

Executive Summary

Millcreek is located in the northeast quadrant of Salt Lake County. When Millcreek incorporated as a city in 2017, it became the eleventh largest city in the State and the sixth largest city in Salt Lake County. Millcreek has a highly educated population, a higher median age, higher per capita incomes, and smaller household sizes. The housing stock in Millcreek is older, and is relatively affordable, with nearly 33 percent of housing units affordable to moderate-income households.

Millcreek is known for its charming and unique neighborhoods. An important element of the housing study is the recognition of the importance of maintaining this backbone and structure of the community. Millcreek residents have also voiced concerns about the increasing costs of housing and the availability of affordable housing in the City in the future. This Plan discusses ways to provide for future affordability, while still maintaining the character and integrity of existing neighborhoods in Millcreek.

In terms of existing conditions, Millcreek has no SFD units that are affordable to households with incomes making less than 40% of AMI, but has 35% of MFD units that are affordable to this income range. Millcreek has a strong supply of both SFD and MFD units that are affordable to households at 80% of Area Median Income (AMI).

Table 1: SFD Affordable Units

Household Income Level	Income Max	Max Home Price (5% Interest)	# Affordable SFD Units	% of Units	Cum. % of Units
< 30% AMI	\$20,350	\$31,159	0	0%	0%
30-50% AMI	\$33,917	\$87,385	65	0%	0%
50-80% AMI	\$54,267	\$171,723	1,724	10%	10%

Table 2: Number of Affordable MFD Units by Targeted Income Group

Household Income Level	Income Max	Monthly Rental Max	# Affordable MFD Units	% of Units	Cumulative % of Units
< 30% AMI	\$20,350	\$509	655	8%	8%
30-50% AMI	\$33,917	\$848	2,222	27%	35%
50-80% AMI	\$54,267	\$1,357	3,779	47%	82%

If only considering whether housing is affordable at the 80 percent of AMI threshold, there is a reasonable opportunity for moderate-income households to live in Millcreek, with 33 percent of all units affordable to households up to 80 percent of AMI (see the table below). However, approximately 45 percent of households in Millcreek are below 80 percent AMI.

Table 3: Number of Affordable Units by Targeted Income Group

Household Income Level	Affordable Units	Households	% Affordable	Households %	Units Cumulative %	Households Cumulative %
< 30% AMI	655	2,968	3%	12%	3%	12%
30-50% AMI	2,287	3,224	9%	13%	12%	26%
50-80% AMI	5,503	4,567	22%	19%	33%	45%

However, in order not to overstate the need for affordable housing, adjustments have been made for households without a mortgage. After these adjustments, as explained in the body of this report, **there is a significant lack (2,252) of units affordable to households below 50 percent of AMI. On the other hand, there are about 1,375 excess units affordable between 50 and 80 percent of AMI, with 2,292 excess units above 80 percent of AMI**, indicating that many low- to moderate-income households in Millcreek are living in units that are above their income. Overall, there is a deficiency of 877 affordable units for households below 80 percent AMI.

Table 4: Number of Units Currently Needed by Targeted Income Group

	Households	Existing Units	Difference Between Demand for Units and Existing Units	Cumulative Difference
< 30% AMI	2,438	510	1,928	1,928
30-50% AMI	2,438	2,114	324	2,252
50-80% AMI	3,745	5,120	(1,375)	877
> 80% AMI	10,494	12,786	(2,292)	(1,415)
Total	19,116	20,531	(1,415)	

After adjusting for households without a mortgage, approximately 45 percent of households in Millcreek have incomes less than 80 percent AMI, while only 38 percent of units are affordable to households in the same income range. This disparity is greatest for households below 30 percent AMI.

Table 5: Millcreek Affordability Comparison

	% of Units	Percent of HH	Units Cumulative %	HH Cumulative %
< 30% AMI	2%	13%	2%	13%
30-50% AMI	10%	13%	13%	26%
50-80% AMI	25%	20%	38%	45%
> 80% AMI	62%	55%	100%	100%
Total	100%	100%		

A summary and grouping of key strategies identified as part of this Plan for providing affordable housing include:

1. **Strategic Use of RDA Housing Fund Set-Asides.** Millcreek currently has one RDA area – the West Millcreek area that is administered by Salt Lake County. It would be to the City’s benefit to have this RDA area transferred to the City’s Community Reinvestment Agency, thereby enabling the City more control over how these funds are spent. The City could choose to reduce housing costs by providing local infrastructure, acquiring land for housing development, establishing a housing rehabilitation program, or passing funds along to the Olene Walker Housing Loan Fund.
2. **Focus New Housing in Town Centers or on Transportation Routes.** This maintains existing neighborhoods while providing mixed-use, complete neighborhoods with access to essential services, thus reducing transportation costs.

3. **Reduce Costs for Developers and/or Residents.** This can be accomplished through a variety of means including the creation of Community Reinvestment Areas (CRAs), Transportation Reinvestment Zones (TRZs), voucher programs, Low-Income Housing Tax Credits (LIHTC), revolving loan funds, and waived or reduced development fees. In addition, the development of energy-efficient housing can serve to reduce the utility costs associated with housing.

State Code requires that general plans estimate the need for moderate income housing. This appendix complies with and is presented in accordance with Utah State Code 17-27a-408, and has the following objectives:

- Meet regulatory requirements by reporting the status of housing to the State of Utah and to provide a methodology to meet community needs;
- Provide a diversity of housing choices that meets the needs of all stages of the lifecycle;
- Provide a plan and tools for implementing goals; and
- Provide Millcreek with the resources needed to inform residential development decisions that are beneficial, fair, equitable, and a good fit for the needs of residents and to enhance quality of life in the City.

This appendix evaluates existing conditions in the current housing supply. Existing and future needs are then presented and matched with supply and demographics to best determine the greatest needs and priorities for Millcreek. This chapter also includes goals and action items, which should inform future planning decisions. This housing chapter is organized into four major sections:

1. Current Housing Supply
2. Affordable Housing Analysis
3. Moderate Income Housing Plan

Glossary of Terms

This appendix uses a variety of terms relative to housing. Below is a summary of the terms used:

Housing Unit: A house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters.

Single-Family Residential: Housing units that are individually assessed and can be bought and sold as a single unit. This includes single-family dwellings, townhomes, condos, and mobile homes. While a portion of these units are rented, rental rates are unknown and the unit can become owner-occupied. The value of these units, regardless of rental status, is based on their market value as given by the County Assessor.

Multi-Family Residential: Includes duplexes, triplexes, fourplexes, and apartments, and are studied by their rental rates, based on the estimated gross rent as indicated by the ACS (2016).

Area Median Income (AMI): The median family income level for Salt Lake County, as determined by the Federal Department of Housing and Urban Development, based on US Census Data. The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. HUD uses the median income to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area and adjusts that amount for different family sizes.

Target Income Groups: Low-income households are split into three groups based on a percentage of the Area Median Income, and are referred to as the Targeted Income Groups, based on HUD guidelines and as required in Utah State Code 17-27a-408. The three groups include:

- **Moderate income:** 80 percent of the Area Median Income;
- **Low income:** 50 percent of the Area Median Income; and
- **Very low income:** 30 percent of the Area Median Income.

Monthly Housing Allowance: The maximum amount that a household can spend on housing costs per month, included utilities and other fees. The monthly housing allowance also represents the total housing costs affordable at 30 percent of gross income.

Affordability Thresholds: A conversion of the monthly housing allowance to the maximum home price for each of the targeted income groups.

Summary of Findings

- Millcreek is heavily single-family homes (single-family detached - SFD”), with SFD comprising 64 percent of all units in Millcreek.
- The age of housing stock in Millcreek is generally older, but with some recent development of multi-family units.
- Current housing demands indicate a lack of 1,928 housing units for households with very low income (30 percent AMI), and an additional lack of 324 units for households with low income (50 percent AMI). There is currently an excess of 1,823 units for households with moderate incomes (80 percent AMI). This may mean that many low- and very-low income households are living in homes that they cannot afford or that higher-income households are choosing to live in homes that are below what they can afford.
- Projected needs will increase for all moderate- and low-income household groups.
- There are approximately 1,308 units/beds in senior living, assisted living, and retirement communities in Millcreek, with about 1,383 households over 65 renting their current home. Furthermore, the City has a population of approximately 9,271 over 65. As this group continues to age, there will be additional need for senior living, assisted living, and retirement communities in Millcreek.

Current Housing Supply

Current Housing Stock

Millcreek is heavily single-family homes (“SFD”), with SFD comprising 64 percent of all units in Millcreek. The age of housing stock in Millcreek is generally older, and the County reports very few new developments occurring in recent years. This section relies primarily on the most recent Salt Lake County property assessments to determine the current available housing stock, with supplemental information from the U.S Census Bureau American Community Survey (ACS).

Total Housing Units by Type and Occupancy

As of the 2017 County assessment, there are a total of 26,978 units in Millcreek, including all single-family residences, townhomes, mobile homes, duplexes, condos, apartment units, and special group units. Detailed totals are given in the table below. For the purposes of this study, all single-family units (i.e., SFDs, townhomes, condos, and mobile homes) are grouped and analyzed as for-sale product, while multi-

family residential units (i.e., duplexes and apartment units) are grouped and analyzed as for-rent product. Mother-in-law apartments are included in both SFD and MFD.¹

Table 6: Residential Units by Type (Source: SLCO Assessor)

	Number of Units	Percent of Total	Avg. Lot Size	Median Value	Avg. Square Feet
Single-Family Residential	17,305	64.1%			
Condo	3,236	12.0%	0.01	\$172,500	1,378
Townhome	743	2.8%	0.12	\$398,200	3,017
SFD	13,123	48.6%	0.26	\$325,800	2,677
SFD w/Mother-in-law Apt*	93	0.3%	0.25	\$347,300	2,025
SFD - Multiple Homes **	80	0.3%	0.42	\$333,700	1,847
Trailer Park	30	0.1%	4.25	\$61,730	729
Multi-Family Residential	8,116	30.1%			
Apartment	5,622	20.8%	1.56	NA	950
Duplex	1,228	4.6%	0.23	NA	1,331
Low Income	1,075	4.0%	0.35	NA	904
Mother-in-law Apartment	93	0.3%	0.25	NA	868
Other MFD	98	0.4%	0.42	NA	1,812
Special Groups	1,557	5.8%			
Apartment	29	0.1%	0.23	NA	NA
Duplex	1,528	5.7%	1.86	NA	NA
Total	26,978	100.0%			

*Includes only single-family dwelling units that have an accessory unit
**Multiple single-family homes located on one parcel

Low Income Tax Credit Units

According to the Salt Lake County Assessor, there are 904 units in Millcreek that are classified as low-income tax credit units.

Vacancy Rate

The 2016 ACS estimates a low vacancy rate for Millcreek. Vacancy rates in Millcreek are slightly higher than elsewhere in Salt Lake County.

Table 7: Millcreek Vacancy Rates (Source: 2016 ACS)

	Millcreek	Salt Lake County
Single-Family Residential	0.6%	1.3%
Multi-Family Residential	5.3%	4.7%
All Units	5.6%	5.5%

¹ The primary unit is included with SFD, while the mother-in-law apartment is included with MFD.

Tenure

2016 ACS data estimates a 60 percent ownership rate for the City. This is slightly below the average for Salt Lake County.

Table 8: Housing Tenure (Source: ACS 2016)

Year Built	Millcreek	Salt Lake County
Owner Occupied	60%	66%
Renter Occupied	40%	34%
Total	100%	100%

Housing Size

The average single-family detached or townhome unit in Millcreek is 2,438 square feet, which is slightly smaller than the County average of 2,626 square feet. Apartment units in Millcreek, however, are approximately 200 square feet larger than other apartment units in Salt Lake County.

Table 9: Average Unit Size (Sources: Salt Lake County Assessor; EquiMark Multi-Family Report 2014)

Year Built	Millcreek	Salt Lake County
Single Family	2,438	2,626
Multi Family	1,049	863

When considering all unit types, approximately 58 percent of all units in Millcreek are less than 2,000 square feet.

Table 10: Percent of Residential Units by Unit Square Feet (Source: SLCO Assessor)

Square Footage	Millcreek % of Units	Millcreek Cum. %
999 or less	27%	27%
1,000 – 1,499	17%	44%
1,500 – 1,999	14%	58%
2,000 – 2,499	14%	72%
2,500 – 2,999	11%	72%
3,000 or more	17%	100%

Residential units in Millcreek have approximately 2.22 bedrooms per unit, compared to 2.43 in Salt Lake County. The table below shows the percent of units by the number of bedrooms. In Millcreek, 42 percent of units have no more than 2 bedrooms, compared to 33 percent in Salt Lake County. In Millcreek there is a reasonable distribution of units based on the number of bedrooms.

Table 11: Percent of Residential Units by Number of Bedrooms (Sources: 2016 ACS)

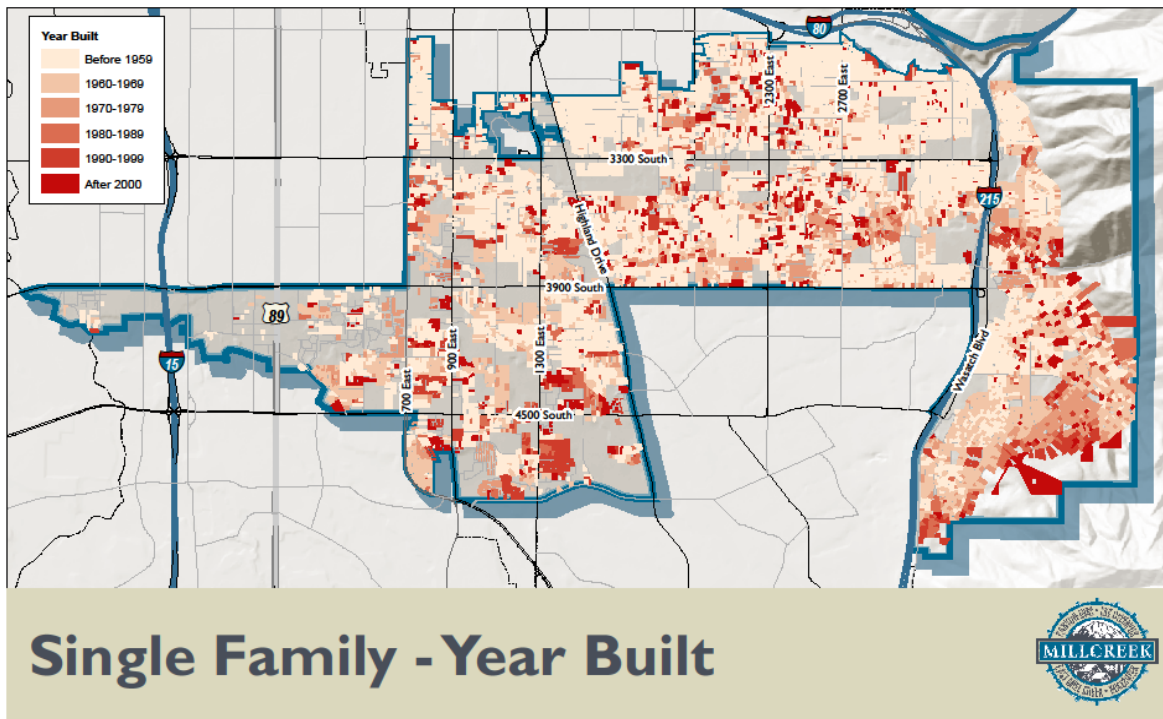
	Millcreek	Millcreek Cum. %	SLCO	SLCO Cum. %
No bedrooms	2%	2%	2%	2%
1 bedroom	9%	11%	10%	11%
2 bedrooms	31%	42%	22%	33%
3 bedrooms	25%	67%	26%	60%
4 bedrooms	21%	88%	22%	81%
5 or more bedrooms	12%	100%	19%	100%

Housing Age

The age of housing units in Millcreek is generally older than other units in Salt Lake County. For example, 66 percent of all units in Millcreek were built before 1979, compared to 51 percent throughout Salt Lake County. Because Millcreek has relatively little vacant land, residential development in recent years has been in large part due to redevelopment.

Table 12: Percent of Residential Units by Year Built (Sources: SLCO Assessor, 2016 ACS)

Year Built	Millcreek Units	Millcreek % of Units	Millcreek Cumulative	SLCO % of Units	SLCO Cum. % of Units
1939 or earlier	993	4%	4%	9%	9%
1940 to 1949	2,213	8%	12%	4%	13%
1950 to 1959	5,985	22%	34%	9%	22%
1960 to 1969	3,677	14%	48%	9%	31%
1970 to 1979	4,997	19%	66%	20%	51%
1980 to 1989	3,361	12%	79%	14%	64%
1990 to 1999	2,666	10%	89%	16%	80%
2000 to 2009	1,599	6%	94%	16%	96%
2010 or later	1,487	6%	100%	4%	100%

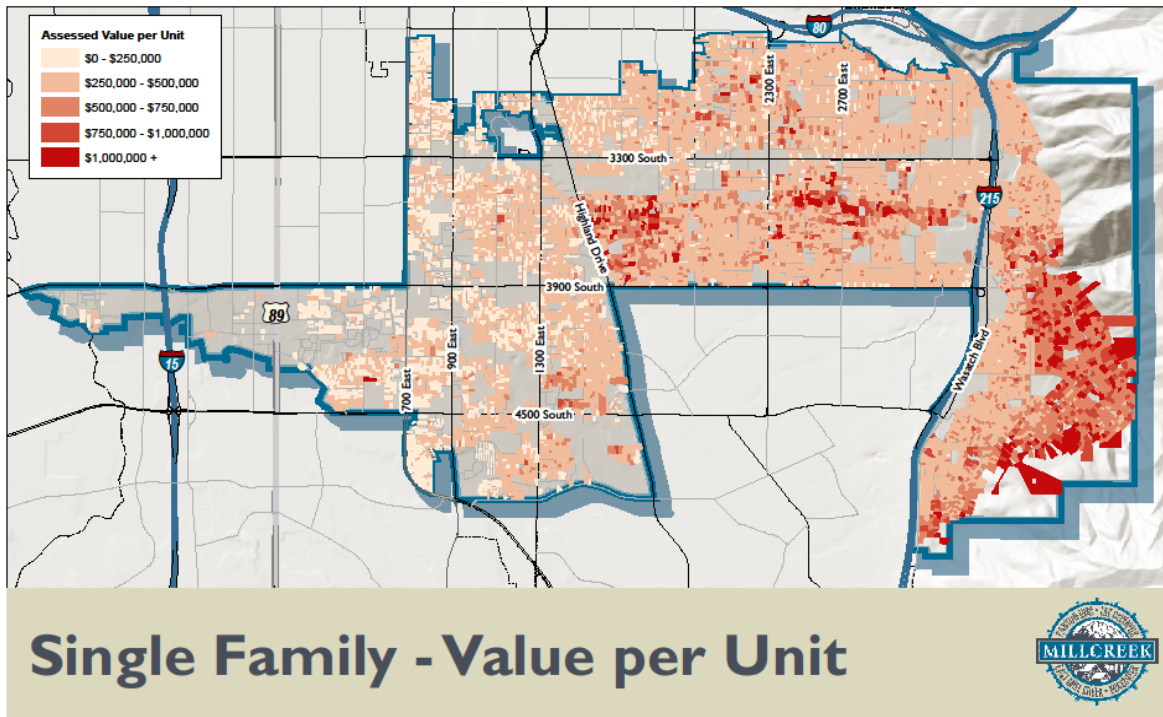


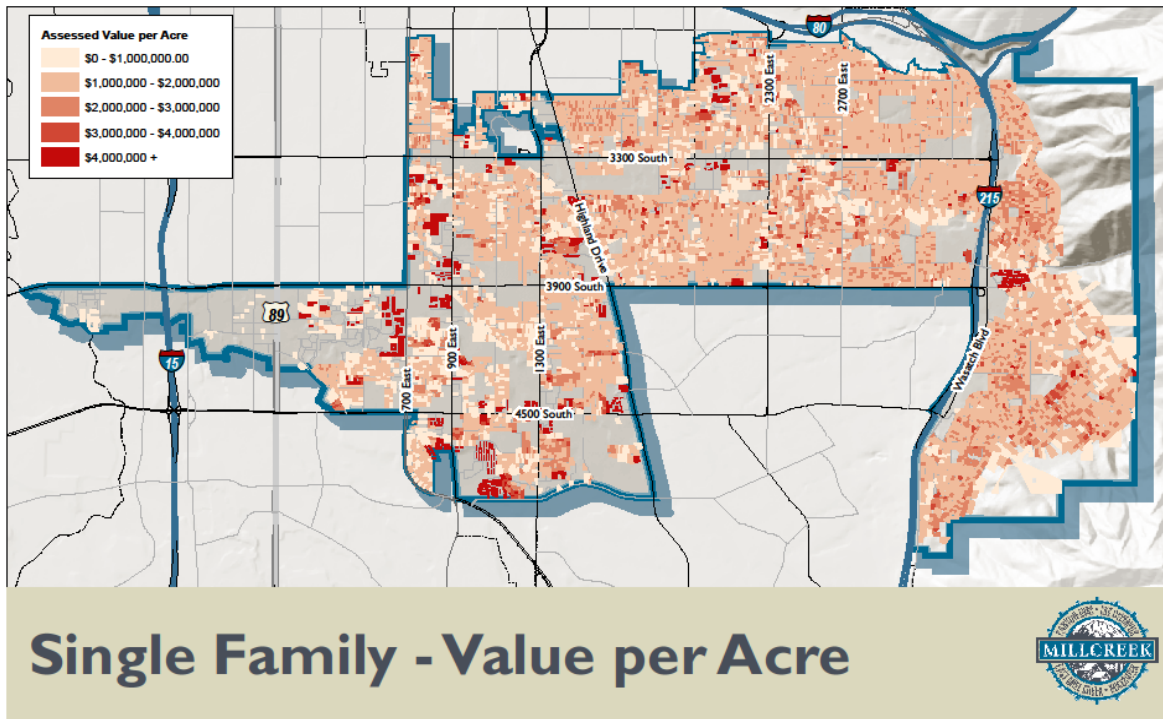
Market Values and Rental Rates

An overview of housing values and market conditions is given here to further illustrate Millcreek’s housing stock. Housing prices, and how they relate to affordability for targeted income groups, are analyzed in more detail in the next section titled “Current Affordable Housing and Need.”

The 2016 ACS indicates that the median home value in Millcreek is \$296,800, over \$50,000 more than the County median of \$243,700.

The maps below show assessed market value by property and by acres for SFD, townhomes, and condo units within Millcreek. Properties with lower assessed values are generally located west of Highland Drive. The market value per acre is higher in Millcreek, due to smaller lot sizes and higher home values. Generally larger parcels are more expensive housing units, partially due to increased land cost, but also often due to the type of larger homes generally associated with a larger lot. While these properties are valuable and provide high property tax revenue per parcel, value is more densely concentrated on smaller lots. Higher property tax revenues are available per acre in denser housing.

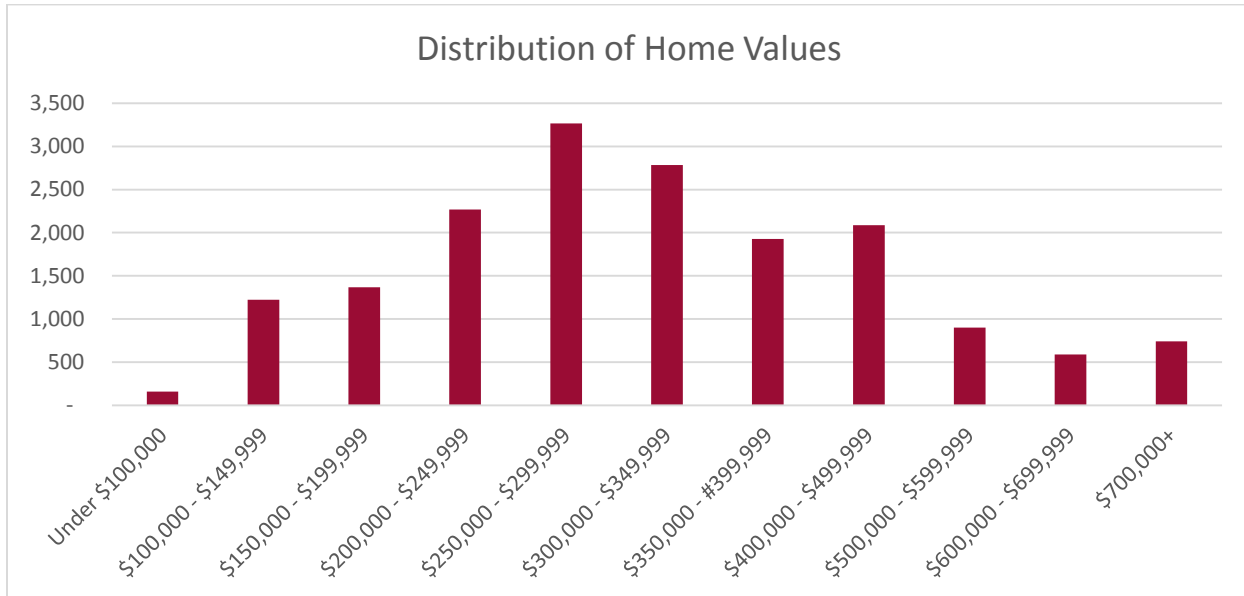




The table below shows the total SFD units listed by the County, along with the assessed value range for each category. These units may also include some accessory dwelling units unlisted by the County.

Table 13: Assessed Housing Values in Millcreek (Source: SLCO Assessor)

COUNT OF UNITS BY HOME VALUE RANGE	Distribution of Home Values	% Total	Cumulative % of Total
Under \$100,000	158	1%	1%
\$100,000 - \$149,999	1,221	7%	8%
\$150,000 - \$199,999	1,366	8%	16%
\$200,000 - \$249,999	2,269	13%	29%
\$250,000 - \$299,999	3,268	19%	48%
\$300,000 - \$349,999	2,784	16%	64%
\$350,000 - \$399,999	1,927	11%	75%
\$400,000 - \$499,999	2,086	12%	87%
\$500,000 - \$599,999	899	5%	92%
\$600,000 - \$699,999	587	3%	96%
\$700,000+	740	4%	100%
TOTAL	17,305	100%	



Rental prices are also important to consider in the affordability of the current housing stock. Millcreek currently has approximately 8,116 MFD units, 69 percent of which are apartment units. The percent of rental units by gross rent, according to the 2016 ACS, for units in Millcreek are listed in the table below.

Table 14: Gross Rent for Rental Units in Millcreek (Source: 2016 ACS; SLCO Assessor)

Minimum	Maximum	Estimate	Percent	Cum. Percent
\$0	\$199	266	3%	3%
\$200	\$299	60	1%	4%
\$300	\$399	162	2%	6%
\$400	\$499	167	2%	8%
\$500	\$599	243	3%	11%
\$600	\$699	451	6%	17%
\$700	\$799	867	11%	27%
\$800	\$899	1,322	16%	44%
\$900	\$999	1,110	14%	57%
\$1,000	\$1,499	2,491	31%	88%
\$1,500	\$1,999	592	7%	95%
\$2,000		386	5%	100%
TOTAL		8,116	100%	100%

Income

Incomes have a direct impact on housing affordability. Household incomes in Millcreek are slightly lower than the County. Millcreek's median household income is \$59,291 compared to the County at \$64,601. On the other hand, Millcreek has among the highest per capita incomes in the County at \$33,981 per person, compared to \$28,578 for the County. This is due to the relatively smaller household sizes in Millcreek (2.49 persons per household) when compared to household sizes countywide (2.96 persons per household).²

² Source: American Factfinder

Table 15: Household and Per Capita Incomes (Source: 2016 ACS)

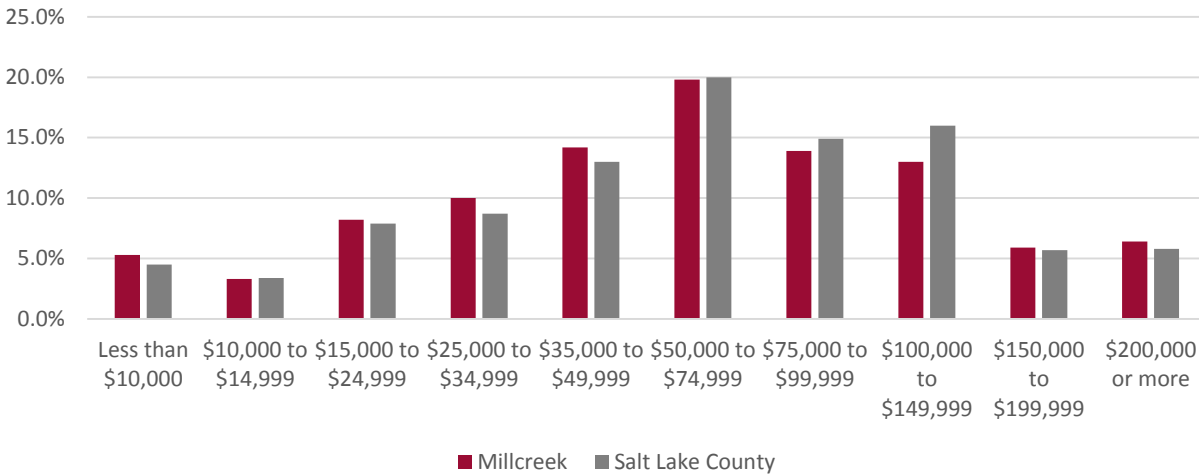
	Median HH Income		Per Capita Income
Emigration Canyon	\$142,917	Emigration Canyon	\$71,820
Sandy	\$83,527	Cottonwood Heights	\$43,206
Cottonwood Heights	\$82,008	Holladay	\$42,607
Holladay	\$77,753	Sandy	\$34,191
West Jordan	\$69,503	Millcreek	\$33,981
Salt Lake County	\$64,601	Murray	\$29,267
Millcreek	\$59,291	Salt Lake County	\$28,578
West Valley City	\$55,933	Midvale	\$24,591
Murray	\$55,483	West Jordan	\$24,287
Midvale	\$52,521	South Salt Lake	\$18,646

Millcreek has high representations in upper income brackets and has very even representation across most income categories with most categories being well represented.

Table 16: Households by Income Bracket (Source: 2016 ACS)

Households by Income Bracket	Millcreek	Salt Lake County
Less than \$10,000	5.3%	4.5%
\$10,000 to \$14,999	3.3%	3.4%
\$15,000 to \$24,999	8.2%	7.9%
\$25,000 to \$34,999	10.0%	8.7%
\$35,000 to \$49,999	14.2%	13.0%
\$50,000 to \$74,999	19.8%	20.0%
\$75,000 to \$99,999	13.9%	14.9%
\$100,000 to \$149,999	13.0%	16.0%
\$150,000 to \$199,999	5.9%	5.7%
\$200,000 or more	6.4%	5.8%

Percent of Households by Income



Percent of Monthly Income to Housing Costs

The 2016 ACS estimates that 32 percent of Millcreek households spend more than the recommended 30 percent of total monthly income on housing costs. This is slightly higher than the County average of 30 percent.

Table 17: Percent of Monthly Income Spent on Housing Costs (Source: 2016 ACS)

Percent of Monthly Income	Millcreek	SLCO
Less than 20 percent	44%	44%
20 to 29 percent	21%	24%
30 percent or more	32%	30%
Zero or negative income	2%	1%
No cash rent	1%	1%

The percent of households that spend more than 30 percent on housing costs is greater for renter-occupied units than owner-occupied units, indicating a need for more affordable rental options.

Table 18: Percent of Monthly Income Spent on Housing Costs by Tenure (Source: 2016 ACS)

Percent of Monthly Income	Millcreek	SLCO
Owner Occupied		
Less than 20 percent	55%	53%
20 to 29 percent	20%	24%
30 percent or more	23%	23%
Zero or negative income	1%	0%
Renter Occupied		
Less than 20 percent	28%	26%
20 to 29 percent	22%	25%
30 percent or more	45%	45%
Zero or negative income	2%	2%
No cash rent	3%	3%

Lifecycle Housing

The City may want to consider housing suitable for different stages of life, such as units for singles and young couples, townhomes for retirees, as well as opportunities for senior citizen housing and long-term care/assisted living facilities. Such an approach creates opportunities for people to live and grow in the same community. It also enables young couples, families, and the elderly to live near relatives.

Elderly

A deficit of townhomes, senior housing, and assisted living pushes out residents as they age when fixed-incomes, lifestyle, and health needs force them to downsize to small units or units with assistance to residents. 2016 ACS data shows about 25 percent of all Millcreek households are held by those 65 and older. In communities with older populations, like Millcreek, it may be important to plan so that residents have a reasonable opportunity to age in place and thus have the opportunity to continue to live near to friends and family.

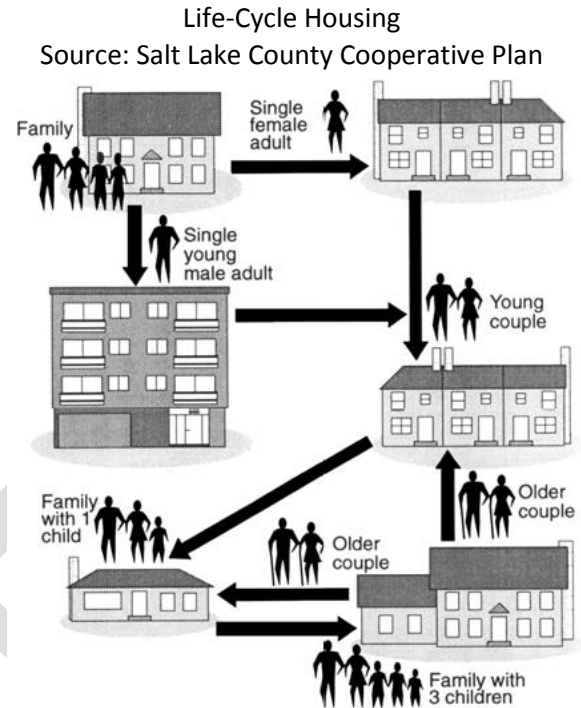


Table 19: Percent of Householders by Age (Source: 2016 ACS)

	Owner Occupied		Renter Occupied	
	Units	Percent	Units	Percent
Householder 15 to 24 years	84	1%	809	9%
Householder 25 to 34 years	1,511	11%	3,037	32%
Householder 35 to 44 years	2,484	17%	1,897	20%
Householder 45 to 54 years	2,630	19%	1,380	15%
Householder 55 to 59 years	1,372	10%	497	5%
Householder 60 to 64 years	1,590	11%	499	5%
Householder 65 to 74 years	2,113	15%	443	5%
Householder 75 to 84 years	1,576	11%	390	4%
Householder 85 years and over	854	6%	550	6%
Total:	14,214	100%	9,502	100%

According to the 2016 ACS, there were approximately 9,271 individuals living in Millcreek over 65 years old in 2016. This represents 15 percent of Millcreek’s population. This is the third highest proportion for a municipality in the County.

Table 20: Percent of Population over 65 Years Old (Source: 2016 ACS)

	65 years and over	Percent
Holladay	5,770	18.7%
Millcreek	9,271	15.2%
Murray	7,343	15.0%

	65 years and over	Percent
Cottonwood Heights	4,784	14.0%
Emigration Canyon	216	12.2%
Sandy	10,607	11.4%
Salt Lake County	105,104	9.6%
Midvale	2,899	9.2%
South Salt Lake	1,569	6.4%
West Jordan	7,052	6.4%

According to the 2017 Salt Lake County Assessor database, there are approximately 1,308 units/beds in senior living, assisted living, and retirement communities in Millcreek. There are about 1,383 households over 65 renting their current home. Furthermore, the City has a population of approximately 9,271 over 65. As this group continues to age, there will be additional need for senior living, assisted living, and retirement communities in Millcreek.

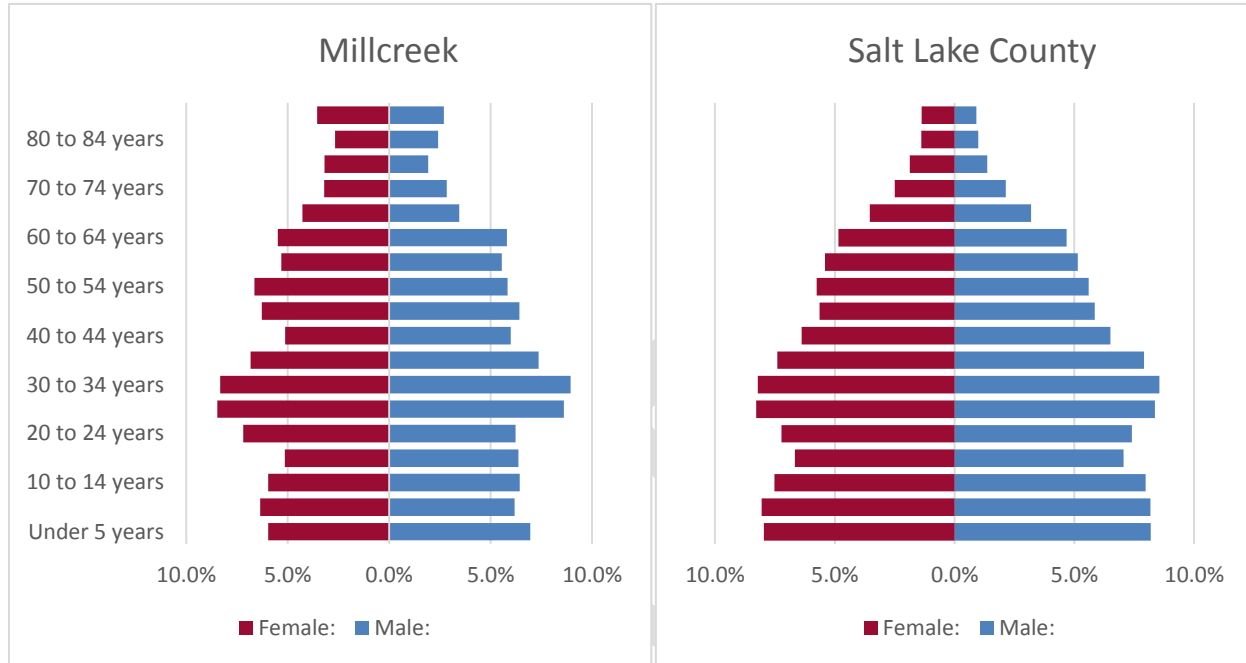
Table 21: Group and Retirement Homes (Source: 2016 ACS)

Name	Units
Group Care Home	
Odyssey House	29
Group Care Home Total	29
Retirement Home	
Alta Ridge of Holladay	2
Beehive Homes of East Millcreek	16
Beehive Homes of East Millcreek #2	20
Cottonwood Creek	238
Highland Cove	293
Pacifica Senior Living Millcreek	75
Pheasant Hollow	20
Silverado Aspen Park	272
Sunrise at Holladay	209
The Wellington	120
The Wentworth at East Millcreek	43
Retirement Home Total	1,308
Grand Total	1,337

Millennials

Approximately 30 percent of Millcreek's population comprises of Millennials, or Generation Y, which are individuals born between 1982 and 2004. They are generally highly educated, along with being entrepreneurial and active in their communities. The number of millennials in Millcreek may be a result of Millcreek's proximity to the University of Utah, Westminster College, as well as employment opportunities in Salt Lake County. Apartments are a good economic fit for many millennials because many are in school or early in their career and may not be in a position to purchase a home. As millennials age, there may be increased demand to purchase homes in Millcreek by those looking to age in place.

Millennials see socially-conscious shopping and living as highly desirable. This generation is also highly social and often seeks semi-urban, mixed-use development. Since this demographic is generally thrifty, development with modern aesthetics, but at a discount compared to more urban areas, will be a draw.



Building Permits

Salt Lake County building permit data indicates that approximately 43 residential building permits were issued each year in Millcreek between 2010 and 2015. The Ivory-Boyer Construction Report and Database began tracking building permits for Millcreek in 2017. As of first quarter 2018, Millcreek had issued five single-family permits and 321 multi-family units. This demonstrates a significant increase in multi-family units in the community.

Table 22: Millcreek Residential Building Permits (Source: SLCO Planning; Ivory-Boyer Construction Report and Database)

	2010	2011	2012	2013	2014	2015	2017*	Total	Annual Average
Single-Family	30	23	35	28	48	33	8	205	29.29
Townhomes	-	-	-	-	-	12	0	12	2.00
Two-Family	8	5	4	10	4	11	0	42	7.00
Multi-Family	1	-	1	4	1	1	0	8	1.33
Total	39	28	40	42	53	57	8	267	39.62

*Partial year data only available

As of February 2017, there were 40 housing developments with current permits in the development pipeline in Millcreek, for a total of at least 339 additional lots or units. Pricing for these units was not currently available.

Table 23: Recent Permit Projects

Development Type	Total Developments	Total Units
PUD	15	157 units
Subdivision	16	57 lots
Conditional Use for Apartments	6	99 units
Mixed-Use Senior Apartments	1	NA
Condition Use for Group Home	1	26
Residential Facility for Persons with a Disability	1	NA
Total	40	339 lots/units

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Affordable Housing Analysis

Summary of findings of housing affordability based on 2016 data:

- Housing is relatively affordable for moderate-income households (80 percent AMI), with 33 percent of all units affordable at that threshold.
- Only 12 percent of housing units are affordable to low-income households (up to 50 percent AMI).
- An extremely low 3 percent of housing units are affordable to households with very low incomes (30 percent AMI).
- Generally, MFD units are more affordable for all income groups, especially 30 and 50 percent AMI, than SFD units.

Affordable Housing Methodology

Utah State Code (Section 10-9a-403) requires municipalities to include a plan for moderate-income housing as part of a general plan. It outlines a responsibility of a city to facilitate a “reasonable opportunity” for those households with moderate-income to live within the city. Moderate-income housing is defined by HUD 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 for households of the same size in the county in which the City is located.”

Targeted Income Groups

This chapter uses Area Median Income (AMI) in the Salt Lake, UT Metropolitan Statistical Area (MSA) as determined by the U.S. Department of Housing and Urban Development (HUD) and average household size to determine moderate-income thresholds for an average household. Targeted income groups are based on low-income levels at 80 percent, 50 percent and 30 percent of the AMI.

The overall FY2017 HUD Area Median Income for Salt Lake County is \$75,400. Using this figure as a base, HUD calculates income limits by household size, given in the table below. These limits by household size are used for programs such as Section 8 housing and other HUD programs. AMI thresholds in this chapter are based on the average household size of 3.03 in Salt Lake County, as highlighted in the table below.

Table 24: Salt Lake County 2016 HUD Median Family Income Thresholds by Household Size

Household Size	30% AMI	50% AMI	80% AMI	100% AMI
1 person	\$15,850	\$26,417	\$42,267	\$52,833
2 persons	\$18,100	\$30,167	\$48,267	\$60,333
3 persons	\$20,350	\$33,917	\$54,267	\$67,833
4 persons	\$22,600	\$37,667	\$60,267	\$75,333
5 persons	\$24,450	\$40,750	\$65,200	\$81,500
6 persons	\$26,250	\$43,750	\$70,000	\$87,500
7 persons	\$28,050	\$46,750	\$74,800	\$93,500
8 persons	\$29,850	\$49,750	\$79,600	\$99,500

Using these AMI income levels, the table below shows the percent of low- to moderate-income households in Millcreek.³

³ The number of households is the estimated occupied households in 2017, as estimated from the number of housing units (SLCO Assessor) and the estimated occupancy rate (2016 ACS). The total number of households in 2017 is multiplied by the income distributions for each category, as estimated in the 2016 ACS.

Table 25: Percent of Households in Targeted Income Groups (Source: 2016 ACS)

	30% AMI	50% AMI	80% AMI	Cum. Total
Millcreek	12%	13%	19%	45%

Monthly Housing Allowance

This study considers two housing categories, single-family residential and multi-family residential.

HUD considers an affordable monthly housing payment for either a mortgage or rent to be no greater than 30 percent of gross monthly income, which should include utilities and other housing costs such as mortgage and hazard insurance. Utility and other housing costs as a percentage of total housing costs will differ by community, by current interest rates, by costs of hazard insurance (influenced by location), etc.

The table below shows affordable monthly allowances for each of the targeted income groups. These amounts represent total housing costs affordable at 30 percent of gross income. The allowance considers affordability for either a mortgage or rental rate. A family choosing housing would need to factor utilities and other fees for a given housing unit within this affordable range. For example, a household at the 80 percent AMI threshold has a monthly housing allowance of \$1,357. If utilities are \$250, the household can afford a rent or mortgage payment of \$1,107 per month.

Table 26: Affordable Monthly Housing Allowances for Targeted Income Groups

	30% AMI	50% AMI	80% AMI
Monthly Housing Allowance (Including \$250 in Utilities)	\$509	\$848	\$1,357
Monthly Housing Allowance (less \$250 in Utilities)	\$259	\$598	\$1,107

The following table shows the home price ranges by income group in Millcreek, and is used to illustrate the difference interest rates make on affordability. This assumes utility payments at \$250 per month, current property tax rates, mortgage and hazard insurance, interest at the given rates, 30-year mortgage term and a 10 percent down payment. Through the remainder of the chapter a 5.0 percent interest rate is used; however, while current rates are closer to 4.5 percent, affordability will likely decrease if interest rates rise.

Table 27: Affordable Home Price Ranges by Income Category and Mortgage Interest Rate

Household Income Range	Home Price Range					
	4% Mortgage		5% Mortgage		6% Mortgage	
	Low	High	Low	High	Low	High
\$35,000 - \$49,999	\$103,302	\$173,203	\$91,870	\$154,036	\$82,258	\$137,920
\$50,000 - \$74,999	\$173,203	\$289,705	\$154,036	\$257,646	\$137,920	\$230,689
\$75,000 - \$99,999	\$289,705	\$406,207	\$257,646	\$361,255	\$230,689	\$323,458
\$100,000 - \$149,999	\$406,207	\$639,211	\$361,255	\$568,474	\$323,458	\$508,997
\$150,000 - \$199,999	\$639,211	\$872,215	\$568,474	\$775,693	\$508,997	\$694,535
\$200,000 or more	\$872,215		\$775,693		\$694,535	

Affordability Thresholds

Converting these affordable home values to affordability for targeted income groups, the following tables outline the maximum home price and maximum rental allowance for households below 80 percent of AMI. The maximum home price and the maximum monthly rent allowance are used in the next section (“Moderate–Income Housing Affordability”) to determine the number of affordable housing units available for each targeted income group.

Table 28: Maximum Home Price

Household Income Level	30% AMI	50% AMI	80% AMI
Millcreek	\$31,159	\$87,385	\$171,723

The monthly rental allowance by income level is shown in the following table. Households at 80 percent of AMI that rent in Millcreek can afford a monthly rate of \$1,357 including utilities.

Table 29: Rental Allowances by Targeted Income Group

Household Income Level	Max Income	Monthly Rental Allowance (including \$250 in Utilities)
< 30% AMI	\$20,350	\$509
30-50% AMI	\$33,917	\$848
50-80% AMI	\$54,267	\$1,357

Current Housing Needs

Availability for Targeted Income Groups

As in the housing stock analysis, affordability is broken into two housing categories: one for SFDs, condos, mobile homes, and townhomes and a second for multi-family rentals. The affordability of the first category of units is based on their market value as given by the County Assessor. The affordability of multi-family units is based on the estimated gross rent as indicated by the ACS (2016).

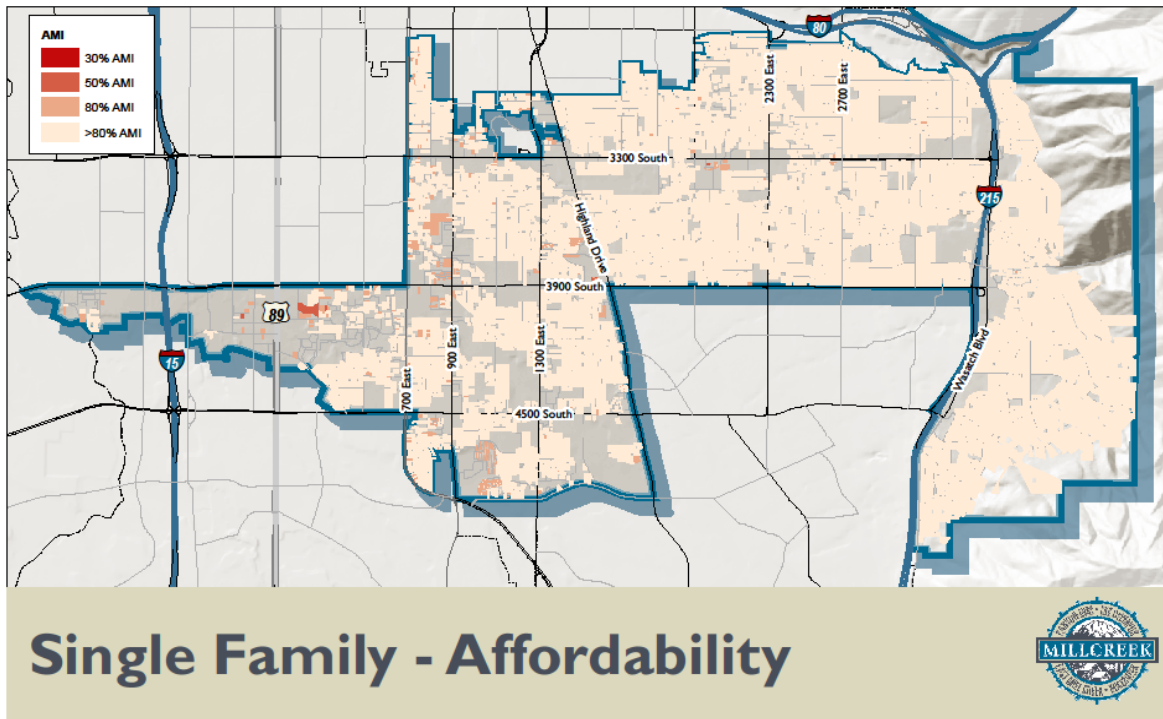
SFD, Condo, Townhome, and Mobile Home

For the targeted low- and moderate-income households, there are no SFD units that are affordable to households below 30 percent of AMI, and only 65 units available at 50 percent. The majority of affordable SFD units are within the 50 to 80 percent of AMI group, with 1,724 units. Regardless, only 10 percent of all SFD units are affordable to incomes at 80 percent AMI, and less than 1 percent at 50 percent AMI.

Table 30: Number of Affordable SFD Units by Targeted Income Group

Household Income Level	Income Max	Max Home Price (5% Mortgage)	# Affordable SFD Units	% of Units	Cum. % of Units
< 30% AMI	\$20,350	\$31,159	0	0%	0%
30-50% AMI	\$33,917	\$87,385	65	0%	0%
50-80% AMI	\$54,267	\$171,723	1,724	10%	10%

The following map shows all SFD units and their affordability.



Based on data collected by the Salt Lake Tribune, home prices in Millcreek have increased in three of the five zip codes in the area, but have decreased in two of the zip codes.

Table 31: Sales Price Trends in Millcreek, 2016-2017

Zip Code	2017 Median Sales Price	Percent Change
84106	\$342,000	8.6%
84107	\$288,500	6.7%
84109	\$420,000	4.6%
84117	\$449,950	-4.9%
84124	\$450,000	-5.1%

Source: <https://www.sltrib.com/homeprices/>

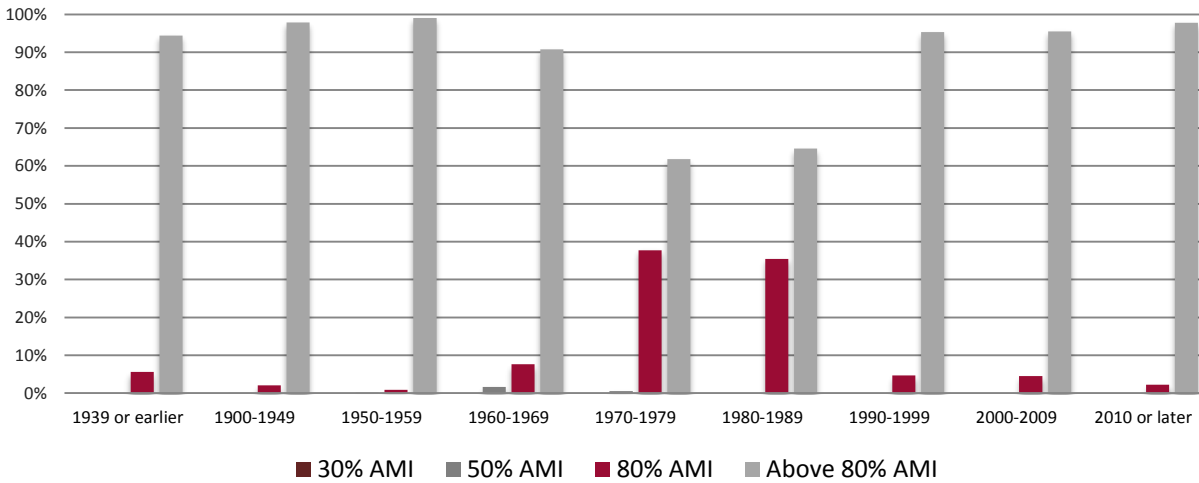
Unlike other communities in which the affordability of units typically corresponds with the age of the unit, this is not the case in Millcreek. According to Salt Lake County assessment data, between 1 and 9 percent of units built before 1969 are affordable at up to 80 percent AMI. The most affordable SFD units in Millcreek were built between 1970 and 1989, making up 71 percent of all SFD units affordable up to 80 percent AMI. However, the trend for affordable units has declined significantly since that time.

Table 32: Affordable Units by Year Built

Year Built	Total SFD Units	SFD Units Below 80% AMI	% of SFD Units Below 80% AMI	% of Affordable SFD Units
1939 or earlier	870	49	6%	3%
1940 - 1949	1,989	42	2%	2%
1950 - 1959	5,533	53	1%	3%
1960 - 1969	2,781	257	9%	14%

Year Built	Total SFD Units	SFD Units Below 80% AMI	% of SFD Units Below 80% AMI	% of Affordable SFD Units
1970 - 1979	2,329	890	38%	50%
1980 - 1989	1,078	382	35%	21%
1990 - 1999	1,194	56	5%	3%
2000 - 2009	1,133	51	5%	3%
2010 or later	398	9	2%	1%
Total	17,305	1,789	10%	100%

Affordability of SFD by Year Built



Apartments and Duplexes

Rentals are generally more affordable than purchasing a home for low-income households. Furthermore, rental units are important options for households that do not have down payment savings, would have trouble with loan approval, or simply for those not wishing to make a large commitment on purchasing a home. These households are often those with the greatest need for affordable housing.

In Millcreek, 82 percent of MFD units are affordable to households up to 80 percent of AMI. MFD units are also affordable to even lower income groups, with 35 percent affordable at 50 percent AMI and 8 percent at 30 percent AMI.

Table 33: Number of Affordable MFD Units by Targeted Income Group

Household Income Level	Income Max	Monthly Rental Max	# Affordable MFD Units	% of Units	Cumulative % of Units
< 30% AMI	\$20,350	\$509	655	8%	8%
30-50% AMI	\$33,917	\$848	2,222	27%	35%
50-80% AMI	\$54,267	\$1,357	3,779	47%	82%

Summary of Affordability and Number of Additional Units Needed

If only considering whether housing is affordable at the 80 percent of AMI threshold, there is a reasonable opportunity for moderate-income households to live in Millcreek, with 33 percent of units affordable to

households up to 80 percent of AMI (see the table below). However, approximately 45 percent of households in Millcreek are below 80 percent AMI.

Table 34: Number of Affordable Units by Targeted Income Group

Household Income Level	Affordable Units	Households	% Affordable	Households %	Units Cum. %	Households Cum. %
< 30% AMI	655	2,968	3%	12%	3%	12%
30-50% AMI	2,287	3,224	9%	13%	12%	26%
50-80% AMI	5,503	4,567	22%	19%	33%	45%

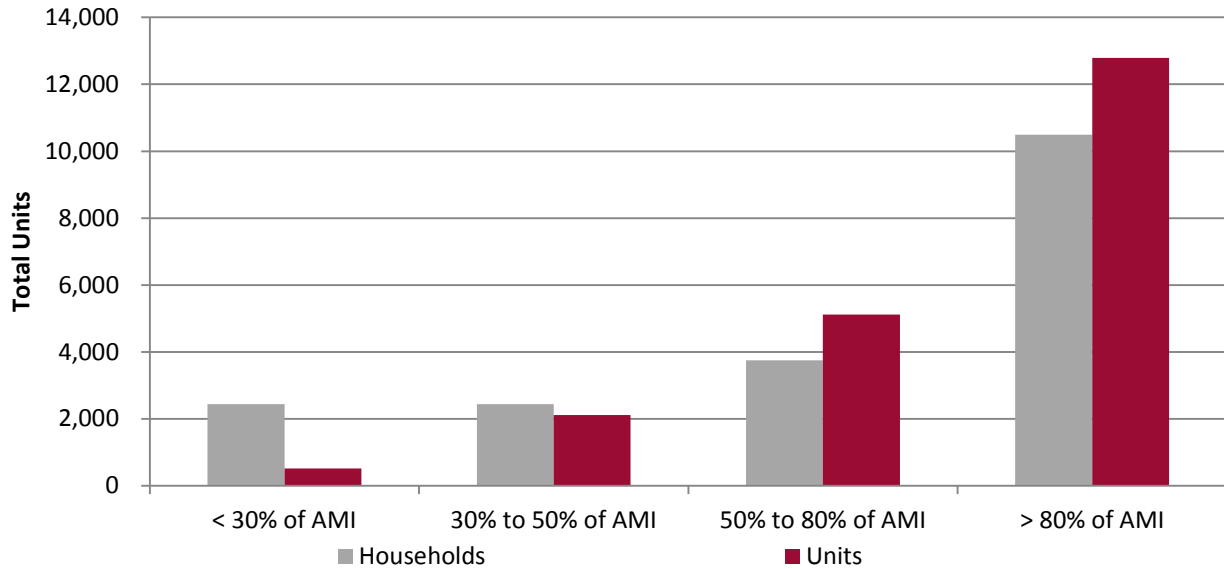
In many cases, low- to moderate-income households consist of elderly residents who may not have a mortgage. Furthermore, the income for many of these households without a mortgage is not enough to purchase the home. To more accurately state the current housing stock and need for affordable units, the difference in the number of households and number of units by income level shown below exclude households and units that do not currently have a mortgage.

The number of units currently needed for each income group is outlined in the table below. Positive values indicate the number of needed units to meet the current demand; negative values indicate areas in which there are more affordable units than there are households in the income range, or in other words, an excess supply of affordable units. These numbers are adjusted to account for households, and their accompanying units, that currently do not have a mortgage. There is a significant lack (2,252) of units affordable to households below 50 percent of AMI. On the other hand, there are about 1,375 excess units affordable between 50 and 80 percent of AMI, with 2,292 excess units above 80 percent of AMI, indicating that many low- to moderate-income households in Millcreek are living in units that are above their income. Overall, there is a deficiency of 747 affordable units for households below 80 percent AMI.

Table 35: Number of Units Currently Needed by Targeted Income Group

	Households	Existing Units	Difference Between Demand for Units and Existing Units	Cumulative Difference
< 30% AMI	2,438	510	1,928	1,928
30-50% AMI	2,438	2,114	324	2,252
50-80% AMI	3,745	5,120	(1,375)	877
> 80% AMI	10,494	12,786	(2,292)	(1,415)
Total	19,116	20,531	(1,415)	

Comparison of Households and Units



After adjusting for households without a mortgage, approximately 45 percent of households in Millcreek have incomes less than 80 percent AMI, while only 38 percent of units are affordable to households in the same income range. This disparity is greatest for households below 30 percent AMI.

Table 36: Millcreek Affordability Comparison

	% of Units	Percent of HH	Units Cumulative %	HH Cumulative %
< 30% AMI	2%	13%	2%	13%
30-50% AMI	10%	13%	13%	26%
50-80% AMI	25%	20%	38%	45%
> 80% AMI	62%	55%	100%	100%
Total	100%	100%		

Availability of Affordable Housing for Special Needs Groups

Elderly

There are approximately 1,528 beds available at assisted living and nursing home facilities within Millcreek. The Salt Lake County Analysis of Impediments found that the location distribution of senior living facilities is generally not heavily determined by zoning, but more by corporate location policies that tend to prefer locations with above average incomes and property values. As a result, opportunities for the elderly and disabled to live in care facilities are more available in and around Millcreek.

Group Care Homes

According to the Salt Lake County Assessor, there is currently 1 group care home in Millcreek with about 29 beds. This does not include an additional 83 beds at a new facility that opened in January 2018.

Future Housing Needs

Population Projections

Population projections for the next five years are based on projections that were generated for a study recently completed for the City.⁴

Table 37: Population Estimates and Projections

	Historical			Projection					
	2010	2015	2016	2017	2018	2019	2020	2021	2022
Millcreek	58,735	59,653	59,737	59,906	60,514	60,924	61,096	61,268	61,611

Targeted Groups – Projections

Income Groups

Projections for income groups assume a similar proportion of the households will fall into the targeted income groups as they do today. Household counts were calculated by dividing the projected population by the average household size in Millcreek (2.54 persons).⁵

Table 38: Projected Households and Population by Targeted Income Group

	< 30% AMI	30-50% AMI	50-80% AMI	Total AMI Households
% Households	12.4%	13.4%	19.0%	44.8%
2017 Households	2,916	3,167	4,487	10,570
2022 Households	2,998	3,257	4,614	10,869

Elderly

There were 9,721 individuals living in Millcreek over 65 years old in 2016. This represents 15 percent of Millcreek's population. This is the third highest proportion for a municipality in the County. The proportion of elderly age groups in Millcreek has remained around 15.5 percent since 2010, so it is assumed that the population will continue to maintain the 15 percent proportion of elderly residents.

Table 39: Projected Elderly Population

Population	2017	2022
Total 65 and Over	9,308	9,573

The following section analyzes the future demand for housing in Millcreek using population projections, historical building permit data, and current projects in the development pipeline.

Projected Number of Needed Housing Units

The population counts are used for basic demographic reference; however, to project housing unit needs the number of households was calculated in a slightly different manner to correspond with differing data from the County Assessor. To make this data consistent, the total number of households was based on

⁴ Municipal Services Feasibility Study, April 2017

⁵ Source: ACS 2016

the number of units listed by the Assessor multiplied by the occupancy rate listed by ACS for each community. To translate these figures to low and moderate-income group distributions, that value was then multiplied by the percentage of households in each income group (ACS) to determine the number of households in each targeted income group. The table below shows these household numbers by income group. Due to population and subsequent household growth projected in Millcreek, it is anticipated that there will be a large demand for additional units that are affordable to low- and moderate-income households. The demand is greatest for those households making <50 percent of AMI. For those making 40% to 80% of AMI, there appears to be substantial stock of housing units available.

Table 40: Total Affordable Housing Needs by Targeted Income Group

	< 30% AMI	30-50% AMI	50-80% AMI	Total
Current Need	1,928	324	(1,823)	429
Projected 5-year Need	83	90	127	299
Total	2,011	413	(1,696)	728

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Moderate Income Housing Plan

Section 10-9a-403 of State Code states that municipalities shall prepare a plan that facilitates a reasonable opportunity for a variety of housing, including moderate income housing. Therefore, the purpose of the housing action plan in the Millcreek General Plan is to increase opportunities for a variety of housing, not just moderate-income housing.

The following goals and action items should be implemented to better provide a fair housing opportunity for those currently or seeking to live in Millcreek. Goals include time frames, and where applicable, measurable results. Though each of the goals has a corresponding time frame, many of the goals extend past a simple one-step process, and continual action will need to occur for positive results to occur. For example, a one-time training for landlords on accessibility requirements will likely have very little impact on increasing the number of accessible units.

The appendix includes sections on financial resources, tools, and mechanisms that can be used to affirmatively further fair housing in Millcreek. As those tools are used, in conjunction with the following action items, the overall availability of affordable units for all income levels, but specifically low- and moderate-income households, will increase.

State Code 10-9a-408 requires municipalities to report biennially the following:

- 2a. Efforts to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
- 2b. Actions taken to encourage preservation of existing moderate-income housing and development of new moderate-income housing;
- 2c. Progress made to provide moderate-income housing by analyzing and publishing data on:
 - i. The number of housing units in the municipality that are at or below:
 - A. 80 percent of the AMI;
 - B. 50 percent of the AMI; and
 - C. 30 percent of the AMI;
 - ii. The number of housing units that are subsidized by the municipality, the state, or the federal government; and
 - iii. The number of housing units that are deed-restricted;
- 2d. All efforts made to coordinate moderate income housing plans and actions with neighboring municipalities or associations of governments;
- 2e. All efforts made utilize to a moderate-income set-aside from a redevelopment agency or an economic development agency;
- 2f. Money expended by the municipality to pay or waive construction-related fees required by the municipality; and
- 2g. Programs of the Utah Housing Corporation that were utilized by the municipality.

While this chapter does not report on the progress in these areas, many of the goals listed below will be crucial in reporting on these figures in future biennial reports. Goals and action items that are directly related to the requirements of Utah Code 10-9a-408 have the associated requirement listed.

Housing Goals and Action Items

Goal 1: Strategic Use of RDA Fund Set-Asides

Community Reinvestment Areas must allocate ten percent of the tax increment received for affordable housing. The City is in the process of evaluating the creation of three CRAs in the City which would provide a fairly consistent affordable housing source in the future. Further, the City is currently working with Salt Lake County to transfer the administration of the existing West Millcreek URA to Millcreek, thereby giving the City control over the 20 percent of housing fund set-aside associated with the URA. To date, the following amounts are available in the West Millcreek URA housing funds.

Table 41: West Millcreek Affordable Housing Funds

Area	Amount
West Millcreek URA	
2015 Housing Funds	\$14,700
2016 Housing Funds (Initial)	\$55,508
Housing Set-Aside	20%

The tables below include a column for the “Biennial Report,” the new housing report required every two years by 2018 legislation. The column indicates that this is a suggested “means and technique” of the biennial report.

Action Item	Time Frame	Measurable Results	Biennial Report
1. Develop priorities for housing set-asides as new community reinvestment project areas are created	2-5 years	Tax increment housing set aside funds generated	2e
2. Create a revolving loan fund with CRA funds, including provisions for disability housing and accessibility modifications for existing units, and other housing improvements	5-10 years	Number of units made accessible through revolving loan fund	2e

Goal 2: Focus New Housing in Town Centers or Along Transportation Routes

By focusing new development in town centers or along transportation routes, complete neighborhoods can be created that include essential services in proximity to housing units. Therefore, transportation costs are reduced.

Action Item	Time Frame	Measurable Results	Biennial Report
1. Identify affordable housing development sites along major transportation corridors with access to current bus routes	1-2 years	Number of sites identified	
2. Identify TOD Sites	1-2 years	Number of TOD sites identified	
3. Provide financial assistance and tools to developers to encourage affordable housing at TOD sites, when appropriate. Tools may include CRA creation or TRZs.	3-5 years	Number of projects using financial assistance at TOD sites; total amount of financial assistance used	2f
4. Consider waiving fees to reduce construction and maintenance	1-5 years	Total fees waived or reduced	2f

Action Item	Time Frame	Measurable Results	Biennial Report
costs, allowing lower rental fees to be more feasible			

Goal 3: Reduce Costs for Developers and/or Residents

This can be accomplished through a variety of means including the creation of Community Reinvestment Areas (CRAs), Transportation Reinvestment Zones (TRZs), voucher programs, Low-Income Housing Tax Credits (LIHTC), revolving loan funds, and waived or reduced development fees. In addition, the development of energy-efficient housing can serve to reduce the utility costs associated with housing.

Action Item	Time Frame	Measurable Results	Biennial Report
1. Consider reduced development and/or impact fees for affordable housing units	2-5 years	Reductions in fees	2d
2. Create a revolving loan fund with CRA funds, including provisions for disability housing and accessibility modifications for existing units	5-10 years	Number of additional units created through CRA funds or units made accessible through modifications	2e
3. Collaborate with the Utah Housing Corporation (UHC) to further incentivize the location of new housing developments in high-opportunity areas through low income housing tax credits (LIHTCs)	5-10 years	Number of new developments using incentive	2d, 2g
4. Collaborate with the Rocky Mountain Community Reinvestment Corporation (UCRC) to further incentivize the location of new housing developments in high-opportunity areas through low income housing tax credits LIHTCs	5-10 years	Number of new developments using incentive	2d
5. Educate homebuilders on federal and state tax credits for energy efficient building	Ongoing	Number of builders educated on tax credits	
6. Provide incentives for green building, such as grants, loan assistance, waived fees, or expedited approval processes to builders and developers on affordable housing projects	1-5 years, ongoing	Percent of units incorporating green features	2f
7. Provide loans to multi-family developments to install green features, such as water saving features or solar panels. These developments can use these features as a marketing tool and use the saved energy costs to pay back the loan	1-5 years, ongoing	Percent of units incorporating green features	

Realistic Opportunity to Meet the Need for Additional Moderate-Income Housing Within the Next Five years

Based on legislation passed by the Utah Legislature in 2018, communities must amend their General Plans by July 1, 2019 to include an analysis of why the recommended means, techniques or a combination of means and techniques provide a realistic opportunity for the development of moderate-income housing within five years. The City feels that the above means and techniques (identified as goals and action items) are realistic for the following reasons:

Goal #1: Strategic Use of RDA Fund Set-Asides

This goal was selected by the City because of its potential to create significant tax increment and housing funds in the near term. The City is in the process of evaluating the creation of three community reinvestment areas (CRAs) which are obligated, by law, to set aside ten percent of tax increment funds received by the Agency for affordable housing. In addition, the City is currently petitioning Salt Lake County to transfer the West Millcreek URA, located in Millcreek City, to the City. This will then provide the City with housing set-asides that can be used within the community or for regional housing assistance.

Goal #2 – Encourage Development of Affordable Housing, Focusing at Transit Sites and Significant Transportation Corridors

This strategy reduces costs for developers by allowing for increased density at TOD sites, while also reducing costs for residents by providing essential services in close proximity to housing. This reduces transportation costs, thus positively impacting low-to-moderate-income household budgets.

Goal #3 – Reduce Costs for Developers and/or Residents

This strategy provides a very direct approach to bringing down housing costs through public assistance with the costs associated with housing. Specific opportunities to lower housing costs include the creation of Community Reinvestment Areas (CRAs), Transportation Reinvestment Zones (TRZs), voucher programs, Low-Income Housing Tax Credits (LIHTC), revolving loan funds, and waived or reduced development fees. In addition, the development of energy-efficient housing can serve to reduce the utility costs associated with housing.

Appendix A: Financial Sources, Tools, and Mechanisms

Financial Resources

Listed below are various funding resources available to development within Millcreek and sources relevant to the City's needs. They are from a variety of local, state and federal sources. Special mechanisms and ideas for using these funds once in City control are detailed in the following section, "Financial Tools and Mechanisms."

Local, Non-Profit, and Private Sources

Tax Increment Financing – RDA Housing Fund Account

The City can create community reinvestment areas (CRAs) and set aside funds for housing projects within the City. Tools to use these funds, along with other possible monies listed here, are explored in the following tools and mechanisms section.

Green & Healthy Homes Initiative Salt Lake (GHHI Salt Lake)

Salt Lake County is part of the national movement to implement housing strategies for creating healthy, safe, energy efficient homes for low- to moderate-income families. Salt Lake County is working with other housing providers such as Salt Lake Valley Habitat for Humanity, Community Development Corporation of Utah, Assist Inc., Utah Community Action Weatherization program, Salt Lake City Rehabilitation program, and NeighborWorks Salt Lake, as well as medical providers such as the University of Utah and Intermountain Health Care, to help make low- to moderate-income homes healthy and safe. Millcreek could work with the County and the program partners to participate in the various strategies. Program partners include:

Some of the resources available include:

- **Assist Inc.** provides grants up to \$4,000 to cover the cost of emergency repairs and accessibility retrofits.
- **Utah Community Action Weatherization** provides grant of up to \$6,500 to cover the cost of energy retrofits and furnace replacements.
- **Salt Lake Valley Habitat for Humanity** builds homes for low-income households and provides a 0 percent interest rate. They also provide grants and loans to cover the cost of making a home lead-based-paint hazard free, radon gas hazard free, and asthma trigger free.
- **Community Development Corporation of Utah** administers several programs, including a down payment assistance program, the Idea House program, which assists with the purchase and rehab of abandoned homes and provides grants and loans to make homes health and safe.
- **Lead Safe Salt Lake** provides grants to make homes lead-based paint hazard free, radon gas hazard free, and asthma trigger free.

Rocky Mountain Community Reinvestment Corporation (AKA Utah Community Reinvestment Corporation)

This multi-bank consortium provides financing for multi-family housing developments for low- and moderate-income households. Support includes loans, tax-exempt bonds and equity capital.

State Sources

Critical Needs Housing

The most useful application to the City of this appropriation is grants to be matched against other funding sources for accessibility design and down payment assistance. These funds must be used to serve those with income at or below 125 percent of the federal poverty guideline.

Olene Walker Housing Loan Fund

This State fund is the primary source of State-level housing assistance, providing funding for rehabilitation and development of affordable and special needs housing. Funds are available for individual use for low-income households, first-time home buyers, Native Americans and those with special needs. There are two programs within this fund of special interest to Millcreek:

1. The Community Driven Housing Fund within the Olene Walker Housing Fund is specifically intended to help cities develop affordable and special needs housing. This program helps set up partnerships with developers, guides the development process, and can assist with gap financing to make affordable housing more feasible to developers. The City can use this program in direct

development assistance for needs identified in this analysis, and the City can use current RDA Housing Fund Account monies to leverage this assistance.

2. The HomeChoice program helps low- and moderate-income households or households with a disabled member buy affordable housing. The program funds 30 percent of the purchase price through a second mortgage with a one percent interest rate. This makes monthly payments much more affordable, reducing the housing cost burden.
3. The Multi-family program provides financial assistance for the acquisition, construction, or rehabilitation of affordable rental housing of five or more units.
4. The Transportation Oriented Development Fund will provide loan guarantees for third-party financing to multi-family developers. The Board intends for these guarantee funds to revolve as loan guarantees are fulfilled. An element of the selection process is that the project targets households at less than 80 percent of AMI.
5. Individual Development Accounts: OWHLF supports savers participating in Individual Development Accounts with AAA Fair Credit. Savers receive federal and state matching funds for use in down payments and closing costs.

Utah Housing Corporation

Created in 1975, the Utah Housing Corporation was created through the Legislature to provide a supply of money to make mortgage loans and reasonable interest rates. The UHC also partners with developers and investors to use State and Federal Tax Credits and bond financing on multifamily projects for low-income families, senior citizens and more. Additionally, UHC administers Low Income Housing Tax Credits. These credits are a dollar for dollar reduction of tax liability for owners and investors of low-income housing for ten years. The amount of the credit is based on the costs of the project and the number of units that will be reserved for low-income households.⁶

Federal Sources

Community Development Block Grant Program (CDBG)

This federal program provides communities with resources to address a wide range of community development needs, including housing projects. The County receives about \$2.4 million each year in CDBG funds. Numerous local entities receive a portion of these funds, including Assist Inc. and the Community Development Corporation of Utah.

Low-income Housing Tax Credit Program (LIHTC)

This federal program can assist housing developers in the development of affordable rental projects for low- and moderate-income households. The City can assist in partnerships with developers in receiving these grants.

Section 8 Certificates and Vouchers

The Section 8 program provides assistance to individual households to subsidize housing costs where housing would otherwise be unaffordable. This program provides diversity and distribution of low-income households, rather than segregation and concentration in dedicated housing developments. The Salt Lake County Housing Authority has closed its waiting lists for Section 8 Housing Vouchers due to the extremely long length of the lists. As of August 2016, the Section 8 Housing Voucher waiting lists have a combined

⁶ <http://utahhousingcorp.org/PDF/2011%20LIHTC.pdf>

8,500 households, and can take up to 6 years for households to receive assistance through the program. Due to the length, the Housing Authority often refers these households, and other households seeking assistance, to the Davis County and Utah County Housing Authorities, which have waiting lists that take less than a year to receive assistance. The Salt Lake County Housing Authority has another subsidized program for seniors over 62 years old or individuals with disabilities, which currently has a year-long waiting list.

HOME Investment Partnership Program Allocations

This federal money is appropriated through the State and county consortiums through the Utah Department of Housing and Community Development. At the State level, this program performs competitive funding rounds where developers can submit applications for assistance for affordable housing projects. These applications are bolstered through County support and can leverage the County's RDA funds as part of the project application. Each year, Salt Lake County receives about \$1.4 million in HOME funds.

Salt Lake County has partnered with local groups to provide affordable housing development assistance and direct rental assistance. These groups include the Community Development Corporation of Utah, NeighborWorks Salt Lake, Salt Lake Valley Habitat for Humanity, Salt Lake Community Action Program, the Housing Authority of the County of Salt Lake, Utah Nonprofit Housing Association, and West Valley City.

HUD Section 811 – Supportive Housing for Persons with Disabilities

This program provides funding to develop and subsidize rental housing with the availability of supportive services for low income adults with disabilities. Assistance through this program comes in two forms: 1) Capital Advances and 2) Project Rental Assistance. Capital Advances are interest-free capital advances to nonprofit sponsors to finance to development of rental housing. It can finance the construction, rehabilitation, or acquisition of a property. The advance does not have to be repaid if the property remains available to low-income persons with disabilities for 40 years. While the property should provide services such as case management, independent living training, and employment assistance, use of these services is not required as a condition of occupancy. Rental assistance contracts cover the difference between the HUD approved operating cost and the amount the residents pay – usually 30 percent of adjusted income. The initial term of these contracts is three years and can be renewed if funds are available.

HUD Section 202 – Supportive Housing for the Elderly

Much like the Section 811 program, Section 202 provided capital advances for the construction, rehabilitation or acquisition for low-income elderly, including the frail elderly. Terms and options are also similar to section 811 with capital advances and rental assistance.

Other Sources Available to Individuals and Households

There are hundreds of other programs available to individuals and households needing assistance with affordability or special needs. While these programs are not available for direct involvement or use by the City, they are available to help individuals and households close the affordability gap or find funding for special needs in housing. Some of these programs include:

- Utah Technology Assistive Foundation
- Emergency Shelter Grants Program

- HUD’s 203K Rehabilitation Program
- Programs through the Community Development Corporation of Utah
- Utah Affordable Housing Database
- Making Home Affordable Program
- Programs through Salt Lake Community Action Program
- Programs through the Housing Authority of the County of Salt Lake
- Programs through the Housing Authority of Salt Lake City
- Salt Lake Valley Habitat for Humanity
- Utah Nonprofit Housing Association
- HomeChoice Loan Program
- Home Energy Assistance Target Program
- Community Development Corporation of Utah
- NeighborWorks
- Wasatch Front Regional Council
- Utah Community Reinvestment Corporation
- National Association of Homebuilders
- Homebuilder Association of Utah
- Many other nonprofit agencies through Utah and the Country

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Financial Tools and Mechanisms

Suggestions Specific to Community Reinvestment Area (“Redevelopment”) Set-Asides

In addition to the previously detailed funding sources, there are many tools and strategies the City can use to effectively apply funding the City possesses, such as Redevelopment set-aside funding, to affordable housing issues. In 2015, the Redevelopment Agency of Salt Lake County triggered the West Millcreek URA. The project area budget for the URA has a 20 percent housing allocation which totaled \$55,508 in 2016.

Table 42: West Millcreek RDA Housing Set-Asides

Area	Amount
West Millcreek URA	
2015 Housing Funds	\$14,700
2016 Housing Funds (Initial)	\$55,508
Housing Set-Aside	20%

Suggestions Specific to RDA Set-Asides

The Utah Workforce Housing Initiative’s guidebook gives the following suggestions and ideas specific to using RDA Set-Asides.

- Pass funds to the Olene Walker Housing Loan Fund. This option has low administrative time on the part of staff and pools fund to support affordable housing throughout the region.
- Set up a nonprofit or trust fund to manage allocations on a project-by-project basis. This organization can use many of the tools outlined in the next section, as well as be eligible for many grants and funding available only to nonprofits, like most HUD programs.
- Act as a developer or solicit proposals from developers to complete housing projects directly.
- Use the funds to cover the costs of infrastructure for an affordable housing development.
- Use the funds to acquire land for future development (land banking).
- Establish a housing rehabilitation program.

Specific Tools and Mechanisms

Fee Waivers

Millcreek City can reduce the cost of development, thus reducing the rental or purchase price of a unit, by waiving fees for developments targeting affordable housing. Fees that can be waived include plan reviews, impact fees, water and sewer connections, and building permits.

Density Bonus

A density bonus incentive can take many forms.

1. Mixed income development – This can be a single-family or multi-family development that mixes unit sizes and qualities with good design practices to make units desirable at all income levels. This method prevents income segregation. A density bonus can be applied to these developments. A good rule of thumb for this is ten percent, or one affordable unit per ten market units.

2. Allowing smaller units to be constructed or relaxing set-back requirements can allow a developer to get a higher return on investment.

Zoning Regulation

Where affordable housing is meeting pushback from the neighborhood, zoning regulations can allow development to integrate into an area more smoothly. Requirements can include things like design requirements, lay out, traffic flow, amenities, management requirements and services.

Infrastructure Support

The City can reduce the cost of developing affordable housing and attract developers by constructing infrastructure in targeted locations. This reduces the cost of development, as well as reducing the construction time by making the property shovel-ready.

Rent Subsidies

Federal rent vouchers, the most common rental subsidies, do not currently come close to meeting needs in Salt Lake County. With long waiting lists, there are families without assistance for up to five years in some cases. These programs effectively pay down rental rates such that the remaining cost burden on the family is an affordable 30 percent of its income. They come in two forms: tenant-based, where the tenant is free to move and take the assistance to each new location; and project-based, where the assistance is attached to a project for periods of ten to twenty years. Project-based subsidies are less administratively burdensome and provide construction incentive to a developer, as they steady income streams and increase debt-carrying capacity. Tenant-based is flexible and can be applied to the current housing supply without necessarily building new affordable units.

Project-Based Grants

This straightforward tool would function as a grant from the City to a developer in return for developing affordable housing units. Conditions of the grant may require a certain percentage of the units to be rented or sold within specified price ranges.

Tenant Grants

Although there is no payback to the City, the City can consider the simple approach of basic grants for use in down payment or rental assistance.

Deferred Payment Loans

These loans, also known as deferred payment second mortgage loan or “soft seconds,” defer all payments of principal and interest until resale of the property or conversion. Sometimes these loans are even forgiven over a period of years. They are generally used in three ways:

1. Down payment assistance for low-income homebuyers in tandem with conventional financing;
2. Major subsidies through gap financing to rental project developers; or
3. Rehabilitation loans.

Partial Loan Guarantee

The City might provide a loan guarantee to back a development’s financing. This can smooth a difficult lending process or lower interest rates, effectively reducing the cost of development.

Interest Subsidies

Also known as interest rate buy-downs, these are effectively prepaid interest at the origination of the loan. The effect of these buy-downs is the same as a zero percent deferred payment loan.

Compensating Balances

A bank may be willing to reduce an interest rate for a partnership development if the City then deposits in the bank for a certain term. At the end of the term, the City regains its deposit in full, but the bank retains any interest earned to offset the original lower interest rate. This is often not an efficient use of funds due to inflation, but is a possible option.

Tax-Exempt Bonds

The City can leverage its tax-exempt bonding power to support financing of an affordable housing project. This can also reduce the housing costs in the development and increase affordability.

Revolving Loan Fund

A revolving loan fund can employ many of the tools mentioned above, such as down payment assistance, interest reduction, and deferred payment loans. A common usage of this mechanism is the zero percent deferred payment loan. The loan is due in full when the title changes and then “revolved” back into the fund to be used for another household. Like rent subsidies, this can be useful to the City to aid in affordable housing with the current housing stock.