

AFFORDABLE HOUSING REVISIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca P. Edwards

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to the Public Transit District Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires public transit districts to adopt transit-oriented development policies that include affordable housing; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-2a-802, as last amended by Laws of Utah 2011, Chapter 146

17B-2a-804, as last amended by Laws of Utah 2014, Chapter 377

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

Section 1. Section **17B-2a-802** is amended to read:

17B-2a-802. Definitions.



28 As used in this part:

29 (1) "Affordable housing" means housing occupied or reserved for occupancy by
30 households that meet certain gross household income requirements based on the area median
31 income for households of the same size.

32 (a) "Affordable housing" may include housing occupied or reserved for occupancy by
33 households that meet specific area median income targets or ranges of area median income
34 targets.

35 (b) "Affordable housing" does not include housing occupied or reserved for occupancy
36 by households with gross household incomes that are more than 60% of the area median
37 income for households of the same size.

38 [~~(1)~~] (2) "Appointing entity" means the person, county, unincorporated area of a
39 county, or municipality appointing a member to a public transit district board of trustees.

40 [~~(2)~~] (3) (a) "Chief executive officer" means a person appointed by the board of
41 trustees to serve as chief executive officer.

42 (b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities
43 defined in Sections 17B-2a-810 and 17B-2a-811 and includes all rights, duties, and
44 responsibilities assigned to the general manager but prescribed by the board of trustees to be
45 fulfilled by the chief executive officer.

46 [~~(3)~~] (4) "Department" means the Department of Transportation created in Section
47 72-1-201.

48 [~~(4)~~] (5) (a) "General manager" means a person appointed by the board of trustees to
49 serve as general manager.

50 (b) "General manager" shall enjoy all the rights, duties, and responsibilities defined in
51 Sections 17B-2a-810 and 17B-2a-811 prescribed by the board of trustees.

52 [~~(5)~~] (6) (a) "Locally elected public official" means a person who holds an elected
53 position with a county or municipality.

54 (b) "Locally elected public official" does not include a person who holds an elected
55 position if the elected position is not with a county or municipality.

56 (7) "Metropolitan planning organization" means the same as that term is defined in
57 Section 72-1-208.5.

58 [~~(6)~~] (8) "Multicounty district" means a public transit district located in more than one

59 county.

60 ~~[(7)]~~ (9) "Operator" means a public entity or other person engaged in the transportation
61 of passengers for hire.

62 ~~[(8)]~~ (10) "Public transit" means the transportation of passengers only and their
63 incidental baggage by means other than:

- 64 (a) chartered bus;
- 65 (b) sightseeing bus; or
- 66 (c) taxi.

67 ~~[(9)]~~ (11) "Transit facility" means a transit vehicle, transit station, depot, passenger
68 loading or unloading zone, parking lot, or other facility:

- 69 (a) leased by or operated by or on behalf of a public transit district; and
- 70 (b) related to the public transit services provided by the district, including:
 - 71 (i) railway or other right-of-way;
 - 72 (ii) railway line; and
 - 73 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by
74 a transit vehicle.

75 ~~[(10)] "Transit-oriented development" means a mixed-use residential or commercial
76 area that is designed to maximize access to public transit.]~~

77 (12) "Transit-oriented development" means a mixed use residential or commercial area
78 that is designed to maximize access to public transit and includes the development of land
79 owned by a public transit district that serves a county of the first class.

80 (13) "Transit-supportive development" means a mixed use residential or commercial
81 area that is designed to maximize access to public transit and does not include the development
82 of land owned by a public transit district.

83 ~~[(11)]~~ (14) "Transit vehicle" means a passenger bus, coach, railcar, van, or other
84 vehicle operated as public transportation by a public transit district.

85 Section 2. Section **17B-2a-804** is amended to read:

86 **17B-2a-804. Additional public transit district powers.**

87 (1) In addition to the powers conferred on a public transit district under Section
88 **17B-1-103**, a public transit district may:

- 89 (a) provide a public transit system for the transportation of passengers and their

90 incidental baggage;

91 (b) notwithstanding Subsection 17B-1-103(2)(g) and subject to Section 17B-2a-817,
92 levy and collect property taxes only for the purpose of paying:

93 (i) principal and interest of bonded indebtedness of the public transit district; or

94 (ii) a final judgment against the public transit district if:

95 (A) the amount of the judgment exceeds the amount of any collectable insurance or
96 indemnity policy; and

97 (B) the district is required by a final court order to levy a tax to pay the judgment;

98 (c) insure against:

99 (i) loss of revenues from damage to or destruction of some or all of a public transit
100 system from any cause;

101 (ii) public liability;

102 (iii) property damage; or

103 (iv) any other type of event, act, or omission;

104 (d) acquire, contract for, lease, construct, own, operate, control, or use:

105 (i) a right-of-way, rail line, monorail, bus line, station, platform, switchyard, terminal,
106 parking lot, or any other facility necessary or convenient for public transit service; or

107 (ii) any structure necessary for access by persons and vehicles;

108 (e) (i) hire, lease, or contract for the supplying or management of a facility, operation,
109 equipment, service, employee, or management staff of an operator; and

110 (ii) provide for a sublease or subcontract by the operator upon terms that are in the
111 public interest;

112 (f) operate feeder bus lines and other feeder or ridesharing services as necessary;

113 (g) accept a grant, contribution, or loan, directly through the sale of securities or
114 equipment trust certificates or otherwise, from the United States, or from a department,
115 instrumentality, or agency of the United States;

116 (h) study and plan transit facilities in accordance with any legislation passed by
117 Congress;

118 (i) cooperate with and enter into an agreement with the state or an agency of the state
119 or otherwise contract to finance to establish transit facilities and equipment or to study or plan
120 transit facilities;

121 (j) issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds,
122 to carry out the purposes of the district;

123 (k) from bond proceeds or any other available funds, reimburse the state or an agency
124 of the state for an advance or contribution from the state or state agency;

125 (l) do anything necessary to avail itself of any aid, assistance, or cooperation available
126 under federal law, including complying with labor standards and making arrangements for
127 employees required by the United States or a department, instrumentality, or agency of the
128 United States;

129 (m) sell or lease property;

130 (n) assist in or operate transit-oriented or transit-supportive developments;

131 (o) establish, finance, participate as a limited partner or member in a development with
132 limited liabilities in accordance with Subsection (1)(p), construct, improve, maintain, or
133 operate transit facilities, equipment, and transit-oriented developments or transit-supportive
134 developments; and

135 (p) subject to the restriction in Subsection (2), assist in a transit-oriented development
136 or a transit-supportive development in connection with economic development or community
137 development as defined in Section 17C-1-102 by:

138 (i) investing in a project as a limited partner or a member, with limited liabilities; or

139 (ii) subordinating an ownership interest in real property owned by the public transit
140 district.

141 (2) (a) A public transit district may only assist in the [~~economic~~] development of areas
142 under Subsection (1)(p):

143 (i) in the manner described in Subsection (1)(p)(i) or (ii); and

144 (ii) on no more than eight transit-oriented developments or transit-supportive
145 developments selected by the board of trustees.

146 (b) A public transit district may not invest in a transit-oriented development or
147 transit-supportive development as a limited partner or other limited liability entity under the
148 provisions of Subsection (1)(p)(i), unless the partners, developer, or other investor in the entity,
149 makes an equity contribution equal to no less than 25% of the appraised value of the property
150 to be contributed by the public transit district.

151 (c) (i) For transit-oriented development projects, a public transit district shall adopt

152 transit-oriented development policies and guidelines that include provisions on affordable
153 housing.

154 (ii) For transit-supportive development projects, a public transit district shall work with
155 the metropolitan planning organization and city and county governments where the project is
156 located to collaboratively seek to create joint plans for the areas within one-half mile of transit
157 stations, including plans for affordable housing.

158 [~~e~~] (d) A current board member of a public transit district to which the board member
159 is appointed may not have any interest in the transactions engaged in by the public transit
160 district pursuant to Subsection (1)(p)(i) or (ii), except as may be required by the board
161 member's fiduciary duty as a board member.

162 (3) A public transit district may be funded from any combination of federal, state,
163 local, or private funds.

164 (4) A public transit district may not acquire property by eminent domain.

Legislative Review Note
Office of Legislative Research and General Counsel