

# Lawmakers may impose fees on Utah cities that lack affordable housing

*Bill would encourage cities to build housing for extremely low-income residents, help fund homeless shelters.*

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Utah has an affordable housing problem, and policymakers are looking for a solution that would help with two issues, possibly with one bill.

While nothing yet is set in stone, one idea for raising ongoing funding for running three planned new homeless shelters is to charge a fee to local governments — cities and counties — based on their lack of affordable housing units. These fees also could push local officials to make sure more such housing is built.

“Some cities just don’t like zoning for multifamily,” Eliason, a Sandy Republican, said. “We’re trying to find something that raises revenue to help with these resource centers and also provides incentives for cities to zone for more affordable housing.”

Many view the dearth of housing units that are affordable to people making less than the area median income as an important factor in the state’s homelessness crisis.

“Homelessness and housing are inextricably linked,” said Glenn Bailey, executive director of the Crossroads Urban Center. “There’s nowhere for people to go when they’re ready to move on from homelessness.”

If people don’t make enough money to afford a home and other necessities, they become at risk of homelessness, increasing the burden on a network of nonprofit and public groups hoping to get people off the streets. But by all accounts, there is far more need than the safety net can handle.

So Eliason and others are hoping the state can nudge cities to either embrace more low-income housing or help pay for cities hosting a shelter.

Relatively few cities across Utah have housing that’s affordable to someone making below or far below the median income — which is about \$53,000 for a single person in the Salt Lake City metro area. “Affordable” is generally defined as housing that costs no more than 30 percent of a person’s income.

Salt Lake County needs thousands more units of affordable housing for a single person making about \$16,000, according to a spreadsheet compiled by the Utah Association of Counties from U.S. Department of Housing and Urban Development data. The information is helping guide work on the bill.

The entire state needs more than 38,000 additional units available to those earning 30 percent or less of the area’s median income, with much of the need concentrated along the populous Wasatch Front.

Only four cities in Salt Lake County — Salt Lake City, South Salt Lake, West Valley City and Alta — have more low-income housing than the state average.

“We recognize that affordable housing is really the most important tool in the toolbox of helping people step out of homelessness and into the community,” Eliason said.

## A statewide burden

Statewide leaders have been framing homelessness as a statewide problem, not one isolated to Salt Lake County, and they have taken a stronger approach to reforming homeless services.

The 1,100-bed shelter in downtown Salt Lake City is supposed to close by July 2019, when three newly built, smaller shelters in the capital and South Salt Lake open. The new model will include

more hands-on services for people who are homeless and need the shelter, and it's expected to cost more than the current model, at least in the short run.

The new shelter siting also led to a backlash from South Salt Lake residents and city officials who feared opening a new shelter there would lead to unintended consequences — including increased crime — that would soak up the small city's resources. That shelter will host single men.

In an apparent move to quell those concerns, when Salt Lake County Mayor Ben McAdams announced he'd chosen a South Salt Lake site for the new shelter, he added a caveat. McAdams said the Legislature must create a way to help cities hosting shelters offset potential costs.

"I recommend that groundbreaking and construction of a new homeless resource center at this location not proceed unless and until" lawmakers create a funding mechanism when they meet in early 2018, he wrote in his statement announcing the decision.

Eliason's bill is being described as "must-pass" legislation, meaning it's viewed as a priority by legislative leaders who have a strong hand in shaping the agenda during the session that starts Jan. 22. A spokeswoman for House Speaker Greg Hughes, R-Draper, confirmed Hughes was "supportive" of the effort.

Under consideration, though far from final, is to impose a fee on local governments based on their lack of affordable units.

On average, 8.6 percent of all units in cities across Utah are considered affordable, according to the Association of Counties spreadsheet. Just over 2 percent of all units in South Jordan are considered affordable for someone there making 30 percent or less of the area median income, according to the data.

Some of the money from the fees would be paid out to the nonprofits that will be chosen to operate the new shelters through state funding that would match private donations.

Eliason said while he's committed to finding a way to fund ongoing operations and maintenance of the facilities, he doesn't want the state's money to discourage private donors.

"The state recognizes we need to play a role," Eliason said, "but we don't want to take over the process or scare away private donors that have been so critical to homeless operations in the past."

He said a possible added benefit would be providing an incentive for cities to build more low-income and affordable housing.

With some of the money raised, Eliason said he wants to also use it for what's known as rapid rehousing, or temporary help with someone's rent and other housing expenses with the idea that it's more expensive to help them get back into housing once they're homeless than to help keep them in a current home.

According to those who have discussed the matter with legislative leaders, creation of a funding stream is a priority.

"We've got to do something to fund operation and maintenance," said Lincoln Shurtz, a lobbyist for the Utah Association of Counties. "I think we've come to the conclusion that the fee will be collected from both cities and counties. The question is the way in which we collect the fee."