sponsor shall remit to the department:
- (a) the total amount of money distributed by the department to the housing sponsor for the project; and
- (b) an additional amount of money determined by contract with the department prior to the initial disbursement of funds from the restricted account.
 - (2) Any claim arising under Subsection ($\frac{(2)(c)}{(c)}$).
- (3) (a) With reasonable diligence, each land use authority shall determine whether the installation of required subdivision improvements or the performance of warranty work meets the county's adopted standards.
 - (b) (i) An applicant may in writing request the land use authority to accept or reject the

applicant's installation of required subdivision improvements or performance of warranty work.

- (ii) The land use authority shall accept or reject subdivision improvements within 15 days after receiving an applicant's written request under Subsection (3)(b)(i), or as soon as practicable after that 15-day period if inspection of the subdivision improvements is impeded by winter weather conditions.
- (iii) The land use authority shall accept or reject the performance of warranty work within 45 days after receiving an applicant's written request under Subsection (3)(b)(i), or as soon as practicable after that 45-day period if inspection of the warranty work is impeded by winter weather conditions.
- (c) If a land use authority determines that the installation of required subdivision improvements or the performance of warranty work does not meet the county's adopted standards, the land use authority shall comprehensively and with specificity list the reasons for its determination.
- (4) Subject to Section 17-27a-508, nothing in this section and no action or inaction of the land use authority relieves an applicant's duty to comply with all applicable substantive ordinances and regulations.
 - (5) There shall be no money damages remedy arising from a claim under this section.

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<u>Legislative Review Note Office of Legislative Research and General Counsel} 1) is a lien</u> against the real property funded under this chapter.

(3) Any money returned to the department under Subsection (1) shall be placed in the Economic Revitalization and Investment Account.

Section 7. Section 35A-8-513 is enacted to read:

35A-8-513. Annual accounting.

- (1) The executive director shall monitor the activities of recipients of funds from the Economic Revitalization and Investment Restricted Account on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the executive director with the approval of the board.
- (2) An entity that receives funds from the restricted account shall provide the executive director with an annual accounting of how the money the entity received from the Economic

- <u>Revitalization and Investment Restricted Account has been spent and evidence that the</u> commitment described in Subsection 35A-8-509(5) has been met.
- (3) The executive director shall make an annual report to the board accounting for the expenditures authorized by the board.
- (4) The board shall submit a report to the department for inclusion in the annual written report described in Section 35A-1-109 that includes:
 - (a) an accounting for expenditures authorized by the board; and
 - (b) an evaluation of the effectiveness of the program.
 - Section 8. Section 63J-1-602.2 is amended to read:
 - 63J-1-602.2. List of nonlapsing funds and accounts -- Title 31 through Title 45.
- (1) Appropriations from the Technology Development Restricted Account created in Section 31A-3-104.
- (2) Appropriations from the Criminal Background Check Restricted Account created in Section 31A-3-105.
- (3) Appropriations from the Captive Insurance Restricted Account created in Section 31A-3-304, except to the extent that Section 31A-3-304 makes the money received under that section free revenue.
- (4) Appropriations from the Title Licensee Enforcement Restricted Account created in Section 31A-23a-415.
- (5) Appropriations from the Health Insurance Actuarial Review Restricted Account created in Section 31A-30-115.
- (6) Appropriations from the Insurance Fraud Investigation Restricted Account created in Section 31A-31-108.
- (7) Appropriations from the Underage Drinking Prevention Media and Education Campaign Restricted Account created in Section 32B-2-306.
- (8) Funding for the General Assistance program administered by the Department of Workforce Services, as provided in Section 35A-3-401.
- (9) The Economic Revitalization and Investment Restricted Account created in Section 35A-8-509.
- [(9)] (10) The Youth Development Organization Restricted Account created in Section 35A-8-1903.

- [(10)] (11) The Youth Character Organization Restricted Account created in Section 35A-8-2003.
- [(11)] (12) Funding for a new program or agency that is designated as nonlapsing under Section 36-24-101.
- [(12)] (13) Appropriations to the Utah National Guard, created in Title 39, Militia and Armories.
- [(13)] (14) Appropriations from the Oil and Gas Conservation Account created in Section 40-6-14.5.
- [(14)] (15) Appropriations from the Electronic Payment Fee Restricted Account created by Section 41-1a-121 to the Motor Vehicle Division.
 - [(15)] (16) Funds available to the Tax Commission under Section 41-1a-1201 for the:
 - (a) purchase and distribution of license plates and decals; and
 - (b) administration and enforcement of motor vehicle registration requirements.
 - [(16)] (17) Appropriations from the Motor Vehicle Enforcement Division Temporary

Permit Restricted Account created by Section 41-3-110 to the Tax Commission.