

Housing Task Force

9.14.15 Minutes

Members Present:

Zacharia Levine
LaDonna Kiniston
Jim Webster
Emily Niehaus
Rikki Epperson
Melissa Byrd
Jazmine Duncan

Heila Ershadi
Tiffany Van Sickle
Mel Hugentobler
Jeff Whitney
Ben Riley
Todd Thorne
Rachel Moody

Ruth Brown
Dennis Brown
Rani Derasaray
Jaylyn Hawks
Annalee Howlend
Susan Marshall

Subcommittee Updates:

Finance/Next Project (Ben Riley)

4 self-help lots on Murphy Lane closed; Contrary to rumors heard, the houses at Quarter Horse are roughly 1500 sq. ft.

Looking at a 4 acre parcel to develop south of town (30-40 single family homes)

Approached by a home developer from the Wasatch Front interested in building 800-900 sq. ft. homes on 3-5 acres with deed restrictions

Update on CDBG funds: must be used on deed-restricted properties

BizRez solutions anticipates an application to the Utah Housing Corporation for a tax credit project on Millcreek Dr. (~100 units in phase 1).

Design and Construction (Dennis Brown)

The subcommittee submitted plans to the Building Official for review. After approval is received, the next step is to send Dennis' example to other architects, designers, engineers, etc. and encourage them to provide different plans for pre-approval. The Moab Area Community Land Trust will "own" the plans, and plan authors could take a one-time tax deduction for their individual plan sets. The Land Trust will need to create a fee structure and determine how to administer the plans. It was suggested that deed restrictions should not be the only condition for receipt – other options should be available so homeowners can develop wealth over time. Dennis drew plans for a 1 BR unit, but plans are needed for 2- and 3-BR units.

Legislator and Public Outreach (Heila Ershadi)

The group has crafted an extended elevator speech to be delivered during the Utah Legislature's Rural Tour (attached). The task force provided feedback on requests to the legislature.

Zacharia presented a working draft of the presentation he will give to the City and County Councils. The task force provided feedback on model inputs and aesthetics.

Housing Affordability in a Tourism Market

The housing affordability challenge in Grand County is the result of four primary factors

1. Low Household Income:

- Household Area Median Income (AMI) for a family of four in Grand County = \$46,000/yr, which is \$13,000/yr less than AMI across the State of Utah
- Median earnings for tourism & travel related industries in Grand County = \$30,000
 - Tourism & travel = 70% of employment

2. High Housing Costs:

- Median list price, as of May 2015, for housing units in Grand County = \$290,000
 - Affordability gap for households earning the AMI = \$150,000
 - Affordability gap for households earning just 50% of AMI = \$235,000
- Median rent (not including utilities) in Grand County = \$750/mo.
- More than half of all households earning moderate incomes or less are cost-burdened by housing, which means they spend more than 1/3 of their income on housing. This includes households providing our essential services – police officers, nurses, teachers, and firemen.

3. External market demand:

- Our beautiful landscapes, abundant outdoor recreation opportunities, and high quality of life attract the world to our limited supply of real estate.
- 20% of our housing supply is vacant, not because it is sitting on the open market, but because we are seeing significant growth in 2nd home and investment property ownership.

4. Condition of existing housing stock:

- 60% of Grand County's housing stock was built prior to 1980. We have many homes that require significant maintenance and upgrades.

What are Moab City and Grand County doing to solve the affordability crisis?

- A Housing Task Force was established in 2006. The task force created its first housing plan in 2009 and is currently drafting a new version.
- Both entities are modifying their land use codes to encourage new construction and development.
- Both entities are working with SITLA to develop workforce housing associated with USU Moab.

What can you, the Utah Legislature, do to ensure housing does not hinder the positive growth we are seeing in this area?

- View Moab as a business-friendly community and encourage GOED to work closely with our business and community leaders. Diversifying our portfolio of economic activities can improve our economic resilience, increase wages, and decrease the affordability gap.
- Honor Olene Walker by bringing back the Utah Housing Task Force, whose chair will have a seat at the Governor's Table. Strengthen the funding for the Olene Walker Housing Fund, and similar programs.
- Express your support for USDA Rural Development's 523 Mutual Self-help Program, the 502 and 504 Direct Loan programs, the Guaranteed Loan Program, and other valuable grant and loan programs USDA Rural Development has to offer us.
- Consider adding infrastructure for affordable housing to the list of tourism impacts for which transient room tax (TRT) revenue can be used to mitigate.

Housing affordability affects everyone in our community, not just low-income households. It is a challenge we are working to solve in order to sustain the positive growth we are experiencing.

HOUSING AFFORDABILITY IN A TOURISM MARKET

Grand County - Moab City - Castle Valley Town

The Challenge

Our economic success as a tourism-driven community is creating a housing affordability challenge

*Area Median Income (AMI) for a family of four = \$46,000/yr
\$13,000/yr less than the rest of Utah

*Median list price for housing units in May 2015 = \$290,000
\$150,000 more than what a household of four *earning the AMI* can afford

*Second home and investment property ownership accounts for 20% of our housing stock
availability of workforce housing has decreased and prices have risen

**>50% of moderate income
HHs are cost-burdened
...they spend over 1/3 of HH income on housing**

Solutions

- View Moab as a business friendly community -- work with us to attract new businesses that support higher wages
- Continue supporting critical housing programs through the Olene Walker Housing Fund, USDA mutual self-help and direct loans, and the Community Development Block Grant (CDBG) program
- Consider housing infrastructure as a tourism impact for which transient room tax (TRT) revenue can be used to mitigate
- Bring back the Utah State Housing Task Force and give its chair a seat at the Governor's table
- Moab City and Grand County are modifying local land use regulations to promote new construction and development

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It is a challenge we are working to solve in order to sustain the positive growth we are experiencing.**