

<allenhennie@yahoo.com>; <Bmalone48@yahoo.com>; <clbatt@yahoo.com>;
<garsidelaw@yahoo.com>

Sent: Thursday, April 29, 2010 1:47 PM

Attach: Biennial reporting & DHCD's Pilot Program.DOC; Moderate Income Housing Plan Biennial Report form.doc; Pilot Program handout.pdf

Subject: Compliance with Utah State Law: moderate income housing biennial reports

Dear Mayors and City Officials:

Utah State Code 10-9a-408 requires that cities update and review their moderate income housing plans biennially. A report of this update and review must be submitted to the Department of Community and Culture (DCC) and to each city's respective AOG. **If you have not submitted a moderate income housing plan biennial report since 2009, please submit your biennial report to the DCC.**

Also, we invite your participation in the Division of Housing and Community Development's (DHCD) Pilot Program. This program provides funding for city-initiated affordable housing projects. Earlier this year, two affordable housing projects received \$1,000,000 each in OWHLF funding for two cities who participated in the DHCD Pilot Program. **Cities who submit a quality housing plan and current biennial report to DCC by May 31, 2010 can be considered for participation in the Pilot Program.**

Please find a letter describing the biennial reporting requirements, a biennial report form, and information about DHCD's Pilot Program attached to this email.

For further assistance regarding this report, or in developing your moderate income housing plan, please contact Del L. Brady at 801-538-8619, or by e-mail at dbrady@utah.gov.

Sincerely,

Del L. Brady
Program Specialist
Division of Housing & Community Development
Department of Community & Culture
Office: 801-538-8619
Fax: 801-538-8888
Email: dbrady@utah.gov

Pilot Program



*DHCD's Pilot Program encourages
community-driven affordable housing projects*

Participants in this program have exclusive access to funding for their projects

In 2009, \$2.8 million was set-aside for the Pilot Program participants

For additional information, please contact:

Del Brady: 801-538-8619

Mike Glenn: 801-538-8666

Division of Housing and Community Development

324 South State Street,
Suite 500

Salt Lake City, Utah 84111

www.housing.utah.gov



West Jordan City fixed-income Senior housing, 70-75 units, with 20 units set-aside for disability and <35% AMI households

How the Pilot Program works:

1. Cities with high-quality and current moderate income housing plans are invited to participate
2. Participants nominate housing projects based on their moderate income housing plan
3. Participants issue an RFP for their project, review project proposals, and strike an agreement with a chosen developer
4. Developers apply for OWHLF Pilot Program funding, among other funding sources, and begin construction

Current DHCD Pilot Program Participants

	Type	Target AMI	# of Units	Status
West Jordan	Fixed-income Senior	< 35%	70-75 units	Securing funding
Vernal City	Workforce housing	< 50%	70-80 units	Securing funding
South SLC	Fixed-income Senior	< 50%	40-60 units	In process

Moderate Income Housing Plan Biennial Report

As required by **Utah Code 10-9a-408**, "the legislative body of each city shall biennially review the moderate income housing plan element of its general plan and its implementation; and prepare a report setting forth the findings of the review."

The following form is not required for completing your biennial report, but was created by the Division of Housing and Community Development (DHCD) staff to provide a convenient reporting format for municipalities. If your city chooses, it may submit its own moderate income housing plan biennial report, as long as it includes the items required by 10-9a-408.

Please return this completed form or your own biennial report to the following address:

Division of Housing and Community Development
Attn: Del L. Brady
324 South State Street, Suite 500
Salt Lake City, Utah 84111

If you need any assistance with your biennial report, or in developing your local moderate income housing plan, please contact Del Brady at 801-538-8619, or by e-mail at dbrady@utah.gov

Moderate Income Housing Plan Biennial Report

Name of City: Hyrum City

Date Prepared: May 18, 2010

Respondent: Ron Salvesen

Position: Zoning Administrator

The following questions are based on requirements regarding moderate income housing plans for Utah cities, as established throughout Utah Code Title 10, Chapter 9a (please attach additional pages for your responses, if needed)

1. When did your community complete a moderate income housing plan? 2000 - updated 2005

2. Has the moderate income housing plan been adopted as part of your general plan by the city's legislative body?

Yes No

a. *If No:* please explain why the plan has not been completed, and an outline of the steps you will take to complete the plan, as well as a description of any help that DHCD can provide

3. Has your city updated its moderate income housing plan's estimate of the need for moderate income housing in the city for the next five years?

Yes No

a. *If Yes:* please submit a copy of your updated housing plan to DHCD (cities who submit a quality housing plan and a current biennial report by May 31, 2010 can be considered for participation in DHCD's Pilot Program)

b. *If No:* please explain your city's plans/efforts to update this estimate, as well as a description of any help that DHCD can provide

We are in the process of doing a new five year estimate - should have it completed soon after Census information is available

4. Describe your city's efforts "to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing" during the past two years

Made adjustments to PUD ordinance to allow town home & twin home & greater density. Impact fee waivers for Habitat for Humanity & similar construction allowed.

5. Describe the "actions taken by [your] city to encourage the preservation of existing moderate income housing and development of new moderate income housing" during the past two years

Promoted & approved development of a large Townhome & twin home development - first of its kind in the Community Zone, continues to allow affordable rental units thru out community. Accessory apartments are allowed in most areas of Community.

6. Describe "progress made within [your] city to provide moderate income housing, as measured by permits issued for new units of moderate income housing" during the past two years

Last year & this year more than half of permits are for moderate priced housing

7. Describe "efforts made by [your] city to coordinate moderate income housing plans and actions with neighboring municipalities" during the past two years

We have been involved in Envision Utah mtg with other communities in the Valley.

8. Please indicate which moderate-income populations your moderate income housing plan addresses (check all that apply):

- a. 80-100% AMI
- b. 50-80% AMI
- c. 30-50% AMI
- d. 0-30% AMI

- e. Homeless
- f. Elderly
- g. Disabled
- h. Other (please indicate):

Exhibit 7A

Hyrum Moderate Income Housing Plan

Updated June 2005

I. Introduction

Housing affordability became a serious issue in Utah in the 1990's. In response, the Utah Legislature passed H.B. 295 in 1996 which required communities to include a plan for moderate income housing as an element in their General Plans. The plan for moderate income housing, must provide an assessment of the demand for moderate income housing within a community as well as the supply. If a need exists, the community must determine why the need exists and take steps to ensure a supply of moderate income housing is provided within the community.

The State of Utah defines moderate income housing as housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the metropolitan statistical area (MSA) for households of the same size. In other words, moderate income housing is a function of the particular circumstances and income levels of particular communities rather than a type of housing. Although Hyrum City lies within the newly designated Logan, UT-ID Metropolitan Statistical Area, information representing this MSA is not yet available. Therefore, housing and income information used in this analysis is from the U.S. Census data for Cache County. In the 2000 U.S. Census, Cache County is shown to have a median gross household income of \$39,730 and an average household size of 3.70.

With the exception of property values (Table 6) and building permits (Table 11), all the statistics used in this document are based upon numbers provided by the 2000 Census for the City of Hyrum City and are the most current available as of this writing. The data concerning building permits was provided by Hyrum City.

II. Existing Needs Analysis

Income

To determine the need for moderate income housing in a particular area, one must first determine the resources available to those in the community to pay for housing. According to Census 2000, the median household income for Hyrum City is slightly higher than that for Cache County. The median household income in Hyrum City is \$43,981 while the median household income for the County is \$39,730. The State Statutes define moderate income housing as a function of the median gross household income for the MSA or County; therefore a figure of \$39,730 has been used as the baseline figure to calculate "moderate income". The average household size for Hyrum City is 3.75.

Table 1 shows the breakdown of the moderate income housing categories of 80%, 50%, and 30% of the median household income as well as the maximum purchase price of a dwelling and maximum monthly rent. According to the United States Department of Housing and Urban Development (HUD), housing costs should not exceed 30% of monthly income. Maximum purchase price of a house is based upon a 30-year mortgage at 6% with 10% down, and includes payments for insurance, property taxes, and private mortgage insurance (PMI) equal to 20% of the maximum monthly housing payment. According to Table 1, housing available to moderate income households would have a monthly mortgage (including insurance & taxes) or rent payment of \$795 or less. This translates to a house with a maximum purchase price of \$116,500.

Table 1 Income Limits and Moderate income housing Payments Based upon a median income of \$39,730			
Moderate income housing category	80%	50%	30%
Household income	\$31,784	\$19,865	\$11,919
Maximum purchase price	\$116,500	\$71,000	\$41,000
Maximum monthly housing payment	\$795	\$497	\$298

Source: US Census Bureau; Census 2000

Table 2 Household Income		
Income	Number	Percent
< \$10,000	44	2.6
\$10,000 to \$14,999	31	1.8
\$15,000 to \$24,999	209	12.4
\$25,000 to \$34,999	255	15.2
\$35,000 to \$49,999	449	26.7
\$50,000 to \$74,999	397	23.6
\$75,000 to \$99,999	174	10.3
\$100,000 to \$149,999	62	3.7
\$150,000 to \$199,000	32	1.9
\$200,000 or more	30	1.8
TOTAL	1,683	100

Source: US Census Bureau, 2000 Census

Table 2 provides a breakdown of income by household in Hyrum City.

According to this data, it is estimated that over 400 households, or nearly 25% of all households in Hyrum City make less than 80% of the median income of \$39,730, and are considered moderate income.

Housing and Population

The 2000 Census lists the population of Hyrum City as 6,316, a 27% increase from the 1990 census. Total housing for the city increased proportionately and was listed in the census at 1,725 total housing units. The total occupancy for the city is 1,668 occupied units or 96.7% of total housing. Of the 1,668 units occupied, 1,207 (72.4%) are owner-occupied and 258 (15.5%) are renter-occupied.

Year Built	Number	Percent
1999 to March 2000	180	10.4
1995 to 1998	225	14.8
1990 to 1994	95	5.5
1980 to 1989	192	11.1
1970 to 1979	472	27.4
1960 to 1969	171	9.9
1940 to 1959	99	5.7
1939 or earlier	261	15.1
TOTAL	1,725	100

Source: US Census Bureau, 2000 Census

The housing stock in Hyrum City is overwhelmingly comprised of detached, single-family dwellings. In fact, 86.4% of all dwellings in the city fit this description. The other 13.6% of dwellings are divided between attached single family units (1.9%), multi-family units (5.7) and mobile homes (6.0%).

As is shown by Table 3, nearly 70% of the total housing stock in Hyrum City has been built since 1970.

Year	Units	Valuation
2002	42	\$4,543,991
2003	50	\$5,203,712
2004	43	\$4,469,058
TOTAL		\$14,216,761
AVERAGE		\$105,309

Source: City of Hyrum City, June 2005

Recent Building

During the period of 2002 to 2004, building permits were issued for 135 new residential units in Hyrum. That works out to an average of about 43 new units per year or about 3.6 units per month. The total valuation of these permits issued over a three year period is \$14,216,761, which averages to be \$105,309 per housing unit (see Table 4). This average falls well below the threshold maximum purchase price of \$116,500 for units considered to be moderate income housing in Cache County. This would suggest that at least 50% or

more of the new houses being built in Hyrum meet the criteria for moderate income housing.

III. Future Needs Analysis

A recent study sponsored by Fannie Mae, the Olene Walker Housing Trust Fund, the Utah Housing Corporation, and Envision Utah estimated that 40% of all households in Utah are low to moderate income and therefore ". . . about 40% of new residential units should qualify as affordable."

The above analysis indicates the city is currently fulfilling its obligation for affordability as defined by H.B. 295. About 25% of existing households in Hyrum City fall below the moderate income threshold and is considered affordable. In addition, at least 50% of all housing built in Hyrum City in the last three years was valued at less than \$116,500 and is considered affordable.

Hyrum City, like the rest of Cache County should expect continued growth over the next ten years. Population increased at an average rate of 2.4% per year between the 1990 and 2000 Census reports. According to the 2000 Census, the population of Hyrum City is quite young. The median age for the city is 23.7 years and 51.9% of the population is below 24 years of age. In addition, 7.7% of the population is over 60. Both of these numbers are significant because it is the young and old that comprise the bulk of the demand for non-traditional and moderate income housing types.

Continued population growth, particularly in the young and old age categories, and a continued downward trend in household size, will require different housing choices than those traditionally offered in Hyrum City. First time renters and homebuyers typically require smaller houses and yards to fit their more limited budgets. Similarly, empty nesters and older homeowners simply no longer need a large house and yard to accommodate a family, nor do they want the responsibility, expense, and time commitment required to maintain larger properties. These populations have few choices for housing within Hyrum City currently.

If we assume that the city will continue to grow for the next ten years at a pace similar to that which occurred between 1990 and 2000, it is reasonable to expect an increase of population of another 1,900 people, which would mean about 507 additional households. Currently, about 25% of the households in Hyrum City are considered moderate income, meaning that about 127 of the new dwellings over the coming ten years or 12.7 dwelling units per year should meet the affordability criteria.

IV. Survey of Total Residential Housing

(Note: The following survey is based upon zoning in existence at the time of the General Plan update in 2004-2005.)

Zone R-1:

Relatively small areas of Hyrum are currently zoned R-1. Areas that are designated R-1 are subdivisions that have been created with smaller lots. A minimum lot size of 12,000 Square feet is required. No minimum house size is designated, and modular housing is permitted in this zone. Multi-family housing is not permitted in this zone.

Zones R-2 & R-2A:

Most of Hyrum is currently zoned R-2 or R-2A, which is single-family housing, but allows for up to one four-plex per block. This zoning allows for many types of houses in any one block, and minimizes the creation of elite and conversely, ghetto-type neighborhoods. Although there are restrictions regarding the minimum lot size, variations in lot size are possible through the creation of PUDs. No minimum house size is designated, and modular housing is permitted in this zone.

Zone R-2D:

This zone is reserved for land bordering the Hyrum Reservoir. Minimum lot size is one acre. Manufactured housing is permitted.

Zone MH-1:

This zone is reserved for mobile home courts. Minimum trailer or mobile home space is 2,450 square feet.

V. How Zoning Impacts Moderate Income Housing

Density is controlled by the minimum lot size in residential zones. However, one four-plex per block is allowed within most of the residential areas of Hyrum. Smaller lots (therefore higher density) are allowed through the creation of PUDs.

1. Minimum Lot Size:

Although smaller lots tend to make for less expensive homes, it has been shown through the 2005 General Plan Update process and previous surveys that the residents of Hyrum do not want lot sizes smaller than permitted in the current code. The rural atmosphere of the city is one of Hyrum's most cherished attributes that the residents wish to maintain. Alternative lot sizes are possible through the creation of PUDs in Hyrum City. Housing in Hyrum has typically been less expensive than in Logan and some other cities within Cache Valley.

2. Planned Unit Developments:

The City General Plan and Zoning Code allow for the creation of Planned Unit Developments (PUDs). PUDs can utilize smaller lots than standard lots,

which can help reduce the overall price of a home. We support the continuation of allowing PUDs, although with the continued guidance and approval of the Planning Commission and City Council.

VI. Program to Encourage Adequate Supply of Moderate Income Housing

Recognizing that Hyrum City government has a responsibility to encourage affordable housing availability for families with moderate incomes, the Planning Commission and City Council will take the following actions:

1. Consider zoning changes for densities necessary to assure the economic viability of inclusionary developments either through mandatory set asides, density bonuses or easing of restrictions on currently unbuildable lots.
2. Review infrastructure expansion costs that are passed through to homeowners, consider alternate ways of funding so as to minimize individual homeowner burden.
3. Consider the development of accessory apartments and multi-family housing by minimizing zoning restrictions.
4. Consider waiving construction related and/or impact fees for moderate income housing which meets Council approved criteria.
5. Consider using State or Federal funds, tax incentives, and State agency programs to promote the construction of moderate income housing.
6. Recalculate supply vs need to track progress on an annual basis.