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## **MEMORANDUM**

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**DATE:** November 14, 2006  
**SUBJECT:** Draft Salt Lake City Housing Policy and Funding Criteria  
**FROM:** Janice Jardine, Land Use Policy Analyst

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Attached is the latest draft Salt Lake City Housing Policy and Preferred Housing Funding Criteria for your review. Please share this document with other persons or organizations you feel may be interested in this issue. This is still a work in process and the Council genuinely invites your suggestions or input, including feedback on significant housing issues that may or may not be specifically included in the document.

Council discussion regarding the documents is tentatively scheduled for the Council Work Session on Tuesday, January 2, 2007. It is anticipated that this discussion will take place between 5:30 and 7:00 p.m. You are welcome to attend and/or provide your written comments in advance. (Generally, the Council does not take public comment during a Work Session discussion.) Written comments provided by noon on Friday, December 29, 2006 will be included in the advance packet provided to the Council.

Your feedback on the draft policy and funding criteria is valued. We look forward to hearing from you and wish to thank you in advance for participating with us in these discussions. You may E-mail, fax, or mail feedback to the Council, or leave a message on the Council 24-hour comment line (801) 535-7654. Please contact Janice Jardine or Cindy Gust-Jenson in the Council office at 535-7600 if you need further information.

## 11.06

### Revisions to Text from Public Hearing Comment 12.13.05, Subcommittee/Advocate meeting on 1.12.06, 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.
- Offer a wide range of housing choices for all income levels.
- 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 the 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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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 home ownership 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 should incorporate and be 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, etc.

#### **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, etc. (Please note - these are listed in 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. 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**

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 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, 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 city-wide 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 need to encourage future residential growth in the Northwest quadrant of the City. The City is moving forward with a careful planning program for this area. The Council recognizes the significance of the Northwest quadrant and the need to accommodate future growth in 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.

#### D. Transit Housing Project

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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</b> above 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</b> below 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 consistent with criteria adopted by the Utah Housing Corporation		X
X		5	Cost per unit does not exceed 100% industry standard delineating "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

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

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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**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

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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