



NAHB | Utah House Bill (H.B.) No. 184 Small Lots & Starter Homes Amendments | Bill Analysis

House Bill No. 184 (Utah) creates a new streamlined pathway for builders and developers to obtain approval to build homes on smaller lots in certain residential zones, even when a local zoning rule would normally prohibit this.

This proposed legislation does not require a city or county to change its zoning maps but requires it to consider and act on specific requests to be more flexible with its local rules. Under this legislation, builders and developers would be able to build starter homes on lots that are a minimum of 5,400 square feet, and it places a 45-day timeline on legislative bodies to deny requests.

BACKGROUND

Utah is one of many states that are facing high housing demand and a shortage of supply. Utah has 35,000 fewer homes than needed to meet today's demand and is projected to need 274,000 additional in the next decade. As the gap in supply has increased over time, housing has become largely unaffordable in the state. In fact, Utah ranks as the ninth most expensive housing market in the country.¹ Increasing housing supply has been one of Gov. Spencer Cox's top priorities. His legislative priorities included building 35,000 starter homes in the state by 2028 and 150,000 housing units overall to fill the shortage.² The median single-family home price statewide in 2024 was \$564,000. H households statewide need to earn more than \$130,000 annually to afford the median-priced. Only 9% of non-homeowners in the state can afford the median -priced new home.³

Without making policy changes, particularly combating stringent zoning regulations in the state, housing attainability is in trouble. H.B. 184 aims to address some of these concerns to combat Utah's housing shortage.

¹ <https://gardner.utah.edu/news/utah-ranked-as-the-9th-most-expensive-housing-market-in-the-country-in-2024/>

² <https://governor.utah.gov/housing/>

³ [Utah governor pursuing unique approach to housing crisis – Deseret News](#)



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THIS BILL

H.B. 184 essentially shifts power toward property owners and allows the creation of fast-track approval processes, imposing strict deadlines on local governments to meet the approvals and allowing a variety of housing types to be approved if the local government doesn't meet the assigned deadlines.

Under this bill:

(f) "Starter home" means a single-family residential unit that:

- (i) is sold to an initial owner-occupier for an amount equal to or less than the area mean purchase price of a single-family residential unit;
- (ii) is deed restricted to be owner-occupied for two years following the day on which the unit is first sold;
- (iii) has a minimum of two parking spots, covered or uncovered; and
- (iv) is built:
 - (A) on a lot of any size;
 - (B) without meeting a minimum number of livable square feet;
 - (C) with any floor area ratio;
 - (D) with any setbacks, if the setbacks meet minimum safety codes; and
 - (E) on a lot with at least 35 feet of street frontage.

(2) The following are preferred land use regulations in an area zoned for residential use in a county of the first, second, or third class:

- (a) regulations that permit a person to build a starter home; or
- (b) for lot size requirements, a minimum of 5,400 square feet.

Under this Bill:

- A local entity reviewing requests should decide within 10 business days.
 - If an applicant is qualified, the entity/staff must notify the individual within 1 business day.



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- If an applicant doesn't qualify, the entity/staff must deny it within 10 days and explain.
- Under this section, a request cannot be denied because a full application wasn't submitted.
 - The planning commission or the legislative body has 45 calendar days to deny.
 - The denial must be voted on by a majority vote and must be done in a public meeting.
 - There is an automatic contingency in the bill that if the local body approves or does nothing within 45 days, on day 46, the permit will be given.
 - The bill provides that an applicant has 2 years to submit a building permit for a starter home or a plat application for a lot size change.

Under this bill:

- A local government will not be required to change its local zoning rules or maps.
- Allows an individual, if disapproved, to reapply.

Definitions:

“Application” means a land use application

“Area mean purchase means” the mean purchase price of a single-family residential unit sold in a county.

“Request” means a written submission from a property owner, or a person acting on a property owner's behalf, seeking that a county of the first, second, or third class accept a preferred land use regulation parcel as part of a simultaneous or upcoming application.

ARGUMENTS of SUPPORT

This piece of legislation helps create opportunities in the state of Utah for starter homes to be built. Starter homes historically were homes created after World War II in order to address the housing crisis in the United States. These homes ran up to 1,250 square feet, were entry homes for first-time home buyers, and were a way to build equity within seven years, especially for young people. By the late 1980s, starter home building had dropped by 40%, and by early 2019, only 7% of new construction was a starter home.⁴

Once known as the perfect cottage or ranch-style neighborhoods, they don't get built much today. Why? The cost of materials, labor, regulations and land-use zoning laws has sealed the

⁴ <https://homebuyinginstitute.com/mortgage/starter-homes-are-harder-to-find/>



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fate of building starter homes. Legislation such as this one can help lower the costs of construction, which can stimulate home building. Allowing homes to be built on smaller lots will decrease the cost of land and materials needed to achieve attainable housing in the state.

H.B. 184 would support building more homes statewide and keep housing affordable in a fast-growing market that has become extremely expensive in recent years.

ARGUMENTS of OPPOSITION

H.B. 184 promotes housing access in Utah but doesn't provide any fiscal appropriations that improve affordability. While this bill promotes housing developments on smaller lots as a priority, it doesn't address the infrastructure needed for housing developments or aim to lower the cost of materials, labor, and land, which doesn't make sound financial sense for builders or developers.

While the legislation is a good start and has good intentions, it doesn't have teeth to actually solve the cost of housing. Further, while the bill doesn't require the localities to rezone to smaller lots and small home construction in their locality, this can take years of back-and-forth battles before an actual development is placed, which doesn't solve the uncertainty that tends to be costly.

Lastly, to achieve real starter home construction, there has to be a great public-private partnership collaboration. The developer cannot be responsible for building the library and fire station, maintaining the roads for 10 years after development, and be expected to achieve attainable housing. If a local governments can build schools and maintain roads, and the builder can build housing. This can help achieve that housing attainability for starter home options in the state. But it all takes public and private partnerships between a developer and a locality, sitting down and delegating who is responsible for what in order to get starter homes built.

Similar Legislation/ Laws:

- California: SB 9 (2021)
- Oregon: HB 2001 (2019)
- Washington: HB 1110 (2023)
- Florida Live Local Act (2023-2025)
- Montana Miracle Legislative Package (2023)



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Related Court Cases:

Jones v. Clackamas County (LUBA 2020)

City of Rancho Palos Verdes v. State of California (2025)

City of Redondo Beach v. Bonta (SB 9 Charter City Case) (2024; 2025)

MAID v. State of Montana (2026)

Friends of Ravenna Cowen v. City of Seattle (ongoing)

POTENTIAL SUPPORT

Home Builders Association; Utah Association of Realtors; Utah Chamber of Commerce; YIMBY

POTENTIAL OPPOSITION

Utah Association of Counties; Utah League of Cities; NIMBY Groups