VI. HOUSING GOAL AND OBJECTIVE STATEMENT (Vision Statement)

The Utah housing market is changing following a period of unprecedented growth in single family housing construction associated with a rapid rise in the valuation of real property. There has now been a leveling off of new housing starts as many families who could afford new housing have made that investment. In-migration from outside the state has slowed as well. Wasatch Front vacancy rates have been increasing slowly. The construction of multiple family rental properties has increased somewhat in the urban areas. However, most of the developments have been market rate housing. Based on a recent analysis, less than 10% of the new apartment projects are "affordable". A limited number of renters have been able to move from affordable rentals to market rate rentals due to increased earnings from the improved economy. This has not happened enough to make a significant improvement in the numbers of affordable units available, however. The rural areas have not participated in the economic prosperity of the last few years, with a couple of notable exceptions. Most rural areas still have very low vacancy rates in both owner occupied and rental properties. A nominal amount of new housing has been produced and most of it market rate housing. Many market rate housing in the rural areas is affordable to the 70% to 80% AMI families due to inexpensive land costs. There have been very few multi-family projects constructed in the rural areas of the state. Except in the St. George/Cedar City area and perhaps the Logan area. Some multiple unit rental development has occurred but it remains below demand. Waiting lists continue to grow for subsidized housing managed by public entities. Overcrowding remains an extremely important problem. The problem of affordable housing continues to be so large that it will take years of concentrated effort and millions more in funding to ever see any perceivable improvement in availability and affordability. For 1999-2000 we expect to see some improvement in perceptions and knowledge of affordable housing due to implementation of a required housing planning law passed in the Utah legislature. A strong technical assistance and training effort is on-going as this is being written. As a result of these efforts housing has taken on higher priority in CDBG rating and ranking systems and HOME program applications are up, however the funding only will go up a small amount. The legislature continues to provide some additional funding to the Olene Walker Housing Trust fund. Special needs housing continues to be an important need in all regional consolidated plans.

The priorities have not changed significantly from previous years due to the magnitude of the problems and the decreased funding available. This is especially true in the area of housing. The problems are so large and so complex and the funding so limited that improvements are being made in very small increments even in the highest priority problem areas. The higher priority identified in regional plans for low income, owner occupied and rental rehabilitation is reflected in the summary as well as in the expected expenditures listed herein. The general lack of rural rental properties continues to be a major problem and effects housing opportunities for persons with special needs particularly for elderly, frail elderly and disabled persons.

It is planned that CDBG expenditures for housing will increase in the 199-2000 program year due to the affordable housing planning initiative passed by the Utah legislature in 1996. All counties and communities must prepare a plan to assist them to obtain additional affordable housing by projecting need, evaluating barriers in the form of current zoning and then identify how they will proceed to meet the needs identified. The benefits in increased understanding of the affordable housing issue are already being realized and CDBG and HOME applications are expected to increase this year.

GAP ANALYSIS: The following priorities for housing are based on a combination of more urban as well as rural needs. These priorities are based on a gap analysis where there is a demonstrated need not being met by public policy and programs.

Priority #1: Special Needs Housing: Promoting Modified Decentralization of Homeless Facilities in the state.

The “Causes of Homeless” portion of this Consolidated Plan demonstrates that the most significant solution to homelessness is the availability of affordable housing. Therefore the state designates the modified decentralization of homeless facilities as a priority for funding with HOME and other state housing and homelessness dollars.

Providing for persons with special needs is a complex but extremely important requirement in which government must play an essential role. There is an increasing need, which will actually grow geometrically over the next two decades, for housing for the elderly and frail elderly. There are over 72,000 disabled persons in the state, many of which are living in units which are not designed for their special needs. The numbers of persons with AIDS will continue to increase, although at slower rate of about 10% per year. The homeless population will continue to increase beyond the current population which currently can not be adequately housed in expanded existing facilities. Victims of abuse both children and women will continue to increase without regard to the location of existing or proposed shelters. Seriously and persistently mentally ill persons will continue to need significant levels of new facilities to assist them in receiving proper care and if possible introduction into society if possible. CDBG funds will continue to play a major role in providing housing and treatment programs for both populations in 1998. Another increasing need is to develop special housing for single, female heads of households. All these needs are critical and complex in that there are inadequate resources available to resolve the problems and there is a resistance in some rural areas to spend funds to deal with these issues and even more difficult, admit that these problems exist in their jurisdictions.

The reasons this issue is not a higher priority is complex and finding solutions is even more involved. These persons may be participants in the programs offered in previous priorities. Partial solutions to these special housing needs can be obtained by prudent use of funds and to increase its priority. The expenditure of funds to build additional units of housing or to rehabilitate existing housing will make some difference. A unit currently occupied by a disabled person can be made accessible for them in many cases which does not require them to relocate. However, an effort needs to be made to find out who these people are and how they can be assisted. Regulations must be instituted and enforced that at least 10% of new units be made accessible. And they must be held vacant for a period of time while efforts are made to find suitable tenants. Increasing the housing supply will leave units available to rent to elderly persons or units can be set aside for persons with AID's. The increase in supply will bring down the prices of existing units making them more affordable for elderly persons.

There is a perception in the rural areas of the state as expressed in many of the regional consolidated plans that there are limited numbers of persons with special needs and therefore it is not a high priority. While the statistics do indicate that in rural areas there are fewer persons with AIDS, there are significant increasing numbers of frail elderly persons and elderly persons with accessibility and other special needs that should be addressed. In surveys completed in conjunction with the CDBG program, there are large numbers of single, elderly females living by themselves mostly on fixed incomes. As they continue to age, their families may or may not be able to care for them and they will need long term care facilities many of which are owned by local governments or which can be developed by cities and counties. These facilities must be expanded in advance of need if possible.

There are increasing needs for domestic violence victim, temporary housing where mothers and their children can go to get away from possible dangers at home. They are homeless. CDBG funds will continue to be spent to improve these facilities. The homeless population is underestimated as shown in the homeless count in an earlier chapter. Regional governments must recognize that there are "homeless" persons in their communities that need different kinds of housing and it is unacceptable to ignore the problem. Investments must be made in homeless shelters at least in growth centers, long term care facilities must be expanded in advance of need through responsible capital planning, using government grants and leveraging as much private funding as possible.

The State Homeless Coordinating Committee will work with non-profit service providers and local governments to develop statewide “continuum of care” plans that will not only identify ways to bring homeless persons back into permanent housing but also to address the needs of the "at risk" populations. The state will continue to do significant numbers of SRO applications. Helping families negatively effected with divorces, catastrophic illness and the unemployed are all special needs that are happening at ever increasing rates in urban and in rural areas. There are not enough alternatives available for these persons.

Local governments must play a significant role in providing for persons with disabilities. This will be done in conjunction with other projects where new units are built or where rehabilitation occurs. At least 10% of new units should be accessible and additional points should be given to disabled persons at regions decide who should receive rehabilitation funds.

The state will act in some of these voids but will have only a small effect on the problem without assistance from all levels of government. The state will apply for funds themselves or through non-profits to do projects in some of these areas. Some of these programs including HOPWA, Section 8 Special Needs and SRO certificates must be maximized as well as any Supportive Housing programs and other entitlement and block grants.

To assist in the fight against homelessness the state will continue to apply for full allocations of Emergency Shelter Grants and at least $1,500,000 of Shelter Plus Care funding for persons who are disabled. There will be at applications for additional federal Department of Housing and Urban Development Single Room Occupancy funds and Utah will now receive an entitlement of funding for Housing Opportunities for Persons with AIDS.

Priority #2: Lack of large (3 bedroom +), rental housing and increasing the amount of rental housing generally available in the state.

This priority continues to be the top priority due to the general lack of this kind of housing available throughout the state but particularly in rural areas. The potential for really making a difference in affordable housing is greatest if the state concentrated its efforts on the provision of this kind of housing over the next 5 years. There have been an increase in large apartment complexes in the more urbanized areas of the state over the last year. However, most of the apartments are market rent and upscaled kinds of units. There have been very few apartments built in the rural areas where the demand remains high. Recent analysis shows that most smaller towns have zoning which allows up to fourplexes but higher densities are not enabled in the ordinance. The cost remains high and developers can not justify the square foot cost of construction based on the rents to be paid. Most affordable housing needs to be subsidized to insure an adequate return to the developer. It is expected that the number of developers willing to take on these kinds of projects will increase somewhat due to the down turn in demand in market rate developments.

Recent efforts to educate local elected officials and planning and zoning commissioners are paying off in that many communities are willing to support somewhat higher density developments such as 4-plexes. Most ordinances allow for this density but the problem is finding suitable locations and then getting the needed zoning established. Separation between the housing is very important and it is more tolerable in local governments if the development is a mixed income type development. There continues to be resistance to "Affordable housing" from associated residents due to maintenance problems primarily. If tenants are trained about being good neighbors and taking care of their apartments and the owner spends the time and money properly maintaining the property opposition would be decreased. Continued efforts to educate all persons will also help. There are new ways to develop this kind of housing and minimize problems with unintegrated concentrations of lower income persons. Stigmas can be overcome especially if the housing is done within a mixed income environment. Multiple income levels will minimize the perceptions and allow a somewhat higher return for the developer. Many rural Utah communities are trying to maintain the rural lifestyle and it can be maintained if even if occasional higher densities are allowed where compatible. The new state statute requires communities to identify how their ordinance base manages affordable housing and requires all communities to adopt a plan to provide for an adequate supply of affordable housing based on their interpretation of need. This state plan as well as the 7 regional plans deal with some of these issues in the hope that impediments can be removed and affordable housing can be built and made available so low income persons can have a choice in the kind of housing they want to live in.

The suggested increase in large unit rental housing would address the overcrowding issue which is pervasive in many Utah areas. It would also free up units which could be available for elderly and other persons with special needs. All publicly subsidized developments must include at least 10% of the units which are accessible to the disabled. Housing for persons with AID's and other diseases must also be built into this mix of housing. The needs of the lowest income persons should be the highest priority and often it is the special needs population, ie: elderly, disabled and homeless, who meet this lowest income definition.

The general need for all types of rental housing, but especially larger units, is the top priority because right now the numbers of units available are less then the number of people and families who need them on a statewide basis. We must find ways to assist in accomplishing this objective with all private and public levels in order to adequately deal with the problem.

Priority #3: Maintain or increase funding available for housing rehabilitation

Housing rehabilitation has been identified as being a major emphasis of all rural areas so it has been moved up to our number 2 priority for CDBG and HOME funding. The State of Utah has been making a significant effort to rehabilitate existing homes to make them more liveable for the current resident, be it a renter family or one that owns the home. This program continues to increase in importance because as new data is collected it has been determined that there is even a greater need then previously thought. It is also an area where a small amount of money can make a very large impact. This is due to the actual number of homes currently occupied by low income persons which actually need some minor improvements to make them much more liveable. We continue to feel that there is a great need to continue to provide funds particularly in areas of the state where the funds have not been readily available and where housing supply problems are the most acute. The funds will come from the CDBG and HOME programs with other state funds to increase the number of units actually repaired. Weatherization programs and emergency home repair programs will also deal with these same homes. Priorities will be elderly persons, disabled persons, single female heads of households and very low income (30% of median) progressing through low income (50% of median). A small amount of funding may be available to moderate income persons.

Priority #4: Home ownership assistance

The cost of housing is far out distancing the ability of low-income persons to purchase their first home. A new program will be accomplished with CDBG funds. The SUCCESS program links public housing to the Department of Workforce Services assisting participants towards self-sufficiency. The CDBG funds will be used to assist families to pay off outstanding credit bills that stand in the way of qualifying for mortgages. This is a trial program and $49,000 will be set- aside in CDBG funds; $7,000 will be spent in each region. All participating families will be screened for income eligibility, need, and compliance in participating in the SUCCESS program. The Olene Walker Housing Trust Fund also will match the participants escrow account when the participant successfully graduates from the program.

It is imperative that we continue to use HOME and CDBG funds to influence the increased home ownership and the production of affordable low income housing available to lower income buyers. Because there are very few housing vacancies in the state we need to do something to increase the supply of available housing particularly at the lower end of the cost scale. Whenever there is a glut of housing on the market, as there was 5 or 6 years ago, the housing costs go down and the housing can be purchased by a variety of families with lower incomes. In all areas of the state there are low vacancies and the cost of the housing is prohibitive. The cost of housing has gone up 40% in the previous 2 years and is now starting to level off. To buy a small, entry level, 3 bedroom, 1 bathroom home in most of the non-entitlement or rural areas of the state will cost upwards of $80,000 with monthly payments in the area of $700.00 per month. A family would need an income of at least $28,000 per year to qualify for a loan on the conventional market using the 30% of income rule.

Because the Utah Housing Finance Agency has the most sophisticated and resource-rich programs for home ownership, the State will continue to rely primarily on those programs for financing. However CDBG, HOME, and state appropriations will be used to a limited and carefully targeted extent to finance home ownership where it does not duplicate other efforts.

Priority #5: Increase funding available for Rental Assistance

There is need for rental assistance through the network of housing authorities in the state. It is our intent to maintain or increase the funding available for rent assistance. There are unacceptably large waiting lists for rental assistance in all areas of the state due to the dramatic rise in rents over the last 3 or 4 years. The "fair market" rents continue to fail to keep pace with the actual market driven rise in rents over these years. But, the funds available for this assistance is really the main problem. Increasing the funds is a band-aid approach in that the real solution is increasing the number of affordable rental properties so low income families could have a choice of where to live and the market forces would bring down the costs. By implementing the higher priorities the need for rent assistance could be stabilized. The state along with housing authorities and other non-profits will apply for Supportive Housing Grants and Section 8 assistance through HUD for at least $6,000,000 in 1998.

Priority #6: Provide additional technical assistance to housing providers throughout the state.

There is a great need to improve the technical capabilities of the various housing agencies including housing authorities and other non-profits. There are varied levels of capabilities in these agencies mostly based on training levels available to them. Many of these agencies have limited funds available to them to participate in training. The state will increase the services available to these agencies in terms of management, funding access and grantsmanship and internal financial accounting. The state has initiated

this effort through the regional governments. Non-profit and housing authority access to the CDBG and HOME programs will be stressed in the next year. Congress need to recognize the important role housing authorities can play is all aspects of housing not just in their traditional roles.

The State has partnered with the Enterprise Foundation, Utah Housing Technical Assistance Program, Rural Community Assistance Council, and Utah Community Reinvestment Corporation to create the Utah Nonprofit Capacity Building Collaborative (UNCBC). The mission of the collaboration is to provide resources to nonprofit community developers to build affordable housing and community assets through the support of management and production efforts of community based nonprofit organizations. The collaboration provides flexible resources to nonprofit development organizations to pursue their individual community development missions. This includes grant funding for core operating support and organizational development.

Projected 2000-01 listing of CDBG projects by category (Based on regional, city and county action plans)

HOME, ESG and other HUD programs will be spent in the following manner.

HOME

Single Family Rehabilitation	33%
Multiple-family new construction/ Rehab.	36%
Set-aside for CHDO's	15%
Admin.	10%
Native American single family rehabilitation	6%

ESG

Homeless Shelter and other homeless needs	100%

HOPWA

Utah now qualifies for a formula HOPWA allocation. The Olene Walker Housing Trust Fund Board has adopted a committee established by the State Health Department and the State Department of Community and Economic Development to write and implement a plan for the use of HOPWA funding. This plan is now completed and in January 1999 this committee will develop a "Request for Proposals" to solicit applications for HOPWA funding. The tremendous support by the State Health Department in contracting with AIDS Housing of Washington and providing staff support to this committee must be acknowledged.