LPC

November 14, 2022

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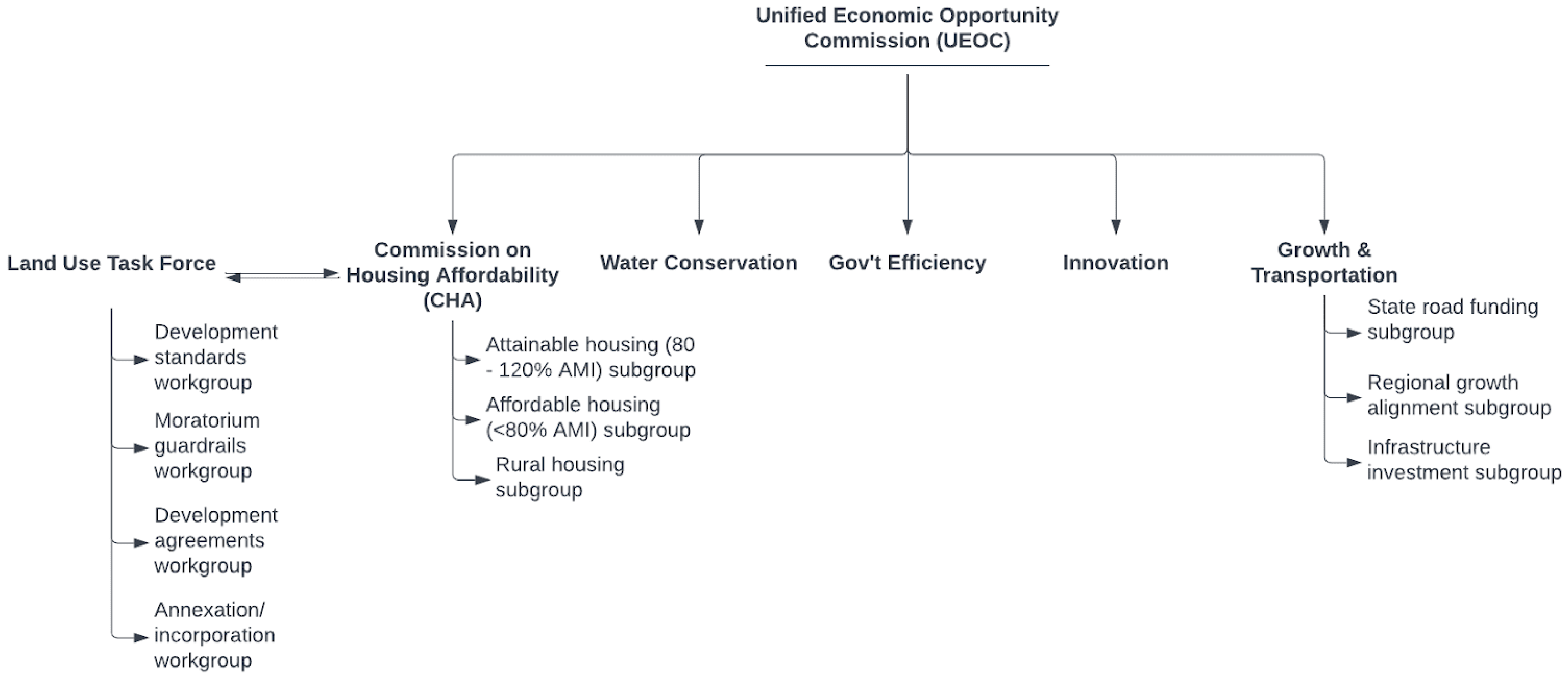
Unified Economic Opportunity Commission (UEOC)
Land Use Task Force
Commission on Housing Affordability (CHA)
Water Conservation
Gov't Efficiency
Innovation
Growth & Transportation
Development standards workgroup
Moratorium guardrails workgroup
Development agreements workgroup
Annexation/ incorporation workgroup
Attainable housing (80 - 120% AMI) subgroup
Affordable housing (<80% AMI) subgroup
Rural housing subgroup
State road funding subgroup
Regional growth alignment subgroup
Infrastructure investment subgroup

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Key dates

- ~~Sep 12: LPC at 12, LUTF at 2~~
- ~~Sep 13: Comm. on Housing Affordability gets recommendations from subgroups~~
  - ~~City reps: Orem Council Member Tom Macdonald (ULCT), SLC's Andrew Johnston (ULCT), SLC RDA Director Danny Walz (RDA Rep.)~~
- ~~Sep 19: Board mtg~~
  - ~~*Provide policy direction for upcoming UEOC/CHA/LUTF meetings*~~
- ~~Sep 28: UEOC gets recommendations from subgroups, including CHA~~
  - ~~ULCT rep: South Jordan Mayor Dawn Ramsey~~
- ~~TBD in Sep/Oct: CHA, LUTF, and UEOC subgroups~~
- ~~Oct 5-7: ULCT Annual Convention; Board mtg~~
- ~~Oct 17: LPC~~
- ~~Oct 20: LUTF~~
- ~~Nov 8: CHA makes final recommendations for 2023~~
- Nov 22: UEOC makes final recommendations for 2023
- Dec 12: LPC

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ULCT framing questions for CHA

1) Will the proposals result in good planning for growth?
2) Will the proposals results in more housing units that are actually affordable to the buyer or renter?
3) Do the proposals respect the traditional land use planning role of local gov'ts?

Preliminary development survey results

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Data sources

- Two surveys, Gardner Policy Institute Construction Database, ACS
  - UCMA summer survey series pt. 1
    - Entitled lots, development staff, fees
  - UCMA “follow up survey”
    - Entitled lots, processing time, lot size trends
- ULCT has received responses from 47 cities, representing 41.6% of the state’s total population.

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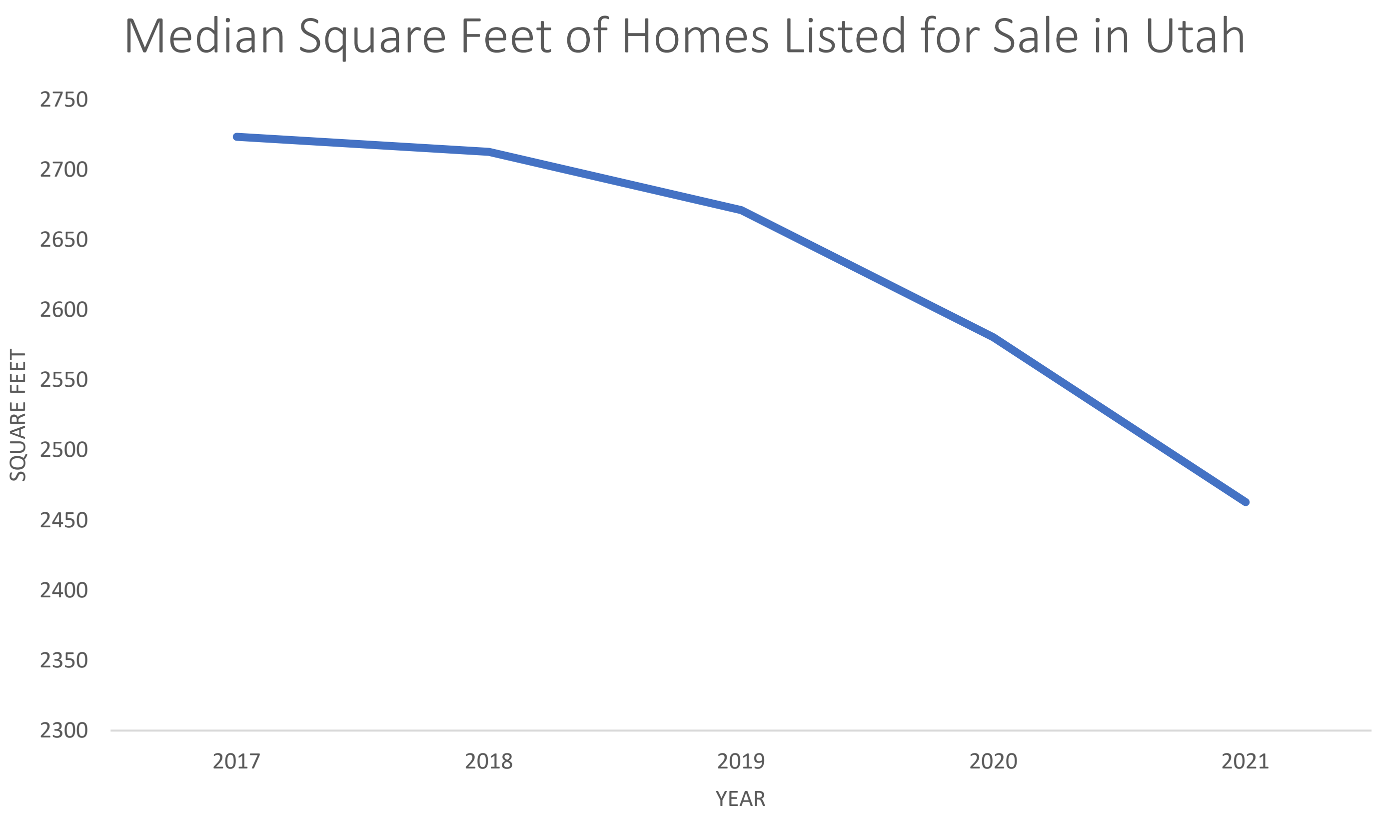
More lots, smaller homes

- Across those 47 cities, more than 93,086 entitled residential units as of November 2022
- Numerous cities mentioned a trend of smaller lot sizes and/or larger homes.



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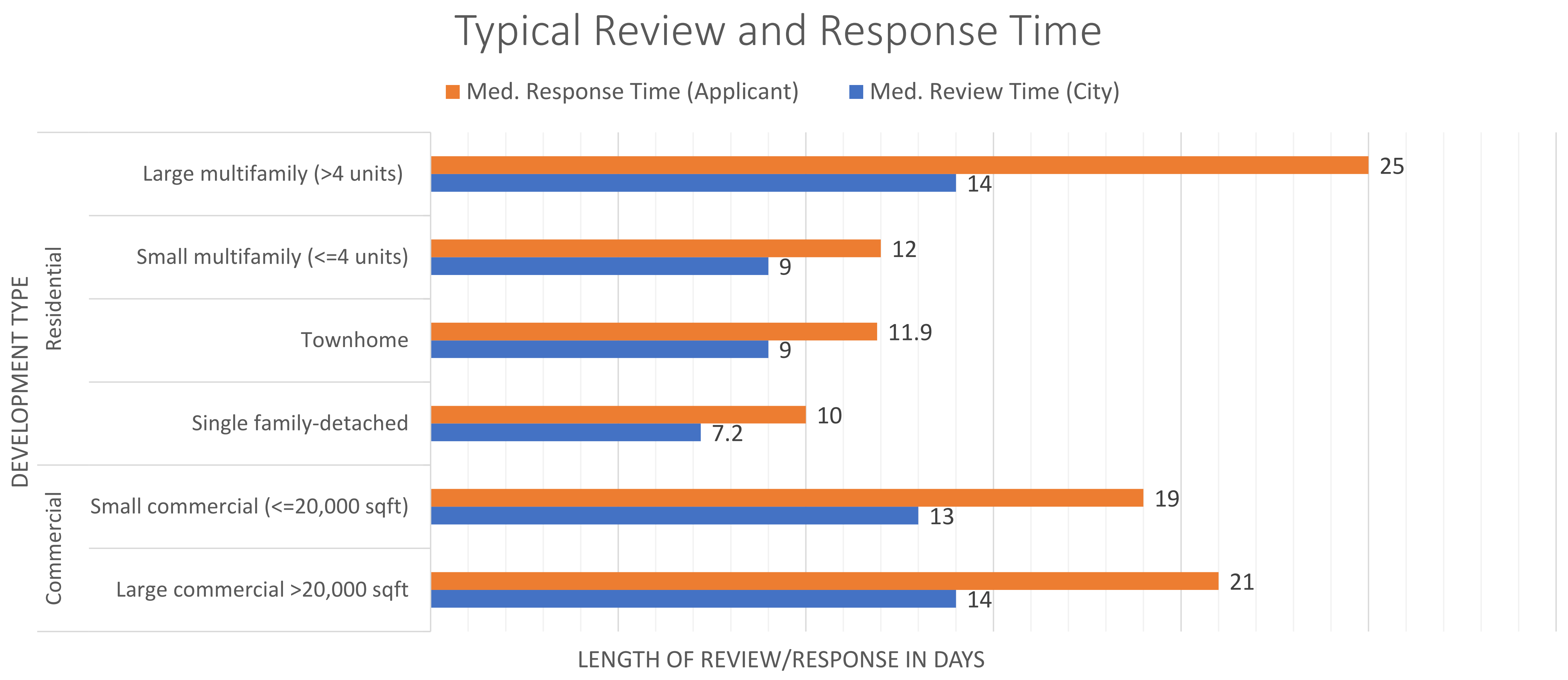
Typical land use plan review & response times



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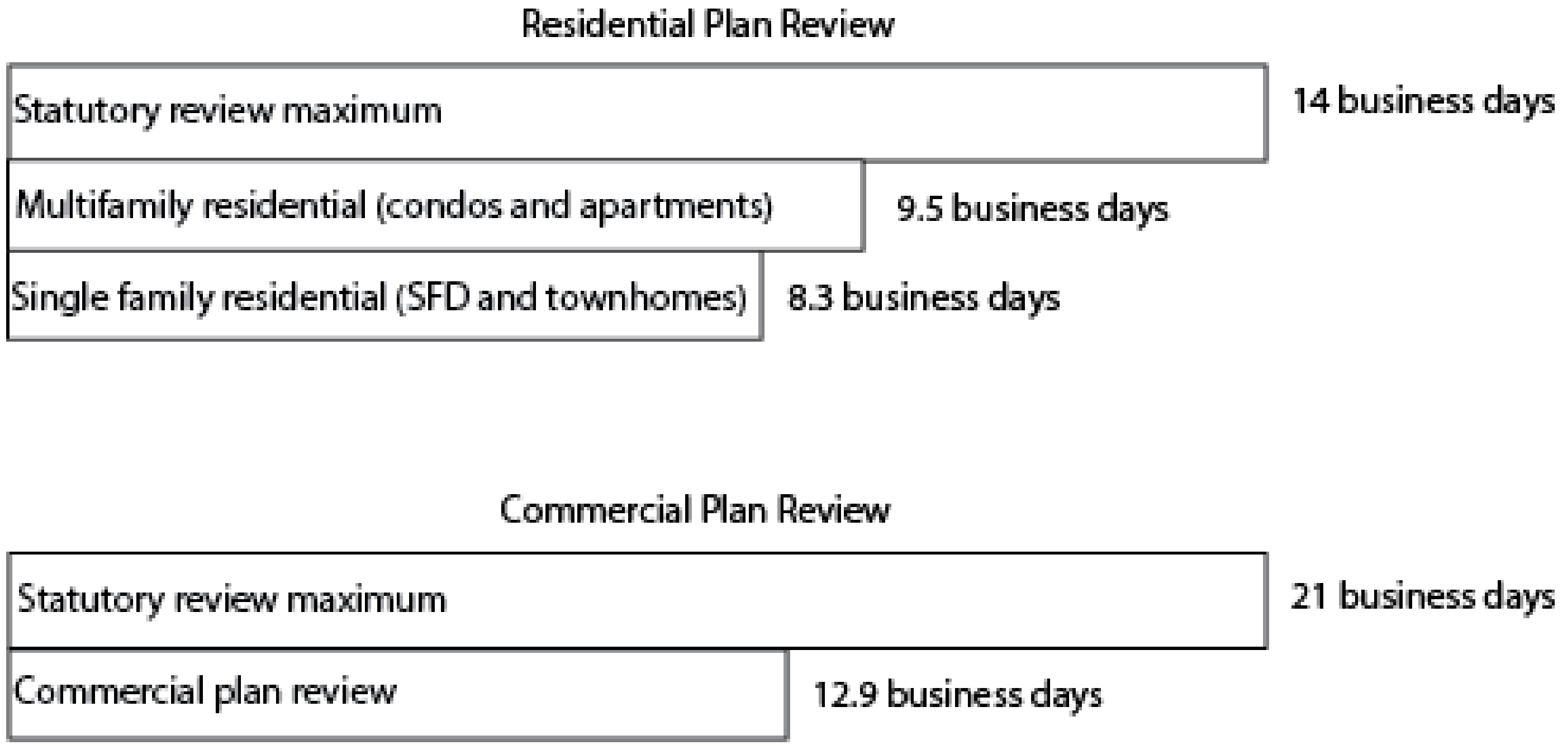
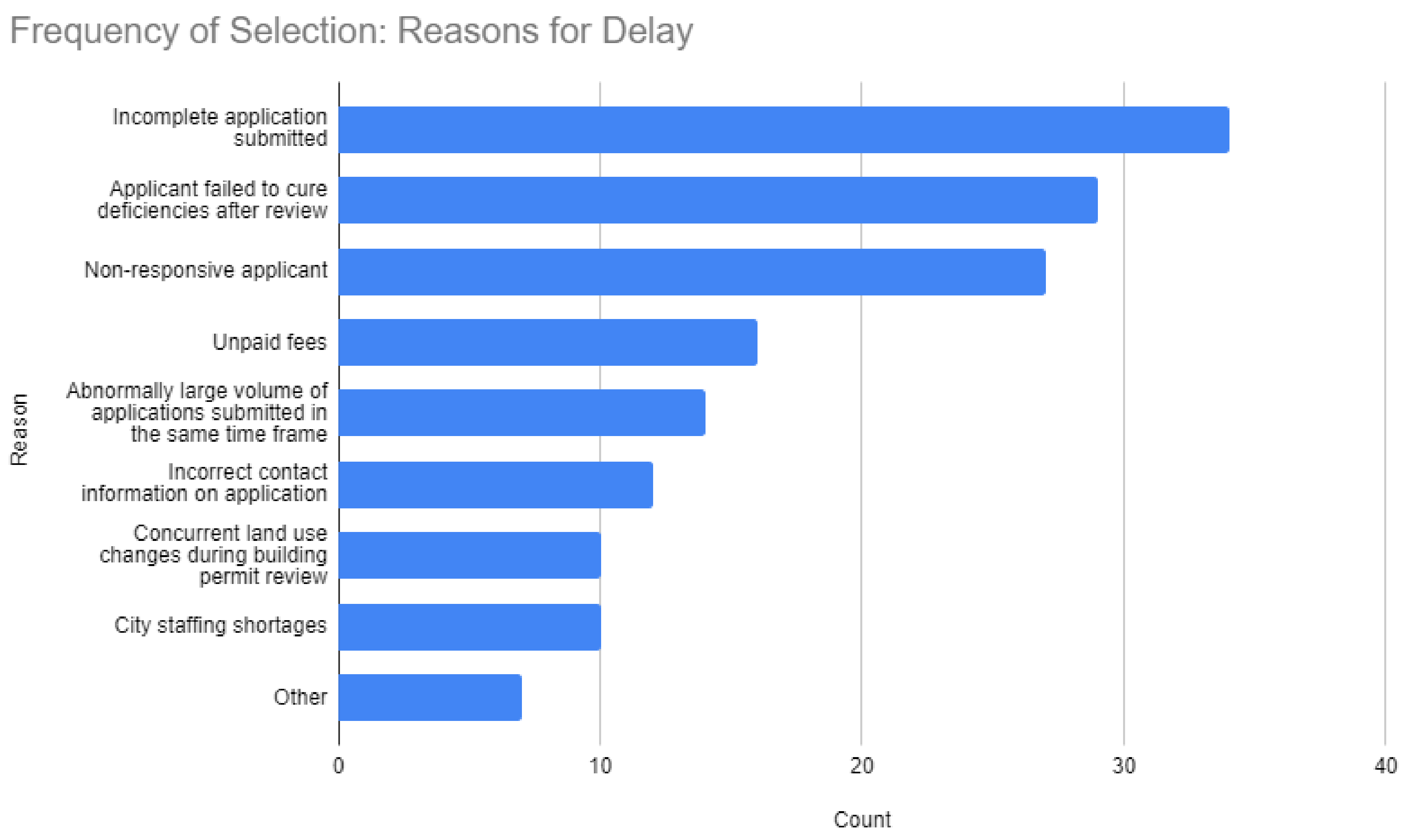
Results consistent w/ HB 374 research



#CITIESWORK Delay reasons



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Delay trends

- Recurring written reasons for delays (trends):
- Plans not stamped by engineer [may be required for types of plans that warrant precise measurements] (Highland, Herriman, Cottonwood Heights)
- Geotechnical engineering missing (Fruit Heights, North Salt Lake)
- Unresponsive or slow to fix errors (Clearfield, Perry, Springdale, Providence)
- New developers unfamiliar with the process (Hyde Park, North Salt Lake, Perry)
- Do not meet setback requirements (Highland, Herriman)
- Topographic information missing (Cottonwood Heights, Providence)

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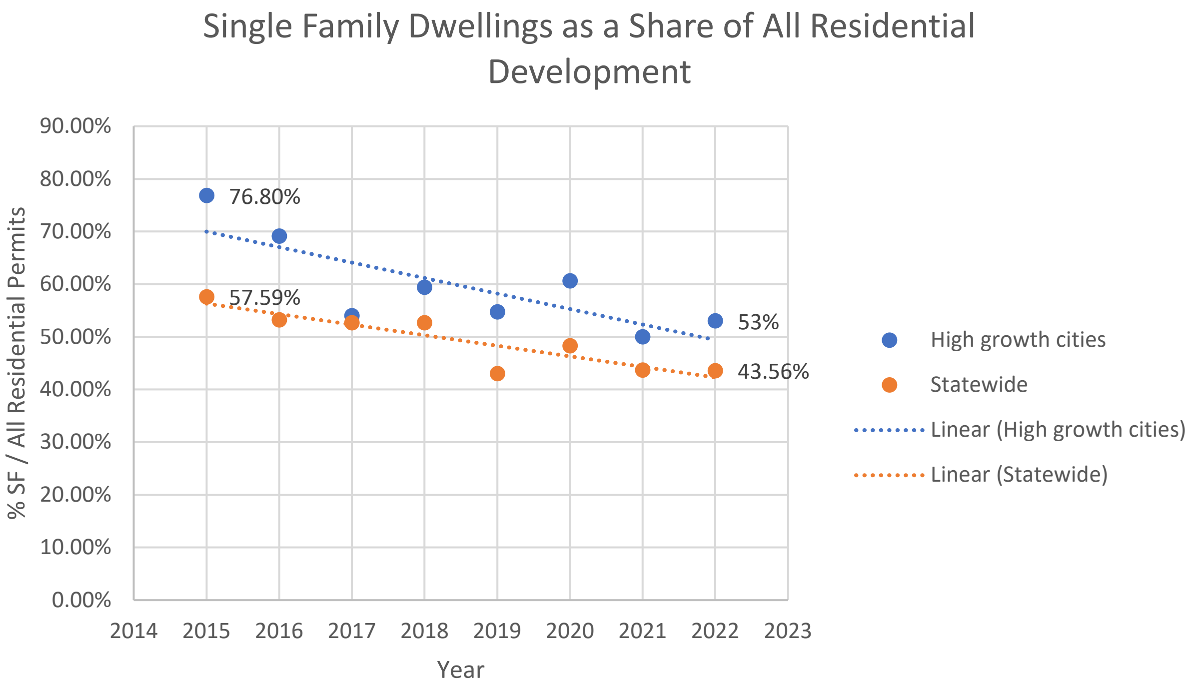
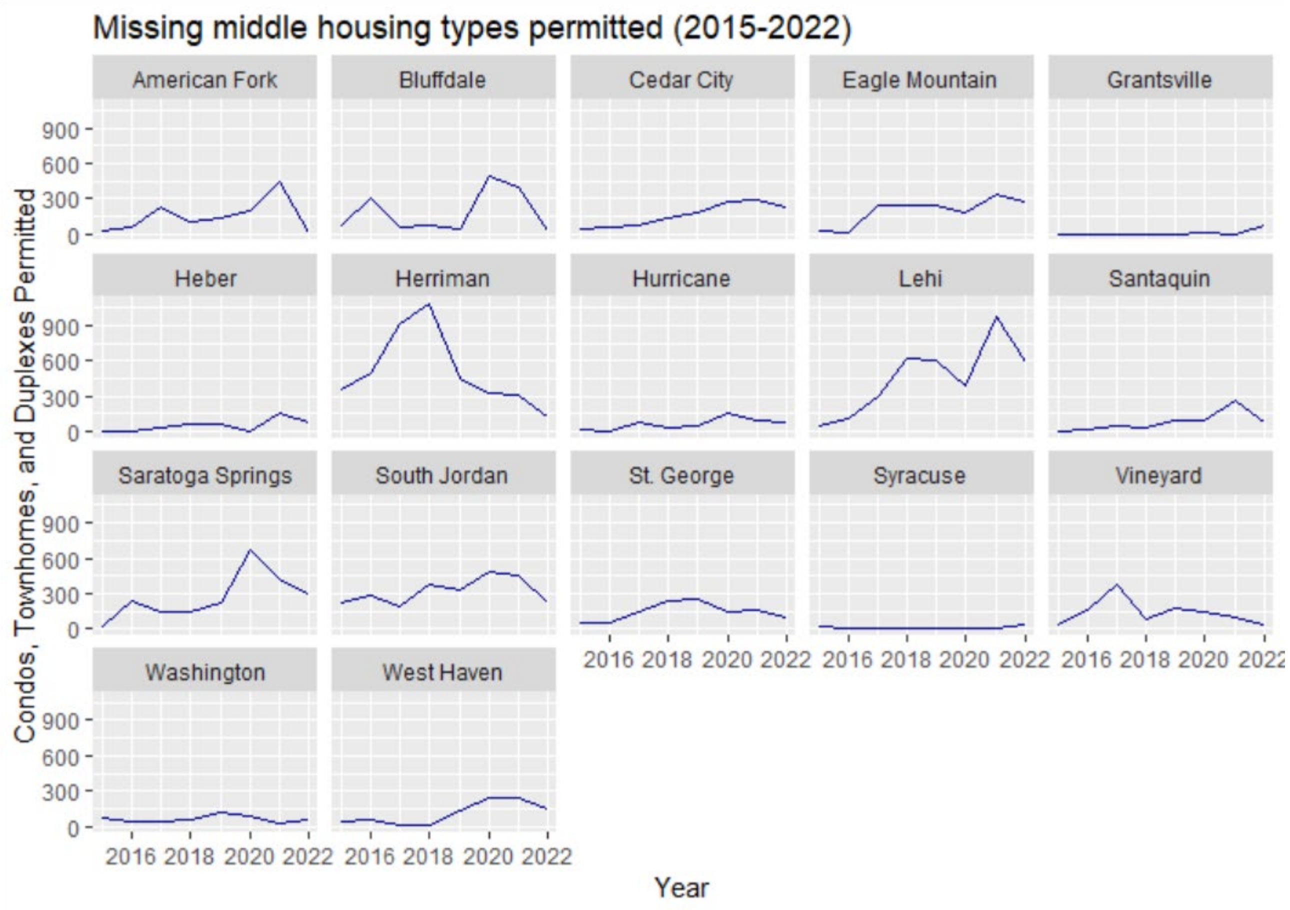
Missing middle trending upwards in high-growth areas





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Developer Infrastructure Districts (DIDs)

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DID basics

What is a DID?

- Financing vehicle for developers to fund public infrastructure.
- DIDs (conceptually) provide private developers with access to the public bond market.
- As opposed to some service districts, DIDs do *not* have taxing authority. Debt is repaid incrementally upon building permit being issued for a lot.
- The loan is collateralized with the value of the land.
- *Must* have consent from 100% of property owners prior to creation.

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DIDs & municipal interaction

- DIDs do *not* require municipal approval or creation.
- DIDs (conceptually) *must* dedicate public infrastructure to the municipality *without* debt obligations attached.
- DIDs *must* abide by the municipality’s public improve standards and normal entitlement process.

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Remaining questions

- DIDs must have one of the three governmental powers below to access the public bond market per federal law that may make DIDs less desirable to developers.
  - Land use planning
  - Police power
  - Eminent domain authority
- Ability of cities to require relief of debt as a prerequisite for building permit issuance.

Perceived problem: planning, zoning, public clamor, 462	PRC proposal	ULCT concerns	ULCT counter proposal, Board endorsed frame	LPC survey results to date (Sep 12)
I) "public clamor" part 1: GP & zoning (legislative actions)	A) Make general plans binding & zoning administrative; B) by right MIH development when GP calls for MIH	A1) Moves zoning map to GP; A2) courts would say zoning is legislative; A3) neuter residents; B) by right development lacks infrastructure	1) Raise referendum signature (HB 462) thresholds for MIH 2) 2/3 majority makes significant MIH rezone non-refer 3) "Guiding Growth"	All PRC proposals are very concerning; referendum changes are very comfortable
II) "public clamor" part 2: subdivisions (admin actions)	See A and B above; PRC referred to ULCT proposal as "big deal"	1) State law allows public input on admin land use acts but lacks clarity on process	1) 2 step subdivision process in state law **SYSTEMIC CHANGE** 2) Clarify public input 3) Leg body does not make sub decision	**In-person LPC:** Somewhat comfortable
III) HB 462 MIHP non-compliance	A) Withhold B&C funds, B) allow plaintiff to sue city, get attorneys fees	A) Precedent of limits on B&C (which is insufficient now); B) Precedent; what would standing & remedy be?	1) Make city receipt of "5th 5th" portion tied to HB 462 compliance 2) Tight "rip cord" for non-compliant cities 3) State Infra Bank	All PRC proposals are very concerning; more incentives are somewhat comfortable

Perceived problem: local land use processes, fees	PRC proposal	ULCT concerns	ULCT counter proposal, Board endorsed frame	LPC survey results to date (as of Sep 12)
IV) "local land use process takes too long"	A) Redlines deemed approved after 3 reviews if applicant "materially complies"; B) shot clocks with fee refunds after clock	A) Deemed approved means applicant won't fix redlines B) delay often due to applicant (see ULCT Oct 22 data)	1) Subdivision proposal would streamline admin land use process **SYSTEMIC CHANGE** 2) **Data shows city review timing**; projects are different scale, size 3) OPRO review panel	PRC proposals are very concerning; expedited process was somewhat concerning
V) "local gov't won't make a decision" (i.e. dev. agreements)	Deemed approved after X time	A) Applicant will have no reason to work with city B) bad projects move	1) Deemed ***denied*** after time frame to trigger appeal to move process (PRC dislikes "denied")	Deemed approved is Somewhat concerning
VI) Role & accounting of development fees	A) Put dev. fees in restricted accounts; B) only use for development services	A) Won't account for year-to-year diffs B) already do studies C) how to account for admin costs?	1) None; how would this produce MIH? 2) Transparency on real estate transaction price (realtor, materials, etc.)	Somewhat concerning (ULCT letter to State Auditor in spring 2022); very comfortable w/real estate price disclose

Perceived problem: infrastructure, dev. standards, STRs	PRC or other proposal	ULCT concerns	ULCT counter proposal, Board endorsed frame	LPC survey results to date (as of Sep 12)
VII) Infrastructure: funding	Other UEOC: Expand PIDs as "Developer Infra District" (DIDs)	A) Must have local gov't approval for new mill levy for PID B) Reviewing DID now	1) State Infra. Bank 2) DID TBD 3) 5th 5th	Very comfortable on SIB, somewhat comfortable on new $; very concerning on PIDs
VIII) Infrastructure: development standards Note: water flow standard at UEOC	Consistent infra standards for ALL public improvements	A) One size misfits all (soil, geology, connect to other roads, etc.)	1) Consistent standards for residential roads (base, width, etc.) w/some local flexibility *(negotiations ongoing)*	Very concerning on uniform standards; somewhat comfortable on consistent w/flex
IX) Short-term rentals	They see no impact on housing; concerned about more regs on prop. rights	A) 19,000+ STRs (Gardner) impacts housing availability B) neighborhood QOL C) equity w/hotels D) health, safe, welfare	1) Clarify local regulatory authority & revenue; 2) sales tax req'ts 3) ensure compliance w/state & local law	Very comfortable on more reg. authority; very concerning with state mandated STRs in residential zones w/o local approval
X) Economic development incentives	1) Tie housing plans & econ. dev. 2) RDA "sweep"	A) Need to consider redevelopment B) small economic dev C) rural, low-income	1) HB 151, SAP model 2) TIF bill (audit) 3) Let RDA database work (start 6/22)	Surveyed HB 151 concepts in 2021

Perceived problem (13-17 non-CHA):	PRC or other proposal	ULCT concerns	ULCT counter proposal, Board endorsed frame	LPC survey results to date (as of Sep 12)
XI) Maximize owner-occupied density	NA	A) Apts don't create home ownership B) Zone for density but market builds wood; parking cost	1) Incentivize condos 2) Incentivize building from wood to steel 3) Incentivize parking for high density	Very comfortable with revolve loan for parking for aff h/density
XII) IADUs; HB 82 ('21)	Clarify standards	A) Confirm ordinances	1) TBD	None
XIII) Annexation	Working with ULCT	A) Clarity on process	1) Working with PRC	None
XIV) Property tax	NA; others proposed limiting local prop. tax or state value capture	A) Ensure property tax revenues for services & infra for housing	1) Review 55% for multi-fam housing 2) Preserve tools	Very concerned; state value capture in transport. corridors
XV) Public assets	NA	A) Need data first before policy	1) Gather data of public property	Somewhat comfortable w/mandate
XVI) Homelessness	NA	A) HB 440; respond to lessons learned B) All cities contribute to mitigation fund	1) Facilitate permanent support housing 2) Mitigation fund	Very comfortable incentivizing PSH; somewhat comfortable require large counties have homeless services
XVII) Moratorium use	Address cities who "stack" moratoriums	A) City pauses growth for valid reasons (i.e. water shortage)	TBD: Clarify timing; role of moratoriums & pending ordinances	None

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Water Issues

Property Tax And Water

This bill:

- prohibits a city, town, water conservancy district, or special service district from using property tax revenue to pay for certain costs related to supplying culinary or irrigation water; and
- makes technical changes.

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Water Issues

Per Capita Consumptive Use

This bill:

- defines terms;
- provides that per capita consumptive use is the standard in certain geographic areas;
- requires reporting districts to calculate per capita consumptive use;
- describes how per capita consumptive use is to be calculated;
- requires reporting to the Division of Water Rights;
- addresses scope of section regarding the calculation, publication, or dissemination of consumptive water use numbers; and
- clarifies that specific agencies shall comply with the per capita consumptive use provision.

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Other Upcoming Items (ULCT Staff)

1) Your Land Your Plan (Rachel Terry)
2) Business licensing
3) Homelessness (Molly Wheeler)
4) Recruitment and retention (Molly Wheeler)
5) Other upcoming issues

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Contact ULCT executive team & key dates

Cameron Diehl (Exec. Dir.): cdiehl@ulct.org

Justin Lee (Dir. Of Gov't Relations): jlee@ulct.org

Nov. 14: LPC, Board meeting

Nov. 16: final legislative interim

Nov. 22 (for now): UEOC

Dec. 12: LPC, Board meeting

Jan. 17: 2023 session begins; LPC will start Jan. 24

Jan. 18: Local Officials Day