



# COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

**TO:** City Council Members

**FROM:** Ben Luedtke & Nick Tarbet  
Policy Analysts

**DATE:** September 19, 2017

**RE: **Housing Plan: Growing Salt Lake  
PLNPCM2017-00168****

**Item Schedule (for 2017):**

1<sup>st</sup> Briefing: September 19  
Set Date: September 19  
2<sup>nd</sup> Briefing: October 3  
Public Hearings: Oct. 17 & Nov 21  
Potential Action: November 28

## ISSUE AT-A-GLANCE

Affordable Housing has been identified as a Council priority in 2016 and 2017. The goal is to create more affordable housing for all income levels, with specific focus on creating affordable units for individuals at or below the poverty level. The proposed "Growing SLC: A Five Year Housing Plan" provides action steps to implement the previously adopted policy guiding documents in Plan Salt Lake (*adopted December 2015*) and the Salt Lake City Comprehensive Housing Policy (*adopted March 2016*).

This proposed implementation plan will lead to the creation of more affordable housing, identifying funding sources that can help fill the financial gaps in order to create more affordable housing, and identifying which City ordinances and policies should be changed to eliminate roadblocks to creating more housing opportunities.

In considering the affordable housing plan, the Council must do it in the context of other adopted policies and objectives looking at housing as a whole, and how housing changes occur in the context of the overall neighborhood. Staff has attached the relevant policy documents for the Council's consideration, as much of the staff work is looking at the Growing SLC Plan in the context of these documents. If this Council has differing policy guidance that is not included in these documents, please let staff know.

### Attachments:

1. Plan Salt Lake, Adopted December 2015
2. Salt Lake City Comprehensive Housing Policy, Adopted March 2016

## POLICY QUESTIONS

1. The Council may consider the following as a discussion points:
  - a. The Council may wish to consider holding a values/"balancing tests" conversation relating to each goal, to identify areas that might need policy refinement prior to adoption of the Growing SLC Plan. Staff has provided a summary of Council's housing interest and values (pages 2-4 under Background Information). The Council could use these as a starting point and confirm or revise them.
  - b. Review the implementation steps of the Growing SLC and confirm or provide feedback.



2. Would the Council like to further refine previous policy statements (Housing Policy, Plan Salt Lake, attached) given recent discussion relating to housing interests and values?
3. Would the Council like to discuss which of these goals or objectives might be of primary interest to the Council, and which ones might be considered lower priority?

## **ADDITIONAL INFORMATION**

### **1. Growing SLC: A 5 Year Housing Plan**

The Administration has released Growing Salt Lake: A Five Year Housing Plan for public comment. The Plan identifies three main goals, each of which includes objectives and implementation steps. The Planning Commission reviewed the Plan on April 26 and forwarded a favorable recommendation to City Council.

The Council may wish to review the goals and objectives identified in the Growing SLC and consider discussing the extent to which the goals are consistent with the Council's policy goals.

#### **Goal 1: Increase Housing Options: Reform City practices to promote a responsive, affordable, high-opportunity housing market**

- **Objective 1:** Modernize land-use and zoning regulations to reflect the affordability needs of a growing, pioneering city.
  - 1.1.1 Develop flexible zoning tools and regulations, with a focus along significant transportation routes.
  - 1.1.2 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.
  - 1.1.3 Revise the Accessory Dwelling Unit ordinance to expand its application throughout the city and develop measures to promote its use.
  - 1.1.4 Reduce parking requirements for affordable housing developments and eliminate parking requirements where it makes sense for community and neighborhood development.
- **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.
- **Objective 3:** Lead in the construction of innovative housing solutions.
  - 1.3.1 Lead in the development of new affordable housing types, as well as construction methods that incorporate innovative solutions to issues of form, function, and maintenance.
  - 1.3.2 Establish partnerships with housing industry leaders to construct innovative and affordable developments.
- **Objective 4:** Provide residents, community advocates, business leaders, and elected officials with high-quality data to drive decision-making.
  - 1.4.1 Maintain a public-facing set of housing metrics to provide insight into market characteristics and the performance of regulatory changes that will drive decision making.

#### **Goal 2: Affordable Housing: Increase housing opportunities and stabilization for cost-burdened households**

- **Objective 1:** Prioritize the development of new affordable housing with an emphasis on households earning 40% AMI and below.
  - 2.1.1 Convene a Blue Ribbon Commission for affordable housing comprised of industry experts, advocates, partners, and government entities.

- 2.1.2 Consider an ordinance that would require and incentivize the inclusion of affordable units in new developments.
- 2.1.3 Offer incentives to developers of affordable housing such as land discounts and primary financing options.
- **Objective 2:** Pursue funding for affordable housing opportunities.
  - 2.2.1 Propose a significant, long-term, and sustainable funding source for the development, preservation, and stability of affordable housing.
  - 2.2.2 Pursue legislative change at the state level that would create opportunities for new incentives and revenue sources.
- **Objective 3:** Stabilize very low-income renters.
  - 2.3.1 Work with housing partners and government entities to create an incentivized rent assistance program.
- **Objective 4:** Secure and preserve long-term affordability.
  - 2.4.1 Create an Affordable Housing Community Land Trust.
  - 2.4.2 Work with community partners to acquire hotels and multi-family properties to preserve or redevelop them as affordable housing.
  - 2.4.3 Structure renovation programs to reduce utility, energy, and maintenance costs while promoting healthy living.
- **Objective 5:** Work with landlords to both improve their housing stock and rent to very low-income households
  - 2.5.1 Support and potentially expand incentives for landlords to rent low-income households, including landlord insurance programs.
  - 2.5.2 Enhance neighborhood development programs to entice landlords of substandard properties to improve their rental units.
- **Objective 6:** Increase home ownership opportunities.
  - 2.6.1 Increase funding and marketing for affordable homeownership programs.

**Goal 3: Equitable and Fair Housing: Build a more equitable city**

- **Objective 1:** Eliminate incidences of housing discrimination in Salt Lake City.
  - 3.1.1 Utilize data and evaluation efforts developed by partner organizations about housing discrimination to meet the City’s requirements under the Affirmatively Furthering Fair Housing ruling.
  - 3.1.2 Work with partners to enhance awareness and resources around tenant rights and responsibilities.
- **Objective 2:** Align resources to create areas of opportunity
  - 3.2.1 Align financial resources to increase access to housing in high opportunity areas.
  - 3.2.2 Work with partners at the Kem C. Gardner Policy Institute to produce an updated Opportunity Index assessment as a tool for guiding City investment.
- **Objective 3:** Implement lifecycle housing principles in neighborhoods throughout the city.
  - 3.3.1 Support diverse and vibrant neighborhoods by aligning land use policies that promote a housing market capable of accommodating residents throughout all stages of life.

**2. Summary of Council interests and values for housing in Salt Lake City**

Over the past months, staff has compiled a list of comments and statements that Council Members have made during various briefings, meetings or discussions that can be used to help identify policy goals and objectives.

The Council may wish to review these value statements to determine if the full Council supports them. Based on these values and how they relate to Plan Salt Lake and the Comprehensive Housing Policies, the Council can use this to evaluate how Growing Salt SLC will be a successful implementation tool. Each statement has been linked back to Plan Salt Lake (PSL) and the Comprehensive Housing Policy (CHP) if applicable.

Additionally, when applicable, staff has included the related Goal/Objective from Growing SLC (GSLC) that relates to the statements below.

- a. Maximize limited City funds by leveraging with other affordable housing funds.
  - *CHP: Funding Mechanisms - Increase the housing stock through non-profit and/or for profit partnerships.*
  - *CHP: Funding Mechanisms* Housing development is funded through a combination of private and public funds. The City should continue to use best practices to efficiently fund the development of a variety of housing.
  - *GSLC: Goal 2, Objective 2.1.3: Offer incentives to developers of affordable housing such as land discounts and primary financing options.*
- b. The City should establish a common definition of what leveraging City assets means.
- c. The City should remove barriers and identify tools that will help increase the total housing supply and supply of housing types the private market does not sufficiently provide including three and four bedroom family apartments and middle to low income apartments with rents at or below 80% area median income (AMI).
  - *PSL: Neighborhoods - Support policies that provides people a choice to stay in their home and neighborhood as they grow older and household demographics change.*
  - *CHP: Permitting, Action Item A-expedited review, and B-One stop Shop initiative to streamline permitting process.*
  - *GSLC: Goal 1, Objective 1: Modernize land-use and zoning regulations to reflect the affordability needs of a growing, pioneering city.*
- d. Encourage a balance of affordable / market rate units so that no one project or area of the City has a concentration of affordable units.
  - *PSL: Housing- Ensure access to affordable housing citywide (including rental and very low income).*
  - *CHP: New Development – encourage and incentivize mixed-use projects to include some affordable housing units.*
  - *GSLC: Goal 1: Increase Housing Options: Reform City practices to promote a responsive, affordable, high-opportunity housing market.*
- e. Seek opportunities to educate private developers about affordable housing resources and City processes.
  - *CHP: Marketing and Education - Develop educational programs for developers, community councils, and the public to dispel myths and stereotypes about high density and affordable housing. Topics to be covered in these programs include: density, accessibility and visitability design concepts; affordable housing; and home buyer issues for developers.*

- f. Incentivize incorporating affordable housing into new private and public projects that are in preliminary planning stages.
- *CHP: New Development – encourage and incentivize mixed-use projects to include some affordable housing units.*
  - *GSLC: Goal 1: Increase Housing Options: Reform City practices to promote a responsive, affordable, high-opportunity housing market.*
- g. Encourage mixed income projects throughout the City.
- *PSL: Growth - Locate new development in areas with existing infrastructure and amenities, such as transit and transportation corridors.*
  - *PSL: Growth - Encourage a mix of land uses.*
  - *CHP: New Development - encourage for sale and rental mixed-use and mixed-income projects in areas with established transportation, public infrastructure, and related public services.*
  - *CHP: New Development - Revise the permitted and conditional use tables to reflect a stronger emphasis on mixed-use development and to limit or prohibit uses that are incompatible with the neighborhood.*
  - *GSLC: Goal 1, Objective 1.1.2: 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*
- h. When providing incentives for developments to include affordable units, the ratio of affordable to mixed income should be consistent throughout the city. Projects outside areas of high opportunity should have lower ratios of affordable units.
- *CHP: Affordable Housing - Develop an incentive program for housing developers to provide a percentage of affordable housing as part of their overall development.*
  - *GSLC: Goal 1, Objective 1.1.1: Develop flexible zoning tools and regulations, with a focus along significant transportation routes.*
- i. Rather than focusing on ensuring equitable distribution of affordable housing between the east and west sides, the City should focus on placing affordable housing within areas of high opportunity.
- *PSL: Housing- Ensure access to affordable housing citywide (including rental and very low income).*
  - *CHP: New Development - Incentivize the development of affordable housing throughout the city and require it in specific locations.*
  - *GSLC: Goal 1, Objective 1.1.2: 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*

- j. Affordable housing should be included in transit oriented developments because access to public transit increases access to opportunities and moderate increases in density should be encouraged along transit corridors
  - *PSL: Growth - Locate new development in areas with existing infrastructure and amenities, such as transit and transportation corridors.*
  - *CHP: New Development - Encourage and incentivize mixed-use projects to include some affordable housing units.*
  - *GSLC: Goal 1, Objective 1.1.1: Develop flexible zoning tools and regulations, with a focus along significant transportation routes.*
- k. Innovative parking solutions should be pursued, especially for projects near public transit, in order to bring down construction costs so that more affordable housing units can be built.
  - *CHP: New Development - Provide for realistic parking needs and consideration of transit placement/accessibility for all new development of significant density, especially at neighborhood business nodes and in multi-unit residential developments throughout the city.*
  - *GSLC: Goal 1, Objective 3: Lead in the construction of innovative housing solutions.*
- l. The City should fund and support projects that can be replicated.
  - *GSLC: Goal 1, Objective 3: Lead in the construction of innovative housing solutions.*
- m. Creating affordable housing or converting units to be more affordable should not displacing existing workforce housing.
  - *CHP: New Development - Establish, strengthen and enforce City ordinances mitigating the loss of affordable housing due to development of higher end housing and other facilities.*
- n. The City should establish methods to dedicate and keep housing projects funded all or in part by public funds, affordable as long as possible.
  - *GSLC: Goal 2, Objective 4: Secure and preserve long-term affordability.*
- o. The City should be a welcoming place for people of all incomes and backgrounds; housing policies should assist in the creation of all type of housing and not push people out.
  - *GSLC: Goal 3 Equitable and Fair Housing: Build a more equitable city*

### **3. Summary of Plan Salt Lake and Salt Lake City Comprehensive Housing Policy**

The Council has previously adopted citywide policy documents that addressed housing: Plan Salt Lake (Neighborhoods, Growth and Housing sections) and the Salt Lake City Comprehensive Housing Policy. These documents set the City’s vision for general housing issues and specifically address affordability issues.

The Council may wish to review these documents together with the Growing SLC Housing Plan in order to determine if that plan successfully implements these policy documents.

Below is a short summary of each document. Please see the attachments to view the entire documents for full details.

### **Plan Salt Lake Housing Section (adopted December 2015)**

The Council adopted Plan Salt Lake in December 2015. According to Plan Salt Lake, its purpose “is to create a shared Vision for the future of Salt Lake City for the next 25 years. The Plan outlines the overarching “umbrella” policies related to managing growth and change that are best identified on a citywide level.” (Plan Salt Lake, p4)

The following outlines the Neighborhood, Growth and Housing sections of the plan.

#### **Neighborhoods**

- Guiding Principle - that provide a safe environment, opportunity for social interaction, and services needed for the wellbeing of the community therein.
- 2040 Targets:
  1. community amenities (parks, natural lands, libraries, schools, recreation centers) located within 1/4 mile walking distance of every household
  2. safe neighborhoods - reduction in crime
- Initiatives
  1. Maintain neighborhood stability and character.
  2. Support neighborhoods and districts in carrying out the city’s collective vision.
  3. Create a safe and convenient place for people to carry out their daily lives.
  4. Support neighborhood identity and diversity.
  5. Support policies that provides people a choice to stay in their home and neighborhood as they grow older and household demographics change.
  6. Incorporate artistic elements and support cultural events on a neighborhood scale to reinforce neighborhood character and identity.
  7. Promote accessible neighborhood services and amenities, including parks, natural lands, and schools.
  8. Encourage and support local businesses and neighborhood business districts.
  9. Provide opportunities for and promotion of social interaction.
  10. Improve the usefulness of public rights-of-way as usable public space.
  11. Improve green infrastructure (including parks, natural lands, green-ways, and urban forestry) in neighborhoods by incorporating best management practices for our parks and streetscapes.
  12. Support west side business nodes.

#### **Growth**

- Guiding Principle/ growing responsibly, while providing people with choices about where they live, how they live, and how they get around.
- 2040 Target:
  - Increase salt lake city’s share of the population along the Wasatch front
- Initiatives
  1. Locate new development in areas with existing infrastructure and amenities, such as transit and transportation corridors.

2. Encourage a mix of land uses.
3. Promote infill and redevelopment of underutilized and.
4. Preserve open space and critical environmental areas.
5. Reduce consumption of natural resources, including water.
6. Accommodate and promote an increase in the City's population.
7. Work with regional partners and stakeholders to address growth collaboratively.
8. Provide access to opportunities for a healthy lifestyle (including parks, trails, recreation, and healthy food).

## **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.
- 2040 Targets:
  1. Increase Diversity Of Housing Types For All Income Levels Throughout The City
  2. Decrease Percent Of Income Spent On Housing For Cost-Burdened Households
- Initiatives
  1. Ensure access to affordable housing citywide (including rental and very low income).
  2. Increase the number of medium density housing types and options.
  3. Encourage housing options that accommodate aging in place.
  4. Direct new growth toward areas with existing infrastructure and services that have the potential to be people-oriented.
  5. Enable moderate density increases within existing neighborhoods where appropriate.
  6. Promote energy efficient housing and rehabilitation of existing housing stock.
  7. Promote high density residential in areas served by transit.
  8. Support homeless services

### **Salt Lake City Comprehensive Housing Policy (adopted March 2016)**

The City Council adopted the Salt Lake City Comprehensive Housing Policy in 2012 and then reviewed and adopted an updated version in March 2016. *(The following is a short outline of the objectives and policy statements. Please see the attached document for full details.)*

The objectives from the SLC Housing Plan (2016) are:

1. Respect the character and charm of predominantly residential districts, including those with historic character and qualities, while also providing opportunities for the provision of local goods and services easily accessed by neighborhoods.
2. Promote a diverse and balanced community by ensuring that a wide range of housing types and choices exist for all income levels, age groups, and types of households.
3. Develop new housing opportunities throughout the City.
4. Ensure that affordable housing is available in all neighborhoods and not concentrated in a few areas of the City.
5. Emphasize the value of transit-oriented development, transit accessibility and proximity to services;
6. Recognize that residents, business owners, and local government all have a role to play in creating and sustaining healthy neighborhoods.
7. Create an appropriate balance of rental and ownership opportunities in neighborhoods without jeopardizing an adequate supply of affordable housing.
8. Strongly incentivize or require the use of green building techniques and sustainability practices in public and private housing developments.



9. Examine the changing needs to Salt Lake City's population, and develop and maintain reliable demographic information to support housing policy and residential development.
10. Consider the needs of multi-generational households and ensure housing products are available to meet those needs.
11. Address the liability of neighborhoods with concentrations of aging adults, and plan and implement strategies that will allow residents to Age in Place.

The Housing Policy was a combination of 13 statements, each of which included action items.

1. New Development
2. Affordable Housing
3. Housing Stock Preservation and Rehabilitation
4. Transit Oriented Development
5. Zoning
6. Permitting
7. Downtown Housing
8. Homeless, Transitional and Special Needs
9. Historic Preservation
10. Funding Mechanisms
11. Marketing and Education on Housing in Salt Lake City
12. Growth Targets
13. City Funded Projects