

**MINUTES OF THE CITY OF HOLLADAY
PLANNING COMMISSION MEETING**

Tuesday, August 30, 2022

6:00 p.m.

City Council Chambers

4580 South 2300 East

Holladay, Utah

ATTENDANCE:

Planning Commission Members:

Howard Layton, Chair

Martin Banks

Karianne Prince

Dennis Roach

Ginger Vilchinsky

Paul Cunningham

City Staff:

Jonathan Teerlink, Community Development Director

Carrie Marsh, Associate City Planner

Todd Godfrey, City Attorney

PUBLIC HEARING

Chair Howard Layton called the meeting to order at approximately 6:05 p.m.

1. **Text Amendment – General Plan 2016 – Chapter 5; Moderate-Income Housing Review and Recommendation to City Council on Proposed Amendments to Chapter 5, Moderate-Income Housing in the 2016 City of Holladay General Plan. Amendments Complete Statutory Obligation to Requirements Recently Passed by the Utah State Legislature. File #04-6-03-7.**

Community Development Director, Jonathan Teerlink, reported that at the last meeting there was discussion regarding the need to make changes to the Moderate-Income Housing Element of the City's General Plan. Amendments were proposed in clean and redline formats. The primary focus of the amendment was to address HB-462 and add measurable implementation items to achieve goals to be geared toward providing moderate-income housing in the City. They did not exist in the ordinance but were present in theory. Those sections were condensed and quantified with the individual strategies. The document was to be organized in a coherent manner. This was the fifth amendment to Chapter 5 with each becoming more complex and less long-reaching.

Mr. Teerlink stated that three individual strategies remain in the General Plan from previous bills including the parking study and personal areas for rezone potential for housing products, which were clarified. A minimum of three are required for a City the size of Holladay, however, they are given priority in terms of transportation increment funding if there are five. Staff believes that the six selected are attainable and can be easily effectuated by the City Council.

Mr. Teerlink suggested tonight there be discussion of moderate-income housing, its purpose, and why the State is requiring individual municipalities to create actual plans. He explained that over the past 50 to 70 years of urban planning, they have been very effective at creating single-family

subdivisions. They have also been able to figure out how to develop very large multi-family projects. What is missing is a middle ground.

Associate City Planner, Carrie Marsh, has been working with the County on the missing middle element and stated that many first home buyers are purchasing townhouses and duplexes that can be rented to help with affordability. The Utah Foundation conducted a study in cooperation with Salt Lake County last year that looked at existing zoning. Some of the strategies addressed in the study included zoning, parking, and overlays. In the survey most indicated that they like opportunities that blend into the neighborhood and resemble a single-family home.

Commissioner Roach asked if there is a recommendation, pattern, or guidance given on what creates or harmonizes the transition between high-density and single-family housing to avoid the “not in my backyard” effect that is frequently seen. Ms. Marsh stated that many look at the exterior and the potential for Accessory Dwelling Units (“ADU”) and townhouses. They then move toward higher-density areas. Commissioner Roach asked how that can be modeled without interrupting the existing flow. Ms. Marsh stated that where that opportunity exists, a situation can be created where additional lots can be developed.

Chair Howard Layton explained that the intent is to forward a recommendation to the City Council tonight so that something can be adopted. It was noted that the process has been ongoing for several years. Mr. Teerlink stated that the question does not have to be answered in a General Plan setting such as this. They do, however, want to study the issue and see how it works.

Chair Howard Layton opened the public hearing.

Mr. Teerlink conducted a review of the clean version with the Commission. He explained that each of the chapters in the General Plan has a purpose or goal statement. Chapter 5 was modified specifically to reflect the General Plan’s intent to provide a broad range of housing products and address State Legislation requirements. The elements were set forth in prior amendments in a complicated way. The goal was to clarify the intent of Chapter 5. Moderate-income housing was defined as 80% of the Gross Median Income (“GMI”) for the County and clarifies elements of Chapter 5 that are mandated by the State Legislature. Municipalities that do not comply are exempt from transportation funding.

A list of what is required in every General Plan for Moderate-Income Housing was provided. The first was the Land Use Element and forcing it to provide for various types of housing. It was referenced in Chapter 2. The Transportation Circulation Element provides ways to circulate through the City and provide transportation options. They are addressed in Chapter 3 of the Transportation Element. Previous amendments to the Transportation Element include an extensive bike route planning process. Most of the routes and bike lanes have been established. Others were still being worked on. He explained that it is a collaborative process with municipalities working together and with the County. The County’s goal is to create an overall transportation network for multi-modal use in cooperation with Utah Transit Authority (“UTA”). A map in the General Plan identifies where the bike lane routes are to be located. It will, however, likely be modified as the

County permanently establishes an overall Transportation Network Plan including Safe Bike Routes.

The third element was Moderate-Income Housing. There are specific actionable items that each municipality intends to achieve as they move toward identifying and attaining those goals. A report is to be submitted to the State each year showing how the City has increased the availability of housing supply to 80% GMI. Mr. Teerlink reported that the City of Holladay is a Class 3 Municipality. Because it will continually evolve, it was proposed that the appendices be swapped out as new data becomes available.

Chair Howard Layton explained that the City Council will be considering items 3 and 4 and report the desired strategies back to the State.

Mr. Teerlink addressed the Goals and Challenges Section. Graphics were added to indicate the overall intent to achieve the implementation measures to support the goal of providing a diversity of housing options throughout the City.

In response to a question raised, Mr. Teerlink stated that the redline section includes three implementation measures. Three more were being added because they are easily attainable, ethically approachable, and necessary. The study and implementation of an ADU ordinance were included previously in the goals section. City Attorney, Todd Godfrey, explained that under the current law the City will not be accountable for how many new moderate-income housing units are built in the City. He was concerned that there may be some movement with the Legislature during the upcoming session that will hold cities accountable for results and not just the implementation of ordinance strategies. There may be consequences if, over time, the City fails to meet its fair share of affordable housing. He was unsure how that would be allocated. The challenge in the City is that the creation of affordable housing includes numerous elements, however, a primary driver in affordability is land cost. The City is significantly compromised in creating affordability due to current property values. For that reason, he suggested the City do its best to implement what is before them. The idea behind implementing additional strategies to receive potentially higher levels of funding was in question because he was not certain they will be meaningful.

Mr. Godfrey pointed out that currently, many young people cannot afford to live in the City. They cannot afford the apartments and townhomes that are for rent, which is a significant issue. Rather than looking at available funding, there is a human side where they need to make it so that there are enough housing types in the community for people of different demographic income levels to live here.

It was noted that the analysis is done at the County level but the obligations are to the municipalities who are all in a very different situation. The City complies with the law currently but there is no metric showing that they have accomplished anything. Mr. Godfrey explained that there is some information available, however, the accuracy of the data is in question. A comment was made about the population increase projection of 6,000 and how it relates to this requirement. At the County level, it was unknown whether any of the actions taken are working. Mr. Godfrey stated

that the Division of Workforce Services (“DWS”) has the challenge to determine that. The reporting requirements have changed and they are trying to develop new reporting requirements to more accurately assess that. They know the current land use patterns and what they are producing. They also know what has been comfortable and uncomfortable for residents when different development types are presented.

The comment was made that many current residents were unable to afford to live in the City of Holladay when they were young but moved here later in their life. It was noted that no one has a right to be able to live in the City. It was recognized, however, that there is a valley-wide need for housing of all types. Mr. Godfrey stated that there is some support for looking at more housing types than they have historically to help alleviate the problem. The current plan for the Cottonwood Mall property was adopted in 2007. The accompanying agreements include an obligation on the part of the City to use housing set aside money from that redevelopment project to produce 100 affordable units in the City of Holladay. There has been discussion as to whether they would be built on the Mall property or elsewhere in the City. Until four months ago, the City could not put those units in many places other than on the Mall property. Mr. Teerlink presented a number of things that will help enable that. He confirmed that it was a collaborative effort with Woodbury.

Commissioner Banks asked whether the six implementation items are necessary. He asked about the reasoning for going above and beyond the minimum of three. Mr. Teerlink stated that it is urban planning, land use planning, and long-range visioning. The City has an ethical responsibility to make sure it does as much as possible to provide different housing types, which is based on patterns of choices that have been made. Municipalities have a responsibility to provide housing. They have created a level of housing that is unattainable based on the current population growth and currently there is a supply and demand problem. To remain competitive economically, an influx of tech industry is creating jobs and jobs but housing is not available. Rather than it becoming a municipality’s problem, the County has determined that collectively it is the cities responsibility to address the issue at a municipal level. The State has provided a menu of 24 items, six of which already exist in the General Plan while some have already been accomplished by the City.

Commissioner Banks asked if it behooves the City to put forward six items rather than the required three. Chair Howard Layton was of the opinion that it gives the City additional direction to implement more than the minimum. Commissioner Prince was of the opinion that the items the City is already complying with should be included so that the City gets credit for them.

The first two proposed strategies were as follows:

1. Review and update specific locations to allow for mixed-use residential development for higher density or moderate-income residential development such as commercial mixed-use zones near major transit investment corridors, commercial centers, or employment centers.

Mr. Teerlink stated that the above element is one that the City is currently trying to attain. He noted that the Cottonwood Development Site, the Holladay Village, Holladay Crossroads, Oakmont Plaza, and the Black Diamond Site were identified as the primary commercial retail areas. The other two include ADUs and parking. The impact fee requirements have also been waived or reduced for moderate-income housing products. Mr. Teerlink pointed out that impact fees, by State statute, are fees the City can collect to offset the impact of new development. There are few impact fees in the City of Holladay, but those that are collected are to create new facilities. There is not much area remaining to build parks so waiving park impact fees for moderate-income housing is easily attainable. It was felt that the most difficult to implement will be infill opportunities. For that reason, a long-range deadline was imposed.

2. Study infill opportunities that facilitate new moderate-income housing within existing zones.

Mr. Teerlink acknowledged that this will be difficult to apply in the City of Holladay. There are, however, property owners who are inheriting larger tracts of land who no longer want to maintain them. They are in zones that prevent them from subdividing. Potential uses for these types of properties were discussed.

Commissioner Cunningham commented that in the document it is difficult to distinguish between County and City data. He suggested that each piece of data be identified. He also suggested that at the top of page six there not be reference to a ratio and a percentage in the same sentence. He recommended that the source be readily apparent.

Commissioner Prince agreed with Commissioner Cunningham and questioned how quickly the decrease to 60% in single-family homes will take place. She found the proposed decrease to be surprising. Mr. Teerlink stated that the statement came from the graphs above that were established in 2016. This type of new data needs to be reviewed. Mr. Teerlink explained that the County is asking the City to establish a baseline based on current data created through the census of the Department of Workforce Housing.

Strategy 1 was referenced and involved rezoning or creating a study to update specific locations for mixed-use development in commercial and residential zones. The goal was to adopt an amendment by the end of the year, which has already been done. The Planning Commission recommended that the City Council change to the Office Research Development (“ORD”) zone to allow for residential use, which was not permitted in the past. It will be used by the City’s redevelopment partner to create housing units there.

Mr. Teerlink commented that by the end of the year a study will be created to implement a new zone for the Holladay Crossroads Small Area Master Plan. It is intended to be used in the area of VanWinkle Parkway and 6200 South. He explained that the two retail blocks are master-planned for mixed-use.

The third action is to do a similar exercise for the C-1 and C-2 zones by 2023. Currently, they are mixed-use zones, however, the language was rolled over from the County in 2000, and is unclear

as to what type of residential density or allowable uses can be placed there. An applicant would have to come to the Planning Commission with a plan to develop commercial with an accessory residential use. The density would be established by going through the public process. That is a turnoff for developers who are not interested in going through that exercise for a small project. The intent is to establish a new study and proposals for a public hearing for those two zones by 2023.

Strategy 2 was referenced. It is a critical long-range element that perhaps addresses a small percentage of property owners who are looking to have larger lots and would like to subdivide larger properties into smaller 10,000 to 15,000-square-foot lots.

Strategy 3 was a collaborative effort with the Redevelopment Agency (“RDA”) partners. The first action would involve the 100 moderate-income housing units that the City has an obligation to build in collaboration with Royal Holladay Hills. The target date is 2028.

Strategy 4 pertains to addressing the ADU residential code to look for impediments by the end of 2024. It would include a public engagement process because the community from staff’s point of view is split on ADUs.

Strategy 5 involves the elimination of impact fees specifically for moderate-income housing. It is subject to approval by the City Council and budgetary impacts. Reducing impact fees that impact life safety issues would not be considered.

Strategy 6 pertained to the reduction of parking requirements and the modification of parking ratios throughout the City. That was expected to be done by the end of the year.

Ms. Marsh stressed the importance of addressing existing residents. There is an aging population who may not want to live in their large houses but want to remain in the City of Holladay. The intent was to create new housing opportunities for them to remain in the community.

Commissioner Roach assumed that when discussing allowing splitting off larger lots, protected areas, such as Walker Woods, would be excluded. Mr. Teerlink stated that the Country Estates Districts will likely not be addressed in this type of study.

Commissioner Quinn asked if there was value in amending the order or if the State’s menu presents them so that they correlate a certain way. Mr. Teerlink stated that they can be placed in any manner that is coherent and makes sense to the City. It was recommended that a one-page summary be provided of the options the City chose not to pursue.

Mr. Godfrey emphasized that execution of the General Plan will be in the form of zoning ordinances. This is broad-range visioning to comply with the State requirements that are in place currently. Execution strategies will follow. The legal requirement is that the City have the General Plan in place by October 1, 2022. Time will be allowed for the implementation of the zoning changes.

The various options were discussed. Mr. Godfrey reported that the State Legislature appropriated funding that flowed through the counties for affordable housing projects. The City and a private developer are working jointly to obtain some of those funds for a proposed project in the City. He explained that the zoning ordinance was recently amended to allow for multi-family housing. Mr. Teerlink explained that State law requires dates and timeframes for each strategy but specifically allows cities to have flexibility in those timeframes. Mr. Godfrey reported that a report is being prepared for review by DWS to ensure that it complies. A situation where one specific circumstance meets the criteria may or may not work. It could instead be limited to certain areas. He explained that the housing assistance funding with the County is a short-term, one-time allocation. He was not overly concerned about that holding the City back.

Various potential strategies were identified. The concept regarding the transfer of development rights for moderate-income housing was discussed. Mr. Godfrey preferred the City not go that direction, particularly since there is not much open land. He did not consider that to be a good approach for the City of Holladay.

Commissioner Banks stated that an alternative approach would be for the City to have the prerogative to do what is best in light of the legislation. One of the existing provisions in the plan was to provide an opportunity for the development of housing options for different ages, lifestyles, and incomes. He considered it a worthy goal and stated that the social implications must happen to facilitate moderate-income housing. It should however be applied with a measured approach to avoid dramatic changes. He was inclined to eliminate one or two of the proposed strategies and recommended that the three that are already incorporated in the plan be put forward.

Mr. Teerlink commented that it is staff's responsibility to provide the Commission with several options to consider.

Commissioner Prince appreciated Commissioner Banks' thoughtful approach but considered the proposed six strategies to be reasonable. Some have already been completed and others were underway. She was comfortable with all six as a way to address what was put forward by the State Legislature. She appreciated the effort and attention staff had put into preparing the proposal.

Chair Howard Layton had a foundational concern about wanting to temper the lengths at which the City goes to encourage a significant amount of additional moderate-income housing. He considered it to be more about the options than tempering their efforts to encourage additional moderate-income housing.

Commissioner Prince commented on the word "limited" and stated that in the City of Holladay, land values are rising at a precipitous rate. Even if all 24 points were put forward, there would not be a significant change in the amount of moderate-income housing generated. Mr. Teerlink commented that currently there are 1,900 housing units in the City. If all options were implemented, not including what is to be built in Royal Holladay Hills, they might be able to increase it to 300 to 500 new housing units. Of those, he was unsure how many would be considered moderate-income units. If more housing types are available, the stock starts to level out and there is cost equalization across the County.

Commissioner Banks stated that it is easier to add additional strategies as needed rather than take them away.

Commissioner Vichinsky understood what was being proposed but stated that the result could be an overabundance of moderate-income housing that is not truly moderately priced. She questioned whether the City would truly be meeting its goal by doing that. She wanted to have a plan in place to prevent that. Mr. Teerlink stated that only three elements are specifically geared toward moderate-income housing strategies. They include:

- Studying infill in residential neighborhoods for moderate-income housing;
- Collaborating with Redevelopment Agency partners to establish moderate-income housing; and
- Reducing and waiving impact fees only for proposed moderately-rated homes.

Of those three, one will definitely meet that goal. The other two were uncertain. The others are geared toward a different type of housing availability. A municipality that adopts all of the elements still may not reach a level of housing stock that is moderately rated for its entire population. How it is distributed throughout the State and counties will be helpful.

In response to a question raised, Mr. Godfrey stated that there are two categories. One is legislative where recommendations are made to the City Council regarding how the broader policy statements of the City ought to be reflected in the General Plan and the Zoning Ordinance. The other is the Commission's administrative role where they look at specific land use applications and either approve or deny. The Commission is at its highest level of legislative authority in that they are recommending an advisory non-binding document to the City Council that is an amendment to the General Plan. The law requires that the General Plan have an element on affordable housing. The law relating to it was recently changed. What is being presented is a proposed amendment to the Moderate-Income Housing Element of the City of Holladay's General Plan. State law requires that it include specific areas to be addressed. It was Mr. Godfrey's opinion that the proposed amendment complies with State law. The area where the Commission has latitude is determining which strategies to include in the General Plan. The Council will likely adopt what is proposed by the Commission with minor variations. Mr. Godfrey stated that the bigger issue will be implementing the strategies in the General Plan.

Mr. Godfrey cautioned the Commission and stated that currently there is discussion about making General Plans different in character and requiring that elements be binding when zone changes are brought forward. Language was being crafted in a manner that will protect the City in that unfortunate event. He clarified that the City does not develop affordable housing and it is likely that an affordable housing project will never be built. Private development does that but the City can enable and regulate it at certain levels. The intent is to identify meaningful places where strategies can be adopted that could enable the creation of moderate-income housing in the City. It should not be assumed that the number of single-family homes will be reduced and changed to multi-family units. There may, however, be an increase in the number of multi-family units being

developed compared to single-family homes. He noted that this is the highest level of visioning and planning and is one element of the General Plan.

There were no public comments. The public hearing was closed.

Commissioner Prince moved that the Planning Commission forward the Moderate-Income Housing Amendment as presented to the City Council for consideration for inclusion in the Holladay General Plan based on the following findings:

- 1. These items help the City comply with SB-462, which requires them to select from a menu of options to possibly increase the availability of moderate-income housing.***
- 2. The General Plan has been updated several times in the last several years and this is a welcome clean-up of the language as currently constituted.***

Commissioner Roach seconded the motion. Vote on motion: Commissioner Cunningham-Aye, Commissioner Vilchinsky-Aye, Commissioner Banks-Nay, Commissioner Roach-Aye, Commissioner Prince-Aye, Chair Howard Layton-Aye. The motion passed 5-to-1.

The matter was to be heard by the City Council on September 8, 2022.

ADJOURN

Commissioner Prince moved to adjourn. The motion passed with the unanimous consent of the Commission.

The Planning Commission Meeting adjourned at 8:00 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the City of Holladay Planning Commission Meeting held Tuesday, August 30, 2022.

Teri Forbes

Teri Forbes
T Forbes Group
Minutes Secretary

Minutes Approved: October 4th 2022