



SALT LAKE CITY'S 9 LINE COMMUNITY REINVESTMENT AREA SALT LAKE COUNTY PARTICIPATION REQUEST SUMMARY

The Redevelopment Agency of Salt Lake City (“RDA”) **appreciates the opportunity to request participation from Salt Lake County (“SLCO”) in the 9 Line Community Reinvestment Area (“9 Line CRA”).**

The 9 Line CRA is located less than two miles from the central business district and spans the neighborhoods of **Glendale and Polar Grove, two of the most racially and ethnically diverse neighborhoods in the county.** The area is characterized by **single-family neighborhoods, industrial uses, and small to mid-scale commercial centers.** In addition, the area is **rich with natural and recreational resources,** including several parks and two regionally-significant trail corridors. Being less than two miles from the Inland Port, the area will likely experience **impacts from Inland Port development** activities.

Even with an abundance of assets, a 2014 Fair Housing Equity Assessment completed by SLCO in partnership with the Kem C Gardner Policy Institute, concluded that the area is considered **“low opportunity” on the opportunity index,** meaning that it contains **a lower proportion of resources that increase a person or family’s likelihood for social and economic mobility.** The RDA established the 9 Line CRA to strategically target investments to address disparities by utilizing a **neighborhood-based approach to community revitalization.**

Participation by SLCO, combined with Salt Lake City School District and Salt Lake City, will **facilitate investment** in this **culturally, demographically, and physically unique** area to **improve neighborhood conditions and life outcomes for residents.**

SLCO PARTICIPATION REQUEST			
Term			20 years
Participation			75%
Base Year			2016
Base Year Value			\$228,048,136
First Tax Year			2021
BUDGET SUMMARY			
Activity	%	County Request	Total Budget
Project Area Development	80%	\$2,497,600	\$14,476,000
Housing	10%	\$312,200	\$1,809,500
Admin & Operations	10%	\$312,200	\$1,809,500
Total	100%	\$3,122,000	\$18,095,000

OUTCOME ESTIMATES
+1,056,000 sq ft New Development
1,237 New Jobs
257 New Housing Units
\$188,199, 772 Added Value
\$24,126, 231 Total Tax Increment

NOTE: Total budget includes participation from Salt Lake City School District, Salt Lake City and Salt Lake County at the terms proposed herein.

POLICY OBJECTIVES

Tax increment will be utilized to encourage and elevate real estate development projects to have beneficial impacts on people, including low-income and vulnerable populations, in order to promote equity, create economic opportunities, improve health outcomes, and beneficially influence the physical and socioeconomic landscape of the area.



ANTI-DISPLACEMENT STRATEGY

The RDA recognizes that it is important to strategically focus redevelopment efforts to improve neighborhood conditions while preventing the displacement of people and businesses. As such, the RDA will hire a consultant to develop an anti-displacement strategy specific to the 9 Line CRA.

COMMUNITY ENGAGEMENT

The RDA carried out an extensive community engagement process to incorporate the community's priorities in the 9 Line CRA Plan. Efforts included working with Communities Unidas to actively involve non-English speaking residents. Methods of collecting meaningful input included open houses, representation at numerous community events and festivals, presentations at community council meetings, discussions with school community councils, interviews with key stakeholders, a community-wide survey that resulted in input from almost 800 residents. Both of the community councils, Glendale and Polar Grove, support the 9 Line CRA.

ATTACHMENT A: SALT LAKE COUNTY POLICY ALIGNMENT - 9 LINE COMMUNITY REINVESTMENT AREA

4.1 FAVORABLE PROJECT AREA CONSIDERATIONS		
Tax increment financed projects within Project areas meeting the following criteria will be viewed favorably by the County:		
SECTION	DESCRIPTION	9 LINE APPLICABILITY
4.1.1	Project Areas that quantitatively demonstrate various outcome scenarios, based on different County participation levels, that would or would not occur “but for” the creation of the Project Area and the use of tax increment.	<p>Yes – Project area development is necessary to mitigate the effects of decades of lack of investment in the 9 Line. While property values have recently been increasing city-wide, this area in particular has experienced some important disparities from the city as whole with a higher rate of poverty, a lower median household income and a lower rate of educational attainment.</p> <p>Tax increment will be leveraged to stimulate private sector investment that will expand economic opportunity, increase housing choice and improve neighborhood livability. The tax increment available to reinvest in the area would be significantly reduced by over \$3,000,000 without the County’s participation.</p>
4.1.2	Project Areas for which the proposed tax increment collection period is triggered on a specific date and for which the County’s tax increment participation is capped at a specified dollar amount, is limited to a period of 20 years or less, and is conditioned upon meeting certain project specific benchmarks.	Yes – The Agency is requesting a 20-year tax increment participation term from the County and is open to negotiations to set a participation cap.
4.1.3	Project Areas for which the County’s tax increment dollars will be used primarily to pay for or reimburse the cost of “publicly owned infrastructure and improvements,” as defined under Utah law, environmental remediation, and/or site preparation that extends beyond basic municipal responsibilities or is outside of typical municipal functions and need for participants. Such need should be justified in the Project Area Plan and the Budget.	Yes – Tax increment can be used for publicly owned infrastructure improvements within the Project Area to facilitate the development of vacant and underutilized land and to promote neighborhood safety and accessibility.
4.1.4	Project Areas that promote economic prosperity among a range of income levels and (i) will create a net increase of new high-wage jobs within the County and/or (ii) include opportunities for small business expansion, apprenticeships and/or skills development programs.	Yes – Tax increment will be utilized to create employment centers to support the recruitment, retention and expansion of businesses in transitioning industrial areas around the 9 Line that provide high-wage jobs and increase business prosperity.
4.1.5	Project Areas that do not include an unreasonable amount of excess land for yet-to-be defined future projects or project expansion.	Yes – The Project Area includes a reasonable amount of land area, permitted by Utah Title 17C, necessary to facilitate future project area development activities that will promote economic growth, housing opportunities, and neighborhood livability. While the project area is neighborhood scale, the Project Area Plan defines

		specific geographic target areas in which funding will be targeted to maximize impact.
4.1.6	Project Areas that: (i) include transit-oriented development, as defined by the Federal Transit Authority (a “TOD”, and/or utilize a Shared Mobility component, as defined by the Federal Transit Authority (“Shared Mobility”). TODs are intended to include a mix of commercial, residential, office, and entertainment uses centered around or located within a mile of a fixed guideway transit station. Shared Mobility components are intended to include transportation resources shared among users either concurrently or one after another, including but not limited to carsharing, fixed route systems, microtransit, ridesourcing, ride-splitting and mobility on demand.	Yes – Though the Project Area is not located along a light rail or streetcar line, the area includes several streets (including Redwood Road, 900 West and Indiana Avenue) that are identified in the Salt Lake City Transit Master Plan as part of the frequent transit network. Tax increment will be used to facilitate the construction of mixed-use development including a mix of commercial, residential, office and entertainment uses around these areas.
4.1.6.1	If the project includes a residential component, housing units are affordable to residents at various income levels, including 80 percent, 50 percent, and 30 percent Area Median Income for Salt Lake County, as defined by the Department of Housing and Urban Development.	Yes – Tax increment will be used to support affordable housing units around frequent transit networks and throughout the entire project area. Facilitating the construction of affordable housing as defined by HUD is something the RDA prioritizes and has carried out successfully in the past.
4.1.7	Project Areas that are located in (i) an Opportunity Zone, (ii) a strategic growth area as defined in the Wasatch Choice 2050 plan, and/or (iii) any area governed by plans, policies, regulations and procedures that encourage and facilitate smart growth outcomes (generally accepted principles defined by the American Planning Association, the EPA and Smart Growth America).	Yes – The entire Project Area is located in an Opportunity Zone and Wasatch Choice 2050 identifies the 900 West corridor as a Phase 2 Town Center. In addition, the area west of Redwood Road has been identified as a Phase 1 Industrial District.
4.1.8	Project Areas that redevelop and (re)activate impeded development areas, contaminated, or underutilized properties in an already developed area, including, without limitation, the following: infill development, renovation, pedestrian and active transportation infrastructure improvements, and/or development of community assets.	Yes – Vacant, neglected and underutilized properties have impeded the surrounding neighborhood’s potential for revitalization within the westside community. A major objective of establishing this CRA is to promote reinvestment and redevelopment of these properties through infill development, improved public infrastructure and development of community assets in both neighborhood and regional nodes – all while maintaining the existing character of the area, which is of high importance to the westside community.
4.1.9	Project Areas that include at least \$500 million of capital investment within a small geographic footprint—for instance, from taxable personal property or equipment (e.g., robotic machinery, electronic equipment, computing devices)—without materially increasing	No – The total assessed value of the Project Area is not currently \$500 million; however, targeted efforts will be made by the RDA to capitalize on private investment and personal property through the RDA loan program, tax increment reimbursement and property disposition. The Project Area is well established with adequate public services and growth of the area should not significantly

	the cost of services provided by the County or other taxing entities.	increase the cost of services provided by the County or other taxing entities. In 2016, the total assessed value of the Project Area was \$228,048,136. In 20 years with the utilization of tax increment, the estimated total assessed value is \$416,247,908. This equates to \$188,199,772 in incremental assessed value not possible without the creation of this CRA and reinvestment of tax increment.
4.1.10	Project Areas that include an articulated plan and timeline for the deployment of affordable housing funds that meet the requirements outlined under Utah law.	Yes – 10% of tax increment revenue will be utilized for housing pursuant to Utah Title 17C.
4.1.11	Project Areas in which the municipality of the proposing agency participates at the same dollar amount that is contributed by the County from all sources, inclusive of any library contributions, either upfront or over the life of the proposed County contribution.	Yes – Salt Lake City will contribute 75% of their tax increment within the 9 Line project area, which equates to a higher dollar amount of participation than projected for the County.
4.1.12	Project Areas in which all new or renovated buildings are Leadership in Energy and Environmental Design certified at a Gold level certification standard or higher.	Yes – Though it cannot be guaranteed that all new or renovated buildings are Gold LEED certified or higher, this is a priority of Salt Lake City’s administration and something that the Agency will work to achieve. The RDA is currently working on a sustainable development policy to further incentive low-zero emissions building construction.
4.1.13	Project Areas for which a portion of increment is provided to Salt Lake County on an annual or one-time basis to cover programmatic expenses including, but not limited to, tax increment analysis, legal overhead, and project reporting costs.	Yes – Though it is not anticipated that that the Agency will provide funds to the County on an annual basis, a one-time payment may be negotiated based upon financial documentation detailing administrative costs incurred by the County from participating in the 9 Line CRA.

4.2 Unfavorable Project Area Considerations
Project Areas and Projects meeting the following additional criteria may be viewed unfavorably by the County:

SECTION	DESCRIPTION	9 LINE APPLICABILITY
4.2.1	Project Areas that fail to meet Favorable Project Considerations as outlined in section 4.1.	Yes – The Project Area definitively meets 12 of the 13 favorable project considerations.
4.2.2	Project Areas that are predominately housing, include detached single-family dwellings, or include housing units that are predominately market rate.	No – Housing makes up approximately 30% of the land use in the Project Area and, as project area development occurs, single-family uses are not anticipated to be expanded. The goals of the Project Area are multifaceted and include revitalizing neighborhoods by stabilizing existing neighborhoods, supporting new residential and commercial development, and providing high-quality housing options.
4.2.3	Project Areas that are predominately retail, unless there is a material justification to do so (e.g., sales tax leakage report for the community in which the Project Area is proposed quantifying that leakage occurs above a	No – Commercial uses make up approximately 6% of the land use and office uses make up approximately 1% of land use in the Project Area. As development occurs, commercial and office will be encouraged within targeted neighborhood and community nodes; however, the

	threshold of 90 percent); it being understood that any such determination shall be evaluated on a case-by-case basis.	Project Area goals are not predominantly focused on retail.
4.2.4	Project Areas that would merely cause a relocation of jobs or retail sales from one area in the County to another area in the County.	No – The goals of the Project Area are to bring new jobs and services to the area.
4.2.5	Project Areas that would involve development on sensitive land designated as open space, foothill, canyon, or other designated preservation areas.	No – Development on sensitive lands is not considered through the Project Area Plan.
4.2.6	Project Areas that request a contribution of the County's sales tax revenues.	No – Sales tax revenue is not requested.

9 Line CRA 20-Year Budget Projections – County Contribution Rates

PROPERTY TAX INCREMENT				
County Participation Rate	0%	25%	50%	75%
County Participation \$ Amount	\$0	\$1,040,611	\$2,081,221	\$3,121,832
TI Budget w/ all Taxing Entities	\$14,972,841	\$16,013,452	\$17,054,063	\$18,094,673
NPV	\$8,805,979	\$9,417,994	\$10,030,008	\$10,642,023

NOTE: All taxing entities assume participation from Salt Lake City, Salt Lake City School District and Salt Lake County

ATTACHMENT B: BENCHMARK PROJECTS IN THE 9 LINE

Within the first 5 years of 9 Line tax increment collection, the Redevelopment Agency will work to complete specific benchmark projects aligned with objectives in the RDA's 9 Line Community Reinvestment Area Plan, Salt Lake City's Westside Master Plan and Salt Lake County's favorable project area considerations. These initial benchmark projects are centered around facilitating **housing opportunities, sustainable development and public space enhancements** in the 9 Line. Funding these projects within the early stages of the project area term will set the stage for carrying out strategic redevelopment focused on supporting the needs of the Westside community and addressing social determinants of health while maximizing the amount of tax increment generated for the region.

1. HOUSING OPPORTUNITIES

- **Land Acquisition for Mixed-Income Housing Development**
- **Accessory Dwelling Unit (ADU) Program**
- **Anti-Displacement Strategy**
- **Administrative Equity Initiatives**

Land acquisition is an essential part of incentivizing affordable housing development early on in a project area. The RDA is currently seeking to purchase a .3-acre parcel located in one of the 9 Line's commercial nodes with a probable cost of \$750,000-\$900,000. 12% of 9 Line housing inventory is multi-family¹. This must be increased to accommodate the needs of different demographics – from workforce housing to housing for those looking to age in place. The RDA is committed to acquiring 1-2 properties for mixed-income housing development in 9 Line nodes with an associated acquisition cost estimate of \$2 million.

30% of the existing land use in the 9 Line CRA is single-family housing and it's important that these neighborhoods be preserved. A means of preservation and path to homeownership and building wealth, the RDA will work to establish a loan or subsidy program to facilitate the construction of ADUs. Based on data from Salt Lake City's Building Services, the average cost of an ADU ranges from \$90,000 to \$140,000 plus \$8,000 in permit/impact fees. Given these costs, the RDA would need comparable funding to make this program viable.

The RDA recognizes the importance of strategically focusing redevelopment efforts to improve neighborhood conditions while preventing displacement of people and businesses. As such, the RDA will hire a consultant to develop an anti-displacement strategy specific to the 9 Line CRA. The cost of conducting this study is still unknown; however, based upon similar studies that the RDA has conducted involving extensive community outreach the estimated cost is approximately \$50,000 to \$100,000.

It is of the utmost importance that all 9 Line residents and local developers alike have equitable access to RDA resources, programs and development opportunities, especially involving housing. Additional efforts will be made by RDA staff with administrative funding to ensure RDA resources and programs are advertised and accessible to everyone by reaching out to community organizations in the 9 Line, publishing program materials in multiple languages, etc.

2. SUSTAINABLE DEVELOPMENT

- **Land Acquisition for Sustainable Development**

As with affordable housing, land acquisition is an essential part of facilitating sustainable development. Through land offerings, the RDA may incentivize or even require that sustainable building certifications are obtained (e.g. LEED Gold) and/or sustainable development strategies be used such as low-zero emissions building technologies. In combination with acquiring property for affordable housing projects, the RDA is committed to acquiring 1-2 properties to incorporate sustainable development in 9 Line nodes with an associated acquisition cost estimate of \$2 million.

- **Sustainable Development Policy**

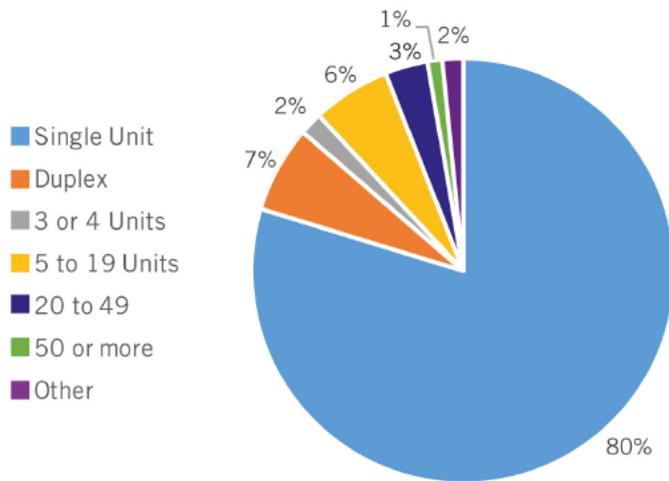
Currently underway, the RDA is committed to creating a sustainable development policy that incentivizes or requires sustainable building technologies be utilized at specified levels of RDA financial participation in the 9 Line CRA and all RDA project areas. The RDA currently offers loan interest rate reductions for sustainable development projects and this policy would expand upon that. Additionally, the RDA has recently applied for \$23,000 in grant funding to receive technical assistance from Utah Clean Energy in order to better incentivize low-zero emissions building construction. If awarded, this funding could be leveraged to both measure and set targets to reduce carbon emissions in the 9 Line CRA.

3. PUBLIC SPACE ENHANCEMENTS

Blue Print Jordan River Goals

The Jordan River is one of Salt Lake County's most valuable and treasured environmental assets that falls within the 9 Line CRA. The RDA is committed to working with the Blue Print Jordan River Partners to help achieve the goals within the Jordan River's action plan including circulation and connection goals and community building goals. As a first step, costs estimates must be obtained for associated infrastructure improvements.

1. Distribution of all housing types in the 9 Line CRA



Source: U.S. Census Bureau, 2011-15 ACS 5-Yr Estimates
Note: 9 Line Project Area study boundaries include Tract 1026 Block Group 2, 3; Tract 1027.01; Tract 1028.01

FIGURE 1.15
% OF HOUSING UNITS BY THE NUMBER
OF UNITS IN THE STRUCTURE -
9 LINE PROJECT AREA

The Project Area has more homeowners than renters, 58% to 42%. Citywide, it is more of an even split with 48% of household being homeowners and 52% being renters. As demonstrated in Figure 1.15, single-family residential comprises 80% of the housing units in the Project Area, with few high-density, multi-family residential units.

ATTACHMENT C: 9 LINE LEVERAGE TOOLS & RESOURCES

Annual 9 Line tax increment revenues will be leveraged with various other funds and tools administered by the RDA, SLC Department of Community and Neighborhoods, and SLC Department of Economic Development. Leveraging funds and tools will allow the RDA to maximize the reach and impact of project area development activities by focusing resources in a coordinated manner. Resources available to leverage include:

- **RDA Program Income Fund:** The RDA leverages tax increment revenues received annually from its project areas with program income from loan repayments, property income (through lease revenues and land sales), and interest income. These funds may be allocated as seed money for new project areas, to provide monies for the Revolving Loan Fund, or to pay for studies or projects that may span project area geographic boundaries.
- **RDA Revolving Loan Fund:** The RDA Loan Program provides financing to facilitate various development projects, including new construction, building rehabilitation, and energy efficiency upgrades. Funding is made available for construction costs or hard costs. Loan funds may also be used for site improvements and short-term land acquisition for affordable housing development.
- **Salt Lake City Housing Development Trust Fund:** Salt Lake City's Housing Development Trust Fund (HDTF) addresses the health, safety and welfare of the City's citizens by providing below-market financing for affordable and special needs housing within municipal boundaries. The program provides a centrally located and uniform application process across all funding sources, providing a one-stop-shop to apply for funds for the development, rehabilitation, and preservation of affordable housing.
- **Inland Port Housing Funds:** Pursuant to Utah State Inland Port legislation, the RDA is to receive 10% of tax differential revenues collected by the Inland Port Authority from the portion of the Inland Port jurisdictional boundaries located within Salt Lake City municipal boundaries. Revenue is to be utilized to expand housing opportunities for households earning up to 80% of the area median income and will be targeted in part to the 9 Line area and other neighborhoods adjacent to the Inland Port.
- **Salt Lake City Community Land Trust:** Salt Lake City's Community Land Trust (CLT) program provides low-to-moderate income families the opportunity to become homeowners. By placing city-owned property into the CLT, homebuyers purchase the home and the improvements. From there, they lease the land the home is built on from the City thereby facilitating a lower monthly mortgage payment. This allows Salt Lake City to preserve the home's affordability into the future while still allowing the buyer to build equity in their home.
- **Salt Lake City Home Repair Program:** Salt Lake City's Home Repair Program allows owner-occupied households with low-to-moderate income to obtain either a no-interest or low-interest loan to address health, safety, and structural issues in their homes.
- **Salt Lake City Home Buyer Program:** Salt Lake City's Home Buyer Program allows households with low-to-moderate income to obtain competitive-rate mortgages to expand homeownership opportunities to those who may not qualify for traditional financing.
- **Salt Lake City Economic Development Loan Fund:** The Economic Development Loan Fund (EDLF) provides loans to small businesses located in the City for the purpose of stimulating economic development by enhancing business opportunities, providing employment, and promoting neighborhood revitalization.
- **Salt Lake City Neighborhood Building Improvement Program:** The Neighborhood Building Improvement Program (NBIP) provides grants up to \$25,000 for façade improvement projects to revitalize neighborhood commercial areas, enhance the livability of adjacent communities, and support local businesses. The NBIP targets resources to the 9 Line CRA neighborhoods.