

**MINUTES OF THE COTTONWOOD HEIGHTS CITY
PLANNING COMMISSION WORK MEETING**

**Wednesday, June 4, 2025
5:00 p.m.
2277 East Bengal Boulevard
City Council Work Room**

ATTENDANCE

Members Present: Chair Lucy Anderson, Vice-Chair Sean Steinman, Commissioner Mike Shelton, Commissioner Dan Poulson, Commissioner Dan Mills, Commissioner Mike Smith, Commissioner Garry Barnes, Commissioner Rusty Lugo-Alternate

Staff Present: Community and Economic Development Director, Michael Johnson; Deputy City Recorder, Cienna Brummel; Planner III, Ian Harris; System Administrator, Alex Earl

WORK SESSION

Chair Lucy Anderson called the Planning Commission Work Session to order at 5:00 p.m.

1.0 Review Business Session Agenda.

Chair Anderson reviewed the Business Session Agenda and indicated that the Business Items included a Zoning Text Amendment to modify language within Chapter 19.37, Neighborhood Commercial (“NC”) Zone, as well as Project GPA-25-002, the Moderate-Income Housing report. She then welcomed Commissioner Rusty Lugo, who was appointed by the City Council as the alternate Commissioner.

Commissioner Lugo stated that he grew up in West Jordan. When his uncle purchased a property on Dolphin Way in Cottonwood Heights, he hoped that maybe he could live in the City one day as well. He now lives across the street. He thanked Commissioner Steinman for introducing him to Mr. Johnson and indicated that he was happy to be on the Planning Commission and ready to learn.

Chair Anderson from District 3 introduced herself and indicated that she was in her second term. Commissioner Poulson stated that he was in his first term and was also still learning. Commissioner Barnes stated that he was also relatively new to the Planning Commission. It was his fifth meeting. Commissioner Shelton from District 1 indicated that he was in his first term. Commissioner Smith from District 1 stated that he was an at-large member and was also in his first term. Commissioner Mills indicated that he was in his second term and stated that he loves the Planning Commission and the City. He thinks they make a strong attempt at keeping things apolitical and doing what is best for the residents of Cottonwood Heights. Even though they come from districts, under Chair Anderson’s leadership they strive to look at everything through that

lens and do what is best for the City's future. He was very grateful for the City Staff. Commissioner Steinman stated that he was there to support the City in any way he could.

System Administrator, Alex Earl; Deputy City Recorder, Cienna Brummel; Planner III, Ian Harris; and Community and Economic Development Director, Michael Johnson introduced themselves as well.

Mr. Johnson reported that Item 3.1, CUP-25-004, was withdrawn by the Applicant after the Agenda was published. He then reviewed Agenda Item 3.2, Project ZTA-25-001 regarding the Live/Work Zoning Text Amendment and noted that no additional changes had been made since the last Planning Commission meeting on the item.

In February 2025, the City Council issued a moratorium on Live/Work Conditional Use Permit ("CUP") applications within the NC Zone. The moratorium is valid for up to 180 days or approximately six months to provide the City with time to better define regulations related to the Live/Work Land Use. Staff then worked to create an ordinance that better defined the use. The Planning Commission provided feedback on the original draft, which was incorporated into the current version.

The ordinance only applies within the NC Zone, which is the only zone that specifically lists Live/Work as an allowed Conditional Use type. Staff cleaned up various uses that could have allowed a developer to bypass the intent of the zone to provide a neighborhood commercial element.

Concerns had been expressed that it may be used as a tool to build entirely residential developments, which would not meet the intent and definition of the NC Zone. As such, the following predominantly residential Conditional Uses were removed from the ordinance:

- Bed and Breakfast
- Home occupations
- Home preschools
- Planned unit development
- Residential facilities for elderly persons
- Live/Work spaces

The term "Mixed Residential housing" was replaced with "Neighborhood Mixed-Use." That would allow a residential component, but only as a part of a Neighborhood Mixed-Use development. The following definition of the term was added to the Definitions section of the ordinance:

A single building containing more than one type of Land Use, at least one of which is residential, or a single development of more than one building and use, one of which is residential, where the different types of Land Uses are in close proximity, planned as a unified complementary whole, and functionally integrated to the use of shared vehicular and pedestrian access and parking areas.

Commissioner Shelton recommended replacing “at least one of which is residential” with “at least one of which is *commercial*,” as he believed that would be more in keeping with the intent of the zone. Mr. Johnson recommended changing it to read “at least one of which *may be* residential.” All other uses in the NC Zone will be non-residential. The definition indicates that if someone wants to add a residential element, Neighborhood Mixed-Use is the only way to do so, and the residential must be in addition to a commercial use. After discussion, it was decided that the language would be changed to read “*at least one of which must be non-residential and one of which may be residential.*”

The following draft standards for Neighborhood Mixed-Use would be codified within the Chapter:

- All NC development standards pertaining to building height, setbacks, landscaping, coverage, etc., shall apply.
- The mix of uses shall be consistent with the Permitted and Conditional Uses listed in the Neighborhood Commercial Chapter.
- The non-residential portion of a Neighborhood Mixed-Use project shall constitute a minimum of 25% of the total gross floor area of the entire unit or project square footage.
- At least 50% of the unit or project frontage at ground level along a public right-of-way shall be dedicated to the non-residential portion of the project.

In response to a question from Commissioner Shelton, Mr. Johnson clarified that residential use would only be mentioned in the definition of Neighborhood Mixed-Use, but it could be further clarified. The draft standards would ensure that there is a good balance between commercial and residential uses and that the commercial use is prominently featured and accessible from the public right-of-way.

Commissioner Barnes asked if the ordinance was consistent with similar cities’ standards. Mr. Johnson indicated that Staff reviewed various cities’ definitions of Live/Work and Mixed-Use prior to drafting the ordinance and other cities have the same general standards. Staff felt that requiring more than 25% commercial presence may not be supported by the commercial market but ensuring that it is focused on the public right-of-way would make the most of that presence.

In response to a question from Commissioner Shelton, Mr. Johnson clarified that public right-of-way frontage is required, so a private road would not meet the standard. The project that initiated the amendment was on a corner lot and had frontage on two public rights-of-way. The previous configuration likely would not have worked with the new definition.

Mr. Johnson reported that Staff recommended the following additional modifications to the ordinance that did not directly relate to the moratorium:

- Eliminating the minimum lot size, width, and depth requirements and allowing other standards to dictate the actual lot size to support a specific development.
- Modifying the height requirements to specify a maximum height of 35 feet and removing the reference to two stories to make it consistent with other zones.

Commissioner Mills stated that the amended ordinance would help facilitate shared parking, as in his opinion commercial buildings can be more creative with shared parking. It would also allow the zone to be utilized in areas of the City that are well-suited to that type of development.

Mr. Johnson reported that home occupations are allowed in all residential zones and proposed that clarification to that effect be added to the Neighborhood Mixed-Use definition.

Commissioner Steinman stated that the ordinance now met the intent of the NC Zone and thanked Staff for their efforts in drafting it. Chair Anderson agreed.

Mr. Johnson asked the Commission if there were any obvious Conditional Uses that should be moved to Permitted Uses in the NC Zone. He noted that Conditional Uses require Planning Commission approval, whereas Permitted Uses do not. However, the NC Zone is unique in that it has no Permitted Uses. In response to a question from Commissioner Steinman, Mr. Johnson reported that they do not receive many calls on the matter because there are not many projects in the NC Zone. Prior to the Live/Work proposal, the most frequently requested uses were dental and medical offices. In response to a follow-up question, he reported that Staff would have to research the matter before recommending Permitted Uses.

Chair Anderson stated that she believed they would need a more detailed discussion on Permitted Uses. She also wanted to ensure that they provided the City Council with what it had requested regarding the Live/Work use. She thanked Staff for the outstanding job on the amendment as it provided a lot of clarification.

In response to a question from Commissioner Shelton, it was noted that Neighborhood Mixed-Use was listed as a Conditional Use in the zone.

Mr. Johnson reported that one public comment was received after the deadline, which he would forward to the Commission. He informed the individual that they would have the opportunity to provide their input at a July City Council meeting.

Item 3.3 would be Project GPA-25-002, the Moderate-Income Housing Report, a compliance plan that must be submitted by every city in Utah. Every five years, cities are required to update their plan. In other years, they submit annual reports. The state legislature modifies the legislation each year.

Mr. Johnson reported that 2025 is year five for Cottonwood Heights, so the plan must be updated. There are many parameters regarding how the plan must be written, specific language that must be used, and content, so the report is considerably more technical in nature than most City master plans.

Utah State Code Section 10-9a-408 requires every municipality to adopt a moderate-income housing plan and submit progress reports. The Cottonwood Heights Moderate-Income Housing Report must be adopted and submitted no later than August 1, 2025.

The state provides 26 housing strategies, and cities must select a minimum of three options and create detailed implementation plans for each option. Cities that adopt five strategies are eligible for priority road funding from the Transportation Investment Fund. Staff identified five strategies for adoption in 2025.

In response to a question from Commissioner Steinman, Mr. Johnson clarified that the Hillside area does not qualify as a high-transit rail zone, but it is possible that the Gravel Pit will qualify due to the bus hub being constructed there. That would require an updated plan. In response to a follow-up question, Mr. Johnson reported that the AMI data was based on several different data sets, including community profile and census data.

Affordable housing is housing for which total household costs are no more than 30% of gross household income. Moderate-income housing is affordable to households that earn 80% or less of the Area Median Income (“AMI”). In 2024, the AMI in Cottonwood Heights was \$116,583. At that rate, the affordable housing cost would be \$2,915 monthly. At 80% AMI or \$93,266 per year, it would be \$2,332 per month. Other affordability bands can be targeted, including 50% (low income) and 30% (very low income) AMI.

In response to a question from Commissioner Smith, Mr. Johnson confirmed that housing costs are increasing exponentially and the State wants to ensure affordability. The median home value in Cottonwood Heights is now over \$800,000.

Commissioner Steinman asked if there were development opportunities based on state growth. Mr. Johnson clarified that it is based on state growth, as well as inflationary projections and Wasatch Front Regional Council ("WFRC") regional master plans. Growth areas in Cottonwood Heights are primarily limited to the Gravel Pit, Town Center, and some infill opportunities.

Community data was reviewed.

- City Population: 33,594, which indicates a population decrease of 0.5%
- Median age: 39.1
 - Salt Lake County median age: 33.8
 - Utah median age: 31.7
- Percentage of constrained households: 29.3%. This is the percentage of owner-occupied households that would not be able to afford a home in present conditions with housing costs comprising less than 30% of monthly gross income.
- Median income: \$116,583
- Median home cost: \$770,100 (as of fall 2024)

Commissioner Shelton asked if data on average household size was available. Mr. Johnson stated that the information was tracked but not included in the Moderate-Income Housing Report. The average number is 1.8 children per household.

The City’s housing profile was reviewed next.

- Housing age: Approximately one-half of housing was built between 1960 and 1980 and one-quarter was built between 1980 and 2000.

- Housing type: Single-family housing makes up 80% of the City’s housing, 15% is multi-family, and 2% is twin homes or duplexes.
- Owner-occupied homes constitute 71%, with renters at 29%. The percentage of owner-occupied homes is slightly higher than the county average. Most multi-family homes are owner-occupied.

Mr. Johnson reported that the City has a housing deficit for renters with incomes of 70% AMI or lower, but a slight surplus of 57 units for renters at 80% AMI. Similarly, a high percentage of affordable for-sale units are available for higher income ranges, but there is a large gap in availability at 80% AMI or lower.

Cottonwood Heights’ current defined strategies are:

- Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.
- Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers.
- Implement zoning incentives for moderate-income units in new developments.
- Demonstrate utilization of a moderate-income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate-income housing.

In response to a question from Commissioner Steinman, Mr. Johnson reported that Canyon Centre is the only project currently collecting tax increment financing (“TIF”), and that project preceded the requirement for an affordable housing set aside. If TIF is triggered for the Town Center, an affordable housing set-aside will be required for that project. The Gravel Pit is also a future candidate.

Mr. Johnson reported on the City’s recent progress toward its four goals.

- Two Planned Development Districts (“PDD”) have created deed-restricted affordable housing units.
 - ICO: 21 units at 50% AMI
 - Northern Gravel Pit: 15% of total units (approximately 40 units) at 80% AMI
- Market example: Santa Fe Apartments
 - Of 492 units, 173 are deemed affordable with rents at 50% and 65% AMI
- Accessory dwelling units (“ADU”) are allowed.
 - Internal ADUs are permitted and require licensing and inspection.
 - Detached ADUs are conditional and require Planning Commission approval.
 - 15 licenses have been issued or are in process.
- Multiple commercial zones allow for mixed residential housing, including Residential Office, Neighborhood Commercial, Mixed Use, PDD, and Form-Based Code.
- One Community Reinvestment Area (Town Center)

- The project area budget will require a moderate-income housing set aside when TIF is implemented.
- There are two remaining economic development areas (“EDAs”) that still have budgets, some of which could be moved to an affordable housing fund.
- Potential future creation of Gravel Pit CRA.
- Wasatch Choice Vision Plan
 - Future vision for growth and development over time. The most intense development is envisioned for the Gravel Pit, the Union Park area, the Town Center, and Highland Drive.

In response to a question from Commissioner Steinman, Mr. Johnson stated that the EDAs are the Union Park Center near 1300 East and the Cottonwood Corporate Center on the eastern edge of the City. The excess funds cannot be retained indefinitely. Staff was determining how best to utilize the funds and would recommend that a portion be invested in affordable housing.

For 2025, Staff proposed adding Strategy L: Reduce, waive, or eliminate Impact Fees related to moderate-income housing.

Implementation measures for the five strategies were reviewed.

Strategy E: ADU allowance

- Continue to monitor the number of ADU licenses issued each year and promote the City’s ADU licensing process.
- Research other cities’ ADU standards and consider ordinance amendments that streamline the process, especially for detached ADUs which have much stricter requirements.
- Develop a “card file” system for ADUs and new homes to provide pre-engineered building plans to expedite permit review times and reduce financial barriers.

Strategy F: Allow residential density in commercial areas

- Multiple commercial zones allow residential use (Residential Office, Neighborhood Commercial, Mixed Use, PDD, future Form-Based Code).
 - Two PDD projects are implementing this goal, with a total of 81 deed-restricted affordable housing units.
- Continue tracking the number of moderate-income housing units in developments along commercial corridors.
- Ensure that mixed-use housing options are properly codified, defined, and regulated in various non-residential zoning districts.
- Identify development strategies to utilize private resources, public-private partnerships, and other regional programs to implement housing-friendly goals, such as improving pedestrian, transit, and active-transportation infrastructure along Fort Union Boulevard.

Strategy H: Zoning incentives for affordable units

- The PDD Zone achieves this by providing high development flexibility and requiring affordable units.
 - 600 units have been constructed or entitled, 81 of which will be deed-restricted affordable units.

- The same tool is anticipated to be utilized in the future Gravel Pit development.
- Continue to track development projects using incentive tools.
- Identify local financial incentives for the development of targeted housing types.
 - First Home Investment Zone (“FHIZ”)
 - Home Ownership Promotion Zone (“HOPZ”)
 - TIF
 - CRA
 - Potential fee waivers for compatible development projects.

Strategy P: Moderate-income housing set aside from CRAs

- All new CRAs require set-asides for investment in moderate-income housing within the area or region.
- Town Center CRA anticipated.
- Begin the process of establishing TIF collection with the Town Center Project Area.
- Consider the creation of Gravel Pit CRA by developing plan documents.
- Formalize a Plan to utilize leftover EDA funds, including a portion of investment in regional affordable housing funds.

Strategy L: Waive or reduce Impact Fees for moderate-income housing

- The City can charge Impact Fees for new development projects.
- Review Impact Fees with the development community to identify criteria in which fees can be reduced or waived to promote incentives for moderate-income housing.
- Establish attainable goals and objectives based on the Impact Fee review that can be integrated and further reported on in the City’s 2026 Moderate-Income Housing Report.

In response to a question from Commissioner Steinman, Mr. Johnson confirmed that the City has an Impact Fee table, although fees are not currently being charged. Historically, only Transportation and Stormwater Impact Fees were charged. Cities can also charge Impact Fees for parks, public safety, police and fire, etc. Large future projects will create an impact on public and utility infrastructure needs, so the City Council may need to reconsider those fees. There are specific requirements for Impact Fees, including that the funds must be spent within a certain amount of time and in a certain qualifying way. A study is conducted prior to the fees being assessed.

Mr. Johnson provided the following additional recommendations that could be implemented budget permitting:

- Establish a neighborhood improvement fund to provide financial assistance to qualifying households for maintenance, repairs, and property improvement.
- Consider expansion of the 50/50 Program to assist with curb, gutter, and sidewalk repairs.
- Engage with state, federal, private, and nonprofit partners to share in the effort to provide affordable housing options within the area.

Commissioner Smith asked if Cottonwood Heights’ setback requirements for detached ADUs were similar to other communities in the area. Mr. Johnson stated that ADUs are allowed to be the same size as other detached structures and up to 20 feet in height in certain circumstances. However, a garage can be built three feet from the property line, but a detached ADU would require the same

setbacks as a new home: eight to 10 feet from the property lines on the sides and 20 feet in the rear. Those requirements preclude many properties in the City from having detached ADUs. Internal ADUs do not carry such restrictions.

Commissioner Steinman asked about prefabricated ADUs. Mr. Johnson stated that manufactured housing is allowed for both ADUs and primary structures as long as it meets the Building Code.

Chair Anderson thanked Mr. Johnson for the valuable information and indicated that the discussion could continue during the Business Session.

2.0 Adjourn.

Commissioner Steinman moved to ADJOURN the Work Session. Commissioner Mills seconded the motion. The motion passed with the unanimous consent of the Commission.

The Work Session adjourned at 5:58 p.m.

**MINUTES OF THE COTTONWOOD HEIGHTS CITY
PLANNING COMMISSION BUSINESS MEETING**

**Wednesday, June 4, 2025
6:00 p.m.
2277 East Bengal Boulevard
City Council Chambers**

Members Present: Chair Lucy Anderson, Vice-Chair Sean Steinman, Commissioner Mike Shelton, Commissioner Dan Poulson, Commissioner Dan Mills, Commissioner Mike Smith, Commissioner Garry Barnes, Commissioner Rusty Lugo-Alternate

Staff Present: Community and Economic Development Director, Michael Johnson; Deputy City Recorder, Cienna Brummel; Planner III, Ian Harris; System Administrator, Alex Earl

Public Attendees: Suzanne Hyland, Michael Carey, Nathan Anderson, Audrey Pines

BUSINESS SESSION

Chair Lucy Anderson called the Planning Commission Business Session to order at 6:03 p.m.

1.0 Welcome and Acknowledgements.

1.1 Ex Parte Communications or Conflicts of Interest to Disclose.

There were no Ex Parte Communications or Conflicts of Interest disclosed.

2.0 General Public Comment.

There were no public comments.

3.0 Business Items.

3.1 Project CUP-25-004 - A Public Hearing and Potential Action on a Request by Bento Viana on Behalf of União do Vegetal Church (“UDV”) for a Conditional Use Permit to Operate a Church at a Former Wells Fargo Branch at 3425 East Bengal Boulevard.

Chair Anderson reported that this application was withdrawn.

3.2 Project ZTA-25-001 - A Public Hearing and Potential Recommendation to City Council on a City-Initiated Zoning Text Amendment to Modify Language within Chapter 19.37 NC – Neighborhood Commercial.

Community and Economic Development Director, Michael Johnson presented the Staff Report and reported that as a result of the moratorium on Live/Work uses in the Neighborhood Commercial (“NC”) Zone imposed by the City Council in February 2025, the City has up to 180 days to better define the use type. The proposed Zoning Text Amendment would accomplish that goal. Mr. Johnson then reviewed the changes included in the amendment.

The following codified Conditional Uses would be removed:

- Bed and breakfast
- Home occupations
- Home preschools
- Planned unit development
- Residential facilities for elderly persons
- Live/Work spaces

The Mixed Residential Housing Conditional Use would be replaced with Neighborhood Mixed Use, which would allow residential housing only as a component of a Neighborhood mixed-use development application. A definition of the term would be codified, and the following standards would apply:

- Neighborhood Mixed Use projects may include a residential component in addition to at least one non-residential use listed in the NC Ordinance.
- All development standards pertaining to height, setbacks, landscaping, parking, coverage, etc., shall apply.
- The mix of uses shall be consistent with the Permitted and Conditional Uses listed in the NC Ordinance.
- The non-residential portion of a Neighborhood mixed-use project shall constitute at least 25% of the total gross floor area of the entire unit or project.
- At least 50% of the unit or project frontage at ground level along a public right-of-way shall be dedicated to the non-residential portion of the project.

The following clarifications were also proposed:

- Removal of minimum lot size, width, and depth requirements in favor of allowing other requirements to dictate what can be built on a property.
- Removal of the reference to “two stories” in the height requirements and leaving the 35-foot maximum height.

Mr. Johnson reported that the changes were based on conversations with and feedback from the Planning Commission and City Council. As a legislative item, the Planning Commission would make a recommendation to the City Council, which would then take final action on the proposed amendment.

Chair Anderson opened the public hearing.

Nathan Anderson stated that it was difficult to hear that his property development rights might be diminished. They purchased a property that they thought had great development rights and potential. He understands that the City does not like Live/Work. He had a meeting with Mayor

Weichers and Council Member Birrell who told him that he would be fine if he followed the ordinance. They also indicated that it would be nice to have moderately priced housing and an owner-user community. He had been working to accomplish that goal and had provided information to that effect to Mr. Johnson. However, commercial real estate brokers indicated that the property does not work because it is not a prime location. He asked that the Planning Commission table its decision to provide time for him to submit his application so it could be grandfathered in. Alternatively, he asked that they consider striking the requirement for a commercial use to occupy 25% of the gross area and suggested that non-prime locations be allowed to have as little as 16% commercial. They have a hairstylist who is interested in the eastern unit, but they cannot compete with other office space because there is too much vacant space.

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

Commissioner Steinman stated that Staff put a lot of time and effort into researching adjacent communities, understanding definitions, and creating the Neighborhood Commercial component. There have been several iterations of the Zoning Text Amendment. His comfort level with the current text was high. Chair Anderson agreed.

Commissioner Mills stated that the Neighborhood Commercial areas throughout the City are unique, and he appreciated that Staff tried to craft an ordinance that would meet many different needs. He believed that the current ordinance would meet those needs. He appreciated Staff's efforts to return to the intent of the zone.

Commissioner Steinman stated that the purpose of the NC Zone was to provide a nice transitional buffer between commercial and residential. There are not many NC areas in Cottonwood Heights, so they have to be very thoughtful about how those parcels are developed and ensure that the intent is represented by the code.

Commissioner Shelton expressed sympathy for the property owner who purchased a property for which the City had unclear expectations. He believed that the City's action would harm a landowner who made a purchase based on that lack of clarity. The clarification may be difficult, and he expressed his personal sympathy if that lack of clarity caused him financial harm.

Commissioner Steinman moved to forward a recommendation of APPROVAL to the City Council for a City-Initiated Zoning Text Amendment to Modify Language within Chapter 19.37 NC – Neighborhood Commercial, Project ZTA-25-001, based on the Findings and Recommendations listed in the Staff Report dated June 4, 2025. Commissioner Mills seconded the motion. Vote on Motion: Commissioner Mills-Yes; Commissioner Steinman-Yes; Commissioner Poulson-Yes; Commissioner Barnes-Yes; Commissioner Shelton-Yes; Commissioner Smith-Yes; Chair Anderson-Yes. The motion passed with the unanimous consent of the Commission.

Chair Anderson apologized for not introducing New Alternate Commissioner, Rusty Lugo, and thanked Commissioner Lugo for joining the Planning Commission. She clarified that as an alternate, Commissioner Lugo only votes if a member is absent.

3.3 Project GPA-25-002 – Moderate-Income Housing Report – A Public Hearing and Potential Recommendation to City Council on the Draft Moderate-Income Housing Report, as Required by Utah State Code.

Mr. Johnson presented the Moderate-Income Housing Report and indicated that the item was discussed in more detail during the Work Session.

Utah State Code requires that all cities adopt and report annually on a Moderate-Income Housing Plan. Cities are required to choose from 26 specific options to provide opportunities for moderate-income housing. At least three strategies must be adopted, but cities that adopt five are eligible for priority road funding. The report must be submitted prior to August 1 each year. 2025 is Cottonwood Heights' fifth year, so the City is required to adopt a new plan by that date. Background information on affordable housing and moderate income, as well as community statistics, were provided during the Work Session.

Five strategies were proposed, the first four of which were carried over from the previous report.

1. **Strategy E:** Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units (“ADU”) in residential zones.
2. **Strategy F:** Zone or rezone for higher-density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers.
3. **Strategy H:** Implement zoning incentives for moderate-income units in new developments.
4. **Strategy P:** Demonstrate utilization of a moderate-income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate-income housing.
5. **Strategy L:** Reduce, waive, or eliminate Impact Fees related to moderate-income housing.

Mr. Johnson briefly reviewed the implementation measures for each strategy.

Strategy E

- Continue to report on, and ensure that public information is available for, ADUs.
- Analyze ADU standards to determine if a better balance can be found between respecting privacy and property rights and creating an easier process for detached ADUs.
- Develop a card file system of pre-engineered plans for ADUs and potentially small homes.

Strategy F

- Allow residential density in commercial areas. Multifamily housing is already allowed within all commercial zones in the City, with one exception.
- Two Planned Development Districts (“PDD”) are entitled with over 600 residential units, approximately 80 of which are deed-restricted to affordable housing.

- Ensure that development standards incentivize housing within commercial developments.
- Ensure that decisions regarding infrastructure, right-of-way design, active transportation, etc. meet the transportation needs of residents of moderate-income housing.

Strategy H

- PDDs allow high development flexibility in exchange for meeting certain requirements including deed-restricted affordable units.
- Continue tracking development projects using these tools.
- Identify local financial options to further invest in affordable housing types.

Strategy P

- All new community reinvestment areas (“CRA”) require set-asides for investment in moderate-income housing. CRAs are created at the beginning of a new development, and the property tax value can be reinvested in the project area.
- A Town Center CRA is anticipated, as well as a future Gravel Pit CRA.
- Formalize a plan to utilize leftover economic development area (“EDA”) funds that were inherited from Salt Lake County, including investing a portion of those funds in regional affordable housing.

Strategy L

- The City can charge Impact Fees for new development projects. Historically, Impact Fees have only been assessed for transportation and stormwater. Other cities have various Impact Fees for public safety, parks, etc., which have to be validated in a formal study before collection can begin. Staff recommended that if the City pursued Impact Fees for new growth areas like the Gravel Pit, they include options for waiver or reduction of fees related to affordable housing units.

Other recommendations (budget permitting):

- Establish a neighborhood improvement fund to provide assistance to qualifying income-constrained households for maintenance, repairs, and property improvements.
- Consider expanding the 50/50 Program to assist with curb, gutter, and sidewalk repairs.
- Engage with state, federal, private, and nonprofit partners to share in the effort to provide affordable housing options in the area.

Chair Anderson opened the public hearing.

Mike Carey stated that he is the chair of the Salt Lake County Republican Party and was elected due to his 25 years of experience as a general contractor. His wife is an engineer and developer. He expressed concern about some of the recommendations. He lived in Washington, D.C. for 11 years before moving to the area, and Montgomery County, Maryland implemented some of the same strategies when he was on their Department of Permitting Services Advisory Committee. He believes that ADUs are a useful tool, but they will not solve the housing problem. His experience was that in lower-income neighborhoods, ADUs became boarding houses. Unless a cap is placed on the number of units allowed in the City and have very specific setback requirements for detached units, there could be multiple residences on single-family lots. He was also against removing Impact Fees. The City already does not collect Impact Fees on schools, and that is part

of the reason property taxes are so high. Elimination of Impact Fees will not change sales prices or development costs. Rather, it will add to the bottom line for developers like him. He is working with Steven Waldrup and Senator Cullimore on these issues. The Utah First Homes Act allows for first-time homebuyer assistance on new construction only because the data says that the state needs more starter homes. However, Envision Utah, the Wasatch Front Regional Council ("WFRC"), and other nonprofit entities that are pushing for densification are using data that stopped being measured in the second quarter of 2022. He indicated that all current reports cite a Kem C. Gardner Policy Institute report from September 2023.

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

In response to a question from Commissioner Steinman, Mr. Johnson clarified that the Moderate-Income Housing Plan does not require a set number of units at a specific percentage of adjusted median income ("AMI"). The City's PDD Ordinance, however, requires a range of between 10% and 15% affordable housing units. If units are provided at 50% AMI, a smaller percentage of total units have to be deed-restricted. At 80% AMI, a larger percentage is required.

In response to a follow-up question, Mr. Johnson reported that the City has the ability to charge Impact Fees, but it currently does not because there is not a lot of new growth. Upcoming projects will create new growth and new impacts, so they may need to be considered in the future.

Mr. Johnson provided an example of the benefits of the PDD Ordinance. The underlying Land Use vision for the Gravel Pit is Mixed Use, which allows a maximum height of 35 feet and a density of 35 units per acre. By going through the PDD process, the developer could build to a maximum height of 20 stories with no maximum density. That flexibility has tradeoffs, including the provision for affordable units. The City is using its PDD Ordinance as an example of compliance for the report, but no deed restrictions are mandated in the State's strategies.

Commissioner Steinman asked at what point Impact Fees would be imposed. Mr. Johnson reported that the City would need to conduct a study to determine if there are projects that qualify for Impact Fees. In response to Commissioner Steinman's follow-up question, Mr. Johnson reported that a study would need to be conducted related to the specific Impact Fee the City Council was interested in considering. The formal study would then be presented publicly and approved, and the Impact Fees could be implemented in a way that complies with the study. Commissioner Steinman stated that it was his understanding the report must be updated every three years. Mr. Johnson did not have that information available. Commissioner Steinman stated that the City may want to consider implementing Impact Fees.

Mr. Johnson explained that Impact Fees cannot be used for maintenance of existing facilities. Additionally, if the funds are not spent within a certain timeframe, they must be returned. Most of the City's infill development already has an impact, and redevelopment of a property does not create a new impact unless it is a drastic increase in development intensity. Commissioner Steinman stated that in some instances, there could be a substantial impact. Mr. Johnson reiterated that studies would need to be conducted that support reimposing Impact Fees.

Commissioner Mills stated that they could be underestimating the impact of projects like the Town Center and Gravel Pit. He agreed that they should revisit the Impact Fee discussion, possibly along with form-based code.

Commissioner Steinman stated that the City needs to be careful with redevelopments like the Gravel Pit and Hillside Plaza because they are in CRA zones. The City wants to promote affordability within those spaces, so they have to be careful when adding additional fees. However, that is the City Council's purview. He does not believe fees should be associated with form-based code. He envisioned an Impact Fee table based on density and true impact. He believes Impact Fees are a small part of the moderate-income housing discussion, and he was comfortable with Staff's modifications to the report.

In response to a question from Commissioner Steinman, Mr. Johnson stated that no grants or bonds are made available through compliance with the moderate-income housing reporting requirement. However, by implementing five strategies, the City may have priority access to a certain transportation investment fund.

Commissioner Mills clarified that he was not advocating for removing Impact Fees from the list. He believes they need to watch closely as density increases in adjacent municipalities and infrastructure is impacted. Developers are not held responsible for anything off their property. He is grateful that the matter was brought up, and he believes the Commission should be ready to have that discussion in the future.

Mr. Johnson clarified that none of the selected strategies will solve the housing problem as it does not have an easy solution. They are taking steps to try to ease the burden.

Commissioner Smith stated that it seemed like the State was imposing the requirements on the City, and he was unsure of their motivation other than ensuring that people keep moving to Utah. Densification is happening all around, and he did not know what could be done to slow it down. Affordable housing is a good cause, but he believes the other side of the equation should also be considered by the State.

Commissioner Steinman stated that by the definition of "affordable," an affordable home in Cottonwood Heights would have a \$3,000 mortgage payment, which is very high. He believes "attainable" is a better word. He hopes his children will be able to attain housing in Cottonwood Heights, but it is hard to make that high of a salary in the City. Densification is fascinating because growth and progress are hard to see, but it can be done thoughtfully. He asked how they can change the mindset from affordable to attainable housing and noted that it is a statewide issue. There was a 40% increase in property values between 2020 and 2022. To Mr. Carey's point, the data sets need to be more current, and they also need to consider where the market will be in the future.

Commissioner Smith asked what the community's obligation is to provide affordable housing. He believes there is some responsibility, but he also believes that Beverly Hills would say that they do not have that same responsibility.

Commissioner Steinman stated that they needed to consider public service employees. For example, in Summit County, a 60% AMI project is not affordable. Nurses and teachers need places to live. They need to think long-term, and they are taking some of the necessary steps to do so. Chair Anderson agreed that they are taking those steps in a thoughtful way.

Commissioner Steinman stated that more study needs to be done on ADUs before the ordinance is changed, but he believed the City Council would be focusing heavily on that issue. His concern was that they could be turned into short-term rentals. However, they also needed to consider whether ADUs were an opportunity for thoughtful density.

In response to a question from Commissioner Mills, Mr. Johnson reported that the City had received 15 to 20 applications for ADUs since the ordinance was passed. That number includes both internal and external ADUs. Commissioner Mills stated that there was no reason to panic over such a small number. They would not want a large number of ADUs, but he was confident that they could allow more without creating chaos. He believes that thoughtful discussion between the Planning Commission and City Council will result in solutions that they were just scratching the surface of. He was very supportive of all five recommendations.

Commissioner Mills moved to forward a recommendation of APPROVAL to the City Council for Project GPA-25-002, an updated Moderate-Income Housing Plan and Report pursuant to Utah State Code reporting requirements. Commissioner Smith seconded the motion. Vote on Motion: Commissioner Smith-Yes; Commissioner Shelton-Yes; Commissioner Barnes-Yes; Commissioner Poulson-Yes; Commissioner Steinman-Yes; Commissioner Mills-Yes; Chair Anderson-Yes. The motion passed with the unanimous consent of the Commission.

4.0 Consent Agenda

4.1 Approval of Planning Commission Meeting Minutes from May 7, 2025.

Commissioner Steinman moved to APPROVE the Consent Agenda. Commissioner Poulson seconded the motion. The motion passed with the unanimous consent of the Commission.

5.0 Adjourn.

Commissioner Smith moved to ADJOURN the Business Session. Commissioner Shelton seconded the motion. The motion passed with the unanimous consent of the Commission.

The Business Session adjourned at approximately 6:48 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Cottonwood Heights City Planning Commission Work Session and Business Session held on Wednesday, June 4, 2025.

Teri Forbes

Teri Forbes
T Forbes Group
Minutes Secretary

Minutes Approved: _____