HOUSING LOSS MITIGATION AMENDMENTS
2020 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Derek L. Kitchen
House Sponsor:
LONG TITLE
General Description:
This bill addresses the loss of moderate income housing units due to state agency
action.
Highlighted Provisions:
This bill:
<ul> <li>defines terms;</li> </ul>
<ul> <li>requires a state agency to mitigate loss of a moderate income housing unit that</li> </ul>
results from state agency action; and
<ul> <li>describes options for a state agency to mitigate loss of a moderate income housing</li> </ul>
unit that results from state agency action.
Money Appropriated in this Bill:
None
Other Special Clauses:
None
Utah Code Sections Affected:
ENACTS:
<b>57-30-101</b> , Utah Code Annotated 1953
<b>57-30-102</b> , Utah Code Annotated 1953
<b>57-30-103</b> , Utah Code Annotated 1953

## 

## S.B. 122

28	Be it enacted by the Legislature of the state of Utah:
29	Section 1. Section 57-30-101 is enacted to read:
30	CHAPTER 30. MODERATE INCOME HOUSING LOSS MITIGATION ACT
31	<u>57-30-101.</u> Title.
32	This chapter is known as the "Moderate Income Housing Loss Mitigation Act."
33	Section 2. Section <b>57-30-102</b> is enacted to read:
34	<u>57-30-102.</u> Definitions.
35	(1) "Moderate income housing unit" means a housing unit where a household whose
36	income is no more than 80% of area median income is able to live without spending more than
37	30% of the household's income on housing costs.
38	(2) "Replacement unit" means a housing unit that:
39	(a) is comparable in quality to a lost moderate income housing unit;
40	(b) meets state and local health and housing codes;
41	(c) is comparable to a lost moderate income housing unit in number of rooms and
42	square footage;
43	(d) is located, to the extent practicable, in the same neighborhood as a lost moderate
44	income housing unit; and
45	(e) meets the same affordability standard as a moderate income housing unit.
46	(3) "State agency" means a department, division, office, entity, agency, or other unit of
47	state government.
48	Section 3. Section 57-30-103 is enacted to read:
49	57-30-103. Moderate income housing loss Options for mitigation Exceptions.
50	(1) Subject to Subsection (5), a state agency action may not result in the loss of a
51	moderate income housing unit unless the state agency:
52	(a) provides for a replacement unit for each moderate income housing unit lost as a
53	result of the state agency action; or
54	(b) pays a housing loss mitigation fee to the Olene Walker Housing Loan Fund created
55	<u>in Section 35A-8-502.</u>
56	(2) A moderate income housing unit is lost if the moderate income housing unit:
57	(a) is demolished;
58	(b) the use changes to a use other than housing; or

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59	(c) the size or affordability materially changes.
60	(3) (a) A replacement unit shall be provided for by:
61	(i) conversion of an existing market-rate housing unit to a moderate income housing
62	<u>unit;</u>
63	(ii) conversion of a nonresidential development to a moderate income housing unit;
64	(iii) rehabilitation of a deteriorated or dilapidated housing unit to a moderate income
65	housing unit; or
66	(iv) construction of a new moderate income housing unit.
67	(b) A replacement unit shall be provided for within two years of the commencement of
68	an action described in Subsections (2)(a) through (c).
69	(4) (a) A housing loss mitigation fee shall be:
70	(i) calculated as the difference between the fair market value of a lost moderate income
71	housing unit and the cost of a replacement unit, excluding land values; and
72	(ii) paid within two years of the commencement of an action described in Subsections
73	<u>(2)(a) through (c).</u>
74	(b) A state agency that pays a housing loss mitigation fee shall submit documentation
75	supporting the calculation of the housing loss mitigation fee to the Division of Housing and
76	Community Development on the same day the housing loss mitigation fee is paid.
77	(5) Subsection (1) does not apply $\hat{S} \rightarrow [\frac{if a moderate income housing unit is}{10}] to \leftarrow \hat{S}:$
78	(a) $\hat{S} \rightarrow \underline{a}$ moderate income housing unit $\leftarrow \hat{S}$ located on property for which an applicable
78a	master plan or the current zoning
79	<u>envisions exclusive nonresidential use;</u> Ŝ→ [ <u>or</u> ] ←Ŝ
80	(b) $\hat{S} \rightarrow \underline{a}$ moderate income housing unit $\leftarrow \hat{S}$ proposed to be demolished for health or
80a	safety reasons $\hat{S} \rightarrow [\underline{r}]$ ;
80b	(c) an action taken by the Division of Drinking Water under Title 19, Chapter 4, Safe
80c	Drinking Water Act; or
80d	(d) an action taken by the Division of Water Quality under Title 19, Chapter 5, Water
80e	<u>Quality Act.</u> ←Ŝ