

Lawmakers' financial self-interests raise 'grave concerns,' renters advocate says

Housing

found that at least 12.5% of legislators make their primary income from building or owning real estate. And from attorneys to doctors, the proportion of lawmakers who are profiting from real estate sits at or above 38.5%. The numbers are highest in the Utah Senate, where more than 1 in 5 of the part-time lawmakers earn their primary income from real estate and development and just under half have financial interests in the industry. Those statistics are derived from information voluntarily disclosed by lawmakers on conflict of interest forms.

An April report by the Utah Foundation, titled "Priced Out & Fed Up," found that the top two issues for Utah voters, across demographics, are housing affordability and whether politicians are listening to their constituents.

When Utahns commented on this issue, they often focused on how elected officials pay too little attention to voters in favor of corporations, religious organizations, the well-connected, or special interest groups," the foundation wrote about the latter issue. Housing has risen to the top of the list of concerns in numerous surveys of voters living in Utah. To anyone paying attention to the numbers, that isn't surprising.

The median sales price for nearly 9,900 existing homes sold this year across Utah's 29 counties was \$490,000 as of March, according to a recent analysis by The Tribune of data from the Utah Association of Realtors, the U.S. Census Bureau, the National Association of Realtors and CBCE. Median sales prices ranged from \$185,000 in Beaver County to \$1.3 million in Summit County.

With a 10% down payment and a 6.42% interest rate, that means the typical mortgage payment in Utah for new homeowners is \$3,043 and varies from \$1,149 in Beaver County to \$8,026 in Summit County.

At the early morning December news conference, Cox worked to get ahead of questions he anticipated from voters around his efforts to bring those numbers down.

There has been zero influence on this from any developer — zero influence from anyone in the Legislature, although I've had these conversations with them and they're very supportive," the governor, a former state lawmaker with a professional background in telecommunications, said.

"If we want more shoes, we have to pay people who make shoes, right? I would love if all of us could just build our own homes, and some people can do that. Some people are really talented," Cox added. "Most of us are not."

Ari Bruening is the head of Envision Utah, a nonprofit that works to bring stakeholders together to plan how the state can best meet the demands of its growth — including the pressure put on the housing market. He agrees that while there are a lot of developers in the Legislature, Utah needs homebuilders like them to increase housing stock.

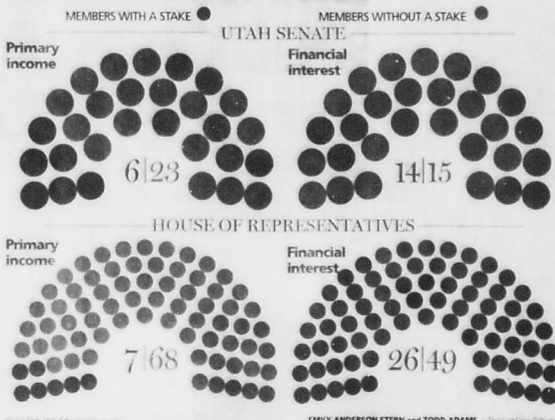
"I don't know how you get more supply without making it cheaper and easier to build," Bruening said in an interview. "And so whether that's self-interested or not, I think it's a good thing for Utahns."

But that isn't how everyone who advocates for more access to affordable housing sees things.

"With a significant number of lawmakers having vested interests in rental housing as landlords or realtors, it is fair to question the transparency and impartiality of their efforts," said Francisca Blanc, the co-founder of Renters Justice Coalition. "During my years as a housing advocate in Utah, the speakers of the House and Senate presidents are, without exception, developers, builders or landlords."

Their financial interests, she added, raise "grave concerns about the ethics and accountability of those in power" and how they legislate around a housing industry that she says is "poorly regulated."

Members of the Utah Senate and House of Representatives with a stake in real estate and development



Financial disclosures show House Speaker Mike Schultz, left, and Senate President Stuart Adams, right, each own more than a dozen companies in real estate and development. Layton Parks Estates, below, a home development, is being built by Castle Creek Homes, a company owned by Schultz.



Left: House Minority Leader Angela Romero says the real estate and development industry's influence extends to bonding and insurance entities. Right: Former House speaker and current U.S. Senate candidate Brad Wilson has centered his campaign around his homebuilding career.

LEGISLATIVE LEADERS TIED TO DEVELOPMENT

The Legislature began having more discussions around the cost of housing in 2018, when it created the Commission on Housing Affordability. At the time — and in the years since — the top leaders in the lawmaking body have made their fortunes building houses.

On their financial disclosures, both Senate President Stuart Adams and House Speaker Mike Schultz list over a dozen

companies they own that are involved in real estate and development. Adams discloses 20, and Schultz reports 18.

Until he became speaker, Schultz listed his current employment as "Construction." Although there has been little change in his disclosure otherwise, that section now says "Farming and Ranching."

A spokesperson for Schultz did not respond to a request for comment.

In a statement, Adams highlighted money the Legislature appropriated toward Cox's starter homes plan and a first-time buyers program the Senate president introduced and passed last year, which offers Utahns looking to buy their first homes \$20,000 in down payment assistance for newly built homes that are \$450,000 or less.

"Part of the value of a part-time citizen legislature is that we have 104 legislators who each bring unique expertise from their respective fields — this includes real estate and development perspectives," Adams wrote in the statement. "Just as lawmakers draw from their experiences

as teachers, police officers and attorneys to shape legislation, those with expertise in housing contribute valuable insights to our policy-making process."

He added, "While we have made progress in reducing housing costs, we remain committed to exploring further avenues to ensure this integral part of the American Dream is attainable for all."

A conflict of interest report for Adams' predecessor, Wayne Niederhauser — who now leads the Utah Office of Homeless Services — is not on Utah's disclosures website. But there are disclosures for Schultz's two predecessors.

Former Utah House Speaker Greg Hughes, who held the position from 2015-2018 and ran for governor in 2020, listed 10 companies tied to "construction, real estate and property management" on his gubernatorial race disclosure.

The speaker from 2018-2023, Brad Wilson, said he owned or was an officer of 19 such companies on his last House disclosure.

Utah does not have transparency laws that require lawmakers to report their income from such companies.

But a report Wilson — who is running for U.S. Senate, submitted to the Select Committee on Ethics in compliance with the Ethics in Government Act shows just how lucrative real estate development can be.

Since Wilson — who has centered his campaign around his homebuilding career and passes out buttons with hard hats — entered the race, according to his disclosure, he reported earning "Over \$5 million" each from his company Destination Homes and from an apartment complex in Layton, as well as between \$100,000 and \$1 million from another apartment complex in Farmington.

Utah's is a citizen legislature — a part-time commitment for which the majority of lawmakers' work is done over a 45-day session.

"Utah legislators earn so little and spend so little time legislating that they typically keep a full-time job unless they are retired or independently wealthy," writes Brigham Young University professor Adam Brown in his book "Utah Politics and Government: American Democracy Among a Unique Electorate."

That leads to most lawmakers having flexible jobs that can work around the legislative schedule like realtor or developer, Brown added, and often keeps many potential candidates from running. Utah's lawmakers are paid around \$27,000 annually.

Brown notes that Utah's statehouse "is among the least professionalized in the nation," and that it ranks toward the bottom for session length, salary and staff support.

Over the years, questions have repeatedly surfaced over the Legislature's interests and intentions in pushing forward development-related policies.

Lawmakers have slipped language into bills in an effort to help a controversial housing project in Kimball Junction get approval. And in 2023, a lawmaker working in real estate proposed a bill that would have given developers the ability to use government functions, like issuing bonds, levying taxes and using eminent domain. It failed.

But there are other stakeholders outside of real estate and development who might look to influence policy to benefit their own interests — from wanting to maintain higher interest rates to avoiding zoning that changes the appearance of a community — that consequently keeps housing prices high, according to Utah House Minority Leader Angela Romero.

"It's not just looking at developers. It's also looking at who bonds these developers, who provides insurance for these developers. I think it's also holding municipalities' feet to the fire, but ensuring that the state isn't trying their hands as well," said Romero, who works for Salt Lake City's Division of Youth and Family Programs.

"It's complicated," she added with a shrug.

Reporter Sofia Jerusalem contributed to this story.

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