

AFFORDABLE HOUSING INCENTIVES

SUMMARY OF COMMENTS



The following items are the result of internal review and public input received through the May 11, 2022 Planning Commission meeting. The Planning Division has been, and will continue to, review the issues to provide adequate analysis and options for the decision makers as the proposal moves through the adoption process.

Affordable Housing Incentive Content: The Planning Division is working on several zoning text amendments. This proposal does not have specific language related to other proposals including shared housing, the 2019 RMF-30 proposal, or accessory dwelling units.

The incentives have been developed to work with the existing code and the proposed changes related to the housing issues facing the city.

Income Required and Percentage of Affordable Units: Staff will further research the feasibility of targeting the incentives to lower incomes and requiring additional units to be affordable. This will include incomes below 80% AMI and the Wasatch Tenants United request of providing 50% of units at 30% AMI.

The goal will be to set the AMI at the lowest rate possible for the incentives to work. If the incentives are set low, it may result in a need for increased financial off sets.

Housing Vouchers: Staff will research the housing voucher program and if the incentives can be targeted to benefit voucher recipients.

Restrictive Covenant and Enforcement: The proposal would place a restrictive covenant on properties that use the proposed incentives. The basic language for this was included in the draft language and will be revised. It is possible that the enforcement requirements could be established through an agreed contract between the city and an applicant. This is essentially a contract that could spell out everything that is required by the applicant including the terms associated with the development, reporting requirements to track compliance, and penalties for violating the agreement. **The proposed ordinance would identify the requirements that must be included in a contract.** Key points include the following:

- Enforcement: The penalties may be modified from the existing language. Staff will recommend including a contract between the city and property owner that will identify penalties and enforcement and how the contract could be enforced.
- There are several items that are being researched by staff. Modifications to address this may include the following or a variation of the following:

For Sale Housing

- *The city will have a first option on future sales to ensure that the housing unit remains affordable.*

- Appreciation will be limited to a specific percentage to ensure that the unit remains affordable.
- Owners will need to meet income and asset requirements at the time of purchase.
- Annual reporting on ownership will be required.

For Rent Housing

- The city will require annual reporting from the owner on all residents of each affordable unit, incomes, and the rent charged.
- 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. This will be coordinated with other affordable housing programs, including the most popular the Low-Income Housing Tax Credit (LIHTC) program.

Short-term Rentals: State Law (17-50-338) limits the ability of the city to enforce on short-term rentals. The city cannot solely rely on website listings. The city has issued zoning violations for properties and has enforced on some properties.

Due to the restrictions, it has been a lengthy process. Using a contract that the owner and the city agree to could include provisions for prohibiting short term rentals on properties that utilize the incentive program.

Public Infrastructure: 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 do not have adequate capacity for new housing unit, a developer is required to increase the capacity. This is similar for other utilities like electricity.

Water Supply: The city plans for future growth in various master plan documents. **The Public Utilities Department will determine the amount of water available for all future development.** Staff will have a follow up discussion regarding the proposal and its relationship to the water supply with Public Utilities prior to the Planning Commission making a recommendation to the City Council.

Additional Housing Types in Single- and Two-family Zoning Districts: Based on the amount of feedback on the proposal for additional housing types (2-4 family units, townhouses in groups of 3-4, and multiple buildings on a property) staff will develop alternatives to present to the Planning Commission. **These will include a feasibility analysis to determine the likelihood of the incentives being used based on current land costs.**

Proximity to Transit Requirement for Single- and Two-Family Zoning Districts: The proposal included permitting additional housing types in single- and two-family zoning districts that were within ¼ mile of high frequency transit, which included bus and rail service.

Due to the number recent changes to bus routes, this part of the proposal would likely be difficult to administer, and staff will develop alternatives to present to the Planning Commission. An option that may be included is allowing the incentives to be used regardless of proximity to transit.

NEXT STEPS

The Planning Division will continue to work on addressing the issues identified above. Any proposed changes based on responding to the Planning Commission will be brought back to the Planning Commission at a future date, likely at the end of the summer, to discuss and get direction on the options. The potential options will also be subject to additional public input for a yet to be determined period. **After the public engagement is complete, a final recommendation will be presented to the Planning Commission. The PC will then determine what recommendation to forward to the City Council.**

PROJECT TIMELINE



ADDITIONAL INFORMATION

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