

HOUSING ELEMENT

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A. OVERVIEW

MODERATE INCOME HOUSING

Affordable housing is an increasingly important issue throughout the State of Utah. Utah’s economy has flourished over the past ten years and has attracted a large number of out-of-state residents to Utah. Some of this growth has been experienced in North Logan. In addition, home prices in Utah have steadily increased. The issue of housing cannot be ignored within the state nor can it be ignored within the City. The 2010 Utah Code, Title 10 Utah Municipal Code, Chapter 9a Municipal Land Use, Development, and Management Act, Section 403 Plan Preparation (2) (b) mandates that each municipality study its availability of moderate income housing and engage in efforts to correct deficiencies. This element in the City’s General Plan is the method whereby North Logan fulfills its obligation to comply with this section of the Utah Code as it develops plans to promote the availability of moderate income housing.

Definitions

The United States Department of Housing and Urban Development (HUD) has set a baseline for determining affordable housing. This baseline states, for a family to live comfortably, no more than 30 percent of gross household income should be dedicated to housing and utility expenses. Households earning 80 percent or less of their area’s median gross income are identified as those who may have difficulty finding adequate housing costing no more than thirty percent of their monthly gross income. Utah Code 10-9a-103 Definitions (29), defines moderate income housing as:

“Housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80 percent of the median gross income households of the same size in the county in which the city is located.”

Households earning 80 percent or less of the median gross income are further divided into levels of need:

- Households between 61-80 percent of median gross income;
- Households between 51-60 percent of median gross income;
- Households between 31-50 percent of median gross income; and,
- Households up to 30 percent of median gross income.

Inventory and Analysis

Population. The determination of moderate income housing is based on the population and income characteristics of the municipality. The population of North Logan was at 6,163 in the 2000 Census. Since that time North Logan has experienced steady growth. The 2010 Census reported a population of 8,269.

Average Household Size. According to the 2000 Census North Logan’s average household size was 3.56. That figure decreased to 3.23 in the 2010 Census.

Income Levels. The median gross income for residents in North Logan is about the same as the rest of Cache County, but above that of neighboring Logan City. North Logan’s median household income between 2005-2009 was \$58,444 as compared to \$34,466 for Logan City and \$46,091 for Cache County.

Funds Available for Housing. It is generally accepted that no more than 30% of a family’s household income should be spent on housing and utilities. If more than 30% of a family’s household income is dedicated to housing, the household often does not have adequate funds for other expenses such as transportation, food, and health care. Using the above formula, the following table shows the amount assumed to be available for housing in the following income categories for North Logan City.

	\$ Available for housing
More than 120% (More than \$70,133)	More than \$21,039 annually More than \$1,753 monthly
120% of Median (between \$58,444 and \$70,133)	\$17,533 to \$21,039 annually \$1,461 to \$1,753 monthly
MEDIAN (between \$46,755 and \$58,444)	\$14,026 to \$17,533 annually \$1,169 to \$1,461 monthly
80% of Median gross income (between \$35,066 and \$46,755)	\$10,519 to \$14,026 annually \$877 to 1,169 monthly
60% of Median gross income (between \$29,222 and \$35,066)	\$8,766 to \$10,519 annually \$730 to \$877 monthly
50% of Median gross income (between \$17,533 and \$29,222)	\$5,259 to \$8,766 annually \$438 to \$730 monthly
30% of Median gross income (Up to \$17,533)	\$5,259 annually \$438 monthly

Existing Housing Stock.

An estimate was made of housing stock based on figures from the 2000 Census and building permits issued by the North Logan between 2001 and 2010. The table below indicates the current housing supply through 2010.

Housing Type	2000 Census Data	Bldg. Permits Issued 1/2001 to 12/2010	Total Existing
Single-Family	1326	490	1816
Duplex & Multiple Housing Units	340	220	560
Mobile Homes	62	0	62
Total	1728	710	2438

The following table shows the number of households and percent of households earning incomes in the City. This information was taken from a model prepared by the State of Utah Department of Community and Culture, Division of Housing and Community Development (HCD), with statistical information gathered in July 2011 by the Bear River Association of Governments (BRAG) as compared to the median gross income.

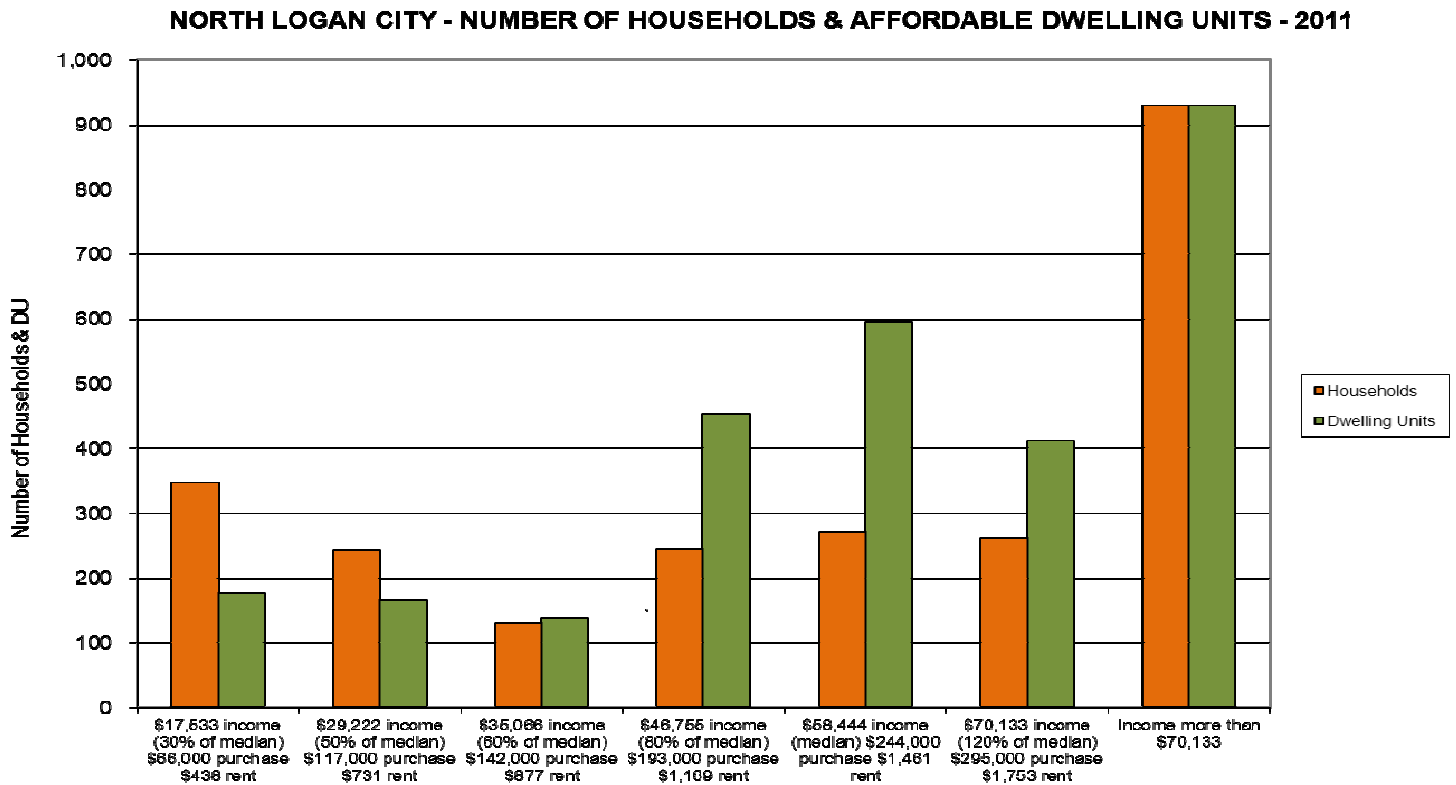
	2011 Statistics from Model	
	# of Households	# of Dwelling Units
More than 120% (More than \$70,133)	929	929
120% of Median (between \$58,444 and \$70,133)	261	412
MEDIAN (between \$46,755 and \$58,444)	271	595
80% of Median gross income (between \$35,066 and \$46,755)	244	453
60% of Median gross income (between \$29,222 and \$35,066)	130	137
50% of Median gross income (between \$17,533 and \$29,222)	243	167
30% of Median gross income (Up to \$17,533)	348	176
Total	2,426	2869

Data from the Utah State Tax Commission was used to help determine the number of households by income. Dwelling unit data was created using a comparison of City figures for building permits and utility services with Cache County Recorder records.

Estimate of Moderate Income Housing Needs for North Logan

The information presented serves as an introduction to the status of the housing supply of the City. This information was used in a model prepared by the State of Utah Department of Community and Culture, Division of Housing and Community Development to analyze existing supply and demand of affordable housing. This model has been used across the state to make a similar analysis for communities. Statistics for individual cities were taken from the 2009 American Community Survey estimate and from data collected by the City. The supply of affordable housing was predicted using past growth patterns and the state’s population projections. Data used in the analysis includes only households and incomes within North Logan and the conclusions reached must factor in proximity of the existing stock of affordable housing in Logan City and all of Cache Valley. The formula calculates whether North Logan had a surplus or deficit of moderate income housing for its population.

Based on the 2011 statistics for households versus available units within determined affordability ranges, the HCD model identified the following needs. North Logan City currently runs a deficit for units affordable to households earning less than 50% of the median area income (Low Income). This deficit increases for households earning less than 30% of the median area income (Very Low Income). See chart below.



Future needs and alternatives

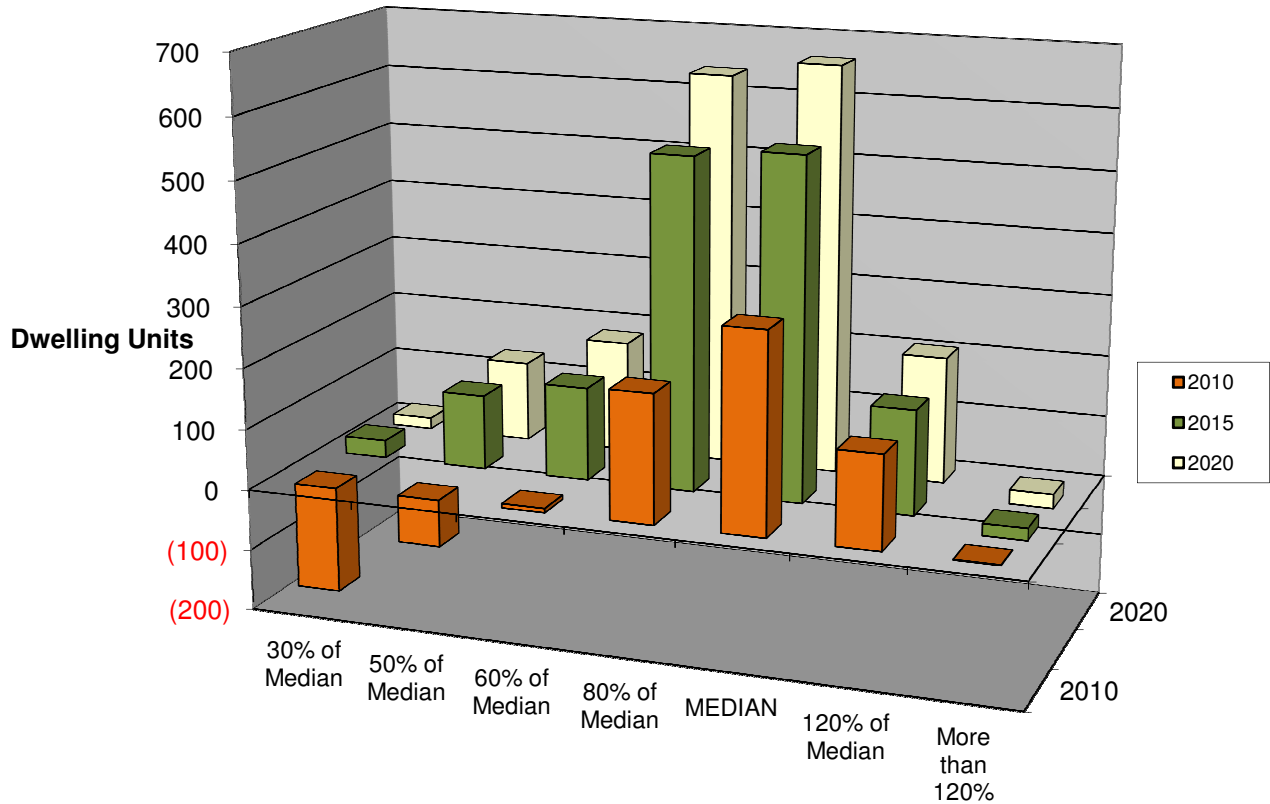
A significant increase of available lower priced housing occurred between 2001 and 2009 when several multi-family apartment projects were built in North Logan. These multi-family complexes increased the relative number of affordable units available. The developments, however, were not sufficient to provide for the needs of all lower income households.

In 2010 and 2011, the City approved 403 new multi-family units of varying market-rate price ranges to be constructed beginning in late 2011 through early 2013. These additional units will increase the availability of units in the Moderate, Low, and Very Low affordability ranges and eliminate the unit deficit identified in 2010 and provide a surplus of units through 2020.

Supply of and Demand for Affordable Housing for Moderate to Low Income Households	Households between 51% and 80% of Median gross income (“neg“ is units needed)	Households between 31% and 50% of Median gross income (“neg“ is units needed)	Households at or below 30% of Median gross income (“neg“ is units needed)
	(moderate)	(low)	(very low)
Current (2010)	209	-77	-173
15 Years (2015)	540	122	29
10 Years (2020)	637	131	18
10 YEAR SURPLUS/DEFICIT	+428	+131	+18

The model’s results show that currently there is a surplus of affordable housing for the Moderate Income category but deficit for incomes below 50% of Median Gross Income. Future projections indicate growth in units affordable to lower incomes resulting in a surplus after 5 years. See the chart below.

NORTH LOGAN CITY - TREND IN AFFORDABLE HOUSING SUPPLY



	30% of Median	50% of Median	60% of Median	80% of Median	MEDIAN	120% of Median	More than 120%
2010	(173)	(77)	7	209	324	151	1
2015	29	122	152	540	553	169	(20)
2020	18	131	182	637	663	206	(23)

In future planning, the City will need to continue to encourage housing development opportunities for households with incomes up to 50% of the median gross income; that is, those with incomes under \$29,222 (in other words an increase in housing available for less than \$730 per month).

North Logan's place in the regional real estate market

Neighboring Logan City provides an existing stock of over 7,000 rental units that potentially fall within the moderate, low, and very low-income affordability range within our relatively small market. While Logan City cannot accommodate all of North Logan's housing needs, its proximity means that it will meet some of the North Logan's market demands. Further, much of this market segment is occupied by students attending Utah State University where there is enough fluctuation in both units and occupancy, that it is difficult to anticipate the future market need for similar housing types within the City.

Careful communication between private developers, Logan City, and other neighboring communities will be necessary to determine the need for and impact of new development on the existing but unmet need for seasonal and long-term affordable housing in North Logan.

A cautious approach to addressing any demand for low-income housing in North Logan will be important. Policies to encourage the development of necessary additional units of housing in these affordability ranges over the next ten years will be created as needed.

Affordable Housing Objectives, Policies, and Implementing Programs

North Logan may consider alternative ways to provide additional low cost housing and overcome any future deficit in affordable housing. Objectives and policies may be established that would be intended to promote the development of moderate-income housing.

B. AFFORDABLE HOUSING POLICY STATEMENT

The City recently adopted its revised Land Use Element on 09-03-08 (Resolution 08-21). The following statement is primarily based on the changes recommended by the implementation policies of the Land Use Element of the City's General Plan. It has been and will continue to be the intent of the City to not limit the development of residential housing within the incorporated areas of the City. The physical environment (geography, zoning, etc.) will place some restrictions on the type and density of any residential development in the City. To meet the current and future affordable housing needs, zoning codes need to be continually evaluated and, if necessary, changed to allow for more affordable housing choices.

Goals, Policies and Implementation Measures

Goal 1: Improve Access to Housing Opportunities for Low and Moderate Income Residents.

Policy: Support and Utilize Existing Affordable Housing Resources

- Continued support of Bear River Regional Housing Authority, which is administered by Bear River Association of Governments (BRAG) and offers the HUD Section 8 Rental Assistance Programs to eligible renters who reside in North Logan.
- Support and promote First-time Homebuyer Program administered by BRAG.
- Support and promote housing repair and rehabilitation program administered by BRAG and USDA's Rural Development Agency.
- Investigate the merits of creating a Local Development Corporation, either individually or in partnership with other communities and development agencies, to undertake affordable housing development on land acquired for such purposes.
- Work with Logan City and other neighboring communities to regularly assess affordable housing needs and the impact of new development on existing demand for such housing.

Goal 2: Improve Fair Housing Practices

Policy: Support Fair Housing Practices through Education and Awareness

- Promote a variety of affordable housing options in the City that are compatible with neighborhood character, including rental and ownership opportunities, and a variety of housing types such as multi-family, duplex, and single-family detached units.

- Sponsor and support presentations and information dissemination by non-profit and government agencies.
- Commit to combat any negative perception of affordable housing (NIMBY (Not in My Back Yard)) by helping residents become educated about and understand the economic value of having diversified housing choices in our community.
- Permit affordable housing in each neighborhood so long as the specific unit type and design is consistent with the character of the neighborhood.
- Acknowledge the economic and social consequences that large-scale or concentrated low-income housing developments place on neighboring households.

Goal 3: Encourage and Support the Provision of Affordable Housing Units

Policy: Modify Existing Regulatory Measures to Encourage the Development of Affordable Housing and Reduce Production Cost.

- Support non-profit and private affordable housing with affordable projects within the City limits.
- Encourage flexibility and innovation in the interpretation of local building codes to allow for the use of different building materials and new technologies.
- Increase flexibility in development standards allowing for reduction of site development costs, including allowances for zero lot line and clustering.
- Streamline the local administrative development review and permitting process to allow for cost reductions.
- Encourage and incentivize the development of affordable housing in small complexes and concentrations of buildings, appropriately distributed and integrated into the whole community.

Policy: Provide Financial Incentives for Affordable Housing

- Provide for fee waivers and impact fee exemptions for projects, or portions of projects that provide new affordable housing units.
- Take advantage of Urban Development Area (UDA) tax incentive increment financing, specifically for affordable housing.
- Support Local Community Housing Trusts that support new or existing financial assistance programs.
- Provide new density bonuses or other benefits to developers willing to incorporate a portion of affordable housing in a project.

Policy: Encourage the Provision of Adaptive Re-use and Mixed-Use

- Encourage adaptive re-use and mixed-use projects to stimulate affordable housing and economic development.

Policy: Adopt New Regulatory Measures to Encourage the Development of Affordable Housing

- Allow for the development of accessory dwelling units in single-family zones.
- Have no more restrictions for manufactured housing than for regular housing.
- Consider adopting local rehabilitation codes to maintain existing housing stock to encourage neighborhood revitalization.
- Adopt quality design standards to help erase negative attitudes and increase acceptance of affordable housing.
- Utilize selective re-zoning of residential land to allow greater density for both single-family and multi-family housing.
- Consider adopting an inclusionary zoning ordinance requiring that a certain portion of new housing units be affordable.
- Promote continued use of the City's subdivision and zoning ordinances that could include density bonuses for certain types of affordable housing units.
- Consider amending residential zoning ordinance to include single-family lots under ¼ acre, second and third floor housing options, and other similar techniques.
- Consider procedures that require certain affordable housing projects be held in perpetuity and monitoring all such deed restrictions.
- Consider adopting ordinances that discourage and disincentives large-scale or concentrated low-income housing.

Sample Housing Types to Consider that may Contribute to Community Livability and Affordability

Mixed-Use Housing Above Retail

Housing on the upper floors of retail shops or mixed apartments and shops on the same street.

Accessory Dwelling Units (Adopted Already)

Converting a basement or guesthouse into separate living quarters.

Garden Courts

A garden or park surrounded by higher density housing. Minimal lot sizes required by modern zoning codes make this type of housing difficult to develop.

Live Work Units

Zoned so occupants are able to work from home, with a separate entrance and discreet signage. This type of housing must be zoned to allow for office use by non-resident employees and customers.

"Big House" Apartments

Apartments that fit into neighborhoods, designed to look like a large home, but built to accommodate two, four, or even eight units.