



# COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

**TO:** City Council Members

**FROM:** Allison Rowland  
Budget & Policy Analyst

**DATE:** April 12, 2022

**RE: INFORMATIONAL: UPDATE ON THE GENTRIFICATION AND DISPLACEMENT PLAN,  
THRIVING IN PLACE**

Item Schedule:

Briefing: April 12, 2022

Set Date: n/a

Public Hearing: n/a

## ISSUE AT-A-GLANCE

The Council will hear an update from the Department of Community and Neighborhoods (CAN) about work on the City's anti-gentrification and anti-displacement plan, known as *Thriving in Place*. This will include information on new Utah statutes that are applicable to housing loss mitigation, as well as an analysis of the City's existing housing loss mitigation ordinance.

The anti-gentrification and anti-displacement plan, which got underway in September 2021, is intended to identify policy measures that can help current residents remain in Salt Lake City as it grows and changes. These policies will be developed from the Plan's research on gentrification pressures in Salt Lake City and patterns of involuntary displacement, including those related to escalating housing costs, eviction, and demolition.

Currently, the *Thriving in Place* project is approaching the end of its first phase, which focuses on defining and understanding the issues through community engagement and data collection. The second phase will focus on developing collaborative solutions, including a displacement mitigation plan. CAN expects to return to the Council in late June to outline refinements to the plans for Phase Two, and again in September to present final results. More information about the plan is available on the [Thriving in Place](#) website, which is available in English and Spanish.

**Goal of the briefing:** Receive an update and provide feedback on the ongoing work for the City's Gentrification and Displacement Plan, known as *Thriving in Place*, as required by the Council's policy on mid-terms plan updates.



## ADDITIONAL AND BACKGROUND INFORMATION

### A. Background

1. **June 2020:** In the FY21 annual budget, the City Council allocated 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.
2. **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*.
3. **September 2021:** A consultant team was retained after a City Request for Proposals (RFP) was initiated and completed. The Administration selected Baird & Driskell to oversee the Gentrification Assessment and Displacement Mitigation Plan, now called *Thriving in Place*. The full team includes:
  - Baird & Driskell Community Planning (led by David Driskell);
  - Urban Displacement Project, University of California Berkeley (led by Dr. Tim Thomas); and
  - A team from the Department of City and Metropolitan Planning, University of Utah (led by Dr. Ivis Garcia and Dr. Alessandro Rigolon).

### B. 2022 Utah State Legislature Updates

Two new laws from the 2022 Utah Legislative session—House Bill 462, *Utah Housing Affordability Amendments*, and House Bill 303, *Local Land Use Amendments*—have elements that are related to anti-gentrification and anti-displacement.

1. HB 462 and HB 303 define moderate income housing as 80% AMI or below. These two policies are compatible with the City's proposed Affordable Housing Zoning Incentives, RMF-30, Shared Housing, Parking Reduction, and Accessory Dwelling Unit ordinances.
2. Elements of these statutes also apply 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:
  - a. HB 462 authorizes a city to establish a Housing Loss Mitigation fund to preserve existing, subsidized, and new moderate-income housing (lines 708-710).
  - b. HB 303 states that a city may require moderate income housing units as a condition of approval of a land use application *only* if the developer and the city enter into a written agreement, or the city provides incentives that are agreed to by the developer (lines 828-838). It does not specify that the written agreement must be a development agreement.
3. 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.

### C. Existing Ordinance on Mitigation of Residential Housing Loss, and Potential Future Adjustments

1. The current ordinance, *Chapter 18.97 Mitigation of Residential Housing Loss*, was last substantially amended in 2012. It 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:
  - a. Any application for a demolition permit that will result in a loss of one or more residential units in a residential zone;
  - b. A request for a conditional use permit to expand parking in a residential or mixed-use zone; and
  - c. Any petition for a zoning change that would permit a non-residential use of land that includes residential dwelling units within its boundaries.
2. “Permitted mitigation measures” include replacing the lost housing units or paying a fee to the Housing Trust Fund. The fee amount 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.
3. ***CAN staff and the City Attorney’s Office are currently evaluating other tools the City may potentially use to make mitigation of residential housing loss more effective, while complying with new statutes and existing case law. More information on this work will be available to the Council in the coming weeks.***

### POLICY QUESTIONS

The Council may wish to discuss the following policy questions, which staff adapted from some of the transmittal’s Proposed Policy Considerations:

1. ***Is the Council’s objective with a housing loss mitigation policy to mitigate the loss of all housing or only the loss of affordable housing?*** If the objective is to target only affordable housing, the current ordinance could be amended to reflect that. This could also inform future policies included in the *Thriving in Place* plan.
2. ***On which stage of a proposed project should City housing loss mitigation policy focus—for example, demolition, plan approval, or some other stage?*** Note that this policy decision may affect the process for up-zoning decisions. ***Should the City’s policy require affordable units for an up-zone?***
3. ***What are the policy objectives of a housing loss mitigation fee?*** Should the fee be paid to the RDA’s Housing Development Loan Program (where the City now concentrates resources for affordable housing development), or would the Council prefer it be paid to a to-be-created displacement mitigation program, which could also include other types of assistance? (*Note: depending on the Council’s direction, City staff may need to analyze the amount of revenue that could accrue from a housing loss mitigation fee to assess whether it would be sufficient to either fund a new program or build affordable housing. In either case, the general fund may need to supplement this revenue.*)

4. Currently the City does not track affordable housing units unless the units have been subsidized by City, County, State, or Federal funds. ***Would the Council like to request that the Administration start tracking affordable units through the entitlement process or business license rental applications?*** The City does not currently have a mechanism to track existing “naturally occurring” affordable housing units, either. ***Would the Council like to ask the Administration about the resources that would be necessary to track these existing units?***
5. ***Would the Council like to include a focus on displacement and loss of local businesses, as well as affordable housing?***