



MODERATE INCOME HOUSING PLAN



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SOUTH SALT LAKE CITY COUNCIL

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Background and Context

Incorporated in 1938, South Salt Lake City was one of the first suburban communities established after the founding of Salt Lake City. Two significant building booms in the twentieth century, the first after the Second World War and the second in the 1970s and 1980s, established neighborhoods centered around schools and churches, and a significant commercial and industrial center west of State Street. South Salt Lake grew rapidly, due to good access to transit and excellent proximity to regional employment centers, and is now essentially built-out. The City was an attractive place to start a household and grow a business, a defining feature of life in the community even today.

Throughout its history, South Salt Lake faced the acute need to provide affordable housing to residents at every income level, ability, and lifestyle. While the City is widely perceived to be one of the more affordable communities in the region, this Moderate Income Housing Plan demonstrates that there is still a significant demand for affordable housing, and that many South Salt Lake households lack access to quality housing they can afford. Housing is considered affordable at any income level if households spend no more than 30 percent of their gross monthly income on housing expenses, including utilities.

This report uses South Salt Lake's *Area Median Income* (AMI) as a metric to measure household affordability. The City's AMI, according to the U.S. Census Bureau, was \$37,238 in 2014, while the County's was \$59,846. Since the City's AMI is significantly lower than the County's, the City's need for housing is particularly acute. This report uses the City's AMI to demonstrate the number of cost-burdened households that *already reside* in the Community. However, we note that eligibility for the various developer tax credits, housing subsidies, and neighborhood revitalization programs are based on the County's AMI. The differences between the City and County median household incomes, and their policy implications, are discussed at several points throughout this report.

This report examines current conditions and projects housing demand into the future, making recommendations for the provision of additional affordable housing over the next four years, to 2020. In developing this Moderate Income Housing Plan, the City utilized the Utah Department of Workforce Services' *Utah Affordable Housing Forecast Tool*, as well as the *Fair Housing and Equity Assessment of the Urban County* prepared by the University of Utah Bureau of Economic and Business Research in 2014.

Statutory Requirements

Section 10-9a-408 of the *Utah Code* mandates that each city shall review biennially a moderate income housing plan. Plans shall include:

- Efforts made by the City to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing

- Actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing.
- Progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing, and.
- Efforts made by the City to coordinate moderate income housing plans and actions with neighboring municipalities.

This report addresses the above requirements in multiple sections:

- **Section I** presents a demographic summary for South Salt Lake, discussing population and growth trends in housing; household size and income; race, ethnicity, and place of origin; and age and critical needs.
- **Section II** explores the City's current housing stock, including vacancy, structure types, unit sizes, values, rents, age and condition of the housing stock, and the availability of subsidized housing and housing for residents with critical needs.
- **Section III** concerns affordability and availability of owner- and renter-occupied housing. This section also reviews the availability of housing types, including housing for residents with critical needs, in the City's various zones.
- **Section IV** reviews the *Fair Housing and Equity Assessment*, and makes the case for a more comprehensive understanding of the components of housing equity, and the City's fair share of housing opportunity along the Wasatch Front.
- **Section V** discusses how the City has reduced regulatory barriers to housing affordability through zoning regulations, design standards, and innovative neighborhood revitalization and housing rehabilitation programs that help maintain equity and integrity in our existing single-family neighborhoods.
- **Section VI** illustrates the existing and projected gaps and needs in housing affordability in South Salt Lake.
- **Section VII** lays out goals, objectives, and policies intended to maintain and increase affordable housing opportunities for anyone who wishes to reside in South Salt Lake.

Plan Goals and Objectives

The goals, objectives, and policies are important tools for the City to plan for new housing in a manner that ensures that housing choice and opportunity is available to everyone. These goals are intended to update and expand upon the goals, objectives, and policies established in the South Salt Lake City General Plan, adopted in 2010. This plan recommends that the following goals be implemented by 2020:

Goal 1: Increase housing opportunities for households earning to 50 percent of the City's Area Median Income (AMI) and for households with critical needs, by providing 100 new housing units for households earning less than 50 percent AMI, and another 100 units for low- and moderate-income senior households.

Goal 2: Increase housing opportunities for households earning from 50 to 80 percent of the City's AMI, by providing 200 new housing units for households at this target income level, and by continuing to promote the safety and quality of existing rental housing.

Goal 3: Increase housing opportunities for households earning from 80 to 100 percent of the City's AMI, by providing 200 new housing units for households at this target income level, by expanding the City's Housing Rehabilitation Program, and by continued support of the County's down payment assistance program.

Goal 4: Increase opportunities for affordable housing through rehabilitation and neighborhood revitalization. This should be done through continuing and expanding existing programs and partnerships to provide an additional 80 Community Connection neighborhood revitalization grants, 40 low-interest Critical Needs / Green and Healthy Home Initiative loans, 100 Emergency Home Repair Grants, and pursuing additional opportunities to provide affordable, sustainable home ownership for existing residents. This goal is perhaps the most critical of the four, as South Salt Lake has an ageing housing stock that shelters thousands of households at all income levels. The programs recommended by this goal will help maintain equity and value in these homes, while providing households with an opportunity to repair critical needs or adapt to personal situations that would otherwise cause them to lose their homes.

The Moderate Income Housing Plan and the South Salt Lake City General Plan

This plan is adopted as an update to the South Salt Lake City General Plan. It amends the General Plan's housing element with updated demographic information and new goals and objectives for housing for low- and moderate-income residents, including seniors and those with critical needs. The General Plan's housing element includes seven goals, described on pages 141 through 143 of the plan. Those goals remain relevant to the community and should be implemented by City staff. This updated Moderate Income Housing Plan does not replace the housing goals adopted in 2010 as part of the General Plan.

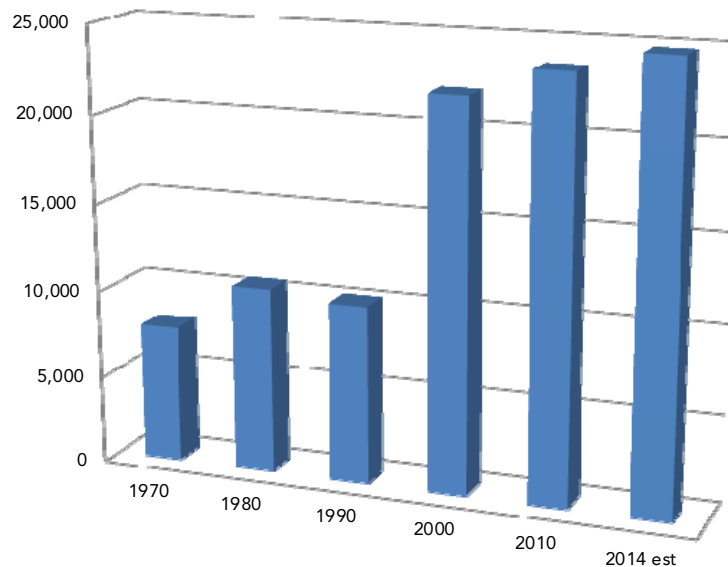
The intent of the South Salt Lake City Moderate Income Housing Plan is to ensure that the City provides ample opportunities for quality housing for all residents, especially those who live in cost-burdened households or who experience critical needs. While South Salt Lake provides a considerable amount of housing to the region's low- to moderate-income households, the need for additional housing opportunity is still acute. This plan advocates for additional affordable housing such that any resident can fully participate in and benefit from all aspects of neighborhood and community life.

I: Demographic Summary

Population and Growth Trends in Housing

South Salt Lake is an essentially built-out community with an abundance of traditional neighborhoods that are characterized by a mix of housing types and a variety of densities. The U.S. Census Bureau estimates that the City has 24,748 residents as of 2014. The City's population has increased by nearly 4.8 percent since 2010, and by over 12 percent since the turn of the century. South Salt Lake's population growth trend is expressed in Figure 1.

Figure 1: Population of South Salt Lake - 1970 to Present

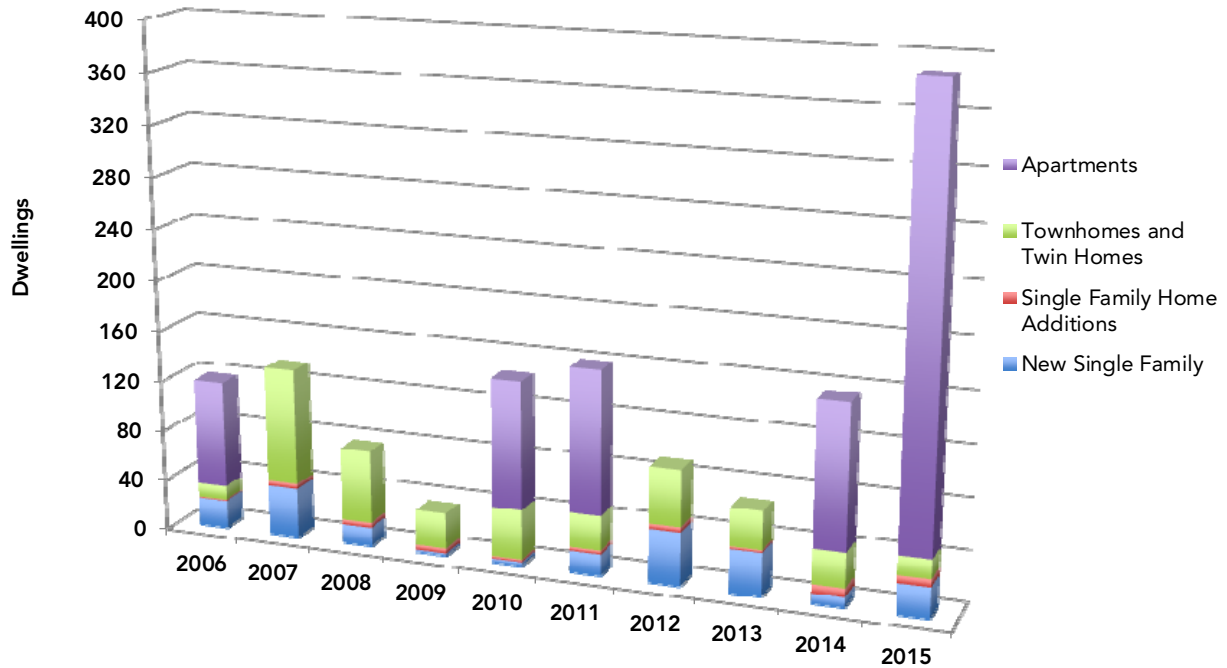


Source: U.S. Census Bureau, South Salt Lake General Plans

Note: In 1998, South Salt Lake City annexed a portion of unincorporated Salt Lake County. This annexation increased the city's population by over 10,000 residents.

While the City lacks the open space necessary to drive population growth at rates that are common in the southwest portion of Salt Lake County, growth has occurred through infill development in existing neighborhoods. Since 2006, the South Salt Lake Community Development Department has issued certificates of occupancy on 1,325 new residential units and 37 residential additions. In the last nine years, South Salt Lake also issued permits for 206 new single-family homes, 369 townhomes, and 750 multifamily units. A summary of new housing trends in South Salt Lake since 2006 is shown in Figure 2.

**Figure 2: New Housing in South Salt Lake
2006-2015**



Source: South Salt Lake City Community and Economic Development

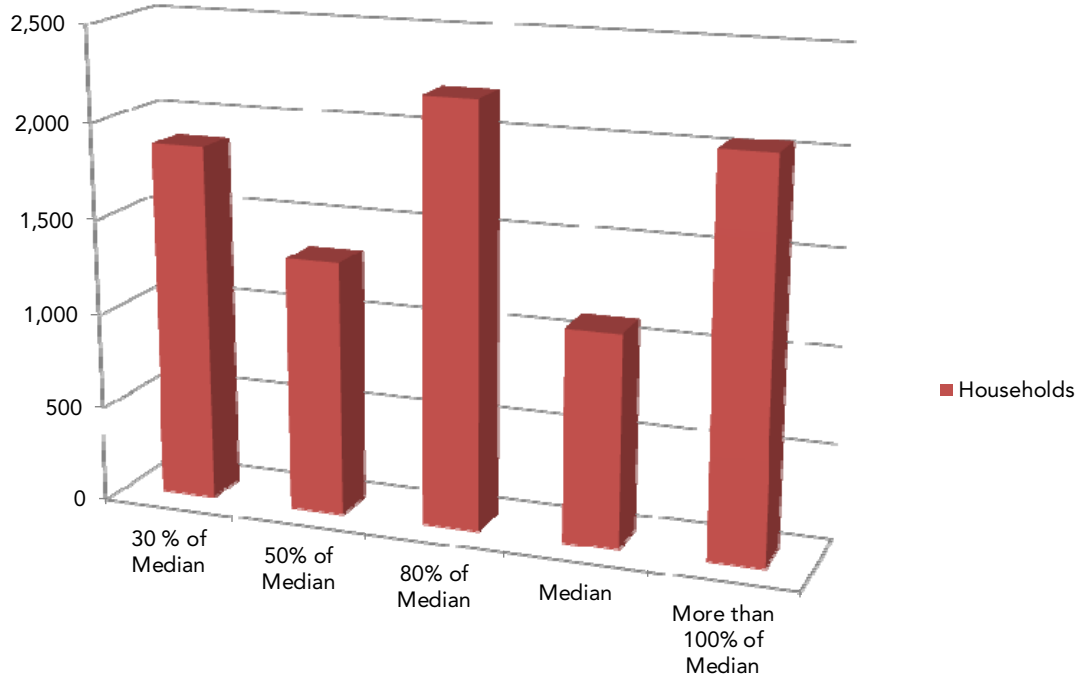
Household Size, Household Income, and Poverty Status

South Salt Lake is a working-class community with a high concentration of moderate- to low-income households relative to Salt Lake County. Households, housing units and families in South Salt Lake tend to be smaller than those of the entire county. While the average family size in South Salt Lake increased from 3.17 people in 2000 to 3.24 people in 2010, the average household size remained fairly steady: 2.47 in 2000 and 2.46 in 2010. According to the Bureau of Economic and Business Research, minority groups tend to have larger household sizes: the average Hispanic/Latino household increased from 2.63 in 1990 to 3.31 in 2010. Despite the overall trend toward smaller household sizes, nearly all minority groups had average household sizes in excess of three persons in 2010 (BEBR, 2013).

The median household income for South Salt Lake residents was \$36,345, according to the U.S. Census Bureau’s *American Community Survey 2008-2012*. In 2007, the median household income for South Salt Lake Residents was \$35,946, in 2013 dollars. The area median income (AMI) for all Salt Lake County residents for the same time period was \$59,626. The median household in South Salt Lake earns 61 percent of the county-wide AMI. Of the 8,087 households in South Salt Lake, 1,715 earn approximately \$10,000 per year, and fall below 30 percent of the South Salt Lake AMI. Nearly a quarter of all households in South Salt Lake earn

more than 100 percent of AMI. Distribution of Household Incomes in South Salt Lake is shown below in Figure 4 and Table 1.

Figure 4: Distribution of Household Incomes in South Salt Lake: 2014



Source: Utah Affordable Housing Forecast Tool, v. 2.2.

Table 1: Distribution of Household Incomes in South Salt Lake: 2014

Income Level	Households	Percentage
≤30% AMI	1,870	21.9%
>30% to ≤50% AMI	1,330	15.5%
>50% to ≤80% AMI	2,205	25.8%
>80% to ≤100% AMI	1,105	12.9%
>100% AMI	2,044	23.9%
Total Households	8,554	

Source: Utah Affordable Housing Forecast Tool, v. 2.2.

The U.S. Census Bureau indicates that, in 2007, 22.3 percent of South Salt Lake residents fell under the poverty line; in 2011, that share of residents below the poverty line increased to 23.8. Household incomes increased in the last five years, as did poverty rates. This could be

due to the changing composition of city residents, an increase in immigrant and refugee populations, the effects of the Great Recession, and economic trends that contribute to continued and increasing economic inequality nationwide.

Using a broader measure of poverty status provided by the U.S. Department of Housing and Urban Development, the Bureau of Economic and Business Research concluded that 37 percent of South Salt Lake residents are considered ‘poor’, and that South Salt Lake had among the highest concentrations of poverty in Salt Lake County (BEBR, 2013).

Race, Ethnicity, and Place of Origin

South Salt Lake’s transition from a predominantly white, non-Hispanic or Latino, working-class suburb into one of the most diverse communities in Utah is the single-most important demographic change to have occurred in the City in the last 20 years. From 2000 to 2010, the percentage of residents identifying as Hispanic or Latino increased from 22 percent to 29 percent. Meanwhile, the population of those who identify as white and not Hispanic or Latino declined from 63 percent of the population in 2000 to 56.5 percent in 2010. During this time, the city also experienced significant growth in the population of African- and Asian-Americans, likely owing to the significant increase in the City’s foreign-born immigrant and refugee population over the same time period.

The demographic changes summarized in Table 2 testify to the changing nature of the City, and the need for the City’s housing policies and programs to be responsive to new and potentially-underserved populations.

Table 2: Race and Ethnicity in South Salt Lake	2000	2010
Hispanic or Latino	4,932	6,869
Not Hispanic or Latino	17,106	16,748
Percent Hispanic or Latino	22.38%	29.08%
White	17,375	16,420
Black or African American	802	1,038
American Indian or Alaska Native	877	625
Asian	760	1,184
Native Hawaiian and Other Pacific Islander	340	237
Some other Race	2,882	3,154
Two or More Races		959
White alone, Not Hispanic or Latino	14,476	13,344
	62.84%	56.50%
	2000	2010-2014
Percentage of Foreign-Born Persons	3,923	6,583
	17.7%	26.6%

Note: Hispanics and Latinos may be of any race.

Source: U.S. Census Bureau, 2000 and 2010 Censuses; 2010-2014 American Community Survey.

Age and Critical Needs

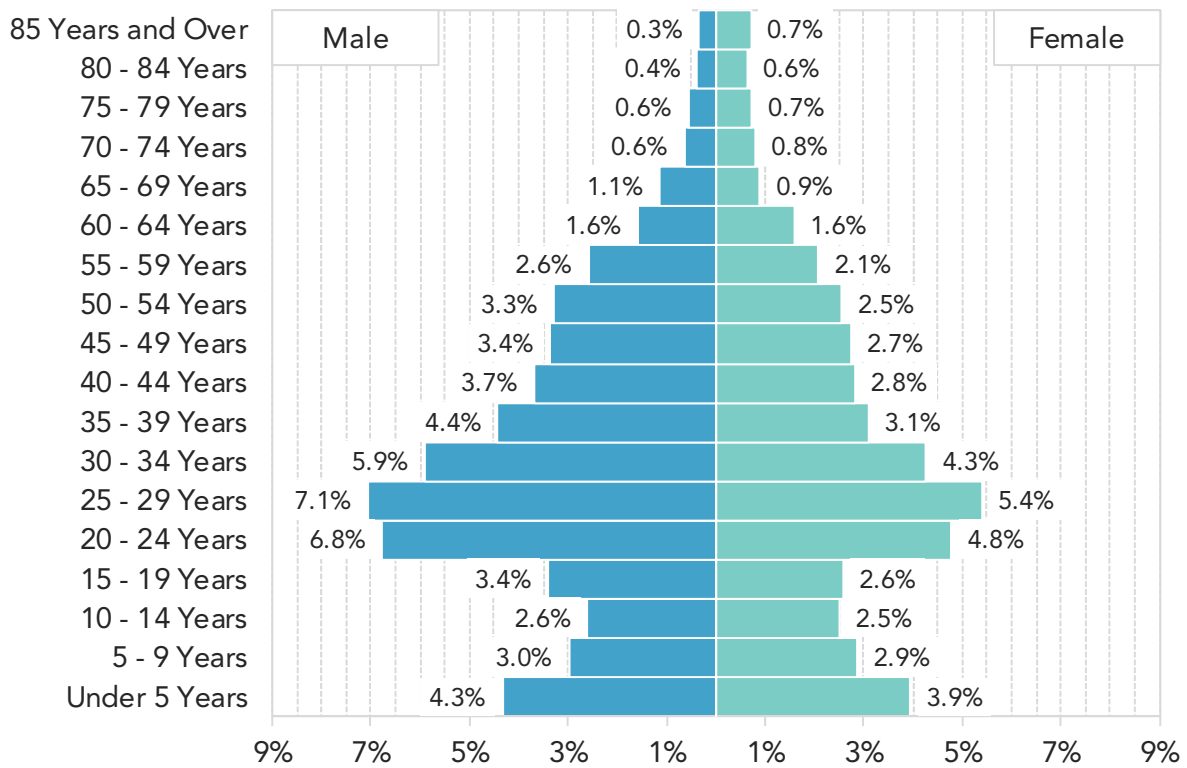
South Salt Lake continues to be attractive to families with children. The percentage of residents under the age of 18 has remained fairly constant – 24 percent in 2000 to 22 percent in 2010. At the same time, the population of senior citizens aged 65 and over declined from nearly 8 percent of the population in 2000 to 6.5 percent as of the 2012 American Community Survey. The share of the City’s population that is 65 and older is expected to remain constant through 2020, and then increase to 9.3 percent by 2030.

The population of working-age residents, roughly those aged 20 to 64 years old, increased from 65 percent of the population in 2000 to almost 68 percent of the population in 2010. This age cohort is also the group most likely to have children living at home with them. A review of recent American Community Survey data shows that the populations may be growing *younger* over time, as families with young children move into the City. As the City’s population ages, there will continue to be a need for affordable senior housing, but the trend over 15 years suggests that there is a continued need for affordable housing that can accommodate growing families.

According to the 2012 *American Community Survey*, 8.3 percent of all Americans under the age of 65 and 36.8 percent of all Americans 65 and older have some form of disability. Assuming that the percentage of South Salt Lake residents with disabilities is comparable to national figures, approximately 1,827 residents under the age of 65 and 593 residents 65 and older suffer from a disability. Individuals with disabilities may require special housing accommodations.

The number of beneficiaries of Social Security Disability payments in and around South Salt Lake corresponds to the *American Community Survey* estimates. According to the Bureau of Economic and Business Research, there were 735 disabled beneficiaries in ZIP Code 84115, and another 1,065 in ZIP code 84119. Both ZIP codes include South Salt Lake neighborhoods. Regionally, individuals with disabilities tend to be concentrated in West Valley City, Taylorsville, Kearns, and some neighborhoods in South Salt Lake. This is likely due to proximity to public transit and convenient access to care facilities, employment, and regional amenities.

Figure 4: Age Distribution of South Salt Lake Residents



Source: Utah Affordable Housing Forecast Tool, v. 2.2.

Table 3: Age Demographics in South Salt Lake

Age	2000		2010		2010-2014 Est.	
Under 5 years	2,040	9.3%	1,956	8.3%	2,359	9.7%
Under 18 years	5,287	24.0%	5,245	22.2%	6,395	26.3%
20 to 64 years	14,264	64.7%	16,047	67.9%	15,683	64.5%
65 years and over	1,679	7.6%	1,610	6.8%	1,580	6.5%
Total Population	22,038		23,617		24,315	

Note: The 2010-2014 estimates come from the American Community Survey. Some samples contain significant margins of error.

Source: U.S. Census Bureau, 2000 and 2010 Censuses; 2010-2014 American Community Survey.

II: Current Housing Stock

Housing Occupancy and Vacancy

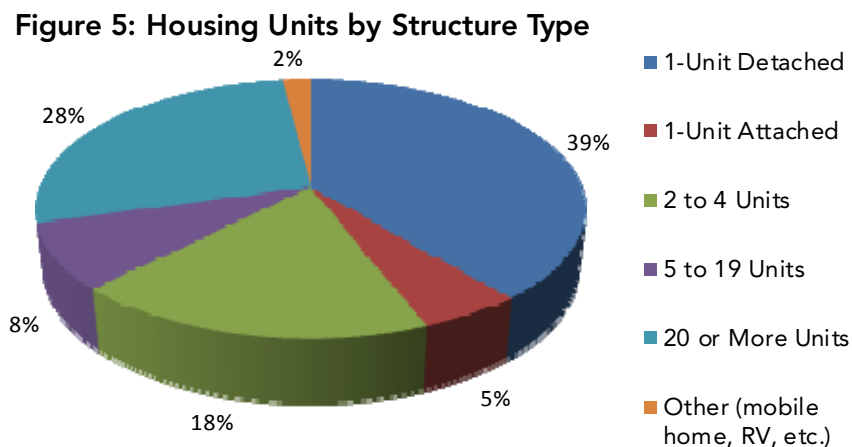
According to 2010 U.S. Census, there were 9,160 housing units in South Salt Lake. Of these, 8,554 units (93 percent) were occupied and 3,287 units (7 percent) were vacant. Of the housing units in South Salt Lake, 5,267 (62 percent) were renter-occupied housing units and 3,287 (38 percent) were owner-occupied. More recent data from the American Community Survey 2013 Five-Year Estimates suggests that the share of owner-occupied housing in South Salt Lake has increased slightly since 2010, from 38 to nearly 40 percent of all housing units. Between 2010 and 2013, the City added 236 single-family homes and townhomes intended for owner occupancy. In addition, the first quarter median home value for homes sold in ZIP Code 84115 increased 31 percent from \$135,566 in 2012 to \$177,874 in 2014. These trends indicate that South Salt Lake City's existing residential housing stock is becoming increasingly attractive to owner-occupants.

Composition of Housing Units by Structure Type

Just over half of all housing units in South Salt Lake are in multifamily housing structures with at least 2 units. Of the multifamily units, 16 percent consist of duplexes, triplexes, and four-plexes; 20 percent consist of medium size apartment complexes from 5 to 19 units; and 16 percent consist of larger complexes with 20 units or more.

The most common housing structure in South Salt Lake is the single-family detached home, accounting for 39 percent of all housing units in the City. Other single family housing types include townhomes, or 1-unit attached structures, and other housing, to include 304 mobile homes and recreational vehicles that serve as primary residences in the City. Most of these residents are in four mobile home parks in the City.

A breakdown of housing units by structure types in South Salt Lake is indicated below in Figure 5.



Source: Utah Affordable Housing Forecast Tool, v. 2.2.

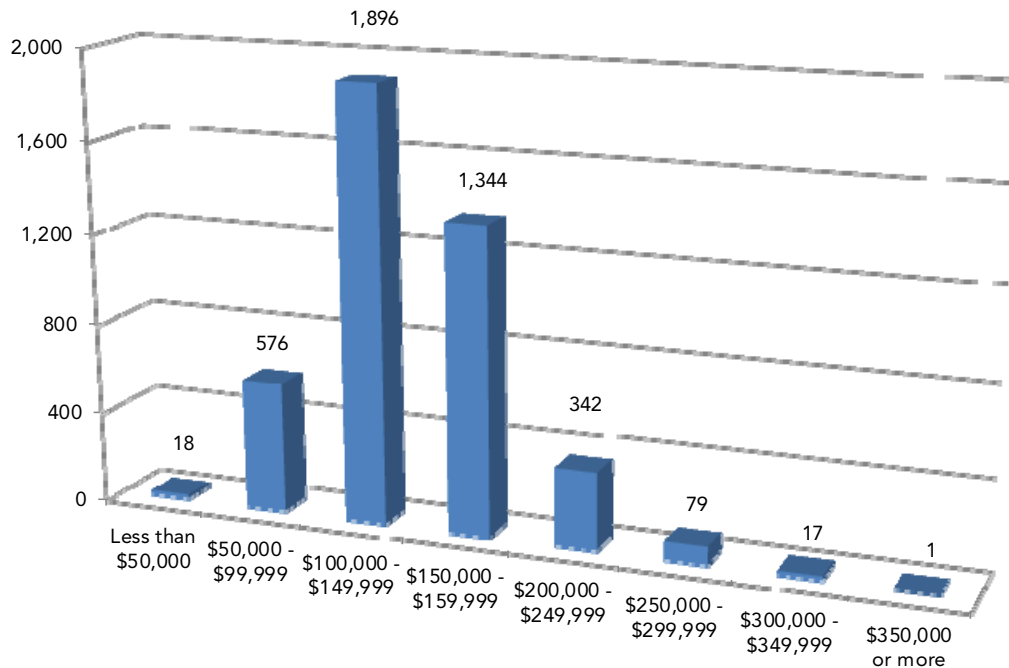
Unit Sizes

The range in unit sizes is an important consideration in assessing the need for affordable housing. According to U.S. Department of Housing and Urban Development’s Community Planning and Development map dataset, South Salt Lake City’s housing stock consists of 167 studio units or units with no bedrooms, 1,439 one-bedroom units, 3,533 two-bedroom units, and 2,948 units with three or more bedrooms.

Value of Single-Family Homes, Townhomes, and Condominiums

A review of the Salt Lake County Assessor’s data on property values in 2014 indicated that South Salt Lake City has 4,273 single-family homes, townhomes, and condominiums. The median assessed value of these units was \$141,800. Three quarters of the homes in South Salt Lake are valued between \$100,000 and \$200,000, and only 97 homes in have assessed values greater than \$250,000. The recent assessed values for single-family homes, townhomes, and condominiums is shown in Figure 6.

Figure 6: Assessed Value of Single-Family Homes, Townhomes, and Condominiums - 2014



Source: Salt Lake County Assessor, 2014

Limited data is available on home sales, but data obtained by the Salt Lake Board of Realtors suggests that the market prices of homes is slightly higher than assessed values. In 2013, 91

homes in South Salt Lake sold, ranging in price from \$77,500 to \$297,500. The median sale price for the 91 homes sold that year was \$152,000.

Rents

The U.S. Census Bureau estimates that the median gross rent for units in South Salt Lake was \$739 (U.S. Census Bureau, *American Community Survey 2009-2013 5-Year Estimates*). Over 75 percent of gross rents in South Salt Lake fell between \$500 and \$1,000 per month, as indicated in Table 4 below.

Table 4: Gross Rent in South Salt Lake

Occupied units paying rent	Estimate	Percentage
Less than \$200	5	0.1%
\$200 to \$299	188	3.8%
\$300 to \$499	124	2.5%
\$500 to \$749	1,911	38.9%
\$750 to \$999	1,884	38.3%
\$1,000 to \$1,499	667	13.6%
\$1,500 or more	137	2.8%
Median	\$777	

Source: U.S. Census Bureau; 2010-2014 American Community Survey 5-Year Estimates

Age and Condition of Housing Stock

South Salt Lake is a built-out community with limited opportunities for new development aside from specific infill and redevelopment sites. As such, the City has a significant inventory of older housing stock. In South Salt Lake, 5.3 percent of residential structures were built prior to 1950, 22.6 percent were built between 1950 and 1979, 50.2 percent were built between 1980 and 1999, and 21.8 percent were built within the last 15 years. The share of housing built before 1979 – 27.9 percent – may have critical environmental, life-safety, or amenity deficiencies that could impact the affordability and marketability of these homes in the long run. The City has long been committed to housing rehabilitation and neighborhood revitalization, and finds that these initiatives are a key part of maintaining quality, affordable housing in the community.

Existing Inventory of Subsidized Housing and Housing for Residents with Critical Needs

South Salt Lake’s existing housing inventory consists of 581 housing units that offer rent subsidies or that provide housing for residents with critical needs. Of these, 234 are owned and operated by various nonprofit entities or the Housing Authority of the County of Salt Lake (HACSL), 96 are privately owned and operated through the Low-Income Housing Tax Credit (LIHTC), which provides subsidized rents, and three long-term care and rehabilitation facilities in South Salt Lake provide 249 beds or units. In 2014, the Utah Non-Profit Housing

Corporation received a conditional use permit to construct Sharon Gardens, a 58-unit senior independent living project in South Salt Lake. Rents for this project will be subsidized at 40% to 50% AMI through a tax credit issued in 2015.

Within the city's boundaries, HACSL operates 114 units of transitional housing or permanent supportive housing for the chronically homeless. In addition, various entities operate 20 units for developmentally disabled. Currently, the City has 102 units of subsidized senior housing, with another 58 units to be occupied in the next two years.

In addition to public, non-profit, and tax-credit subsidized housing, 387 renter households received subsidies in 2011 through the Section 8 Housing Voucher program (BEHR, 2013). Overall, approximately 1,000 units in South Salt Lake are subsidized through government or nonprofit programs, or provide housing for residents with critical needs.

There is a limited supply of dedicated senior housing in the community. Including the Sharon Gardens project, which is entitled and soon to be under construction, the City has 409 units of housing that range from independent living for seniors to care facilities. Most seniors live in conventional homes or apartments. Salt Lake County manages three housing programs on behalf of South Salt Lake City that allow for qualifying senior households to maintain and improve their homes in order to meet their needs as they age. These programs include grants, loans, and volunteer assistance. These programs are discussed in detail later in this report.

A summary of project-based subsidized housing and housing for residents with critical needs in South Salt Lake is described in Table 5, below.

Table 5: Subsidized Housing and Housing for Residents with Critical Needs

Project	Units
Homeless and Transitional Housing	
Grace Mary Manor	84
Gregson Apartments	16
Frontier Apartments	14
Total	114
Housing for the Physically or Developmentally Disabled	
Ford Avenue Apartments	2
500 East Apartments	6
Lambourne Apartments	4
Leslie Apartments	4
Louise Apartments	4
Total	18
Subsidized Senior Housing Projects	
St. Mark's Millcreek	24
IOOF Tower	28
South Lake Villa	50
Sharon Gardens Senior Housing *	58
Total	160
Care Facilities	
Avalon Valley Rehabilitation Center	140
Majestic Care and Rehabilitation Center	40
Fenton Court Care Center	29
Friendship Villa Care and Rehabilitation Center	40
Total	249
Other Public or Tax Credit Projects	
Stonecrest PUD	16
Harmony Park Apartments	20
Villa Charmant Apartments	54
Southgate Apartments	6
Total	96

* This project received LIHTC financing in 2015, and is currently under design.

Source: South Salt Lake City

III: Housing Affordability and Availability

In determining the affordable housing needs for South Salt Lake Residents, the City used the *Utah Affordable Housing Forecast Tool, v. 2.2.*, developed by the Utah State Department of Community and Culture. Additional information was obtained from two documents produced by the University of Utah Bureau of Economic and Business Research as part of the Wasatch Choice 2040 initiative: *Salt Lake County: Fair Housing and Equity Assessment of the Urban County (2014)* and *South Salt Lake: Fair Housing and Equity Assessment (Draft, 2013)*.

The need for affordable housing in the community is determined through multiple inputs including the income of residents living in South Salt Lake, mortgage and gross rents, household size, unit sizes, and age of the housing stock. In addition, the Fair Housing and Equity Assessments provide important context to the issue of affordability and equity by examining school conditions, access to transit, proximity to quality jobs, concentration of poverty and protected classes, the capacity to obtain equitable mortgages, and the prevalence of cost-burdened households in a community.

This analysis indicates that while South Salt Lake has an abundance of affordable housing, especially relative to other communities, the City also has an acute need for additional affordable housing, especially for households at or below 50 percent of the median income of South Salt Lake households.

Housing is considered affordable when a household spends no more than 30 percent of their annual income on housing expenses, including mortgage or rent and utilities. For the purpose of this analysis, households that exceed that threshold are considered cost-burdened. The median annual income of households in South Salt Lake in 2014 was \$37,238 while in Salt Lake County it was \$59,846. Based on a monthly median income of \$3,103, the typical moderate income-earning household in South Salt Lake should pay no more than \$745 per month in mortgage or rent and utilities.

This plan is intended to assess the need for affordable housing at all income levels, and the cost of affordable housing varies by income level. Table 6 below, summarizes the maximum monthly affordable housing costs for the various income levels of South Salt Lake households.

Table 6: Summary of Housing Affordability *

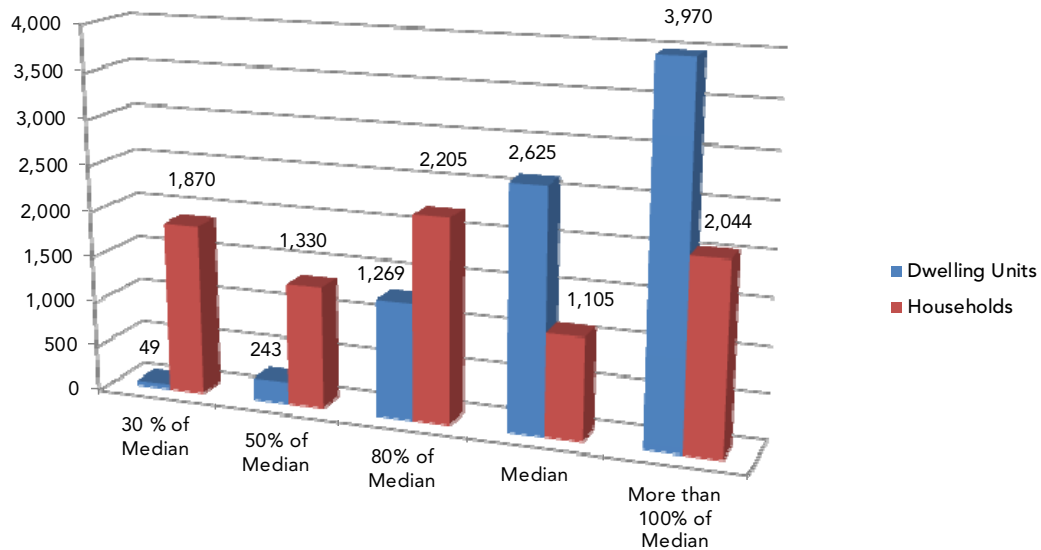
Income Level	Maximum Monthly Income for Housing Expenses	Maximum Mortgage Loan Amount
≤30% AMI	\$ 223	\$ 25,441
>30% to ≤50% AMI	\$ 372	\$ 56,144
>50% to ≤80% AMI	\$ 596	\$ 102,197
>80% to ≤100% AMI	\$ 745	\$ 132,900

* Measured at 30 percent of monthly income.

Source: *Utah Affordable Housing Forecast Tool, v. 2.2.*

Data on the affordability of existing rental housing stock was obtained from the U.S. Census Bureau’s *American Community Survey 2010-2012 Estimates*, while data on owner-occupied housing was obtained from the Salt Lake County Assessor. A number of single-family properties in the County Assessor’s dataset showed a different address for the property owner. These were deemed to be likely rentals that were counted in the *American Community Survey*, and were removed from the dataset. Due to the margins of error inherent in survey data, and the lack of a definitive dataset of owner-occupied housing, the data on the affordability of the existing housing stock is an approximation of current conditions. A comparison of the existing housing stock in South Salt Lake relative to households shows that, below the median income, there is a considerable need for additional affordable housing in the community. Figure 7 below compares the total number of households for each income bracket to the total number of dwelling units (excluding vacant homes, supportive housing, group homes, and care facilities) that are affordable for that income bracket.

Figure 7: Comparison of Existing Housing Stock to Household AMI



Source: Salt Lake County Assessor, 2013 Data; U.S. Census Bureau American Community Survey 2010-2014 5-Year Estimates

Relative to the median income of the South Salt Lake household, there is a significant oversupply of housing at or above the median income. However, for moderate-income South Salt Lake households, at 80 percent AMI, there was a shortage in 2013 of 936 units. For very low-income (50 percent AMI) or extremely low income (30 percent AMI) households, the shortage is even more acute. This suggests that the market for owner-occupied and rental housing is unable to accommodate households with incomes below the City’s median. Assessing the affordability and availability of owner-occupied housing, rental property, and special needs housing requires distinct analyses. Each will be discussed individually.

Affordability of Owner-Occupied Housing

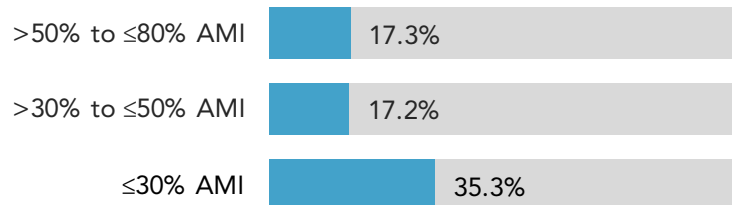
Assuming a 30-year fixed rate mortgage at 3.4 percent interest, a monthly payment of \$596 would support a mortgage of up to \$134,391. Homes valued at or below this level are considered affordable for moderate income earning households in South Salt Lake. Of the entire stock of owner-occupied housing in South Salt Lake, only 217 homes have appraised values that are affordable to households earning less than 80 percent of the median. Nearly 80 percent of the owner-occupied homes in South Salt Lake are affordable only to those households that earn more than median household income in the City.

Figure 8: Cost Burdened Owner Households

Households Spending 30% or More of Monthly Income on Housing (by Income Level)



Households Spending 50% or More of Monthly Income on Housing (by Income Level)



Source: Utah Affordable Housing Forecast Tool, v. 2.2.

Figure 8 describes the percentage of cost burdened owner-occupied households by income level in South Salt Lake. Over half of all households earning below 80 percent of the median income spend more than 30 percent of their monthly income on mortgage or rent, insurance, and utilities; individuals and families are purchasing homes in South Salt Lake, but many spend a much higher share of their incomes than is recommended for housing.

The median assessed value of all homes in South Salt Lake is \$141,800, and, in the last two years, new homes in South Salt Lake tended to sell for anywhere between \$180,000 to \$350,000. While South Salt Lake’s real estate market is considered to be affordable relative to the region, it is not affordable to all the residents who live here. Recent trends in

homebuilding in South Salt Lake suggests that future census and survey data will show that the City’s median household income will increase over time, but existing conditions indicate a high number of cost-burdened households and a limited supply of affordable owner-occupied housing in South Salt Lake. Consequently, South Salt Lake should continue its support of its down payment assistance, housing rehabilitation, and critical needs home repair programs to assist households earning less than 80 percent of the city’s median income achieve and sustain homeownership.

Affordability of Rental Housing

An *affordable gross rent*, inclusive of utilities, for South Salt Lake residents earning less than 80 percent of the area median income is \$595.81. The median gross rent, according to the 2010-2014 *American Community Survey*, is \$777. While there is limited availability of affordable owner-occupied housing, just over half of the City’s existing rental housing stock, 1,052 units, is affordable to households earning from 50 to 80 percent of the area median income. For households that earn less than 50 percent of the median income, only 238 rental units are deemed affordable. According to the 2010-2014 *American Community Survey*, there are an estimated 1,870 households in South Salt Lake whose incomes are at or below 30 percent of the area median income, and over 90 percent of these households are cost burdened, as indicated below in Figure 9.

Since 2010, South Salt Lake City permitted 1,416 new multifamily housing units, all of which are intended for market-rate occupancy. These units are not subsidized, and rents for the newer multifamily projects range from \$875 to \$1,300 per unit. Grace Mary Manor, an 80-unit permanent supportive housing project approved in 2006, was the last dedicated affordable housing development approved by the City.

In 2015, South Salt Lake entitled three new multifamily projects that are to be financed using low-income housing tax credits. These entitlements will result in 162 new affordable units in the next two years. The new units and their planned affordability targets are indicated in Table 7 below:

Table 7: Affordable Housing Units Approved in 2015

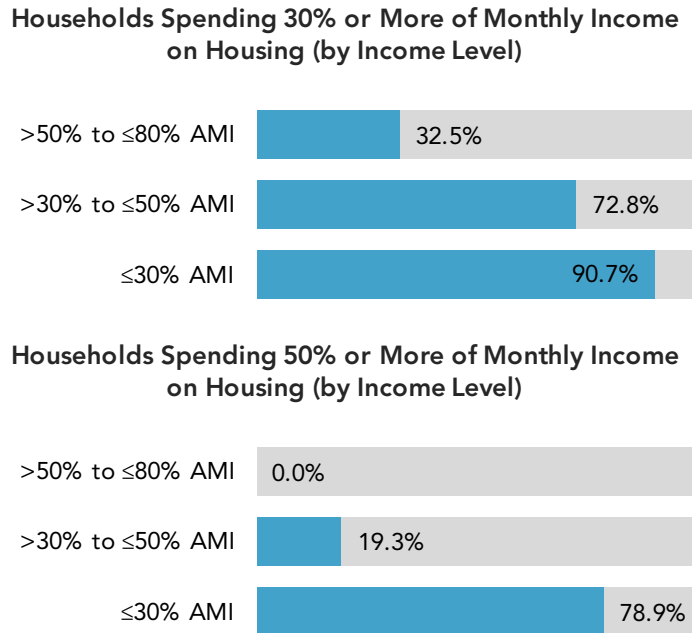
Project	Total Units	Affordable Units	Affordability Target
Sharon Gardens	58	58	40% to 50% AMI
Liberty on Main	120	72	50% to 60% AMI
Liberty Crossing	157	32	up to 50% AMI

Source: South Salt Lake City Community and Economic Development

The majority of affordable housing in the City consists of established rental units that are at least ten years old, including all 1,100 units that are subsidized or provide housing for residents with critical needs. South Salt Lake City regulates these rental units through business license requirements and the City’s Good Landlord Program, but many affordable rentals may be substandard, due to nonconforming building and code conditions. The City should

continue to aggressively enforce the Fit Premises Act and its contractual relationships with landlords through the Good Landlord Program to ensure that existing rental units are safe and meet minimum required standards.

Figure 9: Cost Burdened Renter Households



Source: Utah Affordable Housing Forecast Tool, v. 2.2.

Recently, South Salt Lake adopted a zoning ordinance and design standards for its Downtown District, encompassing nearly 200 acres between State Street and I-15 and 2100 South and I-80. The Downtown District is intended to leverage access to transit and mixed use opportunities, including a grocery store, to support quality new commercial and residential development. The Downtown district and the City’s other Transit-Oriented Development (TOD) Core districts are the best opportunities to support new affordable housing in the community.

Housing Opportunities for Residents with Critical Needs

South Salt Lake has at least 1,580 residents aged 65 or older and approximately 1,827 residents with a disability. There is a limited supply of housing for these populations: 409 units dedicated to seniors and those in need of long term care and rehabilitation, 18 units set aside for the physically and mentally disabled and 114 units of transitional housing.

Consequently, much of the housing demand for residents with critical needs is being met in existing single-family homes, duplexes, townhomes, and apartments. Most of our residents with critical needs are assumed to be on fixed incomes, and their capacity to meet their

housing costs is affected by property values, maintenance requirements, and utility costs. In partnership with Salt Lake County, South Salt Lake offers two programs to homeowners to facilitate affordability and ageing in place in existing housing: ASSIST Utah's Emergency Home Repair (EHR) program, and the Salt Lake County Green and Healthy Homes Initiative (GHHI). These programs are funded through a regional allocation of Community Development Block Grant (CDBG) funds.

Over the last four years, these programs have helped nearly 100 homeowners stay in their homes, through projects ranging from small grants for emergency repairs and accessibility improvements, to low-interest home improvement loans. To qualify, homeowners need to earn less than 80 percent of the County's AMI. Since 2012, the EHR program completed 79 projects, including 6 ageing-in-place projects and 16 accessibility design projects. In that same timeframe, the GHHI program and its predecessor, the Critical Needs Home Repair Loan Program, helped 20 homeowners undertake critical needs in their homes with loans of up to \$20,000, helping them build and maintain equity. Several of these loans were issued to senior citizen homeowners, who are eligible for a loan where the principal is recaptured through a lien on the mortgage, and the homeowner is only required to make a token payment of typically \$100 per month. South Salt Lake should continue to support these programs and should actively promote them to residents with critical needs.

Typically, renter households do not have access to these programs, since the CDBG allocations are intended to facilitate affordable, sustainable *homeownership*. However, the City is committed to ensuring that rental units are safe and compliant with the Utah Fit Premises Act, and the City requires that all landlords obtain business licenses, and all rentals are subject to inspection by City staff, to the extent allowed by state law.

All new multifamily development in the City is required to comply with aggressive design standards to promote quality design and construction. In the City's residential design standards and in special standards for the City's East Streetcar Corridor Neighborhood, developers must select from a list of unit features that includes visitability features in at least 10 percent of units, to include no-step entries, ADA restrooms, and accessible controls. This year, the City adopted a new form-based code to promote the creation of a mixed use downtown, which creates an unprecedented opportunity for new housing in a 200 acre area that has excellent access to regional transit. While the 10 percent visitability standard is optional in most zones in the City, the standard is *mandatory* for any multifamily project approved in the Downtown District. The City anticipates that 2,500 multifamily units will be constructed in the Downtown District in the next 25 years, 250 of which will meet visitability standards. This will be a significant enhancement to the City's inventory of quality housing for residents with critical needs.

Availability of New Housing Opportunities in South Salt Lake

South Salt Lake has long pursued a strategy of supporting new housing through appropriate zoning. In 2010, the City adopted a general plan that articulated a policy to support the development of higher density housing in appropriate areas – near TRAX and streetcar

stations and along major transit corridors. In the years following the adoption of the general plan, South Salt Lake established two new mixed-use districts, The East Streetcar Neighborhood and Downtown, that support multifamily housing. There are no density limits in these districts, and parking requirements were reduced to support quality transit-oriented development.

In 2015, the City established a new Transit-Oriented Development Core District surrounding the Millcreek and Meadowbrook TRAX stations, which also eliminated the previous density limit in these districts. Combined, these zones encompass 440 acres of land in the City, all of which is within a short walk of existing light rail and streetcar stations. The City anticipates that most new multifamily housing will be permitted in the Downtown, East Streetcar, and TOD Core districts. This new housing will be the result of redevelopment; there is little vacant land left in the city and virtually none in the three districts intended for transit-oriented mixed use development.

Table 8 lists the allowable housing types by zone district in South Salt Lake City. Virtually every residential or commercial zone allows for housing of some type, and housing in commercial zones must include a mixed-use component, either office, retail, or live/work space. Residential facilities for elderly persons and persons with a disability are allowed in all residential and TOD zones, and manufactured homes are allowed wherever single-family residences are allowed.

Group homes and transitional housing are permitted in the Residential Multiple district, and permanent supportive housing and homeless shelters are allowed within the Commercial General district, provided they are within one half-mile of an existing light rail station and at least four of the five following community facilities: supermarket or general retail store, laundry or dry cleaner, educational facility, pharmacy, post office, public park, public library, medical clinic, or social services center. These requirements are intended to ensure that permanent supportive housing and homeless shelters are integrated with local community services, rather than being isolated in nonresidential districts where there is limited opportunity for residents to meet the needs of daily living. Most of properties in the city that are zoned Commercial General meet the maximum distance requirements for permanent supportive housing and homeless shelters.

The city's zoning regulations do not impose any significant regulatory burdens on the provision of affordable housing and housing for disadvantaged populations or for residents with critical needs. The most significant barrier to affordable housing in South Salt Lake is the lack of buildable land in the zones where housing is encouraged. While there are infill sites available in the single-family district, virtually all of the land in the transit-oriented mixed use zones is developed. Development of affordable housing in these areas will likely acquire land acquisition, demolition of existing buildings, and redevelopment. This adds to the cost of the project, but these costs are not insurmountable. Two of the three affordable projects approved in the last year involve demolition of existing structures and the remediation of poor soil conditions. These projects were part of a redevelopment area, and the City worked with

the developer of these projects to ensure that the projects could perform at the desired affordability targets.

Other viable options for affordable housing include the park-and-ride lots at the Millcreek and Meadowbrook TRAX stations. Currently, these stations feature large surface parking lots, which can be repurposed for mixed use residential projects, with structured parking replacing the lost surface parking. Due to proximity to transit and the potential for public-private partnerships, these sites are good candidates for affordable housing. Moving forward, South Salt Lake City should continue to support the development of quality affordable housing in mixed use projects near or adjacent to transit stations, and should participate in these projects through the use of redevelopment incentives in areas where it would fulfill the City's strategic plan goals for economic development, including job creation and new commercial opportunities.

Table 8: Allowable Housing Types by Zone District in South Salt Lake

Zone District	Size (acres)	Housing Types Allowed as Permitted (P) or Conditional (C) Uses							Residential Facility for Elderly Persons and Persons with a Disability	Live/Work Unit
		Assisted Living (up to 30 units)	Assisted Living (31 or more units)	Condominiums	Senior Living	Group Home	Homeless Shelter			
Agricultural Residential	101.3									
Business Park	5.7									
Commercial Corridor	393.6		C	C	C				C	
Commercial General	103.2						C			
Commercial Neighborhood	11.77	C		P	P			C	C	
Community Facilities	8.9									
Downtown	205.4	P	P	P	P				P	
East Streetcar Neighborhood	36.7	C	C	C	C				C	
Gateway West Overlay	17.1	C	P					C	P	
Historic	2.2									
Light Industrial	1701.4			C					C	
Master Planned Mixed Use	82	See note.								
Mixed Use	24.9		P	P	P			C		
Professional Office	7.8			C					C	
Residential Multiple	123.6	C		P	P	C		C		
Single Family Residential	962.1				C			C		
Transit Oriented Development Overlay	372.6	P	P	P	P			C	P	
Transit Oriented Development Overlay - Core	197.9	P	P	P	P			C	P	

Zone District	Size (acres)	Manufactured Home	Multifamily (up to 50 units)	Multifamily (50 or more units)	Nursing Home	Permanent Supportive Housing	Single-Family Residence	Townhome	Transitional Housing	
										Agricultural Residential
Business Park	5.7									
Commercial Corridor	393.6			C						
Commercial General	103.2					C				
Commercial Neighborhood	11.77				C			C		
Community Facilities	8.9									
Downtown	205.4		C	P				P		
East Streetcar Neighborhood	36.7			C				P		
Gateway West Overlay	17.1	P			C		P	P		
Historic	2.2									
Light Industrial	1701.4									
Master Planned Mixed Use	82	See note.								
Mixed Use	24.9	P		C	C		P	P		
Professional Office	7.8									
Residential Multiple	123.6	P		C	C		P		C	
Single Family Residential	962.1	P					P			
Transit Oriented Development Overlay	372.6			C	C			P		
Transit Oriented Development Overlay - Core	197.9			C	C			P		

Note: The master plan mixed use zone could accommodate a variety of housing types, subject to a site-specific master plan that is adopted as a regulating plan for the district. South Salt Lake adopted two master plans in the last three years: Riverfront, which provided for 56 single-family homes and 288 market-rate multifamily units; and the Crossing, which provided for 240 multifamily units, 132 of which will be affordable for households from 40 to 60% AMI.

IV: Fair Housing and Equity Assessment for Salt Lake County

The affordable housing situation in South Salt Lake is not unique to the City; critical needs exist throughout the region, affecting every community along the Wasatch Front. In 2014, as part of the Wasatch Choice 2040 initiative, BEBR completed the *Fair Housing and Equity Assessment for Salt Lake County*, comparing South Salt Lake to housing needs throughout the County. The study evaluated South Salt Lake and nine other suburbs with populations less than 50,000. Collectively, these communities and the unincorporated urban areas in the county receive annual CDBG allocations through Salt Lake County.

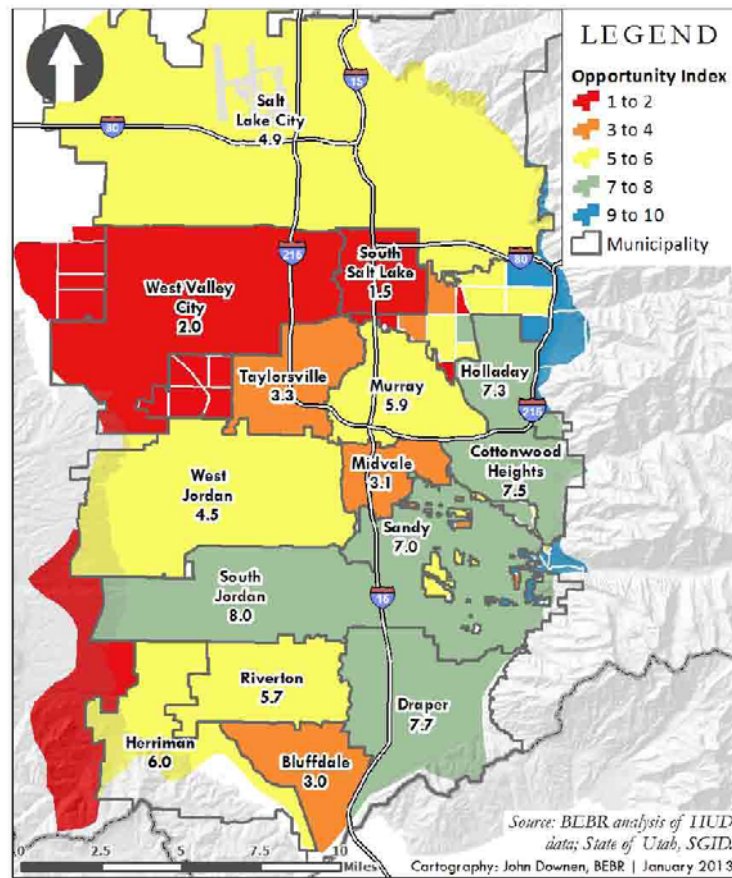
While South Salt Lake has an acute need for affordable housing, the City also has a significant share of the county's affordable housing stock, as measured against the County's AMI. According to BEBR's assessment, South Salt Lake had a surplus in 2014 of 1,873 affordable housing units that were affordable up to 80 percent of the County's median income which, as noted earlier in this report, is 40 percent higher than the City's median income. Midvale and Salt Lake City are the only other communities in the County that has a similar concentration of affordable housing in the County. This is a function of the number of rental units in the City, as well as units that provide a subsidy in the form of a voucher to the tenant or a tax credit to the property owner.

The *Fair Housing and Equity Assessment* affirms the widely-held assumption in South Salt Lake that the community plays an outsized role in providing affordable housing to those in need in Salt Lake County. However, the assessment uses the City's own median income to demonstrate that the need for additional affordable housing is acute, despite the fact that we meet or exceed our fair share for affordable housing county-wide.

The *Fair Housing and Equity Assessment* highlighted other conditions in our community are impediments to housing choice and affordability, many of which require a concerted and coordinated effort among various government entities. The Department of Housing and Urban Development measures these conditions – school proficiency, concentration of poverty, labor market conditions, housing stability, and access to quality jobs – and created an *opportunity index* to quantify them. The assessment reported that of the ten cities measured in the study, South Salt Lake had the lowest opportunity index at 1.5, while Draper had the highest at 7.7. (BEBR, 2014). Figure 10 indicates the opportunity indices by city and unincorporated township in Salt Lake County.

While South Salt Lake led the ten cities and the unincorporated county in terms of job access, the city had the lowest score for the other 5 measures in the opportunity index. The quality of our public schools was a particular concern articulated in the BEBR study. The impediments to fair housing choice that affect South Salt Lake residents are multivariate, and multiple actors across the region need to work in concert to lower the barriers to quality housing. This is not a challenge that South Salt Lake can take on alone.

Figure 10: Opportunity Index by City and Unincorporated Township in Salt Lake County



V: Regulatory Barriers to Housing Affordability

South Salt Lake City's 2010 General Plan included a regulatory barriers analysis, finding that "current South Salt Lake regulations do not create significant barriers to workforce and moderate-income housing development." Since the General Plan was adopted, South Salt Lake adopted additional ordinances and policies aimed at facilitating the development of quality market rate and affordable housing. The following regulations and policies have lowered the barriers to housing affordability since 2010:

- **Downtown and East Streetcar Neighborhood Zones.** These new zoning districts created new opportunities for housing, encompassing nearly 240 acres of land along transit lines. These districts include a reduced parking requirement. In addition, the Downtown District requires that a portion of multifamily units be visitable, and all projects over 50 units in size are approved as permitted uses, which reduces the time and uncertainty involved in permitting projects.
- **Density and Parking Requirements for Transit-Oriented Development Core Zones.** In 2015, the City established a Transit-Oriented Development Core Overlay for properties generally within a quarter mile of the Millcreek and Meadowbrook TRAX stations. The previous density caps were removed from these zones, which created opportunities for additional transit-oriented housing surrounding existing transit stations. Later that year, the City established new, lower parking requirements for residential developments in the TOD Core zones, matching the requirements for the East Streetcar Neighborhood.
- **Housing Rehabilitation Program.** In 2014, the City allocated nearly \$100,000 in housing funds to support rehabilitation of vacant housing. South Salt Lake works with the Community Development Corporation of Utah (CDCU), providing them with a grant of up to \$25,000 per home. CDCU identifies a distressed property, acquires it, and uses the City contribution to fund the rehabilitation. After rehabilitation, CDCU sells the home to a qualifying homeowner. Home purchasers participate in credit repair and homebuyer education and commit to long-term occupancy of the homes they buy. The City facilitated the rehabilitation of one home using this fund, and CDCU recently acquired a second abandoned home that will be rehabilitated using this money.

Since 2012, CDCU has purchased, repaired, and sold 14 homes in South Salt Lake, using the City's rehabilitation fund as well as other sources of funding. The average income of homebuyers was 77 percent of the County's AMI. Two homebuyers were police officers, and one was a teacher.

- **Critical Needs Home Repair Program / Green and Healthy Homes / Emergency Home Repair.** South Salt Lake partners with CDCU on a program that provides an opportunity for existing qualifying homeowners to conduct critical repairs to their home. Since 2014, our partnership expanded to include the County's Green and Health Homes and Lead Free Salt Lake programs. Since 2012, CDCU assisted 20 homeowners

in undertaking critical home repairs through low-to no-interest loans ranging of up to \$20,000. To qualify, homeowners need to demonstrate that they earn 80 percent or less of the County's AMI.

During that same time, South Salt Lake worked with Salt Lake County and ASSIST to provide emergency home repair grants of up to \$5,000 to 79 homes in the City. Together, these programs made a significant contribution to the existing affordable housing stock in the City.

- **Community Connection.** Community Connection provides small curb-appeal grants to qualifying homeowners, making up to 80 percent of the County's AMI. Since the program began in 2011, Community Connection has completed over 250 housing projects for qualifying households and 45 projects at parks and community facilities. This work has been leveraged by the labor of 6,930 volunteers contributing over 41,000 volunteer hours, valued at \$800,000. Community Connection was funded through successive CDBG allocations totaling \$200,000 in the last five years. The intent of the program is to help with minor improvements to yard areas and repairs to the exteriors of homes. City staff coordinate with ASSIST, CDCU, and other partners to bring additional resources to homes that need them. In this respect, Community Connection functions in a suite of programs that range from minor repairs to significant rehabilitation.
- **Promise South Salt Lake.** The City of South Salt Lake acknowledged long ago that we, as a municipality, can greatly enhance the quality of life of our residents. We recognize that educational attainment is a key component of housing equity. The mission of Promise South Salt Lake is to form partnerships with educational institutions, social service agencies and nonprofit organizations to provide academic and youth development initiatives, address health, mental health and dental needs, support families in achieving financial stability through connections to adult education, training, and job resources, and facilitate neighborhood connections that increase resident relationships, leadership capacity and sense of belonging within the city. Through its programs and initiatives, Promise South Salt Lake works to provide services that mitigate the effects of poverty, transiency, and lack of opportunity. Promise South Salt Lake and its institutional partners operate child, youth and adult programs in nine neighborhood centers across the City, serving nearly 1,000 youth and 300 adults per day. Centers are open five to six days a week to offer the various programs. Promise South Salt Lake began as a multi-year initiative in 2012, and became a City department in 2014.

In 2015 and 2016, South Salt Lake City adopted impact fees for sewer, culinary water, and parks. Impact fees for sewer and water lines depend on the on the size of the meter, and a parks impact fee was established at \$1,677 for a single-family residence and for \$1,608 per multifamily unit. These fees are essential if the City is to continue to provide an appropriate level of service for sewer, culinary water, and parks and open space. However, the fees could

serve as a regulatory barrier to affordable housing by incrementally increasing the cost of developing affordable housing units. The 2010 General Plan recommended that waivers should be allowed on a case-by-case basis if it is shown that the fees affect the affordability of the project. Moving forward, the City could consider a waiver of the parks impact fee if a developer of affordable housing commits to provide an equivalent value of project open space above what is required by the ordinance. Alternatively, in designated Urban Renewal Areas (URA) where housing participation is required, the City's Redevelopment Agency could rebate required impact fees as a means of meeting the participation requirement and ensuring the performance of an affordable housing project in a redevelopment area.

VI: Gaps and Needs in Housing Affordability

In order to identify appropriate goals, objectives, and strategies, gaps and needs must be identified. This section identifies the existing and future gaps and needs in housing affordability in South Salt Lake.

Existing Gaps and Needs

A comparison of South Salt Lake's existing housing stock to the number of households at specific income thresholds shows that there are acute gaps in available housing for households at or below 80 percent AMI. Existing gaps are identified in Table 9. The most significant housing gap is for extremely low income households, those that earn up to 30 percent of the City's AMI. Only 49 units are available at this income level, and an additional 1,821 would be needed for all extremely low income households to find affordable housing. Large gaps also exist for households earning from 30 to 50 percent AMI, and those earning up to 80 percent AMI. It is only for households earning 80 percent or more of the City's median income that a surplus of affordable housing is available.

Table 9: Existing Gaps in Affordable Housing in South Salt Lake

Income Level	Available Units	Households	Gap/Surplus
Up to 30% AMI	49	1,870	(1,821)
>30% to ≤50% AMI	243	1,330	(1,087)
>50% to ≤80% AMI	1,269	2,205	(936)
>80% to ≤100% AMI	2,625	1,105	1,520
More than 100% AMI	3,970	2,044	1,926

Source: *Utah Affordable Housing Forecast Tool*, v. 2.2.

Additionally, the condition of the City's housing stock presents an existing need. Nearly 30 percent of our housing was built prior to 1979. This housing requires ongoing maintenance and eventual critical upgrades. Thus, a cost-burdened household in an older home is faced with significant financial uncertainty when a critical repair becomes necessary.

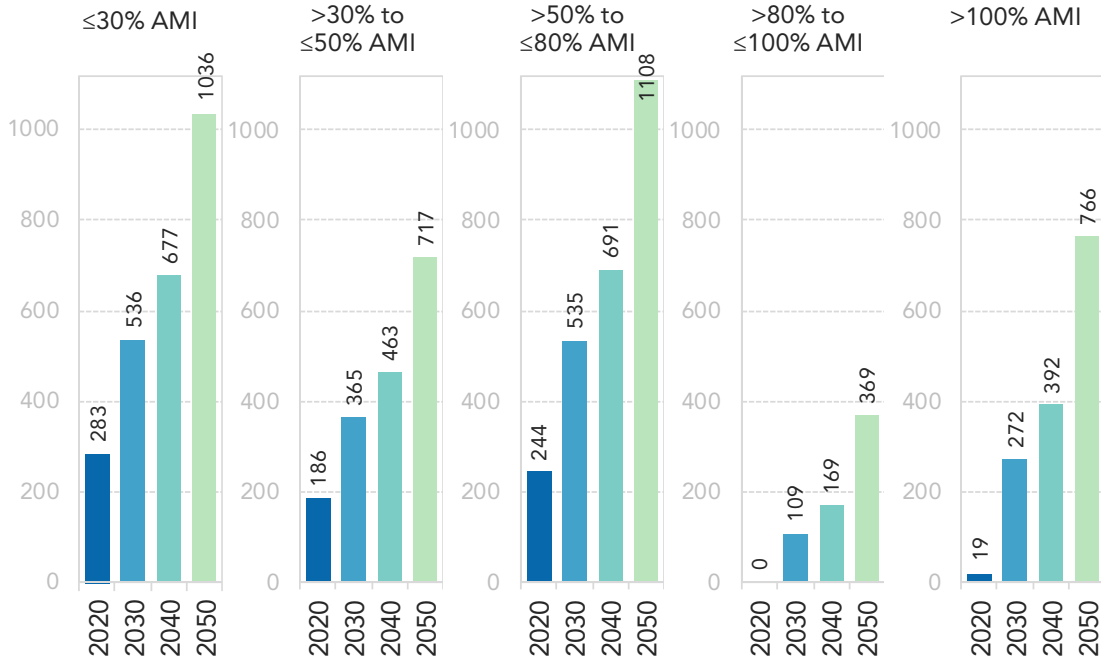
Future Gaps and Needs

The population of the City of South Salt Lake is expected to increase from approximately 25,000 residents in 2016 to 26,845 by 2020 and 29,693 by 2030. These additional residents amount to over 1,312 households by 2020 and an additional 2,470 households by 2030, based on the City's current average household size.

Based on population change, observed income levels, and existing vacancies, it is projected the City will need an additional 706 housing units by 2020. Of those 706 units, 283 will need to be affordable to extremely low-income (≤30% AMI) households, 186 will need to be affordable to low-income (>30% to ≤50% AMI) households, and 244 will need to be affordable to moderate-income (>50% to ≤80% AMI) households.

Current population projections indicate that, by 2030, the City of South Salt Lake will need an additional 1,817 housing units. Of these, 536 will need to be affordable to extremely low-income ($\leq 30\%$ AMI) households, 365 will need to be affordable to low-income ($>30\%$ to $\leq 50\%$ AMI) households, and 535 will need to be affordable to moderate-income ($>50\%$ to $\leq 80\%$ AMI) households. A summary of new housing demand to 2050 is found in Figure 11.

Figure 11: New Housing Unit Demand by Household Income Level



Source: Utah Affordable Housing Forecast Tool, v. 2.2.

VII: Goals, Objectives and Policies

Together, the current and future gaps in affordable housing will require a concerted regional effort to ensure that housing equity is provided to everyone living along the Wasatch Front. Many of the most significant impediments to affordable housing are regional or national in nature, and are a function of real estate prices, wage stagnation, and educational opportunity. Given the South Salt Lake’s constraints – a limited availability of buildable land, high costs for redevelopment, ongoing budget constraints, and a small residential population – the City alone cannot meet its demand for affordable housing. Nevertheless, South Salt Lake acknowledges that it should pursue four goals to increase housing choice over the next four years. These goals include target numbers for new low- and moderate-income households, which are summarized in Table 10 below and are discussed in greater detail on the following pages.

Table 10: Summary of Proposed New Housing Opportunities

Objective	Households
Goal 1: Increase housing opportunities for households earning up to 50 percent AMI and for households with critical needs.	
New units for households earning less than 50 percent AMI	100
New units for low- to moderate-income senior households	100
Goal 2: Increase Housing Opportunities for Households Earning From 50 to 80 Percent AMI.	
New units for households earning from 50 to 80 percent AMI	200
Goal 3: Increase Housing Opportunities for Households Earning From 80 to 100 Percent AMI.	
New units for households earning from 80 to 100 percent AMI	200
Goal 4: Increase Opportunities for Affordable Housing through Rehabilitation and Neighborhood Revitalization.	
Additional Community Connection curb-appeal grants	80
Additional Critical Needs Home Repair / Green and Healthy Home Loans	40
Additional Emergency Home Repair Grants	100

Goal 1: Increase Housing Opportunities for Households Earning up to 50 percent AMI and for households with critical needs.

Demand	30 percent AMI	50 percent AMI
<i>Current Demand:</i>	1,821 units	1,087 units
<i>Additional Demand by 2020:</i>	283 units	186 units

The need for affordable housing is most acute for households earning less than 50 percent of the City’s AMI. Rents for households in these amounts should not exceed \$372 per month and mortgages should not exceed \$56,144. Given existing rental rates and mortgage costs, the private market is unable to accommodate most of this need. South Salt Lake City can be most effective at increasing opportunities for extremely low and extremely low income residents by supporting additional units of residential housing for elderly people and people with disabilities, permanent supportive housing for the chronically homeless, and by expanding offerings of housing rehabilitation loans and grants. Housing rehabilitation and neighborhood revitalization is addressed in Goal 4.

Objective 1.1: Objectively encourage the provision of an additional 100 housing units by 2020 for households earning less than 50 percent AMI, to include populations with critical needs, and an additional 100 housing units by 2020 for low- to moderate-income senior households.

Policy 1.1.1. Pursue the creation of additional housing near transit stations or along major commercial corridors, in order to increase opportunity for households earning less than 50 percent AMI and households with critical needs, including senior households.

Policy 1.1.2. Evaluate parking requirements, RDA participation, and other incentives to facilitate the development of appropriate new housing.

Goal 2: Increase Housing Opportunities for Households Earning From 50 to 80 Percent AMI.

Demand 50 to 80 percent AMI

Current Demand: 1,087 units

Additional Demand by 2020: 186 units

Households that earn from 50 to 80 percent of the City’s AMI should pay no more than \$589 in rent and utilities or hold a mortgage worth no more than \$102,197. There are few opportunities to buy housing at this price, but there are many existing older rental properties that are available at this price. Market-rate rents for new multifamily rentals range from approximately \$900 to \$1,400 a month. South Salt Lake should pursue the development of additional LIHTC projects targeting households from 40 to 50 percent of the County’s AMI, which roughly corresponds to 80 percent of the City’s AMI. Housing rehabilitation and neighborhood revitalization is an essential component of ensuring the viability of affordable housing for residents earning less than 80 percent AMI.

Objective 2.1: Actively encourage the provision of an additional 200 housing units by 2020 for households earning from 50 to 80 percent AMI.

Policy 2.1.1. Pursue the creation of additional housing near transit stations or along major commercial corridors, in order to increase opportunity for households earning from 50 to 80 percent AMI. Promote LIHTC and other funding guarantees to developers as a means of encouraging affordable housing, particularly near transit stations and in the Downtown district.

Policy 2.1.2. Evaluate parking requirements, RDA participation, and other incentives to facilitate the development of appropriate new housing.

Policy 2.1.3. Continue promoting the City’s Good Landlord Program and aggressively enforce the Fit Premises Act to the greatest extent allowable by state law, in order to ensure that existing rental properties meet minimum building, health, and fire codes.

Goal 3: Increase Housing Opportunities for Households Earning From 80 to 100 Percent AMI.

Demand 80 to 100 percent AMI

Current Demand: 936 units

Additional Demand by 2020: 0 units

Households that earn from 80 to 100 percent of the City’s AMI should pay no more than \$745 in rent and utilities or hold a mortgage worth no more than \$132,900. At this AMI target, new housing is limited but there are many existing residential properties that sell for less than \$149,000. The median assessed value of all single-family homes, townhomes, and condominiums in South Salt Lake was \$141,800 in 2014. Considering current standards that require a 20 percent down-payment, homeownership is in reach for households earning from 80 to 100 percent AMI. The City should continue to support down payment assistance, critical needs home repair loans, and community supported housing rehabilitation for low-income households at this level. Moreover, new townhomes or condominiums could be feasible at this price point, and are a good option for infill projects in the City’s TOD and Downtown Districts.

Objective 3.1: Actively encourage the provision of an additional 200 housing units by 2020 for households earning from 80 to 100 percent AMI.

Policy 3.1.1. Pursue the creation of additional townhomes or condominiums in the Downtown District, TOD overlay zone, or other master-planned areas as a means of providing affordable owner-occupied housing for South Salt Lake residents.

Objective 3.2: Expand the Housing Rehabilitation Program to fund the rehabilitation of 10 existing vacant or abandoned homes by 2020.

Policy 3.2.1. Budget additional municipal funds up to \$50,000 per year to continue funding the Housing Rehabilitation Program.

Objective 3.3: Support the continued allocation of regional CDBG funds for down payment assistance programs for homeowners earning up to 80 percent of the County’s AMI. Six down payment assistance grants should be issued to qualifying first-time South Salt Lake homebuyers per year, or 24 by 2020.

Policy 3.3.1. Promote the down payment assistance program to residents and others looking for affordable housing in South Salt Lake.

Goal 4: Increase Opportunities for Affordable Housing through Rehabilitation and Neighborhood Revitalization.

The perception of declining neighborhoods remains one of the greatest impediments to establishing a successful and desirable housing stock in South Salt Lake. The City should continue to leverage CDBG funds with volunteer resources to improve targeted, qualifying homes and resolve outstanding code issues. In the future, Community Connection and other housing rehabilitation and neighborhood revitalization programs could be expanded by the use of RDA tax increment when it becomes available.

The goals of South Salt Lake’s neighborhood revitalization program are to:

- Target neighborhoods most in need of improvement
- Ensure that CDBG resources go to homeowners most in need.
- Leverage federal, city, and donation funds with volunteer labor for optimal impact.
- Resolve lingering code and life safety issues
- Advance South Salt Lake’s strategic objective to establish a safe, clean, and beautiful city.

Housing rehabilitation and neighborhood revitalization is a goal that could provide opportunity to homeowners at every income level. The City’s existing programs and partnerships are essential in maintaining equity and value in our existing housing stock, which is the City’s greatest opportunity for affordable housing.

- Objective 4.1:** Provide exterior curb-appeal grants per year to at least 20 homeowners earning up to 80 percent of the County’s AMI, or 80 grants by 2020.
- Objective 4.2:** Support the funding of at least 10 Critical Needs Home Repair / GHFI loans per year to qualifying homeowners, or 40 loans by 2020.
- Objective 4.3:** Support the funding of at least 25 Emergency Home Repair grants per year to qualifying homeowners, or 100 grants by 2020.
- Objective 4.4:** Research additional means of providing affordable, sustainable homeownership for existing residents, to include City-promoted sewer and water line insurance.