

Utah Land Use Institute: Financing Infrastructure

October 25, 2023

Utah Growth Statistics

Utah is ranked 14th nationally with respect to Net Domestic Migration.

Utah is ranked 1st nationally --Natural Increase on a percentage basis.

Utah is ranked 4th nationally-- total Natural Increase.

Utah is projected to jump from an approximate 3.3 million population today to 5.5 million population by 2060.

That's an 66% increase in just over 30 years.

Utah Housing Near Term Shortage Remains:

- 2017 Shortage equaled 56,800 units
- 2022 Shortage equaled 28,400 units
- 2024 Shortage projected to increase to 37,000 units

Source: State of the State's Housing Market, 2022-2024
Kem C. Gardner Policy Institute, September 2023

Governor Cox, October 18, 2023

All of Utah is going to start learning what it means to export your children and grandchildren if we are not incredibly serious of increasing significantly the supply of homes. I can't underscore this enough. Every mayor within the sound of my voice, every planning commission, every county commissioner, every city council, this should be your number one issue – what are you going to do, over the next year, to increase the supply of housing in your community, period. I want to know that. If you don't want state government to make you do it, then figure out how to do it. I know many of you are. I know I'm going to get yelled at by Mayor Ramsey. I just want to know. I know many of you are, but many of you are not. A lot of you are not taking this seriously. A lot of you think that this is somebody else's job to do that, that our community is different, our city is unique, our city doesn't have to act. Somebody else will do that. That's for Vineyard, right? No – no, no, no, no, no. If you care about your citizens, if you care about this state, if you care about your kids and grandkids, figure out a way to build housing quicker, figure out a way to build housing more cheaply, figure out a way to make decisions faster, figure out a way to streamline everything you want to do. You can do all of it. You can do all of it. You can do it the right way. You can still do it the right way. But every day it takes you longer to make a decision, that's less housing and more expensive housing.

Utah's History with PIDs

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- Introduced into Utah in 2019
 - Formed by cities, counties or the state development entities.
 - Districts can issue debt for infrastructure, without creating financial risk for the creating city, state entities, or county.
 - Require 100% landowner consent.

Benefits of PIDs



For Cities/Counties

Regional infrastructure

No financial liability for creating city/county

Fosters master planned communities



For Property Owners

Better amenities

Faster completion of amenities/infrastructure

Stable home prices due to increased supply



For Developers

Lower cost of financing

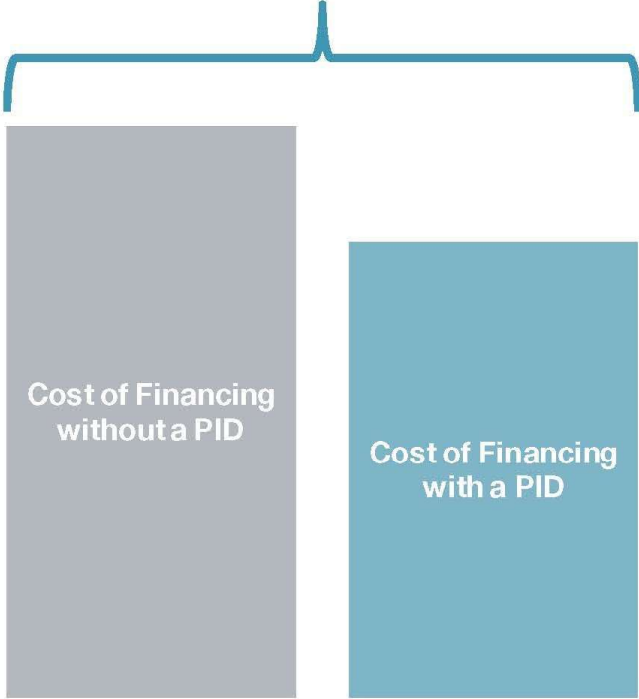
Cost Components of Real Estate Development

Fixed Development Costs



Developers have little to no control over the cost of land, materials, labor, and permits

PIDs lower the cost of financing due to lower interest rates than other financing sources such as construction loans



PID Revenue Sources and Bond Proceed Uses

