

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



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 if a moderate income housing unit is:
- 78 (a) located on property for which an applicable master plan or the current zoning
- 79 envisions exclusive nonresidential use; or
- 80 (b) proposed to be demolished for health or safety reasons.