



April 7, 2020

Judi Short
Sugar House Community Council
Land Use and Zoning Committee

Judi,

We look forward to meeting with you and members from your community council next week to discuss the rezone of the property located at 2960 Richmond (1300 East). As a reminder, we are seeking a rezone the property to RMU-45 from R-1-5000 and construct rental apartments. We will be seeking Low-Income Housing Tax Credits to provide the equity for the project and will be applying for the 9% allocation from the Utah Housing Corporation. The criteria for the 9% tax credits encourages a mix of incomes in apartment buildings which is the best approach for good community development in that it avoids an overwhelming amount of very low-income housing in a community (thus avoiding the “projects” seen in communities decades ago) and instead creates housing for households of all incomes.

The current zoning is not sufficient to meet affordable housing objectives of the Plan Salt Lake, Growing SLC (City Housing Plan) and the Sugar House Master Plan.

- Under the section “Increasing Housing Opportunities” on page 3 of the Sugar House Master Plan, it states, “sites identified for new housing opportunities through mixed-use development are located in the business district as well as the island between Richmond and Highland Drive;” and, “the Sugar House Community encourages increasing opportunities for affordable housing. This housing should be evenly distributed in the community, both area-wide and within individual developments.”
- Sugar House has gone through an unprecedented development phase over the last five years, however, with the exception of Liberty Village and perhaps some in Wilmington Gardens, no new affordable housing has been constructed. Property for redevelopment is scarce and when available is usually at a price that makes it difficult, if not impossible, to construct affordable housing. This property is on the edge of the “island” between Highland and Richmond and is an excellent location to meet the goal of the Sugar House Master Plan to bring affordable housing to the community. Its proximity to transit, retail, food, and other vital uses provides a clear path to opportunity for those who are low and moderate income.

I want to highlight some data regarding affordable housing and why it is so desperately needed—and perhaps even more so given the current pandemic and economic situation.

- To determine the affordability of housing in a city, county or state, we look at income levels (Area Median Income or AMI) based on HUD data. Residents who are below 60% of AMI (about \$45,000)

are more likely to struggle with housing payments. The area median income in Salt Lake City is nearly \$20,000 less than the County.

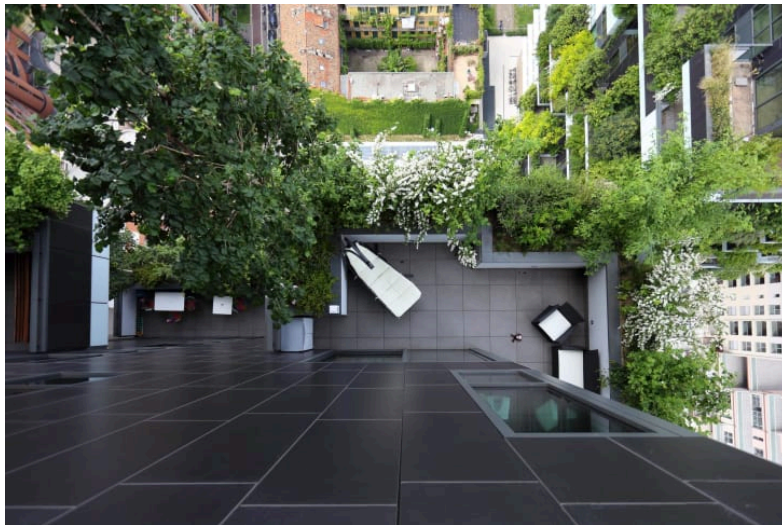
- In Salt Lake City, half of its renters are cost burdened—meaning they spend more than 30% of their income on housing (30% being the federal rule of how much of a person’s income should go towards housing). Nearly 25% of its renters are severely cost burdened—meaning they spend more than 50% of their income on housing costs (those in this category are usually spending upwards of 75% of their income on housing leaving them with a few hundred dollars per month for other essential costs).
- Salt Lake City has approximately 12,000 renter households that make less than \$20,000 annually and there is a gap of 7,500 rental units affordable to those households.
- Stagnant wages mean that incomes have not kept up with housing costs.
- Despite record apartment growth in the City, new construction has not met the needs of those needing an affordable place to live. Vacancy rates in the County have been well below 5% with Salt Lake City going as low as 2%. High rents and low vacancy result in few accessible units for low-income households.
- Average year-over-year rent in the County increased 3.3% between 2000 and 2018 (increasing 78% over the entire duration); however, from 2013 to 2018 rents increased 6.1%.
- A single person household in Salt Lake County has an AMI of \$51,690 (approximately \$25/hour); the AMI for a family of four is \$73,800. Based on 2018 rents, there is a \$470 average monthly gap between affordable rent for a one-person household and a one-bedroom average rent plus utilities, and \$610 average monthly affordable gap between affordable rent for a four-person household and three-bedroom average rent plus utilities.
- The U.S. Bureau of Labor Statistics includes the following occupations in this salary range: community and social services; education, training and library; arts, design, entertainment, sports, media; construction; installation, maintenance and repair. Those occupations below this salary include: healthcare support; food preparation and serving related; building and grounds maintenance; and office and administrative support. This means that those who provide services to many in our communities, including teachers, librarians, social workers, administrative assistants are not able to afford to live in the communities where they work.
- According to the Kem C. Gardner Policy Institute, the zip code where the Richmond property is located is in the top 10 zip codes ranked by highest average apartment rent thus excluding affordable housing opportunities for who work and serve in that community.

As mentioned, we will be applying this fall for the 9% tax credits to build this project. As part of the 9% program, 100% of the units will be affordable but with a mix of comes ranging from 30% to 80% of area median income. This affordable range will provide housing that is affordable to those mentioned above who work in our communities, often at a lower wage, but who can’t live in our communities.

While our request to rezone the property is not based on design, we wanted to share with you some sample images of what the massing would look like, how we could mitigate a building being constructed on that property and what we can do to provide a “greening” effect on the building and property. **The following images are not what the building will look like in terms of materials and perhaps even final shape—they are examples only.** However, we wanted to show how we intend to step the building back, particularly from the west side of the property, so that it does not feel imposing on the surrounding properties. The renderings also show that the parking is on the north side of the lot and abuts the single-family homes. That parking will also

be landscaped to provide a green screen between the homes and the apartments. (Please see the renderings attached.)

In an effort to reduce its carbon footprint, the site itself will include a landscaping plan that includes an abundance of greenery. Trees, bushes, and other waterwise plants provide a softening to the site, but also increase privacy and are better for the air quality. To move this to an even more impactful level, CDCU and ajc architects are exploring ways to include greenery on the building itself. This has proven to be an effective way of reducing the building's carbon footprint and provide a more attractive project to the surrounding community.



This is an example of incorporating greenery on the side of the building to create a softer impact.



Green roofs help reduce the Urban Heat Island Effect, a condition in which urban environments absorb and trap heat.



Landscaping on terraces create private places for residents as well as a screen for surrounding neighbors.



Another example of trees, bushes and other plantings on terraces to reduce the environmental impact as well as provide a greener exterior to the building.

The Richmond parcel extends beyond a typical frontage with a narrow piece of land that runs towards Hudson. This parcel is an excellent opportunity for a community green space for the neighborhood but also softens the streetscape along Richmond. There are many ways that CDCU is exploring to make this area a community asset such as providing garden beds, public art, seating areas and pathways.

The rezone on Richmond provides an opportunity to provide much needed affordable housing to working households. It provides them access to opportunities that aren't found in lower-income neighborhoods, such as fresh, healthy food, transportation, employment opportunities and community cohesion. CDCU is also mindful of the impact that a multi-story building can have in a community but will design it in such a way that it does not feel imposing on surrounding neighbors and includes a more extensive landscaping plan to reduce its carbon footprint and provide a natural greenscape to those in the vicinity.

Thank you for your time, Judi, and we look forward to future conversations.
Mike