

City of Hurricane
Moderate-Income Housing Plan



Executive Summary

The City of Hurricane is located in Washington County which is considered one of the fastest growing counties in the United States. The City's temperate climate, amazing recreation opportunities including two state parks with lakes and booming mountain biking opportunities, as well as proximity to national parks has continued to make it a desirable destination for both relocation and recreation. Growth over the past several years in Hurricane was at 5.5% to 6.5% and housing prices have continued to rise.

The City desires to provide housing for a range of income and family sizes and to comply with State law requirements regarding moderate income housing. For this plan, moderate income housing is defined as "housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located." For Hurricane City, that median gross income is \$48,764. Our ultimate goal is to facilitate housing for moderate income families that does not require them to pay more than 30% of income for gross housing costs, including utilities, a rate of approximately \$1291 monthly, using the methods outlined in the State's requirements for moderate income housing plans. The methods planned for this reporting year are amending the general plan to ensure multi-housing types are planned near expected transit stops along SR-9, amending the land use code to define densities and allow for density bonuses in mixed use, planned commercial and neighborhood commercial zones where housing for moderate and low income housing households is created and restricted by deed instruments, and amending the land use code to adjust density per acre standards based on bedrooms and parking requirements rather than unit count.

Introduction

In recent years Hurricane City has taken steps to enable more housing options in the City, as recommended in previous affordable housing plans. Accessory dwelling units (ADU's) were approved on owner occupied single family lots in late 2017 and multiple zone changes have enabled the development of new apartment buildings and new townhome projects which have added to the availability of housing types for rental households in the area. The number of multi-family units available has increased by approximately 10%. Two subdivisions providing small lot single family housing have sold out based on affordable sales prices, aided by lower interest rates and availability of USDA loans. Land prices and construction materials prices continue to rise, making new construction more and more expensive. The use of ADU's and single family houses for short term vacation rentals has taken a toll on the number of available rental units or units for sale at a price affordable to moderate-income buyers. An affordable housing grant offered by the City continues in effect but the maximum sales price of \$258,520 limits the number of properties that can meet the guidelines.

Hurricane is bounded by Washington City and LaVerkin City, both of which provide housing just over the border from Hurricane City. These city boundaries create opportunities for housing on the edges of each community contributing to the housing of neighboring communities. Unfortunately, the proliferation of vacation rental properties in both neighboring municipalities continues to drive housing availability and prices up in all areas. Employees that have to travel further and further from Hurricane to find affordable housing has a negative impact on business development and transportation corridors leading in and out of the community.

While data show that median income renter and owner households in Hurricane are not yet cost burdened with rates over 30% of total income and that the ratio does not exceed 30% for either group by 2024, the availability of rental units and low cost owner occupied housing units remains a problem.

Table B25064 Table B25088 Table B25119	2009 American Community Survey	2017 American Community Survey	2024 Projection
Ratio of the municipality's median rent to the median RENTER household income in the municipality	25.1%	28.3%	29.1%
Ratio of the municipality's median mortgage costs to median OWNER household income in the municipality	29.7%	26.9%	25.5%

However, when you look at the families who are at 50% and 30% of the median income, many are currently severely cost burdened and will become even more so in the future.

Ratio of median rent in the municipality to 50% of the median income of a family of 4 in the county	36.6%	37.0%	41.9%
Ratio of median rent in the municipality to 30% of the median income of a family of 4 in the county	61.1%	61.6%	69.9%

With only 154 deed restricted housing units in the City, the City needs to provide opportunities for the development of additional units every year up to and including 2024.

State deed restricted units:

Washington County	Hurricane city	Hurricane Hills (Phase I)	50
Washington County	Hurricane city	Knollwood Townhomes	28
Washington County	Hurricane city	Stoney Point CROWN	8

Federal deed restricted units:

Washington County	Hurricane city	Hurricane Apartments	24
Washington County	Hurricane city	Knollwood Townhomes	28
Washington County	Hurricane city	Hurricane Hills I	50
Washington County	Hurricane city	Renee Ann Apartments	24
Washington County	Hurricane city	Hurricane Hills II	28

Population Trends and housing supply:

The population estimates created by the 2009 and 2017 American Community Survey methodology show a change of just over 3,000 residents in that time frame, with a projection of a 2024 population of 17,982. The City's own estimates of current 2019 population, based on building permits and an average household size of 2.9 residents, is 20,319, which exceeds the projected 2024 population. Based on a 5% growth rate, the City anticipates a 2024 population of at least 25,900. The 2010 Census population for Hurricane was 8,800 so the population has increased by 11,519 in a little less than 10 years. Because the City has an area of over 52 square miles and large areas of undeveloped private property, it is anticipated the City will continue to gain population significantly every year.

In the past 3 years the City has recognized the need to approve zoning changes and project plans that provide a wider variety of housing options. Over 984 new multi-family units have been approved and are in various stages of construction or occupation. These units are a mixture of rental apartments, rental and owner occupied townhomes, and duplex housing. Demand is high for these units and prices remain market driven. In addition, several smaller lot single family home subdivisions are beginning to be occupied, providing a single family option for a lower price. Given the current patterns of development and considering development proposals currently in review, housing supply will continue to increase along with population.

Realtor.com currently shows 12 properties available for rent with prices ranging from \$1100 a month for a one bedroom apartment to \$1900 month for a 4 bedroom single family home. Craigslist has 7 listings,

including a single bedroom and bathroom in a house for \$560 month and a 4 bedroom house at \$2,000 a month. Anecdotal reports say each rental property gets interest from at least 30 applicants the first day of listing, indicating a high occupancy rate and low availability.

Data from the American Community Survey indicate a housing supply shortage for renter households in the 80%, 50% and 30% of median income categories, though it indicates an adequate supply of total affordable units.

2018 Shortage	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units - Renter Households	Available Units - Renter Households
≤ 80% HAMFI	875	1,465	805	590	-70
≤ 50% HAMFI	615	500	270	-115	-345
≤ 30% HAMFI	405	205	70	-200	-335

A comparison between this 2018 data and the 2016 data indicates the availability gap is growing, as shown by the following charts.

2016 Shortage	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units - Renter Households	Available Units - Renter Households
≤ 80% HAMFI	615	1,110	655	495	40
≤ 50% HAMFI	450	285	140	-165	-310
≤ 30% HAMFI	350	65	50	-285	-300

PROGRESS	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units - Renter Households	Available Units - Renter Households
≤ 80% HAMFI	260	355	150	95	-110
≤ 50% HAMFI	165	215	130	50	-35
≤ 30% HAMFI	55	140	20	85	-35

Goals and planning for meeting moderate-income housing demand

While the City cannot control the housing market, it can take steps to ensure housing options continue to be available for all residents of all income ranges and ages. These include locating appropriate land use designations for multi-family housing, manufactured home communities, and townhome development. Ensuring these land use designations are located in areas convenient to shopping, transportation, and jobs will help families keep transportation costs lower. The City will be starting an amendment of the entire General Plan in 2020 and will ensure consideration is given to these factors when finalizing the updated plan.

Planning for the proposed St. George to Zion bus system should include housing options near projected stops along the route. These stops may be located in areas already built up with older housing stock that can be utilized by lower income households. Allowing the creation of accessory dwelling units within the existing housing stock could increase densities in already developed areas and provide options for moderate and low income housing.

With the knowledge that low to moderate income families are being priced out of the single family housing market based on an average sales price of \$295,600 and an affordable monthly payment of \$1291 including utilities, allowing the development of more small lot and multifamily housing is the method the City expects to use for the next year to continue to encourage moderate to low income housing. Due to the large number of units already approved, the next year will help the City examine the effect of these additional housing options on access to housing.

The specific tools outlined in Utah State Law that the City will utilize are:

1. Encourage higher density or moderate income residential development near a major transit investment corridor – SR-9
2. Allow for moderate income residential development in mixed use zones and planned commercial and neighborhood commercial zones based on guaranteed low to moderate income rental or ownership rates for the next 15 years.
3. Allow for single bedroom occupancy developments with lower parking requirements.

In working with these tools the City will:

1. Update the General Plan for multi-residential types in areas that will be within close proximity to the new transit system on SR-9. This will be one of the first updates to the General Plan as soon as planned stops are identified on the route and is expected to be completed by December 2020.
2. Rewrite sections of the land use code for mixed use and planned commercial zones setting specific densities and percentages of residential uses in commercial zones with density bonuses available for deed restricted rent and sales prices. The City will start work on this re-write in January of 2020 and intends to adopt changes by May of 2020
3. Begin a study on the per acre density standards in multi-family zones and consider how to re-write the land use code to more easily accommodate more single bedroom units with less parking on the same size parcels, with the intent of providing opportunities for development or redevelopment of properties at densities based on number of bedrooms rather than number of units. The City will

work on this re-write starting in May of 2020 with a goal of completing the re-write by November of 2020.

Fair Housing Standards

Utah's Fair Housing Act prohibits discrimination on basis of race, religion, color, sex, national origin, familial status, disability or source of income in the rental, purchase or sale of real property. The only formal mechanism for identifying discrimination cases, based upon the parameters of the Fair Housing Act, is the incidence of fair housing complaints. In order to analyze the level of discrimination in the community it may be necessary to incorporate methods such as testing of landlords. While the Utah Anti-discrimination and Labor Division (Division) is notified of Fair Housing complaints by HUD and provides mediation services, there is still no formal method of analyzing discrimination. Education is available to landlords through the Division. The City should ensure landlords are aware of the resources available to understand compliance with the law.