



Staff Report

DATE: November 17, 2021
SUBJECT: 2021 Moderate-Income Housing Plan/Report
ISSUING DEPARTMENT: Economic Development and Housing

SUMMARY:

Issues:

Shall the Summit County Council review the 2021 Moderate Income Housing Plan/Report and adopt Resolution No. 2021-16?

Recommendation:

Staff recommends that the County Council review the Staff Report, presentation, attachments and the 2021 Moderate-Income Housing Report, conduct a public hearing and approve Resolution No. 2021-16.

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

For 2021, staff is not proposing any new General Plan amendments. However, Utah Code 17-27a-403 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, 2021.

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.

Addressing housing needs, concerns, issues and opportunities is a complex and often emotional issue. 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.

The types of homes that are made available under local housing initiatives vary depending on the housing needs in different communities and the policies and goals established by these communities.

A primary goal of the 2021 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 2021.

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

Source: [James Wood](#)

Using the needs analysis prepared by Jim Wood, the estimated combined need (owners/renters) not including Park City is 297 units per year. For YR2021, 261 housing units =<80% AMI secured building permits and are occupied and/or under construction. As such a deficit of -36 moderate income housing units are estimated for 2021.

It should be noted that the annual demand for the Snyderville Basin is 220 units. The annual demand for Eastern Summit County is 77 units. As 257 of the 261 affordable/workforce unit permits were issued for the Silver Creek Village and Canyon Village projects, the basin facilitated a surplus of +37 units, which is a significant improvement over 2020, which had an estimated shortfall of 181 units.

Eastern Summit County has four (4) CROWN Credits-to-Own units under development and an annual demand of 77 affordable/workforce units, resulting in a 2021 deficit of -73 Units. Eastern Summit County should consider developing an inclusionary affordable/workforce requirement for those portions of Eastern Summit County that have access to infrastructure/urban densities and work with partnership cities/towns to do the same.

As of August 2021, a total of 128 new residential building permits were issued in Summit County. A total of 185 new residential permits were issued in 2020. It should also be noted that the number of permits issued is not the same thing as the number of units. For example, a multifamily building may have multiple units but constructed from a single building permit.

Staff is including a “gap analysis” as required by the Utah Department of Workforce Services (Attachment 3), but the data model is not considered reliable. Staff from the Department of Workforce Services have directed Summit County to utilize their own assessment/ data models to establish need.

Summary of Findings:

- The Legislature conditioned funds from the Transit Transportation Investment Fund (TTIF) and the Transportation Investment Fund (TIF) on county compliance with the Utah Code 17-27a-403.
- 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.
- Wages are growing—but slower than the cost of housing.
- The cost-of-living in Summit County is 34.9 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 2021, Summit County permitted 261 income or deed restricted housing units $\leq 80\%$ AMI, a significant improvement over 2020.
- A combined annual shortfall of -36 units ($\leq 80\%$ AMI) are estimated for 2021.
- Eastern Summit County had a total deficit of -73 units.
- Rental cost burdens are more pronounced at lower income thresholds.
- Cost burdened households who are paying more than $>30\%$ to less-than or $= 50\%$ of their household income are estimated at 1,970 households;
- Cost burdened households who are paying more than $>50\%$ of their household income are estimated at 1,650 households.

On October 26, 2021, 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. No public testimony was offered regarding the Report.

On November 4, 2021, 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.

The Summit County Planning Commission(s) offered the following recommendations in response to the 2021 Moderate-Income Housing Report:

- Work with partnership communities in Eastern Summit County to facilitate moderate income housing;
- Consider the development of an inclusionary zoning policy for Eastern Summit County where urban densities/infrastructure are available. Work with partnership communities located in eastern Summit County to do the same.
- Evaluate other strategies/methodologies to bring additional affordable housing online without having to depend upon new large-scale developments. More specifically converting short-term rental units into long term rental units.
- Park City will be rolling out a pilot program that will offer homeowners 15%-20% of their homes' value in exchange for placing permanent deed restrictions on properties, eliminating the use of those homes as short-term rentals. Under the new program, participating homes could only be rented for a minimum of six months at a time. Park City is budgeting \$1M in support of this effort and anticipates adding between 7 and 10 units of housing under this program.

Recommended Motion:

Staff recommends that the County Council review the staff report, presentation, attachments and the 2021 Moderate-Income Housing Report, conduct a public hearing and approve Resolution No. 2021-16.

ATTACHMENTS:

1. Utah Code, 17-27a-403 Plan preparation
2. Moderate-Income Housing Plan/Presentation
3. State of Utah, Department of Workforce Services 5 YR Projection Data
4. Jim Wood, Regional Housing Needs Assessment: Summit and Wasatch Counties, 2019 (Executive Summary Page).
5. Comprehensive Housing Affordability Strategy CHAS data
6. Summit County General Plan (Housing Elements)
7. Resolution No. 2021-16, 2020 Moderate-Income Housing Report and Annual Progress Report