



GEM Sugar House: Zoning Amendment Statements

2026.10.01

Requirements:

1. A statement declaring the purpose and justification for the proposed amendment.

Gardner Group submits this zoning text amendment application to establish a Development Agreement with Salt Lake City that authorizes an employer-referred affordable housing program at 2200 Highland Drive, Salt Lake City, UT 84106 (the "Property"). The Property is currently zoned MU-11 (Mixed Use) and is occupied by a commercial bank building, which will be demolished to accommodate a ground-up multifamily residential development. The proposed Development Agreement will govern the "Homes for Heroes" affordability program as a condition of, and benefit associated with that development.

The proposed amendment is made possible by the passage of HB 492, which created a statutory exemption under Title 10, Chapter 9a of the Utah Municipal Land Use, Development, and Management Act permitting the provision of housing benefits to qualified residents, provided such benefits are made available to all qualifying individuals. This amendment does not seek to change the base MU-11 zoning designation of the Property. Rather, it establishes specific affordability obligations, in-lieu of the City's Affordable Housing Incentive (AHI), solely to this Property through the Development Agreement framework authorized under Salt Lake City Code 21A.50.

The purpose of the proposed Development Agreement is to formalize the terms under which Gardner Group will reserve five (5) dwelling units within the new development for occupancy by qualifying public employees — specifically, employees of the Salt Lake City School District, Salt Lake City Fire Department, and Salt Lake City Police Department — at no cost to the resident beyond utility payments and parking (if required). This program is intended to address the housing affordability gap faced by essential public employees working in the Sugarhouse neighborhood, where market-rate rents have increasingly placed housing out of reach for those whose salaries are set by public sector pay scales. The Development Agreement, if adopted, will establish zoning rules specific to this Property governing eligibility criteria, the selection process, lease terms, and ongoing monitoring and reporting obligations. This amendment is consistent with Salt Lake City's adopted housing and planning goals and is directly enabled by the legislative framework established through HB 492.



- 2. A written general description of any future development that is planned for the property including the anticipated use, density, scale of development, timing of development, the anticipated impact to existing land uses and occupants of the land subject to the proposal, and any additional land use petitions that may be anticipated to develop the site. Visual renderings and basic site plans may be provided by the applicant.*

The subject property at 2200 Highland Drive is currently improved with a commercial bank building. The existing structure will be demolished in its entirety to accommodate a ground-up multifamily residential development. No residential units currently exist on the property, and no residential tenants will be displaced as a result of this project.

The proposed development will consist of 107 for-rent residential dwelling units and 54 hotel rooms within a single, mixed-use building. Five (5) of the for-rent residential units will be set aside for the “Homes for Heroes” program units, provided at no rental cost to qualifying public employees as described in this application. The remaining units will operate as market-rate residential rentals available to the general public.

The five Homes for Heroes will be standard dwelling units identical in finish and quality to the market-rate units within the development. They will consist of a unit mix commensurate with the overall market rate unit mix (approximately):

- 1 x Studio units
- 3 x 1-bedroom units
- 1 x 2-bedroom unit

Construction is anticipated to commence in Q1 2027, with a projected Certificate of Occupancy in Q2 2029. The development will be subject to all applicable MU-11 zoning standards.

The affordability obligations established through the Development Agreement will be provided in-lieu of the Salt Lake City Affordable Housing Incentive, allowing for a buildable height of 165’ versus the allowable zoning height of 125’.

No additional land use petitions are anticipated currently.

- 3. Is the request amending the text of the Zoning Ordinance? If so, please include language and the reference to the Zoning Ordinance to be changed. Text that is proposed to be added shall be underlined and text that is proposed to be deleted shall be shown with a strikethrough line.*

The following language is proposed to be incorporated into the Development Agreement applicable solely to the property located at 2200 Highland Drive, Salt Lake City, UT 84106, pursuant to Salt Lake City Code 21A.50 and the authority established under HB 492 (Utah Code Title 10, Chapter 9a):



HOMES FOR HEROES AFFORDABLE HOUSING PROGRAM — DEVELOPMENT AGREEMENT PROVISIONS

1. Definitions.

"Qualified Resident" means any individual who is actively employed full-time by the Salt Lake City School District, Salt Lake City Fire Department, or Salt Lake City Police Department and who meets the eligibility criteria established herein.

"Program Unit" means one of the five (5) designated dwelling units at the Property reserved for occupancy by Qualified Residents under this agreement.

2. Program Units.

The property owner shall designate and maintain five (5) dwelling units as Program Units at all times during the term of this agreement. Program Units shall be made available to Qualified Residents at no rental cost. Qualified Residents shall be responsible solely for the cost of utilities and parking during their occupancy. Program Units shall be of equivalent finish and quality to market-rate residential units within the development and shall meet all applicable habitability standards. The specific units designated as Program Units shall reflect a mix of the unit types offered within the building; however, the property owner shall retain reasonable flexibility to substitute among comparable unit types as Program Units become available, so that a Qualified Resident's occupancy is not delayed solely because a specific previously designated unit type is not yet vacant.

3. Eligibility and Selection.

Qualified Residents shall apply for units and must provide to the property owner a letter of recommendation from their employing agency (Salt Lake City School District, Salt Lake City Fire Department, or Salt Lake City Police Department), typically through a supervisor or department-level director. The property owner will establish an application process and waitlist to accommodate demand between unit turnovers. If requested by the various departments, specific referral and prioritization procedures can be developed in coordination with the participating agencies. Additionally, a Qualified Resident must be a current renter and may not hold ownership interest in residential property at the time of referral, consistent with the program's purpose of supporting a pathway to homeownership. Subleasing of a Program Unit is prohibited. Eligibility shall be verified by the property owner through written confirmation from the employing agency prior to occupancy. The program shall be open to all Qualified Residents on a first-come, first-serve basis, without discrimination.

4. Lease Terms.

Program Units shall be leased to Qualified Residents on a one-year term at no rental cost, other than utilities as described above. Upon expiration of the initial one-year term, a Qualified Resident shall have the option to (a) vacate the Program Unit, at which point the unit shall be made available to the next referred Qualified Resident, or (b) remain in occupancy under a new lease at the then-current market rate, converting the unit to a market-rate rental for the duration of that resident's continued tenancy. Should a Qualified



Resident elect to remain at market rate, the property owner shall designate a replacement Program Unit, consistent with Section 2, so that five (5) Program Units are maintained at all times.

5. Duration.

The program shall be maintained by the property owner in perpetuity, running with the land and binding upon any successor owner of the property, regardless of changes in ownership or management. From time to time, however, the property owner and Salt Lake City Planning Division can revisit the program for viability if necessary.

6. Monitoring and Reporting.

The property owner, or its designated Manager, shall submit an annual report to the Salt Lake City Planning Division no later than January 31 of each year documenting: (a) the number of Program Units occupied during the prior calendar year; (b) the employing agency of each Qualified Resident; (c) confirmation of employer verification for each occupancy; and (d) any periods during which a Program Unit was vacant and the reason therefor. As the Planning Division is a division of the Salt Lake City Department of Community and Neighborhoods, these monitoring and reporting requirements shall be subject to review by that Department. Reports shall be retained by the Planning Division as part of the public record associated with this Development Agreement.

Community Benefit:

- 1. A written description regarding the proposed community benefit(s) associated with the amendment. The description shall adequately describe the necessary details to demonstrate that the proposed community benefit is roughly proportionate to the potential increase in development right if the proposed amendment were to be adopted. See 21A.50.050.C for a list of community benefits that can be proposed.*

The proposed amendment provides a direct and meaningful community benefit by addressing one of the most significant barriers facing essential public employees in Salt Lake City: the inability to afford housing in the neighborhoods where they work.

The Sugarhouse neighborhood has experienced substantial rent appreciation in recent years, placing market-rate housing out of reach for many public sector employees whose compensation is set by institutional pay scales rather than market forces. Teachers employed by the Salt Lake City School District, firefighters serving the Salt Lake City Fire Department, and officers with the Salt Lake City Police Department routinely earn salaries that do not keep pace with Sugarhouse rental costs — forcing long commutes, housing instability, or departure from public service altogether. The result is a workforce retention and community cohesion problem that directly affects the quality of public services available to Sugarhouse and broader Salt Lake City residents.

The Homes for Heroes program directly addresses this gap. By providing five (5) qualifying public employees with one full year of rent-free housing. The program enables participants to live in the community they serve without financial strain. Critically, the one-year lease

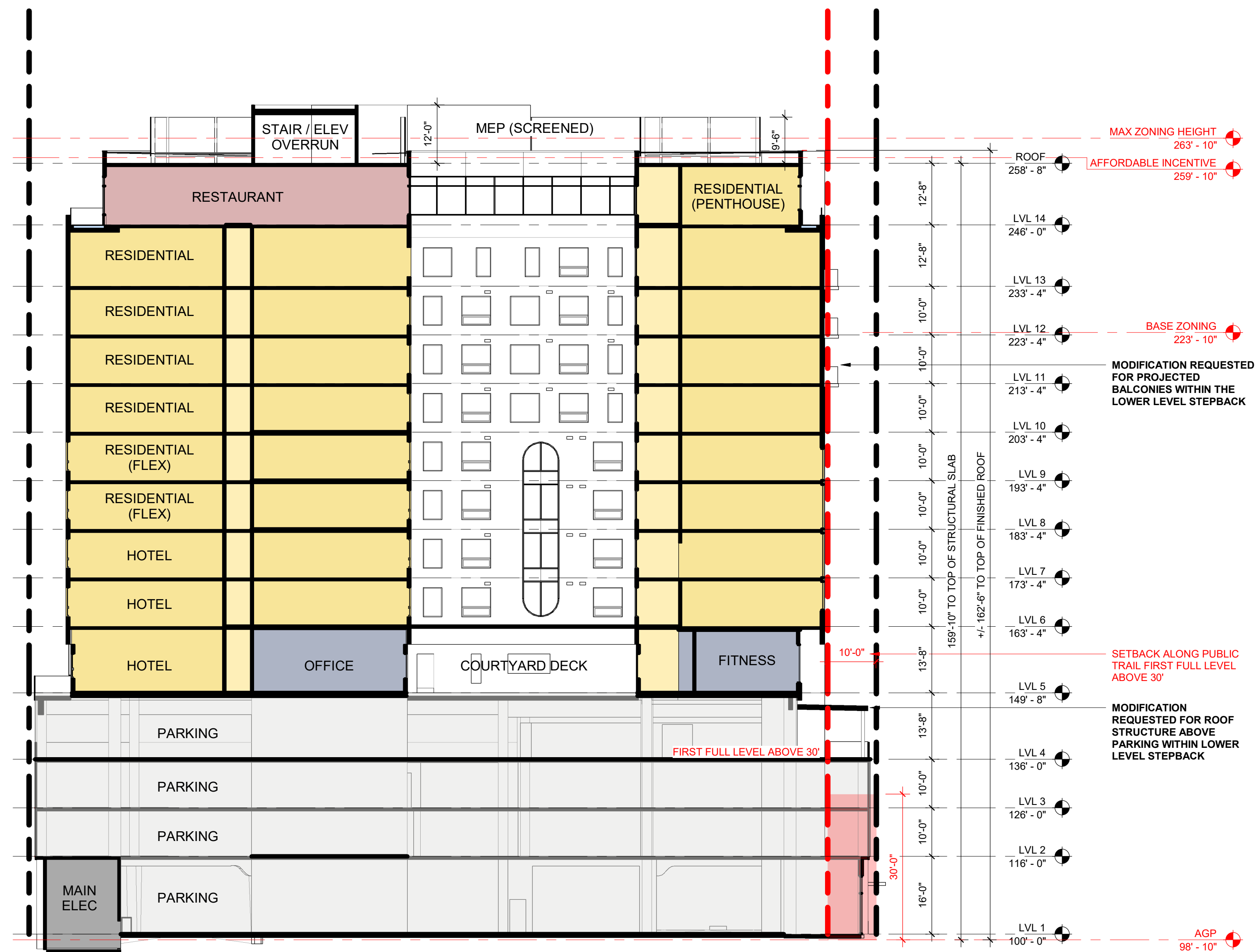


structure is intentionally designed as a wealth-building opportunity: a year of eliminated rent payments gives each participant the ability to save what would otherwise be spent on housing and apply those savings toward a down payment on a home of their own. For many public employees, this represents the single most meaningful accelerant to homeownership they are likely to encounter.

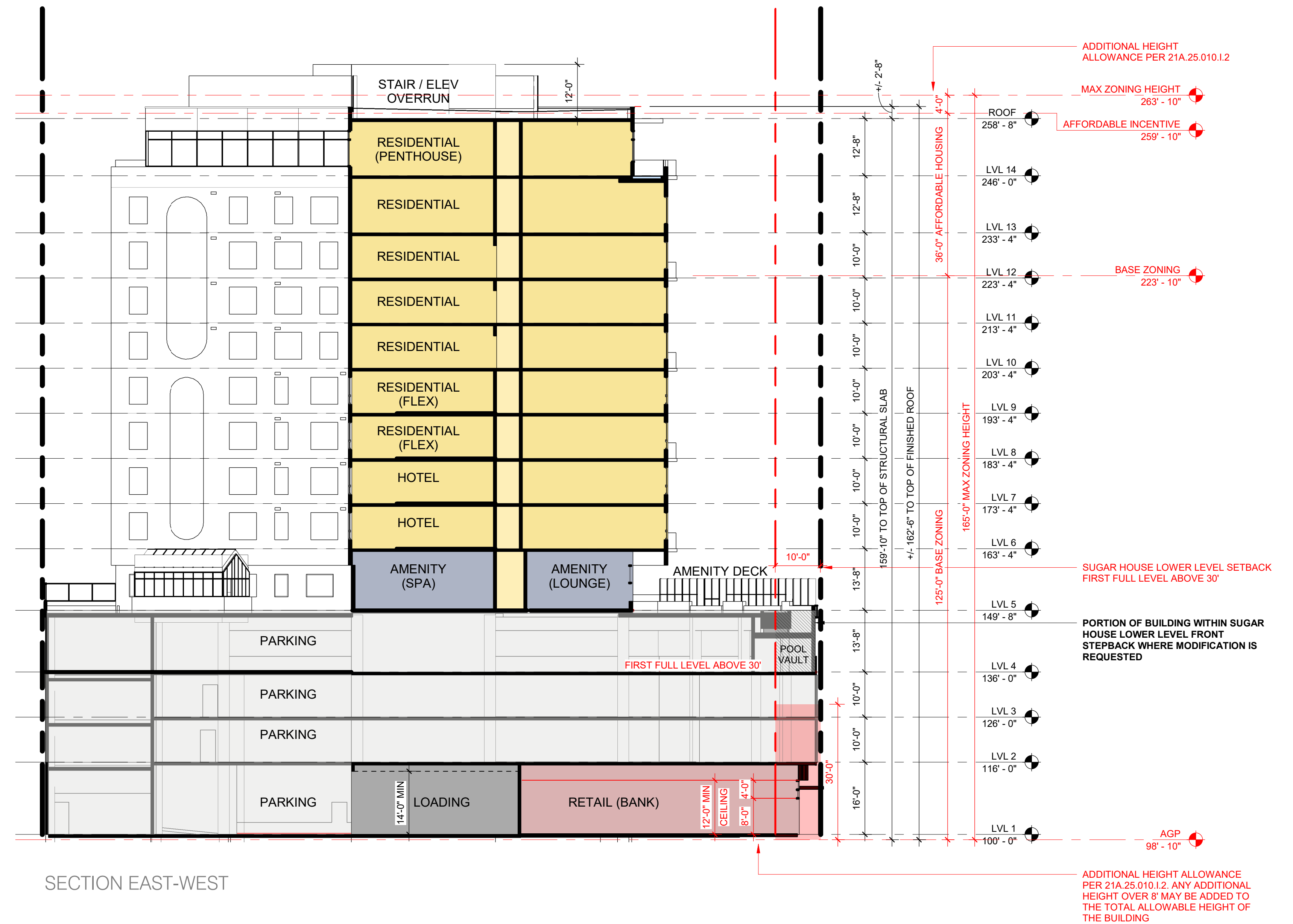
By cycling program units to new qualifying residents at the end of each participant's rent-free year, the program maximizes the number of public servants who benefit over time, while giving participants who are not yet ready to purchase a home the option to remain in place at market rate rather than being displaced. This benefit would not otherwise be available without the proposed amendment and the Development Agreement it enables, as the statutory authority to provide income-based housing benefits to a defined class of qualified residents was established only through HB 492. The program is consistent with Salt Lake City's workforce housing goals, supports the long-term retention of essential public employees in the communities they serve, and provides a durable, perpetual benefit that runs with the land regardless of future ownership.

2. For nonresidential properties, the following information must be provided:

- Zions Bank branch, retail banking
- 4,500 square feet
- Zions Bank
- Building Value 2026 Tax Year: \$351,200



SECTION NORTH-SOUTH



SECTION EAST-WEST

- RESIDENTIAL
- CIRCULATION / RESI B.O.H.
- AMENITY
- RETAIL / COMMERCIAL
- PARKING
- B.O.H.

