



THE FUTURE OF HOUSING: A COLLECTIVE VISION FOR AN EQUITABLE SALT LAKE CITY

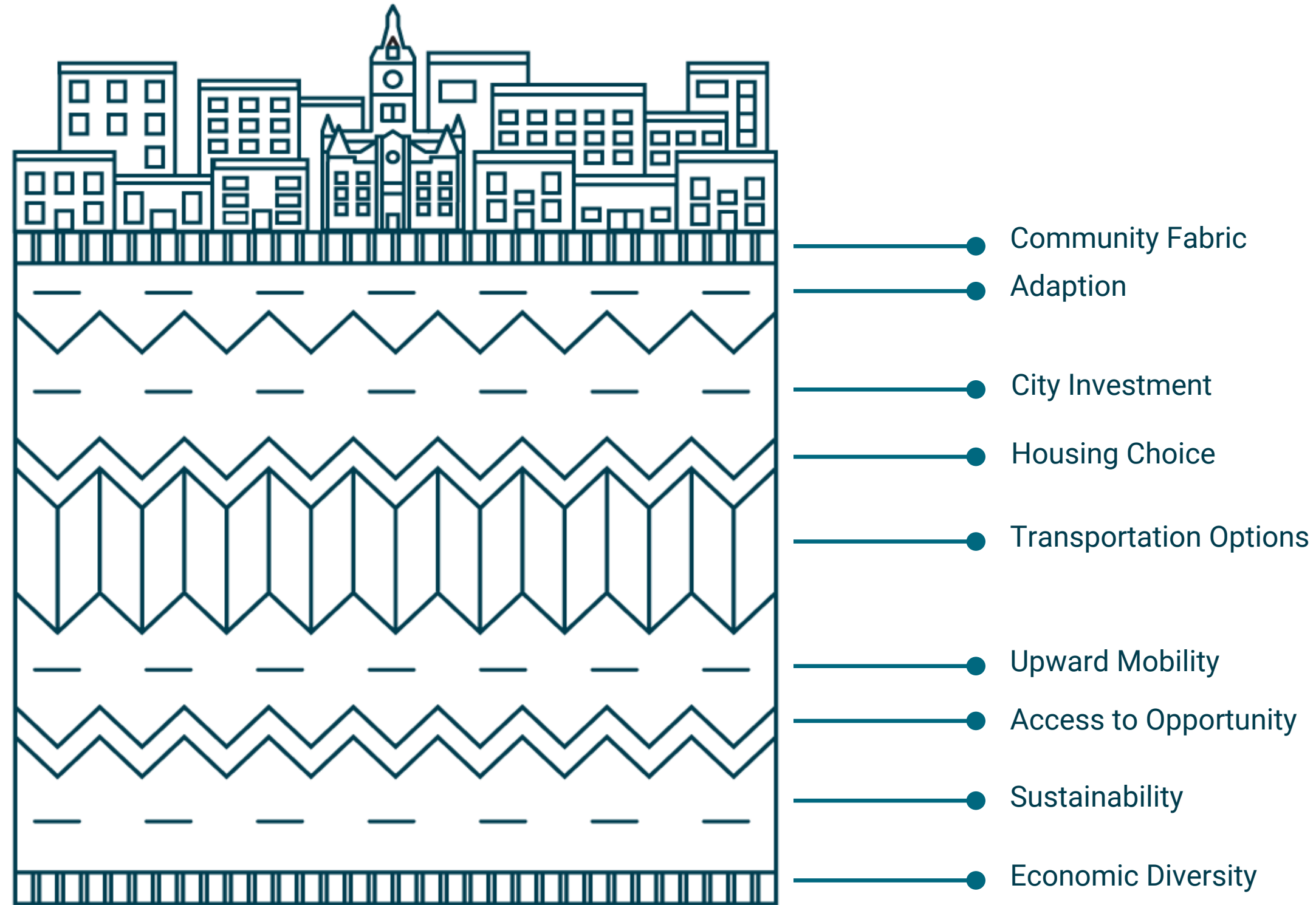
SALT LAKE CITY COUNCIL // DECEMBER 1, 2020



COMMUNITY VALUES //

PRINCIPLES

EQUITABLE + HOLISTIC CITY // VISION





The Future of Housing: A Collective Vision for an Equitable Salt Lake City



EXISTING CONDITIONS //
NEED TO ACT

HIGHLIGHTS

"Salt Lake City is in the beginning stages of a systemic housing crisis..." - *Growing SLC, 2018*

"Act now to avoid a housing affordability crisis in Utah"
- *Natalie Gochnour, Deseret News, 2018*

"The Utah housing market has entered perilous price territory."
- *James Wood, Kem C. Gardner, Nov. 2020*

UTAH BUSINESS POLITICS

Utah affordable housing finally got a win — but is it too little, too late?

Coronavirus pandemic shadows economy, could put more pressure on Utah's low-income
By Katie McKellar | @KatieMcKellar1 | Mar 14, 2020, 8:45pm MDT


f t SHARE



Salt Lake City residents unload on housing issues as City Council looks at new micro-apartment rules

An affo
Jan 24

Salt Lake City makes first loan to encourage affordable housing of city's 'high-opportunity' east side

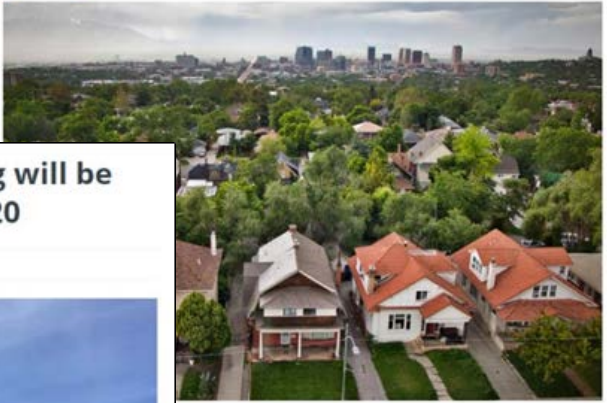


Google Fiber

Zoning At The Heart Of Salt Lake's Affordable Housing Woes

By JON REED • DEC 3, 2019

Share Tweet Email



Here's where affordable housing will be built thanks to tax credits in 2020

January 3, 2020 Taylor Anderson



Archived photo of the 9th East Lofts at Bennion Plaza as seen from 900 East. The Lofts include 68 affordable residential units. Photo by Isaac Riddle.

DEFINITIONS

Affordable Housing

Affordable housing refers to a specific type of housing, generally government-assisted rental housing, targeted for very low to extremely low-income households.

Housing Affordability

Housing affordability is a much broader term and refers to the general level of housing prices relative to the general level of household incomes. The term does not refer to any particular type of housing.

- James Wood, Reflections on Affordability in Utah's Housing Market, Nov 2020

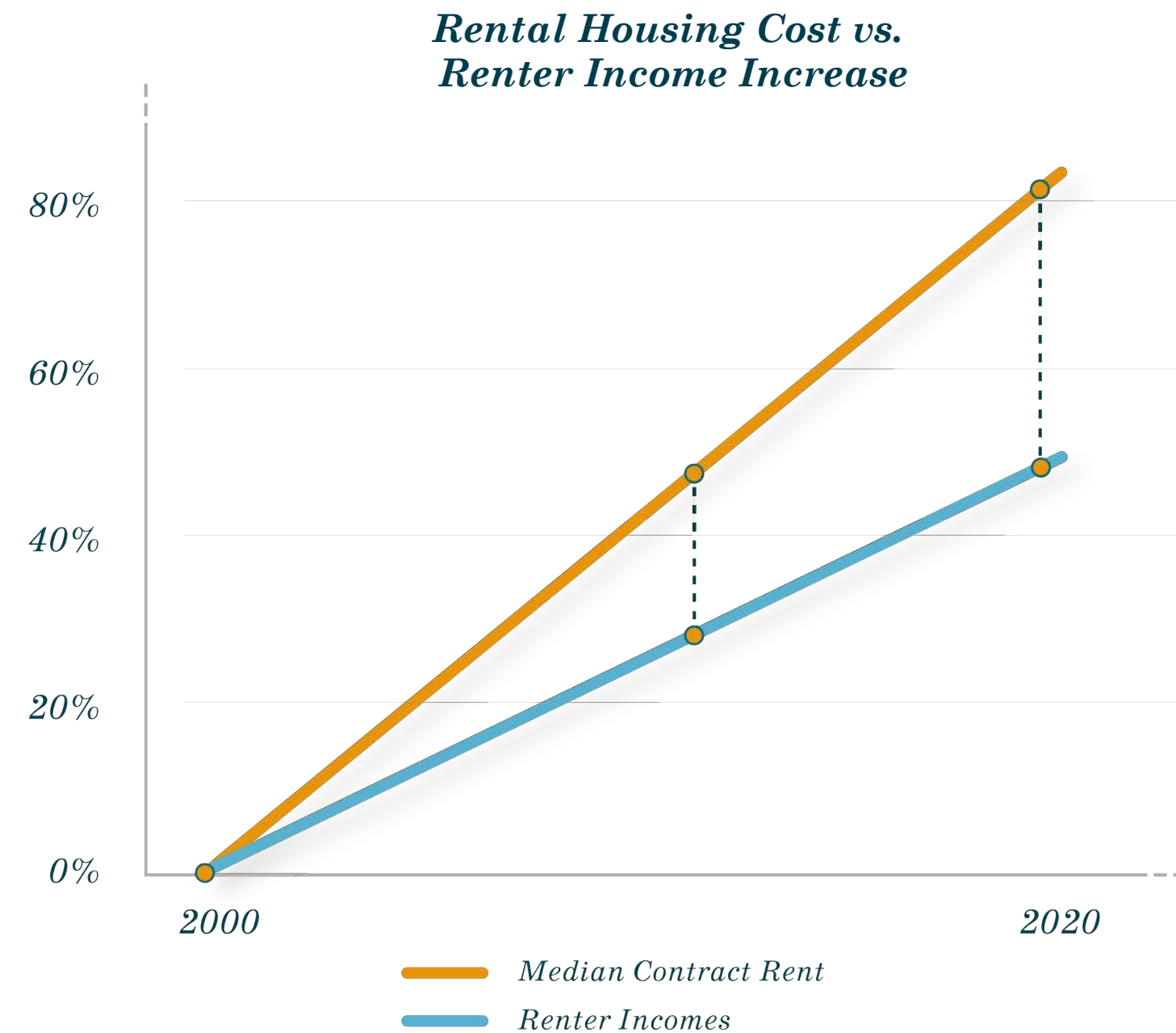


RENTAL HOUSING COST INCREASES VS. RENTAL INCOME INCREASES

Observations

Utah has had some of the best income increases in the nation in the past ten years, but they have not kept pace with increases in construction costs and total apartment rents/values.

Rental housing increased from roughly \$750 to \$1,373.



AVERAGE HOUSING COSTS

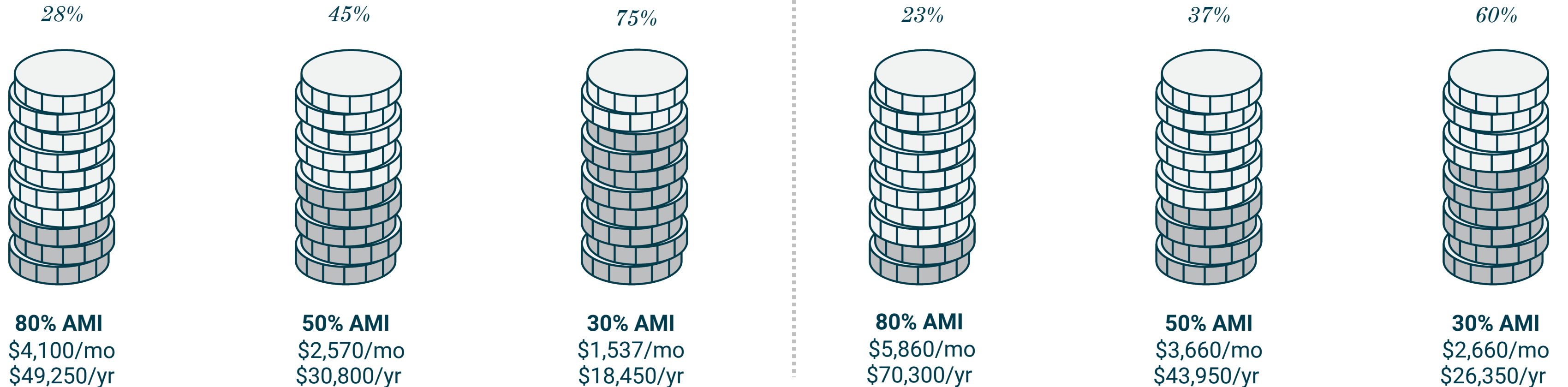
Percentage of Monthly Income Spent on Housing Median Family Income \$87,900

Single Person

1BR - Average Rental Unit \$1,150

Family of Four

2BR - Average Rental Unit \$1,373



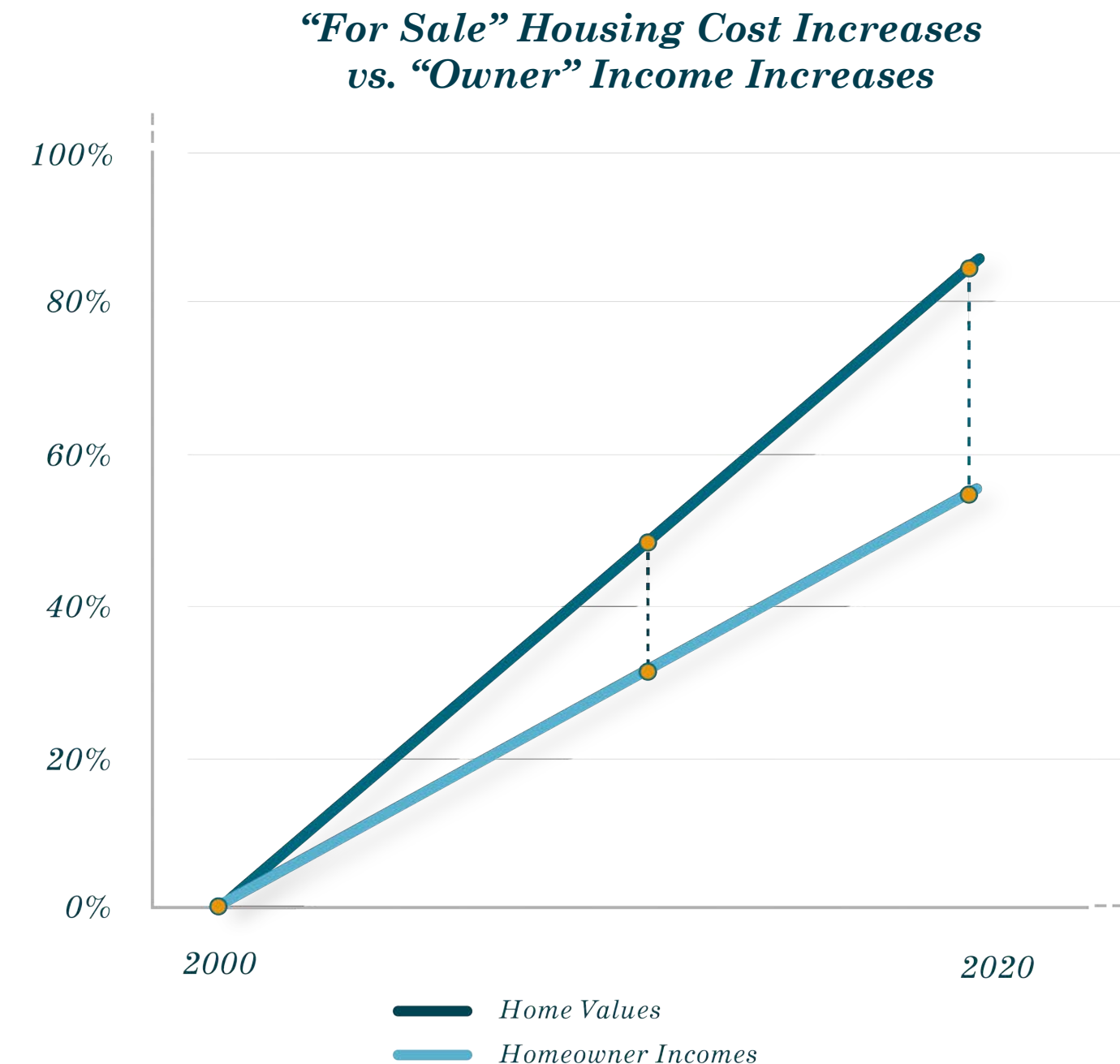
"FOR SALE" HOUSING COST INCOME INCREASES VS. "OWNER" INCOME INCREASES

Observations

"For sale" incomes have increased at a greater rate than "for rent" incomes.

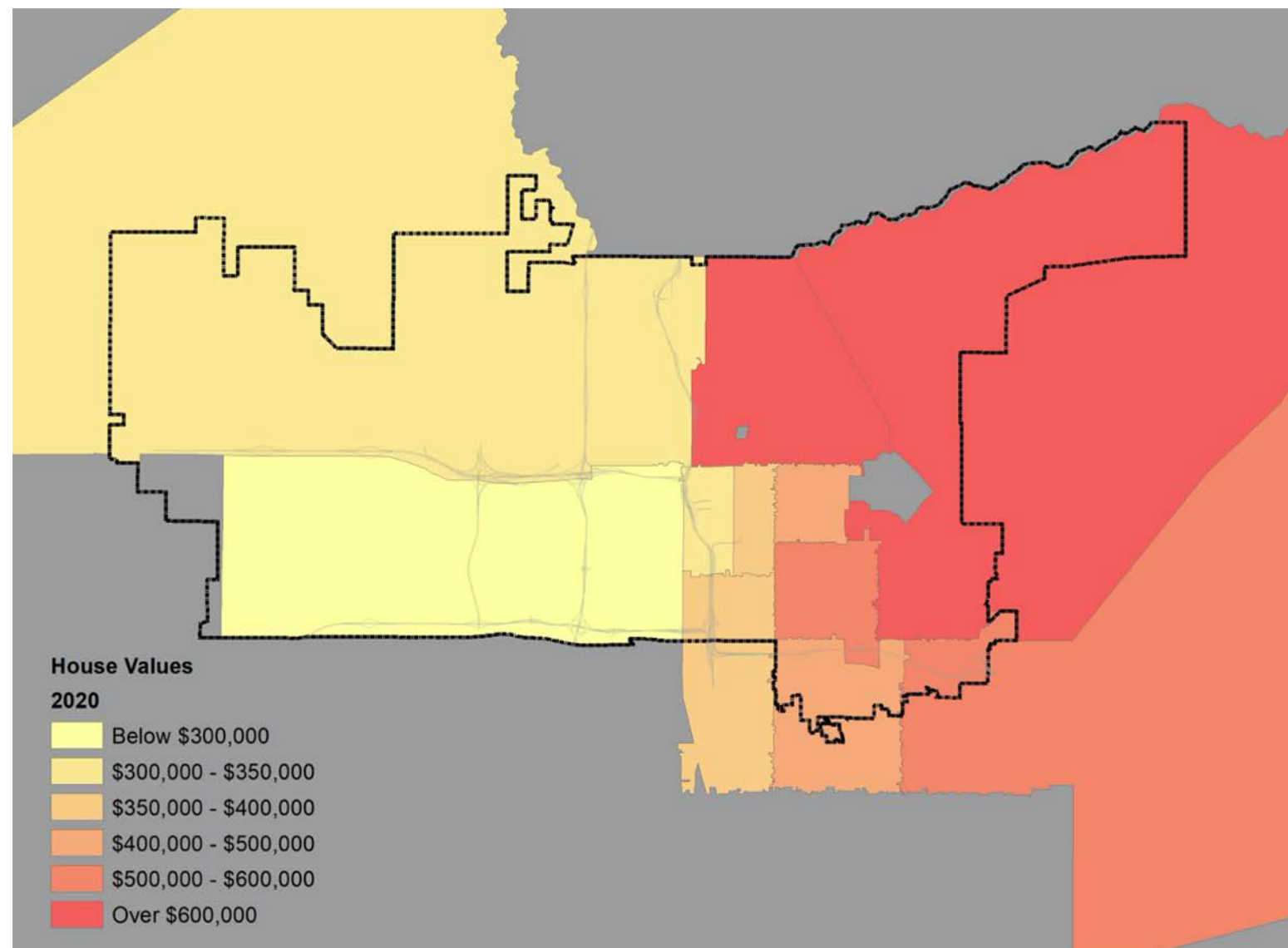
This suggests that economic growth has favored higher income brackets to a higher degree than the gains for lower income groups.

"For Sale" housing costs (*home values*) increased from roughly \$180,000 to near \$350,000.

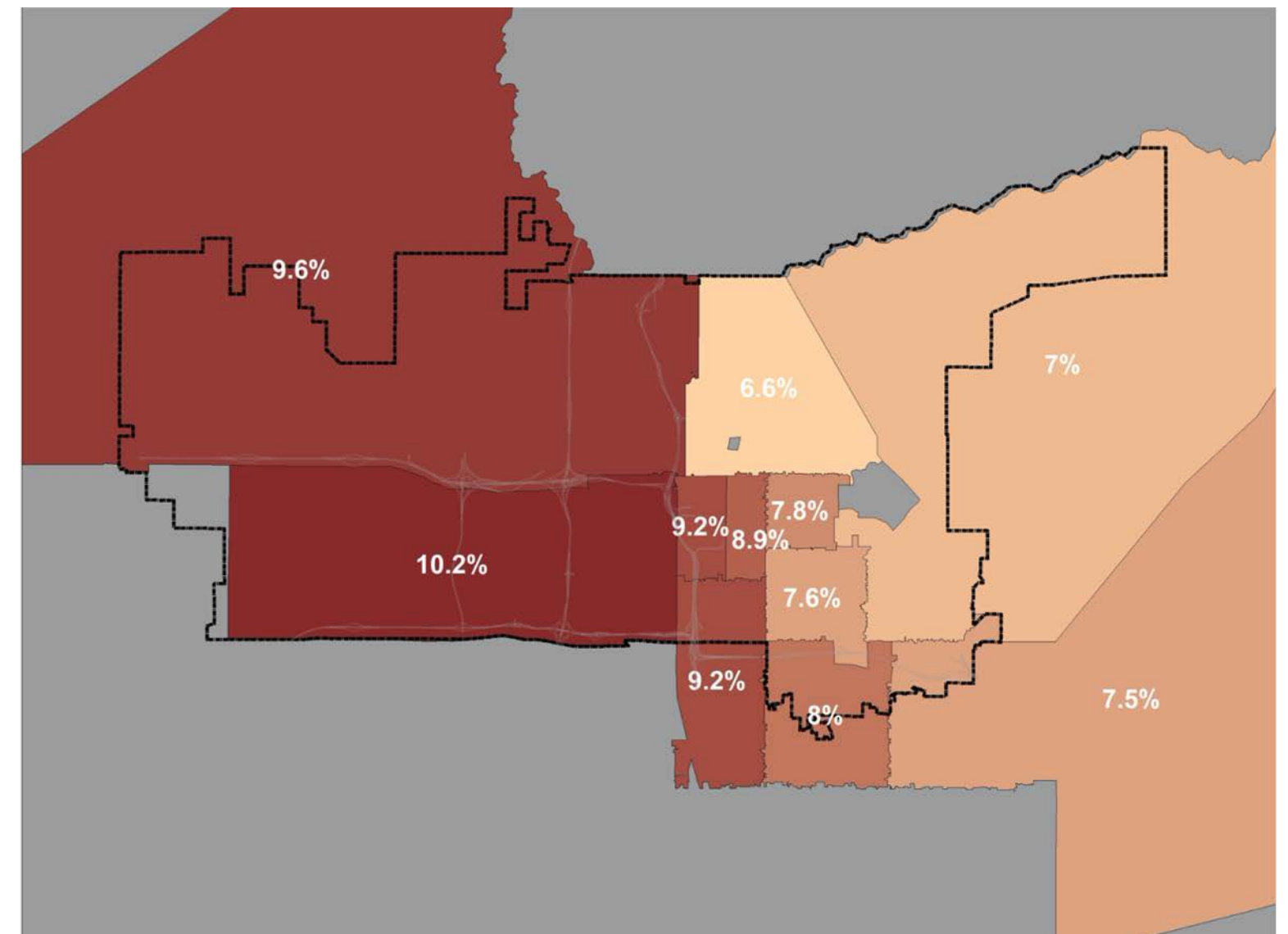


INCREASE IN HOME VALUES

2020 Single-family house typical value



2011-2020 Average annual change



AFFORDABILITY INDEX

Affordability Index - 2020

Median Household Income - \$56,370

Median List Price	\$425,000	7.54
Median Sold Price	\$481,778	8.55
Median Home Value	\$351,177	6.23

Affordability Index – Median Home Value

2016	4.67
2017	5.17
2018	5.42
2019	5.86
2020	6.23

2016 – Median home values were 4.67 times greater than incomes

2020 – Median home values are 6.23 times greater than incomes

JOB GROWTH AND STARTING WAGES

Key Industry Job Growth and Starting Wages – 2020-2025, Salt Lake City

Job Category	Average Starting Wage	Starting Salary – Qualify for Median SLC Home Sales Price (2020)*
Manufacturing	\$64,500	No – 18% below
Distribution, Warehousing, Transportation	\$51,000	No – 49% below
Health and Social Services	\$47,500	No – 61% below
Professional Services	\$76,000	Yes
Public Administration	\$52,500	No – 45% below

** Assumes 20 percent down, 3.0 % interest, standard taxes and utilities. Requires roughly \$76,200 salary to qualify for median home sale price (\$481,778 in 2020), assuming no more than 30% of income is spent on housing and related utilities.*

PROJECTIONS

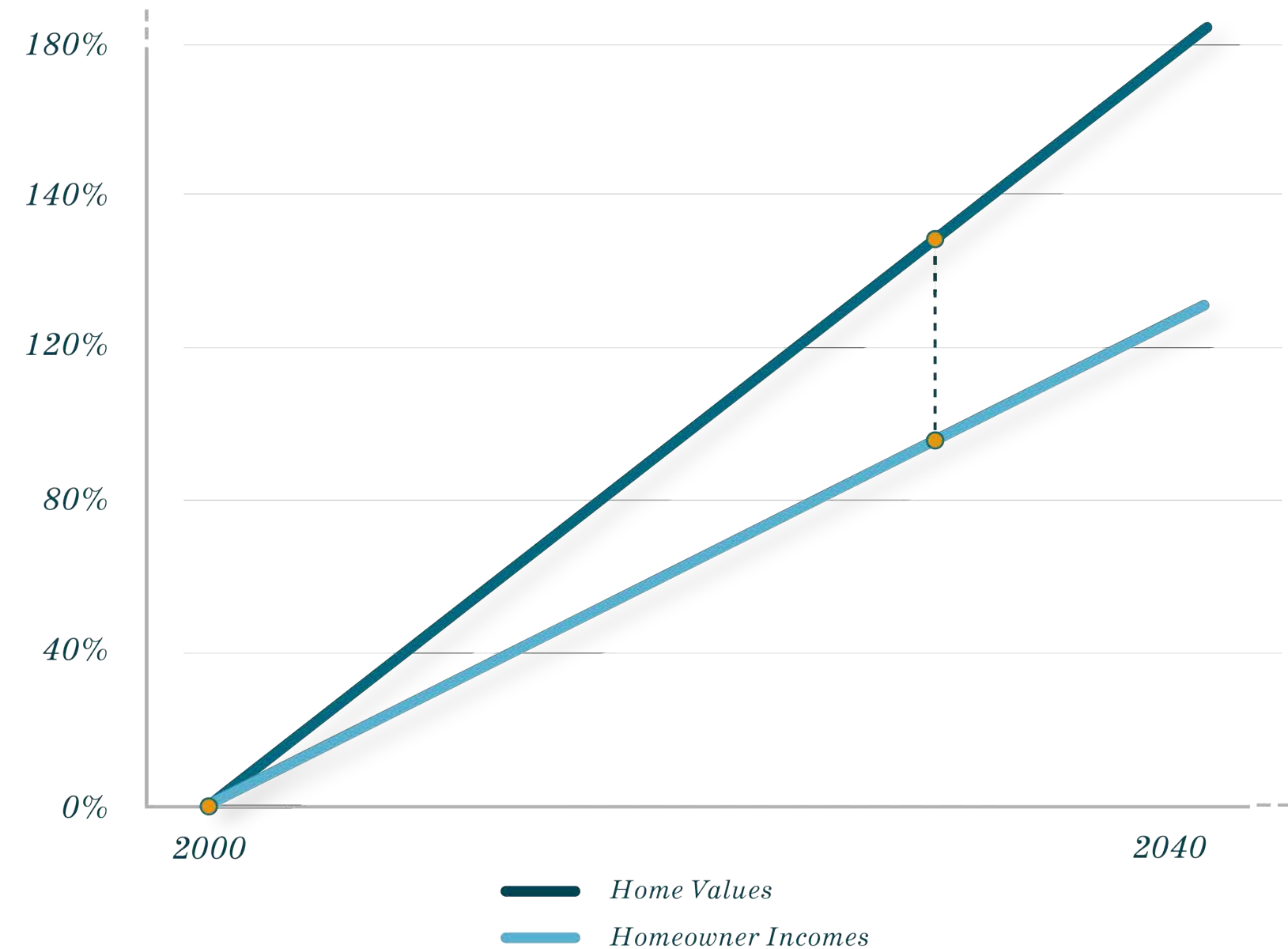
Observations

The projected course if we continue at the increases experienced over the past two years.

If median housing values increase at similar annual rates as the past ten years and if median household incomes increase at similar annual rates as the past ten years...then the affordability index in 2030 will be 11.6.

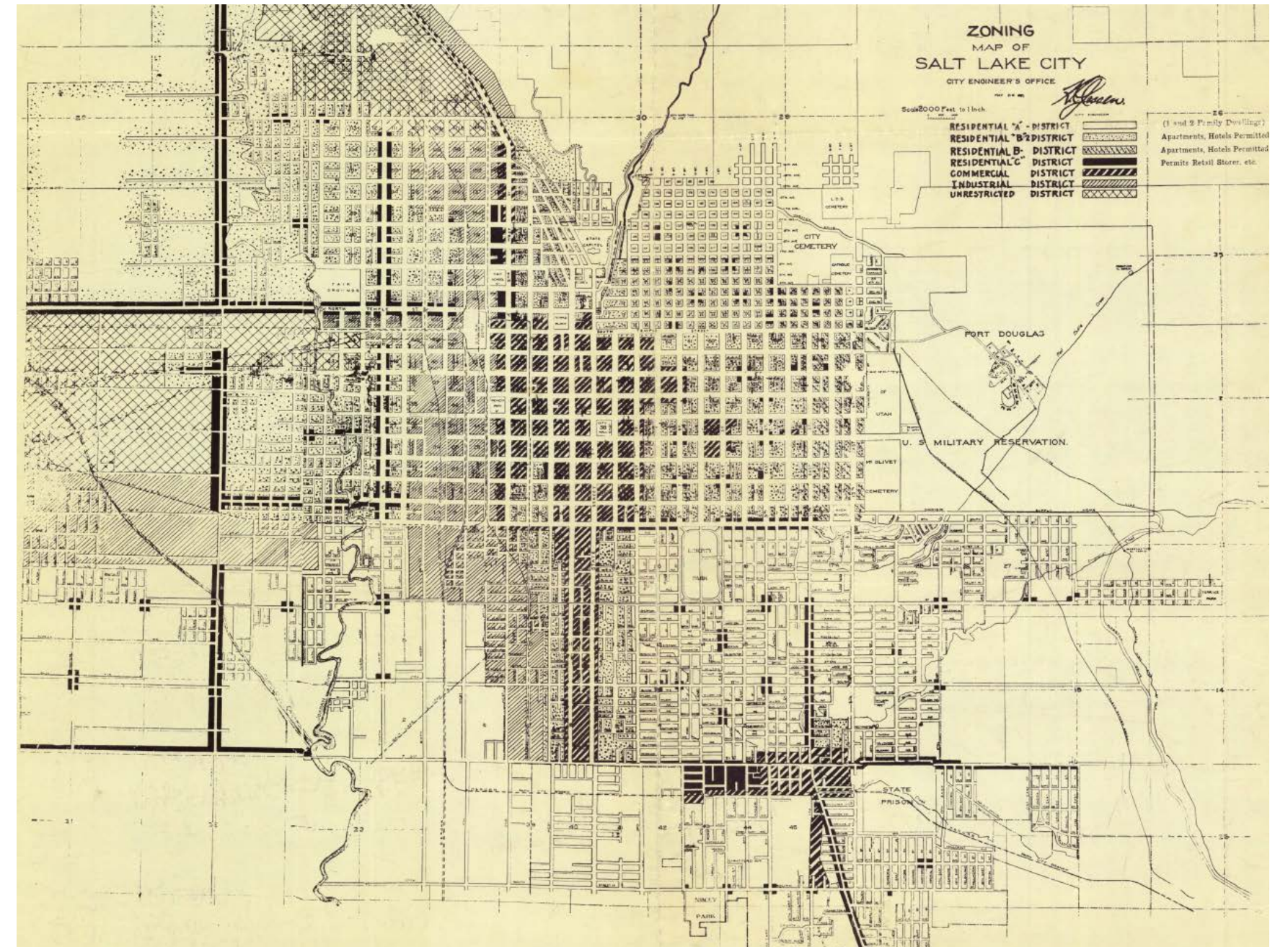
The median housing price will be 11.6 times more than the median household income (*current is 6.23*).

“For Sale” Housing Cost Increases vs. “Owner” Income Increases – Projected



EXISTING ZONING

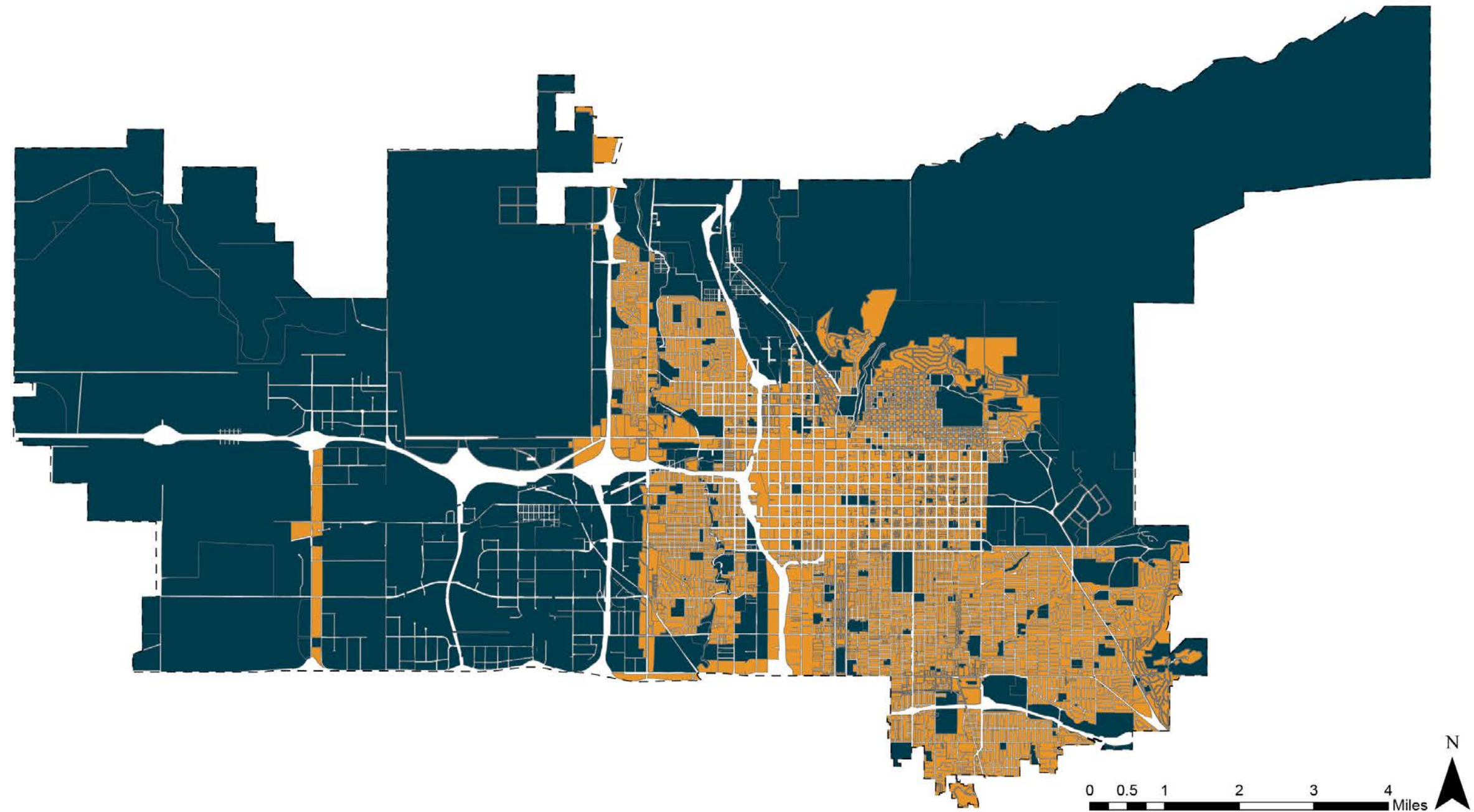
- Residential zoning became more restrictive over time.
- First zoning ordinance adopted in 1927, permitted two-family dwellings in all residential zones.
- Apartments and hotels permitted in the Residential B zones that included the Lower Avenues, Capitol Hill, Poplar Grove, East Central and neighborhoods surrounding State Street.
- In 1944, many of the neighborhoods surrounding Liberty Park and to the south zoned were A-3, which allowed fourplexes.
- In 1977, outer neighborhoods on the east and west sides permitted single and two-family dwellings.
- 1995 rezoning downzoned many areas from R-2 to R-1, prohibiting two-family dwellings.



WHERE ARE RESIDENTIAL UNITS PERMITTED?

Total City Acreage: 71,500 acres
including airport, open space, and foothills.

Permitted Residential: Approx. 12,600 acres
(17.6%) - including most of downtown and other commercial areas.

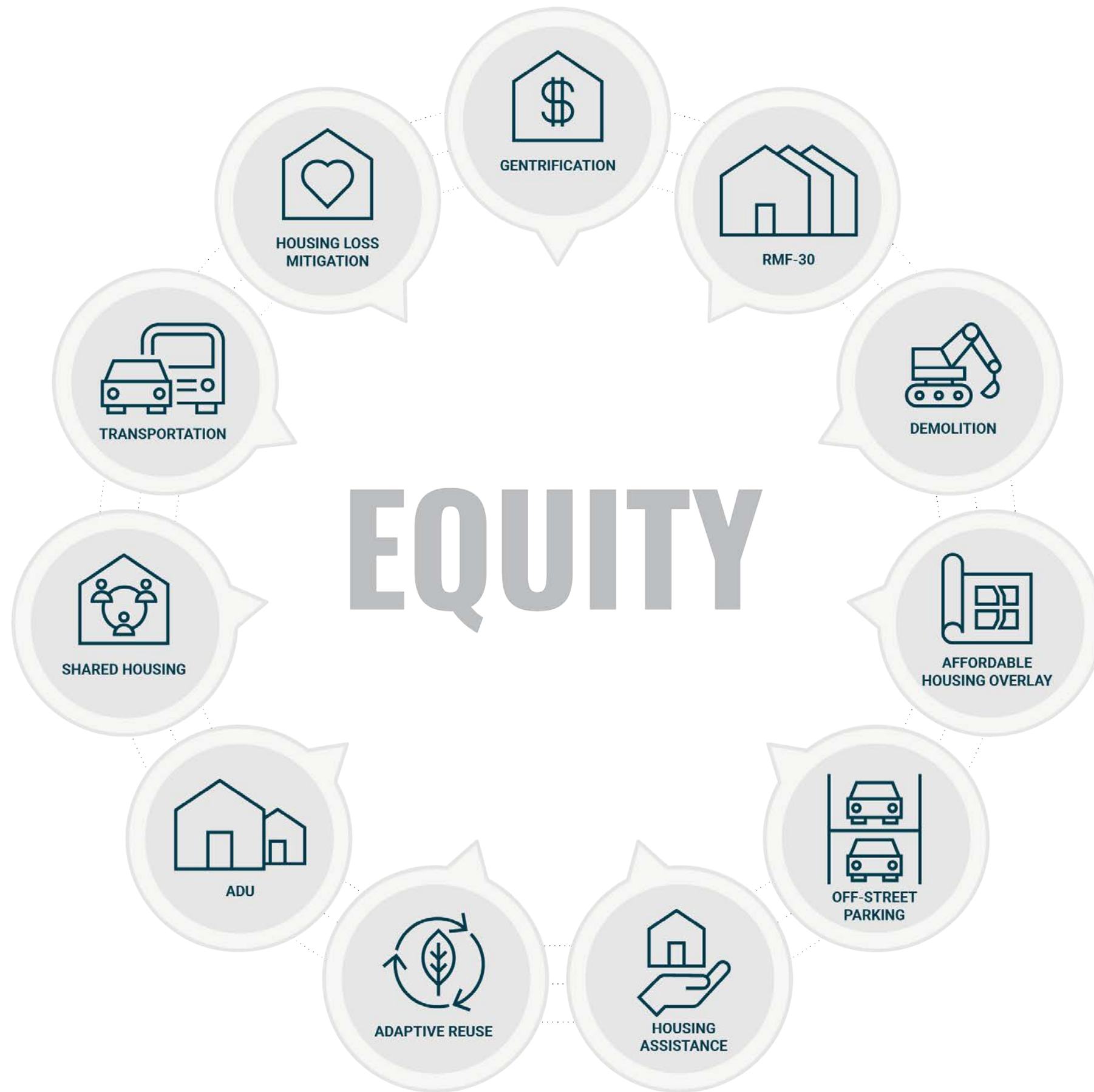




The Future of Housing: A Collective Vision for an Equitable Salt Lake City



COMPREHENSIVE SOLUTIONS // POLICY



GROWING SLC // GOALS AND OBJECTIVES

Policy Solution

Growing SLC Goal and Objective

Transportation

G1 01.1.1: Develop flexible zoning tools and regulations, with a focus along significant transportation routes.

Housing Loss Mitigation

G2 02.2.1: Propose a significant, long-term, and sustainable funding source for the development, preservation, and stability of affordable housing.

Gentrification/Relocation/Displacement

G2 02.1.2: Consider an ordinance that would require and incentivize the inclusion of affordable units in new developments.

Demolition

G1 02: Remove impediments in City processes to encourage housing development.

ADU

G1 01.1.3: Revise the Accessory Dwelling Unit ordinance to expand its application and develop measures to promote its use.

Shared Housing

G1 01.1.2: 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.

Off-Street Parking

G1 01.1.4: 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.

RMF-30

G1 01.1.2: 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.

Affordable Housing Overlay

G1 01.1.2: 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.

Adaptive Reuse

G1 03: Lead in the construction of innovative housing solutions.

HOUSING LOSS MITIGATION

Purpose

The purpose of this chapter is to mitigate the loss of affordable housing stock due to new development with due consideration for vested or protected property rights.

(Salt Lake City Municipal Code 18.97)

Impact

The intention behind the codified Housing Loss Mitigation ordinance is to "do no harm" to the current housing supply.

Status

Planning Commission briefing March 27, 2019 item was tabled. HAND convened a working group and met with community partners.



HOUSING LOSS MITIGATION

<i>Item</i>	<i>Current</i>	<i>Issue</i>	<i>Recommendation</i>
Purpose	"Do no harm" to housing supply.	Naturally occurring affordable housing is being replaced by market rate units.	Mitigate the impacts of the loss of naturally occurring affordable housing, and residential units through a performance or payment option.
Trigger	Trigger could be a demo permit, parking CUP, zoning amendment for non-residential use of land that contains residential dwelling units.	Multiple touch points in the application process and the housing plan is required too early in the process; development may not occur.	Building permit or change of land use.
Formula	Building value from County Assessor minus the International Code Council (ICC) square foot replacement costs. Payment intended to infuse capital into the Housing Trust Fund for future affordable housing development.	Results in a negative valuation due to the calculation based on appraised value rather than market value.	Formula calculation could be based on tenant rent, cost per square foot, or construction costs.
Process	Application submitted to Building Services, Planning creates a report, CAN Director sends to Housing Advisory and Appeals Board for a public process.	No clear ownership over process.	Administrative process, with an appeal option. "Ownership" in one CAN Division.

TRANSPORTATION

Purpose

Important connection of transportation & land use.

Housing & transportation biggest household expenses.

Invest in bus service & infrastructure, including high frequency bus.

Investments in walking & bicycling to expand choices; Street Typologies.

Impact

Housing zoning ordinances & amendments tied to transportation/transit.

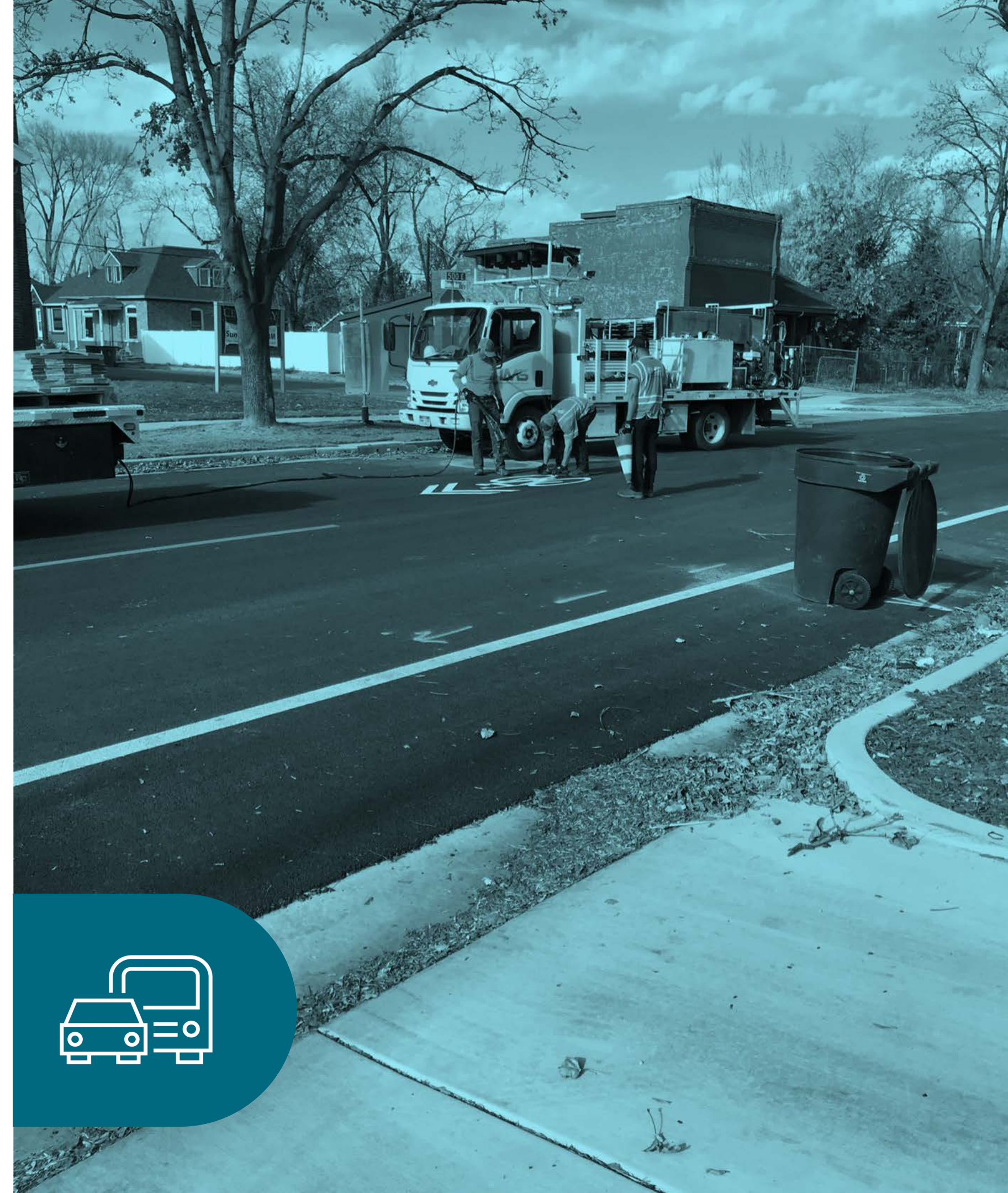
Reducing transportation cost burden can be part of solution.

Status

Street Typologies – 2nd round public comments received and analyzed; 3rd round coming soon.

Transit Master Plan – Priority bus routes being implemented by City; additional routes by UTA.

Transportation Master Plan update – RFP out 2021.



HOUSING RELATED AMENDMENTS

Accessory Dwelling Units

Adopted 2018, Annual Report required.

Allows for small, more affordable units on single-family properties.

Shared Housing

Hearing closed, pending consideration.

Provide more opportunities for shared housing.

RMF-30

Hearing closed, pending consideration.

Increase opportunities for multifamily development.

Off-street Parking

Draft ordinance transmitted to City Council.

Modify parking required, can reduce the cost of development.



AFFORDABLE HOUSING OVERLAY

Purpose

Provide incentives, including density and height, that would reduce barriers to development for projects that include affordable units.

Impact

Proposal would affect zones that permit residential development. The scope of the incentives permitted would determine number of units constructed and their locations.

Status

Draft proposal outlined Summer 2020. Public feedback obtained through surveys. Preparing draft for discussion.



ADAPTIVE REUSE

Purpose

Promotes the city-wide reuse of existing buildings that have outlived their original use. This project will enable growth and new housing opportunities within established neighborhoods, while preserving existing neighborhood and community character.

Impact

Proposal would affect zones that permit residential, commercial and mixed-use development; excluding single-family residential districts.

Status

Public engagement for this project is anticipated to start in the beginning of 2021.





NEXT STEPS // 2021

ADOPTION // POLICIES



← 2020
 Accessory Dwelling Units
(Adopted in 2018)

EARLY 2021
 Gentrification Study RFQ
(Launch)

Shared Housing
(Council Consideration)

Transportation Master Plan
(Launch)

2021
 Affordable Housing Overlay
(Draft and Hearings)

New Housing Plan
(Launch)

2022 →
 Funding Our Future
(Continued Implementation)

Demolition Ordinance
(Adopted)

Growing SLC
(Continued Implementation)

RMF-30
(Council Consideration)

Adaptive Reuse
(Draft and Hearings)

Rent and Mortgage Assistance
(Continued Implementation)

Off-Street Parking
(Council Consideration)

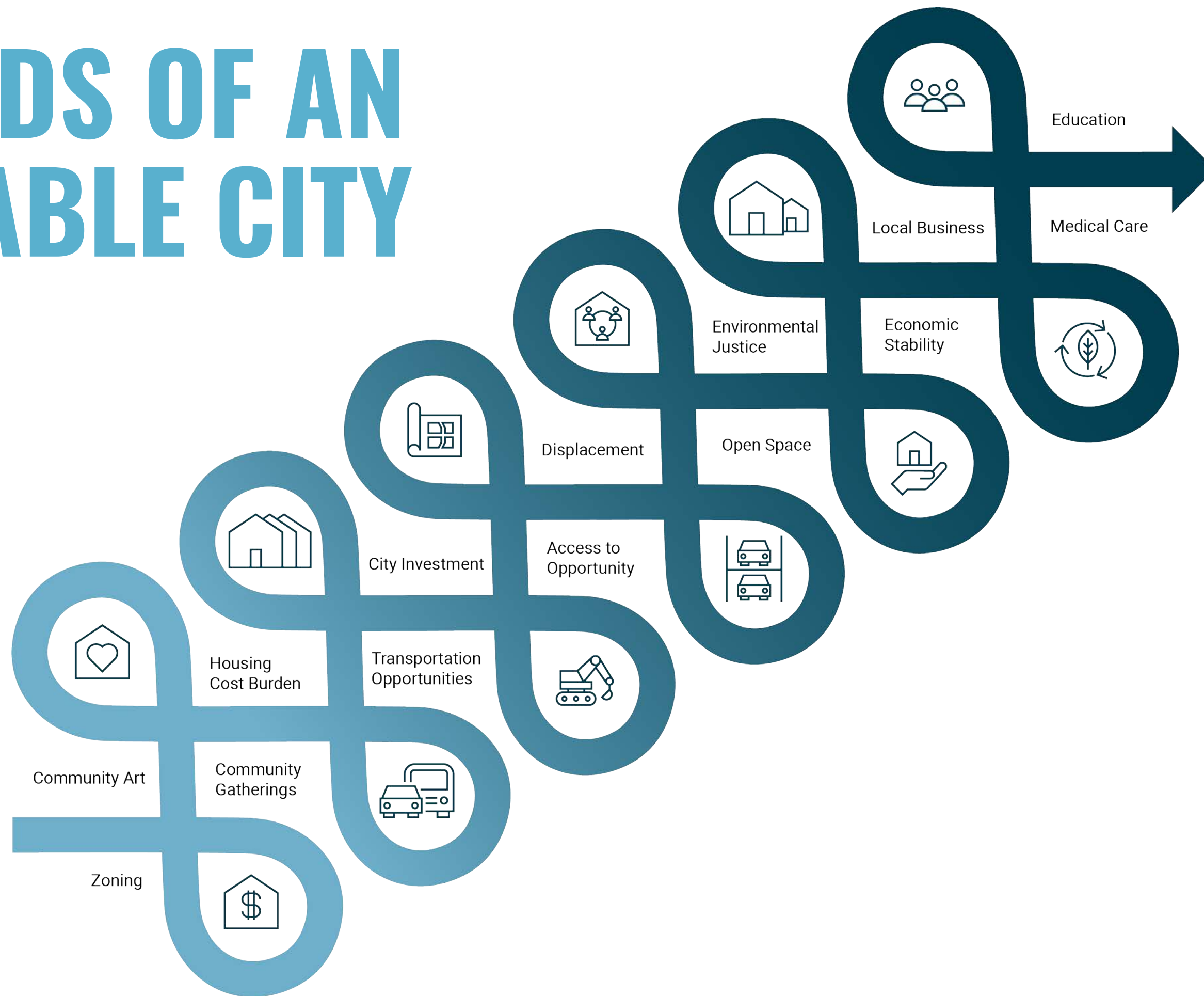


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MOVING FORWARD // POLICY DIRECTION

THREADS OF AN EQUITABLE CITY



GENTRIFICATION

Approach

- Council approved funding (\$100K) April 7, 2020 for Gentrification Mitigation Study.
- Community engagement and data analysis of gentrification pressures and risk of displacement from City neighborhoods.
- Anticipate policy changes needed in both ordinance amendments and program implementation to address short- and long-term needs.
- Long range goals for achieving Citywide equity and inclusion.

Vision for Creating an Equitable City

- Mitigate displacement
- Socio-economic mobility
- Access to opportunity
- Provide and preserve affordable housing
- Equitable transportation
- Safe and healthy neighborhoods

POTENTIAL AMENDMENTS AND IMPACT

*Downtown building heights,
Shared housing*



*Granary, Ballpark // 2100
South TRAX stations,
Life on State, RMF zones*



*Expanding housing types,
Accessory Dwelling Units (ADU)*



DEVELOPMENT SIZE



(Most intensive to less intensive)



QUESTIONS AND ANSWERS

Blake Thomas

CAN Director //

blake.thomas@slc.gov

Angela Price

HAND Project and Policy Manager //

angela.price@slcgov.com

Sara Javoronok

Senior Planner //

sara.javoronok@slcgov.com

Susan Lundmark

Transportation Planner //

susan.lundmark@slcgov.com

