CITY COUNCIL

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South Salt Lake City Council
Work Meeting Agenda

Public notice is hereby given that the **South Salt Lake City Council** will hold a Work Meeting on **Wednesday, March 13, 2024** in the City Council Chambers, 220 East Morris Avenue, Suite 200, commencing at **6:15 p.m**., or as soon thereafter as possible.

To watch the meeting live click the link below to join:
https://zoom.us/j/93438486912

Watch recorded City Council meetings at: youtube.com/@SouthSaltLakeCity

Conducting: Council Chair Bynum

MATTERS FOR DISCUSSION:

1. Business License Update   Jonathan Weidenhamer

2. Affordable Housing Update   Jonathan Weidenhamer

    Adjourn

Posted March 8, 2024

Those needing auxiliary communicative aids or other services for this meeting should contact Ariel Andrus at 801-483-6019, giving at least 24 hours' notice.

In accordance with State Statute and Council Policy, one or more Council Members may be connected electronically.

Have a question or concern? Call the connect line 801-464-6757 or email connect@sslc.gov

2023 Business License Fee Study Recap

March 13, 2023

Methodology

Business license fees in Utah are specifically governed by Utah Code § 10-1- 203 and limit a municipality to covering their costs. South Salt Lake City commissioned a comprehensive business license fee study in 2023, which was performed by Zions Public Finance. Prior to that, fees had last been updated in 2011.

Per State Code, a municipality may assess a "base fee" to cover its administrative costs of issuing business licenses (staff time, overhead, materials, supplies, equipment, etc.). In addition, a municipality may charge a licensee additional fees for "disproportionate" or "enhanced" services that unique business classes may cause including police and fire services, stormwater, traffic control, parking, transportation, beautification, and snow removal.

The majority of the updated fees proposed by staff came directly from the Fee Study performed by Zions. However, five specific types of businesses have disproportionately high costs associated with public health/safety and welfare service responses. These five business types are Bowling Alley, Convenience Store, Golf, Grocery Large, and Movie Theater. Staff found that while these unique business types predicate a portion of responsibility for the increased services, outside factors, especially homelessness, contribute significantly to calls for service. Therefore, instead of increasing business licenses fees almost 100,000% as recommended by the Zions fee study, staff recommended increasing the fee by only 100% and including an added a 3% annual increase to cover the cost of doing business in conjunction with the traditional 3% consumer price index.

While the cost of providing City services has increased over time, improvements in workflow and software technology have resulted in more efficient processes in Business Licensing. Therefore, overall, most business license fees decreased, especially for renewals.

Policy

Ultimately, City Council has the discretion to apply some or all of the service costs for business based upon the different classes of business. In other words, Utah municipalities can choose to subsidize fees for a certain type or location of business but assess all the service costs to others.

In most municipalities, the business community covers their costs for municipal services to administer licensing. In South Salt Lake, where we have a disproportionately large number of businesses compared to residents, attempting to subsidize business license fees would likely have an impact on other city service levels, or potentially result in the need to raise other revenue sources.

Key Dates
- March 22, 2023: CC Work Meeting There were no public comments about the fee study
- April 12, 2023: CC Regular Meeting There were no public comments about the fee study
- April 26, 2023: Approved by the CC There were no public comments about the fee study

Main Questions/Comments and Responses
- Involve businesses in the conversation:

- The updated ordinance was delayed to allow the Chamber to email the proposed changes to all of their members. This was sent to about 400 members and there were no responses.
- Comparison Cities
  - The proposed fees are comparable to commensurate cities regarding size and demographic (Midvale and North Salt Lake).
- The reason for introducing a renewal fee.
  - The renewal makes it less expensive for the business because there is less staff time compared to a new business application being processed.
- What will be done with the additional revenue that is brought in?
  - It will cover existing staff time and overhead costs. Per State Code, we are prohibited from generating revenue from the fees, we can only cover costs.
  - Overall, the proposed fees would generate about $209,000 in revenue.
  - Out of the 2,350 businesses about $189,000, or roughly 90%, would be generated from 414 businesses. These businesses are mainly fast-food restaurants, auto-related businesses, banks, and conveniences stores.

Fee Update in Practice:
- [Ordinance 2023-10](#) was approved and adopted April 28, 2023.
  - Emails describing the fee update were sent in November 2023 to all east-side licensed business owners with valid email addresses, prior to December billings.
- Complaints have been mostly from auto-related businesses and fast-food establishments.
  - Responses have addressed the cost of providing City services to businesses and having businesses bear that cost in full, rather than taxing homeowners.
  - Appeals were heard from a few fast-food establishments, which were recategorized as restaurants after further review of land use.
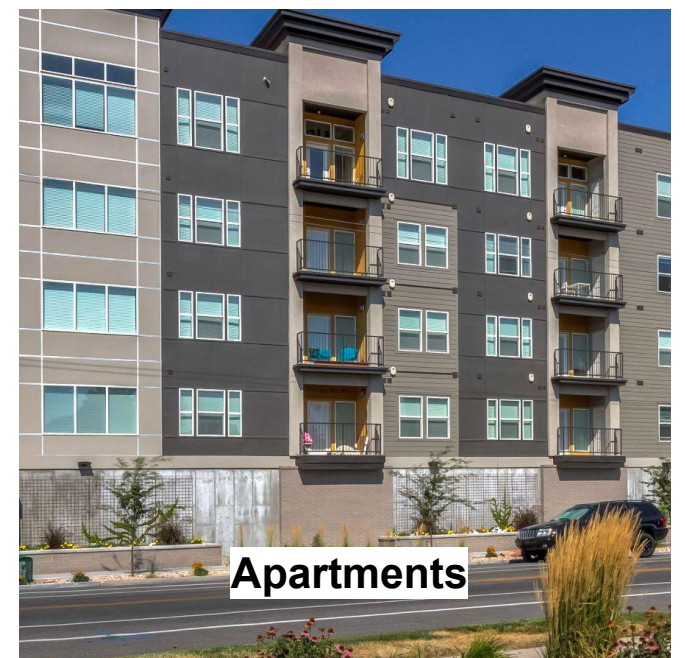
South Salt Lake Housing Plan Update

March 13, 2024

Agenda

- Introductions
- Housing Plan
- Affordable Housing 101
- Needs Assessment & Resident Feedback
- SSL Actions; Opportunities; Tools
- Q&A

Single Family Homes

Duplex / Multiplex

Townhomes

Apartments

Introductions

Lily Gray
Gray Impact Consulting

Kelli Meranda
Promise South Salt Lake, Director

Jason Glidden
Housing Consulting

Jonathan Weidenhamer
South Salt Lake Community Development Department, Director

SSL Housing Plan

Above and beyond meeting state requirements, South Salt Lake is currently updating our Housing Plan to include tactics and tools best suited for our city.

The Housing Plan will take a earnest look at our current housing conditions and needs, and guide the future of housing growth in South Salt Lake by using the most effective tools to address the housing affordability issues faced by our residents and community.

Housing Vision Statement

"South Salt Lake is a community where residents are housed in safe, cared for, and healthy neighborhoods that are connected to parks, local shopping, services, and regional transportation. Residents living in South Salt Lake have a choice of housing types that align with their household type, age, lifestyle, and budget to support our diverse families and residents. Housing opportunities in South Salt Lake are affordable to a variety of households."

Affordable Housing 101

An Affordable Housing Overview guide was created as an educational resource to share with the public that includes information on terminology and definitions, history of affordable housing, state and federal requirements, tools and funding opportunities.

To access the guide online, go to: SSLC.gov > How We Grow Matters > Housing for All

Key Terms

Affordable Housing: Housing costs less than 30% of a household's income.

Area Median Income (AMI): Mid-point for household income for a specific area set by HUD each year.

Cost-Burdened: Household pays more than 30% of their income towards housing costs.

Severely Cost-Burdened: Household pays more than 50% of their income towards housing costs.

Deed Restrictions: Recorded restrictions impose purchase or rental eligibility requirements, limit the price at which a property can be sold, or limit the rental rate an owner may charge. Deed restrictions help keep properties affordable over time.

Income Levels & Affordability

- **Extremely Low Income:** 30% of AMI
- **Very Low Income:** 50% of AMI
- **Low Income:** 80% of AMI
- **Moderate Income:** 120% of AMI

2023 Incomes: 4 Person Household in Salt Lake County

	30% AMI	50% AMI	80% AMI	100% AMI	120% AMI
Income Limit	$31,800	$53,000	$84,800	$106,000	$127,200
30% Income to Housing	$795	$1,325	$2,120	$2,650	$3,180
Maximum Affordable Home	$125,784	$209,640	$335,423	$419,279	$503,135

Sales price assumes: 5% down, 7% interest rate, 30 year amortization, 30% of income to housing costs

Benefits of Affordable Housing

HEALTH

ECONOMY

EDUCATION

ENVIRONMENT

COMMUNITY

Housing Needs Assessment & Resident Feedback

The Kem Gardner Policy Institute was contracted to complete a Needs Assessment Report of South Salt Lake.

To access the full Needs Assessment Report online, go to: SSLC.gov > How We Grow Matters > Housing for All

Public input was collected through an online survey and small group meetings with various resident populations, nonprofit community partners, and developers.
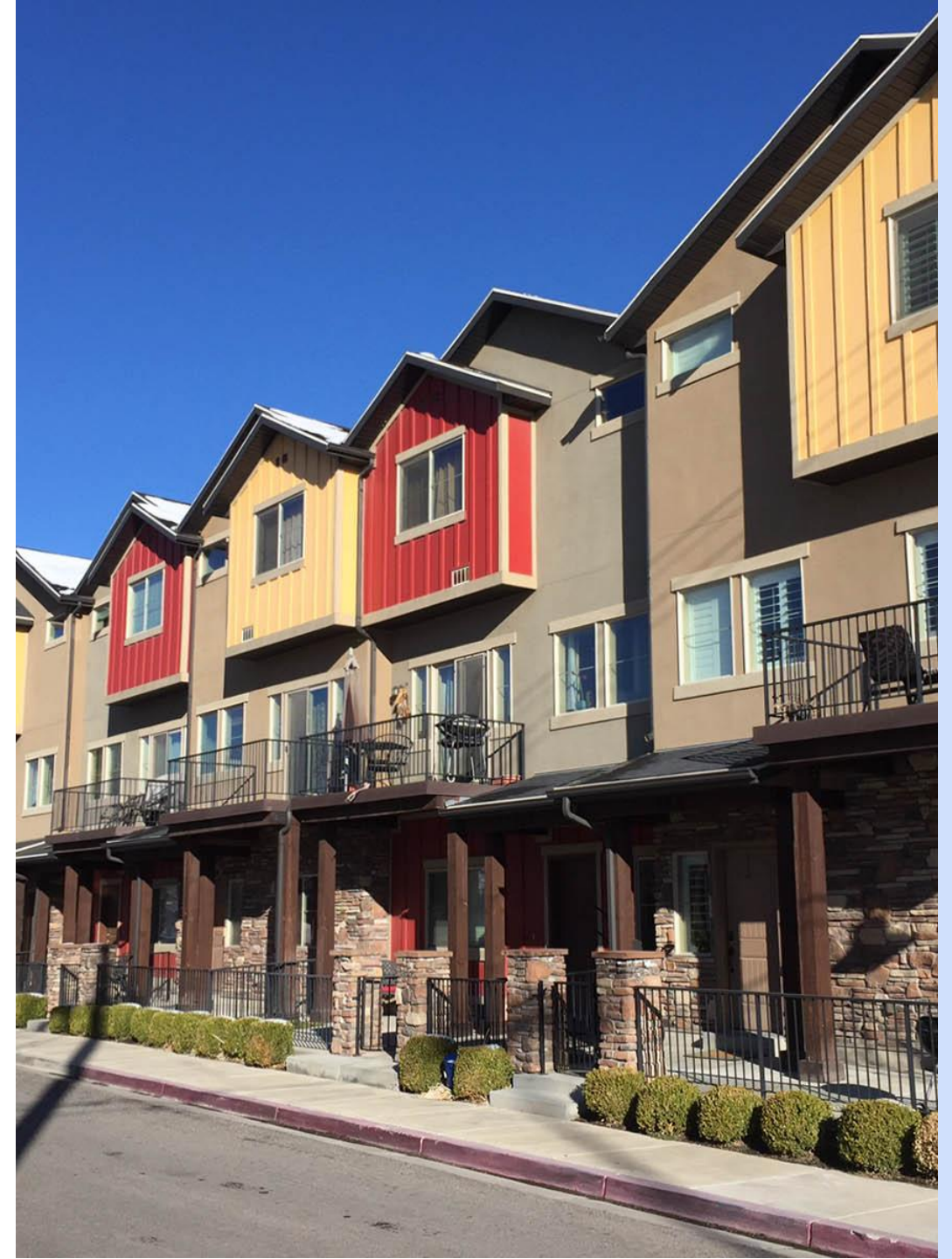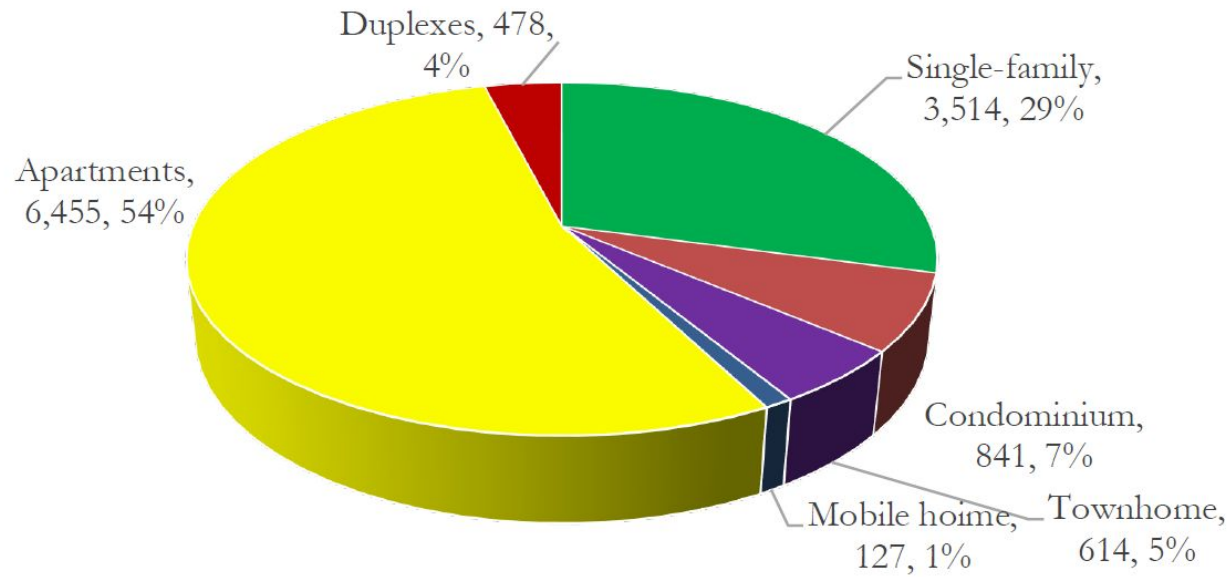
SSL Demographics

- Population: 26,086 as of 2022
- Employment: 32,976 as of 2022
- Lowest Median Income in Salt Lake County at $50,589
- More diverse population (nearly 47% of the population is non-white vs. 32% county-wide)
- Almost 93% of residents work outside of the city while over 97% of employees live outside of the city
- Home purchase out of reach for most (~17% of SSLC households have incomes over $100K)

SSL Housing Inventory

Duplexes, 478, 4%

Single-family, 3,514, 29%

Apartments, 6,455, 54%

Condominium, 841, 7%

Mobile home, 127, 1%

Townhome, 614, 5%

30% of single-family homes are renter-occupied.

~8% of apartments are deed-restricted affordable.
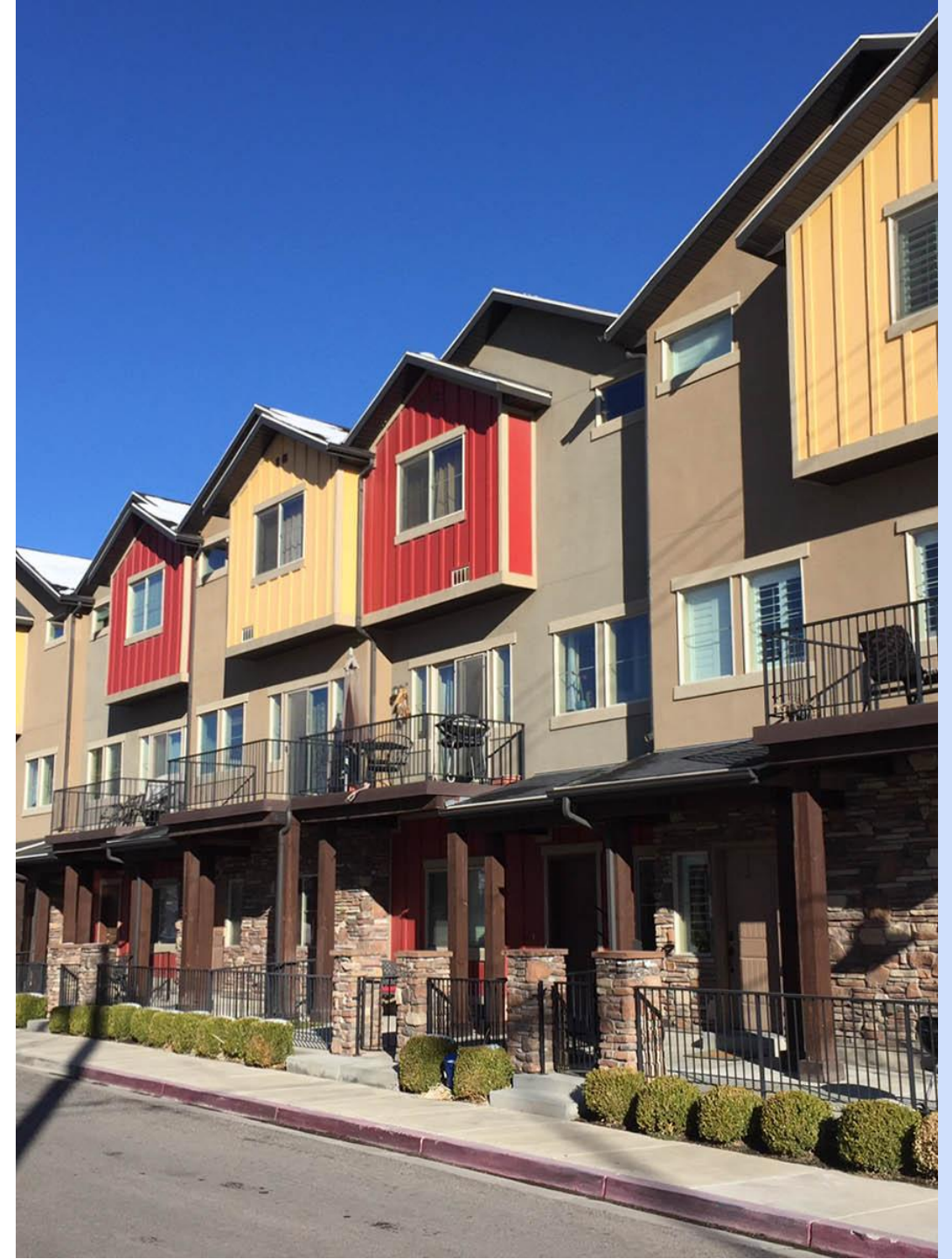
SSL Housing Trends: Needs Assess. Report

- Lower percentage of single-family homes compared to County, and lower turnover of for-sale units.
- 40% of homeowners have a housing cost burden of at least 30%.
- 10% of all homeowners are paying at least 50% of their income on housing.
- 2nd oldest housing inventory in the County
- Lowest median sales price / one of the most affordable cities in the County.
- Largest increase in sales prices in the County (10% annual increase in the period from 2010-2023)

SSL Housing Trends: Resident Feedback

- **Established residents** (long-time owners):
  - Like community-feel, diversity, lot sizes and access.
  - Currently comfortable, paying 10-30% of income on housing, but feel stuck and cannot afford to upgrade/downgrade.
  - Perception that what is being built is not affordable.
- **At-risk residents** (primarily renters):
  - Would like to stay in the community - like the welcoming feel, access, schools.
  - Pay 30-80% of income on housing and getting priced out.
  - Most fear they will lose their home and/or having to move.
  - Lack of information to navigate the system and need access to first-time homeowner programs.
  - Many are underhoused and seeking more space for their families.

SSL Rental Trends: Needs Assess. Report

- ~60% of all SSL housing units are rentals, highest in the County.
- 10% of all SSL renters face a severe housing cost burden, paying more than 50% of their income on housing.
- 30% of occupied single-family homes are renter occupied.
- At 62%, highest percentage of renter occupied units in the County.
- High percentage of rental units are "naturally" affordable, while a low percentage are deed-restricted affordable (~8% vs. 14% county-wide).

SSL Rental Trends: Resident Feedback

- **Established residents** (long-time owners):
    - Concerned about parking with new, large apartment developments.
    - Concerned about short-term rentals eating up housing availability.
    - Support for density around transit, downtown, and along State St.
    - Support density in neighborhoods if scaled and regulated (duplex, townhome, ADUs).
- **At-risk residents** (primarily renters):
    - Want to be close to transportation, parks, schools and retail.
    - Would like to see more "missing middle" housing like townhomes and duplexes.
    - Need help with rental assistance programs to simply stay in their current housing and navigate a pathway to housing security.

Nonprofit Community Partner Feedback

- Clients love South Salt Lake and want to stay in this community.
- Clients love the city amenities, specifically the Promise afterschool programs for their kids.
- Barriers include: housings costs, housing quality, lack of family-sized units, lack of nearby employment options.
- School enrollment is decreasing as families move to more affordable areas (other cities in the County, out of County, out of State).

United Way
United Way of Salt Lake

SL
SALT LAKE
COUNTY
OFFICE for
NEW AMERICANS

Granite
SCHOOL DISTRICT

Midtown
Community Health Center

Developer Feedback

- **Strengths - SSL is a desirable place to build and live**
  - Transit and freeway access
  - Proximity to SLC, "blurry" boundary
  - Local character – i.e. arts/breweries
  - Zoning near transit areas is generally workable
  - Large parcel sizes
- **Weaknesses - SSL needs to invest in infrastructure and placemaking**
  - Infrastructure needs
  - Walkability
  - Streetscape vitality
  - Lack of retail
  - Zoning for mid-density residential/missing middle has challenging limitations

SSL in Action

South Salt Lake is actively taking steps to address the City's housing needs.

Part of the Housing Plan is finding the best tools for our community.

Key considerations include cost and availability of tools, funding requirements and opportunities, strategies, implementation, short-term and/or long-term results.
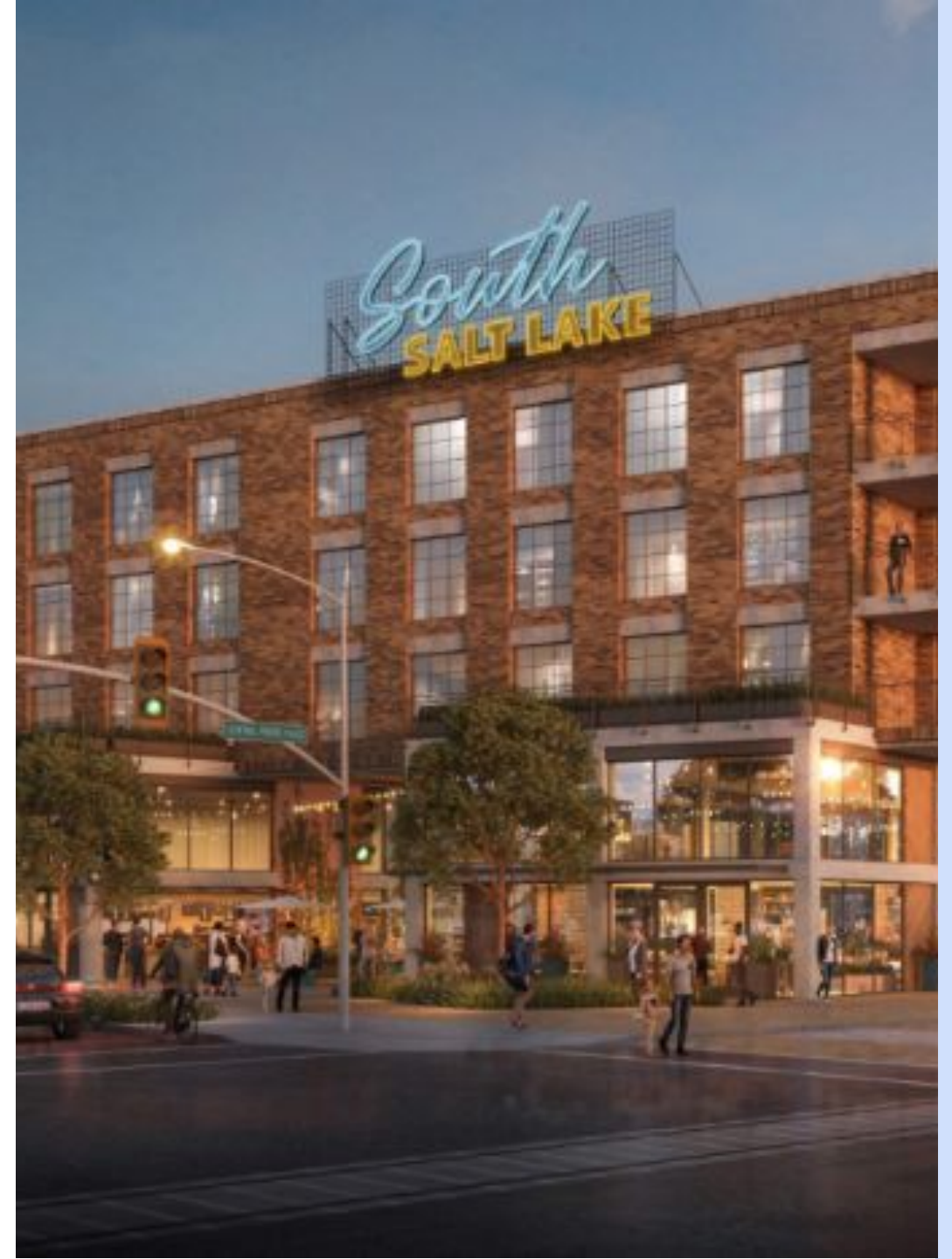
SSL Efforts to Date

- Housing Needs Assessment Report completed.
- Gathered resident and stakeholder feedback to determine the tools we need and to incorporate input into Housing Plan.
- Adopted ADU Ordinance.
- Adopted modifications to Downtown SSL and TOD zones.
- HTRZ application approved.
- Hired a new Low to Moderate Income Housing Navigator position within the Promise Department.
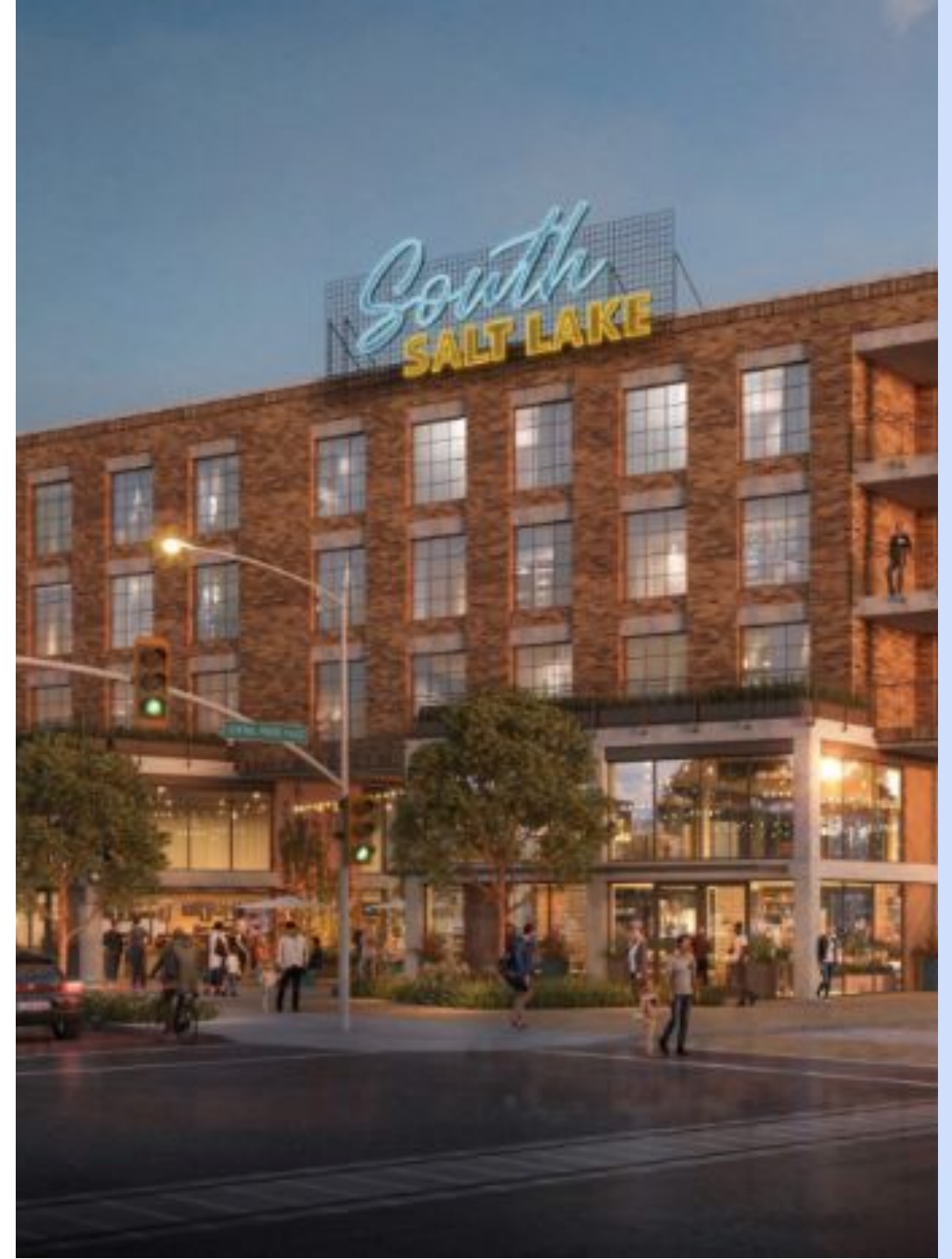
Existing Resources & Tools

- **State- level**
  - Federal and State LIHTC Programs which fund up to 80% AMI rental
  - Olene Walker Housing Trust Fund which provides loans to affordable rental projects
  - Down Payment Assistance for first time homebuyers (only new construction)
- **County-level**
  - Programs focused on rehab for low income homeowners
  - Allocations of HOME/CDBG for housing projects
- **Other**
  - Rental assistance administered through Salt Lake County and Salt Lake City Housing Authorities
  - CRA Bank programs with preferential terms for affordable housing
  - Social impact and philanthropic funding for housing
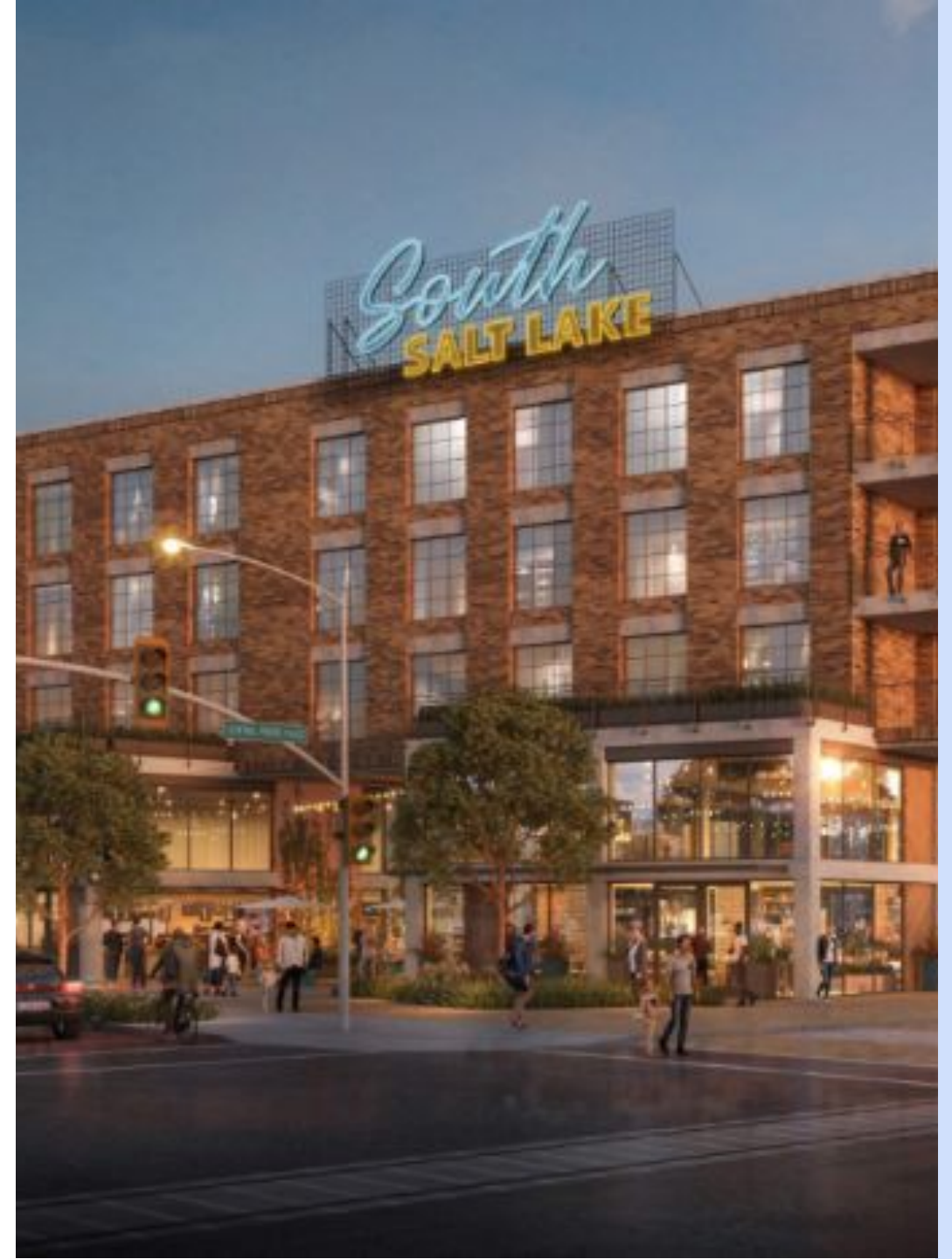
# Potential Opportunities

- **Zoning**
  - Expand opportunities for new housing, adding density where it makes sense.
  - Enable more diverse housing types in existing neighborhoods.
- **Funding**
  - Explore opportunities to fund priority community housing needs through dedicated, focused programs like Promise.
  - Explore opportunities to fund infrastructure/amenities to enhance housing feasibility.
- **Incentives**
  - Enhance feasibility of desired housing types through incentives in the City's control.
  - Examples include: parking requirements, impact/permit fee waivers, priority review process.
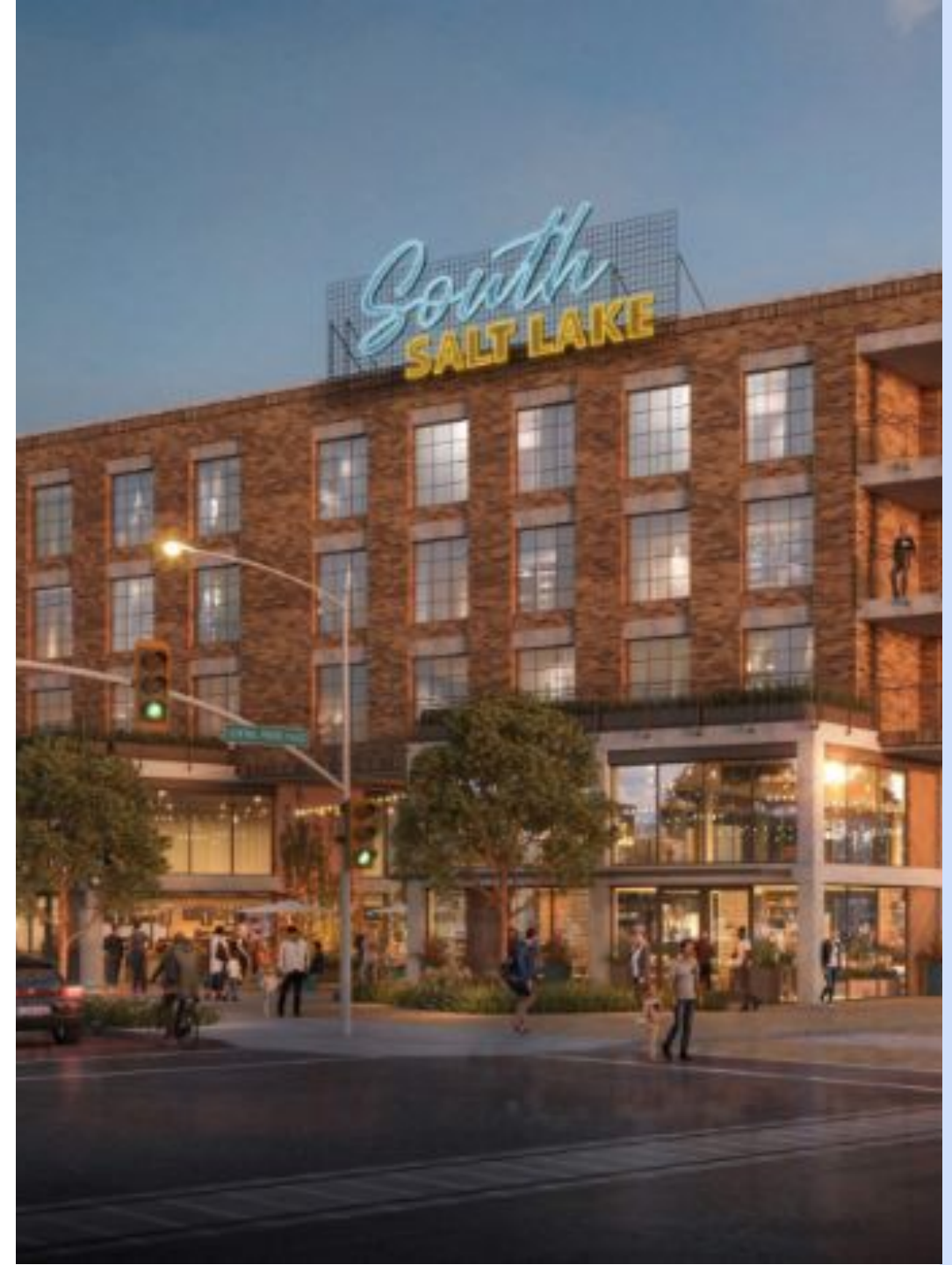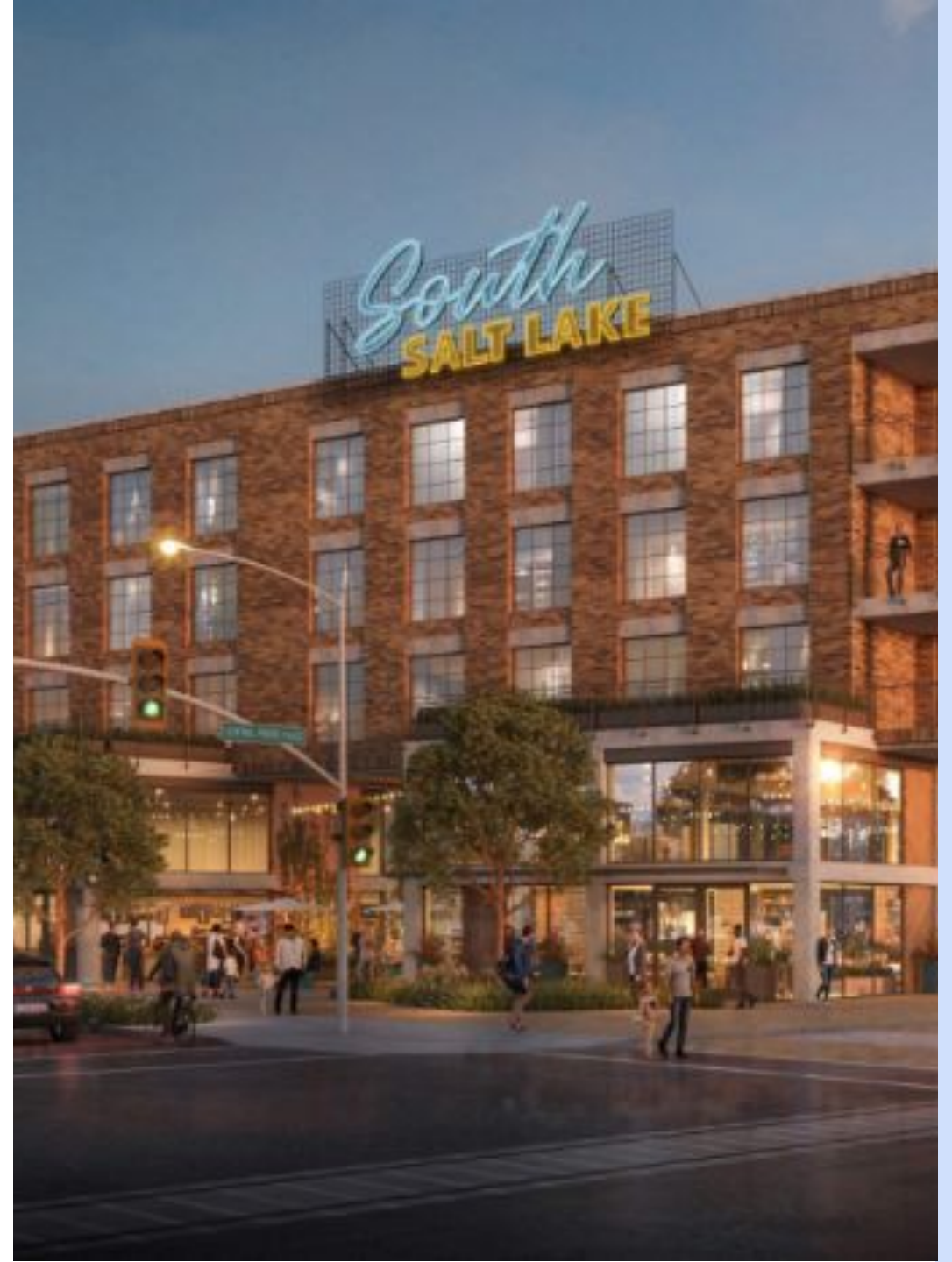
Next Steps

Identify Priorities and Strategies	Identify the overall housing goals and strategies for South Salt Lake.
Identify Funding	Identify funding sources for each of the strategies.
Housing Master Plan	The Housing Plan is updated to reflect the new goals, strategies, and funding.
Adoption of Plan	City Council officially adopts the plan.
Implementation	Ongoing with regular updates to City Council.

Input on Priorities

- What do you see as the most important housing needs in our community today?

- What types of strategies do you think make sense in our community?

- What types of strategies do you have concerns about?

Next session will be focused on strategies and tools

Questions?

Thank you!