

Representative Kim F. Coleman proposes the following substitute bill:

COMMUNITY REINVESTMENT AGENCY REVISIONS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kim F. Coleman

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to the Community Reinvestment Agency Act.

Highlighted Provisions:

This bill:

- ▶ removes the housing allocation requirement for certain community reinvestment project areas; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17C-1-412, as last amended by Laws of Utah 2016, Chapter 350

17C-5-307, as enacted by Laws of Utah 2016, Chapter 350

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **17C-1-412** is amended to read:



26 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**
27 **of bonds for housing -- Action to compel agency to provide housing allocation.**

28 (1) (a) An agency shall use the agency's housing allocation, if applicable, to:

29 (i) pay part or all of the cost of land or construction of income targeted housing within
30 the boundary of the agency, if practicable in a mixed income development or area;

31 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
32 boundary of the agency;

33 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
34 private entity or business, or nonprofit corporation for income targeted housing within the
35 boundary of the agency;

36 (iv) plan or otherwise promote income targeted housing within the boundary of the
37 agency;

38 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
39 any building, facility, structure, or other housing improvement, including infrastructure
40 improvements, related to housing located in a project area where blight has been found to exist;

41 (vi) replace housing units lost as a result of the project area development;

42 (vii) make payments on or establish a reserve fund for bonds:

43 (A) issued by the agency, the community, or the housing authority that provides
44 income targeted housing within the community; and

45 (B) all or part of the proceeds of which are used within the community for the purposes
46 stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);

47 (viii) if the community's fair share ratio at the time of the first adoption of the project
48 area budget is at least 1.1 to 1.0, make payments on bonds:

49 (A) that were previously issued by the agency, the community, or the housing authority
50 that provides income targeted housing within the community; and

51 (B) all or part of the proceeds of which were used within the community for the
52 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi); or

53 (ix) relocate mobile home park residents displaced by project area development.

54 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
55 any portion of the agency's housing allocation to:

56 (i) the community for use as described in Subsection (1)(a);

57 (ii) a housing authority that provides income targeted housing within the community
58 for use in providing income targeted housing within the community;

59 (iii) a housing authority established by the county in which the agency is located for
60 providing:

61 (A) income targeted housing within the county;

62 (B) permanent housing, permanent supportive housing, or a transitional facility, as
63 defined in Section 35A-5-302, within the county; or

64 (C) homeless assistance within the county; or

65 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,
66 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within
67 the community.

68 (2) The agency shall create a housing fund and separately account for the agency's
69 housing allocation, together with all interest earned by the housing allocation and all payments
70 or repayments for loans, advances, or grants from the housing allocation.

71 (3) An agency may:

72 (a) issue bonds to finance a housing-related project under this section, including the
73 payment of principal and interest upon advances for surveys and plans or preliminary loans;
74 and

75 (b) issue refunding bonds for the payment or retirement of bonds under Subsection
76 (3)(a) previously issued by the agency.

77 (4) (a) Except as provided in Subsection (4)(b), if required by the project area budget,
78 an agency shall allocate money to the housing fund each year in which the agency receives
79 sufficient tax increment to make [a] the housing allocation required by the project area budget.

80 (b) Subsection (4)(a) does not apply in a year in which tax increment is insufficient.

81 (5) (a) Except as provided in Subsection (4)(b), if an agency fails to provide a housing
82 allocation [~~in accordance with~~] required by the project area budget and, if applicable, the
83 housing plan adopted under Subsection 17C-2-204(2), the loan fund board may bring legal
84 action to compel the agency to provide the housing allocation.

85 (b) In an action under Subsection (5)(a), the court:

86 (i) shall award the loan fund board reasonable attorney fees, unless the court finds that
87 the action was frivolous; and

88 (ii) may not award the agency the agency's attorney fees, unless the court finds that the
89 action was frivolous.

90 Section 2. Section 17C-5-307 is amended to read:

91 **17C-5-307. Allocating project area funds for housing.**

92 (1) [(a)] For a community reinvestment project area that is subject to a taxing entity
93 committee, an agency shall allocate at least 20% of the agency's annual tax increment for
94 housing in accordance with Section 17C-1-412 if the community reinvestment project area
95 budget provides for more than \$100,000 of annual tax increment to be distributed to the
96 agency.

97 [(b)] (2) The taxing entity committee may waive a portion of the allocation described
98 in Subsection (1)(a) if:

99 [(i)] (a) the taxing entity committee determines that 20% of the agency's annual tax
100 increment is more than is needed to address the community's need for income targeted housing
101 or homeless assistance; and

102 [(ii)] (b) after the waiver, the agency's housing allocation is equal to at least 10% of the
103 agency's annual tax increment.

104 [~~(2) For a community reinvestment project area that is subject to an interlocal
105 agreement, an agency shall allocate at least 10% of the project area funds for housing in
106 accordance with Section 17C-1-412 if the community reinvestment project area budget
107 provides for more than \$100,000 of annual project area funds to be distributed to the agency.]~~