

# Housing & Transit Reinvestment Zones

\*A tool for mixed-use, multi-family, transit-oriented development

# Housing and Transit Reinvestment Zone Act (SB217)



- 2021 General Legislative Session
- Developed in collaboration and consultation with:
  - Cities
  - Counties
  - Transportation agencies
  - Redevelopment agencies
  - Developers
  - School Districts
  - Special Districts
- 2022 General Legislative Session amendments
- Senate Bill 140
- Allows for HTRZs around light rail and rapid transit facilities
- \*Doesn't change current HTRZ proposals

# Objective



- Create a new economic development tool (HTRZ) to help facilitate mixed-use, multi-family and affordable housing development within a 1/3-mile radius of fixed commuter rail stations (FrontRunner).
- Community Reinvestment Areas (formerly RDA's) are becoming more and more challenging to create, limiting economic tools for local government

# Desired Outcomes



Promote higher utilization of public transit

Increase availability and affordability of housing

Encourage mixed-use development and investment in transportation & Transit

Increase access to employment & educational opportunities

Conserve water resources through efficient land use

Uses strategic land use and municipal planning in major transit investment corridors

# Overview of Key Provisions



- Allows city to propose an HTRZ within 1/3 mile of a FrontRunner station
- Enables a portion of incremental tax revenue growth to be captured over a period of time to support costs of development
- Requires that housing development would be:
  - Mixed-use
  - Average at least 50 housing units/acre
  - Have at least 10% affordable housing

# Why HTRZ?



Aligns with Wasatch Choice 2050 Vision & key strategies:

- Provide for transportation choices
- Preserve open space
- Support housing options
- Links economic development with transportation and housing decisions



# Process



City  
Proposal/Application



Gap Analysis



HTRZ Committee  
Approval

# Proposal Requirements



- Allows cities to propose development and zoning around a FrontRunner station (1/3-mile radius, max. 125 acres)
- City must propose the amount of increment to be captured from local taxing entities – up to 80% for 25 years within a 45-year period
- Requires city to adopt zoning for development before sending proposal to Governor’s Office of Economic Opportunity
- Proposals must be:



Mixed - Use



50 units/acre  
(average)



51% residential  
(min)



At least 10%  
affordable (<=80%)



# Use of Tax Increment

Municipalities shall use HTRZ funds within or for the direct benefit of the zone. Uses can include, but are not limited to:

- Income-targeted housing costs
- Structured parking within the HTRZ
- Enhanced development costs
- Horizontal construction costs
- Vertical construction costs
- Land purchase costs
- Pay costs of bonds issued by municipality
- Costs of the municipality to administer HTRZ

# Gap Analysis



- Governor's Office of Economic Opportunity contracts out analysis, which includes:
  - Description of planned development
  - Market analysis relative to other comparable developments
  - Evaluation of adequacy and efficiency of proposal
  - Opinion of the amount of public financing and tax increment capture needed for the proposed development

# HTRZ Committee



Includes one representative

- The Governor's Office of Economic Opportunity
- Each municipality that is party to the HTRZ
- The Utah Department of Transportation
- The relevant transit district (UTA)
- Each relevant metropolitan planning organization (MAG or WFRC)
- The school district affected by HTRZ
- The largest local taxing entity (after the municipality, county, district)

Includes one member designated by the:

- President of the Senate
- Speaker of the House
- Chair of the State Board of Education
- CEO of each County affected by HTRZ

# Committee Approval

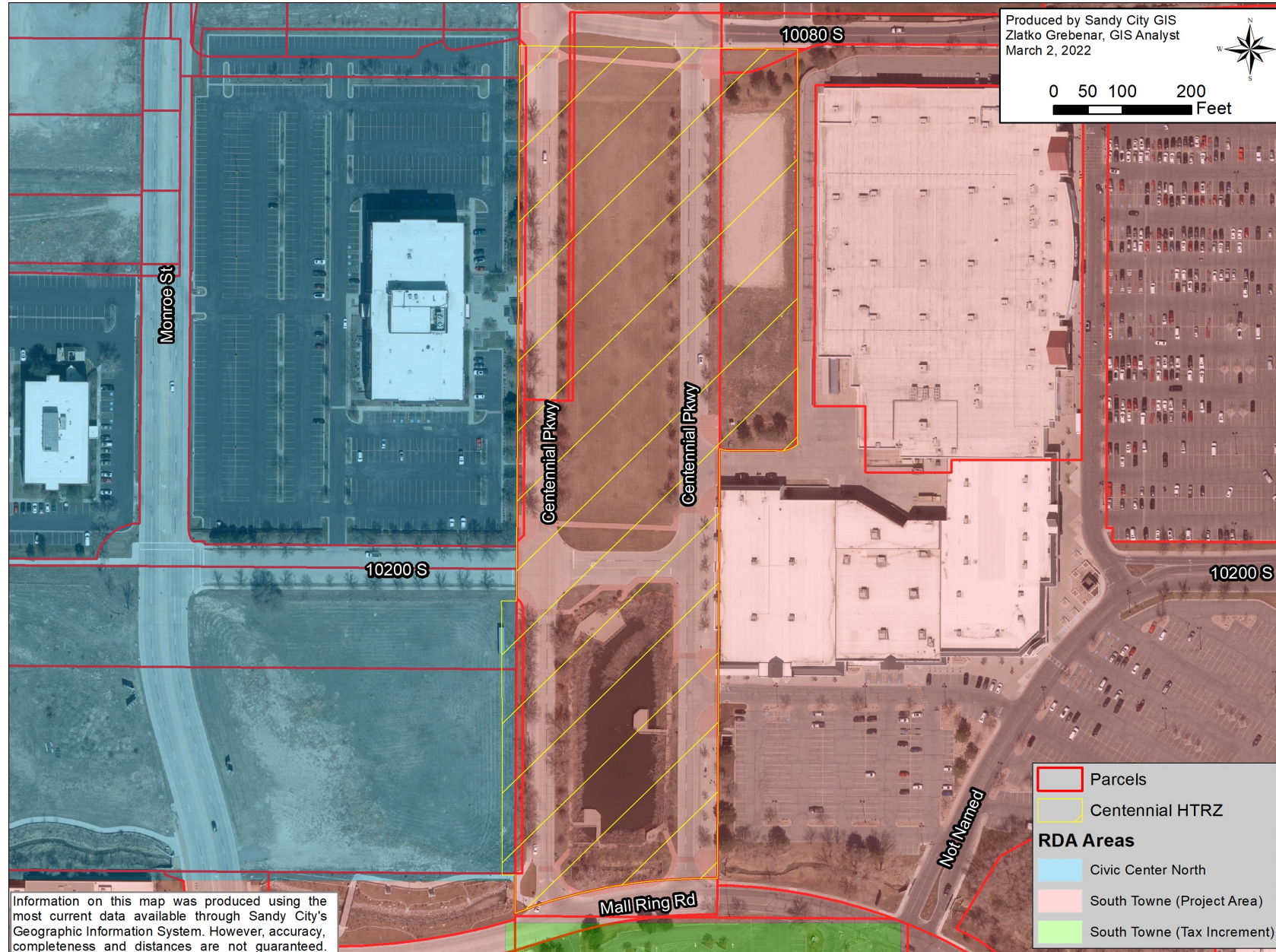


The HTRZ committee shall evaluate and verify whether the planned objectives of the HTRZ act have been met. The committee may request changes to the proposal or vote to approve/deny the proposal.

# Approved Proposals



- If the HTRZ meets the statutory requirements and is approved by the committee:
- Tax increment is captured pursuant to the terms/proposal – participation from local taxing entities is required.
- Funds shall be administered by the RDA through approved inter-local agreement with the City
- Up to 80% of incremental local property tax revenue growth from cities, counties, school districts, etc., is to be captured over a period of time (max. 25 consecutive years) *as needed* to support costs of developing the area
- 15% of incremental state sales tax revenue growth in the HTRZ is transferred to the state TTIF



## Proposed Centennial HTRZ Boundary