

**HOLLADAY CITY'S AFFORDABLE HOUSING ELEMENT,  
APPENDIX E OF THE HOLLADAY CITY GENERAL PLAN**

**2010 UPDATE**

*Adopted by Ordinance 2011-15 by the City Council 7/21/11*

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## **EXECUTIVE SUMMARY**

In August of 2010 the City received a request from the Department of Community and Culture at the Governor's Office reminding all cities in the state that a moderate income housing plan biennial report is required under Section 10-9a-408 of the Utah State Code.

Utah State Code 10-9a-408 requires the biennial report to include the following information;

1. Efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
2. Actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing;
3. Progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing; and
4. Efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities.

For the past few months, the Community Development Staff has been working with the Utah Workforce Housing Initiative staff to complete Holladay's Housing Estimates Model. In December 2010, the US Census released a five year estimate data set for Holladay and in March of 2011 Holladay's, redistricting population count from the 2010 census was made available. These data were used to develop the City's model. (Attachment 2A)

To aid cities in reporting to the State, the Division of Housing staff has generated a report form on which the cities can submit their information. A report has been completed to assist the Council in complying with the above noted statute. (Attachment 1)

In reviewing the available data, Holladay families have a wide range of housing options. Housing in the city is available for all income levels but there is a demonstrated lack of housing for those households who live at or below the poverty level. However, this may not be as great a problem as indicated given the makeup of these households. Further study can identify if actual housing units are necessary.

For the immediate future, the city should continue to foster policies and codes that support the maintenance of the current housing stock by allowing responsible additions and improvements to older housing and by allowing multiple-family development in areas that are currently zoned for these uses but are underdeveloped.

The City should continue to support regional housing initiatives like the County Cooperative Plan as well as maintaining a close working relationship with the County Housing Authority and other adjoining municipalities where affordable housing projects could be developed in the near future and would provide opportunities for the city to participate on a regional basis.

## FINDINGS

In 2006 the City Council adopted the Affordable Housing Element as an appendix to the General Plan. As part of that document, the City Council agreed that, " The city is committed to minimize barriers to affordable housing ... will encourage new affordable housing units, ... conserve existing affordable housing and ... assist families to afford housing through subsidization."

At the time the City adopted its affordable housing element there was neither a specific plan nor funding for plan implementation available. In the interim, the City Council has held several meetings with various governmental and private agencies in an attempt to formulate a plan for ensuring the availability of a mix of housing opportunities for the City's residents. The Council has explored various implementation strategies in anticipation of the time when monies become available, particularly those earmarked monies from the City's EDA (Millrock) and two RDA projects, (Holladay Village and Cottonwood Mall).

As part of this update, the Community Development Staff has reviewed the original statistics in the adopted document in order to verify that there has been no substantial change in the City's affordable housing needs. Based on data gathered throughout 2010 the city's demographics are;

Population <sup>1</sup>	26,472
Average household size <sup>2</sup>	2.74
Total households <sup>2</sup>	9,614
Total housing units <sup>1</sup>	10,537
Vacant <sup>1</sup>	610
Total occupied units <sup>1</sup>	<b>9,927</b>
owner occupied <sup>2</sup>	9,778
Rental units <sup>2</sup>	2,413
Population Growth 2000-2010 <sup>1</sup>	.075%
<b>Single Family</b>	
Median Value: SFD-detached <sup>2</sup>	\$332,100.00
Median sales price: SFD detached <sup>3</sup>	\$268,500.00
Median Assessed Value- SFD detached <sup>4</sup>	\$329,100.00
Average sales price- SFD detached <sup>3</sup>	\$316,216.64
Average Assessed Value-SFD detached <sup>4</sup>	\$435,191.09
<b>Multi-Family</b>	
median- Assessed Value <sup>4</sup>	\$177,300
average- Assessed Value <sup>4</sup>	\$197,664
Median value <sup>3</sup>	\$160,000
Average value <sup>3</sup>	\$181,462
Median sales price; SFD & Multi-F <sup>4</sup>	\$234,900.00
<b>Household Income</b>	
Holladay's Median household income <sup>2</sup>	\$67,334

Holladay's Median family income <sup>2</sup>	\$82,868
<b>County AMI</b>	<b>\$67,800</b>
80% AMI (family of 3)	\$48,850
	\$4,071/mo.
30% available for housing costs	\$1,221.00/mo.
Total Holladay households earning less than 80% AMI <sup>7</sup>	<b>2043 (21%)</b>
Average monthly housing costs	
Owner occupied <sup>2</sup>	\$1,695
Rentals <sup>2</sup>	\$ 438
Households spending more than 30% of their monthly income on housing- with mortgage <sup>2</sup>	1,082
Households spending more than 30% of their monthly income on housing- without mortgage <sup>2</sup>	207
Households spending more than 30% of their monthly income on housing- rentals <sup>2</sup>	568
Total households exceeding 30% of their monthly income on housing <sup>2</sup>	<b>1,857 (19%)</b>
Total number of dwelling units available for families earning less than 80% of the AMI <sup>5</sup>	<b>2323</b>

1. 2010 US Census Redistricting Data
2. 2005-2009 American Community Survey 5-year Estimate Data
3. 2009 Area Sales as reported by Wasatch Front Regional Multiple Listing Service
4. Salt Lake County Assessor's office data set as attached to April 1, 2010 GIS parcel data set
5. Utah Workforce Housing Initiative- data included in the Utah Workforce Housing Estimating Model
6. Population projections from the Governor's Office of Planning and Budget
7. Utah State Tax Commission report, 2009

Data from the Salt Lake County Assessor indicates that of the 10,000 plus housing units in the city, well over 6,000 are single family homes. If the median assessed value is \$246,800, then half of the single family homes in the city are valued at or below that number. However, when the associated costs of utilities, upkeep and taxes are included in the calculation, the number of single family homes that would actually be affordable for households with incomes at or below the median is significantly smaller.

For households who rent housing, the census set the average monthly housing cost at \$442. Based on a survey of owners of rental units within the City, with a 38% response rate, rental units within the city typically follow the rental rates seen throughout Salt Lake County. Rents for a 1 bedroom unit average \$560 and 2 bedroom units average \$646 per month. The Utah Workforce Housing Initiative (UWFHI) model uses \$838 in its calculations of monthly expenses for those households who rent. Data from the City's Business License survey indicates that only about 8% of the city's households are currently using some form of governmental subsidy. This number would support the presumption that a major portion of the householders have found housing without the need for a subsidy. These householders, whoever, may be "doubling up" with other householders and further study is certainly warranted before the City can understand the actual number of additional housing units needed for those households in the targeted categories.

Using the affordable housing model from the UWFHI, a trend in the housing needs for the city is clearly shown. (See attached data sheets). Primarily the number of existing

housing units available for those households living at or below the poverty level does not meet the current nor future needs of that population. The Census estimates that 3.8% of the city's families are categorized as having incomes below the poverty level. The model extrapolates that the number of units that are currently needed is in excess of 600 units. From this data, it is evident that many Holladay residents are living in situations where more than one "householder" is sharing a dwelling unit. These could include, seniors living with married children, young adults living with parents, individual householders sharing a home or apartment as well as those households relying on some kind of subsidized housing voucher. Further study should identify the make-up of these households and help determine the portion of these families who actually require new, or rehabilitated affordable housing.

In a review of the building permits issued within the City since 2006, development of new housing within the City has remained slow and no projects earmarked as "affordable" have been started. In 2006 it was estimated that 18% of the housing in the city could be classified as "affordable" for those target households (*approximately 1,885 units*). Using a range of updated data sources, the UWFHI model estimates approximately 33% of the housing in the City is currently available for those families with household incomes at or below the median. Using the State Tax Commission data, only about 21% of the City's households fall into those categories. However, the range of incomes from "poverty" to "median" still show that housing is not generally available to all the householders in all income groups. Typically, the higher a householder moves upwards through the income ranges, and more options for housing open, particularly in the lower ranges of affordability, there is increased pressure on those who are at the bottom. The model clearly supports this conclusion.

Since the adoption of the Affordable Housing Element of the city's General Plan in 2006, the City has adopted an EDA, and two RDA projects. Figures from, "Holladay TEC 2009 Annual Report" conducted by Bonneville Research, anticipated that between the three projects, \$26, million could become available for housing development within the City by the end of the three projects. As part of the adoption of the Cottonwood Mall RDA, the city agreed to provide one hundred (100) units of affordable housing either directly within the project or outside the project using those anticipated funds and timed to be accomplished in a 10 year period. However, in the past three years, it has become clear that the general depressed economics of development have put this plan in jeopardy. At the current time, any tax increment funds that have been realized from the three EDA and RDA project areas have been needed to cover the basic infrastructure improvements costs and no housing monies have been realized to this date.

In the interim, the city has opted to address other entitlement issues that would create a barrier to any future projects. In an effort to accommodate all housing types, the City Council with the recommendation from the Planning Commission adopted amendments to Chapters 13.14, 13.71 and adopted a Site Development Master Plan (SDMP) for the Cottonwood Mall Redevelopment Project area. These amendments to the zoning ordinance allow for compatible infill development within the single family zones and encourage the preservation of older, moderately valued homes by allowing such

renovations as in-line additions without the need for variances, and accommodating a 20% increase in the size of an existing home without the need for other additional entitlements. The SDMP for the Cottonwood project will accommodate over 600 new residential units of varying sizes and types, and the restructuring of the Holladay Village Zone created a second area within the City where mixed use development is supported.

Since the adoption of the City's Affordable Housing Element, there have been no applications for the development of moderate income housing units within the City's boundary by privately funded developers. Slow economic times may be the major factor in the lack of new development; however, simple economic factors such as higher land values in Holladay and the lack of vacant developable land also contribute to the overall problem.

Holladay's Affordable Housing Element has incorporated goals to address the housing needs of all of the city's residents regardless of where their income levels fall. However, in the current housing market, those families who fall into the extremely low income category will most likely be forced to share living arrangements primarily in rental situations and purchasing single family detached housing will likely be not an option for these families.

At the time of this update, the projected population growth for the city is about 1.5% per year. Although Holladay is an older city and there is little vacant land, much of the current housing is gently aging and redevelopment pressures will continue to threaten these older, affordable homes. Any long range plans for maintaining an adequate supply of all ranges of housing options must look at more than just new built homes and multi-family dwelling units.