

# **MEMORANDUM**

PLANNING DIVISION

DEPARTMENT of COMMUNITY and NEIGHBORHOODS

To: Historic Landmark Commission

From: Sara Javoronok, Senior Planner, AICP

Brooke Olson, Principal Planner

Date: April 6, 2023

Re: PLNPCM2019-00658, Affordable Housing Incentives

### **Project Description and Background**

Affordable Housing Incentives (AHI) are proposed for the city's zoning code to encourage the development, construction, and preservation of housing in the city. There are two primary goals of the AHI. First, they are to help public and private dollars that go into building affordable housing create more housing units. Second, they are to create additional opportunities for property owners to provide new, affordable housing units. The AHI propose allowing for additional height, reducing parking requirements, allowing additional housing types, and providing planning process waivers or modifications.

The project was initiated in 2019 to address increasing concerns regarding housing affordability and to implement *Growing SLC*. It was initially envisioned as an overlay district and called "Affordable Housing Overlay". Since the proposal applies differently in various zoning districts, an "overlay" is not applicable, and the "Affordable Housing Incentives" are now the first section in a new incentives chapter. Initial outreach on the proposal included an online survey in late 2019/early 2020. From the initial survey results, staff developed a draft framework for the AHI that serves as the basis for the current proposal. This was presented online in a Story Map and staff requested additional feedback from the community in a survey. Based on this feedback, developed draft the initial AHI text amendments.

Staff presented these initial draft amendments to the community in the spring of 2022 and to the Planning Commission and public at a hearing in May 2022. Following the hearing, staff worked with developers and a focus group convened by the Office of the Mayor to address and revise the draft based on the issues raised. The revisions also incorporate changes from the now adopted RMF-30 and Downtown Building Heights text amendments. Staff presented a revised draft to the Planning Commission for discussion on March 22, 2023 and March 29, 2023. The Planning Commission is scheduled to hold a public hearing on April 26, 2023.

The following information is online related to the proposal:

Project Webpage: https://www.slc.gov/planning/2023/03/08/affordable-housing/

<u>Planning Commission Memo – March 22, 2023</u> <u>Planning Commission Staff Report – May 11, 2022</u>

### **Action Requested**

Planning Staff requests that the Historic Landmark Commission hold a work session to discuss the proposed text amendments and provide input and feedback to the Planning Commission and the City Council who has final decision-making authority in these matters.

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### **Proposed Changes and Potential Impacts to Historic Properties**

The proposed AHI would apply to zoning districts that permit residential development, including properties that are in the city's local historic districts and local landmark sites. The AHI would not modify the city's historic regulations or processes. There are a variety of zoning districts within the local historic districts, and AHI proposals would need to meet the city's historic standards and guidelines. The proposed AHI do not modify the other regulations including building, fire, and public utilities requirements. Properties that are in National Register Historic Districts but are not in local districts, or individually designated locally, are not subject to the city's historic regulations.

If used in historic districts, units could be added through alterations or additions to properties, or with new construction. New construction would most likely occur on vacant properties or those that are non-contributing or out-of-period. The type of review process would depend on the specific proposal.

The following sections describe how the AHI would apply in the zoning districts that allow for residential development:

Middle, Single- and Two-Family Zoning Districts

### **Residential Multifamily Districts**

The existing density requirements added to the Zoning Ordinance in 1995 in the RMF (Residential Multifamily) zoning districts often prevent the construction of development that is the same density and type as existing surrounding development. These districts are in various areas of the city with concentrations of them to the east of downtown, including in the Avenues, Capitol Hill, Central City, and University historic districts. The proposed amendments incentivize affordable housing by removing these density limits or qualifying provisions if affordable units are provided. For example, in the RMF-35 zoning district the density limits require a 9,000 square foot lot for a multifamily development of 3 or more units. Then, for each additional unit above 3, an additional 3,000 square feet is needed. This requires a half-acre of land for 7 units. This is often a greater amount of land than would have been required historically. This results in a smaller number of units constructed on properties. In addition, the units that are constructed are much larger than those constructed historically, which results in a higher cost per unit.

The proposal would remove these density restrictions and the minimum lot width. It would not permit additional height. There are additional design standards and no more than 25% of the units can be less than 500 sq. ft. The removal of the density restrictions would enable a greater number of units, likely smaller units, to be built on properties. For local historic properties, the historic standards and guidelines would also apply.

The rental units must be at affordable at 50 or 60% AMI and have affordability requirements similar to those for Low Income Housing Tax Credits (LIHTC) which is a tax credit program for the acquisition, rehabilitation, or new construction rental housing for lower-income households. The city's zoning requirements generally do not regulate ownership. However, with the more restrictive affordability requirements proposed, the for sale units have an alternative requirement.

### For rental housing:

- A minimum of 40% of units shall be affordable to those with incomes at or below 60% AMI;
- A minimum of 20% of units shall be affordable to those with incomes at or below 50% AMI; or
- A minimum of 40% of units shall be affordable to those with incomes averaging no more than 60% AMI and these units shall not be occupied by those with an income greater than 80% AMI.

For sale owner occupied units:

50% of units as affordable to those with incomes at or below 80% AMI.

### **Single- and Two-Family Incentives**

The city has six single-family zoning districts, there are three R-1 districts: R-1/5,000, R-1/7,000, R-1/12,000, and three FR districts: FR-1, FR-2, and FR-3. The city has four districts that generally allow two-family or duplex homes in addition to single family homes. These are the R-2, SR-1, SR-1A, and SR-3 zoning districts. These districts comprise a substantial number of the properties in the city's historic districts. The proposed amendments would permit several types of homes that are not currently permitted in all of these districts:

- Two-family, twin, or duplex homes;
- 3-4 unit buildings triplexes or fourplexes;
- Townhouses, or single family attached units, as sideways rowhouses or rowhouses in groups of 3-4; and
- Cottage developments, which are single family homes in groups of two to eight that are generally arranged in a courtyard layout.

Many historic districts have existing historic examples of these building types. Units could be added to existing structures or in new structures. The applicable historic review process would depend on the scope of the changes proposed.

The proposal presented in May 2022 permitted the AHI for single- and two-family properties within a ¼ mile of high frequency transit (15-minute headways) or located adjacent to arterial streets. However, the frequency of non-fixed transit routes changed since the petition was initiated due to reduced demand in 2020 associated with the COVID-19 pandemic, and there have continued to be route changes and modifications. It also established large geographic areas of the city where the AHI would not apply, creating equity concerns. The focus group recommended removing the proximity to transit requirements since frequency of non-fixed transit routes are subject to frequent change, and establishing a more equitable, citywide policy.

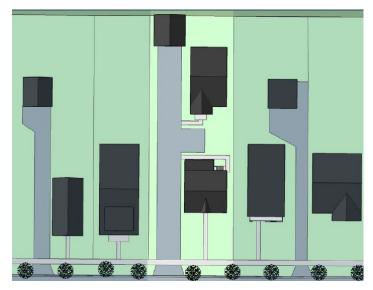
The following would apply to properties in the single- and two-family zoning districts. Some of these requirements can be modified for properties that are in historic districts administratively by staff and by the Historic Landmark Commission:

- **Yards:** Minimum required yards/setbacks shall apply to the perimeter of the property and not to the individual principal building(s).
- **Parking:** One parking space would be required per dwelling unit. If a property has multiple units, a minimum of one space would be required for each unit. A detached garage or carport with up to 250 sq. ft. for each unit may be provided in a single structure.
- **Subdivision:** Lots may contain up to four units. Existing lots may be divided such that each unit is on its own lot. The new lots are exempt from minimum lot area and lot width requirements.
- **Rowhouse standards:** There are specific yard requirements. On street facing facades buildings cannot exceed 60 ft. in length and garages are not permitted. There is a maximum length of 15' for blank walls.
- **Cottage standards:** There are specific yard requirements. Individual cottages cannot be more than 850 sq. ft. Open space and personal outdoor space must be provided.
- **Accessory Dwelling Unit:** An accessory dwelling unit (ADU) is considered one unit and counts toward the number of units permitted.
- No additional height or building coverage is permitted.

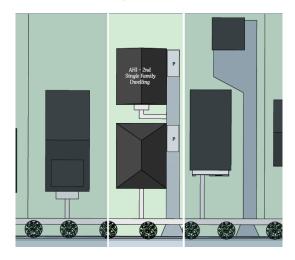
One of the primary concerns raised in the public comments and the focus group meetings was that the AHI would result in the loss of existing dwellings, historic dwellings that are not locally designated, and naturally occurring affordable housing. This could result in increased gentrification. The focus group discussed several options to incentivize the preservation of existing dwellings, while also allowing for additional housing.

The primary incentive recommended by the focus group is to lower the affordable unit requirement for preserving an existing dwelling to one unit on the property and allow for a second, detached dwelling. For example, the owner of a single-family dwelling could maintain the existing house and use the AHI to construct a second, detached, new dwelling in the rear yard of the property. For additional units, an ADU could also potentially be added. One of these units must be designated as an affordable unit and meet the affordability requirements (See 21A.52.050.H.1.c.4 and Table 21A.52.050.G in Attachment A).

This second detached dwelling could be constructed in historic districts, provided it met the city's historic regulations and design guidelines for new construction. The city's historic districts have existing historic examples of this type of development, often split into individual lots, and the additional dwellings could be compatible with the existing character and district. The second detached dwellings would be reviewed by the Historic Landmark Commission as New Construction.



The center lot above depicts an existing single-family home with a basement ADU, two surface parking spaces, a new, detached single-family home to the rear, and a detached two-car garage. This is on a larger, nearly 12,000 sq. ft. lot. The three structures have a total building coverage of 24%. See Attachment C for additional views and information.



The center lot above depicts an existing single-family home with a second single-family dwelling to the rear. It includes one parking space per unit located on the driveway. This is on a 7,000 sq. ft. lot. This shows the maximum building coverage for the property at 40%. See Attachment C for additional information and examples.

Based on public comment, staff and the focus group are recommending additional design standards for the single- and two-family zoning districts. Properties in historic districts would need to meet these requirements and historic requirements unless a modification is requested. The design standards are to ensure greater compatibility with the surrounding development. The previous proposal included several design standards and open space standards for the specific building types (See 21A.52.050.H in Attachment A). The new building materials standard applies to all building types with more than two units unless the base zoning district has a greater requirement:

Building materials: 50% of any street facing facade shall be clad in durable materials.
 Durable materials include stone, brick, masonry, textured or patterned concrete, and fiber cement board. Other materials may be used for the remainder of the facade adjacent to a street. Other materials proposed to satisfy the durable requirement may be approved at the discretion of the Planning Director if it is found that the proposed material is durable and is appropriate for the structure.

There are revisions to the open space and entry requirements for buildings with two or more units that are not rowhouses, sideways row houses, or cottages, which have separate requirements. The following are now proposed:

- Building Entrances: The ground floor shall have a primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature. Stairs to second floor units are not permitted on street facing elevations.
- Open space: Open space area may include landscaped yards, patios, dining areas, and other similar outdoor living spaces. All required open space areas shall be accessible to all residents or users of the building.
  - o Single- and two-family zoning districts: 120 sq. ft. of open space with a minimum width of 6 ft. shall be provided for each building with a dwelling.
  - All other zoning districts: A minimum of 10% of the land area within the development shall be open space, up to 5,000 square feet. Open space may include courtyards, rooftop and terrace gardens and other similar types of open space amenities. All required open space areas shall be accessible to all residents or users of the building.

Mixed-Use and Multifamily Zoning Districts

### Additional height and process modifications

Provisions related to additional height are a key incentive in the proposal. These are specific incentives for additional height of 1 to 3 stories in zoning districts that allow for additional height in mixed-use, multifamily and attached units. See pages 8-11 in Attachment A or pages 14-17 in Attachment D for the specific allowances in these districts. The proposal does not modify the design standards in 21A.59 but modifies the review to administrative design review rather than requiring a Planning Commission hearing.

For properties in historic districts, the additional height could be proposed for buildings in historic districts. These proposals would also be reviewed by the existing standards in the 21A.34.020 for the H Historic Preservation Overlay in the zoning ordinance and the design guidelines. This height may or may not be permitted through the review with the Historic Landmark Commission if it is not found to meet the standards. The review process, whether new construction or a major or minor alteration would not change.

### **Planned Development process modifications**

The proposal would remove the requirement for a Planned Development for two types of projects. The first type of project is for buildings in the CS (Community Shopping) zoning district, which is limited to four areas of the city. See the map in Attachment F.1. for the area that includes historic properties, including Trolley Square. Previously, this requirement was also in place for the GMU (Gateway Mixed Use) zoning district, but it was removed with the Downtown Building Heights text amendment, which is pending City Council action.

The second type of project is for building lots that do not have public street frontage. This is a common request with a planned development, often associated with other requests. Removing the requirement for this process could shorten the review and process for units. Generally, requests for building lots without street frontage are approved. As properties with long, deep lots redevelop with more intensive uses and townhouses or other forms that were not previously as common, this is a common request as the larger size of many lots allows for internal, private drives to access garages for townhouses or other sites where there are multiple buildings. The removal of this requirement is intended to decrease the processing time for applications and would not affect approval standards.

### TSA modification

The next part of the proposal is a change from the existing requirements in the TSA or Transit Station Area zoning districts. There are eight TSA districts, four are "core" districts and four are "transition" districts. There are properties located near and adjacent to 400 South and in the Central City Historic District that are in TSA districts. These districts are located near some light rail stations, see maps in Attachment F.2 for specific locations with historic properties. The zoning district has an administrative approval process for projects if they meet a required number of points per guidelines that apply to the district. If projects meet this required number of points, they can add an additional story. The proposal would allow one additional story in the Transition districts and two additional stories in the Core districts, but only if affordable units are provided.

### Additional building types

The proposal would allow single-family and single-family attached dwellings, which include row houses, sideways row houses, and cottage developments in the CB – Community Business, CC – Corridor Commercial, CG – General Commercial, and I - Institutional zoning districts. These districts are located across the city. CB generally has neighborhood-oriented businesses and related uses, including grocery stores. Concentrations of corridor commercial are located on State Street and Redwood Road. There are areas of General Commercial west of downtown, on 300 West and west of I-15. Definitions and design standards are provided for these building types with the amendments. These zoning districts are not common in historic districts. Grocery stores are often zoned CB and there are some properties zoned CB along 300 West in the Capitol Hill Historic District.

The CB, CC, and CG zones permit multifamily development. Buildings that look like townhouses or row houses are often platted as condos and considered multifamily development. This would permit them as single-family attached housing that could be developed without a condo plat. This could allow for additional financing opportunities for homeowners that are not necessarily an option with condo units.

The institutional zoning district includes land where there are schools, hospitals, and other non-profit entities. Multifamily housing is not permitted in this zoning district. At a later date, planning staff may consider multifamily housing as a permitted use in this zoning district.

### Affordability requirements

The Planning Commission and community feedback at the May 2022 hearing was for lowering the AMI level and requiring a higher percentage of affordable units will result in projects that are not feasible. This would result in "incentives" that would not be used because they would not provide a benefit. The purpose of the AHI are to allow for a greater number of units than may otherwise be constructed. The intent of the AHI presented in May was to provide a sufficient incentive that developers of market rate housing could include affordable units in their proposals, and the AHI would allow for developers that were already constructing affordable units to add more units to their projects.

Based on the direction from the Commission and in response to public comment, staff reached out to members of the local development community, particularly those that are experienced with developing affordable housing and smaller scale developments, and asked them to test the feasibility of the proposed AHI. Staff and the developers created scenarios and proformas to show the performance of the AHI, model their feasibility, and assess how they could be modified to accommodate lower incomes and/or provide for a greater number of affordable units. See Attachment B for details. Generally, the modeling showed a sufficient return for development. However, rather than providing for an increase in the percentage of units required as affordable, staff is recommending four additional options that provide for more deeply affordable units and for larger units. Below are the options presented in May 2022:

- 20% of units are restricted as affordable to those with an income at or below 80% AMI;
- 10% of units are restricted as affordable to those with an income at or below 60% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have two or more bedrooms;

The new options with more deeply affordable and larger units are below:

- 10% of units are restricted as affordable to those with an average income at or below 60%
   AMI and these units shall not be occupied by those with an income greater than 80% AMI;
   or
- 5% of units are restricted as affordable to those with an income at or below 30% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 60% AMI when the affordable units have two or more bedrooms; or
- 5% of the units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have three or more bedrooms.

### **Discussion**

The intent of the proposed AHI are to encourage the construction of affordable housing units in all areas of the city that allow for residential development. This includes properties located in local historic districts. The AHI would not change historic review requirements. Additional units may be added to historic properties following the existing review processes. The type of process, whether major, minor, or new construction, would depend on the proposal.

### **Next Steps**

A public hearing is tentatively scheduled for the Planning Commission on April 26, 2023. Following a recommendation from the Planning Commission, the amendment proposal will be transmitted to the City Council for the adoption process. Text amendments are a legislative item and the City Council has the final decision-making authority.

### **Attachments:**

- A. ATTACHMENT A: Proposed 21A.52 Zoning Incentives Text
- B. ATTACHMENT B: Summary of Proforma and Scenario Analyses
- C. ATTACHMENT C: Single- and Two-Family Zoning District Graphics
- D. ATTACHMENT D: Updated Affordable Housing Incentives Document
- E. ATTACHMENT E: Updated Affordable Housing Incentives Summary Document
- F. ATTACHMENT F: Zoning Maps and Graphics

# **ATTACHMENT A: Proposed 21A.52 Zoning Incentives Ordinance Text**

### **March 2023 Briefing Draft**

New text since May 2022: underline

Removed text since May 2022: strikethrough

**New Chapter:** 

### 21A.52 Zoning Incentives

**21A.52.010 Purpose:** The purpose of this chapter is to establish zoning incentives to support achieving adopted goals within the City's adopted plans and policy documents and promote the increase of affordable housing.<sup>1</sup>

**21A.52.020 Applicability:** This chapter applies as indicated within each subsection.

**21A.52.030** Relationship to base zoning districts and overlay zoning districts: Unless otherwise indicated in this chapter, all base zoning district or overlay zoning district standards and requirements take precedence except as indicated in this section.

**21A.52.040 Approval Process:** Any process required by this title shall apply to this chapter unless specifically exempt or modified within this chapter.

- A. The Planned Development process in 21A.55 shall not be used to modify any specific requirement ofmay be modified as indicated within this chapter.<sup>2</sup>
- B. The Design Review process in 21A.59 may be modified as indicated within this chapter.
- C. Developments authorized by this chapter are exempt from 21A.10.020.B.1.

### 21A.52.050 Affordable Housing Incentives:

- A. Purpose: The Affordable Housing Incentives encourage the development of affordable housing. The provisions within this section facilitate the construction of affordable housing by allowing more inclusive development than would otherwise be permitted in the <u>underlying base</u> zoning districts. Housing constructed using the incentives <u>are</u> is intended to be compatible in form with the neighborhood and provide for safe and comfortable places to live and play.
- B. Applicability: The provisions in this section provide an optional incentives to development projects that include affordable housing units. Unless specifically stated below, all other applicable provisions in the base zoning district or other overlay districts shall apply.
- C. Uses: Additional housing types are allowed in zones subject to <u>complyingcompliance</u> with this section.
- D. Reporting and Auditing:<sup>3</sup> Property owners who uses the incentives of this chapter are required to provide a report that demonstrates compliance with this section and any additional approvals associated with the use of incentives. The report shall be submitted annually by April 30<sup>th</sup> and shall be reflective of the financial status at the

<sup>&</sup>lt;sup>1</sup> Modify since not all incentives may be for affordable housing.

<sup>&</sup>lt;sup>2</sup> This change allows for the Planned Development process to be used as indicated.

<sup>&</sup>lt;sup>3</sup> This subsection and the following add reporting, auditing, and enforcement requirements along with changes to the enforcement chapter.

end of the previous calendar year. The report shall be submitted to the Director of Community and Neighborhoods or successor.

- 1. Annual Report and Auditing: Each property owner shall submit a report that demonstrates compliance with this chapter.
  - a. <u>If applicable, the property owner shall submit a copy of the annual report(s)</u> provided to Utah Housing Corporation, Olene Walker Housing Loan Fund, Housing Authority of Salt Lake City, Housing Connect, or similar funding source as determined by the Department of Community and Neighborhoods, or successors confirming compliance with affordable housing conditions, including tenant income and rent rates.
  - b. <u>If an annual report is not submitted as required in 21A.52.050.D.1.a above, the property owner shall provide a report that includes, but is not limited to the following:</u>
    - (1) Identify the property location, tax ID number, and legal description.
    - (2) Property owner name, mailing address, and email address.
    - (3) <u>Information on the dwelling units and tenants of the property receiving</u> the incentives that includes:
      - (A) The total number of dwelling units
      - (B) The number of bedrooms of each dwelling unit
      - (C) The rental rate of each dwelling unit
      - (D) <u>Identify the dwelling units that comply with the level of affordability identified in the approval to use the incentives and a statement that the dwelling units are in compliance with the approval requirements.</u>
      - (E) <u>Identify</u> any change in occupancy to the units that are required to be affordable under this section, including a change in the number of people residing in each unit and any change in tenant. Personal data is not required to be submitted.
      - (F) <u>Confirm that income verification for all tenants was performed</u> on an annual basis.
      - (G) <u>Identify any differences in rent between the agreed upon rental rate in the approval to use the incentives and the actual rent received for the identified affordable dwelling units.</u>
      - (H) <u>Identify any instance where an affordable dwelling unit was no longer rented at the agreed upon level of affordability, the length of time the dwelling unit was not in compliance with the agreed upon level of affordability, and any remedy that was taken to address the noncompliance.</u>
- 2. Review of Annual Report: The Director of Community and Neighborhoods shall review the report to determine if the report is complete.
- 3. Within 30 days of receipt of a complete report, the Director of Community and Neighborhoods shall provide the property owner with written notice that:
  - a. <u>Identifies whether the property is in compliance.</u>
  - b. Identify any deficiency in the information provided by the owner.
  - c. Assesses any penalty that is due as a result of an identified noncompliance.
- 4. After receipt of the notice from the Director of Community and Neighborhoods that indicates noncompliance, the property owner shall:

- a. Shall cure the identified noncompliance within 30 days of such notice and concurrently submit an updated report of then-current operations of the property that demonstrates compliance; or
- b. Property owners can request an extension in writing prior to the expiration of the 30-day cure period identified above. The request shall include an explanation of the efforts to correct the non-compliance and the reason the extension is needed. The Director of Community and Neighborhoods will review and determine if the timeframe and extension are appropriate and whether or not fines shall be stayed during any approved extension. Upon expiration of the extension granted by the Director the property owner shall submit an updated report of then-current operations of the property that demonstrates compliance.
- c. Pay any fine or fee that is assessed pursuant to 21A.20.040 due to any noncompliance within 14 days of achieving compliance. Any fine or fee shall be assessed from the first identified date that the property is not in compliance.
- d. <u>Violations of this Chapter shall be investigated and prosecuted pursuant to</u> 21A.20, except as set forth below in 21A.52.050.E.
- <u>5.</u> The city may contract with another entity for review of the requirements in this section.
- E. Enforcement: Violations of this Chapter, or the restrictive covenant on the property as set forth in 21A.52.050.F.1, shall be investigated and prosecuted pursuant to 21A.20. The city shall have the additional remedies for violations as set forth below.
  - 1. Lien on Property. If the property owner fails to make payment of the outstanding fines, then after 90 days or when fines reach \$5,000, the division will issue a statement of outstanding fines. If the property owner fails to make payment within 14 days then the division may certify the fines set forth in the statement to the Salt Lake County Treasurer. After entry by the Salt Lake County Treasurer, the amount entered shall have the force and effect of a valid judgment of the district court, is a lien on the property, and shall be collected by the treasurer of the county in which the property is located at the time of the payment of general taxes. Upon payment of the amount set forth in the statement, the judgment is satisfied, the lien is released from the property, and receipt shall be acknowledged upon the general tax receipt issued by the treasurer.
  - 2. Revocation of Business License. Upon a determination of the division that the property is in violation of this Chapter the city may suspend or revoke the business license associated with the property. Any suspension or revocation of a license shall not be imposed until a hearing is first held before the Director of Community and Neighborhoods or his/her successor. The licensee shall be given at least 14 days' notice of the time and place of the hearing, together with the nature of the charges against the licensee. The licensee may appear in person or through an officer, agent or attorney, to introduce evidence on the licensee's behalf, and to confront and cross-examine witnesses. The Director of Community and Neighborhoods shall make a decision based upon the evidence introduced at the hearing and issue a written decision. The licensee may appeal to an appeals hearing officer and thereafter to district court pursuant to 21A.16. If the license is revoked or suspended it shall thereafter be unlawful for any person to engage in or use, or permit to be used any property for any business with respect to which the license has been suspended or revoked until a license shall be granted upon appeal

or due to the property's compliance with this Chapter. No person whose license has been revoked, and no person associated or connected with such person in the conduct of such business, shall be granted a license for the same purpose for a period of six months after the revocation has occurred. The Director may, for good cause, waive the prohibition against persons formerly associated or connected with an individual who has had a license revoked.

- <u>DF.</u> <u>Incentives and Eligibility Standards:</u> Developments shall meet the criteria below to be eligible for the authorized incentives<del>. Incentive criteria</del>:
  - 1. Restrictive Covenant Required:
    - Any owner who uses the incentives of this chapter shall enter into a legally binding restrictive covenant, the form of which shall be approved by the City Attorney. The agreement shall provide for the following, without limitation: acknowledge the use of the incentives, the nature of the approval and any conditions thereof, the affordability requirements, the terms of compliance with all applicable regulations, shall guarantee compliance for a term of 30 years, and the potential enforcement actions for any violation of the agreement. Prior to the issuance of a building permit for construction of a building using the incentives, a restrictive covenant, the form of which shall be approved by the City Attorney, shall be filed with the Salt Lake County Recorder. The agreement shall be recorded on the property with the Salt Lake County Recorder, guarantees that the affordability criteria will be met for at least 30 years, and is transferrable to any future owner.4
    - b. For an affordable homeownership unit, a notice of sale shall be provided to the city and the city shall have a right of first refusal to any sale of the property in accordance with a future sales price that is capped to comply with section 21A.52.050.F.2.b.2 below.<sup>5</sup>

Deed Restriction Required: Prior to the issuance of a building permit for construction of a building that includes affordable housing, a deed restriction, the form of which shall be approved by the City Attorney, shall be filed with the County Recorder's office that guarantees that the affordability criteria will be met for at least 30 years from the issuance of the Certificate of Occupancy. The deed restriction shall run with the land.

- 2. The affordable units shall be both income and rent/housing payment restricted.<sup>6</sup>
  - a. Income Restriction The affordable units shall be made available only to Eligible Households that are qualifying occupants with an annual income at or below the SLC Area Median Income ("AMI") as applicable for the given affordable unit for Salt Lake City Utah, U.S. Department of Housing and Urban Development ("HUD") Metro

<sup>&</sup>lt;sup>4</sup> Clarifies that the agreement recorded on the property will be a restrictive covenant and adds to provisions.

<sup>&</sup>lt;sup>5</sup> Sales price will be restricted to continue to be affordable

<sup>&</sup>lt;sup>6</sup> Defines income, rental, and ownership restrictions

FMR Area (as periodically determined by the HUD and adjusted for household size).

- b. Rent/Housing Payment Restriction
  - For an affordable rental unit, the monthly rent, including all required housing costs per unit, such as utilities and other charges uniformly assessed to all apartment units other than charges for optional services, shall be set forth in a written lease and shall not exceed, for the term of the lease, the maximum monthly gross rental rate published annually by the Utah Housing Corporation for affordable units located in Salt Lake City for the AMI as applicable for the given affordable unit type.
  - (2) For an affordable homeownership unit, the annualized housing payment, including mortgage principal and interest, private mortgage insurance, property taxes, condominium and/or homeowner's association fees, insurance, and parking, shall not exceed thirty percent (30%) of the maximum monthly income permissible for the AMI as applicable for the given affordable unit, assuming a household size equal to the number of bedrooms in the unit plus one person.
- 3. Comparable units: Affordable units shall be comparable to market rate units in the development including entrance location, dispersion throughout the building or site, number of bedrooms (unless otherwise permitted)<sup>z</sup>, access to all amenities available to the market rate units in the development, or as set forth in the terms of the restrictive covenant. This section does not apply to units in single- and two-family zoning districts.
- 4. The property owner shall be ineligible for affordable housing incentives pursuant to this Chapter if the property owner or its principals, partners, or agents are under enforcement for any violation of title 11, 18, 20, or 21.

G. Incentives: Developments are eligible for the incentives identified in this section. Table 21A.52.050.G establishes the affordability requirements based on the zoning district of the property. Sections 1 through 4 establish the modifications allowed within each zoning district in order to achieve the affordability incentives. To use the incentives, developments shall comply with the criteria applicable to the base zoning districts.<sup>8</sup>

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<sup>&</sup>lt;sup>7</sup> This clarifies that where other unit mixes are permitted, ex. 10% of units as affordable when two bedrooms, these units do not have to match the mix of the other units in the building.

<sup>&</sup>lt;sup>8</sup> The table places all of the incentives in a single location to avoid duplication of language in multiple places.

### Table 21A.52.050.G

]	Incentive Types
Types	Incentive
<b>Type A.</b> Applicable to the single-	Dwelling units shall meet the requirements for an
and two-family zoning districts: FR-	affordable rental or homeownership unit affordable to
1, FR-2, FR-3, R-1/12,000, R-	those with incomes at or below 80% AMI.
1/7,000, R-1/5,000, R-2, SR-1, SR-	New construction: At least 50% of the provided
1A, and SR-3.	dwelling units shall be affordable.
	Existing building maintained: A minimum of one of
	the dwelling units shall be affordable provided the
	existing building is maintained as required in
	<u>21A.52.050.H.1.c</u> <sup>9</sup>
Type B. Applicable to residential	An affordable rental unit shall meet a minimum of at
multifamily zoning districts: RMF-	<u>least one of the following affordability criteria:</u>
30, RMF-35, RMF-45, and RMF-75	1. 40% of units shall be affordable to those with
	incomes at or below 60% AMI;
	2. 20% of units shall be affordable to those with
	incomes at or below 50% AMI; or
	3. 40% of units shall be affordable to those with
	incomes averaging no more than 60% AMI
	and these units shall not be occupied by those
	with an income greater than 80% AMI.
	For sale owner occupied units: An affordable
	homeownership unit shall provide a minimum of 50%
	of units affordable to those with incomes at or below
m	80% AMI.
Type C. Applicable to zoning	Affordable rental or homeownership units shall meet
districts not otherwise specified. 10	a minimum of at least one of the affordability criteria
	identified. Any fractional number of units required
	shall be rounded up to the nearest whole number.
	1. 20% of units are restricted as affordable to those with an income at or below 80% AMI;
	0.4 C 1. 1 CC 1.11
	2. 10% of units are restricted as affordable to those with an income at or below 60% AMI;
	3. 10% of units are restricted as affordable to
	those with an average income at or below 60%
	AMI and these units shall not be occupied by
	those with an income greater than 80% AMI;
	4. 5% of units are restricted as affordable to
	those with an income at or below 30% AMI;
	5. 10% of units are restricted as affordable to
	those with an income at or below 80% AMI
	when the affordable units have two or more
	bedrooms;
	2001

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<sup>&</sup>lt;sup>9</sup> This incentivizes maintaining the existing dwelling by lowering the required number of affordable units from a maximum of two to one. This was a recommendation from the focus group who wanted to preserve existing housing.

 $<sup>^{10}</sup>$  The incentives below expand on what was initially proposed and provide additional incentives for 30% AMI units, 60% AMI units, an average of 60% AMI, and larger units.

- 6. 5% of units are restricted as affordable to those with an income at or below 60% AMI when the affordable units have two or more bedrooms; or
- 7. 5% of the units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have three or more bedrooms.

### 3. 1. Single- and Two-Family Zoning Districts:

- a. The following housing types: twin home and two-family, three-family dwellings, four-family dwellings, row houses, sideways row houses, and cottage developments are authorized in the FR-1, FR-2, FR-3, R-1/12,000, R-1/7,000, R-1/5,000, R-2, SR-1, SR-1A, and SR-3 zoning districts provided the affordability requirements in <u>for Type A in Table 21A.52.050.G are met. subsection b. are met.</u>
- b. To be eligible for the incentives listed in this section, a development shall provide the following:
  - (1) At least 50% of the provided dwelling units are affordable to those with incomes at or below 80% AMI, rental units shall be income-restricted and rent-restricted; and
  - (2) Any portion of the property is located:
    - (A) Within ¼ mile measured in a straight line from a passenger rail stop or a bus stop that is part of a high frequency bus route with a minimum of 15 minute service during daytime hours Monday through Saturday; or
    - (B) With street frontage on a roadway that is classified as an arterial on the adopted Major Street Plan.<sup>11</sup>

### 2. RMF-30, RMF-35, RMF-45 and RMF-75 zoning districts:

- The qualifying provisions for density <u>found in the minimum lot area</u> and lot width tables for do not apply in the RMF-30, RMF-35, RMF-45, and RMF-75 zoning districts <u>do not apply and in the RMF-30</u> zoning district, the minimum lot size per dwelling unit does not apply, provided the affordability requirements in subsection b.for Type B in <u>Table 21A.52.050.G</u> are met.<sup>12</sup>
- b. To be eligible for the incentives listed in this section, a development shall meet the following:

<sup>12</sup> This accounts for the adoption of the new RMF-30 requirements and the removal of the land use table for this zone.

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<sup>&</sup>lt;sup>11</sup> This removes the proximity to transit and arterial roads requirement. This opens this section of the incentives to all areas with single- and two-family zoning.

- (1) Rental housing shall be income-restricted and rentrestricted and shall meet at least one of the following affordability criteria:
  - (A) A minimum of 40% of units shall be affordable to those with incomes at or below 60% AMI;
  - (B) A minimum of 20% of units shall be affordable to those with incomes at or below 50% AMI; or
  - (C) A minimum of 40% of units shall be affordable to those with incomes averaging no more than 60% AMI and these units shall not be occupied by those with an income greater than 80% AMI.
- (2) For sale owner occupied units shall provide a minimum of 50% of units affordable to those with incomes at or below 80% AML.

<u>5..3.</u> Incentives in the CB Community Business, CC Corridor Commercial, CG General Commercial, and I Institutional Zoning Districts:

- a. The following housing types: row houses, sideways row houses, and cottage developments are authorized in zoning districts provided the affordability requirements in subsection b. are complied with;
- b. To be eligible for the incentives listed in this section, a development shall meet the affordability requirements for Type C in Table 21A.52.050.G. <sup>13</sup>

To be eligible for the incentives in this section, a development shall provide a minimum of 20% of the units as affordable to those with incomes at or below 80% AMI.

- <u>6.-4.</u> The following incentives are authorized in zoning districts provided the affordability requirements for Type C in Table 21A.52.050G are complied with:
- a. Administrative design review provided the noticing requirements of 21A.10.020 B and the standards in 21A.59 are met. Early engagement notice requirements to recognized organizations are not applicable.
- b. Additional building height as indicated in the following sections:
  - (1) Residential districts:

Zoning District	Permitted Maximum Height with Incentive
RMU-35	45' with administrative Design Review, regardless of abutting use or zone <sup>14</sup>
RMU-45	55' with administrative Design Review, regardless of abutting use or zone
RB	May build one additional story equal to or less than the average height of the other stories in the building. Density limitations listed in the land use table do not apply.
SR-3	May build one additional story equal to or less than the average height of the other stories in the building and maximum exterior wall height may increase up to 25'. 15

<sup>&</sup>lt;sup>13</sup> This allows for the same incentive options for single-family attached housing in these zoning districts.

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<sup>&</sup>lt;sup>14</sup> This text, and the same text for the RMU-45 district below allows for additional height when the incentives are used abutting properties single- and two-family zoned properties. The existing RMU-35 and RMU-45 sections do not allow for additional height abutting these properties.

<sup>&</sup>lt;sup>15</sup> Removed SR-3 from this table. Included with single- and two-family zoning districts

RMU	Maximum 125' with administrative Design Review in the mapped area in Figure
	<del>21A.24.170.F.3.</del>
	May build three additional stories equal to or less than the average height of the
	other stories in the building with administrative Design Review outside of the
	mapped area in Figure 21A.24.170.F.3.16
RO	May build one additional story equal to or less than the average height of the
	other stories in the building.

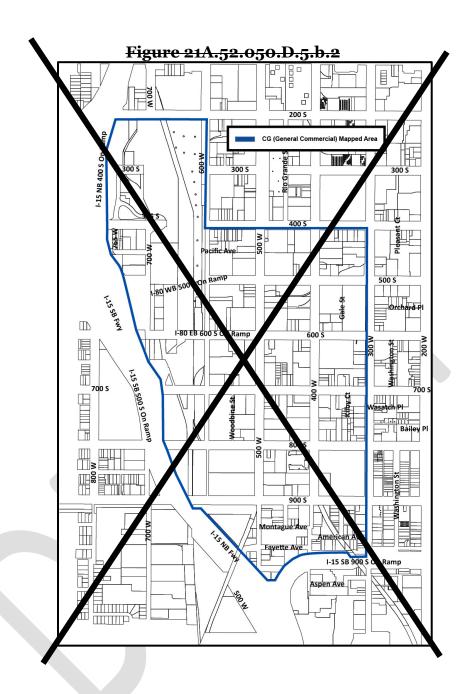
(2) Commercial Districts:

Zoning	Permitted Maximum Height with Incentive
District	
SNB	May build one additional story equal to or less than the average height of the
	other stories in the building.
CB	May build one additional story equal to or less than the average height of the
	other stories in the building.
CN	May build one additional story equal to or less than the average height of the
	other stories in the building.
CC	45' with administrative Design Review; additional landscaping <del>not required</del>
	may be met by meeting requirements in 21A.52.050.H.3.c.5.17
CG	May build two additional stories equal to or less than the average height of the
	other stories in the building 90' with administrative Design Review; additional
	landscaping not required.
	150' May build three additional stories equal to or less than the average height
	of the other stories in the building with administrative Design Review for
	properties in the mapped area in Figure 21A. <del>52.060.D.5.b.2</del> 26.070.G. <sup>18</sup>
CSHBD1	105' for residential with structured parking, with administrative Design
	Review and two additional stories equal to or less than the average height of
	the other stories in the building with administrative Design Review.
CSHBD2	60' with administrative Design Review and one additional story equal to or less
	than the average height of the other stories in the building with administrative
	Design Review.
TSA-	May build one additional story equal to or less than the average height of the
Transition	other stories in the building with administrative review.
TSA-Core	May build two additional stories equal to or less than the average height of the
	other stories in the building with administrative review.

<sup>&</sup>lt;sup>16</sup> The mapped area cited will be removed. Additional height will only be permitted if affordable units are included.

<sup>&</sup>lt;sup>17</sup> This addresses the concern about not requiring additional landscaping by requiring open space that can be landscaped yards, patios, courtyards, or other outdoor living spaces.

<sup>&</sup>lt;sup>18</sup> These changes address two issues to better align with the proposed changes in the Downtown Building Heights text amendment (<u>Planning Commission staff report</u>). The CG changes provide alternatives for the additional landscaping as open space and it changes the map to the Depot District mapped area in that amendment and allows for an additional two stories above what is proposed for the maximum height with those changes. The existing zoning permits 60' and 90' with design review. The text amendment proposes 75', 105' with design review, and 150' is permitted within the Depot District map area.



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### (3) Form-based districts:

Zoning District	Permitted Maximum Height with Incentive
FB-UN3	125' and three additional stories equal to or less than the average height of the
_	other stories in the building with administrative Design Review.
FB-UN2	May build one additional story equal to the average height of the other stories
	in the building.
FB-SC	May build one additional story equal to the average height of the other stories
	in the building.

 $<sup>^{19}</sup>$  Map replaced with Depot District map in the Downtown Building Heights text amendment.

FB-SE	May build one additional story equal to the average height of the other stories in the building.
FB-UN1	May build up to three stories and 30' in height.

(4) Downtown districts:20

Zoning District	Permitted Maximum Height with Incentive
D-1	Administrative Design Review is permitted when a Design Review process is required.
D-2	120' and one two additional story stories equal to or less than the average height of the other stories in the building with administrative Design Review.
D-3	90'180' and three additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.
D-4	120' and three additional stories equal to or less than the average height of the stories permitted with administrative Design Review. 375' and administrative Design Review in mapped area in 21A.30.045.E.2.b.

(5) Other districts:

Zoning District	Permitted Maximum Height with Incentive
GMU	120' 180' and three two additional stories equal to or less than the average
	height of the other stories in the building with administrative Design Review. <sup>21</sup>
MU	60' with residential units and administrative Design Review.

- c. Administrative Design Review is permitted for the following:
  - (6) Buildings in the CSHBD1 and CSHBD2 zoning district that exceed 20,000 square feet in size.
  - (7) Buildings in the CB zoning district that exceed 7,500 gross square feet of floor area for a first-floor footprint or in excess of 15,000 gross square feet floor area.
  - d. To be eligible for the incentives listed in this section, a development shall meet the following affordability:
    - (8) 20% of units are restricted as affordable to those with an income at or below 80% AMI;
    - (2) 10% of units are restricted as affordable to those with an income at or below 60% AMI; or
    - (3)\_\_\_\_10% of units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have two or more bedrooms; <sup>22</sup>

7.5. Planned Developments: A Planned Development is not required when the purpose of the planned development is due to the following reasons cited below, subject to approval by other city departments. If a development proposes any modification that is not listed below, planned development

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<sup>&</sup>lt;sup>20</sup> The changes to the D zoning districts are to align the incentives with the changes in the proposed Downtown Building Heights text amendment. See the <u>Planning Commission staff report</u>.

<sup>&</sup>lt;sup>21</sup> The changes to the GMU zoning district are to align the incentives with the changes in the proposed Downtown Building Heights text amendment. See above.

<sup>&</sup>lt;sup>22</sup> This section is included in 4.a

approval is required. To be eligible for the incentives in this section, a development shall meet the affordability requirements for the applicable zoning district in Table 21A.52.040. provide a minimum of 20% of the units as affordable to those with incomes at or below 80% AMI unless otherwise specified for the zoning district.

- a. Multiple Buildings on a Single Parcel: More than one principal building may be located on a single parcel and are allowed without having public street frontage. This allowance supersedes the restrictions of 21A.36.010.B;
- b. Principal buildings with frontage on a paved public alley;
- c. Principal buildings with frontage on a private street;
- d. Development located in the Gateway Mixed-Use (G-MU) "Planned Development Review" in 21A.31.020.C; or <sup>23</sup>

Community Shopping (CS) "Planned Development Review" in 21A.26.040.C.

- EH. Development Regulations: The following development regulations are intended to provide supplemental regulations and modify standards of the base zoning district for the purpose of making the affordable housing incentives more feasible and compatible with existing development. Existing structures may be converted. Underlying zoning standards apply unless specifically modified by this section and are in addition to modifications authorized in subsection D.521A.52.050.G. If there are conflicts with design standards, the more restrictive regulation shall apply and take precedence. These standards are not allowed to be modified through the planned development process.
  - Modifications in the FR-1, FR-2, FR-3, R-1/12,000, R-1/7,000, R-1/5,000, R-2, SR-1, SR-1A, and SR-3 zoning districts:
    - a. Parking: <u>Unless there is a lesser parking requirement in 21A.44</u>, Notwithstanding the parking requirements in 21A.44, only one off-street parking space per unit is required. One detached garage or covered parking space, no greater than 250 sq. ft. per unit, may be provided for each unit and these structure(s) may exceed the yard and building coverage requirements for accessory structures exceed the maximum size permitted for accessory structures in the underlying zone. When covered parking is provided, the 250 sq. ft. per unit of covered parking may be combined into a single structure for each required parking stall provided.<sup>24</sup>
    - b. Yards: Minimum required yards shall apply to the perimeter of the development and not to the individual principal buildings within the development.
    - c. Density:

(1) Lots in the FR-1, FR-2, FR-3, R-1/12,000, R-1/7,000, R-1/5,000, R-2, SR-1, and SR-1A zoning districts created after the effective date of this chapter are only eligible if

<sup>&</sup>lt;sup>23</sup> GMU provision removed to be consistent with changes made with the proposed Downtown Building Heights text amendment. See the <u>Planning Commission staff report</u>.

<sup>&</sup>lt;sup>24</sup> The parking requirement change and others with the same language throughout the draft clarify that this applies when there is a lesser parking requirement. The covered parking change provides clarity on the intent of the covered parking requirements.

- the lot complies with the minimum lot area of the zoning district. <sup>25</sup>
- (2) Lots may contain a building with up to four units. Lots with single-family attached units may be divided such that each unit is on its own lot.(3)
- <del>(3)</del>
- (1) Lots approved through a planned development or legally ereated through another process authorized by this title after the effective date of this chapter prior to the effective date of this chapter are required to go through a major modification of the planned development to use the are not eligible for the incentives.
- (2) Lots may contain up to four units. Existing lots may be divided such that each unit is on its own lot. The new lots are exempt from minimum lot area and lot width requirements.
- (3) An accessory dwelling unit (ADU) is considered one unit and counts toward the number of units permitted.
- (4) Arrangement of dwellings: 26
  - (A) New dwelling (4)Dwelling-units may be arranged in any manner within a building, as a second detached dwelling, as attached units, or if a cottage development with three or more detached dwellings, within the buildings that are part of the cottage development.
  - (B) When an existing building is maintained, new units may be added internal to the existing structure, as an addition, or as a second detached dwelling. Any addition must comply with the standards of the base zoning district; however, the addition may contain additional units. 50% of the exterior walls of the existing dwelling, including the front elevation, shall remain as exterior walls.
  - (C) The units shall comply with this section, applicable requirements of the base zoning district, and any applicable overlay district.
- <del>(5)</del>
- (5) In the SR-3 zoning district, the minimum lot size per unit may be reduced by 25% from the minimum lot area listed in 21A.24.100.C.
- d. Lot width: Minimum lot width requirements do not apply.<sup>27</sup> Building coverage: Building coverage may increase up to the existing average of the block face if the average exceeds the maximum coverage of the zone.
- 2. Within the RMF-30, RMF-35, RMF-45 and RMF-75 zoning districts the following provisions shall apply:
  - a. Unit Mix: No more than 25% of the units in the development shall be less than 500 square feet to promote a mix of unit sizes.

<sup>&</sup>lt;sup>25</sup> New lots may use incentives.

<sup>&</sup>lt;sup>26</sup> This allows for two detached dwellings on site and provides requirements for maintaining an existing building. This is a recommendation of the focus group as a way to preserve existing housing

<sup>&</sup>lt;sup>27</sup> Exempted in c.2 above.

- b. Parking: <u>Unless there is a lesser parking requirement in 21A.44</u>, Notwithstanding the parking requirements in 21A.44, only one offstreet parking space per unit is required in multifamily developments with less than 10 units.
- c. Yards:
  - (1) The minimum required yards shall apply to the perimeter of the development and not to the individual principal buildings within the development.
  - (2) For yards less than 50 ft. in width, the minimum interior side yard may be reduced by up 25%.
- d. Lot width: Minimum lot width requirements do not apply.
- 3. In addition to applicable requirements in 1. and 2. above, the following provisions apply to the specific building types listed:
  - a. Row house and Sideways row house 28
    - (1) Perimeter vard requirements:
      - (A) Front yards: The front yard and corner side yard of the underlying base zoning district apply.
      - (B) Side yards: A minimum of 10 feet on one side of the building and 6 feet on the other interior side yard unless a greater yard is required by the base zoning district. When adjacent to a public alley, a side yard may be reduced to five feet provided the building contains an unenclosed entry porch, canopy, or awning feature on the façade that faces the alley. The entry feature may not encroach in the side yard.
      - (C) Rear yard: The rear yard of the base zoning district applies. The minimum rear yard required within the underlying zoning district may be reduced by 25%.

        When adjacent to a public alley, the rear yard may be reduced to five feet provided the building contains an unenclosed entry porch, canopy, or awning feature on the façade that faces the alley.
    - (2) Number of Units: To qualify for incentives in the FR-1, FR-2, FR-3, R-1/12,000, R-1/7,000, R-1/5,000, R-2, SR-1, and SR-1A zoning districts there is a minimum of three and a maximum of four residential dwelling units per building.
    - (3) Building length facing street:29
      - (A) The building length shall not exceed 60 feet or the average of the block face, whichever is less, in FR-1, FR-2, FR-3, R-1/12,000, R-1/7,000, R-1/5,000, R-2, SR-1, and SR-1A, RMF-30, and RMF-35 districts;
      - (B) The building length shall not exceed 100 feet in the <u>RMF-30</u>, <u>RMF-35</u>, RMF-45 and RMF-75 districts; and
      - (C) The building length shall not exceed 175 feet in other zoning districts.

<sup>&</sup>lt;sup>28</sup> The regulations for the two types are the same and combined in this draft.

<sup>&</sup>lt;sup>29</sup> The modifications below provide greater consistency with the RMF-30 changes.

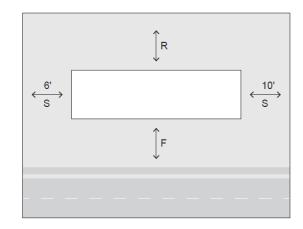
- (4) Building entry facing street: At least one operable building entrance on the ground floor is required for each unit facing the primary street facing façade. All units adjacent to a public street shall have the primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature. The entry feature may encroach in the front yard setback, but the encroachment shall not be closer than 5 feet from the front property line.
- be clad in durable materials. Durable materials include stone, brick, masonry, textured or patterned concrete, and fiber cement board. Other materials may be used for the remainder of the facade adjacent to a street. Other materials proposed to satisfy the durable requirement may be approved at the discretion of the Planning Director if it is found that the proposed material is durable and is appropriate for the structure.<sup>30</sup>
- (5)(6) Parking requirement and location: <u>Unless there is a lesser parking requirement in 21A.44Notwithstanding the parking requirements in 21A.44</u>, only one off-street parking space per unit is required. All provided parking shall be located to the side of the street facing building façade, behind a principal structure that has frontage on a street, or within the principal structure subject to any other applicable provision.
- (6)(7) Garage doors facing street: Garage doors are prohibited on the façade of the building that is parallel to, or located along, a public street.
- (7)(8) Personal outdoor space: Each unit shall have a minimum outdoor space of 60 square feet where the minimum measurement of any side cannot be less than 6 feet.
- (8)(9) Glass: The surface area of the façade of each floor facing a street must contain a minimum of 15% glass.
- (9)(10) Blank wall: The maximum length of any blank wall uninterrupted by windows, doors, or architectural detailing at the ground floor level along any street facing facade is 15'.
- (10)(11) Screening of mechanical equipment: All mechanical equipment shall be screened from public view and sited to minimize their visibility and impact. Examples of siting include on the roof, enclosed or otherwise integrated into the architectural design of the building, or in a rear or side yard area subject to yard location restrictions found in section 21A.36.020, table 21A.36.020B, "Obstructions In Required Yards" of this title.

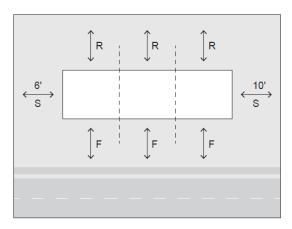
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<sup>&</sup>lt;sup>30</sup> The addition of building material regulations in this section and following sections was recommended by the focus group. The acceptable materials and process for alternative materials is similar to existing regulations, such as the TSA zoning districts.

### Illustration for 21A.52.050.E.3.a.1 Required Setbacks for Public Street Facing Row House

Units on separate lots





### b. Sideways row house<sup>31</sup>

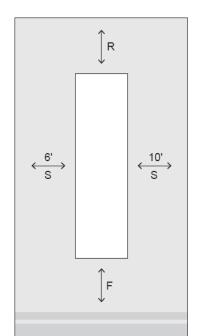
- (1) Perimeter yard requirements:
  - (A) Front yards: The front yard and corner side yard of the underlying zoning district shall apply.
- (B) Side yards: A minimum of 10 feet on one side property line and 6 feet on the other interior side yard. When adjacent to a public alley, a side yard may be reduced to 5 feet provided the building contains an unenclosed entry porch, canopy, or awning feature on the façade that faces the alley. The entry feature may not encroach in the side yard.
- (C) Rear yards: The minimum rear yard required within the underlying zoning district may be reduced by 25%. When adjacent to a public alley, the rear yard may be reduced to 5 feet provided the building contains an unenclosed entry porch, canopy, or awning feature on the façade that faces the alley.
- (2) Number of Units: In the FR-1, FR-2, FR-3, R-1/12,000, R-1/7,000, R-1/5,000, R-2, SR-1, and SR-1A zoning districts there is a minimum of three and a maximum of four residential dwelling units.
- (3) Building length facing street:
- (A) The building length shall not exceed 60 feet or the average of the block face, whichever is less in FR-1, FR-2, FR-3, R-1/12,000, R-1/7,000, R-1/5,000, R-2, SR-1, SR-1A, RMF-30, and RMF-35 districts;
- (B) The building length shall not exceed 100 feet in the RMF-45 and RMF-75 districts; and
- (C) The building length shall not exceed 175 feet in other zoning districts.

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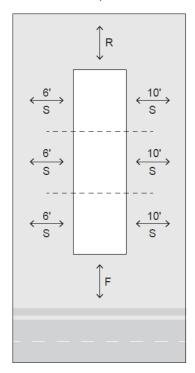
<sup>&</sup>lt;sup>31</sup> These are combined with the row house standards.

- building entry facing street: At least one operable building entrance on the ground floor is required for each unit on the primary street facing façade. All units adjacent to a public street shall have its primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature. The entry feature may encroach in the front yard setback, but the encroachment shall not be closer than 5 feet from the front property line.
- (5) Parking requirement and location: Notwithstanding the parking requirements in 21A.44, only one off-street parking space per unit is required. All provided parking shall be located to the side of the street facing building façade, behind a principal structure that has frontage on a street, or within the principal structure subject to any other applicable provision.
- (6) Garage doors facing street: Garage doors are prohibited on the façade of the building that is parallel to, or located along, a public street.
- (7) Personal outdoor space: Each unit shall have a minimum outdoor space of 60 square feet where the minimum measurement of any side cannot be less than 6 feet.
- (8) Glass: The surface area of the façade of each floor facing a street must contain a minimum of 15% glass.
- (9) Blank wall: The maximum length of any blank wall uninterrupted by windows, doors, or architectural detailing at the ground floor level along any street facing facade is 15'.
- (10) Screening of mechanical equipment: All mechanical equipment shall be screened from public view and sited to minimize their visibility and impact. Examples of siting include on the roof, enclosed or otherwise integrated into the architectural design of the building, or in a rear or side yard area subject to yard location restrictions found in section 21A.36.020, table 21A.36.020B, "Obstructions In Required Yards" of this title.

### Illustration for 21A.52.050.E.3.b.1 Required Setbacks for Sideways Row House



Units on separate lots



### e.b. Cottage Development

- (1) Perimeter vard requirements:
  - (A) Front yards: The front yard and corner side yard of the underlying base zoning district apply.
  - (B) Side yards: A minimum of 10 feet on one side property line and 6 feet on the other interior side yard, unless a greater yard is required by the base zoning district.
  - (C) <u>Rear yard: The rear yard of the base zoning district</u> applies.
  - (D) Rear yards: The minimum rear yard required within the underlying zoning district may be reduced by 25%. When a dwelling unit is adjacent to a public alley, the rear yard may be reduced to 5 feet provided the building contains an unenclosed entry porch, canopy, or awning feature on the façade that faces the alley.
- (2) Setbacks Between Individual Cottages: All cottages shall have a minimum setback of eight feet from another cottage.
- (3) Area: No cottage shall have more than 850 square feet of gross floor area, excluding basement area. There is no minimum square foot requirement.
- (4) Building Entrance: All building entrances shall face a public street or a common open space.

- (5) Building materials: 50% of any street facing facade shall be clad in durable materials. Durable materials include stone, brick, masonry, textured or patterned concrete, and fiber cement board. Other materials may be used for the remainder of the facade adjacent to a street. Other materials proposed to satisfy the durable requirement may be approved at the discretion of the Planning Director if it is found that the proposed material is durable and is appropriate for the structure.(5)
- Open Space: A minimum of 250 square feet of common, open space is required per cottage. At least 50% of the open space shall be in a courtyard or other common, usable open space. The development shall include landscaping, walkways or other amenities intended to serve the residents of the development.
- (6)(7) Personal Outdoor Space: A In addition to the open space requirement in this section, a minimum of 120 square feet of private open space is required per cottage. The open space shall provide a private yard area for each cottage and will be separated with a fence, hedge, or other visual separation to distinguish the private space.
- (7)(8) Parking: <u>Unless there is a lesser parking requirement in 21A.44</u>, Notwithstanding the parking requirements in 21A.44, only one off-street parking space per unit is required. All provided parking shall be located to the side of a street facing building façade, behind a principal structure that has frontage on a street, or within the principal structure subject to any other applicable provision.
- d.c. <u>In addition to applicable requirements in 21A.52.050.H above, the following provisions apply to all All</u> other buildings containing more than two residential units. <u>If the base zone has a greater design standard requirement, that standard applies.</u>
  - (1) Perimeter vard requirements:
    - (A) Front yards: The front yard and corner side yard setback of the underlying base zoning district apply.
    - (B) Side yards: For housing types not otherwise allowed in the zoning district, a minimum of 10 feet on each side property line, unless a greater setback is required for single-family homes. When a dwelling unit is adjacent to a public alley, a side yard may be reduced to 5 feet provided the building has an unenclosed entry porch, canopy, or awning feature.
    - (C) Rear yards: The rear yard of the base zoning district applies. The minimum rear yard required within the underlying zoning district may be reduced by 25% except when located next to a zoning district with a permitted building height that is 35 feet or less. When a rear dwelling unit is adjacent to a public alley, the rear yard may be reduced to 5 feet provided each dwelling unit on the ground floor of the building facing

the alley contains an unenclosed entry porch, canopy, or awning feature on the façade that faces the alley.

- (2) Building entrances: The ground floor shall have a primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature on the façade that faces the alley. Stairs to second floor units are not permitted on street facing elevations.
- (3) Glass: The surface area of the façade of each floor facing a street must contain a minimum of 15% glass.
- (4) Building materials: 50% of any street facing facade shall be clad in durable materials. Durable materials include stone, brick, masonry, textured or patterned concrete, and fiber cement board. Other materials may be used for the remainder of the facade adjacent to a street. Other materials proposed to satisfy the durable requirement may be approved at the discretion of the Planning Director if it is found that the proposed material is durable and is appropriate for the structure.
- (4)(5) Open space: Open space area may include landscaped yards, patios, dining areas, and other similar outdoor living spaces. All required open space areas shall be accessible to all residents or users of the building. 32 Open space area: Open space areas shall be provided at a rate of one square foot for every ten square feet of land area included in the development, up to 5,000 square feet. Open space areas include landscaped yards, patios, public plazas, pocket parks, courtyards, rooftop and terrace gardens and other similar types of open space area amenities. All required open space areas shall be accessible to all residents or users of the building.
  - (A) Single- and two-family zoning districts: 120 sq. ft. of open space with a minimum width of 6 ft. shall be provided for each building with a dwelling.
  - (B) All other zoning districts: A minimum of 10% of the land area within the development shall be open space, up to 5,000 square feet. Open space may include courtyards, rooftop and terrace gardens and other similar types of open space amenities. All required open space areas shall be accessible to all residents or users of the building.
- e.d. Single- and Two-family Dwellings: No additional design standards except as identified in 21A.24.
- f.e. Unit Limits: For overall development sites with more than 125 units, no more than 50% of units shall be designated as affordable units.
- g.f. Lots without public street frontage may be created to accommodate developments without planned development approval subject to the following standards:

<sup>&</sup>lt;sup>32</sup> Open space requirements modified for clarity and to add requirements for the single- and two-family zoning districts. The focus group recommended the addition of these requirements.

- (1) Required yards shall be applied to the overall development site not individual lots within the development. The front and corner yards of the perimeter shall be maintained as landscaped yards;
- (2) Lot coverage shall be calculated for the overall development not individual lots within the development; and
- (3) Required off street parking stalls for a unit within the development are permitted on any lot within the development.
- (4) The subdivision shall be finalized with a final plat and the final plat shall document that the new lot(s) has adequate access to a public street by way of easements or a shared driveway or private street; and
- (5) An entity, such as a homeowner association, must be established for the operation and maintenance of any common infrastructure. Documentation establishing that entity must be recorded with the final plat.

### **Additional Enforcement Language:**

### 21A.20.040 Civil Fines

- <u>A.</u> If the violations are not corrected by the citation deadline, civil fines shall accrue at twenty five dollars (\$25.00) a day per violation for those properties legally used for purposes that are solely residential uses, and one hundred dollars (\$100.00) a day per violation for those properties used for purposes that are not residential uses.
- B. Affordable housing incentives per 21A.52.050: If the violation(s) are not corrected by the citation deadline, civil fines shall accrue at the rate set in the Consolidated Fee Schedule per day per violation. If the violation(s) include renting an affordable rental unit in excess of the approved rental rate then an additional monthly fine shall accrue that is the difference between the market rate of the unit and the approved rental rate that is agreed to by the applicant at the time of approval for a project using the incentives.

Affordable housing incentives per 21A.52.050:Units not maintained at approved rate: If a designated unit in an affordable housing development is not maintained at the approved rate a fine will accrue monthly until the unit is maintained at the approved rate. Accrual and payment of penalties: The monthly fine shall be the difference between the market rate of the unit and the percent of market rate that the unit in the affordable housing development was approved at under the incentives.

Additional Definitions in 21A.62<sup>33</sup>

AFFORDABLE HOUSING

AFFORDABLE HOUSING DEVELOPMENT

DWELLING, THREE-FAMILY

<sup>&</sup>lt;sup>33</sup> Adding new defined terms to list of terms.

**DWELLING, FOUR-FAMILY** 

**DWELLING, ROW HOUSE** 

**DWELLING, SIDEWAYS ROW HOUSE** 

**DWELLING, COTTAGE DEVELOPMENT** 

### 21A.62 Definitions

AFFORDABLE HOUSING: Housing that is categorized based on Affordable housing shall be both income and, as applicable, rent-restricted. The affordable units shall be made available only to individuals and households that are qualifying occupants at or below the applicable percentage of the Area Median Income (AMI) area median income for the Salt Lake City Utah, U.S. Department of Housing and Urban Development ("HUD") Metro FMR AreaSalt Lake Metro Area, (the "SLC Area Median Income" or "AMI", as periodically determined by HUD and adjusted for household size) and published by the Utah Housing Corporation, or its successor as determined by the most recent survey by the U.S. Department of Housing and Urban Development. Affordable dwelling housing units must accommodate (30% of gross income for housing costs, including utilities) at least one of the following categories:

- a. Extremely Low-Income Affordable Units: Housing units accommodating up to 30% AMI;
- b. Very Low-Income Affordable Units: Housing units accommodating <del>up to</del> greater than 30% and up to 50% AMI; or
- c. Low-Income Affordable Units: Housing units accommodating greater than 50% and up to 80% AMI

**AFFORDABLE HOUSING DEVELOPMENT:** A housing development that meets the criteria in <u>21A.52.050</u><del>21A.52.060</del>.

**DWELLING, THREE-FAMILY:** A detached building containing three dwelling units.

**DWELLING**, **FOUR-FAMILY**: A detached building containing four dwelling units.

**DWELLING, ROW HOUSE:** A series of attached single-family dwellings that share at least one common wall with an adjacent dwelling unit and where the entry of each unit faces a public street. Units may be stacked <u>vertically</u> and/or attached <u>horizontally</u>. Each attached unit may be on its own lot.

**DWELLING, SIDEWAYS ROW HOUSE:** A series of attached single-family dwellings that share at least one common wall with an adjacent dwelling unit and where the entry of each unit faces a side yard as opposed the front yard. Units may be stacked <u>vertically</u> and <u>/or</u> attached horizontally. Each attached unit may be on its own lot.

**DWELLING, COTTAGE DEVELOPMENT:** A cottage development is a unified development that contains a minimum of two and a maximum of eight detached dwelling units with each unit appearing to be a small single-family dwelling with a common green or open space. Dwellings may be located on separate lots or grouped on one lot.

### **Modifications to existing language:**

(Changes to purpose of single-family neighborhoods and adding uses) 21A.24.050: R-1/12,000 SINGLE-FAMILY RESIDENTIAL DISTRICT:

A. Purpose Statement: The purpose of the R-1/12,000 Single-Family Residential District is to provide for conventional single-family residential <u>dwellings and affordable housing</u> <u>developments with up to four units on residential neighborhoods with</u> lots twelve thousand (12,000) square feet in size or larger. This district is appropriate in areas of the City as identified in the applicable community Master Plan. Uses are intended to be compatible with the existing scale and intensity of the neighborhood. The standards for the district are intended to provide for safe and comfortable places to live and play, promote sustainable and compatible development patterns and to preserve the existing character of the neighborhood.

### 21A.24.060: R-1/7,000 SINGLE-FAMILY RESIDENTIAL DISTRICT:

A. Purpose Statement: The purpose of the R-1/7,000 Single-Family Residential District is to provide for conventional single-family residential <u>dwellings and affordable housing</u> <u>developments with up to four units on</u> residential neighborhoods with lots not less than seven thousand (7,000) square feet in size. This district is appropriate in areas of the City as identified in the applicable community Master Plan. Uses are intended to be compatible with the existing scale and intensity of the neighborhood. The standards for the district are intended to provide for safe and comfortable places to live and play, promote sustainable and compatible development patterns and to preserve the existing character of the neighborhood.

### 21A.24.070: R-1/5,000 SINGLE-FAMILY RESIDENTIAL DISTRICT:

A. Purpose Statement: The purpose of the R-1/5,000 Single-Family Residential District is to provide for conventional single-family residential <u>dwellings and affordable housing</u> <u>developments with up to four units on residential neighborhoods with</u> lots not less than five thousand (5,000) square feet in size. This district is appropriate in areas of the City as identified in the applicable community Master Plan. Uses are intended to be compatible with the existing scale and intensity of the neighborhood. The standards for the district are intended to provide for safe and comfortable places to live and play, promote sustainable and compatible development patterns and to preserve the existing character of the neighborhood.

### 21A.24.110: R-2 SINGLE- AND TWO-FAMILY RESIDENTIAL DISTRICT:

A. Purpose Statement: The purpose of the R-2 Single- and Two- Family Residential District is to preserve and protect for single-family dwellings the character of existing neighborhoods which exhibit a mix of **predominantly** single- and two-family dwellings by controlling the concentration of two-family dwelling units. Uses are intended to be compatible with the existing scale and intensity of the neighborhood. The standards for the district are intended to provide for safe and comfortable places to live and play and to promote sustainable and compatible development patterns.

### 21A.24.170: R-MU RESIDENTIAL/MIXED USE DISTRICT:

- F. Maximum Building Height: The maximum building height shall not exceed seventy five feet (75'), except that nonresidential buildings and uses shall be limited by subsections F1 and F2 of this section. Buildings taller than seventy five feet (75'), up to a maximum of one hundred twenty five feet (125'), may be authorized through the design review process (chapter 21A.59 of this title) and provided, that the proposed height is located within the one hundred twenty five foot (125') height zone indicated in the map located in subsection F3 of this section.
  - 1. Maximum height for nonresidential buildings: Forty five feet (45').
- 2. Maximum floor area coverage of nonresidential uses in mixed use buildings of residential and nonresidential uses: Three (3) floors.

## 3. One hundred twenty five foot (125') height zone map for the R-MU District:

FIGURE 21A.24.170.F.3

# FIGURE 21A.24.170.F.3 100 South Arnold P! Chapman P! Slade P! 400 South

(Staff note: The following use would be added to the existing tables.)
21A.33.020: TABLE OF PERMITTED AND CONDITIONAL USES FOR RESIDENTIAL DISTRICTS:

A.24.170.F.3: 125' Height Zone Map for R-MU District

Use				P	ermi	itted	And	l Co	ndit	ion	al Us	ses B	y Dis	trict					
	FR	FR	FR	R-	R-	R-	S	S	S	R	R	R	R	R	R	R	R	R	R
	-1/	-2/	-3/	1/	1/	1/	R	R	R	-	M	M	M	M	В	-	-	-	О
	43,	21,	12,	12,	7,	5,	-1	-	-	2	F-	F-	F-	F-		M	M	M	
	56	78	00	00	00	00		2	3		30	35	45	75		U	U	U	
	О	0	0	О	0	0										-	-		
																3	4		
																5	5		

Afforda	<u>P</u>																	
<u>ble</u>																		
<b>Housin</b>																		
g																		
<u>Develo</u>																		
pment																		

# 21A.33.030: TABLE OF PERMITTED AND CONDITIONAL USES FOR COMMERCIAL DISTRICTS:

Use	Permitted and Conditional Uses by District					
	C <u>B</u> N	CG	CC			
Affordable Housing Development	<u>P</u>	<u>P</u>	<u>P</u>			

# 21A.33.070: TABLE OF PERMITTED AND CONDITIONAL USES FOR SPECIAL PURPOSE DISTRICTS:

Use	Permitted and Conditional Uses by
	District
	I
Affordable Housing Development	P

### 21A.26.078

•••

E. Development Standards:

- 2. Building Height: The minimum and maximum building heights are found in table 21A.26.078E2, "Building Height Regulations", of this subsection E2. The following exceptions apply:
- a. The minimum building height applies to all structures that are adjacent to a public or private street. The building shall meet the minimum building height for at least fifty percent (50%) of the width of the street facing building wall.
- b. Projects that achieve a development score that qualifies for administrative review are eligible for an increase in height. The increase shall be limited to one story of habitable space. The height of the additional story shall be equal to or less than the average height of the other stories in the building. This is in addition to the height authorized elsewhere in this title.

### Modifications to Existing Affordable Housing References: 21A.27.040: FB-SC AND FB-SE FORM BASED SPECIAL PURPOSE CORRIDOR DISTRICT:

C. FB-SC Building Form Standards: Building form standards are listed in table 21A.27.040.C of this section.

TABLE 21A.27.040.C FB-SC BUILDING FORM STANDARDS

		Permitted Building Forms Multi-Family And Storefront								
Η	Maximum	Maximum building height in the FB-SC is 60 ft. An additional 15 ft. in								
	building	height (for a total height of 75 ft.) may be permitted for residential uses								
	height	if a minimum of 10% of the units are affordable housing.								

### 21A.31.010: GENERAL PROVISIONS:

•••

### N. Affordable Housing:

- 1. Notwithstanding the minimum height requirements identified above, any buildings that have ten (10) or more residential units with at least twenty percent (20%) of the units as affordable shall be allowed to have a minimum building height of thirty feet (30').
- 2. Affordable housing units within a market rate development shall be integrated throughout the project in an architectural manner.

### 21A.31.020: G-MU GATEWAY-MIXED USE DISTRICT:34

...

I.Affordable Housing: Notwithstanding the maximum height requirements identified above, any buildings that have at least ten (10) or more residential units with at least twenty percent (20%) of the units as affordable shall be allowed a maximum building height of ninety feet (90'). The affordable units shall be integrated throughout the project in an architectural manner.

### 21A.55.010: PURPOSE STATEMENT:

...

2. Preservation of, or enhancement to, historically significant landscapes that contribute to the character of the City and contribute to the general welfare of the City's residents.

...

- C. Housing: Providing affordable housing or types of housing that helps achieve the City's housing goals and policies:
  - 1. At least twenty percent (20%) of the housing must be for those with incomes that are at or below eighty percent (80%) of the area median income. Affordable housing that meets the requirements of 21A.52.050.
  - 2. The proposal includes housing types that are not commonly found in the existing neighborhood but are of a scale that is typical to the neighborhood.

<sup>&</sup>lt;sup>34</sup> Provision changed with proposed Downtown Building Heights Text Amendment

# ATTACHMENT B: Summary of Proforma and Scenario Analyses

D-2 - Using New Downtown Building Heights standards

March   Marc						Market Rate	80% AMI	50% AMI	DCR/ Stabilized		
Per   Control	Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value				-	ROC	Notes
County   C	IHTC project	225			\$8M / \$196psf / \$35.5k/door					4.29%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sour
Part	· ·	255			\$8M / \$196psf / \$31,3k/door	40 109 54		11 27 14		4.32%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sou
Security   Company   Com			0.9375	D-2	\$8M / \$196psf / \$28k/door						4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sou
Section   Sect	-				\$8M / \$196psf / \$25.4k/door						
Section   Sect					\$8M / \$196psf / \$26.6k/door						4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Soul
Section   Sect				<u> </u>							
Security   Part   Par	Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate	80% AMI	30% AMI	DCR/ Stabilized	ROC	Notes
Marce Flats   Security   Securi		# 01 011163	Lot Size (acres)	Zoning	Land Value	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	NOC	Notes
March Best Project, serve organic an element   1.25   1.	Market Rate Project, by right to zoning	225	0.9375	D-2	\$8M / \$196psf / \$35.5k/door	45 120 60			1.35/\$1.452M	5.04%	Low Leverage (45%)/High Equity Raise, parked 1:1, LifeCo loan
March Best Project, serve organic an element   1.25   1.										T	
Name or   200 AM, with 1 floor above max height   255   1937   250	Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value				· ·	ROC	Notes
Service (2) 556 (Aug. 4) 22 50 23 50 50 50 50 50 50 50 50 50 50 50 50 50	Market Rate Project, same project as above	225			\$8M / \$196psf / \$35.5k/door	45 120 60			1.35/\$1.452M	5.04%	Low Leverage (45%)/High Equity Raise, parked 1:1, LifeCo loan
No.   Secretaries   1.5	% units @ 30% AMI, with 1 floor above max height	255			\$8M / \$196psf / \$31,3k/door	48 129 64		3 7 4	1.35/\$1.570M	4.86%	Same basic leverage and loan, parked88 stalls/unit
Second column   Second colum	% units @ 30% AMI, with 2 floor above max height	285	0.9375	D-2	\$8M / \$196psf / \$28k/door	54 144 72		3 8 4	1.35/\$1.749M	4.96%	Same basic leverage and loan, parked .79 stalls/unit
Secretaries	% units @ 30% AMI, with 3 floors above max height	315			\$8M / \$196psf / \$25.4k/door	59 160 79		4 8 5	1.35/\$1.923M	5.02%	Same basic leverage and loan, parked .71 stalls/unit
Section   Feb   Color   Colo	% units @ 30% AMI, with 3 floors above max height, add'l park	300			\$8M / \$196psf / \$26.6k/door	57 152 76		3 8 4	1.35/\$1.841M	4.91%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units a
Section   Feb   Color   Colo		· -				-	-			=	•
State   Control   Contro	Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value				-	ROC	Notes
Winding #90 MAIN_AIR_WINDING #05 MAIN_AIR_WINDING	Market Rate Project, same project as above	225			\$8M / \$196psf / \$35.5k/door					5.04%	Low Leverage (45%)/High Equity Raise, parked 1:1. LifeCo loan
No. min   6 (00) A. AMI, all 2s, with 3 floors above max height   265   0.3375   0.2   3MX 7389947 73814690   5316   0.3375   0.2   3MX 7389947 73814690   0.3316						51 136 55		13			
Sum		_	0.9375	D-2							
Second   S			0.5075								-
Scenarios   8 of Units   Let Size (acres)   2 oning   Land Value   Stutio   18 x 2 88 3 8 x 4 88   Studio   18 x 2 88 3 8 x 4			1								
### Ref Ref Project, same project as above 225   566   567				ļ							,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
## Strain   1 Part			6: /			Market Rate	80% AMI	60% AMI	DCR/ Stabilized	200	
Second   S	Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	ROC	Notes
Description	Market Rate Project, same project as above	225			\$8M / \$196psf / \$35.5k/door	45 120 60			1.35/\$1.452M	5.04%	Low Leverage (45%)/High Equity Raise, parked 1:1, LifeCo loan
50% ANII, with 3 floors above max height   315   50% ANII, with 3 floors above max height   315   50% ANII   135/51.5197M   4.95%   50% ANII   135/51.5197M   4.95%   50% ANII   135/51.5197M   4.95%   50% ANII   135/51.5297M   4.95%   50% ANII   4.95%   50% A	0% units @ 80% AMI, with 1 floor above max height	255			\$8M / \$196psf / \$31,3k/door	40 109 54	11 27 14		1.35/\$1.563M	4.81%	Same basic leverage and loan, parked88 stalls/unit
See	0% units @ 80% AMI, with 2 floor above max height	285	0.9375	D-2	\$8M / \$196psf / \$28k/door	45 122 60	12 30 16		1.35/\$1.738M	4.89%	Same basic leverage and loan, parked .79 stalls/unit
Scenarios	20% units @ 80% AMI, with 3 floors above max height	315			\$8M / \$196psf / \$25.4k/door	48 128 64	12 32 16		1.35/\$1.912M	4.96%	Same basic leverage and loan, parked .71 stalls/unit
Sector   For Units   Oct   Size   Garces   For Units   Oct   Size   Garces   Cash   Flow   Size   Garces   Cash   Flow   ROC   Notes	20% units @ 80% AMI, with 3 floors above max height, add'l park	300			\$8M / \$196psf / \$26.6k/door	48 128 64	12 32 16		1.35/\$1.827M	4.84%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units a
Scenarios   For Units   Units   Early   Earl											
Adarket Rate Project, same project as above   225   0.9375   0.9	Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value				· ·	ROC	Notes
Description	11.2.2.2.1	225		1			Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR		5.040/	
0% units @ 60% AMI, with 3 floors above max height 315			1								
Sem / 1318ppd / 525 Ad/Loor   56   152   75   7   16   9   1.35/51.916M   4.99%   Same basic leverage and loan, parked 7.1 stalls/unit   58M / 1318ppd / 525 Ad/Loor   56   152   75   7   16   9   1.35/51.9316M   4.99%   Same basic leverage and loan, parked 7.1 stalls/unit   58M / 1318ppd / 525 Ad/Loor   56   152   75   7   16   9   1.35/51.9316M   4.99%   Same basic leverage and loan, parked 7.1 stalls/unit   58M / 1318ppd / 525 Ad/Loor   56   152   75   75   75   75   75   75   75											, , , , ,
Sem   Size   Sem   Size   Sem   Size   Sem   Size   Sem   Size   Sem   Size			0.9375	D-2							
Scenarios			1								
Scenarios   #of Units   Lot Size (acres   Zoning   Land Value   Studio   1 BR 2 BR 3 BR 4 BR   Studio   1 BR 2 BR 3 BR 4 BR   Studio   1 BR 2 BR 3 BR 4 BR   Studio   1 BR 2 BR 3 BR 4 BR   Cash Flow   ROC   Notes	U% units @ 60% Aivii, with 3 floors above max neight, add i park	300			\$8M / \$196psf / \$26.6k/door	54 144 /2		6 16 8	1.35/\$1.830IVI	4.87%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units a
Studio 1 BR 2 BR 3 BR 4 BR   Studio 1 BR 2	Connection	# of Units	Lot Cinc /acres	7or!	Land Value	Market Rate	80% AMI	60% AMI	DCR/ Stabilized	DOC	N-A
Sem / \$196psf / \$333,34/door   Sem   Basic leverage and loan, parked8 stalls/unit   Sem	Scendinos	# OI OIIILS	LUL SIZE (ALTES)	ZOIIIIIg	Lanu value	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	NUC	ivotes
0% units @ 80% AMI. All 2s, with 2 floors above max height 0% units @ 80% AMI. All 2s, with 3 floors above max, add'l park 300   D-2 S8M / \$196psf / \$28k/door 57 152 47 29 1.35/\$1.766M 4.99% Same basic leverage and loan, parked .79 stalls/unit 58M / \$196psf / \$25.4k/door 58M / \$196psf / \$25.4k/door 50 160 50 30 1.35/\$1.856M 4.94% Same basic leverage and loan, parked .71 stalls/unit 58M / \$196psf / \$25.6k/door 50 160 50 30 1.35/\$1.856M 4.94% Same basic leverage and loan, parked 1:1 (third added level is a parking level with units @ 80% AMI. All 3s, with 3 floors above max height 285 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % units @ 80% AMI. All 3s, with 3 floors above max height 315 0.9375 % same basic leverage and loan, parked .71 stalls/unit 58M / \$196psf / \$28k/door 57 137 76 15 15 1.35/\$1.825M 5.07% Same basic leverage and loan, parked .71 stalls/unit 58M / \$196psf / \$28k/door 57 137 76 15 15 1.35/\$1.825M 5.07% Same basic leverage and loan, parked .71 stalls/unit 58M / \$196psf / \$28k/door 57 137 76 15 15 1.35/\$1.825M 5.07% Same basic leverage and loan, parked .71 stalls/unit 58M / \$196psf / \$28k/door 57 137 76 15 15 1.35/\$1.825M 5.07% Same basic leverage and loan, parked .71 stalls/unit 58M / \$196psf / \$28k/door 57 137 76 15 15 12 12 12 12 12 12 12 12 12 12 12 12 12	Market Rate Project, same project as above	225			\$8M / \$196psf / \$35.5k/door	45 120 60			1.35/\$1.452M	5.04%	Low Leverage (45%)/High Equity Raise, parked 1:1, LifeCo loan
0% units @ 80% AMI. All 2s, with 3 floors above max height 0% units @ 80% AMI. All 2s, with 3 floors above max, add'l park 300  # of Units Lot Size (acres)	0% units @ 80% AMI. All 2s, with 1 floor above max height	255			\$8M / \$196psf / \$31,3k/door	51 136 42	26		1.35/\$1.588M	4.91%	Same basic leverage and loan, parked88 stalls/unit
Sem / \$196psf / \$26.6k/dor   60   160   50   30   1.35/\$1.856M   4.94%   Same basic leverage and loan, parked 1:1 (third added level is a parking level with under level with	0% units @ 80% AMI. All 2s, with 2 floors above max height	285	0.9375	D-2	\$8M / \$196psf / \$28k/door	57 152 47	29		1.35/\$1.766M	4.99%	Same basic leverage and loan, parked .79 stalls/unit
Scenarios #of Units Lot Size (acres) Zoning Land Value Studio 1 BR 2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 B	.0% units @ 80% AMI. All 2s, with 3 floors above max height	315		1	\$8M / \$196psf / \$25.4k/door	63 168 52	32		1.35/\$1.945M	5.07%	Same basic leverage and loan, parked .71 stalls/unit
Scenarios # of Units Lot Size (acres) Zoning Land Value Studio 1 BR 2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 BR 4 BR Cash Flow  Market Rate Project, same project as above 225 Wunits @ 80% AMI. All 3s, with 1 floor above max height 355 Windows above max height 315  D-2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 BR 4 BR Studio 1 BR 2 BR 3 BR 4 BR Cash Flow Cash Flow 1.35/\$1.452M 5.04%  Low Leverage (45%)/High Equity Raise, parked 1:1, LifeCo loan \$\$8M/\$196psf/\$31.3k/door 51 123 42 \$\$120 60\$  Same basic leverage and loan, parked .:88 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .:79 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, parked .71 stalls/unit \$\$150 0.9375\$  Same basic leverage and loan, p	0% units @ 80% AMI. All 2s, with 3 floors above max, add'l park	300			\$8M / \$196psf / \$26.6k/door	60 160 50	30		1.35/\$1.856M	4.94%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units a
Scenarios   # of Units   Lot Size (acres)   Zoning   Land Value   Studio   1 BR   2 BR   3 BR   4 BR   Studio   1 BR   2											
Arket Rate Project, same project as above 225	Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value				· ·	ROC	Notes
% units @ 80% AMI. All 3s, with 1 floor above max height 255 % units @ 80% AMI. All 3s, with 2 floors above max height 285 0.9375 D-2 \$\\$\\$8M\\\$\\$196psf\\\$\\$28\\\dot{\\$\\$25\\\dot{\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$	Market Rate Project, same project as above	225			\$8M / \$196psf / \$35 5k/door					5.04%	Low Leverage (45%)/High Equity Raise parked 1:1 LifeCo loan
% units @ 80% AMI. All 3s, with 2 floors above max height 285 0.9375 D-2 \$8M / \$196psf / \$28k/door 57 137 76 15 1.35/\$1.825M 5.07% Same basic leverage and loan, parked .79 stalls/unit			1				13	<del> </del>			
% units @ 80% AMI. All 3s, with 3 floors above max height 315 \$8M / \$196psf / \$25.4k/door 63 152 84 16 1.35/\$2.008M 5.15% Same basic leverage and loan, parked .71 stalls/unit	<u> </u>		0 9375	ח-ז				1			
			0.5575	J-2				<del> </del>			
TO LITTLE ADVIS AD	% units @ 80% AMI. All 3s, with 3 floors above max, add'l park	300	1		\$8M / \$196psf / \$26.6k/door	60 145 80	15	<del> </del>	1.35/\$2.008W	5.02%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units a

<sup>\*120&#</sup>x27; is max height permitted

<sup>\*</sup>Assume current land values

<sup>\*</sup>Assume current market rents for the neighborhood

<sup>\*</sup>Fill or modify headers as applicable

<sup>\*</sup> I had to push the rents for this site/neighborhood to make it make sense; the rents might be appropriate given the greater height and quality inherent with a tall tower.

Development Scenarios

Wood Frame (Type III/V Construction) 4 over 1 to 5 over 1 in various zones allowing approximately 50 feet in height

					Ma	rket Rate	80% AMI	50% AMI	DCR/ Stabilized		
Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value			Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	ROC	Notes
Mixed Income 4% LIHTC project, 20% of units @ 50% AMI	135			\$6.3M / \$154psf / \$46.6k/door	22 57	29		5 15 7	1.11/\$281,153	5.07%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sou
4% LIHTC 20% units @ 50% AMI, with 1 floor above max height	165	0.9375	Various	\$6.3M / \$154psf / \$38.1k/door	26 70	35		7 18 9	1.12/\$362,344	4.90%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Soul
Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value	-	rket Rate R 2 BR 3 BR 4 BR	80% AMI Studio 1 BR 2 BR 3 BR 4 BR	30% AMI Studio 1 BR 2 BR 3 BR 4 BR	DCR/ Stabilized Cash Flow	ROC	Notes
Market Rate Project, by right to zoning	135	0.9375	Various	\$6.3M / \$154psf / \$46.6k/door	27 72	36			1.35/\$847,545	5.87%	Low Leverage (53%)/High Equity Raise, parked .55:1, LifeCo loan
-											
Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value		rket Rate	80% AMI	30% AMI	DCR/ Stabilized	ROC	Notes
Scenarios	# Of Offics	Lot Size (acres)	Zoning	Land Value	Studio 1 BF	2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	ROC	Notes
Market Rate Project, same project as above	135	0.9375	Various	\$6.3M / \$154psf / \$46.6k/door	27 72	36			1.35/\$847,545	5.87%	Low Leverage (53%)/High Equity Raise, parked .55:1, LifeCo loan
5% units @ 30% AMI, with 1 floor above max height	165	0.9375	various	\$6.3M / \$154psf / \$38.1k/door	31 83	42		2 5 2	1.35/\$917,421	5.48%	Same basic leverage and loan, parked45 stalls/unit
Coopering	<b>д аб Па</b> ;ьа	Lat Cina (agree)	Zanina	Land Value	Ma	rket Rate	80% AMI	60% AMI	DCR/ Stabilized	ROC	Notes
Scenarios	# Of Units	Lot Size (acres)	Zoning	Land Value	Studio 1 BF	2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	RUC	Notes
Market Rate Project, same project as above	135	0.0275	Mariana	\$6.3M / \$154psf / \$46.6k/door	27 72	36			1.35/\$847,545	5.87%	Low Leverage (53%)/High Equity Raise, parked .55:1, LifeCo loan
5% units @ 60% AMI, All 2s, with 1 floor above max height	165	0.9375	Various	\$6.3M / \$154psf / \$38.1k/door	33 88	35		9	1.35/\$1.015M	5.68%	Same basic leverage and loan, parked45 stalls/unit
•										·	
Secretics	Scenarios # of Units Lot 5		700100	Land Value	Ma	rket Rate	80% AMI	60% AMI	DCR/ Stabilized	ROC	Natas
Scenarios	# Of Units	Lot Size (acres)	Zoning	Land Value	Studio 1 BF	2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	RUC	Notes
Market Rate Project, same project as above	135	0.0275	Maniana	\$6.3M / \$154psf / \$46.6k/door	27 72	36			1.35/\$847,545	5.87%	Low Leverage (53%)/High Equity Raise, parked .55:1, LifeCo loan
20% units @ 80% AMI, with 1 floor above max height	165	0.9375	Various	\$6.3M / \$154psf / \$38.1k/door	27 70	35	6 18 9		1.35/\$913,021	5.42%	Same basic leverage and loan, parked45 stalls/unit
										·	
Commission	# -£11-:4-	1 -+ C' / \	7	Land Malor	Ma	rket Rate	80% AMI	60% AMI	DCR/ Stabilized	DOC	Neter
Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value	Studio 1 BF	2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	ROC	Notes
Market Rate Project, same project as above	135	0.0275		\$6.3M / \$154psf / \$46.6k/door	27 72	36			1.35/\$847,545	5.87%	Low Leverage (53%)/High Equity Raise, parked .55:1, LifeCo loan
10% units @ 60% AMI, with 1 floor above max height	165	0.9375	Various	\$6.3M / \$154psf / \$38.1k/door	30 79	39		3 9 5	1.35/\$1.005M	5.61%	Same basic leverage and loan, parked45 stalls/unit
***											
					Ma	rket Rate	80% AMI	60% AMI	DCR/ Stabilized		
Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value	Studio 1 BF	2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Studio 1 BR 2 BR 3 BR 4 BR	Cash Flow	ROC	Notes
Market Rate Project, same project as above	135	0.00==	., .	\$6.3M / \$154psf / \$46.6k/door	27 72	36			1.35/\$847,545	5.87%	Low Leverage (53%)/High Equity Raise, parked .55:1, LifeCo loan
10% units @ 80% AMI. All 2s, with 1 floor above max height	165	0.9375	Various	\$6.3M / \$154psf / \$38.1k/door	33 88	27	17		1.35/\$1.010M	5.82%	Same basic leverage and loan, parked45 stalls/unit
				·			•				
<u> </u>											
					Ma	rket Rate	80% AMI	60% AMI	DCR/ Stabilized		
Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value	-		80% AMI Studio 1 BR 2 BR 3 BR 4 BR		DCR/ Stabilized Cash Flow	ROC	Notes
Scenarios  Market Rate Project, same project as above	# of Units	Lot Size (acres)	Zoning	Land Value \$6.3M / \$154psf / \$46.6k/door	-	2 BR 3 BR 4 BR			•	ROC 5.87%	Notes  Low Leverage (53%)/High Equity Raise, parked .55:1, LifeCo loan

<sup>\*</sup>Assume current land values

<sup>\*</sup>Assume current market rents for the neighborhood

<sup>\*</sup>Fill or modify headers as applicable

#### **Development Scenarios**

RMF-35 and TSA Apartment Buildings

#### **Citizens West**

Citizens West 2 & 3 are 100% affordable units, 25-50% AMI for all units. \*Building this many units might be limited by LIHTC Equity available per cycle. Increasing the height from the existing 5 floors of residential/2 floors of parking would require change of construction type to steel, would affect DCR.

Scenarios		Lot Size	Zoning	Land	Ave	erage 43% /	ΔMI	DCR/ Stabilized Cash Flow	
		(acres)	Zoning	Value	Studio	3 BR	4 BR		
LIHTC project (9%)	80				45	25	10	1.15	
Same project as above, with 1 floor above max height (AHI)	97	1	TSA-UN-T	\$1.8M	55	30	12	*	
Same project as above, with 2 floors above max height (AHI)					65	35	14	*	

#### **Denver Apartments**

This is a permanent supportive housing development. It is zoned RMF-35. The scenarios below show what was built based on the existing regulations and what could be built with the existing incentives. The incentives have a requirement of no more than 25% of units less than 500 sq. ft. Some units had to be enlarged and if there was not this requirement, 66 units would have fit on the site.

	# of	Lot Size	Zoning		Permanent Supp	oortive Housing		
Scenarios	# 01 Units	(acres)		Land Value	Studio = 39%	1 BR = 50%	DCR/ Stabilized Cash Flow	
	Offics	(acres)			AMI	AMI		
Project with existing zoning requirements	22	0.0	DN45 25	We don't have a current appraisal for	10	12	1.25	
LIHTC project (9%) - with allowances by incentives	53	0.9		this parcel. When the project was done, we paid \$1M for land	13	40	1.25	

#### Avia (The Exchange, Phase I)

The Avia is 80% market rate units and 20% of units are at 50% AMI

	Scenarios		Lot Size	Zanina		Market Ra	ite Units		Affordable Units (50% AMI)					
			(acres)	Zoning	Studio	1 BR	2 BR	3 BR	Studio	1 BR	2 BR	3 BR		
	LIHTC project (4%)	286	286		25	138	51	15	6	34	13	4		
Avia (The Exchange)	Same project as above, with 1 floor above max height (AHI)	326	1	TSA-UN-C	28	158	58	18	7	39	14	4		
	Same project as above, with 2 floors above max height (AHI)	367			31	178	65	20	8	44	16	5		

#### **Development Scenarios Summary**

Single- and Two-family zoning districts

				For Sale Product, 80% AMI						For Rent Product													
	# of Units	Lot Size (acres)	Zoning	Land Value	Unit Size	L	ket Rate		80% AI	_	Profit	Market Price	80% AMI Price		arket R			)% AMI		IOI	Value	Monthly Rent Market	Monthly Rent 80% AMI
Scenario #1: Lower land value/Sales price n	eighborhood			<u> </u>		Z DIN	3 BN 4 I	DK Z D	יום כ ן י	4 BK				Z DIN	אם כ	4 DI	Z DN	3 01 2	4 DK				
Single-family Detached without AHI	1		R-1/7,000	\$185,000	2,800 sq ft + 2 car garage			1		Ι	\$ (109,043)	\$500,000	NA			1			\$	20,850	\$463,333	\$2,500	NA
Duplex with AHI	2	0.15	R-1/7,000		1,500 sq ft each		1		1		\$ (35,693)	\$450,000	\$350,000		1			1	\$3	7,852	\$841,151	\$2,300	\$2,130
Fourplex with AHI	4	0.15	R-1/7,000	\$185,000	1,000 sq ft each	2			2		\$ 118,558	\$350,000 (x2)	\$325,000 (x2)	2			2		\$4	8,808	\$1,084,622	\$1,450 (x2)	\$1,450 (x2)
Townhouses with AHI	4	0.25	R-1/7,000	\$300,000	1,730 sq ft + 2 car garage		2		2	2	\$ (75,150)	\$450,000 (x2)	\$300,000 (x2)		2			2	\$7	9,704	\$1,771,191	\$2,300	\$2,130
Scenario #2 Higher land value/Sales price n	eighborhood																						
Single-family Detached without AHI	1	0.15	R-1/7,000	\$300,000	2,800 sq ft + 2 car garage			1			\$134,800	\$1,050,000	NA			1			\$	27,532	\$611,822	\$3,200	NA
Duplex with AHI	2	0.15	R-1/7,000	\$300,000	1,500 sq ft each		1		1		(\$61,150)	\$600,000	\$350,000		1			1	\$-	40,956	\$910,129	\$2,700	\$2,130
Fourplex with AHI	4	0.15	R-1/7,000	\$300,000	1,000 sq ft each	2			2		\$81,350	\$450,000 (x2)	\$325,000 (x2)	2	2		2		\$	53,172	\$1,403,822	\$1,800 (x2)	\$1,800 (x2)
Townhouses with AHI	4	0.25	R-1/7,000	\$500,000	1,730 sq ft + 2 car garage		2		2	2	(\$7,610)	\$660,000 (x2)	\$350,000 (x2)		2			2	\$	35,964	\$1,910,302	\$2,800 (x2)	\$2,130 (x2)

#### Assumptions:

80% AMI max. for sale price for a 3 bed unit assumes 4-person household, \$81,900 annual income, 5% interest rate, 7% down payment 80% AMI max. for sale price for a 2 bed unit assumes 3-person household, \$73,750 annual income, 5% interest rate, 7% down payment 80% AMI rental rates: 1 br = \$1,537, 2 br = \$1,844, 3 br = \$2,130, 4 br = \$2,136

NOI = net operating income = annual income - annual expenses

4.5% Cap rate for all

# **ATTACHMENT C: Single- and Two-family Zoning District Graphics**

# **AFFORDABLE HOUSING INCENTIVES**

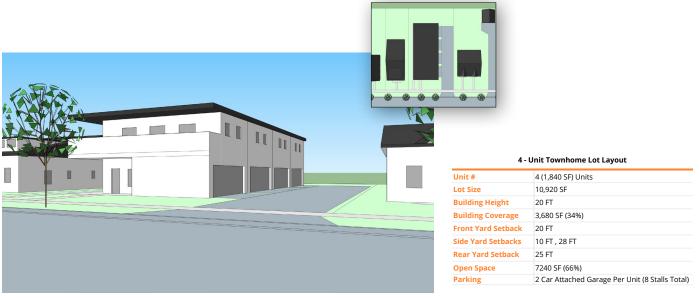
PROPOSED DEVELOPMENT TYPES



The City's Planning Division is considering zoning amendments to encourage the construction of additional affordable housing. This includes adding additional housing types in many areas of the city.

#### **ADDITIONAL HOUSING TYPES**

The proposed amendments would add additional housing types including single-family attached (rowhouses and sideways row houses), fourplexes, triplexes, duplexes, and cottage developments in many areas of the city. This handout has examples of a sideways row house, fourplex, duplex, and what can be built by right in an R-1/7,000 zone.



Scaled drawing of sideways row home consistent with proposed regulations.

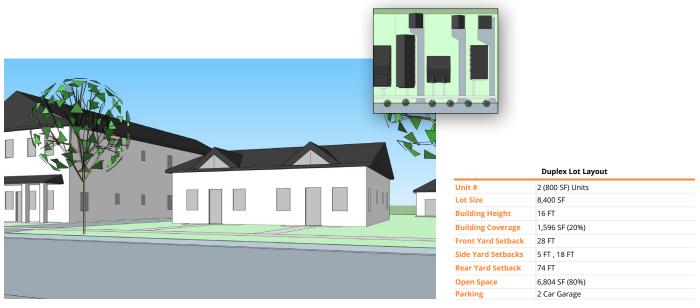


Scaled drawing of fourplex building consistent with proposed regulations.

# **AFFORDABLE HOUSING INCENTIVES**

PROPOSED DEVELOPMENT TYPES





Scaled drawing of duplex consistent with proposed regulations.



Scaled drawing of single-family home consistent with the existing R-1/7,000 zoning regulations.

#### **ADDITIONAL INFORMATION**

Sara Javoronok, Senior Planner // sara.javoronok@slcgov.com // 801.535.7625

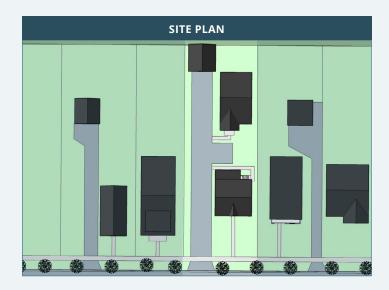
## **AFFORDABLE HOUSING INCENTIVES (AHI)**

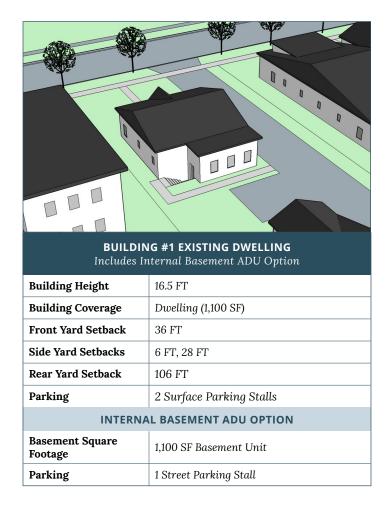


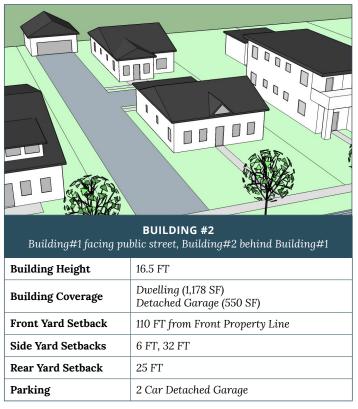


The update to the Affordable Housing Incentives adds provisions to encourage the preservation of existing housing. This includes allowing a second, detached dwelling on a property when the existing dwelling is maintained. This handout depicts several examples of this type of development. Development proposed using the affordable housing incentives must meet all other city regulations, including building, fire, and public utilities requirements.

LOT DETAILS							
Lot Size	11,776 SF (Width 64', Depth 184')						
# of Units	3 Units (2 Single-family Detached Dwelling Units & 1 Internal Basement ADU)						
<b>Building Coverage</b>	2,828 SF (24%)						
Open Space	6,995 SF (59%)						



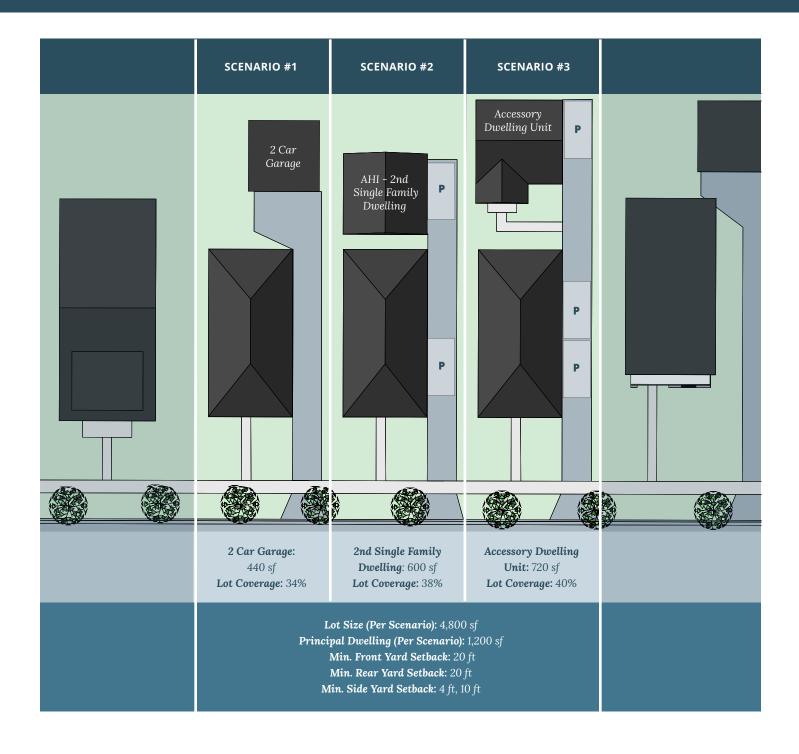




# PRESERVATION OF EXISTING HOUSING

R-1-5000 SCENARIOS

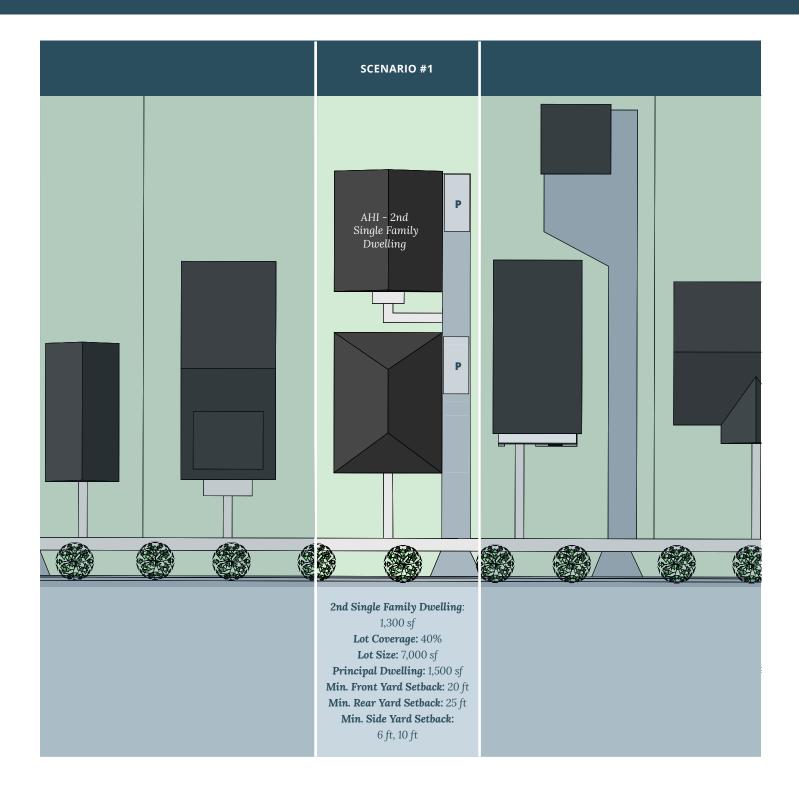




# PRESERVATION OF EXISTING HOUSING

R-1-7000 SCENARIO

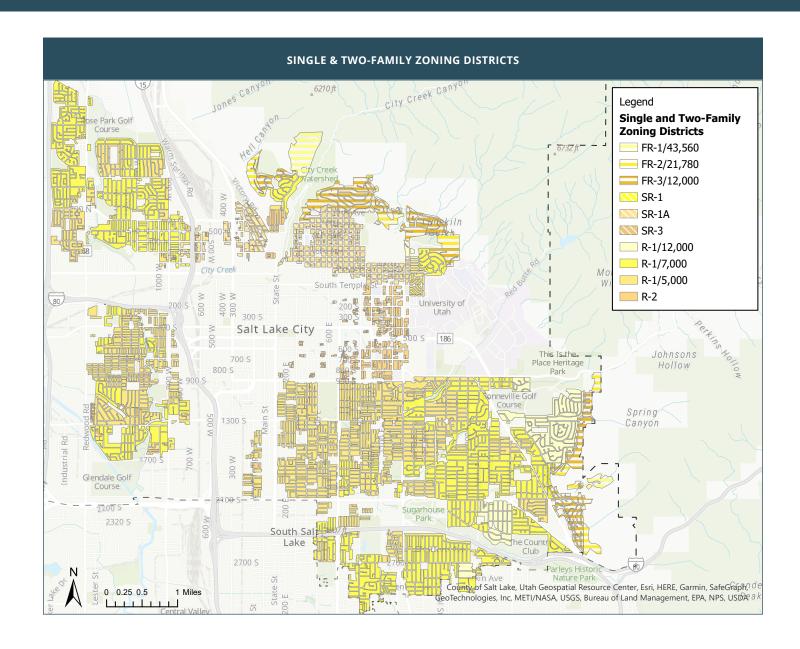




## **MAP OF SALT LAKE CITY**

### SINGLE & TWO-FAMILY ZONING DISTRICTS

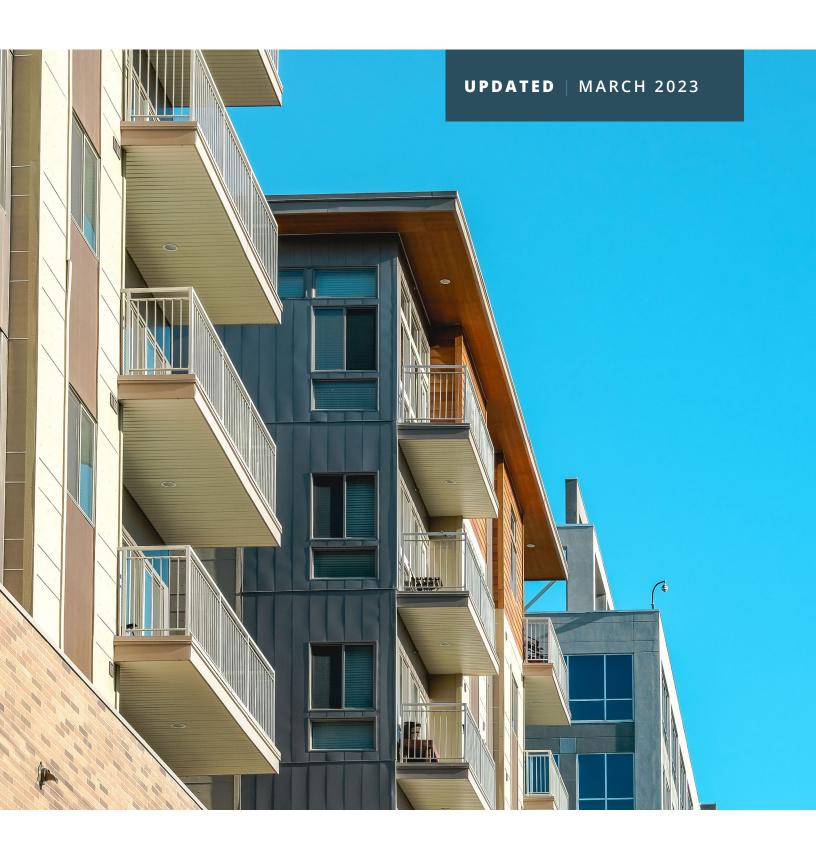




# ATTACHMENT D: Updated Affordable Housing Incentives Document

# AFFORDABLE HOUSING INCENTIVES







### **CONTENTS**

5	Introduction
6	Project Process
7	Focus Group Recommendations
9	Summary of Changes
10	Program Basics, Administration & Enforcement
12	Multi-family & Mixed-Use Zoning Districts
18	Waive Planned Development Requirement for Specific Developments
20	Allow Housing on Institutional Lands
21	Allow Additional Housing Types
22	Modify Density Limits in Residential Multi-family Zones
24	Single & Two-Family Zoning Districts
30	Next Steps
31	Appendix A: Draft Language

#### **SALT LAKE CITY PLANNING**

451 S. State Street | Room 406

P.O. Box | 145480

Salt Lake City, UT 84114 - 5480



#### INTRODUCTION

This proposal is for affordable housing incentives. Over time, and particularly in recent years, housing in Salt Lake City has become less affordable. There are many variables affecting housing prices, including zoning regulations.

The goal of the proposed amendments are to increase affordable housing throughout Salt Lake City. Where multifamily housing is permitted, the incentives are designed to encourage developers to include affordable housing in projects and allow affordable housing developers to build more housing units. The incentives also allow for small increases in housing units throughout the city. The proposed amendments would incentivize the construction of affordable housing through modifications to the zoning requirements.

The following pages describe the project process, the proposed zoning regulations, the changes to them since presented to the Planning Commission in May 2022, and the next steps in the project process.

For additional background and historic information on context and housing in Salt Lake City, see the Affordable Housing Document from 2022: www.slcdocs.com/Planning/Projects/Affordable%20Housing%20Overlay/affordable\_housing\_12\_28\_21\_draft\_ordinance.pdf.

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## **PROJECT PROCESS**

The project was initiated in 2019 to address increasing concerns regarding housing affordability and to implement the city's 2018 housing plan, Growing SLC. It was initially envisioned as an overlay district and called "Affordable Housing Overlay". Since the proposal applies differently in various zoning districts, an "overlay" is not applicable, and the "Affordable Housing Incentives" are now the first section in a new incentives chapter in the city's zoning regulations.

Initial outreach on the proposal included an online survey in late 2019/early 2020. From the initial survey results, staff developed a draft framework for the incentives that serves as the basis for the current proposal. This was presented online in a **StoryMap** and staff requested additional feedback from the community in a survey. Based on this feedback, staff developed draft affordable housing incentives amendments to the city's zoning regulations.

Staff presented these draft amendments to the community in the winter and spring of 2022 and to the Planning Commission at a hearing in May 2022. There was a significant amount of public comment at the meeting and it is included with the staff report. The Planning Commission provided additional feedback. Staff researched options to respond to the feedback and worked with developers on scenarios and proformas.

In fall 2022, the Office of the Mayor convened a focus group comprised of community members, developers, policy advisors, and housing advocates to review the incentives and respond to feedback. This revised draft addresses these comments and incorporates changes recommended by the focus group. **This document further describes the draft zoning amendments and the changes that have been made to them.** The text for the proposed zoning amendments that would implement these changes are located in **Appendix A.** 

Additional information is available on the project page: www.slc.gov/planning/affordable-housing.

6 Project Process

#### FOCUS GROUP RECOMMENDATIONS

AFFORDABILITY LEVEL									
2022 PROPOSAL	FOCUS GROUP RECOMMENDATION	UPDATED PROPOSAL							
MIXED-LISE/MILLTI-EAMILY ZONING DISTRICTS									

#### MIXED-USE/MULTI-FAMILY ZONING DISTRICTS

#### A project is required to do one of the following:

- 20% of units are restricted as affordable to those with an income at or below 80% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 60% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have two or more bedrooms.

Incentives that require a higher percentage of affordable units are unlikely to be feasible for market rate developers.

Lower number of affordable units are required to provide for more deeply affordable and larger units, otherwise the incentives will not work.

The affordability requirement was expanded to address size and reduce displacement as household income increases as indicated below:

- 20% of units are restricted as affordable to those with an income at or below 80% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 60% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have two or more bedrooms.
- 10% of units are restricted as affordable to those with an average income at or below 60% AMI and these units shall not be occupied by those with an income greater than 80% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 30% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 60% AMI when the affordable units have two or more bedrooms; or
- 5% of the units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have three or more bedrooms.

#### SINGLE- AND TWO-FAMILY ZONING DISTRICTS

50% of units need to be affordable to those with incomes at or below 80% AMI.

In the single- and two-family zoning districts the proposed incentives may not provide sufficient profit for new development.

Lower the required percentage of affordable units to one when the existing dwelling is maintained.

New construction: At least 50% of the provided dwelling units shall be affordable;

Existing building maintained: A minimum of one of the dwelling units shall be affordable provided the existing building is maintained.

	NEIGHBORHOOD IMPACTS					
2022 PROPOSAL	FOCUS GROUP RECOMMENDATION	UPDATED PROPOSAL				
To be eligible for the incentives single-family and two-family residential zoning districts, a property shall be within a ¼ mile of high frequency transit or located adjacent to arterial streets.	Remove proximity to transit requirements due to frequency of non-fixed transit route changes and to improve equitable distribution of additional housing types.	The proximity to transit and adjacency to arterial roads requirement for additional housing types in the single- and two-family zoning districts has been removed and no longer applies to the AHI. The incentives would apply to all areas of single- and two-family residential districts.				
	DESIGN & DEVELOPMENT STANDA	RDS				
<ul> <li>Building entrances on street facing façades.</li> <li>Glass on 15% of surface area on street facing facades.</li> </ul>	Additional development and design standards needed.  Determined that a blank wall standard wasn't necessary.	Additional standards added as indicated below:  Clarified location requirements for building entrances.				
One off-street parking space required per unit.	Determined that additional parking wasn't necessary.	<ul> <li>Added 50% durable materials requirement (fiber cement, brick, concrete, etc.) for street facing facades.</li> <li>Added 120 sq. ft. open space requirement with a minimum width of 6 ft. open space requirement per unit.</li> </ul>				

ENFORCEMENT .									
2022 PROPOSAL	FOCUS GROUP RECOMMENDATION	UPDATED PROPOSAL							
Require a restrictive covenant and annual reporting for each property.	Increase city capacity to or use third party to review annual reporting.  Increase city capacity for enforcement.	Additional language provided on enforcement, annual reporting, and the restrictive covenant requirements.  Provision to allow for third party review.							

2022 PROPOSAL	FOCUS GROUP RECOMMENDATION	UPDATED PROPOSAL
Existing city requirements are for developers to pay for necessary infrastructure including water, sewer, and storm water.  The city has an existing water supply and demand plan from 2019 that will be updated in 2023. It takes into consideration infill and Northwest Quadrant development.	Existing plans address future water needs and emphasize system conservation.	None. Development must provide necessary upgrades to city services.  City plans and policies will continue to be updated and assess for adequate infrastructure.

#### **SUMMARY OF CHANGES**

There are a number of modifications to the draft proposal presented to the Planning Commission in May 2022. Several of the major modifications are summarized below and further described in this document.

- The removal of the proximity to transit and adjacency to arterial roads requirement for additional housing types in the single- and two-family zoning districts. This opens the incentive up to all areas of the city within single- and two-family zoning districts, increasing its equity and availability.
- An emphasis on the preservation of existing housing. Members of the community and focus group did not want to see existing housing demolished. Many existing housing units are naturally more affordable than new housing units. This recommendation is addressed in the revisions by allowing for a second detached dwelling on a lot if the existing dwelling is maintained. It decreases the affordability requirement when an existing dwelling is preserved from 50% of units to at least one of the units.
- Additional design standards for new housing types in single- and two-family zoning districts. The focus group identified the design of the additional housing types and open space as potential issues. There is additional language that requires durable building materials, an entry feature, and open space.
- Removal of provisions that allowed for reduction from some development standards.

  The yards and setbacks of the base zoning district apply to the perimeter of the development and may not be reduced. No increase in building coverage is permitted.
- Enforcement penalties clarified. Enforcement of the incentives to ensure that units are occupied as required was a frequent comment from members of the community. Staff has detailed the annual reporting and auditing requirements and increased the fines that could apply. Noncompliance can result in a lien placed on the property for fines and revocation of the business license associated with the property.
- Additional incentive options for deeply affordable and larger units. Members of
  the focus group had concerns regarding the proposed affordability level and percentage
  of units required to be affordable. Staff and members of the development community
  presented information on the feasibility of the existing incentive proposal and the viability
  of requiring more deeply affordable units and/or a greater percentage of affordable units.
  Options for a lower percentage of more deeply affordable and larger units are provided.
- Modifications for consistency with the proposed Downtown Building Heights text amendment. The Planning Commission recommended changes to zoning districts within the downtown in August 2022 and, while these have not been adopted, staff is proposing changes to the proposal to be consistent and compatible with the proposed changes to these zoning districts.

Summary of Changes 9

# PROGRAM BASICS, ADMINISTRATION & ENFORCEMENT

#### **GENERAL STANDARDS**

- Except for the single- and two-family zoning districts, there are requirements that the affordable units are comparable to market rate units. This includes the location of the entrance, dispersion of the units throughout the building or site, number of bedrooms, and access to all amenities available to the market rate units in the development.
- For overall development sites with more than 125 units, no more than 50% of units shall be designated as affordable units.
- The proposal does not change other city requirements, incluiding building codes, fire codes, or public utilities requirements.

#### **ADMINISTRATION & ENFORCEMENT**

The city anticipates that additional staff time will be needed to administer the incentives program. The amount of staff time necessary will depend on the number of projects that use the incentives, and the specific incentives adopted. Administration will include the following:

- Preparing and recording a restrictive covenant agreement.
- Reviewing annual reports for compliance. This will assess whether the dwelling units, owner, and occupants are in compliance with the requirements.
- Projects that require annual reports to be provided to Utah Housing Corporation, Olene Walker Housing Loan Fund, Housing Authority of Salt Lake City, Housing Connect, or others may submit that report in lieu of the city reporting requirements.
- Reports of noncompliance and or other violations will be investigated as necessary. A lien
  may be placed on the property for fines and the business license revoked.





#### **MULTI-FAMILY & MIXED-USE ZONING DISTRICTS**

#### **PROPOSAL**

Permit additional height between 1-3 stories (approximately 10' per story), depending on the zone, in various zoning districts that permit multifamily housing. Allow for administrative Design Review when a Design Review process is required.

#### WHAT IS CHANGING FROM MAY 2022?

There are several zoning districts where the height permitted is changing from what was previously proposed. The "Proposed Maximum Height with AH Incentives" column identifies what is now proposed. The changes are identified in a footnote at the bottom of the page.

#### The changes include the following:

- Consistency with the proposed Downtown Building Heights Amendments.
- · Four additional options for more deeply affordable or larger units.
- Modifications to encourage greater flexibility and encourage more affordable units.

The simplified administrative design review process for many zoning districts remains. When a public hearing is required, the approval process can take approximately 4-6 months and an administrative design review process could shorten this process by 2-3 months.

# Proposals that wanted to use this incentive would require affordable units that meet the following characteristics: The three initial options for affordable units remain:

- 20% of units are restricted as affordable to those with an income at or below 80% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 60% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have two or more bedrooms.

Staff worked with market rate and affordable housing developers to test these in scenarios and proformas. Incentives that require a higher percentage of affordable units are unlikely to be feasible for market rate developers. **To provide for more deeply affordable and larger units**, **staff**, **developers**, **and the focus group prepared the following additional options:** 

- 10% of units are restricted as affordable to those with an average income at or below 60% AMI and these units shall not be occupied by those with an income greater than 80% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 30% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 60% AMI when the affordable units have two or more bedrooms; or
- 5% of the units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have three or more bedrooms.

#### WHAT IS THE GOAL?

The goal of this proposal is to encourage affordable housing in projects where it may not be built otherwise and allow for projects that are already providing affordable units to provide additional units. This is proposed by permitting additional height to encourage the development of affordable housing and, in some zoning districts, by decreasing the processing time for applications without modifying the design standards and requirements. Decreasing the processing time could allow for projects to proceed that may not have otherwise and to begin construction sooner with reduced carrying costs and development timelines.

The following Residential districts would allow for additional stories by right or with administrative design review for additional height with affordable units as follows:

DISTRICT	PERMITTED MAXIMUM HEIGHT	PROPOSED MAXIMUM HEIGHT WITH AH INCENTIVES
RMU-35	35', 45' Design Review*	45' with administrative Design Review*
RMU-45	45', 55' Design Review*	55' with administrative Design Review*
RB	30'	May build one additional story equal to or less than the average height of the other stories in the building. Density limitations listed in the land use table do not apply.†
RMU	75' residential 125' in mapped area	May build three additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.**
RO	60' multifamily 90' if adjacent to a district with greater maximum height	One additional story equal to the average height of the stories permitted.

#### Footnotes - Changes from May 2022: Residential Districts

- \* Removes prohibition of additional height for property abutting a Single-Family or Two Family Residential District.
- † Provides clarity on permitted units.
- \*\* Removes the mapped area and requires affordable units for additional height.
- \*\*\* Removes SR-3 from table. Limits to incentives for single- and two-family zoning districts.

The following Commercial districts would allow for additional stories by right or with administrative design review for additional height with affordable units as follows:

DISTRICT	PERMITTED MAXIMUM HEIGHT	PROPOSED MAXIMUM HEIGHT WITH AH INCENTIVES
SNB	25'	May build one additional story equal to or less than the average height of the other stories in the building.
СВ	30'	May build one additional story equal to or less than the average height of the other stories in the building.
CN	25'	May build one additional story equal to or less than the average height of the other stories in the building.
сс	30' 45' Design Review and additional landscaping equal to 10% of the additional floor	45' with administrative Design Review*
CG	60' 90' Design Review and additional landscaping equal to 10% of the additional floor.	May build two additional stories equal to or less than the average height of the other stories in the building with administrative Design Review*†  May build three additional storeis equal to or less than the average height of the other stories in the building for properties in the mapped area in the Downtown Building Heights proposal.†
CSHBD1	105' for residential with structured parking and Design Review for buildings over 50'	105' and two additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.
CSHBD2	60' for residential with Design Review over 30'	60' with administrative Design Review and one additional story equal to or less than the average height of the other stories in the building with administrative Design Review.
TSA Transition	UC-T: 60' UN-T: 50' MUEC-T: 60' SP-T: 60'	May build one additional story equal to or less than the average height of the other stories in the building with administrative review. *only allowed if affordable units are provided
TSA-Core	UC-C: 90'; 105' with two sloping planes  UN-C: 75'  MUEC-C: 75'  SP-C: 75'	May build two additional stories equal to or less than the average height of the other stories in the building with administrative review. *only allowed if affordable units are provided

#### Footnotes: Changes from May 2022: Commercial Districts

<sup>\*</sup> Allows for additional landscaping to be met with open space. This includes courtyards, patios, or other usable areas.

 $<sup>\</sup>dagger$  Proposed Downtown Building Heights for CG allows for 75' & 105' with Design Review, 150' in new Depot District mapped area. Removes mapped area previously included with incentives and replaces with Depot District mapped area.

The following Form-Based districts would allow for additional stories by right or with administrative design review with affordable units as follows:

DISTRICT	PERMITTED MINIMUM OR MAXIMUM HEIGHT	PERMITTED MINIMUM OR MAXIMUM HEIGHT WITH AH INCENTIVES
FB-UN3 *pending	85' 125' Design Review	125' and three additional stories equal to or less than the average height of the stories permitted with administrative Design Review
FB-UN2	50' 65' on identified corners and in mapped area	One additional story equal to the average height of the stories permitted.
FB-SC	60' 75' with 10% affordable units	One additional story equal to the average height of the stories permitted. Moves affordable unit requirement to the incentives chapter.
FB-SE	45'	May build one additional story equal to the average height of the other stories in the building.
FB-UN1	2.5 stories, 30'	May build up to three stories and 30' in height.

The two districts below would allow for additional stories by right or with administrative design review with affordable units as follows:

DISTRICT	PERMITTED MAXIMUM HEIGHT	PERMITTED MAXIMUM HEIGHT WITH AH INCENTIVES
GMU	75' flat 90' pitched 120' Design Review	180' and two additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.*
MU	45' mixed-use and residential 60' with residential and Design Review	60' with residential units and administrative Design Review

#### Footnotes - Changes from May 2022: GMU District

 $<sup>\</sup>star$  Proposed Downtown Building Heights amendments for GMU allows for a permitted height of 75' and an increase to 180' with Design Review.

The Downtown districts would allow for additional stories by right or with administrative design review with affordable units as follows:

DISTRICT	PERMITTED MAXIMUM HEIGHT	PERMITTED MAXIMUM HEIGHT WITH AH INCENTIVES
D-1	Min. 100' corners Mid-block 100' or greater with Design Review Greater than 375' with Design Review	Administrative Design Review when a Design Review process is required.
D-2	65' 120' Design Review	120' and two additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.*
D-3	75' 90' residential Design Review	180' and three additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.*
D-4	75' 120' Design Review	120' and three additional stories equal to or less than the average height of the stories permitted with administrative Design Review. 375' and administrative review in mapped area.*

#### Footnotes - Changes from May 2022: Downtown Districts

<sup>\*</sup> The proposed changes are to be consistent and compatible with Downtown Building Heights amendments that allow the following:

**D-1:** Minimum height of 100', with exceptions for utilities, accessory buildings, small parcels & footprints, and buildings with Design Review. Design review required for buildings greater than 200'.

D-2: Increased additional stories from one to two. Permitted height remains 120'.

**D-3**: Permitted height remains 75', up to 180' permitted with Design Review.

**D-4:** Additional height permitted with administrative review in mapped area.



# WAIVE PLANNED DEVELOPMENT REQUIREMENT FOR SPECIFIC DEVELOPMENTS

#### **PROPOSAL**

Permit affordable housing developments by right that would otherwise require a Planned Development.

#### WHAT IS CHANGING FROM MAY 2022?

The proposed changes are to be consistent with the Downtown Building Heights proposal, which removed the Planned Development requirement for the Gateway Mixed Use zoning district (GMU).

The waiver would require affordable units as otherwise permitted in the zoning district.

#### Proposals in the Community Shopping (CS) zoning district:

 These modifications would apply to a small number of properties in the CS zone. There are 20 parcels with a total area of 64 acres. The parcels consist of the Brickyard, Foothill Village, Trolley Square, the Redwood Rd. shopping center with a Lucky grocery, and a church at the southwest corner of 400 S and 800 E.

**Proposals for buildings and lots that do not have street frontage:** This part of the proposal would allow for the development of housing in the following locations:

- Private streets
- Improved public alleys
- Parcels without adequate street frontage

# This type of development currently requires a planned development, as buildings are normally required to face a public street. This could apply in various zoning districts.

From 2015-2020, the Planning Commission reviewed approximately 80 Planned Development requests. Approximately 45% of these requests included a request for lots without street frontage. The applications also requested other items, such as reduced yard setbacks or a reduction in landscaping, but for most, it is likely that the requirement for street frontage was a primary issue. The removal of this requirement for projects that provide affordable units could potentially decrease the review time and development costs for the applicant.

#### WHAT IS THE GOAL?

Planned development proposals often ask for modifications for reduction in the required yard setback, height, or other regulations. The purpose of the review is to ensure that the resulting development is one that is enhanced compared to a proposal that would otherwise be constructed. However, all development proposals the Community Shopping (CS) zoning districts require Planned Development approval.

This is also a Planned Development requirement for buildings that do not have street frontage, including those on public alleys or private streets. This planning process takes approximately 4-6 months and requires Planning Commission approval. Similar to the other proposals, this would decrease the review time for a project with affordable housing, and potentially enable additional projects that may not choose to proceed when this process is required. Proposals using these provisions would still need to meet other zoning district standards, including design standards.

#### **ALLOW HOUSING ON INSTITUTIONAL LANDS**

#### **PROPOSAL**

Allow affordable housing on institutional lands.

#### WHAT IS CHANGING FROM MAY 2022?

The previous proposal required that 20% of units are restricted as affordable to those with an income at or below 80% AMI.

The current proposal allows one of the seven options that apply to zoning districts with additional height or process waivers. These are as follows:

- 20% of units are restricted as affordable to those with an income at or below 80% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 60% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have two or more bedrooms; or
- 10% of units are restricted as affordable to those with an average income at or below 60% AMI and these units shall not be occupied by those with an income greater than 80% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 30% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 60% AMI when the affordable units have two or more bedrooms; or
- 5% of the units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have three or more bedrooms.

#### WHAT IS THE GOAL?

The intent of this is to allow single-family and single-family attached housing on properties that are in the Institutional zoning district and excludes multifamily development. This district includes schools, hospitals, and non-profits. However, state owned land, including the University of Utah, is not subject to city zoning regulations. Future zoning amendments may be considered to allow multifamily housing.

#### **ALLOW ADDITIONAL HOUSING TYPES**

#### **PROPOSAL**

Allow additional single-family dwellings, including single-family attached units (row houses and sideways row houses), or cottages in commercial zoning districts (CB Community Business, CC Corridor Commercial, CG General Commercial) to encourage the redevelopment of underutilized land. These projects would be required to meet the standards for those housing types. Permitting single-family dwellings would allow for these dwellings in a cottage development.

#### WHAT IS CHANGING FROM MAY 2022?

The previous proposal required that 20% of units are restricted as affordable to those with an income at or below 80% AMI.

The current proposal allows one of the seven options that apply to zoning districts with additional height or process waivers. These are as follows:

- 20% of units are restricted as affordable to those with an income at or below 80% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 60% AMI; or
- 10% of units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have two or more bedrooms; or
- 10% of units are restricted as affordable to those with an average income at or below 60% AMI and these units shall not be occupied by those with an income greater than 80% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 30% AMI; or
- 5% of units are restricted as affordable to those with an income at or below 60% AMI when the affordable units have two or more bedrooms; or
- 5% of the units are restricted as affordable to those with an income at or below 80% AMI when the affordable units have three or more bedrooms.

#### WHAT IS THE GOAL?

Allowing additional housing types could provide for more variety in development or redevelopment opportunity. It would also provide the opportunity to transition additional land to lower scale residential development.



# MODIFY DENSITY LIMITS IN RESIDENTIAL MULTI-FAMILY ZONES

#### **PROPOSAL**

Allow for additional units in RMF zoning districts when affordable housing is provided.

#### **RESIDENTIAL MULTIFAMILY (RMF) ZONING DISTRICTS**

The city has four RMF zoning districts. They are located throughout the city with the greatest concentration to the east of downtown. Properties in these districts have a mix of single and multifamily uses. Many of the existing multifamily structures have density exceeding what is currently permitted in the zone.

#### The four districts, distinguished by their height limits are listed below:

RMF-30
 RMF-45

• RMF-35 • RMF-75

#### WHAT IS THE GOAL?

The goal is to encourage the construction of affordable multifamily housing in neighborhoods that are typically close to services and amenities and have a variety of existing housing types. Removing the density requirements could increase the number properties that may accommodate affordable units. This benefit would increase the feasibility of these developments.

#### WHAT IS CHANGING FROM MAY 2022?

There are not changes to the affordability from the May 2022 proposal. There are additions and changes to the design standards:

- **Building materials:** 50% of any street facing facade shall be clad in durable materials.
- **Building entrances:** The ground floor shall have a primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature. Stairs to second floor units are not permitted on street facing elevations.

#### WHAT AFFORDABILITY IS PROPOSED?

The existing proposal removed the existing qualifying provisions for density in the individual RMF zoning districts provided rental housing shall be income-restricted and rent-restricted and meet a minimum of at least one of the following affordability criteria if the following are met:

- 40% of units shall be affordable to those with incomes at or below 60% AMI;
- 20% of units shall be affordable to those with incomes at or below 50% AMI; or
- 40% of units shall be affordable to those with incomes averaging no more than 60% AMI and these units shall not be occupied by those with an income greater than 80% AMI.

For sale owner occupied units shall provide a minimum of 50% of units affordable to those with incomes at or below 80% AMI. This is intended to allow for a greater number of smaller and more affordable units than what is currently permitted.

#### WHAT DEVELOPMENT STANDARDS WOULD APPLY?

#### The following standards would also apply:

- **Unit Mix:** No more than 25% of the units in the development shall be less than 500 square feet to promote a mix of unit sizes.
- **Parking:** Unless there is a lesser parking requirement in 21A.44, only one off-street parking space per unit is required in multifamily developments with less than 10 units.
- **Yards:** The minimum required yards shall apply to the perimeter of the development and not to the individual principal buildings within the development.
- Lot width: Minimum lot width requirements do not apply.
- **Sideways row house and row house standards:** Specific yard requirements. On street facing facades buildings cannot exceed 100 feet in length and garages are not permitted. There is a maximum length of 15' for blank walls.
- No additional building coverage or height is permitted.



### **SINGLE & TWO-FAMILY ZONING DISTRICTS**

#### **PROPOSAL**

Allow additional building types in single and two-family zoning districts with an affordable component. Affordable units need to be affordable to those with incomes at or below 80% AMI. The proposal is to allow townhouses in groups of up to four units, 3-4 unit buildings, and cottage developments on parcels that are currently zoned for single- or two-family homes. Twin and two-family homes would also be permitted in the zoning districts where they are not currently allowed.

The units could be renter or owner-occupied. The appreciation on owner-occupied units would be limited and, if sold, would require the unit to remain affordable for the remainder of the required time period.

The proposal does not change other city requirements, including requirements for building codes, fire codes, or public utilities requirements.

#### SINGLE-FAMILY AND TWO-FAMILY ZONING DISTRICTS

The city has six single-family zoning districts. These are divided into Foothills and R-1 districts. The Foothills districts are generally located on the periphery of the city and close to the Foothills. The R-1 districts are located closer to the center of the city. Most of these areas developed in the early to mid-20th century.

#### The districts and minimum lot sizes are as follows:

• FR-1/43,560 • R-1/12,000

• FR-2/21,780 • R-1/7,000

• FR-3/12,000 • R-1/5,000

Many properties in the R-1 districts were previously zoned to allow for additional uses including two, three-, and four- family buildings.

#### There are four additional two-family districts where the current proposal applies:

• R-2 • SR-1A

• SR-1 • SR-3

These zoning districts allow two-family units in addition to single-family homes. This would allow for the additional housing types in these zoning districts.

#### **NEW DWELLING TYPES**

The proposal would allow these types of dwellings, provided the units met the affordability requirement:

- Twin and Two-family Dwellings: Twin, two-family, and duplex dwellings are not currently permitted in the single-family zoning districts (FR and R-1 zones). This proposal would permit them and require them to meet the existing standards for dwellings in the single-and two-family zoning districts.
- **Townhouses and Row houses:** These would be defined as row houses and sideways row houses similar to the recently adopted RMF-30 zoning district changes. In the single- and two-family districts, the number of attached units would be limited to four and design standards would provide greater compatibility with the existing development.
- Three- and Four-family Dwellings: Small, multi-unit dwellings with up to four units would be permitted with additional design standards. These modifications are to ensure greater compatibility with the existing development.
- Cottage Development: The proposal would allow cottage developments with similar
  design and standards to the recently adopted RMF-30 zoning district changes. Cottages are
  designed to look like single-family homes and would be permitted in groups of two to eight
  with a common green or open space.



Example of a 4-unit townhouse (sideways row house) on a nearly 11,000 square foot lot. Each unit is 1,840 sq. ft. with a two-car garage.

#### WHAT IS CHANGING FROM MAY 2022?

The focus group spent a significant amount of their discussion on the proposed incentives for the single- and two-family zoning districts. There are several changes proposed:

- The removal of the proximity to transit and adjacency to arterial roads requirement for additional housing types in the single- and two-family zoning districts. This opens the incentive up to all areas in single- and two-family zoning districts. This increases its equity and availability. The intent of the requirement was to encourage additional housing units in areas that are served by frequent transit (rail or bus service with 15-minute headways during peak periods) or are adjacent to arterial roads, which often have greater intensities of development. However, this requirement proved difficult because the location and frequency of the non-fixed bus routes has changed several times in the past few years. Additionally, some areas of the city were excluded and this raised concerns regarding the equity of the incentives and how they applied in different neighborhoods.
- Addition of an incentive to preserve existing housing. This incentive allows for the construction of a second detached dwelling on the property when an existing dwelling is maintained. When a dwelling is retained, the affordability requirement is lowered to one of the units on the property. When an existing unit is not maintained, 50% would be required to meet the affordability requirement. The proposed incentives may not provide a sufficient profit for development. This provides an alternative with a lower percentage of units required to be affordable.

- Additional design standards requiring durable building materials, entry features, and open space. There is an existing requirement for 15% glass on street facing facades.
  - **Building materials:** 50% of any street facing facade shall be clad in durable materials.
  - Building entrances: The ground floor shall have a primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature. Stairs to second floor units are not permitted on street facing elevations. There are separate requirements for cottage developments for entries to face the street or common open space.
  - Open space: Open space area may include landscaped yards, patios, dining
    areas, and other similar outdoor living spaces. All required open space areas shall
    be accessible to all residents or users of the building. 120 sq. ft. of open space
    with a minimum width of 6 ft. shall be provided for each building with a dwelling.
    There are separate open space requirements for row house and cottage
    developments.

#### **DEVELOPMENT STANDARDS**

There are changes to the previous requirements. The following are new requirements:

- Arrangement of Dwellings: Dwelling units may be arranged in any manner within a
  building, as a second detached dwelling, as attached units, or if a cottage development
  with three or more detached dwellings, within the buildings that are part of the cottage
  development.
- **Existing Building:** When an existing building is maintained, new units may be added internal to the existing structure, as an addition, or as a second detached dwelling.

There are clarifications and modifications for the following:

- **Yards:** Minimum required yards shall apply to the perimeter of the property and not to the individual principal building(s).
- **Parking:** One parking space would be required per dwelling unit. If a property has multiple units, a minimum of one space would be required for each unit. A detached garage or carport with up to 250 sq. ft. for each unit may be provided in a single structure.
- **Subdivision:** Lots may contain up to four units. Existing lots may be divided such that each unit is on its own lot. The new lots are exempt from minimum lot area and lot width requirements.
- **Rowhouse standards:** There are specific yard requirements. On street facing facades buildings cannot exceed 60 ft. in length and garages are not permitted. There is a maximum length of 15' for blank walls.
- **Cottage standards:** There are specific yard requirements. Individual cottages cannot be more than 850 sq. ft. Open space and personal outdoor space must be provided.
- **Accessory Dwelling Unit:** An accessory dwelling unit (ADU) is considered one unit and counts toward the number of units permitted.
- No additional building coverage or building height is permitted.



**Preservation of Existing Structure:** Center lot depicts an existing single-family home with a basement ADU, two surface parking spaces, detached two-car garage, and new, detached single-family home to the rear. This is on a larger nearly 12,000 sq. ft. lot. The three structures have a total building coverage of 27%.

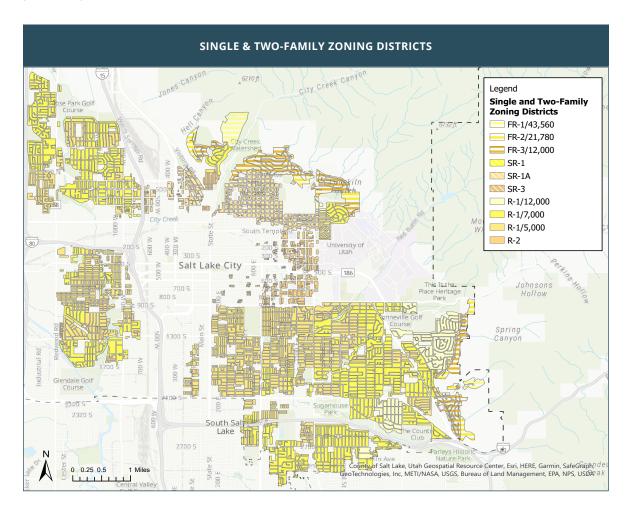
#### HISTORIC PRESERVATION CONSIDERATIONS

Planning staff understands that there are concerns regarding the potential demolition of historic resources. The process for construction and demolition, including review by the Historic Landmark Commission, would not change for properties that are in local historic districts or are local landmark sites. It would be difficult for a contributing, locally designated building to be demolished for construction using the affordable housing incentives. Additions and any new structures on the property would require historic review. Demolition of a non-contributing structure and new construction would need to meet historic preservation standards and guidelines.

The city's regulations do not apply to districts or individual properties that are listed on the National Register of Historic Places, but are not locally designated. The existing demolition process for these buildings would not change. Whether to redevelop a property would be up to individual property owners. Additionally, some properties that are not currently designated as local historic districts could be designated. Any new local historic district would need to meet the requirements in the city's Historic Preservation Overlay District.

#### WHAT IS THE GOAL?

The proposal would allow for some gentle increases in density in areas of the city that are predominantly occupied by single-family homes. Removal of the proximity to transit and arterial requirements open the option to all areas of the city zoned for single- and two-family dwellings and make this more equitable. The gentle increase in density that would be permitted is compatible with the historic development patterns of the city, where a mix of housing types, including duplexes and the division of a dwelling into multiple residences, previously occurred.



### **NEXT STEPS**

#### **ADOPTION PROCESS & IMPLEMENTATION**

**STEP 1:** Planning staff is seeking additional feedback on the proposal. Public comments were included with the May 2022 staff report. Comments received after the May 2022 public hearing are included in 2023 memos and reports. Based on the feedback, in fall 2022, the Office of the Mayor convened a focus group to review the proposal and make recommendations.

Based on these discussions staff revised the proposal, and is presenting this revised document to detail the changes to the proposal. Additional comments will be included with subsequent memos and reports.

**STEP 2:** Review revised draft zoning ordinance text amendment language. This will be reviewed by the community, the Planning Commission at a briefing, and a subsequent public hearing. The Planning Commission provides a recommendation to the City Council who will hold an additional public hearing prior to action. Language implementing the proposal will be adopted in the Zoning Ordinance.

**STEP 3:** After adoption, interested parties consult with planning and other city staff to determine during the planning stages if the project meets the zoning and other applicable requirements. A planning process may be required.

**STEP 4:** Development plans are reviewed to make sure they comply with the incentives and applicable regulations. This would require the typical review process as well as an additional review to ensure compliance with the incentives and a restrictive covenant placed on the property. This would be required prior to the issuance of a building permit.

**STEP 5:** Building is constructed and after completion, a report is submitted annually to verify compliance with the requirements of affordability.

30 Next Steps

## **APPENDIX A: DRAFT LANGUAGE**

**DRAFT ORDINANCE LANGUAGE** 



# ATTACHMENT E: Updated Affordable Housing Summary Document

## AFFORDABLE HOUSING INCENTIVES

### **ZONING TEXT AMENDMENT**





The City's Planning Division is considering zoning amendments to encourage the construction of additional affordable housing. This includes affordable housing incentives that would modify zoning requirements in some areas of the city. This document provides a summary of the changes and updates from the May 2022 proposal.

#### **PROPOSAL**

The proposed zoning amendments would incentivize the construction of designated affordable units, lessening the burden for those that would qualify and live in these units. Residential units that wanted to use the incentives would be required to place a restrictive covenant on the property for the units to be made available to qualifying households. The proposal could apply to rental housing units and for sale units.

This document summarizes the proposal. See more information at: www.slc.gov/planning/affordable-housing

#### **PROJECT OBJECTIVE**

The proposed amendments would incentivize the construction of affordable housing through modifications to the zoning requirements.

Over time, and particularly in recent years, housing in Salt Lake City has become less affordable. There are many variables affecting housing prices, including zoning regulations.

The goal of the proposed amendments are to increase affordable housing throughout Salt Lake City. Where multifamily housing is permitted, the incentives are designed to encourage developers to include affordable housing in projects and allow affordable housing developers to build more housing units. The incentives also allow for small increases in housing units throughout the city.

Other recent and upcoming zoning changes further enable the construction of more housing. However, there are issues and concerns that zoning cannot address, including job wages, home prices, and, outside of these proposed amendments, the types of units constructed, and the rents charged.

#### **SUMMARY OF INCENTIVES**

#### Multi-family and Mixed-Use Zoning Districts

 Permit additional height, between 1-3 stories (approximately 10' per story), depending on the zone in various zoning districts that permit multifamily housing.

#### Residential Multifamily Zoning Districts

- Remove the density requirements in the RMF zoning districts, if the proposal meets the affordability requirements.
- · No additional height permitted.
- Only 25% of the units could be 500 square feet or smaller.
- Add development and design standards for rowhouse, sideways rowhouse, cottage, and other building forms.

#### Single- and Two-family Zoning Districts

- Allow additional building types in single- and two-family zoning districts provided 1-2 of the units would be affordable.
- Allow townhouses in groups of up to four, 3-4 unit buildings, and cottage developments on parcels that are currently zoned for single- or two-family homes. Twin and two-family homes would also be permitted in the zoning districts where they are not currently allowed.
- Add development and design standards for these dwellings.

#### Other Incentives

- Waive the Planned Development process for some proposals when affordability requirements are met.
- Allow single-family and single-family attached housing on Institutional zoned land. Future zoning amendments may be considered to allow multifamily housing.
- Allow additional housing types in the CG (General Commercial), CC (Community Commercial), and CB (Community Business) zoning districts to encourage the redevelopment of underutilized land. These districts permit multifamily housing, but not single-family dwellings, including single-family attached units, or cottages.

#### **SUMMARY OF CHANGES**

## There are a number of modifications to the draft proposal presented to the Planning Commission in May 2022:

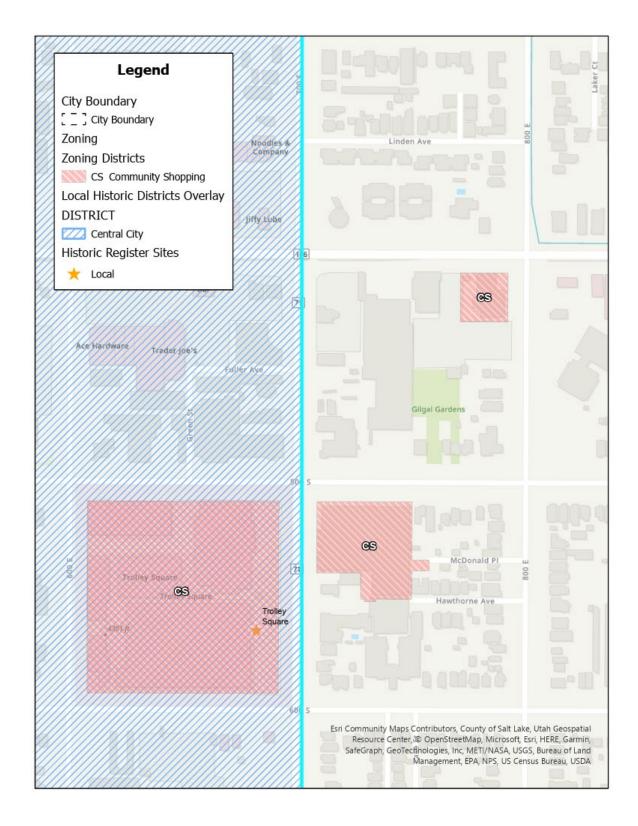
- The removal of the proximity to transit and adjacency to arterial roads requirement for additional housing types in the single- and two-family zoning districts. This opens the incentive up to all areas of the city within single- and two-family zoning districts, increasing its equity and availability.
- An emphasis on the preservation of existing housing. The revisions incentivize retaining an existing dwelling. The affordability requirement when an existing dwelling is preserved decreases from 50% of units to at least one of the units.
- Additional design standards for new housing types in singleand two-family zoning districts. There is additional language that requires durable building materials, an entry feature, and an open space.
- Enforcement penalties detailed. There are additional annual reporting requirements and an increase in the fines that could apply. Noncompliance can result in a lien placed on the property for fines and revocation of the business license associated with the property.
- There are additional incentive options for more deeply affordable and larger units. These allow for a lower percentage of units to be set aside, ranging from 5-10% of units.
- Modifications for consistency with the proposed Downtown
  Building Heights text amendment. The Planning Commission
  recommended changes to zoning districts within the downtown
  in August 2022. Pending adoption, staff is proposing changes
  to the proposal to be consistent and compatible with the
  proposed changes to these zoning districts.

#### **PROJECT TIMELINE**

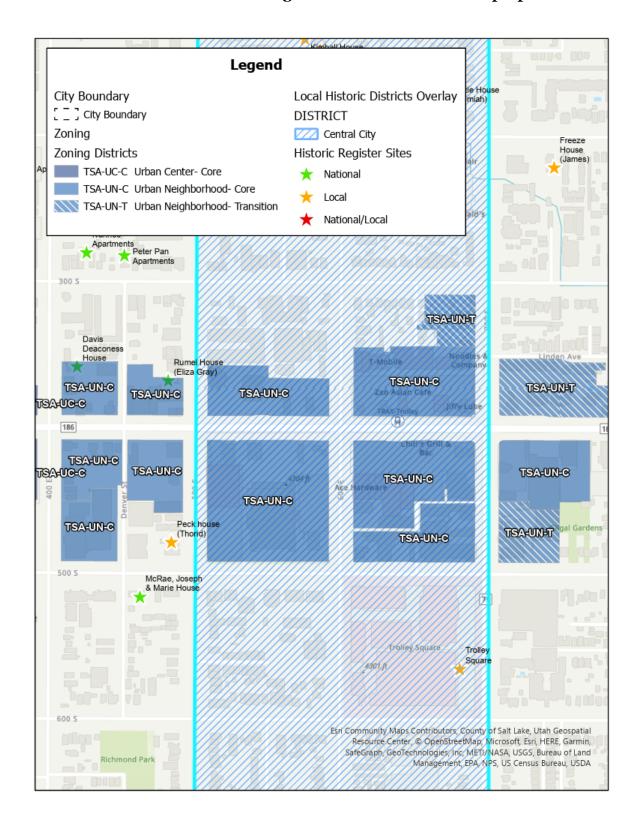


## **ATTACHMENT F: Zoning Maps and Graphics**

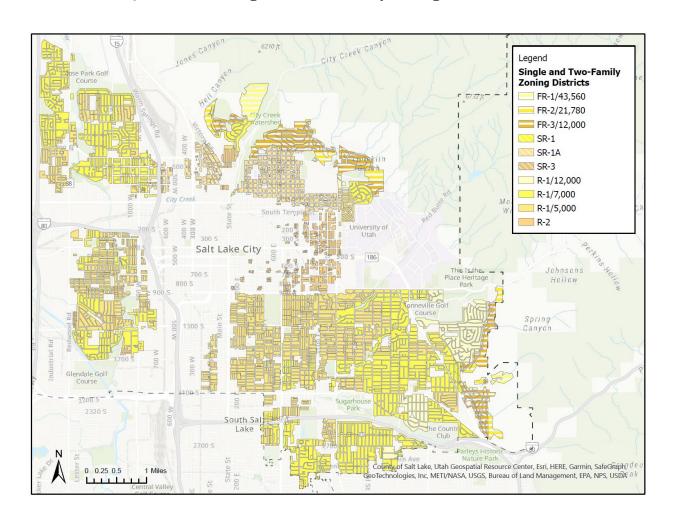
## Attachment F.1 – Location of CS zoning district with local historic properties



### Attachment F.2 Location of TSA Zoning Districts with local historic properties



## Attachment F.3 Location of single- and two-family zoning districts



#### Attachment F.4

