



Planning Commission Staff Report General Plan Amendment Hearing Date: August 28, 2018

ITEM #7* The Provo City Community Development Department requests an amendment to the General Plan regarding the adoption of the Moderate Income Housing Element of the General Plan and the 2018 Moderate Income Housing Report for Provo City, City-Wide. Brian Maxfield (801) 852-6429.

<p>Applicant: Provo City Community Development Department</p> <p>Staff Coordinator: Brian Maxfield</p> <p>Parcel ID#: Citywide</p> <p>*Council Action Required: Yes</p> <p><u>ALTERNATIVE ACTIONS</u></p> <p>1. Continue to a future date to obtain additional information or to further consider information presented. <i>The next available meeting date is December 12, 2018, at 6:00 p.m.</i></p> <p>2. Recommend Denial of the proposed ordinance amendment. <i>This would be <u>a change from the Staff recommendation; the Planning Commission should state new findings.</u></i></p>	<p>Relevant History: The Moderated Income Housing Report (MIHR) is a biennial report of the efforts Provo City has made in the last two years regarding implementation of the Moderate Income Housing Plan as contained within the City's General Plan.</p> <p>Neighborhood Issues: There have been no issues reported to staff at the time of this report.</p> <p>Summary of Key Issues: No issues have been identified regarding the Moderate Income Housing Report</p> <p>Staff Recommendation: That the Planning Commission recommend the Municipal Council approve and adopt the 2018 Moderate Income Housing Report and that the Planning Commission adopt the General time-line for the review and adoption of the Moderate Income Housing Plan.</p>
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OVERVIEW

This item is the review and adoption of the Moderate Income Housing Report (MIHR) for 2018. It is also an initial meeting regarding the update of the Moderate-Income Housing Plan, an element of the City's General Plan. Although Provo City has an existing Moderate-Income element in the General Plan, the element has not been significantly updated for a number of years. Additionally, the State has enacted further requirements for that plan. The deadline for adoption of the MIHR is December 31, 2018. The deadline for meeting the new State requirements for the Moderate Income Housing Element is July 1, 2019.

Moderate Income Housing Report (MIHR)

The State Code mandates that each city report biennially on the progress it has made in implementation of its Moderate Income Housing Plan. The report, the MIHR, and is to address:

- a) efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
- b) actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing;
- c) progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing; and
- d) efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities.

Moderate-Income Housing Plan

Under UCA 10-9a-103(41), a Moderate-Income Plan is defined as a written document adopted by a city legislative body that includes:

- (a) an estimate of the existing supply of moderate income housing located within the city;
- (b) an estimate of the need for moderate income housing in the city for the next five years as revised biennially;
- (c) a survey of total residential land use;
- (d) an evaluation of how existing land uses and zones affect opportunities for moderate income housing; and
- (e) a description of the city's program to encourage an adequate supply of moderate income housing.

The following are the minimum requirements for a City's Moderate-Income Housing Plan as found under UCA 10-9a-403(2)(b):

- (2)(b) In drafting the moderate income housing element, the planning commission:
 - (i) shall consider the Legislature's determination that municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing:
 - (A) to meet the needs of people desiring to live in the community; and
 - (B) to allow persons with moderate incomes to benefit from and fully participate in all aspects of neighborhood and community life; and
 - (ii) ... an analysis of why the recommended means, techniques, or combination of means and techniques provide a realistic opportunity for the development of moderate income housing within the next five years, which means or techniques may include a recommendation to:
 - (A) rezone for densities necessary to assure the production of moderate income housing;
 - (B) facilitate the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing;
 - (C) encourage the rehabilitation of existing uninhabitable housing stock into moderate income housing;

- (D) consider general fund subsidies to waive construction related fees that are otherwise generally imposed by the city in the construction of moderate income housing;
- (E) consider utilization of programs offered by the Utah Housing Corporation within that agency's funding capacity;
- (F) consider utilization of affordable housing programs administered by the Department of Workforce Services; and
- (G) consider utilization of programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act.

Staff has begun to update the Moderate Income Housing Plan to meet new State standards. Attached to this report is a general time line for the review and adoption of the updated plan.

STAFF ANALYSIS AND CONCLUSION

Staff has completed a review of the City's current Moderate-Income Housing Element and made an analysis and report according to State forms and standards. Staff is also prepared to proceed with the update to the Moderate Income Housing Plan.

STAFF RECOMMENDATION

That the Planning Commission recommend the Municipal Council approve and adopt the 2018 Moderate Income Housing Report.

ATTACHMENTS

- General time-line for review and adoption of the Moderate Income Housing Plan.
- The 2016 Moderate Income Housing Plan and the proposed 2018 Moderate Income Housing Report will be provided as separate pdf documents.

Proposed General Time-Line for Review and Adoption of Moderate Income Housing Plan

January

- Jan 23rd (2nd Planning Commission meeting)
Public Input on Housing Needs

February

- Interviews and Research regarding housing needs
- Further Collection of Housing Data

March - April

- Additional Public Input meeting on Housing Needs
- Drafting of Plan
- Review of Plan by various related agencies

May

- Planning Commission Review and Adoption of Plan

June

- Municipal Council Review and Adoption of Plan

**PROVO CITY
MODERATE INCOME HOUSING PLAN**

March 2016

Provo City Community Development Department

EXECUTIVE SUMMARY

Within 25 years (2040), Provo City is projected to have a population of over 150,000 people; a 32 percent increase over the U.S. Census Bureau's 2014 population estimate. The current need for Moderate Income Housing in Provo is broad, and the future demand will be even greater if Provo fails to properly address the provision of such housing as a necessity.

Nationwide, a strong association has been found to exist between density and affordability. Therefore, most measures of affordability include an examination of regulations in relation to the allowable densities. For years, Provo has been a leader in Utah County in creating a variety residential development allowances aimed at providing a range of housing options for those of moderate and lower income levels. Additional considerations are being made regarding expanded mixed-use allowances, as well as encouraging higher density infill projects. There is also a desire to create incentives for the development of attractive alternative housing for the single young professional population, as a means of freeing-up moderate income single-family homes now being rented by that demographic group.

Because of higher density housing growth, Provo City has seen an upward trend in new moderate income housing units. During the years 2014 and 2015, new single-family dwellings have included 115 single-family detached units, 91 townhomes, four twin-home units and eight duplex units. During the same period, seven new apartment buildings have been occupied, adding 265 new multi-family units. Six new multi-unit buildings with 342 units are currently under construction. Three additional apartment buildings now undergoing final review, include an additional 269 units. Not including the apartment units built for student occupancy, over 60 percent of the new housing units qualify as moderate income housing.

It is anticipated that with the number of townhome and apartment projects currently in the final approval process, the increase of moderate income housing will remain at least constant through the next two years. However, the anticipated population growth and a continued increase in housing demand could easily result in even high-density housing being less affordable for moderate income households. The City recognizes the need to provide for adequate moderate income housing and will continue to work with the Utah County Consortium to monitor the area's housing trends and needs.

To aid in the effort to adequately provide for the City's housing needs, a complete update to the Housing element of the City's General Plan will begin this year. A key component of that plan will be the establishment of a working data base, to provide a more accurate and up-to-date inventory regarding the provision of moderate income housing.

A. PURPOSE

This document is intended to serve as the State mandated biennial report regarding the City's Moderate Income Housing Plan and its implementation. As per State Statute,¹ the report includes descriptions of:

- (a) efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
- (b) actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing;
- (c) progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing; and
- (d) efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities.

B. RESOURCES

In examining Provo's needs for moderate income housing, several resources and documents were used to obtain information and data, including: The U.S. Census Bureau; the U.S. Department of Housing and Urban Development (HUD); the Provo City Community Development Department; and the Redevelopment Agency of Provo City Corporation. Especially helpful were the following HUD and Redevelopment Agency documents:

- "Analysis of Impediments to Fair Housing Choice: Provo City and Utah County – February 2015" prepared by James A. Wood;
- Utah Valley Home Consortium: Housing Needs Assessment – April 2015" prepared by James A. Wood; and
- "Five Year Consolidated Plan July 1, 2015 through June 30, 2020" prepared by the Provo City Redevelopment Agency.

Besides Provo City building permits on file with the Community Development Department, principal sources of information and data also included the Department of Housing and Urban Development's web site: portal.hud.gov; and the U.S. Census Bureau web site: census.gov. A glossary addressing terminologies has been provided at the end of this report.

¹ Utah Code: Section 10-9a-408

C. IDENTIFYING MODERATE INCOME HOUSING

As defined in the Utah State Code:² “Moderate Income Housing means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located.” The purpose of this section is to provide the basic background, measurements, and estimates used in evaluating Provo City’s efforts, actions, and progress made over the last two years in providing for the City’s moderate income housing needs. This is done through consideration of a number of factors. These include established income measurements and resulting income limits; maximum mortgage or rent payments; and the types and costs of housing units which would provide moderate income housing units.

1. Median Income Measurements.

The State’s Moderate Income Housing definition is based on Median Household Income (MHI). By U.S. Census Bureau definition: “A household consists of all people who occupy a housing unit regardless of relationship. A household may consist of a person living alone or multiple unrelated individuals or families living together.” However, the MHI includes only the income of the householder and those individuals in the household who are 15 years old and over, rather than a total of the entire household population. The most recently listed MHI for the Provo-Orem Metropolitan Statistical Area (MSA) is the 2014 estimate of \$60,890.³ This estimated income number is principally calculated from income surveys adjusted for inflation and margin of error.

Table 1

Median Household Income since 2005			
<u>Date</u>	<u>US</u>	<u>Utah</u>	<u>Provo</u>
2014	\$53,657	\$60,922	\$60,890
2013	\$53,105	\$60,748	\$61,034
2012	\$52,970	\$58,825	\$60,030
2011	\$53,162	\$58,811	\$61,473
2010	\$54,343	\$59,445	\$58,855
2009	\$55,415	\$60,817	\$63,420
2008	\$57,211	\$62,273	\$65,406
2007	\$57,936	\$62,925	\$65,392
2006	\$56,892	\$60,247	\$59,395
2005	\$56,058	\$58,109	\$57,255

Source: Department of Numbers – data obtained from U.S. Census Bureau

Although often used interchangeably, there are noted differences between Median Family Income and Median Household Income. Frequently, as is the case in Provo, Median Family Income is higher than Median Household Income, principally due to many households consisting of only one person. The advantage in the use of the MFI for many families is that it includes those with a higher income than would the use of the MHI. However, for the City, the goal still remains addressing housing that is occupied or reserved for 80 percent of the MHI rather than the MFI.

² Utah Code: Section 10-9a-103(30)

³ 2015 Median Household Income data is set to be released by the U.S. Census bureau in September 2016.

Comparable Median Family Income levels for the United States, the State of Utah, and the Provo-Orem MSA are given in *Table 2*. As indicated, the 2014 MFI for Provo was \$67,077, whereas the MHI was \$60,890, or a difference of about \$6,200. At the 80% levels, the MFI would be \$53,662 (adjusted by HUD to \$54,100), and the MHI would be \$48,712.

While the State ties moderate income housing to 80% of the MHI, HUD and its agencies instead utilize Median Family Income (MFI) as a means to establish an Area Median Income (AMI). HUD then further adjusts the MFI to what is referred to as the HAMFI (HUD Area Median Family Income). The HAMFI is the basis for determining Income Limits and Fair Market Rents for HUD programs.

Table 2

Median Family Income 2005-2014			
Year	US	Utah	Provo
2014	\$65,910	\$69,535	\$67,077
2013	\$65,078	\$68,331	\$66,967
2012	\$64,473	\$66,818	\$66,259
2011	\$64,691	\$66,117	\$64,965
2010	\$65,813	\$66,909	\$63,248
2009	\$67,399	\$69,444	\$71,407
2008	\$69,677	\$71,722	\$71,318
2007	\$69,849	\$71,286	\$71,524
2006	\$68,722	\$68,270	\$67,194
2005	\$67,684	\$66,184	\$62,981

Source: U.S. Department of Housing and Urban Development

2. Income Limits

Income levels and related income limits are created by HUD, based on percentages of the HAMFI:

- Low Income for those earning 50%-80% of the median;
- Very Low Income for those earning between 30%-50% of the median; and
- Extremely Low Income for those earning 30% or less of the median.

These income levels are used as qualifiers for most of the programs funded by HUD monies. In most cases, the income limits are further adjusted for family size. *Table 3* shows the 2015 adjusted incomes based on family size, with the 80% AMI level of \$54,100 associated with a 4-person family. As indicated by the table, families larger than 4 persons are allowed a higher maximum income, while smaller families are restricted to a lower maximum income limit.

Table 3

2015 Low Income Maximums by Family Size 2015 Provo Area								
AMI	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
\$67,600	\$37,900	\$43,300	\$48,700	\$54,100	\$58,450	\$62,800	\$67,100	\$71,450

Source: U.S. Department of Housing and Urban Development

With any housing unit, it should be remembered that family size and the required number of bedrooms can also affect what might be considered affordable.

3. Housing Types and Tenancy.

The 2010 U.S. Census lists 33,212 total housing units in Provo. The 2010-2014 American Community Survey (ACS) 5-Year Estimates⁴ gives a more current estimate of 34,097 units, an increase of 885 total units.⁵ The type of housing unit and its percentage of the overall housing unit count from the 2010-2014 ACS estimate is given in *Table 4*.

Through U.S. Census definitions, a statistical differentiation is made between units built for sale, and units built for rent. Built-for-sale units include all “fee simple” housing where the house and land are sold in one transaction. But, it also includes houses purchased and the lot rented; housing sold as a condominium; housing sold as part of a cooperative project; and, housing sold to several individuals in a "time-sharing" arrangement. Built-for-rent units include all housing built with the intention of renting the housing unit. This also includes retirement community units occupied under a "life-lease"/"continuing-care" arrangement (occupants pay an up-front fee or small monthly fees for lifelong use). There are obvious types of housing such as multi-unit apartment buildings which are built-for-rent. However, there are also built-for-sale units, such as condominiums located within multi-unit buildings, and included with the numbers for multi-unit buildings instead of those for single-family housing.

In a general sense, built-for-sale units are most often considered as either “1-unit, detached” or “1-unit, attached,” while built-for-rent units are most often considered as those containing 2 or more units. But, it can never be assumed that built-for-sale units will be owner occupied. In fact, built-for-sale units which are rented make up a significant portion of Provo City’s rental housing. From the 2010-2014 ACS Estimates, Provo has 19,178 built-for-sale housing units (1-unit detached and 1-unit attached), which is 56.25% of its housing inventory. However, owner occupancy statistics show only 41.82% of all housing units in Provo are actually owner occupied. Using the

Table 4

Types of Residential Structures 2010-2014 ACS Estimates Provo, Utah		
Type of Structure	Units	%
Total Units	34,097	----
1-unit, detached	14,586	42.78%
1-unit, attached	4,592	13.47%
2 units	2,328	6.83%
3 or 4 units	2,278	6.68%
5 to 9 units	2,332	6.84%
10 to 19 units	3,630	10.65%
20 or more units	3,592	10.53%
Mobile home	736	2.16%
Boat, RV, van, etc.	23	0.07%
*Because of exclusions, numbers do not		

Source: U.S. Census Bureau – 2010 -2014 ACS
5-Year Estimates

⁴Data for the ACS estimates are based on a sample and are subject to sampling variability. The values shown are the “90 percent margin of error” which can be interpreted roughly as providing a 90 percent probability that the estimate minus the margin of error and the estimate plus the margin of error contains the true value. The margin of error has not been included with the tables in this report as the intent of the tables is to indicate a general condition rather than an exact number.

⁵ Provo City Building Permit data for the period from January 1, 2010 thru December 31, 2014, shows building permits were issued for 453 new single-family dwellings and 518 units included within multi-unit buildings. The difference is likely due to two main situations: The first is errors in data entry and the reported totals of building permit numbers discovered during the preparation of this report. The second results from taking numbers for a total year, when the census and survey count only those units which are able to be occupied rather than merely under construction.

2010-2014 ACS numbers and subtracting the number of owner-occupied units from the total number of single-family dwellings, means somewhere around 5,576 single-family units, or just over 29% are occupied by renters. In support of that number, the 2010 Census indicates that, of those units being rented, 54.6% are single-family homes, whereas only 45.4% are units within multi-family buildings. In terms of population, the percentages are similar as owner occupied units house 43.63% of the population, while rented units house 56.37% of the population not within group quarters or similar housing.

Certainly the number of university students has much to do with the high percentage of renters in Provo. The “Utah Valley Home Consortium: Housing Needs Assessment – April 2015” reports that of the approximately 50,000 rental units in Utah County, BYU and UVU student account for over one quarter of all rental unit occupancies. Of BYU’s 30,000+ students, it is estimated approximately 22,000 live off-campus. For UVU’s 35,000 students, most students are residents of Utah County and commute to campus, but it is estimated approximately 15,000 students live in off-campus housing.

4. Affordability Factors.

In determining which dwellings qualify as Moderate Income Housing, measurements of affordability are critical. For ownership, there are two principal ways of measuring the affordability. The first is utilizing the definition of moderate income housing and HUD’s median family incomes, as they apply to actual costs for home ownership. The second measurement is based on the HUD definition of Affordable Housing: “Housing for which the occupant is paying no more than 30 percent of his or her income for gross housing costs, including utilities.”

The moderate income housing definition provides a more defined cutoff point when looking at actual dwellings. For example, based on the 80% AMI being \$54,100 for a four person household, a 30 percent monthly income payment including utilities, would allow a maximum payment of about \$1,350. With an interest rate of 4.1% (current rates vary between about 3.5 to 4.1%), a 10% down-payment, a 30 year mortgage, and utility payments of around \$350, the maximum cost of a qualifying home would be approximately \$162,000. If MHI rather than MFI is considered, this cost could be closer to \$157,000. Of course, the actual down payment, interest rate, mortgage payment, and utility costs can vary. Additionally, family size will also change the maximum income levels and the resulting allowable mortgage payment.

On the following page, *Table 5* gives perhaps the clearest measurement regarding the supply of moderate income single-family housing in comparison to the maximum cost from the previous paragraph. From the table, 25.5% of the units have a value of \$150,000 or lower, and almost 50% have a value of less than \$200,000. A generalized goal for moderate income housing would be to have 40% of the units cost less than a determined moderate income sales price. *Table 6* indicates

the median sales price for single-family homes in the Utah County area. As evident from the table, home prices in 2014 were near their previous peak in 2007, prior to the recession.

Table 5

Value of Owner Occupied Units 2010-2014 ACS Estimates Provo, Utah		
Value	Units	%
Owner-occupied units	13,602	----
Less than \$50,000	751	5.52%
\$50,000 to \$99,999	425	3.12%
\$100,000 to \$149,999	2,297	16.89%
\$150,000 to \$199,999	3,314	24.36%
\$200,000 to \$299,999	3,821	28.09%
\$300,000 to \$499,999	2,298	16.89%
\$500,000 to \$999,999	614	4.51%
\$1,000,000 or more	82	0.60%
Median (dollars)	200,300	

Source: U.S. Census Bureau – 2010-2014 American Community Survey 5-Year Estimates

Table 6

Median Sales Price for Single Family Homes Utah County, Utah			
City	Peak 2007	2012	2014
American Fork	\$245,200	\$186,525	\$239,250
Cedar Hills	\$349,950	\$256,500	\$292,100
Eagle Mountain	\$219,950	\$180,000	\$221,000
Highland	\$507,915	\$403,000	\$468,000
Lehi	\$278,350	\$226,609	\$280,000
Lindon	\$400,000	\$272,900	\$315,000
Mapleton	\$385,200	\$308,400	\$339,900
Orem	\$224,900	\$178,000	\$210,000
Payson	\$210,000	\$155,800	\$193,500
Pleasant Grove	\$257,750	\$199,500	\$239,200
Provo	\$209,900	\$168,968	\$209,250
Salem	\$297,450	\$225,618	\$293,000
Santaquin	\$218,000	\$162,250	\$202,700

Source: Wasatch Front Regional MLS as contained in "Housing Needs Assessment for Utah Valley HOME Consortium" page 64.

The affordable housing definition provides a more individualized approach than the moderate income approach, with payment abilities for each family based on a limit of 30 percent of their income going towards gross housing costs. This applies to both owner-occupied and rental housing. For homeowners, *Table 7* indicates the actual monthly costs, which go toward gross housing costs, based on the 2010-2014 ACS estimates. For renters, *Table 8* gives the Maximum Rent Payments by income level, based on a family of four. When utilized with Fair Market Rent, the Fair Market Rates can give a good idea as to which rental units would qualify as Moderate

Table 7

Monthly Owner Costs as a Percentage of Household Income 2010-2014 ACS Estimates Provo, Utah		
Percentage of Household Income	Unit With Mortgage	Unit Without Mortgage
Less than 20%	34.9%	83.8%
20.0 to 24.9%	19.0%	5.2%
25.0 to 29.9%	11.5%	2.8%
30 to 34.9%	11.6%	2.1%
35% or more	23.1%	6.3%

Source: U.S. Census Bureau – 2010-2014 American Community Survey 5-Year Estimates

Table 8

Gross Rent as a Percentage of Household Income 2010-2014 ACS Estimates Provo, Utah		
Percentage of Household Income	Unit With Mortgage	Unit Without Mortgage
Less than 20%	23.2%	23.2%
20.0 to 24.9%	10.7%	5.2%
25.0 to 29.9%	11.2%	2.8%
30 to 34.9%	8.9%	2.1%
35% or more	46.0%	6.3%

Source: U.S. Census Bureau – 2010-2014 American Community Survey 5-Year Estimates

Income Housing. While these tables do not directly correlate moderate income housing with gross housing costs, the deduction can be made that 34.7% of those owners with mortgages and 54.9% of those renting, are by definition, not living in affordable housing units. Perhaps surprisingly, 8.4% of those owners without a mortgage, would also be considered to be in housing which would not be deemed affordable by the HUD definition.

The Median Rental Rates for Utah County for the years 2013 and 2014 are shown in *Table 9*. Rental rates usually fluctuate according to supply and demand, and sometimes even seasonally. However, in overall terms, the rental rates have continued to trend upward. From 2011 to 2013 rental rates in Utah County increased at 4 percent a year. In 2014 rental rate increases accelerated to 7.6 percent over 2013.

Table 9

Median Rental Rates In Utah County 2013-2014			
Unit Size	Rent 2013	Rent 2014	% Increase
One Bedroom	\$693	\$755	9.0%
Two Bedroom / One Bath	\$685	\$756	10.4%
Two Bedroom / Two Bath	\$953	\$959	0.6%
Three Bedroom / Two Bath	\$975	\$1,014	4.3%
Overall	\$807	\$868	7.6%

Note: Monthly Payment includes the cost of insurance, utilities, taxes, and any HOA fees.

Source:

For rental assistance and even some home buyer programs, HUD determines Fair Market Rents, with the rates tied to the number of bedrooms in a unit, rather than a total number of persons.⁶ The Fair Market Rents are used principally in conjunction with providing housing assistance for low-income families, elderly and disabled individuals. For Provo City, such programs are administered by the Provo City Housing Authority or the City’s Redevelopment Agency, and include Public Housing, the Housing Choice Voucher Program, Low-Income-Housing-Tax-Credit (LIHTC) Affordable Housing, Supportive Housing, Shelter Plus Care vouchers, and Family Self Sufficiency.

The Housing Choice voucher program is the government's major housing assistance program. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects. A rent subsidy is paid to the landlord directly by the Housing Authority on behalf of the participating family. The maximum amount of housing assistance is generally the lesser of either the gross rent for the unit minus 30% of the monthly adjusted income, or else the payment standard minus 30% of the family’s monthly adjusted income.

⁶ By HUD Standards for the Housing Choice program, the dwelling unit must have a least one bedroom or living/sleeping room for every two persons. Other than very young children, children of the opposite sex, may not be required to occupy the same bedroom or living/sleeping room.

Table 10 gives the maximum monthly payments (including utilities) according to the determined income level. Under certain circumstances, if authorized by the Housing Authority, a family may use the voucher toward a home purchase.

Table 11 indicates the Fair Market Rent charges permitted according to the number of bedrooms in the unit.

Table 10

2015 Income Levels and Maximum Rent Payments for a Family of Four Provo-Orem MSA		
Income Level	Maximum Income	Maximum Monthly Payment
Low	\$54,100	\$1,352
Very Low	\$33,800	\$845
Extremely Low	\$20,300	\$507

Source: U.S. Department of Housing and Urban Development

Table 11

Fair Market Rent Changes Utah County, Utah						
Year	Efficiency	One-Bedroom	Two-Bedrooms	Three-Bedrooms	Four Bedrooms	2-BR % Change
2016	\$555	\$668	\$788	\$1,148	\$1,376	3.28%
2015	\$500	\$639	\$763	\$1,103	\$1,351	4.66%
2014	\$477	\$610	\$729	\$1,054	\$1,291	-1.09%
2013	\$483	\$617	\$737	\$1,066	\$1,305	7.91%
2012	\$531	\$585	\$683	\$994	\$1,197	-4.48%
2011	\$556	\$612	\$715	\$1,040	\$1,253	2.29%
2010	\$544	\$598	\$699	\$1,017	\$1,225	4.33%
2009	\$521	\$574	\$670	\$975	\$1,175	0.45%
2008	\$519	\$571	\$667	\$970	\$1,169	-1.19%
2007	\$525	\$578	\$675	\$982	\$1,183	3.53%
2006	\$507	\$558	\$652	\$949	\$1,143	3.16%
2005	\$492	\$541	\$632	\$919	\$1,108	1.61%

Source: U.S. Department of Housing and Urban Development

HUD information on the share of affordable rental housing needs met by the city’s inventory shows Provo actually having a surplus of affordable rental housing for renter households in the low-income and very low-income categories. However, for extremely low-income households, which account for fifteen percent of all households in the city, the need exceeds supply of units by about 40 percent. Overall, for Utah County, Provo meets about 58 percent of the affordable rental needs for extremely low-income households.

D. REDUCTION, MITIGATION, AND ELIMINATION OF REGULATORY BARRIERS

As in most cities and communities throughout the nation, Provo City regulates housing principally through its zoning ordinance, with housing types and allowable densities dictated for each specific zoning district of the city. Nationwide, a strong association has been found to exist between density and affordability. Therefore, most measures of affordability include an examination of regulations in relation to the allowable densities. Provo's established zoning districts facilitate various densities from low-density, large lot single-family homes to high-density apartment buildings. The following summarizes Provo's zoning districts which generally facilitate higher density allowances:

1. **Accessory Apartment and Supplemental Apartment Overlay Zone.** This overlay zone can be applied to any residential zoning district. It allows detached single-family within the designated area to include a secondary dwelling unit. A general review of the rent charged for these units shows that all likely qualify as moderate income housing units.
2. **Elderly Persons – Extra Living Space.** Section 14.34.450 of the zoning ordinance allows elderly home owners, sixty-five years (65) or older, to lease extra living space as a separate unit to two (2) additional persons over eighteen (18) years of age, and their minor children. This ordinance was meant to ease the mortgage and rent burdens of the elder home owner. These units may provide an option for affordable housing. This ordinance is only applicable with detached single-family homes.
3. **PRO (Project Redevelopment Option) zones** were created to facilitate infill projects in older developed neighborhoods. Depending on location, these projects have included lower density detached single-family dwellings as well as higher density apartment buildings.
4. The **PD (Performance Development) Overlay Zone** was instituted in 1993 to encourage imaginative and efficient utilization of land including allowing a greater flexibility in lot size through the clustering of dwelling units. The allowable density is based on the underlying zone, with bonus densities allowed for open space, common activity areas, and other site amenities.
5. The **ITOD (Interim Transit Oriented Development) Zone** was adopted by Provo City in 2008. The zone's central focal point is UTA's Intermodal Hub which opened in December of 2012. The Intermodal Hub serves the FrontRunner Commuter Rail, local bus service facilities, and a connection with the planned BRT (Bus Rapid Transit) system. The ITOD Zone is intended to foster mixed use and higher density developments within walking distance of the Intermodal Hub. Because of the increased transportation options, Provo City requires only half the number of parking spaces which would otherwise be required. This allows the development of a project to have a lower per door cost, through such

things as allowing an increased number of units, the reduced need for larger property acquisition and/or larger parking structures. It is also expected that nearness to transportation options will decrease automobile needs for tenants, and thereby contribute to a lower cost-of-living. The area within the ITOD zone is an opportunity to bring together affordable housing, proximity to employment, and access to public transportation for transit dependent households; which are disproportionately minorities and the disabled. Future development of the Utah Transit Authority land south of the Front Runner station is planned to be developed with as many as 500 housing units.

6. The **GW (Downtown Gateway)**, **DT-1 (General Downtown)**, and the **DT-2 (Downtown Core) Zones**. These three zones were created in 2010. More recently, in 2012, the City adopted another downtown zone called the **WG (West Gateway) Zone**. In an effort to make Downtown Provo more livable and affordable, all four zones were crafted to better facilitate development of high-density residential buildings, as well as mixed-use projects that generally include apartment and condominium units above retail or office uses. These zones do not have a density restriction, but minimum unit size (800 sq.ft), maximum building heights and parking requirements generally define the density on particular sites.
7. The **SDP (Specific Development Plan) zone** was adopted in 2000. This is a negotiated zone which can include a mixture of uses and residential building types. Residential densities are generally higher than would occur in conventional subdivision developments.
8. The **LDR (Low Density Residential) Zone** was adopted in 2012. Besides small single-family lots (5,000 square foot minimum size), the zone also allows two-family dwellings and townhomes at a density of up to 15 units per acre.
9. The **MDR (Medium Density Residential) Zone** was adopted in 2013. The zone allows multiple-unit buildings at a density of up to 30 units per acre.
10. The **HDR (High Density Residential) Zone** was adopted in 2013. The zone allows multiple-unit buildings at a density of up to 50 units per acre.
11. The **CHDR (Campus High Density Residential) Zone** was adopted in 2014. The zone is intended to address housing needs for college students. The zone allows multiple-unit buildings at a density of up to 80 units per acre.

A number of changes to the zoning ordinance which could allow additional development options and densities are currently being examined and reviewed. Some of the changes include allowing certain commercial zones to include residential components, allowances for smaller lot sizes in particular zones or situations, and higher densities for senior housing based on their equivalent impacts verses a standard development.

E. ENCOURAGING PRESERVATION OF EXISTING AND DEVELOPMENT OF NEW MODERATE INCOME HOUSING

Increased growth can often change the nature of existing moderate income areas in one of two ways. The first is through an increased value occurring in an area due to desirability and strong housing demand. The second is through the elimination of lower income areas for the construction of new commercial or other non-residential development.

In Provo, it was found that much of the value increase in many areas was occurring because of excessive allowances related to student rentals, with the potential rental income exceeding the desire to maintain affordable housing for families. Two active steps have worked to address this occupancy change in several older neighborhoods, and returned the dwellings to providing affordable housing units. The first step involved Provo City requiring owner occupancy for single-family dwellings with student rental units, as well as better restricting where student accessory apartments were allowed. The second step involved Brigham Young University adopting a restriction regarding the distance from the University where unmarried under-graduate students could reside.

Although these initial changes have met with success, new housing demands are threatening moderate income housing in other neighborhoods. One of the largest current housing demands in Provo is for unmarried graduate students and working professionals. Provo City is finding that several older neighborhoods further away from BYU are now being inundated by these students as the cost to rent a home for three individuals is often less than their rent combined rent in an apartment complex. Although three unrelated individuals may legally occupy a dwelling, the City is seeking to provide for attractive alternative housing that will meet the needs of the young professional demographic, and preserve the moderate income single-family housing inventory in the affected neighborhoods.

Besides imposing accessory student rental restrictions, Provo has also created an *RC (Residential Conservation) Zone*. The purpose of the RC zone is to “*encourage the conservation of existing housing by limiting the use of a given lot or parcel to the legal use existing on April 2, 2002.*” The RC areas currently include approximately 1,000 acres surrounding the downtown area of Provo, and consist of older homes that generally meet the needs of moderate and lower income families.

It should be noted that although very little, if any moderate income housing units were lost to new commercial development, approximately 60 single-family moderate income homes were removed over the last two years, in conjunction with improvements being made to the Utah Valley Regional Medical Center. While this loss does not represent a trend, it will likely be many years before those moderate income units can be replaced.

The general implementation procedures being followed by Provo in addressing the preservation of existing and development of new moderate income housing includes the following:

1. Housing and zoning code enforcement to maintain the quality of older homes and properties;
2. Apartment house licensing to assure that dwelling units meet minimum housing and life safety codes;
3. Consideration of new zoning regulations intended to:
 - a. Facilitate the development of vacant block interiors in older residential neighborhoods where the unused land is often weedy or blighted;
 - b. allowing mixed-use residential development within regional shopping center areas;
 - c. requiring mixed-use and higher density developments to include a percentage of affordable housing units; and
 - d. allowing bonus densities for the provision of affordable housing.
4. Financial support given to a variety of agencies to finance and build moderate and low income housing within Provo City. Principal agencies completing recent projects include, Neighborhood Housing Services, Rural Housing Development Corporation, Provo Housing Authority and the Provo City Redevelopment Agency;
5. The City Redevelopment Agency (RDA) has been active in encouraging and homeownership for moderate income households through the Home Purchase Plus Program. This program provides the lesser of 6% or \$10,000 in down payment assistance for qualified applicants. In the *Liberty Place* townhome development, \$20,000 was made available for down payment assistance;
6. Historic Preservation Tax Credits, Enterprise Foundation programs, and other resources as currently available;
7. Each month the Provo City Housing Authority (PCHA) helps approximately 1,300 Provo low-income families, as well as elderly and disabled individuals afford decent and safe housing through their affordable housing programs. These programs include Public Housing, the Housing Choice Voucher Program, Low-Income-Housing-Tax-Credit (LIHTC) Affordable Housing, Supportive Housing, Shelter Plus Care vouchers, and Family Self Sufficiency. Current programs and properties include:
 - Rental Subsidies: Rental subsidies are given by the Housing Choice Voucher and the Shelter-Plus Care Vouchers. The Housing Authority currently has funding for 883 Housing Choice Vouchers. Tenants pay approximately 30% of their adjusted gross income, with the voucher, paid directly to the landlord, covering the remaining cost.

The Shelter-Plus Care program provides 36 vouchers designed to prevent chronic homelessness.⁷

- Public Owned Housing: The Housing Authority owns and operates 248 units of public housing. 108 units are Senior Public Housing, and 140 units are Public Family Housing. All senior units are at or below 80% of the area moderate income, with 60 of those units at or below 50% of the area moderate income. All Public Family units have a rent based on 30% of the tenant's adjusted gross income.⁸
- Tax Credit Properties: The tax credit properties program was developed for special needs groups, such as the mentally ill, seniors, and victims of domestic violence. The Housing Authority currently operates 107 units qualifying for tax credits.⁹ Of the current 1,100 tax credit units in Utah County, 539 are located in Provo City.

Efforts to development new moderate income housing include the development of the zoning districts listed in the previous section. These zoning districts are principally directed at the further development of affordable housing units. Additionally, through the City's General Plan, especially through a series of Neighborhood Plans in the process of being adopted over the next few years, the City is seeking to provide for the preservation of existing as well as the development of new moderate income units throughout all areas of the City.

⁷ Provo City Housing Authority

⁸ Ibid

⁹ Ibid

F. PROGRESS MADE TO PROVIDE MODERATE INCOME HOUSING:

Within 25 years (2040), Provo City is projected to have a population of over 150,000 people; a 32 percent increase over the U.S. Census Bureau’s 2014 population estimate. The current need for Moderate Income Housing in Provo is broad, and the future demand will be even greater if Provo fails to properly address the provision of affordable housing as a necessity. Provo City Council Members recognize that necessity and are working with City staff and the development community to actively examine a broad range of affordable housing options for all areas of the City.

A basic way to measure progress toward providing an ongoing share of moderate income housing is to examine the type and number of building permits issued by the City. *Table 12* identifies all new residential construction permits for the period of January 2014 through December 2015. Although other factors come into play, a general reasoning is that if the number of new moderate income housing units is above forty percent of the total number of units being built, the percentage of moderate income housing should be increasing.

1. Single-family Units.

By U.S. Census Bureau definition: “Single-family statistics include fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses. In the case of attached units, each must be separated from the adjacent unit by a ground-to-roof wall in order to be classified as a single-family structure. Also, these units must not share heating/air-

Table 12

New Residential Construction				
Jan 2014 – Dec 2015				
Valuation	2012-2013	2014	2015	2014-2015
Single-Family Detached Dwellings				
\$ Less than \$100,000 *	0	0	0	0
\$ 100,000 - \$ 149,999 *	5	1	1	2
\$ 150,000 - \$ 199,999	30	18	10	28
\$ 200,000 - \$ 249,999	32	11	13	24
\$ 250,000 & above	48	34	27	61
Total	115	64	51	115
Townhomes				
\$ Less than \$100,000 *	20	11	15	29
\$ 100,000 - \$ 149,999 *	64	15	15	55
\$ 150,000 - \$ 199,999 *	0	10	15	34
\$ 200,000 & up	0	1	10	11
Total	90	36	55	91
Twin Homes Units				
\$ 100,000 - \$ 149,999 *	8	4	0	4
Duplex Units				
\$ Less than \$100,000 *	0	0	0	0
\$ 100,000 - \$ 149,999 *	0	0	0	0
\$ 150,000 - \$ 199,999 *	0	4	2	6
Multi-family Units				
All Units**	146	151	156	307
Accessory Apartments				
\$100,000 & under *	21	5	8	13
Total	21	5	8	13
*Likely qualify as moderate income housing.				
**Affordability determined by rental rates.				

Source: Provo City Building Inspection Report 01/01/2016

conditioning systems or utilities, such as water supply, power supply, or sewage disposal lines. Units built one on top of another and those built side-by-side that do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.) are not included in the single-family statistics.”

As indicated by *Table 12*, the construction of single-family detached dwellings decreased over the previous two year period, however, the number of townhomes slightly increased by about 15 percent. Townhomes make up about 43 percent of the total 210 new single-family dwelling units. Overall, almost 55 percent of the new single-family units in 2014-2015 likely qualify as moderate income units. However, the overall number of moderate income housing units actually decreased by approximately 13 units when compared with the previous two-year period.

Table 12 also identifies the valuation range as reported by the individual building permits. Although the valuation does not include land cost, it still allows a general identification regarding units qualifying as moderate income housing. As a comparison to those valuations, the Home Purchase Plus program has current housing purchase limitations of less than \$223,000 for existing homes and \$237,000 for new homes, based on the Income Maximums listed in *Table 3*. Although that purchase limitation would seem to increase the number of qualifying units listed in the previous paragraph, it must be understood that the new single-family homes listed in *Table 12* show a construction value, and do not include land prices.

2. Multifamily Units

The U.S. Census Bureau defines Multifamily Residential as: “Residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.). Although Provo City has seen a constant growth in building and development over the last several years, there is a noticeable upward trend in the number of higher density housing projects qualifying as affordable units. Over the previous two year period, seven completed multi-unit buildings added 265 new residential units¹⁰. Besides the completed units, there are six multi-unit buildings currently under construction which will add 342 new units. Additionally, three multi-unit buildings with a total of 269 units are now under review. General numbers regarding unit counts and percentages of affordability are as follows:

- Of the 876 multi-family units recently completed, under construction, or granted final approval, 313 units (36 %) are designed for university students.
- Of the remaining 563 multi-family units, over 60% would qualify as Moderate Income Housing units.

¹⁰ This does not include BYU’s new Heritage Halls student dormitories which contain 336 units in eight buildings.

- Of the 239 non-student units completed during the last two years, around 85% qualify as Moderate Income Housing.
- Of the 271 non-student units currently under construction, over 90% will qualify as Moderate Income Housing.

3. Rental Units

The housing inventory for most of the Utah County is heavily dominated by owner occupied units, but, with Provo and Orem being significant exceptions. According to the 2010 U.S. Census, 31.7 percent of all occupied units in Utah County were renter units. However, in Provo, the percentage occupied by renters was 58 percent. HUD information on the share of affordable rental housing needs met by the city's inventory shows Provo as actually having a surplus of affordable rental housing for renter households in the low-income and very low-income categories. Of all households in Utah County, Provo meets about 58 percent of the affordable rental needs for extremely low-income households. However, for extremely low-income households, which account for fifteen percent of all households, the need exceeds supply of units by about 40 percent.

During the years 2014-2015, the following new higher density housing projects have been constructed, are under construction, or are currently under review:

Alder Apartments (RC Zone). This student housing project is complete. It includes 8 apartment units at a density of about 18 units per acre.

Liberty Place Townhomes (PRO Zone). The final 20 townhome units in this 57 unit townhome project have now been completed. Overall, this project has a density of about 9 units per acre. The project was developed in conjunction with the Provo City Redevelopment Association and directed toward providing affordable housing units.

Independence Avenue Townhomes (PRO Zone). With the recent construction and occupancy of the 31 Unit Phase E, this 159 unit townhome project is now complete. The project, begun in 2006, has an overall density of 12 units per acre. Units in the project are all 3-bedroom units and generally qualify as Moderate Income Housing.

Aspen Summit (PD Overlay). This 180 unit townhome project, is a part of a larger 520 unit Performance Development project begun in 2000. It has an overall density of about 7.65 units per acre. Though the end of 2014, permits for 45 of the 180 units have been issued.

Westbridge Condominiums (PD Overlay). The last new twin home units in this 120 unit development were completed last year. The development, which includes both townhomes and twin homes was begun in 1976 and has a density of about 8 units per acre. Most of the units are moderate income units.

Carson Corner (ITOD Zone). This mixed-use commercial/residential project is complete. The project is a condominium project which includes 20 residential units at a density of about 20 units per acre. The project is unique in that it actually includes 9 condominium/duplex units, consisting of two units each in an

over/under arrangement, with the owner able to rent out the second unit. Therefore, at least half of the units are rental units qualifying as moderate income housing.

Central Park Station (ITOD Zone). This project is being constructed by Neighborhood Housing Services of Provo (NeighborWorks) and has just broken ground. It will include 6 townhomes and 53 apartment units at an overall density of about 30 units per acre. All will be available at a low-income rental rate.

Provo Station Residences (ITOD Zone). This project is currently under final review. It will include 24 units at a density of about 36 units per acre. These units will be condominiums sold at market rate. It is unknown at this time if they will qualify as moderate income housing.

The Old Chapel Apartments (DT1 Zone). This project, which converted an old church building into apartment units, is complete. The project includes 15 one-bedroom units at a density of about 22 units per acre. It is somewhat upscale in nature and advertised for occupancy by professional singles and couples. Advertised rents are generally higher than the listed Fair Market Rent.

Aspen Cove Townhomes (DT1 Zone). This project is complete. The development includes 7 condominium units at about 27 units per acre. The units are market rate units.

Startup Crossing (ITOD Zone). This project has recently been completed. It includes 16 Studio and 85 one-bedroom units at a density of about 68 units per acre. As a Low Income Housing Tax Credit (LIHTC) project, at least 80 percent of the units must maintain a low-income rental rate.

63 East (DT1 Zone). This mixed-use apartment project has just recently been completed. It includes 41 residential units above ground floor commercial. Without consideration of the parking area, 63 East has a density of about 186 units per acre. Because the project was done in conjunction with the City's RDA, at least 20 of the 41 units qualify as moderate income housing units.

Old Academy – Phase II (DT1). This project is complete and occupied. This final phase includes 26 student apartment units of the project's 62 total units, with the project having an overall density of about 40 units per acre.

Cascade Gardens (DT1 Zone). This Provo City Housing Authority project is just being completed. It includes 42 one-bedroom senior housing units at a density of about 33 units per acre. All units qualify as low income units.

Liberty Center (DT1 Zone). This project is currently under construction. It includes 120 one- and 2-bedroom units at a density of about 82 units per acre. As an LIHTC project, at least 80 percent of its units will qualify as moderate income housing units.

200 City View (DT1 Zone). This project is nearing final approval and is expected to begin construction in April 2016. It will include 159 units at a density of about 90 units per acre. It is anticipated these units will be sold as condominiums at market rate.

81 East (DT1 Zone). This project is under final review. It will include 86 units, which without including a shared parking structure, results in a site density of approximately 267 units per acre. It is not known at this time how many units will qualify as affordable.

Lakeview Court Apartments (SDP4 Zone). This project is complete. Besides apartments, the project's SDP zone also allows detached single-family dwellings. This apartment element of the project consists of 44 2-bedroom units, at a density of 22 units per acre. The apartment units are renting at rates which qualify as moderate income housing.

820 North Townhomes (LDR Zone). This project is currently under construction. It includes 19 townhome units at about 11 units per acre. It is likely these units will qualify as moderate income housing.

The Meadows (MDR Zone). This project is just beginning construction. It contains 24 condominium units at a density of about 25 units per acre. It is likely these units will qualify as moderate income housing.

Riverview Apartments (HDR Zone). This married student housing project is under construction and nearing completion. It consists of 32 units at a density of about 30 units per acre. The units are anticipated to qualify as moderate income housing.

Pacific Heights Apartments (CHDR Zone). This student housing project is currently under construction. It consists of 71 units with total of 336 beds. Resulting densities are 57 units per acre and 272 beds per acre.

G. EFFORTS MADE TO COORDINATE MODERATE INCOME HOUSING PLANS AND ACTIONS WITH NEIGHBORING MUNICIPALITIES.

Provo City participates with other local municipalities to coordinate the affordable housing efforts. Provo City is a part of the Utah County Consortium of Cities and County. The Consortium was formed in the early 1990's and as a whole qualifies for the HUD HOME Investment Partnerships grant. The Consortium is made up of the following municipalities: Provo, Orem, Springville, Spanish Fork, Payson, Lindon, Pleasant Grove, Lehi, and Utah County. Monthly meetings are held to share information, coordinate activities, and successfully utilize available funding. Recently, two of the Consortium members, Provo and Utah County, published their "Analysis of Impediments to Fair Housing Choice" which was utilized in the preparation of this report.

H. SUMMARY

Because of higher density housing growth, Provo City has seen an upward trend in new moderate income housing units. During the years 2014 and 2015, new single-family dwellings have included 115 single-family detached units, 91 townhomes, four twin-home units and eight duplex units. During the same period, seven new apartment buildings have been occupied, adding 265 new multi-family units. Six new multi-unit buildings with 342 units are currently under construction. Three additional apartment buildings now undergoing final review, include an additional 269 units. Not including the apartment units built for student occupancy, over 60 percent of Provo's new housing units qualify as moderate income housing.

It is anticipated that with the number of townhome and apartment projects currently in the final approval process, the increase of moderate income housing will remain at least constant through the next two years. However, even with the additional number of units built to address moderate income housing, the anticipated population growth and a continued increase in housing demand could easily result in many more single-family dwellings, and even certain high-density housing projects no longer qualifying as moderate income housing.

The City recognizes the need to provide for adequate moderate income housing and will continue to work with the Utah County Consortium to monitor the area's housing trends and needs. To better facilitate data coordination, a strong housing data base for the city needs to be established, which can be easily maintained. This is especially important to accomplish in conjunction with the planned update to the Housing element of the City's General Plan.

Glossary

Adjusted Income. Annual gross income reduced by deductions (or allowances) for dependents, elderly households, medical expenses, disability assistance expenses, and child care. Adjusted income is used only under the certain circumstances described in the Calculating Income Eligibility module. *(HUD)*

Affordability. As used in the HOME Program, affordability refers to the requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME regulations. Affordability requirements vary depending on the nature of the HOME-assisted activity (i.e., homeownership or rental housing). *(HUD)*

Affordable Housing. Housing for which the occupant is paying no more than 30 percent of his or her income for gross housing costs, including utilities. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. *(HUD)*

Area Median Income (AMI). The median income for a defined area as determined by HUD, based on US Census Data. The figure is used in calculating income qualifications for various HUD programs.

Built for Rent. This category includes all houses built on builder's land with the intention of renting the housing unit. A lease-purchase, rent-purchase, or other option to eventually buy the house may exist. This also includes retirement community units, occupied under a "life-lease"/"continuing-care" arrangement where occupants pay an up-front fee or small monthly fees for lifelong use. *(U.S. Census Bureau)*

Built for Sale. This category includes all houses built on builder's land with the intention of selling the house and land in one transaction. Such a sale is called "fee simple." These units are often called "speculatively-built" houses. Also included are the following: Houses purchased and the lot rented; Houses sold as part of a condominium; Houses sold as part of a cooperative project (occupants own stock in the project as a whole, but do not own residential units.); and, Houses sold to several individuals in a "time-sharing" arrangement. *(U.S. Census Bureau)*

Community Development Block Grant Program (CDBG). A Federal program created under the Housing and Community Development Act of 1974. This program provides grants funds to local and State governments to be used to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents. CDBG replaced several categorical grant programs such as the Model Cities Program, the Urban Renewal Program and the Housing Rehabilitation Loan and Grant Program. *(HUD)*

Consolidated Plan. A document written by a State or local government describing the housing needs of the low- and moderate-income residents, outlining strategies to meet the needs and listing all resources available to implement the strategies. This document is required to receive HUD Community Planning and Development funds. *(HUD)*

Consortium. Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met. *(HUD)*

Elder Cottage Housing Opportunity (ECHO) Units. Small, free-standing, barrier-free, energy-efficient, and removable units designed to be installed adjacent to existing single-family dwellings. *(HUD)*

Family. A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being. *(U.S. Census Bureau)*

Family Income. *See Income of Family*

HAMFI. The HUD Area Median Family Income. This is the median family income calculated by HUD to determine Fair Market Rents (FMRs) and Income Limits for HUD programs. *(HUD)*

Household. One or more persons occupying a housing unit. *(U.S. Census Bureau)*

Household Income. *See Income of Households*

Housing. Housing includes single-family and multi-family units, as well as manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing, and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities and student dormitories. (U.S. Census Bureau)

Housing Unit. A housing unit is a house, an apartment, a group of rooms, or a single room intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall. In accordance with this definition, each apartment unit in an apartment building is counted as one housing unit. Housing units, as distinguished from "HUD-code" manufactured (mobile) homes, include conventional "site-built" units, prefabricated, panelized, sectional, and modular units. Housing unit statistics also exclude group quarters (such as dormitories and rooming houses), transient accommodations (such as transient hotels, motels, and tourist courts), moved or relocated buildings, and housing units created in an existing residential or nonresidential structure. Units in assisted living facilities are considered to be housing units, however, units in nursing homes are not considered to be housing units. (U.S. Census Bureau)

HUD. The U.S. Department of Housing and Urban Development. A Cabinet-level agency created by the Department of Housing and Urban Development Act of 1965. HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business. (HUD)

Income Levels / Income Limits. HUD establishes income levels or income limits which are based on percentages related to an Area Median Income (AMI). These established levels are: Low Income – gross household income 80% or less of the AMI; Very Low Income – gross household income 50% or less of HUD AMI; and Extremely Low Income – gross household income below 30% of the AMI. (HUD)

Income of Family. The total income of an entire family. By definition, a family is a household composed of two or more related persons, but also may include one or more eligible persons who are determined to be important to their care or well-being of family member. However, it does not always include all occupants of a household. The exception is the definition would also include a persons living in the home who is basically a care provider for at least one of the persons in the family. (U.S. Census Bureau)

Income of Households. This includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one person, average household income is usually less than average family income. Although the household income statistics cover the past 12 months, the characteristics of individuals and the composition of households refer to the time of interview. Thus, the income of the household does not include amounts received by individuals who were members of the household during all or part of the past 12 months if these individuals no longer resided in the household at the time of interview. Similarly, income amounts reported by individuals who did not reside in the household during the past 12 months but who were members of the household at the time of interview are included. However, the composition of most households was the same during the past 12 months as at the time of interview. (U.S. Census Bureau)

Low Income. A household whose income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 80 percent of the median for the area median on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (HUD)

Low Income Housing Tax Credit (LIHTC). Low-income housing tax credits were designed to encourage private investment in affordable housing for low and moderate income households. The tax credit is provided to private investment partners who contribute to project financing. Their contributions offset the cost of building and

rehabilitating the property so rents can stay low. In tax credit properties or units, rents are often below the market rates and residents must income qualify. Income qualification is typically determined by Area Median Income (AMI). The Federal Government allows each State to determine their application and distribution through establishment of a non-profit state housing finance agency. In Utah, the established agency is the Utah Housing Corporation.

Low- and moderate-income household. A household having an income equal to or less than the Section 8 low-income limit established by HUD. *(HUD)*

Low- and moderate-income person. A member of a family having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose. *(HUD)*

Median Income. Median income is the amount which divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount. Mean income (average) is the amount obtained by dividing the total aggregate income of a group by the number of units in that group. The means and medians for households and families are based on all households and families. Means and medians for people are based on people 15 years old and over with income. Median income for households, families, and individuals is computed on the basis of a standard distribution. *(U.S. Census Bureau)*

Moderate Income. Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs, fair market rents, or unusually high or low family incomes. *(HUD)*

Multifamily Housing. Residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.) *(U.S. Census Bureau)*

New Construction. The creation of new dwelling units. Any project that includes the creation of additional dwelling units outside the existing walls of a structure is also considered new construction. *(U.S. Census Bureau)*

Single-Family Housing. Single-family statistics include fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses. In the case of attached units, each must be separated from the adjacent unit by a ground-to-roof wall in order to be classified as a single-family structure. Also, these units must not share heating/air-conditioning systems or utilities, such as water supply, power supply, or sewage disposal lines. Units built one on top of another and those built side-by-side that do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.) are not included in the single-family statistics. *(U.S. Census Bureau)*

Tax Credit Housing. See Low Income Housing Tax Credit.

Very Low-Income. Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of facility, college, or other training facility; prevailing levels of construction costs; or fair market rents. *(HUD)*