



Staff Report

PLANNING DIVISION

DEPARTMENT of COMMUNITY and NEIGHBORHOODS

To: Salt Lake City Planning Commission
From: Sara Javoronok, Senior Planner, AICP, sara.javoronok@slcgov.com, 801-535-7625
Brooke Olson, Principal Planner
Date: April 26, 2023
Re: PLNPCM2019-00658

Text Amendment

PROPERTY ADDRESS: City-wide

PARCEL ID: N/A

MASTER PLAN: Plan Salt Lake, Growing SLC: A Five-Year Housing Plan

ZONING DISTRICT: Multiple

REQUEST:

A request by the Mayor to amend zoning requirements to incentivize and reduce barriers for affordable housing. The proposed amendments include the following if requirements for affordable units are met:

- Permit administrative design review and additional building height between 1-3 stories, depending on the zone, in various zoning districts that permit multifamily housing.
- Remove the Planned Development requirement for specific modifications and for development in the CS zoning districts.
- Permit an additional story in the TSA Transition zoning districts and two stories in the TSA Core zoning districts.
- Allow additional housing types in the CG (General Commercial), CC (Community Commercial), and CB (Community Business) zoning districts.
- Allow housing on Institutional zoned land.
- Remove the density requirements in the RMF zoning districts.
- Allow townhouses, 3-4 unit buildings, a second detached dwelling when an existing dwelling is maintained, and cottage developments on properties that are currently zoned for single- or two-family homes. Permit twin and two-family homes in these zoning districts where they are not currently allowed.

RECOMMENDATION:

Staff recommends that the Planning Commission forward a positive recommendation to the City Council for the proposed Affordable Housing Incentives Text Amendment, with the ability to amend the adopted ordinance language as necessary to eliminate potential conflicts with other pending ordinances and ensure consistency with other code sections and references in the zoning ordinance. The content and intent of the proposed regulations will not be changed.

ATTACHMENTS:

- A. [ATTACHMENT A: Proposed 21A.52 Zoning Incentives Text](#)
- B. [ATTACHMENT B: Single- and Two-Family Zoning District Graphics](#)
- C. [ATTACHMENT C: Updated Affordable Housing Incentives Document](#)
- D. [ATTACHMENT D: Updated Affordable Housing Incentives Summary Document](#)
- E. [ATTACHMENT E: Public Process & Comments](#)
- F. [ATTACHMENT F: Analysis of Standards](#)
- G. [ATTACHMENT G: Summary of Proforma and Scenario Analyses](#)
- H. [ATTACHMENT H: Zoning Maps and Graphics](#)

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 pending 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 Historic Landmark Commission held a work session on April 6, 2023.

The incentives are summarized below. [Attachment A](#) includes the full text of the draft language. Many of the incentives refer to area median income (AMI). This is the midpoint of the region's income distribution. Half of the families in the region earn more than the median and half earn less than the median. In this case, the Federal government sets the region for the Salt Lake City Metro Area, which is Salt Lake and Tooele counties. The proposal does not change other city requirements, including building codes, fire codes, or public utilities requirements.

PROPOSED AMENDMENTS (See attachments for the full text)

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 (there are separate incentives for the RMF zoning districts). See pages 7-8 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 process to administrative design review rather than requiring a Planning Commission hearing. This would decrease the review time for these projects by approximately 50%.

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 H.1](#)). Previously, this requirement was also in place for the GMU (Gateway Mixed Use) zoning district, but it is 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, townhouses, or other forms that were not previously as common, this is a frequent request as the larger size of many lots allows for internal, private drives to access garages for townhouses, or sites where there are multiple buildings. The removal of this requirement is intended to decrease the processing time for applications and would not affect base zoning district standards.

TSA modification

Another component 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 (see the map in [Attachment H.2](#) for the location of the TSA zoning districts). 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 (see the map in [Attachment H.3](#) for the location of the commercial zoning districts). 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.

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. The city's zoning regulations do not apply to land that is owned by the state. 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

Projects in the mixed-use and multifamily districts would need to provide units that meet one of the following seven options listed below. The first three are those 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.

See Key Consideration #2 for additional information on the affordability level and number of units required.

Middle, Single- and Two-Family Zoning Districts

Residential Multifamily Districts

The existing density requirements 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 located in various areas of the city with concentrations of them to the east of downtown. See the map in [Attachment H.4](#). 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. For example, this would require 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 or increased building coverage.** 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.

Affordability requirement:

Feedback from the surveys and other outreach indicate support for more for sale units that could be owner occupied and the proposal includes different requirements for rental and for sale units. 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, 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. 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;
- A second detached dwelling when an existing dwelling is maintained; and
- Cottage developments, which are single family homes in groups of two to eight that are generally arranged in a courtyard layout.

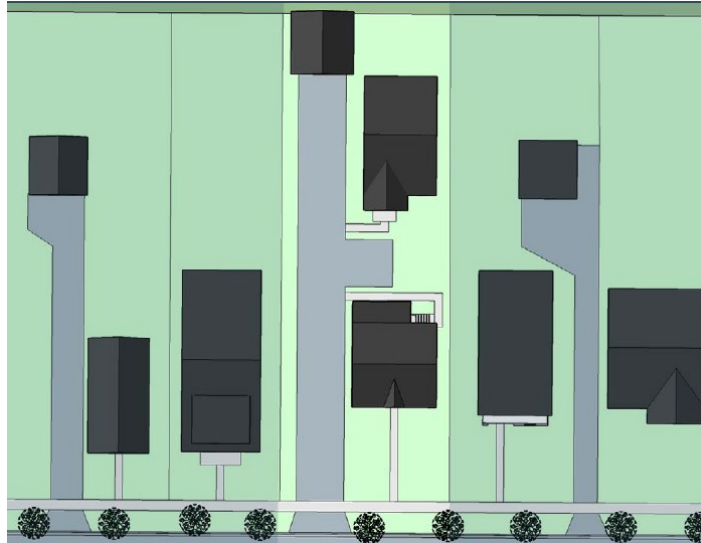
One of the primary concerns raised in the public comments and the focus group meetings was that the AHI would result in the loss of existing dwellings, historic dwellings that are not locally designated, and naturally occurring affordable housing. This could result in increased gentrification. The focus 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 when maintaining 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](#)).

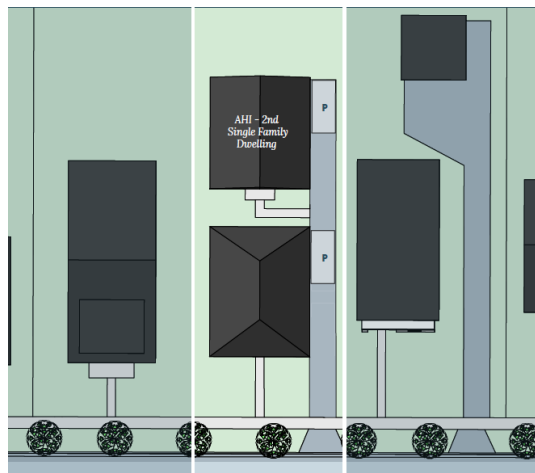
The following would apply to properties in the single- and two-family zoning districts:

- **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.**



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 B 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 B for additional information and examples.

Affordability requirement:

In the single- and two-family zoning districts, 50% of the additional dwelling units must be affordable to those with incomes at or below 80% AMI. If an existing dwelling is maintained, this is lowered to one of the units as affordable to those with incomes at or below 80% AMI.

APPROVAL PROCESS AND COMMISSION AUTHORITY

The proposal is for a zoning text amendment. The Planning Commission may make a recommendation to the City Council on this type of proposal per 21A.50.050.A. The Planning Commission may make modifications to the proposed amendments, direct staff to make changes, or forward a recommendation to the City Council.

KEY CONSIDERATIONS

The key considerations listed below were identified through the analysis of the project:

1. Implementation of city goals and policies identified in adopted plans.
2. Affordability level and percentage of units
3. Neighborhood impacts
4. Administration and enforcement
5. Infrastructure impacts

Consideration 1: How the proposal helps implements city goals and policies identified in adopted plans.

The city's adopted plans and policies provide a basis for this proposal. This includes the citywide plan, [*Plan Salt Lake*](#) (2015) and [*Growing SLC: A Five-Year Housing Plan 2018-2022*](#) (2017). These plans were both adopted by the City Council after extensive review by the public and city boards and commissions. The proposal is consistent with the following principles, objectives, and policies. See below for the specific items and analysis.

Plan Salt Lake

The proposal is consistent with several items in the Growth, Housing and Transportation & Mobility Chapters. The Growth chapter Guiding Principle, "Growing responsibly, while providing people with choices about where they live, how they live, and how they get around" is applicable. The proposal seeks to enable greater opportunities for people to make these choices by allowing additional housing throughout the community in different building types and sizes and by orienting greater development opportunities to areas with increased transit opportunities. It is consistent with the following initiatives:

- Locate new development in areas with existing infrastructure and amenities, such as transit and transportation corridors.
- Encourage a mix of land uses.
- Promote infill and redevelopment of underutilized land.
- Accommodate and promote an increase in the City's population.

These initiatives are applicable in that most development proposed using these incentives would be infill or redevelopment of existing properties that have existing infrastructure and amenities. The incentives include zoning districts that allow for mixed-use development and it would add additional building types to other residential districts, which could create a wider mix of housing types in these zoning districts. Additional housing constructed with the incentives would accommodate an increase in the city's population and help to fulfill the existing gap between households and housing units in the area.

In the Housing chapter, the Guiding Principle, "Access to a wide variety of housing types for all income levels throughout the City, providing the basic human need for safety and responding to changing demographics" is applicable. The proposal would allow for additional housing types in

several zoning districts and specifically require that a percentage of the units are affordable for those earning 80% or less than the area median income.

The proposal is also consistent with the following initiatives in the Housing Chapter:

- Ensure access to affordable housing citywide (including rental and very low income).
- Increase the number of medium density housing types and options.
- Encourage housing options that accommodate aging in place.
- Direct new growth toward areas with existing infrastructure and services that have the potential to be people oriented.
- Enable moderate density increases within existing neighborhoods where appropriate.
- Promote energy efficient housing and rehabilitation of existing housing stock.
- Promote high-density residential in areas served by transit.

The proposal allows for and incentivizes affordable housing units across the city by increasing the development right. It increases the housing types permitted in many districts, including commercial, single- and two-family districts. This is designed to facilitate moderate density increases in these existing neighborhoods. Amendments to the Downtown and TSA districts further enable and incentivize the development of high density residential in these areas that are served by high-frequency bus and rail transit. These moderate and high-density areas have existing infrastructure and services and, particularly in the high-density residential areas, have the potential to be people oriented. The ability to add units on properties and permit additional housing types in neighborhoods can accommodate aging in place both in homes and in neighborhoods. The proposal promotes the rehabilitation of housing stock by allowing additional units on properties.

In the Transportation chapter, the proposal is consistent with the Guiding Principle, “A transportation and mobility network that is safe, accessible, reliable, affordable, and sustainable, providing real choices and connecting people with places.” The proposal incentivizes additional units in many zoning districts that are in close proximity to transit, consistent with the initiative to encourage transit-oriented development.

Growing SLC: A Five-Year Housing Plan 2018-2022.

The proposal is consistent with several goals, objectives, and policies in Growing SLC:

- Goal 1: Reform City practices to promote a responsive, affordable, high-opportunity housing market.
 - Objective 1: Review and modify land-use and zoning regulations to reflect the affordability needs of a growing, pioneering city.
 - Develop flexible zoning tools and regulations, with a focus along significant transportation routes.
 - Develop in-fill ordinances that promote a diverse housing stock, increase housing options, create redevelopment opportunities, and allow additional units within existing structures, while minimizing neighborhood impacts.
 - Reduce parking requirements for affordable housing developments and eliminate parking requirements in transit-rich, walkable neighborhoods or when the specific demographics of a development require less parking, such as senior populations.
 - Objective 2: Remove impediments in City processes to encourage housing development.
 - 1.2.1 Create an expedited processing system to increase City access for those developers constructing new affordable units.

The proposal is to modify existing zoning to allow greater flexibility and opportunities for housing across the city. It encourages diversity in housing stock by allowing for additional housing types in several commercial districts and in single- and two-family zoning districts. In

single- and two-family zoning districts, this is enhanced by reducing the number of affordable units required when existing housing is maintained. It also permits the conversion or addition of units in existing structures. It decreases the parking required for additional units in single- and two-family zoning districts and for smaller projects.

An element of the proposal is waiving or reducing the required Planning processes for developments. It removes the requirement for a Planned Development for many projects including those in the CS (Community Shopping) zoning district and when lots are proposed without public street frontage. These projects may not require a Planning process. Similarly, it allows for administrative Design Review for additional height when permitted or incentivized and meeting the affordability requirements. This administrative process does not modify the existing 21A.59 Design Standards, but could decrease the processing time for projects.

- Goal 2: Affordable Housing: Increase Housing Opportunities and Stability for Cost-Burdened Households
 - 2.1.2 Consider an ordinance that would require and incentivize the inclusion of affordable units in new developments.

The proposal generally incentivizes rather than requires the inclusion of affordable units in developments. The modification to the TSA zoning district requires affordable units for additional height, which is not currently required. It increases the allowable height to two stories in core districts and maintains one story in the transition districts. Otherwise, the proposal incentivizes affordable units rather than require them through inclusionary provisions. State law no longer permits new inclusionary requirements. This is further detailed in Key Consideration 2.

- Goal 3: Equitable & Fair Housing: Build a More Equitable City
 - Objective 2: Align resources and invest in strategic expansion of opportunity throughout all neighborhoods of the city and access to existing areas of opportunity
 - Make strategic affordable housing investments in high opportunity neighborhoods.
 - Support diverse and vibrant neighborhoods by aligning land use policies that promote a housing market capable of accommodating residents throughout all stages of life.

The proposal allows for additional housing types in a variety of zoning districts, including commercial, single- and two-family districts. These include high opportunity neighborhoods and may increase the opportunity for owner-occupied units in these neighborhoods. The same provisions may also allow for greater opportunities for residents to remain in the same neighborhoods or elsewhere in the city throughout all stages of life by providing for additional housing types and greater opportunities for these types of developments that are often occupied by recent graduates, young families, and those that may wish to downsize.

Consideration 2: Affordability level and percentage of units

There has been significant comment and discussion on providing for a greater percentage of affordable units and providing a greater percentage of units that are deeply affordable. Making significant changes to the percentage of affordable units or the targeted AMI would 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 2022 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.

Posed as a policy question: “Can we increase the affordable housing levels by decreasing the AMI or requiring a different proportion of units?” it is important to consider that if a “gap” is created, it must be filled with a grant or subsidy, or the project cannot be built. The lower the average AMI, the lower the rent collected, and the lower the amount a bank will loan the project to get it built.

As shown in the example below, as rent decreases from market rate, the cost of the development does not decrease. However, the maximum loan that a bank is willing to lend decreases, which creates a gap in financing that must be filled. The “annual cash flow” column assumes this gap is filled with equity. With the decrease in rent paid, the annual cash flow is lower and produces less favorable terms for an owner or investor. As AMI decreases, the gap increases and the annual cash flow decreases. The gap must be filled for a project to be developed and a project must have sufficient cash flow for operational expenses, maintenance, and other costs.

80 1-Bed Units	Rent per Unit	Development Cost	Financing			Annual Cash Flow
			Maximum Loan	35% Equity	Gap	
Market Rate	\$1,841	\$23,200,000	\$15,912,404	\$8,120,000	No gap	\$256,264
80% AMI	\$1,537	\$23,200,000	\$12,505,567	\$8,120,000	-\$2,574,433	\$201,398
70% AMI	\$1,345	\$23,200,000	\$10,232,535	\$8,120,000	-\$4,847,465	\$166,724
60% AMI	\$1,153	\$23,200,000	\$8,199,392	\$8,120,000	-\$6,880,608	\$132,048
50% AMI	\$961	\$23,200,000	\$6,046,360	\$8,120,000	-\$9,033,640	\$97,375
40% AMI	\$769	\$23,200,000	\$3,893,216	\$8,120,000	-\$11,186,784	\$62,699
30% AMI	\$576	\$23,200,000	\$1,740,185	\$8,120,000	-\$13,339,815	\$28,025

A second policy question considers the effect of 50% market rate units and 50% affordable units at 30% AMI and 50% AMI. As with the first example, there is a gap that needs to be filled with equity, and the project has a much lower cash flow than the market rate development.

80 1-Bed Units	Development Cost	Financing			Annual Cash Flow
		Maximum Loan	35% Equity	Gap	
40 Market Rate, 40 @ 30% AMI	\$23,200,000	\$8,826,294	\$8,120,000	-\$6,253,706	\$142,144
40 Market Rate, 40 @ 50% AMI	\$23,200,000	\$10,979,382	\$8,120,000	-\$4,100,618	\$177,979

Assumptions for both examples:

- Annual Cash Flow assumes that the "gap" is filled with equity
- Development cost is based on \$290,000 per unit
- Considers reserves/operating expenses of \$380,000 per year, 23% of effective gross income for Market Rate rents
- Maximum Bank Loan is based on a debt coverage ratio (DCR) of 1.25, 5% interest rate, and a 30-year term
- Vacancy rate is 6%
- Market Rate Rent Source: CBRE 2022 Greater Salt Lake Area Multifamily Market Report, average Downtown SLC rent
- Affordable rents by AMI based on 2022 HUD Income Limits, 1.5 household for a 1-bedroom apartment, 30% of income

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.

Chris Zarek of Cowboy Partners, who develops market rate and affordable housing, modeled the existing AHI, and based on the results, additional incentive options for more deeply affordable units and larger units. A model was created for a scenario in the D-2, Downtown Support, zoning district to show how the three options for AHI incentives presented in May 2022 could apply with concrete/steel construction in zoning districts that allow for greater height and steel construction. These options are as follows:

- 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;

Generally, the modeling showed a sufficient return for development. However, with one additional story, the return decreased. The return increased with additional floors, and, with some incentives, was greater (See [Attachment G.1](#)).

A second model and scenario demonstrate how the AHI could apply in zoning districts that allow for approximately 50' in height (ex. FB-UN2 or TSA Transition zone). This building would have a concrete podium base with parking and wood frame construction and residential units above it. This shows the potential for a change from a 4-over-1 to a 5-over-1 building. The incentives could allow for an increase from four wood frame residential floors above the first floor of parking to five wood frame residential floors above the first floor of parking. This example shows that as buildings increase in height, there are different building code requirements, like a change from Type V to Type III construction, which provides additional fire protection, and results in higher construction costs. Additionally, depending on the type and location of the building, less parking may be provided (See [Attachment G.2](#)).

Based on these scenarios, staff is not recommending an increase in the percentage of units required as affordable. To address the issue of providing more deeply affordable units, Cowboy Partners modeled additional scenarios with lower percentage of units at more deeply affordable levels, and with larger unit options. The model indicated these scenarios provided a sufficient return for development and four additional incentive options have been added to the three originally proposed.

The new options 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.

An important consideration is that the AHI allow new affordable housing developments to construct more units than are allowed with the existing zoning. Amanda Dillon of GIV Group, who develops affordable housing, prepared scenarios to show the number of units that could have been added to existing projects with the proposed AHI. See [Attachment G.3](#) for details. A summary is as follows:

- Denver Apartments (permanent supportive housing) increase from 22 to 53 units
- Avia (20% of units at 50% AMI, 4% LIHTC*) increase from 286 to 367 units
- Citizens West 2&3 (100% affordable, 25-50% AMI, 9% LIHTC) increase from 80 to 114 units

*LIHTC = Low Income Housing Tax Credit

Josh Green of Alchemy Development developed a proforma to model the additional housing types in the single- and two-family neighborhoods. The proforma included rental and ownership options in lower and higher value neighborhoods to assess how the AHI may apply in different areas of the city. See [Attachment G.4](#) for details.

In summary, for the single- and two-family zoning districts, the original proposal for the AHI may not provide sufficient profit for new development. For ownership units, the fourplex provides the

greatest return. For rental units, the townhouses or rowhouses provide the highest net operating income, but, depending on the goals of the owner, may not be sufficient.

The proposed modifications also include focus group recommendations to preserve existing housing in the single- and two-family zoning districts. This modification, discussed in the following section, may increase the likelihood for profit for homeowners or developers. Alternatively, increasing the maximum AMI for ownership housing may make it more likely to be constructed and does not require a financial incentive on behalf of the city or another entity.

Consideration 3: Neighborhood impacts

The focus group discussed several mitigation options based on the comments from the Planning Commission and the public and came to a consensus on the following recommendations:

- **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 AHI up to all areas of the single- and two-family zoning districts. This requirement was the subject of many public comments. 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 AHI and how they applied in different neighborhoods.
- **An emphasis on the preservation of existing housing.** Members of the 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. As with the previous proposal, existing dwellings may be divided into multiple units provided other development standards are met. It decreases the affordability requirement when an existing dwelling is preserved from 50% of units to at least one of the units. More than two detached dwellings on a lot would require a cottage development. See the single- and two-family section above for additional information and graphics as to how this could be implemented. The graphics are also in [Attachment B](#).
- **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. Through discussions with staff, there is additional language that requires 50% durable building materials; a building entrance with an entry porch, canopy, or awning; and an open space requirement for a yard, patio, or other outdoor area. See pages 13-14 in Attachment A for specific requirements.

Consideration 4: Administration and enforcement

The city anticipates that staff will be needed to administer the AHI program. The amount of staff time necessary will depend on the number of projects that use the AHI and the specific AHI adopted. There is additional language added to the AHI to allow the city to contract with a third party for administration of the incentives. Administration will need to include the following:

- Preparing and recording restrictive covenant agreement.
- Preparing administrative guidelines and providing general support regarding the incentives and approval process.
- Reviewing of annual reports and auditing for compliance. There is additional language added detailing the requirements of these reports and allowing submittal of the copy of the report provided to Utah Housing Corporation, Olene Walker Housing Loan Fund, Housing

Authority of Salt Lake City, Housing Connect or other sources approved by the Department of Community and Neighborhoods to satisfy this requirement.

- Noncompliance shall be cured or will result in fines or an enforcement action. This may include a lien placed on the property or revocation of the business license associated with the property.
- The city may contract with another entity for reporting and compliance review.

The current proposal includes additional language on reporting, compliance, and enforcement. The properties using the AHI would be required to submit an annual report and a restrictive covenant would be placed on the property. Key points include the following:

- Annual Reporting and Auditing – There is additional language requiring annual reporting from the property owner. This can be through reporting for another entity or by meeting the city’s requirements. These include providing information on the dwelling units, rental rates, occupancy, and income verification.
- Definitions are added and clarified for affordable housing, affordable rental unit, and affordable homeownership unit.
- Enforcement – The penalties have been increased. The fine will be set annually in the Consolidated Fee Schedule and there is an additional fine that is the difference between the affordable monthly rent and the market rate rent. If fines are not paid, a lien may be placed on the property. The business license for the property may also be revoked and there are additional penalties for those whose license has been revoked.
- Affordable Homeownership Unit
 - The city will have a first option on future sales to ensure that the housing unit remains affordable.
 - Owners will need to meet income requirements at the time of purchase.
- Affordable Rental Unit
 - Through administrative requirements, unless otherwise required for the development, if a resident’s income increases to market rate, the resident will be switched to a market rate unit/rate, or, if not available, may remain in the unit.

Consideration 5: Infrastructure impacts

It is the responsibility of developers to provide service to new development. During the review process, infrastructure needs, like water and sewer are identified, and new or upgraded service may be required to be installed by the developer. This is typically handled during the building permit process. If a water, sewer, or storm drain line does not have adequate capacity for new housing units, a developer is required to increase the capacity. This is similar for other utilities.

The city plans for future growth in various master plan documents. This includes the city’s water supply. The Public Utilities Department determines the amount of water available for all future development. Staff discussed this issue with Laura Briefer, the Public Utilities Director. The city’s most recent water supply and demand plan (2019) projects to the year 2060 and takes into consideration land use changes associated with densification, as well as land use changes in the Northwest Quadrant of the City, including the inland port and new correctional facility. The plan also takes into consideration the city’s best projections for climate change impacts to water supply and demand. The conclusion of the 2019 plan is that more water conservation is needed to meet the cumulative projected population and land use driven demands by the year 2060.

Public Utilities will conduct a water supply and demand iteration this year that may explore demand factors for the needs of the Great Salt Lake and environmental flows. Recent state water rights policy changes have paved the way for the city to include environmental water needs, especially for the Great Salt Lake, as part of the long-term water supply and demand planning.

At the request of planning staff, public utilities provided information on single-family residential water usage as compared with small and large multifamily dwellings for 2018-2022, as available.

The average monthly usage for single-family residential dwellings is between 12,000-15,000 gallons per month. Much of this is for outdoor watering and in the winter water usage is approximately 6,500-7,000 gallons per month. Large multifamily buildings have a more consistent year-round water usage per unit and there are greater hardscape impacts.

For the five sample buildings planning staff requested information, a mix of high-rise and wood frame construction with a total of about 725 units, the monthly water usage averaged approximately 2,000 gallons per month, per unit. Staff also requested information on two fourplexes and a cottage court (10 units). These averaged approximately 3,000 gallons per month, per unit. Multifamily dwellings are likely to have fewer residents per unit and less outdoor watering. Multifamily dwellings have more consistent year-round usage compared to single-family properties, but overall, based on the units examined, have much lower water usage per unit when compared to a single-family home.

ADDITIONAL RECOMMENDATIONS

The focus group made the following additional recommendations for future zoning/subdivision text amendments:

- ADU/condo subdivisions – This would allow for the subdivision of a property with an ADU. This may be accomplished with a condo unit or otherwise dividing the property. There are financial benefits to subdividing the property and it would allow for additional ownership opportunities for ADU residents. There would not be an affordability requirement.
- Modifying unit legalization – Focus group members wanted to see changes to the existing regulations for unit legalization. Generally, there was a desire to see fewer regulations, an emphasis on legalizing units that comply with fire/life safety requirements and removal of the requirement that the unit was in place before 1995.
- Transfer of development rights from existing affordable properties to others – Members of the focus group wanted to see a program that allowed for the transfer of development rights from existing properties to other properties. This has the potential to preserve existing housing units where property owners do not want to make changes and allow for additional housing units where new development is desired.

ADDITIONAL MODIFICATIONS

There are several other modifications made to the draft. They address the following items:

- Changes related to the Downtown Building Heights Text Amendment
 - CG (General Commercial): Permit additional height and change the mapped area to the Depot District proposed with the Downtown Building Heights text amendment.
 - D-1 (Central Business): Clarity when administrative design review would apply.
 - D-2 (Downtown Support): Increase in additional height to provide greater benefit.
 - D-3 (Downtown Warehouse/Residential): Increase in additional height to be compatible with the increase in height proposed with the amendments.
 - D-4 (Downtown Secondary Central Business): Allow for administrative design review where mapped additional height is permitted.
 - GMU: Increase in additional height to be compatible with the increase in height proposed with the amendments. Removes the Planned Development requirement in the GMU zoning district.
- Landscaping in Commercial Zoning Districts – Based on the feedback from the public, staff modified the landscaping requirement so that it can be met through an open space requirement that includes patios, courtyards, rooftop gardens, and other options.
- RMU-35 and RMU-45 – Allows for additional height abutting single- and two-family zoning districts.

- Annual reporting – There is additional language describing the annual reporting requirements. This can be satisfied with a report as required by another approved entity or by meeting the city’s requirements, which includes providing information on the dwelling units, rental rates, occupancy, and income verification.
- Enforcement – Reports of noncompliance and or other violations will be investigated as necessary. The fines for noncompliance are increased. A lien may be placed on the property for fines and the business license revoked.
- Removal of modifications to yards/setbacks and building coverage. This simplifies the proposal and requires development proposals to meet the yards or setbacks and building coverage of the base zoning district.
- Housekeeping and clarifying language – There are housekeeping modifications and clarifying language in several sections. These are identified and noted in the draft.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward a positive recommendation to the city Council for the proposed Affordable Housing Incentives Text Amendment, with the ability to amend the ordinance language as necessary to ensure consistency with other code sections and references in the zoning ordinance.

NEXT STEPS

Staff recommends that the Planning Commission forward a positive recommendation to the City Council. After the recommendation is provided, staff will compile the information and transmit the proposal to City Council for a briefing, public hearing, and potential adoption.

ATTACHMENT A: Proposed 21A.52 Zoning Incentives Text

April 2023 Public Hearing Draft

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.

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 may be modified as indicated within this chapter.
- 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 base zoning districts. Housing constructed using the incentives 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 optional incentives to development projects that include affordable housing units. Unless specifically stated below, all other applicable provisions in the base zoning district or overlay districts shall apply.
- C. Uses: Additional housing types are allowed in zones subject to compliance with this section.
- D. Reporting and Auditing: Property owners who use 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 30th and shall be reflective of the financial status at the 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. If applicable, the property owner shall submit a copy of the annual report(s) 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. 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:

- (1) The property location, tax ID number, and legal description.
- (2) Property owner name, mailing address, and email address.
- (3) Information on the dwelling units and tenants of the property receiving 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) 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.
- (E) Identify 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) Confirm that income verification for all tenants was performed on an annual basis.
- (G) 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.
- (H) 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.

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. Identifies whether the property is in compliance.
 - 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. Violations of this Chapter shall be investigated and prosecuted pursuant to 21A.20, except as set forth below in 21A.52.050.E.
5. 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.

F. Eligibility Standards: Developments shall meet the criteria below to be eligible for the authorized incentives:

1. Restrictive Covenant Required:

- a. 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. Prior to the issuance of a building permit for construction of a building using the incentives, the restrictive covenant shall be filed with the Salt Lake County Recorder. 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. 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.
- 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.

2. The affordable units shall be both income and rent/housing payment restricted.

- 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 FMR Area (as periodically determined by the HUD and adjusted for household size).
- b. Rent/Housing Payment Restriction
 - (1) 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 percentage 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), 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.

Table 21A.52.050.G

Incentive Types	
Types	Incentive
Type A. <u>Applicable to the single- and two-family zoning districts: 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.</u>	<u>Dwelling units shall meet the requirements for an affordable rental or homeownership unit affordable to those with incomes at or below 80% AMI.</u> <u>New construction: At least 50% of the provided dwelling units shall be affordable.</u> <u>Existing building maintained: A minimum of one of the dwelling units shall be affordable provided the existing building is maintained as required in 21A.52.050.H.1.c.</u>
Type B. <u>Applicable to residential multifamily zoning districts: RMF-30, RMF-35, RMF-45, and RMF-75</u>	<u>An affordable rental unit shall meet a minimum of at least one of the following affordability criteria:</u> <ol style="list-style-type: none"> 1. <u>40% of units shall be affordable to those with incomes at or below 60% AMI;</u> 2. <u>20% of units shall be affordable to those with incomes at or below 50% AMI; or</u> 3. <u>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.</u> <u>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 80% AMI.</u>
Type C. <u>Applicable to zoning districts not otherwise specified.</u>	<u>Affordable rental or homeownership units shall meet 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.</u>

	<ol style="list-style-type: none"> 1. <u>20% of units are restricted as affordable to those with an income at or below 80% AMI;</u> 2. <u>10% of units are restricted as affordable to those with an income at or below 60% AMI;</u> 3. <u>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;</u> 4. <u>5% of units are restricted as affordable to those with an income at or below 30% AMI;</u> 5. <u>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;</u> 6. <u>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</u> 7. <u>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.</u>
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1. Single- and Two-Family Zoning Districts: 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 for Type A in Table 21A.52.050.G are met.
2. RMF-30, RMF-35, RMF-45 and RMF-75 zoning districts: The qualifying provisions for density found in the minimum lot area and lot width tables for the RMF-35, RMF-45, and RMF-75 zoning districts do not apply and in the RMF-30 zoning district, the minimum lot size per dwelling unit does not apply, provided the affordability requirements for Type B in Table 21A.52.050.G are met.
3. 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.
4. The following incentives are authorized in zoning districts provided the affordability requirements for Type C in Table 21A.52.050.G 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:

<u>Zoning District</u>	<u>Permitted Maximum Height with Incentive</u>
<u>RMU-35</u>	<u>45' with administrative Design Review, regardless of abutting use or zone.</u>
<u>RMU-45</u>	<u>55' with administrative Design Review, regardless of abutting use or zone.</u>
<u>RB</u>	<u>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.</u>
<u>RMU</u>	<u>May build three additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.</u>
<u>RO</u>	<u>May build one additional story equal to or less than the average height of the other stories in the building.</u>

(2) Commercial Districts:

<u>Zoning District</u>	<u>Permitted Maximum Height with Incentive</u>
<u>SNB</u>	<u>May build one additional story equal to or less than the average height of the other stories in the building.</u>
<u>CB</u>	<u>May build one additional story equal to or less than the average height of the other stories in the building.</u>
<u>CN</u>	<u>May build one additional story equal to or less than the average height of the other stories in the building.</u>
<u>CC</u>	<u>45' with administrative Design Review; additional landscaping may be met by meeting requirements in 21A.52.050.H.3.c.5.</u>
<u>CG</u>	<u>May build two additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.</u> <u>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.26.070.G.</u>
<u>CSHBD1</u>	<u>105' and two additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.</u>
<u>CSHBD2</u>	<u>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.</u>
<u>TSA-Transition</u>	<u>May build one additional story equal to or less than the average height of the other stories in the building with administrative review.</u>
<u>TSA-Core</u>	<u>May build two additional stories equal to or less than the average height of the other stories in the building with administrative review.</u>

(3) Form-based districts:

<u>Zoning District</u>	<u>Permitted Maximum Height with Incentive</u>
<u>FB-UN3</u>	<u>125' and three additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.</u>

<u>FB-UN2</u>	<u>May build one additional story equal to the average height of the other stories in the building.</u>
<u>FB-SC</u>	<u>May build one additional story equal to the average height of the other stories in the building.</u>
<u>FB-SE</u>	<u>May build one additional story equal to the average height of the other stories in the building.</u>
<u>FB-UN1</u>	<u>May build up to three stories and 30' in height.</u>

(4) Downtown districts:

<u>Zoning District</u>	<u>Permitted Maximum Height with Incentive</u>
<u>D-1</u>	<u>Administrative Design Review is permitted when a Design Review process is required.</u>
<u>D-2</u>	<u>120' and two additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.</u>
<u>D-3</u>	<u>180' and three additional stories equal to or less than the average height of the other stories in the building with administrative Design Review.</u>
<u>D-4</u>	<u>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.</u>

(5) Other districts:

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

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.

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 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.

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

H. 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. Base zoning standards apply unless specifically modified by this section and are in addition to modifications authorized in subsection 21A.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.

1. 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: Unless there is a lesser parking requirement 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. 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.
- 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 approved through a planned development prior to the effective date of this chapter are required to go through a major modification of the planned development to use 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:
 - (A) New dwelling units may be arranged in any manner within a building, as a second detached dwelling, as attached units, or 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.

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.
 - b. 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.
 - c. Yards: The minimum required yards shall apply to the perimeter of the development and not to the individual principal buildings within the development.
 - 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
 - (1) Perimeter yard requirements:
 - (A) Front yards: The front yard and corner side yard of the 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
 - (C) Rear yard: The rear yard of the base zoning district applies.
 - (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:
 - (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 districts;
 - (B) The building length shall not exceed 100 feet in the RMF-30, RMF-35, RMF-45 and RMF-75 districts; and
 - (C) The building length shall not exceed 175 feet in other zoning districts.
 - (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.
 - (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.

- (6) Parking requirement and location: Unless there is a lesser parking requirement 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.
- (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.
- (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.
- (9) Glass: The surface area of the façade of each floor facing a street must contain a minimum of 15% glass.
- (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 façade is 15'.
- (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.

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

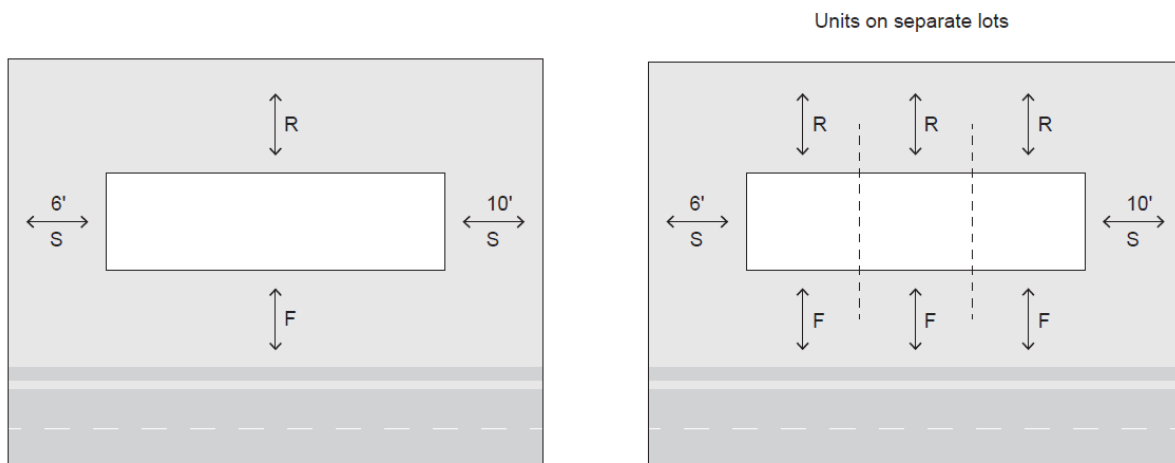
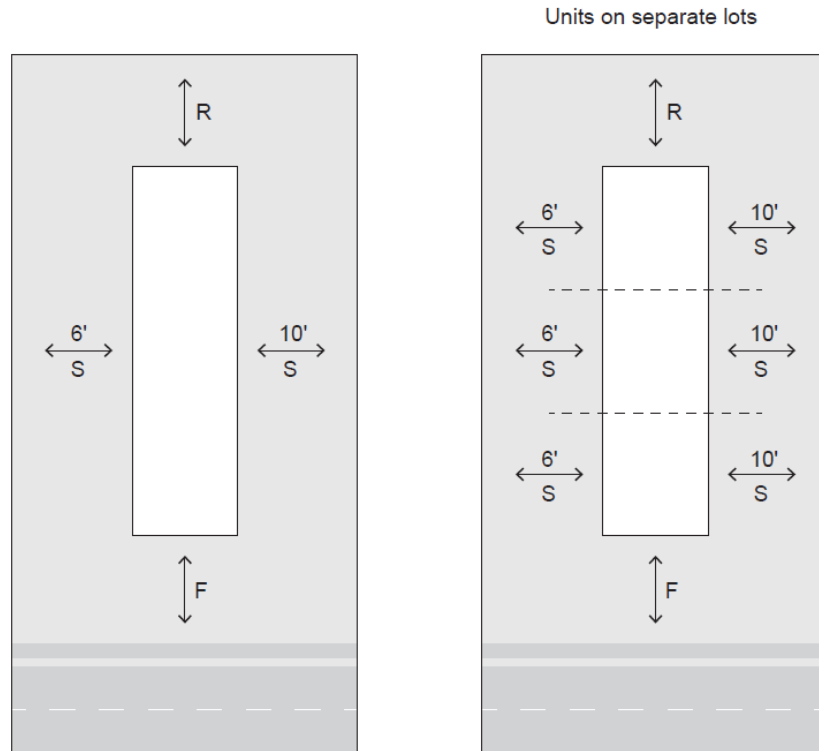


Illustration for 21A.52.050.E.3.b.1 Required Setbacks for Sideways Row House



b. Cottage Development

(1) Perimeter yard requirements:

(A) Front yards: The front yard and corner side yard of the base zoning district apply.

(B) Side yards: A minimum of 10 feet on one side of the property line and 6 feet on the other interior side yard, unless a greater yard is required by the base zoning district.

(C) Rear yard: The rear yard of the base zoning district applies.

(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.

- (6) 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.
 - (7) Personal Outdoor Space: 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.
 - (8) Parking: Unless there is a lesser parking requirement in 21A.44, 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.
- c. In addition to applicable requirements in 21A.52.050.H above, the following provisions apply to all other buildings containing more than two residential units. If the base zone has a greater design standard requirement, that standard applies.
- (1) Perimeter yard requirements:

 - (A) Front yards: The front yard and corner side yard setback of the 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.
 - (C) Rear yards: The rear yard of the base zoning district applies.
 - (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. 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.
 - (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.

(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.

d. Single- and Two-family Dwellings: No additional design standards except as identified in 21A.24.

e. Unit Limits: For overall development sites with more than 125 units, no more than 50% of units shall be designated as affordable units.

f. Lots without public street frontage may be created to accommodate developments without planned development approval subject to the following standards:

(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 Language:

21A.20.040 Civil Fines

A. 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.

21A.60.020: LIST OF DEFINED TERMS:

(Staff note: The following terms would be added to the list of defined terms.)

AFFORDABLE HOUSING

AFFORDABLE HOUSING DEVELOPMENT

DWELLING, THREE-FAMILY

DWELLING, FOUR-FAMILY

DWELLING, ROW HOUSE

DWELLING, SIDEWAYS ROW HOUSE

DWELLING, COTTAGE DEVELOPMENT

21A.62.040: DEFINITIONS OF TERMS:

(Staff note: The following definitions would be added to the definitions of terms.)

AFFORDABLE HOUSING: 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 for the Salt Lake City Utah, U.S. Department of Housing and Urban Development (“HUD”) Metro FMR 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. Affordable 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 up to 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 21A.52.050

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 vertically and/or attached horizontally. 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 to the front yard. Units may be stacked vertically and/or 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.

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 dwellings and affordable housing developments with up to four units on residential neighborhoods with 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 dwellings and affordable housing developments with up to four units on 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 dwellings and affordable housing developments with up to four units on residential neighborhoods with 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.

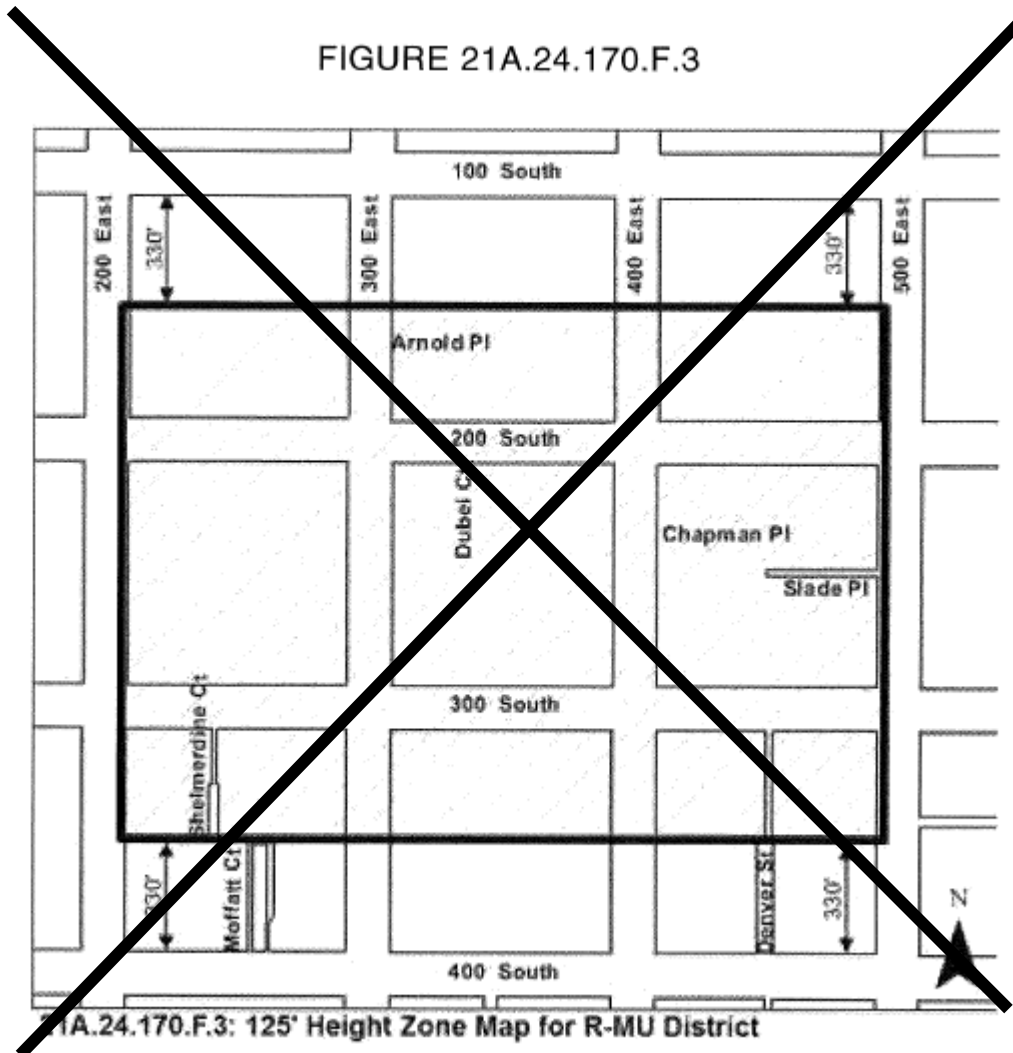
21A.24.170: R-MU RESIDENTIAL/MIXED USE DISTRICT:

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



(Staff note: The following use would be added to the existing tables.)

21A.33.020: TABLE OF PERMITTED AND CONDITIONAL USES FOR RESIDENTIAL DISTRICTS:

Use	Permitted And Conditional Uses By District																		
	FR -1/ 43, 56 0	FR -2/ 21, 78 0	FR -3/ 12, 00 0	R- 1/ 12, 00 0	R- 1/ 7, 00 0	R- 1/ 5, 00 0	S R -1	S R -2	S R -3	R - 2	R M F- 30	R M F- 35	R M F- 45	R M F- 75	R B	R - M U - 3 5	R - M U - 4 5	R - M U	R O
<u>Affordable Housing Development</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>		<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>

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

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

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		
H	Maximum building height	Maximum building height in the FB-SC is 60 ft. An additional 15 ft. in height (for a total height of 75 ft.) may be permitted for residential uses 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:

...

~~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.

ATTACHMENT B: Single- and Two-Family Zoning District Graphics

AFFORDABLE HOUSING INCENTIVES

PROPOSED DEVELOPMENT TYPES

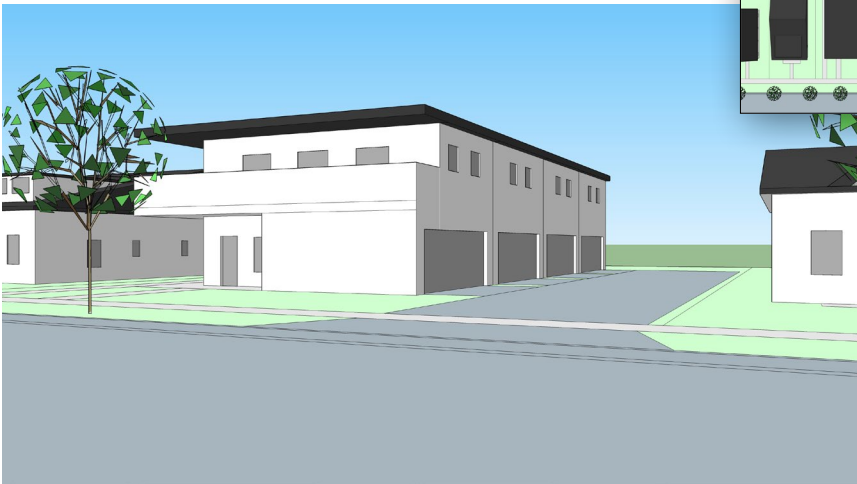


SALT LAKE CITY
PLANNING

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.

4 - Unit Townhome Lot Layout

Unit #	4 (1,840 SF) Units
Lot Size	10,920 SF
Building Height	20 FT
Building Coverage	3,680 SF (34%)
Front Yard Setback	20 FT
Side Yard Setbacks	10 FT , 28 FT
Rear Yard Setback	25 FT
Open Space	7240 SF (66%)
Parking	2 Car Attached Garage Per Unit (8 Stalls Total)



Scaled drawing of fourplex building consistent with proposed regulations.

4 - Plex Lot Layout

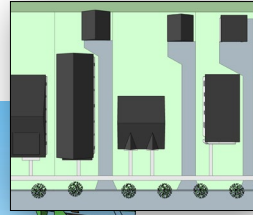
Unit #	4 (800 SF) Units
Lot Size	7,000 SF
Building Height	28 FT
Building Coverage	1,600 SF (23%)
Front Yard Setback	20 FT
Side Yard Setbacks	10 FT , 15 FT
Rear Yard Setback	61 FT
Open Space	5,400 SF (77%)
Parking	5 Surface Stalls

AFFORDABLE HOUSING INCENTIVES

PROPOSED DEVELOPMENT TYPES



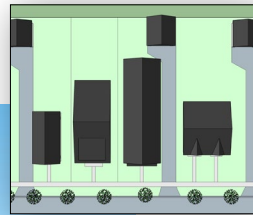
SALT LAKE CITY
PLANNING



Scaled drawing of duplex consistent with proposed regulations.

Duplex Lot Layout

Unit #	2 (800 SF) Units
Lot Size	8,400 SF
Building Height	16 FT
Building Coverage	1,596 SF (20%)
Front Yard Setback	28 FT
Side Yard Setbacks	5 FT , 18 FT
Rear Yard Setback	74 FT
Open Space	6,804 SF (80%)
Parking	2 Car Garage



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

Single Family Home Developed Under Current R-1-7000 Standards

Unit #	1 Unit (4632)
Lot Size	7,000
Building Height	28 FT
Building Coverage	2,800 SF (40%) Dwelling (2,316 SF) Detached Garage (484 SF)
Front Yard Setback	20 FT
Side Yard Setbacks	6 FT , 15 FT
Rear Yard Setback	40 FT
Open Space	3,045 SF (43%)
Parking	2 Car Detached Garage

ADDITIONAL INFORMATION

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

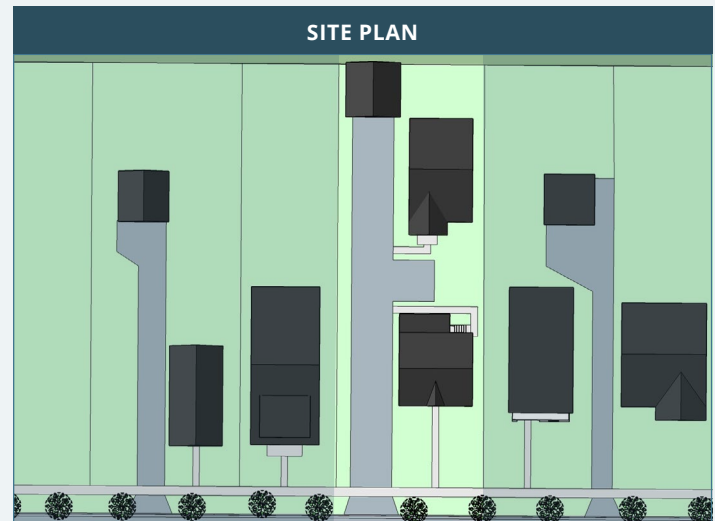
AFFORDABLE HOUSING INCENTIVES (AHI)

PRESERVATION OF EXISTING HOUSING



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)
Building Coverage	2,828 SF (24%)
Open Space	6,995 SF (59%)



BUILDING #1 EXISTING DWELLING
Includes Internal Basement ADU Option

Building Height	16.5 FT
Building Coverage	Dwelling (1,100 SF)
Front Yard Setback	36 FT
Side Yard Setbacks	6 FT, 28 FT
Rear Yard Setback	106 FT
Parking	2 Surface Parking Stalls
INTERNAL BASEMENT ADU OPTION	
Basement Square Footage	1,100 SF Basement Unit
Parking	1 Street Parking Stall

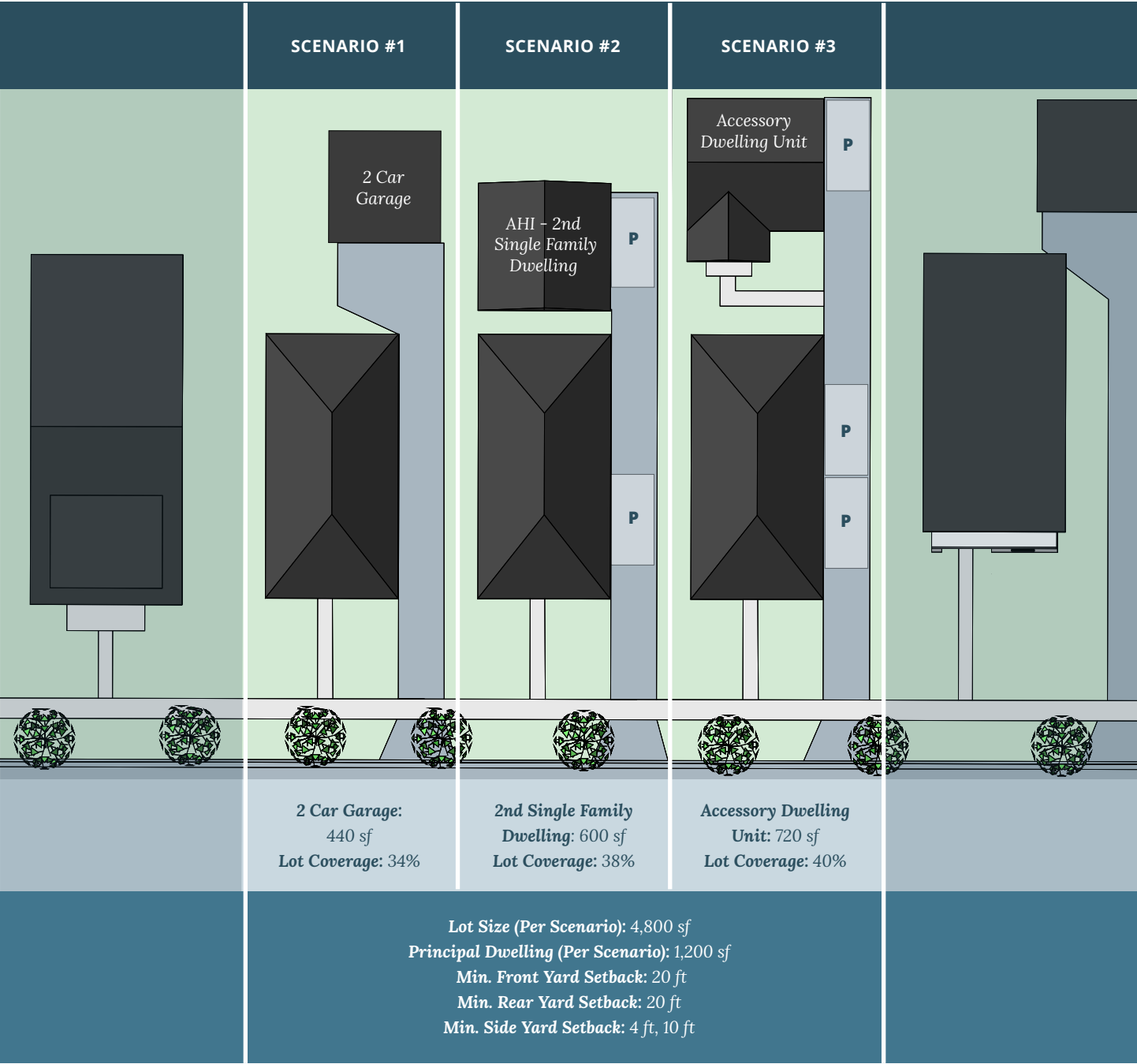


BUILDING #2
Building#1 facing public street, Building#2 behind Building#1

Building Height	16.5 FT
Building Coverage	Dwelling (1,178 SF) Detached Garage (550 SF)
Front Yard Setback	110 FT from Front Property Line
Side Yard Setbacks	6 FT, 32 FT
Rear Yard Setback	25 FT
Parking	2 Car Detached Garage

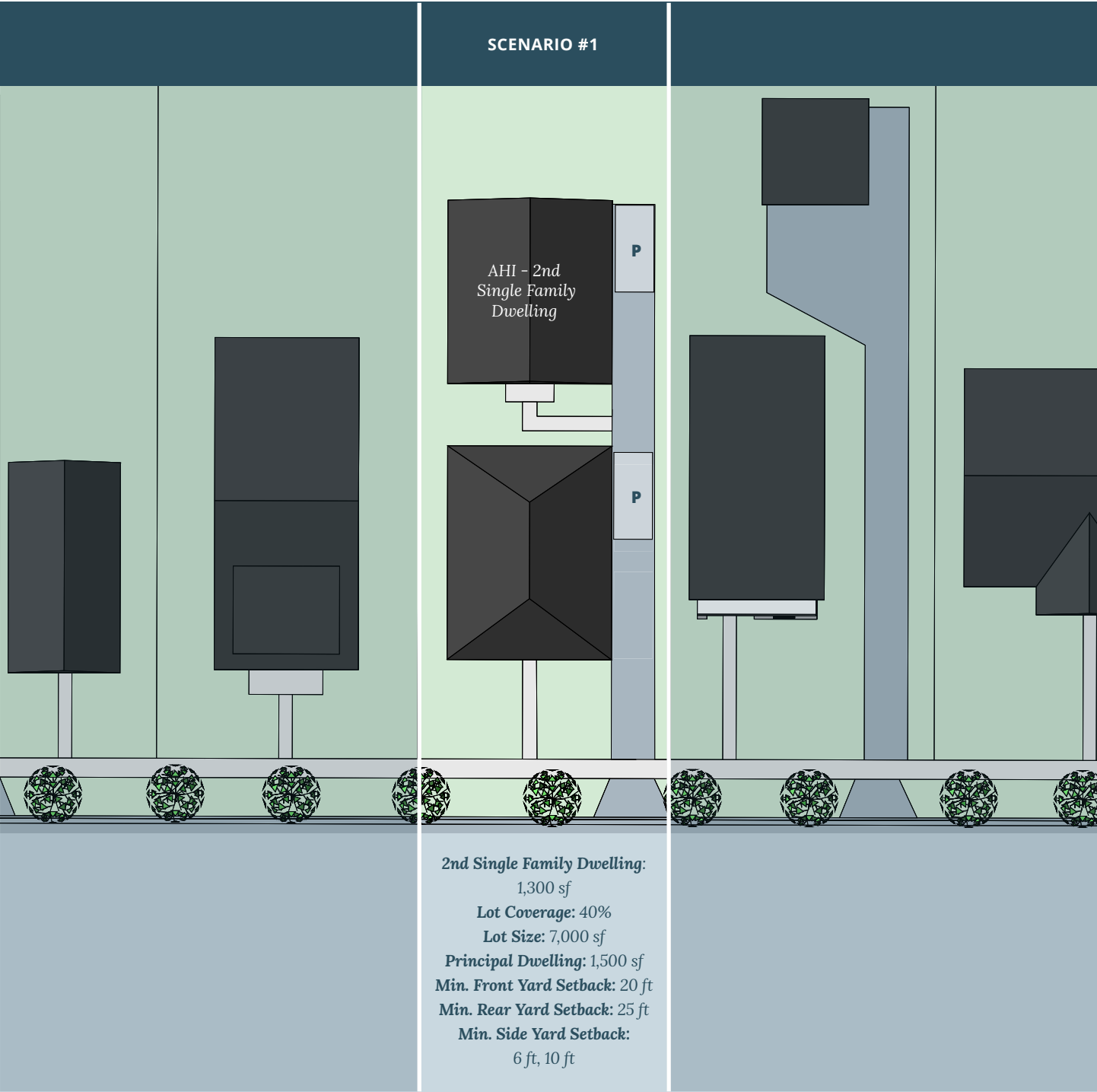
PRESERVATION OF EXISTING HOUSING

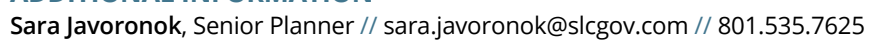
R-1-5000 SCENARIOS



PRESERVATION OF EXISTING HOUSING

R-1-7000 SCENARIO



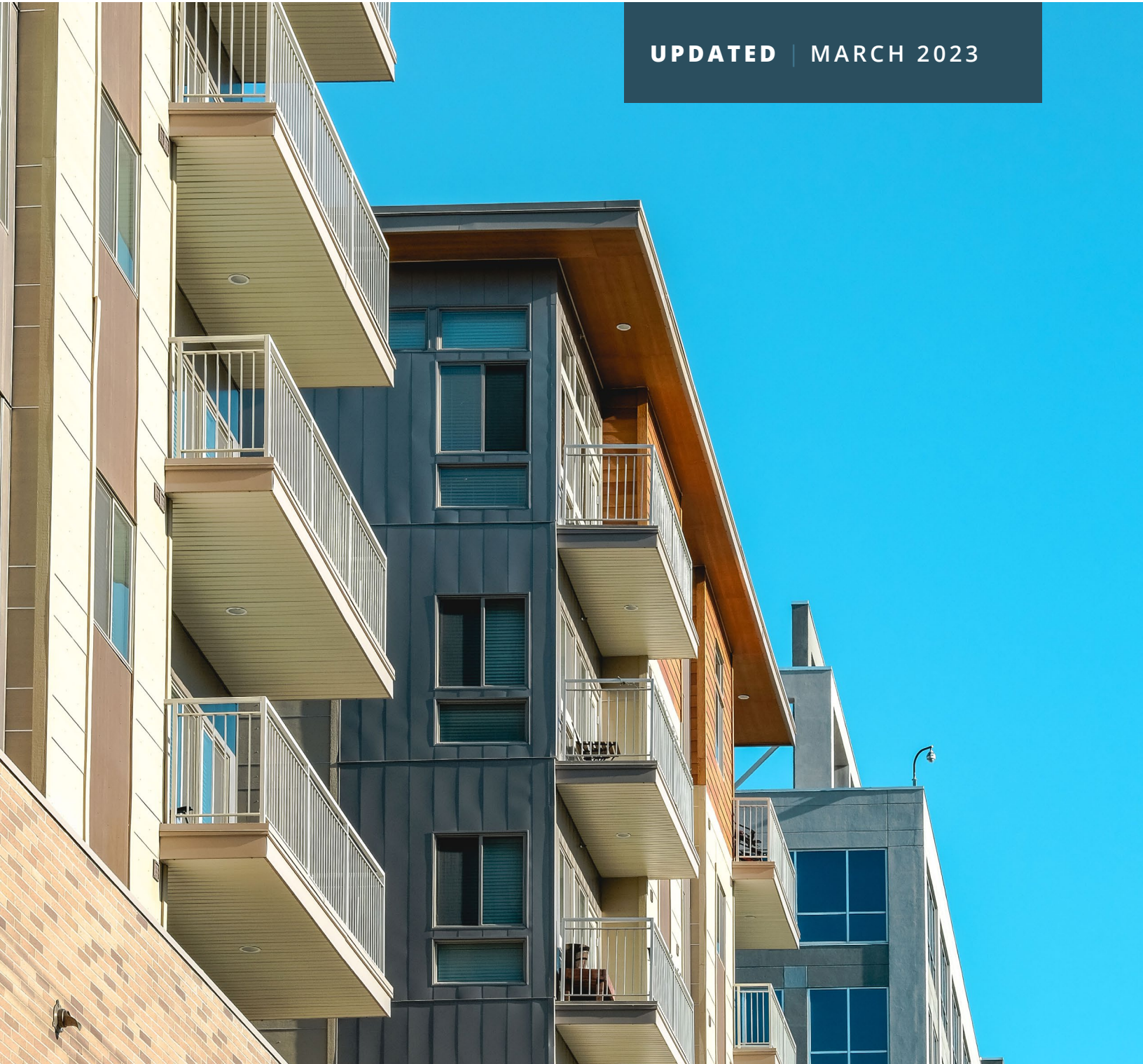


ATTACHMENT C: Updated Affordable Housing Incentives Document



AFFORDABLE HOUSING INCENTIVES

UPDATED | MARCH 2023



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CONTENTS

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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.

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.

FOCUS GROUP RECOMMENDATIONS

AFFORDABILITY LEVEL		
2022 PROPOSAL	FOCUS GROUP RECOMMENDATION	UPDATED PROPOSAL
MIXED-USE/MULTI-FAMILY ZONING DISTRICTS		
<p>A project is required to do one of the following:</p> <ul style="list-style-type: none"> • 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. 	<p>Incentives that require a higher percentage of affordable units are unlikely to be feasible for market rate developers.</p> <p>Lower number of affordable units are required to provide for more deeply affordable and larger units, otherwise the incentives will not work.</p>	<p>The affordability requirement was expanded to address size and reduce displacement as household income increases as indicated below:</p> <ul style="list-style-type: none"> • 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		
<p>50% of units need to be affordable to those with incomes at or below 80% AMI.</p>	<p>In the single- and two-family zoning districts the proposed incentives may not provide sufficient profit for new development.</p> <p>Lower the required percentage of affordable units to one when the existing dwelling is maintained.</p>	<p>New construction: At least 50% of the provided dwelling units shall be affordable; or</p> <p>Existing building maintained: A minimum of one of the dwelling units shall be affordable provided the existing building is maintained.</p>

NEIGHBORHOOD IMPACTS		
2022 PROPOSAL	FOCUS GROUP RECOMMENDATION	UPDATED PROPOSAL
PROXIMITY TO TRANSIT		
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 AHL. The incentives would apply to all areas of single- and two-family residential districts.
DESIGN & DEVELOPMENT STANDARDS		
<ul style="list-style-type: none"> Building entrances on street facing façades. Glass on 15% of surface area on street facing façades. One off-street parking space required per unit. 	Additional development and design standards needed. <ul style="list-style-type: none"> Determined that a blank wall standard wasn't necessary. Determined that additional parking wasn't necessary. 	Additional standards added as indicated below: <ul style="list-style-type: none"> Clarified location requirements for building entrances. Added 50% durable materials requirement (fiber cement, brick, concrete, etc.) for street facing façades. Added 120 sq. ft. open space requirement with a minimum width of 6 ft. open space requirement per unit.
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.
INFRASTRUCTURE		
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.

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, including 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.
CB	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.
CC	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

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

† 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

* 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

* 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
- FR-2/21,780
- FR-3/12,000
- R-1/12,000
- R-1/7,000
- 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-1
- SR-1A
- 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%.*

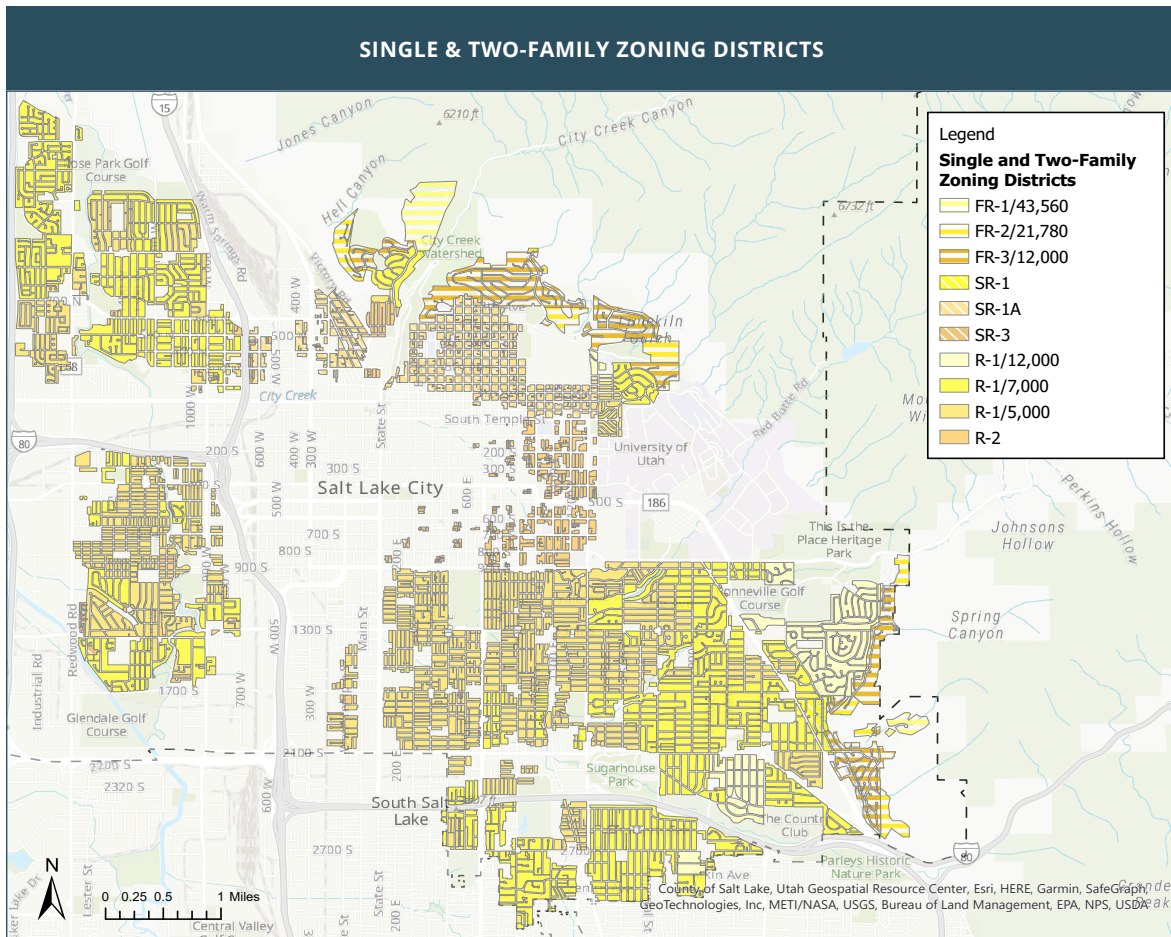
HISTORIC PRESERVATION CONSIDERATIONS

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.

APPENDIX A: DRAFT LANGUAGE

DRAFT ORDINANCE LANGUAGE



ATTACHMENT D: Updated Affordable Housing Incentives 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 single- and 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 E: Public Process & Comments

SEE SEPARATE ATTACHMENT E FOR ALL SUB-ATTACHMENTS

Public Notice, Meetings, Comments

The following is a list of public meetings that have been held, and other public input opportunities, related to the proposed project since the application was initiated:

Online Surveys and Comment Form

- December-January 2020 – Planning staff posted an initial survey seeking feedback on housing issues. Over 2,100 people responded. See complete responses in Attachment E.1.
- July 2020 – Planning staff presented a draft proposal in a Story Map and sought feedback on the proposal. Nearly 300 people responded. See complete responses in Attachment E.2.
- February 2022 – Planning staff posted the draft amendments and sought feedback through a comment form. Approximately 130 people responded. See complete responses in Attachment E.3.
- March 2023 – Planning staff posted an updated draft of the proposed amendments and sought feedback through the comment form. Two people responded for a total of approximately 175 since February 2022. See complete responses from May 11, 2022-April 19, 2023 in Attachment E.4.

Developer Discussions

Planning staff met with several affordable housing developers in 2019 to discuss issues and obstacles to building affordable housing in the community and how zoning may be able to address them. Developers generally indicated that by right processes were best, there should be parking reductions especially for lowest incomes, density limits made development difficult in the RMF districts, additional height was needed in many zoning districts, and there was a preference for form-based zoning districts.

Staff requested feedback from developers on the draft proposal and generally heard that the incentives would allow them to construct more units and that the incentives in the single-family zoning districts may encourage smaller developers to construct units.

Recognized Community Organization Notice and Meetings

- June 25, 2020 – The 45-day required notice for recognized community organizations was sent citywide.
 - July 20, 2020 – Planning staff discussed the proposal at the Sugar House Land Use and Zoning meeting (Zoom).
 - August 6, 2020 – Planning staff discussed the proposal at the Ball Park Community Council meeting (Zoom).
- March 3, 2022 – The 45-day required notice for recognized community organizations was sent citywide.
 - March 16, 2022 – Planning staff discussed the proposal at the East Bench Community Council meeting (Zoom). Members expressed concerns with loss of views, view easements, and wanted to be notified of potential projects in the neighborhood.
 - March 21, 2022 – Planning staff discussed the proposal at the Sugar House Land Use Committee meeting (Zoom). Members expressed concerns with additional

housing types proposed, especially in the Highland Park neighborhood, lack of parking, lack of utility capacity, loss of neighborhood character, increase in rental housing, and desire for the proposal to be implemented as a smaller, pilot program.

- April 7, 2022 – Planning staff discussed the proposal at the Ball Park Community Council meeting (Zoom). Community members want to see more owner-occupied housing in the neighborhood, expressed concerns with additional height in the FB districts, have concerns with existing parking requirements in the FB zones, and have general parking and safety concerns.
- April 13, 2022 – Planning staff discussed the proposal at the Jordan Meadows/Westpointe Community Council meeting (Zoom). Community members asked questions about parking and how the increased number of students and increased park usage would be addressed.
- April 14, 2022 – Planning staff discussed the proposal at the Yalecrest Community Council meeting (Zoom). Community members asked questions about historic districts and how the proposal would affect them, required parking, accessory dwelling units, rental units, and neighborhood character.
- May 4, 2022 – Planning staff discussed the proposal at the Greater Avenues Community Council meeting (Zoom). Community member questions included affordability levels, the Planning Commission meeting and how to submit comments if not able to attend, and the monitoring of the deed restricted properties.
- March 16, 2023 – Planning staff discussed the proposal at the Salt Lake City Community Network meeting (Zoom).

Open Houses and Virtual Events

- July 9, 2020 – Facebook Live Q&A – Planning staff hosted an AMA/Q&A discussion on Facebook. It reached 4,365 people with 1,423 3-second video views and 52 comments. See Attachment E.4.
- February 16, 2022 – Facebook Live Q&A – Planning staff hosted an AMA/Q&A discussion on Facebook. It reached 772 people with 401 3-second video views and 71 reactions, shares, and comments. See Attachment E.5.
- April 5, 2022 – Virtual Office Hours (Zoom) – Planning staff hosted an open Zoom meeting to answer questions. There were no attendees.
- April 5, 2022 – Open House (Sugar House Fire Station #3) – Planning staff hosted an open house to provide information and answer questions on the proposal. Seven people attended.
- April 12, 2022 – Open House (Unity Center) – Planning staff hosted an open house to provide information and answer questions on the proposal. Three people attended.
- April 14, 2022 – Virtual Office Hours (Zoom) – Planning staff hosted an open Zoom meeting to answer questions. No one attended.
- April 19, 2022 – Open House (Riverside Park) – Planning staff hosted an open house to provide information and answer questions on the proposal. No one attended.
- April 21, 2022 – Open House (Lindsey Gardens Park) – Planning staff hosted an open house to provide information and answer questions on the proposal. One person attended.

Sign-in sheets for open houses are included in Attachment E.7.

Additional Comments

The Glendale Community Council submitted a letter in 2020. See Attachment E.6. The Sugar House Community Council submitted a letter on May 3, 2022. See Attachment E.7.

Community members provided additional written comments that are attached to this report. For comments through May 11, 2022, see Attachment E.7 for emails and E.8 for social media

comments. Additional emails and phone calls with general questions were received and responded to by staff.

For comments received through July 2022, see below for a summary of the comment themes and tenor. See Attachment E.9 for a table of the comments received through July 2022.

See Attachment E.10 for all comments received May 12, 2022-April 19, 2023.

Community Notification

The City Council office sent a flyer to commercial and residential addresses in the city and owners that live outside of Salt Lake City. It identified housing initiatives in the city and highlighted this proposal. A total of 99,832 were sent. See Attachment E.11 for flyer and comments submitted to the Council office.

Development Scenarios

Staff contacted and worked with local developers in the summer and fall of 2022 to provide information on the feasibility and impact of incentives. See scenarios and proformas in Attachment G.

Focus Group

The Office of the Mayor convened a focus group that included 15-20 members. It was comprised of neighborhood leaders, developers, policy advisors, and housing advocates. The group reviewed and discussed topics with the most community concerns over four meetings in the fall and winter of 2022. They made several recommended changes to proposal detailed in this report.

Department Comments

Debbie Lyons, Sustainability

I do not have comments specific to the zoning modifications noted in the most current version, however I do want to provide a couple of resources on energy efficiency as it relates to affordable housing, just as an FYI.

For background, the City has adopted a goal to reduce greenhouse gas emissions 80% by 2040 through Mayor-Council joint resolution 22 of 2016. More than 75% of our carbon footprint is attributable to electricity and natural gas use in homes and businesses, so looking for all opportunities to incentivize energy efficiency is important. It's especially important in affordable housing because utility costs can pose significant hardship for low-income residents.

In case you're not aware or familiar with them:

[EPA's Energy Efficiency in Affordable Housing Guide](#)

[EPA – Energy Star Program – Residential Resources for Affordable Housing](#)

The [RDA's Sustainable Development Policy](#) should serve as a great complement for developers looking into applying for RDA funds for new housing projects.

Erik Fronberg, Housing Stability

Please see my comments below for the draft language of the City's Affordable Housing Incentives ordinance.

21A.52.050.F.2.a – The language addressing household incomes at a given percentage AMI is not consistent throughout the ordinance. I recommend replacing the following from 21A.52.050.F.2.a:

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

with the clearer language from 21A.62:

“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 Area Salt 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.”

21A.52.050.F.2.b – I recommend replacing “*AMI*” with “*percentage AMI*.”

21A.52.050.H.3.e – I recommend removing this provision. I’m assuming that limiting the number of units designated as affordable in large developments is intended to promote mixed-income developments or geographic equity (not concentrate deed-restricted units in one place); however, in light of the current affordable housing crisis, the City should maximize, not limit, the number of affordable units in any development.

Overall, the draft looks great! It’s clear you and your team have worked hard on incorporating the feedback you’ve received.

Summary of Public Comment Themes

Since the petition was initiated in 2019, staff has received over 1,100 public comments from individual members of the public through email, the online comment form, the City Council office, Planning Commission public hearing comment cards, surveys, and social media platforms etc. This attachment outlines a summary of the Affordable Housing Incentive (AHI) public comments received since the project started in 2019 through July 2022.

Staff analyzed the comments and identified 14 common themes regarding the AHI proposal which are listed in the section below. It should be noted this analysis primarily includes digitally received comments which could be easily compiled for a digital analysis.

Staff reviewed each comment, documented the themes each comment referred to, and identified whether the comment voiced opposition, support, questions, recommendations, or a combination. The following sections provide a summary of the public comment analysis:

Theme: Affordability Requirements

This theme consists of comments related to the proposed AHI affordability requirements such as the Area Medium Income requirements and the for rent/ownership options.

- Staff received a total of 146 comments regarding affordability requirements. 97 of the comments suggested recommendations, 47 voiced opposition, 3 voiced support, and 31 included questions.

Theme: Lack of Infrastructure/utilities

This theme consists of comments related to the City's infrastructure, and utilities such as water supply, street capacity, and utility lines.

- Staff received a total of 58 comments regarding City infrastructure and utilities. 16 of the comments suggested recommendations, 48 voiced opposition, and 5 included questions.

Theme: Transportation Infrastructure

This theme consists of comments related to the proposed AHI parking requirements, transportation regulations, and the City's transportation infrastructure.

- Staff received a total of 242 comments regarding transportation infrastructure. 127 comments suggested recommendations, 141 voiced opposition, 18 voiced support and 16 included questions.

Theme: Density, unit type, and size

This theme consists of comments related to housing typologies, densities, unit type, size, and mix.

- Staff received a total of 318 comments regarding density, and unit type and size. 138 comments suggested recommendations, 121 voiced opposition, 81 voiced support and 13 included questions.

Theme: Enforcement

This theme consists of comments related to the AHI proposed enforcement regulations such as deed restrictions, monitoring, and enforcement methods.

- Staff received 64 comments regarding enforcement. 19 of the comments suggested recommendations, 42 voiced opposition, 1 voiced support and 15 included questions.

Theme: Design and Compatibility

This theme consists of comments regarding proposed AHI design standards, open space requirements, and architectural compatibility considerations.

- Staff received 122 comments regarding design and compatibility. 89 of the comments suggested recommendations, 35 voiced opposition, 4 voiced support and 3 included questions.

Theme: Neighborhood Impacts

This theme consists of comments regarding the potential impacts the AHI could have on the City's neighborhoods.

- Staff received 308 comments regarding neighborhood impacts. 96 of the comments suggested recommendations, 215 voiced opposition, 36 voiced support and 10 included questions.

Theme: Historic District

This theme consists of comments regarding the AHI could have on Historic Districts and properties.

- Staff received 56 comments regarding historic districts and properties. 17 of the comments suggested recommendations, 40 voiced opposition, and 10 included questions.

Theme: Zoning

This theme consists of comments regarding zoning regulation such as land use, and development standards.

- Staff received 220 comments regarding zoning. 93 of the comments suggested recommendations, 68 voiced opposition, 63 voiced support and 27 included questions.

Theme: Housing Policies

This theme consists of comments regarding housing policies such as homelessness, pilot programs, ADU regulations etc.

- Staff received 78 comments regarding housing policies. 34 of the comments suggested recommendations, 26 voiced opposition, 19 voiced support and 6 included questions.

Theme: Outside of Project Scope

This theme consists of comments related to topics outside of the scope of the AHI such as rent caps, wages, and the mandate of affordable housing construction.

- Staff received 206 comments regarding topics outside of the scope of the AHI. 194 of the comments suggested recommendations, 21 voiced opposition, 2 voiced support, and 8 included questions.

Theme: Public Outreach

This theme consists of comments related to the AHI public outreach process and methods.

- Staff received 48 comments regarding public outreach. 24 of the comments suggested recommendations, 14 voiced opposition, 3 voiced support and 15 included questions.

Theme: Climate Impacts

This theme consists of comments related to climate change and climate events such as wildfires and precipitation.

- Staff received 17 comments regarding climate change. 4 of the comments suggested recommendations, 9 voiced opposition, 2 voiced support and 4 included questions.

Theme: General Comments

This theme includes comments that generally stated opposition, support and general statements related to affordable housing.

- Staff received 195 comments regarding general comments. 79 of the comments suggested recommendations, 40 voiced opposition, 24 voiced support, 22 included questions, and 46 included general statements.

Theme: Multiple Themes

This theme notes the number of comments that addressed multiple themes.

- Staff received a total of 518 comments which addressed multiple comment themes.

Affordable Housing Overlay Comments - Through July 2022

Summary of Themes and Tenor

Counts and Tenor

Comment Themes	1- Opposed	2- Support	3-Questions	4- Recommendations	X - General Comments	Total Comments within Theme
Affordability Requirements	47	3	31		97	146
Lack of Infrastructure/utilities	48	0	5		16	58
Transportation Infrastructure	141	18	16		127	242
Density, unit type and size	121	81	13		138	318
Enforcement	42	1	15		19	64
Design and Compatibility	35	4	3		89	122
Neighborhood Impacts	215	36	10		96	308
Historic District	40	0	10		17	56
Zoning	68	63	27		93	220
Housing Policies	26	19	6		34	78
Outside of Project Scope	21	2	8		194	206
Public Outreach	14	3	15		24	48
Climate Impacts	9	0	2		4	17
General Comments	40	24	22		79	46
Multiple Themes						518

TOTAL OF 1100 COMMENTS

ATTACHMENT F: Analysis of Standards

ZONING TEXT AMENDMENTS

21A.50.050: A decision to amend the text of this title or the zoning map by general amendment is a matter committed to the legislative discretion of the city council and is not controlled by any one standard. In making a decision to amend the zoning map, the City Council should consider the following:

1. Whether a proposed text amendment is consistent with the purposes, goals, objectives, and policies of the city as stated through its various adopted planning documents;

Plan Salt Lake

Plan Salt Lake is the adopted City vision document. It establishes citywide values, principles, and initiatives that are intended to guide the decision-making process for a number of different topics, including the manner in which the City addresses growth. The following guiding principles and initiatives are related to and consistent with the proposed zoning amendments:

Growth:

Guiding Principle: Growing responsibly, while providing people with choices about where they live, how they live, and how they get around.

Initiatives:

- Locate new development in areas with existing infrastructure and amenities, such as transit and transportation corridors.
- Encourage a mix of land uses.
- Promote infill and redevelopment of underutilized land.
- Accommodate and promote an increase in the City's population.
- Work with regional partners and stakeholders to address growth collaboratively.

Housing

Guiding Principle: Access to a wide variety of housing types for all income levels throughout the City, providing the basic human need for safety and responding to changing demographics."

Initiatives

- Ensure access to affordable housing citywide (including rental and very low income).
- Increase the number of medium density housing types and options.
- Encourage housing options that accommodate aging in place.
- Direct new growth toward areas with existing infrastructure and services that have the potential to be people oriented.
- Enable moderate density increases within existing neighborhoods where appropriate.
- Promote energy efficient housing and rehabilitation of existing housing stock.
- Promote high-density residential in areas served by transit.

Transportation and Mobility

Guiding Principle: A transportation and mobility network that is safe, accessible, reliable, affordable, and sustainable, providing real choices and connecting people with places.

Initiatives

- Create a complete circulation network and ensure convenient equitable access to a variety of transportation options by:
 - Having a public transit stop within 1/4 mile of all residents.
- Encourage transit-oriented development (TOD).

Growing SLC

Growing SLC is the city's housing plan. It outlines strategies for long-term affordability and preservation that continues to enhance neighborhoods while balancing their unique needs. It includes policies to address the city's need for affordable housing.

This proposal is consistent with several goals, objectives, and policies in Growing SLC:

Goal 1: Reform City practices to promote a responsive, affordable, high-opportunity housing market.

- Objective 1: Review and modify land-use and zoning regulations to reflect the affordability needs of a growing, pioneering city.
 - Develop flexible zoning tools and regulations, with a focus along significant transportation routes.
 - Develop in-fill ordinances that promote a diverse housing stock, increase housing options, create redevelopment opportunities, and allow additional units within existing structures, while minimizing neighborhood impacts.
 - Reduce parking requirements for affordable housing developments and eliminate parking requirements in transit-rich, walkable neighborhoods or when the specific demographics of a development require less parking, such as senior populations.
- Objective 2: Remove impediments in City processes to encourage housing development.
 - 1.2.1 Create an expedited processing system to increase City access for those developers constructing new affordable units.

Goal 2: Affordable Housing: Increase Housing Opportunities and Stability for Cost-Burdened Households

- 2.1.2 Consider an ordinance that would require and incentivize the inclusion of affordable units in new developments.

Goal 3: Equitable & Fair Housing: Build a More Equitable City

- Objective 2: Align resources and invest in strategic expansion of opportunity throughout all neighborhoods of the city and access to existing areas of opportunity
 - Make strategic affordable housing investments in high opportunity neighborhoods.
 - Support diverse and vibrant neighborhoods by aligning land use policies that promote a housing market capable of accommodating residents throughout all stages of life.

The proposed changes are consistent with City purposes, goals, and policies. See detailed responses in Key Consideration 1.

2. Whether a proposed text amendment furthers the specific purpose statements of the zoning ordinance.

21A.02.030 Purpose and Intent

The purpose of the zoning ordinance “is to promote the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Salt Lake City, to implement the adopted plans of the city, and to carry out the purposes of the municipal land use development and management act, title 10, chapter 9, of the Utah Code Annotated or its successor, and other relevant statutes.”

The purposes of the zoning ordinance also states the title is intended to:

- Lessen congestion in the streets or roads
- Classify land uses and distribute land development and utilization
- Foster the City's industrial, business and residential development

The proposed amendments to incentivize affordable housing meet the purpose and intent of the zoning ordinance as excerpted.

The proposed amendments implement the adopted master plans listed above in 1, which furthers a purpose of the zoning ordinance.

3. Whether a proposed text amendment is consistent with the purposes and provisions of any applicable overlay zoning districts which may impose additional standards;

The proposed text amendment creates a Zoning Incentives chapter. The Affordable Housing Incentives are proposed for this chapter and additional incentives may be added. Many overlay districts apply in zoning districts affected by this proposal. This includes the following overlay districts:

- 21A.34.020: H Historic Preservation Overlay District
- 21A.34.030: T Transitional Overlay District
- 21A.34.040: AFPP Airport Flight Path Protection Overlay District (primarily Zones C and H)
- 21A.34.060: Groundwater Source Protection Overlay District
- 21A.34.080: CHPA Capitol Hill Protective Area Overlay District
- 21A.34.090: SSSC South State Street Corridor Overlay District
- 21A.34.110: DMSC Downtown Main Street Core Overlay District
- 21A.34.120: YCI Yalecrest Compatible Infill Overlay District
- 21A.34.130: RCO Riparian Corridor Overlay District
- 21A.34.150: IP Inland Port Overlay District (limited to CG properties on 5600 W)

The proposed amendments would be limited by additional standards in many of these overlay zoning districts. The base and overlay districts may provide additional standards and restrictions than provided for in these incentives.

Specifically, there has been discussion regarding the Historic Preservation Overlay District, Historic Landmarks, and the impact of the proposed AHI. The AHI would not change the historic standards, guidelines, or processes applicable to properties that are in local historic districts or are local landmark sites. Properties that are in National Register Historic Districts or are individually listed on the National Register are not subject to the city's historic regulations. Units could be added to existing properties with additions or new construction.

4. The extent to which a proposed text amendment implements best current, professional practices of urban planning and design.

The proposed text amendments support Sustainability, Equity, Growth, and Opportunity. In recent years, lack of affordable housing and increasing housing prices have become an issue in Salt Lake City, throughout the Wasatch Front and across the country. Increasing prices for rental and ownership housing, historically low number of

days on market in for sale housing, and historically low vacancy rates in rental housing indicate that additional housing is needed in Salt Lake City and beyond. This was discussed on pages 6-7 in the [original Affordable Housing document from 2022](#).

There have been changes in the market over the past year. For ownership units, prices have not continued to increase at the same rate as in previous years. However, interest rates have increased, and the monthly payment for a property of a similar value is greater than early 2022. See the Kem C. Gardner Policy Institute [Policy Brief: Housing Prices and Affordability](#) from February 2023 for more information. For renters, a February 2023 fact sheet from the Kem C. Gardner Policy Institute on [Utah's Rental Market](#) indicates the average apartment rent for Salt Lake County increased 37.1% from 2016-2021 while incomes increased by 18.5%. In Salt Lake County, 46% of renters are cost burdened, spending more than 30% of their income on housing, which is higher than the national average of 40%.

In October 2021 [Salt Lake County](#) and partners hosted a Regional Solutions Event with Daniel Parolek, of Opticos Design, who created the concept of “Missing Middle Housing” to discuss the concept and how it could address Utah’s housing needs. “Missing Middle Housing” is “a range of house-scale buildings with multiple units—compatible in scale and form with detached single-family homes—located in a walkable neighborhood.” ([MissingMiddleHousing.com](#)) Many aspects of the proposed text amendments permit and incentivize middle housing types and options. The County also prepared reports on housing highlighting the gap between new households and new homes, suggesting middle housing as an opportunity to fill the gap.

The Kem C. Gardner Institute issued a paper in December 2020 entitled, “[Housing Affordability: What Are Best Practices and Why Are They Important?](#)” that included making changes to zoning as a best practice. It identified that zoning can “Provide a Powerful Policy Tool to Increase the Supply of Housing” and that through higher density housing or upzoning communities could add more housing and respond to changing market preferences for housing types other than single-family homes. This could also reduce spatial concentrations of moderate- and low-income households of color and provide greater economic efficiencies for households and government. It also references the initial “Affordable Housing Overlay” approach initiated with this project. The name change reflects the location of the proposed provisions in the city’s zoning code, but the substance of the proposal is similar. The differences have been outlined in the staff report and are further detailed in the specific language in Attachment A and the narrative document (Attachment D).

Of the five recommendations in the March 2022 article in *Planning*, the magazine for the American Planning Association, entitled “[5 Practical Zoning Hacks for Missing Middle Housing](#)”, the affordable housing incentives proposal includes aspects of all five, plus includes requirements for affordable units. The five recommendations are as follows:

- Reduce minimum lot size
- Allow for more housing types and revisit structure sizes
- Level the playing field for smaller units (more density doesn’t always mean bigger buildings)
- Reduce or eliminate parking minimums
- Allow missing middle housing everywhere (if possible)

ATTACHMENT G: Summary of Proforma and Scenario Analyses

LIHTC	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				50% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
	LIHTC project		225	0.9375	D-2	\$8M / \$196psf / \$35.5k/door	36	96	48								9	24	12			1.14/\$577,668	4.29%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sources		
	20% units @ 50% AMI, with 1 floors above max height		255			\$8M / \$196psf / \$31,3k/door	40	109	54										11	27	14			1.14/\$664,864	4.32%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sources
	20% units @ 50% AMI, with 2 floors above max height		285			\$8M / \$196psf / \$28k/door	45	122	60										12	30	16			1.15/\$753,879	4.44%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sources
	20% units @ 50% AMI, with 3 floors above max height		315			\$8M / \$196psf / \$25.4k/door	50	135	66										13	33	18			1.15/\$842,894	4.51%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sources
20% units @ 50% AMI, with 3 floors above max height		300	\$8M / \$196psf / \$26.6k/door			48	128	64										12	32	16			1.15/\$800,763	4.40%	4% Tax Credits, \$3M in subsidized gap debt assumed from State, County and City Sources	
Market	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				30% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
		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		
5% @ 30%	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				30% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
	Market Rate Project, same project as above		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		
	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, parked .88 stalls/unit
	5% units @ 30% AMI, with 2 floor above max height		285			\$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
	5% 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
5% 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 at street	
5% @ 60% 2bds	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				60% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
	Market Rate Project, same project as above		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		
	5% units @ 60% AMI, All 2s, with 1 floor above max height		255			\$8M / \$196psf / \$31,3k/door	51	136	55														1.35/\$1.592M	4.93%	Same basic leverage and loan, parked .88 stalls/unit	
	5% units @ 60% AMI, All 2s, with 2 floors above max height		285			\$8M / \$196psf / \$28k/door	57	152	61														1.35/\$1.769M	5.01%	Same basic leverage and loan, parked .79 stalls/unit	
	5% units @ 60% AMI, All 2s, with 3 floors above max height		315			\$8M / \$196psf / \$25.4k/door	63	168	68														1.35/\$1.949M	5.09%	Same basic leverage and loan, parked .71 stalls/unit	
5% units @ 60% AMI, All 2s, with 3 floors above max, add'l park		300	\$8M / \$196psf / \$26.6k/door			60	160	65														1.35/\$1.860M	4.96%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units at street		
20% @ 80%	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				60% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
	Market Rate Project, same project as above		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		
	20% units @ 80% AMI, with 1 floor above max height		255			\$8M / \$196psf / \$31,3k/door	40	109	54														1.35/\$1.563M	4.81%	Same basic leverage and loan, parked .88 stalls/unit	
	20% units @ 80% AMI, with 2 floor above max height		285			\$8M / \$196psf / \$28k/door	45	122	60														1.35/\$1.738M	4.89%	Same basic leverage and loan, parked .79 stalls/unit	
	20% units @ 80% AMI, with 3 floors above max height		315			\$8M / \$196psf / \$25.4k/door	48	128	64														1.35/\$1.912M	4.96%	Same basic leverage and loan, parked .71 stalls/unit	
20% units @ 80% AMI, with 3 floors above max height, add'l park		300	\$8M / \$196psf / \$26.6k/door			48	128	64														1.35/\$1.827M	4.84%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units at street		
10% @ 60%	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				60% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
	Market Rate Project, same project as above		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		
	10% units @ 60% AMI, with 1 floor above max height		255			\$8M / \$196psf / \$31,3k/door	46	122	61										5	14	7			1.35/\$1.565M	4.84%	Same basic leverage and loan, parked .88 stalls/unit
	10% units @ 60% AMI, with 2 floors above max height		285			\$8M / \$196psf / \$28k/door	51	137	68										6	15	8			1.35/\$1.741M	4.92%	Same basic leverage and loan, parked .79 stalls/unit
	10% units @ 60% AMI, with 3 floors above max height		315			\$8M / \$196psf / \$25.4k/door	56	152	75										7	16	9			1.35/\$1.916M	4.99%	Same basic leverage and loan, parked .71 stalls/unit
10% units @ 60% AMI, with 3 floors above max height, add'l park		300	\$8M / \$196psf / \$26.6k/door			54	144	72										6	16	8			1.35/\$1.830M	4.87%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units at street	
10% @ 80% 2s	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				60% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
	Market Rate Project, same project as above		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		
	10% units @ 80% AMI. All 2s, with 1 floor above max height		255			\$8M / \$196psf / \$31,3k/door	51	136	42														1.35/\$1.588M	4.91%	Same basic leverage and loan, parked .88 stalls/unit	
	10% units @ 80% AMI. All 2s, with 2 floors above max height		285			\$8M / \$196psf / \$28k/door	57	152	47														1.35/\$1.766M	4.99%	Same basic leverage and loan, parked .79 stalls/unit	
	10% units @ 80% AMI. All 2s, with 3 floors above max height		315			\$8M / \$196psf / \$25.4k/door	63	168	52														1.35/\$1.945M	5.07%	Same basic leverage and loan, parked .71 stalls/unit	
10% units @ 80% AMI. All 2s, with 3 floors above max, add'l park		300	\$8M / \$196psf / \$26.6k/door			60	160	50														1.35/\$1.856M	4.94%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units at street		
5% @ 80% 3s	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value	Market Rate				80% AMI				60% AMI				DCR/ Stabilized Cash Flow	ROC	Notes					
							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					
	Market Rate Project, same project as above		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		
	5% units @ 80% AMI. All 3s, with 1 floor above max height		255			\$8M / \$196psf / \$31,3k/door	51	123	42														1.35/\$1.640M	4.99%	Same basic leverage and loan, parked .88 stalls/unit	
	5% units @ 80% AMI. All 3s, with 2 floors above max height		285			\$8M / \$196psf / \$28k/door	57	137	76														1.35/\$1.825M	5.07%	Same basic leverage and loan, parked .79 stalls/unit	
	5% units @ 80% AMI. All 3s, with 3 floors above max height		315			\$8M / \$196psf / \$25.4k/door	63	152	84														1.35/\$2.008M	5.15%	Same basic leverage and loan, parked .71 stalls/unit	
5% units @ 80% AMI. All 3s, with 3 floors above max, add'l park		300	\$8M / \$196psf / \$26.6k/door			60	145	80														1.35/\$1.916M	5.02%	Same basic leverage and loan, parked 1:1 (third added level is a parking level with units at street		

*120' is max height permitted

*Assume current land values

*Assume current market rents for the neighborhood

*Fill or modify headers as applicable

* 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

LIHTC	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				50% AMI				DCR/ Stabilized Cash Flow	ROC	Notes
	Mixed Income 4% LIHTC project, 20% of units @ 50% AMI		135	0.9375	Various	\$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 Sources	
	4% LIHTC 20% units @ 50% AMI, with 1 floor above max height		165			\$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 Sources	
Market																						
	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				30% AMI				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	
5% @ 30%	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				30% AMI				DCR/ Stabilized 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			\$6.3M / \$154psf / \$38.1k/door		31	83	42					2 5 2				1.35/\$917,421	5.48%	Same basic leverage and loan, parked .45 stalls/unit	
5% @ 60%	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				60% AMI				DCR/ Stabilized 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 @ 60% AMI, All 2s, with 1 floor above max height		165			\$6.3M / \$154psf / \$38.1k/door		33	88	35					9				1.35/\$1.015M	5.68%	Same basic leverage and loan, parked .45 stalls/unit	
20% @ 80%	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				60% AMI				DCR/ Stabilized 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	
	20% units @ 80% AMI, with 1 floor above max height		165			\$6.3M / \$154psf / \$38.1k/door		27	70	35	6 18 9								1.35/\$913,021	5.42%	Same basic leverage and loan, parked .45 stalls/unit	
10% @ 60%	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				60% AMI				DCR/ Stabilized 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	
	10% units @ 60% AMI, with 1 floor above max height		165			\$6.3M / \$154psf / \$38.1k/door		30	79	39					3 9 5				1.35/\$1.005M	5.61%	Same basic leverage and loan, parked .45 stalls/unit	
10% @ 80% 2s	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				60% AMI				DCR/ Stabilized 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	
	10% units @ 80% AMI. All 2s, with 1 floor above max height		165			\$6.3M / \$154psf / \$38.1k/door		33	88	27	17								1.35/\$1.010M	5.82%	Same basic leverage and loan, parked .45 stalls/unit	
5% @ 80% 3s	Scenarios		# of Units	Lot Size (acres)	Zoning	Land Value		Market Rate				80% AMI				60% AMI				DCR/ Stabilized 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 @ 80% AMI. All 3s, with 1 floor above max height		165			\$6.3M / \$154psf / \$38.1k/door		51	123	42	13								1.35/\$917,421	5.48%	Same basic leverage and loan, parked .45 stalls/unit	

*Assume current land values
*Assume current market rents for the neighborhood
*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	# of Units	Lot Size (acres)	Zoning	Land Value	Average 43% AMI			DCR/ Stabilized Cash Flow
					Studio	3 BR	4 BR	
LIHTC project (9%)	80	1	TSA-UN-T	\$1.8M	45	25	10	1.15
Same project as above, with 1 floor above max height (AHI)	97				55	30	12	*
Same project as above, with 2 floors above max height (AHI)	114*				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.

Scenarios	# of Units	Lot Size (acres)	Zoning	Land Value	Permanent Supportive Housing		DCR/ Stabilized Cash Flow
					Studio = 39% AMI	1 BR = 50% AMI	
Project with existing zoning requirements	22	0.9	RMF-35	We don't have a current appraisal for this parcel. When the project was done, we paid \$1M for land	10	12	1.25
LIHTC project (9%) - with allowances by incentives	53				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	# of Units	Lot Size (acres)	Zoning	Market Rate Units				Affordable Units (50% AMI)			
					Studio	1 BR	2 BR	3 BR	Studio	1 BR	2 BR	3 BR
Avia (The Exchange)	LIHTC project (4%)	286	1	TSA-UN-C	25	138	51	15	6	34	13	4
	Same project as above, with 1 floor above max height (AHI)	326			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

	# of Units	Lot Size (acres)	Zoning	Land Value	Unit Size	For Sale Product, 80% AMI								For Rent Product										
						Market Rate			80% AMI			Profit	Market Price	80% AMI Price	Market Rate			80% AMI			NOI	Value	Monthly Rent Market	Monthly Rent 80% AMI
						2 BR	3 BR	4 BR	2 BR	3 BR	4 BR				2 BR	3 BR	4 BR	2 BR	3 BR	4 BR				
Scenario #1: Lower land value/Sales price neighborhood																								
Single-family Detached without AHI	1	0.15	R-1/7,000	\$185,000	2,800 sq ft + 2 car garage			1				\$ (109,043)	\$500,000	NA			1				\$20,850	\$463,333	\$2,500	NA
Duplex with AHI	2	0.15	R-1/7,000	\$185,000	1,500 sq ft each		1			1		\$ (35,693)	\$450,000	\$350,000		1			1		\$37,852	\$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		\$48,808	\$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		\$ (75,150)	\$450,000 (x2)	\$300,000 (x2)		2			2		\$79,704	\$1,771,191	\$2,300	\$2,130
Scenario #2 Higher land value/Sales price neighborhood																								
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		\$63,172	\$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		(\$7,610)	\$660,000 (x2)	\$350,000 (x2)		2			2		\$85,964	\$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

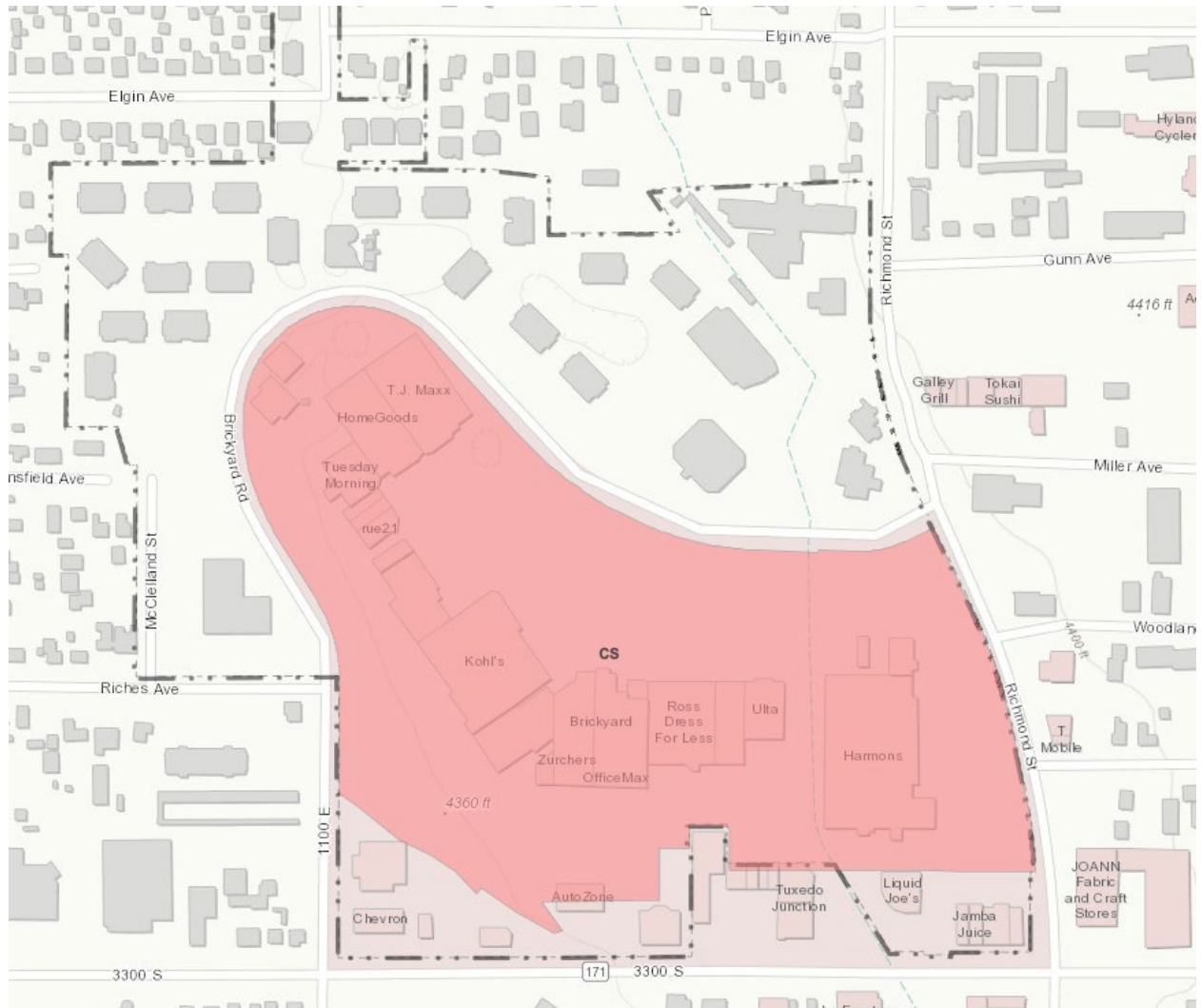
4.5% Cap rate for all

ATTACHMENT H: Zoning Maps and Graphics

Attachment H.1 CS Zoning Districts



CS (Community Shopping) – Trolley Square area



CS (Community Shopping) – Brickyard

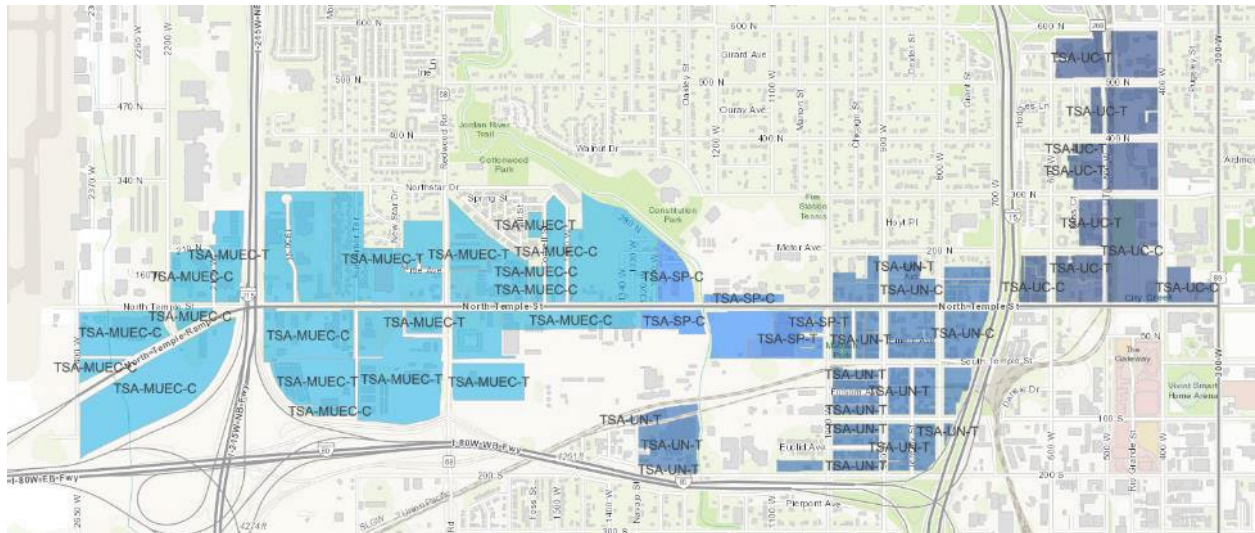


CS (Community Shopping) – Foothill Village

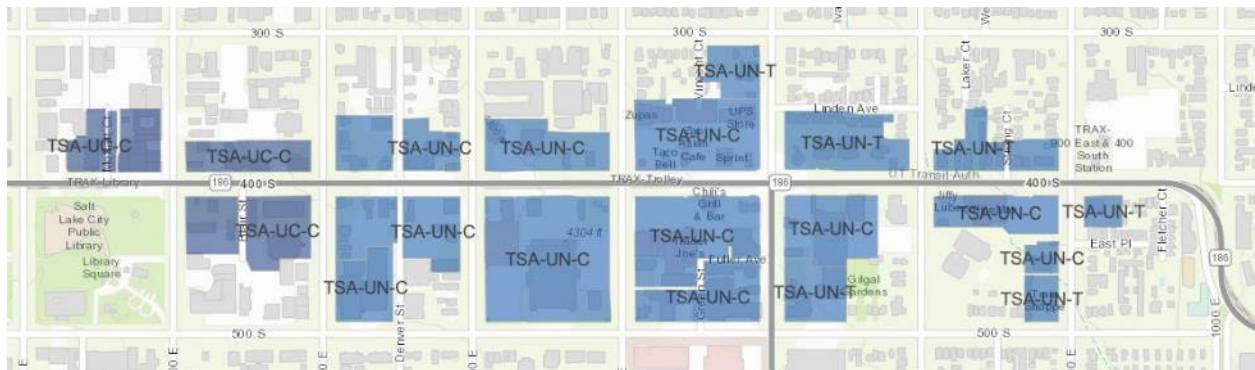


CS (Community Shopping) – Lucky Grocery area

Attachment H.2 Locations of TSA Zoning Districts

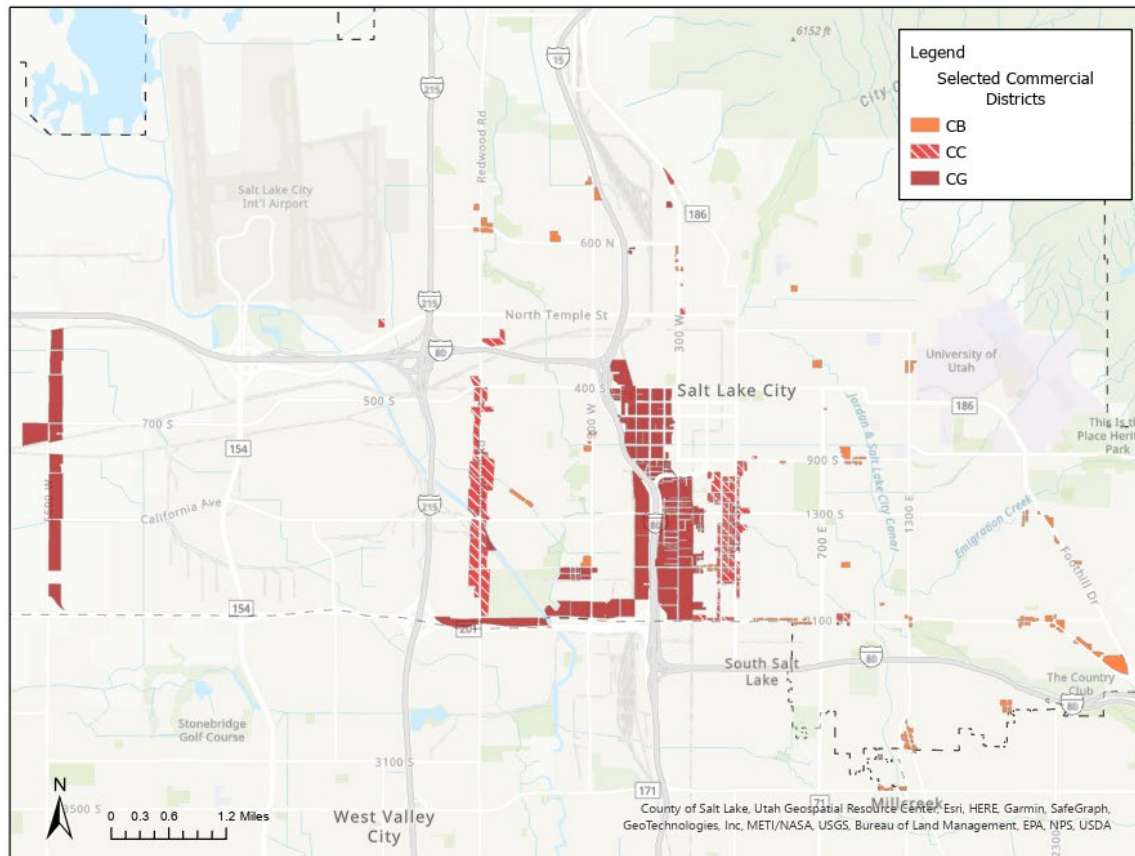


TSA (Transit Station Area) Zoning Districts – North Temple



TSA (Transit Station Area) Zoning Districts – 400 South

Attachment H.3 Selected Commercial Districts



Attachment H.4 Locations of RMF Zoning Districts

