

**HOUSING LOSS MITIGATION AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Derek L. Kitchen**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill addresses the loss of moderate income housing units due to state agency action.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires a state agency to mitigate loss of a moderate income housing unit that results from state agency action; and
- ▶ describes options for a state agency to mitigate loss of a moderate income housing unit that results from state agency action.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**57-30-101**, Utah Code Annotated 1953

**57-30-102**, Utah Code Annotated 1953

**57-30-103**, Utah Code Annotated 1953

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

29 Section 1. Section **57-30-101** is enacted to read:

30 **CHAPTER 30. MODERATE INCOME HOUSING LOSS MITIGATION ACT**

31 **57-30-101. Title.**

32 This chapter is known as the "Moderate Income Housing Loss Mitigation Act."

33 Section 2. Section **57-30-102** is enacted to read:

34 **57-30-102. Definitions.**

35 (1) "Moderate income housing unit" means a housing unit where a household whose  
36 income is no more than 80% of area median income is able to live without spending more than  
37 30% of the household's income on housing costs.

38 (2) "Replacement unit" means a housing unit that:

39 (a) is comparable in quality to a lost moderate income housing unit;

40 (b) meets state and local health and housing codes;

41 (c) is comparable to a lost moderate income housing unit in number of rooms and  
42 square footage;

43 (d) is located, to the extent practicable, in the same neighborhood as a lost moderate  
44 income housing unit; and

45 (e) meets the same affordability standard as a moderate income housing unit.

46 (3) "State agency" means a department, division, office, entity, agency, or other unit of  
47 state government.

48 Section 3. Section **57-30-103** is enacted to read:

49 **57-30-103. Moderate income housing loss -- Options for mitigation -- Exceptions.**

50 (1) Subject to Subsection (5), a state agency action may not result in the loss of a  
51 moderate income housing unit unless the state agency:

52 (a) provides for a replacement unit for each moderate income housing unit lost as a  
53 result of the state agency action; or

54 (b) pays a housing loss mitigation fee to the Olene Walker Housing Loan Fund created  
55 in Section [35A-8-502](#).

56 (2) A moderate income housing unit is lost if the moderate income housing unit:

57 (a) is demolished;

58 (b) the use changes to a use other than housing; or

59 (c) the size or affordability materially changes.

60 (3) (a) A replacement unit shall be provided for by:

61 (i) conversion of an existing market-rate housing unit to a moderate income housing  
62 unit;

63 (ii) conversion of a nonresidential development to a moderate income housing unit;

64 (iii) rehabilitation of a deteriorated or dilapidated housing unit to a moderate income  
65 housing unit; or

66 (iv) construction of a new moderate income housing unit.

67 (b) A replacement unit shall be provided for within two years of the commencement of  
68 an action described in Subsections (2)(a) through (c).

69 (4) (a) A housing loss mitigation fee shall be:

70 (i) calculated as the difference between the fair market value of a lost moderate income  
71 housing unit and the cost of a replacement unit, excluding land values; and

72 (ii) paid within two years of the commencement of an action described in Subsections  
73 (2)(a) through (c).

74 (b) A state agency that pays a housing loss mitigation fee shall submit documentation  
75 supporting the calculation of the housing loss mitigation fee to the Division of Housing and  
76 Community Development on the same day the housing loss mitigation fee is paid.

77 (5) Subsection (1) does not apply ~~to~~ **if a moderate income housing unit is** to ~~the~~ :

78 (a) ~~a~~ **a moderate income housing unit** located on property for which an applicable  
79 master plan or the current zoning

79 envisions exclusive nonresidential use; ~~or~~ **or**

80 (b) ~~a~~ **a moderate income housing unit** proposed to be demolished for health or  
80a safety reasons ~~or~~ **or** ;

80b (c) **an action taken by the Division of Drinking Water under Title 19, Chapter 4, Safe**  
80c **Drinking Water Act; or**

80d (d) **an action taken by the Division of Water Quality under Title 19, Chapter 5, Water**  
80e **Quality Act. ~~or~~**