

HB0386S01 compared with HB0386

~~{deleted text}~~ shows text that was in HB0386 but was deleted in HB0386S01.

Inserted text shows text that was not in HB0386 but was inserted into HB0386S01.

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.

Representative Joel K. Briscoe proposes the following substitute bill:

ECONOMIC DEVELOPMENT AND AFFORDABLE HOMES

AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to housing and community development.

Highlighted Provisions:

This bill:

▶ defines terms;

~~{~~ → modifies how money from the Olene Walker Housing Loan Fund may be used;

~~}~~ ▶ modifies how money from the Economic Revitalization and Investment Fund may be used;

▶ creates the Affordable Housing Preservation Fund and describes the allowable uses of money from the fund; and

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- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2020:

~~{ → to the Department of Workforce Services -- Olene Walker Housing Loan Fund, as an ongoing appropriation:~~

~~• from the General Fund, \$12,000,000;~~

~~→ to the Department of Workforce Services -- Economic Revitalization and Investment Fund, as an ongoing appropriation:~~

~~• from the General Fund, \$5,000,000; and~~

‡ ▶ to the Department of Workforce Services -- Affordable Housing Preservation Fund, as an ongoing appropriation:

- from the General Fund, \$3,000,000.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

35A-8-501, as last amended by Laws of Utah 2017, Chapter 279

~~{ → **35A-8-505**, as last amended by Laws of Utah 2018, Chapter 251~~

‡ **35A-8-511**, as enacted by Laws of Utah 2017, Chapter 279

ENACTS:

35A-8-514, Utah Code Annotated 1953

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

Section 1. Section **35A-8-501** is amended to read:

35A-8-501. Definitions.

As used in this part:

(1) "Affordable housing" means housing occupied or reserved for occupancy by households whose incomes are at or below certain income requirements at rental rates affordable to such households.

(2) "Board" means the [~~Housing Board created by this part~~] Olene Walker Housing Loan Fund Board created in Section 35A-8-503.

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(3) "Fund" means the Olene Walker Housing Loan Fund created ~~[by this part]~~ in Section 35A-8-502.

(4) (a) "Housing sponsor" means 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, 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) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

Section 2. Section ~~{35A-8-505}~~ 35A-8-511 is amended to read:

~~{~~ **35A-8-505. Activities authorized to receive fund money -- Powers of the executive director:**

~~_____~~ ~~At the direction of the board, the executive director may:~~

~~_____~~ ~~(1) provide fund money to any of the following activities:~~

~~_____~~ ~~(a) the acquisition, rehabilitation, or new construction of low-income housing units;~~

~~_____~~ ~~(b) the provision of matching funds for social services projects directly related to providing housing for special-need renters in assisted projects;~~

~~_____~~ ~~(c) the development and construction of accessible housing designed for low-income persons;~~

~~_____~~ ~~(d) the construction or improvement of a shelter or transitional housing facility that~~

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~~provides services intended to prevent or minimize homelessness among members of a specific homeless subpopulation;~~

~~—— (e) the purchase of an existing facility to provide temporary or transitional housing for the homeless in an area that does not require rezoning before providing such temporary or transitional housing; [and]~~

~~—— (f) the provision of project-based vouchers to support existing or new low-income housing units occupied or reserved for occupancy by households whose income is no more than 80% of the area median income for households of the same size in the county or municipality where the project is located;~~

~~—— (g) the provision of tenant-based vouchers for low-income renters or homeowners whose income is no more than 80% of the area median income for households of the same size in the county or municipality where the project is located; and~~

~~—— [(f)] (h) other activities that will assist in minimizing homelessness or improving the availability or quality of housing in the state for low-income persons; and~~

~~—— (2) do any act necessary or convenient to the exercise of the powers granted by this part or reasonably implied from those granted powers, including:~~

~~—— (a) making or executing contracts and other instruments necessary or convenient for the performance of the executive director and board's duties and the exercise of the executive director and board's powers and functions under this part, including contracts or agreements for the servicing and originating of mortgage loans;~~

~~—— (b) procuring insurance against a loss in connection with property or other assets held by the fund, including mortgage loans, in amounts and from insurers it considers desirable;~~

~~—— (c) entering into agreements with a department, agency, or instrumentality of the United States or this state and with mortgagors and mortgage lenders for the purpose of planning and regulating and providing for the financing and refinancing, purchase, construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale, or other disposition of residential housing undertaken with the assistance of the department under this part;~~

~~—— (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or personal property obtained by the fund due to the default on a mortgage loan held by the fund~~

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~~in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the performance of its duties; and~~

~~— (c) selling, at a public or private sale, with public bidding, a mortgage or other obligation held by the fund.~~

~~— Section 3. Section 35A-8-511 is amended to read:~~

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

(1) The executive director may distribute funds from the Economic Revitalization and Investment Fund for any of the following activities undertaken as part of an approved project:

(a) the acquisition, rehabilitation, or new construction of a building that includes affordable housing units;

(b) the purchase of land for the construction of a building that will include affordable housing units; [or]

(c) pre-development work, including planning, studies, design, and site work for a building that will include affordable housing units[-]; and

(d) alternative forms of affordable housing units, which may include:

(i) single-room occupancy affordable housing units;

(ii) rapid rehousing and transitional housing affordable housing units designed to quickly help individuals exit homelessness and return to permanent housing;

(iii) affordable housing units, including tiny homes, designed for full-time occupants where each housing unit is 300 square feet or smaller;

(iv) affordable housing units built on land that is part of a community land trust; or

(v) permanent affordable housing units for survivors of domestic violence, veterans, or individuals who are 65 years old or older.

(2) The maximum amount of money that may be distributed from the Economic Revitalization and Investment Fund for each affordable housing unit that has been committed in accordance with Subsection 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

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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 ~~{4}~~3. Section **35A-8-514** is enacted to read:

35A-8-514. Affordable Housing Preservation Fund.

(1) There is created an enterprise fund known as the "Affordable Housing Preservation Fund."

(2) The Affordable Housing Preservation Fund consists of money from the following:

- (a) money appropriated to the account by the Legislature;
- (b) private contributions; and
- (c) donations or grants from public or private entities.

(3) The Affordable Housing Preservation Fund shall earn interest, which shall be deposited into the Affordable Housing Preservation Fund.

(4) The executive director, with the approval of the board, may grant or loan money from the Affordable Housing Preservation Fund to a housing sponsor in relation to one or more projects that preserve or rehabilitate affordable housing units occupied or reserved for occupancy by households whose income is no more than 80% of the area median income for households of the same size in the county or municipality where the project is located.

(5) The executive director may, with the approval of the board, enact rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish procedures for granting or loaning money from the Affordable Housing Preservation Fund to a housing sponsor.

Section ~~{5}~~4. **Appropriation.**

The following sums of money are appropriated for the fiscal year beginning July 1,

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2019, and ending June 30, 2020. These are additions to amounts previously appropriated for fiscal year 2020. The Legislature has reviewed the following expendable funds. The Legislature authorizes the State Division of Finance to transfer amounts between funds and accounts as indicated. Outlays and expenditures from the funds or accounts to which the money is transferred may be made without further legislative action, in accordance with statutory provisions relating to the funds or accounts.

ITEM 1

<u>{</u>	<u>To Department of Workforce Services -- Olene Walker Housing Loan Fund</u>	
	<u>From General Fund</u>	<u>\$12,000,000</u>
	<u>Schedule of Programs:</u>	
	<u>Olene Walker Housing Loan Fund</u>	<u>\$12,000,000</u>

ITEM 2

<u>—</u>	<u>To Department of Workforce Services -- Economic Revitalization and Investment Fund</u>	
	<u>From General Fund</u>	<u>\$5,000,000</u>
	<u>Schedule of Programs:</u>	
	<u>Economic Revitalization and Investment</u>	
	<u>Fund</u>	<u>\$5,000,000</u>

ITEM 3

<u>‡</u>	<u>To Department of Workforce Services -- Affordable Housing Preservation Fund</u>	
	<u>From General Fund</u>	<u>\$3,000,000</u>
	<u>Schedule of Programs:</u>	
	<u>Affordable Housing Preservation Fund</u>	<u>\$3,000,000</u>