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# M E M O R A N D U M

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**DATE:** December 29, 2006  
**TO:** Council Members  
**FROM:** Council Housing Policy Subcommittee,  
Cindy Gust-Jenson and Janice Jardine  
**RE:** Draft Housing Policy Statements and Housing Funding Criteria

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- Attached is the latest draft City Housing Policy and Preferred Housing Funding Criteria. Council discussion regarding the documents is scheduled for the Work Session on Tuesday, January 2, 2007.
- On November 15, 2006, copies of the draft City Housing Policy and Preferred Housing Funding Criteria with a request for review, feedback and comments were mailed and provided via electronic mail to members of the public including housing advocates, development community representatives, Community Council Chairs, City Boards and Commissions, business representatives and other interested parties.
- Written comments provided by noon Friday, December 29, 2006, have been provided to Council Members via electronic mail. Copies are also included as part of the information provided for this discussion item.
- Attachments:
  - Attachment A – draft City Housing Policy and Preferred Housing Funding Criteria
  - Attachment B – Comments received as of noon Friday, December 29, 2006

## OUTSTANDING ISSUES

- Direction is requested from the Council regarding the following:
  - A. Housing Loss Mitigation - **Please refer to the highlighted section in the draft Policy, pg. 3 - C. HOUSING STOCK PRESERVATION AND REHABILITATION, item 2:**
    - **Policy, pg. 3** – Strengthen the City’s approach to housing loss mitigation through focusing mitigation requirements on situations where residential structures in residential zones and adopted master plans do not support an evolution to commercial use.
      1. Does the Council support continuing the City’s Housing Loss Mitigation? (The initial theory behind “housing loss mitigation” was that the City needs a residential base, that the loss of housing can have a negative impact on the community, and that tearing down housing can create ‘holes’ in neighborhoods. Further, there was a desire to encourage development of commercial facilities in areas zoned commercial, rather than in areas that are zoned residential. There had been a history of commercial entities purchasing lower-cost residential property rather than commercial property, allowing the housing to deteriorate, and then seeking a rezoning based upon the deteriorated condition of the housing. “Housing Loss Mitigation” was designed to protect the City’s population base and remove any inadvertent / unintended incentive to tear down housing.)
      2. Would the Council like to schedule an additional discussion for this item?
        - Consider updating current ordinance. (\$ amount)

- Consider study to update nexus information. (When the initial ordinance was established the Council had to demonstrate that loss of housing is not good for the community.)
- Address concerns about single-family homes being removed from multi-family zoning districts. (This is allowed under the current Housing Loss Mitigation ordinance.)
- Other issues identified by Council Members.

B. Transit-oriented development with mix of affordable and market rate mixed-income housing – **Please refer to the highlighted section in the draft Policy, pg. 3 - D. TRANSIT-ORIENTED DEVELOPMENT, item 5:**

- **Policy, pg. 3** – Transit-oriented development with a mix of affordable and market rate mixed-income housing components.
- Is it the Council’s intent to require an affordable housing component in all transit-oriented developments?

C. City Funded Projects – **Please refer to the highlighted sections in the:**

- **Draft policy, pgs. 5-7 – M. CITY FUNDED PROJECTS**
- **Draft Preferred Housing Funding Criteria, pg. 1, Financial, item 2, A. & B.**

1. **Policy, pg. 6 -**

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 policy objectives. These projects will continue to be considered through the City’s regulatory processes but will not be eligible for City funding assistance unless the project developer can demonstrate that the project substantially conforms with the spirit and intent of the city’s housing policies stated herein.

The definition of ‘affordable’ is generally considered not to exceed 80% area median income (AMI) and below for rental or homeownership projects. (This is the definition used by HUD, the U.S. Department of Housing and Urban Development.)

A. Rental Project – New Construction and Adaptive Reuses

1. Project provides a mix of incomes that includes affordable and market rate units.

B. Home Ownership Project – New Construction and Adaptive Reuses

1. Project provides a mix of incomes that includes affordable and market rate units.

C. Transit Housing Project

1. Project provides a mix of incomes that includes affordable and market rate markets.

2. **Preferred Funding Criteria, pg. 1, Financial, item 2**

- a. Percentage of affordable units may exceed the percentage of market-rate units if project is located within an area of the City with a median income that is **60 percent or above** the City’s Area Median Income (AMI)
- b. Percentage of market-rate units may exceed the percentage of affordable units if project is located within an area of the City with a median income that is **60 percent or below** the City’s Area Median Income (AMI)

- Does the Council support statements relating to use of City funds for mixed-income/mixed affordable and market rate housing projects? 100% affordable projects would not eligible for City funding unless ‘project developer can demonstrate that the project substantially conforms with the spirit and intent of the City’s housing policies’.

- Does the Council support the proposed definition of ‘affordable’? (Please see item 1 above. Providing a definition of ‘affordable’ was a recommendation from previous public comments. The HUD definition could provide some consistency in the terminology used by various housing-related governmental agencies and the development community.)
- 3. **Preferred Housing Funding Criteria, pg. 2, Additional consideration Factors, Financial, item 1** – Leverage opportunities maximized with non-government money. Ratio of public to private funding.
- Does the Council support the criteria relating to maximizing leverage opportunities with non-government money.

ADDITIONAL DISCUSSION ITEMS:

4. Subsidy for low income, enables market-rate units
5. Developer equity
6. On-site manager/24 hour phone number (**Please refer to Preferred Housing Funding Criteria, pg. 2, Additional Consideration Factors, Environmental (Building and surrounding area, item 1.)**)

**Summary of public comments received as of Friday, January 29, 2006**

Direction is requested from the Council regarding the following public comments (for brevity sake these are not exact quotes, but specific phrases are lifted from public comments – opinions expressed are those of the members of the public making comment, not the opinions of Council staff):

- A. The City owns the last remaining SRO’s in the downtown area through the Redevelopment agency (RDA). The draft policy calls for the City to ‘offer a wide range of housing choices for all income levels’ and yet the RDA is making plans to eliminate the Regis, Cambridge, and the Salt Lake blue buildings on State Street. SRO housing will then disappear from our city, even as providers and government officials scramble to implement a new 10 year plan to end chronic homelessness. A plan should be developed that incorporates the preservation of at least 150 units on this site with whatever new development is desired.
  1. The RDA could easily finance this from the 20% set aside for affordable housing that is currently required by state law on tax increment collections from projects like the Gateway.
  2. These funds do not carry the restrictions that tax credits and public trust fund dollars do.
  3. Private funding can also be obtained, and competent nonprofit management of these properties secured.
- B. Other important elements are still missing.
  1. A well outlined inclusionary zoning/linked development policy,
  2. A better discussion of accessibility/visitability issues,
  3. A meaningful housing loss mitigation policy, and
  4. A clearly identified revenue stream for the City Housing Trust fund.
- C. The proposed policy to deny funding to projects that are 100% ‘affordable’, where affordable means 80% of the area median income (AMI) and below.
  1. This makes no sense, especially in light of the fact that 60% AMI projects often equal the market-rate rents as well as the incomes of many of the people who live downtown.
  2. A project that is 80% AMI would prevent the working class from renting apartments or purchasing condominiums.
  3. It would also prevent many affordable housing projects from being constructed as financing would be difficult to obtain for affordable projects which have units that exceed the market-rate rents in the City.

- D. Would encourage the City Council to revisit the Housing Policy Draft and write appropriate language to include and encourage green housing standards.
1. The Planning Commission sent a recommendation at least a year ago to the City Council to encourage a faster permit process for any builder/remodeler/home owners who were using E2 or LEEDS guidelines in their construction.
  2. Future City budgeting should place a priority on funding more staff and working to get more than one person on staff to initiate and oversee environmental housing issues now and in the future.
  3. Language in the draft document references the RDA's participation in housing development. Although the City Council has passed LEEDs guidelines for City construction projects, I do not believe the RDA has followed suit.
- E. One of the strategies in the County's plan to end homelessness is housing. The homeless and other specialized populations often know no city or county boundaries. Housing opportunities are an important part of their personal recovery process as well as preserving the health and safety of our communities. Observations and suggestions:
1. The preamble is inclusive and on paper demonstrates the City's commitment to develop and maintain affordable housing throughout the city. Maintaining existing housing inventory is often as important as developing new housing stock particularly for special populations.
  2. Under B, Affordable Housing, #8, the recognition of the wide variety of housing that is needed to meet the needs of all residents is appreciated. Affordable housing means different things to different people.
  3. Under H, Funding Mechanism, #4 the issue of establishing a permanent funding source for affordable housing development is a common need of all cities, counties and even the state of Utah. Consider whether it's time to approach the Utah State Legislature with a proposed funding mechanism such as a transfer fee that could be used as a local option to create housing. In other words, authorizing legislation would allow a local entity like a city or county the authority to levy a fee or tax at their discretion. Without a permanent funding source we will continue to piece meal our affordable housing efforts. Other areas around the country have created mechanisms for permanent funding which have accelerated their ability to develop housing.
  4. Section E. "Special Needs Housing Project" again is recognition of the need to focus on special needs housing. It would be helpful to know what the ideas are on the weights for each of the five funding criteria.
  5. The success of any policy is in its implementation and monitoring for compliance. Once adopted, does the City have certain areas designated for the development of this wide variety of housing? Is there a master plan or something like it that would be available for public review? That might be helpful to those wishing to develop particular types of housing within Salt Lake City.

### **Process Options**

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

- Schedule additional Council Work Session discussions.
- Recommend changes to the Council subcommittee's draft documents.
- Distribute revised documents and establish a timeframe to receive for additional public comment.
- Schedule a public hearing to receive public comment and additional information.
- Schedule Council action on a future Council agenda to allow consideration of information and comments received at the public hearing.
- Other options identified by Council Members

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

- April 3, 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 2005 Council subcommittee meetings
- September 13, 2005 Council discussion of draft policies recommended by the Council subcommittee
- September to November 2005 Council subcommittee meetings
- December 13, 2005 Council public hearing
- Jan. 12 & Feb. 21, 2006 Council subcommittee/Housing Advocates meeting
- January – October 2006 Council subcommittee meetings

cc: Sam Guevara, DJ Baxter, Alison McFarlane, Ed Butterfield, Jordan Gates, Ed Rutan, Lynn Pace, Valda Tarbet, Louis Zunguze, LuAnn Clark, Sandra Marler, Cheri Coffey, Doug Wheelwright, Craig Spangenberg, Orion Goff, Larry Butcher, Russell Weeks, Jennifer Bruno, Krista Sherwood, Jan Aramaki, Marge Harvey, Sylvia Richards, Lehua Weaver, Veronica Wilson, Barry Esham, Gwen Springmeyer, Michael Stott

File location: Housing Policy

11.06

**Revisions to Text from Public Hearing Comment 12.13.05, Subcommittee/Advocate meetings on 1.12 & 2.21.06, Council Housing Policy Subcommittee meetings January – October 2006**

## **SALT LAKE CITY HOUSING POLICY**

### **PREAMBLE**

In establishing the Salt Lake City Housing Policy, the Mayor and City Council seek to:

- Encourage and invite residential development to enliven our most urban neighborhoods.
- Establish an urban residential tradition in the Capital City.
- Respect and preserve the character and charm of surrounding predominantly residential districts.
- Enhance, maintain and sustain a livable community that includes a vibrant downtown and other business areas integrated with surrounding neighborhoods.
- Guide the City's effort to develop new housing opportunities while preserving existing housing stock.
- Recognize that strong vibrant neighborhoods are fundamental to the health and vitality of the City.
- Recognize that residents, business owners and local government each have a role to play in creating and sustaining ideal neighborhoods.
- Achieve a diverse and balanced community with housing that offers a wide range of choices for all income levels.
- Assure that affordable housing is available in all neighborhoods and not concentrated in a few areas of the City.
- Encourage a variety of low, medium and high density housing developments for all income levels that will help to enhance, maintain and sustain livable, viable neighborhoods.
- Recognize that new developments, in configurations that are friendly to pedestrians and bicyclists, would provide many residents and businesses near transit stations easy access to light rail, thereby providing for greater urban vitality, lower costs of living, healthier lifestyles, and reduced vehicle dependence.

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. Expansion of growth to the outer suburbs, rather than in Salt Lake City, further adds to congestion resulting in energy inefficiency and environmental problems.

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.

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### **Revisions to Text from Public Hearing Comment 12.13.05, Subcommittee/Advocate meetings on 1.12 & 2.21.06, Council Housing Policy Subcommittee meetings January – October 2006**

The City considers housing a high priority and intends the Housing Policy and Funding Criteria 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:

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

1. A variety of city-wide residential housing units including affordable housing.
2. Accommodating different types and densities 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. Continue to support programs to encourage city employees to live within the City.
5. Policies and programs that encourage homeownership and that will create an appropriate balance of rental and ownership opportunities in neighborhoods without jeopardizing an adequate supply of affordable housing.
6. Policies and programs that encourage single-family infill housing to attract middle income families.
7. Policies and programs that coordinate housing initiatives with the local school district.
8. New housing projects that incorporate and are consistent with requirements of the Federal Americans with Disabilities Act, Fair Housing Amendments Act (FHAA), Section 504 of the Rehabilitation Act and the International Building Code.
9. 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; and
  - b. incorporate an assortment of residential, commercial and professional office uses.
10. 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.

#### **B. AFFORDABLE HOUSING**

1. All Salt Lake City residents having access to decent, safe, affordable and accessible housing.
2. The analysis of the impacts of fees and current zoning on affordable housing.
3. The distribution 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.

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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;
  - 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. (Please note - these are also listed in Sec. A. New Housing development in Salt Lake City, #9 & #10 above.)
8. The Council and Mayor recognize that there is a segment of the City's population whose income level and other circumstances may make it difficult to qualify for other established housing programs. The Council and Mayor recognize the need to address housing for this population. Housing options include a wide range of living situations including single-room occupancy units, apartments, single detached homes, cooperatives, condominiums, group homes and co-housing.

#### C. HOUSING STOCK PRESERVATION AND REHABILITATION

1. Policies and programs that generally support the preservation, rehabilitation, adaptive reuse of existing housing stock or replace the City's housing stock.
2. Strengthen the City's approach to housing loss mitigation through focusing mitigation requirements on situations where residential structures in residential zones and adopted master plans do not support an evolution to commercial use. **Council discussion**
3. 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.
4. Adequately funding by fees the City's apartment inspection program to promote housing safety and quality.
5. Adequately funding programs that assist home and apartment owners in rehabilitating and maintaining housing units.
6. Reinvestment in existing urban and inner suburban areas.
7. Preservation, and if possible, expansion, in appropriate areas of existing subsidized and Section 8 housing in the City.

#### D. TRANSIT-ORIENTED DEVELOPMENT

1. Coordinated, comprehensive land use and transportation master planning. Specifically, 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 a mix of affordable and market rate mixed-income housing components. **Council discussion (Is the intent to require an affordable housing component in ALL transit-oriented developments?)**



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#### **E. ZONING**

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.
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**

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

#### **G. DOWNTOWN HOUSING**

1. Development of housing available at all ranges of income levels in the Downtown.
2. Conducting an inventory and zoning review of land within the Downtown that could be used for housing sites, 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**

1. Increasing the housing stock via public non-profit 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, Redevelopment Advisory Committee and the Redevelopment Agency Board.
4. Establishing a permanent funding source for the Housing Trust Fund.

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

1. Development of educational programs on density, accessibility and visitability design concepts, affordable housing and home buyer issues for developers, community councils and the public to dispel myths and stereotypes about high density and affordable housing.
2. Development of public/private partnerships to market housing and educate the public on housing issues.
3. Marketing programs to highlight Salt Lake City's housing strengths and opportunities.
4. 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 Redevelopment Agency and the development community in their efforts to develop housing within the City.

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

1. The providers of human services in the creation of 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

- Preservation of valued historic structures deemed significant or contributing and that contribute to the past, present and future cultural or architectural heritage of the City based on a current historic resource survey.

#### L. GROWTH TARGETS

1. Development and maintenance of a citywide plan for attracting population growth in Salt Lake City.
2. 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.
3. Salt Lake City should use all available tools, as appropriate, including zoning, permitting, fees and incentives, to achieve these growth targets.
4. The City recognizes the significance of the Northwest quadrant of the City and the need to encourage and accommodate future residential growth in this area. The City is moving forward with a careful planning program for this area. **(Once this planning process is complete the Council may revisit the housing policies.)**

#### M. CITY FUNDED PROJECTS

One of the purposes of Salt Lake City's Housing Policy 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.

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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 policy objectives. These projects will continue to be considered through the City's regulatory processes but will not be eligible for City funding assistance unless the project developer can demonstrate that the project substantially conforms with the spirit and intent of the City's housing policies stated herein. **Council discussion**

The definition of 'affordable' is generally considered not to exceed 80% area median income (AMI) and below for rental projects or homeownership projects. **Council discussion (This is the definition used by the U.S. Department of Housing and Urban Development.)**

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

1. Project provides a mix of incomes that includes affordable and market rate units. **Council discussion (100% affordable projects will not be considered.)**
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 and market rate units. **Council discussion (100% affordable projects will not be considered.)**
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 target market remains the same.

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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 and market rate markets. **Council discussion (100% affordable projects will not be considered.)**
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.

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The Council supports the “Preferred Housing Funding 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.

Subcommittee  
recommended  
criteria

**Preferred Housing Funding Criteria  
RENTAL PROJECT - NEW CONSTRUCTION and ADAPTIVE REUSES  
Minimum Consideration Factors**

YES	NO			Rehab	New Constr- uction	
		<b><i>Financial</i></b>				
X		1	Mixed income/includes middle-income component		X	
X		2	A. Prefer to see more market rate units in a project where the area median income is <b>60 percent or above</b> the City’s Area Median Income (AMI) B. Prefer to see more market rate units in a project where the area median income is <b>60 percent or below</b> the City’s Area Median Income (AMI) <b>Council discussion</b>		X	
X		3	Developer ownership continued for a minimum of 7 years with the option to waive this requirement in the future		X	
X		4	Developer and contractor fee (of total project cost) should be consistent with criteria adopted by the Utah Housing Corporation		X	
X		5	Cost per unit does not exceed 100% of the industry standard for "market" units		X	
X		6	Property purchase price is reasonable. A. Property was purchased at or below market value as determined by MAI appraisal. B. Projects for which property was purchased at above market value the developer includes excess purchase price in addition to equity		X	
		<b><i>Environmental (Building and surrounding area)</i></b>				
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	
		<b><i>City Issues</i></b>				
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	

### Additional Consideration Factors

			<b><i>Financial</i></b>		
X		1	Leverage opportunities maximized with non-government money. Ratio of public to private funding. <b>Council discussion</b> In or Out?	X	X
			<b><i>Environmental (Building and surrounding area)</i></b>		
X		1	On-site manager, or 24-hour telephone number available	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 or areas where the City could benefit from increased density		X
X		5	Includes mid-block walk-ways or other pedestrian amenities	X	X
X		6	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		7	Development brings 24-hour presence to an otherwise predominantly daytime only populated area (crime prevention element)	X	X
X		8	Development enhances neighborhood stability/strength/viability.	X	X
X		9	Development is adaptive re-use of previously abandoned/underused structures	X	X
X		10	Project located within 1/2 mile or 3 blocks of basic services (retail, grocery)	X	X
X		11	Traffic Impacts – location proximity to employment center	X	X
			<b><i>City Issues</i></b>		
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

11.06

**Revisions to Text from Public Hearing Comment 12.13.05, Subcommittee/Advocate meetings on 1.12 & 2.21.06, Council Housing Policy Subcommittee meetings January – October 2006**

X	4	<p>Incorporates and is consistent with requirements of the Federal Americans with Disabilities Act, Fair Housing Amendments Act (FHAA), Section 504 of the Rehabilitation Act and the International Building Code.</p> <p>A. Project provides the number of accessible and visitable units that are required with new development.</p> <p>B. Project meets the technical requirements of accessibility guidelines of the Fair Housing Act such as:</p> <ol style="list-style-type: none"> <li>1. Accessible entrance on an accessible route</li> <li>2. Accessible public and common areas</li> <li>3. Usable doors</li> <li>4. Accessible routes into and through the dwelling units</li> <li>5. Accessible light switches, outlets and controls</li> <li>6. Reinforced walls in bathrooms</li> <li>7. Usable kitchens and bathrooms</li> </ol> <p>C. Project meets requirements or design standards for accessibility and visitability to all buildings and facilities such as:</p> <ol style="list-style-type: none"> <li>1. At least one zero-step entry</li> <li>2. All interior doors with at least 32 inches of clear passage space</li> <li>3. A usable bathroom on the main floor</li> </ol>		
X	5	Development rehabilitates a historically significant structure	X	
X	6	Development extends the usable life of existing housing at a cost that is lower than new construction	X	X

**Jardine, Janice**

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**From:** Kerry Steadman [KSteadman@slco.org]  
**Sent:** Thursday, December 28, 2006 11:34 AM  
**To:** Council Comments; Jardine, Janice  
**Subject:** Draft Salt Lake City Housing Policy and Funding Criteria

Thank you for the opportunity to respond to the above draft housing policy guidelines being proposed by Salt Lake City. Such a process will make for a stronger more comprehensive and acceptable document. I work for county government in the area of housing and homeless services. One of the strategies in the county's plan to end homelessness is housing. The homeless and other specialized populations often know no city or county boundaries. Housing opportunities are an important part of their personal recovery process as well as preserving the health and safety of our communities.

After reading over the document, I offer the following observations and perhaps suggestions.

1. It is a good piece of work. The preamble which states what you are trying to accomplish is inclusive and on paper demonstrates the city's commitment to develop and maintain affordable housing throughout the city. Maintaining existing housing inventory is often as important as developing new housing stock particularly for special populations.
2. Under B, Affordable Housing, #8, I appreciate the recognition of the wide variety of housing that is needed to meet the needs of all residents. Affordable housing means different things to different people.
3. Under H, Funding Mechanism, #4 the issue of establishing a permanent funding source for affordable housing development is a common need of all cities, counties and even the state of Utah. I'm wondering whether it's time to approach the Utah State Legislature with a proposed funding mechanism such as a transfer fee that could be used as a local option to create housing. In other words, authorizing legislation would allow a local entity like a city or county the authority to levy a fee or tax at their discretion. Without a permanent funding source we will continue to piece meal our affordable housing efforts. Other areas around the country have created mechanisms for permanent funding which have accelerated their ability to develop housing.
4. Thanks for including as a part of the funding criteria, section E. "Special Needs Housing Project". That again is recognition by you of the need to focus on special needs housing. It would be helpful to know what your ideas are on the weights for each of the five funding criteria.
5. The success of any policy is in its implementation and monitoring for compliance. Once adopted, does the city have certain areas designated for the development of this wide variety of housing? Is there a master plan or something like it that would be available for public review? That might be helpful to those wishing to develop particular types of housing within Salt Lake City.

Thanks again for your open and inclusive process. Feel free to contact me if you have any questions or need additional information. I can be reached at:

Kerry D. Steadman, [ksteadman@slco.org](mailto:ksteadman@slco.org) or 468-2183.



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**From:** Babs De Lay [mailto:babs@urbanutah.com]  
**Sent:** Friday, December 08, 2006 12:28 PM  
**To:** Council Comments  
**Subject:** COMMENTS to DRAFT of Housing Policy

Per the Nov. 14<sup>th</sup> Memo I received regarding the Draft Salt lake City Housing Policy and Funding Criteria:

Please correct me if I'm wrong, but I saw not ONE mention in the policy about encouraging/planning for better environmental housing policies in Salt Lake City.

I know that as a Planning and Zoning Commissioner, the Commission sent a recommendation at least a year ago to the City Council to encourage a faster permit process for any builder/remodeler/home owner who was using E2 or LEEDS guidelines in their construction. I personally don't think anyone should be able to get a faster permit UNLESS they build green...or greener.

The City does not have anyone on staff (again correct me if I'm wrong) who can oversee LEEDS guidelines. I believe both Planning and Zoning and the Permit Office has been at near 50% staff during the past year. I'm hoping in future City budgeting a priority is placed on funding more staff and working to get more than one person on staff to initiate and oversee environmental housing issues now and in the future.

There is also language in the draft document pointing towards RDA and it's participation in housing in our City. Although the City Council has passed GREEN guidelines for our City, I do not believe the RDA has followed suit.

I would encourage the City Council to revisit the Housing Policy Draft and write appropriate language to include and encourage green housing standards for all our futures here in Salt Lake City.

Respectfully,

Babs De Lay  
Broker/Owner  
CRS, ABR, SRES, DREI, LTG  
Urban Utah Homes and Estates  
380 West 200 South #104  
Salt Lake City, Utah 84101

**Jardine, Janice**

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**From:** Peter Corroon [PCorroon@slco.org]  
**Sent:** Sunday, November 26, 2006 4:57 PM  
**To:** Gust-Jenson, Cindy; Jardine, Janice  
**Subject:** Salt Lake City Housing Policy

Cindy/Janice,

I received a copy of the proposed Salt Lake City Housing Policy and Funding Criteria. I assume this is the same policy that was first initiated in 2004. I hope the moratorium on funding housing projects is still not in place while the policy is being drafted.

Overall, most of the policies make a great deal of sense but I still have grave concerns about the proposed policy to deny funding to project that are 100% "affordable", where affordable means 80% of the area median income (AMI) and below. This makes no sense, especially in light of the fact that 60% AMI projects often equal the market-rate rents as well as the incomes of many of the people who live downtown. A project that is 80% AMI would prevent the working class from renting apartments or purchasing condominiums. It would also prevent many affordable housing projects from being constructed as financing would be difficult to obtain for affordable projects which have units that exceed the market rate rents in the city.

I just thought I would put in my two cents.

Sincerely,  
Peter

*Peter Corroon  
Salt Lake County Mayor  
2001 South State Street, Suite N-2100  
Salt Lake City, Utah 84190  
Tel: 801-468-2940  
Fax: 801-468-3535  
www.slco.org*

**\*Quality Government\*Economic Development\*Natural Environment\*Public Safety\*Quality of Life**

DEC 14 2006

C7



# UTAH FOOD BANK SERVICES

Food Collection & Distribution • Kids Cafe & Community Kitchen • Services for Seniors • 211 Information and Referral • Services for People with Disabilities

12/08/06

Janice Jardine  
Salt Lake City Corporation  
451 South State Street, Room 304  
Salt Lake City, Utah 84111

RE: Draft Salt Lake City Housing Policy and Funding Criteria

On behalf of the staff, volunteers and clients of Utah Food Bank Services we thank Salt Lake City for the support of our programs that assist Salt Lake City residents. Since 1904, Utah Food Bank Services has assisted low-income individuals, families, children, seniors and people with disabilities. As our mission statement reflects, we feel that it is important to "build caring communities by responding to basic human needs." We recognize the efforts, as described by priorities set forth, to provide affordable housing and living conditions within Salt Lake City to be closely aligned with our mission and purpose.

Our Services for Seniors Home Repair project is one of our programs that addresses affordable housing for low-income senior residents of Salt Lake City. Currently there are more than 14,000 seniors in Utah living in poverty. Seniors living on a small fixed income juggle their finances, often forgoing food, prescription medications and necessary home repairs, just to be able to make ends meet. Many of them do not have the financial resources or family support to effectively address all of the concerns they will have to face during what should be their golden years. Services for Seniors assists low-income seniors of Utah to live more independently.

The Home Repair project provides free minor home repairs that increase the safety of ones home and helps avoid unnecessary and premature placement into care facilities. Critical, minor home repairs include, but are not limited to fixing broken plumbing, minor electrical work, putting up hand rails, grab bars and doing yard maintenance and swamp cooler maintenance. The repairs are non-technical and could be completed by a more able-bodied individual but can be very difficult for frail elderly.

Utah Food Bank Services supports the priorities, as established by Salt Lake City, to provide affordable housing by performing services that allow seniors to remain independently living in their homes. During FY 2006, Utah Food Bank Services completed 799 home repairs in Salt Lake City, which represents about 22 percent of all of the home repairs completed during this time period. Without the \$80,000 in CDBG funding we received last year from Salt Lake City and similar funding for the future, providing necessary home repairs for low-income seniors in Salt Lake City would be difficult and the overall benefit to the community would decrease. We are committed to the growth and effectiveness of our Home Repair project to help improve the living conditions of low-income seniors in Salt Lake City and building partnerships with organizations that share a similar vision.

Sincerely,

Jim Pugh  
Executive Director

Jim Pugh, Executive Director  
OFFICERS  
R. Curtis Burnett, Chair  
Cynthia Boshard, Vice Chair  
Roger Tew, Vice Chair

MEMBERS:  
Nathan Brown, CPA  
George Hofmann  
Laura Houston  
Kerna Jones

Stephen F. Mecham  
D. Allen Miller  
Frank Pignanelli  
Susan Clayton Rather  
Scott Thornton





DEC 22 2006

December 21, 2006

Council Members  
Salt Lake City Council  
451 South State St., Room 304  
Salt Lake City, Utah 84111

Dear Members of the City Council:

We have reviewed the latest draft of the Salt Lake City Housing Policy. In this document there is an extensive discussion of how the City will "establish an urban residential tradition." That may be a noble goal, but our concern is who gets left out.

For decades we have watched the "urban residential tradition" of our City erode as hundreds of single room occupancy (SRO) units have disappeared from the downtown area and homelessness has steadily increased. SRO housing is irreplaceable in the current housing market. True SRO's are places where rooms can be let by the night or the week. People of limited means can pay as they go, do not need to qualify as they do when public subsidy is involved, and do not need to pass extensive credit and criminal background checks.

The City owns the last remaining SRO's in the downtown area through the Redevelopment Agency (RDA). Your draft policy calls for the Salt Lake City to "offer a wide range of housing choices for all income levels" and yet the RDA is making plans to eliminate the Regis, Cambridge, and the Salt Lake Blue buildings on State Street. SRO housing will then disappear from our City, even as providers and government officials scramble to implement a new 10 year plan to end chronic homelessness.

This is bad policy. Contrary to recent assumptions, a substantial number of these units can be saved. In section B. 8. of your draft policy, the need for this type of housing is clearly acknowledged. The RDA already owns it. A plan should be developed that incorporates the preservation of at least 150 units on this site with whatever new development is desired. The RDA could easily finance this from the 20% set aside for affordable housing that is currently required by state law on tax increment collections from projects like the Gateway. These funds do not carry the restrictions that tax credits and public trust fund dollars do. Private funding can also be obtained, and competent nonprofit management of these properties secured.

Executive Director  
Glenn L. Bailey  
Board Chairman  
Robert "Bip" Daniels

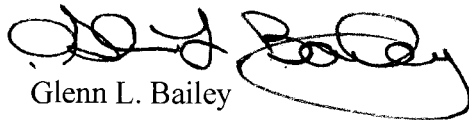
347 South 400 East  
Salt Lake City, Utah 84111  
ph: 801.364.7765  
fax: 801.364.7228  
[www.crossroads-u-c.org](http://www.crossroads-u-c.org)

The City should have an explicit policy not to eliminate affordable housing that it owns, particularly when it cannot be replaced with like units. Incorporating the preservation of these last remaining SRO units into the redevelopment strategy for this area would be an excellent start.

In addition to the above proposals, we have commented on previous drafts of this document extensively. While some of the changes we have suggested are incorporated in the current draft policy, other important elements are still missing. Most notably a well outlined inclusionary zoning/linked development policy, a better discussion of accessibility/visitability issues, a meaningful housing loss mitigation policy, and a clearly identified revenue stream for the Salt Lake City Housing Trust Fund. Please see our comments of March 22, 2005 for a full discussion of these points.

It's not too late to do the right thing with our few remaining SRO units. Homelessness can only be reduced if we preserve and improve what we have, even while seeking to create new housing opportunities. Your policies and actions should reflect this.

Sincerely,



Glenn L. Bailey  
Executive Director



Tim Funk  
Housing Project Director

c.c. Mayor Rocky Anderson  
Luann Clark, HAND  
Valda Tarbet, RDA

Cindy Gust-Jensen, Council staff  
Janice Jardine, Council staff



MAR 23 2005

CG  
CG-J  
JJ

March 22, 2005

Council Members  
Salt Lake City Council  
451 South State St., Room 304  
Salt Lake City, Utah 84111

Dear Members of the City Council:

On behalf of Crossroads Urban Center, a 39 year old community center in downtown Salt Lake City, we offer the following comments on the draft "Salt Lake City Housing Policy Statements." Crossroads has been active in advocating for housing policies and development designed to serve low income residents in Salt Lake City consistently for many years.

**Comment Period:** We are calling for a separate hearing at least two weeks before adoption of the policy to allow the information and comments provided to be seriously considered by the Council. Our understanding is that the City Council would like to adopt this policy in April. Currently, the plan is to do a public hearing the same night. This means the public hearing will be virtually irrelevant, as the Council is highly unlikely to make significant changes to the document at the last minute. Housing advocates and residents should be actively encouraged to participate. This document has been too long in development to rush it through without adequate time for meaningful public input on the final draft.

**Concentration of Affordable Housing:** Section M., "City Funded Projects" and the accompanying map should be eliminated. This section creates a restriction that would prohibit the City from funding affordable housing in certain areas of the City and greatly restrict this funding in others. The only places you could freely develop affordable housing using City funds are places the City has never (or rarely) funded affordable housing before, probably because of NIMBY ("Not In My Back Yard"), but also due to the cost of land. What the Council seems to be going for here is to spread low income housing out across the City and not "burden" any one area.

We think this section is seriously flawed and should be dropped. There are six key problems in section M.:

1. The policy appears to imply that affordable housing is undesirable which is an offensive concept to have in a formal housing plan;

Executive Director  
Glenn L. Bailey  
Board Chairman  
Robert "Bip" Daniels

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2. It will have the effect of paralyzing the City Housing Trust Fund because low income housing developers will be prohibited from seeking City funds for projects they could actually afford to do. They will be left with areas in which it may impossible or too expensive to develop affordable units;

3. Affordable housing development actually improves many of the neighborhoods where it occurs (City Front, Capitol Villa, Escalante Park, and many other examples) and this fact seems to be completely ignored. Using City money to revitalize a neighborhood through the development of affordable housing would not be possible in many cases under this policy. Do we really want to prohibit City funding of affordable housing in the area west of Capitol Hill for example? It seems to us that affordable housing development in this area would improve the community. The policy outlined in this document would have the impact of offering City funds for projects in neighborhoods where they cannot be built, while forcing neighborhoods in need of redevelopment to wait for the often improbable advent of market rate housing;

4. Why restrict projects that build affordable housing for police officers, firefighters, and teachers in low income areas? While affordable housing is never explicitly defined in this document, the most common definition is referred to in section A. 2. Housing is generally considered "affordable" when no more than 30% of a household's income goes toward housing costs. This is, in fact, a sliding definition. Affordable housing at 80% of area median income (AMI), for example, means housing affordable to households making over \$40,000 per year in Salt Lake County; and

5. Clear definition of "affordable housing" and "appropriateness" should be included to provide a shared understanding of the housing policy and goals. The definition of affordable housing should address the difference between low and moderate income levels and what these represent. "Workforce" housing is the current terminology being used for much moderate income housing development and the concept should be worked into the affordable housing definition and the policy as a whole.

What is "appropriate?" In Section A.5.a., an earlier draft says "incorporate affordable housing whenever possible in appropriate mixtures." This has been changed to "when appropriate." Another example is in section C.5. where the final draft inserts "in appropriate areas" when talking about expansion and preservation of Section 8 housing. Also section D.5. is modified by "where appropriate."

6. Finally, the stated intent of section M. should be reviewed legally for potential violation of fair housing laws. The explicit exclusion of low income housing in certain neighborhoods may be discriminatory, especially if federal funds are being utilized.

Again, it would be better if section M. disappeared, or was re-worked completely to outline incentives to develop affordable housing in wealthier areas, rather than prohibiting and restricting spending in areas where more poor people live now.

**Development Incentives:** We are disappointed that there is no inclusionary zoning/linked development/density bonus aspect to this plan. We should be requiring developers to build affordable units into their developments and providing incentives to do so. An alternative might be for the developer to contribute land or money to the Trust Fund so the City could develop housing with it. We drafted a model ordinance in 1999 that, despite numerous attempts on our part, still hasn't been seriously considered (copy attached). Other cities do this successfully, and these concepts need to be addressed and supported in the City's Housing Policy as much as possible. The policy should call for the development of these incentive tools to the maximum extent feasible, and perhaps an addendum outlining the various options should be added to the policy document. There is reference to the "Housing Plan's implementation section," for example, in comments made on an earlier draft. Some of the specific elements we are asking for include:

- A requirement that 20% of all new housing units developed in Salt Lake City be affordable in perpetuity to residents earning 80% of area median income or less.
- A requirement that 50% of the affordable rental units developed under the ordinance be affordable in perpetuity to residents earning 50% of area medium income or less.
- A provision for land dedication as an alternative to meeting the onsite inclusionary affordable housing requirement in new construction.
- A provision allowing the dedication of existing units as affordable housing on a one-to-one basis as an alternative to the onsite inclusionary requirement.
- A provision allowing fees to be paid to the Salt Lake City Housing Trust Fund in-lieu of the onsite inclusionary requirement for certain developments.
- The creation of density bonuses, and financial and construction incentives for housing developers who meet or exceed onsite inclusionary housing requirements. (Density bonuses are given some cursory treatment in section E. 3. of the current draft document.)
- A requirement that priority be given to Salt Lake City residents and workers who have been displaced by development activities in renting affordable units created under this policy.



**Supportive Housing:** We like section J. dealing with the homeless and supporting co-located service in the Rio Grande area. It may be instructive to add a statement such as: "Consideration should be given to placement of clients and service programs throughout the metro area using existing housing stock whenever feasible. Such use is usually less costly and helps disperse supportive housing in all parts of the community."

**Accessibility/Visitability:** A new section on accessibility and visitability should be added, including the requirement that any affordable units developed with City funds be accessible to the maximum extent feasible and consistent in all respects with ADA requirements. There is no reference anywhere in the current draft plan to accessible housing. This is a major oversight. We recommend that a section be included addressing the need for accessible housing, and that the word accessible be inserted throughout the document to make it clear that the City is firmly committed to the ideals of accessibility and visitability in housing development.

**Unit for Unit Loss Mitigation:** A policy on housing loss mitigation, especially regarding low income and affordable units, should be included. In section C. 1. specific language was included in previous drafts, but does not appear in the current document. The original sentence here ended with the phrase "...preserve or replace the City's housing stock including, the requirement of; at a minimum, a unit-for-unit replacement or a monetary contribution by developers to the City's Housing Trust Fund in lieu of replacement." Such a "no net loss" policy is a great idea. Where did it go?

**SRO's:** Single room occupancy (SRO) housing should be preserved, replaced and expanded. Earlier drafts of section B. contained a deleted point that said the City advocates: "The citywide development of studio apartment rental housing." One version actually referred specifically to "single room occupancy (SRO) housing." This is tremendously important to combat homelessness. Why was it deleted?

**Dedicated Revenue Source for the Housing Trust Fund:** Section H. 4. calls for a permanent revenue source for the City Housing Trust Fund, but nothing is specified. The RDA is required under state law to set aside 20% of the tax increment collected in each designated area for affordable housing. If all or a large portion of the tax increment were dedicated to the Trust Fund, it would capitalize the Fund, provide an ongoing revenue stream, and put the distribution of affordable housing funds under an advisory board made up of community representatives with a clear public process. More than anything else significant funding would provoke the implementation of this City Housing Policy. There could be as much as \$35 million in the next several years alone. Rather than create a very large pool of discretionary money to be used by the RDA, we recommend transferring these funds to the City's Housing Trust Fund.

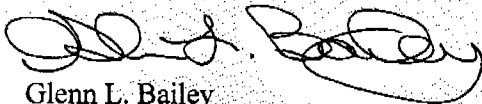
**RDA Role:** The RDA role in affordable housing should be more clearly stipulated. It is puzzling to us that the RDA is only referred to twice in this document, once in terms of "marketing." This is one of the key resources for affordable housing development in Salt Lake City in coming years and should be an integral part of this plan. The City Housing Policy should clearly stipulate a policy planning process that mandates the coordination of all City sponsored housing activity through a committee with participation of the RDA, City administrators, City Council, City Housing Authority, and perhaps various city based housing and neighborhood development organizations. This would merely create a formal policy for a process and committee that reportedly is already meeting on a regular basis.

**City As A Facilitator and Partner:** The City should play an active role in developing affordable housing. In section B. 4., language from an earlier draft was changed from the City's role being one of "serving as a facilitator/partner" to "encouraging public/private partnerships." Shouldn't the City be both a facilitator and a partner?

**Neighborhood Participation:** Neighborhood residents should be involved in decisions affecting their communities. In section B.7., the Council draft deletes a point from earlier drafts that states: "Include neighborhood interaction in the design process." Neighborhood involvement is a good thing. More neighborhood participation provides a better check on irresponsible development than the proposed policy of section M.

Thank you for your consideration of these comments.

Sincerely,



Glenn L. Bailey  
Executive Director



Tim Funk  
Housing Project Director

encl.

c.c. Mayor Rocky Anderson  
Luann Clark, HAND

Cindy Gust-Jensen, Council staff  
Janice Jardine, Council staff

SALT LAKE CITY

MODEL AFFORDABLE HOUSING ORDINANCE

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6. Existing Housing dedication
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8. Density Bonus
9. Construction Incentives for Developers
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## §1 Findings & Purpose

1. The Salt Lake City Council finds that Salt Lake City has a shortage of moderate income housing, and that the lack of affordable housing places a tremendous social and economic burden on thousands of families, putting many at risk of homelessness.
2. There is inadequate federal and state financial support for programs to assist the City in meeting the affordable housing needs of its residents.
3. Approximately 12% of City residents live below the poverty line. The homeless population in the City is estimated to be more than 2000 persons on any given day.
4. Over 40% of Salt Lake City households pay more than 30% of their gross monthly income for rent and utilities. When the cost of housing exceeds 30% of income, it becomes burdensome for households to meet other essential needs.
5. There are a large number and variety of households with special needs for whom housing availability, cost, and accessibility are significant problems. These households include senior citizens, single parent families, people with disabilities, homeless persons, and others.

## The PURPOSE of this Ordinance is to:

1. Assure a variety of affordable, accessible housing types to meet the diverse needs and interests of current and future residents of the City.
2. Mitigate the perceived economic impact upon developers of inclusionary requirements, incentives and regulatory relief are herein provided by the City Council. The City may also offer financial incentives for developers participating in the inclusionary program.
3. Provide incentives for developers to create affordable, accessible rental and homeownership opportunities.
4. Ensure that the next generation will have the opportunity to return in the neighborhoods in which their families live;
5. Maintain the character and quality of Salt Lake City's mixed income neighborhoods;
6. Enhance Salt Lake City's reputation as a City committed to providing affordable and accessible housing in the face of rising housing costs;

## § 2. Definitions

**"Salt Lake Inclusionary Program"**- means a mandatory requirement to build an on-site reserve of 20% of housing units for very low and low income households in all new residential development within Salt Lake City. The affordable housing requirements in an inclusionary program are expected to be dispersed throughout the development in an effort to generate a mix of income levels.

**"Affordable Housing Program"**- means a mandatory requirement for mechanism to provide housing units for very-low and low-income during all residential development. The mechanisms providing the most flexibility include SL Inclusionary Building Program for concurrent on-site-housing.

**"Developer"**- means owner of record & his or her successors in interest.

**"Permanently affordable"**- means affordable in perpetuity & subject to an agreement between the developer and the city to maintain affordability. Such agreement shall be recorded appropriately.

**"Land Dedication"**- means a developer shall make an irrevocable offer of dedication to the city of sufficient land to constitute 40 per cent of the total affordable housing units

pursuant to the ordinance (40% of 20% of the affordable units required by the inclusionary program).

**"Existing Housing Dedication"** - means a developer, as an alternative to meeting the inclusionary housing requirement, may donate an equal or greater number of already existing units. This alternative is offered under a project individualized program to be negotiated jointly by the developer and City staff, and approved by the City Council. Units dedicated shall equal or exceed the number of affordable units that would be generated under the inclusionary housing program.

**"Income Eligibility"** - means the gross annual household income, considering household size and number of dependents. Income includes wages and all other sources of household income.

**"Low-income"** - means Households are at or below 80% of city median area income.

**"Very low-income"** - means Households are at or below 50% of city median area income (households earning a gross income of less than 50% of the median income as determined by US Department of Housing and Urban Development).

**"HUD"** - means the United States Department of Housing and Urban Development

**"Unit"** - means one or more rooms designed for occupancy as a separate living quarter with cooking, sleeping and bathroom facilities for the exclusive use of a single household.

**"Low and Very low-income Housing Density Bonus"** - means an additional incentive which the city may allow through an increase in density up to 25% above the maximum allowable density for residential development in which 100% of the rental units or ownership units are affordable to low income households or 50% of the units are affordable to very low income households.

**"Housing Density Bonus"** - means an incentive the city may allow through an increase in density of 15% above the maximum allowable density for residential development in which 20% of the rental or ownership units are affordable to low and very low income households.

**"Inclusionary Unit"** - means a rental or ownership dwelling unit which is affordable by a household with very low or low income.

**"In-lieu Fee"** - means a fee paid to the city by a developer in-lieu of providing the required inclusionary units. The in-lieu fee option is limited to developments of 39 units or less.

**"Development Project"** - means a residential development or land subdivision proposed for which city permits and approval are sought.

**"Maximum Allowable Rent"** - means a monthly housing charge which does not exceed thirty percent of the very low or low income households income adjusted for household size as published by HUD.

**"Accessible"** - means units accessible to persons who are mobility impaired, and which are built according to the standards required by the Fair Housing Amendments Act of 1988.

### §3 Applicability

a. An inclusionary requirement shall apply to all development projects for which a building permit is required, which was applied for after \_\_\_\_\_ (date), involving new residential construction of any dwelling unit, including single family homes.

b. In order to meet the inclusionary requirement, the developer must construct affordable, accessible housing on-site as 20% of the proposed project, or dedicate land valued at 40% of the 20% inclusionary requirement, or shall dedicate existing housing on at least a one to one basis, or shall pay a fee in-lieu of construction based upon a set fee schedule.

c. Inclusionary units and existing dedicated housing may be provided for rent or for sale. If the inclusionary units are provided for sale, the units shall be provided for low income and very low income households. If the inclusionary units are provided for rental, a minimum of 50% of those units shall be provided for very low income households.

d. It is the intent of this ordinance that the requirement for inclusionary units shall not depend upon the availability of federal, state, or local housing subsidies. However, nothing in this ordinance shall proscribe the use of such subsidies. The City shall encourage the use of such subsidies for projects meeting this inclusionary requirement.

### §4 On-site inclusionary unit requirement

a. An inclusionary requirement shall apply to all projects for which a residential building developments permit application is submitted involving new construction of rental or ownership housing.

b. This ordinance requires that not less than 20% of the total number of new dwelling units to be constructed shall be affordable to very-low and low-income households.

c. This requirement shall be met either by providing on-site exclusionary units or by satisfying one of the alternatives described in § 5, 6 and 7.

d. Whatever inclusionary units are provided shall be integrated with the rest of the development & shall be compatible in design, appearance, amenities, construction and quality of materials.

e. The staging plan for the inclusionary units will be sequenced so that the inclusionary units are built along with or before other units.

f. Inclusionary rental units and ownership opportunities shall be offered to very low & low income households at a level not to exceed 30% of their gross income.

g. All inclusionary units shall be sold or rented to low & very low income households as certified by the city or its designee.

h. On-site inclusionary units must be rental units in rental projects. In ownership projects, on-site inclusionary units may be rental units or ownership units.

i. Ground floor inclusionary units shall be accessible.

## §5 Land Dedication

- a. A developer may make an irrevocable offer of dedication to the city of sufficient land within Salt Lake City boundaries which constitutes a value equal to the value of forty percent of the total inclusionary housing units required pursuant to this ordinance (40% of the 20% inclusionary requirements).
- b. The developer must identify the land to be dedicated at the time the developer applies for a building permit and the developer shall convey the dedicated land to the city or its designee before issuance of the certificate of occupancy for the development project.
- c. The city shall establish an acceptable minimum size of such land dedication and shall, prior to accepting land conveyance, the city shall consider factors including, but not limited to: development feasibility, access to infrastructure, zoning, and environmental factors to assure that the land dedication is an acceptable alternative to fulfill the inclusionary housing requirement. The city must approve the proposed land dedication within 30 days following application by the developer.
- d. A real estate appraiser shall be retained by (City or developer) to determine the value of the land to be dedicated to assure that the land cost is equal to or greater than the value of 40% of the 20% of the inclusionary units.
- e. The city, shall establish by separate ordinance, a Housing Trust Fund which may accept land dedicated to the city under this ordinance.
- f. The city may sell or exchange land acquired under this ordinance when appropriate to maximize the number of units affordable to low and very low income households. Proceeds shall be dedicated to the Housing Trust Fund.
- g. Nothing in this ordinance shall be construed to prevent the city from conveying land acquired under this section to qualified nonprofit organizations in order to encourage and to lower the cost of building affordable, accessible housing.

## §6 Existing Housing Dedication

- a. Existing Housing Dedication is another alternative for developers to building on site inclusionary housing units. To qualify as affordable housing, the developer shall be awarded for dedication of existing units on a one-for-one basis.
- b. Offer to dedicate existing units on a city acceptance. An initial offer to the city dedicated specific units and acceptance of such units based, among other factors, upon analysis by the city of the condition of such units and whether repairs are required in order to meet existing code requirements.
- c. Density Bonus. A city density bonus shall be awarded for dedication of existing units of comparable value on one-for-one basis.
- d. Program description and implementation plan. The developer shall submit an application describing the proposed program under this section and the intended method for implementing such a program. Any application resubmitted by a developer



to amend a program after it has been approved by the city shall be deemed an new application.

e. The city, shall establish by separate ordinance, a Housing Trust Fund which may accept Existing Housing dedicated to the city under this ordinance.

## §7 Fee in-lieu of Inclusionary Construction

a. The city Council shall establish a fee schedule as an alternative for developers to meet their inclusionary housing requirement.

b. The Council shall adopt a set-fee, multiplied by the number of market-rate units in the residential development, with a sliding scale for smaller developers.

c. Once the developer of a project has elected to satisfy the requirement of the inclusionary program by use of an in-lieu fee, such option is determined for the life of the project.

d. Any payment made pursuant to this ordinance shall be deposited in the Salt Lake Housing Trust Fund to be used exclusively for increase in the amount of low income housing.

e. Fifty percent(50%) of any fee required pursuant to this section shall be paid prior to the issuance of a building Permit for the project. The remaining 50% shall be paid in full before a certificate of occupancy is issued for any unit in the project.

f. The following Fee Schedule illustrates the in-lieu for payable, the number of on-site inclusionary units requires and an inclusionary unit base price of eighty thousand dollars:

## Fee Schedule

Basis: \$80,000 per unit (land and construction) x 20% x formula % x # of required inclusionary units = fee

Units in development (not including Density Bonus)	# Required Inclusionary Units	Sliding Scale % Formula	Fee
1	1	5%	800
2	1	10%	1600
3	1	15%	2400
4	1	20%	3200
5	1	25%	4000
6	1	30%	4800
7	1	35%	5600
8	1	40%	6400
9	1	45%	7200
10	2	50%	16,000
11	2	55%	17,600
12	2	60%	19,200
13	2	65%	20,800
14	2	70%	22,400
15	3	75%	36,000
16	3	80%	38,400
17	3	85%	40,800
18	3	90%	43,200
19	3	95%	45,600
20 to 39	4-7	100%	
	4		64,000
	5		80,000
	6		96,000
	7		112,000

Developments of more than 39 units are not eligible to use the fee in-lieu option.

## § 8. Density Bonus

- a. Projects which meet applicable requirements and which are located in areas where a density bonus option does not already exist are entitled to a Housing Density Bonus of 15% above the maximum allowable density for residential development.
- b. The density bonus shall apply only to developments meeting the on-site inclusionary housing requirement or utilizing the Existing Housing Dedication option to the inclusionary housing requirement.
- c. Low and Very Low Income Density Bonus: As an additional incentive to developers, the city may allow an increase in density up to 25% above the maximum allowable density for residential development in which 100% of the rental units or ownership units are affordable to low income households or 50% of the units are affordable to very low income households.

## § 9. Construction Incentives for Developers complying with the Inclusionary Housing Requirement

- a. The city may offer construction incentives to developers to maximize the number of inclusionary-units. The city may grant more flexible zoning and building standards, including but not limited to, waivers of height restrictions, reductions in non-handicapped parking requirements, waivers of setback requirements or street frontage minimums, and permitting zero lot line development.
- b. The city may use the construction incentives to encourage inclusionary units and Land Dedicated and Existing Housing Dedication. Construction incentives do not apply to projects which choose the fee-in-lieu of inclusionary unit construction under this ordinance.

## § 10. Financial Incentives

The City Council shall establish financial incentives to promote low and very-low income housing including:

- a. waiver or reduction of development fees
- b. waiver or reduction of any taxes imposed by the city
- c. grants or loans, including those through the city's Housing Trust Fund, or other funds designated by the city council or the Redevelopment Agency
- d. conveyance of land or existing housing owned or dedicated to the City

## § 11. Accessibility Agreement

a. All inclusionary units on a ground or main floor level shall meet the requirements of the Fair Housing Act Amendments of 1988 and the Americans with Disabilities Act. These standards include, but are not limited to:

- one no-step or ramped entrance to the unit
- accessible public and common use areas
- doors 32" wide
- light switches, thermostats, electrical outlets, and environmental controls in accessible locations
- reinforcement in bathroom walls to permit later installation of grab bars
- bathroom and kitchen space organized so that a person in a wheel chair can maneuver

b. All new units shall be accessible to a maximum extent feasible.

## 12. Timing

a. Inclusionary units built under this ordinance shall be sequenced so that these units are constructed along with or before other units built in a residential development.

b. Issuance of a Certificate of Occupancy for a residential development shall not be granted until the city has determined that the development has met the inclusionary requirements.

c. Fifty percent of any fee paid in-lieu of construction shall be paid prior to the issuance of a building permit for the project. The remaining 50% shall be paid in full before a certificate of occupancy is issued for any unit in the development.

d. Developers must identify land or existing housing to be dedicated at the time the developer applies for a building permit. The developer shall convey land or existing housing to the city or its designee prior to issuance of a Certificate of Occupancy for the project.

e. Once the developer has elected his/her inclusionary housing alternative, the option is determinative for the life of the project.

## § 13. Eligibility

- a. Only low and very low income households shall be eligible to occupy or own inclusionary units developed or existing housing units dedicated under this ordinance.
- b. The City or its designee shall develop guidelines for selection of eligible households to own or occupy inclusionary or dedicated units. Such guidelines may include providing priority to households living or working in Salt Lake City for the previous two years, displaced by loss of units due to residential, commercial, or industrial development, or displaced by code enforcement in Salt Lake City.

## 14. Terms of Affordability

- a. All inclusionary units and any existing housing units dedicated under this ordinance shall be maintained as affordable to low and very low income households in perpetuity.
- b. Land dedicated under this ordinance shall be dedicated for residential development of low and very low income housing which shall remain affordable to low and very low income households in perpetuity; or the City Council may convey dedicated land to a nonprofit organization in order to develop residential low and very low income housing; or the City Council may sell or exchange land dedicated under this ordinance for the purpose of increasing the number of low and very low income housing units.
- c. Resale of inclusionary ownership units shall be subject to a deed restriction in order to prevent a windfall profit to the seller and to preserve affordability and any subsidies for the buyer. Resale restrictions shall be established by ordinance of the city Council to ensure that subsequent purchasers are also qualified low or very low income households.

## § 15. Enforcement

- a. No certificate of occupancy shall be issued or granted for any residential development project which does not meet the requirement of this ordinance.

## § 16. Annual Reporting

- a. A report shall be submitted to the City Council on an annual basis which shall contain information concerning the implementation of this ordinance. This report shall contain the status of each mechanism for affordable housing chosen by each new residential development and shall specify the location, value, and size of land and number of units of housing dedicated; inclusionary units created, and the total amount of fees collected in-lieu of construction. The report shall contain an analysis of barriers to the implementation of the ordinance. The City Council may take such action deemed necessary to amend this ordinance to ensure that its purpose is met.