HOUSING AFFORDABILITY

AFFORDABLE HOUSING

WHAT THE LEGISLATURE DID IN 2018 AND WHAT IS HAPPENING ELSEWHERE

April 26, 2018
Start with video

- [https://www.ksl.com/?nid=1171&sid=46269622](https://www.ksl.com/?nid=1171&sid=46269622)
- 4:36 video on apartments and affordable housing
### Top 10 states for population growth

Average annual percentage increase, 2010-16

<table>
<thead>
<tr>
<th>State</th>
<th>Population Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>1.78</td>
</tr>
<tr>
<td>Oregon</td>
<td>1.71</td>
</tr>
<tr>
<td>Idaho</td>
<td>1.83</td>
</tr>
<tr>
<td>Nevada</td>
<td>1.95</td>
</tr>
<tr>
<td>Utah</td>
<td>2.03</td>
</tr>
<tr>
<td>Colorado</td>
<td>1.68</td>
</tr>
<tr>
<td>Arizona</td>
<td>1.66</td>
</tr>
<tr>
<td>Texas</td>
<td>1.58</td>
</tr>
<tr>
<td>Florida</td>
<td>1.82</td>
</tr>
<tr>
<td>D.C.</td>
<td>1.61</td>
</tr>
</tbody>
</table>

### Rising prices

Percent change in home costs, 1991 to third quarter 2017

#### TOP 5

<table>
<thead>
<tr>
<th>State</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>327.3</td>
</tr>
<tr>
<td>Oregon</td>
<td>303.2</td>
</tr>
<tr>
<td>Montana</td>
<td>279.4</td>
</tr>
<tr>
<td>Utah</td>
<td>276.1</td>
</tr>
<tr>
<td>Washington</td>
<td>238.0</td>
</tr>
</tbody>
</table>

#### BOTTOM 5

<table>
<thead>
<tr>
<th>State</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>98.5</td>
</tr>
<tr>
<td>Delaware</td>
<td>97.2</td>
</tr>
<tr>
<td>Indiana</td>
<td>96.5</td>
</tr>
<tr>
<td>Ohio</td>
<td>91.8</td>
</tr>
<tr>
<td>Connecticut</td>
<td>71.7</td>
</tr>
</tbody>
</table>

U.S. percent change: **148.7**

SOURCE: Federal Housing Finance Agency

DESERET NEWS GRAPHIC
Current and Constant Median Sales Prices of Existing Single-Family Homes in Salt Lake County

SL CO. HOUSING AFFORDABILITY

$320,000
$300,000
$280,000
$260,000
$240,000
$220,000
$200,000
$180,000
$160,000
$140,000


Current - Constant 2016 Dollars
Research shows housing becoming less affordable along Wasatch Front
Housing Prices and the Threat to Affordability
What’s Driving-Up Housing Prices in Utah?
The causes for the rapid increase in housing price are divided into two categories. The first includes a number of factors that have a direct impact on the price of an individual home and includes permit and impact fees, development costs, construction costs, and land and labor costs. The second category includes the broad overall market conditions—strong demographic and economic growth—that have created a housing shortage, thus putting upward pressure on prices.
Figure 2: Increase in Households Compared to Increase in Housing Units for Utah

- 1971-1980: 174,272 Housing Units, 150,669 Households
- 1991-2000: 170,206 Housing Units, 164,008 Households
- 2001-2010: 211,115 Housing Units, 176,411 Households
- 2011-2017: 111,455 Housing Units, 162,288 Households

Legend: 
- Gray: Housing Units
- Red: Households
Recent housing development data in Utah

- 2014-2016: 17,500 multifamily units
  - 2014: 30 year high

- 2016: 45% of new residential construction = multi-family

- Condos/townhouses: 21% increase, 3,028 new units

- Apartments: 15% increase, 5,735 new units

- Density does NOT always mean affordability (i.e. downtown SLC)
Herald editorial: The solution to Utah County's housing problem can shift with two key changes

First, before any changes and efforts can be made in local government (or developers) there must be a change in community mindset. The change is this: strategically planned high-density housing will become necessary, and it is not the enemy. Likewise, renters are not the enemy of our communities. Single professionals living here, sharing their

Second, cities can’t control the housing market, but they can control zoning, which dictates which housing types and densities can be built in each district of the city. City and county leaders — from Saratoga Springs to Spanish Fork — must place greater prioritization on accommodating all demographics within a community. As it stands, many cities are failing in this area.
Every state has a shortage of “affordable housing” (2016 Nat’l Low Income Housing Coalition)
Average Gap in Affordable & Available Rental Units in Utah by Income Threshold

- Renter Households
- Affordable Units
- Affordable & Available Units

<table>
<thead>
<tr>
<th>Income Threshold</th>
<th>Renter Households</th>
<th>Affordable Units</th>
<th>Affordable &amp; Available Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤80% HAMFI</td>
<td>162,598</td>
<td>237,428</td>
<td>174,484</td>
</tr>
<tr>
<td>≤50% HAMFI</td>
<td>101,130</td>
<td>110,527</td>
<td>73,386</td>
</tr>
<tr>
<td>≤30% HAMFI</td>
<td>53,976</td>
<td>32,930</td>
<td>15,113</td>
</tr>
</tbody>
</table>


STATE OF UTAH
AFFORDABLE HOUSING ASSESSMENT AND PLAN
2016
October 16, 2017

Dear Mayor Biskupski, Mayor McAdams and Governor Herbert:

1) Construct 800 new units of permanent supportive housing in population centers across the state. The need for additional permanent supportive housing has grown since Crossroads

3) Produce sufficient new funding streams for low income housing to reverse the steady loss of housing units that are affordable to families earning less that $25,000 per year. Market forces have driven rental prices beyond what many families in the rental market can afford. This leaves too many families on the edge of crisis. To reverse this trend our state needs to increase the production of low income housing by at least 1,000 units per year. Reaching this goal will probably require state and local government to issue general obligation and private activity bonds and to come up with other funding options.

Signed by 36 prominent clergy members across Utah
Luke, Councilwoman Lisa Adams and Council Chairman Stan Penfold acknowledged the general public is not generally receptive to high-density developments or affordable housing projects. But that's a perception they hope to set an example about, to demonstrate that projects can be done well and not only integrate into a neighborhood, but also lift the neighborhood.

"We're not talking about building the '60s-era housing projects — that's not what we're looking at," Luke said in a meeting with the Deseret News and KSL editorial boards Monday. "We want to find things that are going to fit with the community."
Housing headlines since the session ended

Orem's Palos Verdes petition garners 9,200 signatures

Genelle Pugmire Daily Herald  Apr 14, 2018
Bill to fine Utah cities lacking affordable housing advances

The proposed law may, however, see changes on Senate floor

By Katie McKellar @KatieMcKellar1
Published: March 5, 2018 3:52 pm

The bill, Eliason said, is meant to incentivize cities to contribute to affordable and low-income housing stock to help prevent Utahns from becoming homeless to begin with. But representatives from the Utah League of Cities and Towns argue punishing cities for housing market failure is not the way to increase affordable housing.
Shelter funding plan stripped of fee on cities lacking affordable housing
HB 462 on affordable housing

• NO STATE FINANCIAL ASSESSMENT OR FEE ON A CITY BECAUSE OF THE CITY’S LAND USE AND STOCK OF AFFORDABLE HOUSING

• DWS must do an annual report with an estimate of the quantity of affordable housing units available in each city in the state

• The report must include a percentage of the available affordable housing and low income housing available in the city compared to the statewide average
HB36, introduced by Rep. Becky Edwards, R-North Salt Lake, incentivizes real estate developers and landlords by using loans and enhanced tax credits to better enable them to drop rent and leasing rates for tenants.

"This bill complements the efforts being done statewide, especially by cities and counties, to alleviate the homeless situation and is an important part of solving that problem," Edwards said this week.
Some legislators wanted to compel cities to plan for certain types of land use, including affordable housing or mixed use developments, or punish cities for not planning for those types of land use, in areas surrounding state transportation corridors.

Rulemaking process; Transportation Commission, in consultation with UDOT, MPOs, and local gov’ts, will:

- Update the prioritization rules for state projects
  - Land use and economic development
- 180 day deadline in the bill
HB 430: Commission on Housing Affordability

Commission membership:

• Legislature: Senator, Two Representatives
• State: DWS (2), GOED, Utah Housing Corp.
• Local: ULCT (2), UAC (2), Utah Redevelopment Association, UTA, public housing
  • Note: ULCT recommends several individuals and the Governor appoints two of them
• Industry: Utah Housing Corporation, Utah Homebuilders Association, Utah Association of Realtors, Utah Bankers Association, Salt Lake Chamber
• Other: nonprofit, rural
HB 430: Commission on Housing Affordability: duties

- At least four meetings annually
- Increase public and gov’t awareness and understanding of housing affordability
- Identify and recommend implementation of strategies, policies, procedures, and programs
- Facilitate communication and coordination of public and private entities
- Study, evaluate, and report on status and effectiveness of policies and programs in Utah and elsewhere
- **Provide recommendations to the Governor and Legislature**
- Commission may request information from local government and the state about projections and statistics
- Commission shall prepare an annual report by October 1
HB 259, Part 1: General plan

Applicable cities: all cities above 10,000 statewide, AND cities above 5,000 people in counties of the third class or larger (31,000)

Previous law required ALL cities (dated to the 1990s)

• By July 1, 2019, an applicable city must within their general plan provide a realistic opportunity to meet the need for moderate income housing within their city over the next five years.
Applicable cities: all cities above 10,000 statewide, AND cities above 5,000 people in counties of the third class or larger (31,000)

- A city must show efforts to:
  - reduce, mitigate, or eliminate local regulatory burdens for MIH
  - encourage preservation or development of MIH
  - Coordinate w/surrounding cities and AOGs or use programs from the Utah Housing Corp.

- A city must analyze/publish data about the number of units in the city that are:
  - 80% AMI, 50% AMI, 30% AMI (of city)
  - Subsidized or deed-restricted

- A city must show:
  - How it utilized RDA/CRA/EDA set aside $
  - Any funds expended to pay or waive construction-related fees
<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>TOTAL HOUSEHOLDS</td>
<td>29,895</td>
<td>100%</td>
</tr>
<tr>
<td>OWNED UNITS</td>
<td>23,315</td>
<td>78%</td>
</tr>
<tr>
<td>RENTAL UNITS</td>
<td>6,580</td>
<td>22%</td>
</tr>
<tr>
<td>TOTAL RENTAL UNITS</td>
<td>133,000</td>
<td></td>
</tr>
<tr>
<td>% OF CITY UNITS IN</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>SECTION 8 UNITS IN</td>
<td>84</td>
<td></td>
</tr>
<tr>
<td>LIHTC UNITS IN</td>
<td>440</td>
<td></td>
</tr>
<tr>
<td>RDA UNITS IN</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>80% - 100% + UNITS PROVIDED</td>
<td>6,056</td>
<td>92%</td>
</tr>
<tr>
<td>50% - 80% (LOW) UNITS PROVIDED</td>
<td>198</td>
<td>3%</td>
</tr>
<tr>
<td>30% - 50% AMI (VLI) UNITS PROVIDED</td>
<td>154</td>
<td>2%</td>
</tr>
<tr>
<td>0% - 30% AMI (ELI) UNITS PROVIDED</td>
<td>172</td>
<td>3%</td>
</tr>
<tr>
<td>REGULATED UNITS IN</td>
<td>524</td>
<td></td>
</tr>
<tr>
<td>REGULATED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>HUD Section 8 Project Based Vouchers</td>
<td>84</td>
<td></td>
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<tr>
<td>Low Income Housing Tax Credit (LIHTC)</td>
<td>440</td>
<td></td>
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<tr>
<td>Rural Development Agency (RDA)</td>
<td>0</td>
<td></td>
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<tr>
<td>Other Regulated (PAB,CRC)</td>
<td>0</td>
<td></td>
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<tr>
<td><strong>SUB-TOTAL</strong></td>
<td><strong>524</strong></td>
<td></td>
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<tr>
<td>NOAH</td>
<td></td>
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<tr>
<td>Naturally Occurring Affordable Housing (NOAH)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>524</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REGULATED (AMI)</th>
<th>DEMAND</th>
<th>SUPPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% - 80% (LI) UNITS</td>
<td>370</td>
<td>6%</td>
</tr>
<tr>
<td>30% - 50% AMI (VLI) UNITS</td>
<td>154</td>
<td>2%</td>
</tr>
<tr>
<td>0% - 30% AMI (ELI) UNITS</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Non Moderate Income Units</td>
<td>6,026</td>
<td>92%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6,876</strong></td>
<td><strong>6,550</strong></td>
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Data provided by Dept. of Workforce Services and Rocky Mountain Community Reinvestment Corporation
1 Introduction

The data at the beginning of this chapter covers all housing within West Valley City and is intended to provide a snapshot of housing conditions at the time of the General Plan update. Comparisons are...
MEMORANDUM:

To: Municipal Legislative Bodies
From: The Utah Department of Workforce Services: Housing and Community Development Division
Date: March 30th, 2018
Subject: Notice of revisions to the moderate-income housing element and biennial review reporting statutes

***FOR IMMEDIATE DISTRIBUTION***
Cautionary concerns from Colorado and California

CO: ballot measure that would restrict housing development across 10 Front Range counties

Berkeley's zoning code, it took the developer two years and as many lawsuits to get approval. He plans to start building next year. The odyssey has become a case study in how California dug itself into a vast housing shortage — a downside, in part, of a thriving economy — and why the State Legislature is taking power from local governments to solve it.

“The housing crisis was caused by the unwillingness of local governments to approve new-home building, and now they’re being held accountable,” said Brian Hanlon, executive director of California Yimby, a housing lobbying group that is backed by the tech industry and helped plan the lawsuits.

Mary Trew, a retired graphic designer who fought the project, drew the same conclusion with a different spin: “Municipalities are losing their authority.”
2017 California Assembly: 15 bill “Housing package”

- **Funding**
  - Recording fee, general obligation bond

- **Streamlining**
  - Multifamily projects approved in cities w/o their share of low/moderate income
  - Workforce Housing Opportunity Zones (50% of units must be moderate or below; focus on transit/jobs)
  - Housing Sustainability District (set aside 20% of units for low income)

- **Accountability**
  - Limits a city from denying a low income project that is consistent w/zoning & plan
  - Inclusionary zoning
  - Annual report to state; Attorney General
  - State funds for cities jeopardized
The CA Assembly is not done

A new bill could give BART the authority to speed up housing construction. Here’s how it would work.

The bill itself does not have an exact housing production goal or minimum density, unlike SB 827. However, the aim is to build 20,000 housing units near BART by 2040—this comes from guidelines passed in 2015, and AB 2923 gives BART the power to rezone its land in order to meet this goal.

SB 827, failed last week in committee: required “upzoning,” state override of local limits on housing height and density near transit
2018 interim: local government opportunity to engage

• Need to help all stakeholders understand the issue of housing affordability and the issue of affordable housing through HB 430 Commission
  • ULCT will have internal group on housing affordability

• Once we understand the scope, then we can start seeking solutions

• Need to immediately comply with HB 259 (see handout)
  1) General plan update (July 1, 2019)
  2) Biennial report to DWS and on your website

• Need to contribute to finding realistic solutions

• Need to preserve local control
Want to engage with us? Need more info?

ULCT staff contacts:

• Cameron Diehl, cdiehl@ulct.org
• Rachel Otto, rotto@ulct.org
• Meg Ryan, mryan@ulct.org

• ULCT representatives on Commission on Housing Affordability: TBD
• ULCT Board of Directors recommended names to the Governor for consideration this week
Cam comments on building relationships w/legislators

• Articulate the city vision without asking anything of the Rep./Sen.
• Campaign support
  • Ask not what the city can do for you, ask what you can do for your city
• Present to city council meetings
• Regular breakfasts
• Shout outs in mayoral messages
• VIP invitations for community events (festivals, parades, rodeos)
• Behind the scenes tour
  • Ride along with police, public works
  • Ask for a capitol tour for your council, boy scouts, etc.
• Ask what they are working on and how the city can help
• Share ULCT policy prism and use ULCT as a resource (we will travel anytime, anywhere to join you ... I’ve met w/legislators and their city leaders from Logan to Ephraim and Vernal to St. George ... the “tour of Utah”)
• Thank them for their service privately and publicly
• ULCT outreach: SB 170 in 2006, SB 136 (billboards) in 2012, HB 362 in 2015, HB 192/HB 253 in 2017, HB 175 and SB 218 (with some audio? Tim Quinn story about why to never stop trying) in 2018
• Find commonality and build relationship of trust
Foundational Principles

- **Frequent contact is key**: set up a regular meeting with your Legislator.

- **Engage your Chamber of Commerce Legislative Affairs Committee**.

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**Agenda**

Legislative Affairs Committee  
Ogden/Weber Chamber of Commerce  
House Building (West Building), Room 25  
Friday, February 20, 2015  
7:00 a.m.

I. Welcome and call to order – Eric Isom  
   • Introductions

II. Recognition of Breakfast Sponsor – American West Bank, Erich Sontag

III. Utah Aviation Hall of Fame (Funding Request) – General Kevin Sullivan

IV. Transportation Presentation – Mayor Brent Taylor, North Ogden City

V. Reports from Legislators – Representative Gage Froerer

VI. Adjourn
Foundational Principles

Personal Contact Is Key
Whenever possible, set up an appointment and visit personally. Don’t just rely on phone/email

Engage Other City Leaders
On a major issue, bring in other elected officials to help show how important the issue really is
Prepare Handouts/Take-aways

Simple, colorful, brief handouts/take-aways are great: legislators are busy people during session, and they may be on an iPad or phone working during your presentation, so give them something they can read later during someone else’s presentation! Videos are great too!

https://www.youtube.com/watch?v=BL9wWFtQ51s&feature=youtu.be http://docdro.id/kO5ly2q
“Scratch their Backs”

• **Make sure you recognize your Legislator’s efforts on behalf of your city through social media, speeches, newsletters, etc.**

• **Make it a “win-win” for your Legislator**
Make Sure to Say “Thank You”

Brent

I am glad that the House and the Senate were finally able to compromise on a solution. Hopefully, this will allow everyone to move forward on their planning.

Ann

F Ann Millner
Utah State Senator
Senate District 18

From: Brent Taylor <btaylor@aggieneeds.org>
Sent: Monday, March 16, 2015 1:25 PM
To: Norm Searle; Ann Millner
Subject: RE: Transportation Funding

Sen. Milner,

Good afternoon. Hope you are recovering well from the session! I wanted to thank you for your time last week meeting with us about transportation funding for local governments. It was much appreciated. And thank you for your vote to support a the compromise bill that passed. It will be a great step forward for funding of local roads and we very much appreciate your support for that.

Sincerely,

AnnMillner@le.utah.gov