

Minutes of the Work Session meeting of the Syracuse City Council held on December 12, 2017 at 7:08 p.m., in the Council Work Session Room, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Councilmembers: Andrea Anderson
Corinne N. Bolduc
Mike Gailey
Dave Maughan
Jordan Savage

Mayor Terry Palmer
City Recorder Cassie Z. Brown

City Employees Present:

Finance Director Steve Marshall
City Attorney Paul Roberts
Community and Economic Development (CED) Director Brigham Mellor
Public Works Director Robert Whiteley
Police Chief Garret Atkin
Interim Fire Chief Larry Jo Hamblin

The purpose of the Work Session was for the Mayor to discuss affordable housing requirements for the State of Utah; continue discussion of potential amendments to Syracuse City Code 8.15.010(D) pertaining to dedicated walkways; continue discussion of potential amendments to Syracuse City Code 10.30.010(C) pertaining to accessory structures; discuss the General Plan open amendment period; hear Councilmember reports, Mayor's report, and City Manager's report.

7:09:28 PM

Continued discussion of potential amendments to Syracuse City Code 8.15.010(C) pertaining to dedicated walkways.

A staff memo from the Community and Economic Development (CED) Department explained there are locations all over the City where walkways between properties exist. The intent of their existence is to provide passage ways for pedestrian and bike transit options to schools, churches, parks, and adjoining neighborhoods. These walkways are presented in SMC 8.15.010 (D). The Council has discussed this ordinance at length and is proposing some clarification. The Planning Commission has provided a recommendation for your approval.

The code presently reads:

(D) Dedicated walkways through the block may be required where access is necessary to a point designated by the Planning Commission. Such walkways shall be a minimum of six feet in width, but may be required to be wider where determined necessary by the Planning Commission. The developer shall surface the full width of the walkway with a concrete surface, install a chain link fence or its equal at least four feet high on each side and the full length of each walkway and provide, in accordance with the standards, rules, and regulations, barriers at each walkway entrance to prevent the use of the walkway by any motor vehicle or by any non-motorized vehicle wider than four feet.

The feedback from the Council regarding changes was as follows:

- Keep non-opaque fencing but not necessarily chain link, for safety
- Prohibit opaque fences on adjacent properties
- Change ordinance to provide example reasons why walkways could be required
- No winter maintenance signs, maintenance calls to the City
- Asphalt or concrete allowed for walkways.

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CED Director Mellor reviewed the staff memo and facilitated discussion among the Council regarding policy decisions to be made relative to dedicated walkways in existence throughout the City. Throughout the discussion there was a focus on items such as ownership of the existing walkways and fencing along the walkways. The Council indicated their comfort with pursuing options for divesting ownership of certain walkways to adjoining property owners and indicating to those residents that any fencing installed along the walkways will need to conform with Syracuse City Code. Discussion then shifted to the notification process the City will follow to advertise the availability of walkways for purchase by residents,

after which the Council directed staff to include an action item on the January 9 agenda to adopt the draft ordinance providing for the Code amendments.

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Discussion regarding affordable housing requirements for the State of Utah.

A staff memo from the Community and Economic Development (CED) Department referenced information regarding affordable housing requirements for the State of Utah.

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CURRENT STATE REQUIREMENTS

A letter from the Utah Department of Workforce Services and Housing & Community Development Division states:
 The Utah State Legislature has determined that all cities are to review the implementation of the moderate-income housing element of their comprehensive general plan every two years. Cities are to report the findings of their moderate-income housing review to the Housing and Community Development Division of the Department of Workforce Services. *Cities are also required to revise moderate income housing needs projections every two years.* **All cities—that did not submit a biennial report in 2016—must report the findings of their moderate-income housing review no later than December 31st, 2017.**

No report on affordable housing was filed in 2016 which subjects Syracuse City to the requirement underlined in bold if the City would like to receive housing grants through the Utah Department of Housing and Community Development.

To meet this requirement, the City must provide both a Biennial Review and Biennial Report. The biennial review must be adopted by resolution. To meet this requirement, the City must provide a written review document adopted by a city legislative body that at a minimum includes the following:

1. An estimate of the existing supply of moderate income housing located within the city.
2. An estimate of the need for moderate income housing in the city for the next five years as revised biennially.
3. A survey of total residential land use.
4. An evaluation of how existing land uses, and zones affect opportunities for moderate income housing.
5. A description of the city's program to encourage an adequate supply of moderate income housing.

As a separate document, the report must include the following:

1. A report setting forth the findings of the biennial moderate-income housing review.
2. A report of the estimated need for moderate income housing in the city for the next five years as revised biennially.
3. A report of the efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
4. A report of the actions taken by the city to encourage preservation of existing moderate-income housing and development of new moderate-income housing.
5. A report of the progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing.

6. A report of the efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities.

Both documents provide outlines which are intended to help direct a productive discussion about affordable housing. The requirement to update these plans over defined intervals is intended to keep the plan relevant to the current housing market. They aid in accurately outlining an affordable housing plan that is independent and focused on Syracuse. The State specifically prohibits the following from being submitted as either a Biennial Review or Report:

1. DO NOT SUBMIT any section OR portion of your county's general plan.
2. DO NOT SUBMIT city resolutions without submitting an amended MIH element.
3. DO NOT SUBMIT an amended MIH element without its adopting resolution.
4. DO NOT SUBMIT zoning ordinances OR land-use ordinances.
5. DO NOT SUBMIT the land-use element of the general plan.
6. DO NOT SUBMIT the transportation and traffic circulation element of the general plan.
7. DO NOT SUBMIT a third-party's analysis of fair housing impediments.
8. DO NOT SUBMIT a third-party's housing market study.
9. DO NOT SUBMIT a third-party's housing needs assessment or evaluation.
10. DO NOT SUBMIT a third-party's issue papers or housing policy analysis.
11. DO NOT SUBMIT program evaluations or performance audits.
12. DO NOT SUBMIT prior biennial reports (or copy & paste from them)

Finally, a resolution adopting the amended element of the General Plan relating to affordable housing is required to be submitted to the State.

SUMMARY OF COMPLIANCE

Section 8.4 of the General Plan text addresses affordable housing as follows:

Moderate-income housing is defined in the Utah Code as housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located. The overall goal of providing moderate housing is to meet the needs of those people who desire to live here, and to allow them to benefit from and fully participate in all aspects of our community.

The City's various residential zoning designations provide an opportunity for a variety of housing types, including moderate-income housing. With the number of established R-3 developments, Planned Residential Developments, cluster subdivisions, and neighborhoods containing older, smaller residential homes, Syracuse's housing stock exceeds the current estimated need for moderate-income housing required through build out of the city. It is estimated that the development of housing in the land use areas identified on the general plan map and in potential zoning designations will provide a realistic opportunity for housing for moderate income families and individuals. As required by state law, the City Council should undergo regular reviews of its moderate-income housing plan and adjust the plan as circumstances change in our community.

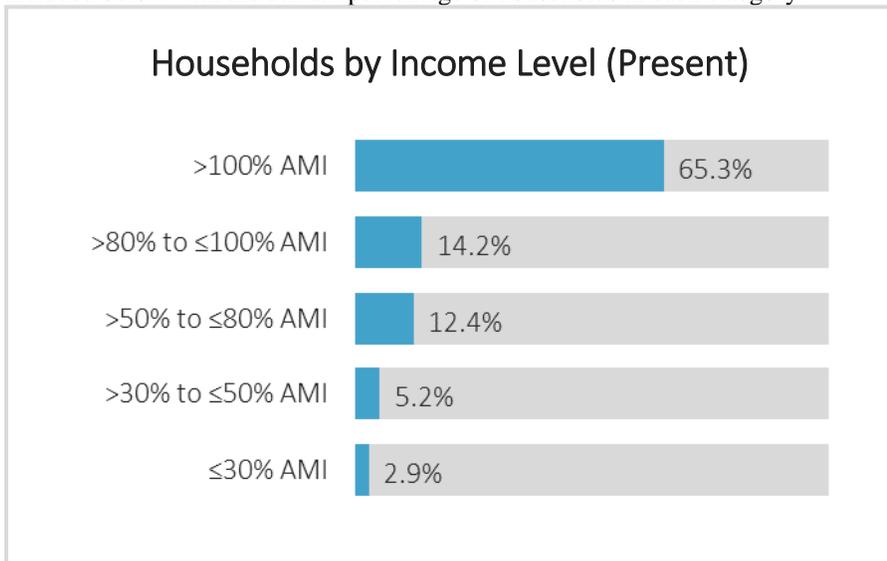
As the housing market continues to evolve, the State requires a review of this statement to address the current market state. While it may be possible to provide moderate-income housing in the R-3 Zone, PRD Zone, in R-1 Zone cluster subdivisions, and in older homes, there are no plans to ensure that housing in these zones is initially affordable or remains affordable.

An analysis of home listings in the area during the late summer and early fall of 2017 by staff revealed that no new home in the above zones was listed for less than \$240,000. A mortgage for this amount would require a household to make more than 75% of the Davis County Annual Median Income (AMI) of \$71,112 or \$53,334 to afford the cheapest of new homes in Syracuse. There were a total of 18 homes for sale or rent during the study period that were affordable to moderate income households and none of these homes were affordable to anyone making 50% or less of the Davis County AMI.

As housing becomes more expensive in Syracuse, wages will need to increase in kind to keep the currently affordable housing stock affordable in the future. If the economy maintains its current trajectory where wages do not keep up with inflation in the housing market, an increasing number of households will be priced out of purchasing a new or existing home in the City. A review of current affordable and available units shows that there is a deficit of 26 dwellings in the 30% to 50% of AMI bracket. As the market has changed since the General Plan text was adopted in 2015, it follows that the proposed amount of affordable housing stock available now and through build-out would be different.

As required by state law, affordable housing in a community must be measured against the median income of that community's county. The annual median income (AMI) of Davis County is \$71,112 according to the American Community

Survey (ACS). To calculate available affordable housing, household income level is divided into five categories. These are included below with the current percentage of households in each category.



These categories are used to determine the amount of affordable housing stock by finding how many households in each category is either cost burdened or heavily cost burdened. To be **cost-burdened** means that *30% or more of total household income is used to pay for housing*, including utilities and mortgage insurance where applicable. To be **heavily cost-burdened** means that *50% or more of total household income is used to pay for housing*. These two percentages are the national standard for determining cost burden as established by the Department of Housing and Urban Development (HUD). To calculate these figures, mortgages or rent were combined with a \$200 monthly utility rate and a 2.89% mortgage insurance rate to provide a realistic picture of housing affordability.

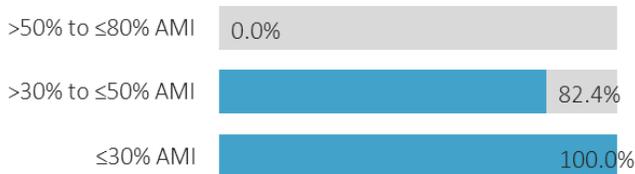
Below are two tables showing the current percentages of cost burdened households in Syracuse by income bracket. Because rent and mortgage payments fluctuate independently, households are divided between rental and ownership.

Cost Burdened Renter Households

Households Spending 30% or More of Monthly Income on Housing (by Income Level)



Households Spending 50% or More of Monthly Income on Housing (by Income Level)

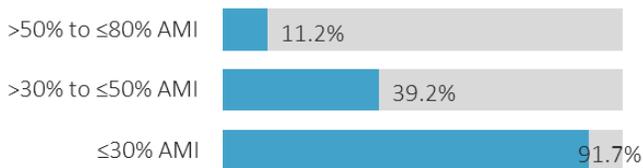


Cost Burdened Owner Households

Households Spending 30% or More of Monthly Income on Housing (by Income Level)



Households Spending 50% or More of Monthly Income on Housing (by Income Level)



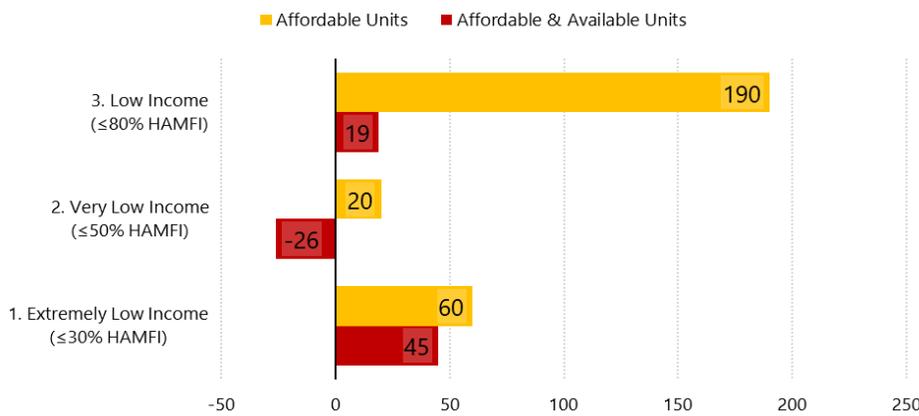
According to the US Census, American Community Survey (ACS), and Comprehensive Housing Affordability Strategy (CHAS) information, “Households that earn a moderate income (80 percent of AMI) or less make up 20.6 percent of Syracuse’s population.”

Taking the above into consideration, 91.3% of Syracuse renters that earn a moderate income or less are cost burdened and 70.6% of Syracuse owner households that earn a moderate income or less are cost burdened. Where there are 6,495 total households, 990 (210 renter and 780 owner) are cost-burdened while 420 (80 renter and 340 owner) households are severely cost-burdened. Using the average household size of 3.8, this means that 3,762 residents are living in cost-burdened homes and 1,596 residents are living in severely cost-burdened homes.

Overall, the total number of households that are either cost-burdened or severely cost-burdened is 1,410 or 21.7% of total households.

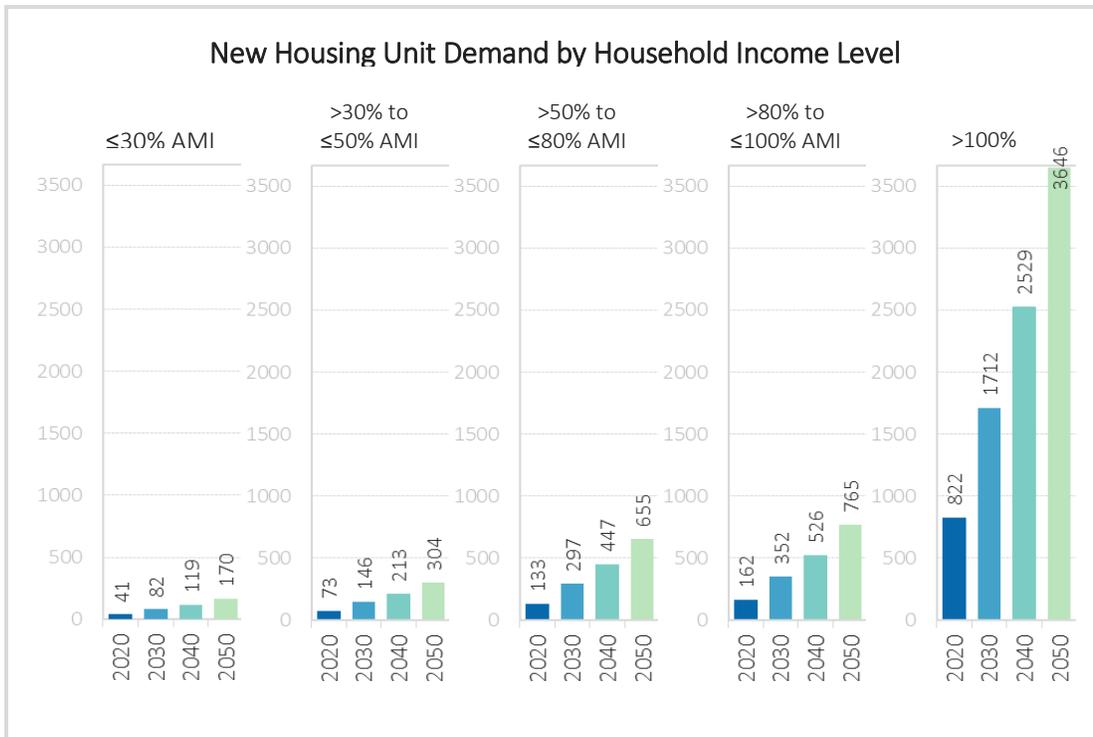
The number of cost-burdened households does not match the housing deficit because a deficit affects potential residents looking to buy available housing stock; the cost-burdened graphs affect current residents. The following graph shows the deficit being in the 50% or less of AMI category. The 2010-2014 data is the most recent available and shows that a persistent deficit has existed in the 50% and less bracket.

Affordable & Available Rental Housing Deficit, 2010-2014



As shown above, there is a 26-unit deficit in the “Very Low Income” bracket. This bracket also has the fewest affordable units, especially when compared to the “Low Income” bracket. To address a deficit, the City can identify what rents and mortgage amounts would fall within the deficient category and work to create the needed affordable units through means which are explained later in this report.

But, what about the future? The demand for affordable housing is here now, but what income brackets will need housing in the coming decades? The table below shows the estimated new housing unit demand through 2050.



The greatest amount of housing demand being in the 100%+ AMI bracket makes sense because 65.3% of current households are in this income bracket. This could be the result of a desire for housing from households in this income bracket or be the result of a lack of affordable units which would hinder low-income households from buying homes. These graphs are projections based on the current makeup of households in each bracket. This essentially applies proposed population growth to the current income bracket percentages.

POTENTIAL HOUSING BARRIERS

The State requires that each City identify aspects of their City Ordinances which may hinder the development of affordable housing. Barriers may range from aesthetic requirements to zone development requirements and may not specifically prohibit affordable housing, but may simply make it harder to develop. Requirements which may increase the cost of an individual dwelling or a development impact affordability.

After reviewing the City Ordinances, there are a few items which may have impacts on housing affordability. The City Ordinance sections are in italics below with commentary on each section in standard text. Non-applicable sections have not been included.

SCC 10.30.020. (B)

(B) Regulations for New Residential Construction Must Meet One of These Two Options.

(1) Option 1. All single-family dwellings, duplexes, and detached and attached town homes shall have the front exterior walls constructed with a minimum 75 percent of brick, rock, or stone. On corner lots, the street side of the structure shall have 50 percent, or up to a maximum height of four vertical feet of wainscot, composed of brick, rock, or stone. These coverage requirements shall be calculated by first determining square footage of the total wall areas, based on measurements of the front and side elevations of the structure from foundation to top-plate line of the uppermost level, excluding openings for windows and doors, and multiplying that square footage by the applicable percentage. Homebuilders may only include brick, rock, or stone in these percentage requirements if clearly shown on the City-approved, stamped set of front and side elevations. Hidden areas, such as front porches, shall not qualify towards the percentage requirements; however, City staff may credit gables with brick, rock, or stone towards the percentage requirements. The installation of aluminum or vinyl siding shall only be allowed on the rear of homes.

(2) Option 2. All single-family dwellings, duplexes, and detached and attached town homes shall have the front exterior walls constructed with a minimum 30 percent of brick, rock, or stone and the remainder covered in hardy board or hardy plank. On corner lots, the street side of the structure shall have 50 percent, or up to a maximum height of four vertical feet of wainscot, composed of brick, rock, or stone. These coverage requirements shall be calculated by first determining square footage of the total wall areas, based on measurements of the front and side elevations of the structure from foundation to top-plate line of the uppermost level, excluding openings for windows and doors, and multiplying that square footage by the applicable percentage. Homebuilders may only include brick, rock, or stone in these percentage requirements if clearly shown on the City-approved, stamped set of front and side elevations. Hidden areas, such as front porches, shall not qualify towards the percentage requirements; however, City staff may credit gables with brick, rock, or stone towards the percentage requirements. The installation of aluminum or vinyl siding shall only be allowed on the rear of homes.

The limitations of brick, rock, or stone in subsections 1 and 2 may require developers to forgo equally attractive and long-lasting materials in favor of brick, rock, or stone which may increase the cost of housing as opposed to alternative materials.

The requirement for brick, rock, or stone constructed on front and side exterior walls shall apply to any single-family dwelling, duplex, or single-family detached or attached town home planned as part of a development for which the City approved a preliminary plat after August 12, 2003.

(3) Every residential dwelling shall have a minimum fully enclosed two-car garage (attached or detached) having a minimum outside width of 20 feet (as measured from outsides of foundation) and having at least 400 square feet in total floor area. The Building Department shall not issue a building permit for construction of residential structure(s) unless plans for such structure(s) include the garage described in this subsection.

The requirement to have a fully enclosed 2-car garage included with all new homes increases the cost of smaller detached homes, townhomes, tiny homes, or other dwelling types that may otherwise be affordable if not for the garage requirement.

(C) Regulations for Manufactured Housing.

(2) Each manufactured home, with or without basement, shall be located on a site-built permanent foundation system that meets or exceeds applicable requirements of the building codes as detailed in the Guidelines for Manufactured Housing Installations. Permanent masonry or concrete perimeter enclosures shall be required and shall conform to the adopted edition of the International Residential Code as specified for foundation walls.

(3) The manufactured home, when fully installed, shall have the appearance of a site-built single-family dwelling and meet the requirements of subsections (A) and (B) of this section.

(4) Homeowners shall ensure the removal of all towing hitches and running gear, which include tongues, axles, brakes, wheels, lights, and other parts of the chassis intended only for transport.

The requirements for mobile homes including the brick/rock/stone requirement and to remove wheels, hitches, etc. while requiring a foundation presents additional costs that impact affordability. There have been several requests to place tiny homes on property in Syracuse. These have never come to fruition because of the requirement to remove the wheels etc. and place the home on a standard foundation. This, along with the brick/rock/stone requirement and the need to construct a 400-square foot garage price these types of homes out of the city.

(E) Dwelling, Accessory. Accessory dwelling units as defined in this title shall be subject to the following:

(13) Windows. In a detached accessory dwelling unit, the placement of windows within the accessory dwelling unit shall not be allowed within 10 feet of a side yard or rear yard property line.

The prohibition on detached accessory building windows within 10 feet of a property line limits where the dwelling can be built and often makes construction unfeasible. Detached accessory dwellings are often small but are required to have adequate egress windows in each bedroom. This presents a challenge if there is otherwise adequate space for an accessory dwelling but the prohibition on windows moves the dwelling into a location that is not feasible.

(c) Detached accessory dwelling units shall not exceed 50 percent of the footprint of the main dwelling, excluding the garage, and are permitted as a major conditional use permit, approved by the Planning Commission.

Requiring a major conditional use permit creates an extra time and cost burden. Generally, a conditional use permit application costs \$100 plus an additional \$120 for public noticing plus approximately a month to go through the approval process with the Planning Commission. The intent of a conditional use permit is that the use is inherently incompatible with the surrounding uses and will need conditions placed on it to mitigate negative impacts. In the files for detached accessory dwellings, no conditions have ever been placed on a conditional use permit that has been approved.

(19) Location of Entrance to Accessory Dwelling Unit.

(a) Internal or Attached Units. Accessory dwelling units that are internal to or attached to a principal dwelling may take access from an existing entrance on a street-facing front facade of the principal dwelling. No new street-facing entrances may be added to the principal dwelling for an accessory dwelling unit unless such access is located at least 20 feet behind the front facade of the principal dwelling unit.

(b) Detached Units. Accessory dwelling units that are detached from the principal dwelling may utilize an existing street-facing facade as long as the entrance is located a minimum of 20 feet behind the front facade of the principal dwelling, or install a new entrance to the existing or new detached structure for the purpose of serving the accessory dwelling unit as long as the entrance is facing the rear or side of the lot.

(c) Corner Lots. On corner lots, existing entrances on the street-facing sides may be used for an accessory dwelling unit, but any new entrance shall be located facing toward the rear property line or interior side yard, or toward the back of the principal dwelling.

Limiting side entrances to a certain distance behind the front façade and on street facing sides can prevent the construction of accessory dwellings in existing homes. If the internal layout does not accommodate entrances in compliant locations, a basement apartment may simply provide access through the front. However, this isn't always desirable for the homeowner and they may abandon having a basement apartment. In certain circumstances, this may hinder the creation of accessory apartments.

(20) Exterior Design. Accessory dwelling units shall be regulated by the following exterior design standards:

(b) An accessory dwelling unit shall be designed and constructed to be compatible with the principal structure and shall meet the minimum standards set forth for the principal dwelling in subsection (B) of this section.

Like the requirement for new primary dwellings, the requirement to place brick, rock, or stone on a detached accessory dwelling increases the price and makes them less affordable.

(21) Conditional Use Permit Required. A conditional use permit shall be required for an accessory dwelling unit in compliance with the standards of review set forth in this code. Applications which do not meet the minimum standards set forth herein and have been denied by the Zoning Administrator as a minor conditional use permit may be appealed to the Planning Commission for review.

While not as intensive as the major conditional use permit required for detached accessory dwellings, the same general principal applies to a minor conditional use permit. The \$100 application fee for the permit which is intended to allow for extra conditions outside the City Ordinance to mitigate inherently negative effects associated with the use does present somewhat of a barrier to creating an accessory dwelling. No additional conditions have been placed on any accessory dwelling conditional use permit that has been approved.

OPTIONS

Often the discussion about moderate-income housing is framed around multi-family housing, particularly moderate to high-density housing such as apartments. However, there are several options available to governments to plan for affordable housing which do not necessarily include multi-family. The following are options available to municipalities address moderate-income housing.

RESTATE THE EXISTING AFFORDABLE HOUSING COMPONENT OF THE GENERAL PLAN

This option could include restating the current statement in the Affordable Housing section of the General Plan. All that is technically required is a statement showing that the City is cognizant of moderate income housing

requirements and is willing to take action that is needed. This is outlined in the first paragraph of the General Plan statement in section 8.4.

Pros

This would require no changes to the General Plan or Zoning Ordinances as they currently exist. No additional staff time would be required to make changes or updates.

Cons

The current state of housing affordability in Syracuse is precarious as described in this report. The statement in the General Plan that current zoning and existing housing will provide affordable housing now and in the future is weak because it does not outline specifically how this will occur. As there is not a strong plan currently to provide affordable housing, and considering that there are several potential barriers in the Zoning Ordinance to creating affordable housing, it is a possible that a developer may request approval of a development type that the City does not currently permit which may be considered affordable housing. The City may then be obliged to permit a development which may not be desirable.

ADDRESS THE BASICS OF THE STATE CODE

This option would be generally analytical without requiring any significant changes to the Zoning Ordinances and General Plan. The State Code requires that the City do the following:

1. Create an estimate of the existing moderate-income housing supply in the city.
2. Create an estimate of the need for moderate income housing in the city for the next five years and revise this estimate every two years.
3. Compile a survey of all the existing residential land use.
4. Evaluate how the existing land uses and zone affect opportunities for moderate income housing.
5. Create a program to encourage an adequate supply of moderate income housing and a description of this program to submit to the State.

This option does not require any action to provide moderate income housing. Only statistics and plans to provide it are required. This would require some action to create a plan to provide affordable housing but does not require any resulting Zoning Ordinance changes that would explicitly create it.

Pros

This would require no changes to the General Plan or Zoning Ordinances as they currently exist. Only a plan to provide an adequate supply of affordable housing is required.

Cons

The potential for challenges resulting from potential obstacles to providing for affordable housing in the General Plan or Zoning Ordinance is still a possibility. However, this option does not preclude changes to those documents, so this may not be an issue if changes are made.

Staff time will be required to create a plan to provide an adequate supply of affordable housing and any other desired changes to the General Plan and/or Zoning Ordinance.

INCENTIVIZE ACCESSORY DWELLINGS

Accessory dwellings are currently allowed in Syracuse and are often referenced as a source of affordable housing. However, there are not currently any regulations in place which ensure that accessory dwellings are affordable now or will remain affordable in the future.

The current accessory dwelling Ordinance is relatively generous in aiding the creation and maintenance of accessory dwellings. While it is likely that many accessory dwellings are currently affordable, there are a few aspects of the Code which are inconsistent with what is required of standard dwellings that can make development of an accessory dwelling challenging. Prohibiting windows on a detached accessory dwelling within 10 feet of a property line and prohibiting entrances on the street side of a dwelling for attached accessory structures where entrances and windows are permitted within these parameters for a standard dwelling can either eliminate the possibility of creating an accessory dwelling or increase the cost of development due to potential conflicts with Building Codes such as the requirement for adequate egress in bedrooms.

Removing or modifying these regulations so that an accessory dwelling is no different from other dwellings in the city would help to ease the process of creating an accessory dwelling, increase feasibility, and likely reduce cost.

To adequately address moderate income housing affordability with accessory apartments would require more aggressive changes. To count accessory dwellings as moderate-income housing, the City would need to track the

existence of the dwellings deemed affordable and enact measures that would ensure affordability now and in the future. One simple way to do this would be to provide some incentive to homeowners with accessory dwellings. A fund could be created, or RDA money used to incentivize improvements to dwellings or even to subsidize rents for dwellings that comply with a predetermined set of requirements. Incentives could also include a waiver of permit fees.

Limiting the amount that can be charged for rent has also been used to ensure housing affordability.

Only by ensuring the amount a household pays every month while living in an accessory dwelling can a municipality truly ensure these types of dwellings remain affordable housing. Without guidance, rents can rise out of moderate income affordability, eliminating accessory apartments from housing stock that is considered affordable.

Pros

Little to no new development is required to obtain accessory dwellings. The developers are homeowners who are required to live in the home and are generally invested in their property and the community. Internal accessory dwellings such as basement apartments are virtually invisible to the streetscape. As secondary utility connections are not permitted, increased utility improvements are not inherently tied to creating accessory dwellings. 67.4% of dwellings in the city have more than 4 bedrooms which implies extra available space to accommodate an accessory dwelling.

Cons

Residents are not likely to voluntarily limit the amount they can charge for rent. Residents are also not likely to comply with ordinances mandating they limit rents. Subsidy programs may be unstable depending on the funding source and changing administrations. Subsidies also create a financial burden for the City. There may also be public outcry from those who oppose accessory apartments if action is taken to incentivize them.

CREATE AN ACTIVE AFFORDABLE HOUSING PLAN

This is the most aggressive option and is relatively open-ended in that there are many ways to provide affordable housing. The list of options below is by no means exhaustive. These are options commonly used by municipalities to ensure affordable housing availability now, and for the next five years as directed by State Code.

1. Inclusionary Zoning

- a. This can be a requirement in the Zoning Ordinance that requires a certain number or percentage of homes in new developments to be affordable. The Ordinance designates a number or percentage specified by the Council and parameters that ensure current and future affordability. Compensation is important in these scenarios and methods for compensation should be spelled out in the Zoning Ordinance.

- i. For example: a developer buys a parcel of land to subdivide. The land is in a zone which has an inclusionary zoning requirement that 10% of the dwellings must be affordable. Affordability is defined in the Ordinance as a less than 80% of the County AMI and requires half of affordable dwellings to be affordable to those making less than 50% of the AMI and the other half to be affordable to those making between 50% and 80% of the AMI.

The Ordinance states that the City will buy the building lots for the affordable housing and that the developer will develop those lots with homes that are basic in internal construction, increasing affordability. To maintain neighborhood aesthetics and longevity, the bones of the house and the exterior must be high quality like the rest of the development.

The developer may then sell the structure of the home to a buyer while the City owns the lot, eliminating the added cost of the lot for the home buyer. The property is then deed restricted to a maximum appreciation rate of 3% per year for 15 years to ensure it remains affordable. As part of the deed restriction, the homeowner is notified of the 3% appreciation cap. This means that if improvements made to the home in addition to market inflation exceed the 3% threshold, improvement money may not be recovered. This is to ensure that an affordable dwelling does not inflate out of affordability.

- b. This strategy may be applied to any zone and any housing type. Requirements may also be suited to the specific needs of each zone as housing types, land ownership, and other aspects of developments may differ.

Pros

These techniques can be used in a variety of situations and be tailored to the specific zone or development type in which they are located. Removing the cost of the lot from the home decreases the cost of the dwelling considerably. The cost of development is largely borne by the developer while the City may only pay a relatively small amount in compensation for the lot.

Cons

Developers may not desire to provide affordable housing products and decide not to develop. Purchasing property will cost the City money. Staff time will be required to ensure that the properties are developed with housing that is truly affordable. Public outcry may follow developments which includes affordable housing. Changes to Zoning Ordinances are necessary to legally require developers to provide affordable housing with inclusionary zoning.

2. Deed Restrictions

- a. This is mentioned in the example above but can be used on its own to create and maintain affordability. The City currently uses deed restrictions to control how residents use accessory apartments. A deed restriction is placed on the home to prevent the sale of an accessory apartment as a separate unit. This prevents the creation of duplexes where they are not permitted.
- b. An appreciation deed restriction is similar as it controls affordability that may not be maintained without some regulatory controls.
- c. Deed restrictions may regulate the following:
 - i. Occupancy
 - 1. The City may designate an intended group for affordable housing. They must qualify by income and this must be monitored to ensure that those living in affordable housing are within the intended income bracket.
 - ii. Improvements or alterations
 - 1. As these may affect the value of a home, a deed restriction may require occupants to notify the City or another designated entity before making improvements or alterations to protect affordability.
 - iii. Sale or transfer of property.
 - 1. The City must be notified when the property changes hands to ensure that the housing remains affordable.
 - iv. Long-term affordability
 - 1. Maintaining a first right of refusal and creating an appreciation cap are helpful in ensuring the property remains in the right hands at an affordable price.
- d. A deed restriction can be a powerful tool to create and maintain affordable housing. However, they are most commonly used in attached housing, of which there is very little in the city.

Pros

Deed restrictions are a relatively simple way to ensure housing remains affordable. No explicit cost to the City is associated with deed restrictions if done properly. They are somewhat open-ended so there are several variables that can be introduced which impact affordability. Fairly easy to apply to new construction. Provides a legal limit for market appreciation, maintaining affordability.

Cons

A deed restriction cannot be used to reduce the cost of a home without compensation. Because of this, they are challenging to apply to existing housing. A change to the Zoning Ordinance may be required to set the parameters by which deed restrictions are created.

3. Community Land Trust (CLT)

- a. Like an RDA, a community land trust is an account and organization established by a municipality and directed by a non-profit board to create and maintain affordable housing. Money is directed to the trust which is then used to purchase land and/or dwelling structures to control many of the market variables that can negatively impact housing affordability.

Where homeowners own the structure and the City owns the land with current building lot prices in Syracuse at around \$100,000 for a lot, housing becomes much more affordable. A ground lease between the CLT and the homeowner ensures owner-occupancy and responsible use as outlined in the lease. A lease fee may be assessed, but this is not always necessary. A resale formula may be included in the ground lease which is designed to keep homes affordable for future buyers. This is like the deed restriction appreciation cap and determines the cost of sale to ensure that it is within the target income bracket. One benefit of a municipality owning land is that the land is not assessed. This eliminates the land tax burden for the homeowner, increasing affordability.

Pros

The creation of a board and designated funds makes it more likely that the maintenance of affordable housing will continue in the future. The City owning land eliminates tax assessment. A lease agreement ensures that the property is maintained in good repair. A resale formula ensures that the property maintains affordability.

Cons

Staff and Council time needed to organize and manage a CLT Board if one is used. Purchasing lots is costly.

4. Municipality as a Developer

- a. This option is highly involved and costly. However, it does provide total control over a development. The City may designate funds through a CLT or other similar organization and purchase land for development. Property is purchased, and a development planned with longevity and affordability in mind. Often municipally developed projects include long term cost saving components such as solar water heating, photovoltaic electricity generation, increased insulation, insulated windows, high-quality exterior materials, water-wise landscaping, etc. These types of improvements often require higher initial expenditure but decrease the monthly cost of living, increasing affordability, build quality, and when done properly, aesthetic value.

To ensure affordability, the interiors of the dwellings are constructed as basically as possible while still meeting the high standards of the Building Code. This can offset the costs of the high-quality exterior components while still providing quality affordable housing.

Pros

Eliminates the challenges of working with a developer who may fight affordable housing measures. Puts the City in complete control of neighborhood design and aesthetics for new developments. Provides more security in the type of product being constructed as compared to a developer working within the current Zoning Ordinance parameters. Potentially greater access to grant funding as the City is a government agency.

Cons

Requires heavy upfront capital investment for both land and construction. The required bidding process could be challenging to navigate for each aspect of each project.

The tools above are by no means a comprehensive list. However, they are commonly used tools that many municipalities use. An affordable housing plan not only identifies housing deficits, but also points to tools to strategically reduce or eliminate deficits and provide for future growth.

THE COSTS OF DEVELOPMENT

Note that none of the tools above require that a specific housing product be used to provide affordable housing. Apartments are commonly tied to affordable housing discussions, but this is not an inherent connection. Any housing product can be affordable with the right combination of legal requirements, willing developers, and market conditions. The trick to providing affordable housing is ensuring that dwellings are affordable now, and will stay affordable in the future. The reason apartments are so commonly used is that they tend to be a lower in price per dwelling and require less maintenance because they are in a larger building built to a higher standard than detached dwellings. Thus, they are generally cheaper per dwelling initially and tend to hold their value better than detached dwellings per square foot. The larger the dwelling and the greater amount of land associated with it, the larger the subsidy required to make it affordable.

Comparing a low-density single-family development with 100 units to a moderate-density multi-family development with 100 units illustrates differences in initial cost and long-term maintenance. Assuming both developments are built on land costing the same amount per square foot that is immediately adjacent to all existing utilities, the first major cost difference is in property needed to develop 100 units. If the single-family development is in the Syracuse R-1 Zone, the amount of land needed to develop 100 units would be 230 acres. At the current average residential land price of \$1.5 per square foot, the raw land would cost \$15,028,200 unimproved.

As Syracuse does not currently allow apartments, a common density for suburban multi-family of 30 units per acre will be used. The land required for 100 units would be 3.3 acres. Just as with single-family development, the total land area used for density would include parking, access, and open space areas in addition to the dwellings. Multi-family property is generally much more expensive than single-family residential property because of the increased return on investment per square foot when developed. Using an average of \$7 per square foot, 3.3 acres of multi-family unimproved property would cost \$1,016,340 approximately 7% of the cost of the single-family development raw land.

Due to the larger land area of the single-family development, the amount of utility and transportation infrastructure required will be greater than the multi-family development. The average road length per acre for R-1 developments in Syracuse is 160 feet per acre. A 100 acres subdivision in the R-1 zone would require 16,000 feet of road. Using an average road construction cost of \$180 per linear foot, developing the required road would cost \$2,880,000. This includes the cost of laying utilities underneath the roadway.

Using the parking requirements for a PRD of 2.5 spaces per dwelling which is a common number in the Salt Lake metropolitan area for apartments with the minimum parking lot drive lane width and parking space dimensions, a parking lot for 100 units would have 250 parking spaces taking up 45,000 square feet and a 26-foot drive lane width for rows of 50 parking spaces would require an additional 11,700 square feet totaling 56,700 square feet. Adding an additional 1,000 square feet for a street access driveway brings the total to 57,700 square feet. Assuming the cost of the parking lot would be the same as a road requires a conversion to square feet. Most roads in subdivisions are 60 feet wide so the cost would be \$3.16 per square foot resulting in a cost of \$182,332 for the parking lot or approximately 6.3% the cost of the infrastructure for the single-family subdivision.

The cost of construction is also different. On the high end in Northern Davis County, an apartment costs approximately \$70,000. A low-end single-family home costs approximately \$148,000 to construct. The high-end apartment costs approximately 47% of the low-end single-family home to construct.

Add these initial costs to the long-term costs associated with maintaining dwelling exteriors, road surfaces, underground utility lines, and landscaping and not only is single-family more expensive to build, it's also more expensive per square foot to maintain than multi-family.

There are of course, other smaller costs associated with construction and maintenance of both housing types, but the general trend continues, apartments are cheaper to build than single-family homes. This in combination with the lack of land, relative ease in providing access to utilities, higher build quality, and higher per-square-foot marketability makes apartments an ideal choice for affordable housing. Again, no housing is inherently required to be provided as affordable, but as is illustrated above, the much higher costs associated with lower density development need to be addressed adequately to make the housing affordable.

Another dwelling type to consider is the accessory dwelling. Staff is currently working to compile numbers from issued building permits to determine the average cost of creating an accessory dwelling in comparison to the development types listed above. One significant cost difference is that accessory dwellings do not require the same types of land development associated with multi-family or single-family dwellings. They are appendages to single-family dwellings which already exist or are being constructed at the same time.

There are some Fire Code and Building Code requirements for accessory dwellings that affect cost, but they generally consist of things like sheetrock thickness, paint, fire-resistant doors, separate utility controls, and so on. These costs are much less than the requirement to construct roads and other infrastructure to serve new units on separate parcels.

Staff assumes that there will be significant cost differences between attached and detached accessory dwellings. This information will be available as soon as it is compiled.

CONCLUSION

This report is intended to aid in understanding the current moderate-income housing situation in Syracuse and to provide an understanding of the law and some tools that hopefully aid in future decision-making. Regardless of how the Council would like to proceed, city staff are committed to helping provide the desired outcome in a professional and efficient manner.

[7:23:18 PM](#)

City Planner Davies reviewed the staff memo and facilitated a discussion among the Council regarding the contents of the report detailing the current affordable housing options available in Syracuse City. There was a focus on market conditions that impact the availability of affordable housing, after which Councilmember Anderson indicated she is concerned about the State issuing an unfunded mandate; they have applied the same standard to all communities across the State when all communities are not the same. She stated she is comfortable with the data that has been prepared by staff thus far and believes that once it is submitted the City will essentially be in compliance with the State law. The Council agreed and directed staff to include an additional discussion item on the January 23 work session agenda for review of the formal report to be submitted to the State.

[8:03:54 PM](#)

Continued discussion of potential amendments to Syracuse City Code 10.30.010(C) pertaining to accessory structures.

A staff memo from the Community and Economic Development (CED) Department explained that following the guidance provided by the City Council, the Planning Commission has been working on an amendment to the ordinance concerning accessory structures for the last several months. The intent of the amendment is to address existing non-conforming accessory structures, re-examine setback requirements, and clarify the regulations for other structures such as pergolas and temporary car ports. On 9/19/17 the PC voted to forward you the following proposed ordinance. City Council reviewed the proposed ordinance on September 26, October 24, and November 14, 2017 during work sessions.

[8:04:10 PM](#)

Building Official Lemons reviewed the staff memo and facilitated discussion and review of the proposed ordinance that would amend Section 10.30.010(C) pertaining to accessory structures. Throughout the discussion there was a focus on maximum building heights and setbacks for accessory structures, regulations for accessory structures on agricultural properties, the imposition of updated regulations on existing accessory structures, and temporary structures and the fact that temporary structures are not classified as accessory structures until they exceed 200 square feet in size, at which point all regulations for accessory structures will apply. The Council concluded to allow a maximum building height for accessory structures of 30 feet tall and that accessory structures can be taller than primary structures on agricultural properties, so long as they do not exceed the maximum height of 30 feet.

[8:25:58 PM](#)

Discussion then shifted to carports; Councilmember Maughan asked if a person is allowed to use a carport or other cover that is not fully enclosed to park their boat or other accessory vehicle. Mr. Lemons stated that he has expressed concern about someone building a temporary cover out of wood and attaching it to their house because that can create a fire hazard; however, there is no regulation prohibiting other carports, temporary or permanent, for the purpose of covering an accessory parking area.

[8:28:38 PM](#)

Councilmember Anderson also asked that greenhouses be listed in the types of structures that qualify as accessory structures. She referenced a greenhouse in another city that has fallen into disrepair and she does not want that same situation to occur in Syracuse without the City being able to regulate it. Mr. Mellor indicated that a greenhouse over 200 square feet would classify as an accessory structure or temporary structure and would need to conform with the regulations included in the ordinance.

[8:29:52 PM](#)

Discussion regarding General Plan open amendment period.

The text to the city's general plan document (see attached) is closed for consecutive four-year periods with a scheduled open amendment period that will begin January 1st, 2018 and end on Monday, February 1st at 5pm. During the open amendment period, applications to amend the text of the general plan document can be considered by the Planning Commission. Any applications received outside the open amendment period have to wait until the next scheduled period unless City Council gives special authorization as outlined in subsection (E). The Community & Economic Development Department has posted notice of the open amendment period in the newspaper and online. As of right now, we have not received any applications to amend the text of the general plan. However, we do frequently get inquiries to amend the general plan map, which is closed for consecutive 2-year periods with an opening every January of odd numbered years. Like

the general plan text, the City Council can also give special authorization to amend the map outside of and open amendment period.

These restrictions are meant to be applied to applications from developers or private land owners. The city may self-initiate an amendment to the text or map of its general plan as it sees necessary and is not subject to the limitations of the open amendment periods. Having said that, we may use this open amendment period as an excuse to make some amendments if desired. The Planning Commission has expressed interest in forming a sub-committee to look at amending the general plan text. Some items that could use additional visioning and explanation in an update are: new and proposed annexation areas of the city, the new record of decision for the West Davis Corridor, the results of the Antelope Drive study currently underway, and affordable housing to name a few. Your guidance is requested as to whether the city should self-initiate an amendment to the general plan at this time.

[8:30:16 PM](#)

CED Director Mellor reviewed the staff memo and engaged in high level philosophical discussion with the Council regarding the purpose of the General Plan and whether the text detailing the history of the City is necessary. The Council concluded to direct the Planning Commission to consider a General Plan amendment that would remove the text and move it to the City's website, but asked for a subsequent work session agenda item in January to review and discuss the General Plan map.

[8:35:48 PM](#)

Councilmember reports.

At each meeting, the Councilmembers provide reports regarding the meetings and events they have participated in since the last City Council meeting. Councilmember Anderson's report began at [8:35:48 PM](#). She was followed by Councilmembers Gailey, Bolduc, Savage, and Maughan.

[8:59:56 PM](#)

Mayor report.

Mayor Palmer's report began at [8:59:56 PM](#).

[9:02:52 PM](#)

City Manager report.

City Manager Bovero's report began at [9:02:52 PM](#).

The meeting adjourned at 9:15 p.m.

Terry Palmer
Mayor

Cassie Z. Brown, MMC
City Recorder

Date approved: January 9, 2018