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# M E M O R A N D U M

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**DATE:** December 9, 2005  
**TO:** Council Members  
**SUBJECT:** Housing Policy statements  
**FROM:** Janice Jardine, Land Use Policy Analyst

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*(A Resolution will be available for Council consideration on Tuesday, December 13<sup>th</sup> prior to the public hearing)*

## POTENTIAL MOTIONS:

1. **["I move that the Council"]** consider a resolution adopting the Salt Lake City Housing Policy Statements and the Preferred Housing Criteria.
2. **["I move that the Council"]** not adopt the Salt Lake City Housing Policy Statements and the Preferred Housing Criteria.

## NEW INFORMATION:

The Council office has received the attached correspondence from Ms. Jan Ericson, Director of Housing and Development for TURN Community Services and Mr. James Schulte, Vice President for Long Range Plan for Kennecott Land Company. No other public comments have been received to date.

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The following information was provided previously. It is provided again for your reference.

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On September 13, 2005, the Council received an update from the Council's Housing Policy subcommittee members and discussed draft housing policies and potential housing loan criteria. Key points noted by Council Members included:

- Support for including consistency with adopted master plans, zoning and other regulations as minimum requirements in considering future development projects and requests for City housing funds. *This has been included as minimum criteria in the draft policies, section M. City Funded Projects, A. Rental Project, B. Home Ownership Project and Transit Housing Project.* (Please see pg. 6 of the attached **Salt Lake City Housing Policy Statements.**)
- Consider adjusting the length of time required for the developer's investment to remain in the project. *The subcommittee recommends the developer investment continued for a minimum of 5 or 7 years with the option to waive this requirement in the future.*
- Consolidate the proposed housing loan criteria. *The subcommittee recommends:*
  - *The addition of 4 minimum criteria to the draft policies, section M. City Funded Projects, A. Rental Project, B. Home Ownership Project and D. Transit Housing Project.* (Please see pg. 6 of the attached **Salt Lake City Housing Policy Statements.**)
  - *Providing the revised chart as preferred criteria supported by the Council for use by the City Housing Trust Fund Board, the Redevelopment Advisory Committee and the Redevelopment Agency to provide consistency and coordination in evaluating future development projects and requests for City funding.* (Please see pg. 7 of the attached **Salt Lake City Housing Policy Statements and Preferred Housing Criteria** chart.)

Direction is requested from the Council regarding the following inventory of outstanding issues:

- Development in the City's northwest quadrant
- Single room occupancy housing (SROs) (The Affordable and Transitional Housing section of the current adopted policies included the following statement, "The citywide development of single room occupancy housing (SROs)". The Council subcommittee previously recommended removing the statement from the draft policies. Should the statement remain or be removed?)
- Encourage single-family infill housing to attract middle-income families.
- Increasing population in the City to maintain viable schools.
- Redeveloping existing housing at higher densities
- Zoning considerations such as housing mitigation and preventing commercial encroachment into viable residential neighborhoods.
- Requests for funding from both the Housing Trust Fund and the Redevelopment Agency (double dipping)

Direction is requested from the Council regarding the following potential process options:

- Recommend changes to the Council subcommittee's draft documents before it is distributed for public comment.
- Establish a timeframe to receive public comment.
- Schedule a public hearing to consider adoption of the policies.

## **CHRONOLOGY** (Key dates):

- |                              |   |
|------------------------------|---|
| • April 2003                 | Council Fact Finding meeting  |
| • September 2004             | Draft policies received from Administration   |
| • February 15, 2005          | Council discussion of draft policies recommended by the<br>Administration and revised by the Council subcommittee |
| • March to April 2005        | Public comment  |
| • April to September         | Council subcommittee meetings   |
| • September 13, 2005         | Council discussion of draft policies recommended by the<br>Council subcommittee                                   |
| • September to November 2005 | Council subcommittee meetings   |

**Jardine, Janice**

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**From:** Hardman, Ellie  
**Sent:** Friday, December 09, 2005 1:55 PM  
**To:** Jardine, Janice  
**Subject:** FW: Council comments email: Housing Policy

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**From:** Hardman, Ellie  
**Sent:** Tuesday, December 06, 2005 5:39 PM  
**To:** Jardine, Janice; Buhler, Dave; Christensen, Carlton; Jergensen, Eric; Lambert, Dale; Love, Jill; Saxton, Nancy; Turner, Van  
**Cc:** Gust-Jenson, Cindy; Hardman, Ellie; Harvey, Marge; Jan Aramaki; Jones, Sylvia; Mascaro, Mary; Mumford, Gary; Pacheco, Vicki; Weaver, Lehua  
**Subject:** Council comments email: Housing Policy

Jan Ericson, Turn Services, responds to Housing letter.

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**From:** Hardman, Ellie  
**Sent:** Tuesday, December 06, 2005 5:38 PM  
**To:** 'Jan Ericson'  
**Subject:** RE: Housing Policy

Thank you for contacting the Salt Lake City Council. Your comments have been forwarded to each Council Member.

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**From:** Jan Ericson [mailto:ericson.jan@gmail.com]  
**Sent:** Tuesday, December 06, 2005 12:10 PM  
**To:** Council Comments  
**Subject:** Housing Policy

First, may we thank the Council and Mayor for time and attention to the critical housing issues. We sincerely appreciate grants that help us achieve improved living environments for persons with disabilities and who are well below the poverty level.

Second, thank you for the inclusion of accessible, visitable and affordable housing in the proposed policy. Our customers with disabilities want to live mixed into communities in small homelike settings that allow the supports they need. As they age into seniority, their needs for supports, medical and social services increases.

We appreciate the focus on coordination of housing providers and inclusion in the discussion of problem solving as proposed and hope we are invited regularly to the table.

As a nonprofit landlord that offers supported housing to a special needs group, we appreciate the criteria that focuses on the help of Block, HOME and City Trust Funds that maintain the visitability and sustainability of the properties that the disabled call home.

12/9/2005

We appreciate the deletion of the requirement for a "project to serve the largest number" We hope the smaller projects of rehabilitation and sustainability count for the value added to neighborhood stability.

The number of persons with disabilities climbs proportionate to population growth. Many have a desire for "a home of their own" and the closet they will get is supported rental settings.

Thanks to the Council and all involved in making that wish come true.

—  
Jan Ericson, Director  
Housing & Development  
TURN Community Services  
850 South Main  
Salt Lake City, UT 84101  
ph 801-524-8622  
email: [ericson.jan@gmail.com](mailto:ericson.jan@gmail.com)

12/9/2005



November 30, 2005

Councilman Dale Lambert  
Salt Lake City Corporation  
Office of the City Council  
451 South State Street, Room 304  
Salt Lake City, UT 84111

Councilman Lambert,

I am in receipt of the proposed revisions to Salt Lake City's Housing Policy. I commend the City Council and Mayor Anderson for giving thoughtful consideration to the Housing Policy and actively seeking public comment early in the process.

Kennecott Land and Kennecott Copper collectively own approximately 1,500 acres in Salt Lake City generally located immediately south of I-80 at 7200 West. You may be aware that over the past several months, in coordination with the Salt Lake County Council of Governments, we have engaged a broad group of mayors, planners, state and regional agencies and environmental groups in a series of land use planning summits that have considered the nearly 75,000 acres that we own in Salt Lake County. Several representatives from Salt Lake City have been among the attendees.

Upon reviewing the City's Housing Policy, I am encouraged by the alignment between it and the principles that guide our land use planning. We too believe that concepts such as mixed-use, transit, and pedestrian oriented development as well as coordinated, comprehensive land use and transportation master planning make for great cities and great communities.

Of particular interest and relevance to us is the City's planning process for the Northwest quadrant. We have had conversations with the Mayor's office and the Community Development and Planning Departments to that effect.

I can be reached at (801) 743-4360 if you would like to speak directly. Otherwise, we will look forward to working with the City Council and the Mayor as you move forward with this very important planning effort that will be a major component of turning the Housing Policy along with other City policies into implemented reality.

Sincerely,

A handwritten signature in cursive script that reads "James Schulte".

James Schulte  
Vice President Long Range Planning

## **SALT LAKE CITY HOUSING POLICY STATEMENTS**

### **PREAMBLE**

The goal of Salt Lake City's Housing Policies is to encourage and invite residential development in our downtown to enliven our most urban neighborhoods and to establish an urban residential tradition in the Capital City, while respecting and preserving the character and charm of surrounding predominantly residential districts. The Housing Policies are intended to enhance, maintain and sustain a livable community that includes a vibrant downtown and other business areas integrated with surrounding neighborhoods that offer a wide range of housing choices for all income levels. The Housing Policies are designed to guide the City's effort to develop new housing opportunities while preserving existing housing stock. The City recognizes that strong vibrant neighborhoods are fundamental to the health and vitality of the City and that residents, business owners and local government each have role to play in creating and sustaining ideal neighborhoods.

Salt Lake City faces significant housing and population challenges as it begins the 21<sup>st</sup> Century. The increase in land values, lack of available land; and encroachment of commercial development into neighborhoods previously dominated by residential uses have all combined to reduce available housing stock, and made affordable housing increasingly difficult to provide, particularly in the downtown area. Policies, zoning and other regulatory barriers to housing that discourage residential development are contrary to the City's housing policy and must be rationalized in the context of either public health and safety or broad public benefit.

In the 1990s, Salt Lake City's population grew by approximately 10,000 residents, marking the city's first decade of population growth since the 1950s. At the same time, however, the suburban areas have experienced phenomenal population growth, and continue to grow at rates that far out pace Salt Lake City's modest increases. The dispersal of the population threatens several of Salt Lake City's traditional revenue sources, sales and property taxes, to the extent those sources are sensitive to residential population. The relative shift of population to the suburban areas has also affected Salt Lake City's urban public schools, two of which have closed in recent years.

Salt Lake City sits poised on the brink of opportunity, and the housing policies that follow seek to maximize current and future opportunities. The construction of two light rail lines, for example, provides Salt Lake City with the opportunity to situate higher-density residential and commercial developments around transit stations. New developments, in configurations that are friendly to pedestrians and bicyclists, many residents and businesses near the stations easy access to light rail, thereby providing for greater urban vitality, lower costs of living, healthier lifestyles, and reduced vehicle dependence.

The City considers housing a high priority and intends the Housing Policies to be considered in:

1. City and Redevelopment Agency funding assistance.
2. Zoning and land use planning.
3. Master planning of neighborhoods.
4. Incentives and creative approaches for developers.
5. Incentives or permitting processes to maintain, increase and encourage a variety of housing styles, densities, prices or rents to accommodate all individuals as well as families of all types and sizes.

**Revisions to Text from Public Comment, Council discussion, Mayor's letter dtd 11.9.05 and Council subcommittee review**

**Clean copy with revisions incorporated into text**

**11.05**

To achieve these strategic goals, the City will implement the following housing policies:

**A. NEW HOUSING DEVELOPMENT IN SALT LAKE CITY**

The Mayor and the City Council support:

1. A city-wide variety of residential housing units including affordable housing.
2. Accommodating different types and intensities of residential development providing access to decent, safe and affordable housing for all Salt Lake City residents that does not consume more than 30% of their gross income.
3. Development of programs to meet the housing needs of all individuals whether employed by, working in or living within Salt Lake City.
4. Policies and programs that encourage home ownership and that will create an appropriate balance of rental and ownership opportunities in neighborhoods without jeopardizing an adequate supply of affordable housing.
5. Policies and programs that encourage single-family infill housing to attract middle income families.
6. Policies and programs that coordinate housing initiatives with the local school district.
7. New housing projects that incorporate and are consistent with requirements of the Federal Americans with Disabilities Act such as:
  - a. The number of accessible units that are required with new development.
  - b. Requirements or design standards for accessibility and visitability to all buildings and facilities.
8. Mixed-use and mixed-income concepts and projects that achieve vibrant, safe, integrated, walkable neighborhoods through a mix of uses and incomes in areas with established transportation, utilities and related public services that:
  - a. incorporate affordable housing when appropriate; and
  - b. incorporate an assortment of residential, commercial and professional office uses.
9. Architectural designs compatible with neighborhoods that:
  - a. makes good use of and incorporate open space, even minimal amounts;
  - b. interface well with public spaces;
  - c. address parking needs in the least obtrusive manner possible; and
  - d. are creative, aesthetically pleasing and provide attractive public spaces, such as designated common areas, community centers, childcare, resident gathering places, and resident/community gardens, etc.

**B. AFFORDABLE HOUSING**

The Mayor and the City Council support:

1. All Salt Lake City residents having access to decent, safe and affordable housing.
2. The analysis of the impacts of fees and current zoning on affordable housing.
3. The dispersal of affordable, transitional and special needs housing city-wide and valley-wide.
4. The City providing examples of how affordable housing can be built, offering incentives for innovative projects that developers may not initially be willing to undertake and encouraging public/private partnerships to maximize housing opportunities.
5. Facilitating better coordination and communication among the wide variety of groups involved in housing.
6. Transit- and pedestrian-oriented housing developments.
7. Mixed-use and mixed-income concepts and projects that achieve vibrant, safe, integrated, walkable neighborhoods through a variety of uses and incomes in areas with established transportation, utilities and related public services and that:

**Revisions to Text from Public Comment, Council discussion, Mayor's letter dtd 11.9.05 and Council subcommittee review**

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**11.05**

- a. incorporate affordable housing, whenever possible, in appropriate mixtures;
- b. incorporate an assortment of residential, commercial and professional office uses;
- c. are creative, aesthetically pleasing and provide attractive public spaces, such as designated common areas, community centers, childcare, resident gathering places, and resident/community gardens, etc.

The Council and Mayor recognize that there is a significant segment of the City's population whose income level limit access to a full range of housing and may be unable to qualify for other established housing programs. The Council and Mayor recognize the need to address housing for this population.

**C. HOUSING STOCK PRESERVATION, REHABILITATION**

The Mayor and City Council advocate:

1. Policies and programs that generally support the preservation, rehabilitation, adaptive reuse of existing housing stock or replace the City's housing stock. Continue to re-evaluate the City's approach to housing loss mitigation. For example, focus mitigation requirements on situations where residential structures in residential zones and adopted master plans do not support an evolution to commercial use.
2. Balancing the need to provide neighborhood support services and protecting viable residential neighborhoods from impacts created by commercial encroachment while at the same time, being sensitive to adopted master plans that acknowledge future commercial development and walkable community concepts.
3. Promoting housing safety and quality through adequately funding by fees the City's apartment inspection program.
4. Adequately funding programs that assist home and apartment owners in rehabilitating and maintaining housing units.
5. Reinvestment in existing urban and inner suburban areas.
6. Preservation, and if possible, expansion, in appropriate areas of existing subsidized and Section 8 housing in the City.

**D. TRANSIT-ORIENTED DEVELOPMENT**

The Mayor and City Council support:

1. Coordinated, comprehensive land use and transportation master planning. Specifically, the Council and Mayor support transit-oriented development as well as adequate, reliable public transportation in order to allow residents to easily access employment and residences.
2. A pedestrian and bicycle friendly environment throughout the City.
3. Housing densities and mixed uses and pedestrian-oriented urban design that support walking and the use of alternative and public transportation, depending on the characteristics of each area.
4. Appropriate housing densities and support retail in areas where public transit is available or can be provided and are accessible on foot.
5. Transit-oriented development with an affordable housing component where appropriate.

**E. ZONING**

On a citywide basis, the Mayor and City Council endorse:

1. Policies and programs that preserve a balance of housing and business opportunities within the City to ensure the continued existence of a population base and business base. While the City supports



**Revisions to Text from Public Comment, Council discussion, Mayor's letter dtd 11.9.05 and Council subcommittee review**

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mixed use development, it also recognizes that there are some zones that are not conducive to residential development. As such, the City will discourage any housing development in industrial-type zones.

2. A zoning designation to permit transitional housing on a small-scale basis.
3. Higher densities in affordable and mixed income and mixed-use housing developments if the developer incorporates features to minimize potential negative impacts such as buffer landscaping, usable open space, on-site amenities, support services, and underground vehicle parking.
4. Accessory housing units in single-family zones, subject to restrictions designed to limit impacts and protect neighborhood character.
5. Neighborhood anchor areas or commercial uses that are necessary to the function of residential neighborhoods or are compatible with residential activity.
6. Flexible application of zoning standards to encourage innovation and creative problem solving in new developments.
7. Continue review of potential negative impacts of zoning regulations on single family neighborhoods.

**F. STREAMLINED PERMIT PROCESS**

The Mayor and City Council endorse:

1. Continuation of the review of reducing the negative affects of building codes and regulations on housing and other possible solutions when available.
2. Streamlining the review and permit processes for developments that offer innovative design options and has a positive impact on neighborhoods.
3. Implementation of a "One Stop Counter" or other means of providing better, faster customer service.

**G. DOWNTOWN HOUSING**

The Mayor and the City Council support:

1. Development of housing available at all ranges of income levels.
2. Conducting an inventory and zoning review of land within the Downtown that could be used for housing sites, and studying the feasibility of purchasing the sites for housing uses, and considering the narrowing of streets.
3. Exploring ways to protect multi-family housing units east of 200 East between South Temple and 400 South and encouraging in-fill development housing east of 200 East.
4. Encouraging retail support services that support increased residential population and downtown workers.

**H. FUNDING MECHANISM**

The Mayor and the City Council support:

1. Increasing the housing stock via public nonprofit and/or for profit partnerships.
2. Maintaining the Salt Lake City Community Housing Plan that outlines annual sources and uses of funds for housing and housing programs.
3. Maintaining public reviews and input relating to use of City housing monies through the City's Housing Trust Fund Advisory Board.
4. Establishing a permanent funding source for the Housing Trust Fund.

**Revisions to Text from Public Comment, Council discussion, Mayor's letter dtd 11.9.05 and Council subcommittee review**  
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**I. MARKETING AND EDUCATION ON HOUSING IN SALT LAKE CITY**

The Mayor and the City Council encourage:

1. Development of educational programs on density, affordable housing and home buyer issues.
2. Sponsor education programs for developers and community councils to dispel myths and stereotypes about high density and affordable housing.
3. Development of public/private partnerships to market housing and educate the public on housing issues.
4. Marketing programs to highlight Salt Lake City's housing strengths and opportunities.
5. Utilize market research to develop aggressive public marketing campaigns to entice area residents to live in Salt Lake City and to guide the efforts of the City, the RDA and the development community in their efforts to develop housing within the City.

**J. HOMELESS, TRANSITIONAL AND SPECIAL NEEDS ISSUES**

The Mayor and the City Council support:

1. The continuation of co-locating human services and creating a collaborative environment in the Rio Grande community area to ensure that affluent, low-income and moderate-income populations can live, work and flourish together.
2. The efforts of the "Long Range Planning for Sheltering Needs of Homeless Persons Committee" in creating a County-wide ten-year plan to end chronic homelessness.
3. The creation of permanently affordable housing with appropriate case management for formerly homeless people to reduce the demand on existing services for the homeless.
4. Where possible, small scale, low density, scattered site locations, 100% low-income residential developments based on quality design, good management, and an established neighborhood social support structure

**K. HISTORIC PRESERVATION**

The Mayor and the City Council support preservation of valued historic structures deemed significant or contributing to the cultural or architectural heritage of the City based on the completion of the proposed historic resource survey that would be updated every five years.

**L. GROWTH TARGETS**

The Mayor and the City Council support development and maintenance of a city-wide plan for attracting population growth in Salt Lake City.

1. Salt Lake City should set and achieve 5-, 10-, and 20-year growth targets. This will help maintain the City's status as Utah's largest city.
2. Salt Lake City should use all available tools, as appropriate, including zoning, permitting, fees and incentives, to achieve these growth targets.

The City is moving forward with a planning process for the Northwest quadrant of the City. The Council recognizes the significance of the Northwest quadrant and the need to accommodate future growth in this area. The Council supports revisiting the policies in the Housing Plan as once planning for this area is complete.

## **M. CITY FUNDED PROJECTS**

One of the purposes of Salt Lake City's Housing Policies is to assist the City to achieve a diverse and balanced community with housing that offers a wide range of choices for all income levels. In order to meet this purpose, affordable housing should be available in all neighborhoods and not concentrated in a few areas of the City. Encouraging a variety of low, medium and high density housing developments for all income levels will help to enhance, maintain and sustain livable, viable neighborhoods.

Preservation and creation of affordable housing are high priorities and the City will continue to provide financial assistance to projects that meet the goals of this policy statement.

The City's Housing policy supports a planning process for all City sponsored housing activity that provides a coordinated approach for all housing agencies operating in the City with participation of the Redevelopment Agency, City Administrators, City Council, City Housing Authority, various City-based housing and neighborhood development organizations and the private sector.

Housing projects that include a request for City funding will be evaluated based on the following criteria in sections A through E. The City acknowledges that there will be housing projects that do not meet the criteria while at the same time do meet other land use development requirements. These projects will continue to be considered through the City's regulatory processes but will not be eligible for City funding assistance.

### **A. Rental Project – New Construction and Adaptive Reuses**

1. Project provides a mix of incomes that includes affordable, middle and high-end markets.
2. Project is financially viable and includes: a) new construction - reasonable developer fees and equity contributions, b) adaptive reuse/rehab - continues ownership. (as identified in the 'Preferred Housing Criteria' chart.)
3. Project will improve and add value to the neighborhood.
4. Project is consistent with adopted City master plans, zoning and other regulations or the application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes.

### **B. Home Ownership Project – New Construction and Adaptive Reuses**

1. Project provides a mix of incomes that includes affordable, middle and high-end markets.
2. Project is financially viable and includes : a) new construction - reasonable developer fees and equity contributions, b) adaptive reuse/rehab - continues ownership. (as identified in the 'Preferred Housing Criteria' chart.)
3. Project will improve and add value to the neighborhood.
4. Project is consistent with adopted City master plans, zoning and other regulations or the application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes.

### **C. Rehabilitation Project**

Multi-family units will be considered for financial support if the properties are rehabilitated and the income level of the residents remains unchanged.

**Revisions to Text from Public Comment, Council discussion, Mayor's letter dtd 11.9.05 and Council subcommittee review**

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**D. Transit Housing Project**

Projects located in transit districts, that would otherwise not be eligible for City and Redevelopment Agency funding assistance, will be considered as exceptions for City and Redevelopment Agency funding on a case by case basis in order to continue the City policy of encouraging development near transit. Projects will be evaluated based on the following criteria.

1. Project provides a mix of incomes that includes affordable, middle and high-end markets.
2. Project is financially viable and includes: a) new construction - reasonable developer fees and equity contributions, b) adaptive reuse/rehab - continues ownership. (as identified in the 'Preferred Housing Criteria' chart.)
3. Project will improve and add value to the neighborhood.
4. Project is consistent with adopted City master plans, zoning and other regulations or the application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes.

**E. Special Needs Housing Project**

Projects will be reviewed on a case by case basis. Salt Lake City will follow the definition of special needs housing as defined by the U.S. Department of Housing and Urban Development. HUD has identified the following as populations with special needs: homeless, elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families and public housing residents.

**Additional considerations:**

The Council supports using the "Preferred Housing Loan Criteria" to be used by the City Housing Trust Fund Board, the Redevelopment Advisory Committee and the Redevelopment Agency in evaluating funding requests for housing projects to be constructed in the City. (Please see attached chart)

## RENTAL PROJECT

## NEW CONSTRUCTION and ADAPTIVE REUSES

Rehab	New Constr- uction
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100	100

YES NO

## Financial

X		1	Mixed income/includes middle-income component		X
X		2	<p>- Percentage of affordable units exceeds percentage of market-rate units if project is located within an area of the City with a median income that is <b>below</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</p> <p>- Percentage of market-rate units exceeds percentage of affordable units if project is located within an area of the City with a median income that is <b>above</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</p>		X
X		4	Developer investment continued for a minimum of 5 or 7 years with the option to waive this requirement in the future		X
?		5	<p>Developer fee (of total project cost) not to exceed:(based on criteria adopted by the Utah Housing Corporation)</p> <p>- new construction – up to 10% developer profit &amp; overhead, 6% contractor profit, 2% contractor overhead</p> <p>- rehab – up to 18% with an evaluation on a case by case basis</p>		X
X		6	Cost per unit does not exceed 100% industry standard delineating "market" units		X
X		7	Property was purchased at or below market value as determined by MAI appraisal, or on projects for which property was purchased at an inflated value the developer includes excess purchase price in addition to equity.		X

***Environmental (Building and surrounding)***

X		1	Traffic impacts - close proximity to mass transit services (within 2 blocks)		X
X		2	Traffic impacts - adequate off-street parking is provided (including existing or shared parking)	X	X

***City Issues***

X		1	Architectural features compatible with the neighborhood i.e. taller buildings stepped-back if abutting single-family residential, design features that add interest (materials, mass, scale).	X	X
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**Value Added APPROACHES**

			<b><i>Financial</i></b>		
X		1	Leverage opportunities maximized with non-government money. Ratio of public to private funding.	X	X
X		2	Developer equity investment be a minimum of 2 percent		X

***Environmental (Building and surrounding)***

X		1	On-site manager, or 24-hour telephone number available	X	X
X		2	On-site manager, if over 20 units	X	X
X		3	Development will improve existing site conditions. Site improvement - develop in area that is currently a community burden due to actions of other than current owner (weeds, crime, transient gathering)	X	X
X		4	Increases residential density in appropriate areas/areas where the City could benefit from increased density		X
X		5	_____ percent of units or, _____ ratio of units handicapped accessible/visitable <b>To Be Determined</b>		X
X		6	_____ percent of units or, _____ ratio of units family friendly (i.e. 3 bedrooms, 2 bath, on-site laundry) <b>To Be Determined</b>		X

***City Issues***

X		1	Net increase in City housing stock		X
X		2	Project does not duplicate other projects in the area unless there is identifiable need (Project location in relation to other similar projects - distribution of projects)	X	X
X		3	Pedestrian-friendly design features to add interest ( such as balconies, porches, other architectural elements)		X

## VALUE-ADDED-APPROACHES

### *Environmental*

X		1	Includes mid-block walk-ways or other pedestrian amenities	X	X
X		2	Includes a component of open space or recreational space (such as recreational facilities, computer center, community room, children's play area, grassy area, other gathering space)	X	X
X		3	Development brings 24-hour presence to an otherwise predominantly day-time-only populated area (crime prevention element)	X	X
X		4	Development enhances neighborhood stability/strength/viability.	X	X
X		5	Development is adaptive re-use of previously abandoned/underused structures	X	X
X		6	Basic services (retail, grocery) available within 1/2 mile or 3 blocks	X	X
X		7	Traffic Impacts – location proximity to employment center	X	X

### *City Issues*

X		1	Development rehabilitates a historically significant structure	X	
X		2	Development extends the usable life of existing housing at a cost that is lower than new construction	X	X

## Preferred Housing Criteria

### OWNER-OCCUPIED/HOME OWNERSHIP PROJECT NEW CONSTRUCTION and ADAPTIVE REUSES

Subcommittee  
recommended  
criteria

Rehab      New Constr-  
                  uction

YES	NO	<i>Financial</i>			
X		1	Mixed income/includes middle-income component		X
X		2	<ul style="list-style-type: none"> <li>- Percentage of affordable units exceeds percentage of market-rate units if project is located within an area of the City with a median income that is <b>below</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</li> <li>- Percentage of market-rate units exceeds percentage of affordable units if project is located within an area of the City with a median income that is <b>above</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</li> </ul>		X
X		3	Developer investment continued for a minimum of 5 or 7 years with the option to waive this requirement in the future <b>Additional discussion needed – developers generally sell the properties for home ownership</b>		X
X		4	Developer fee (of total project cost) not to exceed: (based on criteria adopted by the Utah Housing Corporation) <ul style="list-style-type: none"> <li>- new construction – up to 10% developer profit &amp; overhead, 6% contractor profit, 2% contractor overhead</li> <li>- rehab – up to 18% with an evaluation on a case by case basis</li> </ul>		X
X		5	Cost per unit does not exceed 100% industry standard delineating "market" units		X
X		6	Property was purchased at or below market value as determined by MAI appraisal, or on projects for which property was purchased at an inflated value the developer includes excess purchase price in addition to equity.		X
<i>Environmental (Building and surrounding)</i>					
X		1	Traffic impacts - close proximity to mass transit services (within 2 blocks)		X
X		2	Traffic impacts - adequate off-street parking is provided (including existing or shared parking)	X	X
<i>City Issues</i>					
X		1	Architectural features compatible with the neighborhood i.e. taller buildings stepped-back if abutting single-family residential, design features that add interest (materials, mass, scale).	X	X



## Value Added APPROACHES

### *Financial*

X		1	Leverage opportunities maximized with non-government money. Ratio of public to private funding.	X	X
X		2	Developer equity investment be a minimum of 2 percent	X	X

### *Environmental (Building and surrounding)*

X		1	Development will improve existing site conditions. Site improvement - develop in area that is currently a community burden due to actions of other than current owner (weeds, crime, transient gathering)	X	X
X		2	Increases residential density in appropriate areas/areas where the City could benefit from increased density		X
X		3	_____ percent of units or, _____ ratio of units handicapped accessible/visitable <b>To Be Determined</b>		X
X		4	_____ percent of units or, _____ ratio of units family friendly (i.e. 3 bedrooms, 2 bath, on-site laundry) <b>To Be Determined</b>		X

### *City Issues*

X		1	Net increase in City housing stock		X
X		2	Project does not duplicate other projects in the area unless there is identifiable need (Project location in relation to other similar projects - distribution of projects)	X	X
X		4	Pedestrian-friendly design features to add interest ( such as balconies, porches, other architectural elements)		X

## **CHRONOLOGY** (Key dates):

- April 2003 Council Fact Finding meeting
- September 2004 Draft policies received from Administration
- February 15, 2005 Council discussion of draft policies recommended by the  
Administration and revised by the Council subcommittee
- March to April 2005 Public comment
- April to September Council subcommittee meetings
- September 13, 2005 Council discussion of draft policies recommended by the  
Council subcommittee
- September to November 2005 Council subcommittee meetings

## SALT LAKE CITY HOUSING POLICY STATEMENTS

### PREAMBLE

The goal of Salt Lake City's Housing Policies is to encourage and invite residential development in our downtown to enliven our most urban neighborhoods and to establish an urban residential tradition in the Capital City, while respecting and preserving the character and charm of surrounding predominantly residential districts. **Public Comment** The Housing Policies are intended to enhance, maintain and sustain a livable community that includes a vibrant downtown and other business areas integrated with surrounding neighborhoods that offer a wide range of housing choices for all income levels. The Housing Policies are designed to guide the City's effort to develop new housing opportunities while preserving existing housing stock. The City recognizes that strong vibrant neighborhoods are fundamental to the health and vitality of the City and that residents, business owners and local government each have role to play in creating and sustaining ideal neighborhoods.

Salt Lake City faces significant housing and population challenges as it begins the 21<sup>st</sup> Century. The increase in land values, lack of available land; and encroachment of commercial development into neighborhoods previously dominated by residential uses have all combined to reduce available housing stock, and made affordable housing increasingly difficult to provide, particularly in the downtown area. ~~Other constraints to additional housing have resulted from the application of standards and requirements in existing land use regulations-~~ Policies, zoning and other regulatory barriers to housing that discourage residential development are contrary to the City's housing policy and must be rationalized in the context of either public health and safety or broad public benefit. **Public Comment**

In the 1990s, Salt Lake City's population grew by approximately 10,000 residents, marking the city's first decade of population growth since the 1950s. At the same time, however, the suburban areas have experienced phenomenal population growth, and continue to grow at rates that far out pace Salt Lake City's modest increases. The dispersal of the population threatens several of Salt Lake City's traditional revenue sources, sales and property taxes, to the extent those sources are sensitive to residential population. The relative shift of population to the suburban areas has also affected Salt Lake City's urban public schools, two of which have closed in recent years.

Salt Lake City sits poised on the brink of opportunity, and the housing policies that follow seek to maximize current and future opportunities. The construction of two light rail lines, for example, provides Salt Lake City with the opportunity to situate higher-density residential and commercial developments around transit stations. New developments, in configurations that are friendly to pedestrians and bicyclists, many residents and businesses near the stations easy access to light rail, thereby providing for greater urban vitality, lower costs of living, healthier lifestyles, and reduced vehicle dependence.

The City considers housing a high priority and intends the Housing Policies to be considered in:

1. City and Redevelopment Agency funding assistance.
2. Zoning and land use planning.
3. Master planning of neighborhoods.
4. Incentives and creative approaches for developers.
5. Incentives or permitting processes to maintain, increase and encourage a variety of housing styles, densities, prices or rents to accommodate all individuals as well as families of all types and sizes.

To achieve these strategic goals, the City will implement the following housing policies:

**Revisions to Text from Public Comment, Council discussion and Council subcommittee review**  
**11.05**

**A. NEW HOUSING DEVELOPMENT IN SALT LAKE CITY**

The Mayor and the City Council support:

1. A city-wide variety of residential housing units including affordable housing.
2. Accommodating different types and intensities of residential development providing access to decent, safe and affordable housing for all Salt Lake City residents that does not consume more than 30% of their gross income.
3. Development of programs to meet the housing needs of all individuals whether employed by, working in or living within Salt Lake City.
4. Policies and programs that encourage home ownership and that will create an appropriate balance of rental and ownership opportunities in neighborhoods without jeopardizing an adequate supply of affordable housing.
5. New housing projects that incorporate and are consistent with, to the maximum extent possible, requirements of the Federal Americans with Disabilities Act such as:
  - a. The number of accessible units that are required with new development.
  - b. Requirements or design standards for accessibility and visitability to all buildings and facilities. **Public Comment**
6. Mixed-use and mixed-income concepts and projects that achieve vibrant, safe, integrated, walkable neighborhoods through a mix of uses and incomes in areas with established transportation, utilities and related public services that:
  - a. incorporate affordable housing when appropriate; and
  - b. incorporate an assortment of residential, commercial and professional office uses.
7. Architectural designs compatible with neighborhoods that:
  - a. makes good use of and incorporate open space, even minimal amounts;
  - b. interface well with public spaces;
  - c. address parking needs in the least obtrusive manner possible; and
  - d. are creative, aesthetically pleasing and provide attractive public spaces, such as designated common areas, community centers, childcare, resident gathering places, and resident/community gardens, etc.

**B. AFFORDABLE HOUSING**

The Mayor and the City Council support:

1. All Salt Lake City residents having access to decent, safe and affordable housing.
2. The analysis of the impacts of fees and current zoning on affordable housing.
3. The dispersal of affordable, transitional and special needs housing city-wide and valley-wide.
4. The City providing examples of how affordable housing can be built, offering incentives for innovative projects that developers may not initially be willing to undertake and encouraging public/private partnerships to maximize housing opportunities.
5. Facilitating better coordination and communication among the wide variety of groups involved in housing.
6. Transit- and pedestrian-oriented housing developments.
7. Mixed-use and mixed-income concepts and projects that achieve vibrant, safe, integrated, walkable neighborhoods through a variety of uses and incomes in areas with established transportation, utilities and related public services and that:
  - a. incorporate affordable housing, whenever possible, in appropriate mixtures;
  - b. incorporate an assortment of residential, commercial and professional office uses;

**Revisions to Text from Public Comment, Council discussion and Council subcommittee review**  
**11.05**

- c. are creative, aesthetically pleasing and provide attractive public spaces, such as designated common areas, community centers, childcare, resident gathering places, and resident/community gardens, etc.

**C. HOUSING STOCK PRESERVATION, REHABILITATION**

The Mayor and City Council advocate:

1. Policies and programs that generally support the preservation, rehabilitation, and adaptive reuse of existing housing stock.
2. Policies and programs that generally support the preservation, rehabilitation, adaptive reuse of existing housing stock or replace the City's housing stock including, ~~the requirement of, at a minimum~~ to the extent possible, a unit-for-unit replacement or a monetary contribution by developers to the City's Housing Trust Fund in lieu of replacement. Subcommittee recommendation
3. Promoting housing safety and quality through adequately funding by fees the City's apartment inspection program.
4. Adequately funding programs that assist home and apartment owners in rehabilitating and maintaining housing units.
5. Reinvestment in existing urban and inner suburban areas.
6. Preservation, and if possible, expansion, in appropriate areas of existing subsidized and Section 8 housing in the City. Public Comment

**D. TRANSIT-ORIENTED DEVELOPMENT**

The Mayor and City Council support:

1. Coordinated, comprehensive land use and transportation master planning. Specifically, the Council and Mayor support transit-oriented development as well as adequate, reliable public transportation in order to allow residents to easily access employment and residences.
2. A pedestrian and bicycle friendly environment throughout the City.
3. Housing densities and mixed uses and pedestrian-oriented urban design that support walking and the use of alternative and public transportation, depending on the characteristics of each area.
4. Appropriate housing densities and support retail in areas where public transit is available or can be provided and are accessible on foot.
5. Transit-oriented development with an affordable housing component where appropriate.

**E. ZONING**

On a citywide basis, the Mayor and City Council endorse:

1. Policies and programs that preserve a balance of housing and business opportunities within the City to ensure the continued existence of a population base and business base. While the City supports mixed use development, it also recognizes that there are some zones that are not conducive to residential development. As such, the City will discourage any housing development in industrial-type zones.
2. A zoning designation to permit transitional housing on a small-scale basis.
3. Higher densities in affordable and mixed income and mixed-use housing developments if the developer incorporates features to minimize potential negative impacts such as buffer landscaping, usable open space, on-site amenities, support services, and underground vehicle parking.
4. Accessory housing units in single-family zones, subject to restrictions designed to limit impacts and protect neighborhood character.
5. Neighborhood anchor areas or commercial uses that are necessary to the function of residential neighborhoods or are compatible with residential activity.

## **Revisions to Text from Public Comment, Council discussion and Council subcommittee review**

### **11.05**

6. Flexible application of zoning standards to encourage innovation and creative problem solving in new developments.
7. Continue review of potential negative impacts of zoning regulations on single family neighborhoods.

## **F. STREAMLINED PERMIT PROCESS**

The Mayor and City Council endorse:

1. Continuation of the review of reducing the negative affects of building codes and regulations on housing and other possible solutions when available.
2. Streamlining the review and permit processes for developments that offer innovative design options and has a positive impact on neighborhoods.
3. Implementation of a "One Stop Counter" or other means of providing better, faster customer service.

## **G. DOWNTOWN HOUSING**

The Mayor and the City Council support:

1. Development of housing available at all ranges of income levels.
2. Conducting an inventory and zoning review of land within the Downtown that could be used for housing sites, and studying the feasibility of purchasing the sites for housing uses, and considering the narrowing of streets.
3. Exploring ways to protect multi-family housing units east of 200 East between South Temple and 400 South and encouraging in-fill development housing east of 200 East.
4. Encouraging retail support services that support increased residential population and downtown workers.

## **H. FUNDING MECHANISM**

The Mayor and the City Council support:

1. Increasing the housing stock via public nonprofit and/or for profit partnerships.
2. Maintaining the Salt Lake City Community Housing Plan that outlines annual sources and uses of funds for housing and housing programs.
3. Maintaining public reviews and input relating to use of City housing monies through the City's Housing Trust Fund Advisory Board.
4. Establishing a permanent funding source for the Housing Trust Fund.

## **I. MARKETING AND EDUCATION ON HOUSING IN SALT LAKE CITY**

The Mayor and the City Council encourage:

1. Development of educational programs on density, affordable housing and home buyer issues.
2. Sponsor education programs for developers and community councils to dispel myths and stereotypes about high density and affordable housing.
3. Development of public/private partnerships to market housing and educate the public on housing issues.
4. Marketing programs to highlight Salt Lake City's housing strengths and opportunities.
5. Utilize market research to develop aggressive public marketing campaigns to entice area residents to live in Salt Lake City and to guide the efforts of the City, the RDA and the development community in their efforts to develop housing within the City.

**Revisions to Text from Public Comment, Council discussion and Council subcommittee review**  
**11.05**

**J. HOMELESS, TRANSITIONAL AND SPECIAL NEEDS ISSUES**

The Mayor and the City Council support:

1. The continuation of co-locating human services and creating a collaborative environment in the Rio Grande community area to ensure that affluent, low-income and moderate-income populations can live, work and flourish together.
2. The efforts of the "Long Range Planning for Sheltering Needs of Homeless Persons Committee" in creating a County-wide ten-year plan to end chronic homelessness.
3. The creation of permanently affordable housing with appropriate case management for formerly homeless people to reduce the demand on existing services for the homeless.
4. Where possible, small scale, low density, scattered site locations, 100% low-income residential developments based on quality design, good management, and an established neighborhood social support structure

**K. HISTORIC PRESERVATION**

The Mayor and the City Council support preservation of valued historic structures deemed significant or contributing to the cultural or architectural heritage of the City based on the completion of the proposed historic resource survey that would be updated every five years.

**L. GROWTH TARGETS**

The Mayor and the City Council support development and maintenance of a city-wide plan for attracting population growth in Salt Lake City.

1. Salt Lake City should set and achieve 5-, 10-, and 20-year growth targets. This will help maintain the City's status as Utah's largest city.
2. Salt Lake City should use all available tools, as appropriate, including zoning, permitting, fees and incentives, to achieve these growth targets.

**M. CITY FUNDED PROJECTS**

One of the purposes of Salt Lake City's Housing Policies is to assist the City to achieve a diverse and balanced community with housing that offers a wide range of choices for all income levels. In order to meet this purpose, affordable housing should be available in all neighborhoods and not concentrated in a few areas of the City. Encouraging a variety of low, medium and high density housing developments for all income levels will help to enhance, maintain and sustain livable, viable neighborhoods.

Preservation and creation of affordable housing are high priorities and the City will continue to provide financial assistance to projects that meet the goals of this policy statement.

~~The average percentage of households whose income is below poverty level in Salt Lake City is 13.6%. The City is concerned about census tracts where the poverty percentage is 26% or higher. In the interest of fostering strong, sustainable neighborhoods, this policy discourages additional low income housing in neighborhoods that currently have at least two times the average poverty rate in Salt Lake City. (Please see attached map.)~~ Council discussion

The City's Housing policy supports a planning process for all City sponsored housing activity that provides a coordinated approach for all housing agencies operating in the City with participation of the Redevelopment Agency, City Administrators, City Council, City Housing Authority, various City-based

**Revisions to Text from Public Comment, Council discussion and Council subcommittee review**  
**11.05**

housing and neighborhood development organizations and the private sector. **Public Comment with Council subcommittee revisions**

Housing projects that include a request for City funding will be evaluated based on the following criteria. The City acknowledges that there will be housing projects that do not meet the criteria while at the same time do meet other land use development requirements. These projects will continue to be considered through the City's regulatory processes but will not be eligible for City funding assistance. **Council subcommittee recommendation**

A. Rental Project – New Construction and Adaptive Reuses

1. Project provides a mix of incomes that includes affordable, middle and high-end markets.
2. Project is financially viable and includes: a) new construction - reasonable developer fees and equity contributions, b) adaptive reuse/rehab - continues ownership. (as identified in the 'Preferred Housing Criteria' chart.)
3. Project will improve and add value to the neighborhood.
4. Project is consistent with adopted City master plans, zoning and other regulations or the application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes.

**Council discussion/ Council subcommittee recommendation**

B. Home Ownership Project – New Construction and Adaptive Reuses

1. Project provides a mix of incomes that includes affordable, middle and high-end markets.
2. Project is financially viable and includes : a) new construction - reasonable developer fees and equity contributions, b) adaptive reuse/rehab - continues ownership. (as identified in the 'Preferred Housing Criteria' chart.)
3. Project will improve and add value to the neighborhood.
4. Project is consistent with adopted City master plans, zoning and other regulations or the application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes.

**Council discussion/ Council subcommittee recommendation**

C. Rehabilitation Project

Multi-family units will be considered for financial support if the properties are rehabilitated and the income level of the residents remains unchanged.

D. Transit Housing Project

Projects located in transit districts, that would otherwise not be eligible for City and Redevelopment Agency funding assistance (based on the poverty level in the census tract), will be considered as exceptions for City and Redevelopment Agency funding on a case by case basis in order to continue the City policy of encouraging development near transit. **Public Comment** Projects will be evaluated based on the following criteria.

1. Project provides a mix of incomes that includes affordable, middle and high-end markets.
2. Project is financially viable and includes: a) new construction - reasonable developer fees and equity contributions, b) adaptive reuse/rehab - continues ownership. (as identified in the 'Preferred Housing Criteria' chart.)
3. Project will improve and add value to the neighborhood.



**Revisions to Text from Public Comment, Council discussion and Council subcommittee review**  
**11.05**

4. Project is consistent with adopted City master plans, zoning and other regulations or the application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes.

**Council discussion/ Council subcommittee recommendation**

E. Special Needs Housing Project

Projects will be reviewed on a case by case basis. Salt Lake City will follow the definition of special needs housing as defined by the U.S. Department of Housing and Urban Development. HUD has identified the following as populations with special needs: homeless, elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families and public housing residents.

Additional considerations:

The Council supports using the “Preferred Housing Loan Criteria” to be used by the City Housing Trust Fund Board, the Redevelopment Advisory Committee and the Redevelopment Agency in evaluating funding requests for housing projects to be constructed in the City. (Please see attached chart) **Council subcommittee recommendation**

Subcommittee  
recommended  
criteria

Preferred Housing Criteria  
**RENTAL PROJECT**  
**NEW CONSTRUCTION and ADAPTIVE REUSES**  
MINIMUM REQUIREMENTS

Rehab      New Constr-  
                  uction

YES   NO

**Financial (for projects with 50 units or more)**

X		1	Mixed income/includes middle-income component		X
X		2	<del>Percentage of low income units to middle income units does not exceed 60/40</del> <u>- Percentage of affordable units exceeds percentage of market-rate units if project is located within an area of the City with a median income that is <b>below</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</u>  <u>- Percentage of market-rate units exceeds percentage of affordable units if project is located within an area of the City with a median income that is <b>above</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</u>		X
?	-	3	<del>For projects in census tracts with income levels below _____, addition of the project will serve to increase the income level of the census tract AMI – <b>HOLD FOR ADDITIONAL DISCUSSION/ANALYSIS</b></del>	-	X
X	-	3	<del>Rents not to exceed 80 percent AMI of market for 60 percent of the project AMI</del>	-	X
X		4	Developer investment continued for a minimum of <del>15 years</del> <u>5 or 7 years with the option to waive this requirement in the future</u>		X
?		5	<u>Developer fee (of total project cost) not to exceed:-(industry standard based on criteria adopted by the Utah Housing Corporation)</u> <u>- new construction – up to 10% developer profit &amp; overhead, 6% contractor profit, 2% contractor overhead</u> <u>- rehab – up to 18% with an evaluation on a case by case basis</u>		X
X		6	Cost per unit does not exceed 100% industry standard delineating "market" units		X
X		7	Property was purchased at or below market value as determined by MAI appraisal (projects for which property was purchased at an inflated value _____ ) <b>ADDITIONAL LANGUAGE TO BE PROVIDED</b>		X

***Environmental (Building and surrounding)***

X		1	Traffic impacts - close proximity to mass transit services (within 2 blocks)		X
X		2	Traffic impacts - adequate off-street parking is provided (including existing or shared parking)	X	X

***City Issues***

X		1	Architectural features compatible with the neighborhood i.e. taller buildings stepped-back if abutting single-family residential, design features that add interest (materials, mass, scale), compatibility review <b>EXAMPLES TO BE PROVIDED</b>	X	X
X	-	3	<del>Consistent with adopted City Master Plans, zoning and other regulations or application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes. (Council/RDA Board could then make funding contingent on independent review of those requested changes. In approving contingent funding, Council/RDA Board could specify that conditional funding approval will not influence other review process.)</del> <b>Moved to Housing Policy document – M City Funded Projects – A. Rental Project, B. Home Ownership Project and D. Transit Housing Project</b>	X	X

**PREFERRED Value Added APPROACHES**

			<b><i>Financial</i></b>		
-	X	1	<del>Project serves a large number of people for money requested (# TBD) (Projects that fill greatest need, rather than project with the greatest funding need.)</del>	-	-
X		1	Leverage opportunities maximized with non-government money. Ratio of public to private funding.	X	X
X		2	Developer equity investment be a minimum of 2 percent		X
			<b><i>Environmental (Building and surrounding)</i></b>		
X		1	On-site manager, or 24-hour telephone number available	X	X
X		2	On-site manager, if over 20 units	X	X
X		3	Development will improve existing site conditions. Site improvement - develop in area that is currently a community burden due to actions of other than current owner (weeds, crime, transient gathering)	X	X
X	-	4	<del>Development includes water/energy conservation amenities (drought tolerant landscaping, energy star rated appliances, energy efficient windows) LEEDs certification (Leadership in Energy and Environment Design standards)</del> <b>HOLD PENDING BRIEFING FROM ADMINISTRATION</b>		
X		4	Increases residential density in appropriate areas/areas where the City could benefit from increased density		X

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X		5	_____ percent of units or, _____ ratio of units handicapped accessible/visitable <u>To Be Determined</u>		X
X		6	_____ percent of units or, _____ ratio of units family friendly (i.e. 3 bedrooms, 2 bath, on-site laundry) <u>To Be Determined</u>		X

### *City Issues*

X		1	Net increase in City housing stock		X
X		2	Project does not duplicate other projects in the area unless there is identifiable need (Project location in relation to other similar projects - distribution of projects)	X	X
X		3	Pedestrian-friendly design features to add interest ( such as <del>ground floor windows</del> , balconies, porches, other architectural elements)		X

## VALUE-ADDED-APPROACHES

### *Environmental*

X		1	Includes mid-block walk-ways or other pedestrian amenities	X	X
X		2	Includes a component of open space or recreational space (such as recreational facilities, computer center, community room, children's play area, grassy area, other gathering space)	X	X
-	<del>X</del>	3	<del>Development is designed in keeping with Crime Prevention Through Environmental Design (CEPTED) crime prevention standards</del>	-	-
X		3	Development brings 24-hour presence to an otherwise predominantly day-time-only populated area (crime prevention element)	X	X
X		4	Development enhances neighborhood stability/strength/viability.	X	X
X		5	Development is adaptive re-use of previously abandoned/underused structures	X	X
X		6	Basic services (retail, grocery) available within <u>1/2 mile or 3 blocks</u>	X	X
X		7	Traffic Impacts <del>—</del> <u>location</u> proximity to employment center	X	X

### *City Issues*

X		1	Development rehabilitates a historically significant structure	X	
X		2	Development extends the usable life of existing housing at a cost that is lower than new construction	X	X

Subcommittee  
recommended  
criteria

Preferred Housing Criteria  
**OWNER-OCCUPIED/HOME OWNERSHIP PROJECT**  
**NEW CONSTRUCTION and ADAPTIVE REUSES**  
**MINIMUM REQUIREMENTS**

Rehab      New Constr-  
                  uction

YES	NO	<i>Financial</i>				
X		1	Mixed income/includes middle-income component			X
X		2	<del>Percentage of low income units to middle income units does not exceed 60/40</del> - <u>Percentage of affordable units exceeds percentage of market-rate units if project is located within an area of the City with a median income that is <b>below</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</u> - <u>Percentage of market-rate units exceeds percentage of affordable units if project is located within an area of the City with a median income that is <b>above</b> the City's average percentage (13.6%) of income below the poverty level. (based on Census tract information)</u>			X
<del>?</del>	-	3	<del>For projects in census tracts with income levels below _____, addition of the project will serve to increase the income level of the census tract</del> <b>AMI – HOLD FOR ADDITIONAL DISCUSSION/ANALYSIS</b>	-		<del>X</del>
<del>X</del>	-	4	<del>Rents not to exceed 80 percent AMI of market for 60 percent of the project AMI</del>	-		<del>X</del>
X		3	<del>Developer investment continued for a minimum of 15 years</del> <u>5 or 7 years with the option to waive this requirement in the future</u> <b>Additional discussion needed – developers generally sell the properties for home ownership</b>			X
X		4	<del>Developer fee (of total project cost) not to exceed: (industry standard based on criteria adopted by the Utah Housing Corporation)</del> <u>- new construction – up to 10% developer profit &amp; overhead, 6% contractor profit, 2% contractor overhead</u> <u>- rehab – up to 18% with an evaluation on a case by case basis</u>			X
X		5	Cost per unit does not exceed 100% industry standard delineating "market" units			X
X		6	Property was purchased at or below market value as determined by MAI appraisal (projects for which property was purchased at an inflated value _____ ) <b>ADDITIONAL LANGUAGE TO BE PROVIDED</b>			X
<i>Environmental (Building and surrounding)</i>						
X		1	Traffic impacts - close proximity to mass transit services (within 2 blocks)			X

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X		2	Traffic impacts - adequate off-street parking is provided (including existing or shared parking)	X	X
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**City Issues**

X		1	Architectural features compatible with the neighborhood i.e. taller buildings stepped-back if abutting single-family residential, design features that add interest (materials, mass, scale), compatibility review <b>EXAMPLES TO BE PROVIDED</b>	X	X
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**PREFERRED Value Added APPROACHES****Financial**

-	X	1	<del>Project serves a large number of people for money requested (# TBD) (Projects that fill greatest need, rather than project with the greatest funding need.)</del>	-	-
X		1	Leverage opportunities maximized with non-government money. Ratio of public to private funding.	X	X
X		2	Developer equity investment be a minimum of 2 percent	X	X

**Environmental (Building and surrounding)**

X	-	1	<del>On-site manager, or 24-hour telephone number available</del>	X	X
X	-	2	<del>On-site manager, if over 20 units</del>	X	X
X		1	Development will improve existing site conditions. Site improvement - develop in area that is currently a community burden due to actions of other than current owner (weeds, crime, transient gathering)	X	X
X	-	4	<del>Development includes water/energy conservation amenities (drought tolerant landscaping, energy star rated appliances, energy efficient windows) LEEDs certification (Leadership in Energy and Environment Design standards)</del> <b>HOLD PENDING BRIEFING FROM ADMINISTRATION</b>	-	-
X		2	Increases residential density in appropriate areas/areas where the City could benefit from increased density		X
X		3	_____ percent of units or, _____ ratio of units handicapped accessible/visitable <u>To Be Determined</u>		X
X		4	_____ percent of units or, _____ ratio of units family friendly (i.e. 3 bedrooms, 2 bath, on-site laundry) <u>To Be Determined</u>		X

**City Issues**

X		1	Net increase in City housing stock		X
X		2	Project does not duplicate other projects in the area unless there is identifiable need (Project location in relation to other similar projects - distribution of projects)	X	X

11/2005

X	-	3	Consistent with adopted City Master Plans, zoning and other regulations or application contains a detailed statement of changes that would be required (verified by the Planning Division) and the supporting policy reasons for those changes. (Council/RDA Board could then make funding contingent on independent review of those requested changes. In approving contingent funding, Council/RDA Board could specify that conditional funding approval will not influence other review process.) <u>Moved to Housing Policy document – M City Funded Projects, A. Rental Project, B. Home Ownership Project and D. Transit Housing Project</u>	X	X
X		4	Pedestrian-friendly design features to add interest ( such as <del>ground-floor windows</del> , balconies, porches, other architectural elements)		X

## VALUE-ADDED-APPROACHES

### *Environmental*

X		1	Includes mid-block walk-ways or other pedestrian amenities	X	X
X		2	Includes a component of open space or recreational space (such as recreational facilities, computer center, community room, children's play area, grassy area, other gathering space)	X	X
-	X	3	<del>Development is designed in keeping with Crime Prevention Through Environmental Design (CEPTED) crime prevention standards</del>	-	-
X		4	Development brings 24-hour presence to an otherwise predominantly day-time-only populated area (crime prevention element)	X	X
X		5	Development enhances neighborhood stability/strength/viability.	X	X
X		6	Development is adaptive re-use of previously abandoned/underused structures	X	X
X		7	Basic services (retail, grocery) available within <u>1/2 mile or 3 blocks</u>	X	X
X		8	Traffic Impacts <del>—</del> <u>location</u> proximity to employment center	X	X

### *City Issues*

X		1	Development rehabilitates a historically significant structure	X	
X		2	Development extends the usable life of existing housing at a cost that is lower than new construction	X	X



UTAH HOUSING

W Robin Kemker, Tax Credit Director

CORPORATION

554 South 300 East Salt Lake City, Utah 84111 ph (801) 902.8246 fax (801) 902.8325

September 12, 2005

LuAnn Clark  
Salt Lake City Corporation  
City and County Building  
Salt Lake City, Utah 84111

Re: Low-Income Housing Tax Credit program fee limits

Dear LuAnn,

Per your request, I have assembled the following information for your review.

1. Comparison of National Council of State Housing Agencies "Underwriting Recommended Practices" and UHC limits.
2. Average Developer fees as a percentage of total project costs (allows comparison with recommendations in item 1).
3. Fee ceiling schedule.

1. The following compares the National Council of State Housing Agencies "Underwriting Recommended Practices" and UHC limits..

Fees and Overhead Limits	NCSHA Guidelines	Utah Housing Corporation
Developer Profit & Overhead	15% of <u>total project cost</u>	10% of <u>**construction costs plus architect &amp; engineering</u> . Excludes land costs, loan & interest costs, contractor fees, syndication costs, etc.
Contractor Profit	6% of construction costs	6% of construction costs
Contractor Overhead	2% of construction costs	2% of construction costs
Total Fee:	23% of combined	18% of fee **basis

2. Average Developer fees in Utah 2004-2005 Housing Credit projects (<80 units):

Average Cost of Utah Projects	NCSHA Fee limit	Utah Limit	Fee Taken
\$3,384,000	\$475,500	\$230,000	218,800
Percentage: (average units: 34)	15%	10%	9.5%

9/12/2005



3. Utah Housing Corporation fee ceiling:

1-10 units	\$18,000
11-30 units	\$15,000
Over 30 units	\$12,000

Please contact me with any questions you may have.

Sincerely,

W. Robin Kemker  
Housing Credit Director

9/12/2005