



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Nick Tarbet
Policy Analyst

DATE: April 3, 2018

RE: Text Amendment – Chapter 2.58 Surplus Land Disposition Policy:
Prioritizing Affordable Housing

Item Schedule: (all dates 2018)

Briefing: April 3

Set Date:

Public Hearing:

Potential Action: April 17

ISSUE AT-A-GLANCE

The Council will be briefed about that would amend [Chapter 2.58 – City Owned Real Property](#), in order to prioritize affordable housing in the disposition of city owned property. The goal of the proposed ordinance is to advance objectives outlined in the recently adopted Housing Plan (*December 2017*).

The transmittal notes that Mayor Biskupski signed an Executive Memorandum directing City staff to propose revisions to the surplus land disposition policy that would “require evaluating the inclusion of affordable housing in surplus land disposition for real property assets owned by the City.”

Additionally, this proposed ordinance relates to Objective 2.1.3 of the Housing Plan: Offer incentives to developers of affordable housing such as land discounts and primary finance options.

That objective specifically states:

“To strengthen the leveraging of City land, the following will be considered: **(1) a policy that requires affordable housing to be evaluated in surplus land disposition, which could include development requirements and/or allocation of proceeds from sale to the Housing Trust Fund; and** (2) taking a more proactive surplus property approach which would involve an analysis of the whole portfolio of City-owned land and prioritization of parcels best for housing; and (3) evaluating if additional City Staff or resources are necessary to maximize leveraging City lands and assets.”



ADDITIONAL INFORMATION

Outline of Proposed Changes to the Ordinance

Pages 4-5 of the transmittal outlines the key changes to the ordinance. A short summary is provided below, please see the transmittal for full details.

1. 2.58.010: Surplus Real Property; Identification and Reporting Requirements
 - Insertion of language around evaluation of potential surplus real property for suitability for affordable housing.
2. A 2.58.030: Conveyance for Value
 - Insertion of additional public policy factor exception for affordable housing to the expectation that all conveyances of surplus property be based on highest and best economic return to the city (also added public safety infrastructure and open space).
3. A 2.58.060: Disposition of Proceeds
 - Insertion of language that a portion of proceeds from sales of properties may be transferred to the City's Housing Trust Fund on an annual basis based on a recommendation of the Community and Neighborhoods (CAN) Department Director or designees.
 - *Funds within this account may not be expended without priori appropriation nor approval of the City Council.*
4. A 2.58.010: Surplus Real Property; Identification and Reporting Requirements
 - Adding that department heads or designees shall periodically identify potential surplus real property
 - Adding that the evaluation of potential surplus property should include an evaluation for other city needs with all department heads (this is codifying the current practice)
5. 2.58.030: Conveyance for Value
 - Insertion of additional public policy factor exceptions for public safety infrastructure and open space
 - Insertion of role of Real Property Manager to reflect current practice
6. 2.58.035: Significant Parcel of Real Property
 - Deletion of "Any property where the conveyance of the property would result in a request for a change of zoning of that property" as it is rarely known at disposition whether this will be the case
 - Modification of identification of significant parcel table notes to reflect the street or alley closure process satisfies the ordinance requirements; and removal of telecommunications franchises and right of way permits from utility permits as those are regulated through separate ordinances.

Policy Questions:

The Council may wish to ask the administration to further discuss the following questions?

These questions were provided to HAND staff in advance of the briefing. Responses were not available at the time of publishing. HAND staff will be available to answer these questions during the briefing.

1. Is the list of city owned property discussed on page four of the transmittal available for the Council to review?
2. What is the definition of “quazi-public”? (page 10 - 2.58.030.A(1))
 - a. Do nonprofits fall under that definition?
3. The additional language to 2.58.060 Disposition of Proceeds: (page 13)
“A portion of proceeds from sales of properties may be transferred to a housing trust fund on an annual basis based on the recommendation of the Department of Community and Neighborhoods.”
 - a. What would the impact be to that the surplus property account if a portion of these proceeds are no longer received?
 - b. How will the amount of that portion be decided?
4. How will the policy outlined on pages 5-6 be formally approved/considered?
The three main points of the policy include:
 - a. Provide a target for how often department heads identify potential surplus property.
 - b. Provide a definition of surplus to guide department heads.
 - c. Provide a guideline for evaluating suitability for affordable housing. Suitability for affordable housing opportunities shall be evaluated based upon considerations.



CITY COUNCIL TRANSMITTAL


Patrick Leary, Chief of Staff

Date Received: March 9, 2018
Date sent to Council: March 12, 2018

TO: Salt Lake City Council
Erin Mendenhall, Chair

DATE:

FROM: Mike Reberg, Community & Neighborhoods Director 

SUBJECT: Surplus Land Disposition Policy: prioritizing affordable housing
Solution 2.1.3 of Growing SLC

STAFF CONTACT:

Melissa Jensen, HAND Director, Melissa.Jensen@slcgov.com, 801.535.7777
Lily Gray, HAND Deputy Director, Lily.Gray@slcgov.com, 801.535.6264

DOCUMENT TYPE: Ordinance

RECOMMENDATION: Review the proposed changes to the City's Surplus Real Property code (Chapter 2.58). Adopt the revised ordinance.

BUDGET IMPACT: N/A

BACKGROUND/DISCUSSION:

Immediately upon the City Council's adoption of *Growing SLC* on December 12, 2017, Mayor Biskupski signed an Executive Memorandum directing City staff to propose revisions to the City's surplus land disposition policy that would "require evaluating the inclusion of affordable housing in surplus land disposition for real property assets owned by the City." This proposal is directly tied to Objective 2.1.3 of *Growing SLC*:

Offer incentives to developers of affordable housing such as land discounts and primary financing options.

Many of the primary financing options for affordable housing, such as tax credits and loan programs, are not meeting current funding needs. While the Salt Lake City Housing Trust Fund plays a critical role by providing low interest debt, the need for affordable

housing funding continues to increase overall. As the strategies in this plan are deployed, funding sources will need to increase their capacity and their flexibility in order to incentivize new development. In addition to conventional financing, the use of land “write-offs” and other non-traditional methods of incentives will be incorporated when developing available City-owned land. While this is a common practice of the RDA and HAND, the practice will be expanded and policy should require long-term affordability and increased affordability compliance measures. To strengthen the leveraging of City land, the following will be considered: (1) a policy that requires affordable housing to be evaluated in surplus land disposition, which could include development requirements and/or allocation of proceeds from sale to the Housing Trust Fund; and (2) taking a more proactive surplus property approach which would involve an analysis of the whole portfolio of City-owned land and prioritization of parcels best for housing; and (3) evaluating if additional City Staff or resources are necessary to maximize leveraging City lands and assets.

In response to the Mayor’s memorandum, HAND Staff have developed this proposed ordinance revision to advance affordable housing objectives.

While any “write-offs” or incentives offered by the City would need to comply with Utah Code section 10-8-2, these proposed changes also align with several of the *Guiding Principles for Evaluating and Appropriating City Funds on Housing Developments* established by City Council in the adoption of *Growing SLC*, including:

- *Utilize City-owned land whenever possible.*
- *Identify tools to increase and diversify the total housing supply including housing types that the private market does not sufficiently provide such as family housing in the downtown area, innovative housing types, missing middle housing and middle- to low-income apartments.*
- *Award funding through a competitive, accountable, fair and transparent process to give all interested developers, agencies and organizations equal opportunity to submit proposals for consideration.*
- *Clearly articulate to the community, developers and all interested parties options for funding and collaborating with the City on establishing affordable housing in all neighborhoods.*

This transmittal outlines several key items regarding proposed changes to the City’s surplus land ordinance (Chapter 2.58):

- (1) Defines the purpose of the proposed changes, including the value not only for affordable housing production, but also for improving City practices and aligning with national best practices.
- (2) Describes the proposed ordinance changes that will affect affordable housing and additional minor modifications proposed by the Chief Procurement Officer and Real Property Manager that will support and improve current City procedures.
- (3) Provides an outline of how these ordinance changes will be implemented.

- (4) Provides an analysis of the affordable housing development potential this ordinance change would have on City-owned parcels that are currently zoned for residential development.

(1) Purpose & Guidance

Throughout *Growing SLC*, there is an emphasis on the City creating tools and procedures that focus on the acquisition, development, and rehabilitation of affordable housing. A first step in creating those opportunities is amending the City's disposition practice to strengthen the leveraging of its land to bring additional affordable housing opportunities to the market. Enacting these changes will accomplish three primary objectives:

- Ensuring that whenever it is appropriate, the City's surplus real property assets are used to build affordable housing, targeting one of Salt Lake City's greatest needs.
- Providing clarity to private and non-profit developers about how the City is prioritizing affordable housing development, creating a more predictable disposition practice.
- Establishing guidelines for how often the City reviews its full inventory of real property and how surplus properties are defined to ensure those properties are being used in the public interest.

Aligning surplus land policies with affordable housing needs is a well-established concept. Exhibit 5 shows several examples of how local land disposition ordinances are being used to address issues pertinent to those localities. HAND Staff reviewed these ordinances and national best practices when considering this proposal and found three distinct guidelines emerge:¹

(1) Disposition of public land should be prioritized for public benefit, such as affordable housing.

- This is clearly established through the adoption of *Growing SLC*. Solution 2.1.3 in the housing plan specifically references this expectation:

"To strengthen the leveraging of City land, the following will be considered: 1) a policy that requires affordable housing to be evaluated in surplus land disposition, which could include development requirements and/or allocation of proceeds from sale to the Housing Trust Fund; and 2) taking a more proactive surplus property approach which would involve an analysis of the whole portfolio of City-owned land and prioritization of parcels best for housing; and 3) evaluating if additional city staff or resources are necessary to maximize leveraging City lands and assets."

¹ "Using Public Land to Create Equitable Communities: Policy Best Practices," Living Cities, April 7, 2016: <https://www.livingcities.org/blog/1056-using-public-land-to-create-equitable-communities-policy-best-practices>. "Public Land & Affordable Housing in the Washington DC Region: Best Practices and Recommendations," Urban Land Institute, February 2015: http://washington.uli.org/wp-content/uploads/sites/56/2015/02/ULI_PublicLandReport_Final020615.pdf

(3) Generating and maintaining a comprehensive inventory of the jurisdiction's available land that can strategically match resources to community needs.

- HAND's Real Estate Services team has produced a preliminary, inventoried listing of all city-owned properties. In collaboration with other Divisions, staff are now working through that list and earmarking particular properties that best suit those Division's anticipated needs. This process is helping predict future demand on the inventory which is necessary to provide a meaningful balancing test between other public service necessities and the need to develop new affordable housing units.

(4) Creating a transparent and systematic process for designating public parcels as surplus, establishing the value of parcels, and evaluating potential uses for the public benefit.

- A clearly detailed process will not only ensure that the City's disposition process performs above and beyond Utah State Code requirements, but will also create more certainty in the affordable housing development marketplace.

(2) Proposed Changes to Chapter 2.58

HAND Staff and the Attorney's Office have reviewed the surplus land disposition ordinance and suggested the following changes to prioritize affordable housing development which are shown in tracked changes in Exhibit 2. The following bullet points highlight those changes:

- *2.58.010: Surplus Real Property; Identification and Reporting Requirements*
Insertion of language around evaluation of potential surplus real property for suitability for affordable housing.
- *2.58.030: Conveyance for Value*
Insertion of additional public policy factor exception for affordable housing to the expectation that all conveyances of surplus property be based on highest and best economic return to the city (also added public safety infrastructure and open space). The Attorney's Office has indicated that including this exception does not supersede the process required pursuant to Utah Code section 10-8-2.
- *2.58.060: Disposition of Proceeds*
Insertion of language that a portion of proceeds from sales of properties may be transferred to the City's Housing Trust Fund on an annual basis based on a recommendation of the Community and Neighborhoods (CAN) Department Director or designees. As already documented in the ordinance, this recommendation will require approval from City Council.

Additionally, HAND Staff in coordination with the Chief Procurement Officer have identified six other items in the ordinance that should be amended to reflect current and best practices:

- *2.58.010: Surplus Real Property; Identification and Reporting Requirements*
 - Adding that department heads or designees shall periodically identify potential surplus real property
 - Adding that the evaluation of potential surplus property should include an evaluation for other city needs with all department heads (this is codifying the current practice)
- *2.58.030: Conveyance for Value*
 - Insertion of additional public policy factor exceptions for public safety infrastructure and open space
 - Insertion of role of Real Property Manager to reflect current practice
- *2.58.035: Significant Parcel of Real Property*
 - Deletion of “Any property where the conveyance of the property would result in a request for a change of zoning of that property” as it is rarely known at disposition whether this will be the case
 - Modification of identification of significant parcel table notes to reflect the street or alley closure process satisfies the ordinance requirements; and removal of telecommunications franchises and right of way permits from utility permits as those are regulated through separate ordinances.

(3) Policy and Procedure Changes

The ordinance changes detailed above are relatively minor, but have the potential positive impact to create new affordable units and generate additional revenue for the Housing Trust Fund. Staff has proposed the following policy and procedural changes to complement the ordinance modification.

1. Provide a target for how often department heads identify potential surplus property.

Through consultation with the Chief Procurement Officer, the proposal is for an annual identification, should resources be available.

2. Provide a definition of surplus to guide department heads.

3. Provide a guideline for evaluating suitability for affordable housing. Suitability for affordable housing opportunities shall be evaluated based upon considerations which may include:

- (1) whether the property is large enough and of an appropriate shape for the development of one or more housing units;
- (2) whether utilities such as water, gas, and electricity would be available or can be made available to one or more new housing units at the site;
- (3) whether the current zoning or land use designation of the parcel allows for or is compatible with residential uses; and

- (4) such other factors as the Division of Housing and Neighborhood Development deems necessary or appropriate, including the proximity to transit and neighborhood amenities.

(4) Potential Impact

1. Affordable Housing Development Potential

While not based on a detailed site by site analysis, HAND Staff wanted to provide an estimated order of magnitude assessment of the potential impact that strengthening the evaluation of affordable housing in the disposition of city property could have. HAND Staff analyzed an inventory of city-owned parcels, looking specifically at residentially-zoned parcels on conforming lots to assess development potential for affordable housing. Per the initial list, HAND Staff found 128 properties owned by the City that may be appropriate for residential development.

When considering what properties to assess, staff considered only those with clear expectation of residential development with the following zoning:

- R-1-5000, 7000
- R-2
- RMF-30, 35, 45
- R-MU-35, 45
- RO
- SR-1, 1A, 3
- TSA-MUEC, SP, UN

The 128 properties within these zones total of **67 acres** of land, which would accommodate potentially **1,240 housing units**.

2. Housing Trust Fund Transfer Potential

Proposed changes to 2.58.060 state that, on an annual basis, the CAN Director will provide a recommendation for transferring a portion of total proceeds from land disposition to the Housing Trust Fund.

While the year-end balance of that account can vary considerably, over the last four years, 25 properties have been sold, generating \$2,775,676. If 20% of that revenue had been transferred the Housing Trust Fund, **an additional \$555,135 would be available for affordable housing today** (approximately \$138,784 per year).

Conclusion

These proposed changes will ensure the City does all it can with its own property to prioritize the development of new affordable units while providing clarity to the market and creating a clear and transparent process for all parties.

Further steps may include advocating the other governmental and quasi-governmental agencies in the region adopt similar prioritization procedures, as outlined in Solution 2.2.2 of *Growing SLC*.

EXHIBITS:

1. Proposed Revisions to Chapter 2.58 (Redline Copy)
2. Finalized Chapter 2.58

Exhibit 1: Proposed Revisions to Chapter 2.58 (Redline Copy)

SALT LAKE CITY ORDINANCE

No. ____ of 2018

(City Owned Real Property)

An ordinance amending Chapter 2.58 of the Salt Lake City Code relating to City owned real property.

WHEREAS, Salt Lake City is in the midst of a mounting housing crisis that impacts our residents' ability to reliably find safe secure housing options for themselves and their families; and

WHEREAS, Salt Lake City must lead by example and investigate every barrier to the creation of new affordable housing in the city and steward solutions that will bring this crisis to a close; and

WHEREAS, Salt Lake City is committed to utilizing its real property assets to prioritize the development of new affordable housing throughout the city,

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That Chapter 2.58 of the Salt Lake City Code is amended to read as follows:

Chapter 2.58 CITY OWNED REAL PROPERTY

2.58.010: SURPLUS REAL PROPERTY; IDENTIFICATION AND REPORTING REQUIREMENTS:

Department heads, or designees, shall periodically identify potential surplus real property within the possession of their departments and report such property to the "chief procurement officer", as defined in ~~title 3~~, chapter 3.24 of this code, for ~~consideration~~ evaluation. ~~–~~The chief procurement officer shall ~~also~~ periodically review such reports to determine whether excess properties are on hand that ~~need to~~ should be disposed of. Any disposition of surplus real property that is, in part or whole, open space land under chapter 2.90 ~~of this title~~ must also comply with the disposition process outlined in section 2.90.070 ~~of this title~~. As part of the evaluation of whether to dispose of city-owned real property, potential subject properties will

first be evaluated to determine suitability for city use to promote affordable housing, open space, and other city needs.

2.58.030: CONVEYANCE FOR VALUE:

- A. Every sale of city owned real property shall be conducted by the chief procurement officer or under his/her express written authority. All other conveyances for value, including trades, leases, permits, licenses, franchises, rights of way, revocable permits and easements, shall be conducted in a manner designated in writing by the mayor. All conveyances or encumbrances of such property shall be based on the highest and best economic return to the city, except that consideration for property conveyed may be based on other public policy factors: (1) when conveyed to units of government or other public or quasi-public organizations; ~~or~~ (2) when an encroachment on the public way, within the corporate limits of Salt Lake City, involves a beautification project, including, but not limited to, decorative street lighting, building facade lighting, flower and planter boxes, public safety infrastructure, and landscaping that furthers specific goals and objectives set forth in the city's strategic plan, master plans, or other official documents; or (3) when city-owned real property is conveyed to accomplish the reasonable goals of creation of affordable housing or open space so long as such conveyance complies with Utah law.
- B. The highest and best economic return to the city, as referred to in this chapter, shall be estimated by one or more of the following methods:
1. Sealed competitive bid;
 2. Evaluation by a qualified and disinterested appraiser;
 3. Other professional publications and valuation services; or
 4. An informal market survey conducted by the chief procurement officer or Real Property Manager in the case of items of real property having a readily discernible market value.
 - 4.—
- C. Sales of city real property shall be based, whenever possible, on competitive sealed bids. The chief procurement officer, in consultation with the director of finance, may waive the competitive bidding requirement when the value of the property has been estimated by an alternate method specified under subsection B of this section, and:
1. The value of the property is considered negligible in relation to the costs of sale by bid;
 2. Sale by bidding procedure is deemed unlikely to produce a competitive offer; or
 3. Circumstances indicate that bidding on the property will not be in the best interests of the city.

2.58.035: SIGNIFICANT PARCEL OF REAL PROPERTY:

In connection with any proposed sale, lease, conveyance or other disposition of real property owned by the city, the following real property is deemed to be "significant":

A. Any property where the conveyance of the property would result in a request to amend the city budget;

~~Any property where the conveyance of the property would result in a request for a change of zoning of that property;~~

~~B.~~

B. Any property that is specifically referenced in a master plan or where the proposed use of the land following its conveyance would conflict with the master plan for the area; and

~~C.~~

D.C. Any property designated as significant on table 2.58.035D, "Table Of Significant Parcels Of Real Property", of this section.

EXHIBIT A

TABLE 2.58.035D

TABLE OF SIGNIFICANT PARCELS OF REAL PROPERTY

	Transactions Granting Fee Title		Transactions Granting An Interest					
						Revocable Permits		
Type Of Property ¹	Prope rty Sales	Propert y Exchan ges	Lease Or Tempora ry Use Agreeme nts	Easeme nts	Utility Permit s ⁵		Commer cial	Resident ial
Airport	Y	Y	N	N	N	N	n/a	
Golf courses	Y	Y	Y ⁴	Y	Y	Y	Y	
Open space ²	Y	Y	Y	Y	Y	Y	Y	
Public buildings (except airport property)	Y	Y	N	N	N	N	N	
Public utilities								

properties:								
	Canal properties	Y	Y	N	N	N	N	N
	Sewer facilities	Y	Y	N	N	N	N	N
	Storm drain facilities	Y	Y	N	N	N	N	N
	Water facilities	Y	Y	N	N	N	N	N
	Watershed	Y	Y	N	N	N	N	N
Streets and alleys:								
	Aerial rights	Y	Y	N	N	N	n/a	n/a
	Subsurface rights	Y	Y	N	N	N	n/a	n/a
	Surface rights ³	Y	Y	Y ⁴	N	N	N	N

Notes:

n/a= Not applicable.

1. To the extent that the property falls into more than 1 category, the more restrictive process will apply.

2. Includes all open space property within or without city boundaries, as defined in chapter 2.90 of this title and title 21A of this code.

3. To the extent that any surface use involves a street or alley closure, ~~such use would also be subject to~~ the street or alley closure process satisfies the process outlined under this chapter.

4. More than 10 years' initial term or more than 30 years' total with option terms.

~~5. Includes telecommunications franchises and telecommunications right of way permits.~~

2.58.060: DISPOSITION OF PROCEEDS:

All proceeds or revenue from the sale of any real property sold by the city, including real property declared surplus by an internal service fund of the city, shall be deposited in a surplus property account within the capital improvements fund of the general fund or the Salt Lake City open space lands fund as may be applicable, unless otherwise provided by law. A portion of proceeds from sales of properties may be transferred to a housing trust fund on an annual basis based on the recommendation of the ~~Surplus land disbursement committee~~Department of Community and Neighborhoods. However, if the property was purchased with monies from an enterprise fund, or from properties designated by the mayor for use by an existing enterprise fund, then the proceeds or revenue shall be deposited in a surplus property account within that enterprise fund's capital improvements fund. Funds within surplus property accounts may not be expended without prior appropriation or approval of the city council.

SECTION 2. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2018.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____Approved. _____Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2018.

Published: _____.

HB_ATTYY-#67618-v1-ORDINANCE_- _Amending_2_58_(Disposition_of_Real_Property)_(Final_2-14-2018)

Exhibit 2: Finalized Chapter 2.58

SALT LAKE CITY ORDINANCE

No. ____ of 2018

(City Owned Real Property)

An ordinance amending Chapter 2.58 of the Salt Lake City Code relating to City owned real property.

WHEREAS, Salt Lake City is in the midst of a mounting housing crisis that impacts our residents' ability to reliably find safe secure housing options for themselves and their families; and

WHEREAS, Salt Lake City must lead by example and investigate every barrier to the creation of new affordable housing in the city and steward solutions that will bring this crisis to a close; and

WHEREAS, Salt Lake City is committed to utilizing its real property assets to prioritize the development of new affordable housing throughout the city.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That Chapter 2.58 of the Salt Lake City Code is amended to read as follows:

Chapter 2.58 CITY OWNED REAL PROPERTY

2.58.010: SURPLUS REAL PROPERTY; IDENTIFICATION AND REPORTING REQUIREMENTS:

Department heads, or designees, shall periodically identify potential surplus real property within the possession of their departments and report such property to the "chief procurement officer", as defined in chapter 3.24 of this code, for evaluation. The chief procurement officer shall periodically review such reports to determine whether excess properties are on hand that should be disposed of. Any disposition of surplus real property that is, in part or whole, open space land under chapter 2.90 must also comply with the disposition process outlined in section 2.90.070. As part of the evaluation of whether to dispose of city-owned real property, potential subject

properties will first be evaluated to determine suitability for city use to promote affordable housing, open space, and other city needs.

2.58.030: CONVEYANCE FOR VALUE:

- A. Every sale of city owned real property shall be conducted by the chief procurement officer or under his/her express written authority. All other conveyances for value, including trades, leases, permits, licenses, franchises, rights of way, revocable permits and easements, shall be conducted in a manner designated in writing by the mayor. All conveyances or encumbrances of such property shall be based on the highest and best economic return to the city, except that consideration for property conveyed may be based on other public policy factors: (1) when conveyed to units of government or other public or quasi-public organizations; (2) when an encroachment on the public way, within the corporate limits of Salt Lake City, involves a beautification project, including, but not limited to, decorative street lighting, building facade lighting, flower and planter boxes, public safety infrastructure, and landscaping that furthers specific goals and objectives set forth in the city's strategic plan, master plans, or other official documents; or (3) when city-owned real property is conveyed to accomplish the reasonable goals of creation of affordable housing or open space so long as such conveyance complies with Utah law.
- B. The highest and best economic return to the city, as referred to in this chapter, shall be estimated by one or more of the following methods:
 - 1. Sealed competitive bid;
 - 2. Evaluation by a qualified and disinterested appraiser;
 - 3. Other professional publications and valuation services; or
 - 4. An informal market survey conducted by the chief procurement officer or Real Property Manager in the case of items of real property having a readily discernible market value.
- C. Sales of city real property shall be based, whenever possible, on competitive sealed bids. The chief procurement officer, in consultation with the director of finance, may waive the competitive bidding requirement when the value of the property has been estimated by an alternate method specified under subsection B of this section, and:
 - 1. The value of the property is considered negligible in relation to the costs of sale by bid;
 - 2. Sale by bidding procedure is deemed unlikely to produce a competitive offer; or
 - 3. Circumstances indicate that bidding on the property will not be in the best interests of the city.

2.58.035: SIGNIFICANT PARCEL OF REAL PROPERTY:

In connection with any proposed sale, lease, conveyance or other disposition of real property owned by the city, the following real property is deemed to be "significant":

- A. Any property where the conveyance of the property would result in a request to amend the city budget;
- B. Any property that is specifically referenced in a master plan or where the proposed use of the land following its conveyance would conflict with the master plan for the area; and
- C. Any property designated as significant in the table below, "Table Of Significant Parcels Of Real Property", of this section.

TABLE OF SIGNIFICANT PARCELS OF REAL PROPERTY

Type Of Property ¹		Transactions Granting Fee Title		Transactions Granting An Interest					Residential
		Property Sales	Property Exchanges	Lease Or Temporary Use Agreements	Easements	Revocable Permits			
							Commercial		
Airport		Y	Y	N	N		N	n/a	
Golf courses		Y	Y	Y ⁴	Y		Y	Y	
Open space ²		Y	Y	Y	Y		Y	Y	
Public buildings (except airport property)		Y	Y	N	N		N	N	
Public utilities properties:									
Canal properties		Y	Y	N	N		N	N	

Sewer facilities	Y	Y	N	N		N	N
Storm drain facilities	Y	Y	N	N		N	N
Water facilities	Y	Y	N	N		N	N
Watershed	Y	Y	N	N		N	N
Streets and alleys:							
Aerial rights	Y	Y	N	N		n/a	n/a
Subsurface rights	Y	Y	N	N		n/a	n/a
Surface rights ³	Y	Y	Y ⁴	N		N	N

Notes:

n/a= Not applicable.

1. To the extent that the property falls into more than 1 category, the more restrictive process will apply.

2. Includes all open space property within or without city boundaries, as defined in chapter 2.90 of this title and title 21A of this code.

3.To the extent that any surface use involves a street or alley closure, the street or alley closure process satisfies the process outlined under this chapter.

4.More than 10 years' initial term or more than 30 years' total with option terms.

2.58.060: DISPOSITION OF PROCEEDS:

All proceeds or revenue from the sale of any real property sold by the city, including real property declared surplus by an internal service fund of the city, shall be deposited in a surplus property account within the capital improvements fund of the general fund or the Salt Lake City open space lands fund as may be applicable, unless otherwise provided by law. A portion of proceeds from sales of properties may be transferred to a housing trust fund on an annual basis

based on the recommendation of the Department of Community and Neighborhoods. However, if the property was purchased with monies from an enterprise fund, or from properties designated by the mayor for use by an existing enterprise fund, then the proceeds or revenue shall be deposited in a surplus property account within that enterprise fund's capital improvements fund. Funds within surplus property accounts may not be expended without prior appropriation or approval of the city council.

SECTION 2. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2018.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2018.
Published: _____.
HB_ATT#67618-v2-

Salt Lake City Attorney's Office	
Approved As To Form	
By:	
	Megan DePaulis
Date:	2/21/18

DRAFT LIST
SLC 2018 State Legislative Priorities
January 4, 2018

Affordable housing

- Changes to design-build regulations - projects less than \$250k (Mayne)
- Changes to moderate income housing plan requirements (Wilde)

Homelessness issues

- Funding for homeless resource centers (Eliason)

Northwest Quadrant issues

- No legislation

Airport issues

- No legislation
- Liquor licenses

Water issues

- Extraterritorial jurisdiction (HB 135, Noel)
- Surplus water contracts (HB 124, Coleman)
- Canal relocation (SB 271, Hinkins – 2017)
- Reducing current water requirements (400 gpd)

Transportation issues

- Formula for allocation of the 1/4 of a 1/4 SL County funds (Harper)
- Transportation Task Force (TTF) funding proposals
- State authorization for transportation utility fee
- TTF recommendations for corridor area plans (land use)
- TTF recommendations for restructuring UTA Board

Tax issues (Unedited list of proposals)

- Truth in taxation newspaper ad changes
- Expansion of the manufacturing sales and use tax exemption
- Sales tax of streamed media and amusement devices
- Registration fees and road usage charge program for electric vehicles
- Electric vehicle tax credits
- Property taxation of business personal property
- Certified tax rate amendments (HB 21, McCay)
- Local option sales and use tax distribution formula amendments (SB 36, Stephenson)
- Sales and use tax exemption amendments (SB 37, Stephenson)
- Sales tax on internet purchases