

**Grand County and City of Moab
HOUSING STUDY and AFFORDABLE HOUSING
PLAN**

**PUBLIC COMMENTS INCORPORATED
MAY 18, 2009**

Prepared for:
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Grand County
The City of Moab

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II. HOW DID WE GET HERE?

Why do an Affordable Housing Plan?

The economic health of Moab and Grand County and the economic well-being of its citizens are directly linked. The affordability of housing directly affects every other aspect of household economics as well as the economics of the community as a whole. The need for this Housing Study and Affordable Housing Plan was primarily driven by a number of interrelated issues:

- Housing prices have increased at a faster rate than wages, decreasing the relative affordability of the housing market.
- Employee-recruitment and employee-retention efforts are challenged by high housing costs.
- Low and median income workers find themselves priced out of single family homes, and many are unable to find lower priced rental units in good condition.
- In 1996, the Utah legislature passed a law that requires all communities to adopt an affordable housing plan that addresses the current need for affordable housing, as well as needs looking at least five years into the future. Given the changes in the community since the City of Moab and Grand County first adopted their plans, engaging in a process to adopt a new, community-wide plan has become even more important.

Creating the Plan: The Partners

In 2006, with the above issues in mind, Grand County, the City of Moab and the Housing Authority of Southeastern Utah decided that they would work together to create a community-wide affordable housing plan that would address the unique and challenging needs of the community. With the help of Rocky Mountain Power as facilitator, the City, the County and the Housing Authority set forth the terms and conditions of an agreement to jointly fund and pursue this project.

Funded by each of the agencies, as well as a \$10,000 Grant secured by the City of Moab from the Utah Quality Growth Commission, Grand County, the City of Moab and the Housing Authority of Southeastern Utah (HASU) entered into an Interlocal Agreement. The Agreement provided that the Housing Authority would contract with a housing consultant to produce a community wide housing study and plan. Authorized by the agreement, HASU contracted in **June 2007** with the Rural Community Assistance Corporation (RCAC) to:

- assess the current and projected need for affordable housing units;
- review the effectiveness of the community's past and present affordable housing efforts;
- identify local housing barriers/impediments/incentives;
- recommend potential strategies to meet the affordable housing need; and
- work with Grand County, the City of Moab, and HASU to develop an Affordable Housing Plan, including the development of a specific Action Plan.

Creating the Plan: The Process

In conjunction with the Interlocal Housing Task Force, which is composed of representatives from the City, the County and the Housing Authority, RCAC engaged in a number of activities. In **August 2007**, RCAC coordinated and facilitated a series of public workshops with community employers, government officials, housing user groups, contractors, representatives from financial institutions, and interested community members. The purpose of the public workshops was to gather anecdotal information regarding the housing problem in the community and to begin to gauge the community's perceptions regarding appropriate solutions.

RCAC also contracted with James Woods, Director of the Bureau of Economic and Business Research, David Eccles School of Business, University of Utah to perform an initial housing market assessment, which was submitted to the Interlocal Housing Taskforce in **September, 2007**. In **December, 2007**, RCAC submitted a draft Housing Plan, with the market assessment, to the Interlocal Housing Task Force.

With the further research and analysis performed by the Interlocal Housing Task Force, the Interlocal Housing Task Force and RCAC were able to produce an Affordable Housing Needs Assessment in **February, 2008**. The Needs Assessment showed an estimated affordable housing gap in different income and housing type categories.

From the public workshops, the Needs Assessment, and all of the other information gathered in the process, RCAC produced a Draft Affordable Housing Report in **March, 2008**. The draft report included options for addressing the problems as identified in the Needs Assessment and the public workshops. RCAC then facilitated several subsequent public workshop sessions at which the draft report was presented and public input was solicited. Participants had a chance to express their opinions on a variety of possible approaches to addressing the affordable housing problem, and filled out surveys about the different affordable housing tools explained in the workshops. Approximately 80 people attended these workshops, which were held on **March 12, 2008**. The response to the workshops was very positive.

Using the public input, RCAC produced their final report, which included Recommendations. RCAC's final report was submitted to the Interlocal Housing Task Force on **March 17, 2008**. From this point, the Interlocal Housing Task Force set about to create a Five-Year Action Plan that implements the RCAC Recommendations that were viewed favorably by the public in the public workshops. The Five Year Action Plan includes specific Goals and Objectives to be achieved, along with a specific Action Plan detailing activities and timelines necessary to achieve those goals and objectives. With completion of the Action Plan, the Interlocal Housing Task Force then submitted for public review the Draft Housing Study and Affordable Housing Plan. The Study and Plan were made available at key public locations and on a special website on **October 28, 2008**.

On November 12, the Interlocal Housing Task Force held two public workshops at which the Task Force presented the draft report and plan to the public and took public input. The Task Force emphasized the new portions of the document, namely, the Goals and Objectives and the Action Plan. Public input forms were available at the meetings, and there was an opportunity to submit input through a special website. Citizens expressed input at the workshops, on the comment forms, and through the website. Approximately 19 people submitted written comments. The Task Force took comments from **November 12 through December 15, 2008**. Marci Milligan and Clayton Fulton from the Governor's office of Culture and Community Affairs Workforce Housing Initiative also reviewed the draft Plan and provided input.

The Interlocal Housing Task Force then reviewed the public comments in detail and incorporated comments into the draft document. The Appendices were removed, the Housing Terminology section was expanded, and many other clarifying and other additions were made in response to the public input. After informing the public of these last changes, the Draft Housing Study and Affordable Housing Plan was then submitted to the City and County Planning Commissions for their review. The City and County Planning Commissions will determine the next steps for public review of the draft document, and will guide the process toward incorporation of the document into each entity's General Plan.

III. KEY FINDINGS

The housing study component of this document examines the housing market in Grand County and Moab and projects the housing need to 2012.

- An analysis of HUD and Census data indicated that in 2000 there was a sufficient supply of affordable housing in Grand County and Moab to provide a reasonable opportunity for moderate, low and very low income households to find affordable housing. The only housing gap in 2000 was 49 units for very low income households.
- Housing affordability, however, has declined significantly since 2003.
- The housing challenge in Grand County is a function of four primary factors: low household income, high housing costs, the influence of external market demand and the condition of the housing inventory.
- Low household income: 44.8% of Grand County households in 2005 had an Adjusted Gross Income of less than \$20,000 per year. 47.2% of all jobs are Tourism and Recreation industry related. The average 2006 Leisure and Hospitality sector wage was \$14,438 per year. The average payroll wage increased 34% from 2000 to 2006.
- High housing costs: The 2006-2007 average sales price of all types of homes was \$265,452. A “typical” 4 person household can afford a \$194,981 home, meaning we have an affordability gap of about \$70,471. Rental housing monthly rents increased 74% from 2000 to 2006.
- External market demand: The local housing market has experienced increased external market demand for second/seasonal homes, 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.
- Condition of the housing inventory: SEUALG’s 2005 Consolidated Plan reported that 1,507 or 35% of all Grand County housing units are either in Dilapidated or Unacceptable condition. As a consequence, many homes at the time of sale do not meet loan qualification standards. Wage earners who 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.
- A summary of the rental housing and home ownership housing need is reported in the tables below.

Rental Housing Need Summary		
Year		# Units
2006 / 2007	Rental Housing Gap	105
2012	Projected Rental Housing Gap	135
2006 / 2007	Total Rental Housing Deficit (including units in dilapidated or unacceptable condition)	194
2012	Projected Total Rental Housing Deficit (including units in dilapidated or unacceptable condition)	224

Home Ownership Housing Need Summary		
Year		# Units
2006 / 2007	Home Ownership Housing Gap	186
2012	Projected Home Ownership Housing Gap	261
2006 / 2007	Total Home Ownership Housing Deficit (including units in dilapidated or unacceptable condition)	313
2012	Projected Total Home Ownership Housing Deficit (including units in dilapidated or unacceptable condition)	388

IV. DATA SOURCES

Housing market and demographic data for this report was collected from the following primary sources. Additional resources are referenced throughout the document.

- “August 2007 Housing Market Assessment, Grand County and Moab City” completed by James Woods, Director of the Bureau of Economic and Business Research, David Eccles School of Business, University of Utah
- Lance Christie’s “Grand County Affordable Housing Needs Analysis” (Updated 10 June 2007)
- August 2007 public focus group discussions with local housing professionals, major employers, housing consumers and representatives of local, state and federal government
- Current and Past Local Affordable Housing Efforts compiled by RCAC
- Plan to End Chronic Homelessness in Grand County by 2014
- Grand County Realtors’ Listings

V. HOUSING TERMINOLOGY

The less-than-market-rate housing arena typically involves the unique terminology of government initiated or government-backed financing, the Department of Housing and Urban Development (HUD), Rural Development (RD), and other industry-specific language. The definitions of some common affordable housing terms and tools include the following:

Accessory Dwelling Units -- A smaller dwelling unit built on a parcel that already has a primary dwelling unit. These are sometimes referred to as a “mother-in-law” apartment.

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 home owner association fees.

Area Median Income (AMI) -- 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 2008, the AMI for a family of four in Grand County was \$49,800 (www.hud.gov).

Attainable Housing -- Housing affordable to a household earning more than 80 percent and up to 120 percent of Area Median Income.

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 -- The federal government has determined that no household should have to pay more than 30 percent of its income for housing including rent, mortgage payments, utilities and home owner association fees. Households paying more than 30 percent are considered cost burdened.

CROWN Program -- An affordable home lease-purchase program funded by low income housing tax credits available through 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 the property, restrictions can limit how much the property can be sold for (limiting sales only to income eligible buyers) or how much the property owners may charge for rent. This helps keep properties affordable.

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 builds a percentage of the units that must remain affordable to income-eligible households.

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 affordable housing.

Doubling Up -- More than one household living in the same housing unit.

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.

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 can waive fees, allow developers to pay the fees at a later time, or in some cases pay the fees for the developer, in order to lower the cost of construction.

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.

H.U.D – U.S. Department of Housing and Urban Development.

Inclusionary Zoning -- The City or County may pass an inclusionary zoning rule that requires private developers of new housing to set aside a percentage of the units for affordable housing. In exchange, the developer is usually allowed to build additional market-rate units above and beyond what is usually permitted in the zone.

Income Eligible Households -- Each affordable housing program defines the income range for households 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.

Linkage Fees -- Fees charged to developers of new commercial or other non-residential properties to either construct affordable housing or pay into a fund that can be used to construct affordable housing in the community.

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 H.U.D.

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 axels 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 H.U.D.

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 Uniform Building Code (UBC), or the International Residential Code (IRC). This housing type is produced in one or more building sections and do not have permanent, attached axels and wheels.

Mutual Self Help Housing Program -- 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 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.

Public Private Partnerships -- Partnerships between local governments, non-profit housing organizations, and the private sector to meet the affordable housing need 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.

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

Tax Abatement on Residential Rehabilitation Improvements -- Incentive 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.

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.

Very Low Income -- Household income below 30 percent of Area Median Income as defined by H.U.D.

VI. DEMOGRAPHIC AND HOUSING OVERVIEW

Grand County Population and Households

	<u>1990</u>	<u>2000</u>	<u>2003</u>	<u>2005</u>	<u>2006</u>
Population ¹	6,591	8,537	8,464	8,826	9,024
Number of Households ²	2,575	3,500			3,856
Owner Occupied Households ³				72%	
Renter Occupied Households ⁴				28%	
Average Household Size ⁵		2.44	2.39	2.37	2.35

- Population growth has slowed to an annual rate of 1%⁶, well below the 1990s growth rate of 2.6%.
- Since 2000, the rate of net in-migration has decreased, resulting in lower levels of population and household growth.
- Much of the population growth over the past six years has been in the unincorporated areas of Grand County.
- Population projections by age group indicate that between 2007 and 2012 the fastest growing groups will be ages 20 to 29 and ages 60 to 69.⁷

Employment Trends

Tourism and recreation are important to the local economy. Jobs sustained by these industries include Leisure and Hospitality at 32.2% and Retail Trade at nearly 15%, for a total of 47.2% of all jobs. Since 2001, the number of jobs in the Leisure and Hospitality sector has been stable.

47.2% of all jobs are Tourism and Recreation industry related. The average 2006 Leisure and Hospitality sector wage was **\$14,438** per year.

	<u>1990</u>	<u>2000</u>	<u>2005</u>	<u>2006</u>
Number of County Non-Agricultural Jobs ⁸	2,431	4,167	4,401	4,471
Number of Moab Non-Agricultural Jobs ⁹	2,178	3,586	4,012	
Average payroll wage		\$18,308		\$24,516

¹ US Census Bureau

² Ibid

³ James A. Wood, Bureau of Economic and Business Research, Utah Association of Realtors

⁴ Ibid

⁵ Governor's Office of Planning and Budget

⁶ Ibid

⁷ James A. Wood, Bureau of Economic and Business Research

⁸ Utah Department of Workforce Services

⁹ Ibid

The average payroll wage increased **34%** from 2000 to 2006.

- The average payroll wage increased 34% to \$ 24,516 between 2000 and 2006 and is now ranks 24th among all Utah counties.
- The average Household Adjusted Gross Income in 2005 was \$40,918. The percentage of households earning less than \$20,000 per year was 44.8; only Garfield County had a higher percentage at 45.1¹⁰.
- The number of non-agricultural jobs increased 7.3% from 2000 to 2006.

Housing Construction

- The level of new residential construction of all types has been relatively consistent over the past ten years at around 100 units per year.
- Since 2000, new residential construction has added 728 housing units to the Grand County inventory; nearly 50% have been mobile homes, 35% are single family homes, 3% are town/twin homes, less than 2% or 14 of these units are apartments. 65% of new residential construction is in the unincorporated areas of Grand County.¹¹
- Of the total 1,135 mobile and manufactured homes in Grand County, 458 are located on rented mobile home park pads and 677 are on individually owned lots.¹²
- There are 17 mobile home parks with 533 pads in and around Moab.
- Since 1995 condominiums account for 17% of new housing units.

Housing Prices

Home sales prices have steadily increased over the last several years and experienced a significant jump since 2003. Three sales price data sources are reported separately below.

Home sales prices from the Association of Realtors are typically the best indicator of housing prices but the inclusion of sales prices in the lower cost San Juan County housing market skews the average lower than it would be if only Grand County sales were examined. Nonetheless, sales price trends from the Association of Realtors are noteworthy:

- The average sales price in 1995 was \$97,665; the 1998 average increased to \$125,607.
- Sales prices remained relatively stable from 1998 through 2003 at approximately \$125,000. The 2003 average was \$124,603.
- Since 2003, the average Grand County / San Juan County sales price increased 50% from \$124,603 to \$186,617 in 2006.
- Condominium sales prices increased 71% since 2000; the 2000 average sales price of \$150,947 increased to \$258,378 in 2006.

The 2006-2007 average sales price of all types of homes was **\$265,452**. A "typical" 4 person household can afford a **\$194,981** home; the affordability gap is **\$70,471**.

¹⁰ Utah State Tax Commission

¹¹ Bureau of Economic and Business Research, University of Utah

¹² Lance Christie

A second set of home sales data specific to Grand County was assembled during meetings with local realtors and supplied by Moab City Economic Development. Over the 13 month period from October 2006 through October 2007, the average home sales price was \$265,452.

A third housing-cost data set was determined using building permit data supplied by the Grand County Building Inspector’s Office. The median price of new construction homes increased from \$131,266 in 2000 to \$291,940 in 2006, a 122% increase.¹³ This estimate, however, does not include sales prices of existing homes.

Considering all data sources, the best estimate of Grand County’s 2006 average home sales prices is \$265,452, an increase of approximately 112% since 2000.

Rental Housing Statistics and Trends

There are approximately 1,000 rental units in Grand County; the average age of those units is 30 years and in declining condition. Only 14 new rental units have been added since 2000, and more new units are needed to replace the deteriorating inventory and to meet the housing demand.¹⁴

Average rent levels for all units have increased approximately 74% from 2000 to 2006.

Average rent levels increased 74% from 2000 to 2006		<u>1-bedroom</u>	<u>2-bedroom</u>	<u>3 bedroom</u>
	2000 ¹⁵	\$ 375	\$ 434	\$ 650
	2006 ¹⁶	\$ 625	\$ 860	\$ 1,025
	Increase	67%	98%	58%

166 units are subsidized to below-market-rate rents with HUD, Rural Development, or Low Income Housing Tax Credits. The Housing Authority manages an additional housing subsidy in the form of Housing Choice Vouchers. Vouchers pay the difference between 30% of household income and Fair Market Rent levels established by HUD.

- A developing trend is that qualifying households are frequently unable to use the Voucher issued for their use because the condition of the rental unit is either below HUD’s (health and safety) Housing Quality Standards or because the unit’s rent level is above Fair Market Rent.
- 2006 HUD Fair Market Rents (FMR) were considerably less than Grand County average rent levels at \$486 for a one bedroom, \$539 for a 2 bedroom, and \$695 for a three bedroom unit; FMR is less than average Grand County rents by \$139, \$321, and \$330 respectively.

¹³ Bureau of Economic and Business Research, University of Utah

¹⁴ Ibid

¹⁵ Ibid

¹⁶ Southeastern Utah Association of Local Governments 2008 One Year Action Plan

Housing Inventory Condition

Local housing analyst Lance Christie reports pertinent housing type and condition data from the Housing Development chapter of the 2005 Southeast Utah Association of Local Governments (SEUALG) Consolidated Plan. Statewide criteria are used to evaluate the condition of each housing structure as Acceptable, Deteriorated, Dilapidated, or Unacceptable (criteria are defined below). The Plan reports that 40.3% of all Grand County housing units are in Acceptable condition, 24.8% are Deteriorated, and 34.9% are Dilapidated or in Unacceptable condition. The condition of the housing inventory by housing type is reported in the table below.

**Grand County Total Housing Stock
Percentage of Each Type of Housing in Each Condition Category**

	Total Units	Acceptable	Deteriorated	Dilapidated	Unacceptable
Single Family	2,600	1185 45.6%	572 22.0%	680 26.2%	163 6.3%
Duplex	96	42 43.8%	34 35.4%	20 20.8%	0
Four Plex	110	60 54.5%	39 35.5%	11 10.0%	0
Mobile/Manu	1,135	254 22.4%	348 30.7%	252 22.2%	281 24.8%
Multi-Family	279	186 66.7%	71 25.4%	22 7.9%	0
Other	83	0	5 6.0%	34 41.0%	44 53.0%
Special Need	12	12 100%	0	0	0
Total Units	4315	1739 40.3%	1069 24.8%	1019 23.6%	488 11.3%

Countywide, multi-family and fourplex housing has the highest percentage of “acceptable” and not “unacceptable” units. Over four out of ten single-family and duplex houses are rated “acceptable” and very few are rated “unacceptable.” Mobile homes/manufactured housing and “other” have about two units in ten rated “acceptable,” and between them account for 68.6 percent of all housing units rated as “unacceptable” in Grand County.

Legend:

“Acceptable” indicates a well-maintained structure with no major repairs necessary; it has no cracked, broken, or missing windows, storm windows, or screens; doors are functional; electric and/or gas utilities are connected; exterior appearance average or better.

“Deteriorated” indicates an appearance worse than average, bordering on shabby, but no obvious signs of structural problems. Minor repairs are needed such as trim paint but no windows are missing or broken; soffit/facia may be mis-aligned or broken in a few places; window or door screens and storm doors may be missing; fencing may be broken.

“Dilapidated” indicates an aesthetically unattractive dwelling needing major repairs, but it is feasible to repair the structure into acceptable condition. The roof may need major repair; siding may need replacement; trim paint may be significantly chipped or cracked; a few windows may be broken, cracked, or missing; whole sections of fence and gates may be broken down or missing.

“Unacceptable” indicates an aesthetically unattractive dwelling which either needs such extensive repairs that the investment would apparently exceed the market value of the repaired structure, or suffers irreparable structural faults. The structure has a roof that is sagging or missing sections such that complete roof replacement is necessary; walls may be sagging; the foundation may be crumbling; the dwelling may not have code-compliant utility connections; trim, fascia, and soffits are unfinished, deteriorated or missing. Also rated as “unacceptable” are structures which are in poor condition AND are pre-1976 mobile homes; recreational vehicles or other types of temporary housing being used as permanent housing; or are multiple units patch-worked together, e.g., a pre-1976 mobile home attached to an accessory structure. In essence, unacceptable housing units do not meet any current building code requirements for a Certificate of Occupancy and no sensible investment could make them code-complaint and fit for human occupancy.

VII. AFFORDABLE HOUSING EFFORTS TO DATE

The community, through the Housing Authority of Southeastern Utah, the City of Moab, Grand County, the federal government, and private developers, has risen to the challenge over the years to provide affordable housing within Grand County. The following projects have provided much needed affordable units in different affordability categories:

Apartments

Archway Village Apartments – Senior Housing 20 Units
Huntridge Plaza Apartments – 24 Units
Kane Creek Apartments – 36 Units
Ridgeview Apartments – 6 Units
Rockridge Senior Housing – 35 Units
The Virginian Apartments – 28 Units
The Willows – 8 Units

Housing Projects Completed

8 Sage Valley Estates, LLC – CROWN Rent to Own
8 CROWN at Rim Hill, LLC – CROWN Rent to Own
80 Mutual Self Help Housing Units completed as of 2008 – Home Ownership

VIII. HOUSING NEEDS ANALYSIS

The housing problem in Grand County is a function of four primary factors: low household income, high housing costs, the influence of external market demand, and the condition of the housing inventory.

1. Low Household Income

Low wages in Grand County limit or prevent home ownership and payment of market rate rent by many households.

- The average 2006 payroll wage at \$24,516 ranked 24th of Utah's 30 counties.
- The percentage of 2005 households with Adjusted Gross Income below \$20,000 was 44.8%, second only to Garfield County's 45.1%. \$20,000 annual household income will support rental payments of no more than \$500 per month rent, however 2006 average rents were \$625 for a one bedroom, \$860 for a two-bedroom, and \$1,025 for a three bedroom unit.
- Based upon average wages in each Employment Sector, a household with one wage earner cannot afford the average Grand County home sold since October 2006. The combined income of multiple wage earners is required to purchase the average home costing \$265,452, for example. The purchase would require the combined incomes of 1.97 Government workers, 2.7 Trade Transportation and Utility workers, or 4.7 Leisure and Hospitality employees. See the County Employment Sector Wage and Housing Affordability table below.

44.8% of Grand County households in 2005 had an Adjusted Gross Income of less than **\$20,000** per year.

Since 2000 in Grand County

Home sales prices have increased 112%

Average rental housing rates have increased 74%

Wages have increased only 34%

2. High Housing Costs

The 2006 average single family home price in the county was \$265,452, an increase of approximately 112% over the 2000 average of \$125,000.

In 2006 only 20.5% of all new homes were affordable to moderate income households and no homes were affordable to Low and Very Low income households.¹⁷

Since 2000, nearly 50% of all new residential units have been manufactured (mobile) homes.¹⁸

Average Grand County rent levels increased 74% from 2000 to 2006.

	Average Single Family Home Price in Grand County
2000	\$ 125,000
2006	\$ 265,452
Increase	112%

3. External Market Demand

External market demand is contributing to housing price increases and to a decline of the affordable housing inventory.

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, 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.

Since 2003, external market demand has had increased influence on the Grand County housing market. 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 external market investors and converted to high-cost overnight rentals, and

Single family homes in need of major repairs are appealing to an external market investor for purchase, repair or demolition, and resale at a much higher price. The result is a reduction of affordable housing units and upward pressure on housing prices.

¹⁷ Grand County Building Inspector data

¹⁸ August 2007 Grand County Housing Market Assessment by James A. Wood

- 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.

4. Condition of the Housing Inventory

The declining condition of the housing inventory is leading to a reduction of the number of affordable housing units.

New housing units are typically not affordable to Very Low, Low, and most Moderate income households unless development costs or rents are “subsidized” to reduce cost to the end-user. A community’s “affordable” housing inventory may consist of older, smaller units and units with trimmed down maintenance budgets. Over time, age and reduced maintenance results in a decline in the condition of the housing inventory. This is certainly the case in Grand County.

SEUALG’s 2005 Consolidated Plan reported that 1,507 or 35% of all Grand County housing units are either in *Dilapidated* or *Unacceptable* condition.

The average age of Grand County’s 1000 rental housing units is 30 years. In 2005, 62.1 percent of all residential dwellings were over 30 years old, and 19 percent were over 50 years old.

Mobile homes have historically provided affordably priced housing and currently total 26 percent of all Grand County homes. Low initial purchase price and portability make mobile homes an appealing housing choice, yet most were not built to last 30 years. In 2005, SEUALG’s Consolidated Plan reported that only 22.4 percent of mobile homes were in *Acceptable* condition and 49 percent of all mobile homes were either in *Dilapidated* or *Unacceptable* condition.

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.
- As noted above, 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.

SEUALG’s 2005 Consolidated Plan reported that **1,507** or **35%** of all Grand County housing units are either in **Dilapidated** or **Unacceptable** condition.

- 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 (as described in Rental Housing Statistics and Trends above).

Affordable Housing Gap

The size of the gap between the number of affordable housing units available and the number needed by the local population is a key component of a housing analysis. Income ranges for very low, low, and moderate income households are established for each County each year by HUD based upon local household incomes. The number of renter and owner households at each income level is compared to the supply of housing placed in income ranges based on the ability of the household to pay 30% of its income for mortgage or rent. The difference between demand and supply for housing in each income range determines the affordable housing gap.

The benchmark for housing studies is the Census because it contains the most comprehensive household data available to analysts. Recognizing that Grand County has experienced a considerable number of housing affordability changes since the 2000 Census, this report contains housing data from the 2000 Census, an estimate of the 2006 affordable housing need, and a projection of the affordable housing need five years from now. The reader should keep in mind that these estimates are reasonable approximations, not exact numbers, and that the estimates are on the conservative side. This means that the actual affordable housing gaps for the different categories are *at least* the estimates presented.

2000 Rental Housing Need

The number of renter households at each income level in 2000 is estimated in the table titled "Year 2000 Home Ownership Housing Gap for Very Low to Moderate Income Residents" below. 2000 data indicates that:

- **The rental inventory deficit was 27 one-bedroom apartments and 22 two-bedroom apartments at the very low income level.**¹⁹
- Only 39.2% of the affordable very low income rental units were occupied by very low income renters; 60.8% of the units were rented by households earning higher income levels.
- There was an adequate supply of rental units affordable to low and moderate income households.

¹⁹ August 2007 Grand County Housing Market Assessment, James A. Wood

Year 2000 Rental Housing Gap for Very Low to Moderate Income Residents						
Income Category	Household Size	Median Income	# Families in Income Category	Monthly Rental Affordability Range	# Units in Affordability Range available	Rental Housing Gap Deficit (-)
Very Low	1	\$ 8,610	130	\$ 0 to \$ 215	103	-27
	2	\$ 9,840	75	\$ 0 to \$ 246	53	-22
	3	\$ 11,070	<u>15</u>	\$ 0 to \$ 277	<u>95</u>	<u>80</u>
			202		251	31
Low	1	\$ 14,350	54	\$ 216 to \$ 359	83	29
	2	\$ 16,400	99	\$ 247 to \$ 410	179	80
	3	\$ 18,450	<u>31</u>	\$ 278 to \$ 461	<u>104</u>	<u>73</u>
			184		366	182
Moderate	1	\$ 22,960	60	\$ 360 to \$ 574	125	65
	2	\$ 26,240	99	\$ 411 to \$ 656	159	60
	3	\$ 29,520	<u>13</u>	\$ 462 to \$ 738	<u>133</u>	<u>120</u>
			172		417	245

2006 / 2007 Rental Housing Deficit

An estimate of the 2006 rental housing need was projected in the table below titled “Year 2006 Extrapolation, Rental Housing Gap for Very Low to Moderate Income Residents”. Two primary projections are included in the table.

The first primary projection is the rental housing gap or difference between the number of 2006 housing units in the inventory and the number of units needed by households at each income level. This projection is based upon 2000 data adjusted for the following updated demographic data:

- 1% annual population growth each year since 2000
- 34% wage increase since 2000
- Rental housing affordability reduction to 72% of 2000 affordability level due gap between wage increase and rent level increase since 2000.

A second estimate projects the total rental housing deficit. The total rental housing deficit is calculated based upon the conditions included in the first primary projection *and* factors in the finding that 30% of the rental housing stock in unacceptable or dilapidated condition.

Based upon these projections, for very low income units, the 2006 rental housing gap was at least 105 units. The total rental housing deficit, including units in unacceptable or dilapidated condition, is at least 194 units, made up of 139 very low income units, 30 low income units, and 25 moderate income units.

Year 2006 Extrapolation Rental Housing Gap for Very Low to Moderate Income Residents								
Income Category	# of Bedrooms	Median Income	# Families in Income Category	Monthly Rental Affordability Range	# Units in Affordability Range Available	Rental Housing Gap Deficit (-)	Units Available in Livable Condition	Total Rental Housing Deficit (-)
Very Low	1	\$11,537	137.8	\$ 0 to \$288	74.16	-63.64	51.912	-85.888
	2	\$13,186	79.5	0 to \$330	38.16	-41.34	26.712	-52.788
	3	\$14,834	<u>15.9</u>	0 to \$371	<u>68.4</u>	52.5	47.88	31.98
				233.2		180.72	-104.98	126.504
Low	1	\$19,229	57.24	\$289 to \$480	59.76	2.52	41.832	-15.408
	2	\$21,976	104.94	\$331 to \$549	128.88	23.94	90.216	-14.724
	3	\$24,723	<u>32.86</u>	\$372 to \$618	<u>74.88</u>	42.02	52.416	19.556
				195.04		263.52	68.48	184.464
Moderate	1	\$30,766	63.6	\$481 to \$769	90	65	63	-0.6
	2	\$35,162	104.94	\$550 to \$879	114.48	60	80.136	-24.804
	3	\$39,557	<u>13.78</u>	\$619 to \$989	<u>61.18</u>	<u>120</u>	42.826	29.046
				182.32		265.66	245	185.962
Total 2006 Rental Housing Deficit for Very Low to Moderate Income Households								-194.212

Projected Rental Housing Deficit in 2012

The rental housing deficit is projected to grow an additional 30 units by 2012.²⁰ If no additional rental housing units are added to the inventory before 2012, the rental housing gap will grow to at least 135 units and the total rental housing deficit, including units in dilapidated or unacceptable condition, will grow to at least 224 units.

Rental Housing Need Summary		
Year		# Units
2006 / 2007	Rental Housing Gap	105
2012	Projected Rental Housing Gap	135
2006 / 2007	Total Rental Housing Deficit (including units in dilapidated or unacceptable condition)	194
2012	Projected Total Rental Housing Deficit (including units in dilapidated or unacceptable condition)	224

²⁰ August 2007 Grand County Housing Market Assessment, James A. Wood

2000 Ownership Housing Gap

The table titled “Year 2000 Home Ownership Housing Gap for Very Low to Moderate Income Residents” provides information about the owner-occupied housing picture in 2000 for Grand County. It shows that in 2000, there was no owner occupied housing gap in Grand County.

Year 2000 Home Ownership Housing Gap for Very Low to Moderate Income Residents						
Income Category	Household Size	Median Income	# Families in Income Category	Home Affordability Range	# Units in Affordability Range available	Ownership Housing Gap (-)
Very Low	1	\$ 8,610	117	\$ 34,052 to \$ 43,718	N/A	
	2	\$ 9,840				
	3	\$ 11,070				
Low	1	\$ 14,350	306	\$ 56,754 to \$ 72,970	545	239
	2	\$ 16,400				
	3	\$ 18,450				
Moderate	1	\$ 22,960	535	\$ 90,807 to \$ 116,752	618	83
	2	\$ 26,240				
	3	\$ 29,520				

Note: Affordability based on 10% down payment, 30% cost burden and 6.5% interest rate

2006 / 2007 Ownership Housing Deficit

An estimate of the 2006 ownership housing need was projected in the table below titled “Year 2006 Extrapolation, Home Ownership Housing Gap for Very Low to Moderate Income Residents”. Two primary projections are included in the table.

The first primary projection is the ownership housing gap or difference between the number of 2006 housing units in the inventory and the number of units needed by households at each income level. That projection is based upon 2000 data adjusted for the following updated demographic data:

- 1% annual population growth each year since 2000
- 34% wage increase since 2000
- Ownership housing affordability reduction to 55% of 2000 affordability level due gap between wage increase and home sales price increase since 2000
- The development of 75 new affordable homes by the Housing Authority of Southeastern Utah and an additional 96 units through Rural Development.

A second, more refined estimate projects the total home ownership housing deficit. The total home ownership housing deficit is calculated based upon the conditions included in the first primary projection *and* factors in that 30% of the housing stock is in unacceptable or dilapidated condition.

It is important to note that the scope of work of this housing study did not include a household survey. As a consequence, data is not available to quantify the very low income Ownership Housing Gap or the number of renter households that would seek affordable home ownership if the opportunity was available.

Based upon these projections, the 2006 home ownership housing gap was at least 186 homes. The total home ownership housing deficit, including units in unacceptable or dilapidated condition, is at least 313 units.

Year 2006									
Home Ownership Housing Gap for Very Low to Moderate Income Residents									
Income Level	Household Size	Median Income	# Families in Income Category	Affordable Price Range	# Homes in Range available	Homes Added To Inventory Since 2000	Home Owner Housing Gap (-)	Units Available in Livable Condition	Total Owner Housing Deficit(-)
Very Low	1	\$11,537	124	\$44,915	N/A	41	Not Known	Not Known	Not Known
	2	\$13,186		to					
	3	\$14,834		\$58,668					
Low	1	\$19,229	324	\$76,050	299.75	89	65	209.825	-25.175
	2	\$21,976		to					
	3	\$24,723		\$97,779					
Moderate	1	\$30,766	567	\$103,219	339.9	41	-186	237.93	-288.07
	2	\$35,162		to					
	3	\$39,557		\$156,448					
Total							-186		-313

Projected Ownership Housing Deficit in 2012

The ownership housing deficit is projected to grow an additional 15 homes per year or 75 units by 2012.²¹ If no additional ownership housing units are added to the inventory before 2012, the ownership housing gap will grow to at least 261 homes. The total home ownership deficit, including homes in dilapidated or unacceptable condition, is projected to grow to at least 388 homes.

Home Ownership Housing Need Summary		
Year		# Units
2006 / 2007	Home Ownership Housing Gap	186
2012	Projected Home Ownership Housing Gap	261
2006 / 2007	Total Home Ownership Housing Deficit (including units in dilapidated or unacceptable condition)	313
2012	Projected Total Home Ownership Housing Deficit (including units in dilapidated or unacceptable condition)	388

²¹ August 2007 Grand County Housing Market Assessment, James A. Wood

2006 / 2007 Housing Trends

Multiple Families in One Residential Property

Doubling-up or overcrowding of multiple households into one property to reduce housing costs is evidence of a shortage of affordable housing. SEULAG's 2005 Housing report estimates that 8 percent of very low income families live at least part of each year "doubled up" with family and friends.²²

The Moab Multicultural Center conducted a telephone survey of 50 of its client families in August 2007. Although each of the 50 families had searched for a single family residence they could afford:

- 14 responded that they have just one family in their home
- 24 responded that there are two families in one home
- 9 responded that there are three families in one home, and
- 4 responded that there are four families in one home. These families are adults or couples without children.

Homeless Housing Shortage:

According to the Plan to End Chronic Homelessness in Grand County by 2014, there is a need for an additional 16 units of housing for the chronically homeless within the next 10 years.

Fastest Growing Age Groups

Population projections over the next five years for Grand County indicate that the fastest growing age groups will be young adults and seniors. By 2012, "new" resident growth projections include 245 young adults aged 20-29 and 293 seniors aged 60-69, indicating a growing need for first-time homes and rental units for young families and seniors.

Continued Housing Affordability Decline

Housing costs continue to increase faster than wages to the point that home ownership is beyond the ability of a large portion of the local workforce. As reflected in the table titled "County Employment Sector Wage and Housing Affordability 2006" below, without very large down payments, a single wage earner cannot afford to purchase the average Grand County home sold since October 2006. Several wage earners would need to combine incomes to purchase the average home of \$265,452. For example, average home purchase would require the combined income of 1.97 Government workers, 2.7 Trade Transportation and Utility workers, or 4.7 Leisure and Hospitality employees.

²² Grand County Affordable Housing Needs Analysis by Lance Christie

County Employment Sector Wage and Housing Affordability 2006				
Employment Sector	Percent of all Employment (2005)	Average Annual Wage ²³	Single Worker Affordable Home	Single Worker Affordable Rent
Mining	2.2%	\$ 48,528	\$ 191,928	\$ 1,213
Construction	6.7%	\$ 29,532	\$ 116,799	\$ 738
Manufacturing	2.3%	\$ 24,072	\$ 95,204	\$ 602
Trade, Transportation, & Utilities	18.4%	\$ 24,744	\$ 97,863	\$ 619
Information	0.9%	\$ 27,996	\$ 110,724	\$ 700
Financial Activities	4.7%	\$ 24,828	\$ 98,195	\$ 621
Professional and Business Services	4.8%	\$ 27,684	\$ 109,490	\$ 692
Educational and Health Services	7.2%	\$ 30,384	\$ 120,169	\$ 760
Leisure and Hospitality	32.2%	\$ 14,328	\$ 56,667	\$ 358
Other Services	1.5%	\$ 21,048	\$ 83,245	\$ 526
Government	19.2%	\$ 33,888	\$ 134,027	\$ 847

Note: Single worker home affordability based on 10% down payment, 30% cost burden and 6.5% interest rate

Erosion of Employee Recruitment and Employee Retention Efforts

Local employers report that due to the high cost of housing:

- job candidates considering a job offer within Grand County are increasingly unwilling to relocate to Grand County to accept local job offers; and
- current employees are leaving local employment to relocate to other communities with more affordable housing markets.

²³ Utah Department of Workforce Services

IX. BARRIERS & IMPEDIMENTS TO AFFORDABLE HOUSING

Elements of the housing market dynamics act as barriers to the construction and maintenance of an adequate supply of affordable housing. Low wages, high housing costs, external market demand, and condition of the rental housing inventory are some of the primary obstacles discussed in other sections of this report.

Government policy actions also affect the cost of housing and can act as barriers to the creation of housing affordable to local residents. A primary method to reduce the cost of housing is to use less high-cost land per housing unit. Typically, this means building affordable housing farther from the city center, forcing local workers and families to commute long distances to work and school. Grand County and Moab City land use regulations that require large lots prevent more efficient land use, impede the development of smaller more efficient housing units, and lead to increased housing costs should be reviewed and considered in light of affordable housing needs. A thorough review of each entity's Land Use Code, including involvement from the public, will likely reveal areas for improvement in the Land Use Codes, thereby increasing opportunities for affordable housing.

While characteristics of land use codes may act as barriers to affordable housing, it is important to recognize the importance of public involvement in reviewing and revising land use codes to address these barriers. Understanding that opposition to affordable housing projects can also act as a barrier to affordable housing, public involvement in addressing barriers becomes doubly important. Affordable housing projects that work with the community and its values have a greater likelihood of gaining public acceptance.

X. HOUSING COST REDUCTION THROUGH IMPROVED LAND USE AND DESIGN

A primary method to reduce the cost of housing is to use less high-cost land per housing unit. Land use reduction can be accomplished through:

- Increased housing unit density per developed acre of land
- Reduction of lot size requirements for each home
- Construction of smaller, more efficient homes
- Utilization of duplex, four-plex, multifamily, and cluster homes
- Efficient subdivision design
- Reduction of the number and width of housing development roads
- Reduction of green-space requirements
- A combination of all of these methods

Effective architectural design combined with the use of high quality construction materials can create compact housing that offers visual appeal, privacy, quality amenities, pleasant living conditions, and reduced maintenance costs. Housing unit designs that could be utilized in the Moab / Grand County region include multifamily and duplex units. The two cottage designs provide examples of high quality, low-cost housing that could replace aging mobile homes, be used for small infill projects throughout the region, or new subdivision development.

Example 1: Linden Pointe
Grand Junction, Colorado
92 unit mansion style multifamily affordable housing development consisting of one, two, and three bedroom units. Eight units per building.
See development budget below



Example 2: Duplex
Boulder, Colorado



Example 3: Multifamily housing
Boulder, Colorado



Example 4: Quinn Cottages Development
Sacramento, California
60 site built 400-600 square foot units
with Community Building



Example 5: Katrina Cottages
New Orleans, Louisiana
Modular 400 to 1000 square foot units



XI. BRIEF HOUSING DEVELOPMENT SUMMARY

To illustrate the housing development process, a brief summary of a multifamily rental development in Colorado is provided. It should be noted that this summary is provided by way of example only, and may not be indicative of the barriers or other conditions in Moab and Grand County. Note the number of partners needed to make this project financially feasible. It may take an even larger number of partners to make any proposal a reality in Grand County. Cooperation, compromise and trust among partners will be essential for any project to succeed.

Need for Project:

The September 2002 Housing Needs Assessment reported that the less-than-market rate housing inventory was less than demand by approximately 1,100 rental units.

Site and Development Description:

The Housing Authority met a portion of this housing need with the new construction of 92 multifamily rental housing units in May 2005. The Development was built on 7.5 acres of land near schools and shopping, and is located on a public transportation route next to a City park. The Development consists of 12 two-story mansion-style residential buildings, one leasing office/ clubhouse, and two playgrounds. 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. Five of the units are fully accessible.

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 @ 30% AMI	Units @ 40% AMI	Units @ 50% AMI	Units @ 60% AMI	Employee Unit at 80% AMI	Unit Total
1 bedroom, 1-bath	797	2	4	12	2		20
2 bedroom, 2 bath	987	2	11	25	9	1	48
3 bedroom, 2 bath	1220	1	3	12	8		24
Totals		5	18	49	19	1	92

Development Budget:

Through a competitive bidding process, the construction budget was created.

Development Budget	
Land	\$ 272,565
Construction	\$ 9,261,331
Professional Fees	\$ 520,137
Interim Costs	\$ 537,900
Permanent Financing	\$ 142,380
Soft Costs	\$ 93,138
Syndication Costs	\$ 24,000
Developer Fees	\$ 474,000
Project Reserves	\$ 151,000
Total Cost	\$ 11,476,451

Income Sources:

Six different income sources were combined to pay the total development cost. Note:

- Due to low rent levels, project cash flow supports a permanent loan of only \$2,600,000.
- Local match, grant funds, and investor equity in the form of Low Income Housing Tax Credits were used to “fill the gap” between the \$2.6 million dollar permanent loan and the total \$11,476,451 development cost.

Sources and Uses Budget		
Public Sector Grants	Amount	Uses
City Contribution (General and CDBG Funds)	\$ 509,000	Site, General Construction
County Contribution	\$ 90,000	General Construction
State Division of Housing	\$ 800,000	Site, Engineering
Housing Authority	\$ 389,451	Land, Developer’s Fee
Private Sector Equity / Loan		
Tax Credit Equity	\$ 7,088,000	General Construction, Fees, Reserves, Marketing
First Mortgage	\$ 2,600,000	Permanent Loan
Development Cost Total	\$ 11,476,451	

Development Timeline:

- Predevelopment activity began in November 2003 and ended with the successful completion of all financial arrangements in May 2004
- Construction began May 2004 and ended in May 2005

XII. RCAC RECOMMENDATIONS

RCAC recommends a number of methods to address the housing challenges of Moab and Grand County:

1. **Acquire and maintain policy maker commitment to Housing Plan implementation**

This Housing Study and Affordable Housing Plan have been developed through the cooperative efforts of the staff of Grand County, the City of Moab, and the Housing Authority of Southeastern Utah, as well as through a significant public input process. We respectfully suggest that local County Council Members and City Council Members accept the recommendation of the Interlocal Affordable Housing Task Force and adopt and work to implement all facets of the Action Plan.

2. **Appoint Housing Task Force**

Resolution of the housing challenge will require a sustained cooperative effort from the County, City, Housing Authority, and other community leaders. It is recommended that a formal Housing Task Force be appointed by policy makers to address the housing challenge, that the Housing Task Force is assigned specific objectives and completion timelines, and that regular implementation progress-reports be provided policy makers.

3. **Improve land use**

Encourage the efficient use of the limited amount of private land available by taking the following actions:

- (a) Identify and eliminate barriers to affordable housing development in local land use regulations.
- (b) Adopt an inclusionary zoning ordinance.
- (c) Obtain and “land bank” land for future affordable housing development.
- (d) Develop a distributed-campus, tax exempt Community Land Trust.
- (e) Utilize infill development to revitalize and bring new activity to older or dilapidated neighborhoods.
- (f) Utilize mixed use residential and commercial development to allow a balanced mix of office, commercial, and residential uses in close proximity to each other.

4. Increase available housing resources

Methods to increase available resources include:

- (a) Create a local Affordable Housing Trust Fund to receive and administer housing resources.
- (b) Establish local down payment assistance and low interest loan programs to improve and preserve existing housing and create new housing units.
- (c) Adopt appropriate taxes and fees.
- (d) Support the creation and/or expansion of HASU's "sister" nonprofit organization to increase and diversify the availability of housing development resources. Support its application to become a Community Housing Development Organization (CHDO) to increase HASU's operating and development funds.
- (e) Support HASU's efforts to initiate a Housing Counseling program to educate home buyers regarding home ownership.
- (f) Implement an Employer Assisted Housing Program.
- (g) Implement an inclusionary zoning ordinance.
- (h) Encourage the use of voluntary real estate transfer assessments to augment housing funds.
- (i) Establish a Grand County housing fund to collect and administer real estate transfer assessments and other funds collected by Grand County.

5. Develop new housing units

- (a) Develop well designed, high-density, energy efficient ownership and rental housing units.
- (b) Encourage multifamily units, twin homes, cluster homes, accessory dwelling units, and cottages.
- (c) Target affordable and attainable households.
- (d) Continue to support HASU's use of Rural Development's Mutual Self Help Housing Program and the Crown home program.
- (e) Utilize affordable housing resource lists.
- (f) Evaluate the gap between the need and the supply of housing affordable to target populations on an ongoing basis in order to target new housing development efforts.
- (g) Encourage construction of multi-family units, twin homes, cluster homes and cottages.

6. Preserve and maintain the existing affordable housing inventory

- (a) Identify all existing subsidized housing units and the dates existing financing expires; monitor those housing units to acquire and preserve them as affordable units.
- (b) Implement a housing rehabilitation program to provide homeowners an incentive to improve the condition of their homes and make them more energy efficient.
- (c) Design and implement a program to replace Unacceptable and Dilapidated housing units with new units.
- (d) Carefully evaluate all proposed zone changes for their effect on affordability.

7. Institute deed restriction programs to keep new moderate income housing units created through construction or rehabilitation available to moderate, low or very low income target populations.

8. Conduct a public education campaign about the benefits of affordable housing and its contribution to the community.

XIII. AFFORDABLE HOUSING 5-YEAR GOALS AND OBJECTIVES

Goals:

1. To achieve and protect secure, affordable, decent housing opportunities for Moab/Grand County residents.
2. To achieve adequate owned and rental housing opportunities to allow the community to recruit and retain a workforce with the skills and credentials needed by community employers.
3. To achieve creation and retention of housing stock affordable to very low, low, moderate, and moderate to 120 percent of Area Median Income (AMI) households.
4. To assess on a continuing basis the gaps among housing stock, housing needs, and what households can afford in order to revise the objectives of the Affordable Housing Plan.
5. To establish and participate in programs and efforts to reduce household operating, rehabilitation and construction costs across the economic spectrum.

Objectives:

1. Through public and private partnerships, provide **8** units of transitional housing for Moab's homeless, within the next five years, of the total **16** needed within the next 10 years.
2. Through public and private partnerships, provide **55** units of new or rehabilitated rental housing affordable to very low income households, within the next five years, of the total **139** currently needed.
3. Through public and private partnerships, provide **22** units of new or rehabilitated housing affordable to low income households; **10** for purchase and **12** for rental, within the next five years, of the total **55** currently needed.
4. Through public and private partnerships, provide **124** units of new or rehabilitated housing affordable to moderate income households; **114** for purchase and **10** for rental, within the next five years, of the total **313** units currently needed.
5. Promote and establish energy efficiency and other programs, policies and regulations to lower the cost of constructing, rehabilitating and maintaining homes affordable to all households earning 120 percent of AMI or less.
6. Analyze the housing needs of moderate to 120 percent income households and develop an objective to address the needs of this income group.
7. Coordinate with and involve multiple community and outside agencies in developing affordable housing solutions.

XIV. AFFORDABLE HOUSING 5-YEAR ACTION PLAN

ATL - Association for the Tree of Life
 CDBG - Community Development Block Grant
 CHDO - Community Housing Development Organization
 GWSSA - Grand Water and Sewer Service Agency
 HASU- Housing Authority of Southeastern Utah
 HUD - Housing and Urban Development (Department of)
 OWHLF – Olene Walker Housing Loan Fund
 N/A - Not Applicable
 PLCT – Powerhouse Lane Community Land Trust
 RCAC - Rural Community Assistance Corporation
 RETA - Real Estate Transfer Assessment
 SEUALG - South East Utah Association of Local Governments
 TBD - To Be Determined
 USDA - United States Department of Agriculture

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
1. 501c(3) COMMUNITY LAND TRUST					
a. Create / finalize land trust	Housing Task Force, HASU	PLCT	N/A	Year 0-1	In progress
b. Create land trust board	HASU, PLCT	Housing Task Force	N/A	Year 0-1	
c. Develop board policies	Land Trust Board	Housing Task Force	N/A	Year 0-1	
d. Solicit resources	Land Trust Board	HASU, PLCT	CDBG, OWHLF	Year 1-5	
e. Develop partnerships with local governments, private landowners, and businesses	Land Trust Board	HASU, PLCT, City, County, Private Land Owners, Developers, etc.	USDA funds	Year 1-5	
2. 501 c(3) COM. HOUSING DEV. ORGANIZATION (CHDO)					
a. Finalize CHDO	HASU, Housing Task Force	RCAC	N/A	Year 0-1	In progress
b. Create CHDO board pursuant to Federal Regulations	HASU, Housing Task Force	Community	N/A	Year 0-1	
c. Develop board policies	CHDO Board	Community	N/A	Year 0-1	
d. Solicit resources	HASU, CHDO Board	Workforce Housing Initiative	CDBG, OWHLF, Pamela Atkins Trust Fund	Year 1-5	

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
e. Develop partnerships with local governments	HASU, CHDO Board	City, County	Foundations, Donations	Year 1-5	
f. Coordinate with other CHDOs	HASU, CHDO Board	Workforce Housing Initiative	USDA funds	Year 0-5	In progress
3. DEED RESTRICTION GUIDELINES					
a. Coordinate guidelines between the City and County	City, County	Housing Task Force	N/A	Year 0-1	
b. Determine target population(s)	Housing Task Force	City, County	N/A	Year 0-1	
c. Create mechanism for administering deed restrictions	City, County	HASU, Housing Task Force	N/A	Year 0-1	
4. AFFORDABLE HOUSING STOCK PRESERVATION					
a. Promote mobile home rental to ownership	HASU, Land Trust	Housing Task Force, USDA, RCAC, OWHLF	TBD	Year 2-5	
b. Replace dilapidated units using Smart Growth concepts	HASU, Private	Private, Chamber of Commerce, Employers, Community Rebuilds	TBD	Year 2-5	
c. Investigate temporary housing alternatives	Housing Task Force	Private property owners, City, County, HASU, Utah Workforce Housing Initiative, CHDO, USDA, RCAC, OWHLF, Community Rebuilds	TBD	Year 0-2	In progress
d. Investigate incentives to rehabilitate deteriorated units	Housing Task Force, SEUALG Weatherization program, Community Rebuilds	Rural Development	USDA, HUD, State, SEUALG	Year 0-1	
e. Provide tax abatement on residential rehabilitation and replacement for low income families	County	County Assessor, Clerk and Treasurer	County	Year 0-1	
f. Inventory existing subsidized units and chart financing/flip cycle	County, City	County Assessor, Clerk and Treasurer	N/A	Year 0-1	
g. Evaluate all proposed zoning changes for their effect on existing affordable housing	County, City	Housing Task Force	N/A	Year 0-5	
5. LAND USE CODE CHANGES TO ENCOURAGE AFFORDABLE HOUSING					
a. Develop mixed-use ordinance	City, County	City and County Planning, Builders' Alliance, Community Input, Smart Growth Organizations	N/A	Year 1-2	
b. Research and review transfer of development rights concept	City, County	City and County Planning, Community Input	N/A	Year 1-2	
c. Refine and/or consider affordable housing overlay zone	City, County	City and County Planning, Builders' Alliance, Community Input	N/A	Year 0-2	
d. Allow for additional incentives	City, County	City and County Planning, Community Input	N/A	Year 1-2	

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
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 Planning, Community Input	N/A	Year 0-1	Initial Review Complete
f. Develop acceptable guidelines and locations for increased density and decreased requirements for affordable housing projects	City, County	City and County Planning, Housing Authority , CHDO, Community Input	N/A	Year 0-1	
g. Allow for infill development	City, County	City and County Planning, Community Input, Smart Growth Organizations	N/A	Year 0-1	
6. BUILDING CONSTRUCTION & DESIGN PRACTICES					
a. Encourage walkability for new housing and community projects	City, County, HASU	City and County Planning, Builders Alliance, Trail Mix, RETA fund	RETA	Year 0-1	
b. Implement green building standards and incentives	City, County, HASU	City and County Planning, Builders Alliance, Canyonlands Sustainable Solutions, Local Green Builders, Mulberry Grove	State, Federal, Utilities	Year 2-3	
7. AFFORDABLE HOUSING COMPONENT INCLUDED IN NEW DEVELOPMENT					
a. Investigate linkage fees	City, County	Builders Alliance, Chamber of Commerce	N/A	Year 1-2	
b. Refine/develop new affordable housing overlay zone	City, County	City and County Planning, Community Input	N/A	Year 0-2	
c. Investigate new mixed use and residential development provision of affordable housing (inclusionary zoning)	City, County	Chamber of Commerce, County and City Planning, Builders' Alliance	Private	Year 1-2	
8. DEVELOPMENT COSTS REDUCTION					
a. Implement guidelines for impact fee deferrals and/or subsidies	City, County, Special Service Districts	County Building Department, Special Service Districts, Builders' Alliance	RETA, Other	Year 0-2	
b. Offer affordable housing development subsidies	City, County	Workforce Housing Initiative, CHDOs, Land Trust	RETA, Other	Year 2-5	
9. EMPLOYER ASSISTED HOUSING PROGRAM					
a. Establish down payment funds	City, County	Public and Private Employers, Chamber of Commerce	RETA, SEUALG	Year 1-2	
b. Investigate employer requirements and/or incentives for provision of affordable housing	City, County	Employers, Builders' Alliance, Chamber of Commerce		Year 1-2	

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
10. LOCAL AFFORDABLE HOUSING RESOURCES					
a. Implement mechanism for voluntary real estate transfer assessment agreements	City, County	Local Association of Realtors	N/A	Year 0-1	City - Complete
b. Investigate possibility of mandatory real estate transfer assessments on high value transactions.	Housing Task Force	N/A	N/A	Year 1-2	
c. Establish affordable housing fund	City, County	HASU	N/A	Year 0-1	
11. LAND RESOURCES					
a. Develop land bank	City, County, HASU	Housing Task Force, Land Trust, ATL	City, County, HASU, Private donations, etc.	Year 0-2	
b. Purchase properties for affordable housing	City, County, HASU	Housing Task Force	City, County, HASU, Private donations, etc.	Year 0-5	
c. Pursue land donations	City, County, HASU	Housing Task Force	City, County, HASU, Private, etc.	Year 0-5	
d. Identify City and County underutilized land	City, County	Community Input, Private Property Owners	N/A	Year 0-1	
12. DEVELOPMENT PROCESS STREAMLINING FOR AFFORDABLE HOUSING					
a. Develop priority processing for building permits for affordable housing projects	City, County, developers	City and County Planning, County Building Department, Developers, Builders' Alliance, Chamber of Commerce	N/A	Year 1-2	
b. Review other jurisdictions' planning processes and implement appropriate changes	City, County	Housing Task Force	N/A	Year 0-1	
c. Designate planning process facilitator and liaison	City, County	City and County Planning	N/A	Year 1-2	
13. HOUSING TASK FORCE					
a. Expand Housing Task Force	HASU	City, County, Community Members	N/A	Year 0-1	In progress
b. Perform annual review of affordable housing supply and demand and revise gaps	Housing Task Force	City, County, Public, HASU	N/A	Year 1-5	
c. Develop needs assessment for >80% AMI and develop strategies to assist the income category	Housing Task Force	RCAC, Workforce Housing Initiative	N/A	Year 1-2	
d. Develop and distribute a list of affordable housing tools and resources	Housing Task Force	City and County Planning Commissions	N/A	Year 0-1	List begun

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
e. Provide ongoing progress report on activities to public and decision makers	Housing Task Force	City, County, News Media		Year 0-5	
14. HOUSING COUNSELING					
a. Promote and facilitate housing / financial counseling programs offered by different entities	Housing Task Force	HASU, financial institutions	Private, Grand San Juan Board of Realtors	Year 1-2	
b. Provide housing counseling	HASU	New Home Buyers, Realtors, Building Department	HASU, Grand San Juan Board of Realtors	Year 0-5	Ongoing
15. PUBLIC EDUCATION CAMPAIGN					
a. Identify target audiences and tailor programs to meet particular needs	Housing Task Force	Homeless Coordinating Committee, City, County, Media	N/A	Year 0-5	
b. Provide workshops / brochures for builders and developers	Housing Task Force	Chamber of Commerce, Builders' Alliance	Financial Institutions, Neighbor-hood Reinvestment	Year 1-3	
c. Provide additional information to the public about policy changes	City, County	Housing Task Force, Media, Homeless Coordinating Committee	N/A	Year 0-5	Ongoing
d. Provide interactive workshops and feedback opportunities	City, County	Housing Task Force, Homeless Coordinating Committee, Chamber of Commerce, Workforce Housing Initiative	SEUALG, Neighbor-hood Reinvestment	Year 0-5	Ongoing
16. PUBLIC / PRIVATE PARTNERSHIPS					
a. Identify possible partners	Housing Task Force	TBD	N/A	Year 0-1	Ongoing
b. Promote energy efficiency programs with private and public energy and resource providers	City, County, utility providers	Questar, Rocky Mountain Power, RCAC, Enterprise Groups, etc.	Questar, Rocky Mountain Power, RCAC, Enterprise Groups, etc.	Year 0-2	Ongoing

ACTION STEPS	LEAD AGENCY	IMPLEMENTATION PARTNERS	POSSIBLE FUNDING SOURCES	TARGET DATE	STATUS
c. Promote real-estate transfer assessment agreements with developers	City, County	Private Land Owners, Developers	N/A	Year 0-5	Ongoing
d. Promote low-interest loan programs for energy efficiency upgrades and rebuilds	City, County, HASU, utility providers, financial institutions	SEUALG	SEUALG	Year 1-5	
e. Utilize RETA funds to assist with affordable housing developments	City, County	HASU, CHDOs, Workforce Housing Initiative	RETA	Year 0-5	
f. Work with non-profit agencies and private developers to do mixed income developments	City, County, HASU	HASU, CHDOs, Workforce Housing Initiative, Chamber of Commerce	Federal, State, Local	Year 0-5	
17. HOUSEHOLD MAINTENANCE					
a. Promote energy efficiency programs	City, County, HASU, utility providers	Questar, Rocky Mountain Power, RCAC, Enterprise Groups, etc.	Questar, Rocky Mountain Power, RCAC, Enterprise Groups, etc.	Year 0-5	Ongoing
b. Implement culinary water conservation measures	City, GWSSA	N/A	N/A	Year 1-2	
c. Provide public information about how to reduce household costs	Housing Task Force	City, County, Utility Providers	Questar, Rocky Mountain Power, RCAC, Enterprise Groups, etc.	Year 2-3	
d. Promote low-interest loans and incentives for energy reducing improvements	Housing Task Force	HASU, City, County, Utility Providers	TBD	Year 2-3	
18. HOMELESSNESS					
a. Work with Local Homeless Coordinating Committee to consider needs of the homeless	Housing Task Force	Local Homeless Coordinating Committee		Year 0-5	Ongoing