



House of Representatives *State of Utah*

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL
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February 13, 2019

Mr. Speaker,

The Economic Development and Workforce Services Committee recommends **H.B. 245**, COMMUNITY REINVESTMENT AGENCY REVISIONS, by Representative M. Winder, be replaced and reports a favorable recommendation on **1st Sub. H.B. 245**, COMMUNITY REINVESTMENT AGENCY REVISIONS with the following amendments:

1. *Page 38, Line 1172 through Page 41, Line 1255:*

- 1172 Section 12. Section **17C-1-412** is amended to read:
- 1173 17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance
- 1174 of bonds for housing -- Action to compel agency to provide housing allocation.
- 1175 ~~{(1) This section applies to an agency that allocates urban renewal project~~
- 1176 ~~area funds~~
- 1177 ~~under Section 17C-2-203 or community reinvestment project area funds under~~
- 1178 ~~Section~~
- 1179 ~~17C-5-307.~~
- 1180 ~~— (2) (a) Except as provided in Subsection (2)(b), before using all or a portion of~~
- 1181 ~~an~~
- 1182 ~~agency's housing allocation, the agency shall adopt a housing plan that shows how~~
- 1183 ~~the agency~~
- 1184 ~~will use the agency's housing allocation to accomplish the purposes described in this~~
- 1185 ~~section.~~
- 1186 ~~— (b) An agency is not required to adopt a housing plan under Subsection (2)(a)~~
- 1187 ~~if the~~
- 1188 ~~agency is implementing the moderate income housing element of the general plan~~
- 1189 ~~that the~~
- 1190 ~~community that created the agency adopted in accordance with Section 10-9a-403 or~~
- 1191 ~~17-27a-403.~~

Bill Number



HB0245S01

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1185 ~~—+}~~ (1) ~~{+3}~~ (a) An agency shall use the agency's housing allocation~~[,if~~
 applicable,] to:

1186 (i) pay part or all of the cost of land or construction of income targeted housing
 within

1187 the boundary of the agency, if practicable in a mixed income development or area;

1188 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
 1189 boundary of the agency;

1190 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
 1191 private entity or business, or nonprofit corporation for income targeted housing within the
 1192 boundary of the agency;

1193 (iv) plan or otherwise promote income targeted housing within the boundary of the
 1194 agency;

1195 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
 1196 any building, facility, structure, or other housing improvement, including infrastructure
 1197 improvements, related to housing located in a project area where ~~[blight has been found~~
 to

1198 ~~exist]~~ a board has determined that a development impediment exists;

1199 (vi) replace housing units lost as a result of the project area development;

1200 (vii) make payments on or establish a reserve fund for bonds:

1201 (A) issued by the agency, the community, or the housing authority that provides
 1202 income targeted housing within the community; and

1203 (B) all or part of the proceeds of which are used within the community for the
 purposes

1204 stated in Subsection ~~{+}~~ (1) ~~{+3}~~ (a)(i), (ii), (iii), (iv), (v), or (vi);

1205 (viii) if the community's fair share ratio at the time of the first adoption of the
 project

1206 area budget is at least 1.1 to 1.0, make payments on bonds:

1207 (A) that were previously issued by the agency, the community, or the housing
 authority

1208 that provides income targeted housing within the community; and

1209 (B) all or part of the proceeds of which were used within the community for the
 1210 purposes stated in Subsection ~~{+}~~ (1) ~~{+3}~~ (a)(i), (ii), (iii), (iv), (v), or (vi);

1211 (ix) relocate mobile home park residents displaced by project area development; or

1212 (x) subject to Subsection ~~{+}~~ (6) ~~{+8}~~ , transfer funds to a



community that created the

1213 agency.

1214 (b) As an alternative to the requirements of Subsection ~~{+}~~ (1) ~~{+3}~~
-} (a), an agency may pay

1215 all or any portion of the agency's housing allocation to:

1216 (i) the community for use as described in Subsection ~~{+}~~ (1) ~~{+3}~~ (a);

1217 (ii) a housing authority that provides income targeted housing within the community
1218 for use in providing income targeted housing within the community;

1219 (iii) a housing authority established by the county in which the agency is located for
1220 providing:

1221 (A) income targeted housing within the county;

1222 (B) permanent housing, permanent supportive housing, or a transitional facility, as
1223 defined in Section 35A-5-302, within the county; or

1224 (C) homeless assistance within the county; or

1225 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,
1226 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing
within

1227 the community.

1228 ~~{+}~~ (2) ~~{+4}~~ The agency shall create a housing fund and separately
account for the agency's

1229 housing allocation, together with all interest earned by the housing allocation and all
payments

1230 or repayments for loans, advances, or grants from the housing allocation.

1231 ~~{+}~~ (3) ~~{+5}~~ An agency may:

1232 (a) issue bonds to finance a housing-related project under this section, including the
1233 payment of principal and interest upon advances for surveys and plans or preliminary
loans;

1234 and

1235 (b) issue refunding bonds for the payment or retirement of bonds under Subsection

1236 ~~{+}~~ (3) ~~{+5}~~ (a) previously issued by the agency.

1237 ~~{+}~~ (4) ~~{+6}~~ (a) Except as provided in Subsection ~~{+}~~ (4) ~~{+6}~~
6} (b), an agency shall allocate

1238 money to the housing fund each year in which the agency receives sufficient tax
increment to



1239 make a housing allocation required by the project area budget.
1240 (b) Subsection ~~{+}~~ (4) ~~{+6}~~ (a) does not apply in a year in which tax
increment is
1241 insufficient.
1242 ~~{+}~~ (5) ~~{+7}~~ (a) Except as provided in Subsection ~~{+}~~ (4) ~~{+6}~~
~~{+6}~~ (b), if an agency fails to provide
1243 a housing allocation in accordance with the project area budget and~~[-if applicable,]~~ the
housing
1244 plan adopted under Subsection 17C-2-204(2), the loan fund board may bring legal action
to
1245 compel the agency to provide the housing allocation.
1246 (b) In an action under Subsection ~~{+}~~ (5) ~~{+7}~~ (a), the court:
1247 (i) shall award the loan fund board reasonable attorney fees, unless the court finds
that
1248 the action was frivolous; and
1249 (ii) may not award the agency the agency's attorney fees, unless the court finds that
the
1250 action was frivolous.
1251 ~~{+}~~ (6) ~~{+8}~~ For the purpose of offsetting the community's annual
local contribution to the
1252 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency
transfers in
1253 a calendar year to a community under Subsections ~~{+}~~ (1) ~~{+3}~~ (a)(x),
17C-1-409(1)(a)(v), and
1254 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in
1255 Section 35A-8-606.

Respectfully,

Mike Winder
Chair

Voting: 10-0-1

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