

AFFORDABLE HOUSING MODIFICATIONS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca P. Edwards

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Public Transit District Act.

Highlighted Provisions:

This bill:

- ▶ requires public transit districts that invest in a transit-oriented development or transit-supportive development to make a contribution for affordable housing;
- ▶ provides restrictions and alternatives for making the contribution; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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-804** is amended to read:

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

(1) In addition to the powers conferred on a public transit district under Section



28 17B-1-103, a public transit district may:

29 (a) provide a public transit system for the transportation of passengers and their
30 incidental baggage;

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

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

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

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

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

38 (c) insure against:

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

41 (ii) public liability;

42 (iii) property damage; or

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

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

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

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

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

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

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

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

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

58 (i) cooperate with and enter into an agreement with the state or an agency of the state

59 or otherwise contract to finance to establish transit facilities and equipment or to study or plan
60 transit facilities;

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

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

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

69 (m) sell or lease property;

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

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

75 (p) subject to the restriction in Subsection (2), assist in a transit-oriented development
76 [~~or~~], a transit-supportive development in connection with economic development, community
77 development, or urban renewal by:

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

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

81 (2) (a) A public transit district may only assist in the economic development of areas
82 under Subsection (1)(p):

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

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

86 (b) A public transit district may not invest in a transit-oriented development or
87 transit-supportive development as a limited partner or other limited liability entity under the
88 provisions of Subsection (1)(p)(i), unless the partners, developer, or other investor in the entity,
89 makes an equity contribution equal to no less than 25% of the appraised value of the property

90 to be contributed by the public transit district.

91 (c) (i) If a public transit district makes an investment in a transit-oriented development
92 or transit-supportive development under this section, the public transit district shall make a
93 contribution for affordable housing for households earning 80% or less of the area median
94 income as provided in this Subsection (2)(c).

95 (ii) The amount of the contribution under Subsection (2)(c)(i) shall be at least 20% of
96 the public transit district's investment in the transit-oriented development or transit-supportive
97 development.

98 (iii) The public transit district may make the contribution under Subsection (2)(c)(ii) in
99 one or more of the following ways:

100 (A) by subsidizing affordable housing in the transit-oriented development or
101 transit-supportive development from which the contribution is made;

102 (B) by subsidizing affordable housing in a different transit-oriented development or
103 transit-supportive development from which the contribution is made; or

104 (C) a cash contribution to the Olene Walker Housing Loan Fund created in Section
105 35A-8-502, at the same amortization rate and payment schedule as the majority of the
106 transit-oriented development or transit-supportive development.

107 (iv) A public transit district shall provide that of the contribution made under
108 Subsections (2)(c)(iii)(A) and (B):

109 (A) at least 20% shall be used to assist households earning 30% or less of the area
110 median income; and

111 (B) at least 30% shall be used to assist households earning more than 30%, but not
112 more than 50%, of the area median income.

113 ~~(c)~~ (d) A current board member of a public transit district to which the board member
114 is appointed may not have any interest in the transactions engaged in by the public transit
115 district pursuant to Subsection (1)(p)(i) or (ii), except as may be required by the board
116 member's fiduciary duty as a board member.

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

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

Legislative Review Note
as of 2-26-15 1:16 PM

Office of Legislative Research and General Counsel