Midyear “Caucuses of Commonality” report

- Cities of the 1\textsuperscript{st} and 2\textsuperscript{nd} class
- Established midsized cities
- High growth cities
- Transitioning cities/towns
- Rural hubs/resort communities
- Traditional rural communities

- June 18: Board meeting/LPC
- Aug 16-17: Rural Summit
- Aug 20: Board meeting/Caucus meetings in lieu of LPC
- Sep 11: LPC-Resolutions Committee
- Sep 12-14: Annual Convention (caucus, business session)
## Midyear “Caucuses of Commonality” report

<table>
<thead>
<tr>
<th>Category</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>Direct democracy, state v. citizens, growth, old neighborhoods</td>
</tr>
<tr>
<td>Economic development</td>
<td>Incentives, infill development, jobs</td>
</tr>
<tr>
<td>Environment</td>
<td>Air quality, open space, wildfire</td>
</tr>
<tr>
<td>Housing</td>
<td>Affordability, Aging, homeless, rentals, workforce,</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Broadband, daytime v. nighttime, existing infra v. changing uses, tourism impact</td>
</tr>
<tr>
<td>Land use</td>
<td>Impact fees, Inland port, STRs</td>
</tr>
<tr>
<td>Public safety</td>
<td>Daytime v. nighttime, Tier 2</td>
</tr>
<tr>
<td>Taxation</td>
<td>Fed land, sales tax, truth in taxation</td>
</tr>
<tr>
<td>Transportation</td>
<td>East-west, Our Schools Now, state funding, tourism impact, transit</td>
</tr>
<tr>
<td>Water</td>
<td>Conservation, costs, extraterritorial, GSL, metering, repair and replace, storm water</td>
</tr>
</tbody>
</table>
Economic Update and Trends

Rep. Robert Spendlove
Zions Bank Economic and Public Policy Officer
Housing Gap Coalition

Abby Osborne
Salt Lake Chamber of Commerce
Land Use Task Force update

• Process
• PRC’s agenda
• Subdivision code technical revisions
  • Including Sen. Christensen’s SB 215 Boundary Line Agreement Amendments
  • Bonding for public and private infrastructure
• Referendum – HB 225 next steps
• Attainable/workforce housing and streamlining?
Four water study groups were formed by the Department of Natural Resources to examine issues from 2018 bills:

1. Proposed Constitutional Amendment
2. Water Supply and Surplus Water
3. Private Property
4. Extra-territorial Jurisdiction

See Utah Division of Water Rights page for meeting schedule and materials.
If your city has not yet completed it, please do!

Qualtrix survey link
Law enforcement: Recruitment, Retention, Retirement

Background article from the Daily Herald
Online sales tax and July special session

• *South Dakota v. Wayfair* decision?

• What will happen in a July special session?
Small cell deployment update

- ULCT’s summary on our website
- City attorney working group
SB 136 implementation

- **Step 1: UTA reform**
  - Davis/Weber, Salt Lake, and Utah Counties received applications in early June for 3 member Board of Trustees to then submit to the Governor

- **Step 2: UDOT structure**
  - New Deputy Director Teri Newell
  - Strategic Initiatives: prioritization process w/econ. dev., land use, multimodal; rules TBD
  - Transit eligibility; Transit Transportation Investment Fund

- **Step 3: 4th quarter (Prop. 1) and other new funding**
  - Cities who represent 67% of Salt Lake County population must pass resolutions in support of Salt Lake County by **June 22**
    - Current tally: 55.93%; 14 municipalities passed resolutions, two rejected resolutions, six still TBD
    - Cache County imposed it; Tooele City passed resolution of support

- **Step 4: Transportation and Tax Review Task Force**
Other transportation funding

Transportation and Tax Review TF
• Autonomous vehicles
• Congestion pricing
• P3: Public-private partnerships
• Road usage charge
• Sales tax
• Transportation Reinvestment zones

Our Schools Now
• Opinion question for votes to raise gas tax by 10 cents
• 70% to state, 30% to locals
• 70% = FY 2020 projection for new money for public & higher education: 125,966,954
• 30% = FY 2020 projection for new revenue for cities/towns: $24,393,597
• OSN waiting for SB 136 and summer gas prices to pass
(C) Now, therefore, we the members of the Utah League of Cities and Towns, resolve that:

1. Cities and towns within the State of Utah commit that they are willing and ready to collaborate and partner with the State, the business community, and other stakeholders to pursue a broad range of future economic development opportunities, including those in proximity to State transportation infrastructure.

2. Cities and towns cannot support development proposals, task forces, commissions, districts, development authorities or other legislation that would deprive local municipalities of their traditional local land use authority on private property, or deprive them of control of tax increment generated within their jurisdiction without their consent.

3. League staff should seek appropriate opportunities to communicate the principles contained within this resolution with State legislative leaders.
<table>
<thead>
<tr>
<th>SB 234</th>
<th>Local gov’t concern</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who can appeal?</strong></td>
<td>Owner of land within IP authority who has been adversely affected by land use decision</td>
</tr>
<tr>
<td><strong>Appeal standard</strong></td>
<td>Find in favor of adversely affected person if decision is “detrimental to achieving or implementing the strategies, policies, and objectives” ... or “substantially interferes with or impairs development”</td>
</tr>
<tr>
<td><strong>Tax increment</strong></td>
<td>Authority may receive “up to 100% of the property tax differential for up to 25 years”</td>
</tr>
<tr>
<td><strong>Board composition</strong></td>
<td>11 members, 3 from cities (2 from SLC [council/airport], 1 from WVC)</td>
</tr>
</tbody>
</table>
NW Quad today, but tomorrow?

Many Jurisdictions
- Bluffdale
- South Jordan
- Riverton
- Herriman
- Draper
- Lehi
- Saratoga Springs
- Eagle Mountain
- Sandy
- Salt Lake County
- Utah County
- State
Medical Marijuana initiative

Three main concerns for local government

• General preemption
• Licensing preemption
• Public safety
Do you support or oppose legalizing doctor-prescribed use of non-smoking medical marijuana for certain diseases and pain relief.

- Strongly support: 46%
- Somewhat support: 31%
- Somewhat oppose: 9%
- Strongly oppose: 12%
- Don't know: 3%

Survey by Dan Jones & Associates. February 9-16, 2018. 609 registered Utah voters. Margin of error +/- 4.0%
In our opinion: The false choice of Utah's medical marijuana initiative

30 states and DC allow marijuana use; Colorado & Nevada among most expansive
2018 session:

- HB 25: Cannabinoid Product Board review more products
- HB 195: terminally ill patients can use medicinal MJ
- HB 197: Dept of Ag may contract w/private growers to produce high THC MJ for research
- HB 302: private growers may grow industrial hemp
- SB 130: regulatory framework to sell CBD oil
Information from Ogden Police Chief Randy Watt, Washington State

**Law enforcement:**
- 94% of public safety violations with retailers involved minors
- 71% of all statewide hospital admissions for youth in first quarter of 2016 were marijuana related
- THC positive drivers during the day
  - 7.8% before commercialization in 2014, 19% after in 2015

**Scope:**
- Feb. 2017: 2,697 commercial licenses issued, 1,121 producers, 1,106 processors, 470 retailers; all told, 1,674 individual locations
- 58,604 illegal plants eradicated in 2016, consumed an estimated 43.2 million gallons of water
- 1% of total energy is used for marijuana; equivalent to $6 billion, 2 million homes, or CO2 emissions for 3 million vehicles
Law enforcement:
• 2005-08: 52 interdictions destined to other states
• 2014: 360 interdictions destined to other states
• Traffic Accidents and fatalities, 2013-2016:
  • Number of marijuana induced drivers in fatal accidents doubled
  • Number of drivers testing positive for marijuana use increased 145%
  • Non-fatal accidents doubled

Scope:
• January 2016: 940 marijuana outlets (516 centers, 424 retailers) compared to 322 Starbucks
  • Note: only 1/3 of state allows licensing or sales in their jurisdiction per state law
• Youth use of marijuana: CO moved from 14th nationally in 2005-06 to 1st in 2013-14
• July 2008: Colorado had 4,800 MM patients (pre-dispensaries)
• Dec 2015: CO had 107,534 patients on MM registry
Chief Watt’s general public safety concerns

• Increase in Law Enforcement marijuana-related calls for service, cost of enforcement
  • Violent Crime: Home invasion robberies/homicides, business burglaries, armed robberies, strong-armed robberies, illegal black market
  • Illegal market suppression
  • Property and financial crimes for funding of marijuana purchases
  • Disturbance calls, Domestic Violence
  • Traffic accidents: property, injury, and fatal

• Increase in marijuana-related fire/EMS calls

• Law and Regulation Enforcement and Investigation
  • Cards, Grows, Fee Collection, Health/Safety, Product Identification, etc.
  • More local resources for the legal checks & balances of marijuana
Law enforcement

- Marijuana is a Schedule 1 drug under the Controlled Substances Act
- Can't distinguish between personally-grown legal MJ and illegal MJ
- Pharmacies must keep records of controlled substances distribution for 5 years; MJ dispensaries and production facilities must only keep records for 60 days
  - Counter argument: patient privacy because of federal law
- No state regulation of homegrown MJ (beyond 100 miles from dispensary)
- Local law enforcement may not cooperate with federal authorities enforcing federal law
- Reduced liability for driving under the influence of MJ
  - “having in the person’s body” v. “ingest while operating a motor vehicle”
- Affirmative defense between Nov 2018 and July 1, 2020 that your conduct would have been lawful after July 1, 2020
- No civil or criminal liability or licensing sanctions against a physician
- Potential increased access to minors
May 11 memo concerns

Local land use authority

• Municipality may not enact a zoning ordinance that prohibits a cannabis dispensary or production facility
  • Counter argument: But cities should not be able to outright ban these businesses merely because they provide cannabis-based medicine. Patients should not be deprived of reasonable access to their medication merely because some elected officials don’t want a dispensary in their community, hence the prohibition on this discriminatory activity.

• Dispensaries may not be within 300 feet from residential neighborhoods and 600 feet from community locations (schools, churches, parks, etc.)
  • Note: federal law increases penalties for marijuana distribution within 1,000 feet of school/playground
  • Counter argument: We estimate that no more than 15 dispensaries will operate statewide. There is no reason to be concerned about proximity to homes and schools…
Preemption of local authority

General preemption:
• 4-41b-104: “This chapter preempts any ordinance or rule enacted by a political subdivision of the state regarding a cannabis production establishment.”
• 26-60b-104: “This chapter preempts any ordinance or rule enacted by a political subdivision of the state regarding a cannabis dispensary or a medical cannabis card.”

Licensing preemption:
• 4-41b-405(2): “A municipality or county may not deny or revoke a permit or license to operate a cannabis production facility on the sole basis that the application or cannabis production establishment violates a law of the United States.”
• 26-60b-506(2): “A municipality or county may not deny or revoke a permit or license to operate a cannabis dispensary on the sole basis that the applicant or cannabis dispensary violates a law of the United States.”
Medical Marijuana opponents (sampling)

National:
- American Medical Assoc.
- American Cancer Society
- American Academy of Pediatrics
- National Multiple Sclerosis Society

Local: Drug Safe Utah
- Governor Gary Herbert
- Lt. Governor Spencer Cox
- LDS Church
- Sutherland Institute
- Utah County & District Attorneys Assoc.
- Utah Medical Association
- Utah Narcotics Officers Assoc.
- Utah Prevention Network
- Utah Sheriffs Association
Other interim issues

- **Housing**: ULCT devoting significant resources and also working with DWS, Chamber, other partners.

- **Towing**: industry continues to promote polices that undermine municipal authority over rotation schedule and tow lots.

- **Billboards**: [HB 361](#) -- consensus on a process?

- **HB 336** Fine Amendments

- **Food Trucks**: best practices and taxes

- **Local direct democracy**: [HB 225](#)

- **Alcohol**: [HB 442 (2017 Session)](#) implementation
  - July 1, 2018: state law requires new retailers to obtain a license from DABC. Old retailers will have to apply by Feb. 2019
  - Local consent forms are required for the DABC license
  - Reduces proximity of a restaurant licensee to a community location
Upcoming Wednesday Webchats

• June 13th – Tax Commission on online sales tax (video)
• June 20th at approximately 3:00 – interim day wrap-up
• June 27th at 12:00 – HB 259 training with Department of Workforce Services
• July 11th at 2:00 – Housing Gap Coalition
• July 18th at approximately 3:00 – interim day and special session wrap-up
Zions Bank Economic Overview

Utah League of Cities and Towns

• June 18, 2018
Utah Economic Conditions
Utah Population
3rd Fastest Growing in U.S.

Percent Change: 2016 to 2017
U.S. Rate = 0.7%

Source: U.S. Census Bureau
Utah Counties’ Growth Outpacing Nation

Percent Change: 2016 to 2017

U.S. Rate = 0.7%

Source: U.S. Census Bureau
Utah Population and Components of Change

- Net Migration
- Natural Increase
- Total Population

Sources: U.S. Census Bureau

e = estimate, f = forecast
Utah Population Growth Rates By County 2016 to 2017

State Average = 1.9%

Source: U.S. Census Bureau
Greater Wasatch Population Growth Rates By City 2015 to 2016

State Average = 1.8%

Source: U.S. Census Bureau
Salt Lake County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

Source: U.S. Census Bureau
Utah County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

Source: U.S. Census Bureau
Davis County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

Source: U.S. Census Bureau
Weber County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

Source: U.S. Census Bureau
Washington County Average Growth Rates 2010 to 2017

State Average = 1.7%

- 3.0%+
- 1.8% to 2.9%
- 1.0% to 1.7%
- 0.0% to 0.9%
- Loss

Source: U.S. Census Bureau
Cache County Average Growth Rates 2010 to 2017

State Average = 1.7%

Source: U.S. Census Bureau
Utah has the Fastest Employment Growth

Percent Change in Employment for States: May 2017 to May 2018
U.S. Rate = 1.7% UT Rate = 3.4%

Source: Bureau of Labor Statistics
Utah Total Employment at New Highs

Gain of 339,700 jobs from low in 2010

Loss of 92,000 jobs from 2007-2010

Source: U.S. Bureau of Labor Statistics
Note: Numbers rounded to nearest thousand
Utah Industries Seeing Growth
Percent Change in Utah Employment by Industry: May 2017 to May 2018

- National Resources & Mining: -3.5%
- Construction: 7.6%
- Manufacturing: 2.9%
- Trade, Trans., Utilities: 4.5%
- Information: 0.3%
- Financial Activity: 3.1%
- Professional & Business Services: 4.4%
- Education & Health Services: 3.6%
- Leisure & Hospitality: 4.0%
- Other Services: 0.5%
- Government: 1.6%

Total: 3.5%

Source: Utah Department of Workforce Services
Utah Industries Seeing Growth

Total Change in Utah Employment by Industry: May 2017 to May 2018

- Ntl. Res. & Mining: -300
- Construction: 7,400
- Manufacturing: 3,700
- Trade, Trans., Utilities: 12,400
- Information: 100
- Financial Activity: 2,600
- Prof. & Bus. Serv.: 9,100
- Ed. & Health Serv.: 7,000
- Leisure & Hospitality: 5,700
- Other Services: 200
- Government: 4,000

Total: 51,900

Source: Utah Department of Workforce Services
Changes and Differences Between US and Utah Economies

US Personal Consumption Distribution
Expenditures by product type

1955
- 57% Goods
- 43% Services
- 5% Health care goods and services

1985
- 42% Goods
- 58% Services
- 12% Health care goods and services

2016
- 32% Goods
- 68% Services
- 21% Health care goods and services

Source: Kem C. Gardner Policy Institute Analysis of BEA National and Product Account Data
Changes in Utah’s Tax base

Changes in Utah’s sales and income tax bases as a percent of the economy
Cumulative changes since 1995

Source: Kem C. Gardner Policy Institute analysis of Utah office of Legislative Research and General counsel data
Utah Employment Change Rates By County May 2017 to May 2018
State Rate = 3.4%

Source: Utah Department of Workforce Services
Utah Has the 11th Lowest Unemployment Rate

May 2018 U.S. Rate = 3.8%; UT = 3.0%

Source: Bureau of Labor Statistics
Utah Unemployment Rates By County
April 2018
State Rate = 3.1%

Source: Utah Department of Workforce Services
Utah Personal Income Growth

3rd Highest in the Nation

Percent Change in Personal Income: 2016 - 2017
U.S. = 3.1%, UT = 4.4% ID = 4.7%

Source: Bureau of Labor Statistics
Utah Poverty Rate 7th Lowest in the Nation

2016 U.S. Rate = 14.0%, Utah Rate = 10.1%

Source: U.S. Census Bureau, Annual Community Survey 1-year estimate
Strong Consumer Sentiment

Above 110 indicates economic prosperity

U.S. Consumer Confidence Index: 128.0
Zions Bank Utah Consumer Attitude Index: 110.7

Sources: Conference Board and Cicero Group
Utah Inflation Hits Highest-Level Recorded

Utah 5.0%

US 2.8%

Source: U.S. CPI from National Bureau of Labor Statistics and Wasatch Front CPI from Cicero Group
Utah home values continue to rise

Source: Zillow Research
Household Creation Surpasses Housing Units

New housing units and households in Utah

Source: Kem C. Gardner Policy Institute Population Projections and Ivory Boyer Construction Database
Home Prices Increasing Faster Than Wages

Source: Wall Street Journal
Multigenerational Households on the Rise

One in five Americans live in a multigenerational household

% of population in multigenerational households

Number (in millions)

Note: Multigenerational households include at least two adult generations or grandparents and grandchildren younger than 25.
PEW RESEARCH CENTER
Utah Economic Indicators 2016-2019f

- Population
- Nonfarm Employment
- Unemployment Rate
- Personal Income
- Home Prices
- Retail Sales

Sources: State of Utah Revenue Assumptions Working Group, Moody’s Economy.com, IHS Global Insights

e = estimate  f = forecast
UTAH HOUSING UNIT VS. UTAH HOUSEHOLD GROWTH

Source: U.S. Census Bureau and Ivory-Boyer Construction Database
PROJECTED INCREASE IN HOUSEHOLDS IN UTAH 2017-2022

Source: Kem C. Gardner Policy Institute
**LANDMARK STUDY**

**What Rapidly Rising Prices Mean for Housing Affordability**

**ANALYSIS IN BRIEF**

Since 2015, real estate has witnessed a recovery in employment and demographic growth. This growth has been accompanied by rising housing prices, which now exceed levels from previous cycles. A housing downturn is underway, with supply growth outpacing demand, pushing prices higher. Lower home equity and rising mortgage payments are reducing income and housing affordability; as a result, homeowners are struggling to keep up with their mortgage payments, and many are considering whether to refinance or sell their homes. This report explores the factors contributing to rising housing prices and provides insights into the challenges faced by households trying to purchase or maintain their homes.

**REASONS FOR THE HIGH PRICES**

- **Homeownership rates:** While homeownership rates have increased in recent years, this growth has not been sufficient to meet the demand for homes. The low inventory of homes for sale is driving up prices and making it difficult for buyers to find affordable options.

- **Affordability issues:** The median home price has increased significantly over the past decade, making it more difficult for many households to afford homeownership. The National Association of Realtors (NAR) reports that the median home price in the United States reached $385,700 in 2020, a 15.3% increase from the previous year.

- **Mortgage rates:** Lower mortgage rates have contributed to the recent surge in home prices, as more buyers have been able to qualify for mortgages with lower interest rates.

**CHALLENGES FOR HOUSEHOLDS WITH INCOME BELOW THE MEDIAN**

- The current affordable housing stock is insufficient to meet the needs of households with income below the median. According to NAR, only 36% of homes listed for sale are considered affordable to households with income below the median.

- **Rising costs:** Increasing prices and rising mortgage rates are putting pressure on households with lower incomes, making it even more difficult for them to afford homeownership.

**LOOKING AHEAD**

While the current housing market is challenging for many, there are steps that can be taken to improve affordability. This report provides recommendations for policymakers, housing practitioners, and developers to address the challenges facing households in today’s market.
## HOUSING PRICE INDEX % CHANGE

### 1991 – 3Q 2017

<table>
<thead>
<tr>
<th>State</th>
<th>Index 1991</th>
<th>Index 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>327.3</td>
<td>303.2</td>
</tr>
<tr>
<td>Oregon</td>
<td>303.2</td>
<td>279.4</td>
</tr>
<tr>
<td>Montana</td>
<td>276.1</td>
<td>238.0</td>
</tr>
<tr>
<td>Utah</td>
<td>231.0</td>
<td>213.3</td>
</tr>
<tr>
<td>Washington</td>
<td>213.3</td>
<td>191.1</td>
</tr>
<tr>
<td>Wyoming</td>
<td>199.0</td>
<td>182.9</td>
</tr>
<tr>
<td>North Dakota</td>
<td>186.8</td>
<td>176.4</td>
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<tr>
<td>Arizona</td>
<td>182.9</td>
<td>175.6</td>
</tr>
<tr>
<td>Idaho</td>
<td>175.6</td>
<td>172.4</td>
</tr>
<tr>
<td>Florida</td>
<td>175.3</td>
<td>167.2</td>
</tr>
<tr>
<td>South Dakota</td>
<td>172.4</td>
<td>157.5</td>
</tr>
<tr>
<td>Texas</td>
<td>176.4</td>
<td>151.8</td>
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<tr>
<td>Louisiana</td>
<td>175.6</td>
<td>151.6</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>172.4</td>
<td>149.0</td>
</tr>
<tr>
<td>Minnesota</td>
<td>167.2</td>
<td>148.7</td>
</tr>
<tr>
<td>California</td>
<td>157.5</td>
<td>71.7</td>
</tr>
<tr>
<td>Alaska</td>
<td>151.8</td>
<td></td>
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<tr>
<td>Hawaii</td>
<td>151.6</td>
<td></td>
</tr>
<tr>
<td>Virginia</td>
<td>149.0</td>
<td></td>
</tr>
<tr>
<td>Tennessee</td>
<td>148.7</td>
<td></td>
</tr>
<tr>
<td>USA Avg.</td>
<td>148.7</td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td>71.7</td>
<td></td>
</tr>
</tbody>
</table>

Source: Federal Housing Finance Agency
<table>
<thead>
<tr>
<th>Rank</th>
<th>Metro Area</th>
<th>1991 1st Qtr.</th>
<th>2017 4th Qtr.</th>
<th>Percent Change</th>
<th>AAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boulder, Colorado</td>
<td>$95,000</td>
<td>$484,000</td>
<td>410%</td>
<td>5.6%</td>
</tr>
<tr>
<td>2</td>
<td>Greeley, Colorado</td>
<td>$66,000</td>
<td>$324,000</td>
<td>391%</td>
<td>5.4%</td>
</tr>
<tr>
<td>3</td>
<td>San Francisco, California</td>
<td>$265,000</td>
<td>$1,257,000</td>
<td>374%</td>
<td>5.2%</td>
</tr>
<tr>
<td>4</td>
<td>Fort Collins, Colorado</td>
<td>$78,000</td>
<td>$361,000</td>
<td>363%</td>
<td>5.1%</td>
</tr>
<tr>
<td>5</td>
<td>Portland, Oregon</td>
<td>$80,000</td>
<td>$364,000</td>
<td>355%</td>
<td>5.0%</td>
</tr>
<tr>
<td>6</td>
<td>San Jose, California</td>
<td>$220,000</td>
<td>$945,000</td>
<td>330%</td>
<td>4.7%</td>
</tr>
<tr>
<td>7</td>
<td>Salt Lake City, Utah</td>
<td>$76,000</td>
<td>$307,000</td>
<td>304%</td>
<td>4.4%</td>
</tr>
<tr>
<td>8</td>
<td>Reno, Nevada</td>
<td>$103,500</td>
<td>$415,000</td>
<td>301%</td>
<td>4.3%</td>
</tr>
<tr>
<td>9</td>
<td>Colorado Springs, Colorado</td>
<td>$70,000</td>
<td>$275,000</td>
<td>293%</td>
<td>4.2%</td>
</tr>
<tr>
<td>10</td>
<td>Seattle, Washington</td>
<td>$130,000</td>
<td>$501,000</td>
<td>285%</td>
<td>4.1%</td>
</tr>
<tr>
<td>11</td>
<td>Eugene, Oregon</td>
<td>$67,000</td>
<td>$255,000</td>
<td>281%</td>
<td>4.0%</td>
</tr>
<tr>
<td>12</td>
<td>Provo-Orem, Utah</td>
<td>$80,000</td>
<td>$302,000</td>
<td>278%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

*111 metropolitan areas.

Source: National Home Builders Association
Utahns are Cost Burdened

Housing Prices vs Household Income

2x Faster

50%

Utahns are Cost Burdened
WHAT’S DRIVING UP HOUSING COSTS?

• Housing Shortage
• Construction & Labor Costs
• Local Zoning Ordinances & Nimbyism
• Land Costs & Topography of Wasatch Front Counties
• Demographic & Economic Growth
HOUSING SHORTAGE
4 HOUSEHOLDS : 3 HOUSING UNITS
Since 2010
## APARTMENTS

### Vacancy Rate and New Apartment Units in Wasatch Front Counties

<table>
<thead>
<tr>
<th>Year</th>
<th>Davis County</th>
<th>Salt Lake County</th>
<th>Utah County</th>
<th>Weber County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vacancy Rate</td>
<td>New Apartment Units</td>
<td>Vacancy Rate</td>
<td>New Apartment Units</td>
</tr>
<tr>
<td>2005</td>
<td>9.70%</td>
<td>107</td>
<td>6.10%</td>
<td>1,302</td>
</tr>
<tr>
<td>2006</td>
<td>7.40%</td>
<td>52</td>
<td>4.00%</td>
<td>338</td>
</tr>
<tr>
<td>2007</td>
<td>5.70%</td>
<td>275</td>
<td>3.20%</td>
<td>898</td>
</tr>
<tr>
<td>2008</td>
<td>4.60%</td>
<td>73</td>
<td>4.60%</td>
<td>1,521</td>
</tr>
<tr>
<td>2009</td>
<td>5.90%</td>
<td>108</td>
<td>7.20%</td>
<td>2,442</td>
</tr>
<tr>
<td>2010</td>
<td>8.00%</td>
<td>4</td>
<td>5.70%</td>
<td>541</td>
</tr>
<tr>
<td>2011</td>
<td>5.10%</td>
<td>538</td>
<td>5.20%</td>
<td>488</td>
</tr>
<tr>
<td>2012</td>
<td>5.80%</td>
<td>712</td>
<td>3.80%</td>
<td>538</td>
</tr>
<tr>
<td>2013</td>
<td>6.60%</td>
<td>251</td>
<td>3.90%</td>
<td>1,605</td>
</tr>
<tr>
<td>2014</td>
<td>4.60%</td>
<td>394</td>
<td>3.00%</td>
<td>3,326</td>
</tr>
<tr>
<td>2015</td>
<td>4.50%</td>
<td>198</td>
<td>2.70%</td>
<td>2,918</td>
</tr>
<tr>
<td>2016</td>
<td>4.50%</td>
<td>327</td>
<td>2.90%</td>
<td>4,461</td>
</tr>
<tr>
<td>2017</td>
<td>4.00%</td>
<td>477</td>
<td>2.60%</td>
<td>2,306</td>
</tr>
</tbody>
</table>

Source: Equimark and CBRE
CONSTRUCTION AND LABOR COST
CHANGE IN CONSTRUCTION JOBS AND WAGES, 2007-2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Jobs</td>
<td>104,613</td>
<td>92,756</td>
<td>-11%</td>
</tr>
<tr>
<td>Construction as % of total state employment</td>
<td>8.40%</td>
<td>6.50%</td>
<td></td>
</tr>
<tr>
<td>Construction of Buildings</td>
<td>22,153</td>
<td>19,133</td>
<td>-14%</td>
</tr>
<tr>
<td>Heavy and Civil Engineering Construction</td>
<td>12,398</td>
<td>10,194</td>
<td>-18%</td>
</tr>
<tr>
<td>Specialty Trade Contractors</td>
<td>70,062</td>
<td>63,430</td>
<td>-9%</td>
</tr>
<tr>
<td>Average Construction Monthly Wage</td>
<td>$3,138</td>
<td>$3,956</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: Utah Department of Workforce Services
HARD CONSTRUCTION COST DRIVERS
Percent Change 2007-2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRYWALL</td>
<td>15%</td>
</tr>
<tr>
<td>CABINETRY</td>
<td>40%</td>
</tr>
<tr>
<td>ROOFING</td>
<td>70%</td>
</tr>
<tr>
<td>SIDING</td>
<td>148%</td>
</tr>
<tr>
<td>LUMBER</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Ivory Homes
PERMIT AND IMPACT FEE

Percent Change 2007 – 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 Total</th>
<th>2007 Total</th>
<th>Percent Change 2007 – 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>$23,410</td>
<td>$17,471</td>
<td>34%</td>
</tr>
<tr>
<td>Median</td>
<td>$15,265</td>
<td>$12,157</td>
<td>25%</td>
</tr>
<tr>
<td>Lowest</td>
<td>$6,985</td>
<td>$4,813</td>
<td>45%</td>
</tr>
</tbody>
</table>

Source: Kem C. Gardner Policy Institute
LOCAL ZONING ORDINANCES AND NIMBYISM
BALANCE OF HOUSING TYPES
LAND COSTS & TOPOGRAPHY
LAND IMPROVEMENT COST CHANGE, 2007-2017

The best is not saved for last.

Source: Kem C. Gardner Policy Institute
WE CAN ONLY GROW SO FAR
DEMOGRAPHIC & ECONOMIC GROWTH
POPULATION GROWTH: TOP TEN STATES

Annual Average Rate of Change 2010-2016

Source: U.S. Census Bureau
JOB GROWTH: TOP TEN STATES

Percent Change 2010-2016

Source: U.S. Census Bureau
UNCHECKED HOUSING PRICES

By 2044, Utah Housing Prices could be Equivalent to Today's San Francisco Prices

More than $700,000 in next 26 YEARS
WHAT NOW?
SOLUTIONS

Local Policy Decisions can Help Housing Affordability

ZONING FOR WIDE VARIETY OF HOUSING TYPES AND PRICES

IMPROVE COST-PROHIBITIVE IMPACT AND PERMIT FEES

SUPPORT MULTI-USE LAND DEVELOPMENT
NEXT STEPS
FOR MORE INFORMATION OR TO BECOME INVOLVED

For more information or to read the full report, visit SLChamber.com/HousingGapCoalition

Follow us on Twitter @UtahHousingGap

For sponsorship or membership information, contact Brynn Mortensen bmortensen@slchamber.com 801-706-9853