

MODERATE INCOME HOUSING PLAN REVIEW

State law requires the Moderate Income Housing Plan be updated every two years and be reviewed by the City Council. The statistics were mostly based upon information from the 2010 Census, which finally became available late last fall. This update indicates that Hyrum City is meeting its requirements for affordable housing.

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 5% 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 \$939 or less. This translates to a house with a maximum purchase price of \$155,000.

Table 1 Income Limits and Moderate Income housing Payments Based upon a median income of \$46,956			
Moderate income housing category	80%	50%	30%
Household income	\$37,565	\$23,478	\$14,087
Maximum purchase price	\$155,000	\$97,000	\$58,000
Maximum monthly housing payment	\$939	\$587	\$352

Source: US Census Bureau; Census 2010

Table 2 Household Income		
Income	Number	Percent
< \$10,000	106	4.9
\$10,000 to \$14,999	115	5.4
\$15,000 to \$24,999	128	6.0
\$25,000 to \$34,999	374	17.4
\$35,000 to \$49,999	318	14.8
\$50,000 to \$74,999	604	28.1
\$75,000 to \$99,999	240	11.2
\$100,000 to \$149,999	248	11.6
\$150,000 to \$199,000	14	.7
\$200,000 or more	0	0
TOTAL	2147	100

Source: US Census Bureau, 2009 American Community Survey estimate

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

According to this data, it is estimated that over 700 households, or approximately 34% of all households, in Hyrum City make less than 80% of the median income of \$46,956, and are considered moderate income.

Housing and Population

The 2010 Census lists the population of Hyrum City as 7609, a 20% increase from the 2000 census. Total housing for the city increased proportionately and was listed in the census at 2200 total housing units. The total occupancy for the city is 2116 occupied units or 96.2% of total housing. Of the 2116 units occupied, 1,774 (83.8%) are owner-occupied and 342 (16.2%) are renter-occupied.

Table 3 Age of Housing Stock		
Year Built	Number	Percent
2005 to 2010	214	9.7
2000 to 2004	281	12.8
1990 to 1999	510	23.2
1980 to 1989	192	8.7
1970 to 1979	472	21.5
1960 to 1969	171	7.8
1940 to 1959	99	4.5
1939 or earlier	261	11.8
TOTAL	2200	100

Source: Cache County Development Services/
US Census

The housing stock in Hyrum City is overwhelmingly comprised of detached, single-family dwellings. In fact, approximately 85.2% of all dwellings in the city fit this description. The other dwellings are divided between multi-family units (9.4%) and mobile homes (5.4%).

As is shown by Table 3, 54% of the total housing stock in Hyrum City has been built since 1980.

Table 4 Housing Building Permits Issued 2008-2010		
Year	Units	Valuation
2008	21	\$3,325,665
2009	51	\$5,909,958
2010	37	\$4,677,682
TOTAL		\$13,913,305
AVERAGE		\$127,645

Source: Cache County

Recent Building

During the period of 2008 to 2010, building permits were issued for 109 new residential units in Hyrum. That works out to an average of about 36 new units per year or about 3 units per month. The total valuation of these permits issued over a three year period is \$13,913,305 which averages to be \$127,645 per housing unit (see Table 4). This average falls well below the threshold maximum purchase price of \$155,000 for units considered to be moderate income housing in Cache County. This would suggest that more than 50%

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

III. Future Needs Analysis

A 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 34% 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 \$155,000 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% per year between the 2000 and 2010 Census reports. According to the 2010 Census, the population of Hyrum City is quite young. The median age for the city is 25 years and 45.3% of the population is 24 years of age or younger. In addition, 6.2% of the population is 65 and over. Both of these numbers are significant because it is the young and old that comprises 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 from 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 had few choices for housing within Hyrum City but with the recent construction of a Retirement Community and a Townhouse Development these choices have been expanded.

If we assume that the city will continue to grow for the next ten years at a pace similar to that which occurred between 2000 and 2010, it is reasonable to expect an increase of population of another 1,600 people, which would mean about 462 additional households. Currently, about 34% of the households in Hyrum City are considered moderate income, meaning that about 157 of the new dwellings over the coming ten years or 15.7 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 this 2012 update.)

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. Accessory apartments are allowed, but other multi-family housing is not permitted in this zone.

Zone R-2

Most of Hyrum is currently zoned R-2, which is single-family housing, but allows for up to one four-plex per block. Accessory apartments are also allowed. 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. Several PUD's have been approved in the last three years that have allowed for town homes and a retirement community all built on smaller lots.

Zone R-5

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

ZONE R-A

This zone is considered the agriculture area of Hyrum. It is located mostly on the north side of town. Minimum lot size is 12,000 square feet. This zone does not allow major subdivisions or multi-family developments but does allow a dwelling to have an accessory apartment.

Zone C-1 & C-2

These zones allow a mix of single family dwellings, multi-family housing, and commercial developments. Planned Unit Developments and accessory apartments are also allowed in these zones.

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 many of 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. The desire for smaller lot sizes is growing due to economic conditions, changes in individual's needs and priorities, and environmental concerns. Alternative lot sizes are possible through the creation of PUDs in Hyrum City. Housing in Hyrum has typically been less expensive than in 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, frontages, sidewalks, etc. to assure the economic viability of developments. Adjust to current housing market needs.
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. (Habitat For Humanity Homes, etc.)
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.