

UTAH LEAGUE OF CITIES AND TOWNS

Legislative Policy Committee

June 18, 2018



Midyear “Caucuses of Commonality” report

- Cities of the 1st and 2nd 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

- Community

- Direct democracy, state v. citizens, growth, old neighborhoods

- Economic development

- Incentives, infill development, jobs

- Environment

- Air quality, open space, wildfire

- Housing

- Affordability, Aging, homeless, rentals, workforce,

- Infrastructure

- Broadband, daytime v. nighttime, existing infra v. changing uses, tourism impact

- Land use

- Impact fees, Inland port, STRs

- Public safety

- Daytime v. nighttime, Tier 2

- Taxation

- Fed land, sales tax, truth in taxation

- Transportation

- East-west, Our Schools Now, state funding, tourism impact, transit

- Water

- Conservation, costs, extraterritorial, GSL, metering, repair and replace, storm water

Economic Update and Trends



Rep. Robert Spendlove

Zions Bank Economic and Public Policy Officer



Housing Gap Coalition



Abby Osborne

Salt Lake Chamber of Commerce

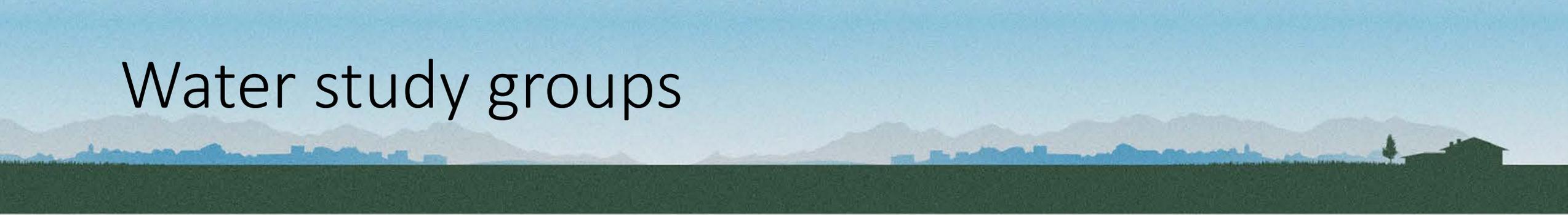


Land Use Task Force update



- 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?

Water study groups



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.





ULCT water survey

If your city has not yet completed
it, please do!

[Qualtrix survey link](#)

Retention, recruitment 'killing' Utah police and fire departments

Mark Shenefelt Standard Examiner Jun 2, 2018

Law enforcement:
Recruitment,
Retention,
Retirement

[Background article](#) from the Daily Herald



Bountiful Police Chief Tom Ross shops with a child during Shop With a Cop at the Centerville Walmart on Saturday, Dec. 1, 2012.



Top Comments

The Daily Herald

Recent | Top Comments

-  **SGardiner** 3 minutes ago
Perhaps, but I have never excluded or refused service to anyo.
-  **Jeff Armstrong** 10 minutes ago
Anyone caring to do a google search can find numerous exar
-  **Paul Christensen** 18 minutes ago
I think you are PC which is not a good thing
-  **MotheroftheHouse** 18 minutes ago
David Fillmore, let me see if I understand you correctly. If one



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



SB 234 Inland Port

Review of ULCT Resolution 2017-001A

(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.

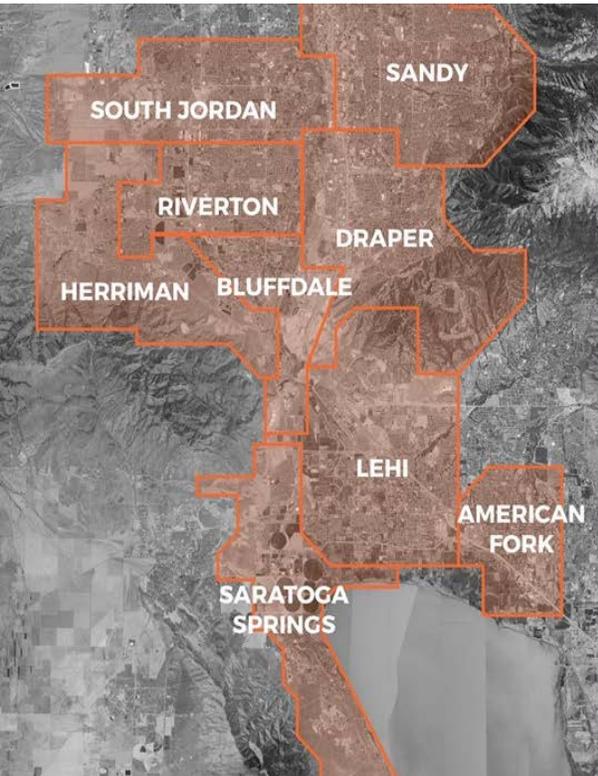


SB 234 Inland Port update

	SB 234	Local gov't concern
Who can appeal?	Owner of land within IP authority who has been adversely affected by land use decision	LUDMA: applicant, city, or any person adversely affected by the land use authority's decision
Appeal standard	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"	LUDMA: appeal authority reviews the correctness of the land use authority's interpretation and application of land use regulations
Tax increment	Authority may receive "up to 100% of the property tax differential for up to 25 years"	Tax differential usually negotiated between all parties (CRAs/RDAs)
Board composition	11 members, 3 from cities (2 from SLC [council/airport], 1 from WVC)	Lack of local gov't representation; IP authority is 27% of SLC land area

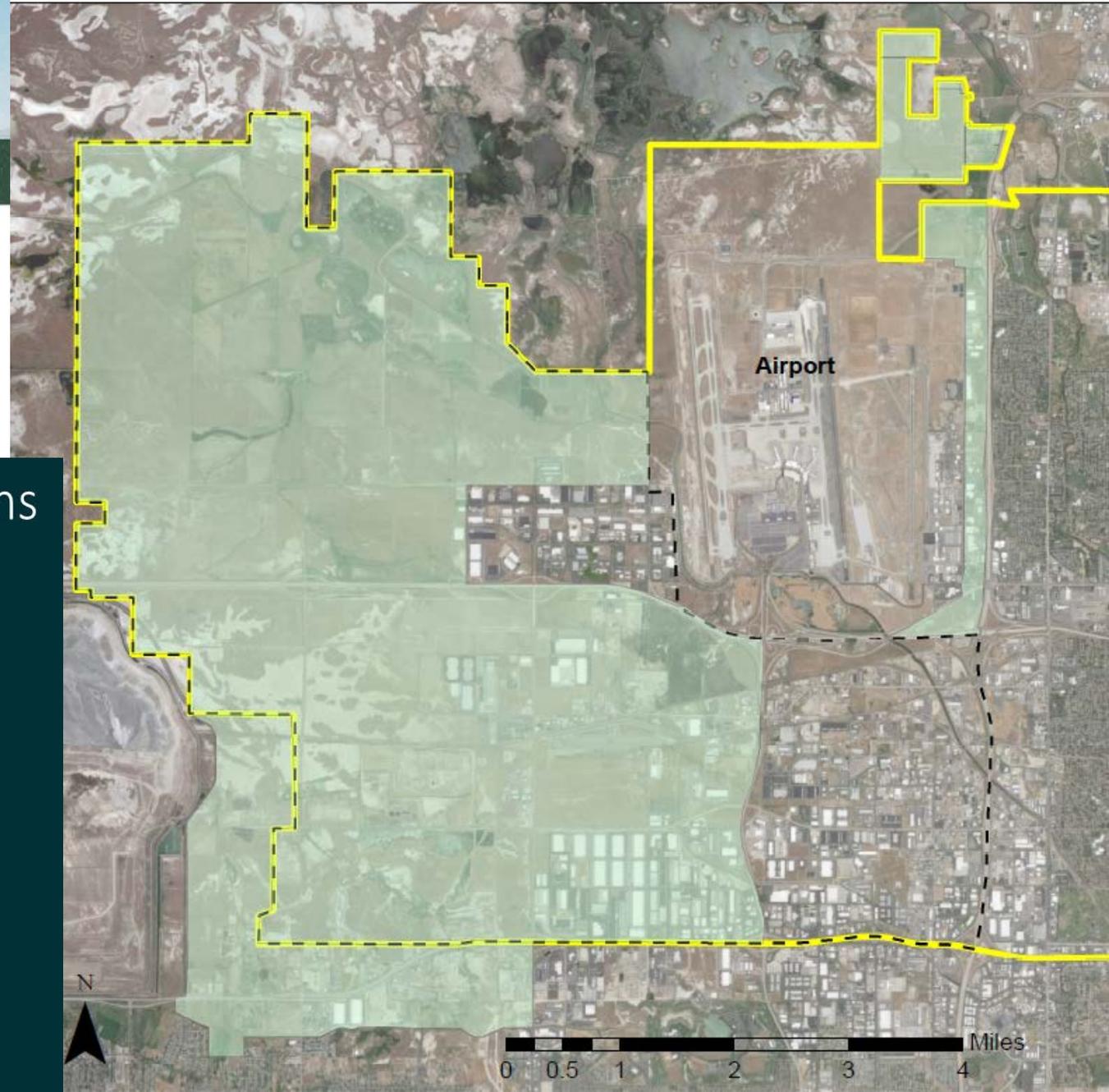
NW Quad today, but tomorrow?

SB234 Final Version Boundary within Northwest Quadrant



Many Jurisdictions

- Bluffdale
- South Jordan
- Riverton
- Herriman
- Draper
- Lehi
- Saratoga Springs
- Eagle Mountain
- Sandy
- Salt Lake County
- Utah County
- State



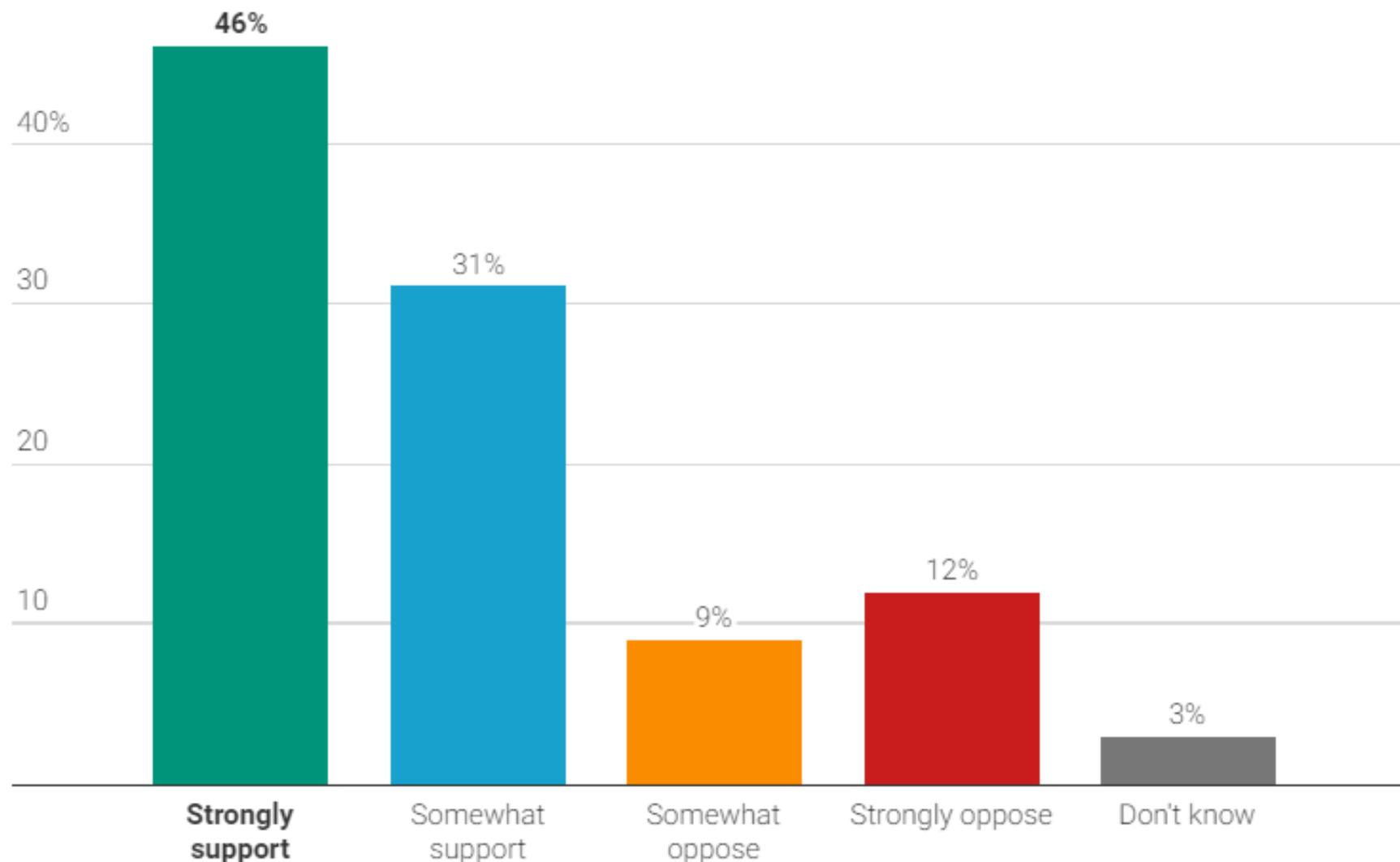
Medical Marijuana initiative

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.



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

Deseret News editorial board
Published: May 13, 2018 5:00 pm



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



Information from Ogden Police Chief Randy Watt, Colorado

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

May 11 memo concerns

MEMORANDUM

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

MEMORANDUM

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 policies 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



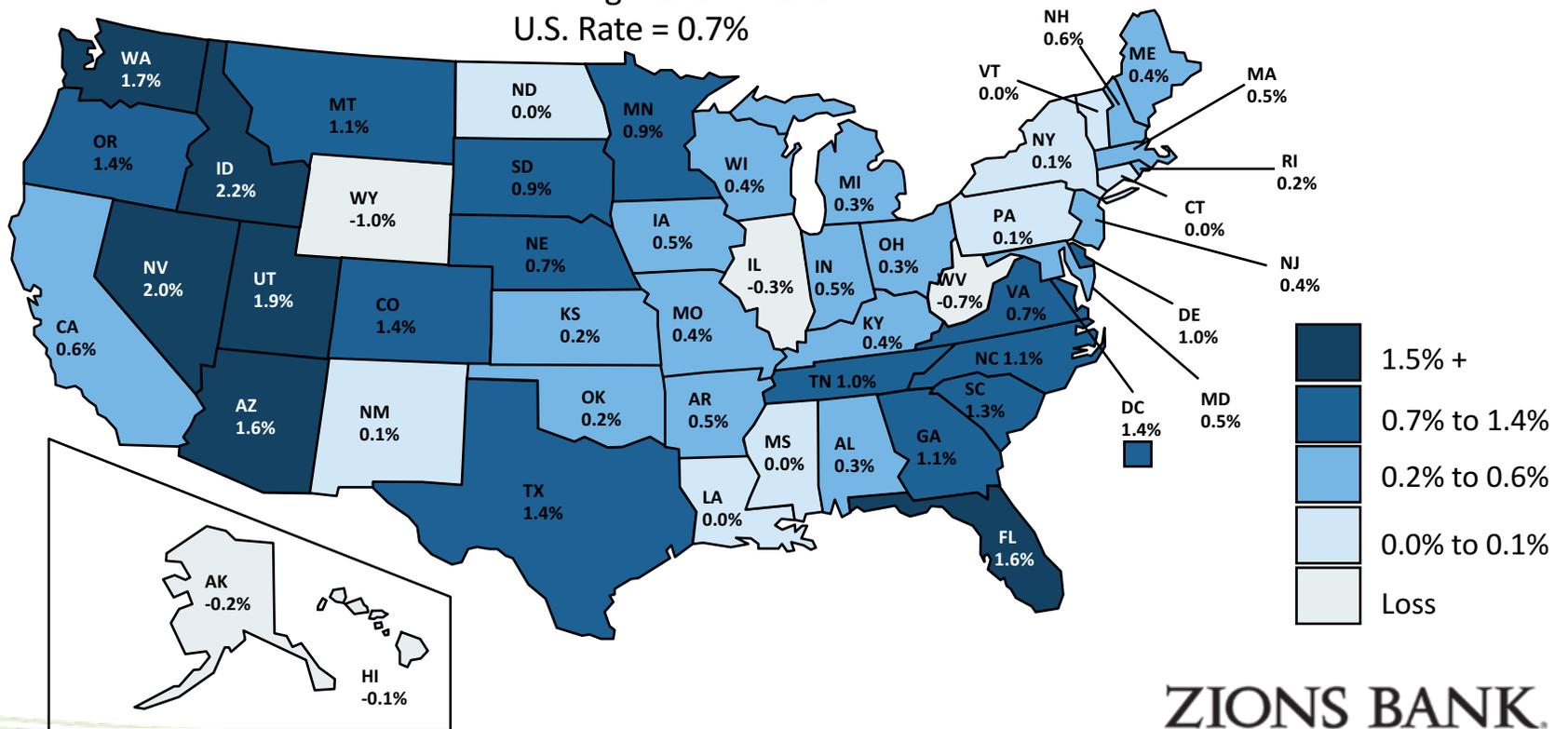
Utah Economic Conditions

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Utah Population 3rd Fastest Growing in U.S.

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

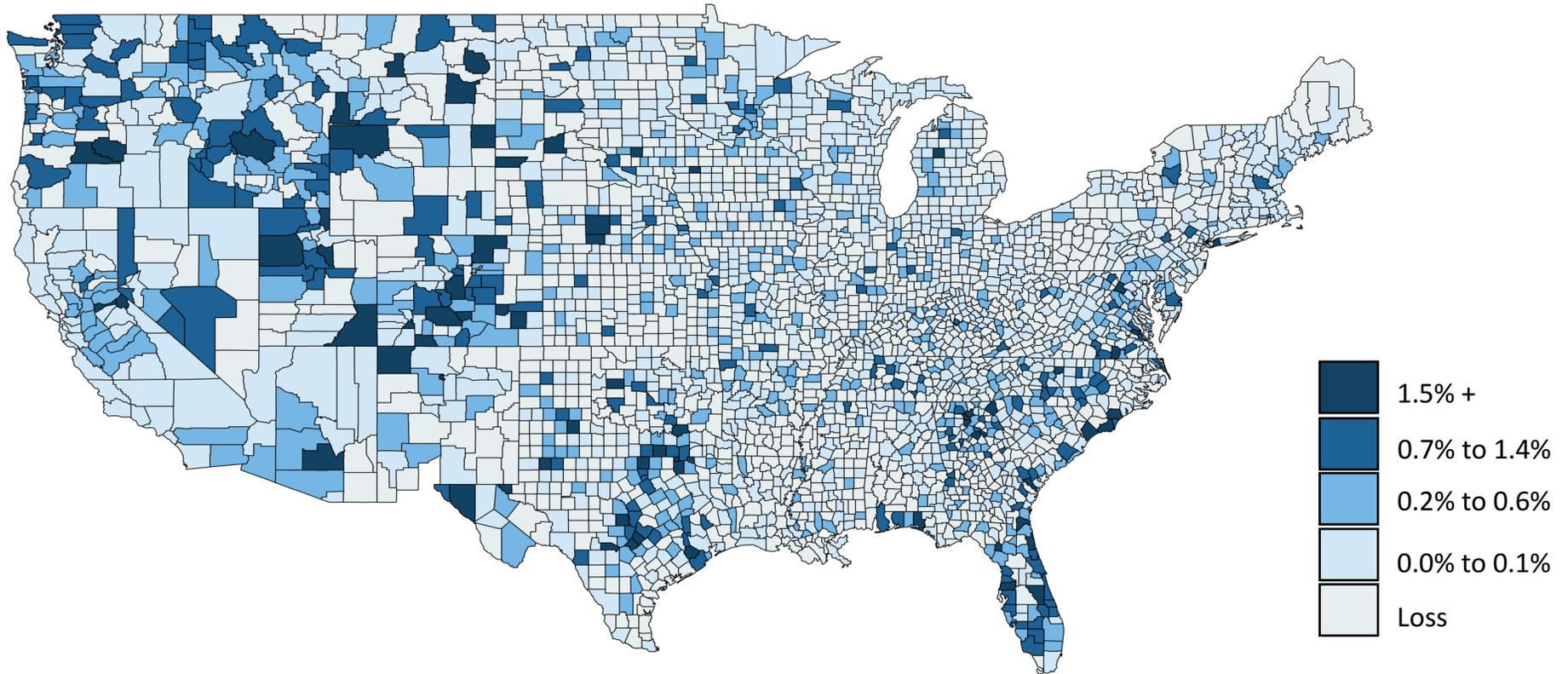


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Utah Counties' Growth Outpacing Nation

Percent Change: 2016 to 2017

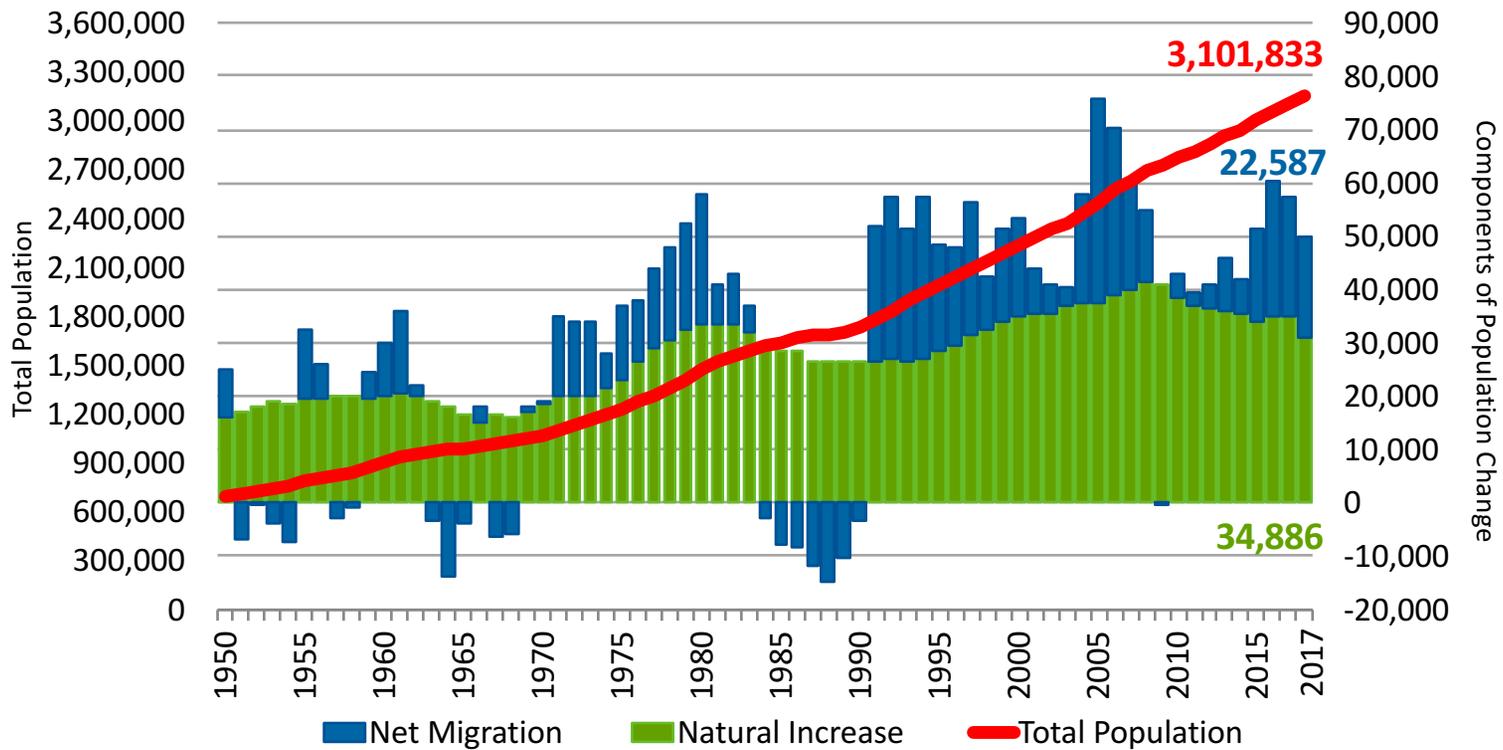
U.S. Rate = 0.7%



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Source: U.S. Census Bureau

Utah Population and Components of Change



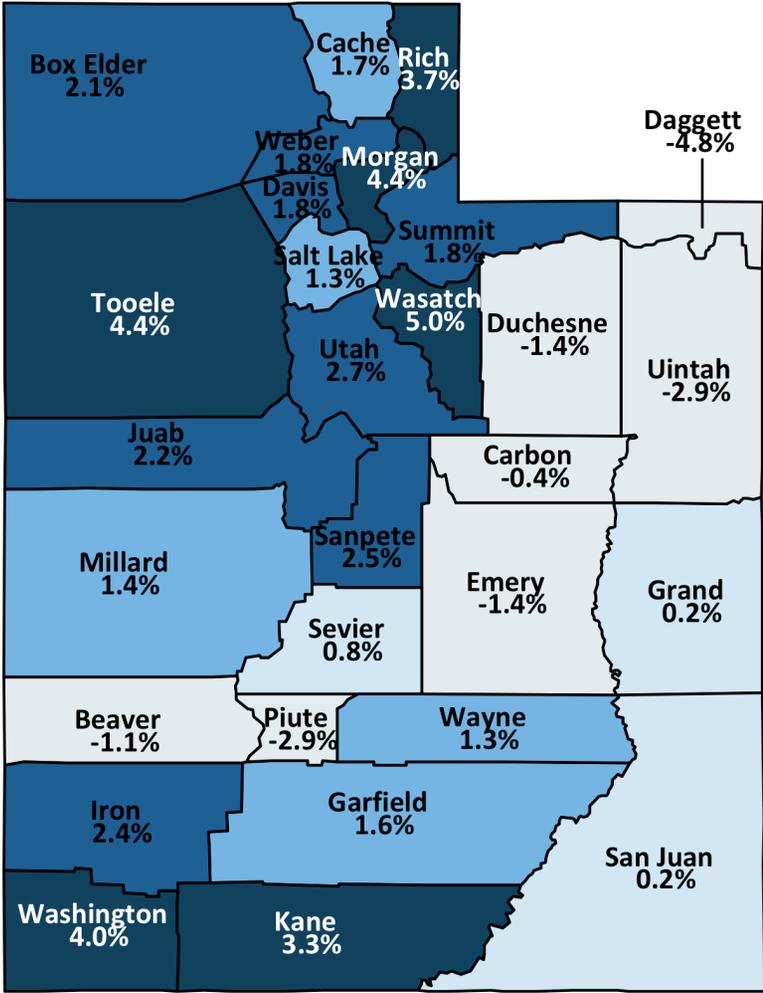
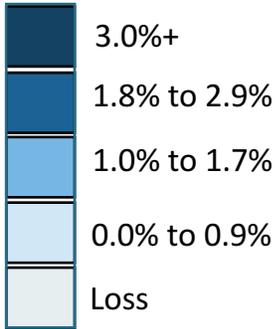
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Sources: U.S. Census Bureau

e = estimate, f = forecast

Utah Population Growth Rates By County 2016 to 2017

State Average = 1.9%

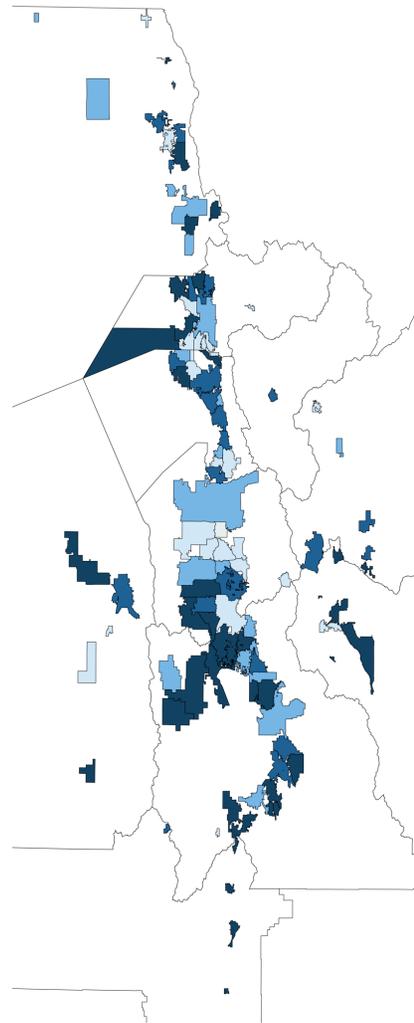
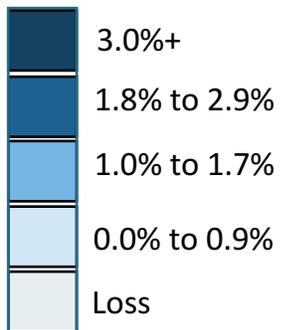


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Source: U.S. Census Bureau

Greater Wasatch Population Growth Rates By City 2015 to 2016

State Average = 1.8%

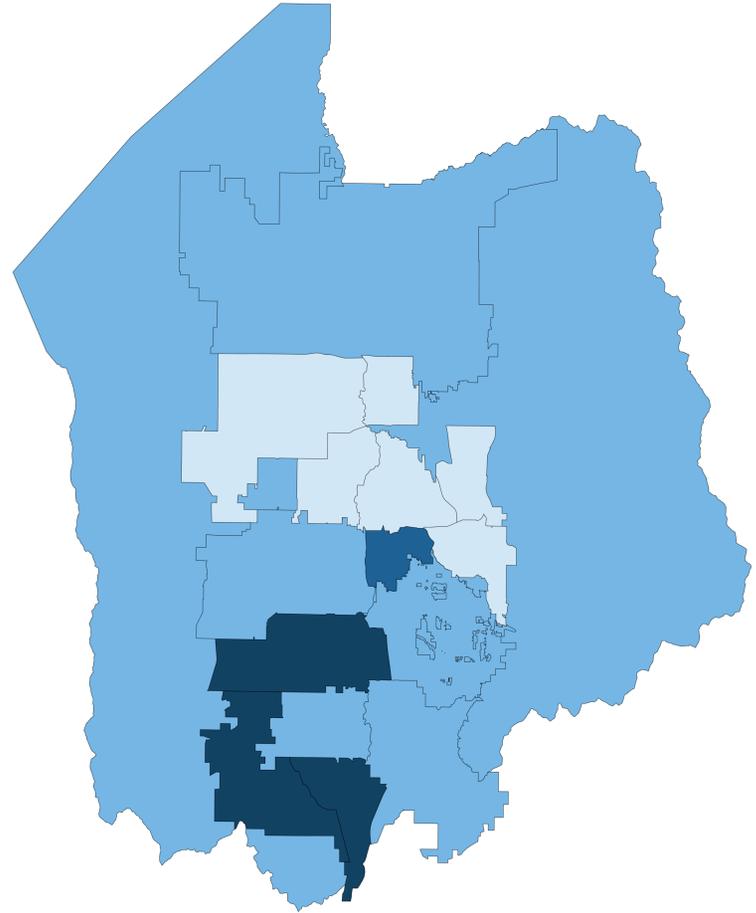
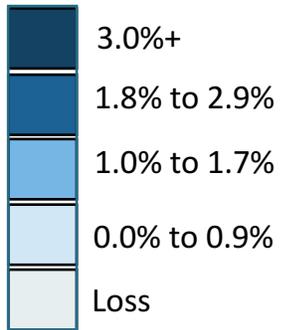


ZIONS BANK.

Source: U.S. Census Bureau

Salt Lake County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

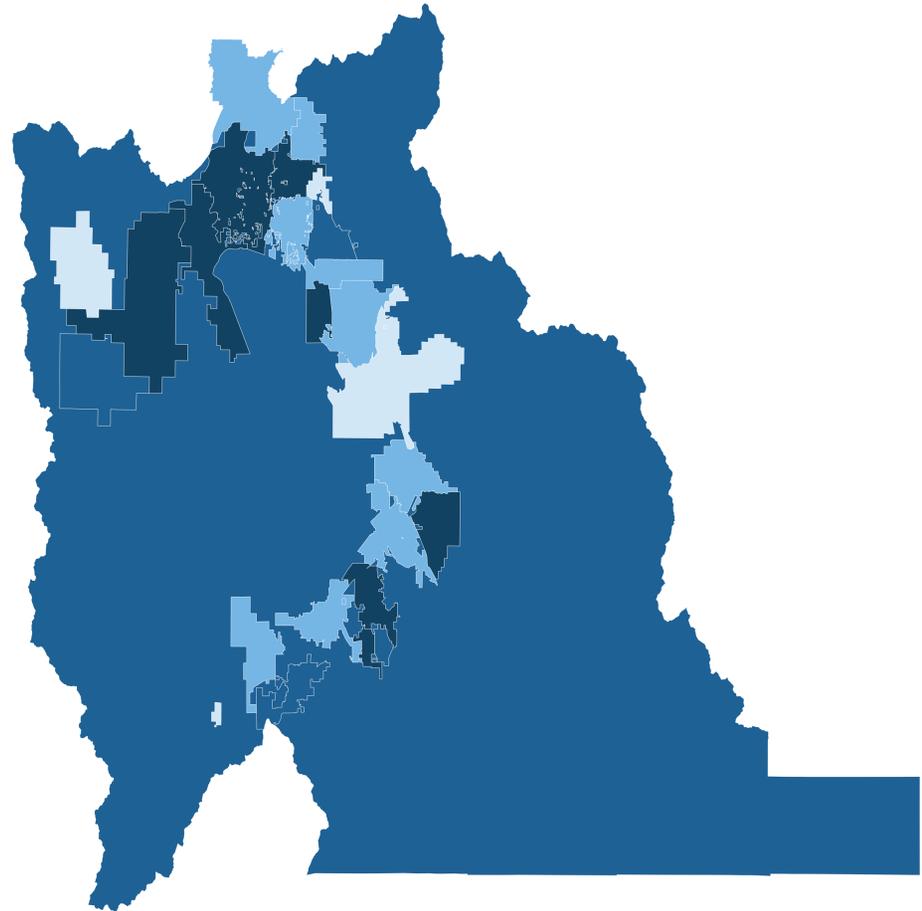


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Source: U.S. Census Bureau

Utah County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

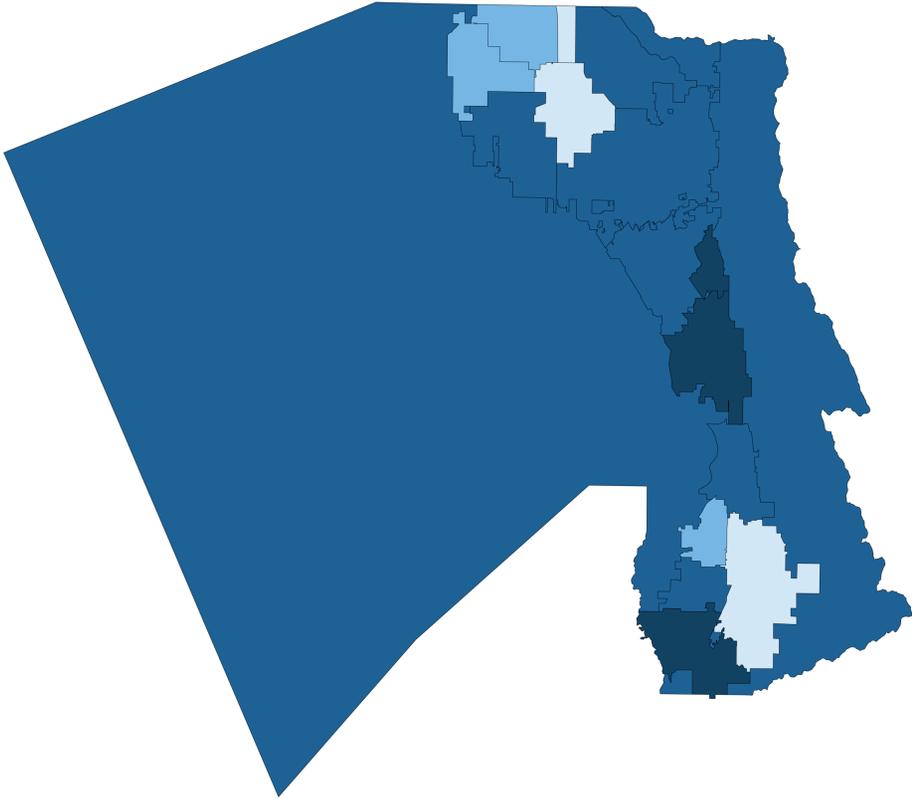
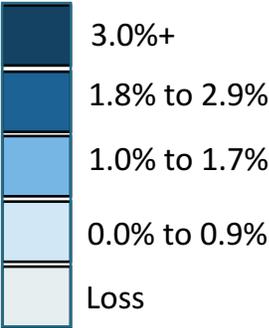


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Source: U.S. Census Bureau

Davis County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

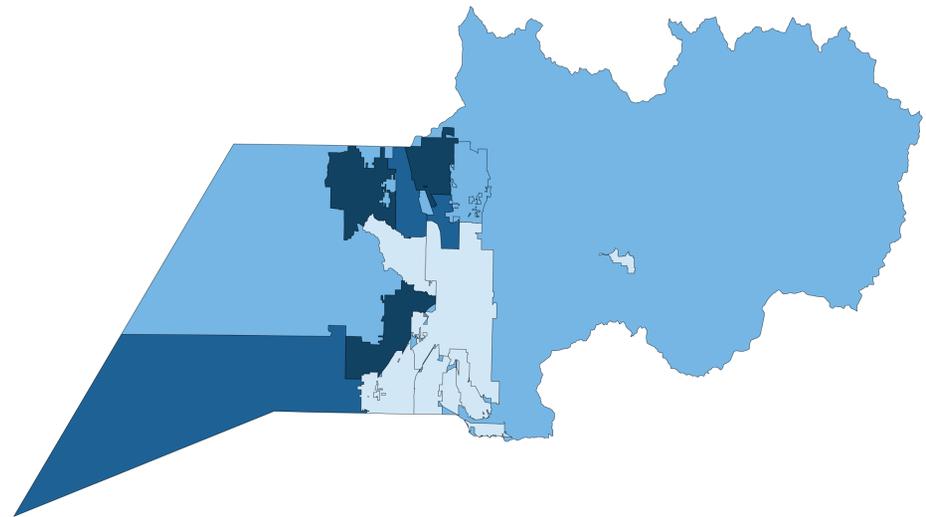
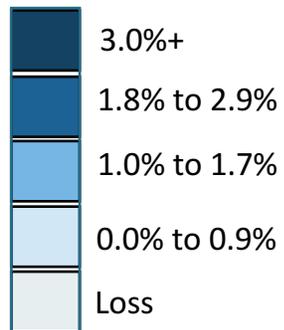


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Source: U.S. Census Bureau

Weber County Population Average Growth Rates 2010 to 2017

State Average = 1.7%

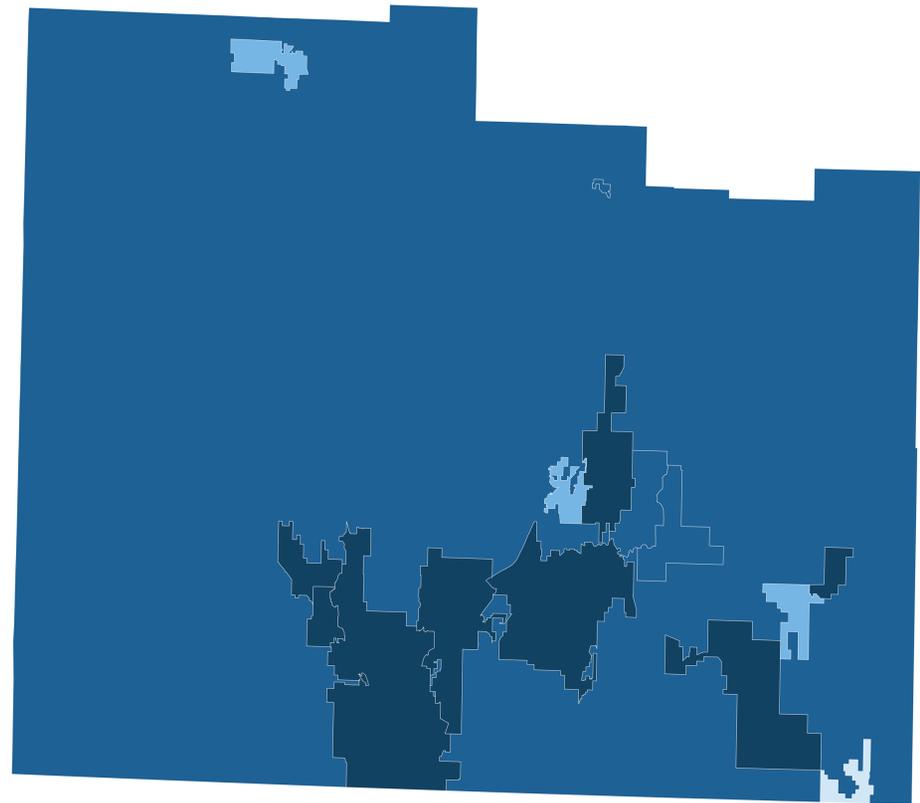
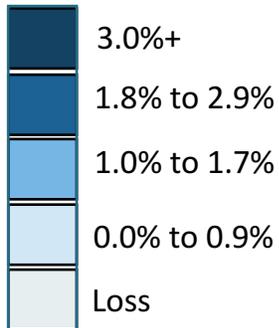


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Source: U.S. Census Bureau

Washington County Average Growth Rates 2010 to 2017

State Average = 1.7%

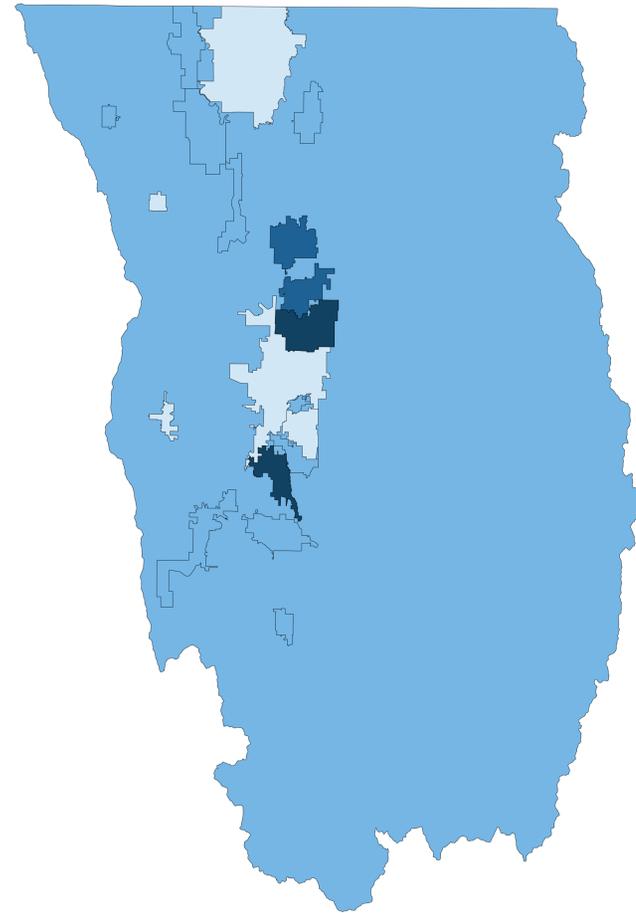


ZIONS BANK.

Source: U.S. Census Bureau

Cache County Average Growth Rates 2010 to 2017

State Average = 1.7%

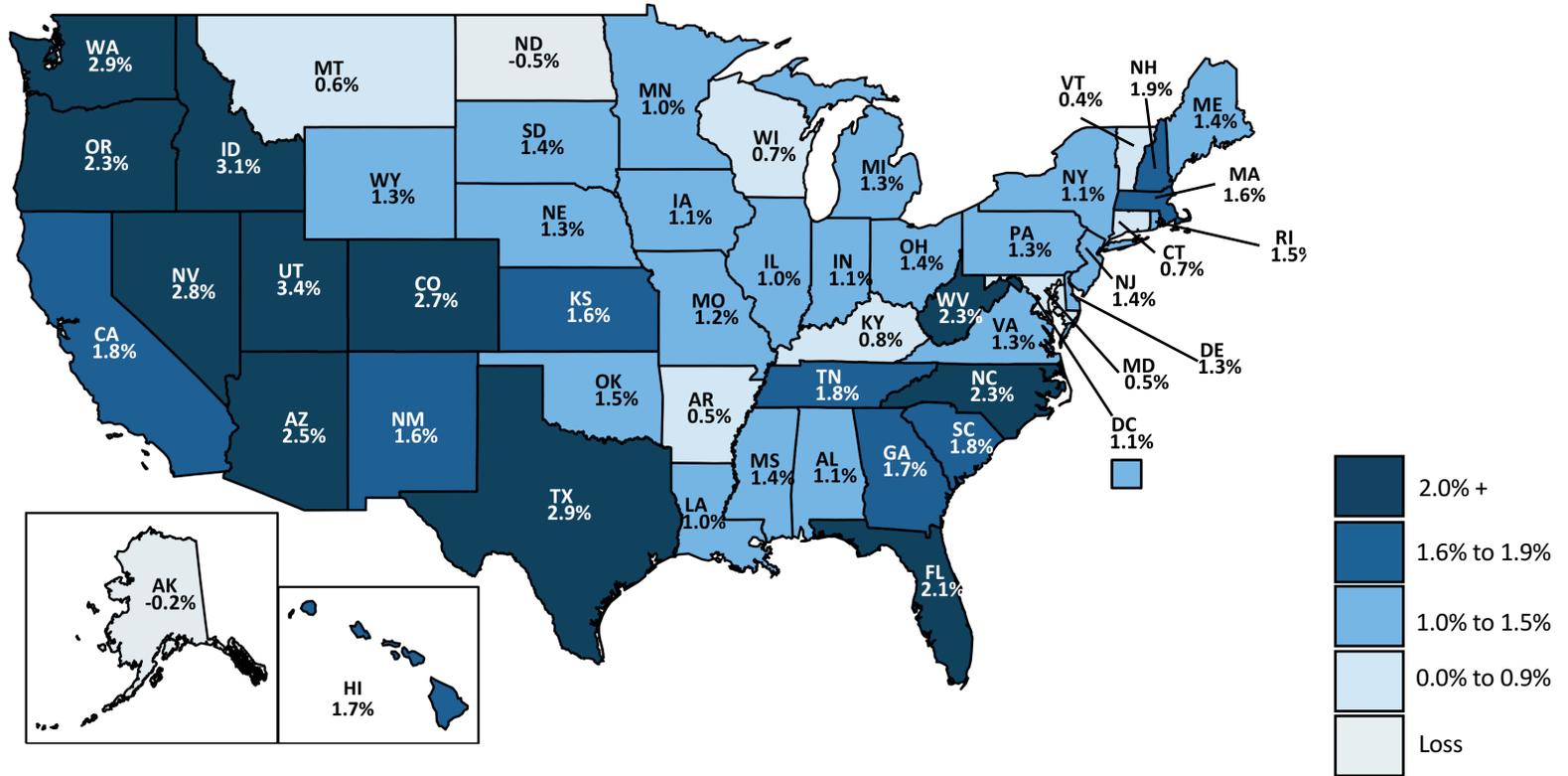


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Utah has the **Fastest** Employment Growth

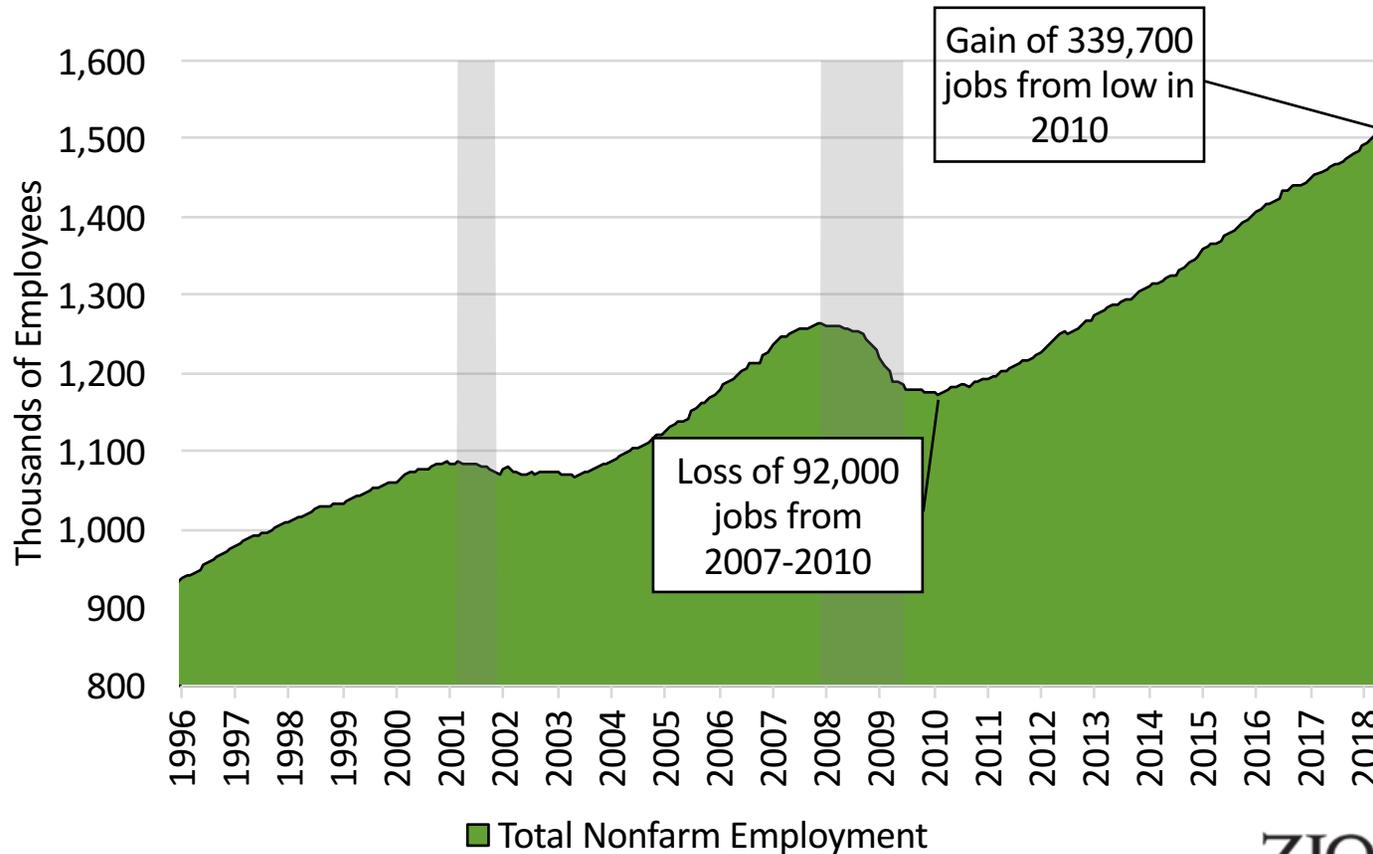
Percent Change in Employment for States: May 2017 to May 2018

U.S. Rate = 1.7% UT Rate = 3.4%



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Utah Total Employment at New Highs

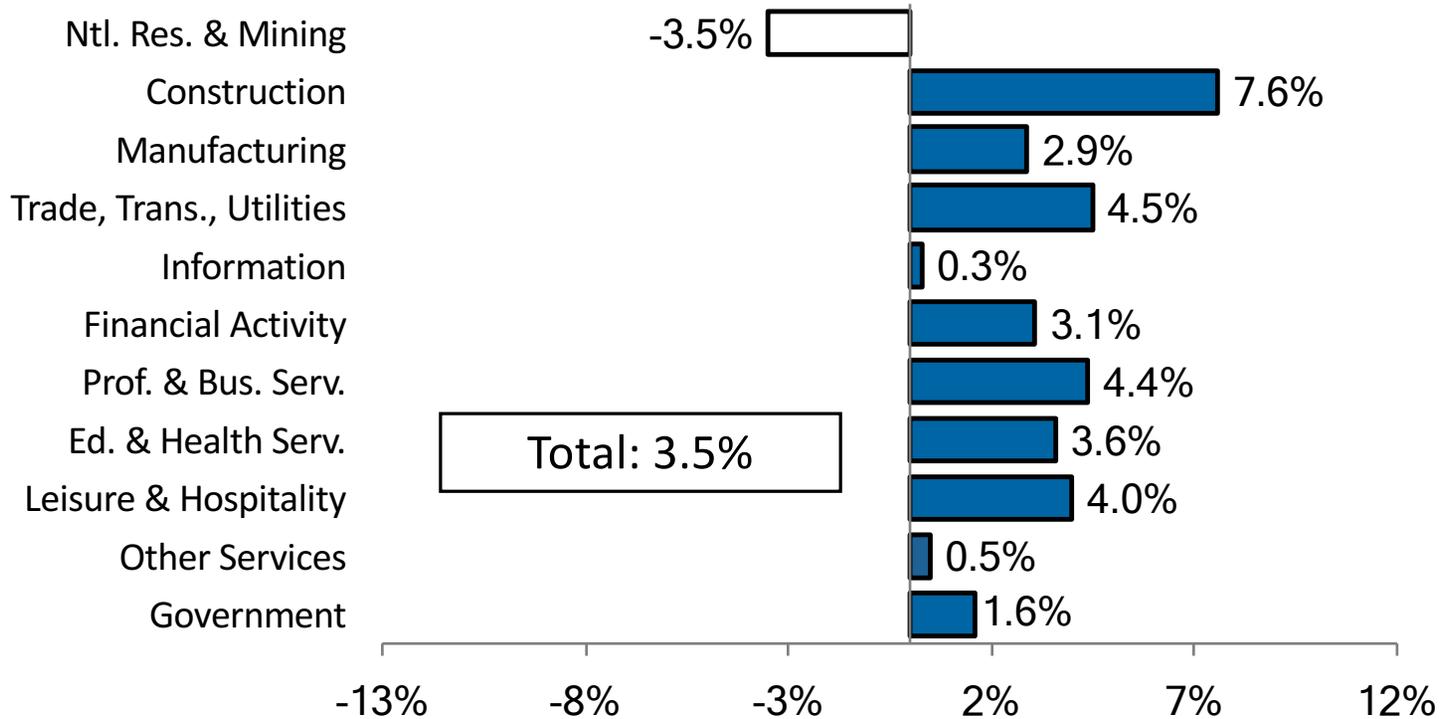


Source: U.S. Bureau of Labor Statistics
Note: Numbers rounded to nearest thousand

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Utah Industries Seeing Growth

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

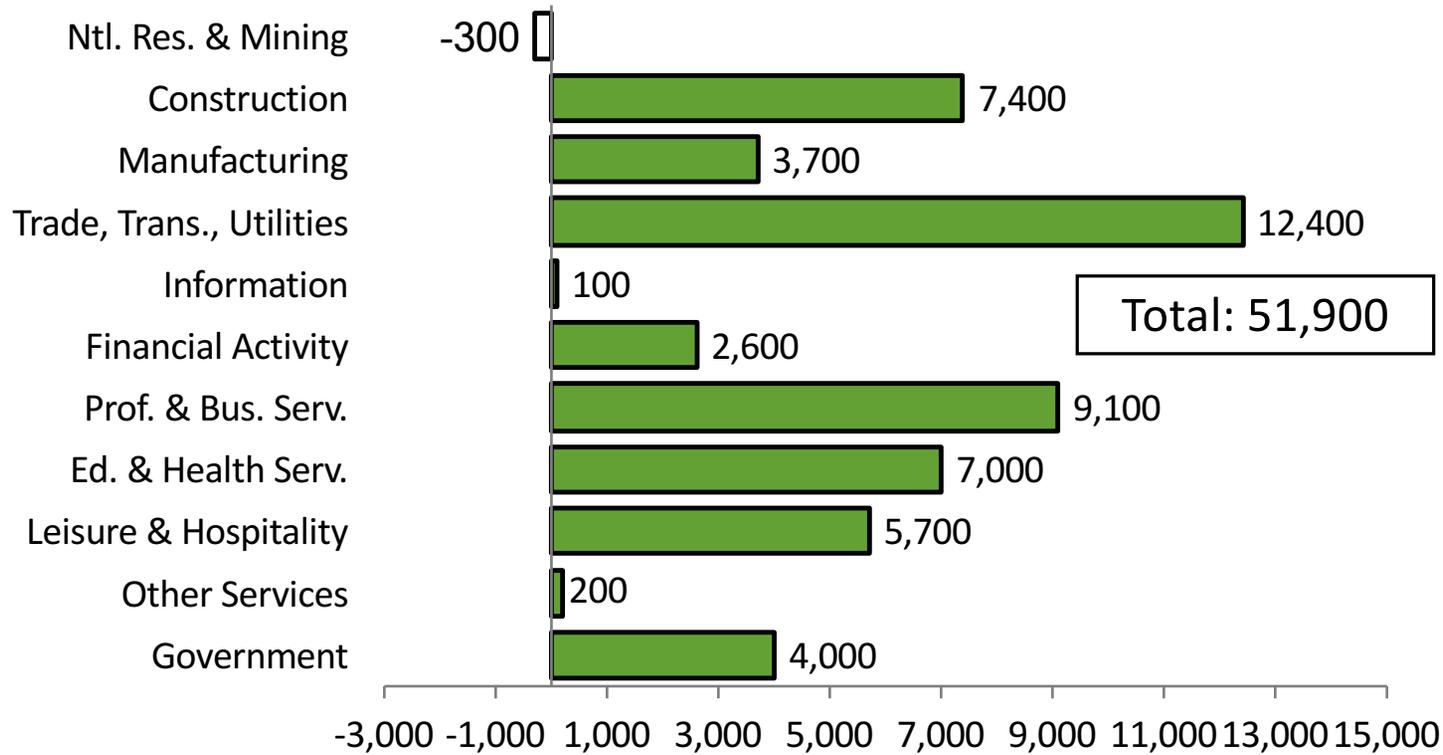


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Source: Utah Department of Workforce Services

Utah Industries Seeing Growth

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

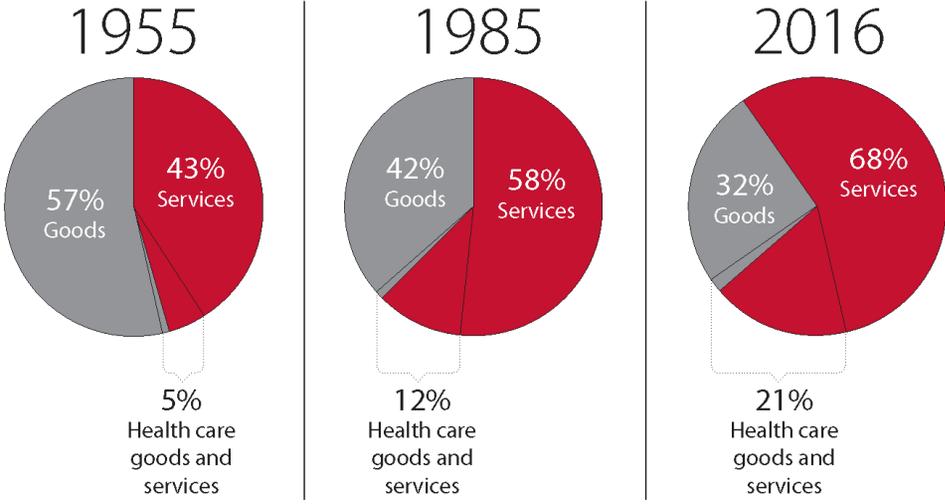


ZIONS BANK.

Source: Utah Department of Workforce Services

Changes and Differences Between US and Utah Economies

US Personal Consumption Distribution
Expenditures by product type

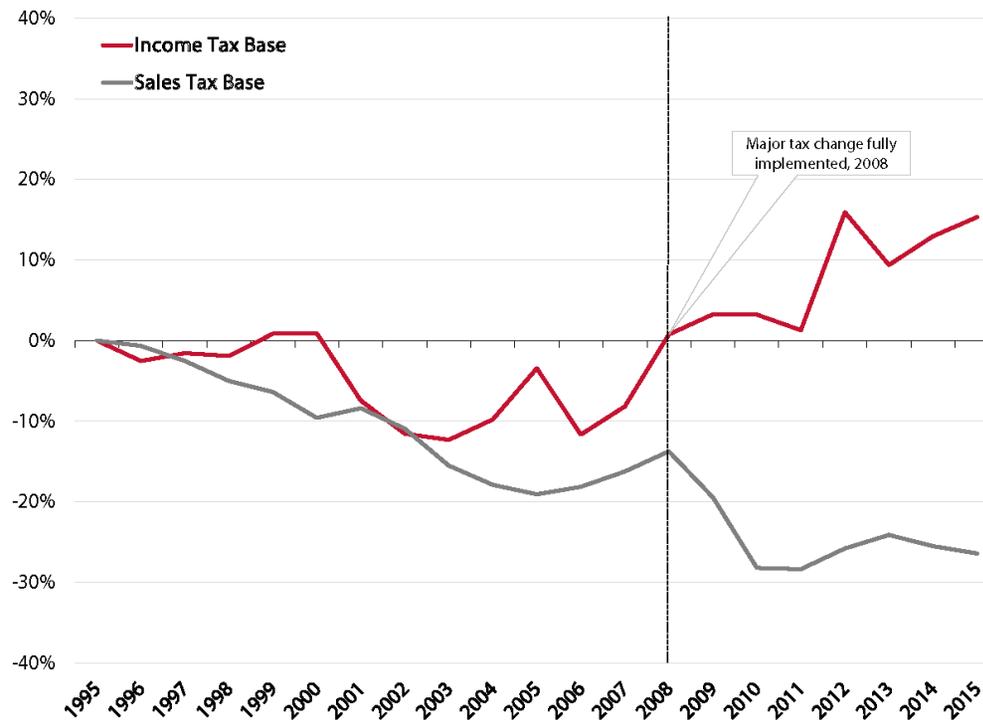


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Source: Kem C. Gardner Policy Institute Analysis of BEA National and Product Account Data

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

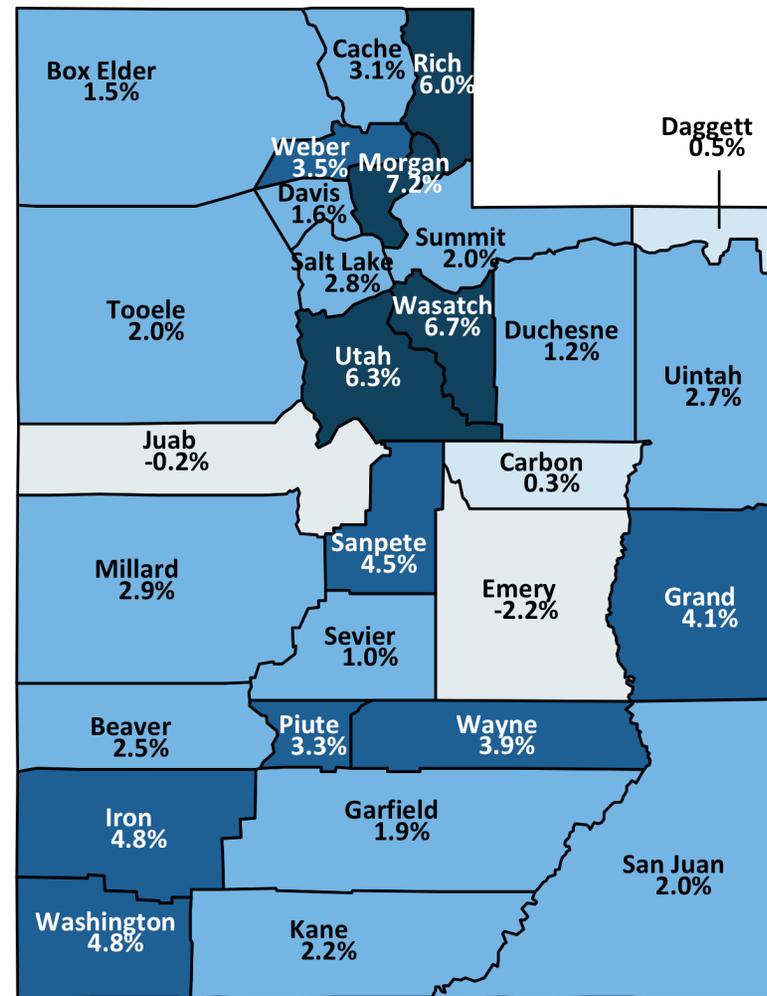
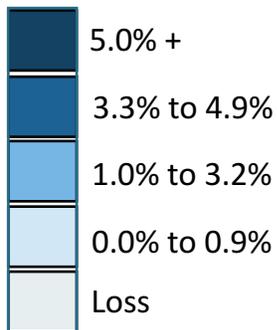


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Source: Kem C. Gardner Policy Institute analysis of Utah office of Legislative Research and General counsel data

Utah Employment Change Rates By County May 2017 to May 2018

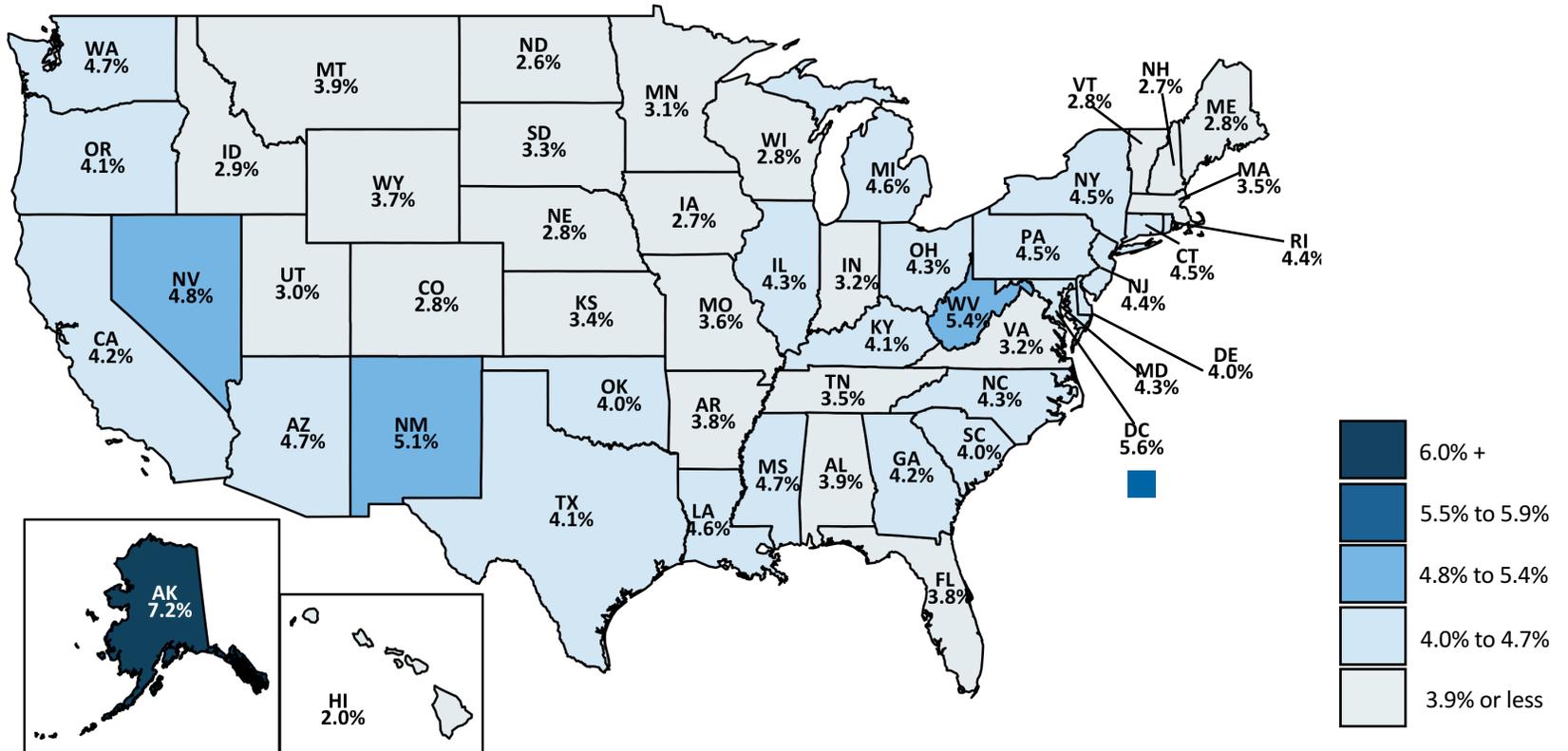
State Rate = 3.4%



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Utah Has the 11th Lowest Unemployment Rate

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

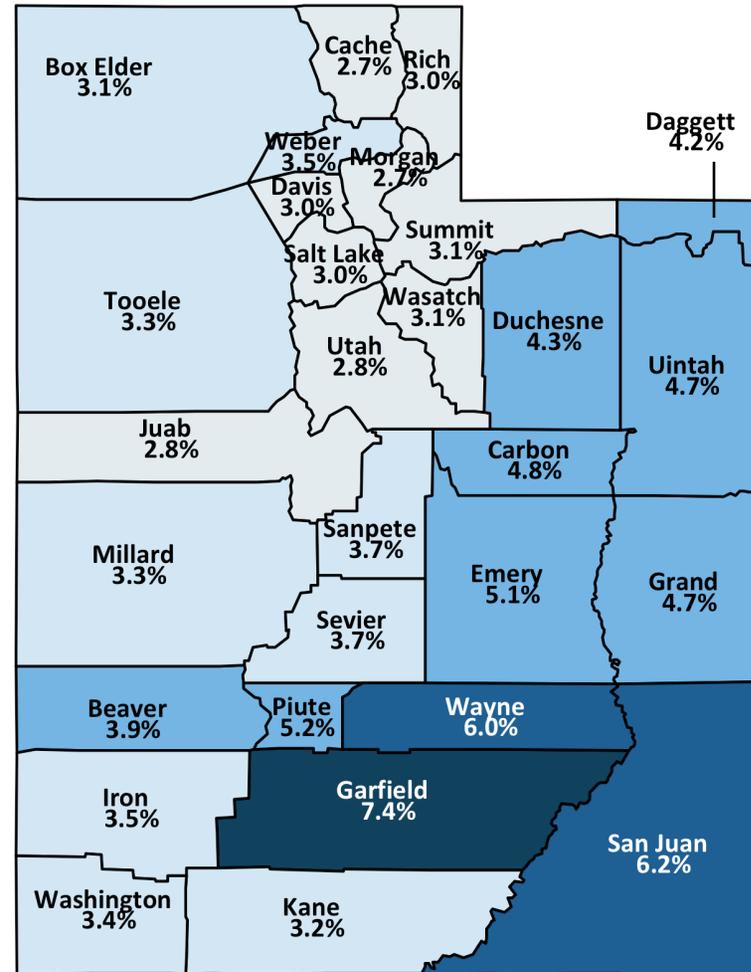
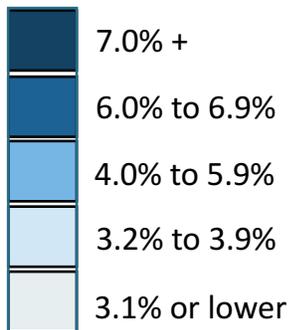


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Utah Unemployment Rates By County

April 2018

State Rate = 3.1%



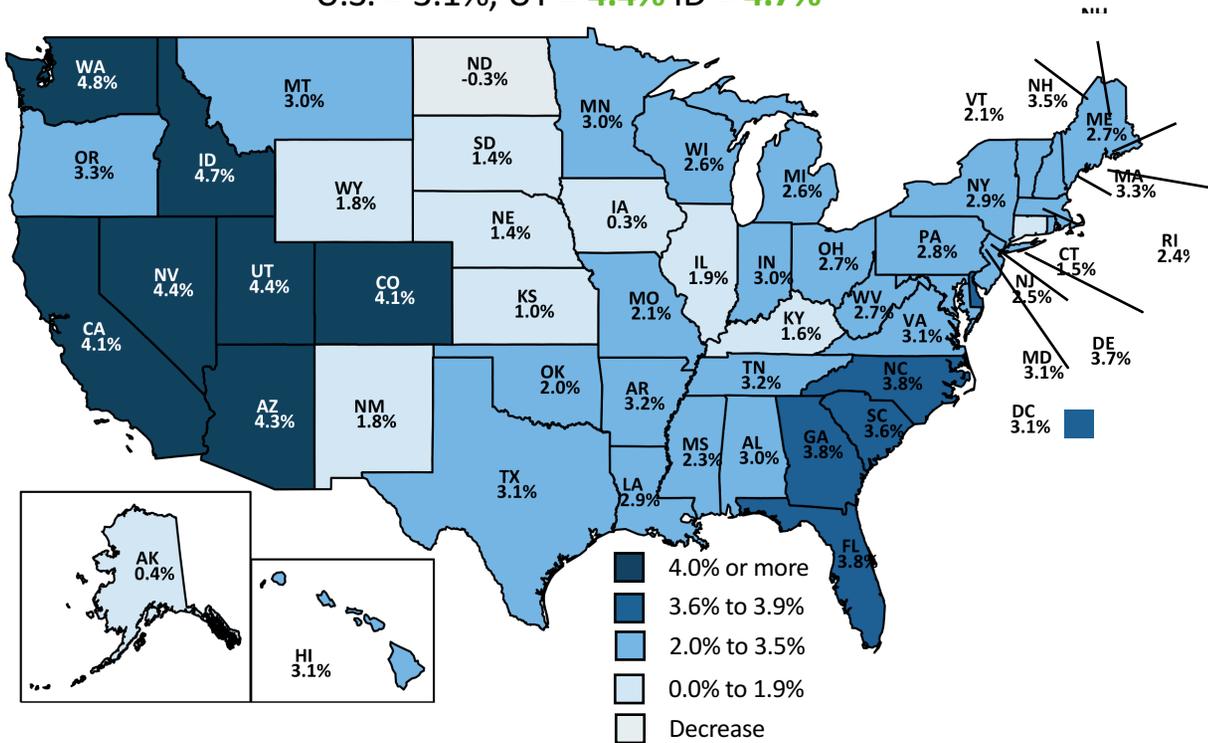
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Source: Utah Department of Workforce Services

Utah Personal Income Growth 3rd Highest in the Nation

Percent Change in Personal Income : 2016 - 2017

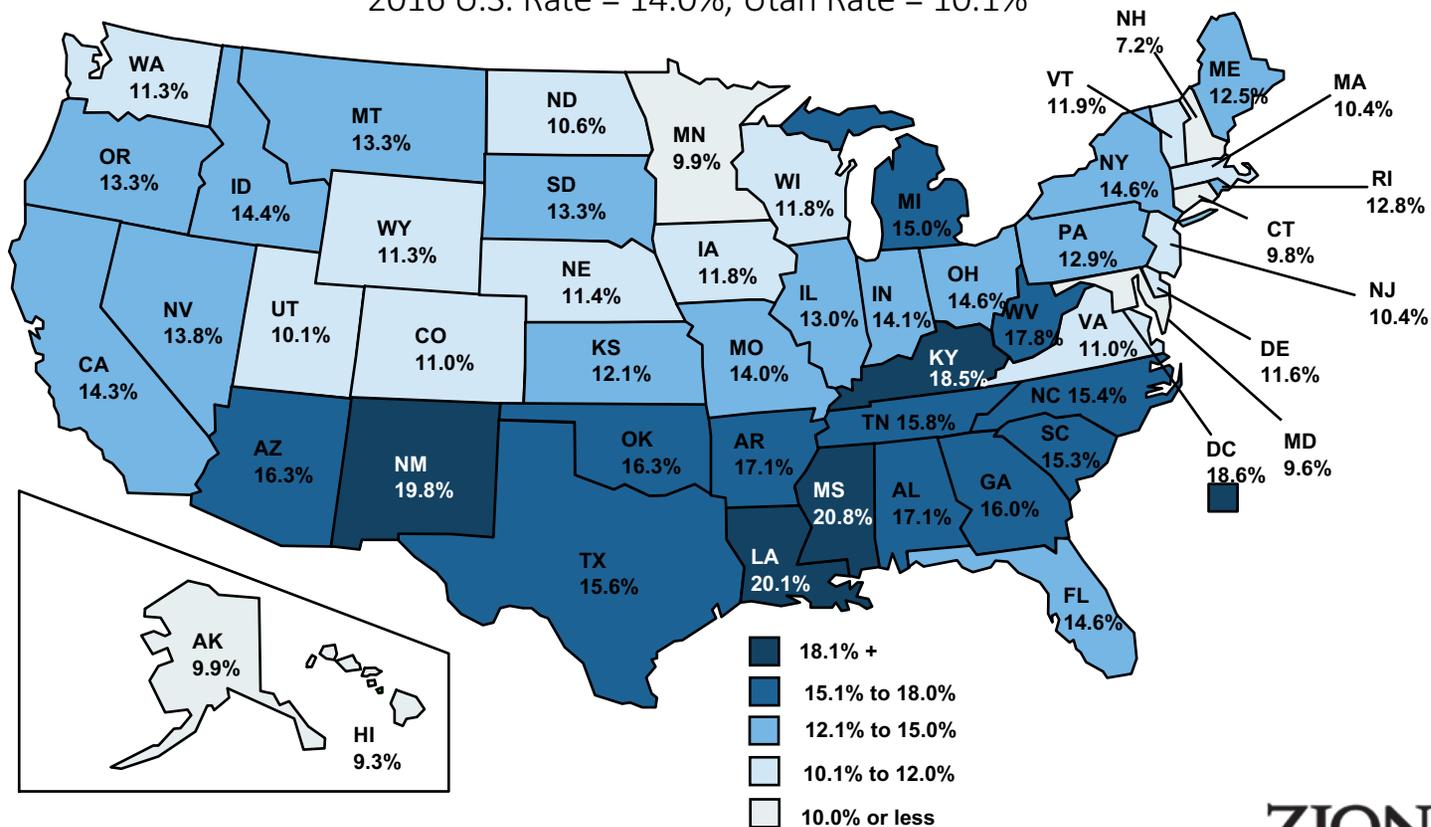
U.S. = 3.1%, UT = 4.4% ID = 4.7%



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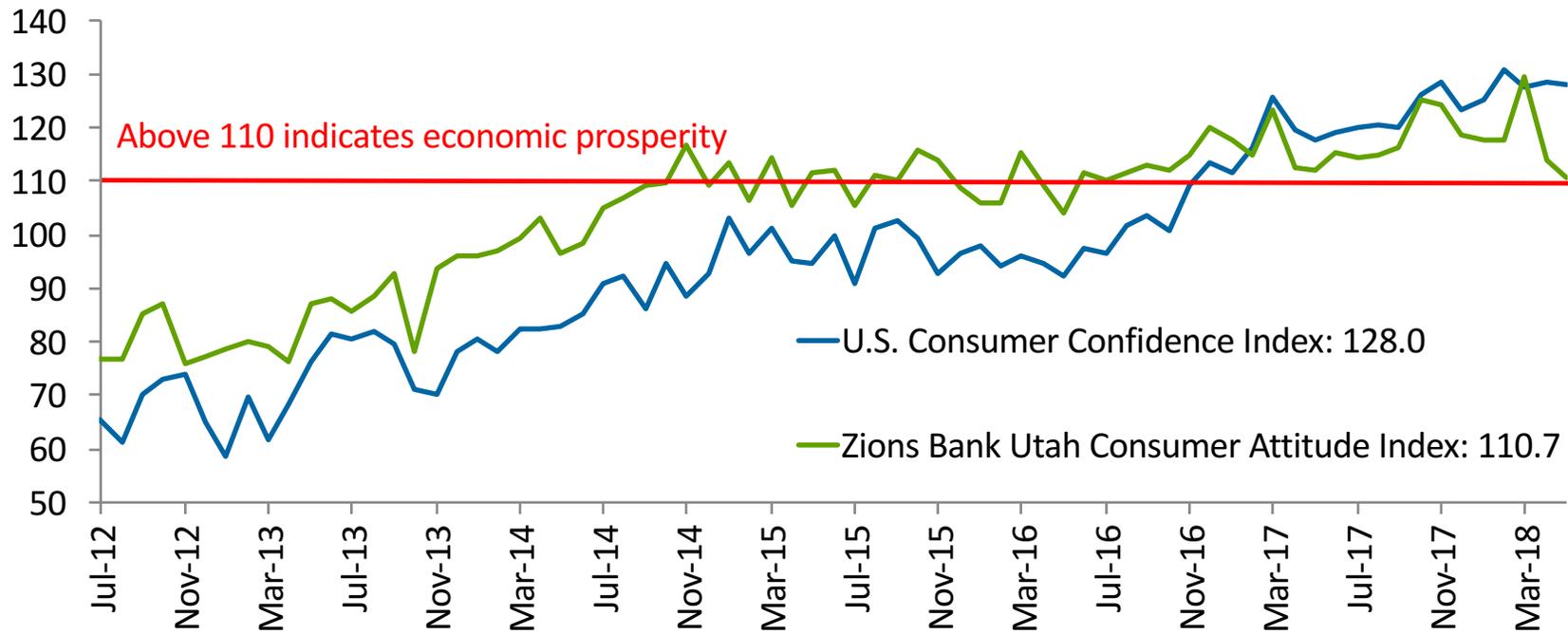
Utah Poverty Rate 7th Lowest in the Nation

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



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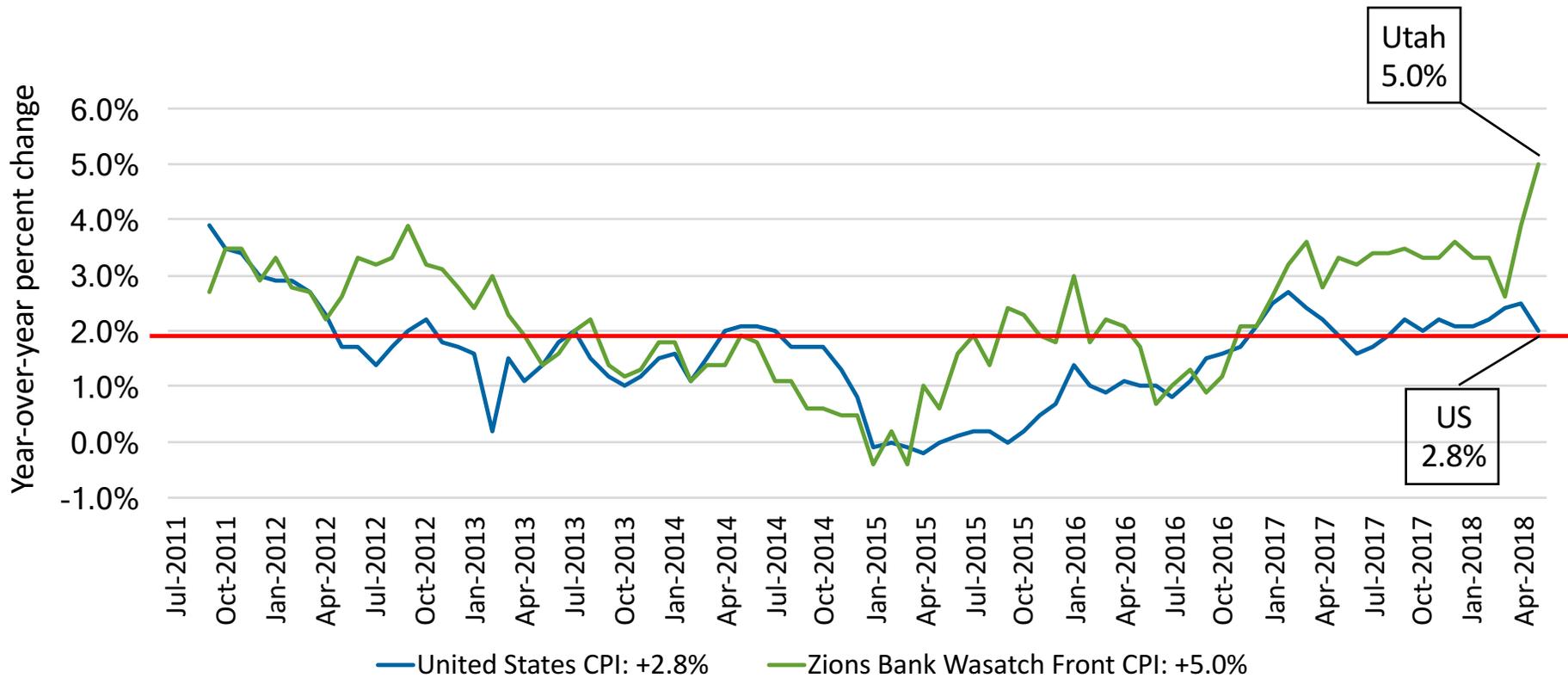
Strong Consumer Sentiment



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Sources: Conference Board and Cicero Group

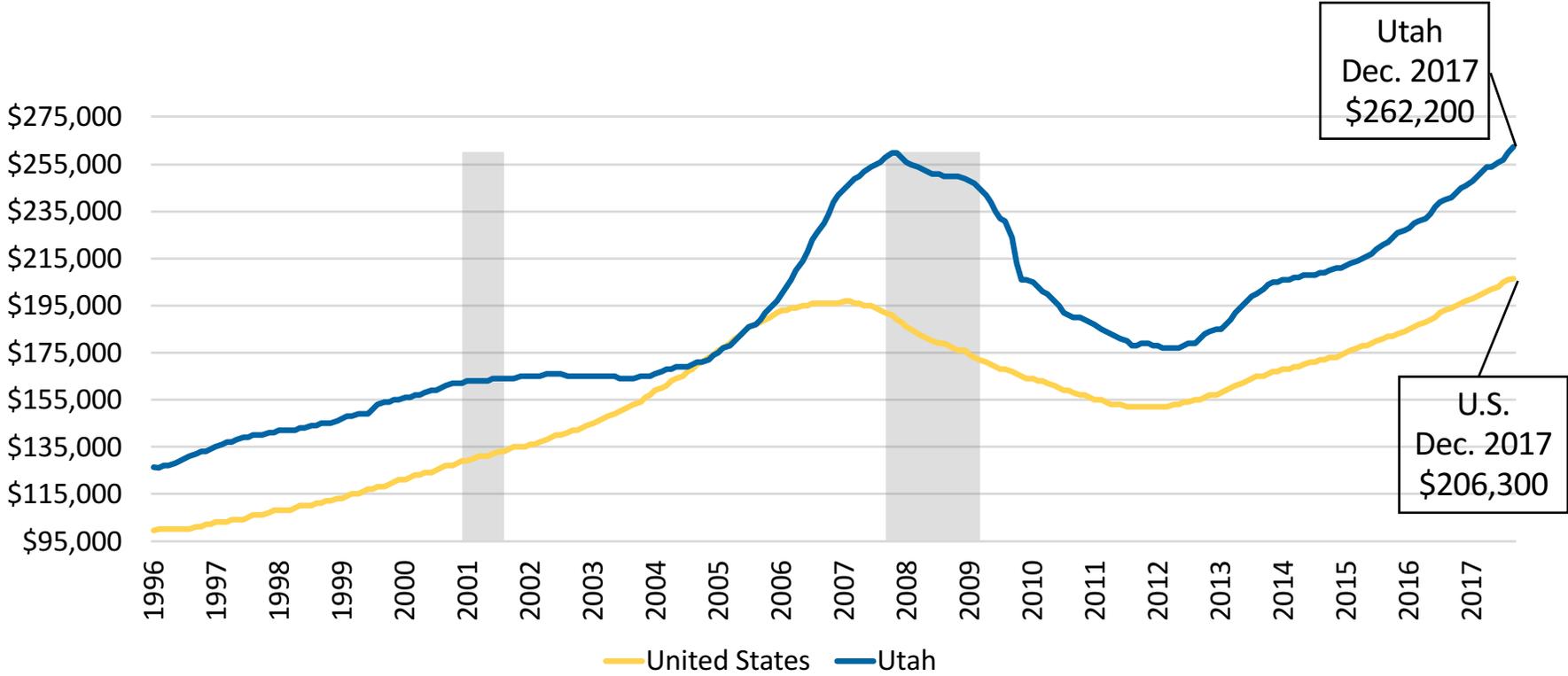
Utah Inflation Hits Highest-Level Recorded



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Source: U.S. CPI from National Bureau of Labor Statistics and Wasatch Front CPI from Cicero Group

Utah home values continue to rise

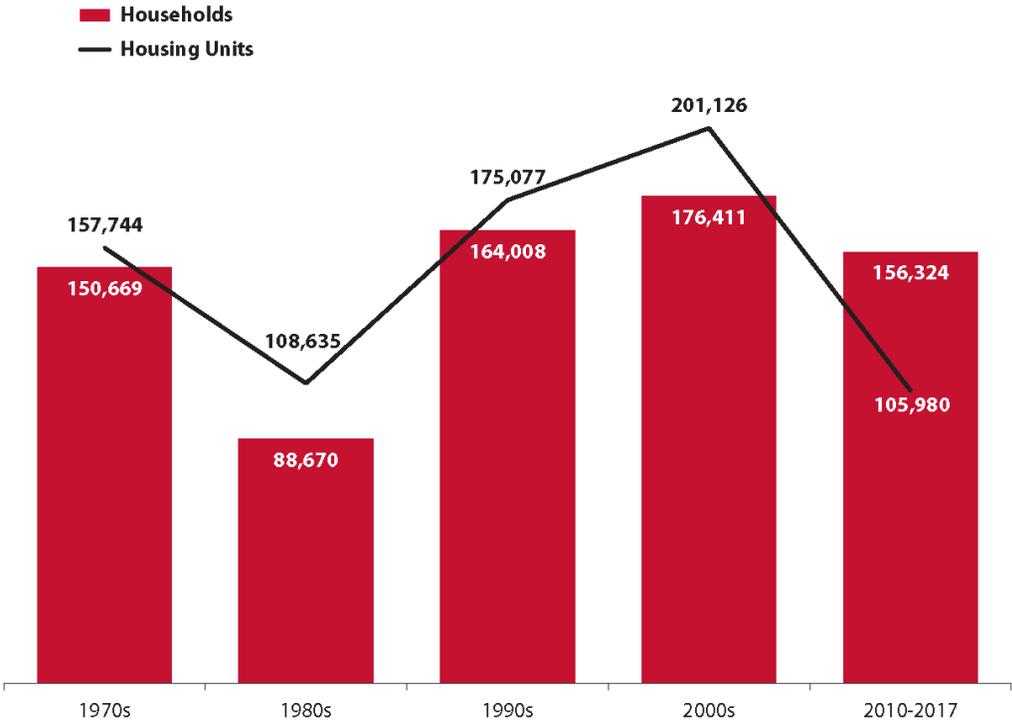


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Source: Zillow Research

Household Creation Surpasses Housing Units

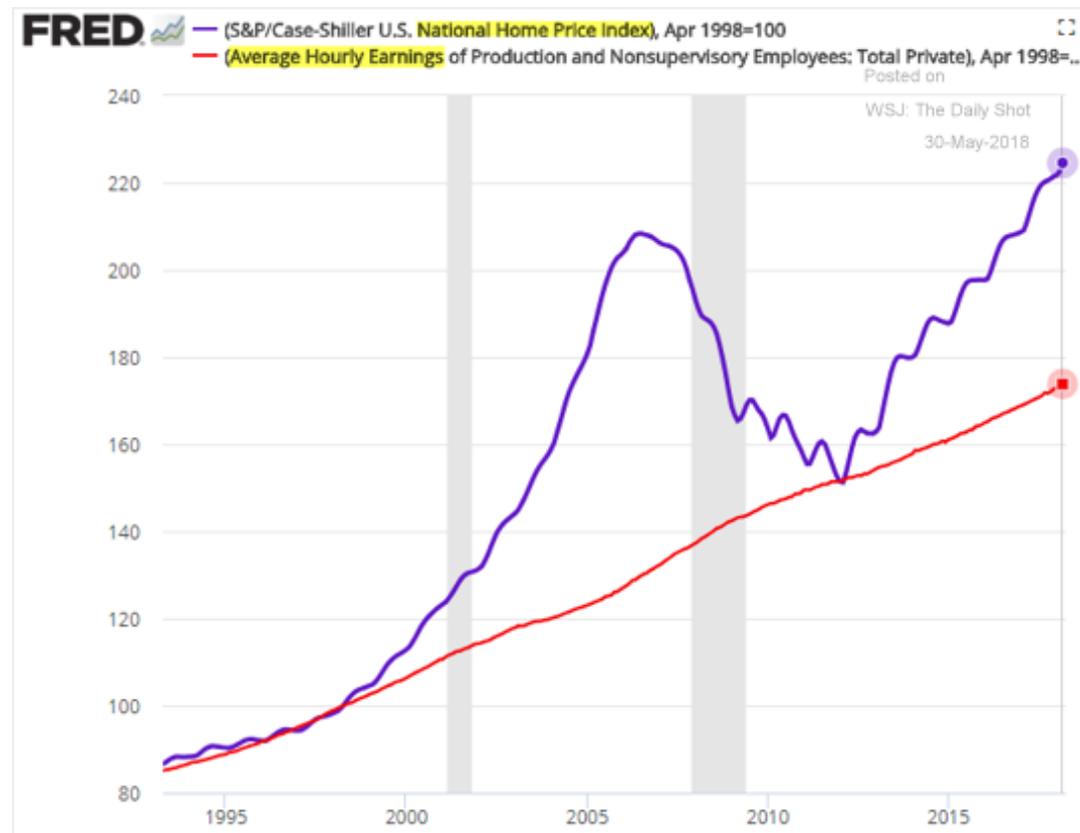
New housing units and households in Utah



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Source: Kem C. Gardner Policy Institute Population Projections and Ivory Boyer Construction Database

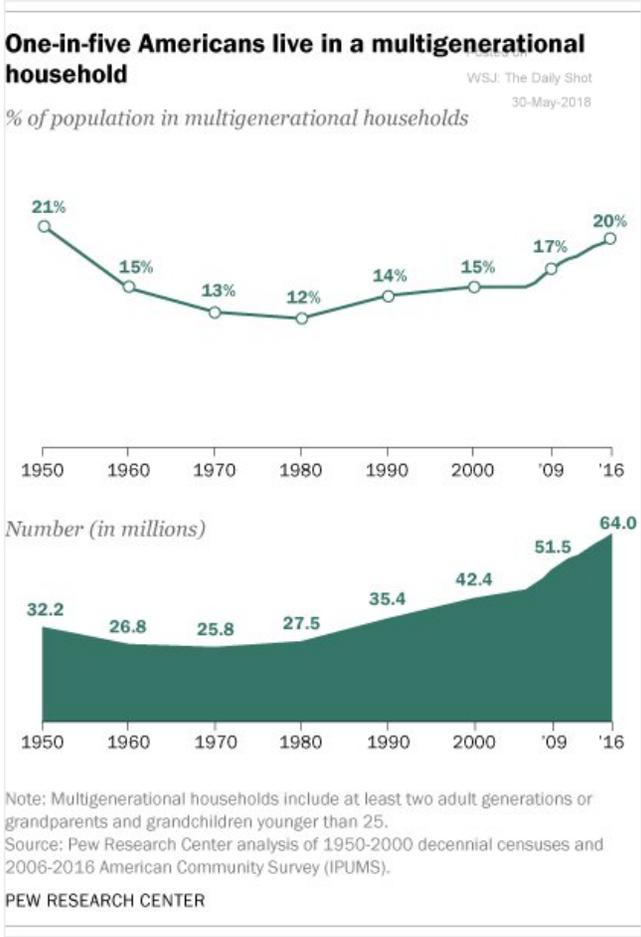
Home Prices Increasing Faster Than Wages



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Source: Wall Street Journal

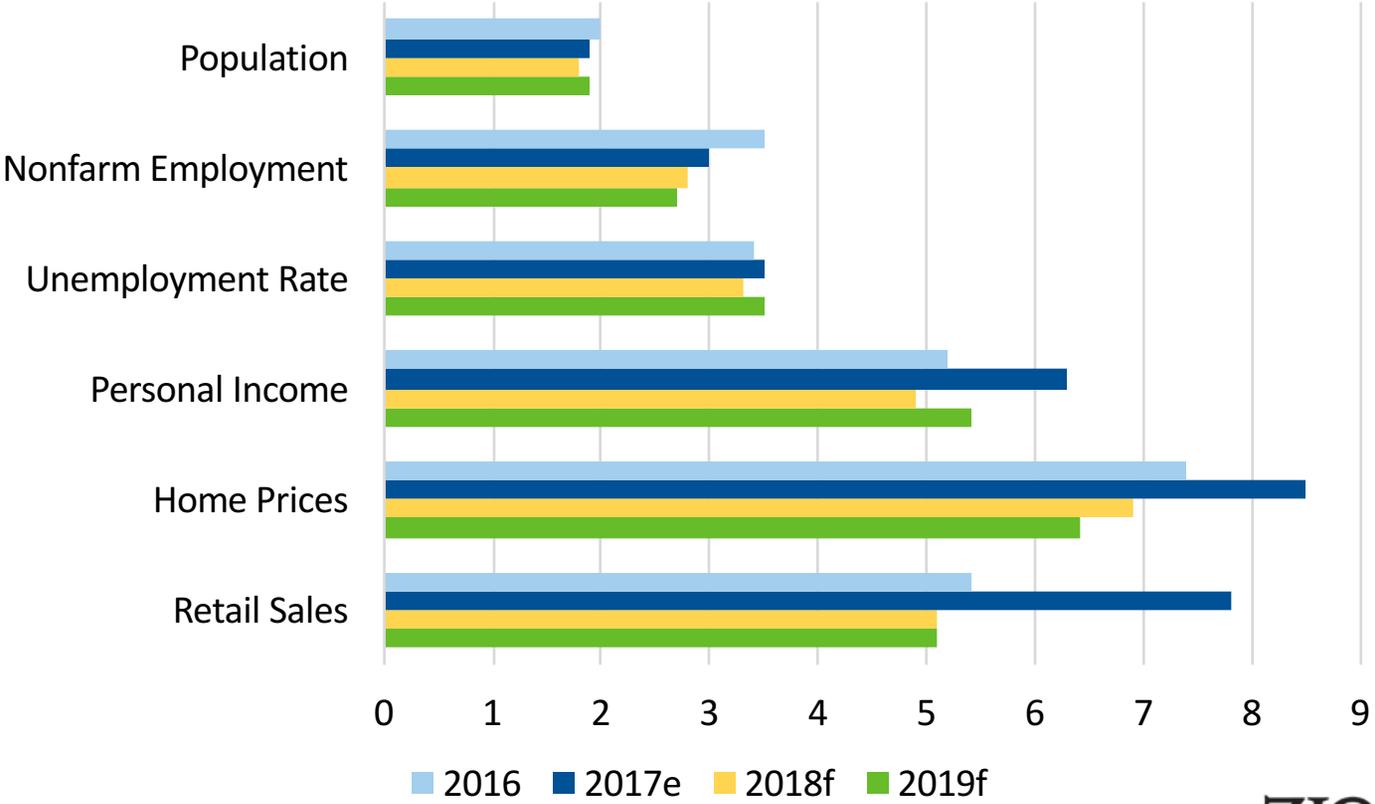
Multigenerational Households on the Rise



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Source: Wall Street Journal

Utah Economic Indicators 2016-2019f



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

e = estimate f = forecast

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ZIONS BANK®

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WHO KEEPS US IN BUSINESS®**

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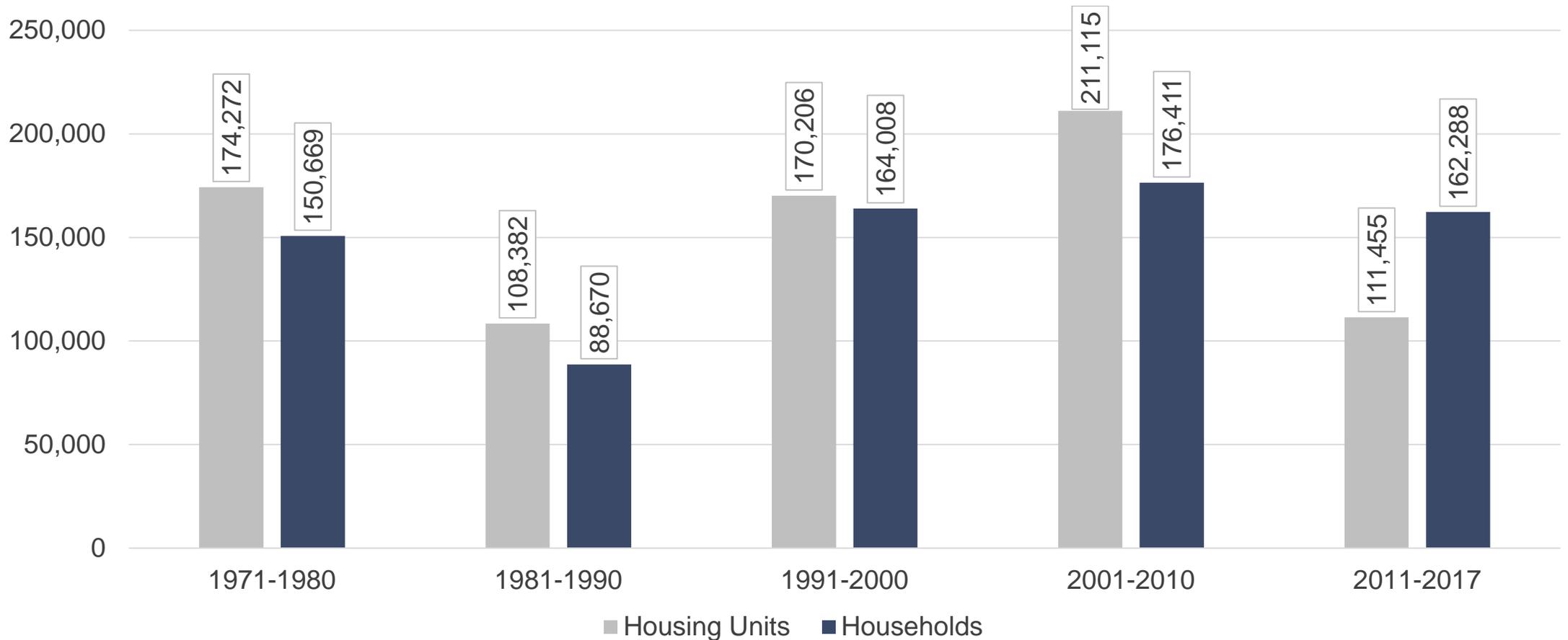
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LEAGUE OF CITIES AND TOWNS

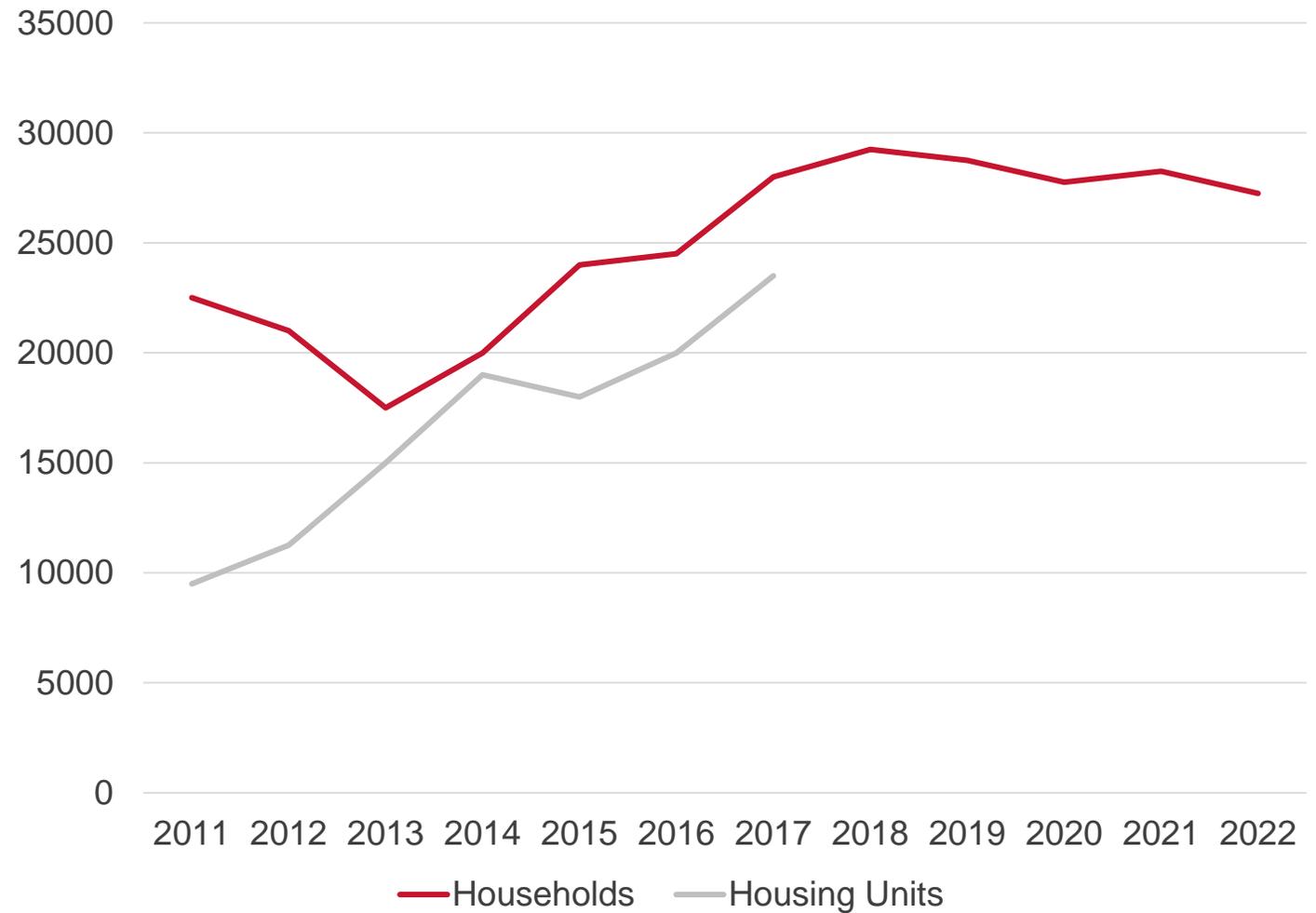
June 18, 2018

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

Gardner Business Review

May 2018

Applied economic analysis by the David Eccles School of Business

Since 2010, Utah has led the country in employment and demographic growth. This growth has produced exceptionally strong demand for housing, which in turn has put upward pressure on housing prices.

What Rapidly Rising Prices Mean for Housing Affordability

By James Wood, Dejan Eskic, and D.J. Benway

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Kem C. Gardner Policy Institute and the David Eccles School of Business



What Rapidly Rising Prices Mean for Housing Affordability

ANALYSIS IN BRIEF

Since 2010, Utah has led the country in employment and demographic growth. This growth has produced exceptionally strong demand for housing, which in turn has put upward pressure on housing prices. A housing shortage has ensued, with the supply of new homes and existing "for sale" homes falling short of demand.

While the impact of higher housing prices are widespread, affecting buyers, sellers, and renters in all income groups, those households below the median income and particularly low income households are disproportionately hurt by higher housing prices. For these households, higher housing prices can lead to a severe housing cost burden — paying more than 50 percent of their income toward housing — a situation faced by one in eight households (120,000 households) in Utah. Market and demographic conditions are primarily responsible for driving-up housing prices, however, government policies at all levels can help to temper price increases and mitigate the impact of higher prices.

Key findings include the following:

- Housing price appreciation trends** - Over the past 26 years, a generation demographically, the average annual increase in housing prices has been 5.7 percent. If that rate of increase continues for the next 26 years, the median price of a home in the Salt Lake and Provo-Orem metropolitan areas would be \$1.3 million. Even when applying the real rate of increase (inflation adjusted) over the past 26 years of 3.32 percent, the median price would be \$736,000. And if this real rate of increase is cut in half to 1.7 percent the median price would still be \$483,000 in real dollars equivalent to Seattle housing prices in 2017.
- Incomes not keeping pace** - Housing affordability in Utah, over the long term, is threatened due to the gap between the annual real rate of increase in housing prices of 3.32 percent and the annual real rate of increase in household income of 0.36 percent. In Utah, housing prices increase much faster than incomes consequently many households face high levels of housing cost burdens.
- Household income and housing affordability** - The challenges of housing affordability are closely linked to household income. For households below the median income, high housing prices often jeopardize economic well-being and prevent

homeownership. For most households above the median income, homeownership is still achievable, due primarily to several years of historically low interest rates.¹ However, an increase in mortgage rates to six percent — a likely possibility in the next few years — would jeopardize homeownership opportunities for many households with higher incomes and seriously reduce housing affordability in Utah.

- Greatest challenge is for households with incomes below the median** - The current affordable housing crisis in Utah is concentrated in households with incomes below the median. A household with income below the median has a one in five chance of a severe housing cost burden, paying at least 50 percent of their income toward housing, while a household with income above the median has a one in 130 chance. By another measure, a household with income below the median is 32 times as likely to have a severe housing cost burden as a household with income above the median.
- Many of the most vulnerable families lack affordable, safe, and stable housing** - Rising housing prices and the shrinking supply of affordable housing means low income families spend more on housing and less on food, health care, transportation, vocational training, and their children's needs. Affordable and decent shelter is central to a child's health and development as well as family and neighborhood stability. Policies to expand affordable housing are tantamount to human capital investments, which are not much different than jobs and education programs. An increase in safe and stable housing for low income families would improve their children's long-term education and employment outcomes as well as reduce intergenerational poverty and advance upward mobility.
- Housing price increases could impact economic competitiveness** - Housing prices in Utah have not yet been a constraint to economic growth, but there is cause for some concern. The median sales price of a home in Utah's two large metropolitan areas is already 20 percent higher than home prices in Boise, Las Vegas, and Phoenix three cities Utah competes with for new business expansions. The housing price gap with these cities makes Utah's economic development efforts less competitive and the state less attractive as a business location.

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Introduction

Utah business and community leaders wisely pay close attention to housing affordability.¹ Since 1991, Utah housing prices have outpaced every state but Colorado, Oregon, and Montana. The rate of housing price increases and challenges created by higher prices are on the minds of many decision-makers. Consequently, the Salt Lake Chamber, Utah's largest business association, contracted with the Kem C. Gardner Policy Institute to produce this report, which examines housing market trends and conditions and the growing threat to housing affordability. Section one documents the increase in housing prices in Utah and the Salt Lake Metropolitan Area. Section two discusses the recent emergence of a housing shortage in Utah. Section three examines those factors driving-up housing costs. Section four assesses the threat to housing affordability for Utah's households, and section five provides an outlook for housing prices and affordability.

I. Comparison of Housing Prices: States, Metropolitan Areas, and Counties

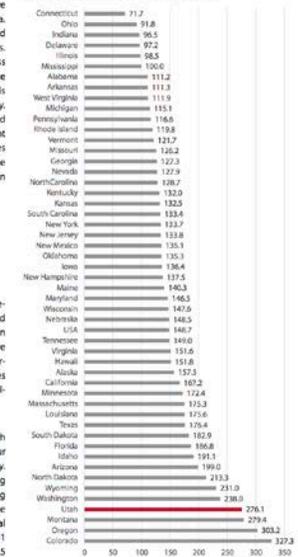
Rising housing prices, in one way or another, affect every household in Utah. For many, higher prices create wealth and improved economic well-being while for others higher prices threaten housing affordability and housing stability. Given the pervasive impact of housing prices on households it is important to understand how price trends in Utah compare to trends in other states and metropolitan areas. Comparisons of the state and metropolitan areas add context and perspective to the local experience.

Utah's High Rate of Growth in Housing Prices

Since 1991 the increase in housing prices in Utah ranks fourth highest in the U.S. Utah's housing prices have increased at a four percent annual growth rate compared to 1.5 percent nationally. The annual growth was derived from the change in the housing price index (1991 = 100) published by the Federal Housing Finance Agency (see Figure 1). A simple example illustrates the remarkable increase in prices in Utah. At a four percent annual growth rate, the value of a \$125,000 home in Utah in 1991 increases to \$347,000 by 2017. At the national growth rate of 1.5 percent, the value of that same home increases to only \$184,000 by 2017.² Over the long term housing price increases in Utah rank among the highest in the country.

In the past year Utah ranks fifth, tied with Idaho. In the year-over (2016-2017) increase in housing prices. Overall, nationwide, 2017 was a very strong year for housing prices. Twenty-five states had price increases of at least six percent (see Map 1). Western states, including Hawaii and Alaska, led the country in housing price

Figure 1
Percent Change in Housing Price Index by State – Purchase Only, 1991 to third quarter 2017



increase. The six states with a price increase over nine percent are all western states. The state-to-state comparisons have looked at rates of increase rather than absolute housing values. A comparison of home values adds another dimension to our analysis. The home value data come from U.S. Census Bureau's, American Community Survey, which publishes the median value

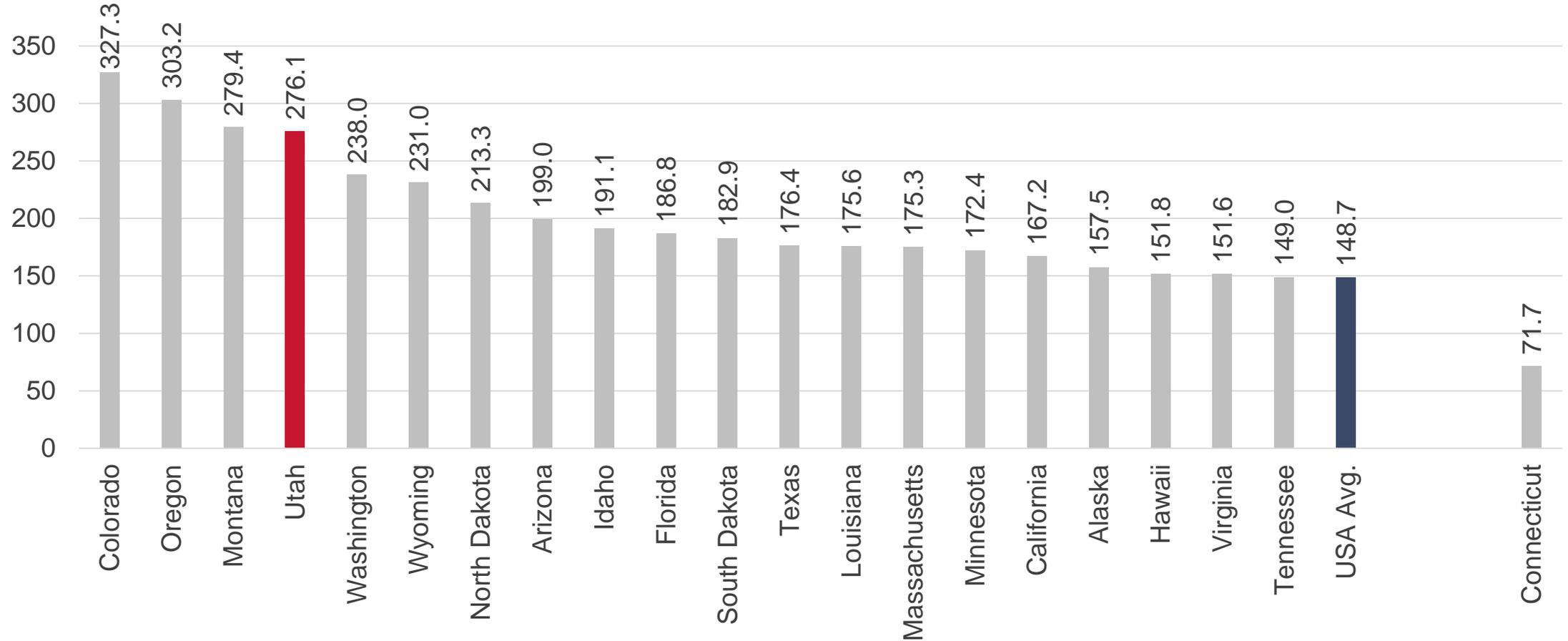
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HOUSING PRICE INDEX % CHANGE

1991 – 3Q 2017



Source: Federal Housing Finance Agency

SALES PRICE OF A SINGLE FAMILY HOME

Median Sales Price: Percent Change 1991 – 2017

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

*111 metropolitan areas.

Source: National Home Builders Association

PRICED OUT



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



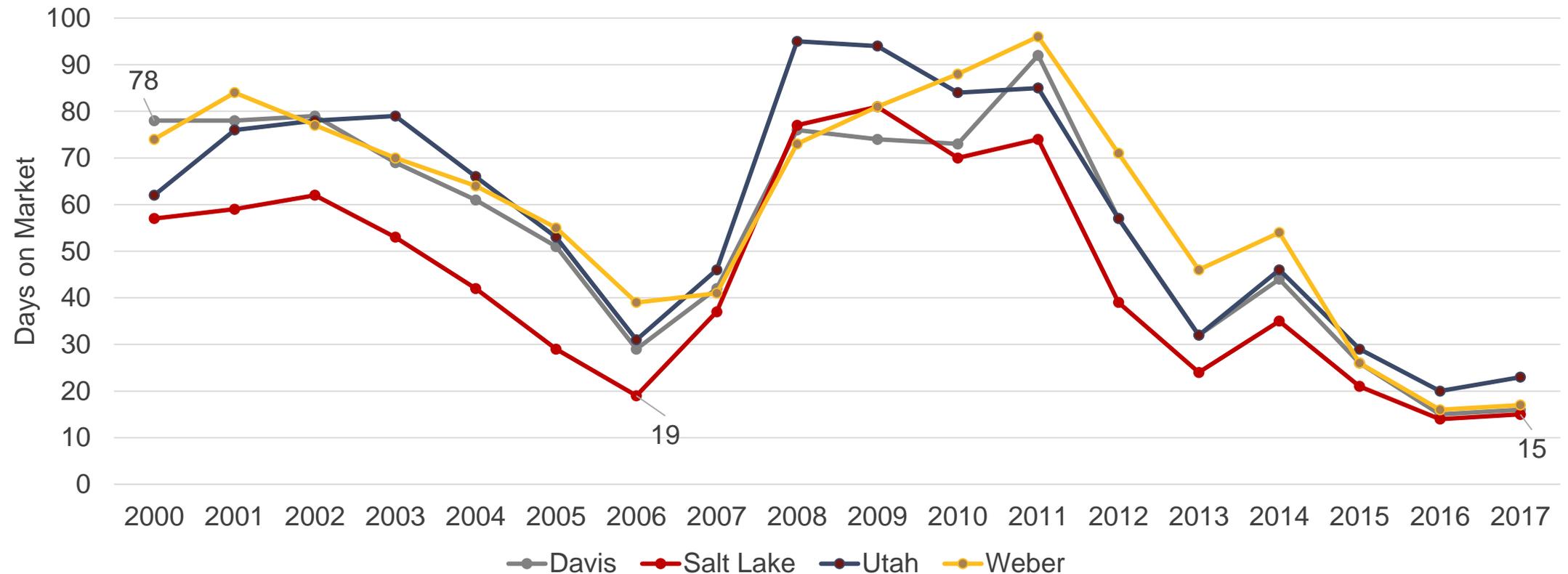
4 HOUSEHOLDS : 3 HOUSING UNITS

Since 2010



CUMULATIVE DAYS ON MARKET

Existing Single Family Homes



Source: UtahRealEstate.com



HOUSING GAP
COALITION

APARTMENTS

Vacancy Rate and New Apartment Units in Wasatch Front Counties

Year	Davis County		Salt Lake County		Utah County		Weber County	
	Vacancy Rate	New Apartment Units	Vacancy Rate	New Apartment Units	Vacancy Rate	New Apartment Units	Vacancy Rate	New Apartment Units
2005	9.70%	107	6.10%	1,302	8.70%	474	9.20%	6
2006	7.40%	52	4.00%	338	7.10%	560	6.50%	106
2007	5.70%	275	3.20%	898	3.80%	320	6.30%	31
2008	4.60%	73	4.60%	1,521	3.60%	76	7.00%	193
2009	5.90%	108	7.20%	2,442	5.70%	87	9.00%	0
2010	8.00%	4	5.70%	541	7.00%	274	6.90%	36
2011	5.10%	538	5.20%	488	5.50%	579	6.70%	0
2012	5.80%	712	3.80%	538	5.00%	431	6.10%	55
2013	6.60%	251	3.90%	1,605	3.20%	415	7.00%	18
2014	4.60%	394	3.00%	3,326	4.40%	2,318	4.90%	311
2015	4.50%	198	2.70%	2,918	3.60%	1,315	4.00%	384
2016	4.50%	327	2.90%	4,461	3.40%	435	3.50%	235
2017	4.00%	477	2.60%	2,306	4.20%	1,654	2.40%	163

Source: Equimark and CBRE

CONSTRUCTION AND LABOR COST



CHANGE IN CONSTRUCTION JOBS AND WAGES, 2007-2016

State of Utah	2007	2016	% diff. 2007-2017
Construction Jobs	104,613	92,756	-11%
<i>Construction as % of total state employment</i>	8.40%	6.50%	
Construction of Buildings	22,153	19,133	-14%
Heavy and Civil Engineering Construction	12,398	10,194	-18%
Specialty Trade Contractors	70,062	63,430	-9%
Average Construction Monthly Wage	\$3,138	\$3,956	26%

20
17



2010



Source: Utah Department of Workforce Services

HARD CONSTRUCTION COST DRIVERS

Percent Change 2007-2017

DRYWALL

15%

CABINETRY

40%

ROOFING

70%

SIDING

148%

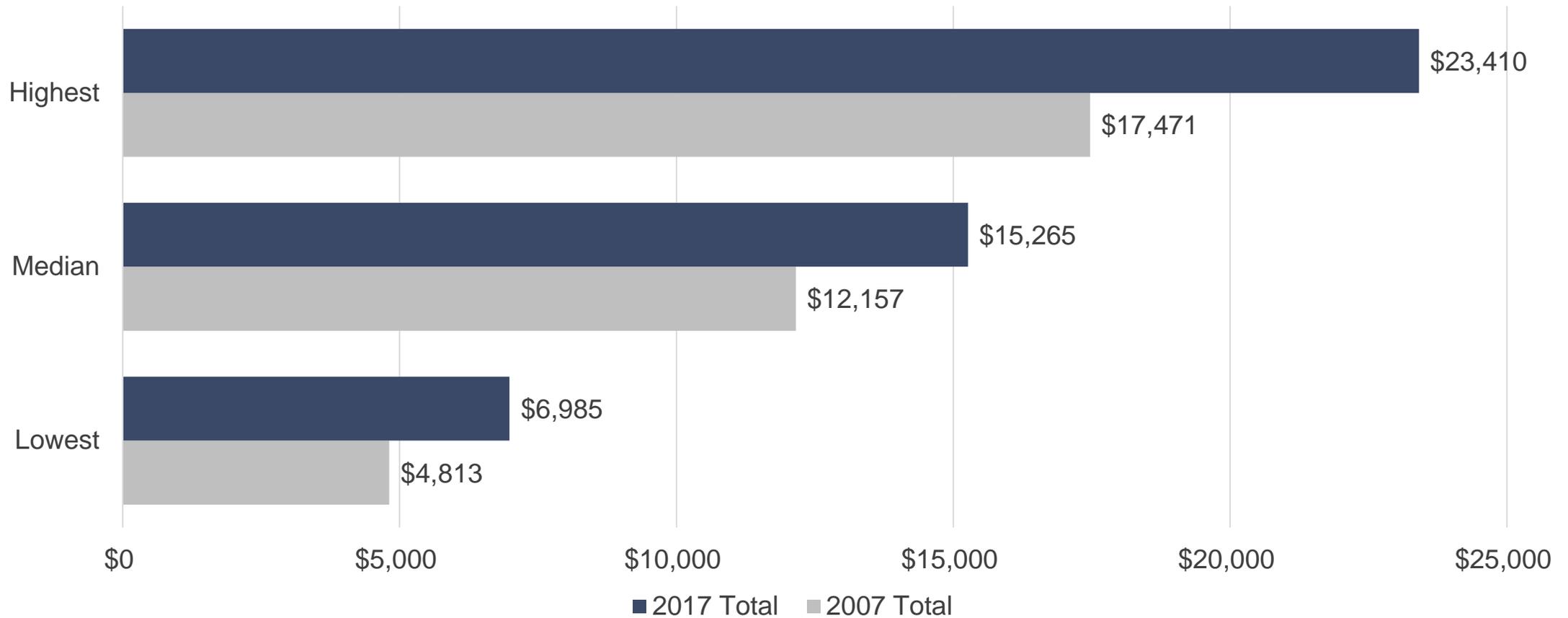
LUMBER

60%

Source: Ivory Homes

PERMIT AND IMPACT FEE

Percent Change 2007 – 2017



Source: Kem C. Gardner Policy Institute

LOCAL ZONING ORDINANCES AND NIMBYISM



BALANCE OF HOUSING TYPES



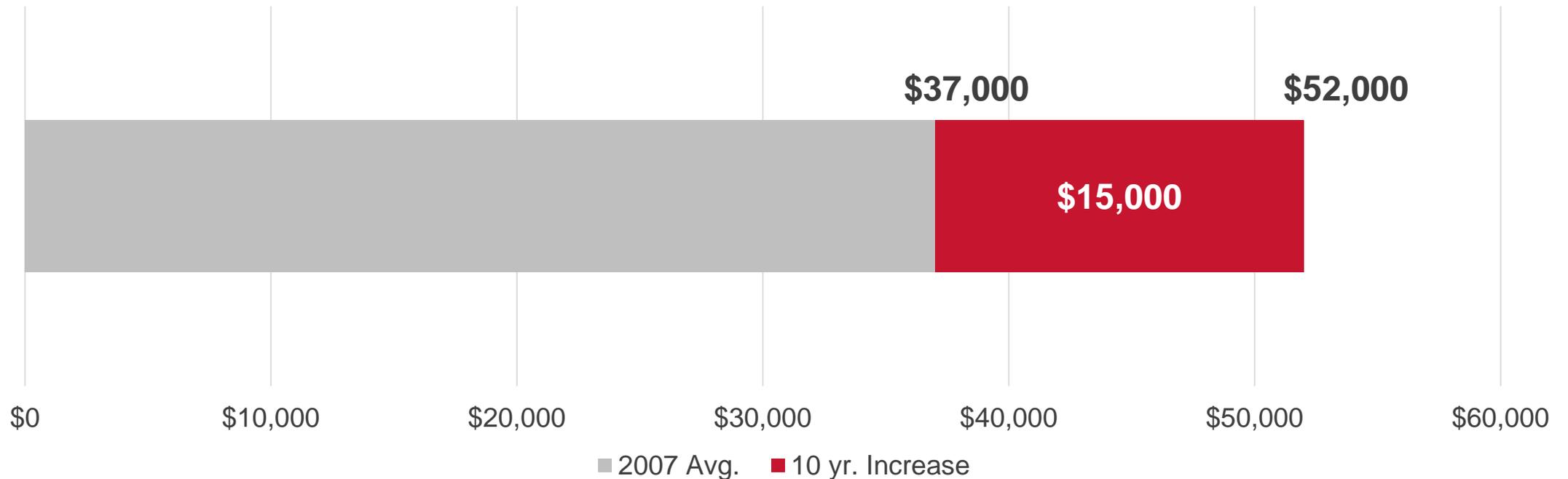
LAND COSTS & TOPOGRAPHY



LAND IMPROVEMENT COST CHANGE, 2007-2017

The best is not saved for last.

40% Increase 2007-2017



Source: Kem C. Gardner Policy Institute

WE CAN ONLY GROW SO FAR

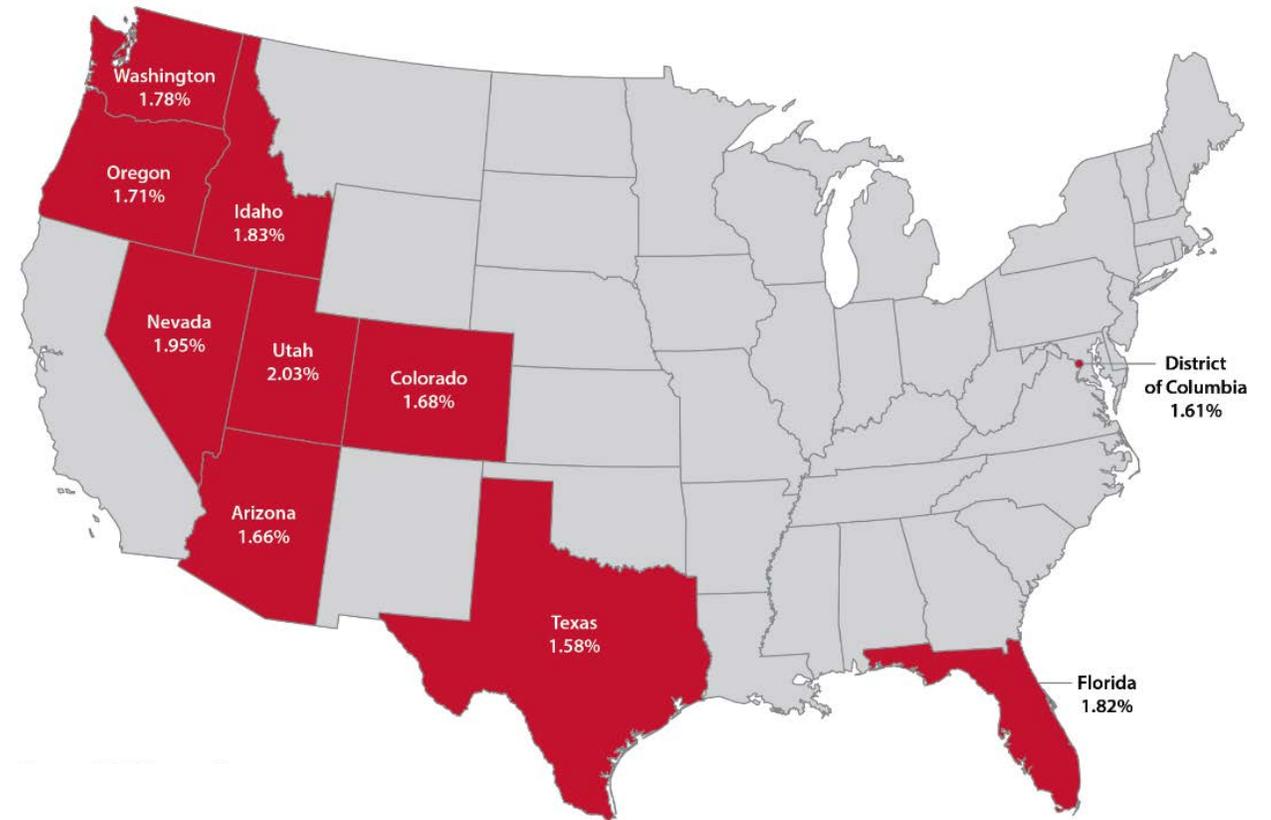


DEMOGRAPHIC & ECONOMIC GROWTH



POPULATION GROWTH: TOP TEN STATES

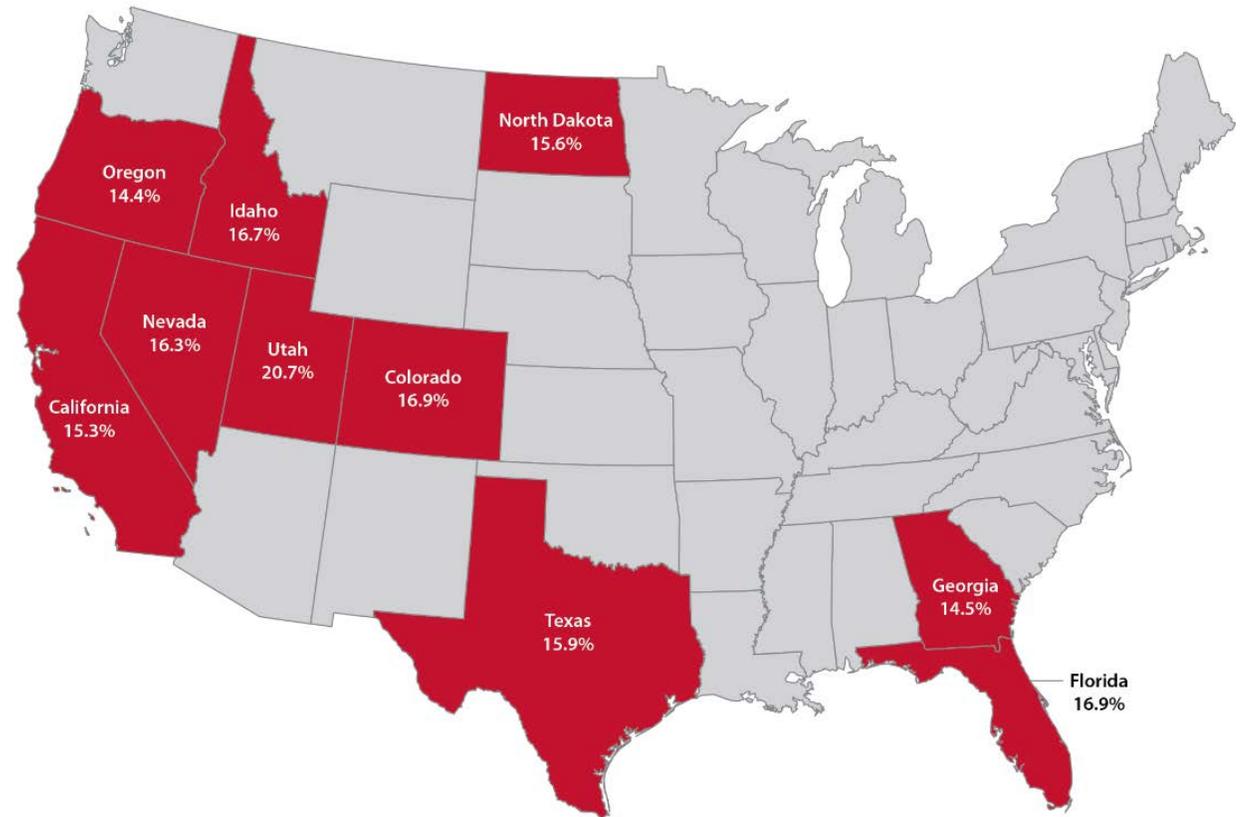
Annual Average Rate of Change 2010-2016



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



WHAT NOW?





HOUSING GAP
COALITION

SOLUTIONS

Local Policy Decisions can Help Housing Affordability

ZONING FOR WIDE
VARIETY OF HOUSING
TYPES AND PRICES



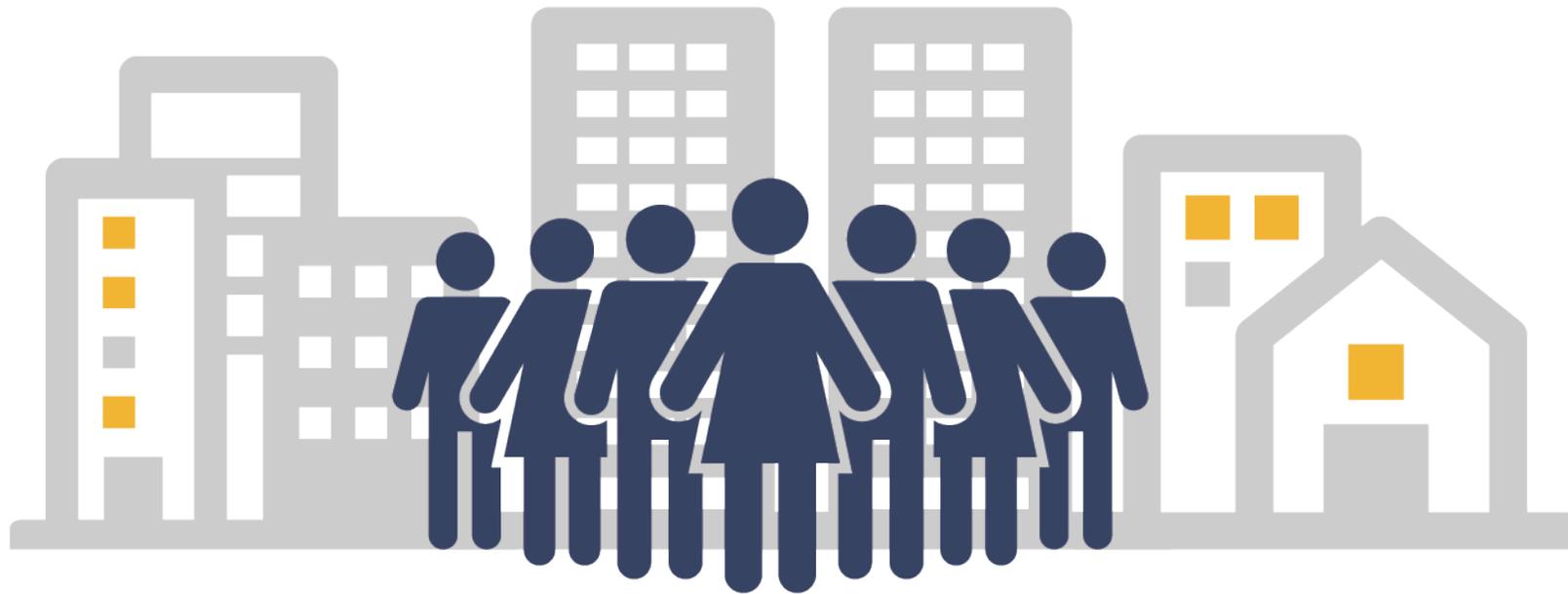
IMPROVE COST-
PROHIBITIVE IMPACT
AND PERMIT FEES



SUPPORT MULTI-USE
LAND DEVELOPMENT



NEXT STEPS



FOR MORE INFORMATION OR TO BECOME INVOLVED

For more information or
to read the full report, visit

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