2017 MOAB AREA AFFORDABLE HOUSING PLAN

MOAB AREA HOUSING PLAN

Prepared for the residents, businesses, and public officials of:
Grand County
City of Moab
Town of Castle Valley

Written spring 2009 by:
The Interlocal Housing Task Force
Rural Community Assistance Corporation

Updated fall 2016 by:
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Interlocal Housing Task Force
City of Moab
Grand County

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II. INTRODUCTION & BACKGROUND

Housing is the backbone of every community. Housing has direct and indirect links to all aspects of community and economic development and serves as the foundation for a high quality of life. The Moab Area needs an adequate and accessible supply of housing for residents and employees in order to sustain its reputation as a world-class destination and a great community in which individuals and families can live, work, and play. To that end, this housing plan shall guide future policy-making, budgeting, and programmatic development at various levels of local government.

Housing affordability has become a primary challenge for communities across the country. Regardless of size, location, economic profile, or political character, demand for affordable housing has never exceeded supply by such a large degree, as supported by the data presented in this plan. The imbalance is exacerbated in amenities-rich communities throughout the American West. Although Moab is not alone in trying to overcome the housing challenge, it must find solutions appropriate to the local context.

2009 Housing Study and Affordable Housing Plan

In 2009, the City of Moab and Grand County jointly adopted their first Housing Study and Affordable Housing Plan. The plan was created through a collaborative, multi-year study and public planning process. Meeting facilitators included representatives from the City of Moab, Grand County, Housing Authority of Southeastern Utah (HASU), Rural Community Assistance Corporation (RCAC), and Bureau of Economic Business Research (BEBR) located within the University of Utah's David Eccles School of Business. Stakeholder participants represented a broad cross-section of the community, including employers, government officials, housing user groups, contractors, financiers, brokers, and concerned citizens. Details of the process followed to create the plan, key findings, housing needs projections, and an associated action plan can be found in the 2009 report.

2016 – 2025 Housing Plan

The impetus for creating a new housing plan is multi-faceted. First, housing affordability has declined further since 2009. Second, the Interlocal Housing Task Force, which is a byproduct of the 2009 effort, has been revitalized under new leadership. The Task Force meets regularly and believes additional action would be of great benefit to the community. Third, this document is required by the State of Utah and is often referenced by local entities seeking state and federal funds for affordable housing development projects. For example, HASU requires updated market study information in order to remain competitive in receiving low income housing tax credits (LIHTC) critical to the financing and construction of affordable housing for very low- and low-income households. Fourth, Moab's community and economy continue to evolve rapidly and an updated plan is needed to reflect recent changes and possible future scenarios.

III. KEY FINDINGS

- Housing affordability continues to decline. The imbalance between supply and demand in the housing market has resulted in very high housing costs.
- The imbalance between supply and demand for housing in Grand County results from the following factors: **low household income, high housing costs, the influence of external market demand, the condition of existing housing supply, and restrictive land use regulations.**
- Existing land use regulations favor low-density, single family detached dwellings with minimal mixed-use development, which leads to inefficient land use, high infrastructure construction and maintenance costs, and longer commutes for residents.
- **Housing *is* economic development.** The shortage of affordable housing currently hinders business development and employee retention.
- The Area Median Income in Grand County **increased from $55,300 per year in 2015 to $64,300 per year in 2016**, each for a family of four. The $9,000 increase is likely attributable to increased incomes for the highest earners and increased income from non-labor activities such as dividends, interest, rent, and retirement related entitlements.
- Currently, **more than half all households earning 80 percent (80%) or less of Area Median Income (AMI) in Grand County are cost-burdened**, which means they spend more than 30 percent (30%) of household income on total housing costs including mortgage or rent, taxes, insurance, utilities, and HOA fees where applicable.
- Currently, **more than one-quarter all households earning 80 percent (80%) or less of Area Median Income (AMI) in Grand County are severely cost-burdened,** which means more they pay more than 50 percent (50%) of combined household income towards total housing costs.

- Assuming recent population trends continue but vacancy rates (e.g. second homes and residential units used as overnight accommodations) stabilize at 30 percent (30%), t**he number of new housing units needed across all price levels will increase by 316 in 2020, 1,024 in 2030, 1,826 in 2040, and 2,737 in 2050.**
- Assuming the share of renter-occupied and owner occupied housing remains constant, the 316 new units needed by 2020 will include **98 rental units and 218 owned units.**
- Decision-making bodies need to exercise political will in the area of affordable housing and support the regulatory, budgetary, and programmatic action items contained within this document in order to meet increasing demand for affordable housing.

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IV. DATA SOURCES

The following data sources were used during the research, analysis, and writing of this report. Zacharia Levine, Grand County Community Development Director, conducted all quantitative analysis and modeling. Where tables from the 2009 plan were updated, equivalent methodology was employed.

- United States Census Bureau
- United States Department of Housing and Urban Development (HUD)
- United States Bureau of Economic Analysis
- United States Department of Commerce
- United States Department of Agriculture
- National Association of Realtors
- Utah Department of Workforce Services
- Utah State Tax Commission
- Utah Association of Realtors
- Multiple listing service (MLS) – Grand County
- Fall 2015 Employee Housing Survey (hotels, motels, and campgrounds) conducted by Zacharia Levine and Mary Hofhine of the Grand County Community Development Department
- Summer 2016 Employee Housing Survey (seasonal outfitters) conducted by Ruth Brown and the Interlocal Housing Task Force
- Building construction permit numbers, compiled by the Grand County building official
- Current and ongoing housing workshops conducted by Grand County and the City of Moab
- Past affordable housing studies and efforts compiled by the Interlocal Housing Task Force


community
rebuilds

V.

DEMOGRAPHIC & HOUSING OVERVIEW

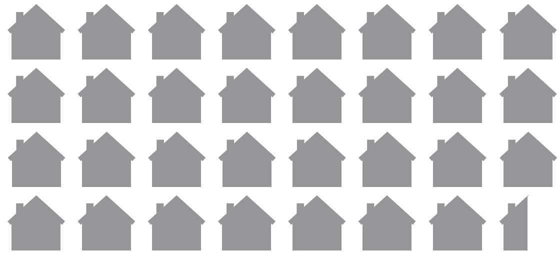
It is critical to understand housing in the context of recent trends in population, housing characteristics, employment, construction, and existing housing inventories.

Grand County Population & Households

Population and household formation are arguably the most important indicators of housing demand over time. In Grand County, however, full-time population may provide misleading information about housing demand. Seasonal employment, transient residents, undocumented workers, small sample sizes for intercensal counts, and enormous spikes in temporary populations from tourism lead to underestimates of housing demand in the Moab Area. It is difficult to estimate the effects of such demand, so only full-time population and household counts are reported below.

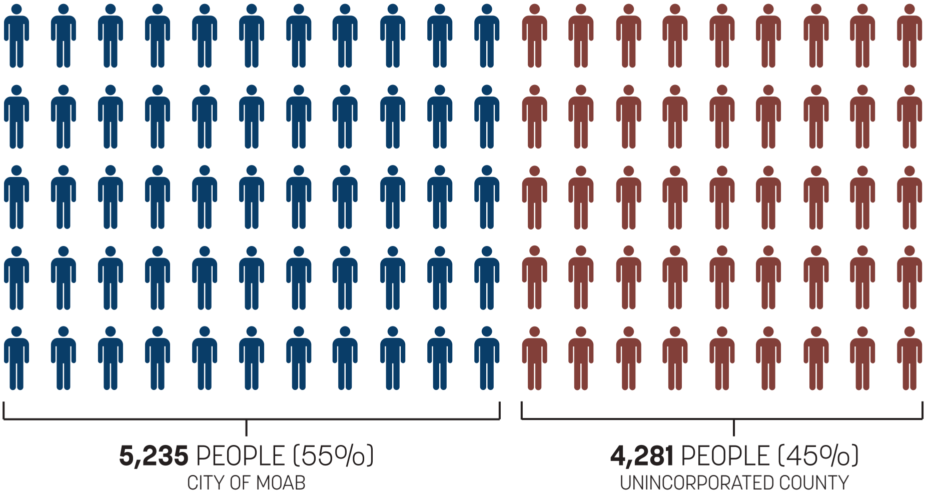
2.35 PERSONS PER HOUSEHOLD

31.4 NEW HOUSEHOLDS PER YEAR



FAST FACTS

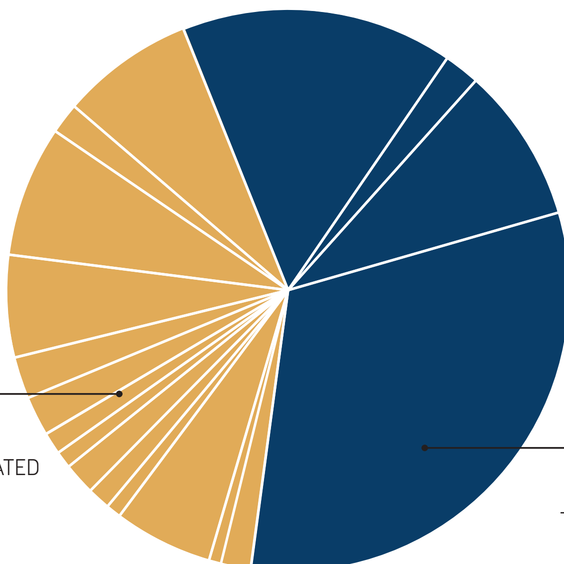
- Grand County's full-time resident population has grown at an average of **0.6% per year since 2010**, which is slower than the 1.0% average annual growth rate of the 2000s and 2.6% average annual growth rate of the 1990s.
- The average household size in Grand County remains relatively constant around **2.35 persons per household.**
- Assuming the average household size of 2.35 persons per household, average annual household formation in Grand County is **31.4 new households per year.**
- Although an average of 69 new residential units were constructed countywide each year between 2013 and 2015, more than double average annual household formation, building permits and business licenses reveal the majority were unaffordable to the majority of Grand County households or immediately converted to short-term rentals, seasonal or vacation homes.



*Population as of 2015

Employment Trends

Like many rural gateway communities in the American West, Grand County's employment profile leans heavily on service-industry jobs. Tourism related employment accounts for more than 55 percent (55%) of all jobs and remains the primary economic driver in Grand County. Because tourism related employment is more likely than other employment to be part-time, seasonal, low-paying, and without benefits, Grand County may benefit from economic diversification that leads to more varied employment opportunities and higher wages. However, economic diversification and higher wages alone will not suffice. The housing market needs a stable balance of year-round demand and supply that accounts for long-term occupancy and short-term occupancy. Higher wages will enable local workers to compete for market rate housing, but supply across all price levels is relatively constrained.

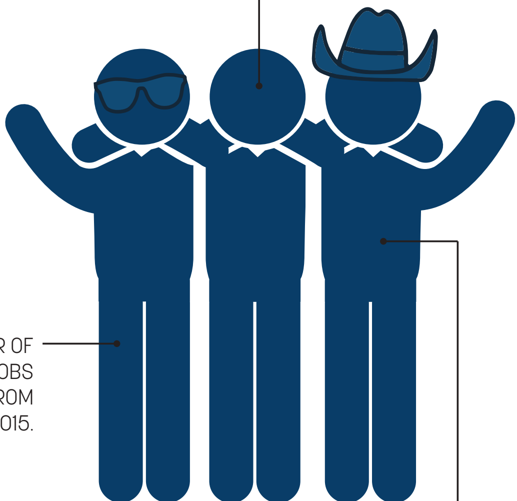


41.8%
NONTOURISM-RELATED INDUSTRIES

1.70% MINING
2.06% UTILITIES
5.67% CONSTRUCTION
0.86% MANUFACTURING
1.32% WHOLESALE TRADE
1.83% TRANSPORTATION & WAREHOUSING
0.99% INFORMATION
1.26% FINANCE & INSURANCE
2.29% PROFESSIONAL SCIENTIFIC & TECHNICAL SERVICES
2.39% ADMIN, SUPPORT, WASTE MGMT, REMEDIATION
5.88% EDUCATION SERVICES
7.52% HEALTH CARE & SOCIAL ASSISTANCE
1.76% OTHER SERVICES (EXCEPT PUBLIC ADMIN)
7.64% PUBLIC ADMINISTRATION

58.2%
TOURISM-RELATED INDUSTRIES

RETAIL TRADE **15.6%**
REAL ESTATE, LEASING & RENTING **2.06%**
ARTS, ENTERTAINMENT & RECREATION **8.93%**
ACCOMODATION & FOOD SERVICES **31.6%**



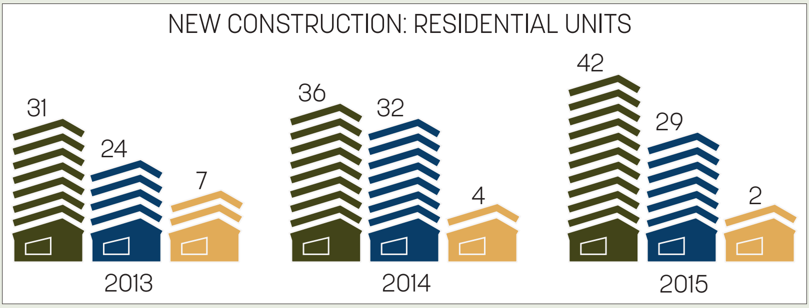
FAST FACTS

- The number of nonagricultural jobs **increased 16.8%** between 2010 and 2015. Grand County's economy is expanding.
- The two industries with the largest percentage increases in employment between 2010 and 2015 were **information and professional, scientific, and technical services**. A continuation of this trend would benefit Grand County as wages in these industries tend to be higher than average.
- The **average annual payroll wage increased 12% to $30,792** between 2010 and 2015. Grand County ranks 22nd in the state of Utah for average payroll.
- The 2014 average household adjusted gross income in Grand County was **$53,332, the lowest of all counties in Utah.**
- The percentage of households with **adjusted gross incomes lower than $20,000 in 2014 was 29.2%.** Only three counties exhibited higher percentages in 2014.

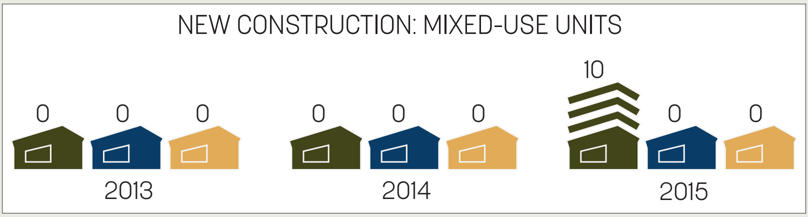
Housing Construction

Housing affordability, at its root, is a function of supply and demand. Housing construction is the primary indicator of changes in supply. In Grand County, housing construction rates have increased slightly in recent years as the nationwide real estate market continues to rebound from the 2007-'08 recession. Increased construction activity has also benefited from historically low interest rates, an expanding local economy, and increasing demand for new housing from residents and investors.

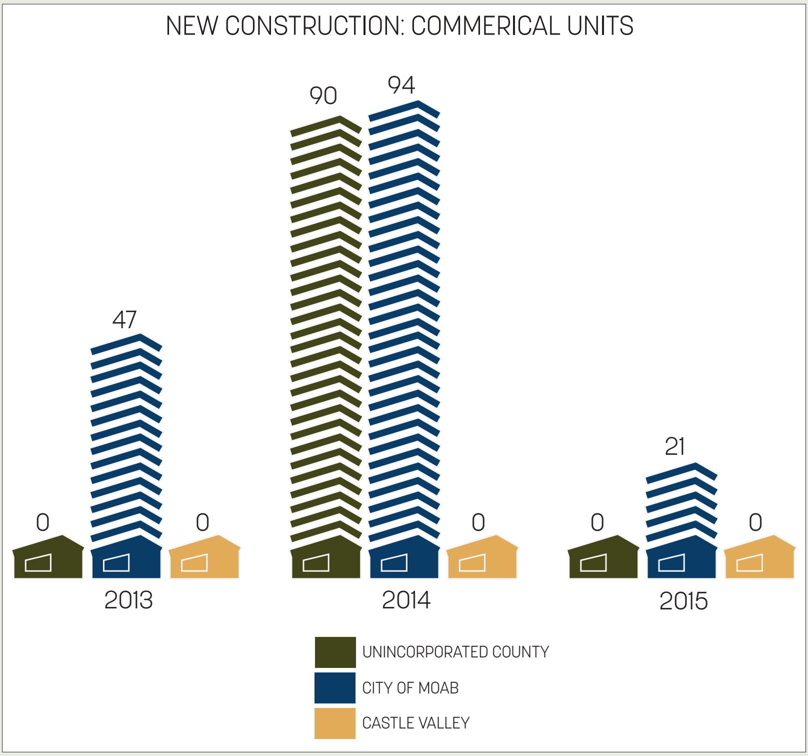
- Residential construction has remained at lower levels than the pre-2008 recession period. In the years 2013-2015, an **average of 69 residential units across all types were constructed each year.** In the years leading up to 2008, an average of 100 residential units across all types were constructed each year.
- Building permit data suggest that **an increasing share of new residential construction is actually intended for seasonal or vacation occupancy** in the unincorporated areas of Grand County and the City of Moab, representing 38.5% and 34.1% of new residential construction, respectively. These types of end-uses tend to push sales prices higher than long-term owner- or renter-occupancy.
- Multiple mobile home parks were redeveloped between 2008 and 2015. As of 2015, 15 parks provided a total of **491 available lots and remained 80% occupied** on average.



NEW CONSTRUCTION: RESIDENTIAL UNITS
31
24
7
2013
36
32
4
2014
42
29
2
2015

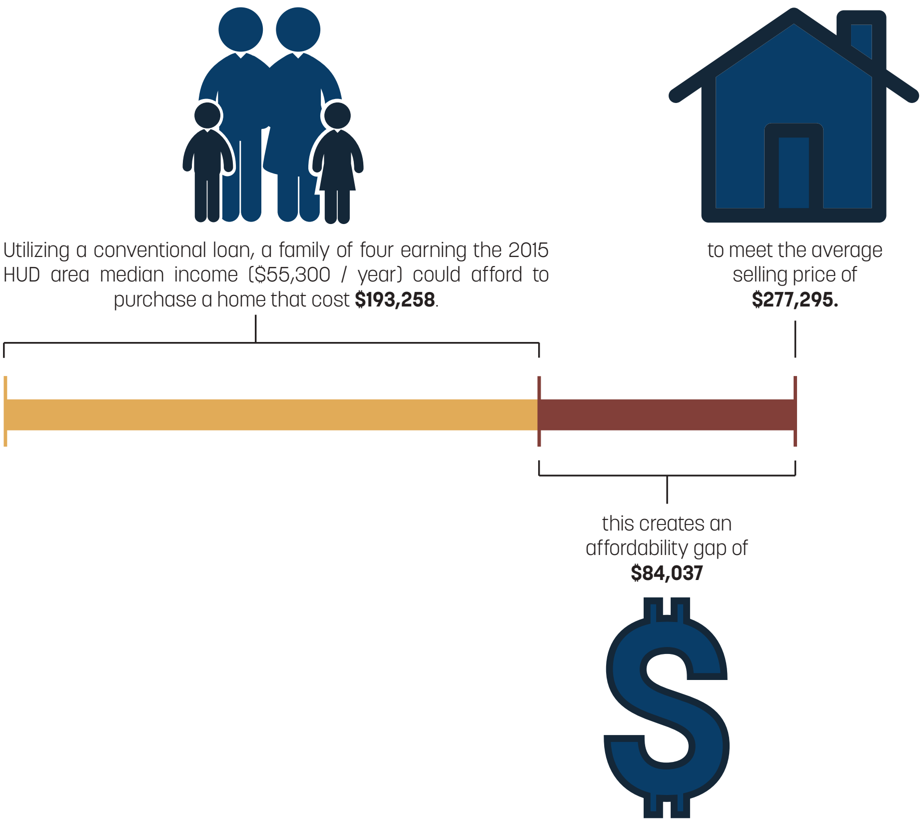


NEW CONSTRUCTION: MIXED-USE UNITS
0
0
0
2013
0
0
0
2014
10
0
0
2015



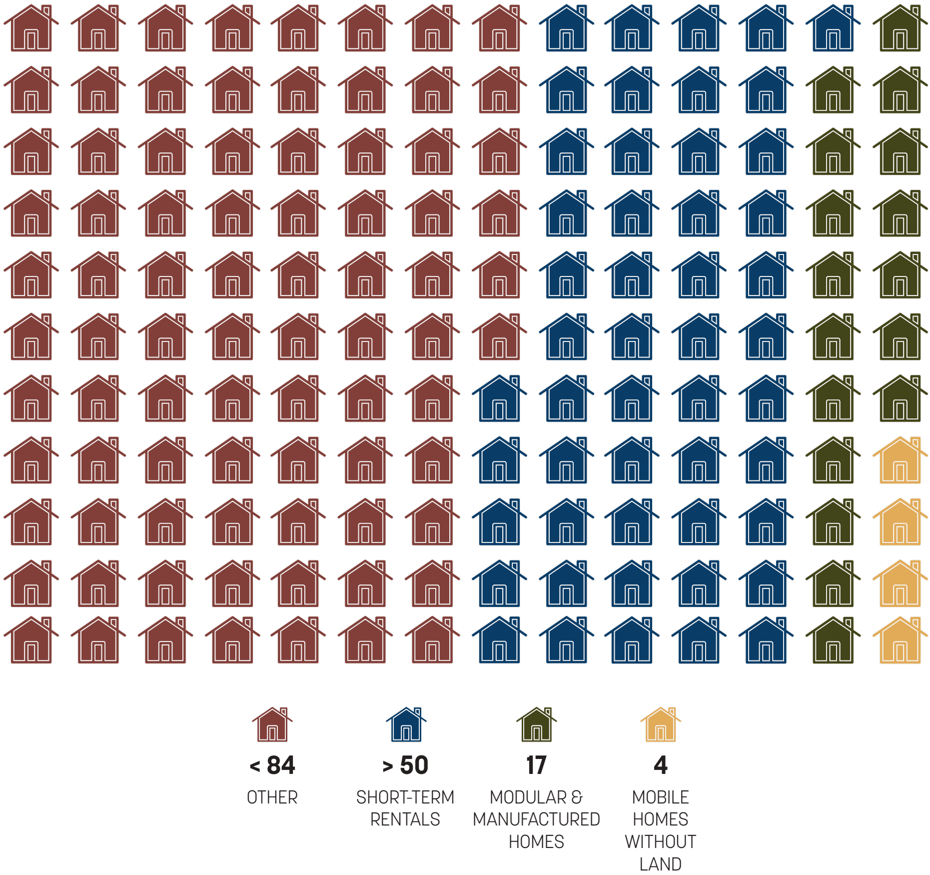
NEW CONSTRUCTION: COMMERICAL UNITS
0
47
0
2013
90
94
0
2014
0
21
0
2015
UNINCORPORATED COUNTY
CITY OF MOAB
CASTLE VALLEY

Land and Housing Prices



Tracking land and housing prices is central to understanding local housing markets. As prices change, opportunities and constraints also change. The prices for developable land and finished construction have increased steadily since 2000, with some variability year-to-year. In a growing economy and upward housing market, affordable housing becomes increasingly difficult to finance, construct, and preserve. Key statistics provided below indicate the upward trend of Moab's housing market, which makes housing less and less affordable to lower income households. The market for raw land has also increased markedly, which makes development more expensive and, as a result, sales and rental prices increase as developers pass the costs onto end users.

Types of Residential Structures Sold in 2015



In 2015,

- There were **155 residential dwelling units of all types sold** in Grand County - 4 were mobile homes without land, 17 were modular or manufactured homes, and at least 50 were very likely to be used as short-term rentals.
- The median and average **list prices** of units that sold were **$269,000 and $277,549**, respectively.
- Of the houses for which sales prices can be computed, the median and average **sales prices were $263,942 and $274,202**.

In 2016, the average assessed value of all homes within Grand County was **$296,000**.

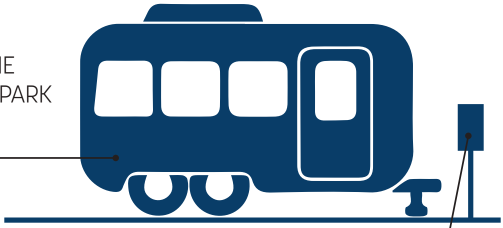
LAND

In May 2015,

- The median and average prices for recently sold and active residentially zoned parcels of developable land were **$200,301 per acre and $248,936 per acre**, respectively.
- The median and average prices for recently sold and active commercially zoned parcels of developable land were **$145,788 per acre and $325,099 per acre**, respectively.

HOUSING

RENTING A MOBILE HOME
INSIDE A MOBILE HOME PARK
$650 - $1200 (per month)



RENTING A SPACE INSIDE A
MOBILE HOME PARK
$275 - $400 (per month)

The average assessed value of all homes within Grand County was **$296,000.**

LIST PRICES FOR OWNED HOUSING
AVERAGE **$351,700**
MEDIAN **$290,000**

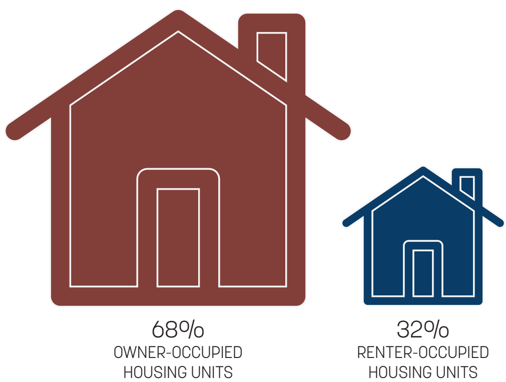
LIST PRICE FOR RENTED HOUSING
$850 WITHOUT UTILITIES
$1,100 WITH UTILITIES
(per month)

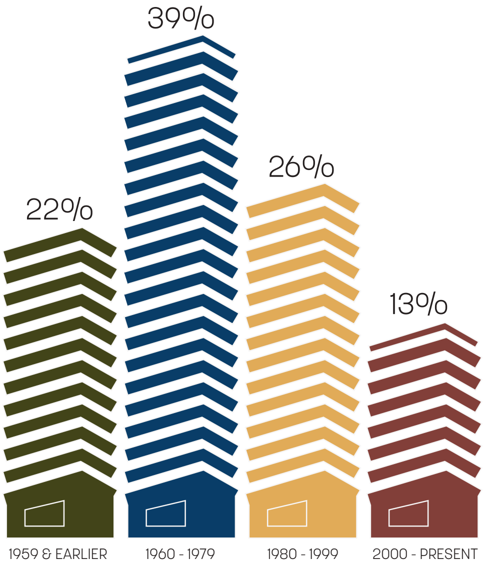
In May 2015,

- The median list price for all housing types was **$290,000**. The average list price was **$351,700.**
- The median rental price for all housing types was **$850**; when including utilities, median rental costs were **$1,100**. The HUD Fair Market Rent value, used to establish Section 8 rental vouchers, was $757 for a two bedroom housing unit and $1115 for a three bedroom unit. **Very few, if any, rental units are available for rent at rates that enable usage of the Section 8 vouchers.**
- The cost to rent a space inside an established mobile home park was between **$275 per month and $400 per month.**
- The cost to rent a mobile home inside an established mobile home park was between **$650 per month and $1200 per month.**

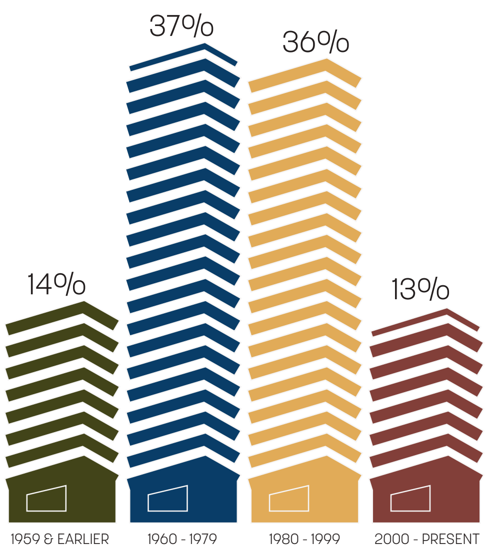
Housing Inventory Condition

While a standardized evaluation of existing housing units could not be completed prior to the writing of this plan, the US Census Bureau and local research efforts provide a cursory understanding of the quality of Grand County's housing inventory. The condition of existing housing units contributes to overall housing costs, neighborhood attachment, and public health. As housing conditions decrease over time, maintenance costs increase. Owners must choose to expend additional money or defer maintenance, which tends to increase costs in later years. Renters tend to experience increased rents over time as property owners account for maintenance costs by passing them onto renters. At the extreme, very old units, perhaps some built to substandard qualities, may result in condemnation and demolition, which decreases the supply of housing. Alternatively, residents may occupy otherwise uninhabitable housing units that lead to mental and physical health issues. **A healthy housing market depends on a balance of renovating older homes, rebuilding dilapidated structures, and new construction.**





OWNER-OCCUPIED HOUSING UNITS BY YEAR BUILT



RENTER-OCCUPIED HOUSING UNITS BY YEAR BUILT


69%
1-UNIT DETACHED
3%
1-UNIT ATTACHED
4%
2 - 4 UNITS
1%
5 - 19 UNITS
4%
20 OR MORE UNITS
19%
OTHER (MOBILE HOME, RV, ETC.)

- The occupancy rate and owner-occupancy rate have declined in Grand County, although the **owner-occupancy rate of 67 percent (67%) still exceeds the national average** of 63 percent (63%).
- The **vacancy rate continues to rise**, and is now at 27 percent (27%), which reveals the degree of external demand for real estate in Moab.
- The overwhelming majority of existing housing in Grand County is a one-unit detached dwelling. One-unit detached dwellings tend to utilize the most land per housing unit.
- Mobile homes, RVs, and other housing types account for **nearly 20 percent (20%)** of all occupied housing in Grand County.
- Of all owner-occupied housing units, **61 percent (61%) were constructed prior to 1980.** Of all renter-occupied housing units, **51 percent (51%) were constructed prior to 1980.**
- The age of a housing unit may be serve as an indicator of high maintenance costs, which increases total housing costs for owners and renters.
- The number of mobile home lots has decreased in Grand County due to closures in some mobile home communities. There are **491 mobile home lots** in Grand County, of which roughly 80 percent (80%) are occupied.
- **The use of RV lots for longer-term occupancy has increased in recent years.** Of the 930 Recreational Vehicle (RV) spaces located inside permitted campgrounds, 106 are utilized for "extended stays" (i.e. longer-term occupancy) and 25 are identified as employee housing units. In 2016, 14 "employee housing" RV spaces were approved in the unincorporated county through the commercial campground ordinance.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VI.

HOUSING EFFORTS TO DATE

Multiple partners have aided in the provisioning of affordable housing units in Grand County. These efforts should be lauded.

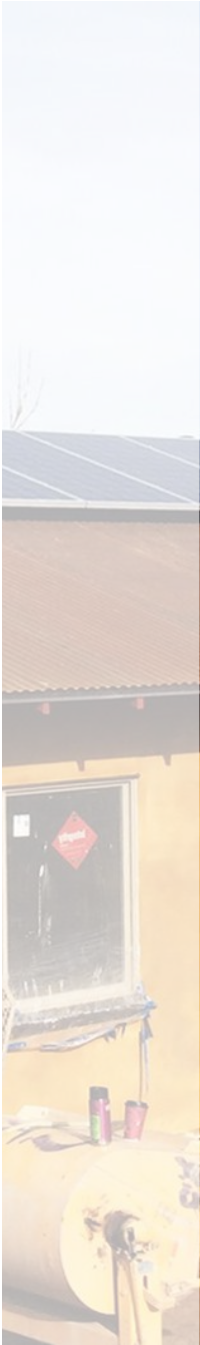
Multiple partners have aided in the provisioning of affordable housing units in Grand County. These efforts should be lauded. Additionally, the Interlocal Housing Task Force recently reestablished itself as an active work group aggressively targeting policies and programs that may help to address the decline of housing affordability and availability. The task force meets monthly, includes broad representation from the community, and serves as a driving force behind work in the affordable housing arena. Because of its efforts, the City of Moab and Grand County have made the topic of affordable housing a standing agenda item on all joint meetings. Further, the City of Moab has included affordable housing as a top legislative priority. It recently allocated $150,000 to affordable housing. Grand County has established regular workshops between the Council and Planning Commission, agreed to a work plan, and begun executing the work plan through policy changes and planning. It too has allocated funds towards affordable housing.

Of particular interest to affordable housing specialists is the period of affordability. The adjacent table includes the occupancy type and deed restriction status for multiple housing developments. The Mutual Self-Help (MSH) program, administered by HASU, has produced the greatest number of housing units for low-income households. Utilizing USDA 502-direct loans, the MSH program enables eligible households to contribute "sweat equity" towards the construction of their homes in exchange for low-interest rates, loan repayment subsidies, and home equity. Community Rebuilds also utilizes 502-direct and 523-guaranteed loans administered by USDA. Both organizations are working with USDA to create and implement deed restrictions on newly constructed homes beginning in 2017. Deed restrictions are critical for preserving long-term housing affordability and may last between 15 and 99 years, or remain in perpetuity.

In May 2016, the Arroyo Crossing Subdivision was approved as the very first private development to include a voluntary 20 percent (20%) set-aside for affordable housing. The agreement followed months of negotiations with the property owner and developer, a successful rezone request, and master plan approval. Once fully constructed, 44 of the 220 proposed housing units will be deed-restricted for a minimum of 40 years. Eligible households cannot earn more than 80 percent (80%) of AMI and must have at least one adult who works full-time within the boundaries of the Grand County School District, be of retirement age (62 or older), or have a qualifying mental or physical disability. The development agreement that establishes this set-aside encumbrance of Arroyo Crossing subdivision represents the single largest development impact of a non-subsidized, privately constructed project to date. Indeed, it sets a historic precedent in Grand County.

The current affordable housing stock in Grand County totals to 394 units, including 152 owner units and 242 renter units. Only 234 of these units will be deed restricted by 2020.

Developer	Development	Number of Units Built	Year Built	Occupancy Type	Deed Restriction
Community Rebuilds	Single family straw bale homes	17	4 per year	Owner	Implementing deed restrictions beginning 2017
HASU	CROWN at Sage Valley	8	1998	Owner	15 yr. compliance period completed (no longer restricted)
HASU	Mutual Self-Help Homes	127	Ongoing	Owner	Exploring primary residence deed restriction beginning 2017
HASU	The Virginian Apartments	28		Renter	Income limits based on HUD Section 8 Vouchers; Ongoing
HASU	Cinema Courts	60	2012	Renter	5:1BR @25%AMI 10:1BR @39%AMI 30:2BR @45%AMI 6:3BR @45%AMI 9:3BR @50%AMI (99 year compliance period)
HASU	CROWN at Desert Wind	5	2013	Renter	15 yr. compliance period ends in 2028
HASU	CROWN at Rim Hill	8	2005	Renter	15 yr. compliance period ends in 2020
Interact	The Willows	8	2015	Renter	Mental health patients only; Ongoing
Interact	Aspen Cove	12	2015	Renter	30% of income; Ongoing
	Archway Village Apartments	20	1985	Renter	Age & income limits (no longer restricted)
	Huntridge Plaza Apartments	24	2004 (Rehab)	Renter	Income Limits (no longer restricted)
	Kane Creek Apartments	36	1993	Renter	Income Limits
	Ridgeview Apartments	6	1994	Renter	Income Limits
	Rockridge Senior Housing	35	1998	Renter	Age & Income limits



VII.
HOUSING NEEDS ANALYSIS

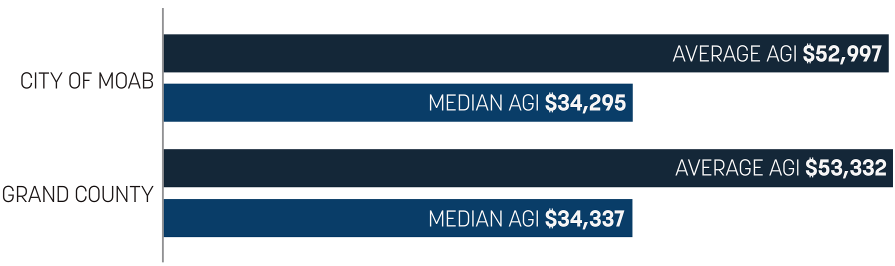
The housing challenge in Grand County is a function of multiple factors: low household income, high housing costs, the influence of external market demand, the condition of existing housing supply, and restrictive land use regulations.

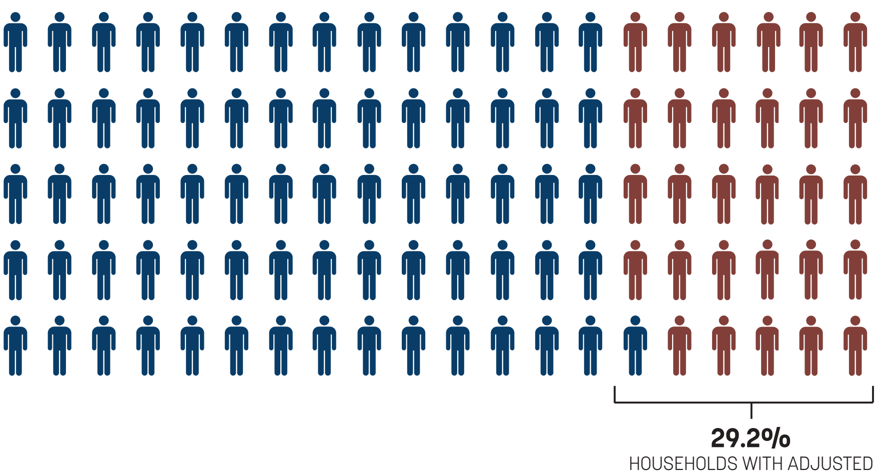
Low Household Income

The affordability gap in Grand County is in large part due to low wages, which limit or prevent homeownership and payment of market rate rent by many households. Most housing plans, policies, and programs focus on housing supply and housing prices, but it is equally important to evaluate and increase wages and income. Housing affordability depends on a balance between housing prices and income.

- The average monthly payroll wage in 2015 was **$2,566, which is $1,055 less than the statewide average** (DWS). Grand County ranks 22nd among all 29 Utah counties in average monthly payroll wage.
- Travel and tourism related employment accounted for **58.2%** of all 2015 employment in Grand County. However, the average monthly payroll wage for such jobs was only **$2,063** (DWS, ZL).
- The 2014 average adjusted gross income (AGI) for households in Grand County was **$53,332, the lowest across all counties in Utah**. The 2014 median AGI in Grand County was $34,337, which means there are many extremely high earning households pushing the average significantly higher than the median (DWS, ZL).
- In 2014, **29.2% of all households in Grand County earned less than $20,000** (26th across all counties in Utah). This represents a slight improvement from 2010 numbers (33% of all households and 28th ranked, respectively) (DWS, ZL).
- The Grand County Area Median Income for a family of four **increased from $55,300 per year in 2015 to $64,300 per year in 2016**. Because synchronous increases are not seen in average payroll wages, the $9,000 increase is likely attributable to increased incomes for the highest earners and from non-labor activities such as dividends, interest, rent, and retirement related entitlements.

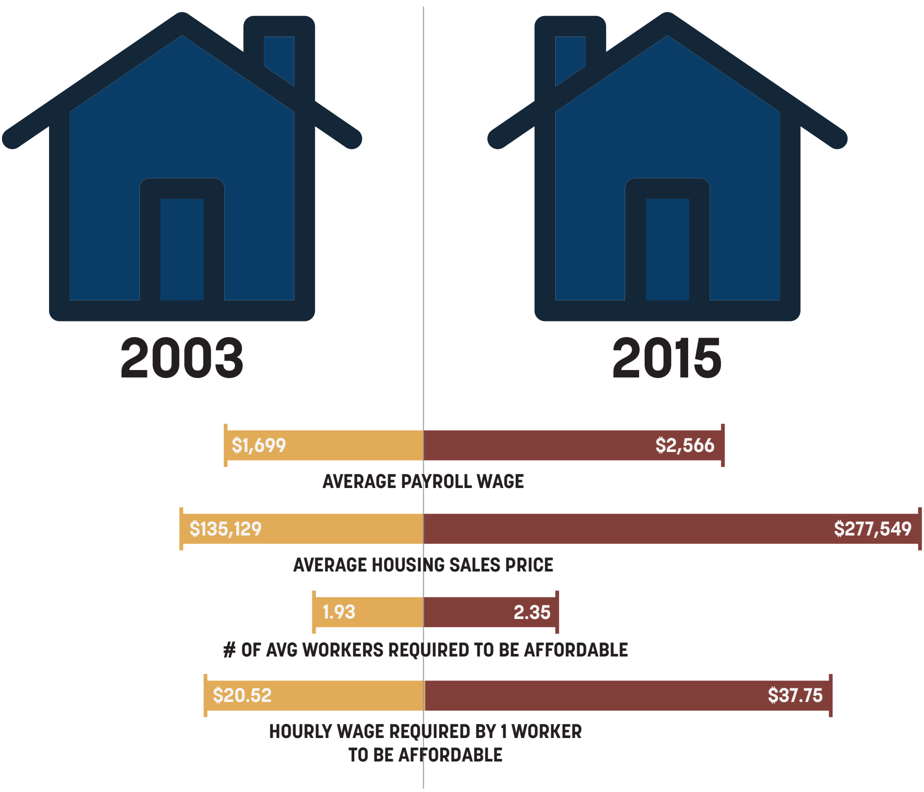
The 2014 average adjusted gross income (AGI) for households in Grand County was the **lowest across all counties in Utah**. There are many extremely high earning households pushing the **average significantly higher than the median**.





High Housing Costs

The affordability gap refers to the large and growing difference between wages and housing costs. Similar to other isolated, amenities-based, rural gateway communities surrounded by public lands, **housing costs in Grand County have risen much faster than wages**. Because demand continues to rise faster than supply, prices continue to increase.



*Monthly cost assumes a 30 year mortgage, 10% down, 4% APR, 2% PMI, 1% property tax (at 55% of assessed value), $150/mo. utilities, $600/yr home insurance, and no HOA fees

HOUSING UNIT **LISTING** PRICE
AVERAGE **$351,700**
MEDIAN **$290,000**

HOUSING UNIT **SELLING** PRICE
AVERAGE **$277,549**
MEDIAN **$269,000**

In May 2015, the median **list** price for all housing types within Grand County was $290,000 whereas the average list price was $351,700. Several high-priced properties in the area push the average higher than the median. These numbers offer just a momentary snapshot of **houses listed for sale.**

When considering only **houses that actually sold** during the year 2015, the median list price was $269,000 whereas the average list price was $277,549. The significant differences are likely associated with sellers attempting to capture the highest equity possible and overshooting what the market will bear. Additionally, higher-end homes tend to list for longer time periods and not all property listings sell at their asking price.

In 2013, the most recent year in which standardized data exists, median rental costs (rent + utilities) were **$1,000 per month**. In August 2016, a survey of local property management companies revealed only 19 rental units were available at prices that would be affordable to households earning less than 100% of AMI. However, fewer than five such units would accommodate households with more than two adults and a child. Current sales and rental prices place most market rate housing units out of reach for Grand County residents, and limits upward housing mobility.

External Market Demand

External market demand continues to increase housing prices and limit or reduce the inventory of affordable housing. Like many other rural gateway, tourism-based communities, Grand County is a desirable housing market for individuals and investment firms located around the world.

Grand County's beautiful landscape and moderate climate make it very appealing to out-of-area investors. Consequently, the local housing market has experienced increased external market demand for second/seasonal homes, short-term rentals, retirement homes, and general investment properties. External market real estate purchasers have the ability to and typically do bid at higher home purchase prices than those supported by prevailing wages in the local market. **Each home sold at an increased price reduces the quantity of housing that otherwise could be sold to the local market at its particular need and price point, and increases the sales price of all housing in the inventory.**

In addition to the construction of new housing units to meet the external market demand, local housing professionals report that:

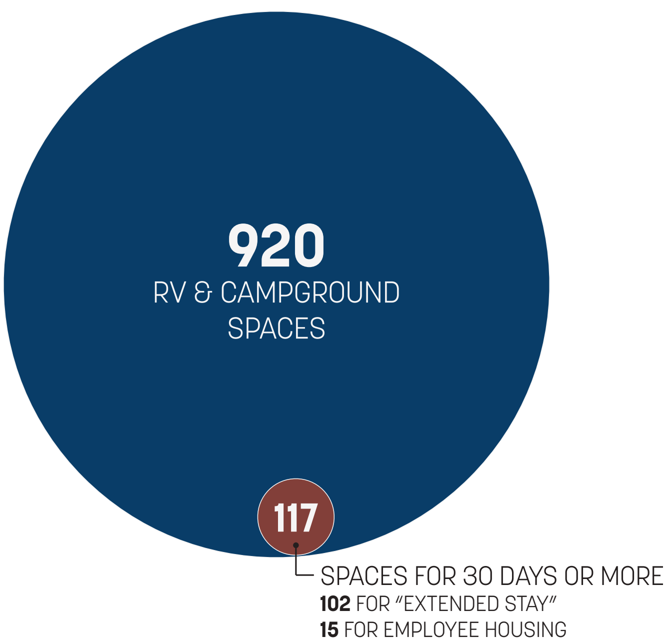
- Condominiums and other long-term rental units are being purchased by market investors and converted to rentals, and
- Single family homes in need of major repairs are purchased, repaired or demolished, and resold at a much higher price.

The result is a reduction of "affordable" housing units and upward pressure on housing prices. While more recent (2008-2009) economic influences may ultimately contribute to a temporary decrease in external demand for housing, and ultimately housing prices, these external influences on the Grand County housing market are still very real. **Almost all new housing built since 1998 would have to drop more than 50 percent in price to reach affordability for the median income Grand County household.**

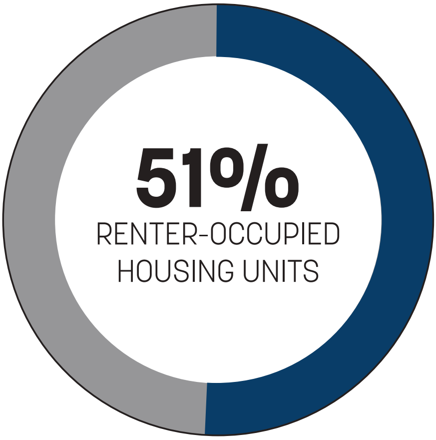
Condition of the Housing Inventory

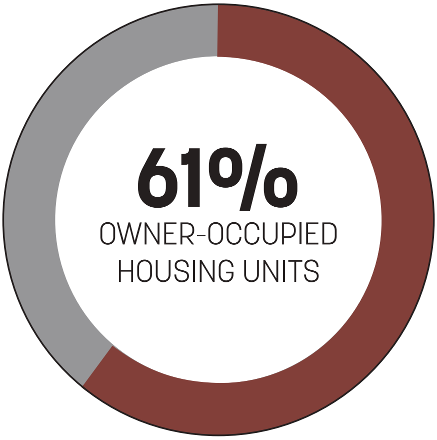
Although existing housing tends to be more affordable than new housing, older units in declining condition require more maintenance, which increases overall housing costs, and may even be in dilapidated or unacceptable conditions. Neither the Southeastern Utah Association of Local Governments (SEU-ALG) nor Grand County has performed a housing inventory since 2005, when **1,507 or 35% of all housing units were considered to be in either dilapidated or unacceptable conditions.**

According to the 2013 American Community Survey, **69% of all Grand County housing units were single family detached dwellings and 19% were mobile homes.** Mobile homes were built to very poor construction standards and today would not be considered acceptable. Banks will not provide loans for mobile home units, which makes an entire class of housing units almost non-transferable. As a result the number of households living in "extended stay" spaces in commercial RV parks and campgrounds has increased. A Grand County survey of all commercial facilities suggested that **117 spaces are now used for periods of 30 or more days** (Zacharia Levine, 2015).



Housing Constructed Prior to 1980





In 2013, 61% of all owner-occupied housing units in Grand County were constructed prior to 1980. Of all renter-occupied housing units in Grand County, 51% were constructed prior to 1980. **Aging housing units with higher maintenance costs represent the majority of affordable units in Grand County**, but they also require the highest levels of maintenance.

Due to the condition of all types of homes in need of repair in the housing inventory:

- Many homes at time of sale **do not meet loan qualification standards.** Wage earners that require a mortgage for home purchase are therefore excluded from potential purchase.
- Homes in need of major repairs are appealing to an external market investor for cash purchase, remodel or demolition, and **resale at a much higher price**
- Housing Vouchers issued by the Housing Authority are **not fully utilized** because the condition of lower cost rental housing units is below HUD's Housing Quality Standards.

Employer-Provided Housing

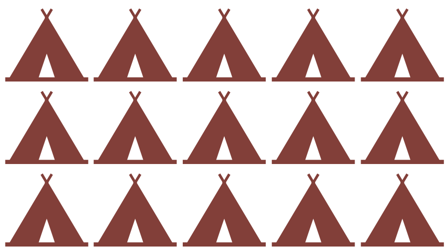
Hotels, commercial campgrounds, recreational outfitters, restaurants, and retail stores create the largest block of demand for seasonal workforce housing. Indeed, businesses in these industries have experienced the greatest challenges in employee recruitment and retention due to the lack of affordable housing. In summer 2016, the Interlocal Housing Task Force conducted a survey of hotels/motels, commercial campgrounds, and recreational outfitters to better understand employer-provided housing for seasonal employees. The survey also provided information regarding needs and opportunities for employer-provided housing and highlighted the link between workforce housing and economic development.

The surveys presented on the following pages show an **undeniable link between housing and economic development**. In a tourism-based community, workforce housing becomes an integral input into business development. The gap between wages and housing costs and the shortage of housing supply have the potential to hinder economic expansion in Grand County.

Survey: Commercial Overnight Accommodations

A total of 16 surveys were administered to commercial campgrounds and RV parks. Nine campgrounds provided a total of 15 employee housing units on-site to resident managers. Of the eleven hotels/motels responding to the survey and accounting for 285 employees, 77 employees received employer-provided housing. Information was not collected as to the number, type, or quality of the housing units.

9 CAMPGROUNDS & RV PARKS



Nine campgrounds provided at **total of 15** employee housing units on-site to resident managers.

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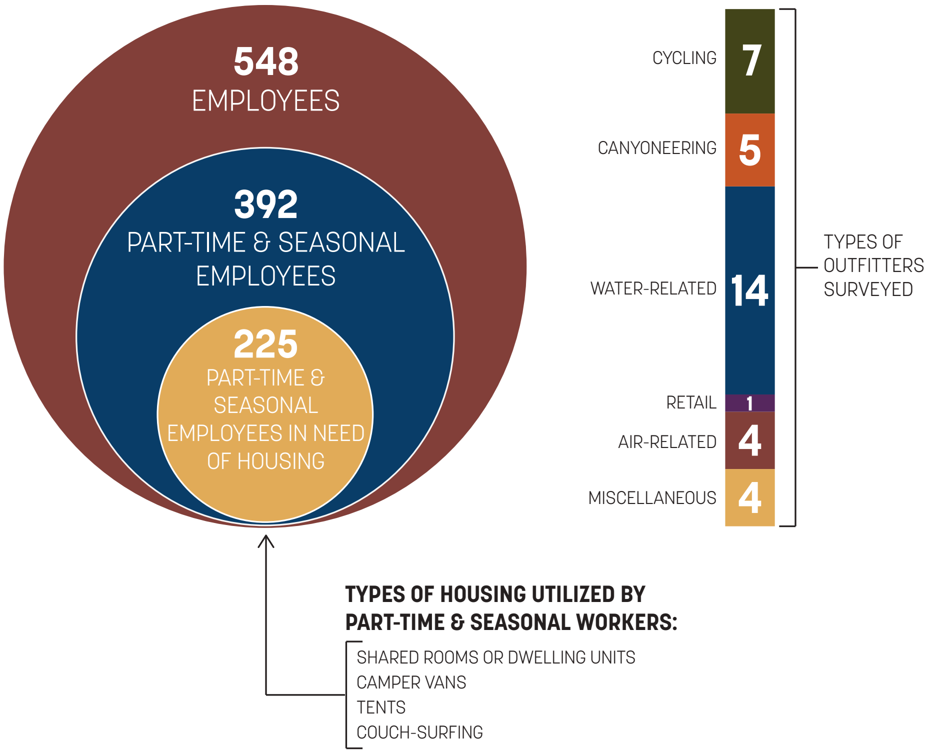
11 HOTELS & MOTELS

77 of the 285 hotel/motel employees reported in the survey receive employer-provided housing.

Survey: Recreational Outfitters



A total of 35 surveys were administered to recreational outfitters across the following activities: cycling related, canyoneering/climbing related, water sports related, retail recreation, air sports related, and miscellaneous. Respondents represented outfitters that, in total, accounted for 548 employees. Part-time or seasonal employees accounted for 72 percent (72%), or 392 employees. Respondents reported approximately 225 part-time or seasonal employees needed housing.

Seven outfitters provided on-site or nearby housing to such employees, eight reported a desire to provide on-site housing in the form of camper vans and RVs, and nine did not know if on-site housing was permitted in their zoning district. Employers identified four types of housing utilized by part-time and seasonal employees: shared rooms or dwelling units, camper vans, tents, and "couch-surfing" with friends. Five respondents supported the creation of managed housing for seasonal staff in the community, eight opposed, and ten were unsure of such a system.

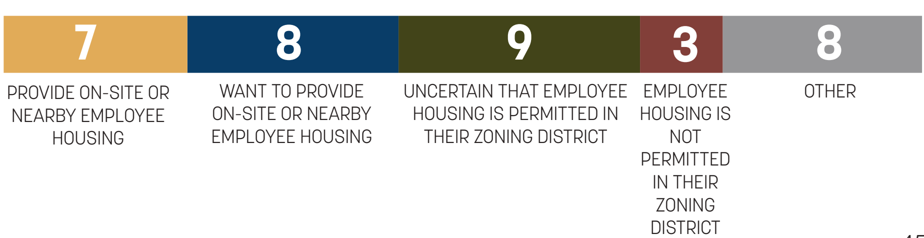
The vast majority of responding recreational outfitters (19) cited the **lack of housing as one of the most important and impactful challenges** affecting their employee recruitment and retention. Fifteen suggested the lack of affordable housing limited their abilities to grow their businesses. Although many employers created unofficial policies to hire local residents only because, presumably, they would already have housing, the majority felt that local residents could not fill all the job openings across the community.

DOES LACK THE LACK OF HOUSING MAKE IT HARD TO HIRE NEW EMPLOYEES?

DOES LACK THE LACK OF HOUSING LIMIT THE GROWTH OF YOUR BUSINESS?

DO YOU SUPPORT MANAGED HOUSING FOR SEASONAL STAFF?

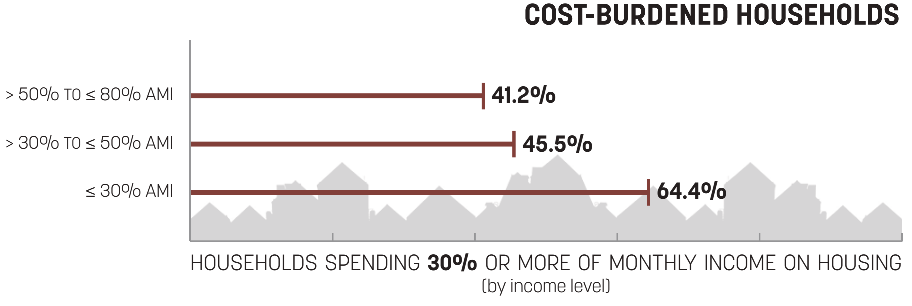
DO YOU PROVIDE HOUSING FOR YOUR EMPLOYEES?

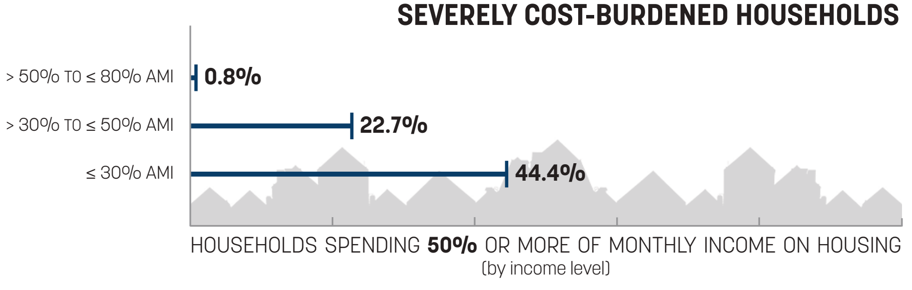


Affordable Housing Needs Projections

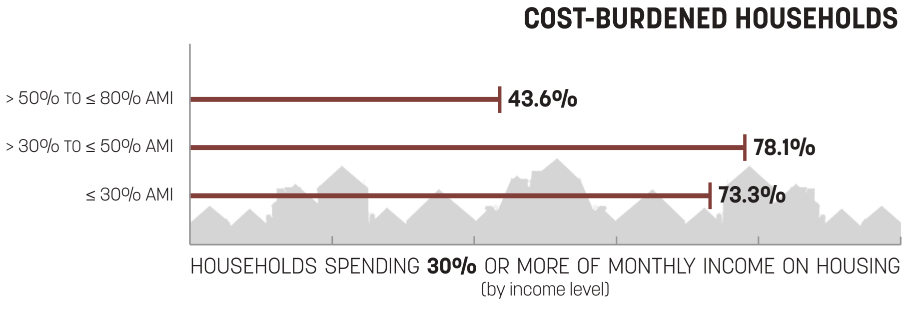
Currently, at least 1,000 households earning less than 80 percent (80%) of AMI in Grand County are cost-burdened, which means they spend more than 30 percent (30%) of household income on total housing costs including mortgage or rent, taxes, insurance, utilities, and HOA fees where applicable. At least 400 households earning less than 80 percent (80%) of AMI are severely cost-burdened, which means they spend more than 50 percent (50%) of household income on total housing costs. **Cost-burdened and severely cost-burdened households already have housing, but some may feel it is appropriate to consider 1,000 units the baseline need.** However, this figure is not included in the future demand projections presented on the following pages.

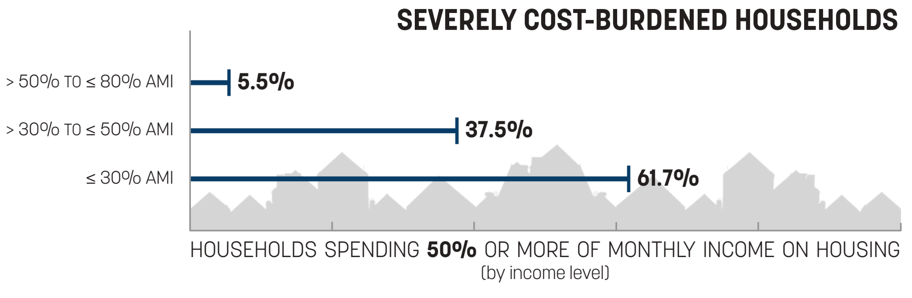
Cost-Burdened **Owner** Households in Grand County





Cost-Burdened **Renter** Households in Grand County





The following charts present the results of a specified model used to project future housing needs in Grand County. It should be noted that models used to forecast future housing demand are only as good as the data and assumptions used to create them. Forecasts also become less reliable as the forecasting period increases.

For instance, the model uses recent population trends to forecast future population trends. However, any given year may result in atypical population growth, either lower than estimated or higher than estimated. The model also assumes the share of owner-occupied versus renter-occupied housing units remains the same over time. While this assumption has been included to simplify the modeling exercise, **national and regional trends suggest the share of renter-occupied housing units is very likely to rise further in the coming decades.**

Each of these assumptions can be manipulated to reflect different expectations for Grand County's future. **If Grand County continues to mirror the trajectories of similar tourism based economies in the American West, vacancy rates may climb to 40, 50, or even 60 percent, if not higher.** Models are inherently limited in predicting the future due to the necessity of making assumptions. In recent years, planning has shifted more towards scenario planning, where decision-makers select a set of policies based on a range of possible future states. Nevertheless, the model provides a useful exercise in understanding future housing demand. The forecasts should be used as a guide for policymaking, and not considered hard predictions.

The assumptions used to specify the model are noted below:

- Population **increases at an exponential rate** based on changes observed between 1990 and 2014.
- Population projections do not account for potential episodic increases associated with the construction of a four-year Utah State University campus, secondary and tertiary economic development associated with a local campus, or any other policy- or development-oriented changes.
- Average household size remains constant at **2.35 persons per household.**
- **Owner-occupied versus renter-occupied ratios remain constant** overall and within each income bracket.
- The share of **households within each income bracket remains constant.**

Housing affordability is based on the following parameters:

- Households spend **no more than 30 percent (30%)** of income on total housing costs

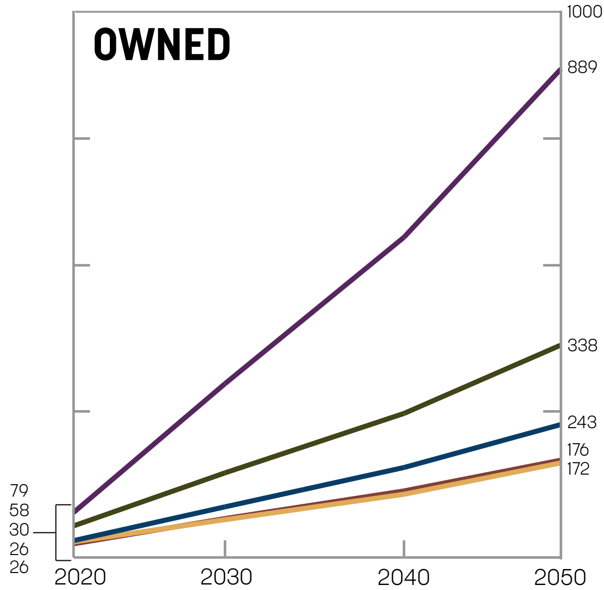
- **Ownership costs:**
  - Mortgage (principal and interest)
    - 30 year fixed rate
    - 10% down payment
    - 4% annual percentage rate ("interest rate")
    - 2% premium mortgage interest (PMI)
  - $900 annual property tax
  - $600 annual property insurance
  - $150 monthly utility costs
  - No HOA fees

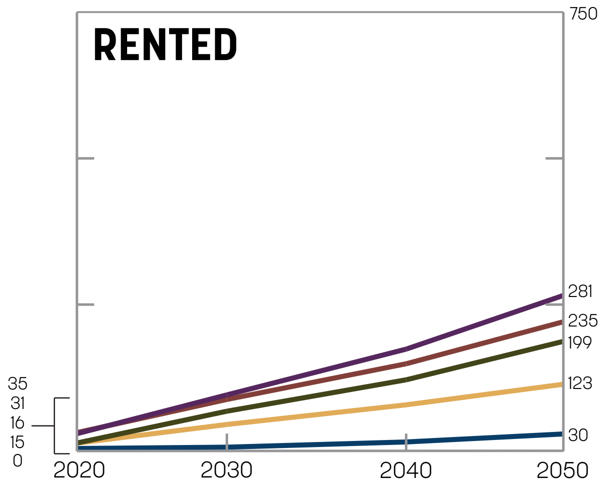
- **Renter costs**:
  - Rent
  - $150 monthly utility costs

- The share of available housing affordable to households within each income bracket remains stable over time.
- Vacancy rates remain constant at **30 percent (30%).**
- Projections do not include households currently living in Grand County that are cost-burdened.
- Replacement of dilapidated or unacceptable housing units over time is not factored into projected housing demand.
- No consideration is given to housing typologies or variable development costs.

Projection Model: Vacancy Rate Increases to 30%

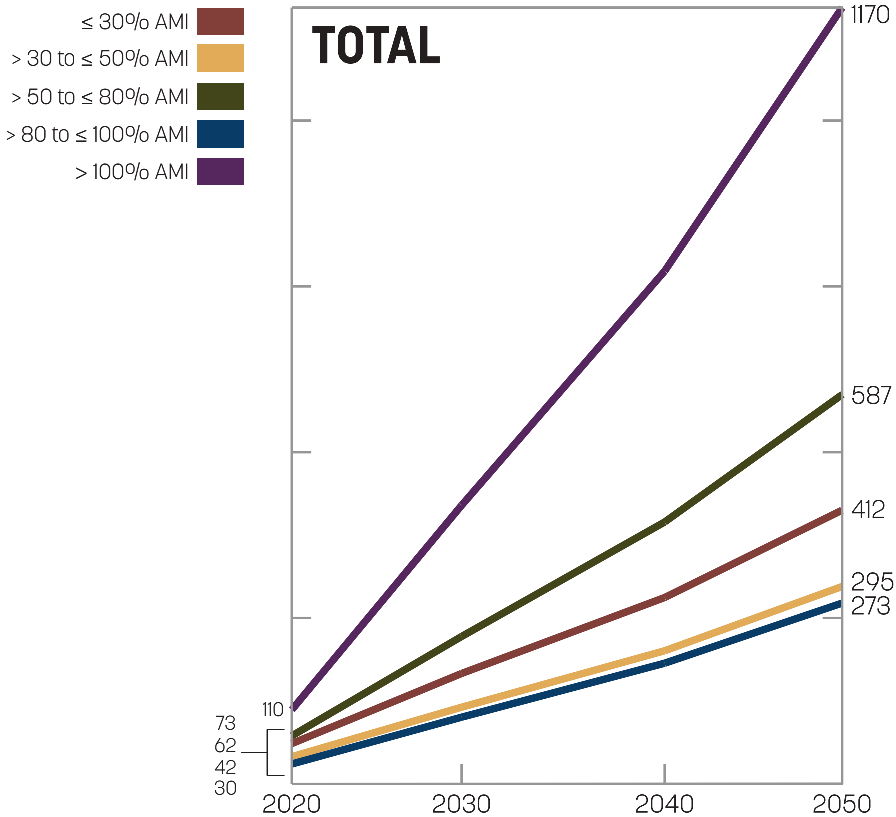
The model assumes the share of houses identified as vacant **increases to 30 percent (30%) by 2020 and remains constant thereon.** Assuming a 30 percent (30%) vacancy rate is a reasonable model assumption as Grand County's vacancy rate increased 50 percent (50%) between 2000 and 2010, and reached nearly 30 percent (30%) by 2013. Other popular tourism-based communities in the Intermountain West may exhibit vacancy rates that are twice that level, or higher. The trajectory suggests more challenges lie ahead.





KEY FINDINGS

- Per annum housing production affordable to households in each income level must increase in order to keep pace with future housing demand.
- Demand for new housing units will increase by **316 in 2020, 1,024 in 2030, 1,826 in 2040, and 2,737 in 2050.**
- Of the 316 new units needed by 2020, **98 will be renter-occupied and 218 will be owner-occupied**. In 2030, the numbers increase to 323 and 701, respectively.
- In 2020, 177 new units would be needed to meet the demands of households earning less than 80 percent (80%) of AMI. By 2030, that number increases to 503 new units.
- About **two-thirds of all new rental construction** will need to be offered at price levels affordable to households earning 80 percent (80%) of AMI or below.
- The share of owner-occupied housing demand by households earning 80 percent (80%) of AMI or below will decrease from 50% in 2020 to just 39% in 2050.



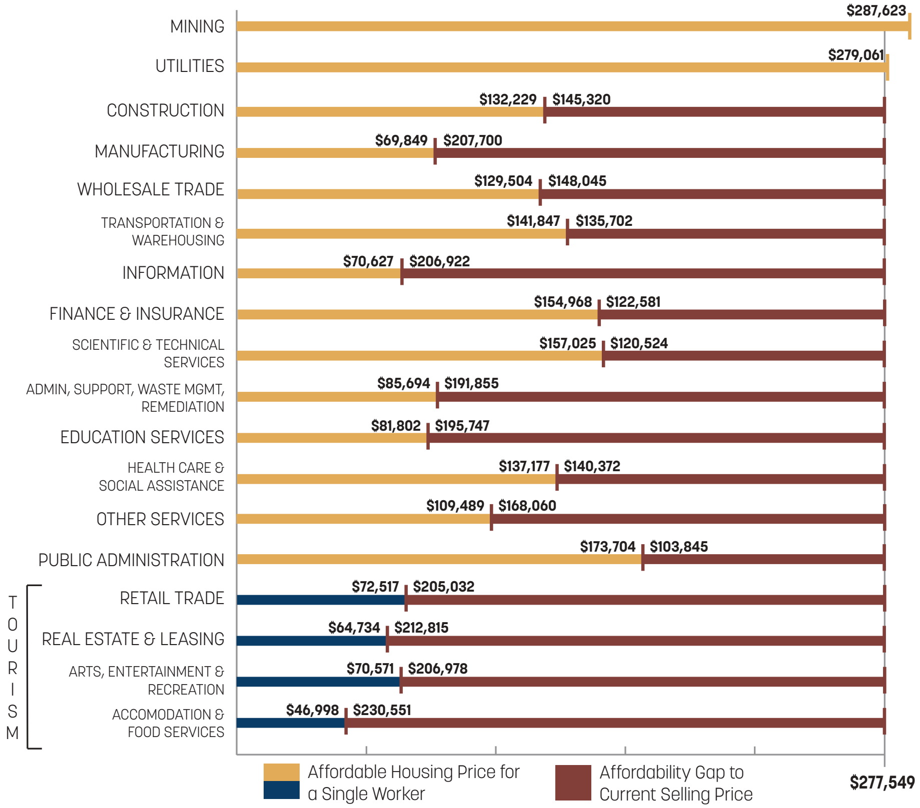
Wages & Housing Affordability

Housing costs and economic development are inextricably linked in all communities.

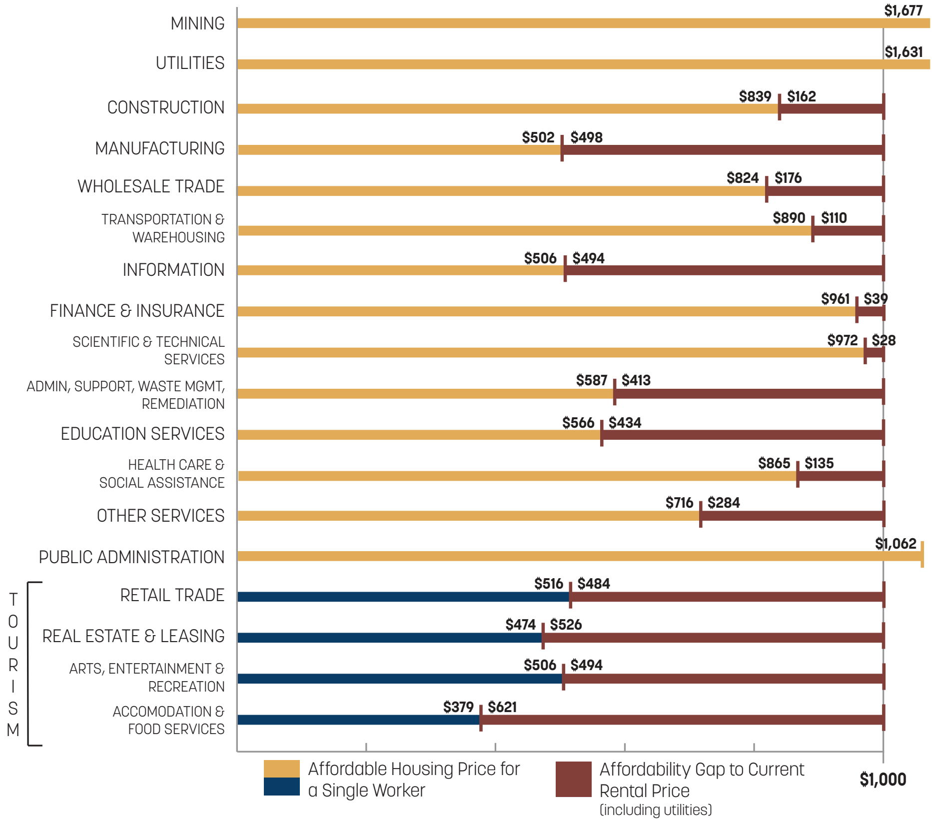
In Grand County, housing is economic development. In recent years, employers across all industries have struggled to attract and retain qualified candidates to fill position vacancies. This trend is especially true for essential employment positions such as teachers, nurses, law enforcement officers, public officials, and others. Job candidates considering a job offer within Grand County are increasingly unwilling to relocate to Grand County to accept a local job offer. Candidates have articulated a strong desire to live and work in the community, but cite the large gap between wages and housing costs as the primary impediment. Individuals currently employed within Grand County are also leaving the community to seek jobs in other communities. In order to sustain the positive economic growth Grand County has witnessed in recent years, the construction of housing units for long-term occupancy must keep pace with the growth in demand.

Increasing wages will also reduce the affordability gap for working households. In 2015, the ownership affordability gap for a single worker earning the average payroll wage across all industries was $185,851. The renter affordability gap for a single worker earning the average payroll wage across all industries was $380/mo. However, for a single worker employed in a tourism related industry, where the average annual wage was $24,750, the ownership affordability gap was $223,110 and the renter affordability gap was $531/mo. Public officials and community leaders have stated that diversifying the local economy represents a primary goal. Supporting business expansion, retention, and recruitment in industries that pay higher than average wages will enable employees of such industries to better compete for available market rate housing.

Affordability Gap by Industry: Ownership



Affordability Gap by Industry: Rentals



VIII.

BARRIERS & IMPEDIMENTS TO AFFORDABLE HOUSING

The most apparent barriers to expanding the affordable housing stock in the Moab area fall under three main categories: **land use regulations, impediments to design and development, and funding issues.**

Land Use Regulations

Local land use regulations either encourage or inhibit affordable housing construction. Density limits, lot sizes, setbacks, height restrictions, street widths, and parking requirements can all lead to low land use efficiencies and, ultimately, high land costs. The high cost of land is a major impediment to the construction of affordable housing. In recent months and years, the City of Moab and Grand County have taken steps to remove barriers to affordable housing in their respective land use codes. Examples include: streamlining the development review process, reducing buffer requirements between subdivisions, removing open space requirements, expanding accessory dwelling unit opportunities, decreasing minimum lot and building sizes, and improving code enforcement.

Development Regulation	Definition	Impact on Affordable Housing
Lot Size	A lot is an undivided tract or parcel of land under one (1) ownership having frontage on a public street and either occupied or to be occupied by a building or building group together with accessory buildings, which parcel of land is designated as a separate and distinct tract. Large lots include lots that are 7,000 sq ft or larger in size.	Large lots lead to urban sprawl. Extension of utilities, longer streets and sidewalks, and a lack of compact design all cost the developer money and add maintenance costs to the local jurisdiction. Conversely, small lots increase land use efficiency.
Lot Width	The net lot width increases for as the number of units on the parcel increases. This is typically dictated by the lot area per unit and correlates with the density allowance in a zone district, as stated in the land use code for local jurisdictions.	A symptom of large lots and, like large lots, contributes to sprawl. Wide lots can lead to an inefficient use of all utilities and contributes to increased costs of installation for the developer and high maintenance costs for local jurisdictions. Required increases in lot width for additional units can inhibit development of a property even though the area of the parcel is adequate for additional units.
Density	Density is defined as the maximum number of dwelling units per acre of land permitted in a zone district.	Generally, a higher number of dwellings per acre will lead to lower housing costs, lower costs of installation and maintenance of utilities, and is an efficient use of all services. Current density barriers include those associated with: • Planned Unit Developments • Master Planned Developments • Development of multifamily housing and other higher density affordable housing developments
Setbacks	Setbacks are unobstructed, unoccupied open spaces between a structure and the property line of the lot on which the structure is located.	Setbacks on the rear and front of lots increase the cost of service line extensions for all utilities. Excessive side setbacks contribute to sprawl, widening of block lengths, and lower densities.

Barriers to Funding

Funding a project is often one of the most difficult aspects of affordable housing. Development teams work tirelessly to make projects "pencil out," and rely heavily on outside funding from grants, loans, direct and indirect subsidies, and private donors to get a development to the point of breaking ground. Grand County and the City of Moab provide incentives to developers in the form of density bonuses, impact fee waivers, and relaxed site controls, but lower returns on investment (ROIs) associated with below market rate housing remains a commonly cited impediment. Many affordable housing experts suggest that direct financial support from public funds needs to play a larger role in facilitating the development of new units. Indeed, in many instances, affordable housing will not be constructed without it.

Development Regulation	Definition	Impact on Affordable Housing
Impact Fees	An impact fee is considered a charge on the new development to help fund and pay for capital improvements needed to serve the new development. They are usually implemented to help reduce the economic burden on local jurisdictions that are trying to deal with population growth within the area.	High impact fees increase the overall costs of affordable housing development. In Grand County and the City of Moab, impact fees are relatively low compared to those throughout the rest of the state of Utah. One additional shortcoming of impact fees is that they treat all developments equally in regards to use and target audiences (i.e. multifamily housing developments compared to short-term rental developments).
Land Cost	Land costs are typically measured as a price per acre or price per lot. They are a fixed cost that, amongst many other factors, determines the overall cost of development.	In the Moab area, land costs are extremely high and are often one of the biggest barriers to affordable housing development.

Site Planning & Architectural Design

While land use regulations govern development at the community and site-specific scales, developers and architects retain a tremendous amount of discretion in how they utilize available land and establish building footprints. Like many other parts of the United States, the Moab Area is dominated by single family detached dwellings situated on large lots. The development community can effect positive change by shifting its focus from a sprawling development typology to one that is more compact, efficient, and affordable. Smaller lots, attached dwellings, and more modest living spaces are cheaper to build and maintain. Compact development also leads to reduced transportation costs for residents, and lower infrastructure costs for developers and local governments. The next chapter will focus exclusively on the benefits of improved land use and design.

Development Regulation	Definition	Impact on Affordable Housing
Excessive Street Widths	A street is a public way, other than an alley or driveway, which affords the principal means of access to abutting property. Current street design allows for wider streets that include modes of active transportation such as bicycle and bus lanes. Wide streets designed only for automobile use is considered excessive development regulation.	Higher street widths leads to higher long term construction and maintainence coststhe cost of maintenance continues to rise, especially on very wide streets.
Inflexible Sidewalk Regulations	The net lot width increases for as the number of units on the parcel increases. This is typically dictated by the lot area per unit and correlates with the density allowance in a zone district, as stated in the land use code for local jurisdictions.	A symptom of large lots and, like large lots, contributes to sprawl. Wide lots can lead to an inefficient use of all utilities and contributes to increased costs of installation for the developer and high maintenance costs for local jurisdictions. Required increases in lot width for additional units can inhibit development of a property even though the area of the parcel is adequate for additional units.
Minimum Home Size	Many jurisdictions have minimum sizes for residential structures that exceed the requirements of the International Residential Code. While Grand County does not have a minimum size, the City of Moab has minimum sizes based on zone district.	Arbitrary minimum home sizes increase initial construction and long term utility costs. Many households are able and willing to live in smaller homes than minimum home designations dictate. Small homes provide an option to many who could not live within a community because of land costs.

Development Regulation	Definition	Impact on Affordable Housing
Open Space Requirements for Apartments	Open space does not include area devoted to service driveways or off-street parking and loading. Its purpose is to provide space for greenery, yards, and recreation. Current communal open space requirements for developments attempt to ensure that the space is usable, clearly defined, safe, and attractive.	Open space requirements decrease the amount of developable land, which often leads to increased land prices. However, the need to increase land use efficiency should be balanced with overall community goals as open space strongly correlates with public health issues in a community.
Height Restrictions	Height restrictions set the maximum height allowed for all built structures in a zoning district.	Height restrictions are set and enforced for a myriad of reasons. In the Moab area, some of the major concerns around increasing height restrictions include the fear of taller buildings blocking views, overshadowing neighboring developments, and creating drastic differences in height between towering developments and small single-family dwellings. Height restrictions have become a barrier to affordable housing because they restrict the potential for developing multifamily and other moderately dense housing complexes, an element of the housing stock in which Moab is severely lacking.

IX.

DEVELOPMENT & DESIGN SOLUTIONS TO EXPAND AFFORDABLE HOUSING

There is no silver bullet when it comes to solving Moab's affordable housing crisis. It takes a myriad of different tools and design solutions to work toward lowering housing costs in the Moab area.

As is said often about solving the affordable housing shortage, there is no silver bullet. It will take a myriad of different tools and design solutions to lower housing costs in the Moab area. Community Rebuilds, the Housing Authority of Southeast Utah, and many other organizations have built a substantial number of affordable units, but demand continues to exceed production. The need is too great for these entities to solve Moab's housing challenges alone. This section provides information on housing cost reduction through improved land use and design. It is intended for policymakers, developers, architects, builders, and, of course, interested citizens.

Land Use Regulations

Development Regulation	Definition	Impact on Affordable Housing
Assured Housing (Inclusionary Zoning)	Planning ordinance that requires new residential construction to include a given percentage of affordable housing or pay a fee equal to the cost of the same number of units. Local government defines percentage and fee-in-lieu amounts.	Assured housing is a growth-oriented policy; affordable housing is only created when new developments are created. This ordinance is just one of many tools to ensure affordable housing development in a community and typically only effects moderate or large new businesses looking to develop.
Deed Restrictions	Part of the deed to a property that places limitations on how an owner may use or resell the property. Homeownership Examples: • Resale price controls • "Silent" second mortgage or lien • Right of first refusal • Buyer income restrictions at time of resale Rental Housing Examples: • Tenant income level restrictions and partnership agreements • Land use regulatory agreements • Restrictions imposed by funding sources to ensure long term use compliance	Deed restrictions are one of the many tools to ensure affordability after housing has been built. Housing and land prices in the Moab area have exponentially grown in recent years, and prices will continue to rise. Funding and developing affordable housing is half the battle, but it is equally important to address the long term affordability of a house to ensure that future residents will have the same ability to afford housing in Moab for generations.
Development Code Barrier Reduction or Elimination	Modification of local housing development codes to improve land use and reduce housing costs	Makes affordable housing easier and more affordable for developers

Development Regulation	Definition	Impact on Affordable Housing
Fast-Track Development Process	An expedited project approval process for developments with affordable housing units. May include "front of the line" policies for reviewing projects. Specific criteria and planning department procedures are required.	Reduced time reduces housing costs and makes it possible for more affordable projects to be passed in a shorter amount of time.
Housing Trust Fund	Housing trust funds are distinct funds established by city, county or state governments that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing.	Housing trust fund monies can support affordable housing through direct or indirect subsidies. Funds can be used for grants, covering impact fees, predevelopment costs, design and construction costs, or any other cost associated with affordable housing. Often, housing trust funds enable public-private partnerships.
Land Banking	Short-term ownership of vacant and blighted lands, remediation of contaminants, derelict structures, & title defects, and conveyance to private owners for reuse and redevelopment. Land Banks are run by a public agency or quasi-public municipality like a housing authority.	Land banking is a short term solution to recapturing blighted or vacant lands in order to ensure that they go toward affordable projects.
Community Land Trust	Long-term stewardship of lands and buildings after remediation and redevelopment, preserving affordability, preventing deferred maintenance, and protecting against foreclosure. Requires a non-profit organization and matched financing, including but not limited to USDA Rural Development Site Acquisition Loans, RCAC Site Acquisition Loans, and local land donations/transfers.	Community Land Trusts (CLT) ensure long term affordability for housing because the land is held "forever." CLTs own the land upon which the houses sit, and the houses are resold or rented out under deed restricted conditions.

Land Use Regulations

Development Regulation	Definition	Impact on Affordable Housing
Master Planned Developments (MPD)	Master Planned Developments (MPDs) include residential, recreation, open space, and commercial development consistent with a master plan. They are carefully mapped out communities built entirely from scratch in underdeveloped areas. They ensure sensible development to include green areas of open space	When designed well, planned communities have a number of great benefits, including: • Offer security by eliminating high risk factors such as crime, making them good places to raise children. Typically gated or patrolled, and the community looks out for the safety of its inhabitants. • Can be a great option for people who cannot afford to live near certain services because all community members contribute to shared amenities and benefits of the community. More money is collected toward services such as schools, parks, community centers, and pools. Typically have HOA that provide regular maintenance services such as gardening, lawn mowing, and exterior repainting. • Offer property owners a wide variety of housing options
Planned Unit Development (PUD)	Planned Unit Developments (PUD) are primarily residential communities. They grant developers greater flexibility with the design of their development. A PUD may serve as an overlay zone or as a stand-alone zoning district.	Generally, density bonuses are generously granted for affordable housing, and negotiations for other development options between the community leaders and the developer are common. Advantages include: • Convenience; PUDs use layouts that feature clusters of homes and large open spaces or commercial areas that can include shops, parks, recreational facilities, restaurants, and other basic goods and services. PUDs often include extensive sidewalks, wide roads, and bicycle paths. • PUDs offer homes in a wide range of prices but dues residents pay for care of common spaces in the development can be one of the biggest drawbacks. • A special zoning aspect of a PUD is the ability to build homes in closer proximity, producing population densities that would be a violation of zoning regulations elsewhere.

Site Planning & Architectural Design

Accessory or Secondary Dwelling Units	The City of Moab uses the term "secondary dwelling" and defines it as "a dwelling unit either attached to a single-family principal dwelling or located on the same lot and having an independent means of access." Grand County uses the term "accessory dwelling" and defines it as "a single-family dwelling unit that is built on the same lot or parcel as another single-family dwelling unit."	Accessory and secondary development units help increase housing stock within an existing built environment. Specifically, these units increase the stock of rental units in a community.
Density Bonus	Density bonuses allow developers to increase the number of housing units they may build on a parcel above what is normally allowed in the zone. In exchange, the developer deed-restricts a percentage of the units so they remain affordable to income-eligible households over time.	Density bonuses encourage affordable unit production in exchange for increased zoning density within a development. Grand County and the City of Moab both have density bonus alternatives for affordable housing and open space development.

Funding Solutions

Development Regulation	Definition	Impact on Affordable Housing
Demolition Tax	Tax levied when existing residential housing is demolished or removed. Funds could be collected and/or administered by municipalities, Housing Authority, Housing Trust Fund, or Community Land Trust	A demolition tax is used to discourage developers from demolishing habitable homes in order to rebuild a nicer home, thereby increasing the value of the home. Though Moab does have a substantial stock of dilapidated mobile homes, this tax would target those developers that wish to flip inhabitable homes for profit. For those that decide to move forward with a project and pay the tax, the money will help raise funds that could go toward affordable housing.
Employer Assisted Housing Program	A program created by employers to help their workers afford to purchase or finance a home. It can include grants or loans for down payment assistance, rental assistance, low-interest loans, and matched dollar savings plans. The housing assistance may be in the form of forgivable loans; for example, 20% of the loan amount could be forgiven each year over a five year period. Could be managed by an employer, local housing authority, or other party.	Utilized as an effective employee recruitment and retention tool, these programs could be a tool to help keep some of Moab's workforce from leaving and going elsewhere for work.
Fee Deferrals or Waivers	Incentive to construct affordable housing or improve existing residential properties through tax relief or elimination. The increase in property tax assessed value generated by residential construction or home improvements is not taxed for a number of years, or the taxable amount is reduced by a certain percentage. Taxes associated with the assessed value before the construction or improvements take place are still collected.	Tax abatements incentivize developers to build new, affordable homes because part of their return on investment can be achieved through the tax abatement. Either the developer retains the abated tax amount and passes the savings onto buyers, or buyers can afford more expensive homes because their property taxes will be reduced or eliminated for a period of time. Abatements can also incentivize home improvements or total rehabilitations because the associated costs can be recovered through property tax saving. Such improvements can reduce utility costs, maintenance expenditures, and extend the useful lifetime of a building.

Development Regulation	Definition	Impact on Affordable Housing
Voluntary Real Estate Transfer Tax	Real estate transfer taxes are taxes assessed on real property when ownership of the property is transferred between parties.	These taxes are used to fund affordable housing programs. It provides a formal mechanism for second home owners and upper income owner occupants to offset the increased cost of all homes in the local market created by the sale of a high end property.
Sales Tax	A portion of sales taxes could be dedicated to affordable housing.	A sales tax dedicated toward an affordable housing fund would be a way to take some of the money earned from lucrative businesses and visitors and invest it back into the community. Housing is economic development, and without sufficient housing, a community will slowly lose the workforce needed to support its businesses.
Tax Abatement on Residential Rehabilitation Improvements	Tax abatement toward developers that remediate or improve residential structures. Requires government action, including identification of acceptable home improvements, creation of application process, review and approval process, and determination of abatement period.	This tax abatement helps to improve residential properties through a tax incentive. The increase in property tax assessed value generated by home improvements will not be taxed for a number of years.

X. AFFORDABLE HOUSING

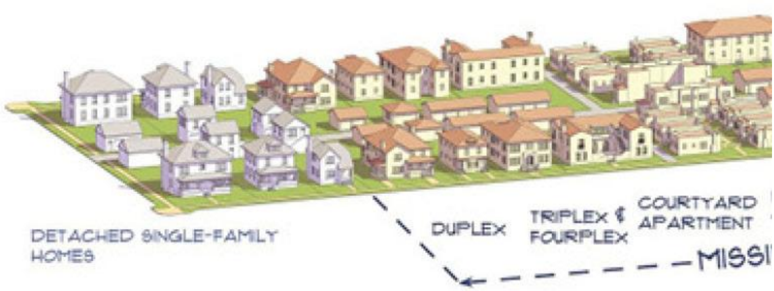
DESIGN GUIDE

As is said often about solving the affordable housing shortage, there is no silver bullet. It will take a myriad of different tools and design solutions to lower housing costs in the Moab area. Community Rebuilds, the Housing Authority of Southeast Utah, and many other organizations have built a substantial number of affordable units, but demand continues to exceed production. The need is too great for these entities to solve Moab's housing challenges alone. This section provides information on housing cost reduction through improved land use and design. It is intended for policymakers, developers, architects, builders, and, of course, interested citizens.

Missing Middle Housing

Missing Middle Housing represents a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living (www.MissingMiddleHousing.com). Compact development patterns often lead to the desired outcomes expressed in the general plans adopted by the City of Moab and Grand County.

Often, conversations about increasing land use densities quickly escalate from detached single-family homes to mid- and high-rise apartment complexes, painting the image of massive, towering apartment buildings looming next to small, single-family homes and quaint downtown streets. The Middle Housing concept illustrates that there is a wide range of housing typologies between such extremes. Urban designers and architects can integrate moderate and even higher density developments into existing neighborhoods by focusing on compatibility with a site's surroundings. Such care and consideration may diminish some local residents' concerns about high density housing leading to the loss of rural character.

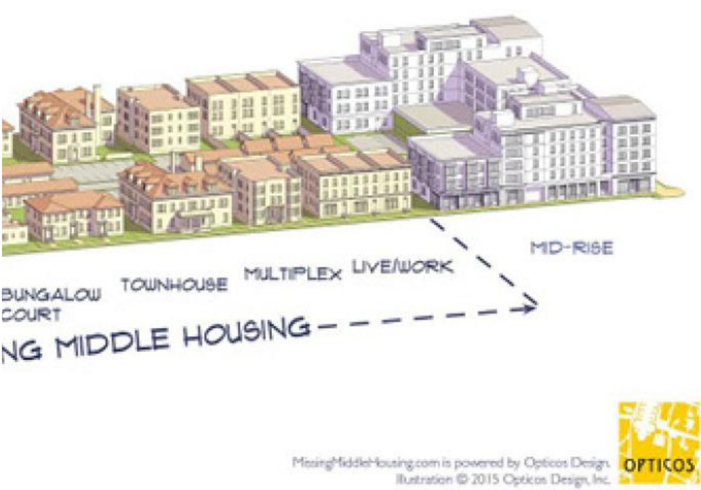


Missing Middle Housing is not a new type of building or neighborhood design. Mixed density housing was a fundamental building method until the 1940s, and can be seen in historic districts across the country. A combination of Missing Middle Housing and detached dwellings makes for a moderately dense community that is more walkable, livable, and sustainable for all types of residents.

Though there are many development types, ranging from duplexes to courtyard apartment complexes, Middle Houses often share several characteristics. These include:

- Walkable contexts,
- Small building footprints,
- Lower perceived densities,
- Smaller, well-designed units,
- Fewer off street parking spaces,
- Cohesive communities, and
- Marketability

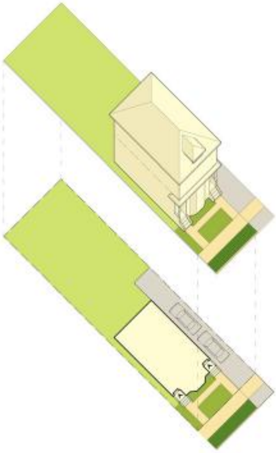
Several case studies are presented to demonstrate some possibilities of housing development in the Moab Area, and to support legislative changes to local land use regulations.



Duplex

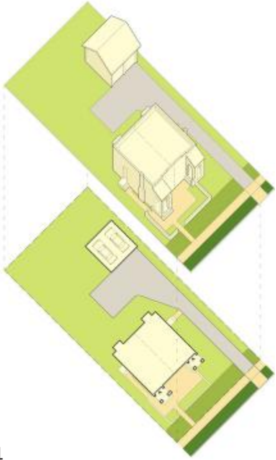
Description: A small- to medium-sized structure that consists of two dwelling units, either stacked between two levels or side-by-side, both of which face and are entered from the street.

Units: 2
Typical Unit Size: 600-2,400 SF
Net Density: 8-20 du/acre



Stacked Duplex

Graphic and Photo: Opticos Design



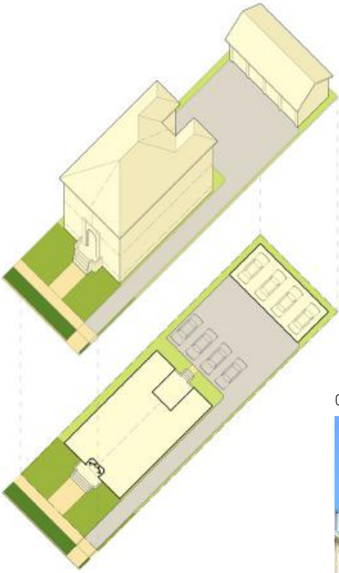
Side-by-Side Duplex

Graphic and Photo: Opticos Design

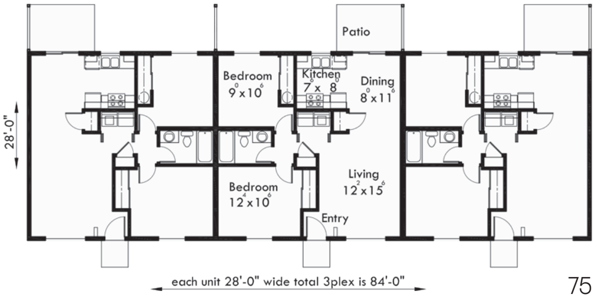
Triplex & Fourplex

Description: A medium-sized structure that houses three or four units, respectively, with a mix of units stacked typically between two levels. Each unit is separate from the others and has its own entrance

Units: 3 or 4
Typical Unit Size: 600-2,400 SF
Net Density: 15-25 du/acre



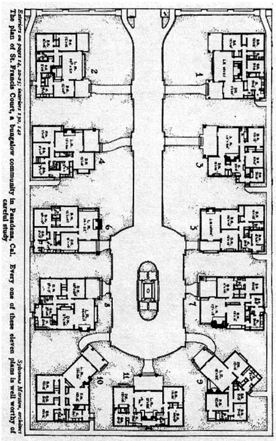
Graphic and Photo: Opticos Design



Courtyard Apartments

Description: A medium- to large-sized complex of units accessed from a courtyard or shared space. Each unit may have its own entry or several units share a common entry.

Units: Various, ranging from 8-40
Typical Unit Size: 600-1,200 SF
Net Density: 25-35 du/acre



Bungalow Court

Description: A "pocket neighborhood" of smaller single-family units positioned around a shared courtyard space. Bungalow Courts are an excellent balance between the privacy of a single-family home and the communal experience of a shared green space.

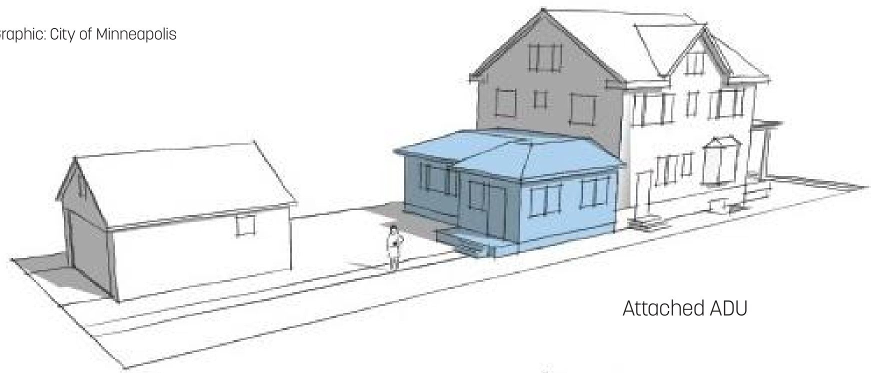
Units: 5-10
Typical Unit Size: 500-1,000 SF
Net Density: 20-35 du/acre

Accessory Dwelling Unit

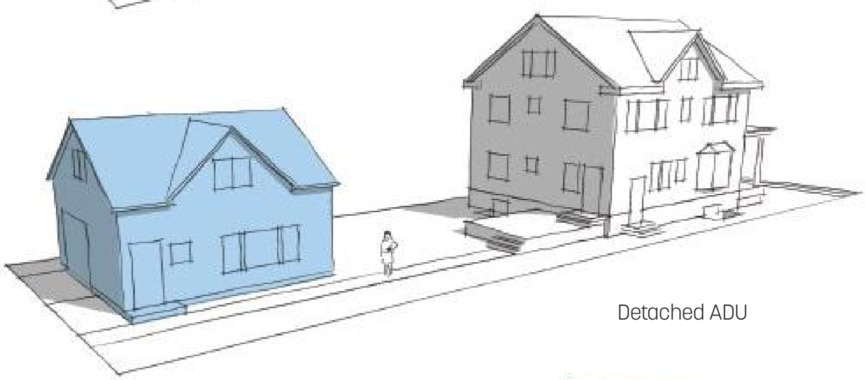
Description: Sometimes referred to as a mother-in-law suite or a secondary dwelling unit, accessory dwelling units (ADU) are single-family dwelling units that are built on the same lot or parcel as another single-family dwelling unit.

Typical Unit Size: 500-1,000 SF

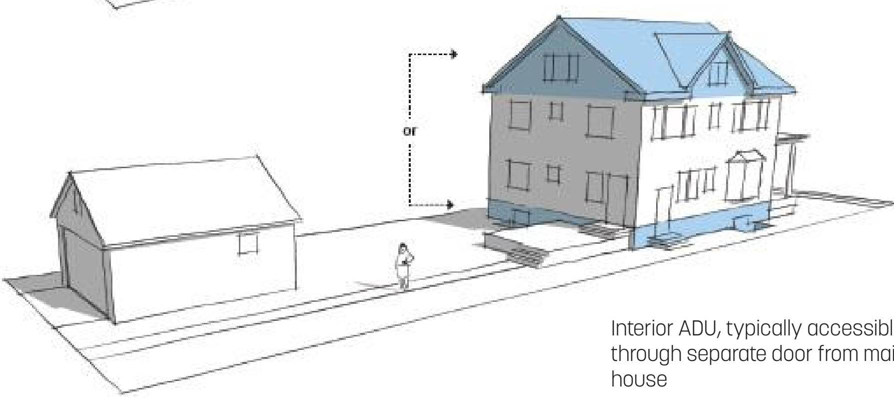
Graphic: City of Minneapolis



Attached ADU



Detached ADU



Interior ADU, typically accessible through separate door from main house

Co-Housing Communities

Cohousing communities can take many forms. Often, they consist of a cluster of private single-family homes built around shared spaces, but they may also exist as non-uniformly patterned townhouses or even repurposed warehouse spaces. They typically have a common area with a large kitchen and dining area, recreational spaces, and a garden that is maintained by the residents and helps feed the community. Some communities choose to provide laundry facilities and guest rooms as well. The members of a cohousing community have full control over the balance between privacy and community engagement. They have independent lives but also share the responsibility for planning and managing communal property and events. Cohousing communities are formally run by an HOA or Board of Directors system and place sustainability, conversation, and community in high regard. This type of community is not very different from any other kind of HOA-managed neighborhood, but communities in which the stakeholders are also its residents tend to be better maintained because residents are more invested in the property.

In general, cohousing encourages developers and residents to view finite amounts of space in a different light. By shifting some resources and household responsibilities outside the private home, individual unit sizes and associated costs can be decreased. Sharing limited resources like land, water, energy, building materials, and appliances can enable greater overall efficiencies. Cohousing is an example of how communities are evolving the traditional development pattern of single family homes with private yards. Greater emphasis is placed on shared open space rather than privately maintained yards. Like other development typologies noted here, cohousing can reduce community-wide infrastructure costs and assist in the preservation of rural character.

Millennials and baby boomers are starting to seek out communal living models, making it easier to age in place, whether settling down to start a family or settling down after retirement.

The Wasatch Commons in Salt Lake City, built in 1998, is the first cohousing community formed in the state of Utah. The community is comprised of 26 townhouses, a community garden, common house, playgrounds, and other recreational facilities.

Permanent Supportive Housing

Permanent supportive housing (PSH) is a model that provides both housing and services for people with serious mental illnesses or other disabilities who need additional, consistent support to maintain their housing and live stably within their communities. Services can include case management, substance abuse, counseling, employment and education services, advocacy, and more. A principle aspect of the PSH model is that services are voluntary, not mandatory, for tenants living in housing projects.

PSH relies on the "Housing First" concept, meaning that housing is given rapidly to those who need it with as few preexisting requirements as possible.

The Housing First model works on two levels:

- At the project level, PSH projects must have screening practices that promote acceptance of applicants regardless of their sobriety, level of completion of treatment, or history of mental health or homelessness.
- On a community level, Housing First means that the community's response to homelessness is oriented to helping people get permanent housing as soon as possible with as few obstacles as possible. It is supported by evidence that individuals make the best progress when living in stable housing environments.

Pathways Village Apartments is a new PSH facility in Grand Junction, Colorado. It is a 40-unit complex that serves the chronically homeless population in the Grand Junction area. It provides numerous services to its residents, creates new jobs, and generates an estimated $11 million in economic impact for the area.

Sustainable Design

Sustainability has become a buzzword in the built environment across all scales and development types. Sustainable design has influenced residential, commercial, and industrial projects, as well as small area plans and comprehensive general plans. Buildings consume almost half the energy produced in the United States today, and contribute an equal share of carbon dioxide emissions. Any savings associated with building energy efficiency improve the bottom-line of development, and improve local environments.

There are countless green building codes, theories, and action plans to try to reduce the major long term impacts buildings have on global warming, but the bottom line for sustainable building solutions comes down to a simple mission: people, planet, profit. In order for a project to be successful, it must be economically sound, environmentally conscious, and socially sensitive; a project will not be able to sustain itself if it does not satisfy each of these objectives. For example, a developer cannot create an eco-friendly, economically viable building that is not sensitive to the needs of its occupants, or create a project that is beautiful and heavily occupied that costs too much money to operate in the long-term.

Public health has also driven sustainable design practices. In the 21st century, most humans spend their days and nights predominantly indoors. Design for human health places a greater emphasis on indoor air quality, daylighting, physical movement, and views of surrounding open space. These factors have been shown to increase productivity, improve focus, foster contentment, and reduce anxiety and depression.

Many local builders and developers are championing sustainable design into their projects.

Most new homes are constructed with a variety of materials that ensure high insulation ratings. Solar panels, energy efficient appliances, and grey water recycling systems are also increasing in prevalence, which creates a significant cumulative impact for households and the Moab community. Some builders are incorporating passive solar design techniques and natural building methods to create homes that are cheaper to heat and sensitive to the landscape. Energy retrofits can help reduce utility costs for owners and renters in existing homes, so there is also ample opportunity to increase awareness of state and federal programs targeting such investments.

XI.

BRIEF HOUSING DEVELOPMENT SUMMARY: CINEMA COURT

To illustrate the unique and often complex process of developing affordable housing, this section provides a brief summary of a multifamily rental development constructed in the City of Moab. Cinema Court, a 60-unit apartment complex, provides housing for very low- and low-income households. Readers should note that this summary is provided by way of example only, and may not characterize the barriers and other conditions facing another project in the Moab Area. Note the number of income sources required to facilitate the Development, and the substantial contribution of financing provided through the low income housing tax credit (LIHTC) awarded by the Utah Housing Corporation and funded by American Express, a global corporation with a charter in Utah. Without the LIHTC, Cinema Court would not have come to fruition.

Since the 2012 project, the Moab Area has not seen another LIHTC development. It may take another LIHTC award to fund affordable housing developments as large as Cinema Court or a more complex financing structure that includes additional partners to make any proposal a reality in Grand County. Cooperation, compromise, and trust among partners is an essential ingredient for any project to succeed.

Need for Project

The 2009 Grand County and City of Moab Housing Study and Affordable Housing Plan projected a 2012 total rental deficit of 224 units. While no specific data was analyzed in the year 2012 to determine the actual rental deficit at that time, the projected deficit was likely to be at least as high by the time Cinema Court was completed.

Site & Development Description

HASU endeavored to meet a portion of the rental housing need with the construction of Cinema Court, a new development including 60 multifamily rental housing units built during the summer of 2012. Cinema Court was built on a five acre parcel of land near a variety of amenities including a creek, bike and pedestrian pathways, hiking trails, shopping, and entertainment. Because a significant percentage of the parcel was deemed unbuildable due to the presence of a floodplain, the property was acquired at a favorable price but limited building footprints. Comprised of nine two-story apartment-style residential buildings, one leasing office/clubhouse, and one playground, the Development caters to varying household sizes, from single-person households to families with more than four individuals. Unit amenities include dishwashers, garbage disposals, clothes washers and dryers in each unit, two bathrooms in the two and three bedroom units and comfortable floor-plans. Three of the units are fully accessible; five are set aside for transitional housing for the homeless or near homeless residents and five are designated for those with mental illness.

Development Timeline

Predevelopment activity began in 2009 and ended with the successful completion of all financial arrangements in fall 2010. Construction began spring 2011 and ended in July 2012. Since its completion, Cinema Court has remained virtually 100% occupied. At times, there are short gaps between tenants due to the specific eligibility requirements associated with individual units. After a 15 year federal compliance period, American Express will transfer ownership to HASU for the remainder of the project lifetime. Cinema Court has, to date, epitomized a successful affordable housing development.

Unit Size, Number, and Income Targeting

The unit mix and target population was determined by a combination of the housing need and operating budget cash flow.

Unit Type	Unit Size (sq ft)	Units @ 25% AMI	Units @ 39% AMI	Units @ 45% AMI	Units @ 50% AMI	Unit Total
1 bedroom, 1 bath	736	5	10	0	0	15
2 bedroom, 2 bath	880	0	0	30	0	30
3 bedroom, 2 bath	1,135	0	0	6	9	15
Totals		**5**	**10**	**36**	**9**	**60**

Development Budget

The construction budget was created through a competitive bidding process.

Expense	Cost
Land	$526,928
Construction	$6,036,134
Professional Fees	$398,904
Interim Costs	$293,182
Permanent Financing	$71,290
Soft Costs	$92,176
Syndication Costs	$5,900
Developer Fees/Profit/Overhead	$1,130,279
Project Reserves	$163,880
TOTAL COST	**$8,718,673**

Income Sources and Uses Budget

Five different income sources were combined to pay the total development cost. Note that due to low rent levels, project cash flow supported a permanent loan of only $850,000. Local match, grant funds, and investor equity in the form of LIHTCs were used to "fill the gap" between the $850,000 dollar permanent loan and the total $8,718,673 development cost.

Source	Amount	Use
City Contribution (General and CDBG Funds)	$509,000	Site, General Construction
County Contribution	$90,000	General Construction
Housing Authority	$389,451	Land, Developer's Fee
Tax Credit Equity	$7,416,000	General Construction, Fees, Marketing
First Mortgage (OWHLF)	$850,000	Permanent Loan
HASU CDBG Loan	$250,000	Infrastructure, General Construction
Managing Member Equity	$25,000	General Construction
Deferred Developer Fee	$177,673	Project Reserves
DEVELOPMENT COST TOTAL	**$8,718,673**	

XII. IHTF RECOMMENDATIONS

The mission of the Interlocal Housing Task Force is to support the creation of affordable and attainable housing through policy recommendations, public outreach, professional development, and project implementation. The Task Force meets regularly to discuss and review current housing trends, evaluate proposed solutions, and create informational resources for the public.

In support of this housing plan, the IHTF offers the following recommendations:

- Establish promote, and utilize the Moab Area Community Land Trust.
- Increase funding for affordable housing within the City and County budgets.
- Expand the use of deed restrictions to protect existing and new affordable housing.
- Engage the State Institutional Trust Lands Administration (SITLA) and the Bureau of Land Management (BLM) in identifying development opportunities on state and federally owned land.
- Adopt an assured housing ordinance, which will require all new residential and commercial development above a given size to include a component of affordable housing.
- Increase zoning densities along major transportation corridors and within areas proximal to retail, restaurants, and entertainment.
- Support employer provided housing while providing best practices that protect employees.
- Provide for greater flexibility in the City and County land use codes to support residential and mixed-use developments.
- Establish regulations that enable the development of "tiny home" communities.
- Encourage the Utah legislature to allow greater flexibility in the expenditure of Transient Room Tax (TRT) revenue.

XIII. AFFORDABLE HOUSING: VISION, GOALS, AND OBJECTIVES

Vision

A community that includes an affordable housing opportunity available to each resident of the Moab Area.

Goals

1. Achieve the housing vision by 2050.
2. Create and protect enough affordable housing in the Moab Area so that it is not a limiting factor for the community's evolution.
3. Upgrade and improve existing low-quality housing.
4. Construct a wider range of housing and development types, especially attached dwellings and apartments.
5. Provide a mix of ownership, rental, and seasonal housing opportunities.
6. Become a model community in the way of implementing successful housing solutions.
7. Create senior housing and housing for individuals with special needs and mental or behavioral health issues.
8. Expand the housing stock through the development of compact, walkable neighborhoods served by reliable infrastructure.
9. Encourage the development of a public transportation system.
10. Promote housing that is energy efficient and minimizes environmental impact.

Objectives

1. Analyze the housing needs of very low-, low-, and moderate-income households, and develop a mix of strategies to meet the needs of each income group.
2. Set annual affordable housing targets and report performance to the public.
3. Coordinate with and involve multiple community and outside agencies in developing affordable housing solutions.
4. Adopt or amend local land use regulations to provide more opportunities for affordable housing development.
5. Facilitate public-private partnerships that lead to affordable housing construction and economic development.

XIV. AFFORDABLE HOUSING ACTION PLAN

1. GENERAL

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Hire staff person explicitly responsible for housing plan implementation	City	County, Interlocal Housing Task Force (IHTF)	Property Tax, Sales Tax, Transient Room Tax	2017	
b. Hire staff person explicitly responsible for economic development	City, County	Chamber of Commerce, USU Moab, SBDC	City, County	2017	
c. Collect data relative to the supply and demand for housing in the Moab Area	County	City, IHTF	USDA, CDBG	2016; Ongoing	2017 Housing Plan Update includes current data
d. Update housing plan as needed to reflect current data, market analysis, and economic conditions	City, County	IHTF		2017; Ongoing	
e. Evaluate policy scenarios and set intermediate (1, 2, 5, and 10 year) goals that lead to the achievement of the Vision.	City, County	IHTF		2018	
f. Provide annual updates on affordable housing plan implementation	City, County, IHT			2017; Ongoing	

2. 501(c)3 - MOAB AREA COMMUNITY LAND TRUST

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Create / finalize land trust	MACLT	MACLT		2016	Done
b. Create land trust board	MACLT	MACLT		2016	Done
c. Develop board policies	MACLT	MACLT		2016	Done
d. Create and approve strategy and action plans	MACLT	IHTF, City and County Staff	Rural Community Assistance Corporation (RCAC), Grounded Solutions Network	2017 - 2018	
e. Solicit resources	MACLT, IHTF	IHTF, City and County Staff	City, County, Low Income Housing Tax Credits (LIHTC), CDBG, Olene Walker Housing Loan Fund (OWHLF), Private Donors	2017; Ongoing	Will begin in 2017.
f. Develop partnerships with local governments, private landowners, businesses, and housing developers	MACLT	IHTF, HASU, Community Rebuilds, Other Local Developers, City, County, Private Landowners, Local Businesses, etc.		2017; Ongoing	Will begin in 2017

3. INTERLOCAL HOUSING TASK FORCE (IHTF)

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Expand membership	IHTF	City and County Staff, Local Developers, Builders, Realtors, and Bankers, Chamber of Commerce, Citizens	City, County	2016; Ongoing	The IHTF has expanded significantly over the previous two years; Additional participation from the development community is needed
b. Increase public education through workshops, advertisements, and outreach campaigns	IHTF	City and County Staff	City, County	2017	Workshops offered periodically each year; Ongoing
c. Develop and publicize a housing and economic development website; Distribute the Housing Plan; Distribute resources and tools for affordable housing	IHTF, City, County	City and County Staff, Local Developers, Builders, Realtors, and Bankers, Citizens		2016; Ongoing	Website–Done Housing Plan Update–Done Distribution–In Progress

d. Increase local capacity by reviewing successful affordable housing developments, networking with organizations, visiting and hosting other communities, and attending conferences	IHTF, City, County	City and County Staff, Local Devel-opers, Builders, Realtors, and Bankers, Citizens	City, County, Foundations, Utah Housing Coalition, Private Donors, Scholarships	2016; Ongoing	Ongoing

4. LAND USE CODE CHANGES TO ENCOURAGE AFFORDABLE HOUSING

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Adopt an assured housing ordinance	City, County	IHTF, HASU, Community Rebuilds, Developers, Business Owners, Citizens		2017	City–In Progress County–Draft ordinance under review
b. Strategically increase zoning densities to facilitate compact development patterns	City, County	IHTF, HASU, Community Rebuilds, Developers, Business Owners, Citizens		2017	Will begin following adoption of assured housing ordinance.
c. Develop mixed-used ordinance	City, County	City and County Staff, Local Developers and Builders, Citizens	Local banking institutions	2017 - 2018	Incorporate into zoning density discussions; Downtown Plan Process; Southern US-191 Corridor Planning

d. Strengthen and formalize incentives for affordable housing developers	City, County	City and County Staff, Local Developers and Builders, Citizens		2017 - 2018	City – In Progress County – Existing incentives deemed ineffective
e. Review City and County Land Use Codes to identify and document barriers to affordable housing and engage in public process to mitigate or remove those barriers.	City, County	City and County Staff, Local Developers and Builders, Citizens		2016; Ongoing	City –Development Code overhaul planned for 2017 County – Several amendments adopted in 2016; Ongoing
f. Create zoning regulations for non-IRC "tiny houses" and "tiny house communities."	City, County	City and County Staff, Local Developers and Builders, Citizens		2017	Several workshops provided to the Moab community; Preliminary research complete
g. Encourage land use efficiency by allowing Accessory Dwelling Units (ADUs)	City, County	City and County Staff, Local Developers and Builders, Citizens		2016; Ongoing	City – Done County – Done (regulations updated in 2016)
h. Expand infill development opportunities by allowing Accessory Dwelling Units (ADUs) and variable zoning regulations	City, County	City and County Staff, Local Developers and Builders, Citizens		2018 - 2019	City and County ADUs – Complete; Other infill regulations – In Progress

5. AFFORDABLE HOUSING STOCK PRESERVATION

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Conduct Housing Inventory	IHTF, Southeastern Utah Association of Local Governments (SEU-ALG)	City, County		2018	Discussions with SEU-ALG ongoing
b. Identify dilapidated units and work with property owners to upgrade or replace with safe, adequate housing	Community Rebuilds, HASU	SEU-ALG, City, County	SEU-ALG Weatherization Program, CDBG, USDA, City, County	2018	
c. Investigate incentives to rehabilitate deteriorated units		Rural Development	USDA, HUD, State, SEUALG	Year 0-1	
d. Promote mobile home rental to ownership	HASU, MACLT	IHTF, USDA, OWHLF	Local banking institutions	2016; Ongoing	

e. Investigate temporary housing alternatives	IHTF, HASU, MACLT	City and County Staff		2017 - 2018	
f. Provide tax abatement on residential rehabilitation and replacement for low-income households	County	County Council, County Assessor, Clerk, and Treasurer	County	2017 - 2018	Will begin discussions in 2017
g. Inventory existing subsidized units and chart financing/flip cycle	HASU		USDA, CDBG, OWHLF	2018	
h. Require housing mitigation plans when land use applications propose demolition of existing housing units	County, City	IHTF		2017 - 2018	Will begin discussions in 2017
i. Promote energy efficiency programs	IHTF	HASU, City and County Staff, Utility Providers		2018; Ongoing	
j. Provide public information about utility cost reduction	IHTF	HASU, City and County Staff, Utility Providers		2018; Ongoing	
k. Promote low-interest loans and incentives for energy reducing improvements	IHTF	HASU, City and County Staff, Utility Providers		2018; Ongoing	

6. DEED RESTRICTIONS

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Require all new affordable housing include deed restrictions	City, County			2016; Ongoing	City–In Progress County–Done
b. Establish minimum requirements for affordable housing deed restrictions to be used in the City and County	City, County	City, IHTF	N/A	2017 -2018	City–In Progress County–In Progress
c. Create a library of deed restrictions with standardized language and make available to project developers	IHTF	City, County, Community Rebuilds	RCAC	2017	Community Rebuilds - In Progress
d. Work with USDA to establish deed restrictions for 502-direct and 523-guaranteed loan programs	HASU, Community Rebuilds	City, County		2016; Ongoing	In Progress

e. Establish agreements and funding mechanisms for deed restriction administration	City, County	IHTF, HASU, Community Rebuilds, MACLT		2017 -2018	City–In Progress County–In Progress
f. Update property assessments to better delineate appreciation due to land versus buildings	County Assessor	IHTF, HASU, Community Rebuilds, Appraisers, Bankers		2017 -2018	Will begin in 2017

7. BUILDING CONSTRUCTION & DESIGN PRACTICES

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Provide educational resources to local development community	City, County, IHTF	City and County Staff, Local Developers and Builders, HASU, Community Rebuilds, American Planning Association (APA), American Institute of Architects (AIA), Smart Growth America		2017; Ongoing	
b. Provide a library of pre-approved building plans for affordable housing to local developers	IHTF	MACLT, Local Architects, Developers, and Builders		2017; Ongoing	One design complete and nearly approved; Library host to be determined

8. DEVELOPMENT COSTS REDUCTION

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUND-ING SOURCES	TARGET DATE	STATUS
a. Establish housing funds within the City and County budgets to support affordable housing developments	City, County, Special Service Districts	City and County Staff, Special Service District Staff, Local Developers and Builders, Public Finance Experts		2016; Ongoing	City– Done County–Done Special Service Districts–In Progress
b. Evaluate opportunities to develop housing or mixed use developments on publicly owned parcels	City, County, Special Service Districts, State and Federal Land Management Agencies	City and County Staff, Special Service District Staff, Local Developers and Builders, Public Finance Experts	City, County, Low Income Housing Tax Credits (LIHTC), CDBG, Olene Walker Housing Loan Fund (OWHLF), USDA, EDA, CDBG, Private Donors	2017; Ongoing	Map of publicly owned parcels provided to City and County Staff in 2016; Evaluation of development opportunities– Ongoing

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
c. Implement guidelines for fee waivers and deferrals (e.g. impact fees, development review fees, building permit fees, and others)	City, County, Special Service Districts	City and County Staff, Special Service District Staff, Local Developers and Builders, Public Finance Experts		2016; Ongoing	City–In Progress County–Done Special Service Districts–In Progress
d. Consider offering direct subsidies to eligible low-income households or developers of affordable housing	City, County	City and County Staff, Special Service District Staff, Local Developers and Builders, Public Finance Experts		2017; Ongoing	Depends on creation of housing funds with committed revenue source

9. HOMELESS

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
a. Work with Local Homeless Coordinating Committee to consider needs of the homeless	IHTF	Local Homeless Coordinating Committee	State of Utah	2017; Ongoing	IHTF members participated in a permanent supportive housing (PSH) toolkit in 2016; Homeless Coordinating Committee–Ongoing
b. Expand membership	Homeless Coordinating Committee	IHTF		2017; Ongoing	
c. Establish operational budget	Homeless Coordinating Committee	City, County	State of Utah, Veterans Affairs	2018; Ongoing	

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IV. HOUSING TERMINOLOGY

Affordable housing involves many federal, state, and local agencies, programs, budgets, and stakeholders, each with their own housing vernacular. The following is a list of common terms used in the affordable housing arena.

Accessory Dwelling Unit (ADU)
A smaller dwelling unit built on a parcel that already has a primary dwelling unit. These are sometimes referred to as "mother-in-law" apartments.

Adjusted Gross Income (AGI)
Gross income minus adjustments to income.

Affordable Housing
Federal and State policies consider housing to be affordable when housing costs consume no more than 30 percent of gross annual household income; this standard particularly applies to households earning less than 80 percent of Area Median Income. Rental housing costs include rent, water, gas, and electric payments. Ownership housing costs include mortgage, taxes, insurance, water, sewer, gas, electric payments and homeowner association fees. Some federal policies consider housing to be affordable when the gross household income remaining after all housing costs are paid is sufficient to cover other essential expenditures such as food, clothing, healthcare, transportation, and childcare. This alternative definition of affordable housing is referred to as residual income.

Affordability Gap
A term that generally refers to the difference between the average sales price for a typical single family home and the amount that a household could afford to pay for that home without spending more than thirty percent of gross annual household income on total housing costs. This figure is typically computed for households earning the Area Median Income.

Area Median Income (AMI) or Area Median Family Income (MFI)
The income level of households in a community where half the households of the same size earn more than the AMI and half earn less than the AMI. Each year the federal government designates the AMI for a community for households of 1-8 people. Many affordable housing programs use AMI to determine household eligibility. In 2015, the AMI for a household of four in Grand County was $55,300 per year. In 2016, it was $64,300 per year (HUD).

Assured Housing - Also, Inclusionary Zoning or Fair-Share Housing
A set of policies that requires new development to include affordable housing. Private housing developers may be required to build deed-restricted affordable housing as a percentage of or in addition to market rate housing. Often, development incentives are utilized to offset the reduced profit associated with construction of deed-restricted units. Private commercial or non-residential developers may be provided several compliance alternatives including on-site construction, off-site construction, land dedications, fee-in lieu, or others.

Attainable Housing
A term with multiple meanings that generally refers to housing that is affordable to a household earning between 80 percent (80%) and 120 percent (120%) of AMI.

Community Land Trust (CLT)
A non-profit organization recognized by the U.S. Department of Housing and Urban Development [HUD]. A CLT acquires land through purchase or donation, then allows housing units to be built on the land through ground leases. By removing the cost of land acquisition and restricting occupancy to income eligible households, the CLT reduces the overall cost of construction. This helps keep the housing units affordable.

Community Housing Development Organization (CHDO)
A non-profit organization recognized by HUD. A CHDO develops and/or operates affordable housing projects. A CHDO can access a wider range of public and private financing than other non-profit organizations or government agencies.

Cost-burdened
Households paying more than 30 percent (30%) of gross annual household income are considered cost-burdened.

CROWN Program
An affordable home lease-to-purchase program funded by low income housing tax credits available through the Utah Housing Corporation to qualifying families earning up to 60 percent of AMI. After the expiration of the 15 year compliance period, the tenants occupying the home have the option of purchasing the home for an amount equal to the unpaid balance of the financing sources plus a portion of the original equity invested. Program includes training in personal finance, home maintenance, and repair.

Deed Restrictions
Part of the deed to a property, restrictions can impose purchase or rental eligibility requirements, limit the price at which a property can be sold, or limit the rental rate an owner may charge. Deed restrictions help keep properties affordable over time.

Density Bonus
Density bonuses allow developers to increase the number of housing units they may build on a parcel above what is normally allowed in the zone. In exchange, the developer deed-restricts a percentage of the units so they remain affordable to income-eligible households over time.

Development Code Barrier Reduction or Elimination
Modification of local housing development codes to improve land use and reduce housing costs. Many communities are examining local zoning rules to ascertain if there are regulations (excessive setbacks, height limits, road widths, density restrictions, etc.) that make it difficult to build both market rate and affordable housing.

Doubling Up
More than one household living in the same housing unit. In some instances, more than two households may live in the same housing unit. In the context of this document, the authors refer to multiple households living together out of necessity more than choice.

Employer Assisted Housing Program
In some communities, businesses or government agencies attract and retain key employees by helping them find and pay for housing. Sometimes the help comes in the form of low- or no-interest loans, forgivable loans, or down payment assistance. Employers can develop their own individual programs or join with other employers to pool their money into one fund.

Essential Housing -- Also, Workforce Housing
A term used to describe housing available to a class of individuals often viewed as vital community service providers, such as police officers, firefighters, teachers, nurses, and others. In the Moab Area, service industry employees are also viewed as essential service providers.

Fair Market Rent (FMR)
Rent level guidelines for the Housing Choice Voucher Program established by HUD for each county in the United States.

Fast-Track Development Process
An expedited project approval process for developments with affordable housing units. Reducing review time can often reduce housing costs. May include "front of the line" policies for reviewing projects.

Fee Deferrals or Waivers

The fees charged to new construction adds to the cost of an affordable housing project. In some instances local government will allow developers to pay the fees at a later time (fee deferral) or, in some cases, pay the fees for the developer (fee waiver) in order to lower the cost of construction. In all cases, local government should acknowledge that impacts are still created, but the manner in which they are accounted for is adjusted.

Household Income

The combined gross income of all residents in a household. Income includes wages and salaries, unemployment insurance, disability payments, and child support. Household residents do not have to be related to the householder for their earnings to be considered part of household income.

Housing Quality Standards

Building safety standards a unit must meet to qualify for participation in the Housing Choice Voucher Program and other state rental assistance programs.

Housing Rehabilitation Programs

Low interest loans or grants available to low-income property owners and tenants to repair, improve, or modernize their dwellings or to remove health and safety problems.

Housing Trust Fund

A community may collect public and private funding that can be used to subsidize affordable housing projects in that community.

HUD

United States Department of Housing and Urban Development.

Inclusionary Zoning

See Assured Housing

Income Eligible Households

Each affordable housing program defines the income range for households that are eligible to participate in that program.

Land Banking

A strategy for identifying and securing lots and undeveloped tracts of land to support future affordable housing development. When referring to private land holdings, land banking may refer to investment strategy where property owners choose not to develop housing, suppress supply, and achieve a higher return on investment later.

Local Match
A local contribution of actual or in-kind funds required to "match" or leverage Federal, State, and other funding. Local matches reflect local commitment to the creation of affordable housing units.

Low-income
Household income between 30 percent and 50 percent of Area Median Income as defined by HUD.

Manufactured Home
A factory-built, single family structure designed for long-term occupancy that meets the Federal Manufactured Home Construction and Safety Standards of 1976 42 U.S.C. Sec. 5401, commonly known as the HUD (U.S. Department of Housing and Urban Development) Code. Such houses are delivered on permanently attached axles and wheels and are frequently referred to as "modular" when constructed in more than one building section.

Mobile Home Conversion from Rental to Resident Ownership
As land prices increase, there is often financial pressure on mobile home park owners to close the parks and convert the properties to more profitable uses. Residents of mobile home parks sometimes can, with help from government agencies and non-profit groups, purchase the mobile home parks they live in, thereby preserving the park for affordable housing use.

Mobile Home Park Loans
The State of Utah and various non-profit affordable housing organizations provide low-interest loans to residents of mobile home parks to purchase the parks.

Moderate-income
Household income between 50 percent and 80 percent of Area Median Income as defined by HUD.

Mobile Home
A residential dwelling fabricated in an off-site manufacturing facility designed to be a permanent residence, and built prior to the enforcement of the Federal Manufactured Home Construction and Safety Standards beginning June 15, 1976.

Modular Home
A structure intended for long-term residential use and manufactured in an off-site facility in accordance with the International Building Code (IBC), or the International Residential Code (IRC). This housing type is produced in one or more building sections and do not have permanent, attached axles and wheels.

Mutual Self Help Housing Program

A federally funded rural "sweat-equity" home ownership program for low-income families. A group of families collectively construct their homes supervised by a non-profit housing developer. Families contribute at least 65 percent (65%) of home construction labor.

Overlay Zone

A special zoning district that may encompass one or more underlying zones and imposes additional requirements beyond the regulations for development in the underlying zone(s). Overlay zones deal with special situations that are not necessarily appropriate for a specific zoning district or that apply to several districts. For example, a provision of an Affordable Housing Overlay Zone that covers one or more zones might require that tracts above a specified acreage that are proposed for higher density development would also include a percentage of affordable or low-income housing units.

Payroll Wage

The gross pay an employee receives for a given amount of time worked, typically hourly, weekly, monthly, or yearly. Gross refers to the pay an employee would receive before withholdings are made for such things as taxes, contributions, and savings plans

Public Private Partnerships

Partnerships between local governments, non-profit housing organizations, and the private sector established to meet local affordable housing needs by bringing additional resources and skills to the process.

Real Estate Transfer Assessment (Voluntary)

Fees assessed when real estate properties are sold. These fees are then used to subsidize affordable housing programs.

Severely Cost-burdened

Households paying more than 50 percent (50%) of gross annual household income are considered severely cost-burdened.

Subsidized Housing

Housing sold or rented at below market values due to government or private contributions.

Tax Abatement on Residential Rehabilitation Improvements

Incentive to construct affordable housing or improve existing residential properties through tax relief or elimination. The increase in property tax assessed value generated by residential construction or home improvements is not taxed for a number of years, or the taxable amount is reduced by a certain percentage. Taxes associated with the assessed value before the construction or improvements take place are still collected.

Tiny Home

An umbrella term that describes housing units under 400 sq. ft. in size. While an approved primary residence or ADU may be classified as a tiny home based on square footage, the term often refers to housing units built for temporary occupancy and that do not meet the IBC, IRC, or HUD construction standards.

Transfer of Development Rights (TDR)

The removal of the right to develop or build, expressed in dwelling units per acre or floor area, from property in one zoning district, and the transfer of that right to land in another district where the transfer is permitted. The transfer may be made by the sale or exchange of all or a part of the permitted density of one parcel to another.

USDA

United States Department of Agriculture.

Vacancy Rate

In this report, vacancy rate refers to the percentage of all housing units that are not currently inhabited by full-time occupants. A vacant unit may be one which is entirely occupied by persons who have a usual residence elsewhere. New units not yet occupied are classified as vacant housing units if construction has reached a point where all exterior windows and doors are installed and final usable floors are in place.

Very Low-income

Household income below 30 percent of Area Median Income as defined by HUD.