# 2025 Legislative Session

## Bills On Housing That Passed

### Density for affordability, ownership

HB37 has several provisions related to housing, including a new ability for local governments to allow developers to build more densely in exchange for owner occupancy and affordable units.

- Specifically, it lets cities, towns and counties allow denser single-family neighborhoods in exchange for requirements like:
- Deed restrictions on 60% or more of the units requiring owner occupancy for at least five years.
- Making at least 25% of units affordable to households earning no more than 120% of the county's median income.
- Keeping 25% or more of units below 1,600 square feet.
- A preferential for the first 30 days a unit is initially for sale.
- Create Density bonus in LUDMA Section 5
- Provides homeownership submenu

### Short-term rental regulation

HB256 will make it easier for officials to enforce local rules about short-term rentals in their communities.

- Regulate short-term rentals to use a listing on a website like Airbnb or Vrbo to prove violation of local rules as long as officials have other information proving the property is a short-term rental.
- While the Knotwell language was amended, this still requires further evidence.
- Can provide a basis for enforcement of business license and possible TRT.
- "Clarifies that a municipality or county that regulates short-term rentals may use a listing or11offering on a short-term rental website as evidence that a short-term rental took place so12long as the municipality or county has additional information to support its position that13an owner or lessee violated a municipality or county ordinance;"

**Cities can use Utah Homes Investment Program funds**

HB360 seeks to create more homeownership by allowing the state's biggest cities to create revolving loan funds to rehabilitate and sell single-family homes through the Utah Homes Investment Program.

- Interesting even though doesn't help Ivins.
- Will allow cities with at least 65,000 people to enter loan agreements with financial institutions or the Utah Housing Corporation for up to $10 million.
- Cities would then use those funds to buy, rehabilitate and sell homes. The sale would include a deed restriction that homes remain owner-occupied for at least five years.
- The bill also allows schools and the Utah Department of Transportation to sell surplus land for below market value if the sale is related to housing affordability and extend or repeal ending dates for programs.

**Reducing government regulation**

HB368 at 7611 lines, took a year of work to get to a point where it would reduce government regulations to improve processes while not jeopardizing the health and safety of residents, Whyte said.

- The bill — which aims to reduce bureaucracy, streamline approval processes and let the free market produce innovative approaches — clarifies existing land use law and codifies best practices, the representative said, but doesn't create any new policies.
- One example of a fix is that there were two different definitions of the term "identical plans," he said, and that created a lot of challenges over the years.
- Eliminates Public Hearing for variances.
- Streamline provisions for Identical Housing plans
- Changes on what can and cannot hold up building permit and CO.

**Loosening parking requirements**

SB181, if signed into law, will prevent some cities and counties from requiring garages with affordably priced, single-family homes

- It also will define what qualifies as a parking space and make it so local governments can't require spaces to be larger than certain dimensions. It will not stop local governments from requiring on-site parking.
- SB181 will only apply to owner-occupied homes that are affordably priced, setting a ceiling of 80% of the median home price in any given county and only applies to the

state's 90 largest cities and Box Elder, Cache, Iron, Salt Lake, Summit, Tooele, Utah, Washington and Weber counties.

- 10x20 Interior Stall Max Size, can have 2. 9x20 Exterior Stall Max Size.
- Still room for negotiating with developer for tradeoffs Ex Bigger sapces for increased density.

**Inviting condo construction**

SB201 will help with declining condo construction

- Construction defects litigation is a large issue. Claims are common on new buildings and have an effect on the willingness to build for owner occupants.
- The bill mostly focuses on regulating homeowner associations. Will require condo owners to give developers written notice describing a defective design or construction flaw and requesting the developers fix the problem before they could sue.
- The developers would have nine months to complete repairs. If they didn't, owners could sue — but only after the nine months have passed.
- Giving developers time to fix any problems will help, she said, even though it isn't a silver bullet. The bill will help with the margins, but doesn't solve the problem or answer the question of whether a claimed defect needs fixing.
- Doesn't address HOA dues and Insurance or difficulty in obtaining owner financing.

SB 262 Housing Affordability Modifications

- Provisions allowing revenue from a home ownership promotion zone to be used for certain purposes
- Provisions allowing legislative bodies to settle certain litigation through a consent agreement
- Allows a county and municipality to use home ownership promotion zone funds for all or
  part of water exaction, street lighting, and environmental remediation costs
- Requires a county to comply with land use provisions for all pending and new land use
  applications
- Directs the Utah Housing Corporation to make rules regarding:
  procedures, qualifications, and requirements for private financial institutions that offer certain mortgage loans to first-time homebuyers; and
- The creation of an incentive program for qualified buyers to assist certain borrowers with the purchase of liability insurance for certain qualifying projects

- Provides that first-time home buyers may use certain mortgage loans for specified purposes
- Creates a subordinate shared appreciation loan program to be administered by the
- Department of Workforce Services to assist borrowers for certain purposes

**Other legislative actions**

Lawmakers also gave the green light to other legislation:

- SB262 aims to give homebuyers access to more money for a downpayment or closing costs through a shared appreciation loan, or a deferred, no-interest loan where the homeowner would repay the loan and a portion of the home's increased value upon sale or refinance.
- HB502 will create a program providing grants to local governments in Salt Lake County for the construction of infrastructure facilitating affordable housing projects.
- HCR14 to call for consolidating efforts to address housing affordability, which currently are spread across multiple state departments. The resolution cites recommendations from a Nov. 14, 2023 audit of state housing policy.
- SB23 to make fixes to let local governments create a First Home Investment Zone.

**Bills That Didn't Make it Through**

- A bill that looked to bolster the Olene Walker Housing Loan Fund with revenue from liquor sales and bills intended to help renters by requiring 60-day notice for a rent increase and making it optional for judges to triple damages in awards to landlords in eviction cases.
- A resolution to study price fixing in rental housing and recommend the Utah attorney general join a related lawsuit also died in committee.
- Another pair of bills targeted investor ownership of single-family homes. Investors have been buying more single-family homes and often buy cheaper homes available.
- HB149 would have added language prohibiting institutional investors like hedge funds from buying homes, but it never received a hearing.
- HB151, which would have required people purchasing a home within the first month after listing to sign a legal document saying they intend to live in the house.
- HB88 also failed to make it through a committee. Sponsored by Rep. Ray Ward, R-Bountiful, it would have required some cities to allow accessory dwelling units on lots with detached, single-family homes and modular units – homes built off-site and transported to a location – in residential zones.