

Salt Lake County Council: 2022 Moderate Income Housing Plan Amendments

*MSD Long Range Planning
September 20th, 2022*



2022

Moderate Income Housing Plan for Unincorporated Salt Lake County



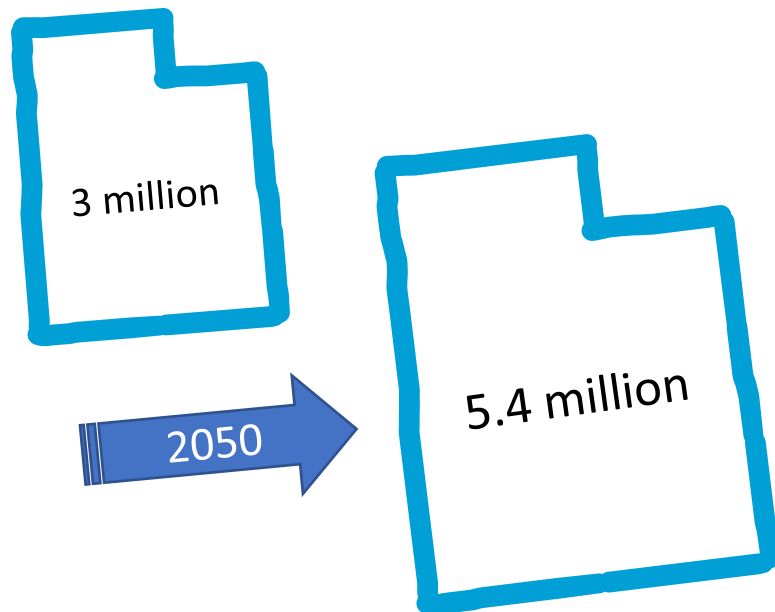
Purpose

The public hearing is being held to meet state code requirements and receive input from the public regarding the drafted 2022 Moderate Income Housing Plan Amendments. Both Planning Commissions gave a positive recommendation to the Council. **Following today's public hearing, the Council may make a motion to adopt, adopt with revisions, or not adopt the Plan Amendments as drafted.**

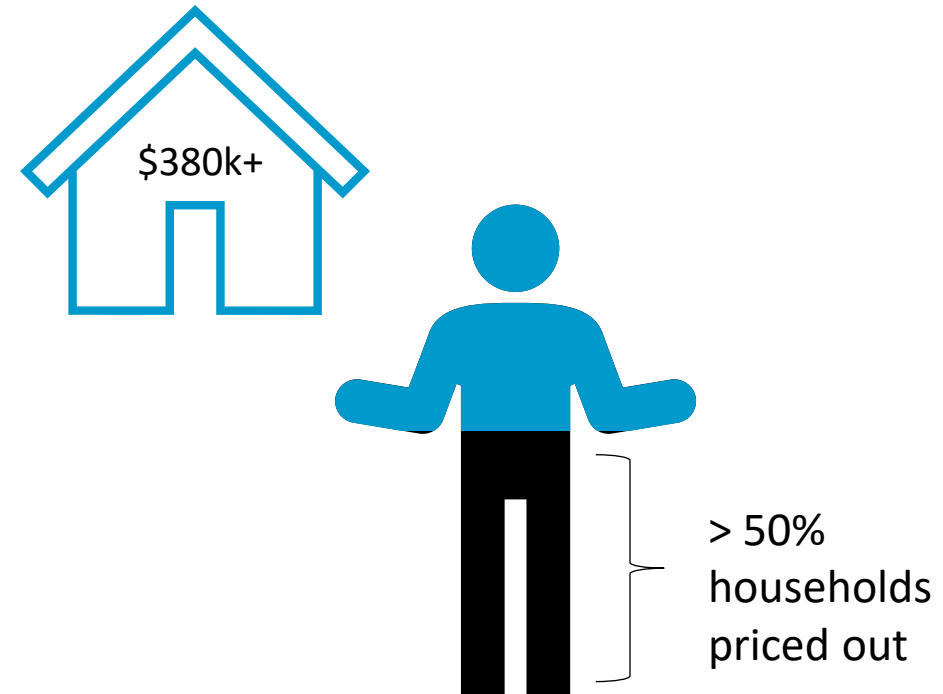
An updated Moderate Income Housing Plan is necessitated by State Code 17-27a-Part 4.

Background: State of Utah's Housing

- In the next 30 years, Utah's population is expected to nearly double.



- Over half of Utah households cannot currently afford a median-priced home in the state.



Background: 2022 Legislative Changes

2019

- Applicability: Municipalities over 5,000 in population; Counties over 40,000 – with at least 5,000 Unincorporated
- Strategies: Municipality required to choose at least three of the 22 State-Provided Moderate Income Housing Strategies
- Implementation: No implementation element required beyond annual reporting.
- Reporting: Annual reports due December 1st.



2022

- Applicability: NO CHANGE
- Strategies: Strategies updated to be **more actionable**. A couple new strategies were added. Municipalities must now **choose at least three strategies to comply**, but **choose five to receive funding prioritization**.
- Implementation: Municipalities now **required to adopt an implementation plan and timeline**.
- Reporting: **Annual reports due October 1st**.

Background: Enforcement

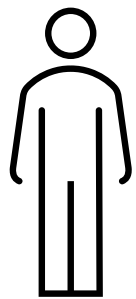
State Funding, including Transportation Investment (TIF), Transit Transportation Investment Fund (TTIF), and COVID matching grants are now tied to Moderate income Housing Requirements!

The County must select and report on 3 strategies to be eligible for funding, and **5 strategies to receive priority consideration for funding**. Failure to comply with State requirements jeopardizes the County's eligibility for funding sources.

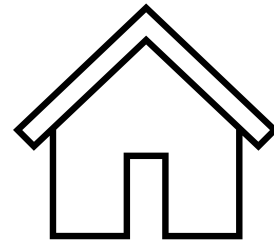
The State Department of Workforce Services will notify an entity of non-compliance and provide an opportunity to address deficiencies prior to affecting funding eligibility.

Background: Defining Moderate Income Housing

housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the housing is located.” (State Code 17-27a-103)

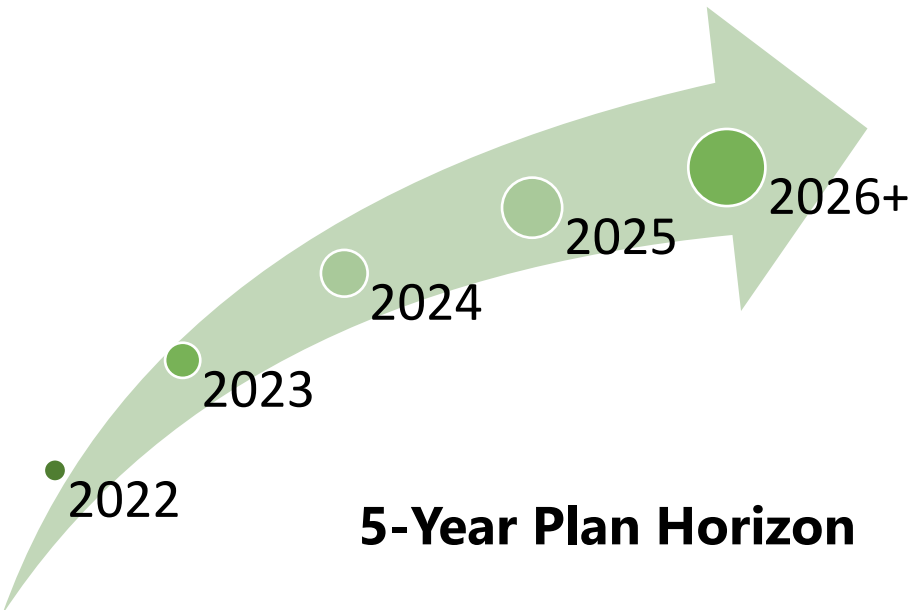


Unincorporated households earning 80% or less of area median household income (\$84,959)...



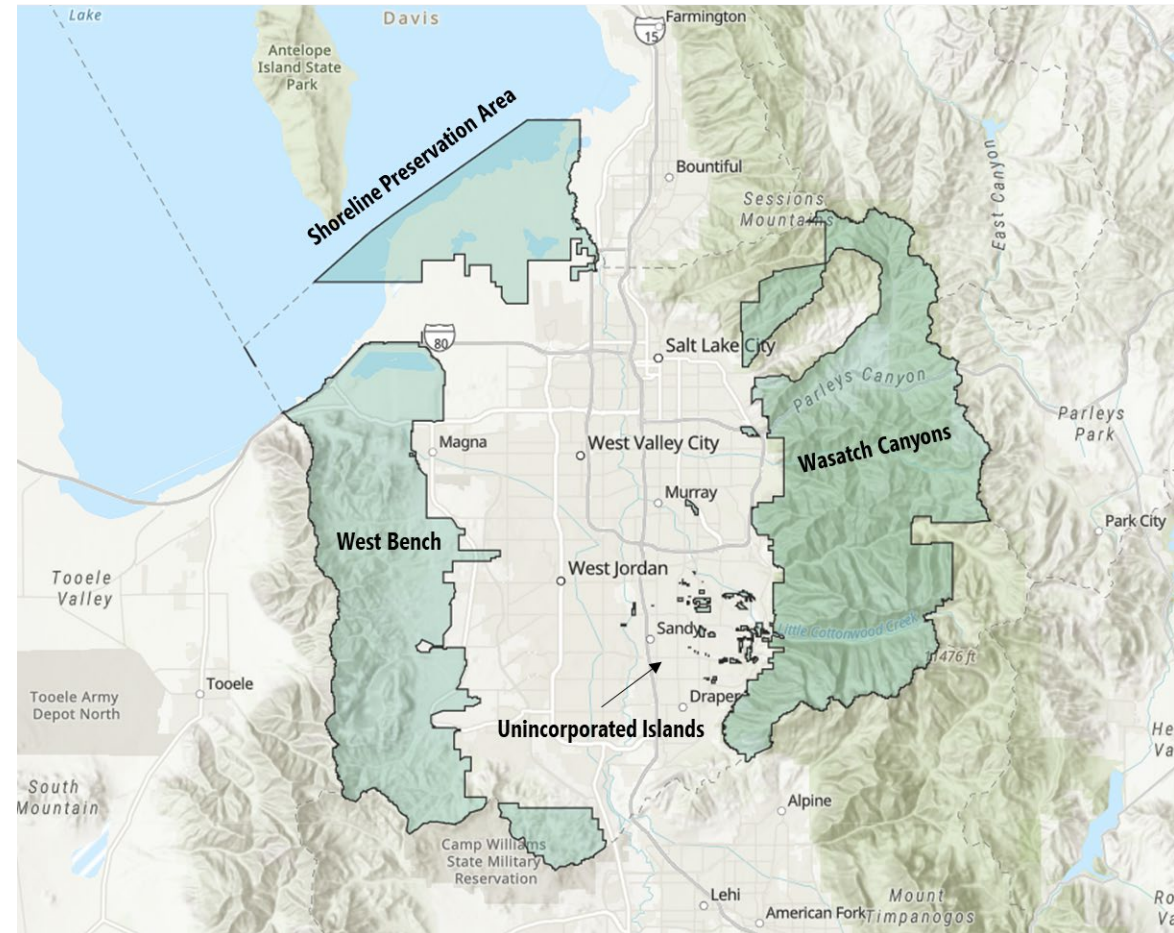
Can afford to spend 30% of their income (\$2,124) or less on housing costs.

Plan Scope



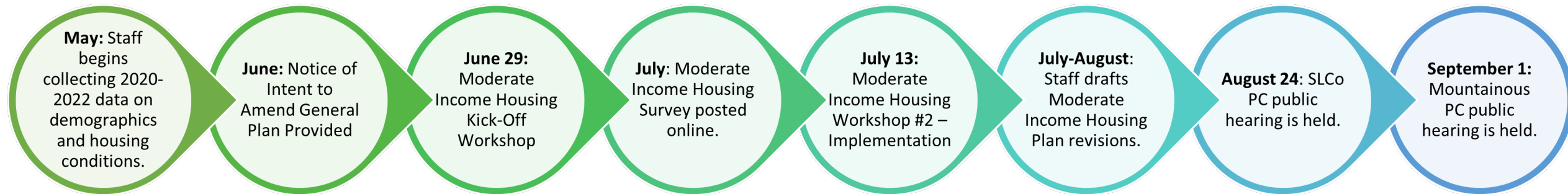
5-Year Plan Horizon

All sections of Unincorporated Salt Lake County.



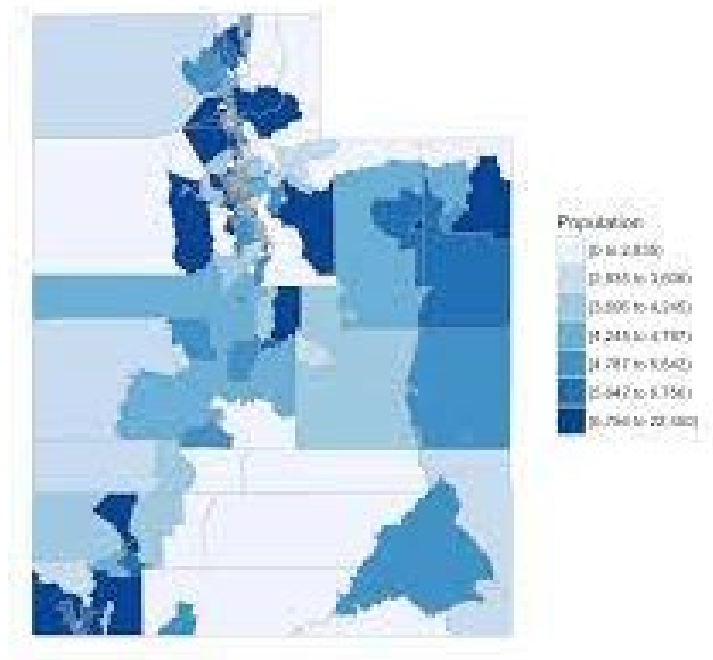
Credit: MSD Long Range Planning, 2022.

Planning Process: Timeline



Planning Process: Data Collection

2020 Financial Characteristic Census Data Joined to Census Tracts

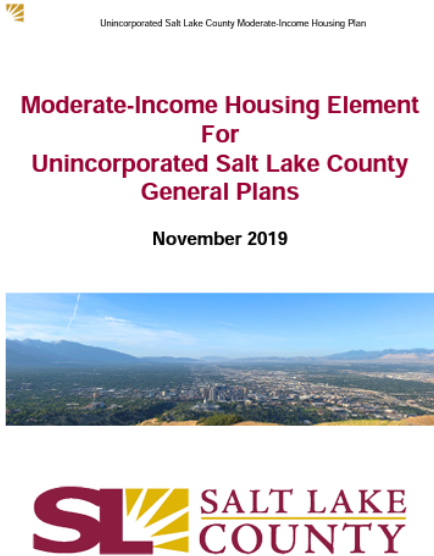


Credit: Silge, 2016.

2022 Sociodemographic Data from Esri Community Analyst



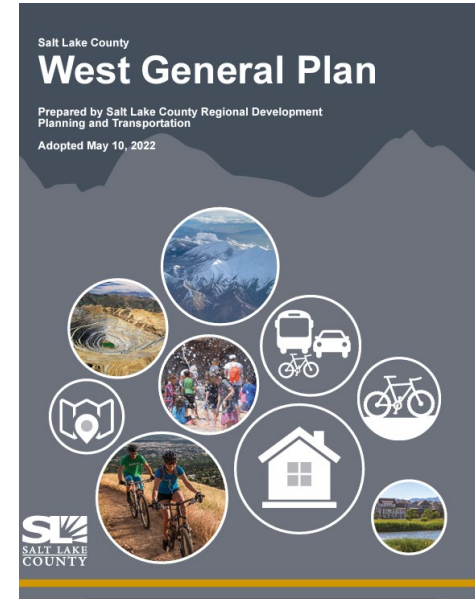
Planning Process: Public Input Analysis



Reviewed recommendations from 2019 MIH Plan.



Analyzed public feedback and goals from Wasatch Canyons General Plan.



Analyzed public feedback and goals from West General Plan.

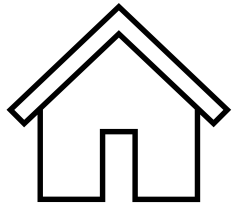


Invited the public to 2 public workshops and hosted an online survey – 12 respondents.

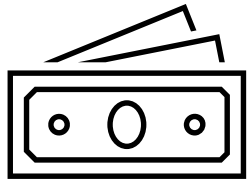
Plan Content: Outline

1. **Executive Summary:** a one-page briefing on the plan purpose, selected strategies, and reporting requirements.
2. **Introduction to the Moderate Income Housing Plan:** an overview of the State's Moderate Income Housing requirements, the scope of the Plan, and how to use the Plan document.
3. **Unincorporated Salt Lake County's Existing Housing Conditions:** an analysis of demographics, housing supply and demand, housing conditions, and land uses in the Unincorporated portions of the County. This section examines housing affordability and sets the foundation for understanding the County's Moderate Income Housing needs.
4. **Unincorporated Salt Lake County – Community Engagement and Housing Vision:** summarizes community engagement results related to housing from the County's various plans from an online survey that was included in this planning process.
5. **Selected Strategies for Addressing Moderate Income Housing:** provides an analysis of why each of the five (5) strategies was selected.
6. **Moderate Income Housing Implementation Plan:** identifies how the County anticipates implementing each selected strategy and proposes a five-year timeline for doing so. This section includes detailed work programs for implementation.

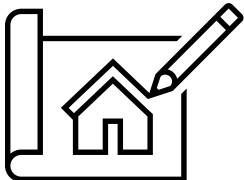
Plan Content: Data Findings



There are 925 owner households and 46 renter households in Unincorporated making 80% or less of area median household income.



23% of all households in Unincorporated Salt Lake County spend more than 30% of their income on housing (cost-burdened)



Unincorporated Salt Lake County currently has a shortage of 69 owner MIH units, and a surplus of 27 renter MIH units. However, there is a shortage of renter units at higher incomes, which is likely leading to a deficit of units available to lower-income renters.

Table H: Housing Gap Analysis for Renter-Occupied Units.

Income Brackets		Max Affordable Monthly Housing Allowance	Max Affordable Monthly Rental Costs (Rent- Utilities)	#Renter HHs	Rental Units Available	Surplus/Deficit of Units
less than 30% AMHI	14891	372.27	104.27	6	59	53
30%-50% AMHI	24818	620.45	352.45	0	0	0
50%-80% AMHI	39709	992.72	724.72	40	14	-26
80%-100% AMHI	49636	1240.90	972.90	26	47	21
>100% AMHI	>49636	>1240.9	>972.9	214	166	-48

Credit: MSD's Estimation Based on 2020 Census Data.

Plan Content: The Strategies

2019 Strategies

E. Create or allow for, and reduce regulations related to, accessory dwelling units in residential zones.

F. Allow for higher density or moderate-income residential development in commercial and mixed-use zones, commercial centers, or employment centers.

~~I. Allow for single room occupancy developments.~~

~~J. Implement zoning incentives for low to moderate income units in new developments.~~

~~L. Preserve existing MIH.~~

P. Apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of MIH.

Notes:

- Strategy I was eliminated because there are so few places in Unincorporated Salt Lake County that could support Single-Room Occupancy Development.
- Strategy J was eliminated because the County does not have the resources to offer incentives, and the inclusion of MIH units can no longer be required through zoning.
- Strategy L was eliminated in favor of Strategy O, which recognizes the diverse programs offered by Salt Lake County Housing and Community Development – related both to rehabilitation and new construction.
- Strategy B was added because the County already does a lot of work related to infrastructure that supports housing needs, including digital infrastructure and transportation networks.

2022 Strategies

B. Demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of Moderate Income Housing.

E. Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.

F. Zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones, commercial centers, or employment centers.

O. Apply for or partner with an entity that applies for state or federal funds or tax incentives [...] or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing.

V. Create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones.



Plan Content: Strategy B

B. Demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of Moderate Income Housing.

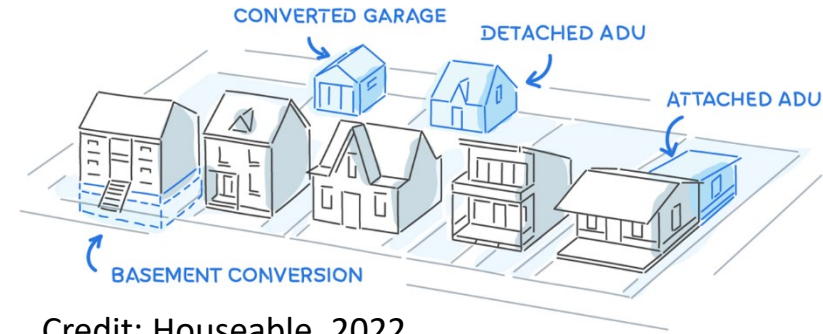
Justification:

Salt Lake County already invests staff time and funding on infrastructure projects in Unincorporated Salt Lake County that facilitate the construction and rehabilitation of MIH, as well as general housing affordability.

Example) Expand economic opportunities and open access to new housing markets by investing in digital infrastructure, such as the Google Fiber Contract in Unincorporated Salt Lake County.

Example) Invest in transportation infrastructure that can help residents reduce transportation costs, another significant portion of household budgets.

Plan Content: Strategy E



Credit: Houseable, 2022.

E. Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.

Justification:

Salt Lake County allows accessory dwelling units in several of its residential zones. However, few units have been built. Understanding barriers to ADU construction and working to address these can help more owners take advantage of extra income from ADUs and provide more housing opportunities for potential renters.

Example) Review case studies and interview residents to understand what the major barriers are to ADU construction.

Example) Offer an incentive program to bring existing ADUs into compliance; or develop a guide to assist homeowners in navigating the ADU permitting process and making needed updates.

Plan Content: Strategy F



Credit: Sidewalk Labs, 2017.

F. Zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones, commercial centers, or employment centers.

Justification:

Throughout past planning processes and in the 2022 survey, residents were clear that they want to preserve existing neighborhoods and increase residential development only in existing centers, where infrastructure can already support growth.

Example) Identify commercial and industrial sites where residential infill may be desirable.

Example) Update zoning ordinances to allow for residential infill in identified sites, particularly where infrastructure and employment centers already exist or are being built, like near the Inland Port.

Plan Content: Strategy 0

O. Apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, [...] or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing

Justification:

Many residents already own their homes and need additional support in making emergency repairs or needed energy or accessibility retrofits. The County has expansive programs that address these needs, and the programs could be leveraged and expanded to further support the County's MIH goals.



Credit: Cornell Place - Apartment Guide, 2022.

Example) Find additional ways to advertise the Green and Healthy Homes Program and connect residents with needed resources.

Example) Evaluate additional programs or services that could fit within the Green and Healthy Homes or HOME Investment Partnership Program and seek funding to implement.

Plan Content: Strategy V

V. Create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones.



Credit: Sandy Hills Duplex – Google Maps Street View, 2019.

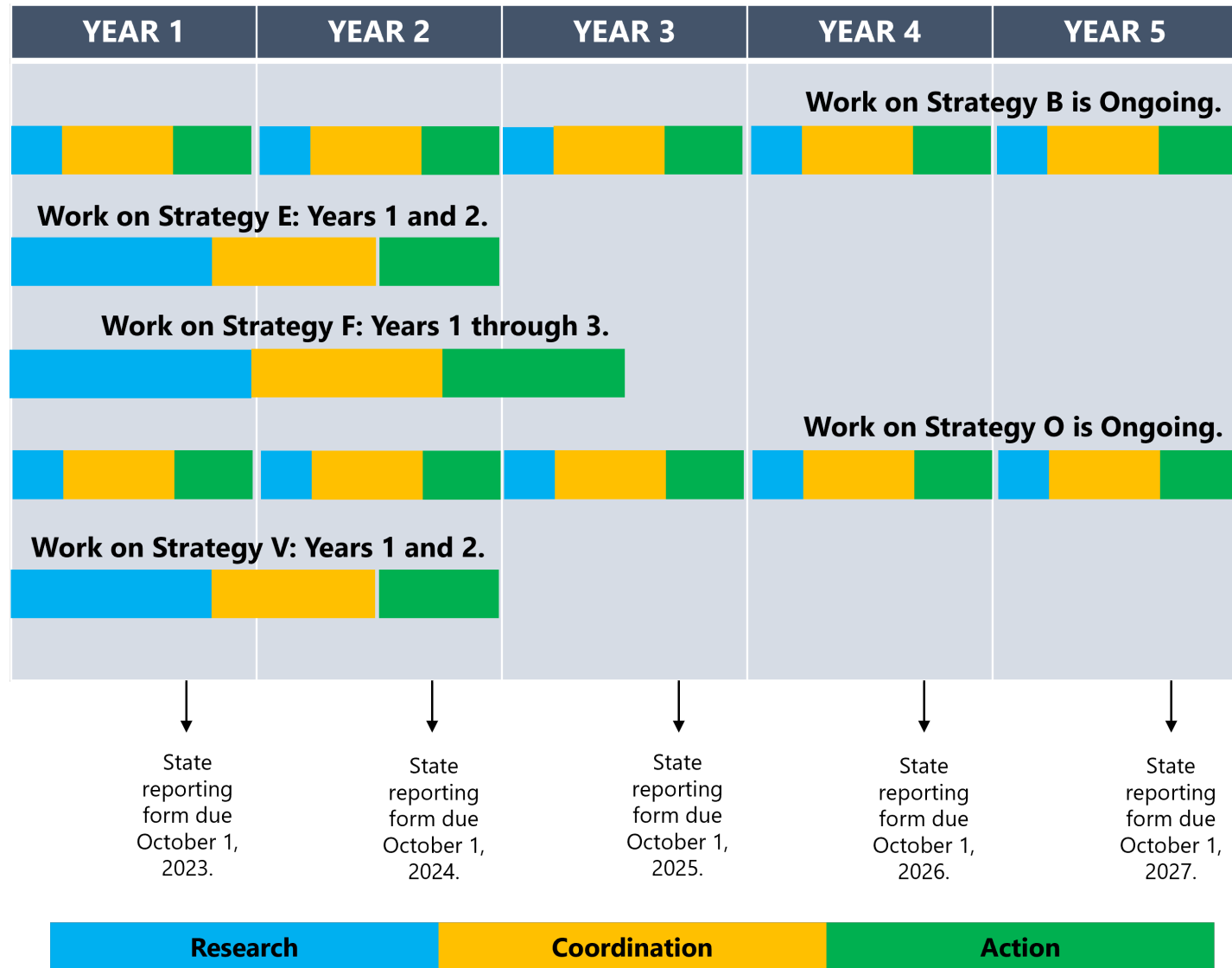
Justification:

Duplexes mixed into residential neighborhoods at a compatible scale are common throughout existing subdivisions in Unincorporated SLCo. Adding small-scale multi-family uses near transit and commercial centers could expand housing choice without greatly impacting existing neighborhoods.

Example) Study areas of Unincorporated where duplexes are integrated in residential neighborhoods and record what works well or needs improvement.

Example) Collaborate with resident and leadership to draft standards for allowing duplexes and other small-scale multi-family uses by right in neighborhoods where appropriate.

Plan Content: Implementation Timeline



Plan Content: Work Program Tables

E. Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.

<u>Actions</u>	<u>Involved Parties</u>	<u>Anticipated Funding Source</u>	<u>Anticipated Output</u>	<u>Resources</u>
1A. Conduct research with residents to understand what barriers to constructing ADUs exist.	MSD PDS, Residents	Staff Time	Staff engage with residents and identify the top barriers to ADU construction in Unincorporated Areas. (Q3 2023)	Portland Study of ADU-Owners
1B. Staff study case studies related to the top barriers identified in 1A.	MSD PDS	Staff Time	Staff prepare a summary of pertinent case studies and potential paths forward. (Q1 2024)	HUD Article on U.S. Efforts to Encourage ADU Production

Example Steps

Example Benchmarks

SLCo and Mountainous PC Recommendations

The Planning Commissions forwarded a **recommendation of adoption of the 2022 Moderate Income Housing Plan with revisions as noted:**

- ✓ Update the maps on pages 16 and 18 to remove Olympia Hills.
- ✓ Remove highlighted red text.
- ✓ Basic Formatting, like adjusting line breaks so that work program tables fit onto a single page each.
- ✓ Add language about household energy costs and the benefits of energy-efficient housing.
- ✓ Modify work table metrics / language to be more measurable.

Leading up to this public hearing, the following changes were made:

1. All formatting changes and map revisions were made as recommended by the Planning Commissions.
2. Language about household energy costs and actions related to improving housing energy efficiency was added in association with Strategies B and O.
3. The work program tables were modified for more precise language regarding target action dates and measurable benchmarks.

New Metrics (Example):

Strategy B

Annual spending on infrastructure projects in census blocks with a median income below the median for Salt Lake County.

Completed infrastructure projects in Unincorporated SLCo related to transportation, digital infrastructure, energy-efficiency, or other sectors that significantly reduce household spending.

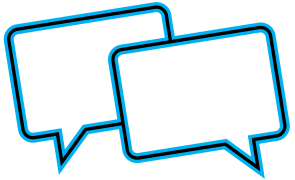
To be measured at baseline (2022), and every year following up to 2027.

Staff Recommendation:

Throughout the planning process, MSD Staff worked closely with staff in the Salt Lake County Office of Regional Development, the Mayor's Office, and with the County's legal team. Staff have reviewed the drafted 2022 Moderate Income Housing Plan, finding that the drafted Plan:

- Includes all content required by State Code related to Moderate Income Housing (17-27a-403);
- Places Unincorporated Salt Lake County in a position that would allow it to receive priority funding status in the future;
- Provides a realistic plan and timeline for implementation, given the County's available resources; and
- Incorporates public input and recommendations from the Planning Commissions to ensure the Plan adequately reflects residents' vision for housing and future land uses.

What Comes Next?: Council Hearing



Tonight: following the public hearing, the Council may make a motion to adopt, adopt with revisions, or not adopt the Plan Amendments.

The Moderate Income Housing Amendments must be adopted by October 1st in order to maintain compliance with State Code.

What Comes Next?: Annual Reporting

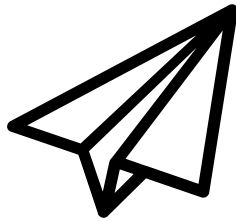
Starting in 2023, **staff must report annually on progress made toward implementing the adopted Moderate Income Housing Plan**. Reports are due to the State's Department of Workforce Services – Housing and Community Development Division on October 1st each year.

If the County is found to have complied with minimum requirements, they are eligible for funding from the Tax Commission and Governor's Office of Economic Opportunity.

If the County is found to have complied with and exceeded minimum requirements (selected and implemented five strategies), the County receives funding prioritization status.

If the County does not comply with minimum requirements, it will be notified, and may lose funding eligibility if the deficiencies are not addressed.

Questions?



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