



Staff Report

DATE: November 16, 2020
SUBJECT: 2020 Moderate-Income Housing Report
ISSUING
DEPARTMENT: Economic Development and Housing

SUMMARY:

Issues:

Shall the Summit County Council review the 2020 Moderate Income Housing Plan/Report and adopt Resolution No. 2020-22?

Recommendation:

Staff recommends that the County Council review the Staff Report, presentation and attachments and the 2020 Moderate-Income Housing Report, conduct a public hearing and approve Resolution No. 2020-22.

Fiscal Impact:

None (if County completes the necessary plan elements)

Background/Existing Conditions:

Two bills the Legislature passed in the 2018 session provide the foundation for SB 34, HB 259 (Moderate-Income Housing Amendments) and SB 136 (Transportation Governance Amendments).

In 2019, the Legislature passed SB 34 which added to the foundation of HB 259 and SB 136 in two main ways: (1) adding elements that reinforce transportation-efficient land use into cities and counties' general plans; and (2) providing specific strategies cities and counties must consider adopting in their Moderate Income Housing (MIH) plans.

SB 34 requires cities and counties to include at least four (4) of the twenty plus (20+) strategies in their general plan(s) and submit to workforce services by December 1, 2019. Summit County completed this task in 2019.

Cities and counties must be up to date on the MIH plan elements and reporting requirements to be eligible for Transportation Investment Fund (TIF) and Transit Transportation Investment Fund (TTIF) money. The TIF was \$702 million last year, and 65 out of 81 (80%) of cities that are subject to the MIH requirements either have funds currently programmed or are in phase 1 of the TIF process.

For 2020, staff is not proposing any new General Plan amendments. However, SB 34 also requires that the County Council adopt by resolution an Annual Moderate-Income Housing Report and submit the report to the required entities by December 1, 2020 (Attachment 8).

As part of the annual review, staff will need to demonstrate that the Summit County Planning Commissions and County Council reviewed the County's housing goals to determine the effectiveness of the program.

Affordable housing is generally defined as a housing payment that does not exceed 30 percent of gross monthly income and a home that is of a sufficient size to meet the needs of the household.

A primary goal of the 2020 Moderate-Income Housing Plan/Report is to look at trends in the local economy, local housing needs and the housing market to identify where Summit County's housing programs should best be focused as the region continues to add both population and jobs.

To better understand housing need and market trends, a thorough review of resident household demographics; projected increase in employment, current workforce residency; current housing inventory and ownership; and housing sales and rental patterns are included in the report.

To understand the effectiveness of current programs, staff has referenced both a copy of the housing needs assessment developed by Jim Wood and prepared a performance summary for 2020.

Estimating Housing Need

Housing need can be defined in various ways:

- Policy-based (growth management/number of permits issued);
- Local household formation forecasts;
- Combined employment and household growth-based forecasts (job growth and household formation); and
- Existing households who are currently “overpaying” for housing;

A housing “needs assessment” usually estimates how much housing and at what price, is needed to support the percentage of households living and working in the Summit County. This information may be used to:

- Evaluate and potentially modify public policies and housing programs including land use regulations, affordable housing incentives and development codes;
- Facilitate partnerships between public and private-sector organizations to create developments that include housing that is suitable and affordable to different population groups;
- Assess the distribution patterns of housing throughout Summit County, particularly in the context of housing for employees;
- Establish baseline information from which progress toward meeting agreed upon goals can be evaluated;
- Understand economic, housing cost and demographic trends in the area; and,
- Support various other planning-related projects that can benefit from the availability of up-to-date demographic data.

Table 1
Annual Housing Needs Projections for Renter Households 2019-2023
Selected Jurisdiction in Summit/Wasatch Region
(Excludes Renters at <30% AMI)

	Total	31%-50%	>50%-60%	>60%-80%	>80%-100%	>100%-120%
Summit County	231	63	23	48	49	48
Snyderville	123	30	13	27	27	26
Eastern Summit	44	12	4	9	9	10
Park City	64	21	6	12	13	12
Wasatch County	102	33	12	19	23	15
Heber City	50	16	11	13	3	7
Wasatch County	52	17	1	6	20	8
Total	333	96	35	67	72	63

Source: James Wood.

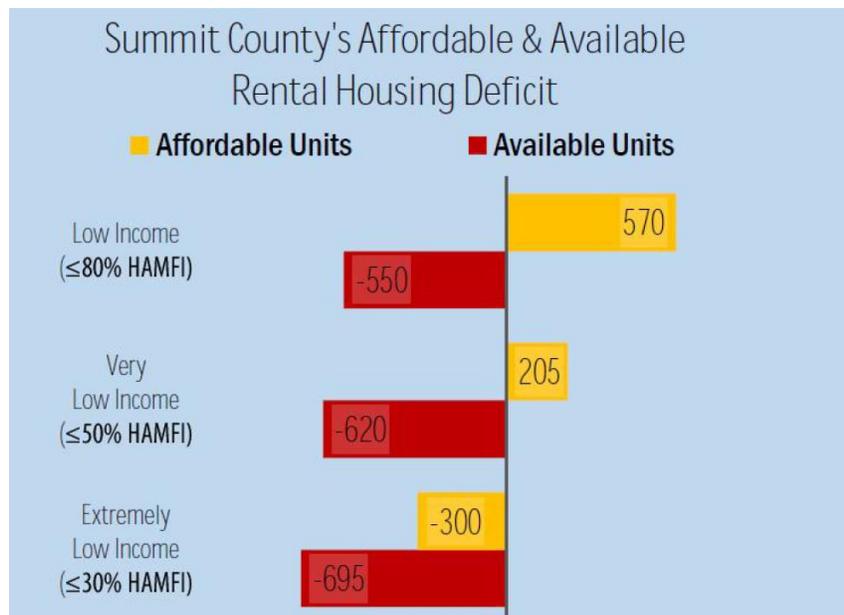
Table 2
Annual Housing Needs Projections for Owner Households 2019-2023
Selected Jurisdiction in Summit/Wasatch Region

	Total	>50%-60%	>60%-80%	>80%-100% AMI	>100%-120%
Summit County	198	36	49	49	39
Snyderville	97	21	20	20	11
Eastern Summit	33	5	9	10	9
Park City	68	10	20	19	19
Wasatch County	141	26	52	42	21
Wasatch County (excl. Heber)	71	12	23	22	14
Heber City	70	14	29	20	7
Region Total	339	62	101	91	60

Using the needs analysis prepared by Jim Wood, the estimated combined need (owners/renters) not including Park City is 297 units per year. For YR2020, 39 housing units =<80% AMI secured building permits. As such a deficit of -258 moderate income housing units are estimated for 2020. It should be noted that there are approximately 629 units of deed restricted affordable/workforce housing in the development pipeline, of which, 127 units are currently under construction.

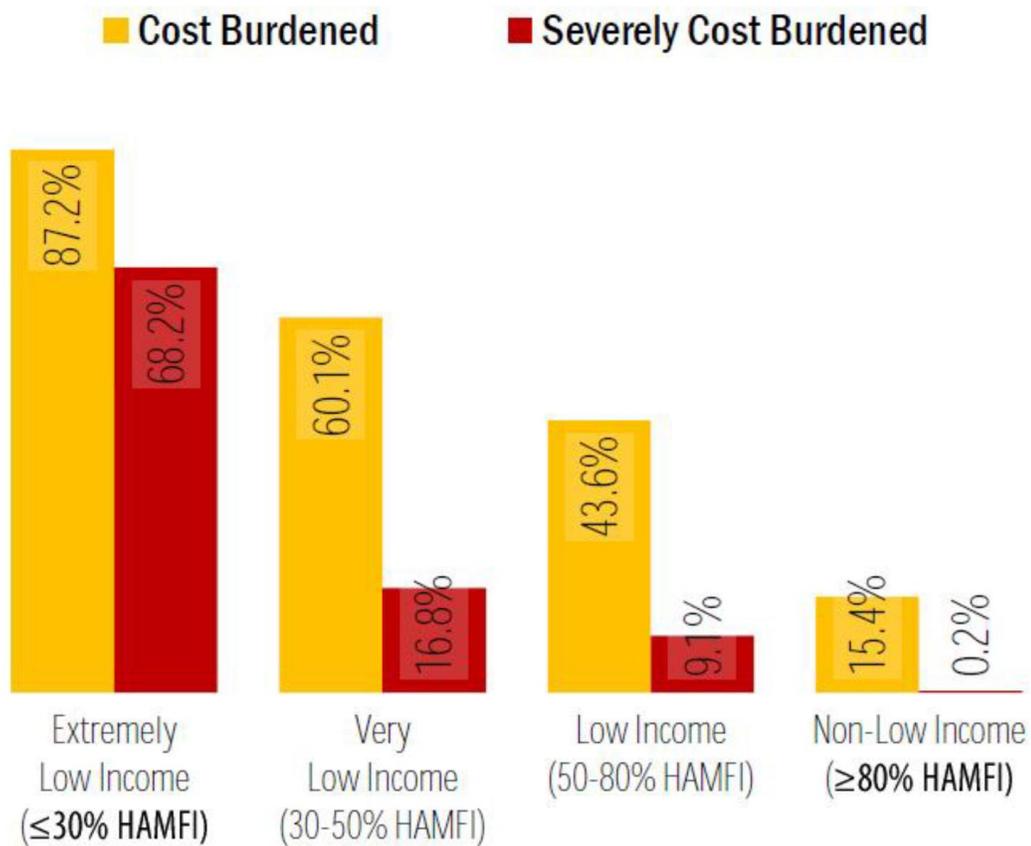
As of August 2020, a total of 111 new residential building permits were issued in Summit County. A total of 167 new residential permits were issued in 2019.

The Utah Department of Workforce Services (UDWS) provided Summit County with an affordable housing “gap analysis” based on data taken from the American Community Survey for years 2013-2017. The UDWS data highlights the estimated affordable and available rental housing deficit in Summit County.



The “gap analysis” also estimates the rent burden by targeted income sector.

Summit County's Proportion of Cost Burdened Renter Households



Summary of Findings:

- SB 34 requires that a circulation plan be prepared and integrated into the County’s General Plans. The Legislature conditioned funds from the Transit Transportation Investment Fund (TTIF) and the Transportation Investment Fund (TIF) on county compliance with the SB 34.
- Employment growth has and will continue to outpace population growth facilitating the need for imported labor.
- Resident population that lives and works in Summit County is declining.

- “Vacant” housing units now represents the largest share of housing stock in Summit County.
- Building permits (housing starts) declined in 2020.
- Wages are growing—but slower than the cost of housing.
- The cost-of-living in Summit County is 37.1 points higher than the national average.
- The average earnings per job in Eastern Summit County now exceeds the average earnings per job in Western Summit County. However, median household incomes are still considerably lower.
- Both the cost and availability of affordable housing units made available to those earning $\leq 80\%$ AMI remains challenging.
- In 2020, Summit County issued 39 building permits for housing units deed restricted to $\leq 80\%$ AMI households.
- An annual shortfall of -258 affordable units ($\leq 80\%$ AMI) are estimated for 2020.
- Approximately 629 units of deed restricted affordable/workforce housing are in the development pipeline. 127 of these units are currently under construction.
- The gap analysis provided by the UDWS shows a surplus of affordable housing units (using straight-line projections from 2013-2017 ACS data) at the 80% and 50% HUD Area Median Family Income (HAMFI) levels. However, the UDWS data indicates that these units are occupied by persons with incomes above the 80% HAMFI income levels which results in an “availability” deficit of 1,170 units to those earning between 30% and 80% HAMFI. The $<30\%$ HAMFI cohort shows a combined deficit in both affordable and available housing units of 995 units.
- Rental cost burdens are more pronounced at lower income thresholds.

On November 5, 2020, the Eastern Summit County Planning Commission reviewed the 2020 Moderate-Income Housing Plan/Presentation/Report, conducted a public hearing, accepted the Report and forwarded a positive recommendation for Council’s consideration. No public testimony was offered regarding the Report.

On November 10, 2020, the Snyderville Basin Planning Commission reviewed the 2020 Moderate-Income Housing Plan/Presentation/Report, conducted a public hearing, accepted the Report and forwarded a positive recommendation for Council’s consideration. The staff report for the Commission may be viewed here. No public testimony was offered regarding the Report.

The Summit County Planning Commission(s) offered the following recommendations in response to the 2020 Moderate-Income Housing Report:

- Complete the Eastside Infrastructure Plan
- Explore offering incentives to facilitate the creation of deed restricted (Eastern Summit County) ADUs
- Create a “multi-family” zoning district for the Eastern Summit County Planning District
- Work with partnership communities in Eastern Summit County to facilitate moderate income housing
- Assess the effectiveness of the County’s over-income/waterfall provisions (primary focus: ownership units)
- Assess the impact of short-term rentals (STRs) on rental housing affordability

Recommended Motion:

Staff recommends that the County Council review the staff report, presentation and attachments and the 2020 Moderate-Income Housing Report, conduct a public hearing and approve Resolution No. 2020-22.

ATTACHMENTS:

1. Senate Bill 34
2. Utah Code, 17-27a-403 Plan preparation
3. Moderate-Income Housing Plan/Presentation
4. State of Utah, Department of Workforce Services ACN Data Points and Gap Analysis
5. State of Utah, Department of Workforce Services HUD CHAS Gap Analysis
6. Jim Wood, Regional Housing Needs Assessment: Summit and Wasatch Counties, 2019 (Executive Summary Page).
7. Summit County General Plan (Housing Elements)
8. Resolution No. 2020-22, 2020 Moderate-Income Housing Report and 5 Year Projections