

Senate Economic Development and Workforce Services Committee
February 18th, 2025

Bill: 1st substitute SB 181 – Housing Affordability Amendments

Sponsor: Senator Lincoln Fillmore

Floor Sponsor: Representative Stephen L. Whyte

UASD Position: Tracking

This Bill enacts and amends provisions related to housing and affordable housing funding.

Discussion: Senator Fillmore presented the 1st substitute of the Bill, which was adopted by the Committee. He explained that this version removes a provision that would have combined private activity bonds with the Olene Walker Housing Fund. Additionally, changes were made to the parking requirements, clarifying that a two-car garage can be counted as two parking spaces. The sponsor stated that the Bill eliminates the requirement for cities to mandate garages for certain small housing options, with the goal of increasing housing affordability. The Utah League of Cities and Towns, the Utah Home Builders Association, and the Utah Association of Realtors spoke in favor of the Bill. Steve Waldrip, the Governor's Senior Advisor for Housing Strategy, also expressed support.

Yeas: 5

Nays: 0

N/V: 1

Outcome: 1st substitute SB 181 passed out of the Committee with a favorable recommendation.

Bill: SB 262 – Housing Affordability Modifications

Sponsor: Senator Lincoln Fillmore

Floor Sponsor:

UASD Position: Tracking

This Bill amends provisions related to affordable housing.

Discussion: Senator Fillmore stated that this Bill, like the previous one, originates from the Commission on Housing Affordability. He acknowledged that ongoing negotiations had yet to reach an agreement but committed to continuing discussions if the Bill advanced to the Senate floor. The sponsor explained that the Bill defines a general plan as a document adopted by a municipality through ordinance. He emphasized the importance of this provision, arguing that housing developers need clear plans to guide their work. By establishing general plans through ordinances, cities could avoid requiring additional legislative action for projects that have already received prior approval, which he believed would help reduce housing costs. The Bill also introduces an approved overlay zone for lots of a certain size, allowing cities to apply owner occupancy restrictions to help lower housing costs. The sponsor noted that cities were working on alternative language for this provision, but he preferred the existing wording. Another key provision of the Bill, as presented by the sponsor, expands the first-time homebuyer program by

creating seed funding for a new structure where first time buyers can partner with philanthropic investors to jointly purchase homes. Under this model, buyers and investors would share equity growth, with homeowners retaining 80% of the appreciation when they sell. Investors would receive returns based on home value appreciation rather than traditional interest or debt payments. Jim Sorensen, chairman of the Sorenson Impact Group, supported this initiative, stating that it could offer an innovative pathway to homeownership.

During the discussion, Senator Millner asked whether this was a for profit or nonprofit venture. Mr. Sorensen responded that it would primarily involve nonprofit investors, though some Community Reinvestment Act entities might participate for profit. She also asked why legislation was needed, to which Mr. Sorensen explained that it would help leverage capital for Utah homebuyers. Senator Johnson requested clarification on state funding for the Bill. The sponsor stated that the funding comes from the Utah Dream Fund, which is already in use but could be greatly expanded through private investment partnerships. When asked how this legislation compares to similar past programs, the sponsor stated that no current program matches this Bill's structure. Senator Millner suggested adding matching funds as an incentive. The sponsor responded that he had discussed this idea in previous conversations and was open to incorporating it into the Bill.

The Utah League of Cities and Towns raised concerns about the general plan provisions starting on line 141 but were working with Senator Fillmore to refine the language. A representative of the Utah Housing Corporation noted their agency's history of helping families with down payment assistance and expressed concerns about expanding the program to existing homes. He also opposed provisions related to subordinate shared appreciation loans, stating that similar programs already exist. He questioned the justification for the Bill and saw some redundancy with current efforts. Senator Kwan asked whether matching funds were necessary or if existing programs already addressed the issue. He responded that the Bill largely duplicated existing systems. Senator Johnson asked whether the Utah Housing Corporation viewed this Bill as competition to their programs. He clarified that they saw it as a complementary effort but noted that alternative solutions were already being explored. He also warned that allowing any investor or loan servicer to participate could create significant administrative challenges. Senator Millner asked for suggestions on how to align the Bill with the Utah Housing Corporation's existing programs. He responded that they saw no feasible way to integrate it. The Utah Housing Corporation emphasized that their current program has successfully assisted 2,400 homeowners. He suggested that if funding were sourced from a separate fund rather than the first-time homebuyer program, they might be more supportive.

Steve Waldrip, the Governor's Housing Policy Advisor, acknowledged the lack of consensus on the Bill but urged stakeholders to collaborate on solutions for housing affordability. The Property Rights Coalition and the Utah Home Builders Association voiced concerns about the general plan provisions but supported further discussions with the sponsor. The Utah Home Builders Association favored advancing the Bill to the Senate floor while continuing negotiations. The sponsor reaffirmed his commitment to working with all stakeholders before any final passage of the Bill in the Senate. Senator Owens and Senator Johnson stated they were in favor of moving the Bill to the floor but that if there weren't changes, they would not be in support of it moving forward.

Yeas: 3

Nays: 1

N/V: 2

Outcome: SB 262 passed out of the Committee with a favorable recommendation.

Bill: SB 280 – Retail Facility Amendments

Sponsor: Senator Evan J. Vickers

Floor Sponsor:

UASD Position: Tracking

This Bill modifies provisions related to retail facility incentive payments.

Discussion: The sponsor explained that in 2021, there was significant competition among big box stores and smaller retail stores, and in 2022, legislation was passed to help incentivize some retail competition, which he believed had been effective. SB 280, according to the sponsor, serves as a clarification of that previous legislation. The Bill regulates retail facility incentive payments by public entities by prohibiting the Governor's Office of Economic Opportunity from offering these payments, while allowing public entities to do so only for retail facilities within mixed-use developments that include housing, under certain conditions. The sponsor highlighted that line 149 outlines the types of expenditures that are permitted. Additionally, the Bill updates the reporting process for public entities providing these payments, ensuring greater transparency with the Governor's Office of Economic Development. The Utah League of Cities and Towns and the Utah Retail Merchants Association spoke in support of the Bill.

Yeas: 4

Nays: 0

N/V: 2

Outcome: SB 280 passed out of the Committee with a favorable recommendation.
