

ERIN MENDENHALL
Mayor



DEPARTMENT of COMMUNITY
and NEIGHBORHOODS
Blake Thomas
Director

CITY COUNCIL TRANSMITTAL



Lisa Shaffer, Chief Administrative Officer

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TO: Salt Lake City Council
Dan Dugan, Chair

DATE: March 28, 2022

FROM: Blake Thomas, Director, Department of Community & Neighborhoods



SUBJECT: Update on the status of the Thriving in Place plan and the Housing Loss Mitigation (18.97) ordinance.

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BUDGET IMPACT: None

BACKGROUND/DISCUSSION: In December 2020, the Department of Community and Neighborhoods (CAN) presented *The Future of Housing: A Collective Vision for an Equitable Salt Lake City* to the City Council. The intent of that presentation was to discuss various housing policy topics identified as goals in *Growing SLC: A Five Year Housing Plan*. These included the vision for an equitable and holistic city, data analysis, a summary of comprehensive solutions and policies including the Gentrification Mitigation Plan and the Housing Loss Mitigation

(HLM) ordinance, among other equitable housing concepts, and identification of next steps for moving forward various housing policies.

Since the policy briefing in 2020, the Administration has selected Baird and Driskell to oversee the Gentrification Assessment and Displacement Mitigation Plan or Thriving in Place (TIP). In addition to a robust, community-driven planning process, data analysis and mapping, and policy recommendations to mitigate displacement, the Baird Team will also guide policy changes to the City's Mitigation of Residential Housing Loss ordinance (18.97).

This summary will provide the City Council with an update on:

- An overview of Thriving in Place including information on the engagement activities that are currently underway and next steps;
- 2022 legislative requirements that are applicable to housing loss mitigation; and
- A detailed analysis of the Mitigation of Residential Housing Loss ordinance (18.97), including the history of the ordinance, a summary of the current ordinance, adopted ordinance constraints, technical discrepancies, policy considerations, next steps, a legal analysis of common questions, and an HLM project summary.

The TIP Plan and HLM ordinance both address the goal of “*increasing housing opportunities for cost burdened households*” in *Growing SLC: A Five Year Housing Plan* and meet several objectives outlined in the plan.

The Administration welcomes the opportunity to work with the City Council to present the data and engagement efforts that are happening in the TIP Plan and seek guidance on policy directives to mitigate involuntary displacement and create a more equitable Salt Lake City.

The TIP Plan will inform the update to *Growing SLC*, which will be underway shortly. Both plans will be brought before the City Council throughout the process and will be presented for adoption when completed.

Thriving In Place

In June 2020, the City Council allocated FY21 funding for a Gentrification Assessment and Displacement Mitigation Plan to understand the breadth and depth of involuntary displacement and formulate policies and programs to mitigate any such displacement that might occur. After a Request for Proposals (RFP) process was initiated and completed, a consultant team was retained in September 2021, which consists of the following researchers and thought leaders in the fields of gentrification and displacement:

- Baird & Driskell Community Planning (led by David Driskell);
- Urban Displacement Project, University of California Berkeley (UDP; led by Dr. Tim Thomas); and
- University of Utah Department of City and Metropolitan Planning (CMP; led by Dr. Ivis Garcia and Dr. Alessandro Rigolon).

Together with the consultant team, City staff (together, the Team) are guiding the Plan, now called Thriving in Place, using the following overarching actions:

- To understand gentrification pressures in Salt Lake City;
- To document patterns of involuntary displacement, including those related to housing costs, eviction, and demolition; and
- To find policy solutions to help people choose to stay, live, and thrive in Salt Lake City even as the city grows and changes.

This briefing will provide an overview of TIP and what the Team has learned from early community engagement. It is the intent of the Administration and the Consultant team to come back to the City Council in a future meeting with an in-depth analysis of the Listening and Learning phase and to seek guidance before the Crafting Collaborative Solutions phase.

- Phase 1: Listening and Learning – Focuses on defining and understanding the problem and includes extensive community engagement and data collection.
 - Quantitative data collection and analysis is led by UDP.
 - Qualitative data collection through numerous community engagement activities.
 - Information gathered in this phase provides context on experiences of displacement, community asset mapping, and neighborhood challenges to ensure policies are aligned to mitigate displacement pressures specific to Salt Lake City neighborhood needs.
- Phase 2: Crafting Collaborative Solutions – Develops a Displacement Mitigation Plan that includes actionable policy recommendations.
 - Recommendations will include a shared framework that can guide action across sectors, including the City, other governmental agencies, and community-based organizations and partners.
 - Recommendations will be informed by Phase 1 engagement and a review of existing policies, programs, and practices. A second round of input from community and stakeholders will inform priorities for action and recommendations for policy changes.

Phase One - Community Engagement

From the outset, there has been an effort to have a community-led process that includes extensive and equitable community engagement. The Team is listening to residents and partners through a variety of engagement methods, including online and in-person. The Team reviews engagement efforts and statistics weekly to ensure equitable representation and recalibrates outreach tactics if needed. TIP is currently in the Listening and Learning phase. Details of engagement efforts are outlined below:

- **City Steering Committee** – This committee consists of City staff and includes representatives from various [departments](#) to ensure collaboration and impactful policy development.

- **Community Working Group** – This 22-member advisory group was formed to guide the community engagement process and ensure inclusion, provide input and feedback on the process design, outreach materials, and draft strategies as they emerge, and serve as liaisons to groups and organizations in which they are involved. The group has met twice so far, with notes from the meetings posted [here](#).
- **Project Launch Interviews** – These confidential one-on-one interviews with 15 key community representatives helped shape the Team’s engagement strategy and refinement of the Plan’s goals. Interviews were completed in late Fall 2021 and are summarized [here](#).
- **Public Website and Online Survey** – The [Thriving in Place](#) website, available in English and Spanish, was launched in February 2022 to provide educational information for residents and to serve as an online engagement tool. To date, the website has seen 3,100 visits from 2,600 unique visitors, 46% of which have been via mobile device. An online survey (English and Spanish) was launched in conjunction with the project website and to-date has been completed by over 1,000 individuals.
- **Intercept (in-person) Surveys** – Two CMP classes are conducting in-person “intercept” surveys at various locations throughout the city, with an emphasis on Westside neighborhoods. The demographics of these survey respondents tend to be younger, more diverse, and more likely to be renters than the population that has responded to the online survey. To date, over 300 interview surveys have been completed. We anticipate over 700 in-person intercept surveys will be conducted.
- **Community Liaisons** – The project team has hired six community liaisons with experience and connections in communities of color, non-English speakers, and lower income neighborhoods to help ensure equitable engagement and input. The liaisons are conducting in-person engagement with small groups in culturally appropriate formats, touching on the same themes and questions as the survey but in a more formal way. While the methodology will not engage as many residents, the value of the input will be significant.
- **Youth Workshops** – The CMP classes have hosted numerous engagement activities for youth to discuss change in their neighborhoods and their perspectives and ideas related to gentrification and displacement.
- **Community Events** - The project team has been participating in a variety of community events (e.g., Neighborhood House Family Fun, tabling with Ventanilla de Salud, and Sunday Mass at Our Lady of Guadalupe Church, among others). They will also be hosting a mural-painting event at Three Creeks Confluence Park on April 16th.
- **Other engagement efforts** by the Team to help ensure people are aware of the project and opportunities for engagement include:
 - CMP students discussing TIP at Westside Community Council meetings in February and March 2022;
 - Introducing and discussing TIP at board meeting for University Neighborhood Partners in March 2022;
 - Presenting at Salt Lake City Human Rights Commission (HRC) and Salt Lake Community Network (SLCN) meetings;
 - CMP students distributing hundreds of flyers, door hangers, and sidewalk stencils; and

- Sending out City Council citywide mailer for housing related efforts to all residential addresses in Salt Lake City during the first week of April 2022.

Phase Two - Mapping and Data Analysis

Data gathered from the project's community engagement efforts will be complemented with in-depth analysis of the city's neighborhoods through a mapping and analysis led by [UDP](#). UDP is developing a map using advanced statistical analysis to identify where the highest rates and risk of displacement are currently occurring in Salt Lake City by analyzing hundreds of variables.

These variables include housing markets, property types, population demographics, changes over time, administrative data, and many other variables (see UDP's [Housing Precarity Risk Model](#) as an example of this type of modeling). UDP then maps the model's output values to identify areas that need the most support and protection. The final map will show four distinct characteristics: areas with low displacement risk, elevated risk, high risk, and extreme risk.

Timeline and Next Steps

The project is in the final stages of Phase One, Listening and Learning. In May 2022, the Team will summarize the community input received and connect it with the results of UDP's mapping and data analysis. Phase Two, Crafting Collaborative Solutions, includes the Team working with the Community Working Group and members of the City Steering Committee to share results and identify key take-aways, as well as identify areas for policy recommendations. Phase Two, Crafting Collaborative Solutions, will run from May through August 2022. A few key dates are outlined below:

- April 16 - Mural painting at Three Creeks Confluence Park.
- April 18 - Conclusion of Phase One engagement activities.
- April 26 - Student presentations (from the two CMP classes) on outreach efforts at Glendale Community Learning Center.
- May - Summary of Phase One findings and UDP's displacement analysis presented to the Team.
- May/June - Presentation to Planning Commission on TIP.
- May/June - Small group work sessions to distill Phase One findings and agree on direction for Phase Two (we expect to return to City Council in mid to late June to share results).
- June/July - Phase Two begins with preliminary policy options and near-term recommendations.
- July/August - Evaluation of policy options and refinement of recommendations.
- July/August - Presentation to Planning Commission on TIP.
- August/September - Planning Commission and City Council process for TIP.

Housing Loss Mitigation

History

In 1994, the City Council commissioned an independent economic evaluation to analyze the impact and loss of affordable housing and potential mitigation measures. The impetus of the

study was a substantial shortage of affordable housing in the Central City, University, and Capitol Hill neighborhoods. The driving forces behind the shortage were the demolition of housing stock for commercial and institutional purposes or assemblage of land by speculators.

Since inception, the policy has been centered around a land-use transition from residential to commercial or a petition to expand parking. A Housing Mitigation Plan and Statement is required before final approval of a parking conditional-use is granted or a zoning change is approved that would allow commercial use on properties that currently have residential dwelling units (1995 ordinance does not contemplate land use changes but rather demolition of units). The initial plan required an analysis of adverse impacts, dwelling units that will be demolished, fair market value for demolished units, square feet of land to be rezoned, and a mitigation plan that addresses the loss of residential zoned land, residential units, or residential character. To mitigate the identified loss, developers can replace the housing within two years of the entitlement application approval, pay a fee that is the difference between the fair market value and the replacement cost, or pay a flat fee of \$3,000 per dwelling unit to be demolished.

Adopted Ordinance

The current ordinance, *Chapter 18.97 Mitigation of Residential Housing Loss*, was adopted in 2012, and states: “The purpose of the chapter is to mitigate the loss of affordable housing stock due to new development with due consideration for vested or protected property rights.” The ordinance requires a Housing Mitigation Plan for:

- Any application for a demolition permit that will result in a loss of one or more residential units in a residential zone;
- A request for a conditional use permit to expand parking in a residential or mixed-use zone; and
- Any petition for a zoning change that would permit a non-residential use of land that includes residential dwelling units within its boundaries.

A Housing Mitigation Plan and Housing Impact Statement shall be submitted unless the applicant meets certain provisions such as a non-conforming use, a master plan calling for non-residential use, or proposed demolition because of health and safety issues. The Housing Impact Statement must identify adverse impacts on the residential character of the neighborhood, the address of units targeted for demolition, fair market value and state of repair of units targeted for demolition, square footage of land that will be impacted, and a mitigation plan to address the loss of residential zoned land, units, or residential character. Permitted mitigation measures include replacing the lost housing units or paying a fee to the Housing Trust Fund that equals the difference between the fair market value of the housing units to be eliminated or demolished and the replacement cost of building new units of similar square footage.

Adopted Ordinance Constraints

- **Affordability** - The adopted ordinance does not include an assessment of the loss of affordable housing in the Housing Impact Statement nor does it require replacement of affordable units.

- **Purpose** - The purpose statement of the Chapter is to mitigate the loss of affordable housing, but the policy does not analyze or mitigate demolition of affordable units.
- **Trigger** - The ordinance is triggered by a demolition permit, a parking conditional use permit, or a zoning amendment from residential to commercial. The trigger does not address the loss of affordable housing. The Housing Impact Statement is required during the entitlement process which is challenging because a parcel may be rezoned and not see development or the fee for many years.
- **Formula** - The formula takes the current fair market value of the building (excluding land value) from the Salt Lake County Assessor and subtracts the International Code Council (ICC) square foot replacement costs of the building. The structure of this formula typically yields a negative number and, therefore, the City is not receiving funding to mitigate the loss of residential units.
- **Process** – Currently, an application is submitted to Building Services, then passed to the Planning Division, which creates the report, and is then reviewed and approved by the Director of Community and Neighborhoods. There is no clear ownership over the process as it touches multiple divisions at different stages in the project timeline.

2022 Legislative Requirements

There are two new statutory requirements that are applicable to the establishment of a Housing Loss Mitigation fund and the City's ability to require moderate-income housing units in a land use decision. Those bills are:

- [HB 462 Utah Housing Affordability Amendments](#) - authorizes the City to establish a Housing Loss Mitigation fund to preserve existing, subsidized, and new moderate-income housing (lines 708-710).
- [HB 303 Local Land Use Amendments](#) - states that a city may only require moderate income housing units as a condition of approval of a land use application if:
 - The developer and the city enter into a written agreement (does not specify development agreement); or
 - The city provides incentives that are agreed to by the developer (lines 828-838).

Additionally, HB 303 prohibits a city from approving or denying a land use application based on a developer's decision to incorporate moderate-income housing units in their development.

HB 462 and HB 303 define moderate income housing as 80% AMI or below. These two policies are compatible with the adopted Housing Loss Mitigation ordinance as well as the proposed Affordable Housing Zoning Incentives, RMF-30, Shared Housing, Parking Reduction, and Accessory Dwelling Unit ordinances.

Technical Discrepancies

- Section 18.64.050 *Residential Demolition Provisions* does not align with 18.97 *Mitigation of Residential Housing Loss*. The City Attorney's Office has done a legal analysis and drafted amendments to clean up technical discrepancies between 18.64.050 and 18.97.

- The purpose statement to mitigate the loss of affordable housing in 18.97 does not align with the policy or the mitigation plan as there is no data collected on affordability of units nor is there a requirement to replace the demolished housing with affordable units.
- Housing Loss Mitigation touches multiple chapters in the code rather than being contained within a demolition or development section. HLM could be contained within a development code, but this would require substantial amendments to various chapters within the Municipal Code.
- If a payment is collected, ordinance 18.97 directs that payment to the Housing Trust Fund. The Housing Trust Fund is being moved from Community and Neighborhoods to the Redevelopment Agency (RDA) and is being changed to the Housing Development Loan Program.
- 18.97.040 requires a report to the Housing Advisory and Appeals Board (HAAB) but does not give the HAAB authorizing power to deny the report, mitigation plan, or petition.
- The current formula does not yield a positive number and needs to be amended to mitigate the loss of residential units. A fee justification study and an amendment to the consolidated fee schedule to include the HLM will be required.

Policy Considerations

- Is the policy objective to mitigate the loss of all housing or just affordable housing? If the objective is targeted at affordable housing, the ordinance will need to be amended so the policy is reflective of that objective.
- Does the fee constitute an impact, linkage, or flat fee? A fee justification study will need to be conducted to amend the mitigation formula to yield a positive number.
- When should the plan be required and the fee collected? Is it beneficial to have the plan during the entitlement process for upzoning legislative decisions? HLM is a demolition-focused ordinance, should this be the policy objective?
- What are the policy objectives of the fee? Should the fee be paid to the Housing Development Loan Program, held in the RDA, or another funding source that can be used for the mitigation of displacement?
- Should the amended ordinance require affordable units for an upzone?
- What constitutes naturally occurring affordable housing? Currently the City does not track affordable housing units unless the units have been subsidized by city, county, state, or federal funds. Is it the intention of the City Council to start tracking affordable units through the entitlement process or business license rental application?
- The current ordinance is focused on the loss of housing and does not contemplate the loss of local businesses for the development of housing. Is this a policy objective that should be considered in the amendment to the ordinance?

Next Steps

The Administration understands the frustration of the public to amend the Housing Loss Mitigation ordinance to preserve and develop affordable housing. The following actions are recommended:

- The City Council, working in conjunction with the Administration, can assist in the development of the policy objectives of the new HLM ordinance.
- The City Attorney's Office has conducted a thorough review of the code and has drafted proposed amendments to clean up the technical issues. This does not address the policy considerations outlined above; rather, it cleans up technical inconsistencies. If preferred by the Council, the technical changes to HLM could be transmitted while the TIP study is being completed. The Administration recommends waiting to make any policy changes due to the robust engagement process happening within the TIP Plan.
- The Zions Public Finance study that was conducted in Summer 2021 did not produce a specific enough outcome for the City to rely on. The Administration is going to go to bid in Spring 2022 for a consultant to conduct a fee justification study. This study will be running concurrently with TIP.
- The TIP study that is currently underway is analyzing displacement metrics and will develop mitigation measures in addition to policy changes to the current HLM ordinance. These policies will need to be adopted by the City Council after they go through the engagement process.
- Once the policy considerations are determined, the City Attorney's Office will draft amendments to the relevant ordinances.

Housing Loss Mitigation Legal Analysis of Common Questions

- Can the City institute a rent control policy?
 - [Utah Code Section 57-20-1](#) prohibits the City from enacting an ordinance or resolution that would control rents or fees on private residential property unless it has the express approval of the Legislature. Lease agreements are a contractual matter between private parties and the City does not have jurisdiction to halt an eviction.
- Should the City issue a moratorium on development?
 - A temporary land use regulation, or "moratorium", can be imposed by the City Council to prohibit a development activity if the Council finds a compelling, countervailing public interest to do so. This is a policy decision that the Council would have to make. However, the temporary regulation cannot exceed six months. The purpose of a temporary land use regulation is to halt (or, in some cases, allow) a development activity immediately for a temporary period while more permanent regulations are developed, presented to the public and the planning commission, and transmitted to the Council for action. Prohibiting development activity while waiting for a study to be produced could possibly be justified by the Council, but it seems unlikely that land use regulations could be ready for adoption within the six-month moratorium period, especially when the findings of the TIP study are not yet known.
- Why is the City not requiring the development of affordable units in all new housing projects?
 - [Utah Code Section 10-9a-535](#) as outlined in HB 303 states that a city may not require moderate income housing units in the approval of a project unless the developer agrees to the incentives. This provision does permit cities to adopt incentive-based policies for the inclusion of moderate-income housing in a new development, though this cannot be a requirement.

- Does the current housing loss mitigation ordinance protect affordable housing?
 - The current [housing loss mitigation ordinance \(18.97.010\)](#) states that the “*purpose of this chapter is to mitigate the loss of affordable housing stock due to new development with due consideration for vested or protected property rights.*” The conditions upon which an applicant would need to comply with the HLM ordinance outlined in 18.97.020 and develop a mitigation plan are when a *residential* unit (does not state affordable unit) is demolished to expand vehicle parking in a residential zone or when a land use transitions from residential. This ordinance does not prohibit the demolition of affordable housing units but simply protects against the loss of a residential unit. Additionally, it does not prohibit a developer from increasing the number of units on a parcel, nor does it consider the affordability of the existing or new units. These are policy considerations for the amendments to the new ordinance.

Housing Loss Mitigation Best Practices

There are few analogous ordinances in other municipalities. Most ordinances and fees in other cities are Housing Mitigation Fees, meaning that they are applied to new developments that do not include a minimum percentage of affordable units. The most similar policy to Salt Lake City’s housing loss mitigation ordinance (18.97) is a demolition permit surcharge, which is a current pilot project in Chicago, Illinois. This surcharge, along with other fees from around the country, are outlined below.

Chicago, IL

Demolition Permit Surcharge

- A temporary surcharge (March 29, 2021 - April 1, 2022) in a pilot area.
 - Applied in addition to other demolition fees, surcharges, and taxes imposed by City, State, or other political subdivisions.
 - Ordinance requires a written report no later than 150 days prior to expiration identifying:
 - The amount of revenue generated through the surcharge;
 - Its observed effect on development activity in the applicable pilot area; and
 - Any other information that the committee reviewing the surcharge’s impact may require.
- A flat fee of \$15,000 for the demolition of detached houses, townhouses, or two-flats.
- A flat fee of \$5,000 per dwelling unit for the demolition of multi-unit residential buildings.
- Exemptions:
 - If replacement development designates 50% of units as affordable at 60% AMI or lower; or
 - Demolition is determined to be necessary to remedy conditions imminently dangerous to life, health, or property.
- Funds from this surcharge are deposited into an Affordable Housing Opportunity Fund.

Somerville, MA

Project Mitigation Contribution or Linkage Fee Program for Affordable Housing

- Requires that linkage fees be collected on any project that:
 - Requires zoning relief; and
 - Contains a single-use or combination of uses exceeding a square-foot threshold (30,000 sq ft) set by the Board of Alderman (City Council).
- Project mitigation contributions are made to the Somerville Affordable Housing Trust Fund for the purpose of the creation of affordable rental and homeownership units.
- The rate per square foot was \$10.75 for FY 2021-2022.
- The Project Mitigation Contribution is adjusted on March 1 of each year based on the change in the Consumer Price Index for All Urban Consumers over the previous calendar year.

Berkeley, CA

Affordable Housing Mitigation Fee

- Similar to an inclusionary zoning policy.
- The Affordable Housing Mitigation Fee per unit of market-rate rental housing is \$39,746.
 - The fee is offset if affordable units are included in the project and is waived if at least 20% of units in a project are affordable.
 - 50% of affordable units must be affordable at 30% AMI with the remaining affordable units affordable at 50% AMI.

Avon, CO

Employee Housing Mitigation Linkage Fee

- The purpose is to create housing for workers generated by new development.
- Applies to new multi-family residential (3+ units), commercial, accommodation units, industrial, and other non-residential development within the Town.
- A formula is used to calculate the fee. The fee is based on the number of workers required per square foot of new space.

Aspen, CO

Affordable Housing Impact Fee

- A 2012 study suggested calculating the fee for their program by taking the difference between the market price of housing and the price that is affordable to households at targeted income.

Seattle, WA

Affordable Housing Incentive Program (Chapter 23.58C)

- Ordinance applies to development in Seattle that requests extra floor area and includes dwelling units in the following cases:
 - new construction;
 - addition to existing structure that increases number of units;
 - alterations within an existing structure that increases total number of units; and
 - change of use that increases the total number of units.
- In return for extra floor area, ordinance provides a performance option (directly supplying affordable housing units as allowed by code) or a payment option. Performance option must satisfy median income requirements listed in the ordinance.

- Payment option includes a fee per square foot (SF) of new construction (units). Fee amount varies by zoning code of the construction. Fee amounts are listed in tables in the ordinance and range from \$5.50/SF to \$20.75/SF in the downtown zones and from \$7.00/SF to \$32.75/SF in certain zones outside of downtown.
- Payments are deposited into an account managed by the Seattle Director of Housing to support the development of affordable housing.

PUBLIC PROCESS: Briefing

EXHIBITS: Exhibit 1 – Zions Public Finance Study

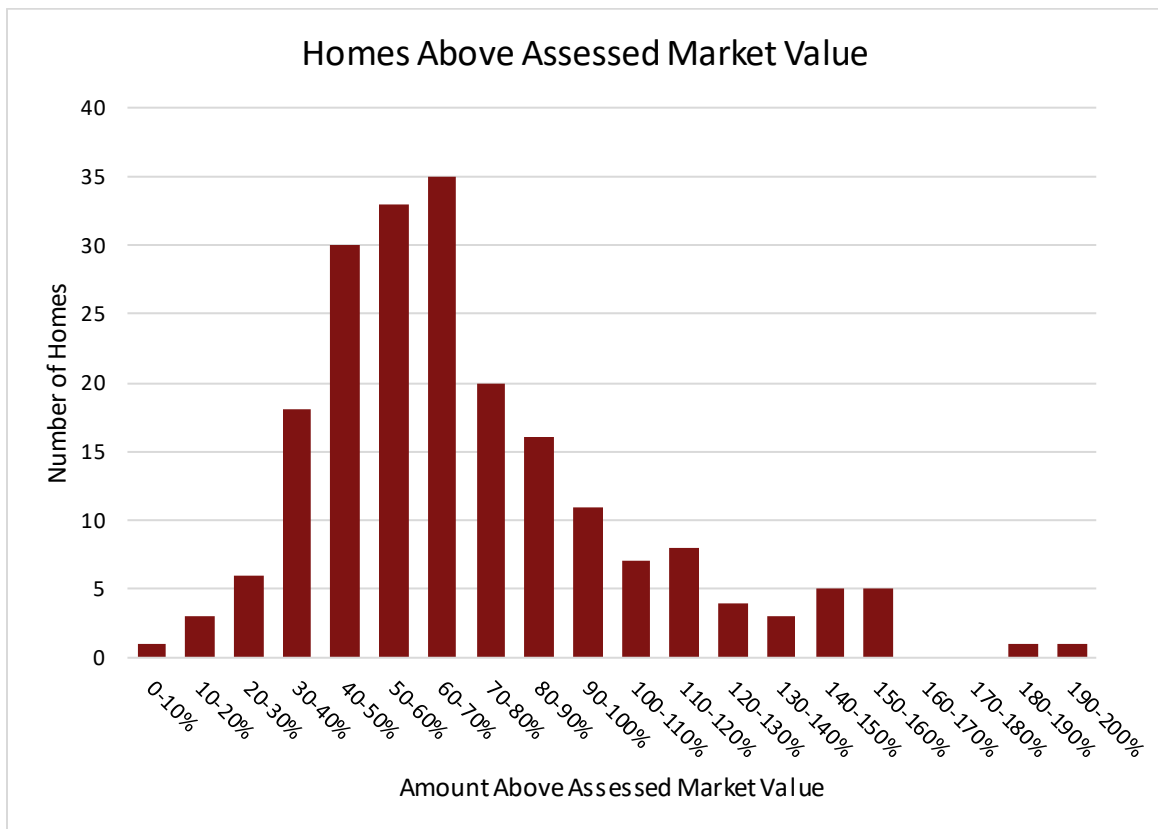
23 September 2021

Angela Price
Policy and Project Manager
Department of Community and Neighborhoods
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Re: Housing Loss Mitigation Analysis

Zions Public Finance (ZPFI) examined a sample of 207 properties in and around Salt Lake City and compared the market value determined by the Salt Lake County Assessor to asking prices as currently listed on various real estate services. Results indicate that list prices on for-sale properties are significantly higher than assessed values on the Assessor's tax rolls.

The computed difference seems higher than most would expect. Traditionally, assessors tend to value homes at somewhere between 90 and 110 percent of market value and prefer the lower end of this range. In the graph below, that would be in the first column representing only a small percentage of homes, where the listed value is 11 percent higher than market value. However, market values overall are currently a lot higher than expected.

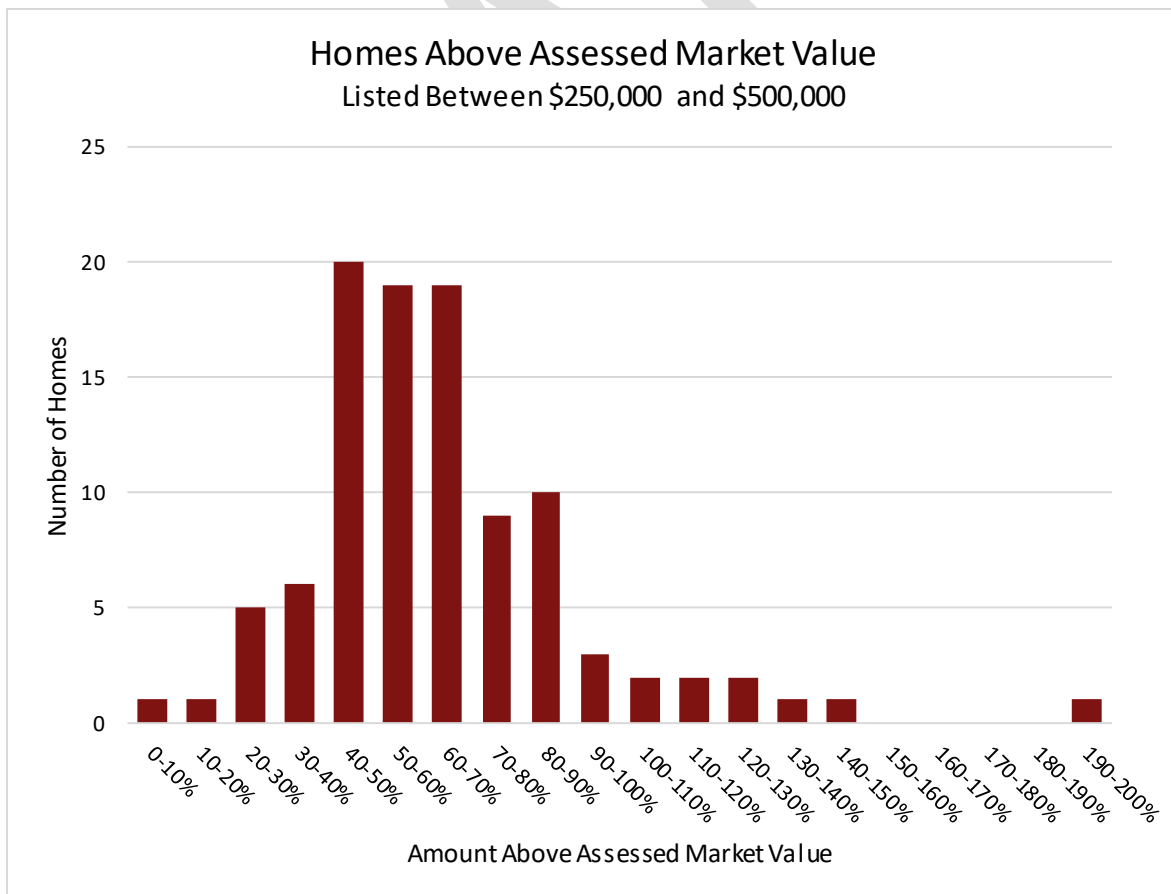


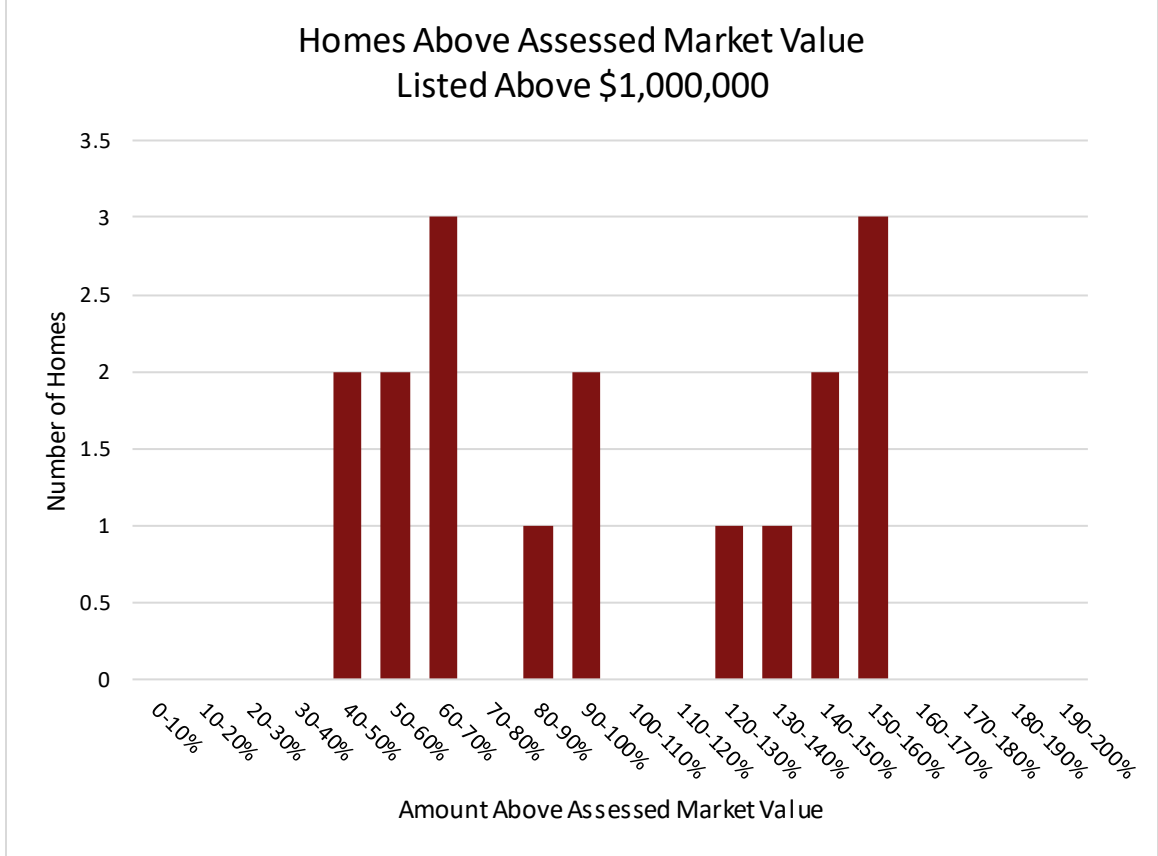
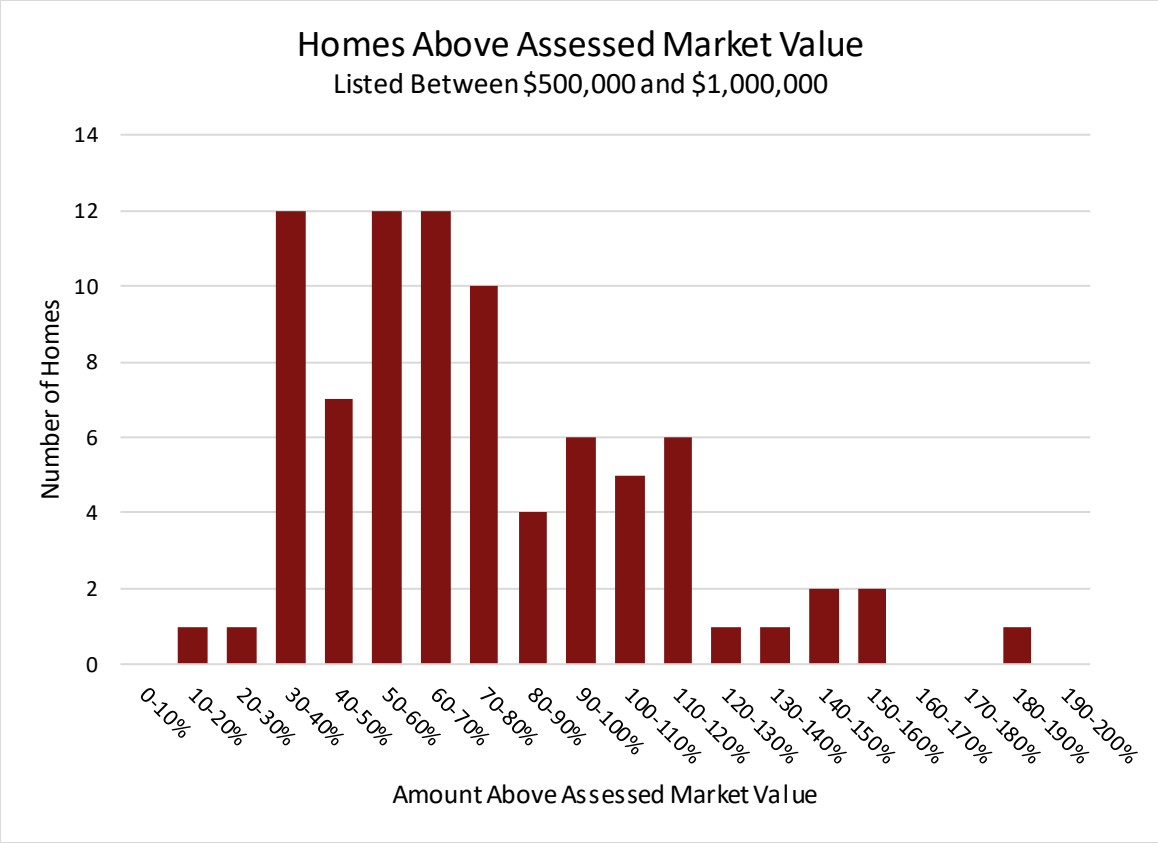
Recent migration to Salt Lake County, among other factors, has contributed to a substantial housing shortage, prompting many owners to try to sell for significantly more than prices seen a few years ago. Due to the lack of housing inventory, buyers were more willing to buy at high prices.

Additionally, many of the listed homes that ZPFI studied had been on the market for some time. This is evidence that the sellers priced their homes much higher than what the actual market value would be.

The assessor's database is based off the 2020 tax year, where officials likely calculated market value during the year 2019. In 2020, realtors at slrealors.com report that home prices increased by 11.8 percent. In 2021, Deseret News reported an increase of 17 percent. Together, this represents a potential increase of 30.8 percent since the 2020 tax roll was calculated. As a comparison, if the tax rolls were thirty percent higher, many of the houses sampled fall in the range expected.

ZPFI has calculated that the average house on the market is listed \$268,701 higher than its assessed value. This translates to a 70.8 percent markup on assessed values. The increase in selling price varies by house price – for homes listed at less than \$250,000, listings are at a 58 percent premium. For houses above \$1 million, the premium increases to 103 percent above assessed value. Between \$250,000 and \$1 million, there is a gradual increase from 58 to 103 percent. The following three graphs show the distribution of homes listed at between \$250,000 and \$500,000, between \$500,000 and \$1,000,000, and those homes listed above \$1 million.





Other noteworthy findings include that the difference is much smaller for condos, which are on average 47 percent more expensive compared to the 75 percent increase in price for non-condos (including townhomes and single-family homes). Additionally, larger homes are priced 74 percent higher than the assessor's database while smaller homes (less than 1500 square feet) are priced 63 percent higher. Despite the difference, larger homes are listed at \$120 higher per square foot compared to the database while the increase is \$140 for smaller homes.

DRAFT