



UTAH LEAGUE OF
CITIES AND TOWNS

Local Government's Role in Housing Affordability and Affordable Housing

What is the problem we are trying to solve?



NEWS

GOOD DAY UTAH

COMMUNITY

THE PLACE

APPS

CONTESTS

TRAFFIC

EVENTS

DREAM TEAM

WEATHER ☀️ 73°

Utah city named fastest-growing metro area in the country

POSTED 10:56 AM, MARCH 22, 2018, BY [MAX ROTH](#), UPDATED AT 06:03PM, MARCH 22, 2018

ST. GEORGE, Utah - St. George and Heber, Utah are growing faster than any other large or small city in the nation, according to the annual report just issued by the US Census Bureau.



South Jordan and Lehi Among Fastest Growing Cities in the Nation

While Cache County only grew 1.0% from 2012 to 2013, three communities located just north of Logan, grew at more than double the county rate. This includes North Logan (10.0%), the fastest growing large city in Utah, Smithfield (3.3%), and Hyde Park (2.0%). The population growth in Salt Lake



May 2018 Gardner Report

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



Definitions

Affordable Housing

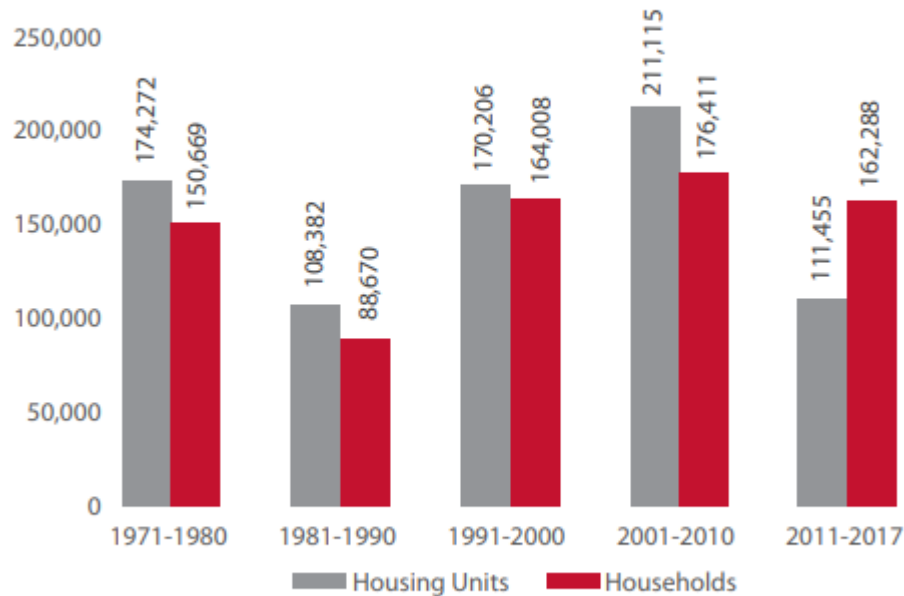
- Housing targeted toward certain income levels
 - Low income does not exceed 80% of the Area Median Income (AMI)
 - Very low income does not exceed 50% AMI
 - Extremely low income does not exceed 30% AMI

Housing Affordability

- Providing access to different housing types for all income levels – what is affordable or obtainable varies greatly from one family to the next.

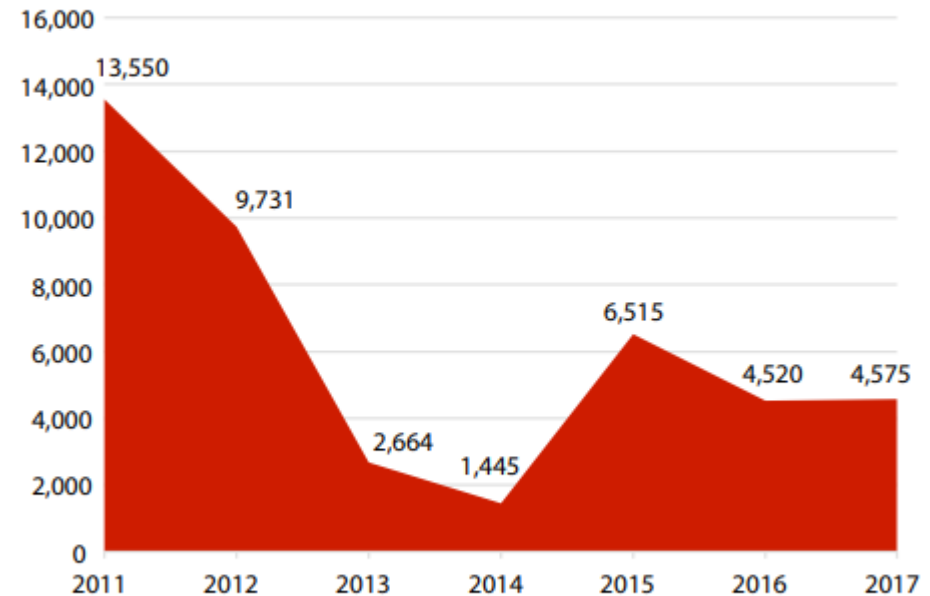
What is the gap according to the Gardner Report?

Figure 1
By Decade: Increase in Housing Units Compared to Increase in Households in Utah



Source: U.S. Census Bureau, Kem Gardner Policy Institute, and Ivory Boyer Construction Database.

Figure 2
Annual Gap: Difference in Households and Housing Units, Utah



Source: U.S. Census Bureau and Kem C. Gardner Policy Institute.

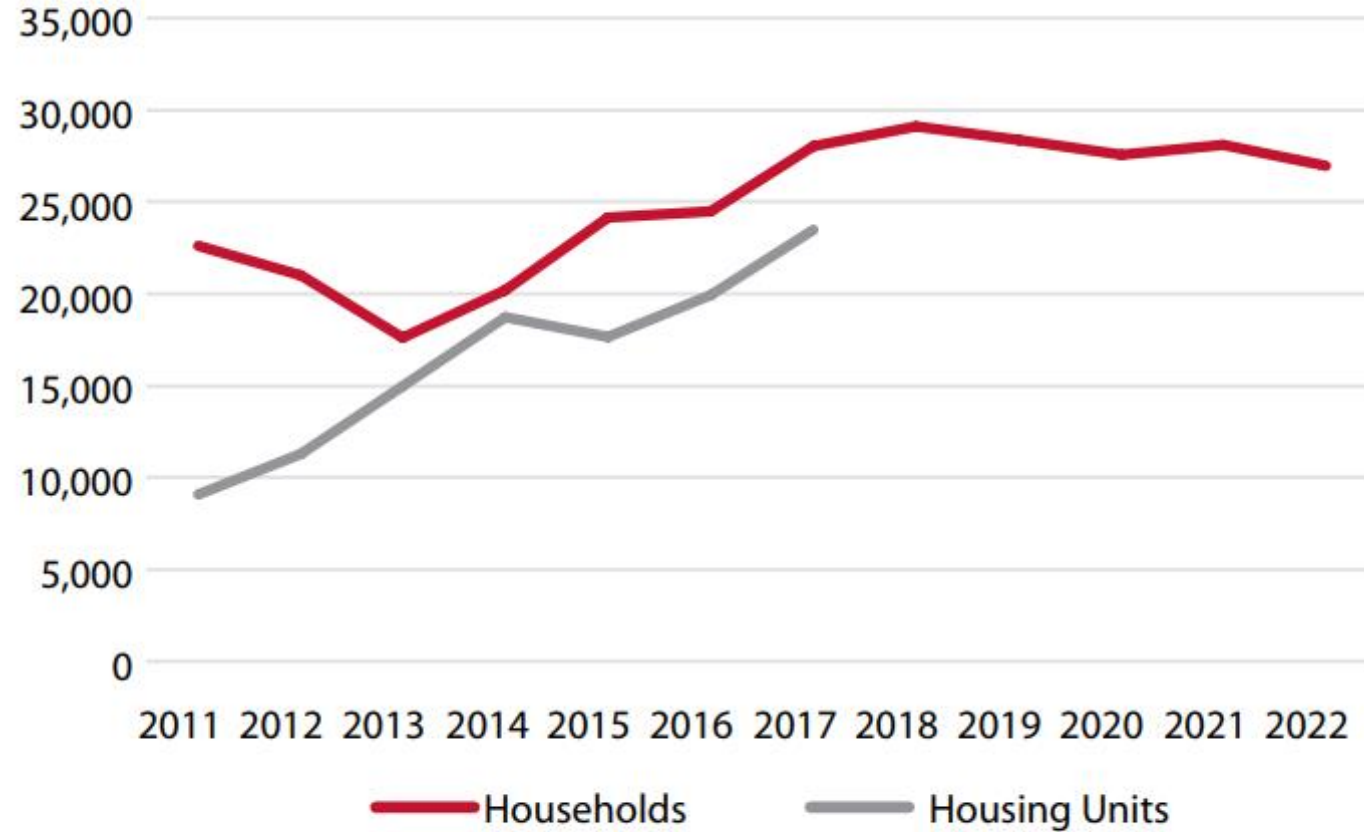
What is the gap, really?

- Gardner data from 2011-2017 shows a housing gap of 50,833, but 54% of the gap for the decade came in 2011 and 2102 at the tail end of the recession.
- The gap in 2017 was only 4,575 units, while the surplus of units over households in the previous four decades was 84,217.
- The Gardner Report states that the shortage will persist over the next two years, though the cumulative effects will likely be felt until the next downturn in the business cycle.



Figure 3

Projected Increase in Households in Utah, 2017-2022




Source: Kem Gardner Policy Institute, University of Utah.

Gardner Report – factors for housing prices

- Developing raw land has increased 40% not including purchase price
- Cost of construction has increased 33%
- Labor shortage in the construction industry
- Investors are holding multifamily units/lower cost units for years
- Limited easily developable land and topography challenges
- Increased materials cost
- Local regulation such as impact and permit fees due to high population growth and demand for new infrastructure





Multiple
problems,
multiple
keys

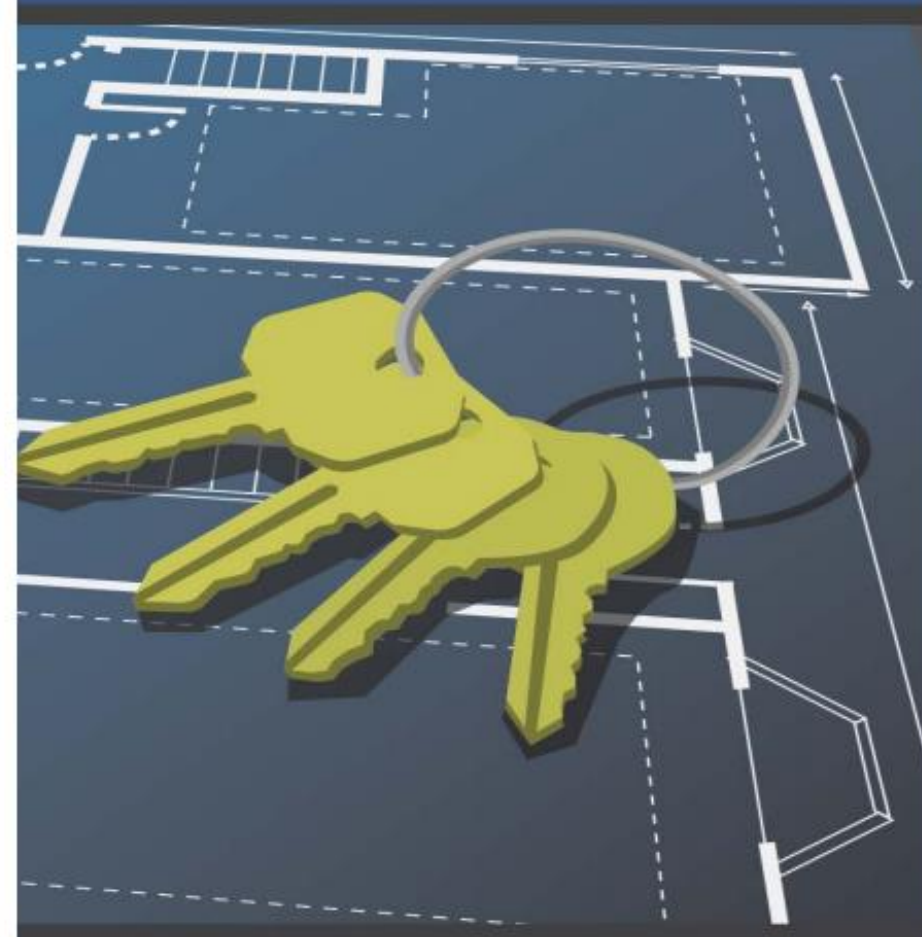
Keys to Housing Policy in Utah

Which Keys Do You Hold?

*A Resource Guide for
Municipal Elected and
Appointed Officials and
Staff.*

UL
CT UTAH LEAGUE OF
CITIES AND TOWNS

2018



Converging
interests
require
collaboration

Converging Interests Require Collaboration & Cooperation

WHO HOLDS
THE
KEYS
TO HOUSING?



Federal Government



The State of Utah



Jobs, Education,
and Transportation



Cities and Towns



Developers/Realtors



Construction, Labor,
and Land Costs



Banks



Nonprofit Sector



Community



Local government's role



Who is the most appropriate and accountable decisionmaker to plan for growth?

Local elected officials are on the front lines – growth brings benefits and consequences.

What do you think of all this construction?
About half of Utah voters say they support
new apartment buildings, condos and houses.



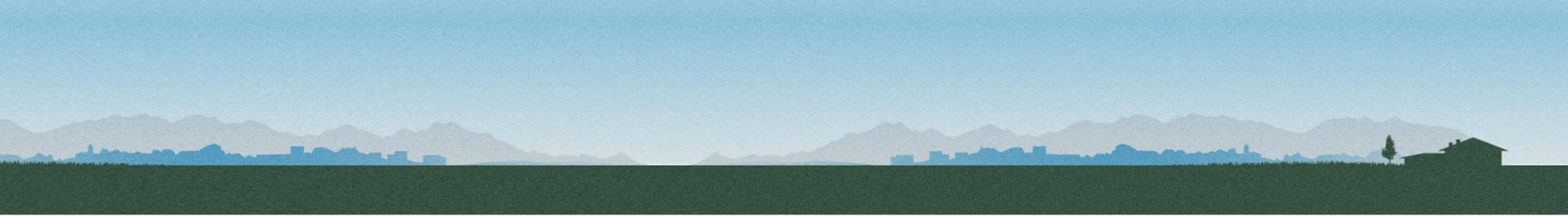
A screenshot of the website for The Times-Independent in Moab, Utah. The header features the newspaper's name in a large, black, serif font over a background image of red rock formations. Below the header is a navigation bar with links for Home, News, My Moab Times, Blogs, Businesses, Classifieds, Legals, and Community. A secondary navigation bar includes Top Stories, Sports, Business, Outdoors, Lifestyles, Schools, Obituaries, and Opinion. A dropdown menu is open over the 'articles' link. The main content area shows a headline: "How do you feel about denser housing? County hosts overlay zone open houses" by Rose Egelhoff, published by The Times-Independent.

Referendum filed seeking to block big development near Herriman

By Katie McKellar [@KatieMcKellar1](#)
Published: June 11, 2018 11:35 am



After months of negotiation, the Holladay
City Council has approved a plan for the old
Cottonwood Mall site



For much of the general public,

GROWth

is a four-letter word.



Utah has the nation's third fastest growth rate. Why? Babies. Lots of babies.



☰ SECTIONS

 InDepth

Utah is top state for population growth, but not just because people are moving here

By Lois M. Collins

Published: January 9, 2018 10:18 pm

Updated: Jan. 10, 2018 5:56 a.m.

    19 Comment

1 of 3



Zoning: One size does not fit all



- Mandating zoning change is a one-size-fits-all approach that would not work. Cities have drastically different needs, plans, and impacts to consider.
- For example, building a 10-story residential building in downtown SLC makes sense because of the nexus of transportation and jobs. Building a 10-story residential building that does not have a nexus of transportation and jobs does not make sense nor does it improve affordability.

Permitting: What is happening on the ground now?

- More building permits have been issued for multi-family units than single-family units over the last four full years and seven of the last ten years in SL County and the Wasatch Front.
- 64% of all building permits issued in 2017 in SL County were for multi-family units and in 2014, apartment unit permits hit a 30-year high of 6,700 units.
- ULCT supported shortened timelines for plan review in 2017 and 2018.

Fees: Impact fees pay for growth

- What is an impact fee?
 - A one-time charge on new development for the purpose of raising revenue for new or expanded facilities necessitated by that development.
 - Facilities must have a useful life of at least 10 years.
- State-mandated requirements as per 1995's SB 4
- Incomplete survey of impact fees in the Gardner Report found that they have increased 26% in 10 years.
- The CPI increase since 2007 is 20.1%.

Impact fees pay for necessary infrastructure that allows for new housing – water, wastewater, and stormwater systems, roads, public safety facilities, municipal power



How are local government and ULCT leading?

- Urging our members to think regionally as they act locally
- Transformation of communities around the state:
 - The Junction in Ogden, Sugarhouse, Holladay, Fireclay at Murray, Bingham Junction in Midvale, Daybreak, Center Street in Provo, and more.
- HB 259 – Moderate Income Housing Amendments
- SB 136 – Transportation Governance Amendments
- Housing Gap Coalition
- Commission on Housing Affordability
- Y2 Analytics



you're on the
**FRONTLINE OF
THE FUTURE**

Annual Convention 2018

SEPTEMBER 12-14

Salt Lake City, Utah



UTAH LEAGUE OF
CITIES AND TOWNS