

**Public Comment Document**



**FY24 Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98**

Prepared for:

US Department of Housing and Urban Development

Community Planning and Development

[CDBG-PROHousing@hud.gov](mailto:CDBG-PROHousing@hud.gov)

**EXECUTIVE SUMMARY**

Salt Lake County (SLCo) is submitting a proposal under the HUD PRO-Housing program to implement two key activities aimed at reducing barriers to affordable and safe housing. These activities will strategically address both the preservation of affordable housing and the development of new units through a Community Land Trust (CLT) and Community Land Bank (CLB) initiative. The total funding request is \$7 million, with \$6.5 million allocated for a revolving loan fund and \$500,000 for the establishment of the CLT/CLB.

**NEED**

Salt Lake County has made significant strides in tackling its affordable housing crisis by creating the Housing Trust Fund (HTF) and the accompanying advisory board in 2022. The HTF advisory board plays a crucial role in reviewing development applications and tailoring funding opportunities to address the specific needs of affordable housing developers. By utilizing State and Local Fiscal Recovery Funds, the HTF created a grant process focused on "shovel-ready" projects and larger unit sizes, efficiently addressing immediate housing needs. This success earned full support from the County Council, which allocated an additional \$5.8 million to fund all 17 submitted projects, raising the total allocation to \$20 million. Despite these achievements, the need for additional funding remains urgent, and HUD PRO-Housing funds are essential to

**FY24 Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98**

continue expanding affordable housing efforts across the region through the effective use of the HTF.

The county has also worked closely with local municipalities, as it lacks direct land use authority. A key example is its collaboration with Bluffdale to enhance the city's Accessory Dwelling Unit (ADU) program, helping homeowners create additional rental units and increasing housing supply. State legislation passed in 2022 requires cities to adopt Moderate-Income Housing Plans (MIHP), and Salt Lake County is actively working with cities to implement these plans, which aim to provide housing for households earning 80% or less of the median income.

However, barriers to affordable housing production and preservation persist. Zoning restrictions, particularly the dominance of single-family home zoning, limit higher-density developments. Rising land and construction costs, exacerbated by supply chain disruptions, further complicate efforts. Additionally, infrastructure deficits, especially in areas like Tooele County, hinder development potential. Although initiatives such as the Community Land Trust (CLT) and Community Land Bank (CLB) are being advanced to preserve land for affordable housing, overcoming these foundational barriers remains critical.

Utah faces a housing deficit of 130,000 units for households earning 50% or less of the Area Median Income (AMI), with projections showing the need for 200,000 additional units by 2040. The state is working to develop strategies, but current solutions, such as building smaller homes and first-time homeownership loan programs, may not adequately address the affordability crisis. The HTF's proactive partnerships with local governments and the county's focus on zoning reform and infrastructure investment are vital steps toward meeting this growing demand. However, sustained efforts and additional funding are needed to overcome the key barriers to affordable housing production and meet the region's future needs.

## **SOUNDNESS OF APPROACH**

### *Vision*

#### **Use 1: Community Land Trust Investment Fund (CLT IF) – \$6.5 Million**

SLCo proposes to create a revolving loan fund to support affordable housing development through its Community Land Trust Investment Fund (CLT IF). This fund will be used for predevelopment and hard construction costs related to affordable housing projects. The primary eligible use identified in the Notice of Funding Opportunity (NOFO) is **preservation activities**, specifically the establishment of loan or grant programs with affordability requirements.

**Key aspects of the CLT IF include:**

**FY24 Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98**

- Short-term, low-interest gap financing loans to partner developers.
- Predevelopment and construction financing to ensure a steady pipeline of affordable housing projects.
- Affordability requirements attached to all loans, ensuring long-term preservation of housing affordability.

SLCo will review and identify parcels it currently owns for inclusion in the CLT/CLB, coordinating closely with partner developers to utilize the revolving loan fund for affordable housing production.

**Use 2: Establishment of Community Land Trust/Community Land Bank – \$500,000**

SLCo seeks \$500,000 to establish a Community Land Trust (CLT) and Community Land Bank (CLB). This initiative will include **planning and policy activities** that support affordable housing development, as well as zoning and land use policy reforms. The following activities are proposed:

Development of housing plans and community strategies to encourage multifamily and mixed-use development.

- **Zoning and land use policy reforms** to reduce barriers to affordable housing, including modifications to overlays, floating zones, and transit-oriented development incentives.
- **Parcel analysis** of SLCo-owned land to identify opportunities for affordable housing development and necessary zoning changes.

SLCo will work in partnership with its Real Estate office to transfer parcels into the CLT/CLB and streamline zoning processes to encourage housing development. Recommendations for land use and zoning changes will be provided to municipal partners and the Mayor's Office, with the goal of maximizing the potential of publicly owned land for affordable housing.

By establishing the CLT/CLB and providing gap financing through the CLT IF, Salt Lake County will create a sustainable framework for producing and preserving affordable housing, reducing barriers, and supporting long-term housing affordability across the region.

***Proposed Activities***

**a. Benefiting Low- and Moderate-Income Persons**

The creation and operation of the Community Land Trust (CLT) and Community Land Bank (CLB) directly benefit households earning at or below 80% of the Area Median Income (AMI). Land

**FY24 Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98**

placed in the CLT/CLB will be designated for affordable housing development, ensuring long-term affordability for low- and moderate-income residents. The \$500,000 allocated to establish the CLT/CLB will secure this resource, while the revolving loan fund will provide critical financing for developers to advance affordable housing projects, with small returns reinvested in Salt Lake County's Housing and Community Development (HCD) efforts. These activities align with the objective of increasing affordable housing for underserved populations.

**b. Preventing or Eliminating Slums or Blight**

The CLT/CLB is a key tool in protecting publicly owned land from becoming vacant or blighted. By placing land in the CLT, Salt Lake County ensures that it remains a productive asset for affordable housing rather than deteriorating into blight, which can negatively impact neighborhoods. The revolving loan fund provides flexibility for HCD to address immediate needs in the development cycle, allowing targeted investments to prevent vacant properties from contributing to urban blight. Through these mechanisms, the county is able to proactively manage land and ensure it remains a valuable community resource.

**c. Meeting Other Urgent Community Development Needs**

The proposed activities address an urgent need for affordable housing, particularly in areas where the lack of affordable housing poses an immediate threat to the health and welfare of the community. By utilizing the existing Housing Trust Fund Advisory Board structure, Salt Lake County can deploy funds quickly to begin development on county-owned land. This approach ensures that no financial resources are wasted, and immediate housing needs are met. All capital funds for the CLT/CLB will be awarded to entities within six months of HUD's award, ensuring that critical development projects begin swiftly.

**Population Growth and Long-Term Planning**

Salt Lake County's housing strategy, including the CLT/CLB, accounts for the region's anticipated population growth. As the county continues to grow, the preservation of land for affordable housing through the CLT ensures long-term availability of housing for vulnerable populations. By integrating affordable housing development into local economic planning, the initiative not only supports housing needs but also complements broader regional goals, such as climate resilience, economic development, and access to community assets like healthcare and education systems.

**GEOGRAPHIC SCOPE**

CLT/CLB and the revolving loan fund will directly impact communities located in Salt Lake County. The largest high priority area identified by HUD in Salt Lake County is the City of

**Public Comment Document / Salt Lake County**

**FY24 Pathways to Removing Obstacles to Housing (PRO  
Housing) FR-6800-N-98**

Holladay. They have provided an attached letter of support and partnership, outlining how they will assist Salt Lake County in focusing funding to projects in their city.

**BUDGET AND TIMELINE**

(Maximum award is \$7 million per project period, and a minimum of \$1 million. Estimated Project Start Date: 02/10/2025 & Estimated Project End Date: 09/30/2030 –)

Salt Lake County is requesting \$7mm, to begin expending immediately after award. Approximately \$6.5mm will be utilized for the Community Land Trust Investment Fund (CLT IF). This will provide loans to affordable housing developers to construct single and multifamily housing on publicly owned land that will then be placed into the Community Land Trust for permanent ownership by the trust. Salt Lake County will immediately solicit projects that will utilize this funding. All awards will be in the form of no or low interest loans that will require repayment. As funds are repaid, they will then be loaned back out to new projects under this same model.

\$500K will be utilized to hire expert consultants to help Salt Lake County staff finalize the documents that will be utilized for CLT transactions. Due to the technical nature of these documents, a legal expert is required to ensure the CLT is able to conduct all transactions without any issues. The remaining money will provide the staffing necessary to see the CLT through its first three years. After that time, CLT fees combined with county general funds will provide the ongoing staffing costs.

**CAPACITY**

The PRICE program will be administered specifically by the Housing and Community Development division within SLCo. The Director, Mike Akerlow, has over 15 years' experience working in government, specifically in relation to housing and the development of neighborhoods and affordable housing. Joshua Narvaez will be the manager overseeing the implementation of the program and will be responsible for ensuring that projects are completed timely and efficiently. Josh has spent the last 5 years serving low-income individuals and households experiencing homelessness. Josh administers the entirety of the Housing Trust Fund, a capital funding source seeking to invest in affordable housing solutions in Salt Lake County. This program is under the direction of the Housing and Community Development Director.

**Public Comment Document / Salt Lake County**

**FY24 Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98**

SLCo has in-depth experience managing and expending grant funds to complete a project, including those from federal programs such as Community Development Block Grant (CDBG), HOME, Emergency Solutions Grant (ESG), American Rescue Plan Act (ARPA), and the Federal Home Loan Bank.

SLCo is an urban county qualified by the U.S. Housing and Urban Development (HUD) CDBG Entitlement Program and receives annual HUD CDBG and HOME allocations of approximately \$2.4 million and \$1.8 million, respectively. As the most-populated county in Utah, SLCo administers one of the largest grant entitlement areas in the state.

**LEVERAGE**

Salt Lake County is committing existing County owned land to support the development of affordable housing. If awarded, Salt Lake County will provide two parcels of undeveloped land that will be utilized for affordable housing through the PRO Housing Revolving Loan Fund.

**LONG-TERM EFFECT**

The removal of identified barriers through the establishment of the Community Land Trust (CLT) and Community Land Bank (CLB), coupled with the revolving loan fund, will result in sustained production and preservation of affordable housing for Salt Lake County. This long-term strategy addresses the barriers of land availability, cost, and control over development by ensuring that publicly owned land is protected and leveraged for affordable housing development, while simultaneously creating a self-sustaining funding mechanism through the revolving loan fund.

**1. Long-Term Protection of Publicly Owned Land**

By establishing the CLT/CLB, Salt Lake County will safeguard public land for future affordable housing development. This ensures that the county retains control over land use decisions, rather than being subject to market pressures from private developers. The land within the CLT/CLB will be deed-restricted, guaranteeing that any housing developed will remain affordable indefinitely, and serving low- to moderate-income households for generations. This long-term land protection prevents speculative development, stabilizes communities, and ensures a continued supply of affordable housing units over time.

**2. Public-Private Partnerships for Sustainable Development**

**FY24 Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98**

The CLT/CLB structure fosters collaboration between public and private partners, ensuring a continuous pipeline of land and resources for affordable housing development. By engaging these partners, Salt Lake County can unlock additional resources, such as land donations or financial contributions, that will expand the CLT/CLB's capacity to acquire, develop, and preserve housing. These partnerships will not only contribute to the immediate development of affordable units but will also establish an ongoing framework for collaboration, ensuring sustained housing production and resource allocation over the long term.

**3. Flexible, Adaptive Development with Revolving Loan Fund**

The revolving loan fund will provide agile financial support to address various stages of the development cycle. This ensures that projects can move forward without being delayed by financing gaps, which are common barriers to affordable housing development. The fund's design allows for short-term, low-interest loans, generating a modest revenue stream that can be reinvested into future projects. Over time, this will eliminate the need for additional external funding, as the revolving loan fund will become a self-sustaining tool that continues to fuel affordable housing development in the county.

**4. Diversified Activities for Long-Term Production**

The CLT/CLB will not only focus on new development but also prioritize acquiring distressed properties, adaptive reuse projects, and investing in infrastructure development. These diversified activities ensure that Salt Lake County is not solely reliant on new construction for housing production but can also preserve and repurpose existing properties. This adaptability to market conditions and varying development needs will ensure sustained housing production, regardless of external economic factors or housing market fluctuations.

**5. Revenue Stability and Community Impact**

The CLT/CLB and revolving loan fund provide a steady revenue source that will sustain affordable housing efforts without burdening local taxpayers. By controlling land and development, Salt Lake County can prevent sharp increases in property taxes, which can displace low-income residents. Additionally, the county's proactive role in housing development ensures that future projects align with broader community development goals, such as climate resilience, infrastructure improvements, and economic stability.

In conclusion, the removal of these key barriers will result in a comprehensive, long-term strategy for affordable housing production and preservation. Through land protection, flexible financing, and strategic partnerships, Salt Lake County will ensure sustained housing affordability for future generations.

**Public Comment Document / Salt Lake County**  
**FY24 Pathways to Removing Obstacles to Housing (PRO  
Housing) FR-6800-N-98**