

# ANNUAL HOUSING FUNDING STRATEGY

## FY 2024-25



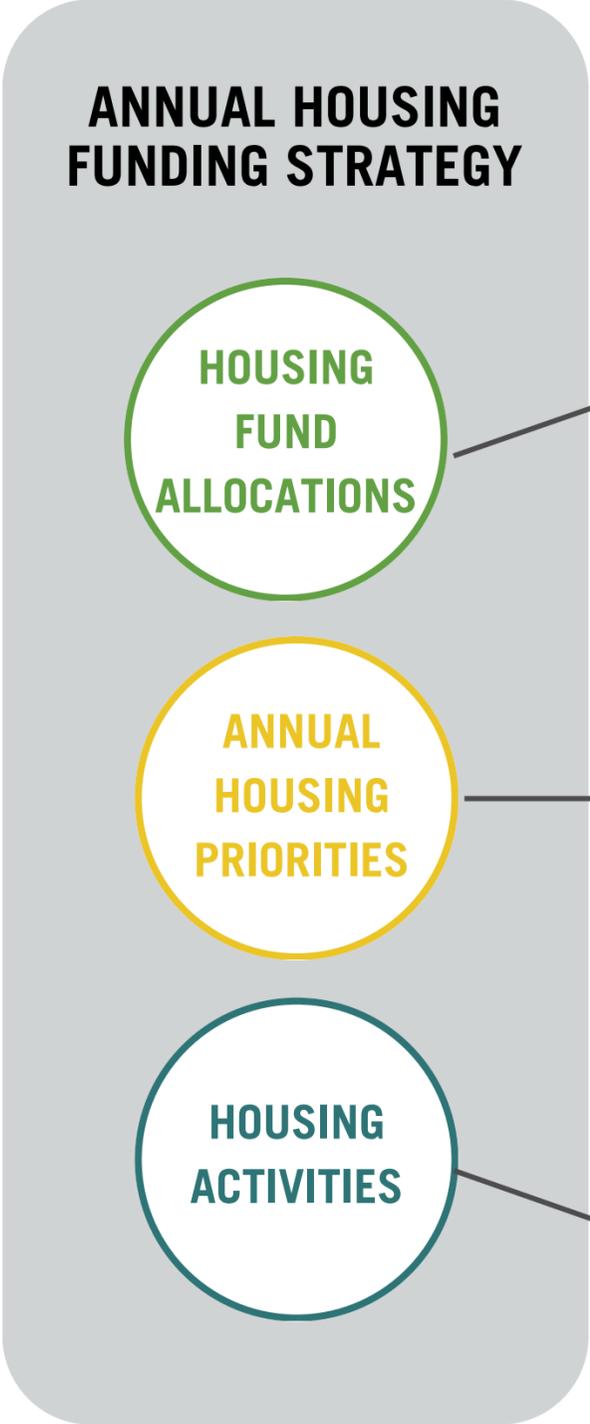
**SLCRDA**





This policy established guidelines for allocating/directing resources for housing by funding source.

Also requires "Annual Housing Funding Strategy" (right) be brought in front of Board every year.



Bringing estimated amounts to Board for review next month

For your feedback today

For your feedback today

## ANNUAL HOUSING FUNDING STRATEGY

HOUSING FUND ALLOCATIONS

ANNUAL HOUSING PRIORITIES

HOUSING ACTIVITIES

# HOUSING FUND ALLOCATIONS



# FY24 HOUSING ACTIVITY RECAP

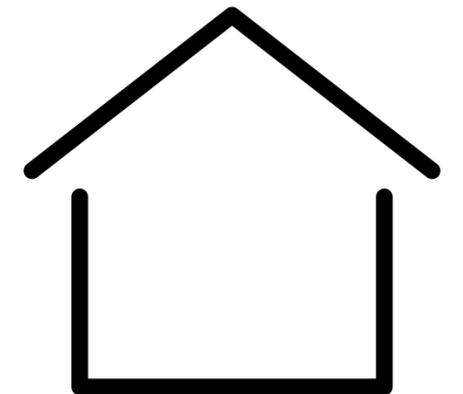
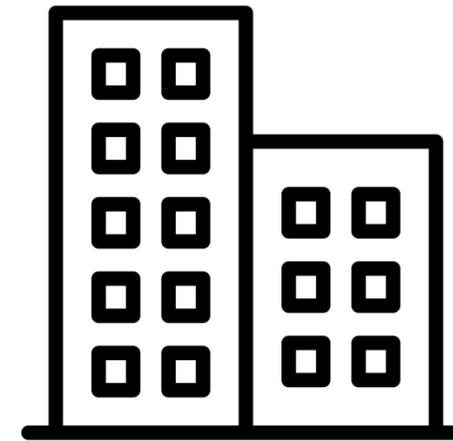
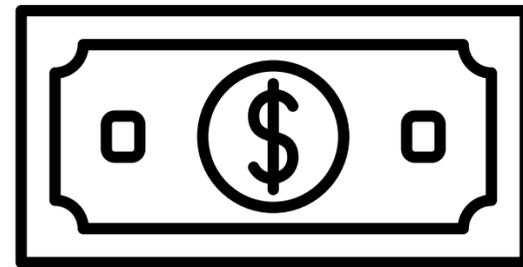
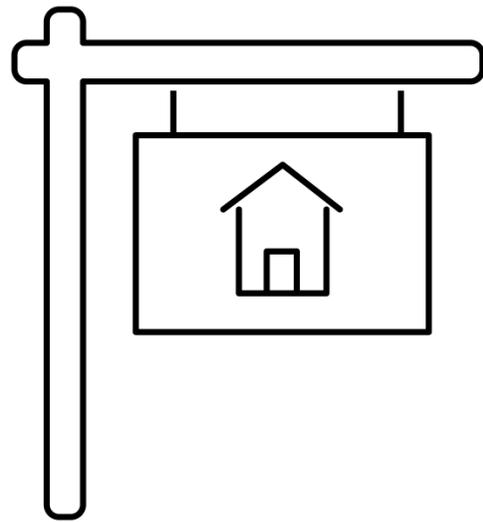
## 2024 HOUSING PRIORITIES

Wealth Building Opportunity

Affordable Family Housing

Deeply Affordable Housing

Missing Middle Housing



### Prep Work on Acquisitions/Dispositions

- West Montrose
- Deseret Industries/Fire Station Site - Sugar House
- 400 South/900 West

### Equity Building Model

RDA Board allocated \$10 million in ARPA funds the Perpetual Housing Fund of Utah to carry out a tenant wealth building program

### FY 2023-24 Housing Development Loan Program

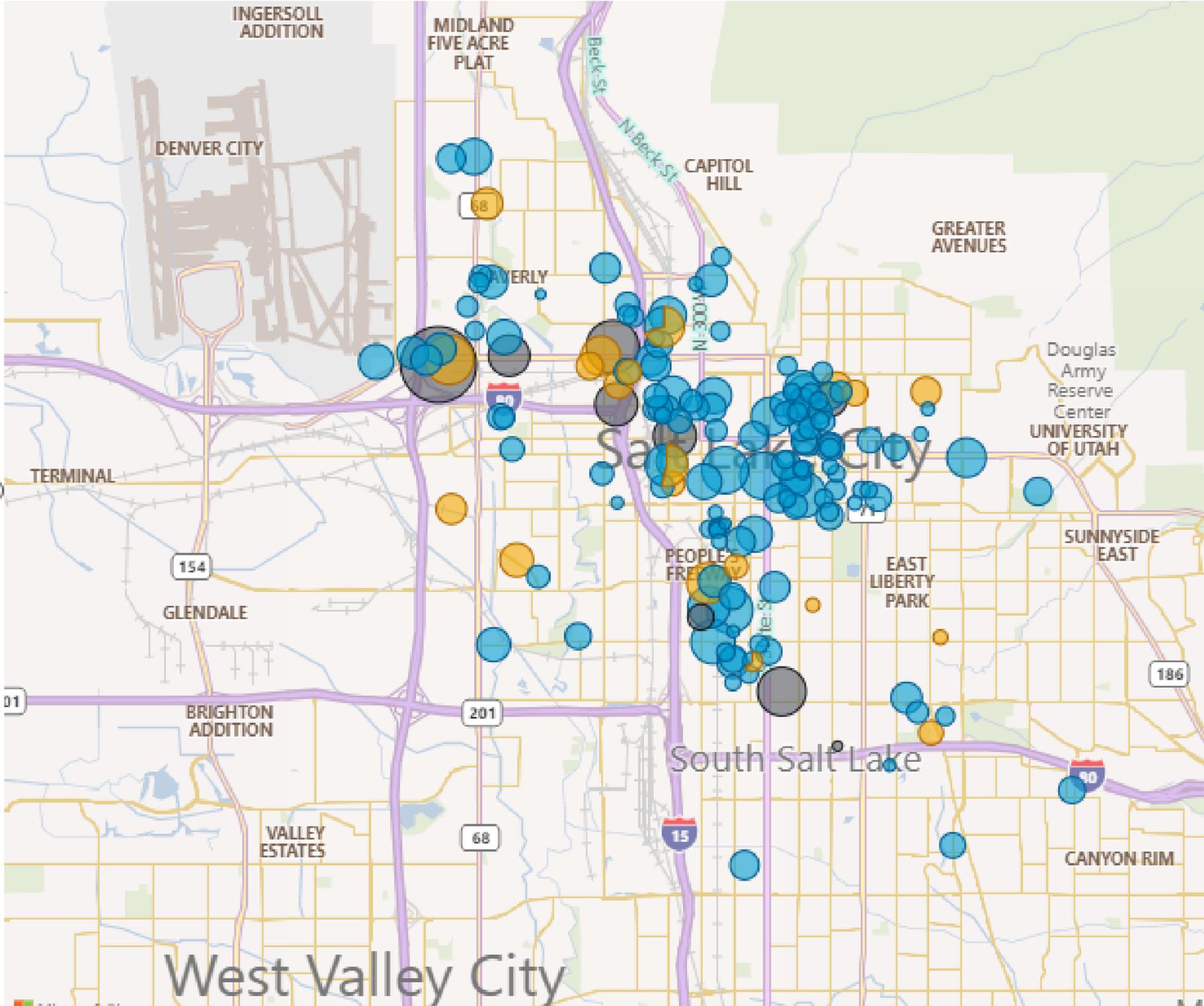
\$13.7 released (\$4.2 in RDA Funds, \$9.5 in HUD funds) - In process and to be reviewed by RDA Board in March

### ADU Partnership

Request for Information, NOFA for ADU program to follow

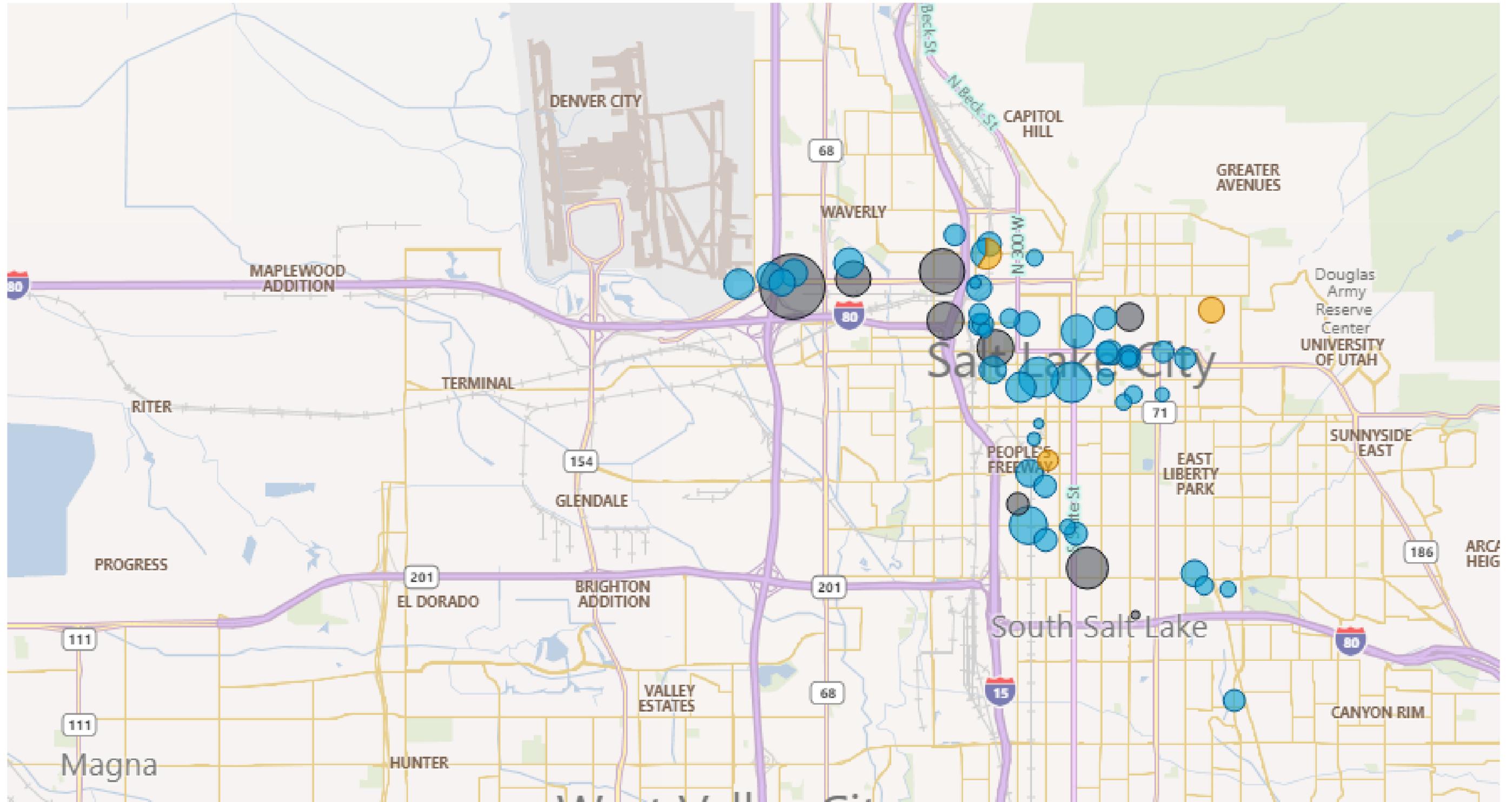
# DATA - CURRENT AND FUTURE SLC DEED-RESTRICTED AFFORDABLE HOUSING DEVELOPMENTS MAP

Construction Status ● Completed ● Proposed ● Under Construction



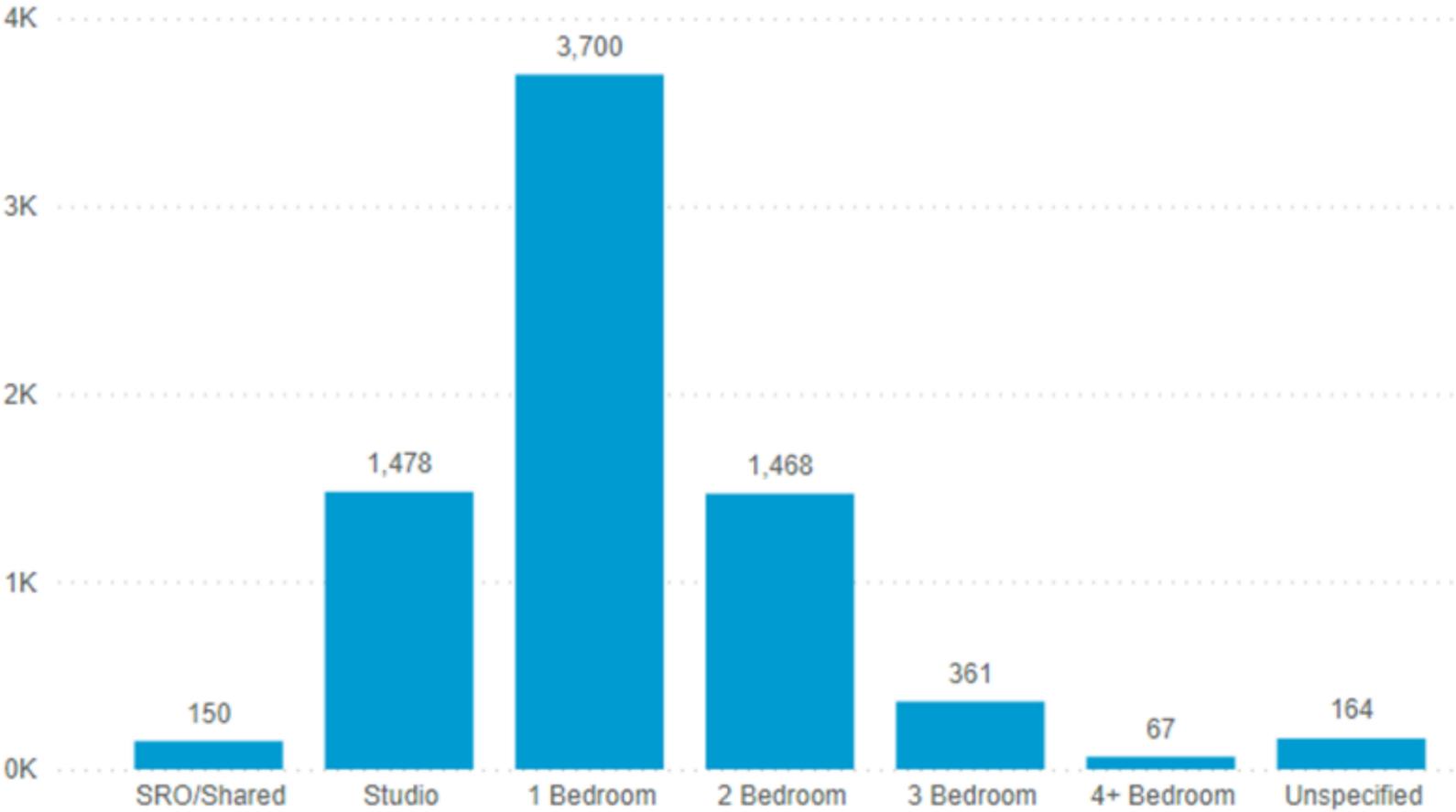
# DATA - CITY SUPPORTED AFFORDABLE HOUSING CONSTRUCTED SINCE 2015 AND FUTURE DEVELOPMENTS

Construction Status ● Completed ● Proposed ● Under Construction

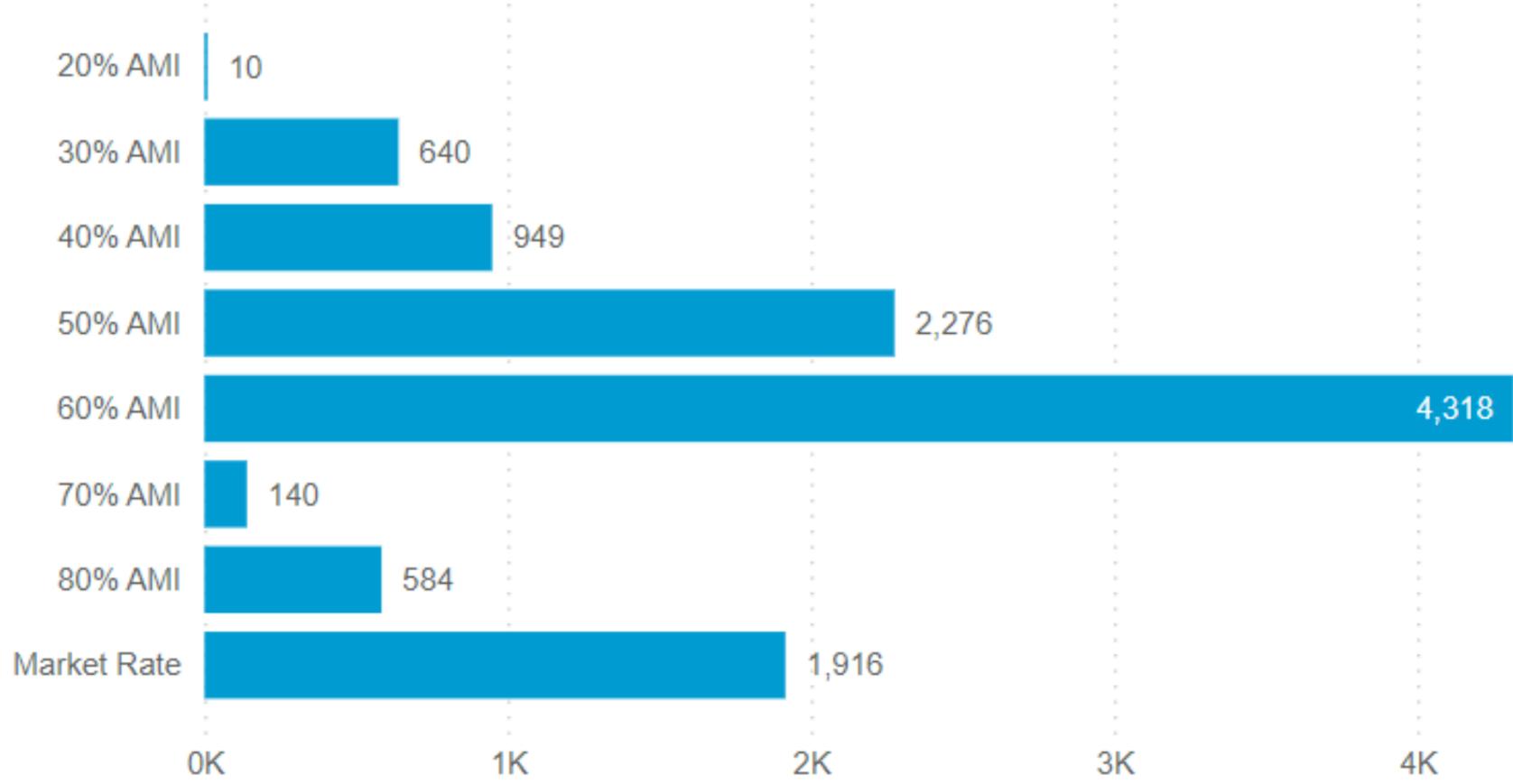


# DATA - CITY SUPPORTED AFFORDABLE HOUSING UNITS CONSTRUCTED SINCE 2015 AND FUTURE DEVELOPMENTS

### Housing Units by Unit Size

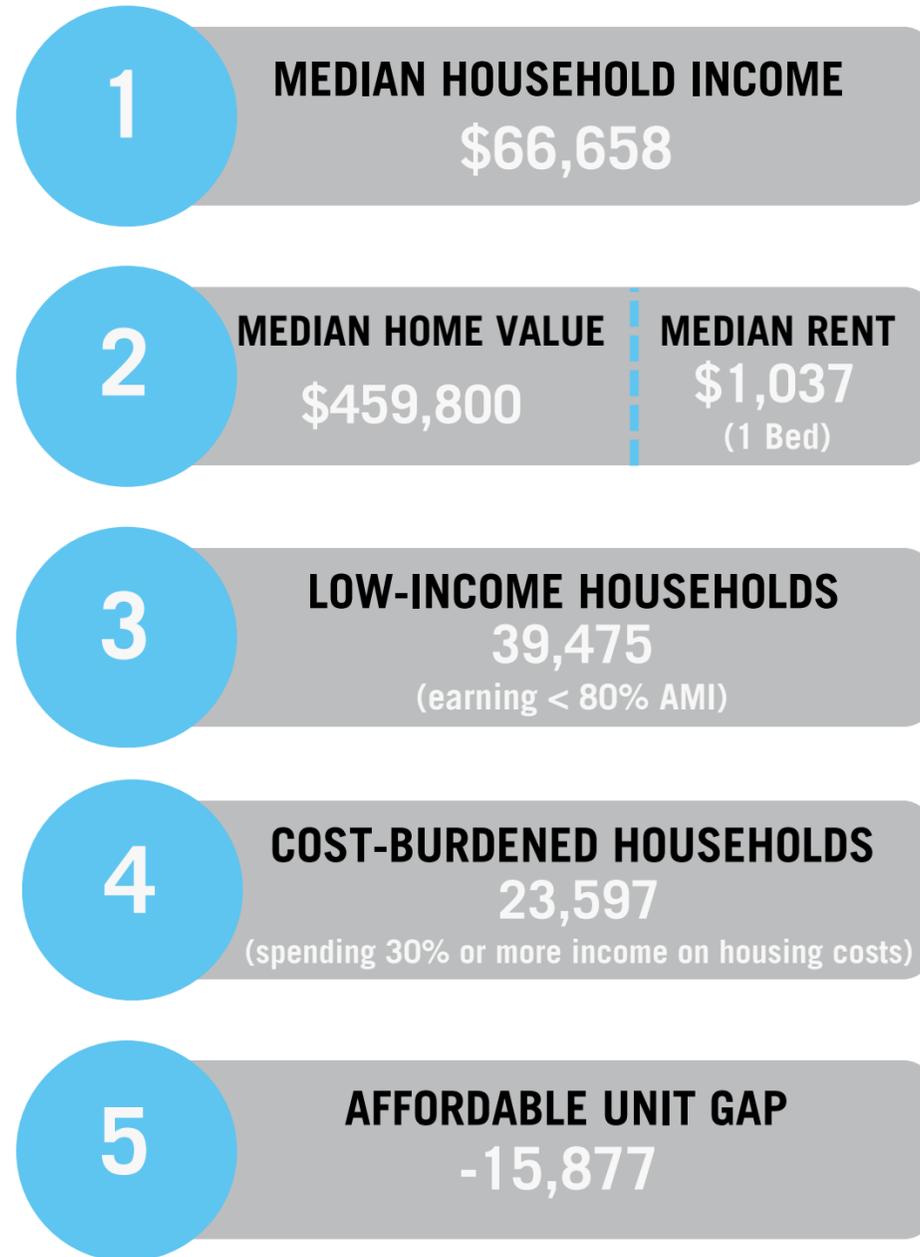


### Housing Units by Affordability



# DATA - SALT LAKE CITY HOUSING SNAPSHOT

## FY 2022-2023



## FY 2023-2024



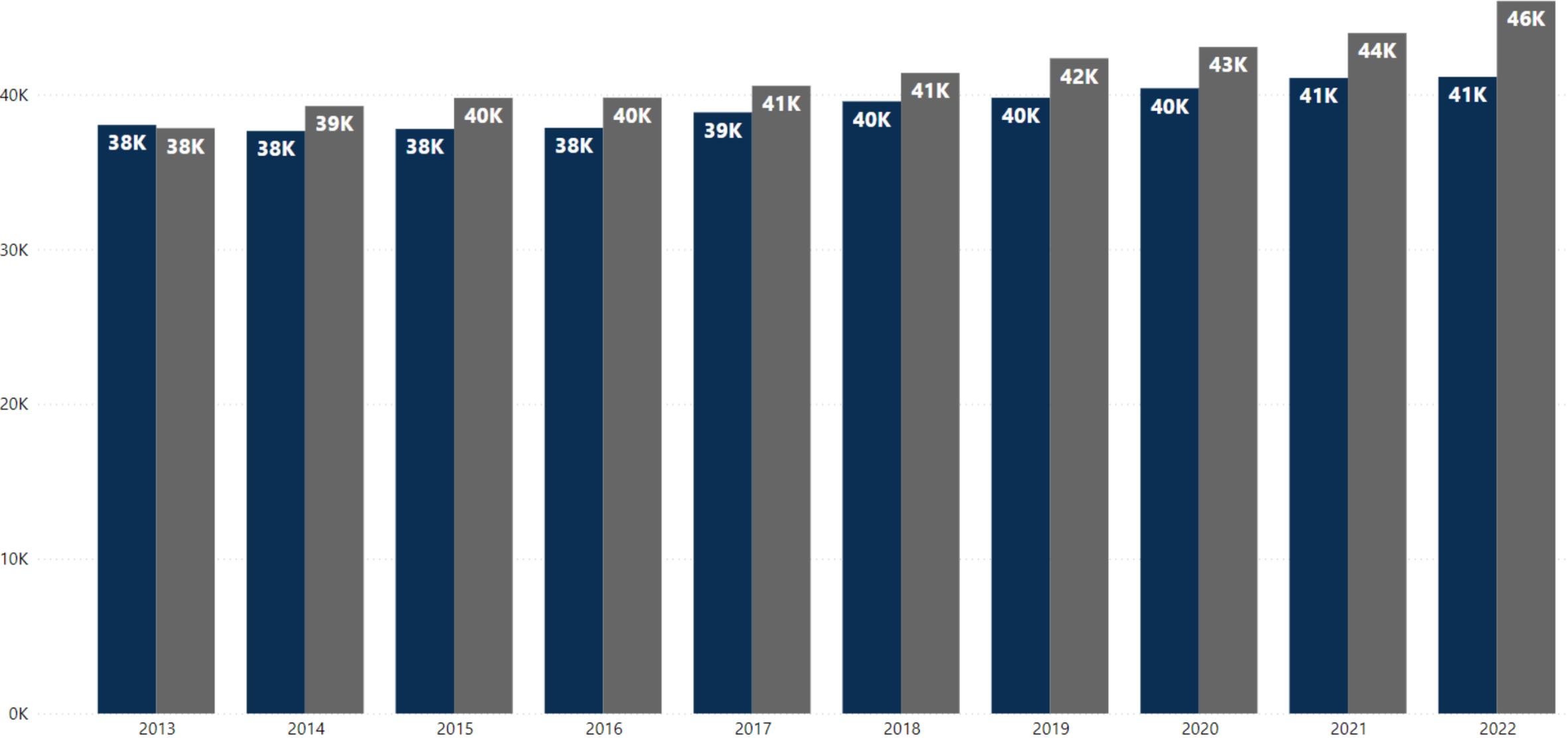
Source: Census Bureau's 2017-2022 ACS 5-Year Estimates (1,2)  
Dept. of Housing and Urban Development's Comprehensive Housing Affordability Strategy 2016-2020 (3,4)

# DATA - OTHER METRICS

1

## HOMEOWNERSHIP RATE IS GROWING AT A SLOWER PACE THAN RENTAL RATE

● Owner-Occupied ● Renter-Occupied



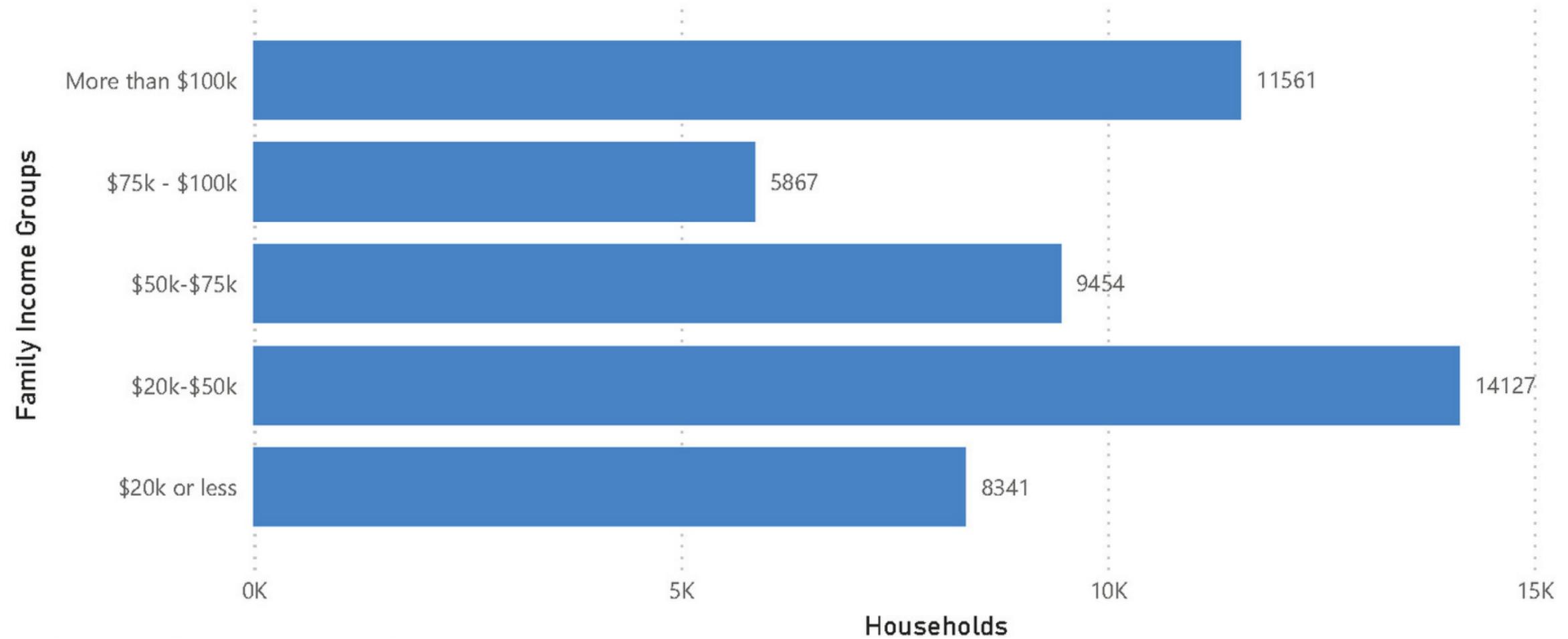
Source: Census Bureau's 2017-2022 ACS 5-Year Estimates

# DATA - OTHER METRICS

2

**AT LEAST 8,341 RENTING HOUSEHOLDS FALL IN THE "EXTREMELY LOW INCOME" LIMIT SET BY HUD FOR FY23.**

Households by Family Income Groups

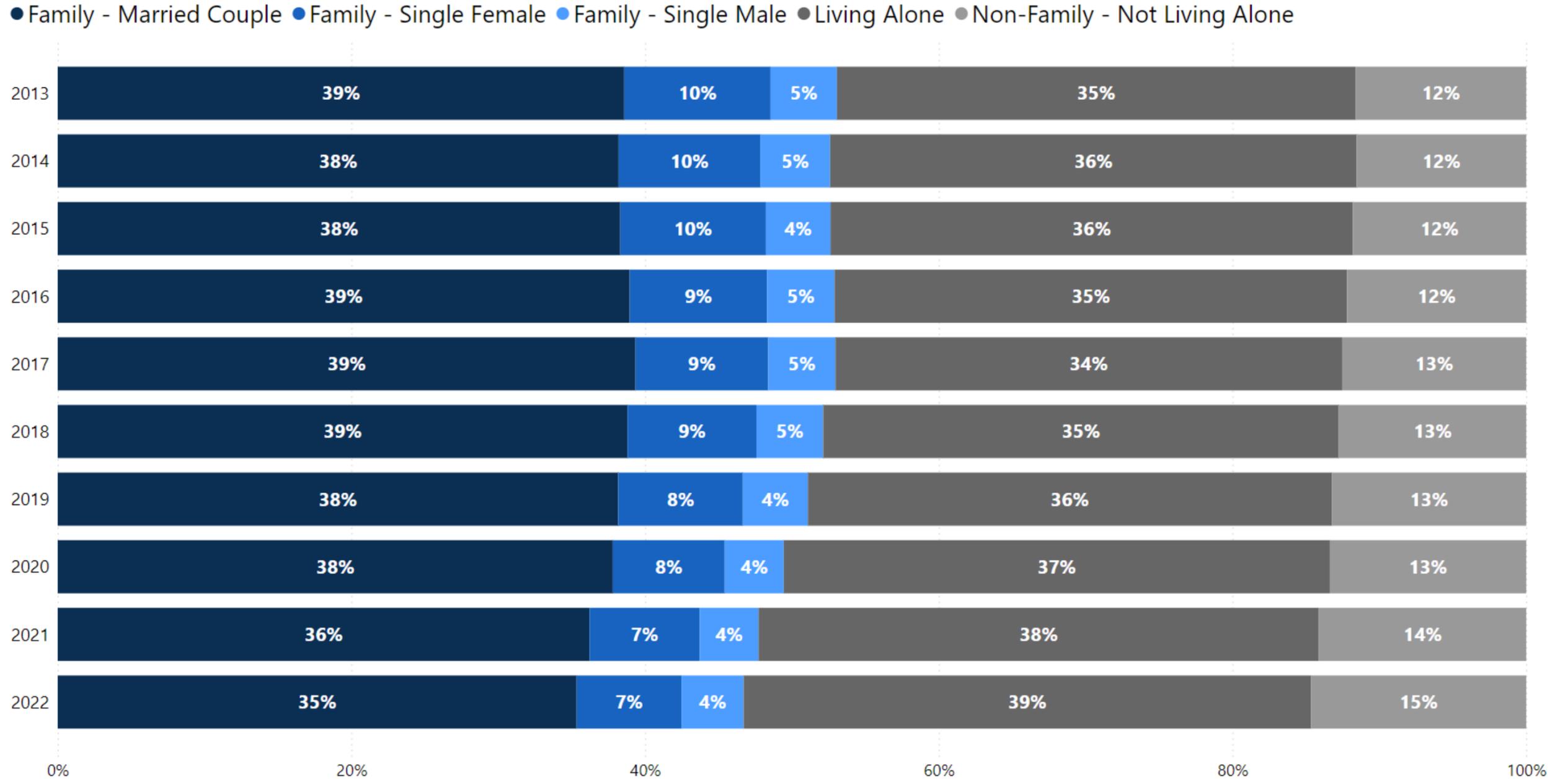


Source: Census Bureau's 2017-2022 ACS 5-Year Estimates

# DATA - OTHER METRICS

3

## PERCENTAGE OF FAMILY HOUSEHOLDS HAVE BEEN DECREASING SINCE 2018

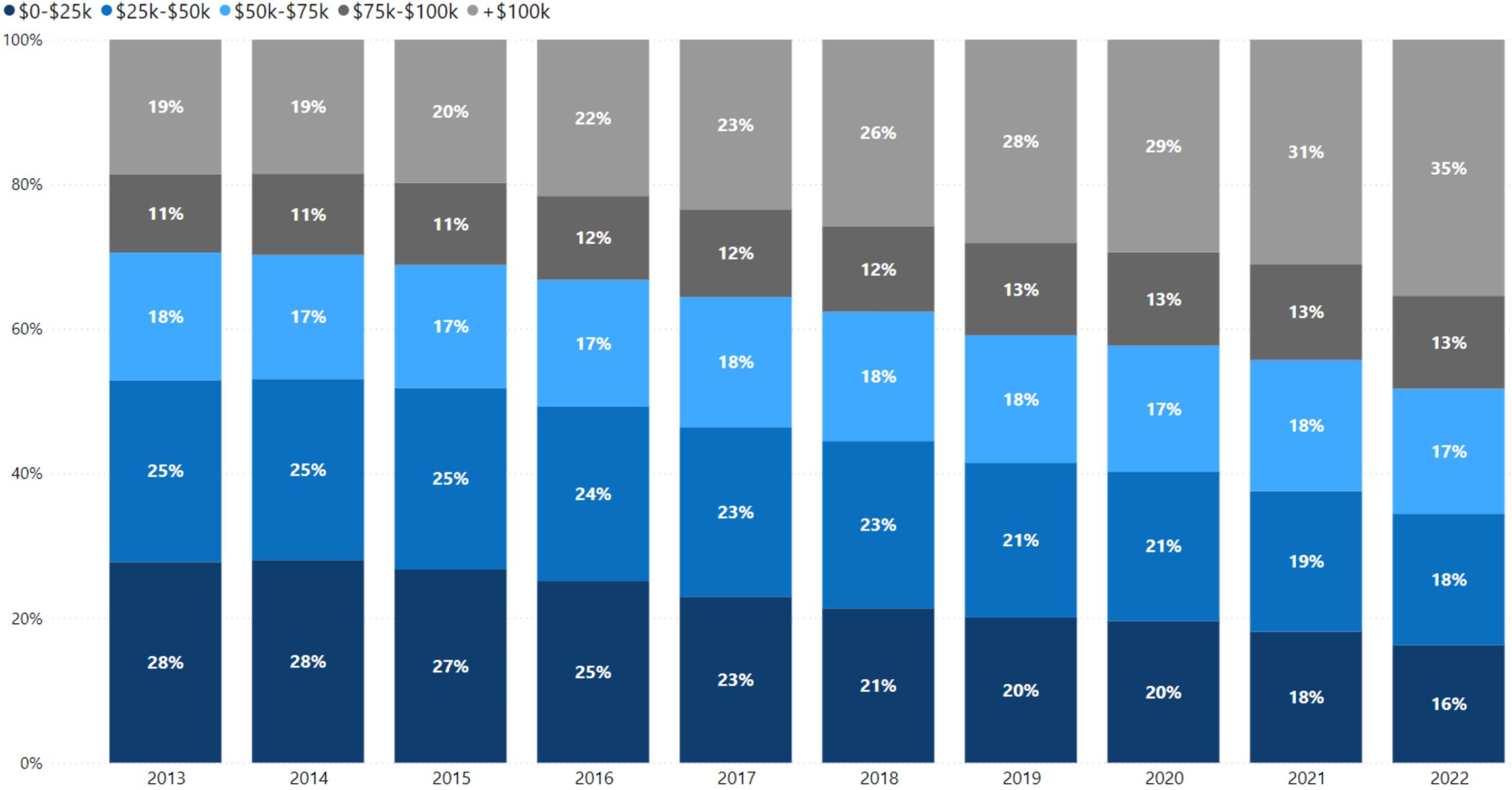


Source: Census Bureau's 2017-2022 ACS 5-Year Estimates

# DATA - OTHER METRICS

4

**HIGHER INCOME HOUSEHOLDS MAKING \$75K OR MORE HAVE INCREASED WITHIN SALT LAKE CITY THROUGH THE YEARS, LOWER INCOME HOUSEHOLD MAKING LESS THAN \$50K HAVE DECREASED.**



Source: Census Bureau's 2017-2022 ACS 5-Year Estimates

# DATA - OTHER METRICS

5

## NUMBER OF COMMERCIAL PARCELS HAVE DECREASED WITHIN SALT LAKE CITY

Number of Parcels	2016	2017	2018	2019	2020	2021	2022	2023
⊕ Office	1076	1092	1106	1118	1124	1143	1132	1092
⊕ Other Commercial	2590	2492	2504	2534	2518	2540	2434	2356
⊕ Retail	1733	1683	1669	1632	1599	1589	1533	1515
<b>Total</b>	<b>5399</b>	<b>5267</b>	<b>5279</b>	<b>5284</b>	<b>5241</b>	<b>5272</b>	<b>5099</b>	<b>4963</b>

Salt Lake County Assessor (5)

# DATA - OTHER METRICS

6

**COMMERCIAL GROWTH RATE IS SLOWING, WHILE OCCUPANCY AND LEASE RATES HAVE INCREASED**

## Search Analytics

INVENTORY SF <b>24.1M</b> <span>+0.4%</span> Prior Period 24M	UNDER CONSTRUCTION SF <b>17.2K</b> <span>-90.0%</span> Prior Period 172K	12 MO NET ABSORPTION SF <b>128K</b> <span>+191.7%</span> Prior Period (139K)	VACANCY RATE <b>4.0%</b> <span>-0.2%</span> Prior Period 4.2%	MARKET ASKING RENT/SF <b>\$21.41</b> <span>+7.4%</span> Prior Period \$19.94	MARKET SALE PRICE/SF <b>\$209</b> <span>+5.4%</span> Prior Period \$199	MARKET CAP RATE <b>6.8%</b> <span>+0.1%</span> Prior Period 6.7%
---	--	--	---	--	---	--

## Key Metrics

Availability		Inventory	
Vacant SF	970K ↓	Existing Buildings	1,868 ↑
Sublet SF	69K ↓	Under Construction Avg SF	8.6K ↓
Availability Rate	4.4% ↓	12 Mo Demolished SF	73.1K ↑
Available SF Total	1.1M ↓	12 Mo Occupancy % at Delivery	39.8% ↓
Available Asking Rent/SF	-	12 Mo Construction Starts SF	10.4K ↓
Occupancy Rate	96.0% ↑	12 Mo Delivered SF	164K ↑
Percent Leased Rate	96.6% ↑	12 Mo Avg Delivered SF	26.3K ↑

Sales Past Year		Demand	
Asking Price Per SF	\$401 ↑	12 Mo Net Absorp % of Inventory	0.5% ↑
Sale to Asking Price Differential	-3.7% ↓	12 Mo Leased SF	434K ↓
Sales Volume	\$9.7M ↓	Months on Market	9.8 ↓
Properties Sold	112 ↓	Months to Lease	6.0 ↑
Months to Sale	5.7 ↓	Months Vacant	8.7 ↑
For Sale Listings	17 ↑	24 Mo Lease Renewal Rate	80.9%
Total For Sale SF	237K ↑	Population Growth 5 Yrs	2.3%

# DATA - OTHER METRICS

1

**HOMEOWNERSHIP RATE IS GROWING AT A SLOWER PACE THAN RENTAL RATE**

2

**AT LEAST 8,431 RENTING HOUSEHOLDS FALL IN THE "EXTREMELY LOW INCOME" LIMIT SET BY HUD FOR FY23.**

3

**PERCENTAGE OF FAMILY HOUSEHOLDS HAVE BEEN DECREASING SINCE 2018**

4

**HIGHER INCOME HOUSEHOLDS MAKING \$75K OR MORE HAVE INCREASED WITHIN SALT LAKE CITY THROUGH THE YEARS, LOWER INCOME HOUSEHOLD MAKING LESS THAN \$50K HAVE DECREASED.**

5

**NUMBER OF COMMERCIAL PARCELS HAVE DECREASED WITHIN SALT LAKE CITY**

6

**COMMERCIAL GROWTH RATE IS SLOWING, WHILE OCCUPANCY AND LEASE RATES HAVE INCREASED**

Source: Census Bureau's 2017-2022 ACS 5-Year Estimates (1,2, 3, 4)  
Salt Lake County Assessor (5)  
CoStar Group (6)

# SALT LAKE CITY HOUSING GOALS

## MAYOR'S 2024 GOALS

- Begin implementation on Thriving in Place's two-year action plan (anti-displacement)
- Create and submit to the RDA Board a program to support the creation of more Accessory Dwelling Units (ADUs)
- Explore funding resources and program ideas to preserve naturally occurring affordable housing with the goal of keeping people in their homes and stabilizing neighborhoods

## HOUSING SLC

- Support projects that allow tenants to build wealth and/or gain equity
- Continue to release housing funds through RDA for development or acquisition of moderate income housing
- Promote the development of affordable family-sized units with 3+ bedrooms
- Provide funding for programs and/or initiatives that build wealth and/or provide equity sharing opportunities for residents
- Utilize Inland Port Housing Funds to expand affordable housing options

## RDA LIVABILITY BENCHMARKS

- Ownership - Create opportunities for residents/business owners to building wealth and/or establish permanent roots
- Housing for Everyone - Promote housing for families, underserved populations and extremely low income
- Affordable Commercial Spaces - Support mixed-use projects with space for commercial uses that serve the community

**ANNUAL HOUSING  
FUNDING STRATEGY**

HOUSING  
FUND  
ALLOCATIONS

**ANNUAL  
HOUSING  
PRIORITIES**

HOUSING  
ACTIVITIES

# RECOMMENDED ANNUAL HOUSING PRIORITIES

*Four priorities to focus on this FY; Seeking Board feedback today*

**WEALTH  
BUILDING  
OPPORTUNITY**

**AFFORDABLE  
FAMILY  
HOUSING w/  
AMENITIES for  
CHILDREN**

**DEEPLY  
AFFORDABLE  
HOUSING**

**NEIGHBORHOOD  
COMMERCIAL  
AND SERVICES**

## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

ANNUAL  
HOUSING  
PRIORITIES

HOUSING  
ACTIVITIES

# RECOMMENDED HOUSING ACTIVITIES

*Tools/programs by which to achieve Priorities; Seeking Board feedback today*



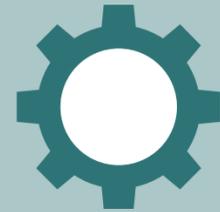
## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

ANNUAL  
HOUSING  
PRIORITIES

HOUSING  
ACTIVITIES

# HOUSING ACTIVITIES



## Housing Development Loan Program Competitive NOFA

- Require affordable family housing and/or deeply affordable housing as threshold
- Utilize interest rate reduction benchmarks for competitive NOFA (Alignment with RDA's Guiding Framework); annual priorities will have greater ranking weight

# FY25 HOUSING ACTIVITY IMPACT

	HOUSING ACTIVITIES		
HOUSING PRIORITIES	Equity Building NOFA	Housing Development Loan Program	Land Acquisition/Disposition
Wealth Building Opportunity	✓	✓	✓
Affordable Family Housing w/ Amenities for Children	✓	✓	✓
Deeply Affordable Housing		✓	✓
Neighborhood Commercial & Services		✓	✓

# FY25 ANNUAL HOUSING FUNDING STRATEGY

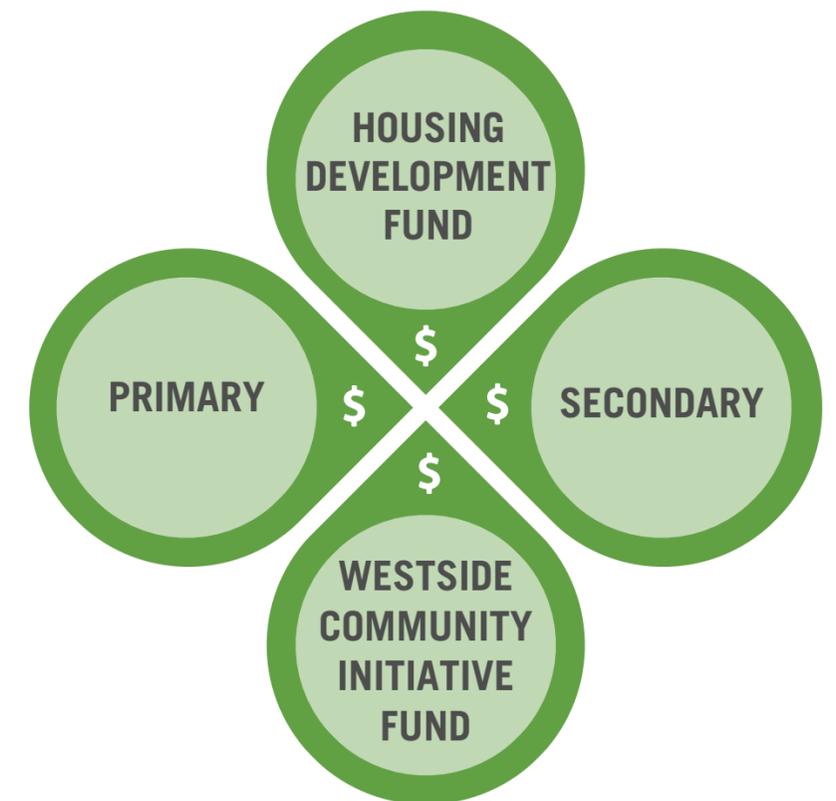
## ANNUAL HOUSING PRIORITIES



## HOUSING ACTIVITIES



## HOUSING FUND ALLOCATIONS





## REDEVELOPMENT ADVISORY COMMITTEE

- Establish standard benchmarks/measures of success to review as a part of funding strategy process
  - Allow more time to understand if measures are met
- Units for families don't necessarily need 3 bedrooms
- Ground floor walk-ups are conducive to families
- Requiring commercial space as part of the HDLP may be difficult - encourage instead
- Financial incentives for affordable housing should be coupled with zoning incentives

## ANNUAL HOUSING FUNDING STRATEGY

HOUSING  
FUND  
ALLOCATIONS

ANNUAL  
HOUSING  
PRIORITIES

HOUSING  
ACTIVITIES

## NEXT STEPS

- The RDA Board may wish to discuss and provide feedback regarding the proposal
- The RDA Board will consider approval of the FY25 housing priorities at their April meeting
- Proposed funding allocations to housing activities will be brought to the RDA Board with the budget presentation in May
- Housing activities are approved as a part of the RDA budget approval

# FY25 ANNUAL HOUSING FUNDING STRATEGY

## ANNUAL HOUSING PRIORITIES



## HOUSING ACTIVITIES



## HOUSING FUND ALLOCATIONS

