HOUSING LOSS MITIGATION AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derek L. Kitchen

House Sponsor: ____________

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

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

CHAPTER 30. MODERATE INCOME HOUSING LOSS MITIGATION ACT

57-30-101. Title.

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

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

57-30-102. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) is demolished;

(b) the use changes to a use other than housing; or
(c) the size or affordability materially changes.

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

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

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

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

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

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

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

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

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

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

(5) Subsection (1) does not apply if a moderate income housing unit located on property for which an applicable master plan or the current zoning envisions exclusive nonresidential use; or a moderate income housing unit proposed to be demolished for health or safety reasons.

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

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