

# Table of Contents

Exhibit A – Executive Summary .....	2
Exhibit B – Threshold Requirements and Other Submission Requirements .....	4
Exhibit C – Need.....	4
i Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.....	4
ii Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know? .....	7
iii What key barriers still exist and need to be addressed to produce and preserve more affordable housing? .....	12
Exhibit D – Soundness of Approach.....	15
i What is your vision? .....	15
ii What is your geographic scope? .....	17
iii Who are your key stakeholders? How are you engaging them? .....	18
iv How does your proposal align with requirements to affirmatively further fair housing?.....	19
v What are your budget and timeline proposals? .....	20
Exhibit E – Capacity .....	20
i What capacity do you and your Partner(s) have? What is your staffing plan? .....	20
Exhibit F – Leverage.....	22
i Are you leveraging other funding or non-financial contributions?.....	22
Exhibit G – Long-term Effect .....	23
i What permanent, long-term effects will your proposal have? What outcomes do you expect? .....	23

## **Exhibit A – Executive Summary**

In the last couple of years, Salt Lake City has demonstrated its commitment to overcoming local barriers to affordable housing by waiving impact fees for affordable housing, implementing the affordable housing incentive, passing a legislative action requesting a study options for a zoning text amendment that would affect R-1 single-family residential zoning districts, and is currently considering updates to portions of the Land Use Code to implement policies in the Thriving in Place plan.

Although Salt Lake City is not one of the named priority geographies, the need for affordable housing is nevertheless paramount. From the rising cost of land to the threat of natural disasters on an aging housing stock, the need for accessible, sustainable, and affordable housing is paramount. The rate at which property values are rising compared to slower increase in annual household income has made purchasing property untenable for over 90 percent of renters in the city as housing prices in some parts of the city are as much as 11 times the average annual household income. Salt Lake City likewise has an aging housing stock with nearly 60 percent of units older than 50 years and containing potential hazards like lead-based paint, asbestos, and aged utility and water systems.

Two of the main outstanding barriers to producing and preserving affordable housing in Salt Lake City are rising property values and an aging housing stock. For this reason, this proposal focuses on expanding the Community Land Trust (CLT) and Fix the Bricks (FTB) programs. The CLT program creates long-lasting affordability for future generations by purchasing properties that already have a first right of refusal on the Trust Deed and reselling them to low-income homebuyers as part of the CLT. The Fix the Bricks (FTB) program is designed to mitigate against the harmful effects of an increasingly imminent major earthquake by seismically retrofitting homes in the city. Retrofitting and keeping the older unreinforced masonry homes enhances our current housing stock and preserves some of the naturally occurring affordable housing in Salt Lake City and prevents displacement, injury, or fatality if these homes were to fully collapse before being retrofitted.

Both programs will address housing affordability across Salt Lake City by serving low- to moderate-income households. The City will also take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination. The success of this program will be measured by the number of households served, properties purchased, and properties sold under the CLT and FTB programs. Within these metrics, the City will collect income and demographic data on the individuals or households served evaluate the effectiveness of these activities on promoting desegregation and expanding equitable access to affordable housing.

Salt Lake City has a long organizational history of administering federal funds as a recipient of HUD Community Planning and Development funding since 1975, and will use lessons learned

over the years to ensure the highest standards are maintained in the administration of funding from this grant. The City is requesting approximately \$4.8 million to fund these programs and make a lasting impact in the lives of Salt Lake City residents. The City has likewise committed to match any funding received with impact fee waivers.

These programs impact the lives of households seeking affordable housing in the present and future generations. Salt Lake City expects long-term affordable options to increase with this proposal and as such, decrease displacement pressures in the city, particularly on the BIPOC communities in the city. The addition of this award would allow residents to live in Salt Lake City in safe and affordable homes.

DRAFT

## **Exhibit B – Threshold Requirements and Other Submission Requirements**

Salt Lake City Corporation is an eligible applicant, does not have any outstanding civil rights matters, and is in good standing with HUD.

### **Exhibit C – Need**

**i Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.**

*a. Improved laws, regulations, or land use local policies*

Salt Lake City continuously works to overcome local barriers to affordable housing production and preservation. In the last couple of years, the City began waiving impact fees for affordable housing, implemented the affordable housing incentive, passed a legislative action requesting that staff study options for a zoning text amendment that would make changes to all R-1 single-family residential zoning districts, and is currently considering updates to portions of the Land Use Code to implement policies in the Thriving in Place plan. The following paragraphs outline how some of these changes came to be and their actual or intended impact on affordable housing in Salt Lake City. Additional information about these recent changes and others can be found on the Salt Lake City website at <https://www.slcc.gov/planning/see-all-updates/>.

After numerous outreach events, two community surveys, and briefings, in December 2023, the City adopted a zoning amendment authorizing affordable housing incentives (AHI), which went into effect on April 30, 2024. The purpose of the AHI program is to help public and private dollars that go into building affordable housing create more housing units, and to create additional opportunities for property owners to provide new, affordable housing units by addressing zoning and other barriers. The AHI program offers three types of incentives that each apply in different zoning districts, but they all require that a percentage of the units be affordable to residents at or below the area median income (AMI) and have options for homeownership or renting. As this program has only been recently enacted, the City has not published initial outcomes as of the writing this application.

During a formal meeting in September 2023, Salt Lake City Council passed a legislative action requesting that staff study options for a zoning text amendment to R-1 single-family residential zoning districts. Namely, staff were asked to do the following:

1. Explore consolidating the R-1 zoning districts;
2. Provide options such as reducing minimum lot sizes, reducing or removing minimum lot widths, easing flag lot standards, and allowing attached single-family dwellings in all zones; and

3. Consider options for zoning changes along collectors and arterials to allow greater residential density and mixed-use development.

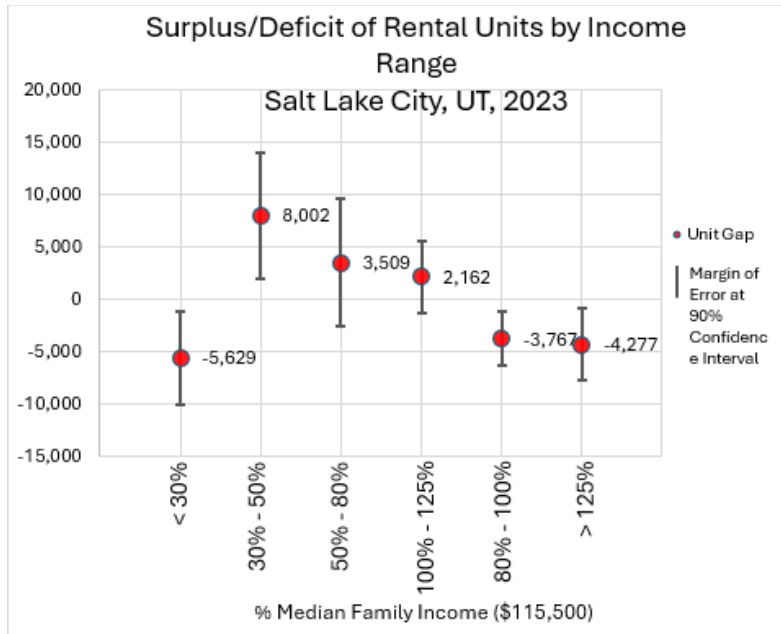
City staff have since drafted the R-1 Zoning Amendment Study which discusses each of the City Council's requests and includes discussion on water use, public transportation, walkability and local historic districts as they pertain to any potential changes. The options identified in this report, if adopted by City Council, would address potential zoning barriers and ultimately help address housing needs of the city for present and future generations.

The updates to portions of the Land Use Code being considered would specifically address policies to mitigate involuntary displacement due to development pressures. These updates would include the creation of a new Title 19 General Plans and amendments to Title 21A.50 Amendments, drafts of which are available to the public on the City's website. The goals for these titles and any additional updates include establishing a community benefit policy for general plan and zoning amendments; the creation of a tenant relocation assistance program for households that are displaced due to general plan and zoning amendments; replacement housing requirements for demolitions associated with requested amendments; and new standards for consideration when analyzing a zoning or general plan amendment that encompasses impacts from potential displacement.

*b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation*

Salt Lake City has likewise demonstrated progress and commitment to overcoming local barriers by creating a strategic plan for anti-displacement. This plan is called Thriving in Place (TIP) and was adopted by the City on October 17, 2023. This is a two-year plan that involved listening to the community and gathering data about Salt Lake City and the housing market. Salt Lake City has seen significant growth and investment in recent years, which comes with barriers to affordable housing. Many people who have lived in Salt Lake City for a long time are now being forced to leave, due to increased expenses and cost of living. A large part of the cost of living is housing, not just a mortgage or rental price, but also property taxes increasing and homeowners or renters' insurance increasing exponentially year after year. The lack of affordability and increase in housing prices affect everyone in the City, but especially those that fall under 100% AMI.

Utah is steadily increasing in the ranking of the most expensive states to live in, typically falling in the top ten. This is also doubly concerning for our State and Salt Lake City because the existing housing stock does not meet the needs of the population. In 2023, Salt Lake City had a deficit of over 5,600 for extremely low-income renter households and nearly 4,000 for renter households between 80% to 100% AMI, as shown in the table below.



Salt Lake City also has a large inventory of illegal short-term rentals, which decreases the availability of housing in the City for those that are currently living here or want to move here. TIP recognized three types of displacement in the City: Direct Displacement due to evictions, foreclosures, or nonrenewal of lease; Indirect Displacement when a household can no longer afford to live in a location they have been and must move to a different area or home; and Cultural Displacement as the people who are most at risk of displacement are lower income households of color and immigrants. Although there are multiple goals in the strategy, the one that impacts this application the most is the goal to “Preserve the affordable housing we have,” which includes priorities of rehabilitating unsubsidized housing and investing in community land trusts.

Salt Lake City has a Community Land Trust (CLT) that preserves affordability for homeownership. Although the CLT program started in 2017, the Salt Lake City Housing Stability Division has had a home ownership program for the last forty years. In the last year, as TIP was implemented, additional policies and priorities were added to the CLT. Due to the high cost of housing, the funding received by the City has not been sufficient to purchase all houses that have requested sale, while still under the 15-year right of first refusal. This application will assist the Housing Stability Division to purchase housing stock, add it to the CLT and preserve affordability throughout the City. TIP and the newly updated policies for the CLT will allow Housing Stability to increase the speed of purchasing, rehabilitating, and selling the home to a qualified homebuyer.

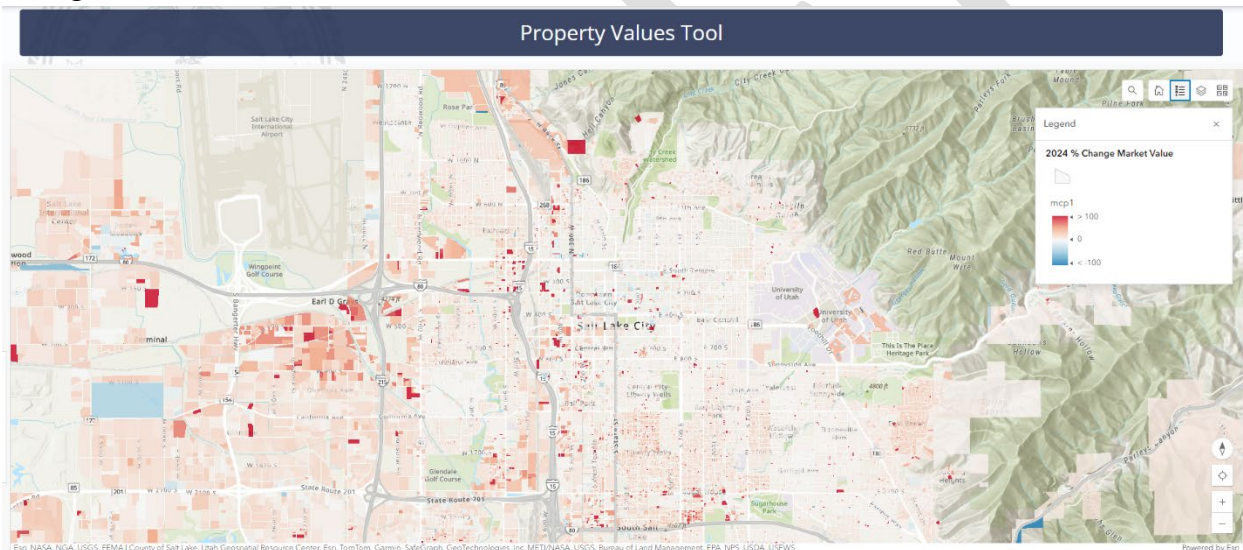
## ii Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?

Although Salt Lake City is not one of the named priority geographies, the need for affordable housing is nevertheless paramount. From the rising cost of land to the threat of natural disasters on an aging housing stock, the following subsections cover the primary reasons why the need for accessible, sustainable, and affordable housing is so great.

### *Rising Property Value*

The image below shows changes in property values in Salt Lake City from 2023 to 2024. Areas shaded solid red indicate at least a 100 percent increase in property value, and solid blue areas experienced at least a 100 percent decrease. While some areas in the city have slightly decreased in property value, property in Salt Lake City has generally risen in value with some properties increasing more than five times in value.

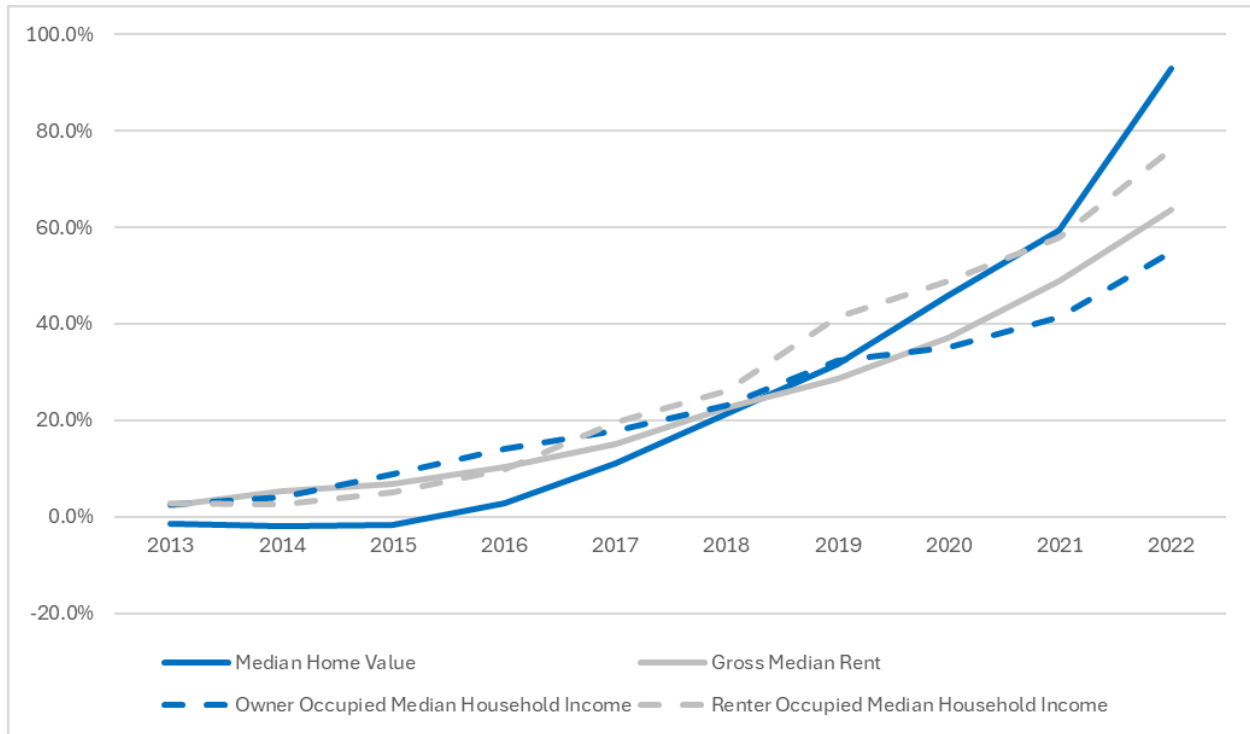
### Change in Market Value



Source: <https://transparent.utah.gov/property.php>

The need for affordable housing is further exacerbated as the rate at which property value increases greatly outpaces the rate at which income increases year over year. The chart below compares the percent increase of median home values year over year with the percent increase of median household income, as well as the same for rent and renters.

## Change in Household Income vs. Home Value or Rent



Source: Census ACS 5 Year Estimates, Multiple Years

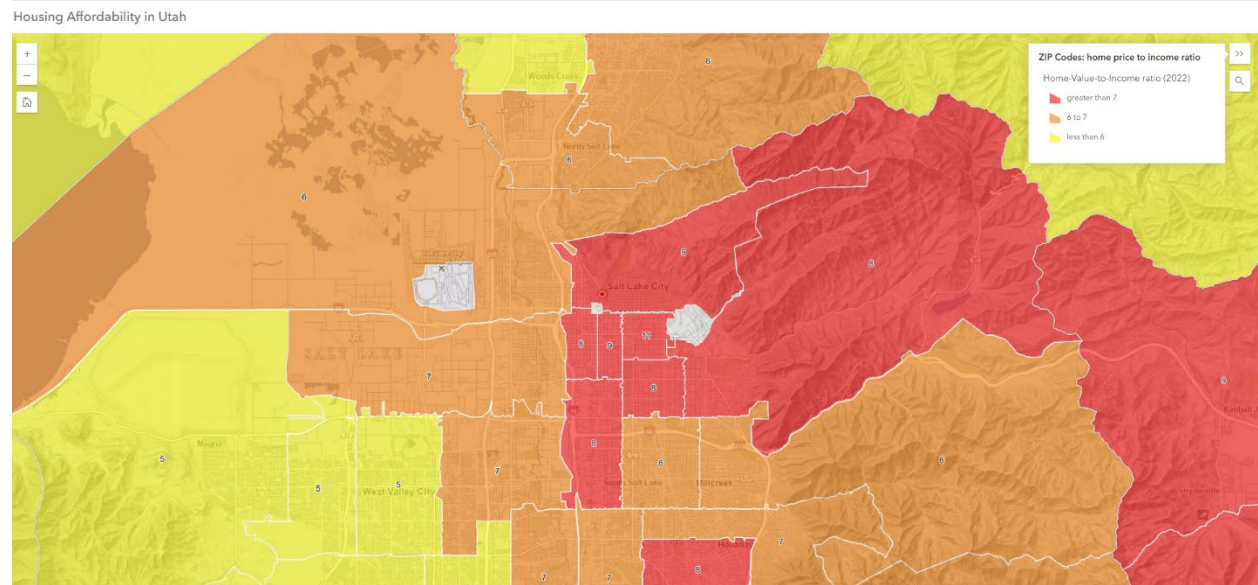
These data are supported by a survey of Salt Lake City residents used in the City's Five Year Housing Plan. According to survey respondents, most new housing in the city is luxury housing, which has created a mismatch between the type of housing available and the actual needs of the community. These luxury units have likewise put a strain on existing renters and caused rents to rise dramatically due to the growing population and the lack of feasible alternatives for renters.

### *Ratio of Average Home Price to AMI*

Using the most currently available data from the U.S. Census Bureau's American Community Survey (ACS) and Zillow's Home Value Index, the Utah Geospatial Resource Center (UGRC) created an interactive map of housing affordability in Utah based on zip code. The image below shows a snapshot of this map covering Salt Lake City. The results show that the average home value for a majority of Salt Lake City in 2022 ranges from 6 to 11 times greater than the median income for the same year, whereas for most families, the total home value should be no more than 3 to 5 times their annual household income.



## Ratio of Home Price to Median Income By Zip Codes



Source:

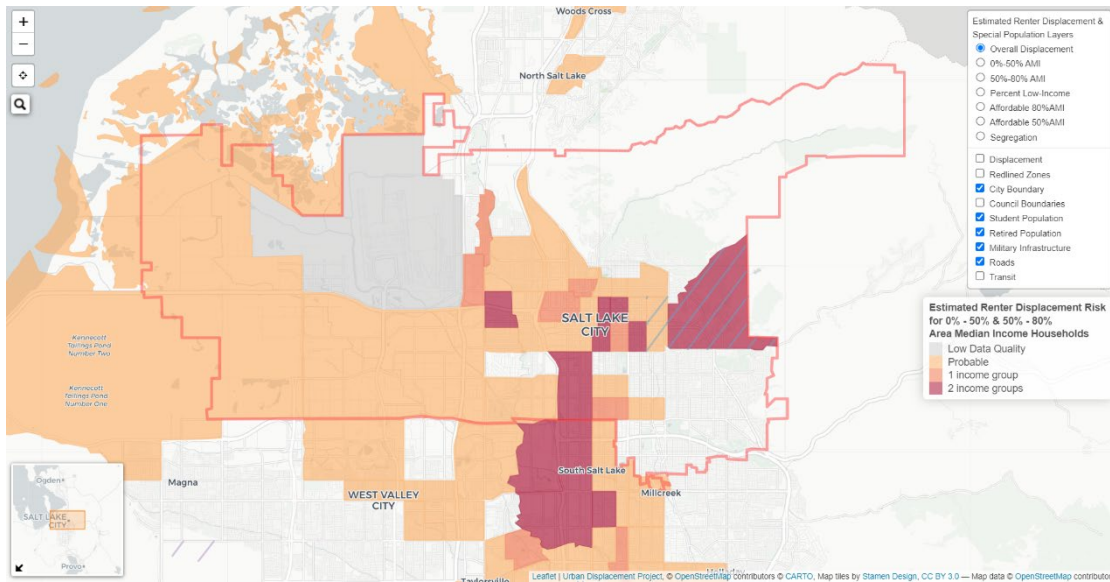
<https://utah.maps.arcgis.com/apps/instant/basic/index.html?appid=0fa43b6ecc5344ff82c2eb5aeb289489> Displacement pressures

### *Displacement Pressures*

As previously stated, the City developed TIP through an extensive process of collecting data, gathering community input, and working with other research organizations, including the Urban Displacement Project (UDP), a research and action initiative of the University of California, Berkeley and the University of Toronto. One of the major contributions of UDP was the development of an Estimated Displacement Risk model for Utah and Salt Lake City more specifically. In their report, UDP included the two maps shown below.

The first of these maps divides Salt Lake City into categories based on the estimated renter displacement risk for low-income and moderate-income groups, as they are defined under the CDBG program. Areas shaded with the darker orange or red are at high risk of displacement for one or both of these groups, with red indicating high risk of displacement for both low- and moderate-income households. Based on UDP's findings, a majority of neighborhoods in Salt Lake City are experiencing probable, elevated, or high levels of displacement.

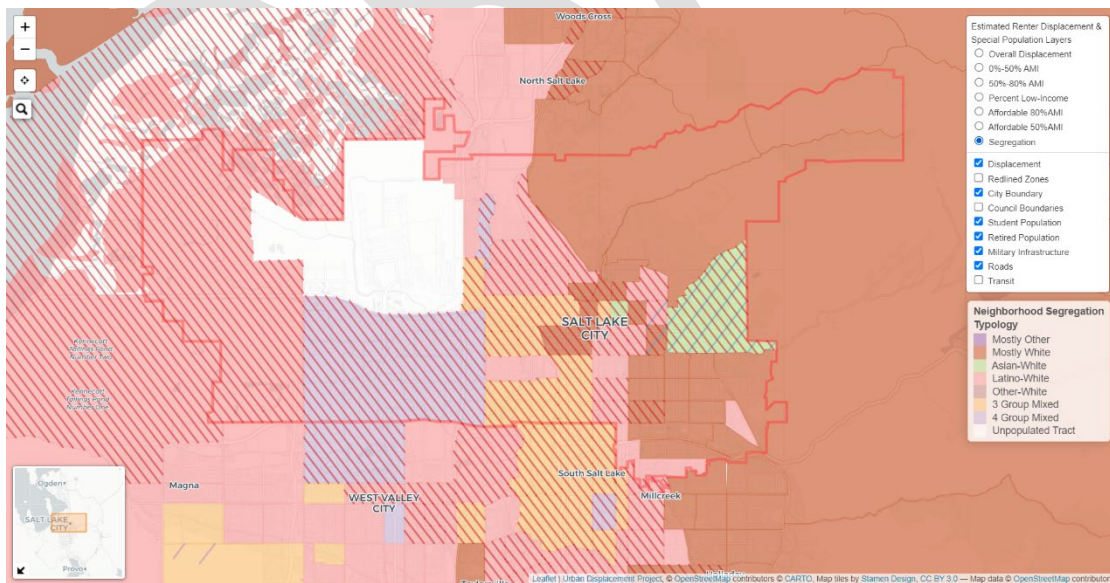
## Estimated Renter Displacement Risk



Source: [https://urban-displacement.github.io/edr-ut/maps/UT\\_estimated\\_displacement\\_risk\\_map.html](https://urban-displacement.github.io/edr-ut/maps/UT_estimated_displacement_risk_map.html)

While the risk of displacement affects most Salt Lake City residents, those pressures are felt most acutely in the more diverse neighborhoods of the city. Also taken from UDP's report, the map below categorizes neighborhoods by their racial and ethnic demographics, and overlays red, diagonal lines on the parts of the city that are at risk of displacement.

## Estimated Displacement and Special Populations Map



Source: [https://urban-displacement.github.io/edr-ut/maps/UT\\_estimated\\_displacement\\_risk\\_map.html](https://urban-displacement.github.io/edr-ut/maps/UT_estimated_displacement_risk_map.html)

Nearly all of the neighborhoods within city boundaries that are not labeled as “Mostly White” are at risk of some degree of displacement. On the other hand, nearly all of the “Mostly White” neighborhoods are not at risk of displacement. The neighborhoods experiencing the most displacement likewise align with previously redlined parts of the city.

Unlike many other cities across the country, Salt Lake City does not have “more affordable” neighborhoods where displaced individuals and families can move to. As people move from Salt Lake City to other areas that are “more affordable”, like Tooele County, Utah County, or Davis County that increases the housing prices there. Over the last three years as people have relocated to areas outside of Salt Lake City it has put a strain on those communities, creating a housing affordability concern in those locations as well. While Salt Lake City was creating TIP, data was gathered and analyzed showing that, although some people move to different areas of Salt Lake City, most households are moving outside of Salt Lake City and Salt Lake County which shows that there are no “more affordable” neighborhoods in Salt Lake City. The areas impacted, that previously were more affordable in Salt Lake City, were the historically underserved and redlined with a more diverse population and that population is getting displaced as housing prices increase. A few items from TIP that show the need for preservation of Salt Lake City housing in order to keep diverse people and households in their homes are, 1) more than half of all families with children live in displacement risk neighborhoods, 2) Latinx and Black households have median incomes that are lower than what is required to afford rent in Salt Lake City, 3) displacement affects more than half of White households in Salt Lake City and disproportionately affects households of color, and 4) Many areas experiencing high displacement risk were redlined in the past and are still highly segregated today.

#### *Age and Condition of Housing Stock*

Salt Lake City’s most recent Housing Needs Analysis, using 2021 ACS data, found that approximately 60 percent of units are more than 50 years old. The average age of housing was built 1962, with many homes that have more than just typical wear and tear improvements, but also potential hazards like lead-based paint, asbestos, and an aged utility and water system.

In addition to the aging housing stock, Salt Lake City is nestled between the Oquirrh-Great Salt Lake fault zone and the Wasatch fault zone. In 2016, the Working Group on Utah Earthquake Probabilities, which includes individuals from both the Utah Geological Survey and the U.S. Geological Survey, published an earthquake forecast report for the Wasatch Front region. Therein they found a 43 percent probability of one or more 6.75 magnitude or greater earthquakes, and a 57 percent probability of one or more 6.0 magnitude or greater earthquakes in the next 50 years. They likewise estimate that a large earthquake along the lines of these magnitudes could result in up to 2,500 fatalities, 9,300 life-threatening injuries, and displacement of 84,000 families.

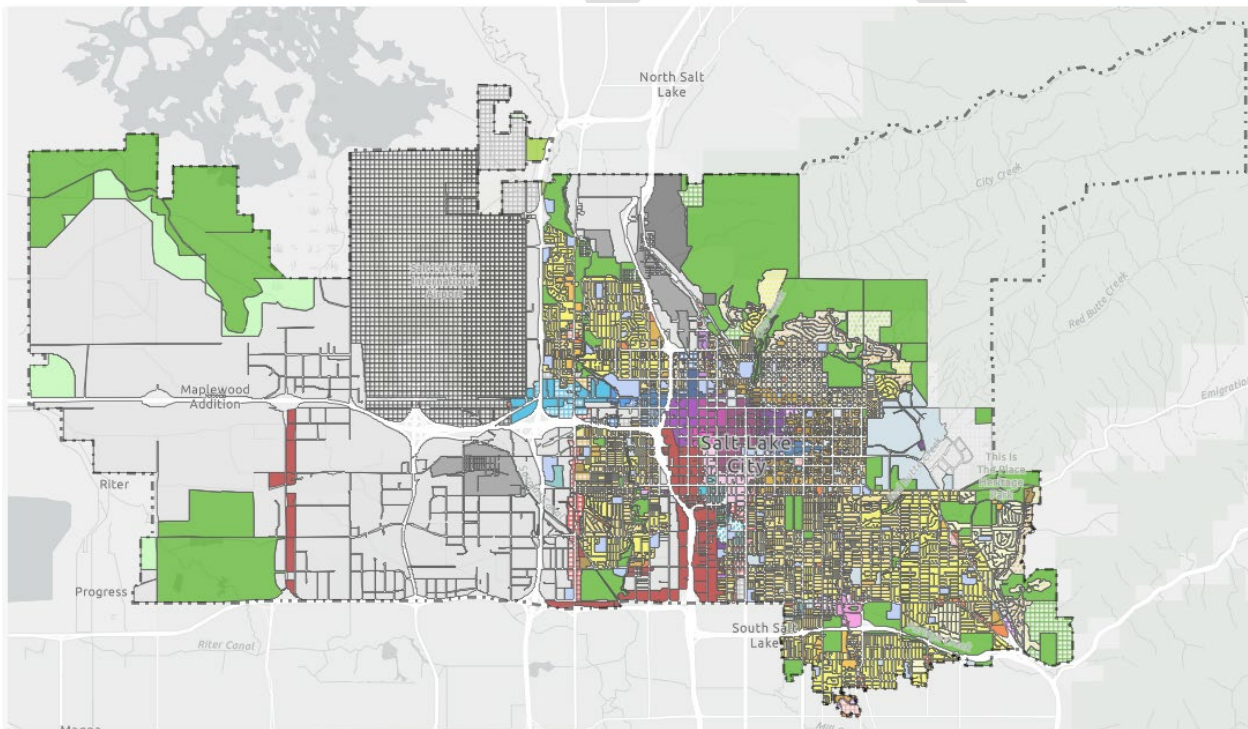
With continuous seismic activity in the region, the looming threat of a major earthquake, and an aging housing stock, Salt Lake City administers the Fix the Bricks (FTB) program to help residents in homes built before 1975 to seismically retrofit their homes, and ultimately, mitigate

the effects of a major earthquake in the region. However, due to the high demand for this program, there is a considerable waitlist and multi-year waiting period before residents can expect construction to begin.

### **iii What key barriers still exist and need to be addressed to produce and preserve more affordable housing?**

Two of the key, outstanding barriers to producing and preserving affordable housing in Salt Lake City are rising property values and an aging housing stock. As described in subsection i of this exhibit, the City is already making strides to improve affordable housing through multiple initiatives like AHI and by waiving impact fees for affordable housing projects. The City is also working to change zoning laws to create more opportunities for affordable housing. The map below shows the different zoning districts within city boundaries.

Salt Lake City Zoning Map

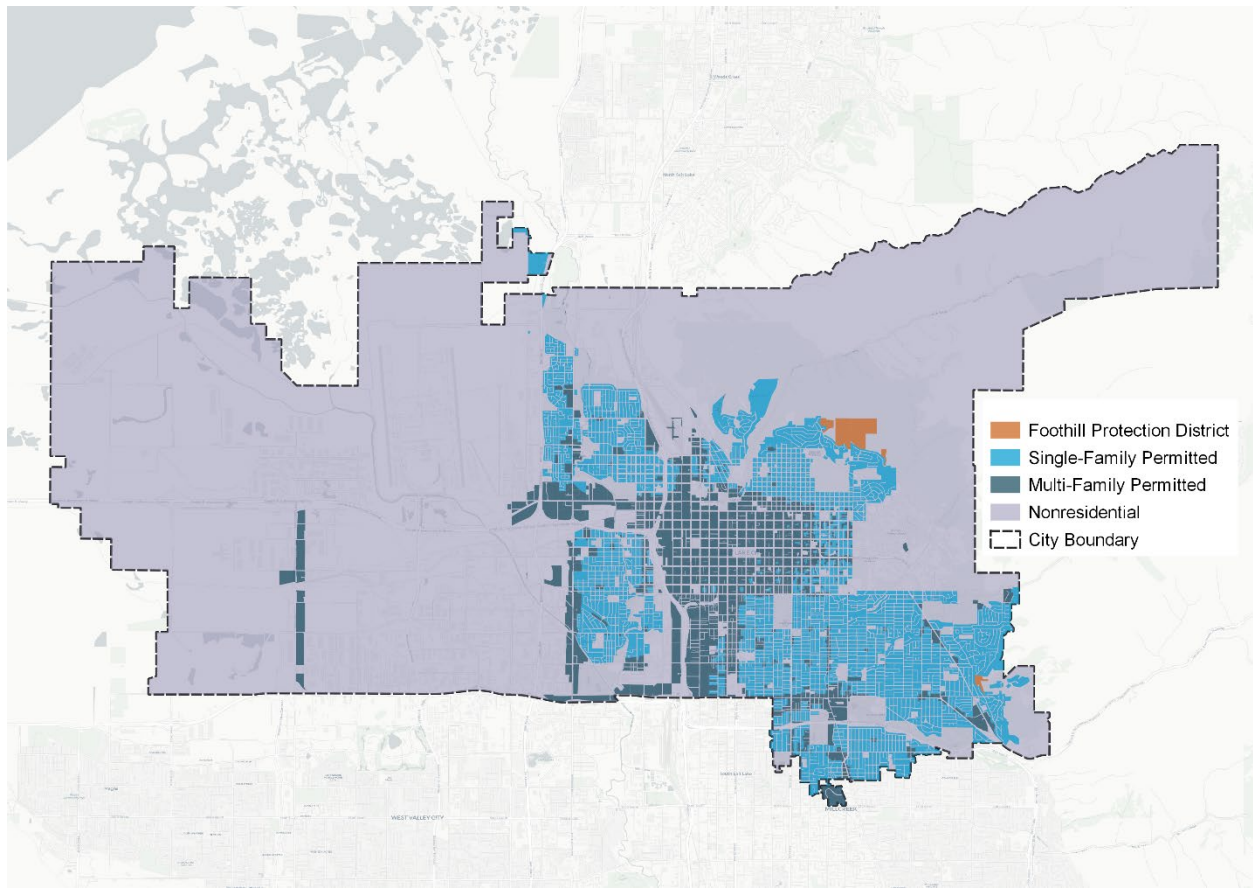


Source:

<https://slc.gov.maps.arcgis.com/apps/instant/sidebar/index.html?appid=fa801b661ce14222a6c1f7d42ce21636>

The varying shades of yellow indicates areas that are zoned for residential zones such as single family residential, special development pattern residential, moderate density multi-family residential, single and two family residential. The different shades of purple indicate areas zoned for residential and mixed use. The following table further categorizes zoning districts and more clearly distinguishes nonresidential (shaded grey) from residential (shaded blue) zoning.

## Residential vs. Nonresidential Zoning



Although Salt Lake City has limited developable land due in part to natural barriers, such as the mountains on the east side of the city and the wetlands to the west, the City is committed to making the most of the land currently available. One strategy currently underway is to find ways to increase housing density to allow for more housing in the existing built environment. The City's planning department currently has multiple zoning amendments pending, including amendments proposed in the Thriving in Place strategy. One such amendment, that is currently pending Planning Commission action, would prohibit the demolition of housing to construct or expand standalone commercial parking lots/structures.

Other barriers to affordable housing in Salt Lake City include state statute prohibiting rent control ordinances and inclusionary zoning ordinances, and a consistently growing population. Because the City has less control over these issues, the focus of this application is to address rising property values and the aging housing stock. Housing SLC: A Five Year Housing Plan notes that two major barriers to that plan are the expiration of restricted affordable housing units and the preservation of at-risk housing. Although there are many resources and efforts to create affordable rental properties, there is also a gap in affordable homeownership possibilities in Salt Lake City. Home purchase prices are much higher than the average income, as seen in the graph in Exhibit C.ii. Salt Lake City is working to preserve affordable homeownership with the

Community Land Trust. This program creates long-lasting affordability for future generations by purchasing properties that already have a first right of refusal on the Trust Deed and reselling them to low-income homebuyers as part of the CLT. Due to rising home costs, the funding that the City is able to use to purchase homes does not go as far as it once did. The City previously used CDBG and HOME funds to purchase properties and is now requesting funding from Salt Lake City general funds. The City currently sells homes to households under 80% AMI, but see a large request for individuals who are between 80% and 120% AMI. Using SLC general funds allows homeowners at a different income level to also be a part of the CLT program, as well as using this funding to go up to 100% AMI for new homeowners. Currently there are forty households on the CLT waitlist after closing it two years ago. The waitlist was closed because funding for the CLT program was being revised and the City did not want to utilize funding until the program was sufficiently funded. The City Council recently reviewed legislative policies and budget for the CLT program, but it is still unlikely that the funding awarded will provide enough assistance to purchase all homes that may become available and provide housing for all on the waitlist. It is likely that the waitlist with forty people will take over five years to complete, unless additional funding is provided.

The aging housing stock includes potential issues arising due to natural disasters, like earthquakes. In 2020, Salt Lake City experienced a 5.7 magnitude earthquake and many of the unreinforced masonry (URM) homes at the epicenter fell. The Fix the Bricks (FTB) program is designed to mitigate against the harmful effects of natural disasters such as this by seismically retrofitting homes in the city. Retrofitting and keeping the older unreinforced masonry homes enhances our current housing stock and preserves some of the naturally occurring affordable housing Salt Lake City has. It also prevents displacement if the home was to fully collapse before being retrofitted. There are an estimated 30,000 URM buildings in Salt Lake County, with many of those in Salt Lake City. The current Fix the Bricks waitlist has over 1,500 buildings on it with property owners that are interested in seismically retrofitting their home for life safety.

Salt Lake City is surrounded by neighboring towns and mountains and has built out the majority of residential land. When houses deteriorate or are not in livable condition it takes substantially more funding to rebuild, likely causing displacement, and it takes a significant amount of time to rebuild those houses. A house or townhome that is rebuilt where a previously, naturally occurring affordable home is, significantly increases the prices and affordability is unlikely unless subsidized by programs like the CLT.

As with many local governments, Salt Lake City has a limited budget, which is used to run a multitude of programs and services. With these competing priorities, neither CLT nor FTB have received sufficient funding to make their intended impact, as evidenced by the significant waitlists both of these programs have. The entirety of any funding received from the PRO Housing grant will be used for these programs so that the City can start to close the gap between ever rising property values and the demand for affordable housing, and so that these programs can make a noticeable and lasting impact.

## **Exhibit D – Soundness of Approach**

### **i What is your vision?**

To address the two key barriers of protecting and preserving affordable housing discussed in Exhibit C, Salt Lake City will use funding awarded under this grant to bolster the Community Land Trust (CLT) and Fix the Bricks (FTB) programs. Both of these programs are designed to provide a benefit to low- and moderate-income persons, and households at or below the area median income.

These programs align best with the PRO Housing grant goal of enabling promising practices dedicated to identifying and removing barriers to affordable housing production and preservation while preventing displacement. The CLT program focuses on the first half of that goal by providing an affordable entry point for homebuyers both current and future, and on the latter by helping families have stability in those homes stay for multiple generations and create generational wealth. Research suggests that CLT models such as the City's addresses the most critical need of increasing the number of affordable units in the short-term and ensuring that affordability in the long-term, unlike mainstream affordable housing projects (Kim and Eisenlohr, 2022). The CLT also creates a community of homeowners that can ask questions and have resources when figuring out the ins and outs of being a homeowner. If the household decides to move into a different home, this program is also set up to provide the necessary knowledge of what it takes to be an informed homeowner.

While the CLT program helps individuals and families get into affordable housing and ensure long-term affordability, the FTB program works to ensure that the structures themselves will likewise stand the test of time. FTB also helps preserve naturally occurring affordable housing which is generally older and lacking certain updates and amenities found in newer, more expensive housing developments. The combination of these programs combats the issue of preserving affordable housing from the initial acquisition of properties to the longer-term maintenance of properties. These programs work together to preserve housing stock and affordable homeownership, although they focus on different aspects of housing. Fix the Bricks currently conducts seismic retrofit on seventy homes a year, this funding will allow the program to focus on those that are typically underserved and low-income. The current funding for Fix the Bricks requires the homeowner to contribute a 25% portion. If awarded the PRO Housing funding the City would provide 100% of the funding for seismic retrofit, which will increase the likelihood of low-income and people of color utilizing this funding.

The specific eligible activities that will occur under these programs include acquisition or disposition of land or real property for the development of affordable housing, and establishing a grant program with affordability requirements for rehabilitation of existing affordable housing units. Each of these activities is an example of approved housing activities under the CDBG program, specifically matrix codes 14A, 14B, and 14G.

These programs likewise align with the goals and priorities of the Thriving in Place (TIP) anti-displacement strategy. The first three goals of TIP are to (1) protect the most vulnerable from displacement, (2) preserve the affordable housing we have, and (3) produce more housing, especially affordable housing. FTB primarily helps preserve existing affordable housing. The City's CLT program meets each of those goals by acquiring land, creating affordable housing, and giving Salt Lake City residents a means by which they can stay and invest in the City.

One of the findings from the internal stakeholder meetings for the City's forthcoming Consolidated Plan is that, for some, the applications for similar emergency housing repair programs prevents people from accessing those services. To reduce any barriers caused by the complexity of applications, the City will annually review the applications for the CLT and FTB programs to make them more understandable and accessible to all Salt Lake City residents, but particularly those who have been historically underserved and demographic groups that would be least likely to be aware of these programs. Housing Stability also frequently markets and promotes the programs to all areas of the City but particularly on the West Side, which was historically underserved and underfunded. There is a general lack of trust of the City and government on the West Side, due to the history and previous redlining. Housing Stability is working with many community organizations to build trust back up on the West Side and with the programs that preserve and create affordable housing options.

One of the major environmental issues in Utah, from which Salt Lake City is not exempt, is water scarcity and the threat of the Great Salt Lake drying up. While the past couple of years have yielded high rain and snow fall, the City is committed to making sure that those benefits last and being good stewards of our water resources. In 2020, the Salt Lake City Department of Public Utilities published its Water Conservation Plan. Using historical water use data and projections of future water supply and demand, this plan establishes 5-, 10-, and 40-year water conservation goals to sustainably meet the needs of the city now and into the future.

Another major environmental risk in Salt Lake City is the city's proximity to two fault lines. As described in Exhibit C, Salt Lake City is nestled between the Oquirrh-Great Salt Lake Fault and the Wasatch Fault, the latter of which poses one of the most catastrophic natural threat scenarios in the United States according to FEMA. This is due to the 43 percent chance of the fault experiencing a major earthquake in the coming years and the number of unreinforced masonry buildings in the Salt Lake valley that would collapse. The Fix the Bricks program directly addresses this issue and could be the means of saving thousands of lives.

Housing Stability works with other departments and divisions in Salt Lake City and the County to ensure that necessary resources are provided. Working with Public Utilities, Sustainability, Urban Forestry, and the Redevelopment Agency are just a few of the departments that we work with closely. Housing Stability also closely works with other organizations that are conducting affordable home ownership and rehabilitation like the Community Development Corporation of

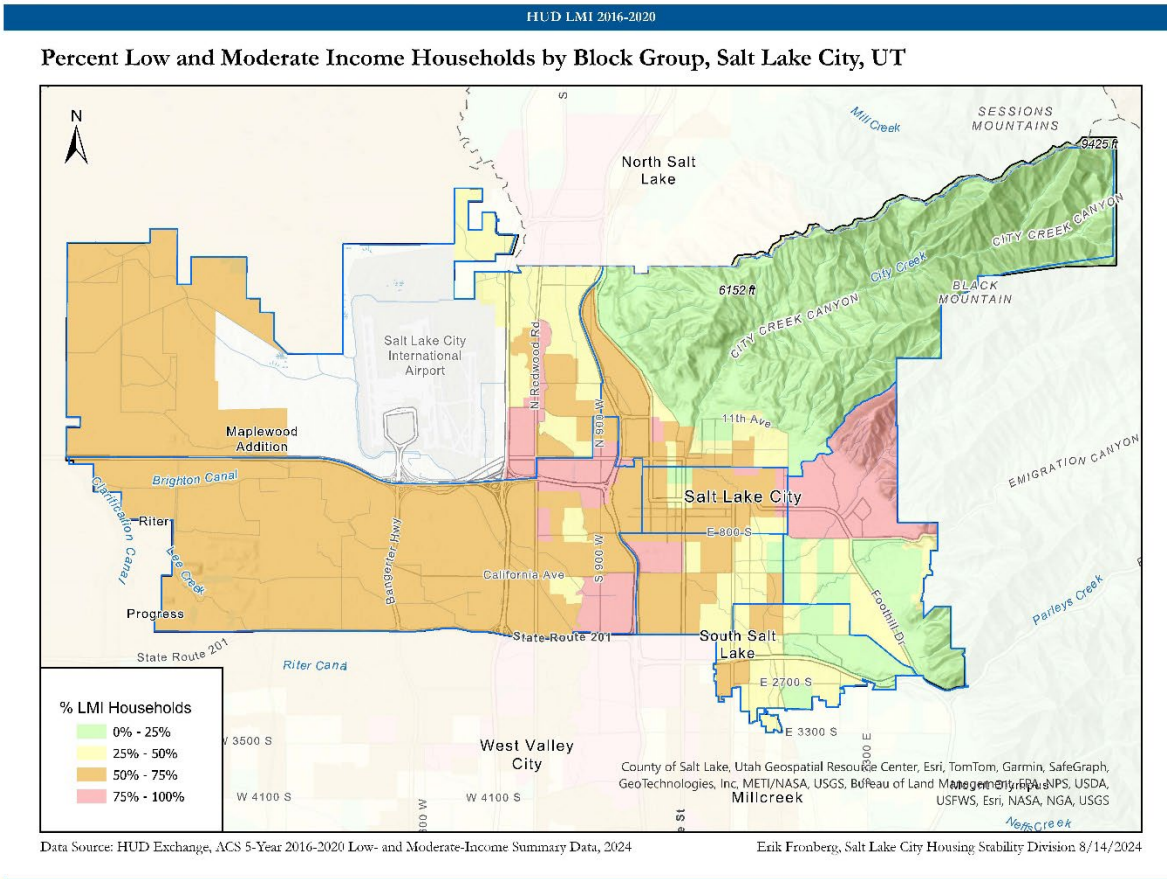


Utah, Assist, Inc., Salt Lake County, and West Valley City to work together in collaboration rather than in silos.

The City does not anticipate any major barriers impeding this project as these are existing programs, and the funding requested will allow them to reach more Salt Lake City residents.

## ii What is your geographic scope?

Both of these programs will address housing stability across Salt Lake City. One of the findings from TIP is that the need for affordable housing isn't unique to a single part of the city but is felt throughout the city. First and foremost, funding for this grant will be used to help LMI persons. The map below categorizes neighborhoods and census blocks by the percent of households in those areas that are considered LMI, with red shaded areas containing the most LMI households. These programs will also focus on serving LMI households and the effects of these programs will be particularly felt in the red and orange shaded areas noted below.



### **iii Who are your key stakeholders? How are you engaging them?**

Salt Lake City's stakeholders are first and foremost all of the residents within its boundaries. In the early stages of developing this proposal, the City relied on recently compiled research found in the Thriving in Place Strategy and in Housing SLC: A Five Year Housing Plan, and used preliminary data from internal and external stakeholder meetings to guide the 2025 to 2029 Consolidated Plan. These data consist of findings from surveys, interviews, workshops, and focus groups with residents and other key stakeholders such as community partners. In each of these data sources, the findings indicate that the need for affordable housing in Salt Lake City is paramount.

During the initial development of this proposal, the City relied on the key strategies and recommendations from these sources. One of the main findings from the community engagement that led to the creation of TIP and the City's five-year housing strategy is the need for affordable and deeply affordable housing options. Starting in Fall 2022, the TIP project team worked with City staff and community partners to develop the goals of the anti-displacement strategy, three of which are described in subsection i of this exhibit and guided the City to focus on the CLT and FTB programs as the next steps the City can take toward achieving the goals of these reports.

The City likewise relied on qualitative data collected during internal and external stakeholder meetings. The internal stakeholder meetings gathered staff from across the City's many departments to discuss what goals and priorities should guide the work we do over the next four years, as described in the forthcoming 2025-2029 Consolidated Plan. The external stakeholder meetings had the same focus, but gathered together local nonprofit leaders and staff to discuss the needs they see at the grassroots of the community. When discussing housing needs in these meetings, both groups emphasized the need for community land trusts and deed restrictions to create and preserve affordable housing. They likewise discussed the need for emergency housing repairs and keeping people in their housing. These themes likewise guided the City to focus on the CLT and FTB programs in this proposal.

With this initial scope, the City solicited additional feedback from Salt Lake City residents through a public posting of the application and 15-day comment period. This proposal was posted on the Salt Lake City website on the Housing Stability page on September 27, 2024. To spread awareness of this proposal and the public comment period, the City reached out to members of its constant contact list inviting them to review the application themselves and share this information with the individuals and communities they serve.

To ensure that underserved and diverse communities were likewise aware of this application and given an opportunity to provide input, several city libraries, especially those in neighborhoods with more diverse populations, posted information in both English and Spanish about where to find this application on the City website and provide feedback.

*Feedback from the public comment period will be addressed throughout the application as it is received and included in Attachment A of this proposal when submitted.*

**iv How does your proposal align with requirements to affirmatively further fair housing?**

The City will take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination by promoting and implementing the CLT and FTB programs in all parts of the city. As illustrated by the map of “Mostly White” to “4 Group Mixed” regions of the city in Exhibit C, Salt Lake City is still working to overcome the lasting effects of redlining, the city still has a clear divide with “Mostly White” neighborhoods along the East Bench, and more diverse neighborhoods toward the west side of the city. Because properties purchased under the CLT program are not limited to one specific neighborhood, the City has the opportunity to purchase and create affordable housing in any neighborhood in the city.

With the recent enactment of House Bill 261 during Utah’s 2024 legislative session, central offices in government entities and state universities dedicated to equity, diversity, and inclusion were eliminated and policies, procedures, and practices related to diversity, equity, and inclusion prohibited. As such, Salt Lake City’s Equity and Inclusion office was disbanded and replaced by the Mayor’s Office of Access and Belonging. Given these prohibitions, the City does not currently have an equity and inclusion plan, but the Office of Access and Belonging is continuously working to make Salt Lake City a welcoming place for all people and reaching all of its residents with the programs we offer.

As described in subsection i of this Exhibit, the CLT and FTB programs will directly address the issues described in the Thriving in Place strategy and in Housing SLC: A Five Year Housing Plan.

Salt Lake City also follows HUD guidelines and regulations when selecting contractors, following Section 3 and Davis Bacon requirements as necessary.

Salt Lake City quarterly sends out fliers throughout the City of all the available programs as well as attend City events to promote programs. This would be the primary way the Fix the Bricks and the CLT will be marketed. All documents are in English and Spanish and have a link to the website, which can be viewed in over twenty languages. The City also has a design advisory board that all the fliers get approved through, they review documents to ensure they are easy to see and read for those that may have visual impairments.

The success of this program will be measured by the number of households served, properties purchased, and properties sold under the CLT and FTB programs. Within these metrics, the City will collect income and demographic data on the individuals or households served evaluate the effectiveness of these activities on promoting desegregation and expanding equitable access to affordable housing.

## **v What are your budget and timeline proposals?**

Salt Lake City anticipates using the first six months of this funding, February 2025 through August 2025, to create policies, train staff, and conduct outreach on the programs. After August 2025 Salt Lake City will use the remaining time frame on program costs until September 2030. The funds anticipated will go towards acquisition and necessary rehabilitation of the Community Land Trust homes, seismic retrofit for URMs, and staff salary and benefits for two FTB staff, one Policy and Program Manager, and one part-time staff assisting with the CLT. The match will come from waivers of impact fees for the creation of new affordable housing. The City has been waiving impact fees for seven years and continues to do so as an incentive for developers to build affordable housing in Salt Lake City.

Staff salary amounts have been calculated based on current salary and benefits for the staff currently in the roles. The CLT requested amount is based on the average cost of the land, that will remain in Salt Lake City's ownership, over the last two years. The expectation is that we can purchase ten homes to add to the CLT with that subsidy. The Fix the Bricks amounts come from the current average cost for the program and the amount of low-income households we expect to serve over the next six years. Although the need is much higher, this funding will be beneficial as we continue to look for additional funding sources and work with other entities to create similar programs.

If awarded less funding than requested we will likely serve less residents, but will still be able to make a substantial impact on the homes and communities in Salt Lake City. The amount applied for is conservative already, in the hopes that Salt Lake City will easily be able to spend down the amounts requested.

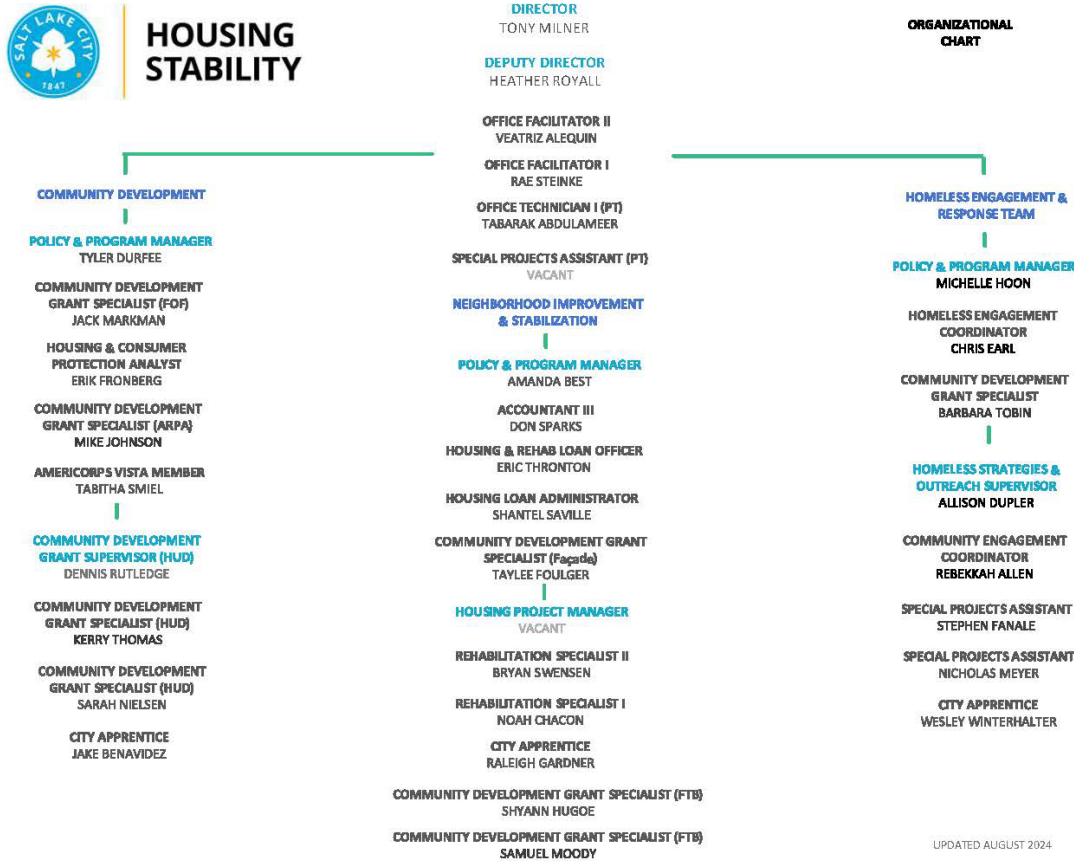
The total project cost is \$7,174,386.47, with \$2,400,000 of that being match from waived impact fees. The total HUD request is \$4,774,386.47 with \$552,211.11 for salaries and benefits, \$3,000,000 going towards the CLT program, \$1,110,000 going towards FTB, and all other items going towards other administrative needs and project delivery.

## **Exhibit E – Capacity**

### **i What capacity do you and your Partner(s) have? What is your staffing plan?**

Salt Lake City has a long organizational history of administering federal funds as a recipient of HUD Community Planning and Development funding since 1975. Beginning with funding for CDBG, that portfolio has since expanded to include funding for HOME, HOPWA, and ESG. Over the last five years, the Division has also administered FEMA funding, HUD-CV funding, Treasury funding, ERA funding, and EPA funding. Housing Stability also administers general funds that go towards community partners, similar to CDBG public services, called Funding our Future. The Housing Stability Division administers this portfolio of grants with the support of

members of the City’s Finance Department, who remit payment for reimbursement requests and facilitate funding draws in IDIS. The table below outlines the current structure and hierarchy of the Housing Stability Division, members of which will primarily administer this funding and the programs for which the funding will be used.



Between seven and ten full-time employees will manage the PRO Housing grant with varying responsibilities according to their individual roles, from finance personnel to the grant specialists and program managers who administer the Community Land Trust (CLT) and Fix the Bricks (FTB) programs. However, we are only requesting funding for the four staff members who will work directly on the CLT and FTB programs.

The Housing Stability Division’s Neighborhood Improvement and Stabilization (NIS) team will lead the implementation of the proposed eligible activities outlined in Exhibit D. The NIS team has administered the CLT program, and its predecessor, a homebuyer program, for 40 years and FTB for 3 years. Within the Housing Stability Division, the NIS team and the Community Development team have worked together on numerous projects, including the Neighborhood Business Improvement Program (a.k.a. Facade Grant) and Home Repair Program for which the NIS team has received CDBG funding. The current Policy and Program Manager has been in her

role for two years and experience with federal funding for ten years. The Fix the Bricks staff have been in their roles for three years and one year. In the last two years policies have been updated and, although seemingly new, the team has a vision for the future and passion for affordable housing in the City.

Based on the Housing Stability Division's existing Policies and Procedures, PRO Housing Grant administration duties will be segregated as follows:

The NIS team will be responsible for implementing eligible activities, submitting reimbursement requests for completed work, and reporting actual outcomes of the eligible activities.

The Community Development Grant Specialist who also manages the CDBG grant on behalf of the city will conduct ongoing technical assistance, draft agreement amendments, process payment requests, and conduct applicable site-specific environmental reviews. They will likewise ensure all relevant regulations, policies, and procedures are followed.

The Community Development Grant Supervisor and the Director of the Housing Stability Division, or designee, will both review and approve or deny payment requests before forwarding them to the Finance Department or sending back to the grant specialist, respectively. The Community Development Grant Supervisor is also responsible for all project environmental reviews and confirming that all other relevant regulations, policies, and procedures are followed.

The Finance Grant Analyst will review payment requests from the Housing Stability Division and if complete, remit them for payment.

The following individuals contributed to the development and drafting of this application:

Amanda Best, Policy and Program Manager, Salt Lake City Corporation

Annie Christensen, Management and Grant Analyst, Salt Lake City Corporation

Erik Fronberg, Housing and Consumer Protection Analyst, Salt Lake City Corporation

Sarah Nielsen, Community Development Grant Specialist, Salt Lake City Corporation

## **Exhibit F – Leverage**

### **i Are you leveraging other funding or non-financial contributions?**

Salt Lake City will use impact fee waivers for affordable housing being built in Salt Lake City as leverage at a 50% match rate for PRO Housing funding awarded. Salt Lake City authorizes impact fee waivers based on the number of affordable units (under 60% AMI) to incentivize the

creation of affordable housing within Salt Lake City. In Salt Lake City (SLC) Code 18.98.020, impact fees are defined as follows:

A payment of money imposed by the City on development activity pursuant to this chapter as a condition of granting a building permit in order to pay for the planned facilities needed to serve new growth and development activity. "Impact fee" does not include a tax, a special assessment, a hookup fee, a fee for project improvements, a reasonable permit or application fee, the administrative fee for collecting and handling impact fees, the cost of reviewing independent impact fee calculations, or the administrative fee required for an appeal.

SLC Code 18.98.060 sections E and F list certain types of affordable housing as exempt from impact fees in full or in part, as determined by the department director:

1. A one hundred percent (100%) exemption shall be granted for rental housing for which the annualized rent per dwelling unit does not exceed thirty percent (30%) of the annual income of a family whose annual income equals sixty percent (60%) of the median income for Salt Lake City, as determined by HUD;
2. A one hundred percent (100%) exemption shall be granted for nonrental housing for which the annualized mortgage payment does not exceed thirty percent (30%) of the annual income of a family whose annual income equals eighty percent (80%) of the median income for Salt Lake City, as determined by HUD;
3. A seventy five percent (75%) exemption shall be granted for nonrental housing for which the annualized mortgage payment does not exceed thirty percent (30%) of the annual income of a family whose annual income equals ninety percent (90%) of the median income for Salt Lake City, as determined by HUD; and
4. A fifty percent (50%) exemption shall be granted for nonrental housing for which the annualized mortgage payment does not exceed thirty percent (30%) of the annual income of a family whose annual income equals one hundred percent (100%) of the median income for Salt Lake City, as determined by HUD.

## **Exhibit G – Long-term Effect**

**i What permanent, long-term effects will your proposal have? What outcomes do you expect?**

Salt Lake City expects long-term affordable options to increase with this proposal. The two programs that funding is requested for are current programs that residents are already eager to participate in. The addition of this award would allow residents to live in Salt Lake City in a safe and affordable home. A CLT removes barriers to homeownership by lowering the initial entry costs, which is a significant barrier. Providing affordable homeownership also creates an additional layer of stability for the homeowner that may not be available with rentals. This also

allows for more people of color or households that may be displaced access to resources and equity building that was not previously available.

The Fix the Bricks program will provide a more resilient housing stock. In the case of an emergency this program may save the lives of those in the home and also has a higher likelihood of saving the home. This creates a safer home, neighborhood, and community.

Both of the programs in this application are designed for long term preservation and safety. The goals of the current programs impact the lives of future generations, as well as the households currently living in the homes.

Salt Lake City expects to purchase and add ten new homes to the CLT with this funding and provide seismic retrofit services to fifty homes in Salt Lake City with this funding. Based on our current programs and resident interactions these outcomes are very realistic and allow the City to spend down funding seamlessly over the term. Salt Lake City also plans to work with neighboring communities that have similar programs to learn and pass along tips along the way. Over the six years of this award the City plans to continually review the programs to ensure they are reaching the correct audience and serving those that need the assistance the most. This information can also be used as a guide for other communities that may be interested in starting a CLT or seismic retrofit program in their community.

Both of the programs serve all residents in the City and provide resources throughout the City. This removes barriers to affordable housing that have consistently been integrated into the City with the West and East side divide.