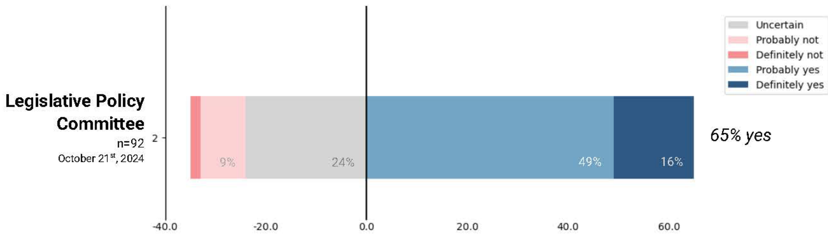
1) Financing, Product, and Process

(1) Condos, (2) revolving loan fund, ~~(3) vacancy tax~~, (4) short term rental regulations

The State of Utah is considering action to reduce the market risk of building affordable, owner-occupied condos. The State has asked whether cities would grant a density bonus to help state-supported projects.

Would your city be willing to enact an ordinance that provides incentives for affordable, owner-occupied condos instead of apartments in your multi-family zones where appropriate?



Staff recommendation: support strategies, including:

1) **All cities, infrastructure:** state infrastructure investment to partner with local governments to invest in water, sewer, utility, parking, and transportation systems to unlock housing units
2) **All cities, technical assistance:** tools to facilitate centers and to help growing communities
3) **All cities, condos:** enabling legislation to provide zoning incentives for condos over apartments in centers
4) **All cities, short-term rentals**: a) modify Knotwell language, b) modify the prohibition on regulating "co-owned" homes differently, c) consider changes to the definition of primary residential so that short-term rentals would not qualify
5) **Legacy:** revolving loan fund for renovation of units that are converting from rental to ownership
   - Ogden approach
6) **Legacy:** expand first-time home buyer program to existing units

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How to read this document:

The **left column** contains discussion materials from the November 4, 2024 Board Meeting.

The **right column** shows the **latest updates** or developments related to each of those topics and includes identifiers as to how these developments fit into today's policy landscape:

🔥 Hot topic
🏛 2025 Legislative Session
🏠 State Housing Plan Tactic or Workgroup discussion topic

2025 Updates

Condos *see 2024 Staff Recommendation 3*

- 🔥 🏛 **S.B. 262 *Housing Affordability Modifications* (2025)** created the subordinate shared appreciation loan program and required UHC to establish an incentive program where developers can use the subordinate shared appreciation loan program funds to purchase construction liability insurance for a qualifying condominium project. The program is administered by DWS. Developers can also use funds from the program to purchase construction liability insurance for condos.
- 🏛 **S.B. 201 *Real Estate Amendments* (2025)** requires that a condo developer must be given notice of a defect before a condo owner brings action against the developer for defective design or construction. Action may be brought if the developer doesn't make all necessary repairs within 9 months of the notice.
- 🏠 **State Housing Plan:** Tactic 92- "Establish a state-supported captive insurance program for condominium developers that cannot secure insurance coverage on the open market due to a nationwide increase in liability lawsuits." Although the workgroup hasn't had much conversation on this tactic, Steve Waldrip is leading another workgroup that is figuring out both the insurance piece and the mortgage piece (50% must be presold) for condos.

Short Term Rental Regulations *see 2024 Staff Recommendation 4*

- 🏛 **H.B. 256 *Municipal and County Zoning Amendments (2025)*** clarified the "Knotwell language"—municipalities can use a listing as evidence of an ordinance violation if it is supported by other evidence and can provide a listing to the county auditor as evidence that the short-term rental (STR) is subject to Transient Room Tax. It also enables local governments to request listing sites to take down listing in violation of local ordinance and require a business license to operate an STR.

Funding and Funding for Infrastructure *see 2024 Staff Recommendation 1*

- 🔥 🏛 **H.B. 360 *Housing Attainability Amendments (2025)*** allows cities of the first and second class to borrow money from the Utah Homes Investment Program fund to acquire and rehabilitate single-family homes that will be sold at an attainable price point to an owner occupier.

  🏠The **State Housing Plan** Workgroup 2 has also prioritized tactics that encourage the expansion of the Legacy City Home Rehabilitation program created by H.B. 360

- 🏠 **State Housing Plan:** Tactic 33- "Increase funding to, and promote use of, the State Infrastructure Bank (SIB) funding to support structured parking in transit-oriented developments (TOD) or urban centers where parking demand is high." *Group 5 has discussed funding the SIB but hasn't emphasized it as a tool for parking structures. There is also a Land Use Task Force (LUTF) subgroup led by Cam and Mike Ostermiller looking at the SIB (funding and revenue stream, nexus to infrastructure for affordable housing, awarding process)*

2) Publicly-Owned Land

State agencies and cities do an inventory and create plan for surplus land

Potentially require public entities and cities to create an inventory of their land and review whether any surplus parcels could be used for affordable, owner-occupied housing.

Board of Directors Input from October meeting

- Open to required inventories with parameters
- For example, cities don't want to be required to develop a planned park into housing, but open to using surplus public lands for housing

Staff recommendation: support with parameters (see Meg's memo)

1) All public entities shall do an inventory of publicly owned land
2) State law would categorize various uses of publicly owned land to clearly identify what is surplus
3) For state and other public land within cities, we need to figure out how the potential development of those parcels fits within city infrastructure plans and zoning of adjacent areas

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2025 Updates

Public Lands

- 🏠 **State Housing Plan:** Workgroup 2 has discussed recommending legislation that creates a disposition structure that public entities can use to dispose of their land for affordable housing. The group has discussed preference for a community land trust or lease model to ensure public benefit of the land. Workgroup 2 also created a new tactic that recommends creating a mapping tool/public facing list where all public lands and their current/potential uses is displayed.

- Separate from the state housing plan, ULCT has been meeting with UAC, GOPB, and UGRC on this mapping effort. The next step is getting parcel data from the counties and formatting it into a single database that displays data uniformly.

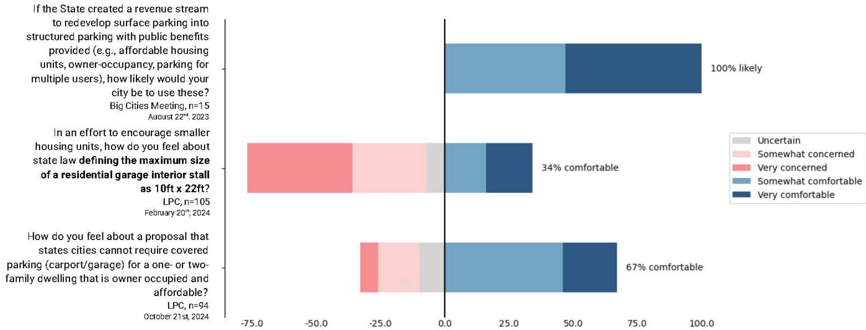
- **Federal Efforts:** Last week, Senator Mike Lee released an updated draft of the "One Big Beautiful Bill Act" that makes over 18 million acres of Utah's public, federally-owned land eligible to be put up for sale. Senator Lee's staffers told reporters that the Energy and Natural Resources Committee (of which Lee is the chair) is looking to limit eligible U.S. Forest Service Lands to those within 2 miles of a population center and BLM lands to within 5 miles of a population center, as well exempt areas that have been granted special use permits.

  For more information, see the Executive Director's Memo and read this news article.

Process & Other

Use of bonds, plan review timing, identical plans, inspections, noticing, ability to regulate some design standards, impact fee standards. (and parking)

Parking Survey Questions



Staff recommendation on parking:

a) a city may not impose a garage/carport requirement on a one- or two-family dwelling that is owner-occupied, affordable housing (city may still require on-site paved parking),

b) if a city requires a garage/carport, then the city shall count all of the fully structurally accessible spots in a garage/carport toward the city's parking requirements,

c) a city shall count tandem parking as two spots for a one- or two-family dwelling so long as the unit is owner-occupied and affordable, the tandem stalls are fully accessible and sufficient size, and the dwelling does not include an IADU, STR, or fractional ownership

Land Use Task Force Update

Land Use Task Force items (to date):

- Surveyor legislative changes
- Noticing Language
- Real Property Transfer process
- Plan review timing and process
- Privately owned amenities and public use
- Inspections, OPLC recommendations
- Impact Fees scope, use
- Special Districts timing
- Identical Plans review process
- Bonding timing, release, and process
- Design standards in zoning
- Office of the Property Rights Ombudsman changes in scope, process
- Landscaping Plans for Building Permits
- Language related to Development Standards Adoption
- Process for land use approvals

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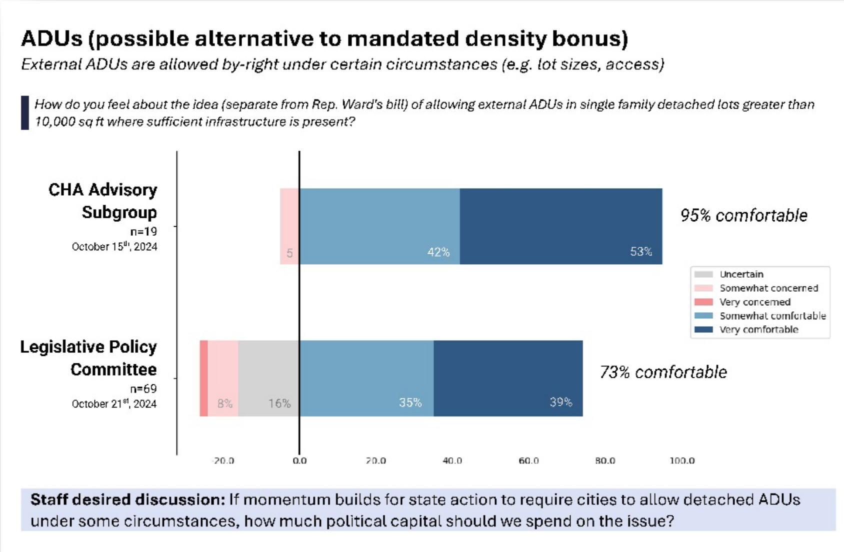
2025 Updates

H.B. 368 Local Land Use Amendments (2025) addressed many of the topics discussed in LUTF and the November 4 Board Meeting.



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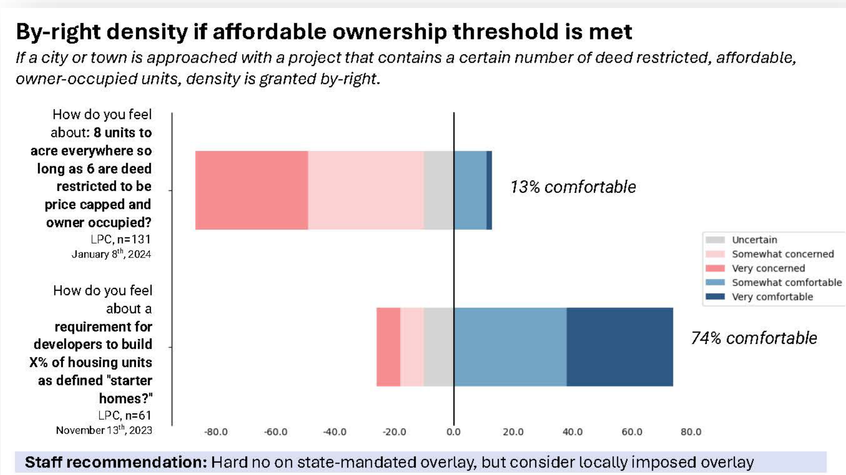
External ADUs by-right

🔥 🏠 **State Housing Plan**: Workgroup 3 is exploring an IADU-type approach to external ADUs. LUTF Subgroup 4 is looking at standardization of detached ADUs and residential setbacks. Detached ADUs were also discussed at length with our LPC Housing Advisory Subgroup.



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By-right density if affordable ownership threshold is met

🏛️ **H.B. 37 *Reauthorization of Administrative Rules* (2025)** creates two optional overlay zones that cities can approve for additional MIHP credit. The qualifying affordable home ownership single-family density bonus enables cities that grant 6+ unit/acre density to require that 60% of units be deed-restricted for at least 5 years, 25% of units be affordable, and 25% be less than 1600 sq ft. The qualifying affordable home ownership multi-family density bonus enables cities that grant 20+ unit/acre density to require that 60% of units be deed-restricted for at least 5 years, 25% of units be affordable, 25% be less than 1600 sq ft.