



Low-Moderate Income Housing Planning Report FY10

Utah Department of Community and Culture
Division of Housing and Community Development

For FY10 the Division of Housing and Community Development (DHCD) received \$10,000 in appropriations from the Utah Legislature for affordable housing planning. This crucial funding enables DHCD to support cities and counties as they establish moderate income housing plans and meet the requirements of 10-9a-408 and 17-27a-408, respectively. This report summarizes DHCD's efforts to help municipalities fulfill statutory housing requirements, DHCD's technical assistance to municipalities, and DHCD's progress in supporting affordable housing in Utah.

Fulfilling Statutory Requirements

DHCD is increasing local government compliance with the statutory requirements of 10-9a-403, 10-9a-408, 17-27a-403, and 17-27a-408. Specifically, DHCD helped cities and counties fulfill the requirement for moderate income housing plan biennial updates and reports by establishing a uniform biennial reporting form. As a result, 20% of all required communities submitted their biennial reports during the past two months. This response demonstrates that DHCD is on-track to collect significantly more biennial reports by the calendar year-end than last year's collection of only 32% of required biennial reports for the entire year.

Technical Assistance

For FY10, DHCD provided planning assistance to communities throughout Utah for establishing moderate income housing plans. DHCD's goal is to help each community create housing plans that accurately forecast housing needs for a variety of population types and that present solutions for these populations. Between FY09 and FY10, 17 cities updated their moderate income housing plans.

DHCD also supported rural areas of Utah with housing planning assistance. DHCD is reaching Utah's rural communities by working with regional planners in five associations of governments (AOG) to facilitate moderate income housing planning for rural towns and counties. These AOGs include 5-County AOG, 6-County AOG, Bear River AOG, Southeastern Utah Association of Local Governments, and Uintah Basin AOG. Although these small, rural municipalities are not required by statute to complete a moderate income housing plan, DHCD is using a \$61,000 USDA technical assistance grant to fund this training and technical assistance. DHCD is in its third and final year of the USDA grant and continues to train the AOGs to better serve the affordable housing planning needs of Utah's rural communities.

Although budget constraints prevent DHCD from providing direct financial assistance to communities, DHCD utilizes the \$10,000 appropriation to provide direct technical assistance to municipalities statewide. In addition to their moderate income housing plans, DHCD supports communities in planning specific housing projects to increase Utah's affordable housing stock.

DHCD encourages municipalities to prepare their communities for moderate income housing through planning and zoning regulations. Such efforts facilitate the development of affordable housing projects to fill the housing needs identified in a municipality’s housing plan. For example, DHCD provided three cities that have limited open-land with zoning information regarding accessory dwelling units. Accommodating such housing units through zoning ordinances increases affordable housing options in communities that are near build-out capacity.

Improving Community Participation and Support for Affordable Housing

DHCD is increasing community participation and support for moderate income housing through its Pilot Program. This program is based on the philosophy that a community better understands its unique affordable housing needs than a private developer would. In contrast to the traditional developer-driven housing projects, this Pilot Program encourages community-initiated housing projects. The Pilot Program provides an exclusive funding source to housing projects that are initiated by a municipality and based on its moderate income housing plan. In FY09, the OWHLF Board allocated \$2,875,000 to the pilot program which will fund over 140 new affordable housing units. These units will be created by a senior housing project in West Jordan City (70-75 units) and a workforce housing project in Vernal City (70-80 units). In FY10, \$2,536,674 was allocated for the Pilot Program, which currently has 4 participating communities.

During 2009, DHCD researched the use and availability of RDA/EDA funds throughout the State. This study helped DHCD to be better informed when assisting municipalities in the use of their RDA/EDA funds to support affordable housing. FY10, DHCD worked with three communities to leverage local funding (RDA, EDA, CDBG, etc.) in support of affordable housing projects. For example, West Jordan City committed \$300,000 in RDA funds to a new moderate income senior housing project.

Increasing Utah’s Affordable Housing Stock

In its traditional operations, DHCD supports the Olene Walker Housing Loan Fund (OWHLF) in funding construction of new, high-quality affordable housing units throughout Utah. For FY10, the OWHLF received \$2,295,700 in state funds and \$4,860,665 in federal U.S. Department of Housing and Urban Development (HUD) funds. These funds resulted in 1,052 new affordable housing units funded during FY10. These funds are allocated quarterly for predevelopment, construction project loans, and grants by the OWHLF Board. OWHLF applicants must also leverage other funding sources such as Low Income Housing Tax Credits, Community Development Block Grants, a bank’s CRA funds (Community Reinvestment Act), private foundations, affordable housing set-aside funds from RDA and EDA projects, and the Private Activity Bond Fund. For FY10, OWHLF has leveraged \$9 for every \$1 invested in multi-family project developments.

The following chart describes the number of moderate-income housing units built or rehabilitated in Utah and financed by the OWHLF from FY08 to FY10:

New or Rehabilitated Housing Units Financed with Olene Walker Housing Loan Funds

	FY08	FY09	FY10
Single Family Units	119	118	94
Multifamily Units	794	663	958
Total Units	913	781	1052

