

# 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.*

### 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. This proposal is for affordable housing incentives. The goal is to increase deed restricted affordable housing units for those with incomes at or below 80% of the area median income (\$73,750 for a family of four in 2021).

Other proposed and upcoming zoning changes would 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.

### PROJECT BACKGROUND

In the past few years, and with increasing frequency, city plans, studies, and news articles have highlighted affordability concerns in Salt Lake City and across the Wasatch Front.

The median sale price in 2015 for all home types in Salt Lake City was \$259,000. Since then it has increased 86% to \$481,750 in September 2021 (UtahRealEstate.com). Rental rates in the Salt Lake MSA (Salt Lake and Tooele Counties) have had less of an increase, up 48%, from \$1,089 in September 2015 to \$1,545 in September 2021 (Zillow, Metro ZORI). The greatest year over year increase is the past year at 17%.

### 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 deed restriction or covenant on the property for the units to be made available to qualifying households. The ordinance could apply to rental housing units and for sale units.

This document summarizes the proposal. See more information at <https://www.sl.gov/planning/2022/01/26/affordable-housing/>

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

- Permit additional height – generally between 1-3 stories (approximately 10' per story), depending on the zone in various zoning districts that permit multifamily housing.
- Rental proposals that wanted to use this incentive would require affordable units that met the following characteristics:
  - 20% of units are restricted to those with an income at or below 80% AMI;
  - 10% of units are restricted to those with an income at or below 60% AMI; or
  - 10% of units are restricted to those with an income at or below 80% AMI when the affordable units have two or more bedrooms.

### Residential Multifamily Zoning Districts

- Remove the density requirements in the RMF zoning districts, if the proposal met one of the three categories below:
  - 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.
- Allow for up to a 25% reduction in side and rear yards.
- 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.

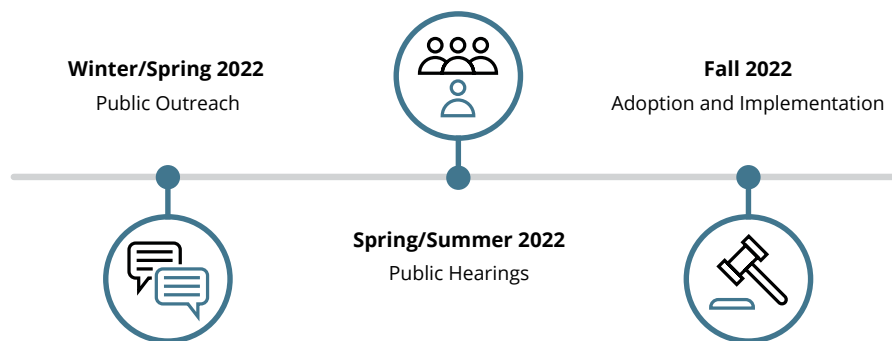
### Single- and Two-family Zoning Districts

- Allow additional building types in some areas of single- and two-family zoning districts provided 50% of the units would be affordable to those with incomes at or below 80% AMI.
- Allow townhouses, 3-4 unit buildings, and cottage developments on parcels that are currently zoned for single- or two-family homes and are located within 1/4 mile of high-frequency transit or are located adjacent to arterial streets. 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 residences.
- Allow modifications or reductions to lot area, lot width, setbacks/yards, and building coverage in the single- and two-family zoning districts to enable or simplify the development of property.

### Other Incentives

- Proposals in the GMU (Gateway Mixed Use) and CS (Community Shopping) zoning districts require a Planned Development. This would be waived when affordable housing is provided with at least 20% of units affordable and available to those with an income of up to 80% AMI.
- Allow single-family and single-family attached housing on Institutional zoned land. Future zoning amendments may be considered to allow multifamily housing. These units would be deed restricted such that 20% of units are affordable to those with an income at or below 80% AMI.
- 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. This would require that the units are deed restricted such that 20% of units are affordable to those with an income at or below 80% AMI.

## PROJECT TIMELINE



## ADDITIONAL INFORMATION

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