

HOUSING AND TRANSIT REINVESTMENT ZONE

MODIFICATIONS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: _____

LONG TITLE

General Description:

This bill provides a property owner near a public transit hub in a county with a small public transit district with certain vested development rights if the county failed to submit an application for a housing and transit reinvestment zone before a certain deadline.

Highlighted Provisions:

This bill:

- ▶ provides a property owner near a public transit hub in a county with a small public transit district with certain vested development rights if the county failed to submit an application for a housing and transit reinvestment zone before a certain deadline.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63N-3-603, as last amended by Laws of Utah 2022, Chapters 21, 406 and 433

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



28 Section 1. Section **63N-3-603** is amended to read:

29 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**
30 **reinvestment zone.**

31 (1) A housing and transit reinvestment zone proposal created under this part shall
32 promote the following objectives:

- 33 (a) higher utilization of public transit;
- 34 (b) increasing availability of housing, including affordable housing;
- 35 (c) conservation of water resources through efficient land use;
- 36 (d) improving air quality by reducing fuel consumption and motor vehicle trips;
- 37 (e) encouraging transformative mixed-use development and investment in
38 transportation and public transit infrastructure in strategic areas;
- 39 (f) strategic land use and municipal planning in major transit investment corridors as
40 described in Subsection [10-9a-403\(2\)](#);
- 41 (g) increasing access to employment and educational opportunities; and
- 42 (h) increasing access to child care.

43 (2) In order to accomplish the objectives described in Subsection (1), a municipality or
44 public transit county that initiates the process to create a housing and transit reinvestment zone
45 as described in this part shall ensure that the proposal for a housing and transit reinvestment
46 zone includes:

- 47 (a) except as provided in Subsection (3), at least 10% of the proposed dwelling units
48 within the housing and transit reinvestment zone are affordable housing units;
- 49 (b) at least 51% of the developable area within the housing and transit reinvestment
50 zone includes residential uses with, except as provided in Subsection (4)(c), an average of 50
51 dwelling units per acre or greater;
- 52 (c) mixed-use development; and
- 53 (d) a mix of dwelling units to ensure that a reasonable percentage of the dwelling units
54 has more than one bedroom.

55 (3) A municipality or public transit county that, at the time the housing and transit
56 reinvestment zone proposal is approved by the housing and transit reinvestment zone
57 committee, meets the affordable housing guidelines of the United States Department of
58 Housing and Urban Development at 60% area median income is exempt from the requirement

59 described in Subsection (2)(a).

60 (4) (a) A municipality may only propose a housing and transit reinvestment zone at a
61 commuter rail station, and a public transit county may only propose a housing and transit
62 reinvestment zone at a public transit hub, that:

63 (i) subject to Subsection (5)(a):

64 (A) (I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality, does not
65 exceed a 1/3 mile radius of a commuter rail station;

66 (II) for a municipality that is a city of the first class with a population greater than
67 150,000 that is within a county of the first class, with an opportunity zone created pursuant to
68 Section 1400Z-1, Internal Revenue Code, does not exceed a 1/2 mile radius of a commuter rail
69 station located within the opportunity zone; or

70 (III) for a public transit county, does not exceed a 1/3 mile radius of a public transit
71 hub; and

72 (B) has a total area of no more than 125 noncontiguous acres;

73 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each
74 taxing entity's tax increment above the base year for a term of no more than 25 consecutive
75 years on each parcel within a 45-year period not to exceed the tax increment amount approved
76 in the housing and transit reinvestment zone proposal; and

77 (iii) the commencement of collection of tax increment, for all or a portion of the
78 housing and transit reinvestment zone, will be triggered by providing notice as described in
79 Subsection (6).

80 (b) A municipality or public transit county may only propose a housing and transit
81 reinvestment zone at a light rail station or bus rapid transit station that:

82 (i) subject to Subsection (5):

83 (A) does not exceed:

84 (I) except as provided in Subsection (4)(b)(i)(A)(II) or (III), a 1/4 mile radius of a bus
85 rapid transit station or light rail station;

86 (II) for a municipality that is a city of the first class with a population greater than
87 150,000 that is within a county of the first class, a 1/2 mile radius of a light rail station located
88 in an opportunity zone created pursuant to Section 1400Z-1, Internal Revenue Code; or

89 (III) a 1/2 mile radius of a light rail station located within a master-planned

90 development of 500 acres or more; and

91 (B) has a total area of no more than 100 noncontiguous acres;

92 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a
93 maximum of 80% of each taxing entity's tax increment above the base year for a term of no
94 more than 15 consecutive years on each parcel within a 30-year period not to exceed the tax
95 increment amount approved in the housing and transit reinvestment zone proposal; and

96 (iii) the commencement of collection of tax increment, for all or a portion of the
97 housing and transit reinvestment zone, will be triggered by providing notice as described in
98 Subsection (6).

99 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
100 public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at
101 a bus rapid transit station, if the proposed housing density within the housing and transit
102 reinvestment zone is between 39 and 49 dwelling units per acre, the maximum capture of each
103 taxing entity's tax increment above the base year is 60%.

104 (d) A municipality that is a city of the first class with a population greater than 150,000
105 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may
106 only propose one housing and transit reinvestment zone within an opportunity zone.

107 (5) (a) For a housing and transit reinvestment zone for a commuter rail station, if a
108 parcel is bisected by the relevant radius limitation, the full parcel may be included as part of the
109 housing and transit reinvestment zone area and will not count against the limitations described
110 in Subsection (4)(a)(i).

111 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit
112 station, if a parcel is bisected by the relevant radius limitation, the full parcel may be included
113 as part of the housing and transit reinvestment zone area and will not count against the
114 limitations described in Subsection (4)(b)(i).

115 (6) The notice of commencement of collection of tax increment required in Subsection
116 (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to:

117 (a) the tax commission;

118 (b) the State Board of Education;

119 (c) the state auditor;

120 (d) the auditor of the county in which the housing and transit reinvestment zone is

121 located;

122 (e) each taxing entity affected by the collection of tax increment from the housing and
123 transit reinvestment zone; and

124 (f) the Governor's Office of Economic Opportunity.

125 (7) (a) The maximum number of housing and transit reinvestment zones at light rail
126 stations is eight in any given county.

127 (b) The maximum number of housing and transit reinvestment zones at bus rapid
128 transit stations is three in any given county.

129 (8) (a) This Subsection (8) applies to a specified county, as defined in Section
130 17-27a-408, that has created a small public transit district on or before January 1, 2022.

131 (b) A county described in Subsection (8)(a) shall, in accordance with Section
132 63N-3-604, prepare and submit to the Governor's Office of Economic Opportunity a proposal
133 to create a housing and transit reinvestment zone on or before December 31, 2022.

134 (c) To accomplish the objectives described in Subsection (1), if a county described in
135 Subsection (8)(a) has failed to comply with Subsection (8)(b) by failing to submit an
136 application before December 31, 2022, an owner of undeveloped property that is zoned
137 community commercial as of December 31, 2022, and is within a 1/3 mile radius of a public
138 transit hub in a county described in Subsection (8)(a), shall have the vested right to develop and
139 build a mixed-use development including the following:

140 (i) between 39 and 50 dwelling units per acre on average over the subject parcels, with
141 at least 10% of the dwelling units deed restricted as affordable housing units;

142 (ii) commercial uses including office, retail, educational, and healthcare in support of
143 the mixed-use environment constituting up to 1/3 of the total planned gross building square
144 footage of the subject parcels; and

145 (iii) any other infrastructure element necessary or reasonable to support the mixed-use
146 environment including parking infrastructure, streets, sidewalks, parks, and trails.