

Housing and 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 by Senator Harper and WFRC in collaboration and consultation with:
 - cities
 - counties
 - transportation agencies
 - redevelopment agencies
 - developers
 - business associations
 - school districts
 - special districts



Objective

Create a new development tool (HTRZ) to help address Utah's housing crisis by facilitating mixed-use, multi-family and affordable housing development within a 1/3-mile radius of fixed commuter rail stations (FrontRunner).

*There are currently 15 (16) FrontRunner stations along the Wasatch Front

Desired Outcomes

Promote higher utilization of public transit

Increase availability and affordability of housing

Conserve water resources through efficient land use

Improve air quality by reducing fuel consumption and vehicle trips

Encourage mixed-use development and investment in transportation & transit

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

Increase access to employment and educational opportunities

Overview of Key Provisions

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

Why HTRZ?



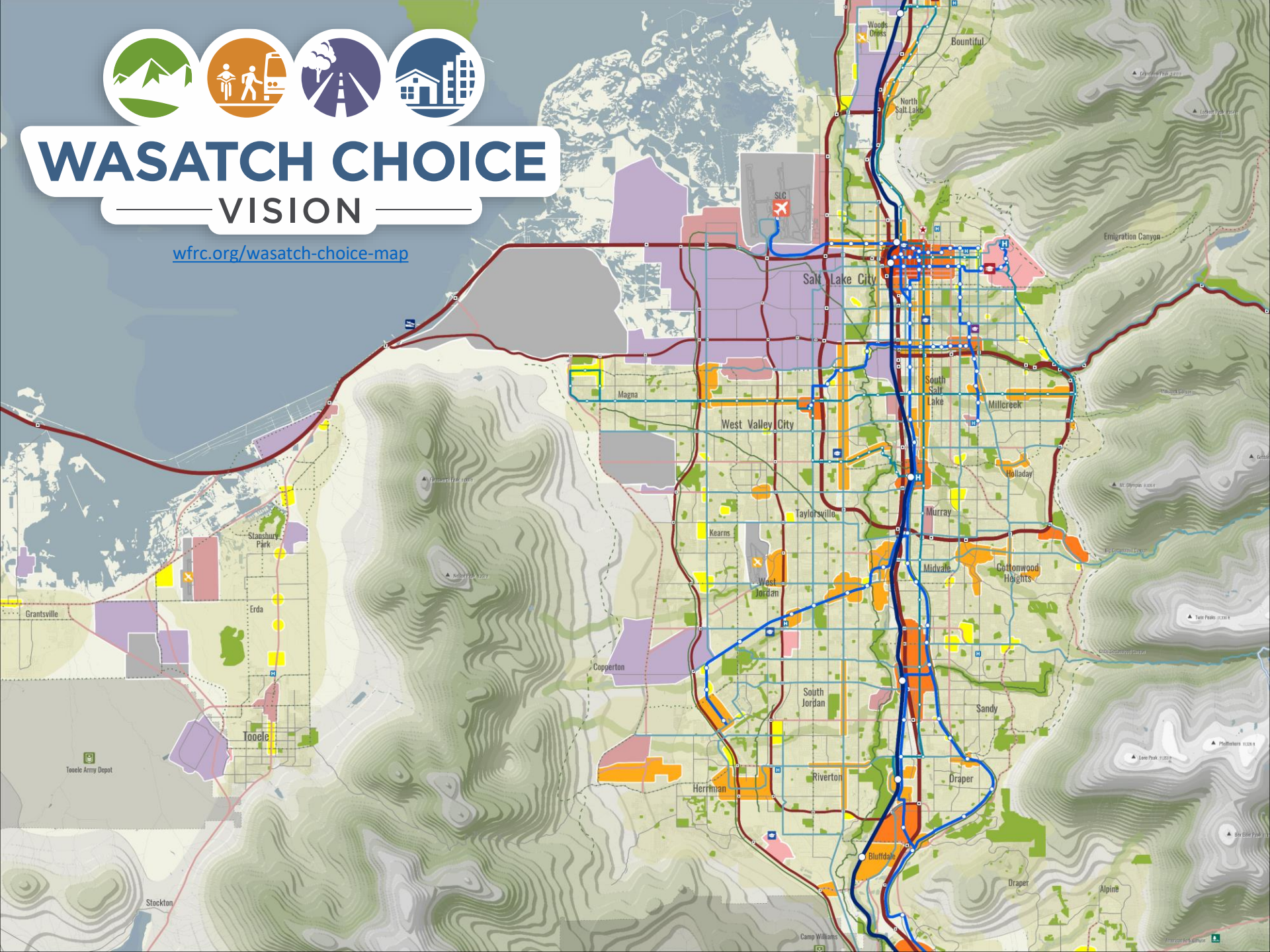
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WASATCH CHOICE

VISION

wfrc.org/wasatch-choice-map



A map of the Salt Lake Valley and surrounding areas in Utah, showing the Housing & Transit Reinvestment Zone. The zone is highlighted in pink and runs along the I-15 corridor from Ogden in the north to Provo in the south. Major cities and towns along the route include Ogden, Clearfield, Layton, Kaysville, Farmington, Bountiful, Salt Lake City, West Valley City, West Jordan, South Jordan, Draper, Riverton, Lehi, American Fork, Pleasant Grove, and Provo. The Great Salt Lake is visible to the west. Major highways shown include I-80, I-15, I-215, and US-89. County names Weber, Morgan, and Tooele are also visible.

HOUSING & TRANSIT REINVESTMENT ZONE INTERACTIVE MAP

<https://wfrc.maps.arcgis.com/apps/mapviewer/index.html?webmap=19efd03629124ccdb8d2d364de96ce45>

A photograph of a light rail train, specifically a VCSA UTA TRAX model, traveling along a city street. The train is white with red and blue accents. In the background, there are modern high-rise buildings, trees with green foliage, and a clear blue sky. A semi-transparent grey rectangular box is overlaid in the center of the image, containing the title text in white. The street has yellow double lines and a crosswalk. A traffic light is visible on the right side of the street, showing a green light. A white van is parked on the right side of the street in the distance.

THE IMPORTANCE OF TRANSIT-ORIENTED DEVELOPMENT

An aerial photograph of a suburban neighborhood, showing a grid of streets, houses with various roof colors (red, brown, grey), and green lawns. A semi-transparent grey rectangular box is centered over the image, containing the text "CITIES WORK... TO ADDRESS GROWTH" in white, bold, sans-serif capital letters. The text is arranged in three lines, with "CITIES WORK..." on the first line, "TO ADDRESS" on the second, and "GROWTH" on the third.

CITIES WORK...
TO ADDRESS
GROWTH

Details and Process



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Process

CITY PROPOSAL



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:



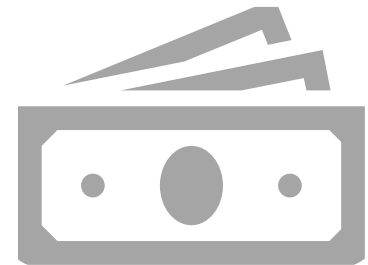
Mixed - Use



50 units / acre
(average)



51% residential
(minimum)



At least 10%
affordable
(\leq 80% AMI)

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

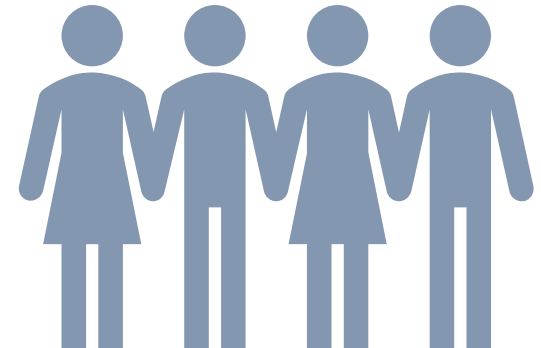
HTRZ Committee

Includes one representative from:

- 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 or 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 proposal – participation from local taxing entities is required.
- Funds shall be administered by an agency created by the municipality where the HTRZ is located
- 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

How is HTRZ different from a CRA?

	CRA	HTRZ
Geographic Limitations	Limited to municipal boundaries	Limited to 125 acres and 1/3-mile radius from FrontRunner Station
Funding Mechanism	Tax Increment Financing	Tax Increment Financing
Taxing Entity Participation	Not required	Required up to 80 percent for 25 years within a 45-year period
State of Utah Participation	No	Participation through sales tax increment of 15 percent into the Transit and Transportation Investment Fund
Governing Body	Municipal Redevelopment Agency	Municipal Redevelopment Agency
Committee Formation Required	No	Yes – representatives from multiple agencies
State Approval Required	No (state does not approve boundaries or expenditures but does require documentation filing)	Yes – Governor's Office of Economic Opportunity to review required proposals
Area of Expenditure	Within defined boundaries or for improvements that benefit the area	Within defined boundaries or for improvements that benefit the area
Zoning and Use Requirements	No requirements	At least 51 percent of land in an HTRZ to be used for multi-family at minimum density of 50 units an acre
Affordable Housing Requirements	No requirements for direct development; ten percent affordable set-aside for CRAs generating more than \$100,000 in increment annually	Requirement of ten percent of residential units to be made affordable to those making less than 80 percent of area median income
Can be used with other tools	Yes	Yes

Resources

[SB217 Legislative Text](#)

[SB217 WFRC Summary](#)

[HTRZ Interactive Map](#)

[White Paper](#)

Questions & Discussion



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