

RECOMMENDATIONS TO SUPPLEMENT AND ENHANCE STATEWIDE EFFORTS TO DEAL WITH THE DEVELOPMENT OF HOUSING

TO: THE DEPARTMENT OF WORKFORCE SERVICES
DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT –
FROM: THE UTAH LAND USE INSTITUTE
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As a part of a contract with the Utah Department of Workforce Services (DWS) through the Division of Housing and Community Development (DCHD), we at the Utah Land Use Institute (ULUI) have hosted 23 workshops involving local officials in the past 18 months. The ULUI team also participated in eight workshops conducted by Envision Utah as part of the initial series of listening sessions held as part of the *Guiding our Growth* effort by state leaders to plan for Utah's future. This summary is based on the observations and notes of the ULUI team, which included Craig Call, Wilf Sommerkorn, and Karina Brown.

Key Findings

- **Workshops Worthwhile.** The workshops project has been worthwhile, reaching more than 1700 individuals directly and attracting more than 400 more via online streaming of the videos produced before the end of 2023.
- **More Workshops Needed.** Additional topical workshops should be conducted on vital topics in 2024. The ULUI is proceeding to sponsor these workshops.
- **High Level but Local Focus Needed.** A critical way to enhance statewide efforts to deal with the development of housing would be to supplement the statewide efforts with a focus on real solutions in identified individual communities - to attempt some "retail" as well as "wholesale" methods to encourage positive results for housing.
 - **Individual City Workshops.** If senior state officials initiated individual conversations about housing needs with specific cities, some of the pushback from state-wide mandates may be tempered and on-the-ground effectiveness of state programs measured and refined.
 - **Essential Listening.** Individualized two-way conversations about specific circumstances in identified representative cities could be beneficial to both local and state leaders.
 - **Staff Follow-Through.** Adequate staff support is essential to this recommendation, in order that this local option could be pursued

effectively. Staff could facilitate and monitor the realization of negotiated housing targets.

Introduction

In the Scope of Work portion of the contractual agreements which outline the project, the ULUI was charged to provide the following summary of the activities involved and make recommendations for additional work:

"At the conclusion of the 12 trainings and workshops, the Contractor shall provide a summary document outlining any topics not addressed in the training and workshop sessions that should be addressed in future workshops and trainings should funding become available to DWS. The summary should detail curated recommendations to supplement and enhance statewide efforts to deal with the development of housing."

Workshops Conducted

Of the 23 workshops conducted, the first six involved listening sessions with local officials – one each in Weber, Davis, Salt Lake, Tooele, and Utah Counties as well as one on the Wasatch Back involving officials in Summit, Wasatch, Morgan, and Eastern Weber Counties. Attendance at these six events totaled about 500.

Eight more listening workshops were hosted by Envision Utah, which was also involved in the six that the ULUI hosted. These eight workshops were held in rural areas throughout the state as well as in St. George and Cedar City. ULUI Staff attended all but two of these and participated in the conversations there. Envision Utah generously provided summaries of all these workshops to the ULUI staff which were also considered in preparing this report.

The initial listening workshops were followed by 17 topical workshops, each covering a land use concern identified by those attending the original workshops. The identified topics were deemed important to understand local land use law and how that relates to housing costs and availability. For each topic, extended written materials were prepared, each by a skilled planner or attorney with experience in the subject matter. These topics included

- Accessory dwelling units
- Exactions on development
- Financing infrastructure
- Homeowner associations
- Impact fees
- Land Use Appeals
- Moderate income housing legislation
- Moratoria and pending ordinances.

- Processing development applications
- Public participation in land use decisions
- Referenda and initiatives
- Short-term rentals
- Transferable development rights, land trusts, and preserving community character
- Updating land use ordinances
- Vested rights in land use applications

The detailed notes of all the regional workshops as well as the full content of each topical workshop, including streaming videos of each, are available online at www.utahlanduse.org/workshops/. The videos of each of the topical workshops and all materials prepared have also been placed in the Utah Land Use Library at that same website.

Ongoing Topics:

We at the ULUI believe that the training provided to date will be very valuable to those seeking to better understand the complicated process of land use regulation in Utah. Our streaming videos on these topics have been viewed approximately 445 times during 2023, even though many have only been available for a few months or weeks. We hope some of these views represent more than one participant, such as would be the case if it were viewed by a planning commission as part of its duty to participate in four hours of training each calendar year.

We would recommend the following additional topics be addressed both in written form, with an easy-to-understand format, and as live in-person workshops with concurrent and future online streaming:

- **Why work for affordable homes?** We note that in many cases those involved in attempting to further the cause of housing have focused on the minutia of how to comply with the statutes related to moderate income housing. This is essential – but it is perhaps even more essential to get “buy-in” from local decision-makers. Local leaders need not only to know about the essential need for starter homes state-wide, but also why each community – particularly those on the Wasatch Front and Washington County – *must* get involved. The focus should be on the “why” as well as the “how” when discussing solutions to our housing challenges. Along these lines, we recommend the excellent summary prepared for DWS and DHCD by Envision Utah in late 2023 entitled “Land Use Strategies to Bring Housing Back Within Reach”.

- **Tax Base – the true impact of housing on local taxes and services.**
There is much speculation as to how local officials can provide sustainable government services as we grow and the relative benefits and burdens of various types of development. In the age of Amazon, where sales taxes are collected from internet sales, it may benefit planning to know the true impact of moderate-income housing on the local tax base. Real data should be used to demonstrate the burdens and benefits of residential density on public budgets and how housing and economic development together provide essential net public benefits.
- **Public participation in land use decisions** – This topic would include how local officials can comply with the law, manage public hearings skillfully, and set the stage for wise and thoughtful consideration of the needs of all involved, including – 1) the current homeowners and tenants who live in the community and participate in public hearings, 2) future residents, 3) owners of land in the area who do not live in the community, and, most notably, 4) other residents who never attend a public hearing. How can those who do attend public hearings and meetings be assisted to better understand the process, the constraints, and how an application at issue at any given hearing must be considered? How and why must those making decisions about housing options consider the needs of all four groups of citizens with a stake in the outcome of those decisions?
- **Housing design issues** – Provide examples of housing that is attractive, involves quality materials and construction, and can be provided more affordably. Illustrate how commonly perceived images of affordable housing must be updated. Demonstrate how attractive modular/prebuilt options help with housing costs – particularly in rural areas – while preserving community character. Work to inform the community with updated images of what starter homes and moderately priced housing might look like if well-designed.
- **Infrastructure options.** Locals need to be exposed to and informed about the innovative *Funding Opportunities Portal* recently created by the Governor’s Office of Planning and Budget. They also should understand how to tap the funding to be provided by the 2024 legislature when the Governor’s budget for housing is considered there. One of our topical workshops identified 27 different ways to fund infrastructure under Utah law (available at www.utahlanduse.org/workshops/ - financing infrastructure workshop – financing matrix) – this list could be expanded so that local officials better understand all the options available to cope with growth.

- **Legislative updates.** We list this item because our charge is to note the needs we see, even if we believe this need will be met. In this instance, the admirable work of the Utah League of Cities and Towns, the Utah Association of Counties, the Utah Chapter of the American Planning Association, the DWS/DCHD, the Office of the Property Rights Ombudsman, Envision Utah, the State Planning Office and the local Associations of Governments will continue to do what is needed to get the word out as the land use statutes evolve. We at the ULUI will also work to inform those who play essential roles in achieving the intended goals of legislation related to housing.

We also believe that our experience at the ULUI has shown the value of an online library of seminar videos and topical materials to those struggling to understand land use issues in Utah. The ULUI Land Use Library, the Utah League of Cities and Towns *Land Use Academy of Utah* (LUAU), and other training provided for Utah land use participants should be coordinated, refined, and enhanced. Efforts in that regard by the Statewide Land Use Training Director at the Office of the Property Rights Ombudsman, Utah Department of Commerce should be supported.

The ULUI Role

We at the ULUI are planning to continue our work with local seminars and workshops under the funding provided by the 1% building permit fund managed by the Office of the Property Rights Ombudsman in the Utah Department of Commerce. As our grant requests are approved, we plan to continue to identify topics, conduct seminars and workshops, publish materials in the Utah Land Use Library and otherwise assist to provide essential training and resources to local decision-makers, land use professionals, and citizens of the state.

Our first step toward these ends will be to host a 2024 Spring Conference in St. George on March 22, 2024. The current plan is that the topics listed above, identified as high priority for land use training, will be covered at the conference. Sessions will be provided in-person, via live streaming, and by later online viewing to a wide audience. We will coordinate with the Utah League of Cities and Towns, the Utah Association of Counties, the Utah State Bar and its Real Property Section, the Southern Utah Home Builders, the Southern Utah Association of Realtors, the Division of Real Estate at the Department of Commerce, and the Utah Chapter of the American Planning Association in planning our continued efforts to inform and engage local leaders and land use professionals.

ULUI conferences and seminars are unique in that they attract those from a variety of disciplines and roles to meet and discuss current topics. By offering continuing education credits to attorneys, real estate professionals, and planners, as well as to planning commissioners, we have been able to generate good attendance at our functions by those with different and unique backgrounds, providing much-needed interaction between varied planning perspectives.

The Role of Others in Future Workshops – “Retail” as Well as “Wholesale”

We could summarize one dominating theme heard from the local officials in all our workshops – those who are on the front lines of growth - to involve the tension that exists between what local leaders hear from the vocal members of their constituency and what the state legislature and agencies are asking those local leaders to do. Typical comments we heard repeatedly were:

- “Give us time to comply with last year’s mandates before imposing new ones.”
- “You say you want to listen, but then you go ahead and impose more rules.”
- “Our situation is unique – you just don’t understand what we are up against here.”
- “You can’t impose statewide solutions on local problems.”

We heartily endorse the initiatives proposed by Governor Cox in his FY2025 budget and the *Utah First Homes* initiative to build 35,000 starter homes in the near-term future. These goals and strategies to achieve them should be pursued in a manner consistent with what we have heard throughout the state.

Our curated recommendation is that, as part of the work of the Governor’s Senior Advisor on Housing Strategy and Innovation and the DWS/DCHD, an additional approach, over and above other state-wide strategies, should be taken to deliver local training, coordination, and resources.

We believe that the state-wide initiatives and incentives are essential. That said, we recommend a very specialized and targeted series of additional workshops. There should be a very focused and earnest local conversation as well – city by city. We recommend:

- Make a mathematical calculation as to how the 35,000 starter homes set as the state-wide goal could be logically distributed across the area where they are most needed. Determine informally a “target” number (not a mandate or quota) of starter homes which could be built in each of the several hundred communities where such housing is needed.

- Identify communities where specific conversations are to be initiated related to the need for starter homes in those communities.
- Someone from the Governor’s Office (ideally the Senior Advisor for Housing Strategy and Innovation), or the Director of the DCHD, could meet with city officials in each identified community in a very personal and informal manner.
 - First, listen to the comments that local leaders may wish to offer.
 - Then discuss candidly why the housing issues we face must be a priority concern to them, options as to how the local officials can address those issues, and what the state can do to do to support them.
 - In that initial visit, and throughout the process of encouraging local accommodation of starter homes, act with all the diplomacy and sensitivity that can be mustered. The prime focus of each visit should be to listen and respond with resources.
 - In a tactful and collaborative manner, explain that the current housing problem is not going away - it must be addressed. Discuss how we can solve it most efficiently and effectively together, city by city, in a manner consistent with state-wide initiatives.
 - Explain that the clear alternative, as outlined in the *Performance Audit of Utah Housing Policy* published by the Office of the State Legislative Auditor General on November 14, 2023, is to consider local “targets” in the form of individual city mandates. Information can be shared on how continued inaction toward our commonly shared goals for more equity and opportunity in housing may likely result in state requirements that few really wish to impose or administer.
 - Set a collaborative plan going forward, to be monitored and evaluated by state staff with objective criteria. The plan should address the issues a given city may face and how to resolve them in a team approach. Use as many local leaders as possible in working toward solutions for that community.
 - Marshal the resources needed and engage all involved, both private and public, including builders and housing non-profits – to work together to achieve negotiated results.
 - Support the consensus reached in each community with strong state staff support and determined follow-through so the result is not another program in a binder on a bookshelf, but actual construction on the ground.

- Lavish public praise on those who are solving the problem for Utah homeowners and use success stories to expand the work to additional communities.
- Consider asking the legislature to amend the requirements for the moderate-income housing plans imposed on cities so that if a workable plan is negotiated with a given city, the reporting requirements imposed by the current statute can be modified or waived.
- Use the consensus gained as well as the education that will undoubtedly come from these conversations to refine state policy, state resources, training opportunities, state public information systems and other tools used to address our housing issues and needs.

This “retail” approach to problem discovery and solutions could be conducted by the Governor’s Office or by the Director of DCHD. There may also be a role for members of the State Legislature in these local conversations. This will no doubt require intensive staff support, which could be funded with new appropriations and an FTE in FY2025 for the Governor’s Office, the DCHD, or the Office of State Planning. In the alternative, staff support could be provided by contracting with a private entity such as Envision Utah or the ULUI.

With the proper staff support, this effort could be a major focus of the work of the Senior Advisor and/or the DCHD Director without an undue burden on any individual. By visiting one new city each week, over the period of several months, much could be accomplished. After involving ten or twenty communities, and as the project proceeds, the effectiveness of this approach could be evaluated, and the process refined.

We at the ULUI know of no better way to obtain reliable, relevant information and to mobilize for real results than to adopt some version of this recommendation. The local city council chamber is where the collaboration and vision-sharing need to occur. While state-wide training is also vital, and there must be a viable strategy for housing solutions that benefit the entire state, it is essential that the concerns of the local leaders, as explained above, be heard, understood, and taken into account. We know of no better way to get everyone on board than to do it in the most personal manner that is reasonably possible.

We appreciate the support of the DWS/DCHD; the State Legislature; the Office of State Planning in the Governor’s Office of Planning and Budget; Envision Utah; the Office of the Property Rights Ombudsman and the Real Estate Division of the Utah Department of Commerce; the Utah League of Cities and Towns, the Utah Association of Counties; the Utah Chapter of the American Planning Association; the Real Property Section of the Utah State Bar; the Salt Lake, Southern Utah and Utah State Associations of Realtors; the Southern

Utah Home Builders; the local associations of government including the Wasatch Front Regional Council, and our local partners for the series of successful workshops help. Without that support we could not have completed our tasks here, nor would the stage be set so well for success in dealing with housing challenges in the future.

The Utah Land Use Institute