

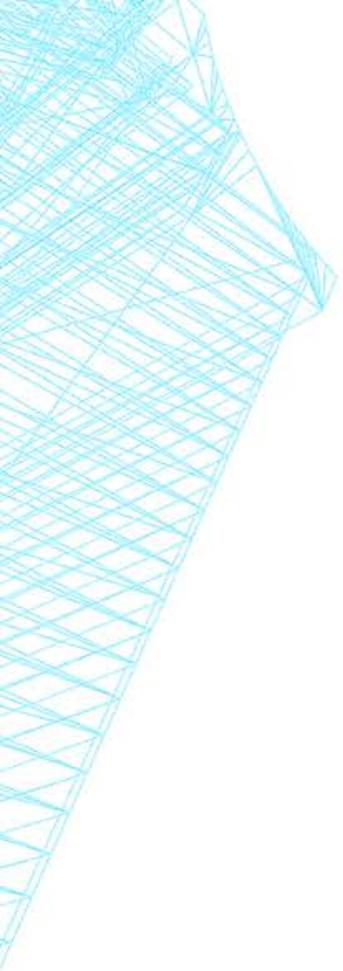


MOAB AREA HOUSING

An update on the crisis...

Zacharia Levine, GC Community Development

Photo courtesy of Bryan Bowen Architects



INTERLOCAL HOUSING TASK FORCE

Mel Hugentobler

Tiffany Van Sickle

Rachel Moody

Jazmine Duncan

Jeff Reinhart

Dave Knowles

Ben Riley

Ken Davey

Melissa Byrd

Shik Han

Leticia Bentley

Joey Allred

Mike Badger

Heila Ershadi

Audrey Graham

Barbara Hicks

LaDonna Kiniston

Darcey Brown

Jeff Whitney

Jaylyn Hawks

David Olsen

Dennis Brown

Emily Niehaus

Rikki Epperson

Kalen Jones

Jim Webster

Rani Deraseray

Michele Blackburn

Todd Thorne

Peggy Hosner

Mike Duncan

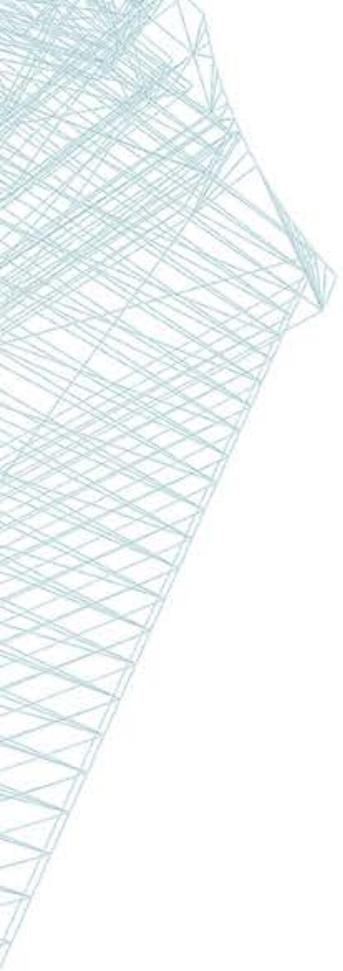
Molly Marcello

Katlyn Keane

Annalee Howlend

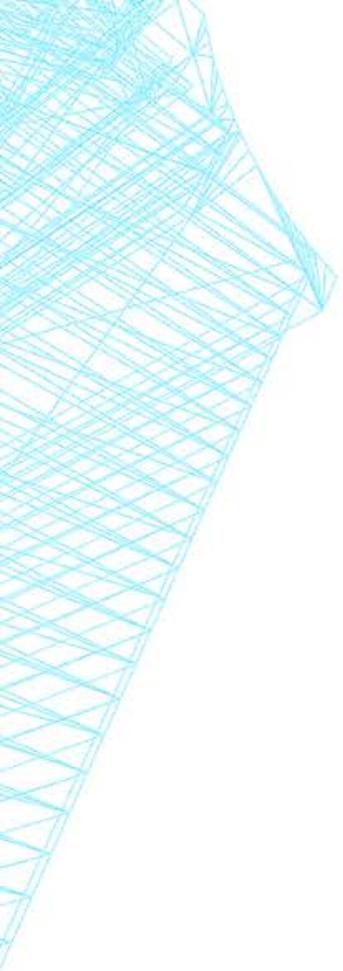
Susan Marhall

Zacharia Levine



OBJECTIVES

- What is housing affordability?
- Review 2009 Affordable Housing Plan
- Understand current market conditions and housing needs
- Review progress made over the last six years
- Identify needed legislative actions and a benchmark timeline



WHAT IS HOUSING AFFORDABILITY?

HOUSING AFFORDABILITY

- All housing costs – mortgage/rent, utilities, & maintenance – must be *less than 30% of HH income*
 - >30% of HH income = “cost-burdened”
 - >50% of HH income = “severely cost-burdened”
- *Residual income* is also an important metric
 - How much money is left over after housing costs?
 - Even 30% from a low HH income leaves little for other essential expenditures



Household Area Median Income (AMI) = \$55,300/yr for a family of four (HUD 2015)

What can area households afford?

Summary of Local Affordability

Household Income	Maximum Monthly Income for Housing Expenses	Maximum Mortgage Loan Amount	Maximum Sales Price 10% Down; 30 yr fixed @4.00% w/2% PMI
<i>≤30% AMI</i>	\$415	\$25,579	\$28,421
<i>>30% to ≤50% AMI</i>	\$691	\$68,508	\$76,120
<i>>50% to ≤80% AMI</i>	\$1,106	\$132,902	\$147,669
<i>>80% to ≤100% AMI</i>	\$1,383	\$175,832	\$195,369

*Affordability summary based on a household size of 4.

Median (active) List Price in May 2015: \$290,000

Average (active) List Price in May 2015: \$351,700

Residual Income Approach

- *EX: 4 person and low-income household (50% AMI)*
- HH income = \$2304/mo.
- Housing Costs = \$1931 (owner); \$1000/mo. (renter)
 - Median rent in Grand County (\$750/mo.) + Utilities (\$250/mo.)



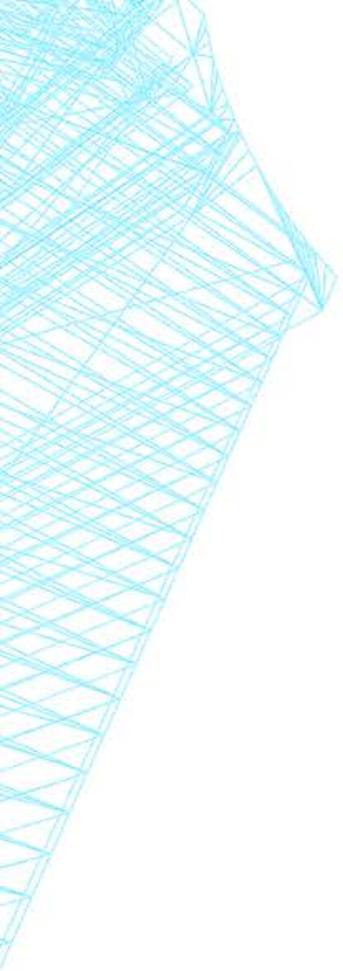
- After housing, is **\$373/mo. or \$1304/mo. residual** enough to cover all other essential expenditures for a family of four?



“We have found it **difficult to hire qualified people** in our field (Veterinary Medicine).”

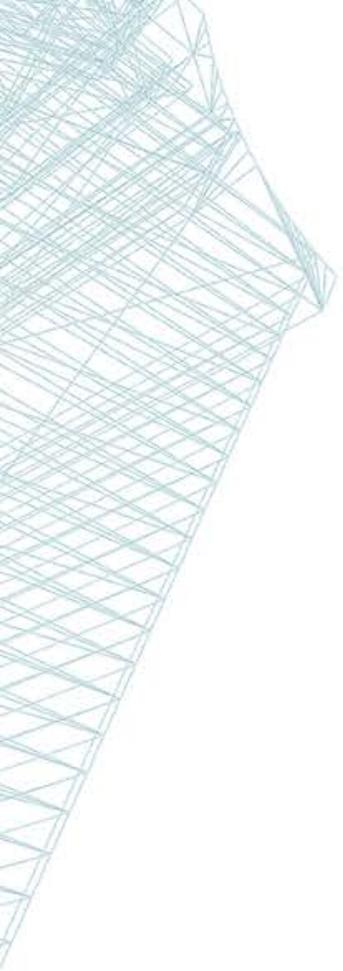
“We pay the national average in wages, but expensive housing **keeps people from moving and staying here.**”

“Providing **employee housing** is a cost of doing **business** in Moab.”



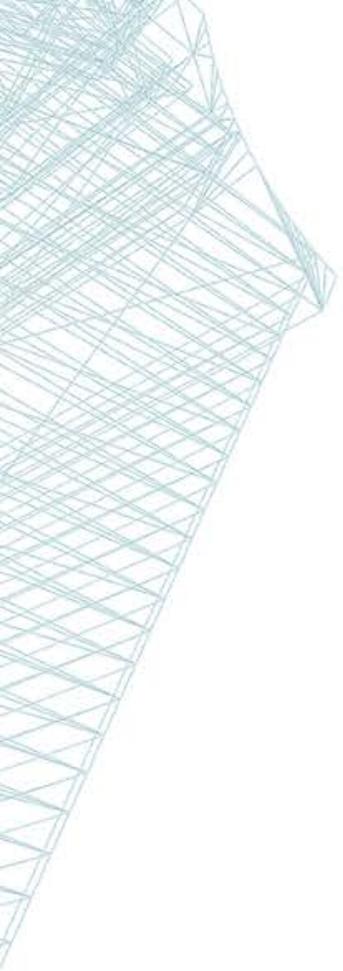
MOAB CITY AND GRAND COUNTY

2009 HOUSING STUDY &
AFFORDABLE HOUSING PLAN



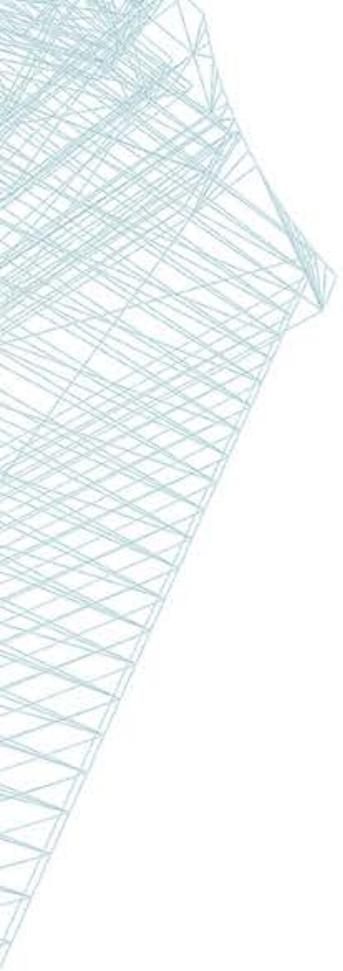
GENERAL CONCEPTS/INTRODUCTION

- Created in response to local needs and state-level legislation
- NOT created in a vacuum!
- Funded through a \$10,000 grant secured by Moab City from the Utah Quality Growth Commission
- Facilitation provided by the Rural Community Assistance Corporation (RCAC)
- Adopted May 18, 2009



WHAT DOES THE 2009 PLAN INCLUDE?

- Demographics and housing analysis
 - Housing conditions assessed by SEU-ALG in the 2005 Consolidated Plan
- Key terms/definitions
- Progress-to-date (up to 2008)
- Housing needs assessment (up to 2006/2007)
 - (Jim Wood, Bureau of Business and Economic Research (BEBR), University of Utah)
- Barriers to affordable housing (non-exhaustive)
- Housing development pro-forma
- 5-yr goals, objectives, and action steps



KEY FINDINGS FROM THE 2009 STUDY

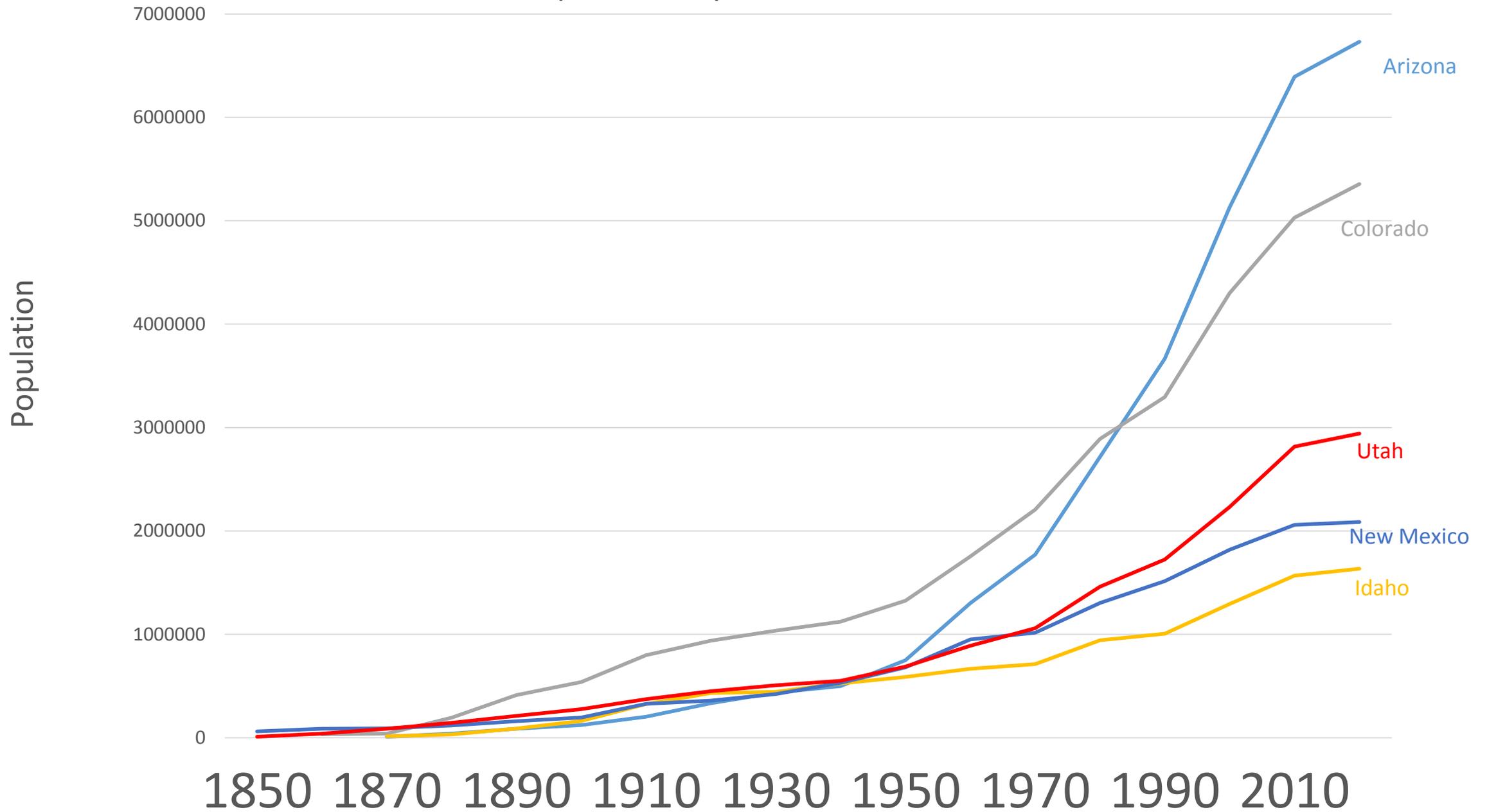
- Four primary factors:
 - Low household income
 - High housing costs
 - External market demand
 - Conditions of existing housing inventory
- The housing gap increased markedly between '00 and '07
 - In '06/'07...
 - 194 renter-occupied housing units
 - 313 owner-occupied housing units
- Estimated 35% of housing stock in “dilapidated” or “unacceptable” condition



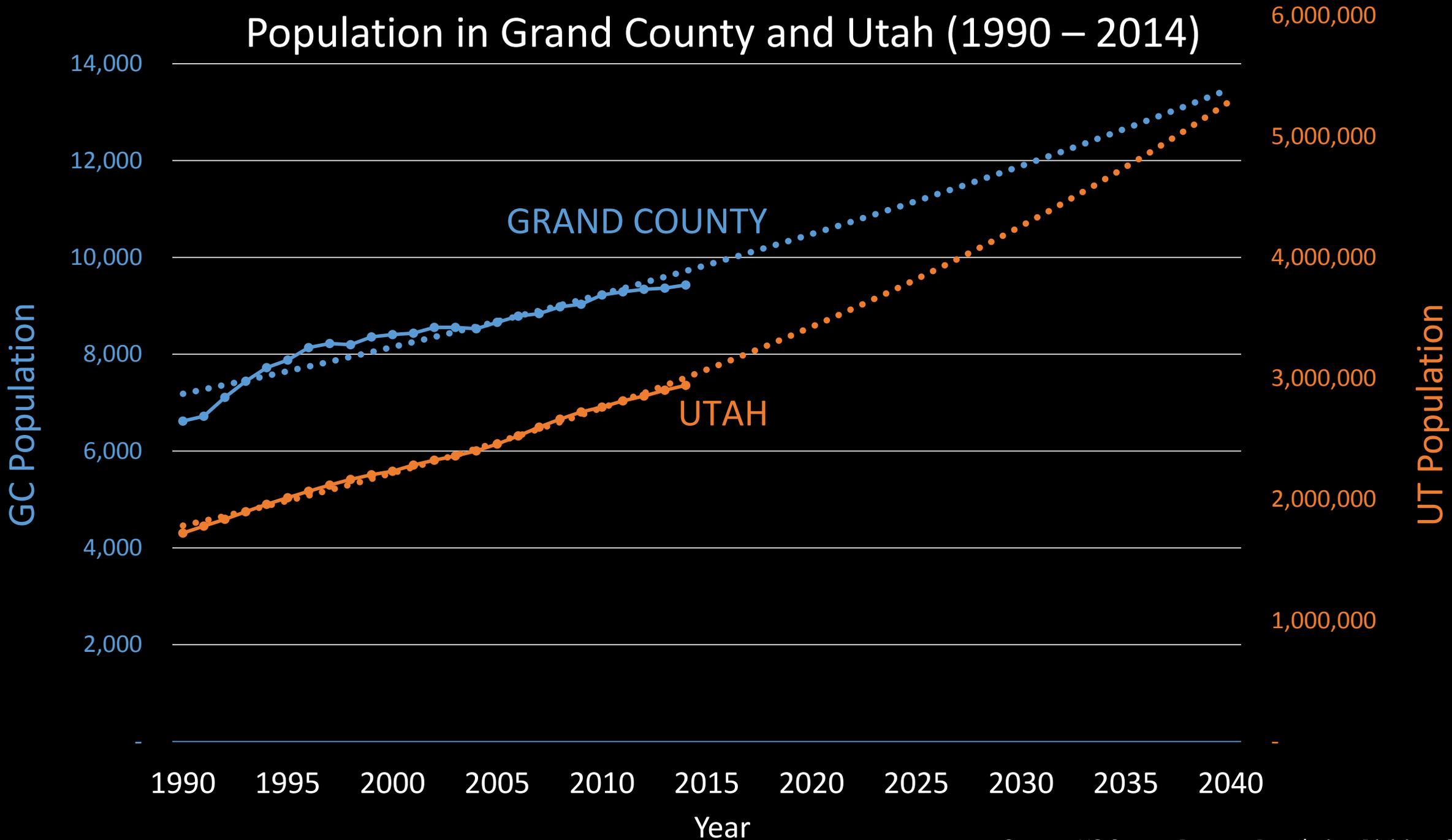
UPDATING THE 2009 STUDY...

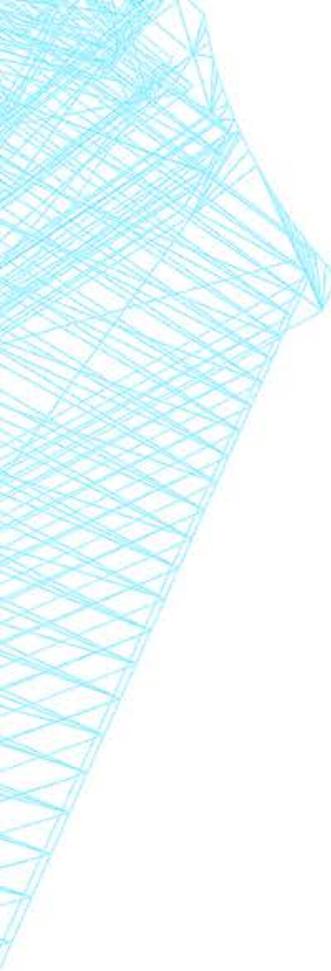
CURRENT MARKET CONDITIONS

Populations by State, 1850 - 2014



Population in Grand County and Utah (1990 – 2014)

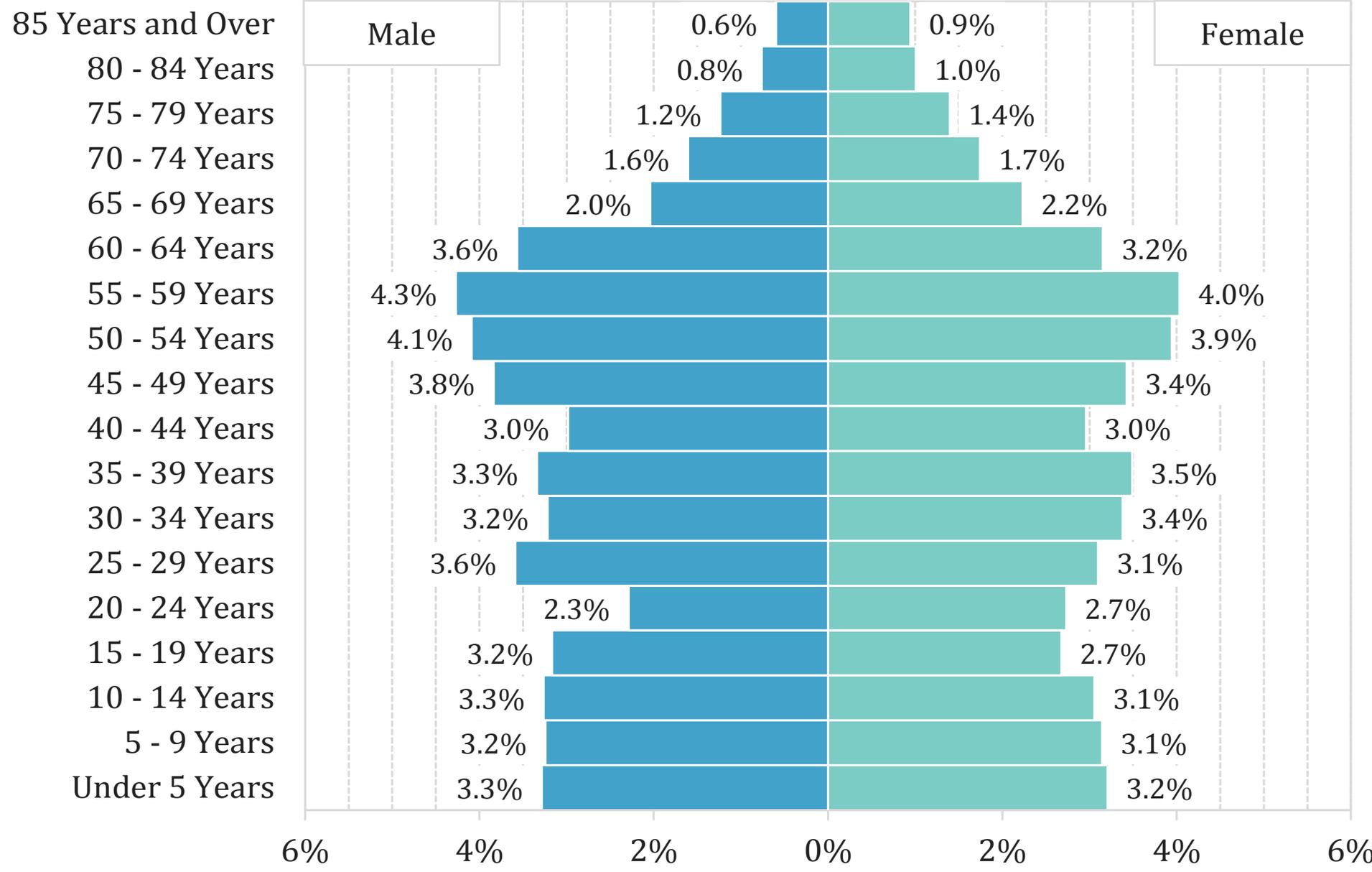




POPULATION TRENDS

- Population growth has slowed from an average of 2.43% per year in the '90s, 0.90% per year in the '00s, and 0.86% between '10 and '14
 - This still amounts to an average of 100 new residents/yr since 1990
- Grand County is growing slower than Utah as a whole, but it is still trending to double by 2050
- New Household formation is outpacing population growth
- New Household formation is outpacing new residential construction

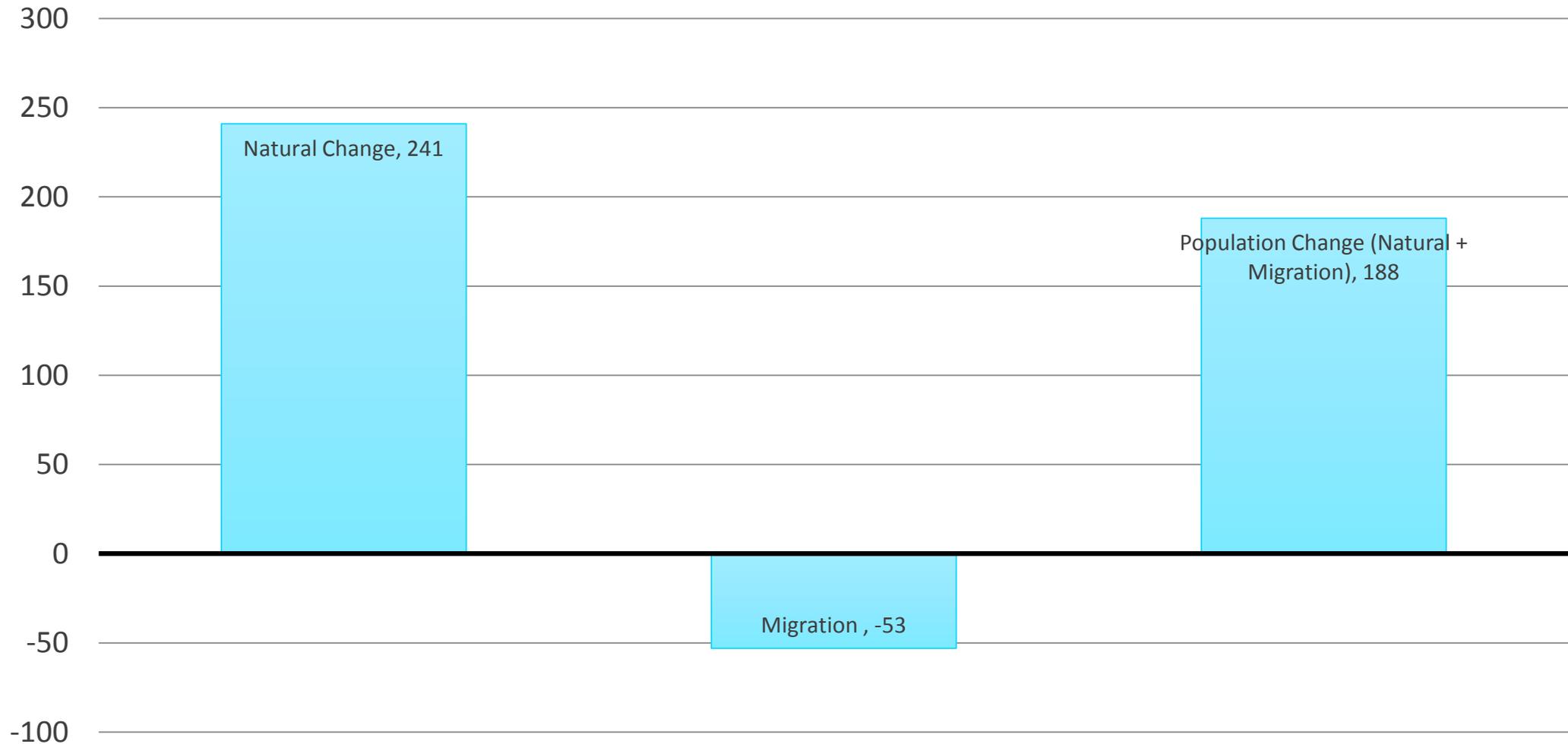
GRAND COUNTY POPULATION AGE STRUCTURE (2010)



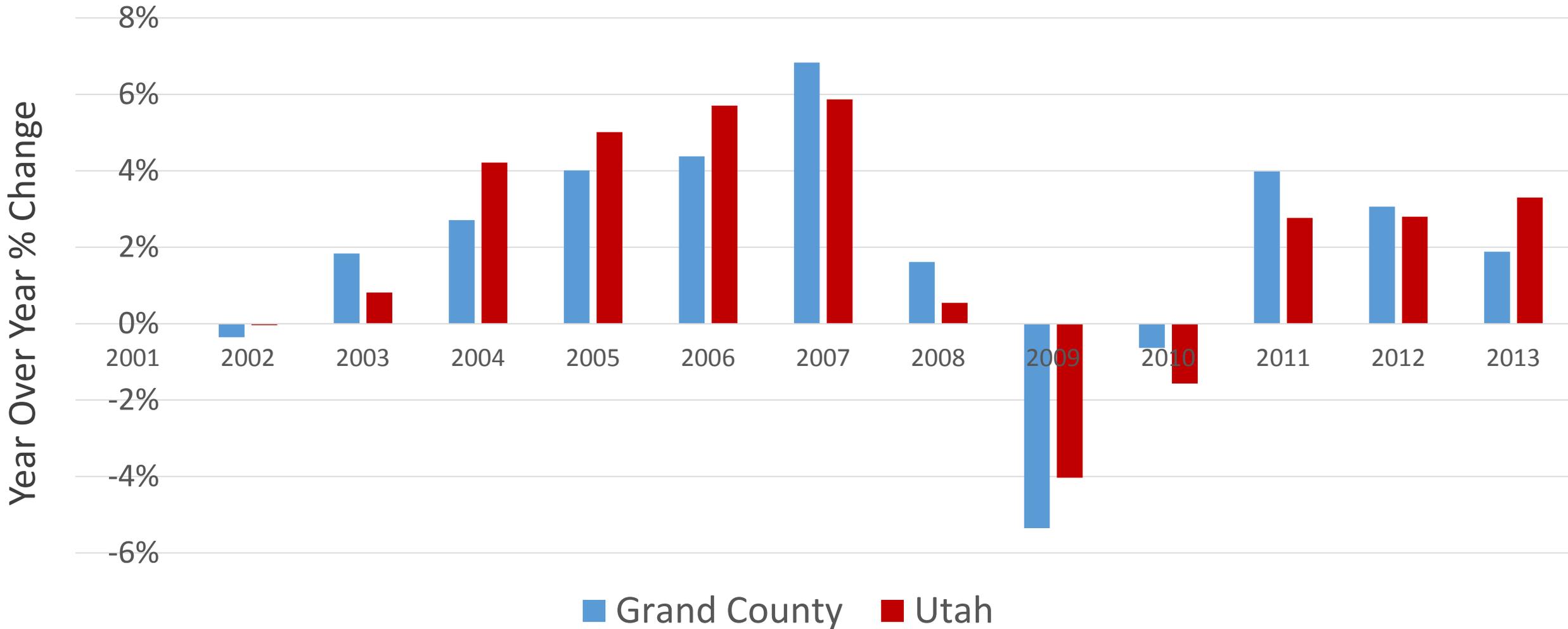
Sources: US Census Bureau

COMPONENTS OF POPULATION CHANGE

Estimates, 2010 - 2014



Annual Percentage Change Private Nonfarm Employment



Source: Bureau of Economics;
Local Area Information; Table CA 25.

EMPLOYMENT

Description	% of 2013 Total Employment	% Change (2001-'13)
Employment by place of work (number of jobs)		
Total employment	7143	24.8%
By industry		
Farm employment	1.4%	-10.0%
Nonfarm employment	98.6%	25.5%
Private nonfarm employment	84.1%	26.1%
Mining	Not shown	
Utilities	0.4%	-15.2%
Construction	5.9%	1.4%
Manufacturing	1.3%	-8.2%
Wholesale trade	1.5%	27.4%
Retail trade	13.2%	20.3%
Transportation and warehousing	2.3%	86.4%
Information	Not shown	
Finance and insurance	2.2%	60.8%
Real estate and rental and leasing	6.3%	75.3%
Professional, scientific, & tech	4.4%	31.8%
Management of companies and enterprises	Not shown	
Administrative and waste management services	Not shown	
Educational services	1.3%	-41.3%
Health care and social assistance	5.4%	29.2%
Arts, entertainment, and recreation	5.9%	38.4%
Accommodation and food services	22.4%	21.2%
Other services, except public administration	4.4%	29.5%
Government and government enterprises	14.5%	22.1%

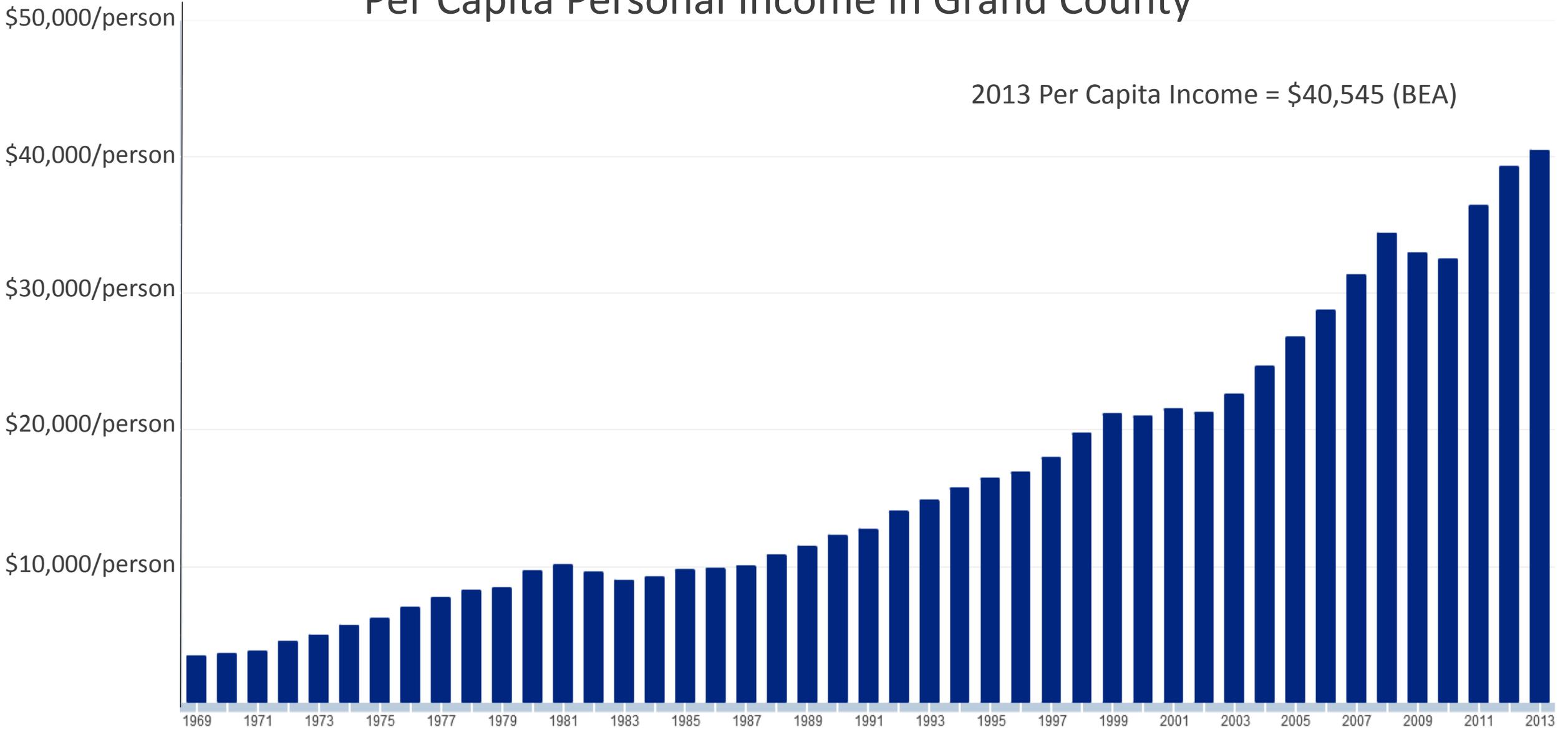
- Service-related industries ...
still the largest share of employment (71%)
Accommodations & food services (~1400 jobs)
- Transportation and warehousing (+86%)
- Finance and insurance (+61%)
- Health care (+56%)
- Professional and technical services (+32%)

Sources:

Bureau of Economics. 2013. Local Area Information. Table CA 25

US Dep't of Commerce. 2014 Census Bureau. County Business Patterns.

Per Capita Personal Income in Grand County

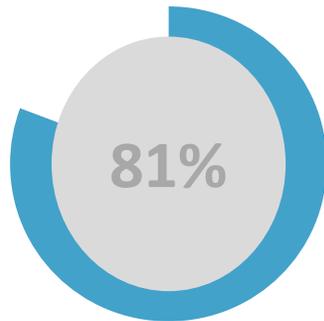


Source: Bureau of Economic Analysis

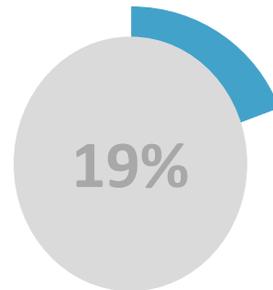
EXISTING HOUSING STOCK

Current Housing Occupancy

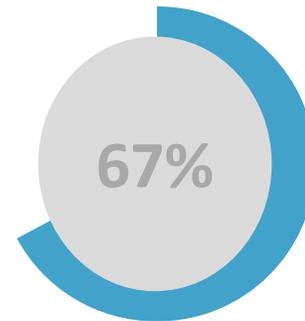
Occupied Housing
Units



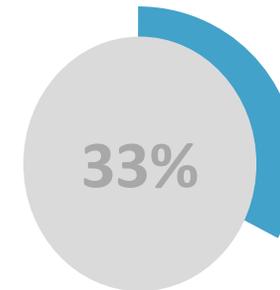
Vacant Housing
Units



Owner-Occupied
Housing Units



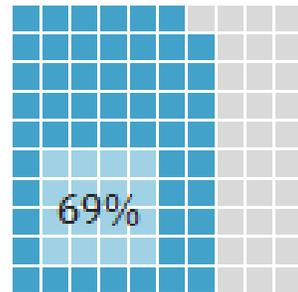
Renter-Occupied
Housing Units



EXISTING HOUSING STOCK

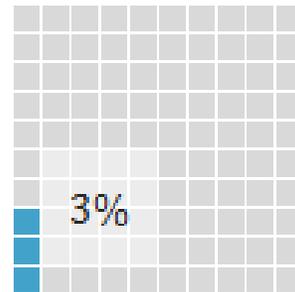
Housing Units by Structure Type

1-Unit Detached



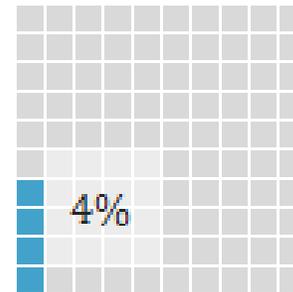
69%

1-Unit Attached



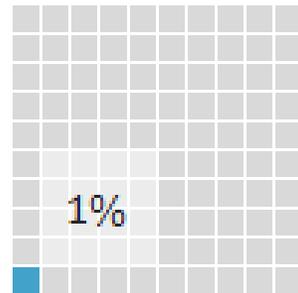
3%

2 to 4 Units



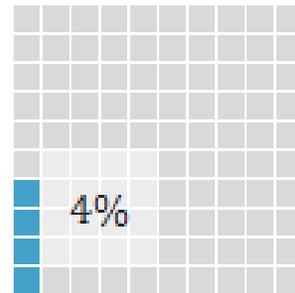
4%

5 to 19 Units



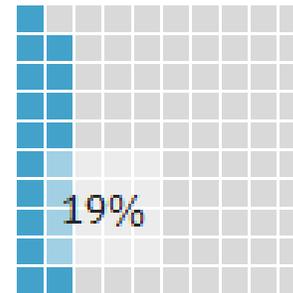
1%

20 or More Units

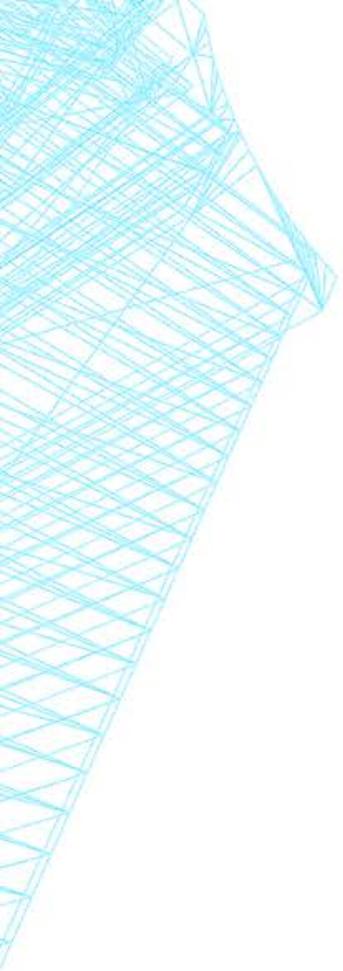


4%

Other (mobile home, RV, etc.)



19%



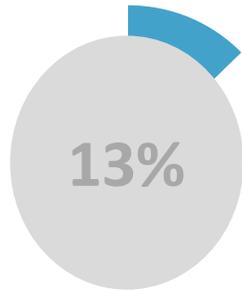
EXISTING HOUSING STOCK

- 491 Mobile Home Lots
 - ~80% occupied
 - Monthly fee paid if unit is owned: \$275-400/mo
 - Monthly rent if unit is not owned: \$650-800/mo
- 920 RV/Campground spaces
 - 96 “Extended Stay” spaces
 - 15 employee housing units

EXISTING HOUSING STOCK

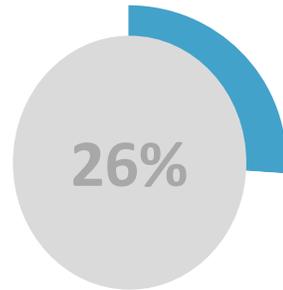
Owner-Occupied Housing Units by Year Built

2000 or later



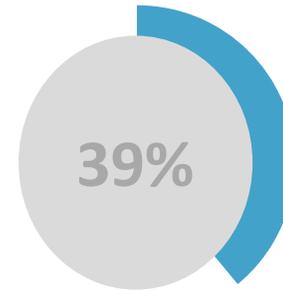
13%

1980 to 1999



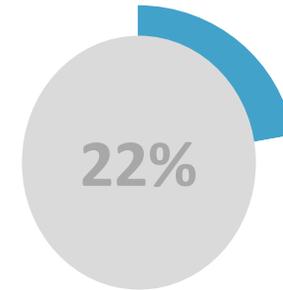
26%

1960 to 1979



39%

1959 or earlier

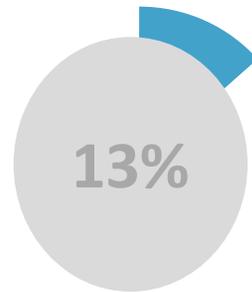


22%

EXISTING HOUSING STOCK

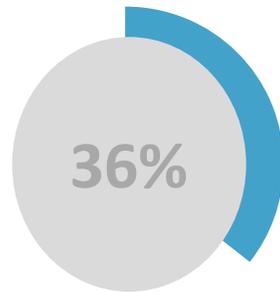
Renter-Occupied Housing Units by Year Built

2000 or later



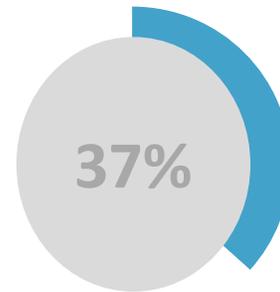
13%

1980 to 1999



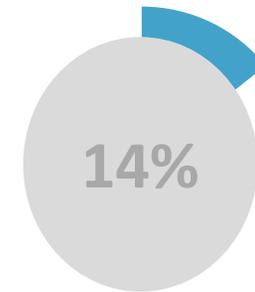
36%

1960 to 1979

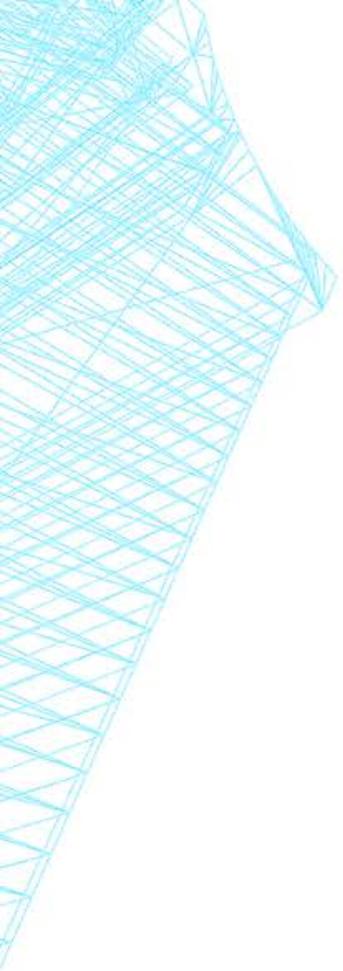


37%

1959 or earlier

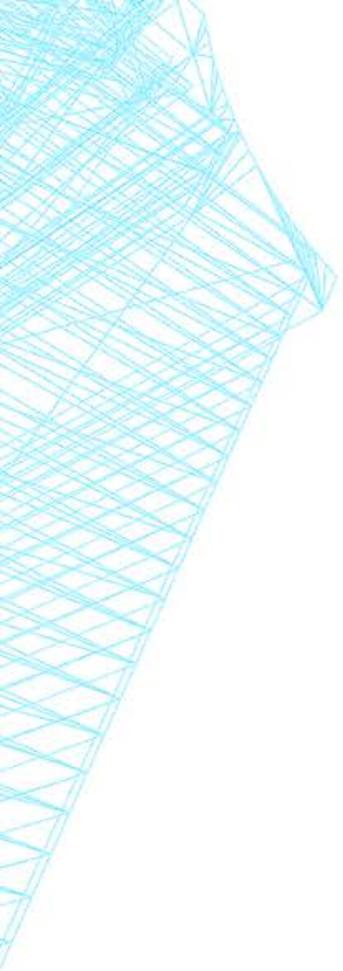


14%



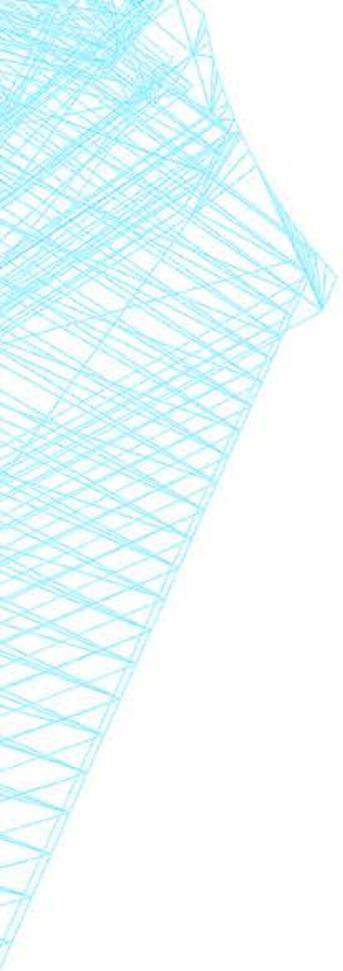
CONSTRUCTION ACTIVITY

- Average number of C/Os per year (2013 – '15)
 - Grand County = 37
 - City of Moab = 29.3
 - Castle Valley = 3
- 181 residential dwelling units constructed countywide since 2013
- Average number of residential dwelling units constructed per year (2013 – '15)
 - Grand County = 33
 - City of Moab = 25.3
 - Castle Valley = 2



CURRENT SALES AND RENTAL PRICES

- Median list price for all housing types (May 2015) = \$290,000
- Average (mean) list price for all housing types (May 2015) = \$351,700
 - Source: Multiple Listing Service. May 31, 2015. and Zacharia Levine
- Median rent + utilities for all housing types = \$1000/mo.
 - Source: 2013. American Community Survey. US Census Bureau
 - Confirmed by Moab Property Management – assumes \$250/mo. Utility bill



DEVELOPABLE LAND IN MOAB AND GC – RECENTLY SOLD & ACTIVE

Average Residential Parcels \$248,936/acre

Median Residential Parcels \$200,301/acre

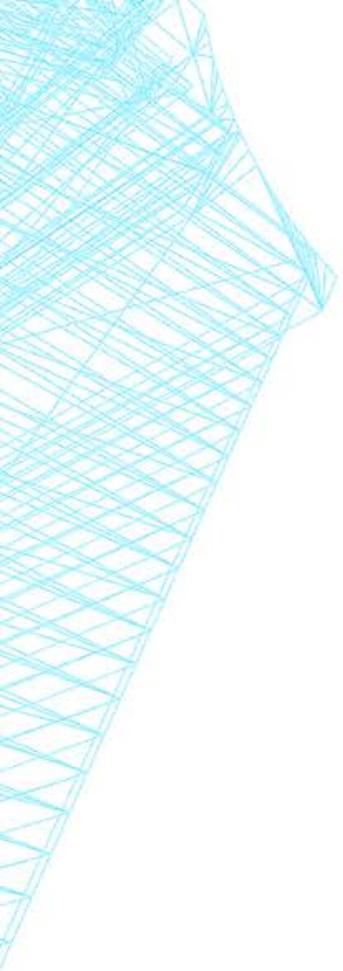
Average Commercial Parcels \$325,099/acre

Median Commercial Parcels \$145,788/acre

PROGRESS TO DATE...



Development	Developer/Owner	# of Units	Year Built	Occupancy Type	Deed Restricted?
Single Family Strawbales	Community Rebuilds	13	4/yr	Owner	10 yrs
Archway Village Apartments		20	1985	Renter	Income limits
Huntridge Plaza Apartments		24	2004 rehab	Renter	Income limits
Kane Creek Apartments		36	1993	Renter	Income limits
Ridgeview Apartments		6	1994	Renter	Income limits
Rockridge Senior Housing		35	1998	Renter	Age & Income limits
The Virginian Apartments	HASU	28		Renter	Income limits
The Willows	Interact	8	2015	Renter	
Cinema Court	HASU	60	2012	Renter	5 - 1 BR @ 25% AMI 10 - 1 BR @ 39% AMI 30 - 2 BR @ 45% AMI 6 - 3 BR @ 45% AMI 9 - 3 BR @ 55% AMI
Aspen Cove	Interact	12	2015	Renter	30% of income
Crown at Desert Wind	HASU	5	2013	Renter	15 yrs
Sage Valley	HASU	8	1998	Owner	15 yrs
CROWN at Rim Hill	HASU	8	2005	Renter	15 yrs
Mutual Self-Help	HASU	134	Ongoing	Owner	Beginning in 2016
	TOTAL:	397	~7% of total housing stock		



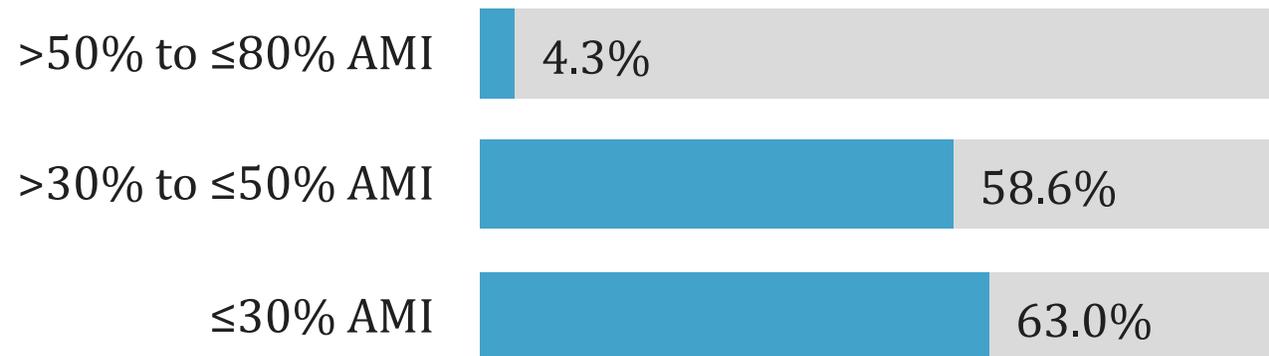
HOUSING NEEDS ANALYSIS

Cost Burdened Renter Households

Households Spending 30% or More of Monthly Income on Housing (by Income Level)



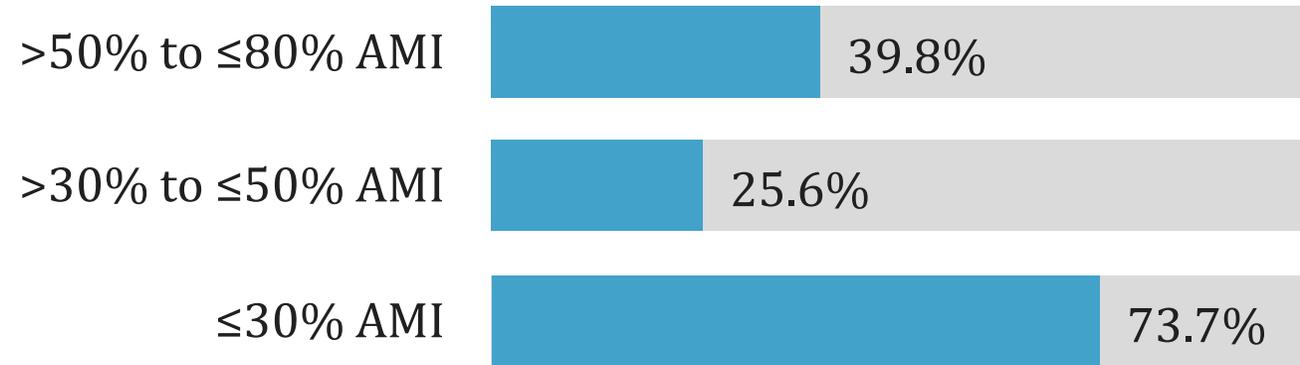
Households Spending 50% or More of Monthly Income on Housing (by Income Level)



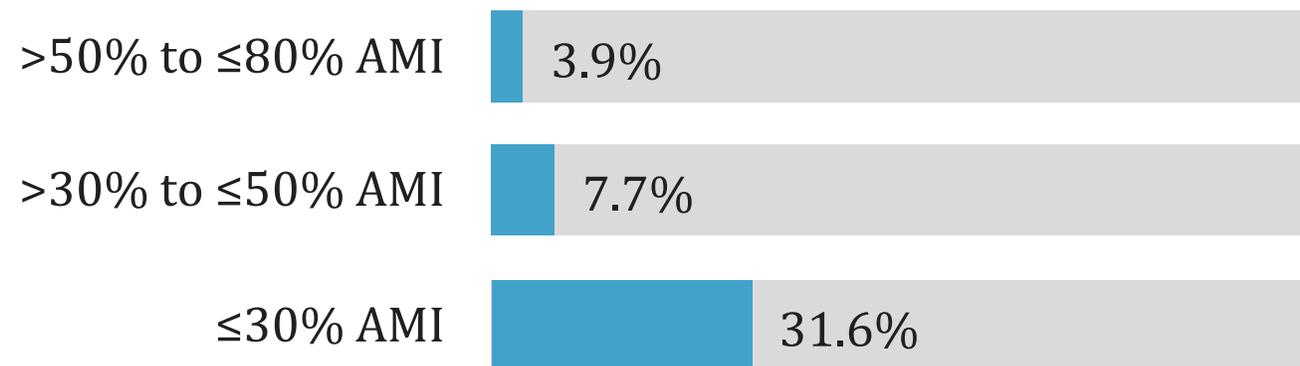
Source: American Community Survey, 2013. US Census Bureau

Cost Burdened Owner Households

Households Spending 30% or More of Monthly Income on Housing (by Income Level)



Households Spending 50% or More of Monthly Income on Housing (by Income Level)



Source: American Community Survey, 2013. US Census Bureau

CURRENT DEFICIT

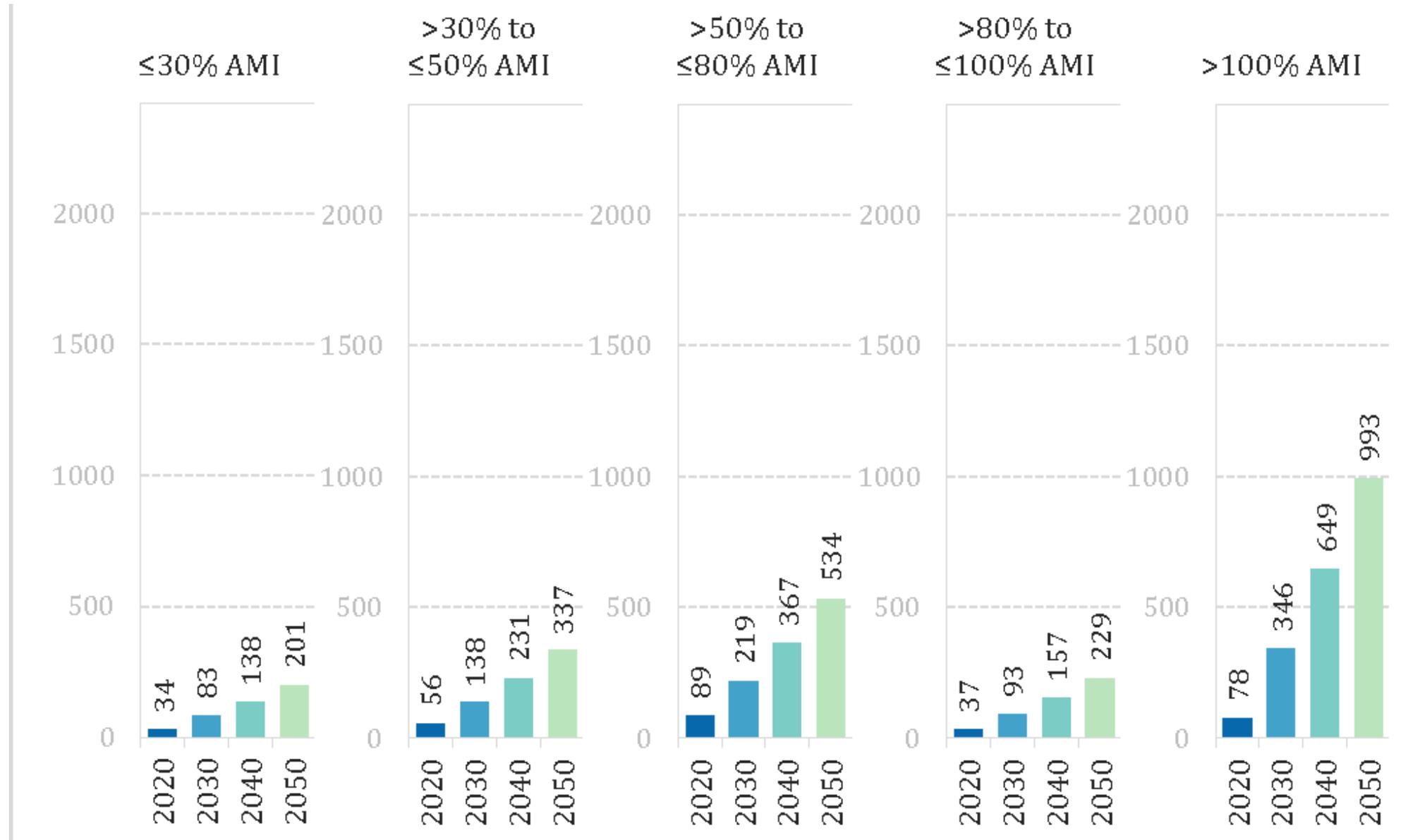
- 890 cost-burdened households (395 owner, 495 renter)
- 95% of active listings – out of reach for moderate income families
- Biggest deficits within smaller, renter-occupied housing

Existing Housing Stock

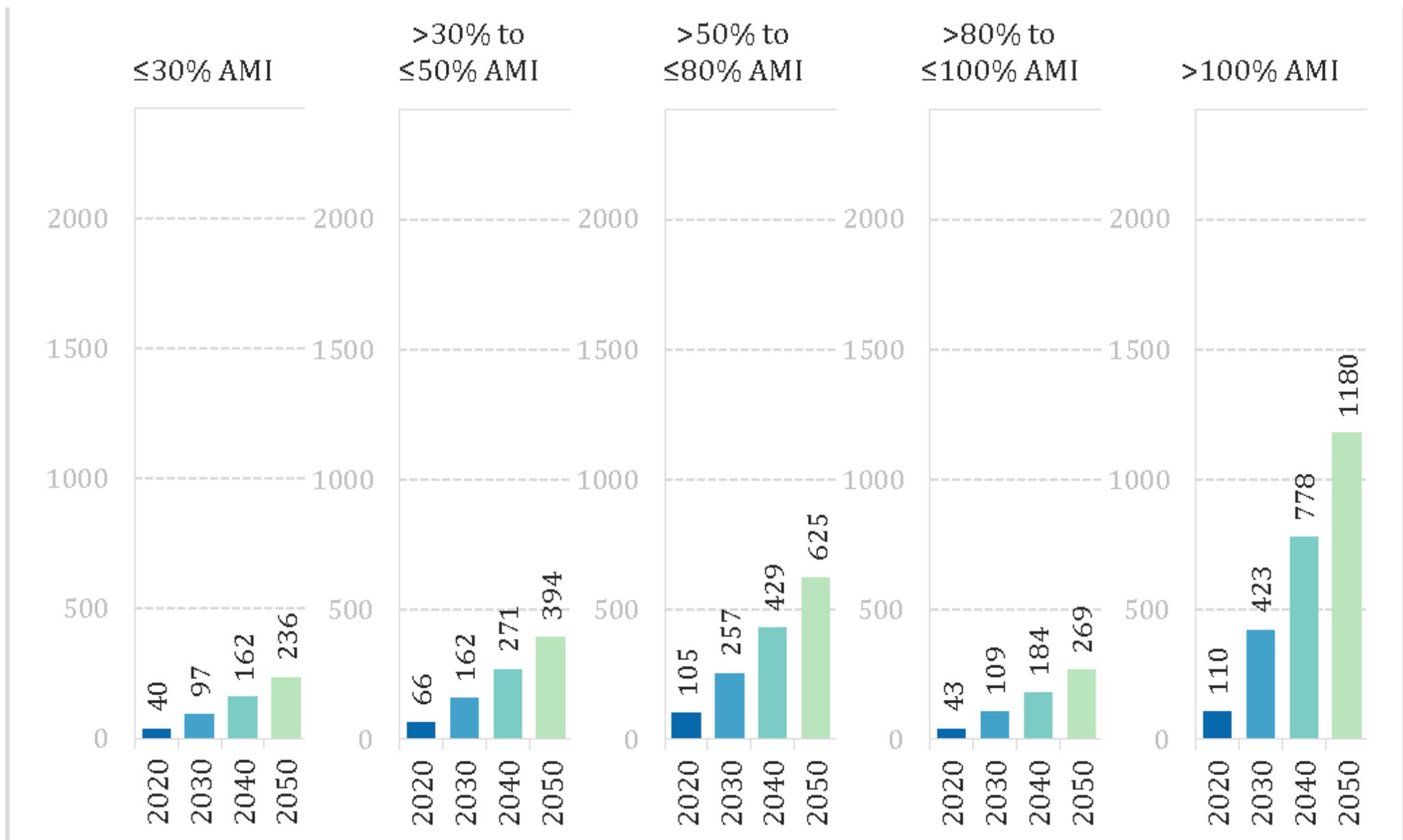
*Housing Units by
Number of Bedrooms*

	<i>Owner-Occupied</i>	<i>Renter-Occupied</i>	<i>% Owner</i>	<i>% Renter</i>
No Bedroom	12	10	0.5%	0.9%
1 Bedroom	168	182	6.8%	15.7%
2-3 Bedrooms	1,624	834	65.7%	71.8%
4+ Bedrooms	667	134	27.0%	11.5%

New Housing Demand by Year and Income Level: Model 1 Assumptions

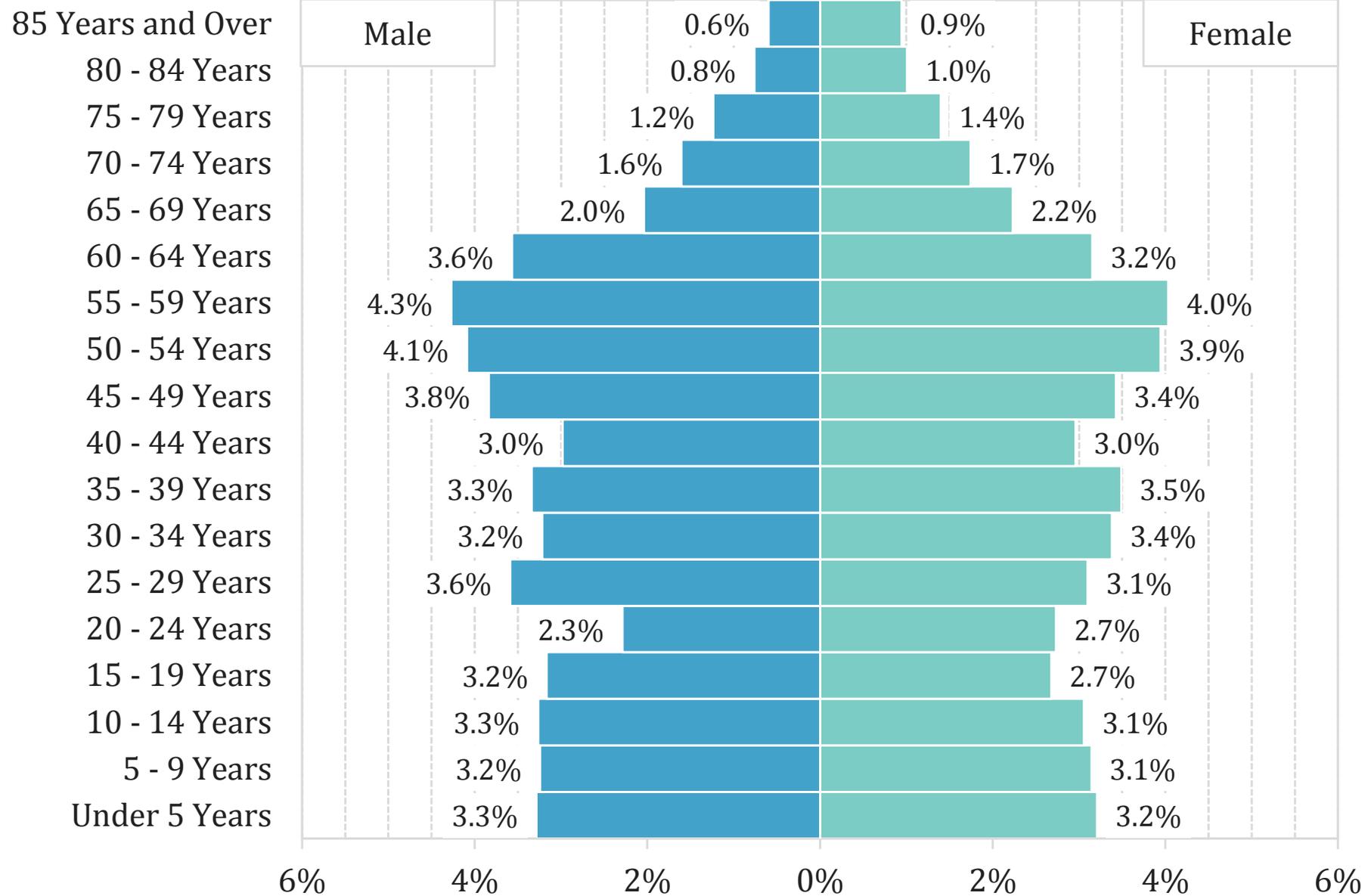


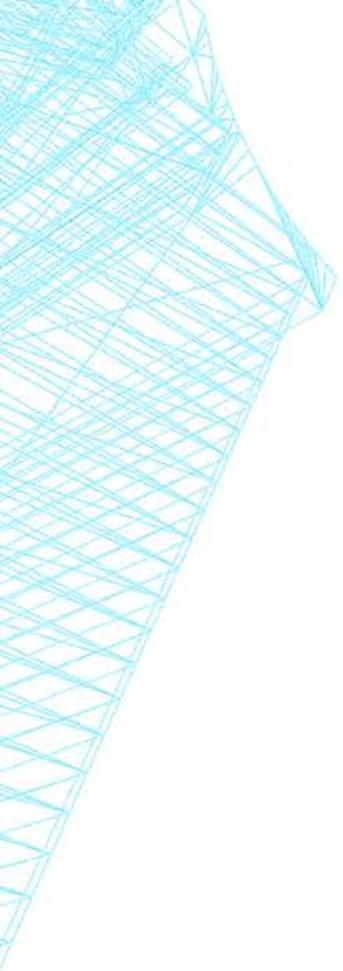
New Housing Demand by Year and Income Level: Model 2 Assumptions



Sources: US Census Bureau, Zacharia Levine

Projected POPULATION AGE STRUCTURE (2030)

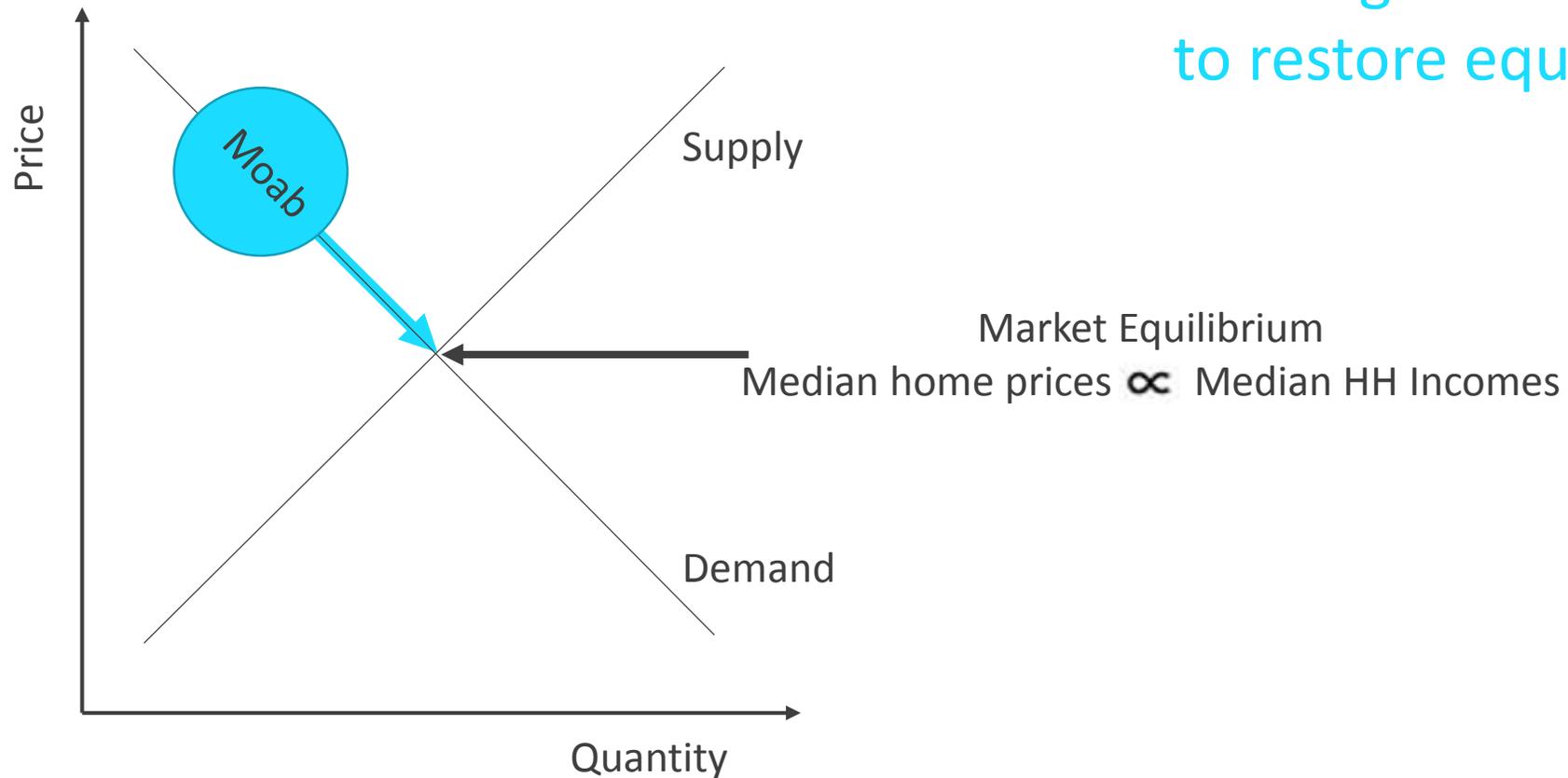


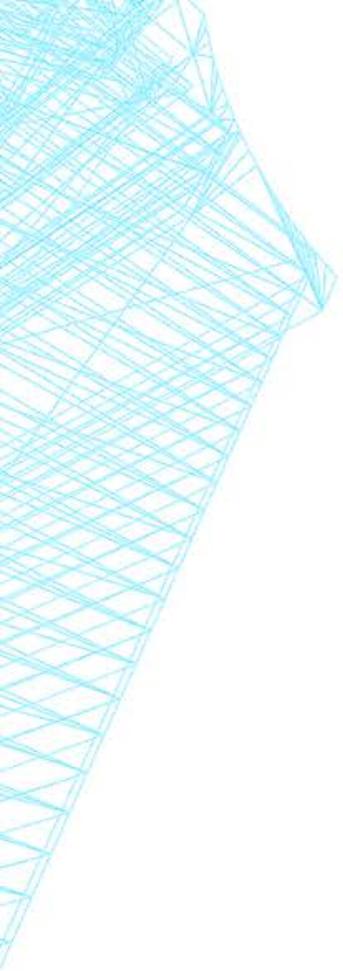


WHAT CAN WE DO ABOUT THIS? HTF RECOMMENDATIONS

A PERSISTENT MARKET FAILURE ...UNDER RECENT CONDITIONS

What can local governments do
to restore equilibrium?





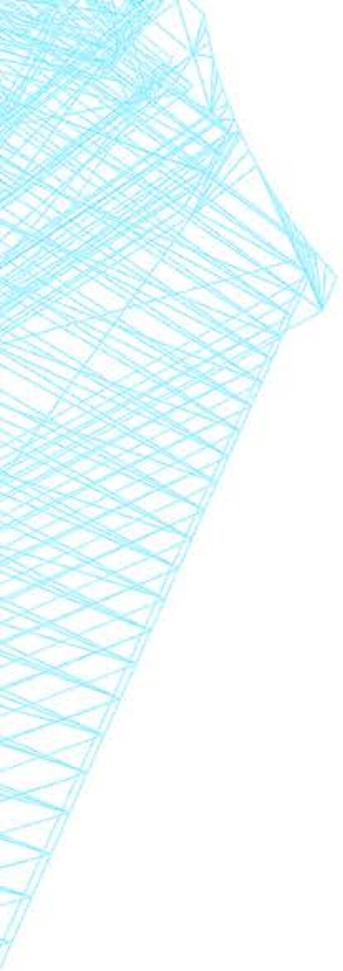
HTF RECOMMENDATIONS

1. Exercise political leadership
2. Budgetary decisions
3. Incentives to developers
4. Regulations
5. State and Federal Outreach



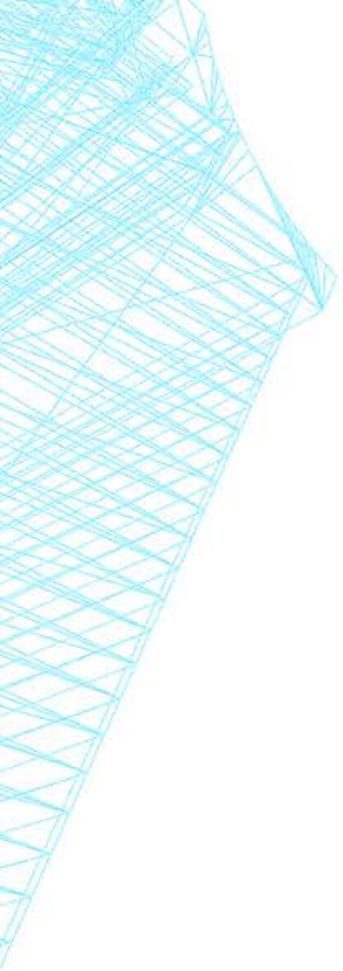
POLITICAL LEADERSHIP

- Value long-term planning
 - Housing is the backbone, and local gov't. should be a development “partner”
- Remain resolute in your commitment to improving housing affordability
- Set ambitious targets and commit to reaching them
- Manage the PR arena, but don't capitulate to it



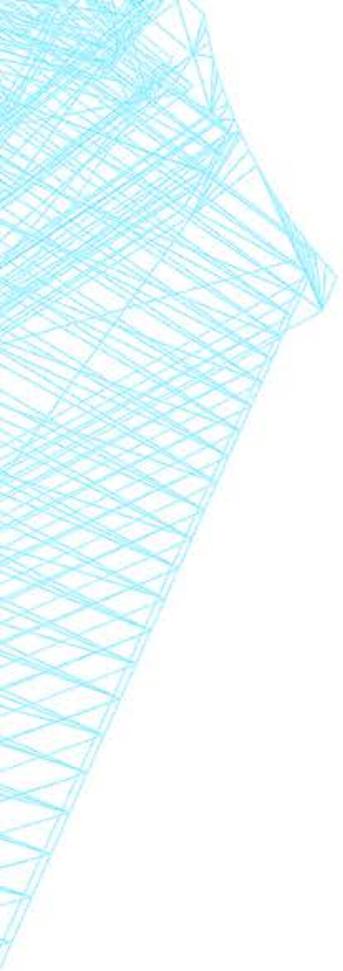
BUDGETARY DECISIONS

- Allocate money in your annual budgets into designated funds to assist in the development of permanently affordable units
- Utilize partnerships (e.g. hospital, school district, etc.) to develop parcels already owned
- Continue allocating staff time to implement affordable housing solutions
- Create a competitive grant fund for local affordable (for profit and not-for-profit) housing developers
- Construct bike/pedestrian paths and explore public transit opportunities



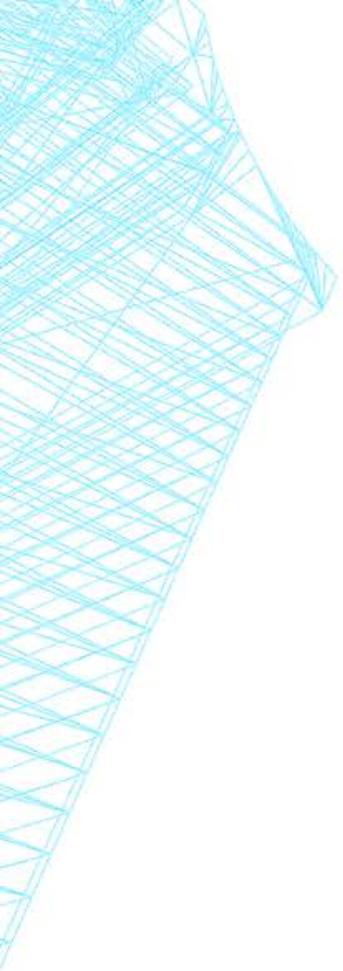
DEVELOPMENT INCENTIVES

- **Significantly** increase density incentives for deed-restricted and seasonal workforce housing
- Approve **impact fee deferrals and waivers** for long-term housing, or...
- **Build/maintain infrastructure** for affordable developments (eliminate HOA)
- Allow **“fast-track” review** of affordable developments
- **Waive development review fees** for affordable developments
- Enable seasonal employers to apply for **workforce “group housing,”** improved RV/campgrounds, and other creative solutions



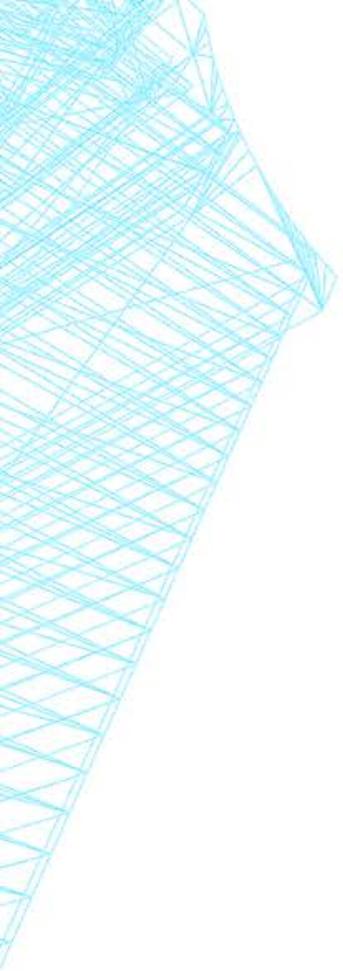
REGULATIONS

- Prioritize approval of ordinances that relax development constraints on affordable single family subdivisions
 - Reduce setbacks, minimum lot sizes, and “buffers” (in new subdivisions)
 - Allow setbacks to count towards open space requirements, and consider removing open space requirements altogether
 - Apply retroactively to existing subdivisions!
 - Increase height limits while protecting solar gain and neighborhood character
 - Remove minimum building sizes in Moab City
 - Reduce parking requirements near active transportation corridors
- Require mitigation plans to address housing losses
 - Demolition of safe & adequate housing
 - residential-to-commercial rezones
 - Nightly rental conversions



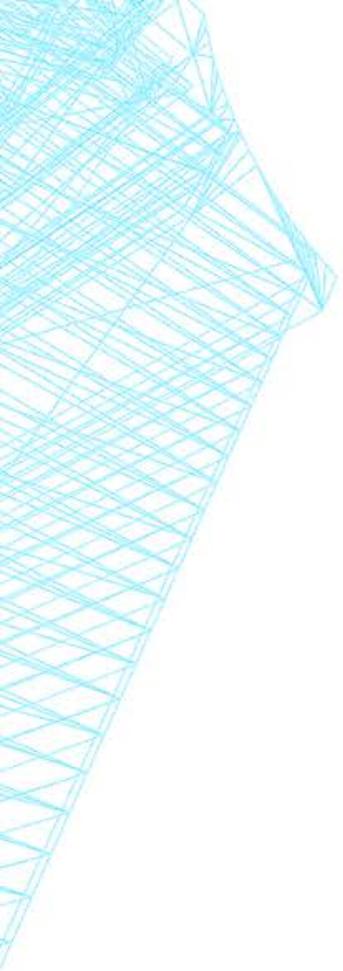
REGULATIONS

- Increase impact fees on commercial uses that disproportionately stress essential infrastructure (e.g. roads, stormwater, wastewater) and lower or defer impact fees for energy efficient, low-income projects
- Establish design criteria or allow for staff discretion to permit ground-floor residential in commercial zones
- Allow accessory dwelling units (ADUs) on all lot sizes and permit deed-restricted renter occupancy in both units
- Establish deed-restrictions on future affordable housing units
- Assured Housing: For all new residential and commercial developments, require developers to build deed-restricted housing units that **do not count against density limits**



STATE AND FEDERAL OUTREACH

- Advocate for housing to earn a seat at the Governor's table
- Lobby the Utah Housing Corporation to establish Grand County as a Qualified Bonus Area (e.g. the 30% basis boost).
- Express support for the USDA 502 and 504 loan funds that enable low-to moderate-income families purchase housing



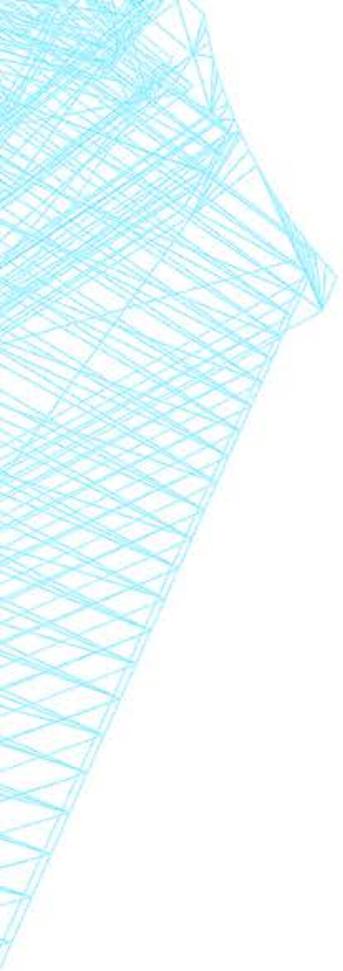
OR...

- Do nothing (or delay) and hope the “market” self-corrects or expect to discuss this complex problem again, again, and again.

Our teachers dedicate their lives to teaching our kids,
our firemen and police officers risk their lives for our security,
and our nurses offer the healthcare we need...

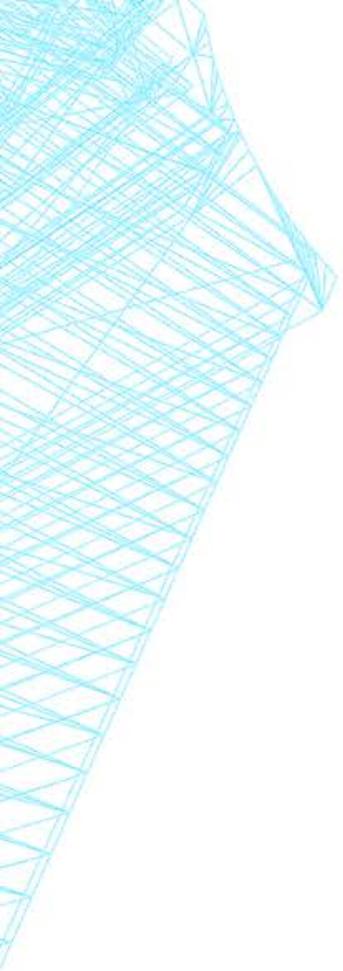
**BUT MANY OF OUR ESSENTIAL SERVICE PROVIDERS
CANNOT AFFORD TO LIVE HERE.**





ONWARD...

- Join the conversation, and invite your constituents
- Provide direction to the housing task force & staff
- Schedule staff and council time to “workshop” ALL task force recommendations
- Set targets for affordable housing
 - How many units? What types? Which income levels?
- Establish an implementation timeline



(End of presentation)

DISPELLING MYTHS ABOUT AFFORDABLE HOUSING

Myth #1: Affordable housing lowers nearby property values

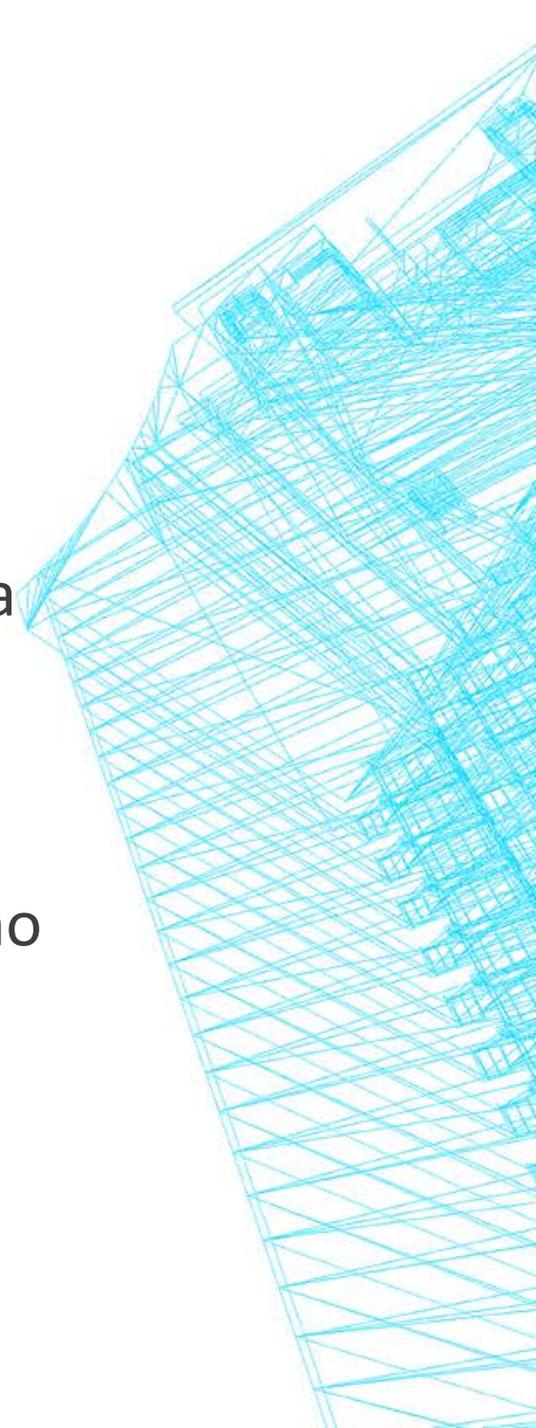
Myth #2: High density housing is affordable housing, and vice-versa

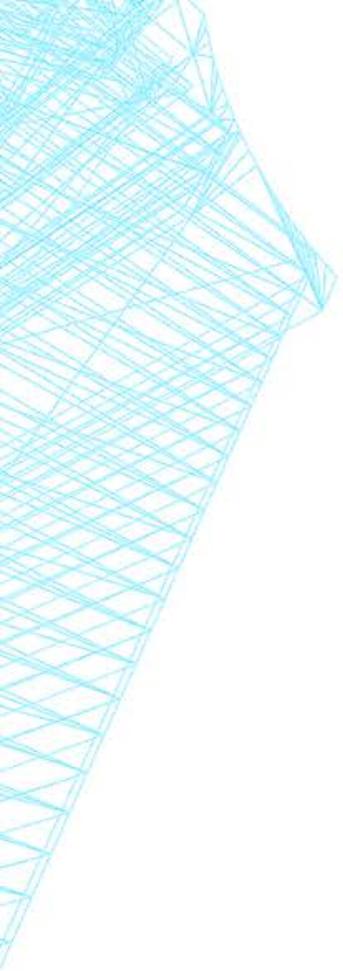
Myth #3: Affordable housing produces more traffic while overburdening schools and infrastructure

Myth #4: Affordable housing = government handout with little or no return on investment

Myth #5: Affordable housing increases crime

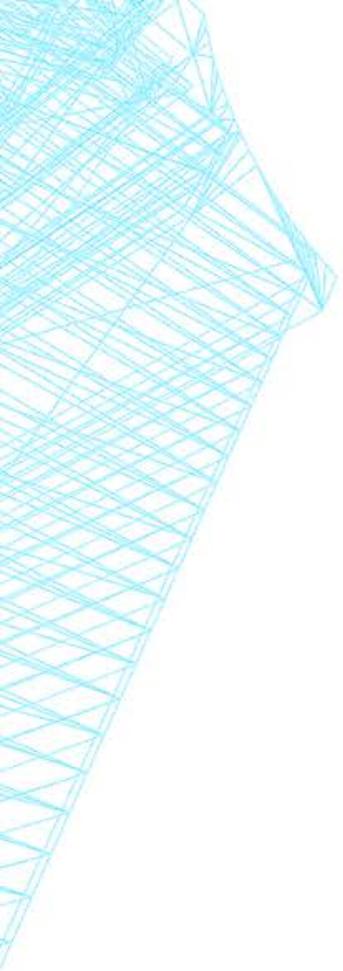
Myth #6: Affordable housing is ugly and looks cheap





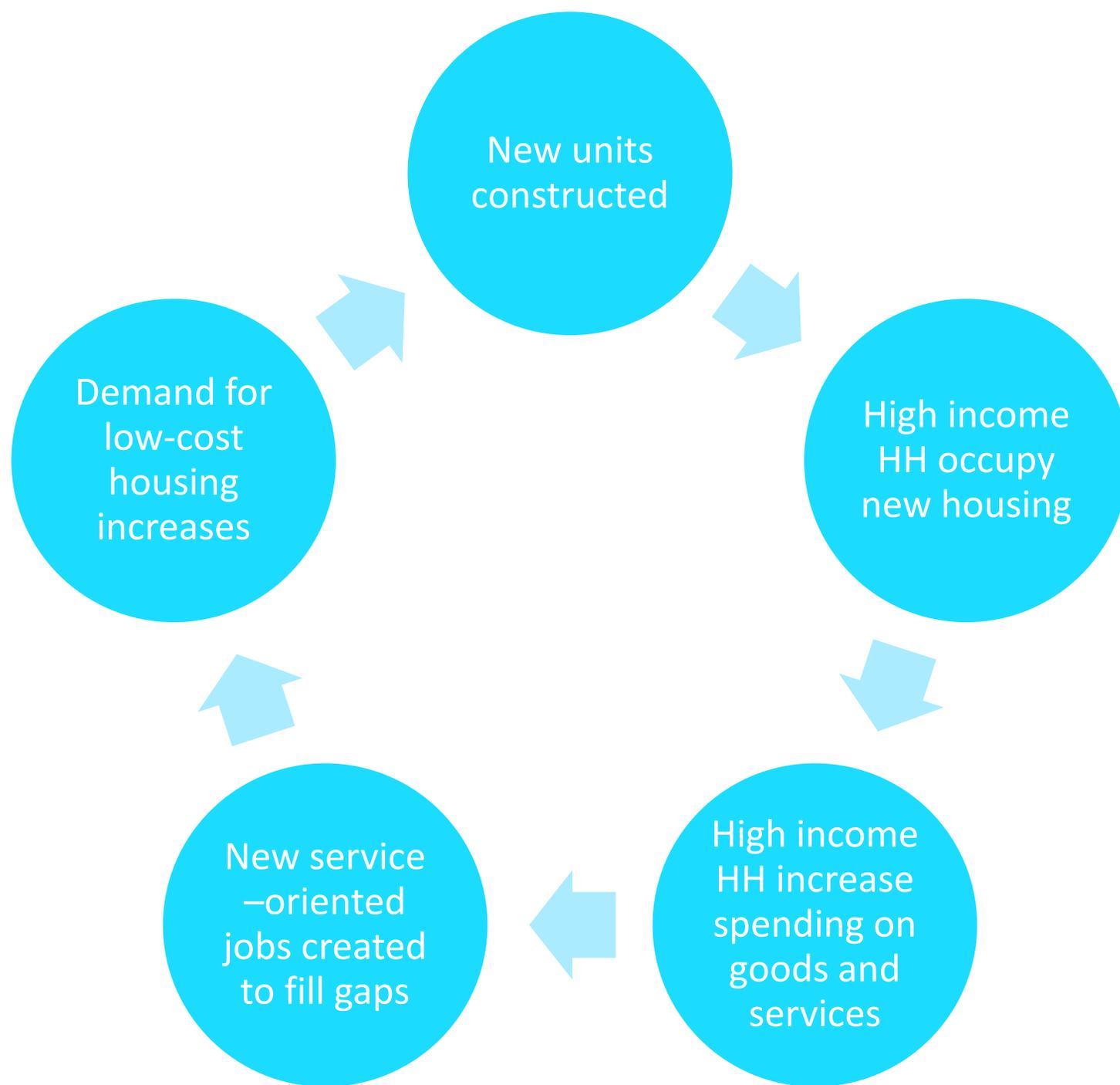
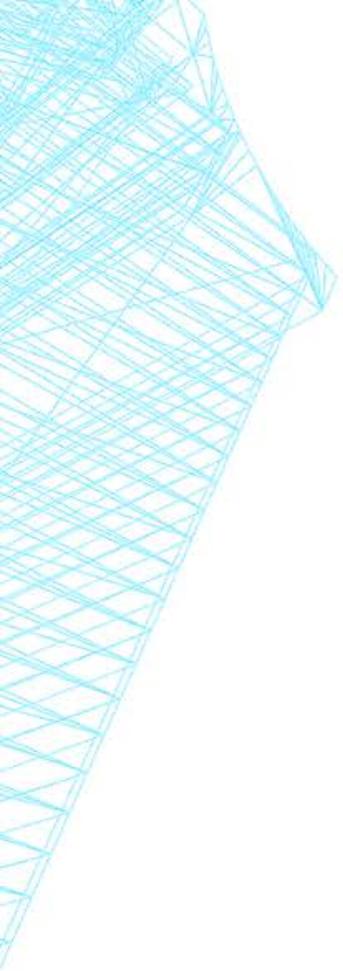
EFFECTS ON NEARBY PROPERTY VALUES

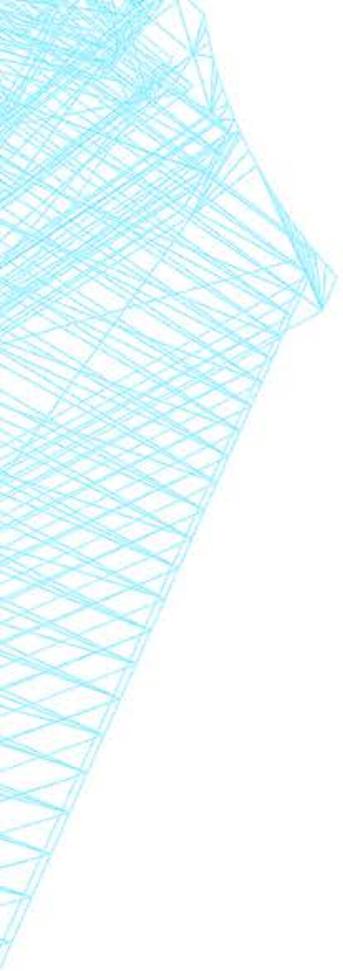
- Insignificant or positive effects in high-valued neighborhoods
 - When positive, marginal effect sizes
- Increases property values in lower-valued neighborhoods
- More influential correlates:
 - General community prosperity
 - Existing property values
 - Architectural design standards
 - Proximity to amenities and infrastructure, OR negative factors



DENSITY, ALONE \neq AFFORDABILITY

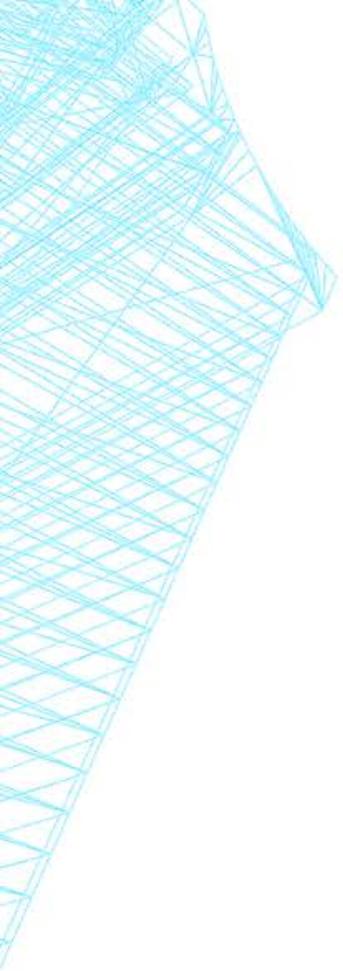
- New housing typically built for higher incomes
 - Developers usually build market rate at any density whenever possible
- Higher density new construction increases supply and relaxes prices in the short-term
- In the long-run, they tend to drive prices up because more low-paying service jobs are created





TRAFFIC AND INFRASTRUCTURE IMPACTS

- National studies suggest lower-income households own fewer cars and make fewer trips than other households (source: US Department of Transportation, 2011)
 - Ownership of non-essential “recreational equipment” *may* be lower
- Higher density affordable housing is a more efficient use of land
- Lower infrastructure installation and maintenance costs borne by City and County (Nelson, 2013)
- Ultimately, lower healthcare and social service costs (Ewing et al, 2003)

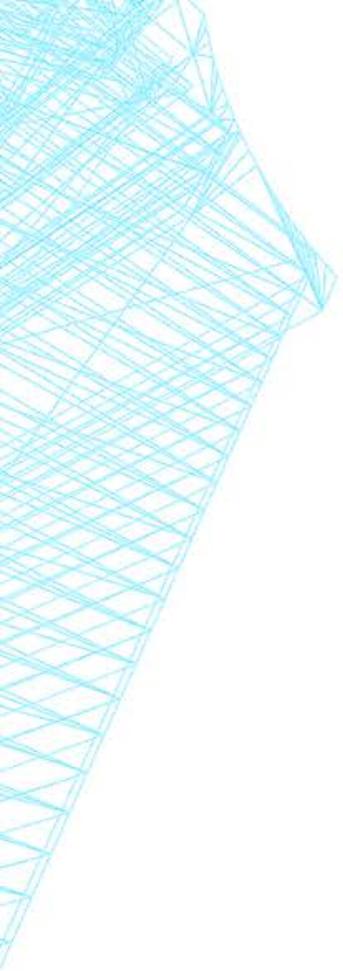


AFFORDABLE HOUSING ≠ SUBSIDIZED HOUSING WITHOUT A RETURN ON INVESTMENT

- Homeowners actually enjoy the largest subsidies – through mortgage interest deduction (MID)
- In 2010, MID cost the U.S. Treasury \$79 billion
- In the same year, only \$41B was spent on all affordable housing program

Source: Pelletiere, Danilo. 2011. National Low Income Housing Coalition

- Housing affordability = economic development
 - Less employee turnover; more competition amongst employers
- Talk to a small business owner in Moab: housing = employment



HOUSING AFFORDABILITY AND CRIME

- No correlation between crime and safe, decent, and affordable housing
- Community disinvestment, overcrowding, and a lack of social services increases crime – not housing affordability
- Neighborhood cohesion and economic stability are outcomes of dispersed and accessible housing

Sources: National Crime Prevention Council; Non-profit Housing Association of Northern California; Business and Professional People for the Public Interest

LOW-INCOME & MIXED-INCOME HOUSING ...IT CAN LOOK GOOD

Low-income



Workforce housing



Market rate



Mixed-income



LOW-INCOME & MIXED-INCOME HOUSING ...IT CAN LOOK GOOD

Workforce Housing



Special-needs families

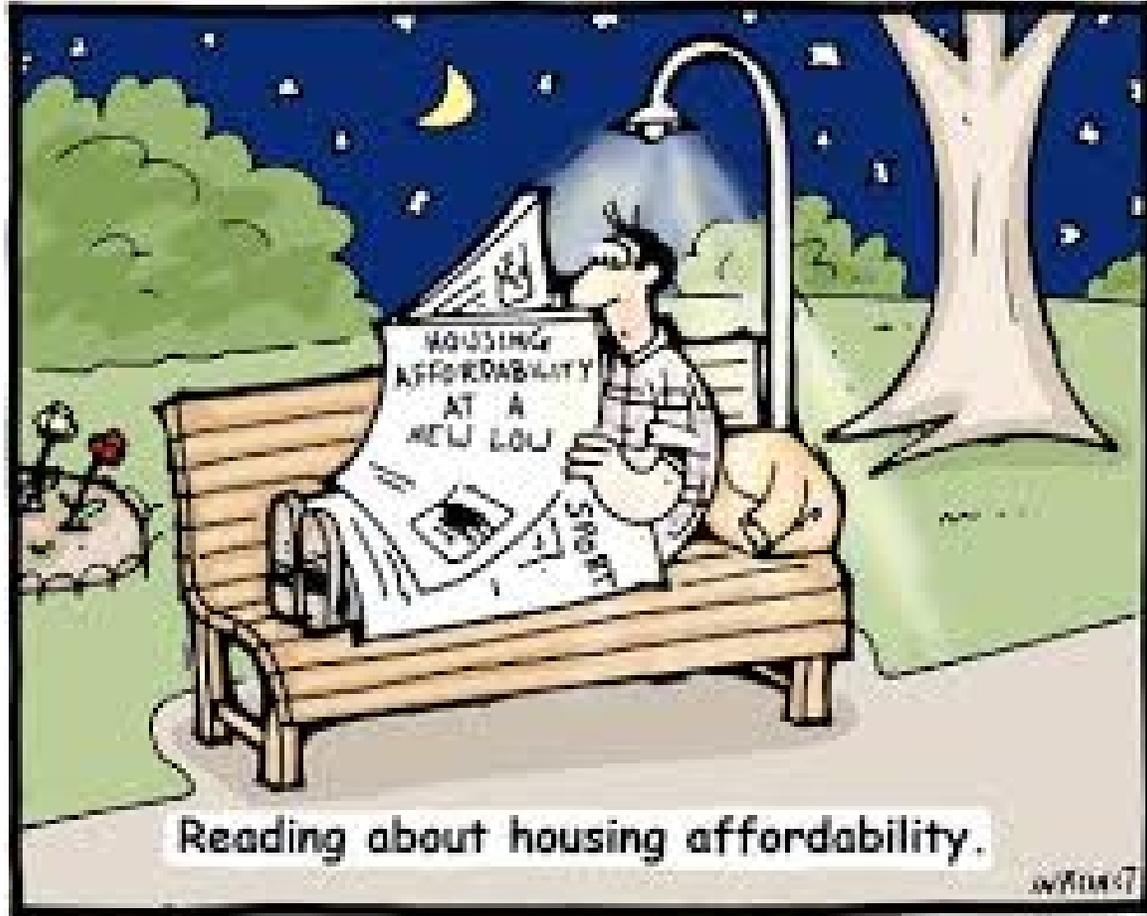


Market Rate



Low-income





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"You can spend the money on new housing for poor people and the homeless, or you can spend it on a ball field or a ."

Jello Biafra

IT'S ABOUT PRIORITIES
AND ACTION!

- Park City today is far more “seasonally” owned than even Aspen itself.

	2000			2010		
	Total	Seasonal	% Seasonal	Total	Seasonal	% Seasonal
Aspen	4,354	1,121	25.7%	5,929	1,917	32.3%
Park City	6,661	3,383	50.8%	9,471	5,609	59.2%

Sources: 2000 and 2010 U.S. Censuses; czbLLC.

- Park City’s housing cost-to-income ratio stands at more than ten to one.

	2000			2010		
	Value	Income	Ratio	Value	Income	Ratio
Aspen	\$535,000	\$54,973	9.73	\$707,400	\$74,509	9.49
Park City	\$417,500	\$65,375	6.39	\$765,600	\$61,383	12.47

Sources: 2000 and 2010 U.S. Censuses; czbLLC.

AND, IN FACT,
WE ARE LIKE
ASPEN AND
PARK CITY