

Moderate Income Housing Plan Update

2022

GSBS CONSULTING

Summary of Five-Year Housing Needs for Cottonwood Heights

GSBS Consulting Conducted the 2022 annual Moderate-Income Housing review for Cottonwood Heights. This includes a 5-year housing need projection for the municipality. In the table below, the first column for each year represents the number of rental units affordable at the various income levels present in the community. The second column represents the number of renter households with incomes within that bracket and the “Gap” column is the difference between the two. In 2022, the “gap” in housing affordable to households with very low incomes, below 30 percent AMI, increased from 265 to 318 in the two years between 2019 and 2021.

Rental Housing Need by Income Bracket

Income Band	2022 Occupied Rental Units	2022 Renter Households	2022 Housing Surplus/ (Gap)	2021 Occupied Rental Units	2021 Renter Households	2021 Housing Surplus/ (Gap)
≤30% AMI	210	475	-265	152	470	-318
>30% to ≤50% AMI	645	450	195	1,059	355	704
>50% to ≤80% AMI	2,255	625	1,630	1,563	675	888
80% + AMI	305	1,940	-1,635	720	1,929	-1,209
Total	3,415	3,490	-75	3,494	3,429	65

Source 1: CHAS Tables 7, 14B and 15C

Projected Growth of Households

	2018 ACS	Most Recent American Community Survey (ACS 2020-5-year)	5-Year projection	Difference
Total households in occupied housing units	12,974	12,549	11,168	-1,381
Total households in owner-occupied housing	9,452	9,005	7,601	-1,404
With a Mortgage	6,286	5,982	5,029	-953
Without a Mortgage	3,166	3,023	2,571	-452
Total households in renter-occupied housing	3,522	3,544	3,622	78

Sources: 2018 ACS Tables B25003 & B25081, 2020 ACS Tables B25003 & B25081

Projected Change in Household Size

	2018 ACS	Most Recent American Community Survey (ACS 2020-5-year)	5-Year projection
Average Household Size	2.63	2.70	2.70
Average Owner Household Size	2.73	2.78	2.78
Average Renter Household Size	2.36	2.47	2.47

Sources: 2018 ACS Tables B25010, 2020 ACS Tables B25010

Projected Median Monthly Housing Cost

Monthly housing costs in Cottonwood Heights city				
Cost Type	2018 ACS	Most Recent American Community Survey (ACS 2020-5-year)	5-Year projection	Difference
Total owner-occupied housing unit costs	\$1,408	\$1,530	\$2,046	\$516
Units with a mortgage	\$1,858	\$1,945	\$2,283	\$338
Units without a mortgage	\$537	\$586	\$795	\$209
Median gross rent	\$1,207	\$1,288	\$1,617	\$329

Sources: 2018 ACS Tables B25008 & B25064, 2020 ACS Tables B25008 & B25064

Projected Median Income

	2018 ACS	Most Recent American Community Survey (ACS 2020-5-year)	5-Year projection	Difference
Median household income	\$71,230	\$95,427	\$112,973	\$17,546
Owner-occupied income	\$87,367	\$109,467	\$129,595	\$20,128
Renter-occupied income	\$50,526	\$61,583	\$69,084	\$7,501

Sources: 2018 ACS Tables B19019 & B19119, 2020 ACS Tables B19019 & B19119

Projected Housing Stock

Supply of housing units by structure type in Cottonwood Heights city				
Housing Type	2018 ACS	Most Recent American Community Survey (ACS 2020-5-year)	5-Year projection	Difference
TOTAL HOUSING UNITS	13,867	13,474	12,184	-1,290
Total occupied units	12,974	12,549	11,168	-1,381
Owner-occupied structures	9,452	9,005	7,601	-1,404
1 unit, detached	8,591	8,243	7,132	-1,111
1 unit, attached	419	353	194	-159
2 units	77	55	17	-38
3 or 4 units	24	14	2	-12
5 to 9 units	172	96	12	-84
10 to 19 units	76	126	739	613
20 to 49 units	58	36	7	-29
50 or more units	30	27	19	-8
Mobile homes	5	55	242,794	242,739
Boat, RV, van, etc.	0	0	0	0
Renter-occupied structures	3,522	3,544	3,622	78
1 unit, detached	717	861	1,634	773
1 unit, attached	348	342	322	-20
2 units	281	278	268	-10
3 or 4 units	133	200	834	634
5 to 9 units	461	578	1,276	698
10 to 19 units	724	715	684	-31
20 to 49 units	346	174	16	-158
50 or more units	497	368	129	-239
Mobile homes	15	28	249	221
Boat, RV, van, etc.	0	0	0	0

Sources: 2018 ACS Tables B25001 & B25032, 2020 ACS Tables B25001 & B25032

2022 Report on Moderate Income Strategy Implementation

Strategy E:

1. **State strategy municipality included in the moderate-income housing element of its general plan below.**
Create or allow for, and reduce regulations related to, accessory dwelling units in residential zones. (10-9a-403(b) (iii)(V)(E)
2. **Please state the municipality's goal(s) associated with the strategy**
Increase opportunity for rentership for a diversity of incomes in Cottonwood Heights.
3. **What are the specific outcomes that the strategy intends to accomplish?**
 - Provide housing options for individuals and families in all stages of life and/or with moderate income who might otherwise have difficulty finding adequate housing within the city.
 - Provide opportunities to offset rising housing costs and promote reinvestment in existing single-family residential zones;
 - Preserve the character of single-family neighborhoods through adequate standards governing ADUs; and
 - Comply with UTAH CODE ANN. 10-9a-530, which designates internal ADUs as permitted uses in all single-family residential zones and imposes limitations on the extent that municipalities may regulate ADUs.
4. **Please describe how the municipality has monitored its annual progress toward achieving the goal(s).**
The city recently adopted an ADU ordinance which requires an approval process through permitting. Permits are renewed annually to allow the city to monitor the number and quality of ADU units in the city.
5. **In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.**
 - a. **Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item 2.**
 - Annual permit renewal and initial inspection for all units.
 - The city must monitor all units to ensure compliance with existing zoning, fire, and building code requirements.
 - b. **Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 5a**
 - Homeowners are required to file an ADU application form, provide payment of all applicable fees; complete a satisfactory property inspection. The homeowner must also sign an affidavit.
 - The city must issue necessary building permits and conduct a property inspection.
 - c. **Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 5a.**
 - The city must allot personnel for inspection and processing of application and permit.
 - d. **Please state specific deadlines for completing the key tasks of each stage identified in item 5a**
None, this strategy is underway.
 - e. **Which of the tasks stated in item 5a have been completed so far, and what have been their results?**

ADU ordinance is adopted, annual permit review must occur. To date, 2 ADU licenses have been approved and issued, with 3 additional licenses under review.

f. How is the municipality addressing results described in 5e that deviate from the desired? outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals?

While ADUs were not originally identified as a tool to achieve the city's affordable housing goals, recent state legislature mandated that all cities in Utah permit internal accessory dwelling units. Cottonwood Heights has recently enacted an ordinance permitting both internal and detached accessory dwelling units and will monitor the number of ADU licenses received. The allowance of ADUs does not impact the other goals identified by the city.

Strategy F:

1. **State strategy municipality included in the moderate-income housing element of its general plan below.**
Allow for higher density or moderate-income residential development in commercial and mixed-use zones, commercial centers, or employment centers (10-9a-403(b)(iii)(F))
2. **Please state the municipality's goal(s) associated with the strategy**
Goal: Provide diverse housing options for residents and offer access to employment, cultural experience, and multimodal transportation options.
3. **What are the specific outcomes that the strategy intends to accomplish?**
-Provide diverse housing options along major corridors and commercial areas, specifically along the nodes of Fort Union.
-Improve pedestrian and bike connectivity within mixed use areas and connect into the surrounding neighborhoods.
4. **Please describe how the municipality has monitored its annual progress toward achieving the goal(s).**
-The city tracks the number of moderate-income housing units in developments along the corridor to ensure inclusion of affordable units. Recently, two mixed-use development projects with a heavy residential component have been constructed along Fort Union Boulevard.
5. **In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.**
 - **Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item 2.**
-Implement a land use strategy compatible with medium- to high-density mixed-use development to encourage a shift from commercial only.
- Identify a form-based code that will guide development design and character.
- Improve active transportation infrastructure along Fort Union Boulevard.
- Identify parking strategies for density areas and revise parking standards to accommodate higher density residential development.
 - **Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 5a**
 - The city and legislative body must adopt compatible land use and parking strategies.
 - The city must actively promote mixed use along development corridors and assist in the implementation of improved active transportation infrastructure by seeking grant funding from Salt Lake County. The city's General Plan indicates mixed-use zoning (with a

- permitted residential density of 35 units/acre) along all major redevelopment corridors in the city.
- The city has procured funding through the Wasatch Front Regional Council to update its General Plan, which will include a substantial affordable housing element. Additionally, the city has received funding to complete a form-based redevelopment code, which will assist in implementing the land use and housing recommendations from the updated General Plan. Both of these projects are currently underway.
 - **Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 5a.**
 - The city must maintain staffing and resources to acquire grant funding from Salt Lake County to implement improved active transportation infrastructure.
 - The city must account for any costs outside of grant funding received for the project.
 - **Please state specific deadlines for completing the key tasks of each stage identified in item 5a**
 Higher density standards are currently in place with landowners and developers taking advantage of permitted high density areas.
 - The timeline for improved active transportation infrastructure has an outlook which will be dependent on grant funding. A timeline will be identified in the upcoming General Plan Update.
 - The city has received grant funding from Salt Lake County and the Utah Department of Transportation to acquire and development safe shared-use pathways along a portion of Fort Union Boulevard where mixed-use multifamily redevelopment has occurred.
 - **Which of the tasks stated in item 5a have been completed so far, and what have been their results**
 - The city has amended its long-range land use map for mixed use development within the nodes of Fort Union. Developers and landowners are actively taking advantage of this change.
 - Two projects under this provision have been completed, in each case with multifamily replacing single family with more housing options available.
 - The city removed density limits to specific uses along corridors. This is reflected in several upcoming developments with increased density.
 - The city has high permitted density (35 units per acre in its mixed-use zone), which will be addressed in the upcoming General Planning process.
 - **How is the municipality addressing results described in 5e that deviate from the desired outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals?**
 - Barriers to density will be evaluated in an upcoming General Planning process.
 - New ordinance will look for ways to further incentivize affordable multifamily units.

Strategy J:

1. **State strategy municipality included in the moderate-income housing element of its general plan below.**

Implement zoning incentives for low to moderate income units on a long-term basis (10-9a-403(b)(iii)(J))

2. **Please state the municipality's goal(s) associated with the strategy**

Goal: The city would like to use zoning incentives to provide additional low- and moderate-income units within developments.

3. **What are the specific outcomes that the strategy intends to accomplish?**

The targeted outcome is an increased number of housing units for low- to moderate-income residents.

4. **Please describe how the municipality has monitored its annual progress toward achieving the goal(s).**

The city has created one specific ordinance that creates opportunity for a planned development district with high density allowances. The city also actively tracks projects that are using the zoning incentives tool to ensure that new development provides moderate income housing in projects. The city also requires developers to submit quarterly reports on the number of affordable units in addition to information on how the units are marketed.

5. **In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.**

- a. **Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item 2**

Implement provision allowing density bonuses and expedited approvals for developers including a specified number of low- and moderate-income housing options. This allows for 10 percent bonus for structures with 50 or more units. The city's planned development ordinance requires deed-restricted units in these development areas (a minimum of 10-15% of multifamily units must be deed-restricted units) to maintain affordability in valuable redevelopment areas.

- b. **Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 2a**

The zoning tool for zoning incentives is already in place requiring no action other than administrative work and approval. City Council must approve proposed developments, and has done so on two occasions to date.

- c. **Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 2a.**

N/A - Targets areas for redevelopment, tools are already in place.

- d. **Please state specific deadlines for completing the key tasks of each stage identified in item 2a**

N/A - The strategy is in place.

- e. **Which of the tasks stated in item 2a have been completed so far, and what have been their results?**

The city has implemented a density bonus system which has resulted in over twenty 50-percent AMI units and over forty 80-percent AMI units

- One project is fully entitled - 21 units at 50% AMI, this accounts for 10 percent of the total units projected for development. This project is under construction and anticipated to be complete in 2023.
- A second project has received development entitlement and is undergoing permitting and plan preparation with 42 units at 50-80

- percent AMI. This 6-phase development process will include affordable housing in the first phase with 15 percent of the units being affordable.
- A third development is expected to be designed and approved in 2023 which will also have deed-restricted affordable units.
- f. **How is the municipality addressing results described in 5e that deviate from the desired outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals?**
The Code requires 50-80 percent AMI. Without subsidies, the city experiences pushback from developers on this provision. There are no current CRAs in place to better facilitate this.

Strategy P:

1. **State strategy municipality included in the moderate-income housing element of its general plan below.**
Utilize a moderate-income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency (10-9a-403(b)(iii)(V)(P))
2. **Please state the municipality's goal(s) associated with the strategy**
Goal: Increase amount of low- and moderate-income housing options through funding strategy for reinvestment areas.
3. **What are the specific outcomes that the strategy intends to accomplish?**
The city would like to increase the number of low- and moderate-incoming options for residents and identify future reinvestment project areas dedicated for housing.
4. **Please describe how the municipality has monitored its annual progress toward achieving the goal(s).**
The city began this process immediately before COVID. The process was temporarily paused due to a reduced funding options during COVID. The project was recently restarted and is under development.
5. **In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.**
 - a. **Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item 2.**
 - Adhere to the Renewal Agency Act by setting aside 10 percent of CRA funds to the creating of moderate-income housing.
 - Creation of additional reinvestment project areas.
 - b. **Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 5a**
 - CDRA
 - Taxing entities in the city
 - c. **Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 5a.**
 - Primary resources all allocated towards administrative costs of CRAs.
 - Resources will be allocated once tax increment once approved.
 - d. **Please state specific deadlines for completing the key tasks of each stage identified in item 5a**
The city is preparing revised project area plans and will begin negotiation with taxing entities in late 2022, with the hope to have CRAs in place by mid-2023.
 - e. **Which of the tasks stated in item 5a have been completed so far, and what have been their results.**
The city is developing two CRAs, both of which will be tracked once completed.

The city has also reallocated funds left over from two community development areas established and completed prior to city incorporation. Ten percent of this reallocated fund has been budgeted for affordable housing implementation in the city.

- f. **How is the municipality addressing results described in 5e that deviate from the desired outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals?**

The city restarted negotiation after a pause due to COVID. The project areas are currently undergoing reevaluation and are expected to be complete in 2023.