

**Representative Steve Waldrip** proposes the following substitute bill:

**UTAH HOUSING AFFORDABILITY AMENDMENTS**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jacob L. Anderegg**

House Sponsor: Steve Waldrip

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to affordable housing and the provision of services related to affordable housing.

**Highlighted Provisions:**

This bill:

- ▶ modifies definitions;
- ▶ provides that a political subdivision may grant real property that will be used for affordable housing units;
- ▶ describes additional activities that may receive funding from the Olene Walker Housing Loan Fund, including a mediation program and predevelopment grants;
- ▶ creates an affordable housing pilot program for school districts within the Housing and Community Development Division;
- ▶ modifies the responsibilities of the Automated Geographic Reference Center; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2022:

- ▶ to the Department of Workforce Services -- Olene Walker Housing Loan Fund as a one-time appropriation:



- from the General Fund, One-time, \$800,000.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**10-9a-401**, as last amended by Laws of Utah 2019, Chapters 136 and 327

**10-9a-404**, as last amended by Laws of Utah 2020, Chapter 434

**10-9a-408**, as last amended by Laws of Utah 2020, Chapter 434

**35A-8-505**, as last amended by Laws of Utah 2020, Chapter 241

**63F-1-507**, as last amended by Laws of Utah 2019, Chapter 35

**63I-1-235**, as last amended by Laws of Utah 2020, Chapters 154 and 417

ENACTS:

**10-8-501**, Utah Code Annotated 1953

**35A-8-507.5**, Utah Code Annotated 1953

**35A-8-514**, Utah Code Annotated 1953



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

Section 1. Section **10-8-501** is enacted to read:

**Part 5. Grants for Affordable Housing**

**10-8-501. Grant of real property for affordable housing.**

(1) As used in this part, "affordable housing unit" means a rental housing unit where a household whose income is no more than 50% of the area median income for households where the housing unit is located is able to occupy the housing unit paying no more than 31% of the household's income for gross housing costs including utilities.

(2) Subject to the requirements of this section, and for a municipality, Subsection 10-8-2(4), a political subdivision may grant real property owned by the political subdivision to an entity for the development of one or more affordable housing units on the real property that will serve households at various income levels whereby at least 20% of the housing units are affordable housing units.

(3) A political subdivision shall ensure that real property granted as described in Subsection (2) is deed restricted for affordable housing for at least 30 years after the day on

57 which each affordable housing unit is completed and occupied.

58 (4) If applicable, a political subdivision granting real property under this section shall  
59 comply with the provisions of Title 78B, Chapter 6, Part 5, Eminent Domain.

60 (5) A municipality granting real property under this section is not subject to the  
61 provisions of Subsection 10-8-2(3).

62 Section 2. Section **10-9a-401** is amended to read:

63 **10-9a-401. General plan required -- Content.**

64 (1) In order to accomplish the purposes of this chapter, each municipality shall prepare  
65 and adopt a comprehensive, long-range general plan for:

66 (a) present and future needs of the municipality; and

67 (b) growth and development of all or any part of the land within the municipality.

68 (2) The general plan may provide for:

69 (a) health, general welfare, safety, energy conservation, transportation, prosperity, civic  
70 activities, aesthetics, and recreational, educational, and cultural opportunities;

71 (b) the reduction of the waste of physical, financial, or human resources that result  
72 from either excessive congestion or excessive scattering of population;

73 (c) the efficient and economical use, conservation, and production of the supply of:

74 (i) food and water; and

75 (ii) drainage, sanitary, and other facilities and resources;

76 (d) the use of energy conservation and solar and renewable energy resources;

77 (e) the protection of urban development;

78 (f) if the municipality is a town, the protection or promotion of moderate income  
79 housing;

80 (g) the protection and promotion of air quality;

81 (h) historic preservation;

82 (i) identifying future uses of land that are likely to require an expansion or significant  
83 modification of services or facilities provided by each affected entity; and

84 (j) an official map.

85 (3) (a) The general plan of a municipality, other than a town, shall plan for moderate  
86 income housing growth.

87 (b) On or before December 1, 2019, each of the following that have a general plan that

88 does not comply with Subsection (3)(a) shall amend the general plan to comply with  
89 Subsection (3)(a):

- 90 (i) a city of the first, second, third, or fourth class;
- 91 (ii) a city of the fifth class with a population of 5,000 or more, if the city is located  
92 within a county of the first, second, or third class; and
- 93 (iii) a metro township with a population of 5,000 or more.

94 (c) The population figures described in Subsections (3)(b)(ii) and (iii) shall be derived  
95 from:

- 96 (i) the most recent official census or census estimate of the United States Census  
97 Bureau; or
- 98 (ii) if a population figure is not available under Subsection (3)(c)(i), an estimate of the  
99 Utah Population Committee.

100 (4) Subject to Subsection ~~10-9a-403~~(2)(3), the municipality may determine the  
101 comprehensiveness, extent, and format of the general plan.

102 Section 3. Section **10-9a-404** is amended to read:

103 **10-9a-404. Public hearing by planning commission on proposed general plan or**  
104 **amendment -- Notice -- Revisions to general plan or amendment -- Adoption or rejection**  
105 **by legislative body.**

106 (1) (a) After completing its recommendation for a proposed general plan, or proposal to  
107 amend the general plan, the planning commission shall schedule and hold a public hearing on  
108 the proposed plan or amendment.

109 (b) The planning commission shall provide notice of the public hearing, as required by  
110 Section ~~10-9a-204~~.

111 (c) After the public hearing, the planning commission may modify the proposed  
112 general plan or amendment.

113 (2) The planning commission shall forward the proposed general plan or amendment to  
114 the legislative body.

115 (3) (a) The legislative body may adopt, reject, or make any revisions to the proposed  
116 general plan or amendment that it considers appropriate.

117 (b) If the municipal legislative body rejects the proposed general plan or amendment, it  
118 may provide suggestions to the planning commission for the planning commission's review and

119 recommendation.

120 (4) The legislative body shall adopt:

121 (a) a land use element as provided in Subsection 10-9a-403~~(2)~~(3)(a)(i);

122 (b) a transportation and traffic circulation element as provided in Subsection

123 10-9a-403~~(2)~~(3)(a)(ii); and

124 (c) for a municipality, other than a town, after considering the factors included in  
125 Subsection 10-9a-403~~(2)(b)(ii)~~(3)(b)(iii), a plan to provide a realistic opportunity to meet the  
126 need for additional moderate income housing within the next five years.

127 Section 4. Section 10-9a-408 is amended to read:

128 **10-9a-408. Reporting requirements and civil action regarding moderate income**  
129 **housing element of general plan.**

130 (1) The legislative body of a municipality described in Subsection 10-9a-401(3)(b)  
131 shall annually:

132 (a) review the moderate income housing plan element of the municipality's general  
133 plan and implementation of that element of the general plan;

134 (b) prepare a report on the findings of the review described in Subsection (1)(a); and

135 (c) post the report described in Subsection (1)(b) on the municipality's website.

136 (2) The report described in Subsection (1) shall include:

137 (a) a revised estimate of the need for moderate income housing in the municipality for  
138 the next five years;

139 (b) a description of progress made within the municipality to provide moderate income  
140 housing, demonstrated by analyzing and publishing data on the number of housing units in the  
141 municipality that are at or below:

142 (i) 80% of the adjusted median family income;

143 (ii) 50% of the adjusted median family income; and

144 (iii) 30% of the adjusted median family income;

145 (c) a description of any efforts made by the municipality to utilize a moderate income  
146 housing set-aside from a community reinvestment agency, redevelopment agency, or  
147 community development and renewal agency; and

148 (d) a description of how the municipality has implemented any of the recommendations  
149 related to moderate income housing described in Subsection 10-9a-403~~(2)~~(3)(b)(iii).

150 (3) The legislative body of each municipality described in Subsection (1) shall send a  
151 copy of the report under Subsection (1) to the Department of Workforce Services, the  
152 association of governments in which the municipality is located, and, if located within the  
153 boundaries of a metropolitan planning organization, the appropriate metropolitan planning  
154 organization.

155 (4) In a civil action seeking enforcement or claiming a violation of this section or of  
156 Subsection 10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded only  
157 injunctive or other equitable relief.

158 Section 5. Section 35A-8-505 is amended to read:

159 **35A-8-505. Activities authorized to receive fund money -- Powers of the executive**  
160 **director.**

161 At the direction of the board, the executive director may:

162 (1) provide fund money to any of the following activities:

163 (a) the acquisition, rehabilitation, or new construction of low-income housing units;

164 (b) matching funds for social services projects directly related to providing housing for  
165 special-need renters in assisted projects;

166 (c) the development and construction of accessible housing designed for low-income  
167 persons;

168 (d) the construction or improvement of a shelter or transitional housing facility that  
169 provides services intended to prevent or minimize homelessness among members of a specific  
170 homeless subpopulation;

171 (e) the purchase of an existing facility to provide temporary or transitional housing for  
172 the homeless in an area that does not require rezoning before providing such temporary or  
173 transitional housing;

174 (f) the purchase of land that will be used as the site of low-income housing units;

175 (g) the preservation of existing affordable housing units for low-income persons; [and]

176 (h) the award of predevelopment grants in accordance with Section 35A-8-507.5;

177 (i) the creation or financial support of a mediation program for landlords and tenants

178 designed to minimize the loss of housing for low-income persons, which program may include:

179 (i) funding for the hiring or training of mediators;

180 (ii) connecting landlords and tenants with mediation services; and

181 (iii) providing a limited amount of gap funding to assist a tenant in making a good faith  
182 payment towards attorney fees, damages, or other costs associated with eviction proceedings or  
183 avoiding eviction proceedings; and

184 ~~(h)~~ (j) other activities that will assist in minimizing homelessness or improving the  
185 availability or quality of housing in the state for low-income persons; and

186 (2) do any act necessary or convenient to the exercise of the powers granted by this part  
187 or reasonably implied from those granted powers, including:

188 (a) making or executing contracts and other instruments necessary or convenient for  
189 the performance of the executive director and board's duties and the exercise of the executive  
190 director and board's powers and functions under this part, including contracts or agreements for  
191 the servicing and originating of mortgage loans;

192 (b) procuring insurance against a loss in connection with property or other assets held  
193 by the fund, including mortgage loans, in amounts and from insurers it considers desirable;

194 (c) entering into agreements with a department, agency, or instrumentality of the  
195 United States or this state and with mortgagors and mortgage lenders for the purpose of  
196 planning and regulating and providing for the financing and refinancing, purchase,  
197 construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale,  
198 or other disposition of residential housing undertaken with the assistance of the department  
199 under this part;

200 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,  
201 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or  
202 personal property obtained by the fund due to the default on a mortgage loan held by the fund  
203 in preparation for disposition of the property, taking assignments of leases and rentals,  
204 proceeding with foreclosure actions, and taking other actions necessary or incidental to the  
205 performance of its duties; and

206 (e) selling, at a public or private sale, with public bidding, a mortgage or other  
207 obligation held by the fund.

208 Section 6. Section **35A-8-507.5** is enacted to read:

209 **35A-8-507.5. Predevelopment grants.**

210 (1) The executive director under the direction of the board may:

211 (a) award one or more predevelopment grants to non-profit or for-profit entities in

212 preparation for the construction of low-income housing units;

213 (b) award a predevelopment grant in an amount of no more than \$50,000 per project;

214 (c) may only award a predevelopment grant in relation to a project in:

215 (i) a city of the fifth or sixth class, or a town, in a rural area of the state; or

216 (ii) any municipality or unincorporated area in a county of the fourth, fifth, or sixth  
217 class.

218 (2) The executive director under the direction of the board shall award each  
219 predevelopment grant in accordance with the provisions of this section and the provisions  
220 related to grant applications, grant awards, and reporting requirements in this part.

221 (3) A predevelopment grant:

222 (a) may be used by a recipient for offsetting the predevelopment funds needed to  
223 prepare for the construction of low-income housing units, including market studies, surveys,  
224 environmental and impact studies, technical assistance, and preliminary architecture,  
225 engineering, or legal work; and

226 (b) may not be used by a recipient for staff salaries of a grant recipient or construction  
227 costs.

228 (4) The executive director under the direction of the board shall prioritize the awarding  
229 of a predevelopment grant for a project in a county of the fifth or sixth class and where the  
230 municipality or unincorporated area has underdeveloped infrastructure as demonstrated by at  
231 least two of the following:

232 (a) limited or no availability of natural gas;

233 (b) limited or no availability of a sewer system;

234 (c) limited or no availability of broadband Internet;

235 (d) unpaved residential streets; or

236 (e) limited local construction professionals, vendors, or services.

237 Section 7. Section **35A-8-514** is enacted to read:

238 **35A-8-514. Affordable Housing Pilot Program.**

239 (1) As used in this section:

240 (a) "Pilot program" means the Affordable Housing Pilot Program created in Subsection

241 (2).

242 (b) "Participating employee" means an employee of a participating school district who



243 obtains housing as a participant in the pilot program.

244 (c) "Participating school district" means a local school district or charter school that is  
245 approved by the division based on the financial requirements of Subsection (6) to participate in  
246 the pilot program.

247 (2) There is created in the division the Affordable Housing Pilot Program to assist in  
248 helping employees of one or more participating school districts to obtain affordable housing  
249 and a pathway to home ownership.

250 (3) The pilot program shall consist of the following:

251 (a) in accordance with Title 63G, Chapter 6a, Utah Procurement Code, and with the  
252 oversight of the division, a local school district or charter school that is approved by the  
253 division to participate in the pilot program shall partner with a nonprofit entity selected by the  
254 division at the commencement of the pilot program and the participating school district shall  
255 make a contribution using money provided by the participating school district to a fund owned  
256 by the participating school district and managed by the nonprofit entity;

257 (b) money in the fund shall be used to pay a portion of the purchase price of a home for  
258 each participating employee;

259 (c) the participating school district shall identify potential participating employees who  
260 are employed by the participating school district;

261 (d) the nonprofit entity shall perform an analysis to choose each participating employee  
262 based on criteria determined by the participating school district and the nonprofit entity;

263 (e) for each participating employee, the nonprofit entity shall determine an appropriate  
264 and affordable monthly payment based on the participating employee's financial situation and  
265 may assist in helping the participating employee find a suitable home;

266 (f) the nonprofit entity shall purchase a home for use by each participating employee  
267 and secure third-party financing for a portion of the cost of the home;

268 (g) the participating employee's monthly payment for the home shall be based on the  
269 participating employee's proportional ownership of the home and shall consist of three  
270 elements:

271 (i) a portion of the payment will go to the third-party lender described in Subsection  
272 (3)(f);

273 (ii) a portion will go to the nonprofit entity for operating expenses and repaying the

274 proportional amount of the home purchased by the nonprofit entity using money from the fund  
275 owned by the participating school district; and

276 (iii) a portion may go towards a mandatory savings requirement as agreed to between  
277 the participating employee and the nonprofit entity; and

278 (h) as a requirement of participating in the pilot program, a participating employee  
279 shall enter into a written agreement with the nonprofit entity:

280 (i) committing to abide by the requirements of the pilot program; and

281 (ii) that describes the participating employee's right to, if the employee is not in  
282 violation of the terms of the written agreement:

283 (A) purchase, sell, or refinance the home at any time during the duration of the written  
284 agreement;

285 (B) receive the equity benefit of the participating employee's principal payments; and

286 (C) receive the participating employee's share of any appreciation of the home in  
287 accordance with the terms of the written agreement.

288 (4) Before participating in the pilot program, a local school district or charter school  
289 shall apply to the division, in a form approved by the division, to participate in the pilot  
290 program, which application shall include:

291 (a) details of the local school district's proposed implementation of the pilot program;  
292 and

293 (b) the written approval of the local school district or charter school's local school  
294 board to participate in the pilot program.

295 (5) A local school district or charter school that is selected by the division to be a  
296 participating school district shall agree to provide ongoing information or reporting to comply  
297 with the annual reporting requirements of Subsection (8) as requested by:

298 (a) the division; and

299 (b) the participating school district's local school board.

300 (6) In selecting participating school districts and overseeing the pilot program, the  
301 division shall ensure that:

302 (a) the total amount of the contribution described in Subsection (3)(a) provided by each  
303 participating school district is not more than the lesser of:

304 (i) \$4,000,000; or

- 305 (ii) 10% of the participating school district's reserves; and  
306 (b) the amount of the contribution described in Subsection (3)(a) for all participating  
307 school districts combined is not more than:  
308 (i) \$13,000,000, for participating school districts in counties of the first or second  
309 class; and  
310 (ii) \$7,000,000, for participating school districts in counties of the third, fourth, fifth,  
311 or sixth class.  
312 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and  
313 in accordance with the provisions of this section, the division may make rules regarding the:  
314 (a) administration of the pilot program, including application requirements for local  
315 school districts; and  
316 (b) reporting requirements for each participating school district and the nonprofit entity  
317 to satisfy the requirements of Subsection (8).  
318 (8) (a) By October 1, the division, with the cooperation of each participating school  
319 district and the nonprofit entity, shall provide an annual written report to the Economic  
320 Development and Workforce Services Interim Committee.  
321 (b) The annual report shall describe:  
322 (i) the operations of the pilot program;  
323 (ii) each local school district that is participating in the pilot program;  
324 (iii) the number of employees participating in the pilot program;  
325 (iv) recommendations regarding potential expansion, improvements, or modifications  
326 to the pilot program; and  
327 (v) the results of the annual audit described in Subsection (9).  
328 (c) If the division determines that the pilot program is successful, and that other local  
329 school districts and state governmental subdivisions would benefit from participation in the  
330 pilot program, the annual report may recommend that the Legislature:  
331 (i) increase the maximum contribution amount allowed under the pilot program; or  
332 (ii) expand the pilot program to other political subdivisions of the state.  
333 (9) By September 1, the state auditor shall conduct an annual audit of the pilot program  
334 for the previous fiscal year and shall:  
335 (a) report the results of the audit in writing to the division; and

336 (b) make the written audit report available to the division and to the public.

337 Section 8. Section **63F-1-507** is amended to read:

338 **63F-1-507. State Geographic Information Database.**

339 (1) There is created a State Geographic Information Database to be managed by the  
340 center.

341 (2) The database shall:

342 (a) serve as the central reference for all information contained in any GIS database by  
343 any state agency;

344 (b) serve as a clearing house and repository for all data layers required by multiple  
345 users;

346 (c) serve as a standard format for geographic information acquired, purchased, or  
347 produced by any state agency;

348 (d) include an accurate representation of all civil subdivision boundaries of the state;  
349 and

350 (e) for each public highway, as defined in Section **72-1-102**, in the state, include an  
351 accurate representation of the highway's centerline, physical characteristics, and associated  
352 street address ranges.

353 (3) The center shall, in coordination with municipalities, counties, emergency  
354 communications centers, and the Department of Transportation:

355 (a) develop the information described in Subsection (2)(e); and

356 (b) update the information described in Subsection (2)(e) in a timely manner after a  
357 county recorder records a final plat.

358 (4) The center, in coordination with county assessors and metropolitan planning  
359 organizations:

360 (a) shall inventory existing housing units and their general characteristics within each  
361 county of the first or second class to support infrastructure planning and economic  
362 development in each of those counties; and

363 (b) may inventory existing housing units and their general characteristics within one or  
364 more counties of the third, fourth, fifth, or sixth class to support infrastructure planning and  
365 economic development in one or more of those counties.

366 [~~4~~] (5) Each state agency that acquires, purchases, or produces digital geographic

367 information data shall:

368 (a) inform the center of the existence of the data layers and their geographic extent;

369 (b) allow the center access to all data classified public; and

370 (c) comply with any database requirements established by the center.

371 ~~[(5)]~~ (6) At least annually, the State Tax Commission shall deliver to the center  
372 information the State Tax Commission receives under Section [67-1a-6.5](#) relating to the creation  
373 or modification of the boundaries of political subdivisions.

374 ~~[(6)]~~ (7) The boundary of a political subdivision within the State Geographic  
375 Information Database is the official boundary of the political subdivision for purposes of  
376 meeting the needs of the United States Bureau of the Census in identifying the boundary of the  
377 political subdivision.

378 Section 9. Section **63I-1-235** is amended to read:

379 **63I-1-235. Repeal dates, Title 35A.**

380 (1) Subsection [35A-1-109](#)(4)(c), related to the Talent Ready Utah Board, is repealed  
381 January 1, 2023.

382 (2) Subsection [35A-1-202](#)(2)(d), related to the Child Care Advisory Committee, is  
383 repealed July 1, 2021.

384 (3) Section [35A-3-205](#), which creates the Child Care Advisory Committee, is repealed  
385 July 1, 2021.

386 (4) Subsection [35A-4-312](#)(5)(p), describing information that may be disclosed to the  
387 federal Wage and Hour Division, is repealed July 1, 2022.

388 (5) Subsection [35A-4-502](#)(5), which creates the Employment Advisory Council, is  
389 repealed July 1, 2022.

390 (6) Section [35A-8-514](#), which creates the Affordable Housing Pilot Program, is  
391 repealed July 1, 2024.

392 ~~[(6)]~~ (7) Title 35A, Chapter 8, Part 22, Commission on Housing Affordability, is  
393 repealed July 1, 2023.

394 ~~[(7)]~~ (8) Section [35A-9-501](#) is repealed January 1, 2023.

395 ~~[(8)]~~ (9) Title 35A, Chapter 11, Women in the Economy Commission Act, is repealed  
396 January 1, 2025.

397 ~~[(9)]~~ (10) Sections [35A-13-301](#) and [35A-13-302](#), which create the Governor's

398 Committee on Employment of People with Disabilities, are repealed July 1, 2023.

399 ~~[(10)]~~ (11) Section 35A-13-303, which creates the State Rehabilitation Advisory  
400 Council, is repealed July 1, 2024.

401 ~~[(11)]~~ (12) Section 35A-13-404, which creates the advisory council for the Division of  
402 Services for the Blind and Visually Impaired, is repealed July 1, 2025.

403 ~~[(12)]~~ (13) Sections 35A-13-603 and 35A-13-604, which create the Interpreter  
404 Certification Board, are repealed July 1, 2026.

405 Section 10. **Appropriation.**

406 The following sums of money are appropriated for the fiscal year beginning July1,  
407 2021, and ending June 30, 2022. These are additions to amounts previously appropriated for  
408 fiscal year 2022. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
409 Act, the Legislature appropriates the following sums of money from the funds or accounts  
410 indicated for the use and support of the government of the state of Utah.

411 ITEM 1

412 To Department of Worforce Services -- Olene Walker Housing Loan Fund

413 From General Fund, One-time \$800,000

414 Schedule of Programs:

415 Olene Walker Housing Loan Fund: \$800,000

416 The Legislature intends that:

417 (1) up to \$300,000 of the appropriation in ITEM 1 be used for financing a mediation  
418 program for landlords and tenants of low-income housing units;

419 (2) up to \$500,000 of the appropriation in ITEM 1 be used for financing  
420 predevelopment grants in advance of the construction of low-income housing units; and

421 (3) under Section 63J-1-603, appropriations under Subsections (1) and (2) not lapse at  
422 the close of fiscal year 2022.