

1st Sub. H.B. 245

COMMUNITY REINVESTMENT AGENCY REVISIONS

Representative **Mike Winder** proposes 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 area funds~~
1176 ~~under Section 17C-2-203 or community reinvestment project area funds under Section~~
1177 ~~17C-5-307.~~

1178 ~~—— (2) (a) Except as provided in Subsection (2)(b), before using all or a portion of an~~
1179 ~~agency's housing allocation, the agency shall adopt a housing plan that shows how the agency~~
1180 ~~will use the agency's housing allocation to accomplish the purposes described in this section.~~

1181 ~~—— (b) An agency is not required to adopt a housing plan under Subsection (2)(a) if the~~
1182 ~~agency is implementing the moderate income housing element of the general plan that the~~
1183 ~~community that created the agency adopted in accordance with Section 10-9a-403 or~~
1184 ~~17-27a-403.}~~

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

1215 may pay

1216 all or any portion of the agency's housing allocation to:

1217 (i) the community for use as described in Subsection ~~{+}~~ (1) ~~{+}~~ ~~{3}~~ (a);

1218 (ii) a housing authority that provides income targeted housing within the community

1219 for use in providing income targeted housing within the community;

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

1221 providing:

1222 (A) income targeted housing within the county;

1223 (B) permanent housing, permanent supportive housing, or a transitional facility, as

1224 defined in Section 35A-5-302, within the county; or

1225 (C) homeless assistance within the county; or

1226 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,

1227 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within

1228 the community.

1229 ~~{+}~~ (2) ~~{+}~~ ~~{4}~~ The agency shall create a housing fund and separately account for the

1230 agency's

1231 housing allocation, together with all interest earned by the housing allocation and all payments

1232 or repayments for loans, advances, or grants from the housing allocation.

1233 ~~{+}~~ (3) ~~{+}~~ ~~{5}~~ An agency may:

1234 (a) issue bonds to finance a housing-related project under this section, including the

1235 payment of principal and interest upon advances for surveys and plans or preliminary loans;

1236 and

1237 (b) issue refunding bonds for the payment or retirement of bonds under Subsection

1238 ~~{+}~~ (3) ~~{+}~~ ~~{5}~~ (a) previously issued by the agency.

1239 ~~{+}~~ (4) ~~{+}~~ ~~{6}~~ (a) Except as provided in Subsection ~~{+}~~ (4) ~~{+}~~

1240 ~~{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}~~ (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.