WASHINGTON COUNTY
2035
HOUSING STUDY

VISION DIXIE

Making a Better Washington County

FINAL REPORT
February 2007

Prepared for:

Vision Dixie Steering Committee
Washington County
Dixie Area Workforce Housing Advisory Committee

Prepared by:

Strategic Planning Group, Inc.

SPG

Economics, Planning, Development Consultants
2453 South Third Street
Jacksonville Beach, Florida 32250
904.339.0150 or 1.800.213.PLAN

TABLE OF CONTENTS

EXECUTIVE SUMMARY
INTRODUCTION E-1
ECONOMY E-2
POPULATION E-2
WASHINGTON COUNTY HOUSING MARKET E-4
HOUSING AFFORDABILITY E-7
FUTURE HOUSING NEEDS E-10
WASHINGTON COUNTY WORKFORCE HOUSING NEEDS E-13

SECTION I - INTRODUCTION
REPORT ORGANIZATION I-1
GENERAL LIMITING CONDITIONS I-2

SECTION II - ECONOMY AND POPULATION
ECONOMY II.1
Employment I-1
Unemployment II-3
Major Employers II-4
Income and Wages II-4
POPULATION II-8
Population Trends II-9
Components of Population Change II-10
City and Places Population within Washington County II-11
Southern Submarket II-11
Population Forecasts II-13

SECTION III - WASHINGTON COUNTY HOUSING MARKET
BUILDING PERMITS III-1
City of St. George Building Permits III-3
Other Washington County Cities/Places Building Permits III-4
HOUSING MARKET CHARACTERISTICS III-6
Households and Housing Units III-6
Tenure and Housing Unit Mix III-7
WASHINGTON COUNTY REAL ESTATE MARKET TRENDS III-10
Residential Sales Trends III-10
Residential Sales Price Trends III-12
Rental Market III-15

TABLE OF CONTENTS – (Continued)

SECTION IV - WASHINGTON COUNTY HOUSING AFFORDABILITY AND FUTURE HOUSING NEEDS

THE CHANGING RESIDENTIAL MARKET IV-1
THE TWO SIDES TO HOUSING IV-4
Demand – Ability to Pay IV-4
Transportation Cost of Living Index IV-8
Commute Drive Time IV-8
Supply – Cost of Housing IV-9
Affordable and Workforce Housing IV-9
FUTURE HOUSING NEEDS IV-11
Washington County Additional Housing Demand IV-14
Washington County Forecasted Housing Unit Tenure and Mix IV-14
Shifting Housing Paradigms IV-17
What We Know Today IV-18

SECTION V - HOUSING AFFORDABILITY GAP ANALYSIS

Definition of Affordability GAP V-1
Factors Impacting the Affordability GAP V-1
HUD Income Distribution and Fair Market Rents V-2
WASHINGTON COUNTY GAP ANALYSIS V-3
Construction Loan Model V-6
Affordability GAP V-8
2012 Affordability GAP V-10
2035 Affordability GAP V-11
WASHINGTON COUNTY WORKFORCE HOUSING V-12
Workforce Housing Demand V-12
Workforce Housing Policy/Issue Considerations V-14

SECTION VI - GOVERNMENT'S ROLE IN THE AFFORDABLE AND WORKFORCE HOUSING MARKET

POLICY CONSIDERATIONS – REMOVING INCOME CONSTRAINTS (DEMAND ISSUES) VI-1
Components of Household Income VI-2
Mortgage and Interest Rates VI-2
Savings (Down Payment) VI-4
Cost Burden VI-4
Outstanding Debt VI-4
Taxes and Other Government Fees VI-5
Utility Rates VI-5
Insurance VI-5
Association Fees VI-6
Transportation Costs VI-6

TABLE OF CONTENTS – (Continued)

POLICY CONSIDERATIONS – HOUSING COST
(SUPPLY ISSUE) VI-6
Removing or Reducing Government Barriers VI-7
- Review of Local Subdivision and Zoning Ordinances VI-7
- Subdivision Improvement that Affect Housing Costs VI-8
- Zoning Code Regulations that Affect Housing Costs VI-8
- Environmental Regulations VI-8
- Government Policy Actions VI-8
- Minimum Zoning Regulations VI-9
- Total Per Unit Cost of Various Minimum House Size by Type VI-10
- Accessory Dwelling Units VI-11
- Adaptive Reuse VI-13
- Commercial Linkage VI-14
- Density Bonuses VI-15
- Fees for Affordable and/or Workforce Housing VI-16
- Impact Fees Waiver/Reduction VI-17
- Inclusionary Zoning VI-17

SUMMARY VI-33
Examples of Higher Density Development VI-46

LISTINGS OF POTENTIAL AFFORDABLE HOUSING TOOLS

Public Policy Tools VI-37
Developer Funding and Financing Tools VI-41
End User Tools VI-43
Design and Development Tools VI-45

APPENDIX

Major Employers in Washington County by Submarket City, 2006 ..... A-1
Tools for Implementing Affordable/Workforce Housing A-14

LISTING OF TABLES

II.1	Washington County Employers, 2005	II-4
II.2	Distribution of Family Incomes, Washington County, 2005-2006	II-6
II.3	County Occupational Wage – Housing Affordability, 2006	II-8
II.4	Washington County Population Trends, 1970-2006	II-9
II.5	Washington County Components of Population Change	II-10
II.6	Washington County City's Historic Population Levels, 1990-2005	II-11
II.7	Washington County And Submarket Population Forecasts, 2005-2035	II-13
III.1	Washington County Building Permits by Structure Type	III-1
III.2	Washington County Distribution of Residential Building Permits	III-2
III.3	City of St. George Building Permits by Structure	III-3
III.4	Residential Building Permits Issued by Place, Washington County	III-5
III.5	Population Households and Household Size, 2000	III-6
III.6	Washington County Submarket Housing Units, 2006	III-6
III.7	Market Areas Vacant Housing Characteristics, 2000	III-7
III.8	Housing Tenure and Unit Mix, 2000	III-8
III.9	Washington County Unit Mix, 2000-2005	III-9
III.10	Single Family Home Sale by Price Range	III-10
III.11	Townhouse/Condominium Sale by Price Range	III-11
III.12	Washington County Residential Product Sales Price Trends	III-12
III.13	Annual Change in Housing and Lot Sales Prices	III-13
III.14	Washington County Land Ownership	III-15
III.15	St. George Housing Authority Rental Unit Survey, 2007	III-15
III.16	Survey of Major Rental Apartment Communities, St. George Submarket Washington County, 2006	III-16
IV.1	Housing Affordability by % of AMI – 30% Cost Burden	IV-10
IV.2	Housing Affordability by % AMI – 40% Cost Burden	IV-10
IV.3	Scenario A – Washington County Tenure Forecast	IV-12
IV.4	Scenario B – Washington County Tenure Forecast	IV-12
IV.5	Scenario C – Washington County Housing Tenure Forecast	IV-13
IV.6	Washington County Future New Housing Needs, 2012-2035	IV-14
IV.7	Washington County Alternative Housing Tenure Scenarios	IV-15
IV.8	Washington County Alternative Housing Mix Scenarios	IV-16
V.1	St. George MSA HUD Family Income Distribution, 1999-2006	V-3
V.2	St. George MSA Fair Market Rents, 2007	V-3
V.3	Forecasted Future Residential Product Costs	V-4
V.4	Estimated Prototypical Development Costs, Washington County, 2006	V-5
V.5	Calculation of Construction Loan Interest by Product Type	V-6
V.6	Mortgage Calculation – 30 Percent Cost Burden	V-7
V.7	Supportable Mortgage Amounts – 30 Percent Cost Burden	V-7
V.8	Affordable Maximum Home Price – 30 Percent Cost Burden	V-8
V.9	Affordability GAP – 30 Percent Cost Burden	V-8

LISTING OF TABLES (continued)

V.10 Affordable Maximum Home Price – 40 Percent Cost Burden V-9
V.11 Affordability GAP – 40 Percent Cost Burden V-10
V.12 2012 Unit Cost Vs. Household Income – 30 Percent Cost Burden V-10
V.13 2012 Unit Cost Vs. Household Income – 40 Percent Cost Burden V-11
V.14 2035 Unit Cost Vs. Household Income – 30 Percent Cost Burden V-11
V.15 2035 Unit Cost Vs. Household Income – 40 Percent Cost Burden V11
V.16 Affordability GAP Summary – Washington County V-12
V.17 Forecast of Washington County Workforce Housing Demand V-13

VI.1 How Mandatory Inclusionary Zoning Works VI-18
VI.2 Examples of Affordable and/or Workforce Housing Programs VI-20
VI.3 Policies/Procedures for Implementing Affordable and/or Workforce Housing – Increase Income Demand VI-34

A.1 Major Employers in Washington County by Submarket City, 2006 ..... A-1
A.2 Tools for Implementing Affordable/Workforce Housing A-14

LISTING OF FIGURES

II.1	Washington County Jobs Distribution by Industry Sector	II-2
II.2	Washington County Jobs Distribution by Industry, 1998-2005	II-3
II.3	Washington County Unemployment Rate Trends 1990-2005	II-3
II.4	Median Family Income Levels, 2000-2006	II-5
II.5	Distribution of Family Income in Washington County, 2005	II.6
II.6	Personal Income by Source, 2004	II-7
II.7	Washington County Population Trends, 1979-2005	II-9
II.8	Washington County Migration and Natural Increase Trends	II-10
II.9	Washington County Southern Submarket	II-12
II.10	Washington County and Submarket Population Forecast, 2005-2035	II-13
III.1	Washington County Building Permits Issued by Type	III-2
III.2	City of St. George Building Permits by Structure Trends	III-3
III.3	St. George Share of Washington County Building Permits	III-4
III.4	Residential Building Permit Trends by Place, Washington County	III-5
III.5	Single Family Home Sales by Price Range	III-11
III.6	Townhouse/Condominium Sales by Price Range	III-12
III.7	Washington County Housing and Lot Price Trends	III-13
III.8	Washington County Annual Increase in Prices by Product	III-14
III.9	Washington County Land Ownership	III-14
IV.1	Housing Supply/Demand Curves	IV-2
IV.2	External Housing Market	IV-3
IV.3	The Housing Problem	IV-3
IV.4	Average Monthly Wage Trends, 1990-2005	IV-4
IV.5	Comparative Labor Force Participation Rates	IV-5
IV.6	Single Worker Families Housing Affordability	IV-5
IV.7	Two Worker Families Housing Affordability	IV-6
IV.8	Housing and Transportation Costs Burden	IV-7
IV.9	Housing and Transportation Costs	IV-8
IV.10	Housing Prices and Income Trends, 2002-2006	IV-9
IV.11	Forecasted Person/Household Trends, Washington County	IV-11
IV.12	Alternative Scenario Housing Unit Forecasts	IV-13
IV.13	Additional Housing Required Over 2005 Levels	IV-14
IV.14	2035 County Alternative Housing Tenure Scenarios	IV-15
IV.15	Changes ~ Gas Prices 2002-2006	IV-18
V.1	Comparative Residential Product Costs, 2006-2035	V-6

WASHINGTON COUNTY 2035 HOUSING STUDY

Executive Summary

WASHINGTON COUNTY 2035 HOUSING STUDY

EXECUTIVE SUMMARY

INTRODUCTION

Strategic Planning Group, Inc. (SPG) has been retained by both Washington County for the Vision Dixie project and by the Dixie Area Workforce Housing Advisory Committee (DAWHAC) to prepare a Housing Market Study.

The housing market study is focused upon providing scenario housing characteristics for the projected housing market for 2012 and 2035 horizon years. As part of this study, an analysis has been conducted to provide information on the mix of housing types that will be in demand based on the expected population levels, demographic characteristics and overall market trends.

A Housing Affordability Gap Analysis is also provided to highlight both existing and anticipated future affordability conditions, especially as related to workforce housing. This part of the study was undertaken for Washington County's Dixie Area Workforce Housing Advisory Committee.

REPORT ORGANIZATION

This report is presented in six sections plus an appendix. **Sections I to IV** was prepared in response to the needs of the Vision Dixie process being undertaken in Washington County. **Section I** provides a general introduction of the study. **Section II** provides an overview of the Washington County economy and discusses historic population trends. **Section III** evaluates the county housing market relative to residential construction trends by unit types, overall housing market characteristics, and real estate market trends relative to residential unit and lot sales. **Section IV** presents information on housing affordability issues and future housing needs within the Washington County market in 2012 and 2035.

Sections V and VI are focused on housing affordability issues and future workforce housing needs in the County and was prepared for Washington County and the Dixie Area Workforce Housing Advisory Committee (DAWHAC). **Section V** presents the residential housing affordability GAP analysis for Washington County, while **Section VI** discusses policy, techniques and tools that can be used to address future housing needs and affordable/workforce housing issues. The **Appendix** provides information on major employers and their location by city along with a check list of Tools for Implementing Affordable/Workforce Housing for DAWHAC.

ECONOMY

Washington County's economic boom has sustained itself for the past three and one-half decades. The major components of the economic engine driving the local economy include retirement living, tourism and recreation, and migration primarily from the northern part of the state and from the State of California.

In Washington County, the construction, transportation/warehousing and accommodations/food services industries have the highest location quotient in the United States. The trade/transportation/utilities sector accounts for the largest number of jobs in the county and makes up 24 percent of the total county employment. Washington County's 2005 jobless rate measured a mere 3.5 percent—far below state/national averages.

Washington County's median family income, as defined by the Department of Housing and Urban Development (HUD), was estimated at $46,900 in 2006. Family incomes are relatively low as compared to state and national averages. This is due in part to the large number of retirees in the market and the relatively low female labor force participation rate.

Washington County's local economy is strong with no indication of this situation changing during the near term future.

POPULATION

Washington County and its anchor city, the City of St. George, have received a substantial amount of national attention in recent years as one of the top fastest growing markets in the United States. County population growth rates exceeding 33 percent between 2000 and 2006 placed the market in the nation's top 30 MSA growth markets.

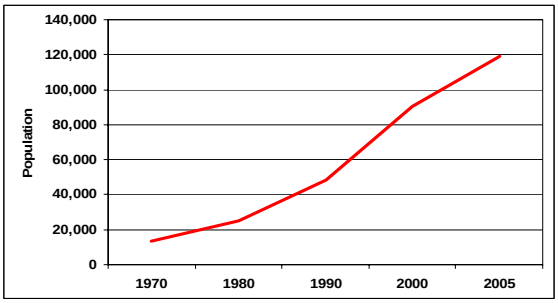
According to U.S. Census figures, Washington County's population has increased by almost four times since 1980 and almost doubled in size during each of the past three decades (1970-2000).

Table E-1 Washington County Population Trends

Year	Population	Amount Change	% Change
1970	13,669	- -	- -
1980	25,065	11,396	83.4%
1990	48,560	23,495	93.7%
2000	90,354	41,794	86.1%
2005	118,885	28,531	31.6%

Source: U.S. Census, 1970-2005, and SPG, Inc. 2006

Figure E-1



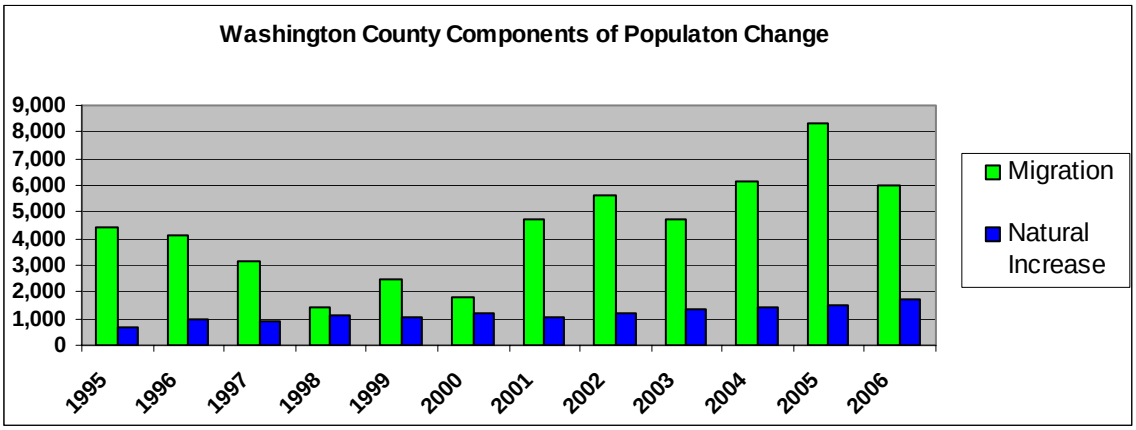
In Washington County in-migration has accounted for anywhere from 61 to 85 percent of the population change. Since 2001, almost 80 percent of the County's population increase is attributable to in-migration.

Table E-2 Washington County Components of Population Change

	2000	2001	2002	2003	2004	2005	2006
Population	91,104	96,902	103,750	109,767	117,316	127,127	134,899
Net Change	2,999	5,798	6,848	6,017	7,549	9,811	7,772
Migration	1,824	4,723	5,613	4,696	6,119	8,301	6,014
Natural Increase	1,175	1,075	1,235	1,321	1,430	1,510	1,758
% Migration	60.8%	81.5%	82.0%	78.0%	81.1%	84.6%	77.4%

Source: Utah Population Estimates Committee and Strategic Planning Group, Inc., 2006.

Figure E-2 Components of Population Change



The southern part of Washington County has been defined as a Southern Submarket and includes all of the county's major communities except Enterprise and New Harmony. This area represents 92 percent of Washington County's 2000 population and 93 percent of the estimated 2005 population. It is within this area that a continued majority of the County's population growth is anticipated to occur in the future.

Based upon the Governor's Office of Planning & Budget's 2005 Baseline Population Projections Data Set, Washington County's population will increase to 178,926 persons by 2012 and reach 410,840 persons in 2035. This represents a population increase of almost 54,000 persons by 2012 and 285,830 persons by 2035 over the estimated 2005 population.

Table E-3. Washington County and Submarket Population Forecast

	Census				Population Change	
Population	2000	2005	2012	2035	2005-12	2005-35
Washington County	90,354	125,010	178,926	410,840	53,916	285,830
Southern Submarket	83,506	116,376	166,592	382,636	50,216	266,260

Source: Strategic Planning Group, Inc., 2006

WASHINGT0N COUNTY HOUSING MARKET

Between 1995 and 2001 building permits ranged from between 1,400 to 1,900 units annually. From 2002 to 2005 the number of permits issued on an annual basis increased substantially and more than doubled in 2004 and 2005.

Table E-4. Washington County Building Permits by Structure Type

Year	Single Family	Duplex-Twin Hm	Condo-minium	4- Units Apts	5+ Units Apts	Total Apts	Total Units
1994	1,937	112	28	410	0	410	2,487
1995	1,375	126	198	187	0	187	1,886
1996	1,180	112	238	286	0	286	1,816
1997	1,203	68	88	74	0	74	1,433
1998	1,364	20	26	96	98	194	1,604
1999	1,277	84	61	37	0	37	1,459
2000	1,258	52	136	66	0	66	1,512
2001	1,329	66	208	92	0	92	1,695
2002	1,611	32	178	67	66	133	1,954
2003	1,811	114	416	316	0	316	2,657
2004	2,692	92	669	319	0	319	3,772
2005	2,826	184	680	69	50	119	3,809

Source: University of Utah, Bureau of Economic and Business Research, BEBR Construction Information Database, and SPG, 2006.

Beginning in 2003, a shift from single-family to multi-family product, including rental apartments, can be noted within the market. This trend is anticipated to accelerate into the future.

Table E-5. Washington County Distribution of Residential Building Permits

Year	Single Family	Duplex-Twin Hm	Condo-minium	Apts	Total Permits
1994	77.9%	4.5%	1.1%	16.5%	100.0%
1995	72.9%	6.7%	10.5%	9.9%	100.0%
1996	65.0%	6.2%	13.1%	15.7%	100.0%
1997	83.9%	4.7%	6.1%	5.2%	100.0%
1998	85.0%	1.2%	1.6%	12.1%	100.0%
1999	87.5%	5.8%	4.2%	2.5%	100.0%
2000	83.2%	3.4%	9.0%	4.4%	100.0%
2001	78.4%	3.9%	12.3%	5.4%	100.0%
2002	82.4%	1.6%	9.1%	6.8%	100.0%
2003	68.2%	4.3%	15.7%	11.9%	100.0%
2004	71.4%	2.4%	17.7%	8.5%	100.0%
2005	74.2%	4.8%	17.9%	3.1%	100.0%

Source: University of Utah, Bureau of Economic and Business, Research, BEBR Construction Information Database, and Strategic Planning Group, Inc., 2006.

Washington County's tenure and unit mix, as estimated for 2005 by the Census American Community Survey data, indicates that the Washington County housing market has already begun to experience significant changes since the 2000 Census. Primarily, the changes include a significant increase in the number of detached single-family rental units, a good increase in units located in larger rental unit projects, and a decrease in the number of owner occupied mobile home units.

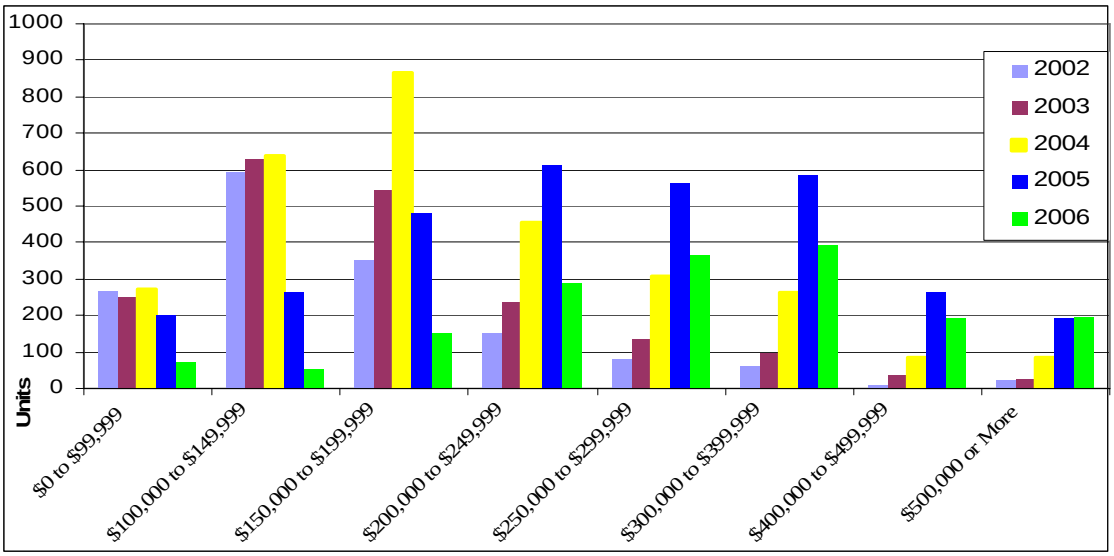
Table E-7. Washington County Housing Unit Mix, 2000-2005

Washington County		*% of*	*% of*		*% of*	*% of*
	2000	Total	Tenure	2005	Total	Tenure
Occupied Units	29,939	100.0%		41,171	100.0%	
Owner Unit Mix	22,144	74.0%	100.0%	27,803	67.5%	100.0%
1, Detached	17,723	59.2%	80.0%	23,249	56.5%	83.6%
1, Attached	1,445	4.8%	6.5%	1,332	3.2%	4.8%
2	116	0.4%	0.5%	105	0.3%	0.4%
3 or 4	67	0.2%	0.3%	135	0.3%	0.5%
5 to 9	77	0.3%	0.3%	113	0.3%	0.4%
10 to 19	67	0.2%	0.3%	209	0.5%	0.8%
20 to 49	76	0.3%	0.3%	-	0.0%	0.0%
50 or more	-	0.0%	0.0%	138	0.3%	0.5%
Mobile Home	2,368	7.9%	10.7%	2,160	5.2%	7.8%
Boats, RV, Vans	205	0.7%	0.9%	362	0.9%	1.3%
Renter Unit Mix	7,795	26.0%	100.0%	13,368	32.5%	100.0%
1, Detached	2,563	8.6%	32.9%	5,227	12.7%	39.1%
1, Attached	1,175	3.9%	15.1%	1,744	4.2%	13.0%
2	534	1.8%	6.9%	1,137	2.8%	8.5%
3 or 4	891	3.0%	11.4%	1,542	3.7%	11.5%
5 to 9	728	2.4%	9.3%	979	2.4%	7.3%
10 to 19	681	2.3%	8.7%	1,206	2.9%	9.0%
20 to 49	311	1.0%	4.0%	243	0.6%	1.8%
50 or more	352	1.2%	4.5%	748	1.8%	5.6%
Mobile Home	552	1.8%	7.1%	501	1.2%	3.7%
Boats, RV, Vans	8	0.0%	0.1%	41	0.1%	0.3%

Source: Census 2000, American Community Survey and Strategic Planning Group, Inc., 2006.

Residential sales trends indicate the total number of single-family home sales more than doubled between 2002 and 2005. The data shows the upward shift in single-family home sales by price range during the 2002-2006 period. A similar situation is noted for townhouse and condominium sales, but at a lower price point.

Figure E-3. Single Family Home Sales by Price Range



Note: 2006 data is partial year January 1 thru August 31,2006.
Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

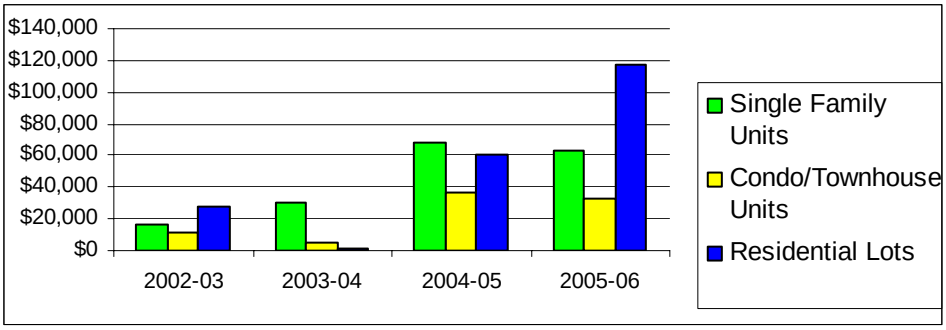
Residential sales prices between 2002 and 2006 increased at an average annual rate of 28 percent for single-family and 19 percent for townhouse/condominium products. Residential lots increased by 78 percent average annually over the period.

Table E-8. Washington County Residential Product Sales Price Trends

						2002-2006 Change		Average
Product	2002	2003	2004	2005	2006/a	Amt	Percent	Ann. %
Single Family Units	$161,786	$178,492	$209,275	$277,610	$341,266	$179,480	110.9%	27.7%
Condo/Townhouse Units	$114,377	$125,626	$131,187	$167,865	$200,415	$86,038	75.2%	18.8%
Residential Lots	$66,054	$93,238	$94,400	$155,524	$272,232	$206,178	312.1%	78.0%
Not Reported	$64,124	$57,596	$86,605	$138,826	$169,629	$105,505	164.5%	41.1%
Less than .25 Acres	$37,945	$40,743	$47,877	$81,602	$120,276	$82,331	217.0%	54.2%
.25 to .49 Acres	$49,217	$56,084	$75,821	$92,052	$203,998	$154,781	314.5%	78.6%
.50 to .74 Acres	$74,079	$78,862	$101,848	$160,643	$197,283	$123,204	166.3%	41.6%
.75 to .99 Acres	$61,246	$80,534	$94,862	$107,185	$270,850	$209,604	342.2%	85.6%
1 Acre Plus	$111,376	$218,992	$160,730	$294,085	$507,402	$396,026	355.6%	88.9%

Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

Figure E-4. Washington County Annual Increase in Prices by Product



An inventory of larger apartment communities within the southern sector of the Washington County market was undertaken in late 2006 by SPG. A total of over 2,400 units in 40 apartment communities were surveyed. Overall occupancy within the market was determined to be **97.3** percent.

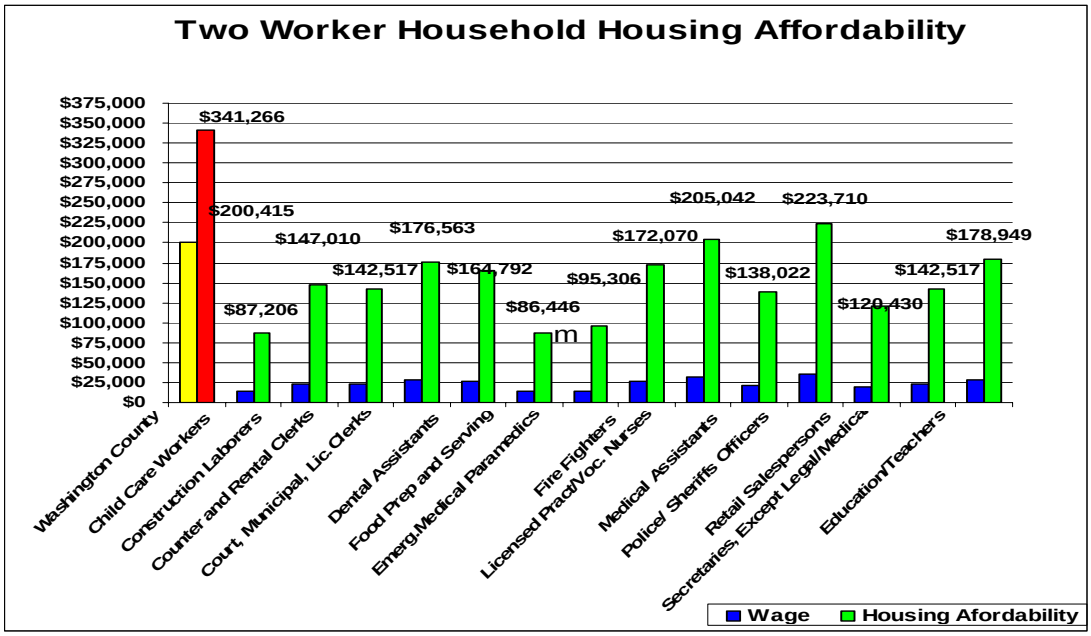
Rental rates for one-bedroom units ranged from $430 to $790 monthly. Two-bedroom unit rental rates ranged from $525 to 925 monthly and three-bedroom unit rents ranged from $725 to $955 monthly. The calculated average monthly unit rents by bedroom mix amounted to:

- ✓ One-Bedroom $617.00
- ✓ Two-Bedroom $730.00
- ✓ Three-Bedroom $877.00

HOUSING AFFORDABILITY

Assuming single worker family households at the median wage level, a 10 percent down payment, 30 percent cost burden and interest rate of 6.5 percent, none of the indicated professions can afford the county's average condominium or single-family home. In the case of two worker family households, however, the situation improves slightly for the affordability of condominium units. Single-family units, based on the average sales, remain out-of-reach without larger down payments, lower interest rates, or significantly increased cost burden.

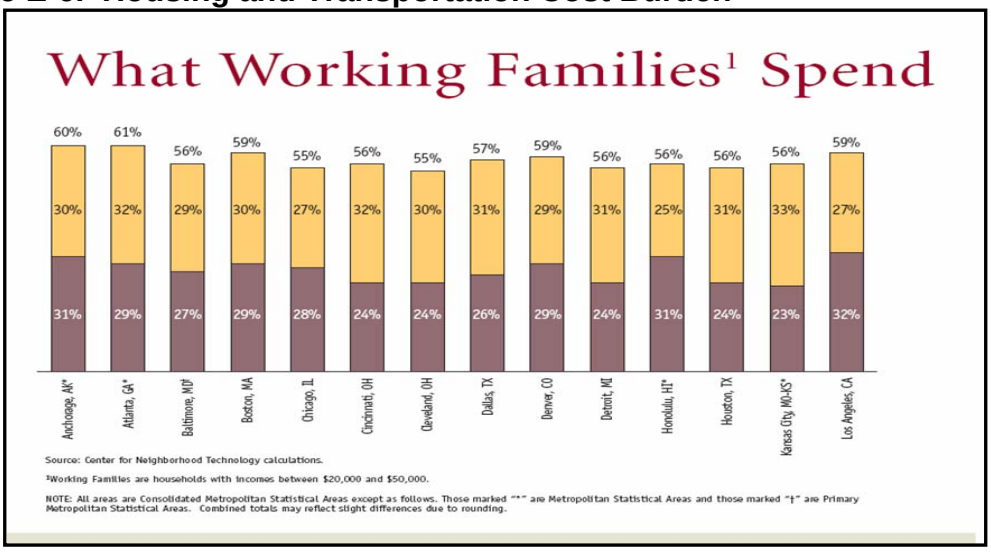
Figure E-5. Two Worker Families Housing Affordability



Source: Utah Department of Workforce Services and Strategic Planning Group, Inc., 2006.

Although not typically associated with housing, transportation costs play an important role in the housing demand equation. Nationally, for every dollar a working family saves on housing cost, it spends 77 cents more on transportation costs. Studies have found that on average, working families in metropolitan areas spend about 57 percent of their incomes on the combined costs of housing and transportation, with roughly 28 percent of income going for housing and 29 percent going for transportation.

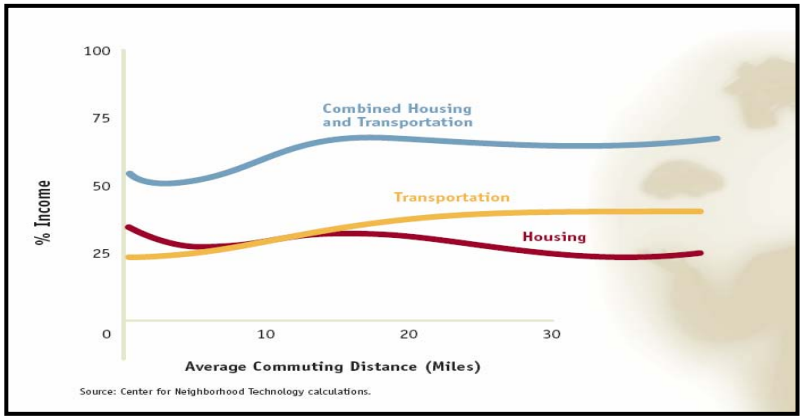
Figure E-6. Housing and Transportation Cost Burden



Many working households that move far from work to find affordable housing end up spending their savings on increased transportation costs. Within metropolitan areas, housing costs tend to fall as one moves further away from employment centers, although some housing in neighborhoods close to suburban job centers can command a premium housing price.

Transportation costs, on the other hand, tend to increase along with commuting distance. At some distance, generally 12 to 15 miles, the increase in transportation costs out weights the savings on housing-and the share of household income required to meet these combined expenditure rises.

Figure E-7. Housing and Transportation Costs



Transportation Cost of Living Index

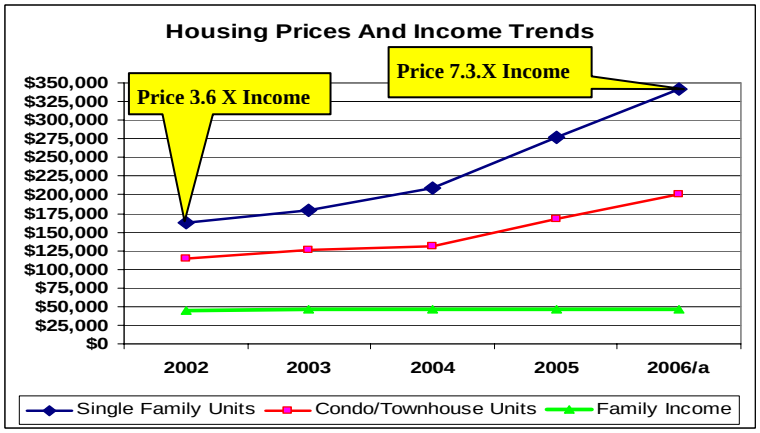
According to the American Chamber of Commerce Research Association (ACCRA), the cost of transportation index for Washington County increased from 95.8 in the forth quarter of 2004 to 104.8 for the same quarter of 2006, which follows the national trend of increased transportation costs on working households. As noted earlier, not only are transportation costs increasing, but housing costs are also increasing. During this same time period, the housing cost of living index increased form 91.0 in 2004 to 111.6 in 2006. Historically, the transportation cost index has consistently been higher than the housing cost index by 5 to 25 points. The increase in both indices is not sustainable.

Commute Drive Times

According to the Census average commute drive times for the Washington County labor force amounted to 17.2 minutes in 2000 and increased to 18.1 minutes in 2005. Among the larger southern Washington County communities, however, the average commuting drive times ranged from 13.6 minutes in Washington and 14.4 minutes in St. George to 26.5 minutes in Toquerville and 31.0 minutes in Virgin.

In recent years, home price increases in Washington County have significantly out paced family income growth. In 2002, home prices were approximately 3.6 times greater than family incomes. By the third quarter of 2006, housing prices increased to approximately 7.3 times that of Washington County family incomes.

Figure E-8. Housing Prices and Income Trends, 2002-2006

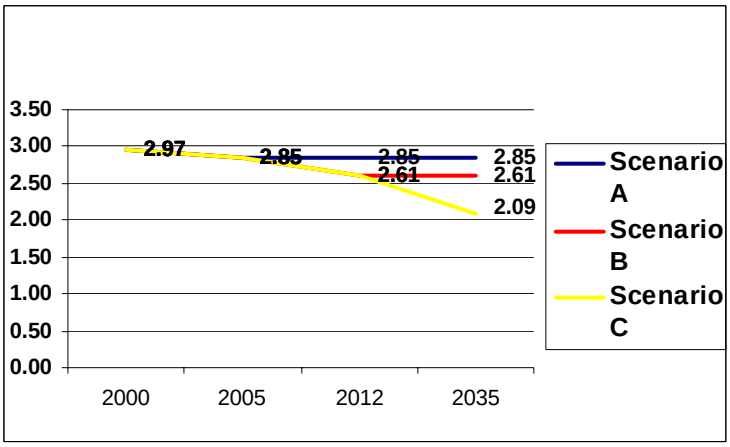


Source: Washington County Board of Realtors and Strategic Planning Group, Inc., 2006.

FUTURE HOUSING NEEDS

SPG has calculated the future housing unit needs of Washington County for the horizon years of 2012 and 2035. The housing unit forecast is based upon the forecasted population levels for the county provided by the Governors Office of Planning and Planning/ Budget's 2005 Baseline Dataset. In converting future population to housing, SPG has prepared three scenarios (A-C) based upon alternative person per household conditions or densities.

Figure E-9. Forecasted Person/Household Trends, Washington County



Source: Census 2000, Census American Community Survey 2005, and Strategic Planning Group, Inc., 2007.

Scenario A assumes that the estimated Census 2005 persons per household level of 2.85 will remain constant through the projection period. Scenario B housing unit forecasts are based upon the assumption of a continued decline in household size through 2012 and then held constant for the remainder of the forecast period at 2.61 persons per households. Lastly, Scenario C assumes a continued decline of the markets person per household ratio based upon the 2000-2005 trend through the 2035 forecast period.

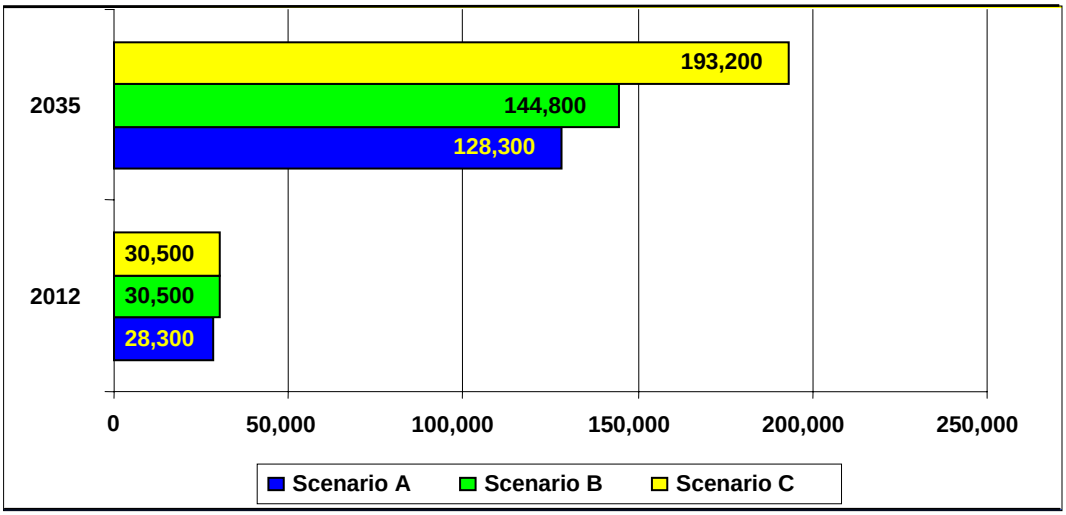
Additional net new housing needs (excluding vacancy) are forecasted to range from between 128,300 and 193,200 units by 2035 based upon the alternative scenarios utilized in this analysis. It is SPG's conclusion that the future housing unit need within the county will most reasonably fall between the higher end of scenario's B and slightly below that of scenario C.

Table E-9. Washington County Future New Housing Needs, 2012-2035

	2012	2035
Scenario A	28,300	128,300
Scenario B	30,500	144,800
Scenario C	30,500	193,200

Source: Strategic Planning Group, Inc., 2007.

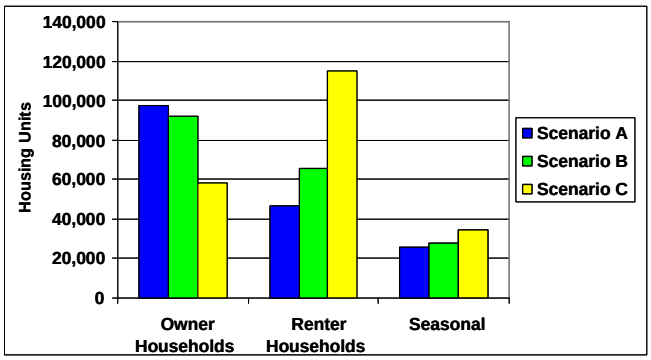
Figure E-10. Additional Housing Required Over 2005 Levels



Source: Strategic Planning Group, Inc., 2007.

In scenarios B and C, a slight increase in the relationship between owner and renter occupied unit can be noted, while in scenario C a significant increase in the net new number of rental and seasonal housing units anticipated for the market.

Figure E-11. 2035 County Alternative Housing Tenure Scenarios



Source: Strategic Planning Group, Inc., 2007.

Alternative future Washington County housing types under each of the presented scenarios is shown below. It should be noted that the housing mix forecast for each of the indicated scenarios has been developed on the basis of the existing 2005 housing mix distribution.

Table E-10. Washington County Alternative Housing Mix Scenarios

	Scenario A		Scenario B		Scenario C	
	2012	2035	2012	2035	2012	2035
Occupied Units	62,746	144,074	64,499	157,488	64,499	196,845
Owner Unit Mix	42,373	97,294	37,750	92,176	37,750	82,128
1, Detached	35,432	81,357	28,313	50,697	28,313	45,170
1, Attached	2,030	4,661	2,265	11,061	2,265	9,855
2	160	367	151	461	151	411
3 or 4	206	472	189	461	189	411
5 to 9	172	395	151	369	151	329
10 to 19	319	731	302	737	302	657
20 to 49	0	0	1,510	7,374	1,510	6,570
50 or more	210	483	1,133	4,609	1,133	4,106
Mobile Home	3,292	7,559	3,247	15,209	3,247	13,551
Boats, RV, Vans	552	1,267	491	1,198	491	1,068
Renter Unit Mix	20,373	46,780	26,748	65,312	26,748	114,717
1, Detached	7,966	18,291	8,025	13,062	8,025	22,943
1, Attached	2,658	6,103	1,337	3,266	1,337	5,736
2	1,733	3,979	2,675	1,959	2,675	3,442
3 or 4	2,350	5,396	3,076	5,225	3,076	9,177
5 to 9	1,492	3,426	2,140	5,225	2,140	9,177
10 to 19	1,838	4,220	2,675	7,837	2,675	13,766
20 to 49	370	850	2,675	12,213	2,675	21,452
50 or more	1,140	2,618	1,337	6,531	1,337	11,472
Mobile Home	764	1,753	2,728	9,797	2,728	17,208
Boats, RV, Vans	62	143	80	196	80	344
Total Unit Mix	62,746	144,074	64,499	157,488	64,499	196,845
1, Detached	43,398	99,649	36,337	63,759	36,337	68,114
1, Attached	4,688	10,764	3,602	14,327	3,602	15,591
2	1,893	4,346	2,826	2,420	2,826	3,852
3 or 4	2,556	5,868	3,265	5,686	3,265	9,588
5 to 9	1,664	3,821	2,291	5,594	2,291	9,506
10 to 19	2,157	4,952	2,977	8,575	2,977	14,423
20 to 49	370	850	4,185	19,587	4,185	28,022
50 or more	1,350	3,100	2,470	11,140	2,470	15,578
Mobile Home	4,055	9,312	5,975	25,006	5,975	30,759
Boats, RV, Vans	614	1,410	571	1,394	571	1,412

Source: Strategic Planning Group, Inc., 2007.

WASHINGTON COUNTY WORKFORCE HOUSING NEEDS

Based upon SPG's analysis of the Washington County housing market and resultant alternative scenario's of future population and household projections for 2012 and 2035, forecasts of future workforce housing needs have been developed for each of the alternative scenarios.

The forecast of Washington County future workforce housing for each of the indicated scenarios is summarized below. The data indicates an additional workforce housing need by 2012 amounting to between 6,200 and 6,700 units in Washington County. In 2035, the additional workforce housing need over 2006 is projected to amount to between 21,900 and 35,600 units[1]. It should be noted that as early as 2012 the definition of workforce housing may need to be expanded to include those households earning up to 150 or 160 percent of the average median income to account for increasing residential unit cost increases over and above the Consumer Price Index (CPI) growth during the period.

Table E-11. Forecast of Washington County Workforce Housing Demand

Scenario A

Income Group (% of AMI)	Maximum Annual Income	Maximum Mortgage Amount	2006 Workforce Households	2012 Workforce Households	2035 Workforce Households	2006-2012 Incremental Demand	2012-2035 Incremental Demand
60% to 80%	$37,520	$111,086	3,409	5,391	12,378	1,981	6,987
80% to 100%	$46,900	$138,857	3,690	5,834	13,396	2,144	7,562
100% to 120%	$56,280	$166,629	3,574	5,651	12,977	2,077	7,325
Totals			10,674	16,876	38,750	6,202	21,874

Scenario B

Income Group (% of AMI)	Maximum Annual Income	Maximum Mortgage Amount	2006 Workforce Households	2012 Workforce Households	2035 Workforce Households	2006-2012 Incremental Demand	2012-2035 Incremental Demand
60% to 80%	$37,520	$111,086	3,409	5,541	13,530	2,132	7,989
80% to 100%	$46,900	$138,857	3,690	5,997	14,643	2,307	8,646
100% to 120%	$56,280	$166,629	3,574	5,809	14,185	2,235	8,376
Totals			10,674	17,348	42,358	6,674	25,011

Scenario C

Income Group (% of AMI)	Maximum Annual Income	Maximum Mortgage Amount	2006 Workforce Households	2012 Workforce Households	2035 Workforce Households	2006-2012 Incremental Demand	2012-2035 Incremental Demand
60% to 80%	$37,520	$111,086	3,409	5,541	16,911	2,132	11,370
80% to 100%	$46,900	$138,857	3,690	5,997	18,303	2,307	12,306
100% to 120%	$56,280	$166,629	3,574	5,809	17,730	2,235	11,920
Totals			10,674	17,348	52,943	6,674	35,596

Source: Strategic Planning Group, Inc., 2007

[1] The range of housing units in 2035 is a factor of the continued decrease in persons per household (PPH). The 21,900 units assumes that the PPH is the same as it was in 2005 while the 35,600 assumes a continuation in the 2000-2005 reduction in PPH.

WASHINGTON COUNTY 2035 HOUSING STUDY

I. INTRODUCTION

WASHINGTON COUNTY 2035 HOUSING STUDY

I. INTRODUCTION

INTRODUCTION

Strategic Planning Group, Inc. (SPG) has been retained by both Washington County for the Vision Dixie project and by the Dixie Area Workforce Housing Advisory Committee (DAWHAC) to prepare a Housing Market Study.

The housing market study is focused upon providing scenario housing characteristics for the projected housing market for 2012 and 2035 horizon years. As part of this study, an analysis has been conducted to provide information on the mix of housing types that will be in demand based on the expected population levels, demographic characteristics and overall market trends.

A Housing Affordability Gap Analysis is also provided to highlight both existing and anticipated future affordability conditions, especially as related to workforce housing. This part of the study was undertaken for Washington County's Dixie Area Workforce Housing Advisory Committee.

REPORT ORGANIZATION

This report is presented in six sections plus an appendix. **Sections I to IV** was prepared in response to the needs of the Vision Dixie process being undertaken in Washington County. **Section I** provides a general introduction of the study. **Section II** provides an overview of the Washington County economy and discusses historic population trends. **Section III** evaluates the county housing market relative to residential construction trends by unit types, overall housing market characteristics, and real estate market trends relative to residential unit and lot sales. **Section IV** presents information on housing affordability issues and future housing needs within the Washington County market in 2012 and 2035.

Sections V and VI are focused on housing affordability issues and future workforce housing needs in the County and was prepared for Washington County and the Dixie Area Workforce Housing Advisory Committee (DAWHAC). **Section V** presents the residential housing affordability GAP analysis for Washington County, while **Section VI** discusses policy, techniques and tools that can be used to address future housing needs and affordable/workforce housing issues. The **Appendix** provides information on major employers and their location by city along with a check list of Tools for Implementing Affordable/Workforce Housing for DAWHAC.

GENERAL LIMITING CONDITIONS

Strategic Planning Group, Inc. does not warrant this report for use other than by Washington County, Envision Dixie, and the Dixie Area Workforce Housing Affordability Committee (DAWHAC) and assumes no responsibility for secondary use of this study or information contained here within by third parties.

Although data, assumptions, and other information used in this study and analysis is believed to be factual, evaluations and projections are subject to a number of variables and unforeseen factors such as major economic changes or shifts in local, regional, national or global economies.

Accordingly, while the forecasts and projections have been prepared in accordance with acceptable techniques consistent with available information, Strategic Planning Group, Inc. cannot guarantee their attainment. More specifically, SPG was requested by the Clients to utilize population and household forecasts for the study prepared by the State of Utah's Population Estimates Committee in 2005.

In addition, the Dixie Area Workforce Housing Affordability Committee (DAWHAC) requested that the Housing Study also consider providing information, especially for workforce housing affordability issues, for an interim year (2012) in the 25 year forecast period.

We wish to note, however, the study and conclusions represent the best judgment of the consultant, based on information compiled and evaluated within the scope of the Agreement with the Client for this project.

WASHINGTON COUNTY 2035 HOUSING STUDY

II. ECONOMY AND POPULATION

WASHINGTON COUNTY 2035 HOUSING STUDY

II. ECONOMY AND POPULATION

This section, along with Sections III and IV were prepared for Vision Dixie as part of the Vision Dixie process which is primarily focused upon developing a growth and transportation Vision for Washington County circa 2035. This information is intended to provide a view of the anticipated types and mix of housing that will be demanded based upon a 2035 population of an additional 235,800 persons in Washington County.

ECONOMY

Washington County's economic boom has sustained itself for the past three and one-half decades. The major components of the economic engine driving the local economy include retirement living, tourism and recreation, and migration primarily from the northern part of the State and from the State of California.

As early as the 1960's, the county was nationally known as a retiree destination area providing ideal climatic conditions, a rural environment, and a host of natural/recreational attractions. During the 1990's, the immigration of Californians seeking refuge from urban unrest, down trending economic conditions, high state taxes, earthquakes, and wild fires, fueled continued expansion of the local Washington County economy. Immigration to the county continues to be the single most important component of population growth, accounting for over 80 percent of total population growth in recent years. This is about twice that of the State immigration rate of 42.4 percent in 2006.

A 2004 analysis of applicants for Utah Drivers Licenses, commissioned by the Home Builders Association, indicated that 62 percent of the county's new residents were from California (29%), Nevada (17%) and Arizona (10%) and foreign countries (6%).

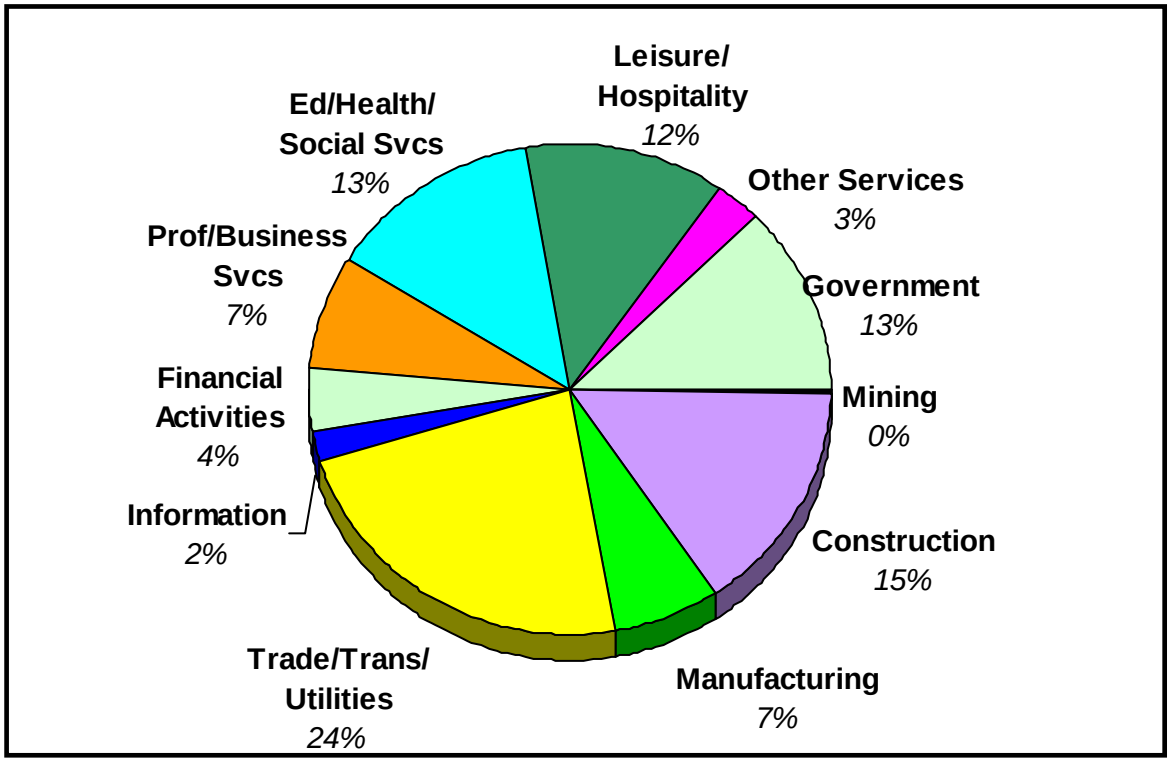
Employment

In Washington County, the construction, transportation/warehousing and accommodations/food services industries have the highest location quotient in the United States. In terms of employment sectors, retail trade, construction and health care/social assistance are the largest employment industry categories. Figure II.1, on the following page, shows the 2005 distribution of Washington County employment by sector.

The trade/transportation/utilities sector accounts for the largest number of jobs in the county and makes up 24 percent of the total county employment. Construction and education/healthcare/social assistance industries account for

15 percent and 13 percent of the total jobs, respectively. Government employment accounts for 13 percent of the jobs and the leisure/hospitality sector accounts for 12 percent of the jobs in 2005. Together, these sectors account for 77 percent of the total jobs in Washington County.

Figure II.1 2005 Washington County Jobs Distribution by Industry Sector



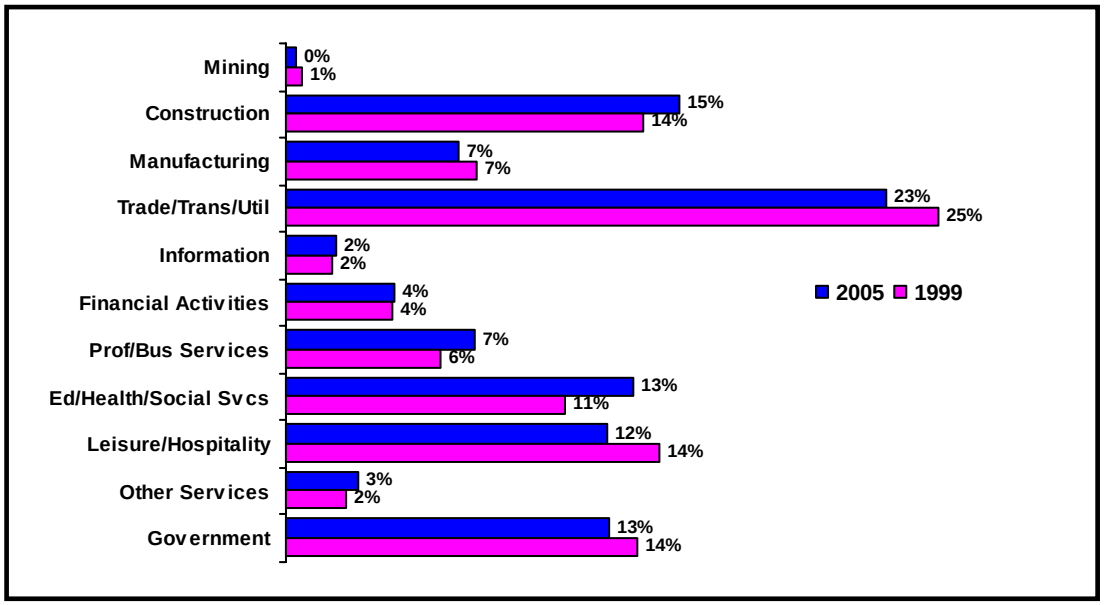
Source: Utah Department of Workforce Services, 2006.

In 2005, the Washington County building boom fueled construction's huge job growth contribution. More than one-third of the new jobs created during 2005 were construction industry positions. Trade/transportation/utilities also generated a large number of positions. In addition, manufacturing, professional/business services, private education/health/social services, leisure/hospitality services, and government added roughly 300 or more jobs.

Compared to 1999, construction and leisure/hospitality services provide a smaller share of employment than in 2005. On the other hand, private education/health/social services has increased its employment share. For the most part, balanced growth in the county means that little has changed in the employment shares of the major industries over the past six years.

Figure II.2 on the following page, illustrates the 1999-2005 employment distribution by the major industry sectors.

Figure II.2 Washington County Distribution of Jobs by Industry, 1999-2005

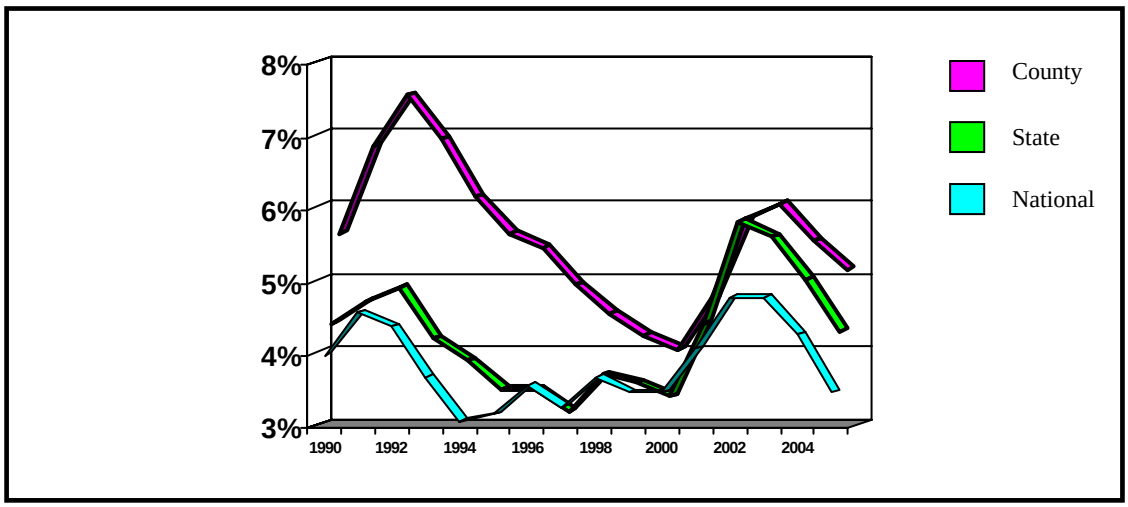


Source: Utah Department of Workforce Services, 2006.

Unemployment

Washington County's jobless rate continued to drop in 2005. Washington County's 2005 jobless rate measured a mere 3.5 percent—far below state/national averages. This low level of unemployment has put a strain on local employers wishing to hire new workers. Figure II.3 shows rate trends since 1990.

Figure II.3 Washington County Unemployment Rate Trends, 1990-2005



Source: Utah Department of Workforce Services, 2006.

Major Employers

Washington County's major employers for 2005 are summarized in Table II.1, below:

Table II.1. Washington County Major Employers, 2005

Company	Type of Industry
Washington County School District	Public Education
Intermountain Health Care	Healthcare
Wal-Mart	Discount Department Store
St. George City	Local Government
Dixie College	Higher Education
Federal Government	Government
SkyWest Airlines	Air Transportation
Washington County	Local Government
Cabinetec Cabinet	Manufacturing
Sunroc Corp	Building Products
Cross Creek Manor	Residential Care
Lin's Supermarket	Grocery Store
Boulevard Furniture	Furniture
Albertsons	Grocery Store
Cinnamon Hills Youth Crisis Center	Residential Care
Red Mountain Spa	Spa
Deseret Laboratories	Pharmaceutical Manufacturing
Andrus Trucking	Trucking
Costco	Warehouse Club
McDonald's	Fast Food Restaurant
Harmons	Grocery Store
State of Utah	Government
Interstate Rock Products	Heavy Construction
Pace American	Truck Trailer Manufacturing
Lowes Home Improvement	Building Materials/Garden Store
Express Services	Employment Service

Source: Utah Department of Workforce Services, 2006

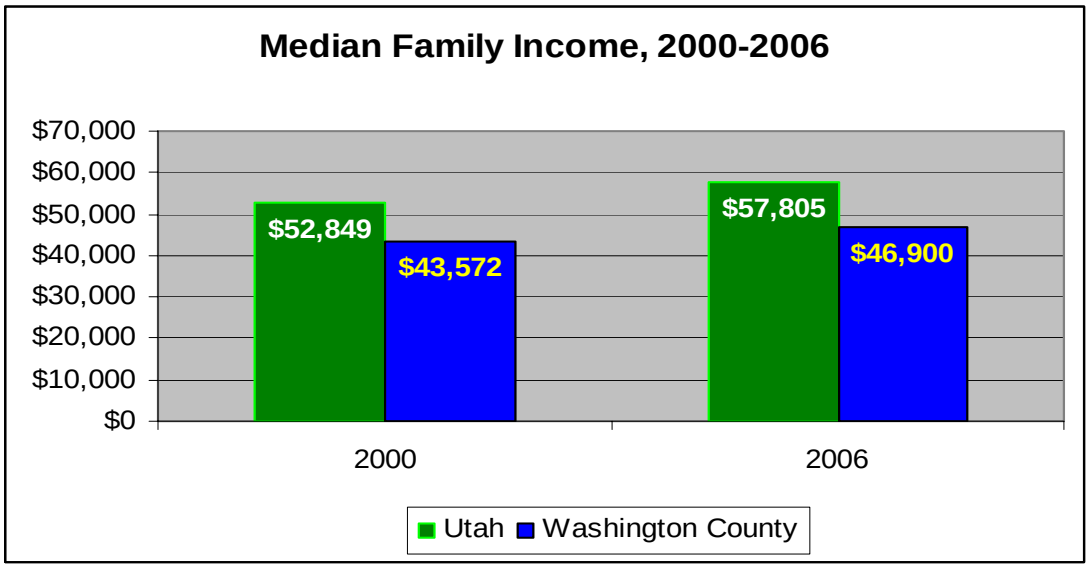
Significantly, examination of State records indicate there are only 5 private sector firms within Washington County that employ more than 500 persons. And, with the exception of Wal-Mart in Hurricane, all of these firms are located in the City of St. George. These firms include Wal-Mart, Skywest Airlines, Dixie College, Dixie Regional Medical Center, and IHC Hospital. A more detailed listing of major employers by city in southern Washington County is located in the Appendix of this report.

Income and Wages

Median family income, as defined by the Department of Housing and Urban Development (HUD), was estimated at $46,900 in 2006. This is an increase of $3,328 or 7.6 percent above the 2000 level of $43,572. This amounts to an average growth rate of 1.3 percent annually. Statewide, the median family income increased from $43,572 in 2000 to $52,849 in 2006. This represents an average increase of 1.6 percent annually. Significantly, HUD's 2005 estimated median family income for Washington County amounted to $47,000 or $100 less than the 2006 median family income, while the state level median family income increased by only $1.00.

This indicates an overall net reduction in real family income when considering a consumer price index increase of at least 2.5 percent during the 2005-2006 period. A comparison of median family income levels for the State of Utah and Washington County is shown in Figure II.4 below.

Figure II.4 Median Family Income Levels, 2000-2006



Source: U.S. Department of Housing and Urban Development and Strategic Planning Group, Inc., 2006.

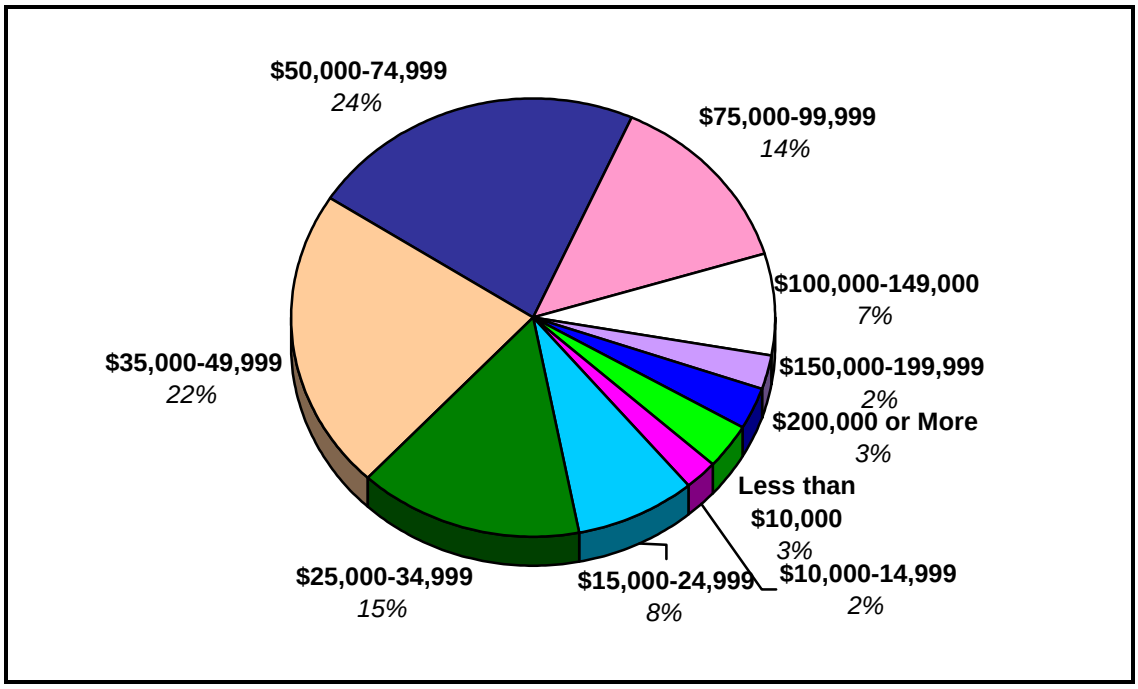
Family income is a function of wages and the number of wage earners within the family household. Washington County's relatively low median family income levels reflect an abundance of lower paying service and retail jobs in the local economy as well as a smaller percentage of two or more wage earners in a family household. Census 2000 data indicates that Washington County had a female labor force participation rate of only 49.3 percent as compared to 61.0 percent for the state overall. And, the county had the fourth lowest female participation rate of all counties in the state. Table II.2 and Figure II.5 show the distribution of family incomes in 2005 for Washington County.

Table II.2 Distribution of Family Incomes, Washington County, 2005

Income Range	Number	Precent
Less than $10,000	1,044	3.3%
$10,000 to $14,999	654	2.1%
$15,000 to $24,999	2,547	8.1%
$25,000 to $34,999	4,723	15.1%
$35,000 to $49,999	6,936	22.2%
$50,000 to $74,999	7,050	22.5%
$75,000 to $99,999	4,260	13.6%
$100,000 to $149,999	2,325	7.4%
$150,000 to $199,999	779	2.5%
$200,000 or more	983	3.1%
Totals	31,301	100.0%

Source: American Community Survey and Strategic Planning Group, Inc., 2006.

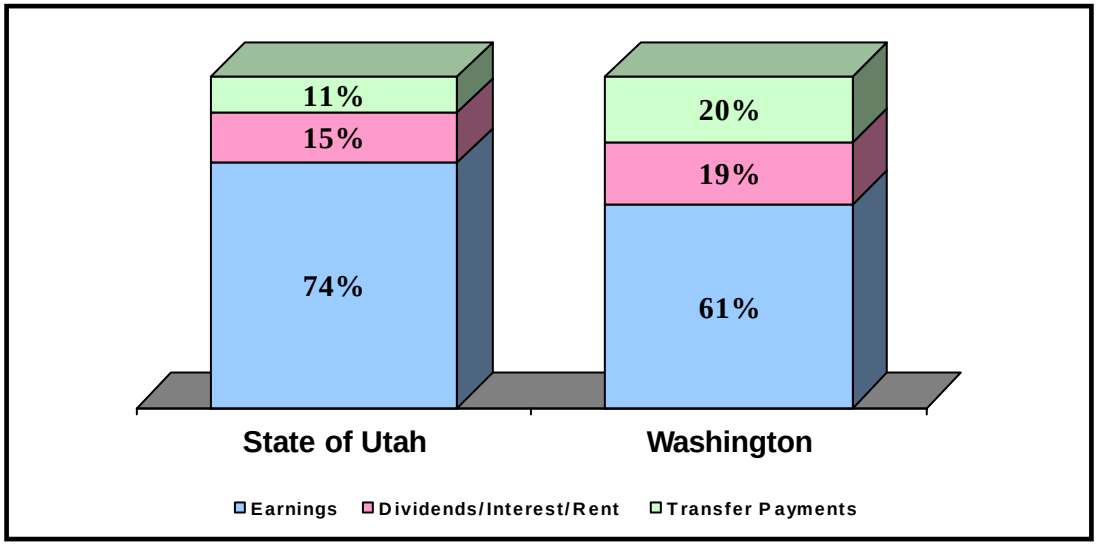
Figure II.5 Distribution of Family Income in Washington County, 2005



Source: American Community Survey and Strategic Planning Group, Inc., 2006.

Due primarily to the large number of retirees comprising the Washington County market, a much larger share of personal income is derived from transfer payments which include dividends, interest payments and rents in the county than in the State of Utah as a whole. In fact, the percentage of transfer payments in the county (20%) is almost twice that of the state average of only 11 percent. On the other hand, personal income derived from earnings within the county is 13 percent below that of the state average in 2004. This information is shown in Figure II.6, following.

Figure II.6 Personal Income by Source, 2004



Source: U.S. Census, Bureau of Economic Analysis, 2006.

Occupational wage data for selected occupations have been evaluated relative to a single-wage-earner-family household's ability to purchase or rent housing in Washington County at the present time. This information is shown in Table II.3 and indicates a median annual wage for the selected occupations ranging from a low of $13,780 for Child Care Workers to a high of $35,350 for Police/Sheriffs Officers. For these indicated occupations, the ability to purchase housing ranges from homes priced in the $54,000 to $139,800 range and monthly rents ranging from $295 to $830. For the most part, almost all of these occupations fall far below the required wage levels to purchase or rent housing in Washington County at the present time.

Table II.3 County Occupational Wage-Housing Affordability, 2006

Occupation Title	Inexperienced Wage	Average	Median	Single Worker Afford. Home	Single Worker Afford. Rent
Child Care Workers	$12,460	$14,640	$13,780	$54,504	$295
Construction Laborers	$19,940	$24,980	$23,230	$91,881	$531
Counter and Rental Clerks	$20,010	$25,950	$22,520	$89,073	$513
Court, Municipal, Lic.Clerks	$18,870	$28,700	$27,900	$110,352	$648
Dental Assistants	$22,360	$26,140	$26,040	$102,995	$601
Food Prep and Serving	$12,210	$13,890	$13,660	$54,029	$292
Emerg.Medical Paramedics	$12,300	$18,780	$15,060	$59,566	$327
Fire Fighters	$15,400	$27,440	$27,190	$107,544	$630
Licensed Pract/Voc. Nurses	$28,000	$32,210	$32,400	$128,151	$760
Medical Assistants	$19,500	$22,280	$21,810	$86,264	$495
Police/ Sheriffs Officers	$19,940	$33,760	$35,350	$139,819	$834
Retail Salespersons	$14,510	$22,870	$19,030	$75,269	$426
Secretaries, Except Legal/Medical	$16,680	$22,880	$22,520	$89,073	$513
Education/Teachers	$19,125	$29,088	$28,277	$111,843	$657

Note: Single worker housing affordability based on median wage level. Affordable home prices based upon a 10% down payment, 30% cost burden and 6.5% interest rate.
Source: Utah Department of Workforce Services, November 2006 and Strategic Planning Group, Inc., 2006.

POPULATION

Washington County and its anchor city, the City of St. George, have received a substantial amount of national attention in recent years as one of the top fastest growing markets in the United States. Designated a Metropolitan Statistical Area (MSA) in 2003, Washington County began appearing on the radar screens of corporate real estate site locators and real estate investment concerns. County population growth rates exceeding 33 percent between 2000 and 2006 placed the market in the nation's top 30 MSA growth markets.

In addition, Washington County and the City of St. George have consistently ranked in the top ten lists of the best places to live. The City of St. George recently ranked as the second best city in the nation for business opportunities. St. George and the adjacent southern sectors of Washington County have been rated among the best communities in the country to retire by Rand McNally, Prentice Hall, Money Magazine and the American Association of Retired Persons (AARP).

Population Trends

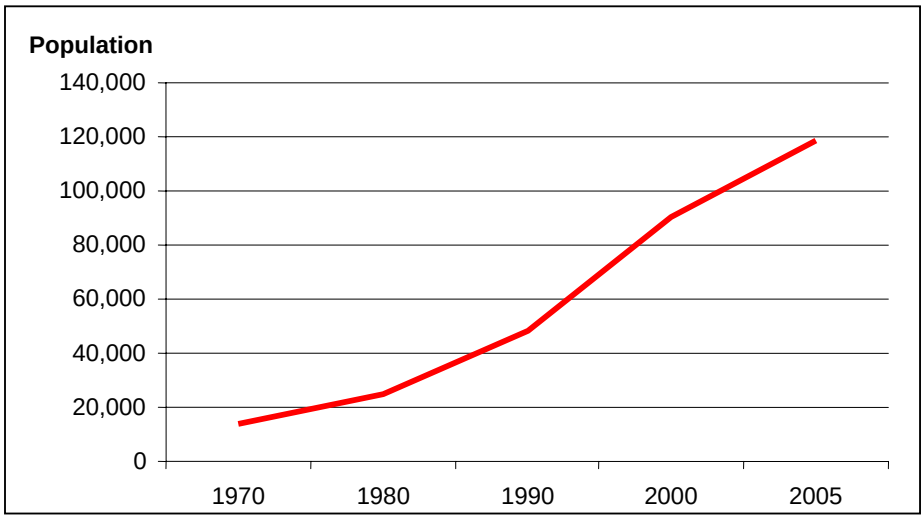
According to U.S. Census figures, Washington County's population has increased by almost four times since 1980 and almost doubled in size during each of the past three decades (1970-2000). Table II.4 and Figure II.7 summarize the official Census count population levels since 1970. The indicated 2005 number is the official Census estimate for that year.

Table II.4 Washington County Population Trends, 1970-2006

Year	Population	Amount Change	% Change
1970	13,669	- -	- -
1980	25,065	11,396	83.4%
1990	48,560	23,495	93.7%
2000	90,354	41,794	86.1%
2005	118,885	28,531	31.6%

Source: U.S. Census, 1970-2005, and SPG, Inc. 2006

Figure II.7 Washington County Population Trends, 1979-2005



Source: U.S. Census, 1970-2005, and SPG, Inc. 2006

It should be noted that the population figures from the U.S. Census and those from the State of Utah Governor's Office and the State's Population Estimates Committee vary slightly. For the purposes of this Housing Study, however, the consultant has been requested to utilize the forecasts prepared in the Baseline Projections 2005 Data Set prepared by the Governor's Office of Planning and Budget.

The primary difference between these numbers for 2000 and 2005 is shown as follows:

Population Source	2000	2005
US Census	90,354	118,885
Utah Pop. Estimates Committee	91,104	127,127
Governor's Office of Planning/Budget	90,354	125,010

Source: US Census 2000 and 2006 Estimates Program, Governors office of Planning and Budget, Utah Population Estimates Committee, and Strategic Planning Group, Inc., 2006.

Components of Population Change

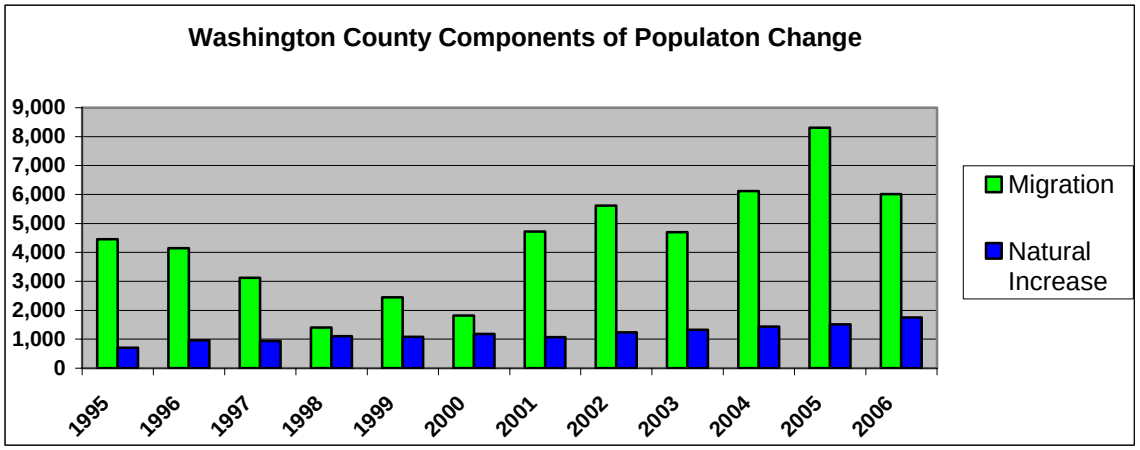
The components of population change in Washington County consist of natural increase (births minus deaths) and net migration of persons to the county. Generally, a typical rapidly expanding population base is indicative of a strong net migration as is the case in Washington County where migration has accounted for anywhere from 61 to 85 percent of the population change. Since 2001, almost 80 percent of the County's population increase is attributable to in-migration. Table II.5 and Figure II.8, following, summarize the components of population change as prepared by the Utah Population Estimates Committee which also forecasts a 2006 population level for Washington County of 134,899 persons.

Table II.5 Washington County Components of Population Change

	2000	2001	2002	2003	2004	2005	2006
Population	91,104	96,902	103,750	109,767	117,316	127,127	134,899
Net Change	2,999	5,798	6,848	6,017	7,549	9,811	7,772
Migration	1,824	4,723	5,613	4,696	6,119	8,301	6,014
Natural Increase	1,175	1,075	1,235	1,321	1,430	1,510	1,758
% Migration	60.8%	81.5%	82.0%	78.0%	81.1%	84.6%	77.4%

Source: Utah Population Estimates Committee and Strategic Planning Group, Inc., 2006.

Figure II.8 Washington County Migration and Natural Increase Trends



Source: Utah Population Estimates Committee and Strategic Planning Group, Inc., 2006.

Between 2000 and 2006, migration to Washington County is estimated at 37,290 persons, or 80 percent of the 46,794 person increase in population during that period. In 2006, Washington County had the highest population growth rate in the State of Utah at 6.1 percent and was fourth in terms of absolute population increase estimated at 7,772 persons.

City and Places Population within Washington County

There are 15 cities or incorporated places in Washington County as of 2005. All except Enterprise and New Harmony are located in the southern part of the county which is climatically very different than northern Washington County.

Population change within the county has been occurring primarily in the City of St. George which accounted for 51 percent of the 1990-2000 growth and 47 percent of the 2000-2005 growth. During the 1990-2000 timeframe, the other major growth areas were Hurricane, Washington, Ivins and Santa Clara. In the past five years, population growth slowed in Hurricane and exploded in Washington. Table II.6 shows population trends since the 1990 Census for the major cities and incorporated areas in Washington County.

Table II.6 Washington County City's Historic Population Levels, 1990-2005

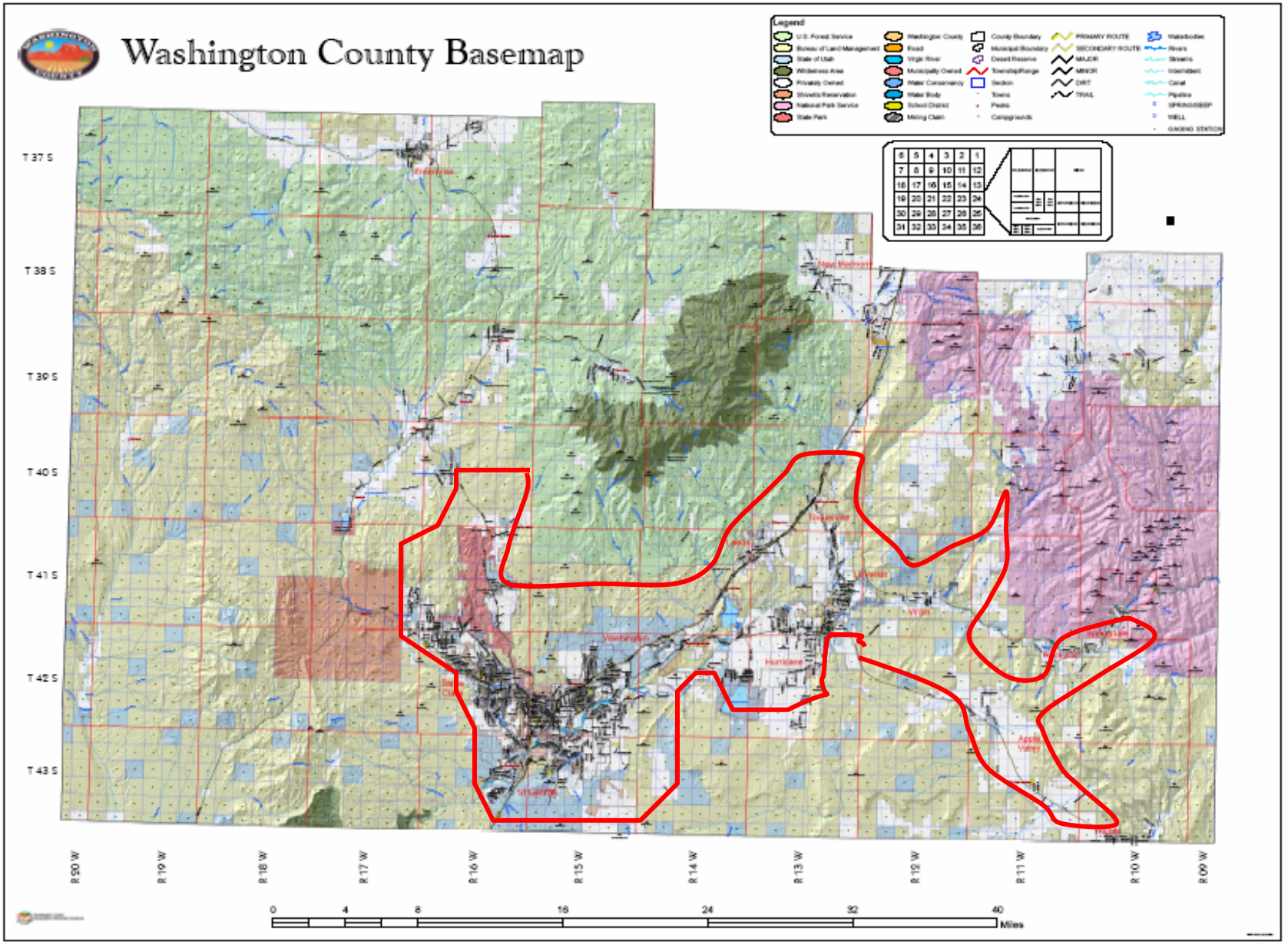
Area	Census 1990	Census 2000	GOPB 2005	1990-2000 Change Amount	1990-2000 Change Percent	2000-2005 Change Amount	2000-2005 Change Percent	Share of Growth
Washington County	48,560	90,354	125,010	41,794	86.1%	34,656	38.4%	100.0%
Apple Valley	- -	442	617	- -	- -	175	39.6%	0.5%
Enterprise city	936	1,285	1,525	349	37.3%	240	18.7%	0.7%
Hildale city	1,325	1,895	2,288	570	43.0%	393	20.7%	1.1%
Hurricane city	3,915	8,250	11,088	4,335	110.7%	2,838	34.4%	8.2%
Ivins town	1,630	4,450	7,076	2,820	173.0%	2,626	59.0%	7.6%
La Verkin city	1,771	3,392	4,363	1,621	91.5%	971	28.6%	2.8%
Leeds town	234	590	788	356	152.1%	198	33.5%	0.6%
New Harmony town	93	190	225	97	104.3%	35	18.4%	0.1%
Rockville town	198	247	250	49	24.7%	3	1.2%	0.0%
St. George city	28,502	49,663	65,968	21,161	74.2%	16,305	32.8%	47.0%
Santa Clara city	2,322	4,630	6,276	2,308	99.4%	1,646	35.5%	4.7%
Springdale town	239	457	600	218	91.2%	143	31.3%	0.4%
Toquerville town	551	910	1,163	359	65.2%	253	27.8%	0.7%
Virgin town	214	394	525	180	84.1%	131	33.3%	0.4%
Washington city	4,198	8,186	15,376	3,988	95.0%	7,190	87.8%	20.7%
Balance of Washington County	2,432	5,373	6,884	2,941	120.9%	1,511	28.1%	4.4%

Note: Apple Valley Incorporated on October 14, 2004.
Source: U.S. Census Bureau, Associations of Government; Governor's Office of Planning & Budget, 2005, and Strategic Planning Group, 2006

Southern Submarket

A Washington County Southern Submarket has been defined that includes all of the communities discussed above except the northern communities of Enterprise and New Harmony. This area represents 92 percent of Washington County's 2000 population and 93 percent of the estimated 2005 population. It is within this area that a continued majority of the County's population growth is anticipated to occur in the future. Figure II.9, on the following page, illustrates this geographic area within Washington County.

Figure II.9 Washington County Southern Submarket



Population Forecasts

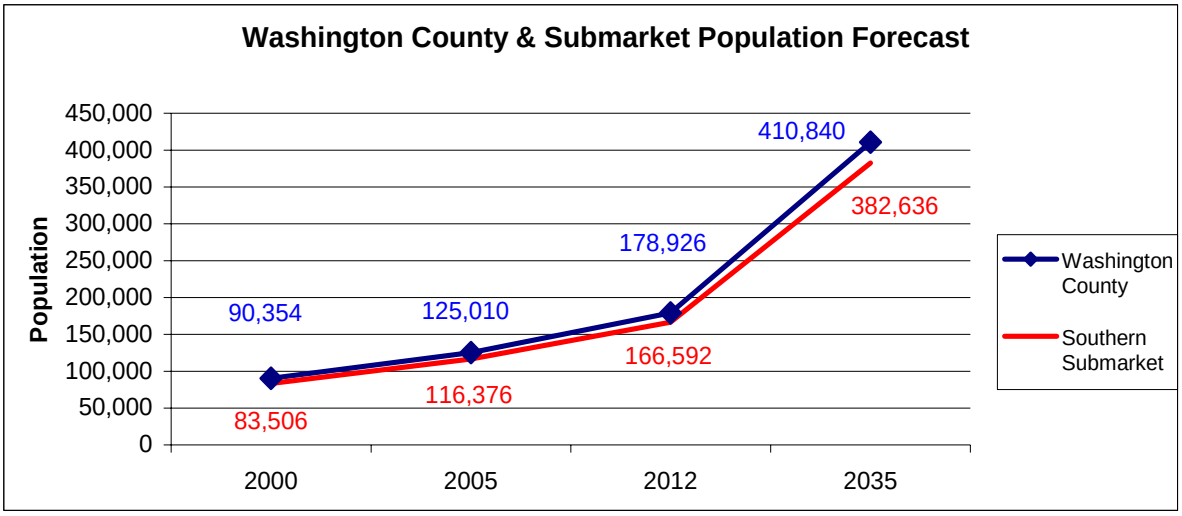
Based upon the Governor's Office of Planning & Budget's 2005 Baseline Population Projections Data Set, Washington County's population will increase to 178,926 persons by 2012 and reach 410,840 persons in 2035. This represents a population increase of almost 54,000 persons by 2012 and 285,830 persons by 2035 over the estimated 2005 population levels within the county. Population forecasts for Washington County and the delineated Southern Submarket is shown in Table II.7.
And Figure II.10 following.

Table II.7 Washington County And Submarket Population Forecasts, 2005-2035

	Census				Population Change	
Population	2000	2005	2012	2035	2005-12	2005-35
Washington County	90,354	125,010	178,926	410,840	53,916	285,830
Southern Submarket	83,506	116,376	166,592	382,636	50,216	266,260

Source: U.S. Census Bureau, Asssociations of Government; Governor's Office of Planning & Budget, 2005, and Strategic Planning Group, 2006.

Figure II.10 County And Submarket Population Forecast , 2005-2035



Source: U.S. Census Bureau 2000, Governor's Office of Planning & Budget, 2005, and Strategic Planning Group, Inc., 2006.

WASHINGTON COUNTY 2035 HOUSING STUDY

III. WASHINGTON COUNTY HOUSING MARKET

WASHINGTON COUNTY 2035 HOUSING STUDY

III. Washington County Housing Market

This section of the report reviews the Washington County Housing Market relative to the character, quantity, and performance of the housing market in recent years. This information serves as a basis for evaluating housing affordability, workforce housing gap analysis of the market and the development of alternative future housing scenarios for Washington County in 2035.

BUILDING PERMITS

During the 1994-2005 periods, annual building permits issued in Washington County increased significantly beginning in 2002. While 2004 was an up year with almost 2,500 permits issued, the annual number of permits issued annually between 1995 and 2001 ranged from between 1,400 to 1,900 units annually. Between 2002 and 2005 the number of permits issued on an annual basis increased substantially and more than doubled in 2004 and 2005.. Table III-1 summarizes the Washington County building permit trends during the 2004-2005 period.

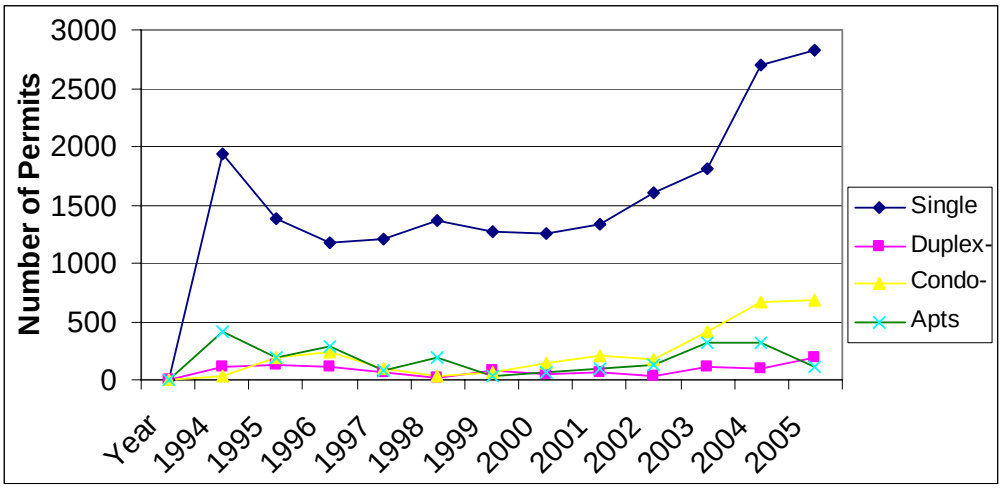
Table III-1. Washington County Building Permits by Structure Type

Year	Single Family	Duplex-Twin Hm	Condo-minium	4- Units Apts	5+ Units Apts	Total Apts	Total Units
1994	1,937	112	28	410	0	410	2,487
1995	1,375	126	198	187	0	187	1,886
1996	1,180	112	238	286	0	286	1,816
1997	1,203	68	88	74	0	74	1,433
1998	1,364	20	26	96	98	194	1,604
1999	1,277	84	61	37	0	37	1,459
2000	1,258	52	136	66	0	66	1,512
2001	1,329	66	208	92	0	92	1,695
2002	1,611	32	178	67	66	133	1,954
2003	1,811	114	416	316	0	316	2,657
2004	2,692	92	669	319	0	319	3,772
2005	2,826	184	680	69	50	119	3,809

Source: University of Utah, Bureau of Economic and Business Research, BEBR Construction Information Database, and SPG, 2006.

The data indicates the greatest growth in building permits has been for single-family units during the period. In 2004 and 2005 new record highs were experienced for the total number and numbers of single-family unit permits. The other residential building type indicating positive growth trends were duplex and condominium units permitted in 2004 and 2005. Apartment units, while increasing in 2003 and 2004, experienced a decline in 2005. Figure III-1, following, shows these trends for the 1994-2005 periods.

Figure III-1. Washington County Building Permits Issued by Type



Source: University of Utah, Bureau of Economic and Business Research, BEBR Construction Information Database, and Strategic Planning Group, Inc., 2006

As shown in the table, single-family permits have accounted for the majority of the residential building types permitted. In the late 1990's single-family units accounted for 84 to 88 percent of the units permitted annually. In more recent years, however, single-family units account for only 68 to 74 percent of the total annual units permitted. This reflects an increasing trend toward duplex, apartment and especially condominium units being permitted within the county market since 2003. Table III-2

Table III-2. Washington County Distribution of Residential Building Permits

Year	Single Family	Duplex-Twin Hm	Condo-minium	Apts	Total Permits
1994	77.9%	4.5%	1.1%	16.5%	100.0%
1995	72.9%	6.7%	10.5%	9.9%	100.0%
1996	65.0%	6.2%	13.1%	15.7%	100.0%
1997	83.9%	4.7%	6.1%	5.2%	100.0%
1998	85.0%	1.2%	1.6%	12.1%	100.0%
1999	87.5%	5.8%	4.2%	2.5%	100.0%
2000	83.2%	3.4%	9.0%	4.4%	100.0%
2001	78.4%	3.9%	12.3%	5.4%	100.0%
2002	82.4%	1.6%	9.1%	6.8%	100.0%
2003	68.2%	4.3%	15.7%	11.9%	100.0%
2004	71.4%	2.4%	17.7%	8.5%	100.0%
2005	74.2%	4.8%	17.9%	3.1%	100.0%

Source: University of Utah, Bureau of Economic and Business, Research, BEBR Construction Information Database, and Strategic Planning Group, Inc., 2006.

City of St. George Building Permits

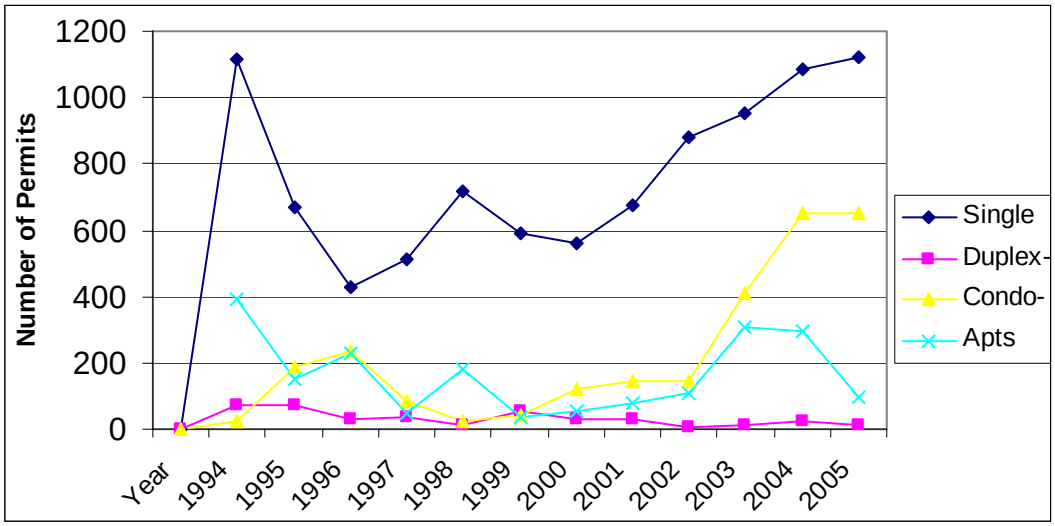
Within Washington County the majority of building permits issued have been in the City of St. George, which has accounted for between 47 to 65 percent of the total county permits issued annually since 1994. Historically, single-family residential permits accounted for the vast majority of residential structures permitted within the city. In more recent years, however, condominiums and apartment permits have increased dramatically. Table III-3 and Figure III-2 shows building permit trends in the City of St. George for the 1994-2005 period.

Table III-3. City of St. George Building Permits by Structure Trends

Year	Single Family	Duplex-Twin Hm	Condo-minium	4- Units Apts	5+ Units Apts	Total Apts	Total Units
1994	1,118	74	26	394	0	394	1,612
1995	668	74	186	148	0	148	1,076
1996	427	32	234	231	0	231	924
1997	513	36	82	46	0	46	677
1998	715	10	22	80	98	178	925
1999	590	54	41	37	0	37	722
2000	559	28	118	52	0	52	757
2001	674	30	144	80	0	80	928
2002	883	4	142	40	66	106	1,135
2003	954	14	409	308	0	308	1,685
2004	1,084	26	652	296	0	296	2,058
2005	1,122	12	653	49	50	99	1,886

Source: University of Utah, Bureau of Economic and Business Research, BEBR Construction Information Database, and SPG, 2006.

Figure III-2. City of St. George Building Permits by Structure Trends

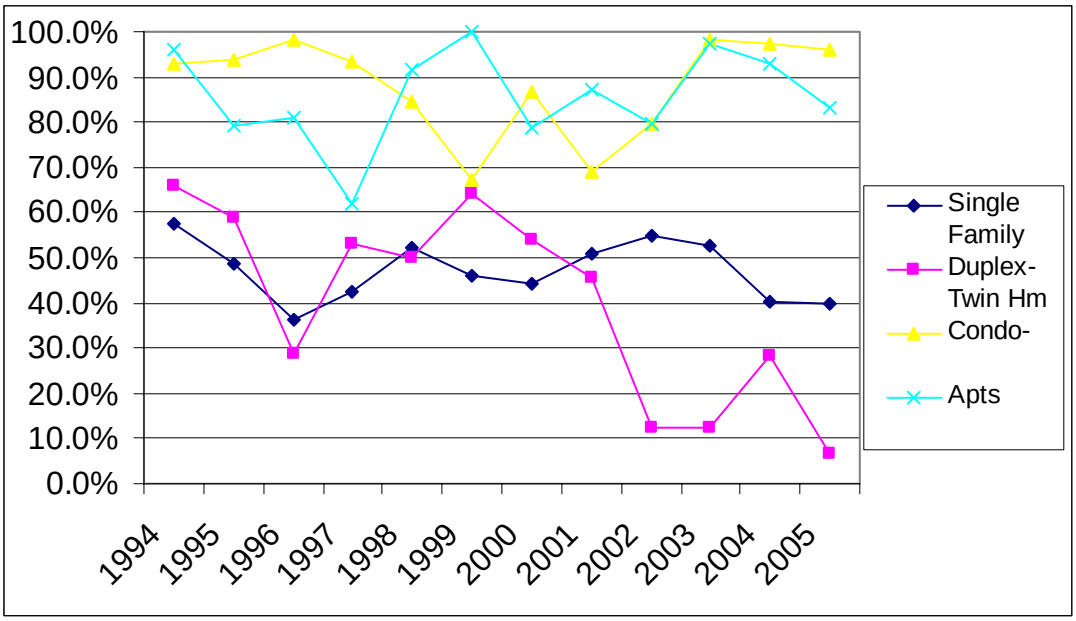


Source: University of Utah, Bureau of Economic and Business, Research, BEBR Construction Information Database, and Strategic Planning Group, Inc., 2006.

Single-family product building permits within the city have declined to about 40 percent of the total county permits issued annually in 2004 and 2005. Between 2001 and 2003 single-family permits accounted for just over 50 percent of the county's total single-family permits. Duplex and Twin Home residential products have also experienced major shifts to other areas outside the city within Washington County.

Since 2003 almost all of the condominium and most of the apartment product permitted within the county has been within the City of St. George. Figure III-3 shows the City of St. George share of residential building permits issued within Washington County during the 1994-2005 period.

Figure III-3. St. George Share of Washington County Building Permits



Source: University of Utah, Bureau of Economic and Business, Research, BEBR Construction Information Database, and Strategic Planning Group, Inc., 2006.

Other Washington County Cities/Places Building Permits

In addition to the City of St. George, other cities and places in Washington County building permit trends for the 1994-2006 period indicate that the Washington and Hurricane communities have been the primary growth areas based on building permits issued.

The growth trend began in Washington in 2001 and continued through 2004 at which time growth shifted to Hurricane and Ivins which began to experience a substantial increase in building permit activity. Although to a much lesser degree, a similar trend can be noted for both the communities of Santa Clara and

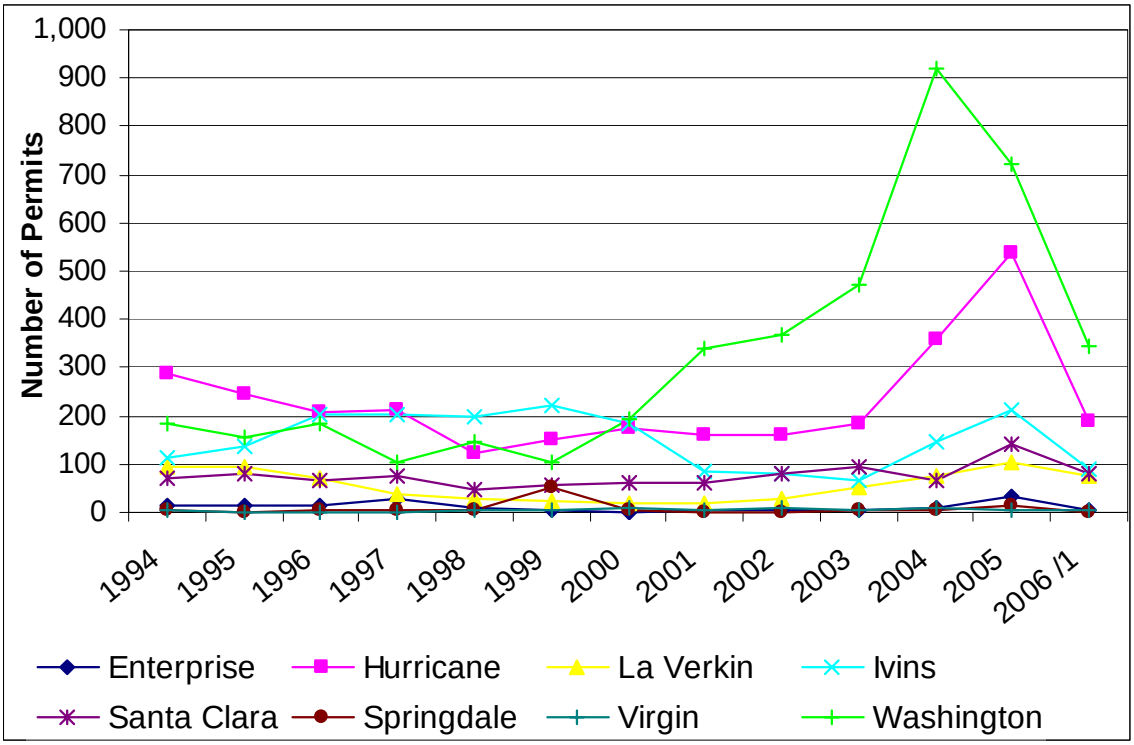
La Verkin. Building permit trends for these other communities in Washington County is shown in Table III-4 and Figure III-4 on the following page.

Table III - 4. Residential Building Permits Issued by Place, Washington County

Year	Enterprise	Hurricane	La Verkin	Ivins	Santa Clara	Springdale	Virgin	Washington
1994	12	289	96	113	70	4	7	185
1995	14	245	95	136	80	2	1	157
1996	12	207	72	202	68	6	1	182
1997	27	210	37	202	76	4	2	105
1998	11	123	29	197	48	7	4	148
1999	5	151	25	224	57	53	7	105
2000	2	176	21	186	60	7	8	193
2001	3	162	18	86	62	0	7	340
2002	4	161	30	82	81	0	8	368
2003	5	184	50	67	96	4	3	472
2004	9	358	74	147	64	7	9	919
2005	32	537	106	210	141	12	7	723
2006 /1	5	188	75	89	79	1	7	342

Note: 2006 data include January through July.
Source: University of Utah, Bureau of Economic and Business Research, BEBR Construction Information Database, and SPG, 2006.

Figure III-4. Residential Building Permit Trends by Place, Washington County



Note: 2006 data include January through July.
Source: University of Utah, Bureau of Economic and Business Research, BEBR Construction Information Database, and SPG, 2006.

HOUSING MARKET CHARACTERISTICS

The housing market characteristics of Washington County and the delineated Southern Submarket have been evaluated and used as a benchmark for this housing study. Updated U.S. Census information from the American Community Survey for 2005 has been used as an additional benchmark for analytical and forecasting purposes, where available.

Households and Housing Units

Table III-5 shows population, households and household size for the Southern Submarket and Washington County as recorded and estimated by the U.S. Census. As shown, only 1.5 percent of the County's 2000 population or 1,356 persons were not considered to be included in households. And, 92 percent of the county's total population and households are located within the delineated Southern Submarket area.

According to the Census, the average household size in Washington County amounted to 2.97 persons. This is almost identical to the average household size in the Southern Submarket. Outside of the submarket area, in the remainder of the county, the mean household size was only slightly greater at 3.11 persons per household.

Table III-5. Population, Households and Household Size, 2000

	Total Sub Market	Balance of County	Total County	County %
Population - 2000	83,506	6,848	90,354	100.0%
Population - 2005	116,378	8,632	125,010	- -
Households - 2000	81,894	7,104	88,998	98.5%
Mean HH Size (occupied)	2.96	3.11	2.97	- -

Source: Census 2000, American Community Survey and Strategic Planning Group, Inc., 2006.

The 2000 Census indicated the Washington County housing stock at 36,478 units. Of these, 29,939 units were occupied primarily by owners. Owner occupied housing units accounted for 74 percent and renter units 26 percent of the occupied housing stock. Significantly, almost all or about 97 percent of the renter occupied housing units were located within the Southern Submarket sector of Washington County. Table III-6 shows housing units and mix for the market.

Table III-6. Washington County and Submarket Housing Units, 2000

	Total Sub Market	Balance of County	Total County	County %
Total Housing Units	33,064	3,414	36,478	100.0%
Occupied Housing Units	27,653	2,286	29,939	82.1%
Owner Occupied	20,115	2,029	22,144	74.0%
Renter Occupied	7,538	257	7,795	26.0%

Source: Census 2000 and Strategic Planning Group, Inc., 2006.

The difference between total housing units and occupied housing units is considered vacant units. Vacant units can be either rental or sale, seasonal/recreational/occasional use or other units. Table III-7 shows the markets housing characteristics for vacant units according to the 2000 Census.

Table III-7. Market Areas Vacant Housing Characteristics, 2000

	Total Sub Market	Balance of County	Total County	County %
Vacant Housing Units	5,411	1,128	6,539	100.0%
For Rent	564	38	602	9.2%
For Sale	804	82	886	13.5%
Rented/Sold Not Occ.	300	30	330	5.0%
Seasonal, Rec.,Occas	3,516	923	4,439	67.9%
Other Vacant	227	55	282	4.3%
Vacancy Rate	16.4%	33.0%	17.9%	- -

Source: Census 2000 and Strategic Planning Group, Inc., 2006.

The indicated vacancy rates of 18 percent in the county, 16 percent in the submarket and 33 percent in the remainder of the county are somewhat misleading in as much as the vast majority of the vacant units are seasonal units. As shown in the table, 68 percent of the county, 82 percent of the balance of the county and 65 percent of the submarket vacant housing units were classified as seasonal/recreational/occasional use units.

Data provided by the Washington County Finance Department indicates that slightly over 15.4 percent of the total residential structures served by the utility department are classified as “other than primary use”. This does not, however, account for households that maintain utility service while a unit is unoccupied. This is, however, consistent with Census 2000 information which indicated seasonal units to account for about 12 percent of the total housing units in Washington County. Thus, the consultant estimates that seasonal housing units presently account for 18 to 20 percent of Washington County’s total housing stock.

The 2005 Census American Community Survey data estimates that the Washington County total vacancy rate declined to 15.6 percent overall and that the rental vacancy rate remained constant and amounted to only 1.6 percent of the total housing units.

Tenure And Housing Unit Mix

In Washington County the vast majority, or 80 percent, of the owner occupied housing units consists of detached single-family units. Mobile homes make up

the second largest category and account for 11 percent of the owner occupied units and is followed by single unit attached housing that accounts for 7 percent of the owner occupied unit mix. This information is summarized in Table III-8.

Table III-8. Housing Tenure and Unit Mix, 2000

	Total Sub Market	Balance of County	Total County	County %
Owner Occ. Unit Mix	20,115	2,029	22,144	100.0%
1, Detached	15,843	1,880	17,723	80.0%
1 Attached	1,432	13	1,445	6.5%
2	114	2	116	0.5%
3 or 4	67	0	67	0.3%
5 to 9	77	0	77	0.3%
10 to 19	67	0	67	0.3%
20 to 49	76	0	76	0.3%
50 or More	0	0	0	0.0%
Mobile Home	2,234	134	2,368	10.7%
Boats, RV, Van, etc.	205	0	205	0.9%
Renter Occ. Unit Mix	7,538	257	7,795	100.0%
1, Detached	2,384	179	2,563	32.9%
1 Attached	1,155	20	1,175	15.1%
2	534	0	534	6.9%
3 or 4	885	6	891	11.4%
5 to 9	722	6	728	9.3%
10 to 19	681	0	681	8.7%
20 to 49	311	0	311	4.0%
50 or More	352	0	352	4.5%
Mobile Home	512	40	552	7.1%
Boats, RV, Van, etc.	2	6	8	0.1%

Source: Census 2000 and Strategic Planning Group, Inc., 2006.

Of the renter occupied housing, 33 percent consists of single-family detached units and 15 percent single-family attached units. Together, these single family housing units account for almost half of the county's rental housing inventory.

Multi-family housing units consisting of 2 to 9 units account for 29 percent of the rental housing stock. Multi-family rental units in complexes of 50 or more units provided only 352 units or less than 5 percent of the rental housing in the county in 2000. Significantly, since the Census inventory there has only been one large (50 units or more) multi-family project (Oasis Palms-156 units) developed within the Washington County market to date.

Overall, the delineated Southern Submarket Area sector accounts for an overwhelming majority of both the population and the housing in the Washington County market. Due to geographic growth limitations and climatic differences in the northern and southern sectors of the county, future growth will be forced to

develop within the delineated submarket area and generally reflect the future anticipated demographic and housing picture of the overall county. That being the case, the consultant's affordability and housing Gap Analysis will be conducted for Washington County overall, since its results will reflect both of the geographic areas under consideration in this study.

Washington County's tenure and unit mix, as estimated for 2005 by the Census American Community Survey data, indicates that the Washington County housing market has already begun to experience significant changes since the 2000 Census. During the 2000-2005 period and additional 19,021 occupied housing units were added to the county inventory, and increase of 64 percent during the five year period.

Primarily, the changes include a significant increase in the number of detached single-family rental units, a good increase in units located in larger rental unit projects, and a decrease in the number of owner occupied mobile home units. Table III-9 shows the 2000-2005 estimated tenure and mix of the Washington County housing stock.

Table III-9. Washington County Housing Unit Mix, 2000-2005

Washington County		*% of*	*% of*		*% of*	*% of*
	2000	Total	Tenure	2005	Total	Tenure
Occupied Units	29,939	100.0%		41,171	100.0%	
Owner Unit Mix	22,144	74.0%	100.0%	27,803	67.5%	100.0%
1, Detached	17,723	59.2%	80.0%	23,249	56.5%	83.6%
1, Attached	1,445	4.8%	6.5%	1,332	3.2%	4.8%
2	116	0.4%	0.5%	105	0.3%	0.4%
3 or 4	67	0.2%	0.3%	135	0.3%	0.5%
5 to 9	77	0.3%	0.3%	113	0.3%	0.4%
10 to 19	67	0.2%	0.3%	209	0.5%	0.8%
20 to 49	76	0.3%	0.3%	-	0.0%	0.0%
50 or more	-	0.0%	0.0%	138	0.3%	0.5%
Mobile Home	2,368	7.9%	10.7%	2,160	5.2%	7.8%
Boats, RV, Vans	205	0.7%	0.9%	362	0.9%	1.3%
Renter Unit Mix	7,795	26.0%	100.0%	13,368	32.5%	100.0%
1, Detached	2,563	8.6%	32.9%	5,227	12.7%	39.1%
1, Attached	1,175	3.9%	15.1%	1,744	4.2%	13.0%
2	534	1.8%	6.9%	1,137	2.8%	8.5%
3 or 4	891	3.0%	11.4%	1,542	3.7%	11.5%
5 to 9	728	2.4%	9.3%	979	2.4%	7.3%
10 to 19	681	2.3%	8.7%	1,206	2.9%	9.0%
20 to 49	311	1.0%	4.0%	243	0.6%	1.8%
50 or more	352	1.2%	4.5%	748	1.8%	5.6%
Mobile Home	552	1.8%	7.1%	501	1.2%	3.7%
Boats, RV, Vans	8	0.0%	0.1%	41	0.1%	0.3%

Source: Census 2000, American Community Survey and Strategic Planning Group, Inc., 2006.

WASHINGTON COUNTY REAL ESTATE MARKET TRENDS

An evaluation of the Washington County real estate market has been undertaken based upon a real estate database maintained by the Washington County Board of Realtors. This database provided transaction and sales data since 2002 for those properties utilizing the Board's Multiple Listing Service in Washington County.

While this information is not 100 percent of the sales transactions that have occurred within the county, it does provide a good sample of activity and price trends. This data could be considered conservative since excluded transactions would most likely be properties in the lower price ranges and older properties not listed with a broker. Typically, this information is secured from the property appraiser's office in a given community, however, Utah is one of eight non-disclosure states and prices paid for real estate remain confidential.

Residential Sales Trends

As shown in Table III-10 the total number of single-family home sales more than doubled between 2002 and 2005. The data indicates that a substantial increase in single-family home sales was experienced in 2004 and continued into 2005. Of note is the annual number of the largest number of recorded sales by price category which increased each year since 2003.

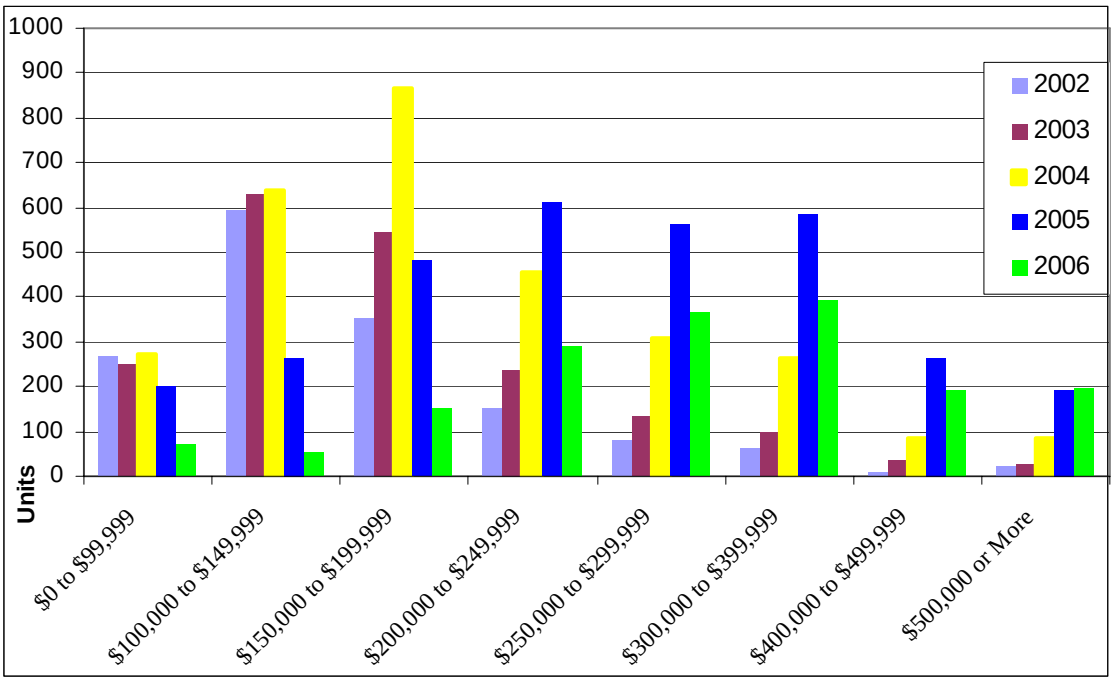
Table III-10. Single Family Home Sale by Price Range

Price Range	2002	2003	2004	2005	2006
$0 to $99,999	269	250	273	203	70
$100,000 to $149,999	593	628	640	263	52
$150,000 to $199,999	354	544	866	483	154
$200,000 to $249,999	151	235	455	610	288
$250,000 to $299,999	82	133	306	563	366
$300,000 to $399,999	62	99	263	587	393
$400,000 to $499,999	11	34	85	262	193
$500,000 or More	21	29	84	190	196
Totals	1,543	1,952	2,972	3,161	1,712

Note: a/ 2006 data is partial year January 1 thru August 31, 2006.
Source: Washington County Board of Realtors, 2006, and Strategic Planning Group, Inc. 2006.

Figure III-5 graphically illustrates the shift in single-family home sales by price range during the 2002-2006 period. This data reflects not only increased demand for housing from both the natural and speculative sectors of the market, but also increasing construction material costs and labor costs as well as larger and more upscale type homes (product).

Figure III-5. Single Family Home Sales by Price Range



Note: 2006 data is partial year January 1 thru August 31,2006.
Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

Townhouse and condominium sales have experienced a similar trend to that of single-family homes during the past five years, but at a lower price point. Sales of townhouse and condominium units almost doubled between 2002 and 2004 and then remained stable in 2005 and 2006 (based upon partial year data for 2006). Prices for these products have not, however, escalated as rapidly as single-family product during the period. Table III-11 summarizes townhouse and condominium sales by price in Washington County for the 2002-2006 period.

Table III-11. Townhouse/Condominium Sale by Price Range

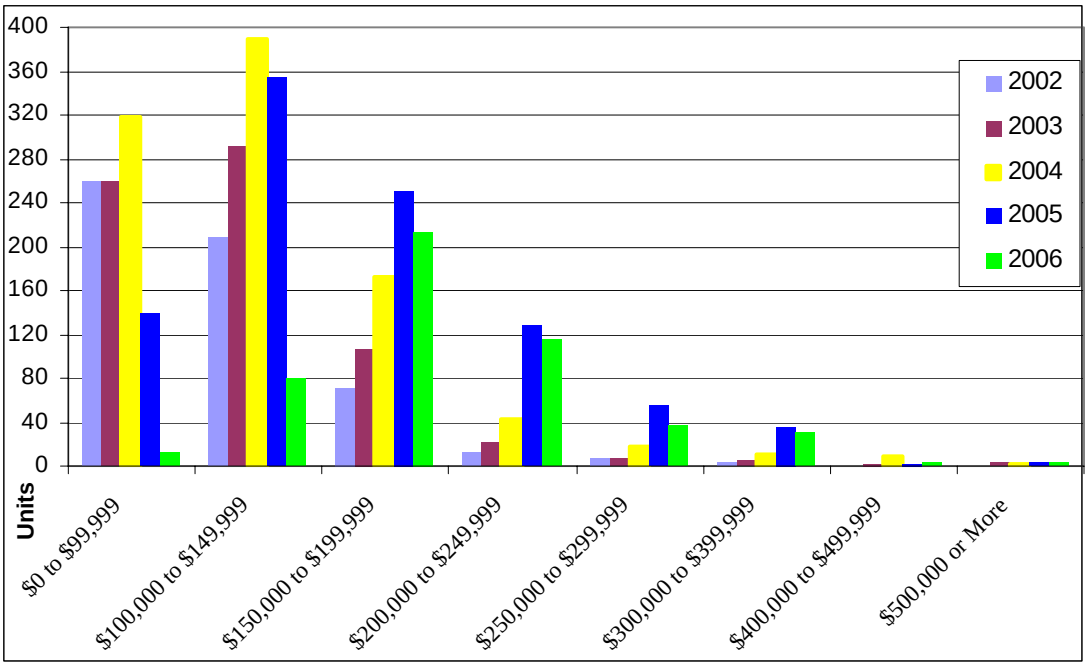
Price Range	2002	2003	2004	2005	2006
$0 to $99,999	260	259	318	138	12
$100,000 to $149,999	208	292	389	353	80
$150,000 to $199,999	72	107	172	250	214
$200,000 to $249,999	13	21	42	128	116
$250,000 to $299,999	7	8	17	55	37
$300,000 to $399,999	4	5	11	35	31
$400,000 to $499,999	0	2	9	2	4
$500,000 or More	0	3	2	4	3
Totals	564	697	960	965	497

Note: a/ 2006 data is partial year January 1 thru August 31, 2006.
Source: Washington County Board of Realtors, 2006, and Strategic Planning Group, Inc. 2006.

As shown in Figure III-6 townhouse and condominium sales, which have been selling at a rate of just under 1,000 units annually since 2004, had a majority of

their 2006 sales in the $150,000-199,999 price range. This is an increase over the prior several years where the majority of the sales were recorded in the $100,000 to $149,000 price range.

Figure III-6. Townhouse/Condominium Sales by Price Range



Note: 2006 data is partial year January 1 thru August 31, 2006.
Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

Residential Sales Price Trends

Residential sales prices between 2002 and 2006 increased at an average annual rate of 28 percent for single-family and 19 percent for townhouse/condominium products. Residential lots increased by 78 percent average annually over the period. Table III-12 shows price trends by product for the period.

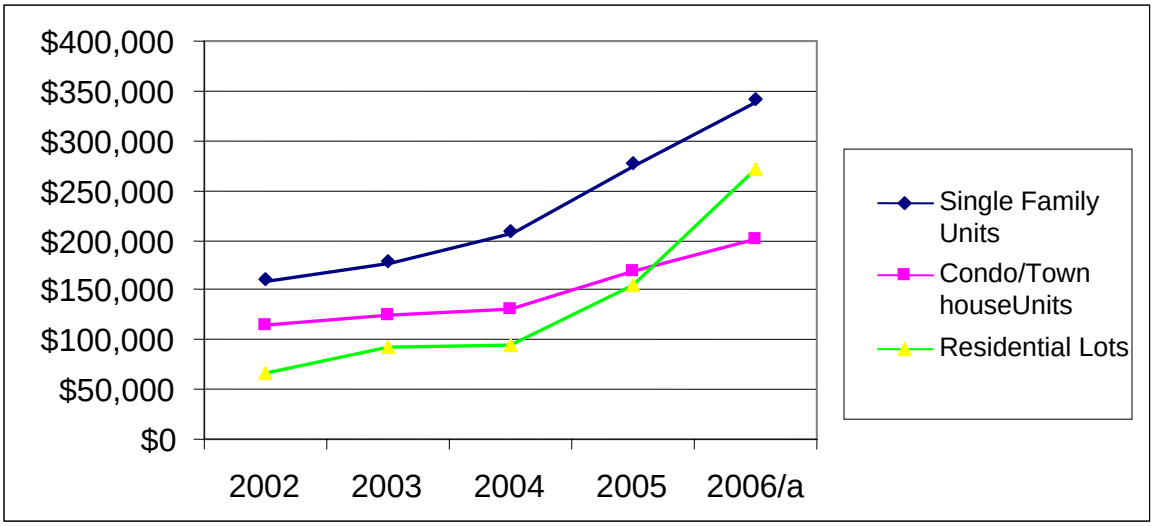
Table III-12. Washington County Residential Product Sales Price Trends

						2002-2006 Change		Average
Product	2002	2003	2004	2005	2006/a	Amt	Percent	Ann. %
Single Family Units	$161,786	$178,492	$209,275	$277,610	$341,266	$179,480	110.9%	27.7%
Condo/Townhouse Units	$114,377	$125,626	$131,187	$167,865	$200,415	$86,038	75.2%	18.8%
Residential Lots	$66,054	$93,238	$94,400	$155,524	$272,232	$206,178	312.1%	78.0%
Not Reported	$64,124	$57,596	$86,605	$138,826	$169,629	$105,505	164.5%	41.1%
Less than .25 Acres	$37,945	$40,743	$47,877	$81,602	$120,276	$82,331	217.0%	54.2%
.25 to .49 Acres	$49,217	$56,084	$75,821	$92,052	$203,998	$154,781	314.5%	78.6%
.50 to .74 Acres	$74,079	$78,862	$101,848	$160,643	$197,283	$123,204	166.3%	41.6%
.75 to .99 Acres	$61,246	$80,534	$94,862	$107,185	$270,850	$209,604	342.2%	85.6%
1 Acre Plus	$111,376	$218,992	$160,730	$294,085	$507,402	$396,026	355.6%	88.9%

Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

Significantly, prices increased most dramatically in all three residential product categories beginning in 2005. The costs of residential lots while increasing substantially in 2005 skyrocketed in 2006. Figure III-7 illustrates these trends for the 2002-2006 period.

Figure III-7. Washington County Housing and Lot Price Trends



Note: 2006 data is partial year January 1 thru August 31, 2006.
Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

For both single-family and townhouse/condominium products annual average price increases declined slightly in 2006 from the record highs set in the 2004-2005 period. This reflects the softening of the overall national real estate market which experienced a major downturn in 2006. Unexplainably, lot sale prices continued to increase during 2006 (partial year data January-August) at an unprecedented rate. Table III-13 and Figure III-8 shows the annual changes in residential product and lot sale prices in the Washington County market since 2002.

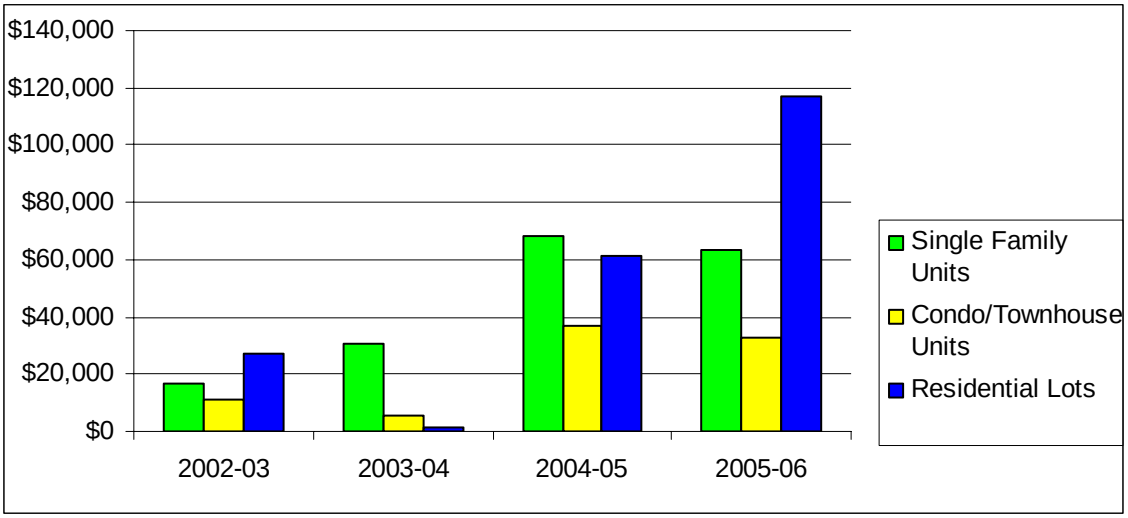
.

Table III-13. Annual Change in Housing and Lot Sale Prices

	2002 to 2003		2003 to 2004		2004 to 2005		2005 to 2006	
Product	Amt	Percent	Amt	Percent	Amt	Percent	Amt	Percent
Single Family Units	$16,706	10.3%	$30,783	17.2%	$68,335	32.7%	$63,656	22.9%
Condo/Townhouse Units	$11,249	9.8%	$5,561	4.4%	$36,678	28.0%	$32,550	19.4%
Residential Lots	$27,184	41.2%	$1,162	1.2%	$61,124	64.8%	$116,708	75.0%
Not Reported	-$6,528	-10.2%	$29,009	50.4%	$52,221	60.3%	$30,803	22.2%
Less than .25 Acres	$2,798	7.4%	$7,134	17.5%	$33,725	70.4%	$38,674	47.4%
.25 to .49 Acres	$6,867	14.0%	$19,737	35.2%	$16,231	21.4%	$111,946	121.6%
.50 to .74 Acres	$4,783	6.5%	$22,986	29.1%	$58,795	57.7%	$36,640	22.8%
.75 to .99 Acres	$19,288	31.5%	$14,328	17.8%	$12,323	13.0%	$163,665	152.7%
1 Acre Plus	$107,616	96.6%	-$58,262	-26.6%	$133,355	83.0%	$213,317	72.5%

Note: 2006 data is partial year January 1 thru August 31, 2006.
Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

Figure III-8. Washington County Annual Increase in Prices by Product

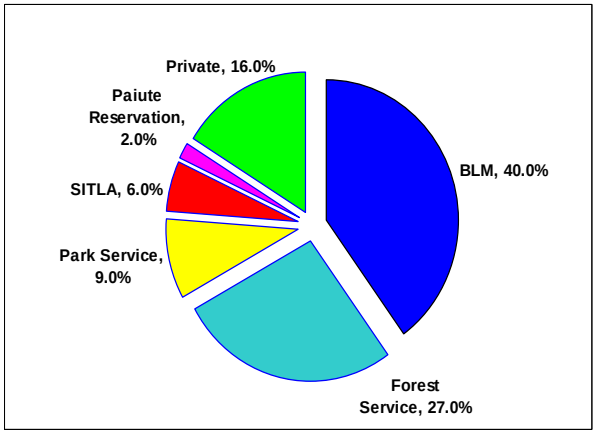


Note: 2006 data is partial year January 1 thru August 31, 2006.
Source: Washington County Board of Realtors 2006 and Strategic Planning Group, Inc., 2006.

The local consensus among industry representatives is that lot sale prices have been driven primarily by speculative interests during the past several years, large tracts of developable land held by the State Institutional Trust Lands Administration (SITLA) which restricts supply, thus causing the value of their holdings to appreciate, rapidly increasing construction materials and labor costs, increasing infrastructure costs, and rising impact/other development fees.

The federal government, including the Bureau of Land Management (BLM), Forest Service, and Park Service, owns 76 percent of the land in Washington County and SITLA controls over 93,300 acres or 6 percent. The private sector has only 249,000 acres or 16 percent of the county acreage. Thus, land supply becomes a major factor in the supply/demand/price equation. Table III-14 and Figure III-9 show the ownership of lands in Washington County.

Figure III-9 & Table III-14. Washington County Land Ownership



Entity	% Owned	Acres
BLM	40.0%	622,080
Forest Service	27.0%	419,904
Park Service	9.0%	139,968
SITLA	6.0%	93,312
Paiute Reservation	2.0%	31,104
Private	16.0%	248,832
Total	100.0%	1,555,200

Source: Bureau of Land Management

Rental Market

The Washington County rental market is primarily served by a large number of single-family attached and detached housing unit products which account for 52.1 percent of the renter occupied housing units. This is almost twice that of the national average which was approximately 30-33 percent in 2004. There are relatively few large scale (50 unit or more) apartment communities within the market and relatively little has been constructed during the past five years.

The St. George Housing Authority manages approximately 1,341 subsidized rental units in Washington County and as of January 2007 indicates only 20 vacant units. This represents an overall vacancy rate of 1.5 percent in these units. An inventory of total rental units undertaken by the St. George Housing Authority is shown in Table III-15, following.

Table III-15. St. George Housing Authority Rental Unit Survey, 2007

Apartment Units	Number Of Units	Vacant Units	Occupancy Rate
Subsidized Units	1,341	20	1.5%
Non-Subsidized Units	1,059	55	5.2%
Total Units	2,400	75	3.1%

Source: St. George Housing Authority Rental Vacancy Study
January, 2007, and Strategic Planning Group, Inc.

An inventory of larger apartment communities within the southern sector of the Washington County market was undertaken in late 2006 by SPG. A total of over 2,400 units in 40 apartment communities were surveyed. Overall occupancy within the market was determined to be 97.3 percent.

Rental rates for one-bedroom units ranged from $430 to $790 monthly. Two-bedroom unit rental rates ranged from $525 to 925 monthly and three-bedroom unit rents ranged from $725 to $955 monthly. The calculated average monthly unit rents by bedroom mix amounted to:

- One-Bedroom $617.00
- Two-Bedroom $730.00
- Three-Bedroom $877.00

Table III-16, on the following pages, present the inventory of southern Washington County rental apartment communities inventoried as part of this housing study.

Table III – 16
Survey Of Major Rental Apartment Communities, St. George Submarket, Washington County., 2006.

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Avalon Apts.	St. George	N/A	N/A	N/A	N/A	N/A	3/2	$900-$1000	N/A	N/A	Student Housing
333 S. 1000 E											
Avalonatdixie.com/435.628.8140											
Black Hills Apts.	St. George	1980	50	94%	0	10	1/1	$525.00	N/A	N/A	Low income - 30% annual income
454 N. Valley View Drive					3	40	2/1	$589.00	N/A	N/A	no min. income, max. income
435.628.0042											2 people - $19,700 3 - $22,200
Canyon Pointe	St. George	1994	109	99%	1	3	2	$324.00	735	$0.44	Tax-Credit Section 42
1737 W. 360 N					0	3	2	$361.00	735	$0.49	Base rent plus % of income.
435.9696					0	5	3	$479.00	940	$0.51	
					0	10	3	$547.00	940	$0.58	
					0	38	3	$650.00	940	$0.69	
					0	24	4	$557.00	1040	$0.54	
					0	10	4	$761.00	1040	$0.73	
Casa Grande Apts.	St. George	N/A	24	100%	0	16	2/1	$650-$725	N/A	N/A	Market Rate Rents
674-2920						8	3/2	$725.00	N/A	N/A	
Canyon Land Apts.	St. George	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Market Rate Rents
423 S. 900 E											
435.673.6697											

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Desert Rose Apts.	St. George	2002	66	100%	0	N/A	2	$313-$524	900	$0.47	Tax-Credit
2929 E 450 North					0	N/A	3	$370-$562	1200	$0.39	
435.627.1485					0	N/A	4	$503-$589	1300	$0.42	
Dixie Sun Manor	St. George	N/A	30	100%	0	30	1/1	N/A	N/A	N/A	Senior Citizens-Low Income
975 N. 1725 W											housing. Rents based on 30%
435-628-3648											of income
Fountain Heights Apts. I	St. George	2002	60	100%	0	32	2	$224-$596	886	$0.46	There is a waiting list. Income
3400 S. River Road					0	20	3	$317-$697	1083/1164	N/A	should be 2-3x rent.
435.674.4330					0	8	4	$526-$640	1352	$0.43	2 bd has flat (1083) and TH (1164)
Fountain Heights Apts. II	St. George	2002	60	100%	0	32	2	$346-$546	886	$0.50	There is a waiting list. Rent cost
3400 S. River Road					0	22	3	$408-$575	1083/1154	N/A	based on family size and income.
435.674.4330					0	6	4	$517-$603	1352	$0.41	
Georgetown Apts.	St. George	N/A	34	100%	0	8	2/2	$725.00	N/A	N/A	Market Rate Rents
634-0416						26	3/2	$800.00	N/A	N/A	
Heritage Apts.	St. George		24	100%	0	24	1/1	$710.00	N/A	N/A	Market Rate Rents
Hurricane Apts.	Hurricane	1987	24	100%	0	24	1/1	$520.00	560	$0.93	Senior citizen complex.
165 North 200 West											Low Income - 30%
435.635.7026											

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Hurricane Hills	Hurricane	1997	28	100%	0	28	2/1	$466.00	905	$0.51	Subsidized family housing
200 W. 200 South											
435.635.4111											
loc: Hwy 91 and 2000 W											
Indian Hills Apts.	St. George	N/A	49	84%	1	20	1/1	$525.00	N/A	N/A	Market Rate Rents
634-0416					6	28	2/1.5	$725.00	N/A	N/A	
					1	1	3/2	$800.00	N/A	N/A	
Jefferson Park Apts.	St. George	N/A	50	96%	2	4	1/1	N/A	N/A	N/A	Rents based on 30% of Income
1023 W. 540 N						42	2/1	N/A	N/A	N/A	Low income housing
435.628.2703						4	3/1	N/A	N/A	N/A	
Knollwood Townhomes	Hurricane	N/A	28	100%	0	20	2/1	N/A	N/A	N/A	Below Market Rate Rents
6223 W. 135 N							3/1	N/A	N/A	N/A	
435.673.5693											
Mesa Manor	St. George	1987	20	100%	0	20	1/1	N/A	550	N/A	Elderly, mentally disabled,
28 S. 900 E.											handicapped, senior citizen.
435.628.8042											subsidized units, USDA, 30% AGI
Mesa Villas Apts.	St. George	N/A	42	100%	0	42	1/1	$500.00	N/A	N/A	Low income housing

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Oasis Palms	St. George	2006	156	95%	8	36	1	$705.00	799	$0.88	Market Rate Rents, Conventional
260 N. Dixie Dr.						36	2	$805.00	1120	$0.72	
435.674.7755						36	3	$895.00	1205	$0.74	
						36	TH	$925.00	1438	$0.64	
Pine Valley Townhomes	Washington	N/A	148	100%	0	148	3	$496-$588	N/A	N/A	Low income housing
345 N. Oak Grove Dr.											
435.656.5666											
Puerta Del Sol	St. George	N/A	102	93%	1	36	2/1	$660-$680	N/A	N/A	Market Rate Rents
1366 W. Indian Hills					0	10	2/1.5	$675-$695	N/A	N/A	
435-628-0003					4	36	2/2	$695-$715	N/A	N/A	
					1	12	3/2	$785-$805	N/A	N/A	
					1	8	3/2.5	$815-$835	N/A	N/A	
Red Cliff Manor	St. George	N/A	98	100%	0	82	1/1	$267-$506	N/A	N/A	Senior Citizens
1768 E. 280 N.						16	2/1	$497-$586	N/A	N/A	
435-656-5888											
Ridge View Apts.	Washington	N/A	24	100%	0	4	1/1	$442-$697	N/A	N/A	Low income housing
245 Play Della Rosita						16	2/1	$477-$747	N/A	N/A	
435-628-3255						4	3/1	$552-$807	N/A	N/A	

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Rincon Del Sol	St. George	N/A	70	100%	0	70	2/1	$595-$610	N/A	N/A	Market Rate Rents
1180 W. 425 N.											
435-628-8145											
Riverside Apts.	St. George	N/A	148	96%	0	40	Efficiency	$475.00	N/A	N/A	Market Rate Rents
400 E. Riverside Dr.					1	24	1/1	$595.00	N/A	N/A	
					5	84	2/2	$675.00	N/A	N/A	
Riviera Palms	St. George	N/A	41	100%	0	42	3/2	$557-$607	N/A	N/A	Duplexes - Below Market Rate Rents
2700 E. Riverside Dr.											
435-652-8385											
Shadow Apts.	St. George	N/A	24	100%	0	24	2/1	$525.00	N/A	N/A	Market Rate Rents
862-9550											
Sierra Pointe I	St. George	1994	109	97%	3	12	Efficiency	$482.00	502	$0.96	Tax-Credit, Section 42
1503 N. 2100 W						38	1	$503.00	582	$0.86	
435.674.9919						36	2	$602.00	804	$0.75	
						12	2	$675.00	N/A	N/A	
Sierra Pointe II	St. George	1994	59	97%	2	16	1	$503.00	N/A	N/A	Tax-Credit
1503 N. 2100 W						43	2	$602.00	N/A	N/A	
435.674.9919											

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Snow Canyon	St. George	1985	40	98%	1	12	1	$375-$555	650	$0.72	Low income, minimum income
970 N. 1300 W					0	24	2	$425-$583	850	$0.59	1 bd/$1250, 2 bd/$1425
435.628.8640					0	2	3	$470-$655	1000	$0.56	3 bd/ $1575
											Annual incomes can't exceed
											2 pph - $37500
											3 pph - $41000
											4 pph - $44950
St. George Villa Apts.	St. George	N/A	40	100%	0	23	1/1	N/A	N/A	N/A	Subsidized rents
351 W. Tabernacle						17	2/1	N/A	N/A	N/A	30% of income
435.673.9081											6-12 mo. Waiting list
Sterling Court	St. George	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Independent & Assisted living
324 N 1680 E											
435.628.1400											
Stonehendge Apts.	St. George	N/A	20	100%	0	20	2/1	$580-$590	N/A	N/A	Market Rate Rents
Stone Ridge Townhomes	Hurricane	2004	108	100%	0	108	3	$332-$534	1102	$0.39	Tax-Credit Project
6248 W. 685 S											Low income, waiting list 9-12 mo.
435-986-1933											
9 and Telga Hwy											

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Summerhill Apts	St. George	N/A	48	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Subsidized, base rent, and
1279 W 360 N											income levels
435.673.9139											
Summit Pointe	St. George	1997	80	98%	2	3	Efficiency	$259.00	N/A	N/A	Senior Apt. Community and
1710 W. 360 N.						7	Efficiency	$475.00	N/A	N/A	assisted living. Tax Credit Project
435-652-4600						10	1	$409.00	N/A	N/A	
						30	1	$501.00	N/A	N/A	
						5	2	$496.00	N/A	N/A	
						15	2	$607.00	N/A	N/A	
Sun Ridge Apts/Townhomes	St. George	N/A	52	100%	0	12	2/2	$546.00	N/A	N/A	Tax-Credit Project
2770 S 1000 E						40	3/2.5	$625.00	N/A	N/A	
435.628.4448											
Sunset Springs Apts.	St. George	1986	124	97%	4		2/2	$590.00	915	$0.64	Neighborhoods community
1660 West Sunset Blvd							2/2	$630.00	915	$0.69	good mix, non smoking comm.
435.628.3437							2/2	$790.00	915	$0.86	market rate rents
Westridge and Sunset Blvd.											

Community Name & Location	City	Year Built	Total Units	Percent Occupied	Units Vacant	Unit Mix	Unit Type BR/BA	Base Rent	Area In Sq. Ft.	Cost Per Sq. Ft.	Comments
Terrace Apts.	St. George	N/A	37	95%	0	32	1/1	$430.00	N/A	N/A	Market Rate Rents
					2	4	2/1	$600.00	N/A	N/A	
The Falls at Mesa Point	St. George	N/A	179	87.00%	0	36	1/1	$695-$725	912	N/A	Market Rate Rents
628-3333	Phase II	2007			0	24	1/1	$775-$805	992	N/A	
					1	35	2/1.5	$815-$870	N/A	N/A	
					0	24	2/2	$845-$875	1170	N/A	
					6	24	2/2	$870-$900	1346	N/A	
					7	36	3/2	$945-$965	N/A	N/A	

WASHINGTON COUNTY 2035 HOUSING STUDY

IV. WASHINGTON COUNTY HOUSING AFFORDABILITY AND FUTURE HOUSING NEEDS

WASHINGTON COUNTY 2035 HOUSING STUDY

IV. WASHINGTON COUNTY HOUSING AFFORDABILITY AND FUTURE HOUSING NEEDS

This section of the report presents a discussion of housing affordability issues impacting Washington County, forecasts future 2012 and 2035 housing needs of the County and presents SPG's GAP analysis of the housing market.

THE CHANGING RESIDENTIAL MARKET

What is evident in the Washington County housing market over the past several years is the explosive population growth and the rapid expansion of new housing construction. Additionally, changes in the character of housing units, historically low interest rates and a significant drop in ownership housing costs over past years, only modest, if any, increases in local market incomes, and a record increase in housing and lot sale prices.

The expansion of the housing market in recent years included significant changes in the character of housing. Product changes in units being built today versus those of four or five years or more ago are almost not comparable. Thus, the higher home prices in recent years reflect many of these changes.

Average home sizes have been increasing annually with the perceived need for additional space to accommodate extra bedrooms, bonus rooms, entertainment centers, etc. According to the Southern Utah Association of Home Builders, average home sizes in Washington County have increased from 1,547 square feet to 1,959 square feet over the past ten years. Nationally, the average floor area in a newly built home in 2005 reached an all-time high of 2,432 square feet, an increase from 1,645 square feet in 1975.

More recently built residential units in many instances include significant upgrades in finishes, ranging from granite counter tops and high-end type appliances to vaulted ceilings and alarm systems. Expanded residential setting amenities such as water features, golf course settings, and other recreational features also reflect the changing character of newer residential development. According to the Utah Energy Conservation Coalition, following are just some of the significant changes in housing product that have occurred in recent years:

- Ceiling height of 58 percent of newly built single-family homes in 2004 had nine foot or higher ceilings on the first floor compared to only 15 percent with this feature 30 years ago;
- The percentage of homes build with garages for three or more cars has doubled from 10 percent in 1991 to 20 percent in 2005. Garages are becoming larger to accommodate larger vehicles such as SUV types;

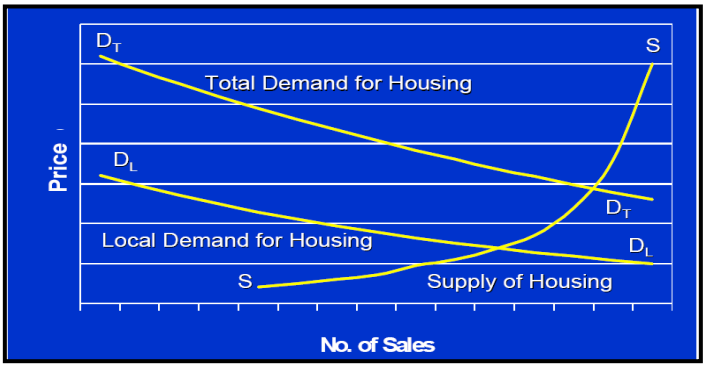
- Median lot sizes have decreased from 10,000 square feet in 1990 to about 8,500 square feet in 2005;
- Between 1975 and 2005, the percentage of homes built with central air conditioning increased from 46 percent to 89 percent;
- As of 2005, 26 percent of newly constructed homes were built with three or more bathrooms, up from only 5 percent in 1975;
- New homes with patios increased from 37 percent to 46 percent and those with porches increased from 42 percent to 53 percent between 1992 and 2005;
- The number of new homes with four or more bedrooms has increased from 21 percent 30 years ago to just under 40 percent in 2005.

Historically low mortgage rates in recent years have made homeownership less expensive than renting. For the first time in many years renters were able to purchase with monthly mortgage payment rates equal to or in some cases less than their monthly rents. This situation has already begun to reverse itself and demand for rental housing is forecast to continue upward over the near term future.

Lastly, while the demand for new ownership housing increased dramatically, so did the prices for new housing units and lots. On the other hand, local market family income levels remained relatively flat or constant over the past five years. During this housing boom the overall stock market displayed a lackluster performance and housing was viewed as an alternative investment to the stock market. As a result, a large share of the external housing market has been driven by investor or speculative interests. On the development side, builders built product for the highest profit return which typically translates into higher priced product.

Figure IV.1, following, illustrates that total demand theoretically increases as housing prices fall (D). Yet for builders, the supply of housing tends to increase with higher prices generating more income and profit for builder(s).

Figure IV-1. Housing Supply/Demand Curves

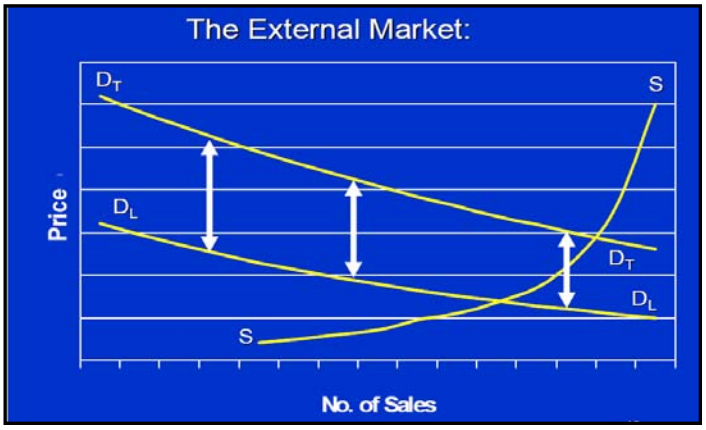


Source: Strategic Planning Group, Inc., 2006.

Figure IV-2 highlights the relationship of the external market relative to total market supply, prices and number of sales. The second home buyer and other

out-of-area buyers can afford to pay generally higher prices for housing (DT) than the local market residents (DL). The difference between DT and DL is the "supply gap". The figure shows that more builders/developers are catering to the "non" local buyer market with expectations of achieving higher profits.

Figure IV-2. External Housing Market

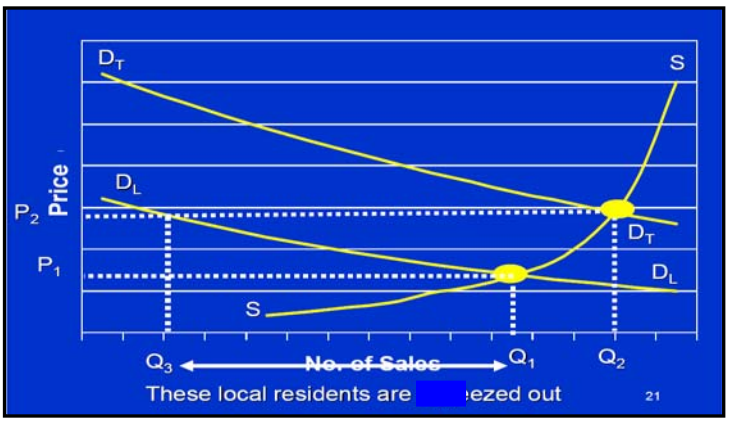


Source: Strategic Planning Group, Inc., 2006.

Presently, the housing problem in Washington County is that local residents are being squeezed out of the housing market due to increasing housing prices. External market sources (investors/speculators) have the ability and typically do bid at higher purchase prices than those that would be supported by prevailing prices in the local market. This demand is for second/seasonal homes, retirement homes, and general investment type properties. Thus, each increase in price reduces the quantities of housing that otherwise would be sold to the alternative local market at its particular need and price point.

Figure IV-3, following, illustrates the squeeze placed upon the local market residents in the overall supply/demand equation.

Figure IV-3. The Housing Problem



Source: Strategic Planning Group, Inc., 2006.

Within Washington County, what used to be inexpensive and available, transitional lands (lots) have become exceedingly expensive. Affordable housing

could be driven to on the fringe of the urban areas that was once reasonable and affordable. This is no longer the case due to increasing fuel costs and traffic congestion that is rapidly becoming reality and more than a mere inconvenience. What was inconvenient is now becoming a crisis as schools, government, and businesses are having increasing difficulty in attracting, hiring, and retaining employees because of increasing housing prices and related affordability issues.

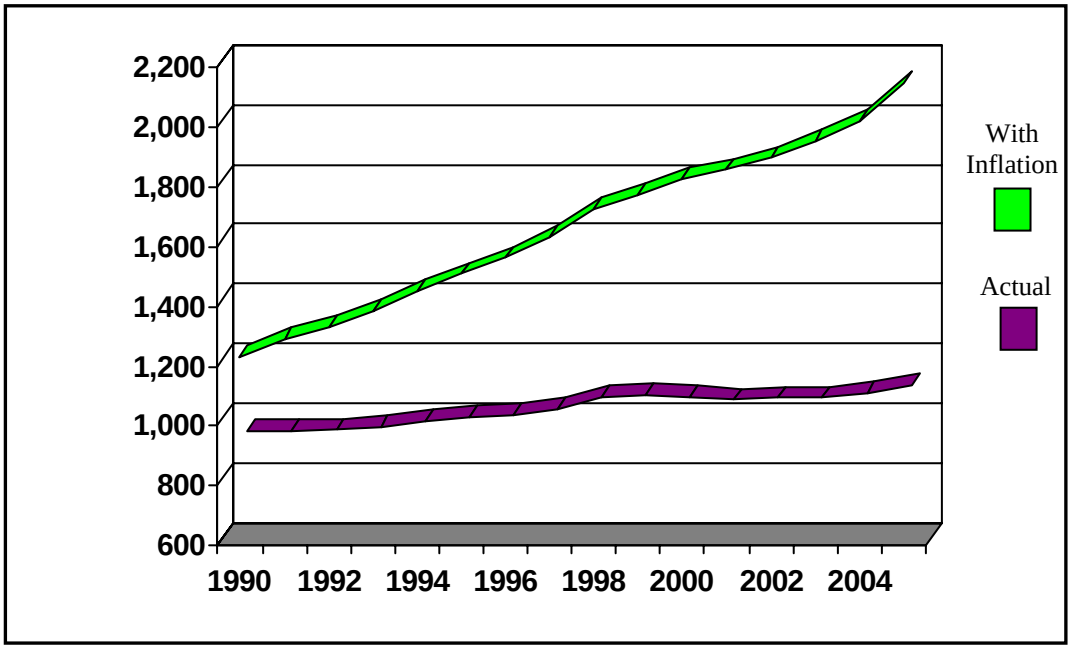
THE TWO SIDES TO HOUSING

The demand for housing is like any other commodity and is basically a function of the number of new households within the market, their income levels, and the price of housing within the market.

Demand-Ability To Pay

For the most part, income of the market's local households consist primarily of wages and is impacted by the number of wage earners per household. As discussed previously, wages have been relatively flat and median family incomes are relatively low in Washington County. Figure IV-4 shows both actual and inflation adjusted average monthly wages for the 1990-2005 period in Washington County.

Figure IV-4. Average Monthly Wage Trends, 1990-2005

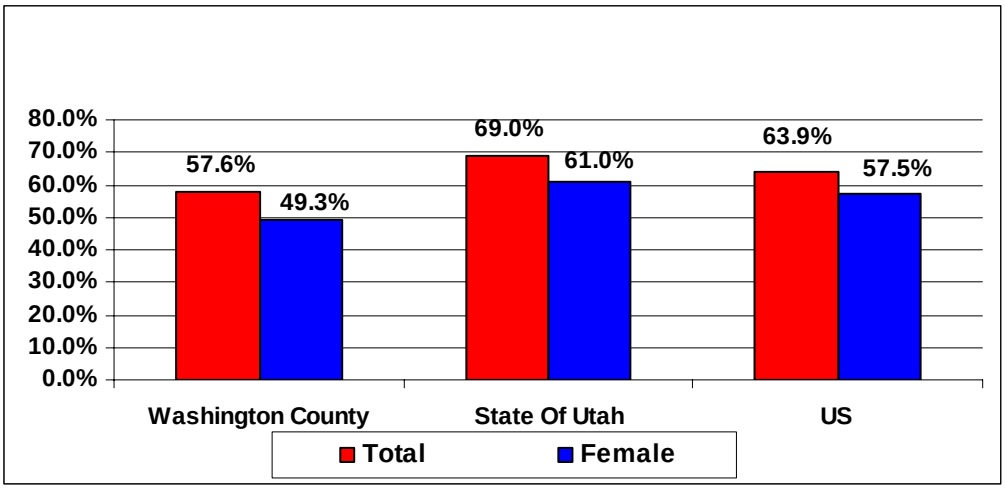


Source: Utah Department of Workforce Services and Strategic Planning Group, Inc., 2006.

The second major factor impacting household income is the relatively low number of workers per household in Washington County. The labor force participation rate in Washington County is the fourth lowest in the State of Utah

and well below that of state and US averages. Figure IV-5, following, shows the comparative differences for Washington County.

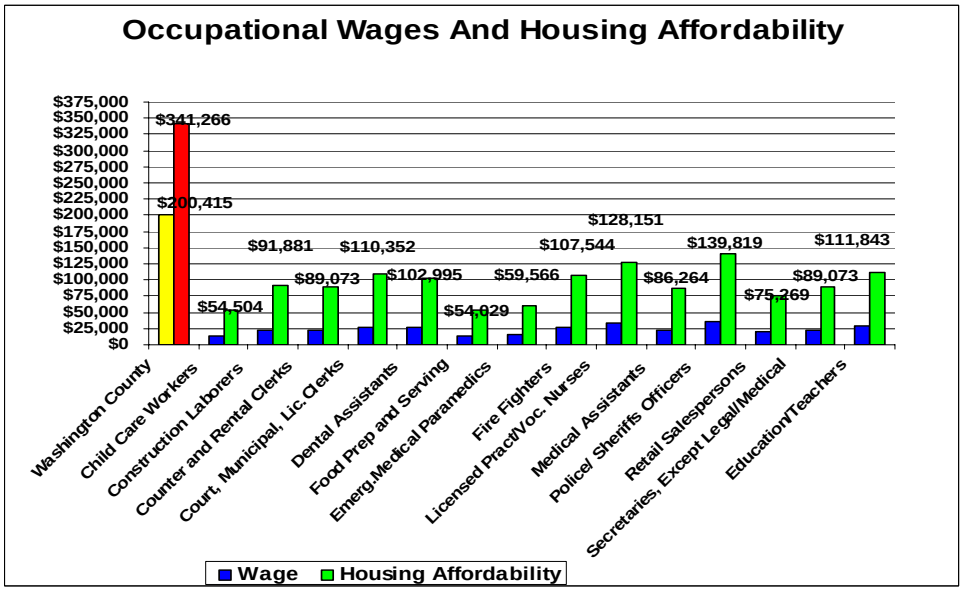
Figure IV-5. Comparative Labor Force Participation Rates



Source: U.S. Census 2000 and Strategic Planning Group, Inc., 2006.

Occupational wage levels and housing affordability in Washington County for single worker families is illustrated in Figure IV-6, following. Average sale prices for the markets condominium and single-family housing is shown for the county for comparison purposes.

Figure IV-6. Single Worker Families Housing Affordability

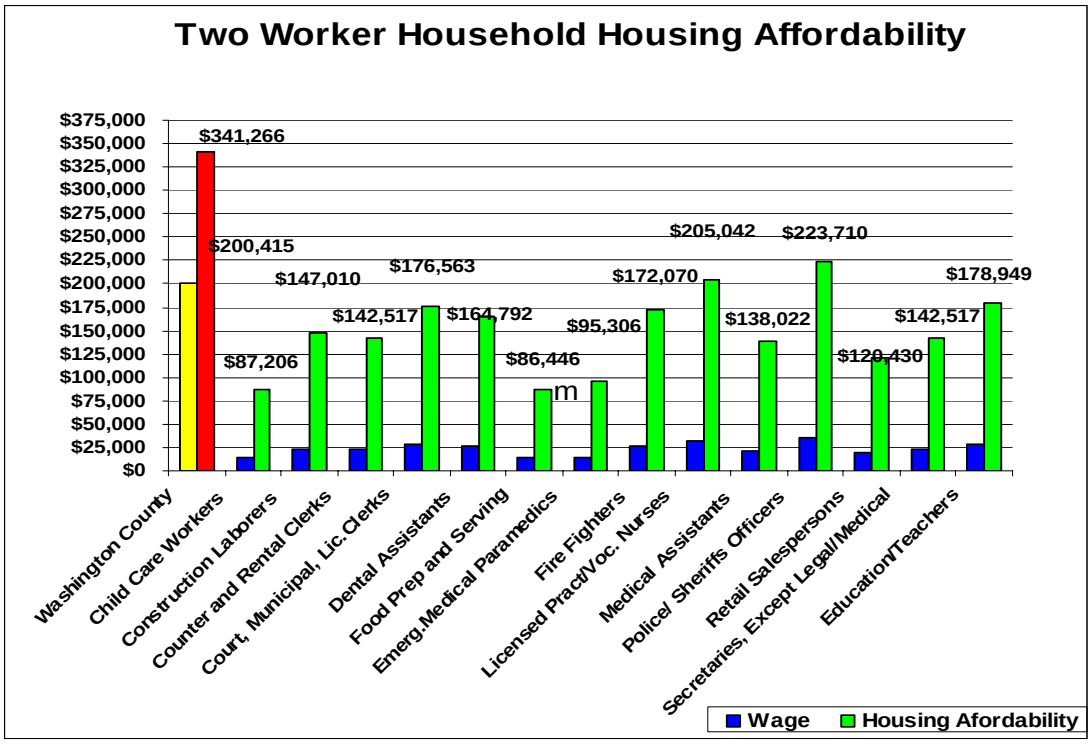


Source: Utah Department of Workforce Services and Strategic Planning Group, Inc., 2006.

As shown, assuming single worker family households at the median wage level, a 10 percent down payment, 30 percent cost burden and interest rate of 6.5 percent, none of the indicated professions can afford the county's average condominium or single-family home.

In the case of two worker family households, however, the situation improves slightly for the affordability of condominium units. Single-family units, based on the average sales, remain out-of-reach without larger down payments, lower interest rates, or significantly increased cost burden. The affordability levels for two worker family household is shown in Figure IV-7.

Figure IV-7. Two Worker Families Housing Affordability



Source: Utah Department of Workforce Services and Strategic Planning Group, Inc., 2006.

Other major factors include cost burden which can range anywhere from 30 to 40 percent of family income, credit rating, type and length of mortgage, amount of down-payment, prevailing interest rates, property and utility costs, and other costs such as association fees, insurance, etc.

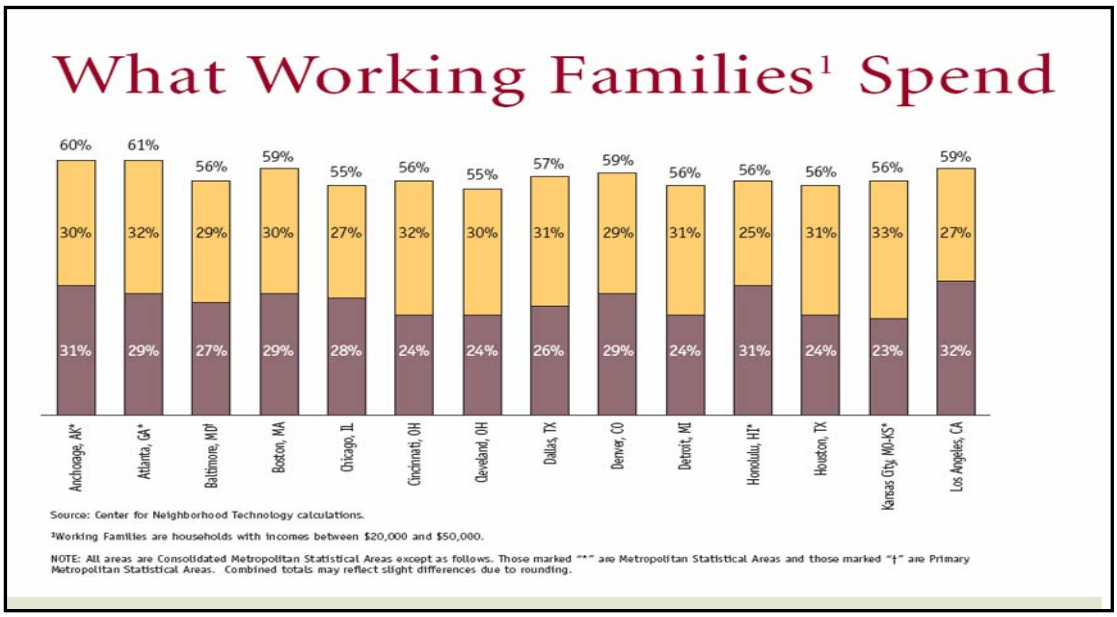
Although not typically associated with housing, transportation costs play an important role in the housing demand equation. Nationally, for every dollar a working family saves on housing cost, it spends 77 cents more on transportation costs. Studies conducted by the Center for Housing Policy have found that there is a basic trade off many working families face between paying a greater share of their income for housing or enduring longer commutes and higher transportation costs.

The study found that on average, working families in the metropolitan areas studied spend about 57 percent of their incomes on the combined costs of housing and transportation, with roughly 28 percent of income going for housing and 29 percent going for transportation. In the search for lower cost housing,

working families often locate far from their place of work, dramatically increasing their transportation costs and commute times. For many such families transportation costs could exceed their housing costs.

Figure IV-8 shows transportation/housing cost burdens in selected metropolitan areas across the county.

Figure IV-8. Housing and Transportation Cost Burden



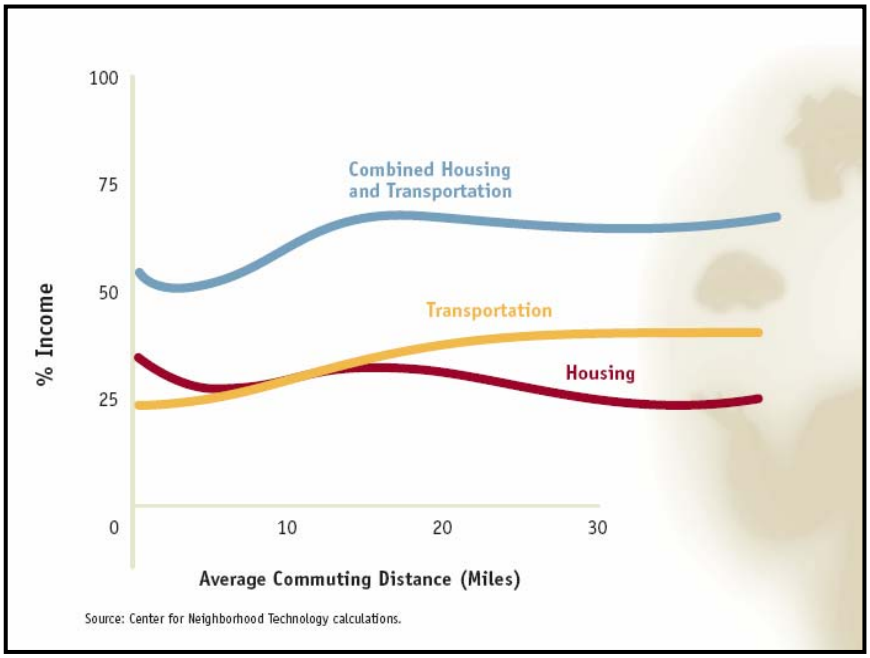
Recent census data suggest this trend may be accelerating. Of the 20 fastest growing counties in the U.S., half are located 30 or miles or more from the closest central business district. As an increasing share of working families commute to distant job nodes from their homes, clogged and congested roads become the norm in surrounding communities.

Many working households that move far from work to find affordable housing end up spending their savings on increased transportation costs. Within metropolitan areas, housing costs tend to fall as one moves further away from employment centers, although some housing in neighborhoods close to suburban job centers can command a premium housing price.

Transportation costs, on the other hand, tend to increase along with commuting distance. At some distance, generally 12 to 15 miles, the increase in transportation costs out weights the savings on housing-and the share of household income required to meet these combined expenditure rises.

Figure IV-9 shows the relationship between the average commuting distance and % of income spent for housing and transportations costs.

Figure IV-9. Housing and Transportation Costs



An increasing number of communities are identifying the lack of affordable housing and the increase in commute times and traffic congestion as priority issues and as major policy issues. Transportation and housing issues need to be linked together.

Transportation Cost of Living Index

According to the American Chamber of Commerce Research Association (ACCRA), the cost of transportation index for Washington County increased from 95.8 in the forth quarter of 2004 to 104.8 for the same quarter of 2006, which follows the national trend of increased transportation costs on working households. As noted earlier, not only are transportation costs increasing, but housing costs are also increasing. During this same time period, the housing cost of living index increased form 91.0 in 2004 to 111.6 in 2006. Historically, the transportation cost index has consistently been higher than the housing cost index by 5 to 25 points. The increase in both indices is not sustainable.

Commute Drive Times

According to the Census average commute drive times for the Washington County labor force amounted to 17.2 minutes in 2000 and increased to 18.1 minutes in 2005. Among the larger southern Washington County communities, however, the average commuting drive times ranged from 13.6 minutes in Washington and 14.4 minutes in St. George to 26.5 minutes in Toquerville and 31.0 minutes in Virgin.

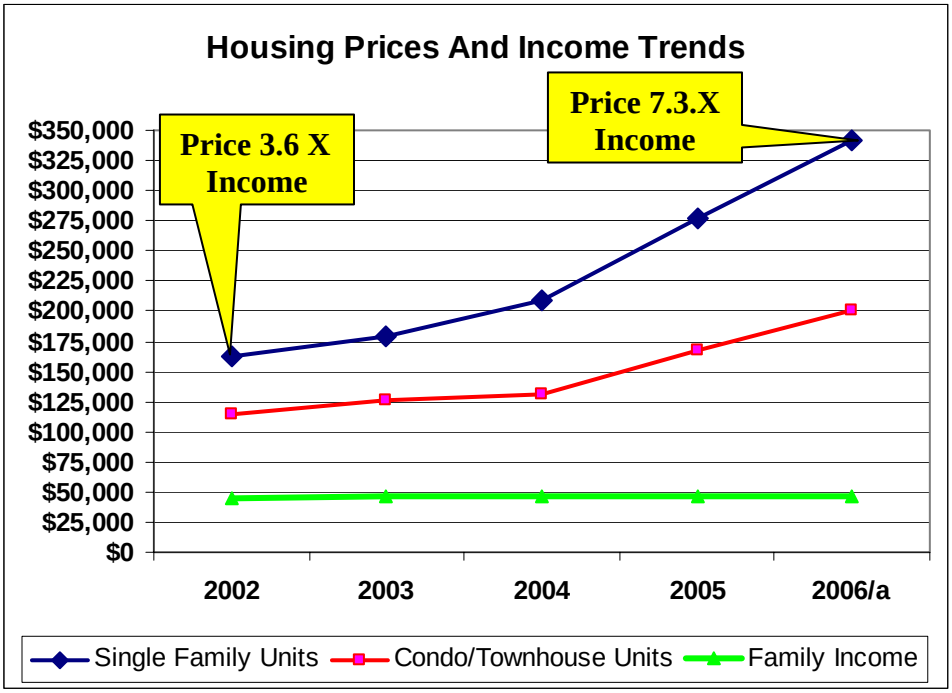
Supply-Cost of Housing

The major consideration on the supply side of the equation is the cost of housing. Major factors include costs associated with the land, cost of building the unit as related to government regulations (building codes, impact fees, permits, and financing) and the size and grade of finish for a given unit.

In recent years, home price increases in Washington County have significantly out paced family income growth. In 2002, home prices were approximately 3.6 times greater than family incomes. By the third quarter of 2006, housing prices increased to approximately 7.3 times that of Washington County family incomes.

Housing prices and family income trends during the 2002-2006 period for Washington County is shown in Figure IV-10.

Figure IV-10. Housing Prices and Income Trends, 2002-2006



Source: Washington County Board of Realtors and Strategic Planning Group, Inc., 2006.

Affordable and Workforce Housing

Affordable housing is usually defined as the housing needs of households whose median income is less than 80 percent of the area's median income (AMI) and spend no more than 30 percent of their income on housing costs (cost burden). Increasingly, the cost burden is rising to 40 percent and is a generally acceptable level within the private sector mortgage market.

Workforce housing is usually defined as the housing needs of households whose median income is between 60 percent and 120 percent of the area's median household income (AMI) and spend no more than 30-40 percent of their income

on housing costs. In many communities, workforce housing is being more broadly defined to include households with 60 to 150 percent of the AMI.

Tables IV-1 and 2, on the following page, show housing affordability for county households earning varying percentages of Washington County's AMI ($46,900) in 2006, as determined by the U.S. Department of Housing and Urban Development (HUD).

Table IV-1. Housing Affordability by % of AMI-30% Cost Burden

Maximum Home Price-30% Cost Burden						
AMI	Median Income	SF Detached	Modular	Town House	Low Rise Condo	Mid-Rise Condo
60%	$28,140	$83,609	$93,342	$88,421	$88,199	$87,560
70%	$32,830	$103,178	$112,814	$107,942	$107,722	$107,091
80%	$37,520	$123,583	$133,220	$128,347	$128,127	$127,496
90%	$42,210	$143,988	$153,625	$148,753	$148,532	$147,901
100%	$46,900	$164,393	$174,030	$169,158	$168,937	$168,306
110%	$51,590	$184,799	$194,435	$189,563	$189,343	$188,712
120%	$56,280	$205,204	$214,841	$209,968	$209,748	$209,117
130%	$60,970	$225,609	$235,187	$230,374	$230,153	$229,522
140%	$65,660	$246,014	$255,651	$250,779	$250,558	$249,927
150%	$70,350	$266,419	$276,056	$271,184	$270,963	$270,332

Source: HUD and Strategic Planning Group, Inc., 2006.

Table IV-2. Housing Affordability by % of AMI-40% Cost Burden

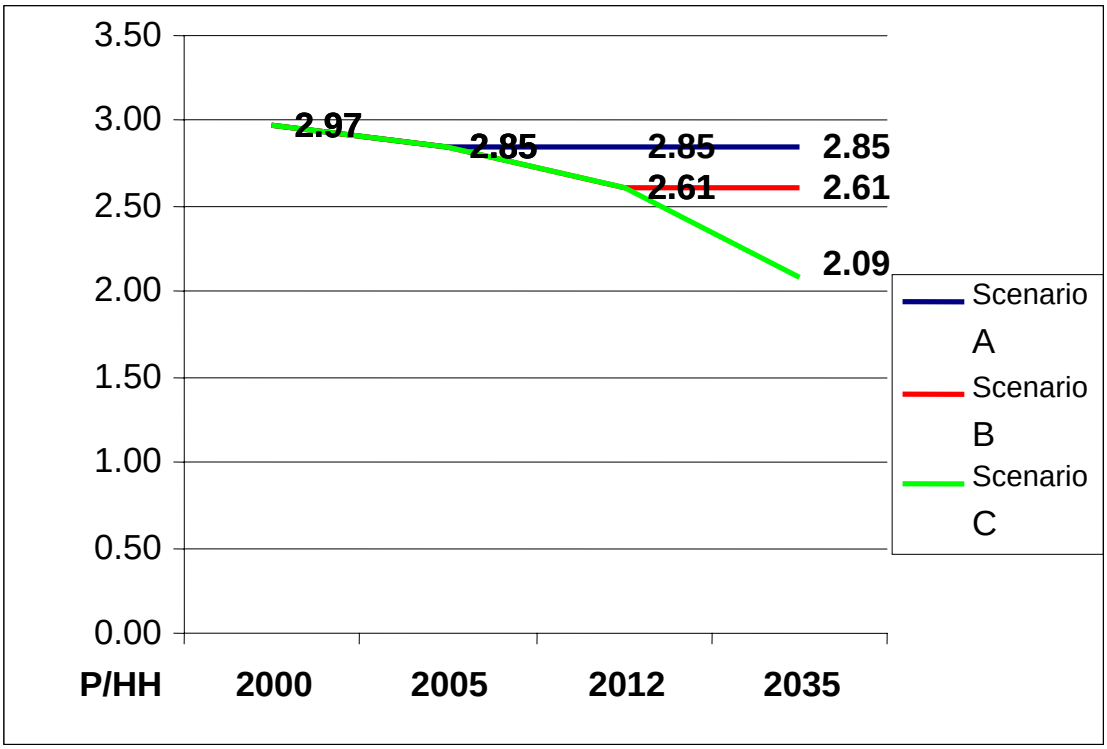
Maixmum Home Price-40 % Cost Buden						
AMI	40%	SF Detached	Modular	Town House	Low Rise Condo	Mid-Rise Condo
60%	$28,140	$111,478	$124,457	$117,894	$117,598	$116,748
70%	$32,830	$138,960	$151,939	$145,377	$145,080	$144,229
80%	$37,520	$166,441	$179,420	$172,859	$172,561	$171,711
90%	$42,210	$193,923	$206,902	$200,340	$200,043	$199,193
100%	$46,900	$221,406	$234,383	$227,822	$227,526	$226,674
110%	$51,590	$248,887	$261,866	$255,303	$255,007	$254,157
120%	$56,280	$276,369	$289,348	$282,786	$282,489	$281,638
130%	$60,970	$303,850	$316,829	$310,268	$309,970	$309,120
140%	$65,660	$331,332	$344,311	$337,749	$337,452	$336,602
150%	$70,350	$358,814	$371,793	$365,231	$364,934	$364,083

Source: HUD and Strategic Planning Group, Inc., 2006.

FUTURE HOUSING NEEDS

SPG has calculated the future housing unit needs of Washington County for the horizon years of 2012 and 2035. The housing unit forecast is based upon the forecasted population levels for the county provided by the Governors Office of Planning and Planning/ Budget's 2005 Baseline Dataset. In converting future population to housing, SPG has prepared three scenarios (A-C) based upon alternative person per household conditions or densities. These density forecasts are shown in Figure VI-11.

Figure IV-11. Forecasted Person/Household Trends, Washington County



Source: Census 2000, Census American Community Survey 2005, and Strategic Planning Group, Inc., 2007.

As shown in the table, the number of persons per household is estimated to have declined significantly between 2000 and 2005. This reflects the increased in-migration of both retiree households and younger family households without children who are employed in the rapidly expanding construction, retail and services industry sectors of the economy.

Scenario A assumes that the estimated Census 2005 persons per household level of 2.85 will remain constant through the projection period. In each of the scenarios the seasonal households have been increased to 15 percent based upon SPG's research on sales to seasonal residents and utility company records regarding permanent residential hookups within the market. Table IV-3 summarizes the forecasted population and housing units for the Washington County Market under the given assumption.

Table IV-3. Scenario A -Washington County Housing Tenure Forecast

	2000	2005	2012	2035
Population	90,354	125,010	178,926	410,840
Households (Occupied)	29,939	41,171	62,746	144,074
PPH - HH	2.97	2.85	2.85	2.85
Owner Households	22,144	27,803	42,373	97,294
% of Total	74.0%	67.5%	67.5%	67.5%
PPH - Owner	2.94	2.91	2.91	2.91
Renter Households	7,795	13,368	20,373	46,780
% of Total	26.0%	32.5%	32.5%	32.5%
PPH - Renter	3.08	2.73	2.73	2.73
Adjustment for Vacancy (% of Total Households)				
	4,439	5,162	11,073	25,425
Seasonal	12.2%	10.6%	15.0%	15.0%
	2,100	2,444	3,302	7,583
Vacancy - Other	5.8%	5.0%	5.0%	5.0%
Total Houseing Units	36,478	48,777	77,121	177,081

Source: Census 2000, Census American Community Survey 2005, and SPG, 2007.

Scenario B housing unit forecasts are based upon the assumption of a continued decline in household size through 2012 and then held constant for the remainder of the forecast period at 2.61 persons per households. Table IV-4, following, shows the forecasted population and housing units for the Washington County Market under the given assumption.

Table IV-4. Scenario B -Washington County Housing Tenure Forecast

	2000	2005	2012	2035
Population	90,354	125,010	178,926	410,840
Households (Occupied)	29,939	41,171	64,499	157,488
PPH - HH	2.97	2.85	2.61	2.61
Owner Households	22,144	27,803	37,750	92,176
% of Total	74.0%	67.5%	58.5%	58.5%
PPH - Owner	2.94	2.91	2.87	2.87
Renter Households	7,795	13,368	26,748	65,312
% of Total	26.0%	32.5%	41.5%	41.5%
PPH - Renter	3.08	2.73	2.24	2.24
Adjustment for Vacancy (% of Total Households)				
	4,439	5,162	11,382	27,792
Seasonal	12.2%	10.6%	15.0%	15.0%
	2,100	2,444	3,395	8,289
Vacancy - Other	5.8%	5.0%	5.0%	5.0%
Total Houseing Units	36,478	48,777	79,275	193,569

Source: Census 2000, Census American Community Survey 2005, and SPG, 2007.

Lastly, Scenario C assumes a continued decline of the markets person per household ratio based upon the 2000-2005 trend through the 2035 forecast period. This data is shown in Table IV-5 following.

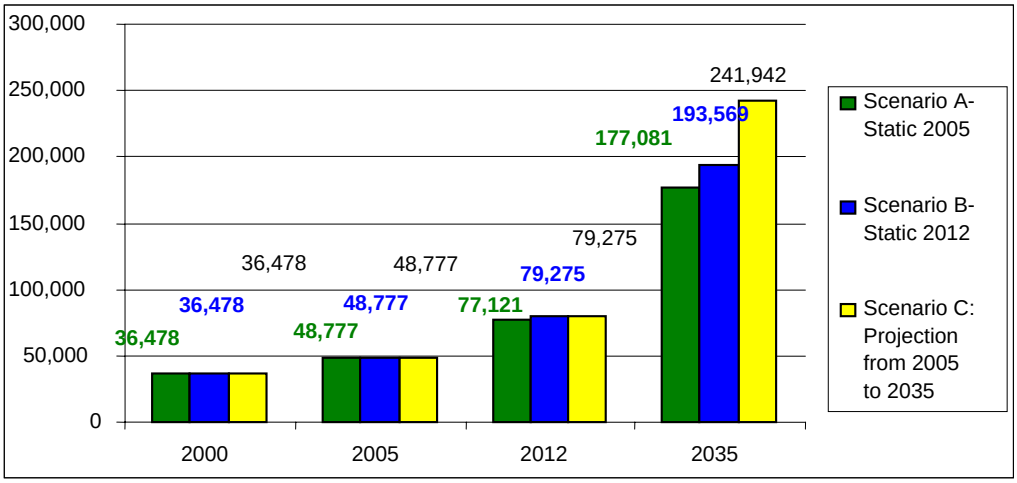
Table IV-5. Scenario C -Washington County Housing Tenure Forecast

	2000	2005	2012	2035
Population	90,354	125,010	178,926	410,840
Households (Occupied)	29,939	41,171	64,499	196,845
PPH - HH	2.97	2.85	2.61	2.09
Owner Households	22,144	27,803	37,750	82,128
% of Total	74.0%	67.5%	58.5%	41.7%
PPH - Owner	2.94	2.91	2.87	2.74
Renter Households	7,795	13,368	26,748	114,717
% of Total	26.0%	32.5%	41.5%	58.3%
PPH - Renter	3.08	2.73	2.24	1.62
Adjustment for Vacancy (% of Total Households)				
	4,439	5,162	11,382	34,737
Seasonal	12.2%	10.6%	15.0%	15.0%
	2,100	2,444	3,395	10,360
Vacancy - Other	5.8%	5.0%	5.0%	5.0%
Total Houseing Units	36,478	48,777	79,275	241,942

Source: Census 2000, Census American Community Survey 2005, and SPG, 2007.

The Scenario C forecast most closely resembles what most of the Southeastern and Southwestern retirement community housing markets reflect in terms of household size and tenure composition. Based upon the attributes and overall attraction of the Washington County Market, this scenario is considered by SPG the most likely to be realized in the future. Figure IV-12 shows and compares the forecasted housing unit levels for each of the scenarios under consideration.

Figure IV-12. Alternative Scenario Housing Unit Forecasts



Source: Strategic Planning Group, Inc., 2007.

Washington County Additional Housing Demand

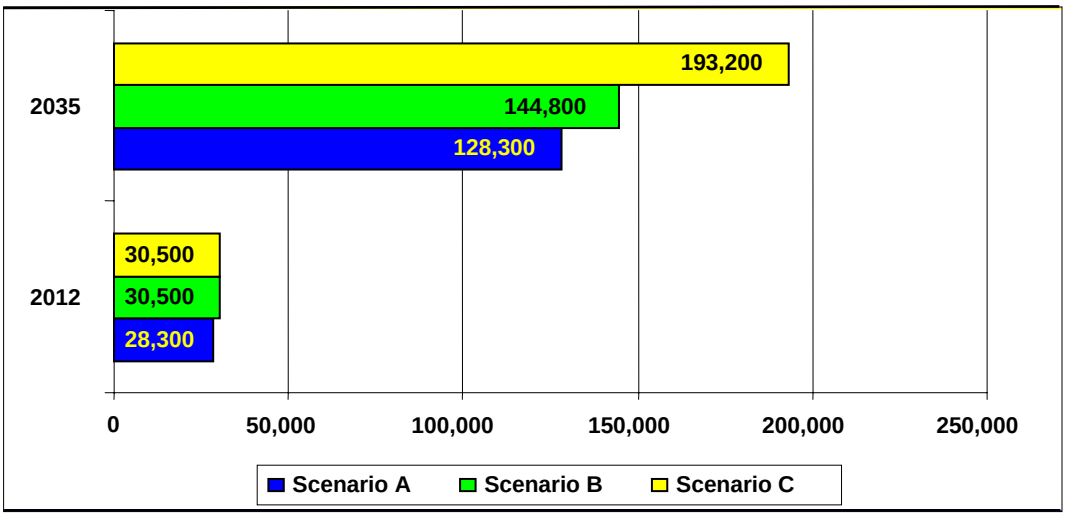
The demand for additional new future housing in Washington County is summarized in Table IV-6 and Figure IV-13. As shown, additional net new housing needs (excluding vacancy) are forecasted to range from between 128,300 and 193,200 units by 2035 based upon the alternative scenarios utilized in this analysis. It is SPG's conclusion that the future housing unit need within the county will most reasonably fall between the higher end of scenario's B and C.

Table IV-6. Washington County Future New Housing Needs, 2012-2035

	2012	2035
Scenario A	28,300	128,300
Scenario B	30,500	144,800
Scenario C	30,500	193,200

Source: Strategic Planning Group, Inc., 2007.

Figure IV-13. Additional Housing Required Over 2005 Levels



Source: Strategic Planning Group, Inc., 2007.

Washington County Forecasted Housing Unit Tenure And Mix

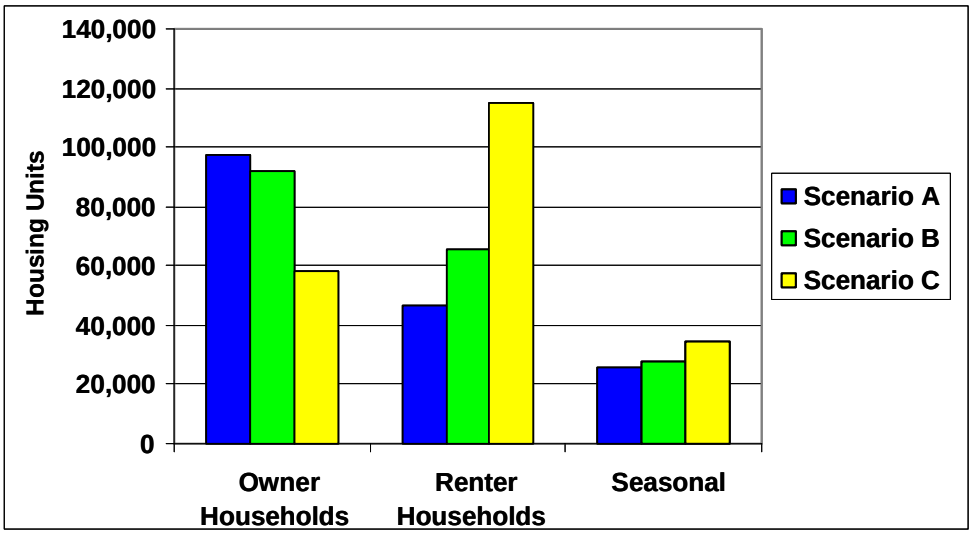
Based upon the projected total future housing needs for Washington County through 2035, SPG has determined that the likely composition of the future housing market will also vary under each of the alternative scenarios. In scenarios B and C, a slight increase in the relationship between owner and renter occupied unit can be noted, while in scenario C a significant increase in the net new number of rental and seasonal housing units anticipated for the market. Table IV-7 shows the variance in relationships between the scenarios related to unit mix and tenure.

Table IV-7. Washington County Alternative Housing Tenure Scenarios

Scenario A	**2012**		**2035**	
Owner Households	42,373	57.4%	97,294	57.4%
Renter Households	20,373	27.6%	46,780	27.6%
Seasonal	11,073	15.0%	25,425	15.0%
Scenario B	**2012**		**2035**	
Owner Households	37,750	49.7%	92,176	49.7%
Renter Households	26,748	35.3%	65,312	35.3%
Seasonal	11,382	15.0%	27,792	15.0%
Scenario C	**2012**		**2035**	
Owner Households	37,750	49.7%	82,128	35.5%
Renter Households	26,748	35.3%	114,717	49.5%
Seasonal	11,382	15.0%	34,737	15.0%

Source: Strategic Planning Group, Inc., 2007.

Figure IV-14. 2035 County Alternative Housing Tenure Scenarios



Source: Strategic Planning Group, Inc., 2007.

Scenario C represents the extreme in the shift from ownership to rental housing. However, over the next 30 years substantial changes can be expected in the housing and financial industries which will manifest itself not only in changing housing product, but also in the way we live.

Alternative future Washington County housing types under each of the presented scenarios is shown in Table IV-8. It should be noted that the housing mix forecast for each of the indicated scenarios has been developed on the basis of the existing 2005 housing mix distribution.

Table IV-8. Washington County Alternative Housing Mix Scenarios

	Scenario A		Scenario B		Scenario C	
	2012	2035	2012	2035	2012	2035
Occupied Units	62,746	144,074	64,499	157,488	64,499	196,845
Owner Unit Mix	42,373	97,294	37,750	92,176	37,750	82,128
1, Detached	35,432	81,357	28,313	50,697	28,313	45,170
1, Attached	2,030	4,661	2,265	11,061	2,265	9,855
2	160	367	151	461	151	411
3 or 4	206	472	189	461	189	411
5 to 9	172	395	151	369	151	329
10 to 19	319	731	302	737	302	657
20 to 49	0	0	1,510	7,374	1,510	6,570
50 or more	210	483	1,133	4,609	1,133	4,106
Mobile Home	3,292	7,559	3,247	15,209	3,247	13,551
Boats, RV, Vans	552	1,267	491	1,198	491	1,068
Renter Unit Mix	20,373	46,780	26,748	65,312	26,748	114,717
1, Detached	7,966	18,291	8,025	13,062	8,025	22,943
1, Attached	2,658	6,103	1,337	3,266	1,337	5,736
2	1,733	3,979	2,675	1,959	2,675	3,442
3 or 4	2,350	5,396	3,076	5,225	3,076	9,177
5 to 9	1,492	3,426	2,140	5,225	2,140	9,177
10 to 19	1,838	4,220	2,675	7,837	2,675	13,766
20 to 49	370	850	2,675	12,213	2,675	21,452
50 or more	1,140	2,618	1,337	6,531	1,337	11,472
Mobile Home	764	1,753	2,728	9,797	2,728	17,208
Boats, RV, Vans	62	143	80	196	80	344
Total Unit Mix	62,746	144,074	64,499	157,488	64,499	196,845
1, Detached	43,398	99,649	36,337	63,759	36,337	68,114
1, Attached	4,688	10,764	3,602	14,327	3,602	15,591
2	1,893	4,346	2,826	2,420	2,826	3,852
3 or 4	2,556	5,868	3,265	5,686	3,265	9,588
5 to 9	1,664	3,821	2,291	5,594	2,291	9,506
10 to 19	2,157	4,952	2,977	8,575	2,977	14,423
20 to 49	370	850	4,185	19,587	4,185	28,022
50 or more	1,350	3,100	2,470	11,140	2,470	15,578
Mobile Home	4,055	9,312	5,975	25,006	5,975	30,759
Boats, RV, Vans	614	1,410	571	1,394	571	1,412

Source: Strategic Planning Group, Inc., 2007.

Presently, there are a number of southeastern and southwestern sunbelt housing markets that have experienced significant growth which translated into higher density developments and have a higher percentage of rental units than ownership units. Other rapidly growing communities outside of the sunbelt have also experienced a major shift to higher density housing products and a large

increase in rental housing. Some of these markets where the percentage of home ownership rates is near or less than 50 percent of the total housing market according to Census 2000 data include the following:

Santa Monica, CA	29.8%	Altamonte Springs, FL	41.6%
Imperial Beach, CA	30.0%	Lake Worth, FL	41.7%
Providence, RI	34.6%	Provo, UT	42.7%
Miami, FL	34.9%	Homosa Beach, CA	42.7%
San Francisco, CA	35.0%	Kissimmee, FL	44.5%
Ashland, CA	36.0%	Brunswick, GA	44.5%
Homestead, FL	36.3%	Orange Grove, CA	45.4%
Miami Beach, FL	36.6%	Branson, CO	47.7%
Monterey, CA	38.4%	Beverton, OR	47.9%
Ft. Myers, FL	39.6%	San Diego, CA	49.0%
Sunnyside, OR	39.6%	Sausalito, CA	49.0%
Orlando, FL	40.8%	Santa Ana, CA	49.3%
Long Beach., CA	41.1%	Redondo Beach, CA	49.3%
Burbank, CA	41.3%	Salt Lake City, UT	51.2%
Mountain View, CA	41.4%	Washington, NC	51.2%

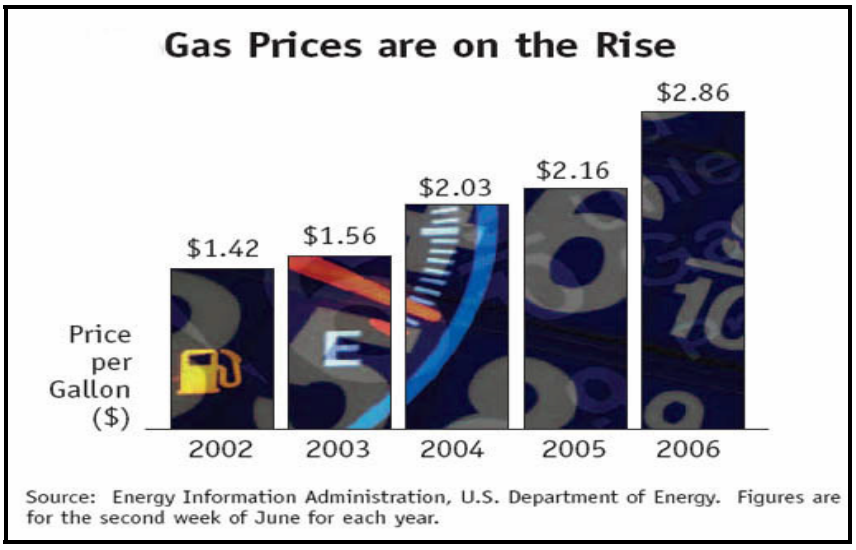
Shifting Housing Paradigms

Over the last five to six years the housing market has been in a housing ownership period marked by a large number of real estate investors/speculators playing the housing market, a dwindling supply of raw land with rapidly increasing cost, and significant increases in building materials and labor costs. During this same time many residential markets, including Washington County, experienced explosive residential growth and record new residential construction levels which were accompanied by record low housing finance interest rates. Moreover, during the 2004-2005 period, investor speculation in real estate, both locally and nationally increased prices beyond the normal supply/demand relationship.

Home sizes expanded and quality/amenity levels increased in new residential product offerings. Many markets experienced a significant decrease in rental unit supply due to condominium conversions since it had become cheaper to own housing rather than rent.

We are presently entering a rental/mixed used period which is referred to by the consultant as “Backward to the Future”. Interest rates have already begun to rise which will reduce housing affordability, building materials and labor costs will continue to increase due to expanded global market increased demands, rising energy costs and increasing transportations related to rising/unstable gas prices. Figure IV-15 shows the changes in average gas prices since 1992.

Figure IV-15. Changes ~ Gas Prices, 2002-2006



During this period, residential product sizes are anticipated to decline in order to offset increased production costs and lot prices, a shift from ownership to rental residential products, a short term tightening of the rental market, increasing development of multi-family product and increased residential densities to accommodate mixed-use development. Presently, mixed-use development has already become the largest segment of construction in the United States according to the *Construction Data Base Trends* monitored by Reed Construction Data, a national construction firm.

What We Know Today

Housing in reality is a regional issue that crosses municipal boundaries. This is particularly the case in southern Washington County where thirteen separate municipal areas constitute the primary growth sector of the county.

The nature of housing demand is rapidly changing and will continue to change into the future. For 50 years families with children drove America's housing industry. Presently, married couples with children make up less than 25 percent of American households nationwide. Today's fastest growing households are:

- ✓ Young Professionals
- ✓ Empty Nesters
- ✓ Single Parents
- ✓ Couples Without Children
- ✓ Senior Citizens

These households will create housing demand for the Live/Work/Walk experience which translates into apartments, condominiums and townhouse housing product in mixed-use projects with higher densities than those experienced in recent years.

Home ownership will be delayed requiring more rental housing product, unit sizes are anticipated to decrease, and reduced land costs will have to be achieved

through increased density, mixed use development, utilization of additional public lands, and residential development that includes accessory units.

What we know about density is that 6 out of 10 prospective home buyers chose a higher density-density, mixed use community for housing. About 40 percent of the apartment residents choose to rent for lifestyle reasons-not because they have to. Between 1999 and 2003, the fastest growing segment of renters nationally were those earning $50,000 or more annually.

Demand for higher density homes will hit new highs by 2015 due to an influx of:

- ✓ 78 million downsizing Baby Boomers.
- ✓ 78 million children of Baby Boomers graduating from college.
- ✓ 9.0 million new immigrants to the U.S.
- ✓ The large number of services and municipal employees priced out of the communities and neighborhoods where they work.

Increased density is also a key in attracting new retail development. Densities of 8 to 12 homes per acre can create compact low-rise centers that can support a lively business district, mixed-uses, and public transit nodes. It is estimated that 1,000 to 2,000 new houses and apartments within a 10-15 minute walk can support new retail areas within a community.

Nationally, the housing industry is responding to the changing housing market with developers and home builders entertaining new residential projects with higher density, smaller dwelling units, and mix-use residential development. This includes an increased supply of rental product.

With the county's population projected to increase by 285,830 persons or over 3 times its current size by 2035, about five times the market's housing, retail, commercial office, and industrial space will be needed.

As indicated in this study, over the next 30 years through 2035 there will be a need for an additional 144,800 to 193,200 housing units (scenarios B & C) In Washington County. In the meantime, there are a number of policy issues that must be addressed including affordability, transportation, and most importantly the density of future housing development within Washington County.

"Researchers from Georgia Tech and the University of British Columbia have released a report summarizing an unparalleled, six-year analysis of the connections among travel habits, development patterns and housing demand in metro Atlanta. Among dozens of significant findings, the study showed that people who live in more walkable neighborhoods -- with a mix of housing types and streets that connect to shops, offices and other destinations -- drive 30 minutes, even when they own the same number of cars at the same rate. The key findings of this ground-breaking study are likely to be applicable to most major metro areas in the country." Source[1]

[1] SMARTRAQ 2006

WASHINGTON COUNTY 2035 HOUSING STUDY

V. HOUSING AFFORDABILITY GAP ANALYSIS

WASHINGTON COUNTY 2035 HOUSING STUDY

V. Housing Affordability GAP Analysis

In this Section and in VI of this report, information was developed and analyzed for Washington County and DAWHAC to specifically address issues related to the housing affordability GAP in Washington County and anticipated future workforce housing needs of the population in 2012 and 2035.

The term affordable housing often appears in the media without definition - affordable to whom? Obviously there are persons for whom virtually any housing is affordable and still others for whom almost nothing is affordable. Thus, "affordable" describes a relationship between two variables - the income of consumers (buyers and renters and the cost (price) of the product (houses and apartments). Significant changes in either of these two variables can "produce" or "lose" affordable housing. When there is no equilibrium between the demand for affordable housing and either the lack of or the ability to increase the supply of affordable housing, the situation is referred to as an “affordability gap.”

Definition Of Affordability Gap

A key component of the analysis is the size of the gap between what households can afford and the cost of producing additional housing. When HUD uses "affordable housing,” it means housing affordable to those with incomes at or below 120% (moderate), 80%, (low income), and 50%, (very low income) of the median income of a metropolitan area who pay no more than 30% of their income for housing. Workforce housing, as defined in this analysis, is assumed to be those households earning between 60 to 120 percent of the areas median income. The analysis is also conducted assuming rental as well as ownership housing from each of the income categories. Thus, to determine the extent to which workforce housing is needed in Washington County, one has to study the relationship between these variables - individual incomes and product prices. These are the key components in examining the demand-supply equation for any given market area.

To determine whether and to what extent affordable workforce housing is needed we have to study the relationship between these variables - individual incomes and product prices.

Factors Impacting the Affordability Gap

Few people can or will buy a residential unit without a mortgage. The cost and availability of mortgage money is a major determinant of whether households can purchase a home, whether investors will produce new housing units and whether families will move. Housing, regardless if it's purchased by an investor or resident, is a leveraged commodity. The ratio of a mortgage loan to the total

value of the property is usually high (frequently 80-90%). This means that the owner's equity is relatively low; hence, the owner "leverages" his or her money with a high ratio of borrowed money.

When housing costs are compared against disposable family incomes, it can be determined whether households will be faced with prices beyond their ability to pay, commonly referred to as the cost burden. Disposable incomes are viewed as the total amount of money that a household can spend on goods and services. Standard measures of housing affordability used by financial and government officials traditionally have been 25-30% of a household's gross income for rent and 2–2 1/2 times the annual family income for mortgage loans. However, the average American actually spends over 30% of his/her after-tax income for housing. For the first-time buyer of a new home, that average goes up to 40% of disposable income.

If housing costs take a larger portion of the family income, it might be expected that the demand for lower-cost housing will increase. Conversely, if housing becomes relatively cheaper as it did in the 1960's, the reverse could be expected. Housing costs have rapidly increased over the last 48 months; much faster than disposable incomes. Major influences causing the higher costs are land development and construction costs, energy, materials, and higher land costs that may include demolition costs, environmental conditions, etc.

Historically, interest rates have been the major component of overall cost. Abnormally low interest rates have helped fuel the strong housing market of the last four to five years. However, as these rates begin to increase to normal ranges (20-year average), housing costs can be expected to increase significantly.

Land development costs, building materials, and labor costs, as well as profit margins, comprise the total selling price of a dwelling unit. As a result of the dramatic increase in these costs, all indications are that a family or household's ability to purchase housing is diminishing. Should the trend continue, the housing market might be impacted in a variety of ways, as well as influencing the appearance, production and distribution of housing within the Washington County market.

HUD Income Distribution And Fair Market Rents

The Department of Housing and Urban Development's decile income distribution and Fair Market Rents (FMR) for the St. George MSA (Washington County) are shown in Tables V-1 and V-2. HUD estimates the median family income for Washington County to be $46,900 in 2006 and ranges from $18,500 for the first decile to a high of $133,800 for the 9.5th decile.

Table V-1. St. George MSA HUD Family Income Distribution, 1999-2006

Year	1ST	2ND	3RD	4th	Median	6TH	7TH	8TH	9TH	9.5TH
FY 1999	$16,507	$23,402	$29,930	$35,769	$41,847	$48,863	$58,468	$68,869	$91,215	$119,463
FY 2006	$18,500	$26,200	$33,500	$40,100	$46,900	$54,700	$65,500	$77,100	$102,200	$133,800

Source: U.S. Department of Housing and Urban Development, 2007.

According to the HUD income estimates, the MSA market's median family income increased by $5,053 or 12.1 percent over the seven year period from 1999 to 2006. This is an average of only 1.7 percent annually, unadjusted for inflation.

Fair market rents estimated by HUD for the St. George MSA in 2007 are shown in Table V-2. The indicated FMR's are based upon annual market surveys conducted by HUD to establish prevailing rental housing cost levels.

Table V-2. St. George MSA Fair Market Rents, 2007

	Utah	Washington County
Zero-Bedroom	$510	$522
One-Bedroom	$565	$547
Two-Bedroom	$678	$650
Three-Bedroom	$952	$945
Four-Bedroom	$1,124	$1,063

Source: HUD and Strategic Planning Group, Inc., 2007.

WASHINGTON COUNTY GAP ANALYSIS

In determining the affordability GAP within Washington County, SPG has estimated the prototypical construction costs for residential products within the market. These products include single-family detached, modular, townhomes, and both low and mid-rise condominium residential units. Table V-3, shows the estimated prototypical development cost associated with each product for 2006.

As shown, the estimated values are shown for total unit and total unit plus land costs for each of the residential product types. The estimated values with land costs included range from a high of $319,615 for single-family detached to a low of $135,036 for modular units. This represents a cost range, on a square foot basis, of $178 to $113 in 2006 values.

SPG estimates that accounting for inflation these values, including land costs, will escalate by approximately 4 percent annually through 2012 and then by 2

percent annually to 2035. The estimated future costs for the indicated residential product types are summarized in Table V-3, following.

Table V- 3. Forecasted Future Residential Product Costs

Year	SF Detached	Modular	Townhomes	Low Rise Condos	Mid-Rise Condos
2006	$ 319,615	$ 135,036	$ 228,355	$ 232,579	$ 244,674
2012	$ 404,415	$ 170,863	$ 288,942	$ 294,287	$ 309,590
2035	$ 567,586	$ 239,803	$ 405,523	$ 413,024	$ 434,502

Source: Strategic Planning Group, Inc., 2007.

Table V- 4. Estimated Prototypical Development Costs, Washington County, 2006

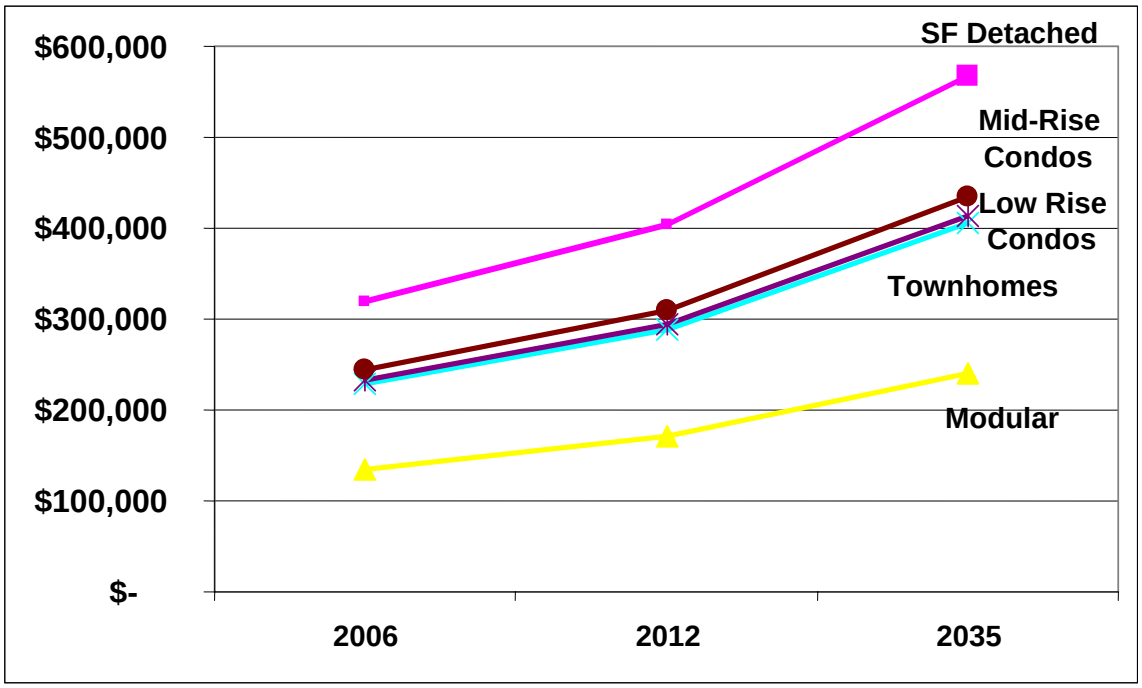
Owner Housing Prototypes (per unit basis)					
	SF Detached	Modular	Townhomes	Low Rise Condos (1)	Mid-Rise Condos (2)
Gross Site Area (SF)	43,560	43,560	43,560	43,560	43,560
Density Per Acre	4	12	14	17	24
Gross Site Area/Unit	10,890	3,630	3,111	2,562	1,815
Net Lot Area	7,296	2,432	2,085	1,717	1,216
Number of Units	1	1	1	1	1
Parking Spaces	2	2	2	2	2
Net Square Feet Living Area	1,800	1,200	1,400	1,200	1,200
Average Unit Size	1,800	1,200	1,400	1,200	1,200
Total Net Square Feet	1,800	1,200	1,400	1,200	1,200
Ratio Net/Gross SF	100%	100%	90%	90%	85%
Total Gross SF Building Area	1,800	1,200	1,556	1,333	1,412
Number of Bedrooms	3.0	3.0	3.0	2.5	2.5
Number of Bathrooms	2.3	2.3	2.3	1.9	1.9
Hard Construction Costs/SF	$ 75.00	$ 45.00	$ 80.00	$ 95.00	$ 100.00
Land Acquisition Costs/SF	$ 4.00	$ 4.00	$ 6.00	$ 8.00	$ 10.00
% Land Cost to Sale Value	29.9%	23.6%	14.7%	14.1%	11.0%
Land Acqusition Costs/Unit	$ 43,560	$ 14,520	$ 18,669	$ 20,499	$ 18,150
Land Carrying Costs	$ 653	$ 218	$ 280	$ 307	$ 272
Site Improvements	$ 43,778	$ 14,593	$ 12,508	$ 10,301	$ 7,296
Building Shell Hard Costs	$ 135,000	$ 54,000	$ 124,444	$ 126,667	$ 141,176
Hard Costs Contingency	$ 8,939	$ 3,430	$ 6,848	$ 6,848	$ 7,424
Arch./Eng./Constr. Supervision	$ 5,363	$ 2,058	$ 4,109	$ 4,109	$ 4,454
Building Permit Fees	$ 2,966	$ 1,110	$ 2,086	$ 2,109	$ 2,235
ESI Impact	$ 722	$ 722	$ 722	$ 722	$ 722
Fire Impact	$ 200	$ 200	$ 200	$ 200	$ 200
Parks & Recreation	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Power (1)	$ 2,950	$ 2,950	$ 2,950	$ 2,950	$ 2,950
Sewer Connection	$ 150	$ 150	$ 150	$ 150	$ 150
Sewer (1)	$ 2,150	$ 2,150	$ 2,150	$ 2,150	$ 2,150
Streets	$ 1,639	$ 1,639	$ 1,639	$ 1,639	$ 1,639
Waste Water	$ 900	$ 900	$ 900	$ 900	$ 900
Water Connect Fee	$ 225	$ 225	$ 225	$ 225	$ 225
Water Impact Fee	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182
Electrical Overhead	$ 600	$ 600	$ 600	$ 600	$ 600
Construction Loan Fees	$ 2,540	$ 1,036	$ 1,827	$ 1,846	$ 1,947
Construction Interest	$ 9,158	$ 8,233	$ 8,233	$ 9,982	$ 10,532
Environmental Phase 1	$ 3,750	$ 1,250	$ 1,071	$ 882	$ 625
Soils Testing	$ 3,750	$ 1,250	$ 1,071	$ 882	$ 625
Property Taxes	$ 2,049	$ 866	$ 1,827	$ 2,229	$ 2,345
Insurance	$ 546	$ 231	$ 390	$ 396	$ 417
Sales Commissions	$ 2,868	$ 1,212	$ 2,046	$ 2,081	$ 2,189
Selling/Closing Costs	$ 5,464	$ 2,308	$ 3,897	$ 3,963	$ 4,169
Developer Overhead	$ 8,195	$ 3,462	$ 5,846	$ 5,945	$ 6,254
Developer Profit	$ 27,318	$ 11,542	$ 19,486	$ 19,815	$ 20,845
Total Project Costs	$ 319,615	$ 135,036	$ 228,355	$ 232,579	$ 244,674
Per Unit	$ 319,615	$ 135,036	$ 228,355	$ 232,579	$ 244,674
Per SF	$ 177.56	$ 112.53	$ 146.80	$ 174.43	$ 173.31
Total Costs, Excluding Land	$ 224,124	$ 103,205	$ 194,756	$ 199,707	$ 217,705
Per Unit	$ 224,124	$ 103,205	$ 194,756	$ 199,707	$ 217,705
Per SF	$ 124.51	$ 86.00	$ 125.20	$ 149.78	$ 154.21

Notes: 1Represents structures 1 to 3 stories.
2 Represents structures 3 to 5 stories.

Source: Strategic Planning Group, Inc., 2007.

A summary of estimated total development costs by product type for the 2006-2035 forecast period is comparatively illustrated in Figure V-1, following.

Figure V-1. Comparative Residential Product Costs, 2006-2035



Source: Strategic Planning Group, Inc., 2007

Construction Loan Model

The calculation of construction loan interest for alternative residential product types used in the development cost model is summarized in Table V-5, following. For each of the product types a constant loan amount of 85 percent, average loan balance of 60 percent and an annual interest rate of 7 percent was assumed. The average construction period varied from 12 months for single-family, modular and townhomes to 18 months for low and mid-rise condominiums.

Table V- 5. Calculation of Construction Loan Interest by Product Type

Owner Housing Prototypes Construction Loan Assumptions						
		SF Detached	Modular	Townhomes	Low-Rise Condos	Mid-Rise Condos
Construction Costs		$256,517	$104,682	$184,488	$186,404	$196,673
Loan Amount	85%	$218,040	$88,980	$156,814	$158,443	$167,172
Average Loan Balance	60%	$130,824	$53,388	$94,089	$95,066	$100,303
Annual Interest Costs	7%	$9,158	$3,737	$6,586	$6,655	$7,021
Months of Construction		12	12	15	18	18
Construction Interest		$9,158	$3,737	$8,233	$9,982	$10,532

Source: Strategic Planning Group, Inc., 2007.

The mortgage calculation model shown in Table V-6 indicates the maximum mortgage that can be carried by a Washington County household having the average median income of $46,900 after adjustment for average monthly home ownership costs. The indicated maximum mortgage amounts assume a 6.5 percent annual interest rate and a 30 percent cost burden.

Table V-6. Mortgage Calculation-30 Percent Cost Burden

Affordable Mortgage-30% Burden

	SF Detached	Modular	Townhomes	Low-Rise Condos	Mid-Rise Condos
Interest Rate	6.5%	6.5%	6.5%	6.5%	6.5%
Adjusted AMI	$ 37,785	$ 40,000	$ 38,880	$ 38,829	$ 38,684
Principal & Interest	30%	30%	30%	30%	30%
Maximum Mortgage	$ 149,448	$ 158,209	$ 153,780	$ 153,579	$ 153,005
AMI	$ 46,900	$ 46,900	$ 46,900	$ 46,900	$ 46,900
Average Monthly Homeownership Expenses					
Utilities	$ 290	$ 290	$ 290	$ 290	$ 290
HOA/maintenance	$ 100	$ 100	$ 100	$ 100	$ 100
Property Insurance	$ 50	$ 50	$ 50	$ 50	$ 50
Taxes	$ 320	$ 135	$ 228	$ 233	$ 245
Total	$ 760	$ 575	$ 668	$ 673	$ 685
Annual	$ 9,115	$ 6,900	$ 8,020	$ 8,071	$ 8,216
% of Mortgage Payment	6.1%	4.4%	5.2%	5.3%	5.4%

Source: Strategic Planning Group, Inc., 2007

The supportable mortgage amounts, using the indicated assumptions stated above, are shown by product type for households earning from 60 to 150 percent of the average median incomes for Washington County in Table V-7, following.

Table V- 7. Supportable Mortgage Amounts-30 Percent Cost Burden

AMI	Income	SF Detached	Modular	Townhomes	Low Rise Condo	Mid-Rise Condo
60%	$28,140	$75,248	$84,008	$79,579	$79,379	$78,804
70%	$32,830	$93,798	$102,558	$98,129	$97,929	$97,355
80%	$37,520	$112,348	$121,109	$116,679	$116,479	$115,905
90%	$42,210	$130,898	$139,659	$135,230	$135,029	$134,455
100%	$46,900	$149,448	$158,209	$153,780	$153,579	$153,005
110%	$51,590	$167,999	$176,759	$172,330	$172,130	$171,556
120%	$56,280	$186,549	$195,310	$190,880	$190,680	$190,106
130%	$60,970	$205,099	$213,806	$209,431	$209,230	$208,656
140%	$65,660	$223,649	$232,410	$227,981	$227,780	$227,206
150%	$70,350	$242,199	$250,960	$246,531	$246,330	$245,756

Source: Strategic Planning Group, Inc., 2007

Table V-8 translates the supportable mortgage amounts to affordable maximum home prices by income range and product type. The data shows that the most affordable residential products are modular units followed by townhouse, condominium, and lastly single-family units.

Table V- 8. Affordable Maximum Home Price-30 Percent Cost Burden

Maximum Home Price-30% Cost Burden						
AMI	Median Income	SF Detached	Modular	Town House	Low Rise Condo	Mid-Rise Condo
60%	$28,140	$83,609	$93,342	$88,421	$88,199	$87,560
70%	$32,830	$103,178	$112,814	$107,942	$107,722	$107,091
80%	$37,520	$123,583	$133,220	$128,347	$128,127	$127,496
90%	$42,210	$143,988	$153,625	$148,753	$148,532	$147,901
100%	$46,900	$164,393	$174,030	$169,158	$168,937	$168,306
110%	$51,590	$184,799	$194,435	$189,563	$189,343	$188,712
120%	$56,280	$205,204	$214,841	$209,968	$209,748	$209,117
130%	$60,970	$225,609	$235,187	$230,374	$230,153	$229,522
140%	$65,660	$246,014	$255,651	$250,779	$250,558	$249,927
150%	$70,350	$266,419	$276,056	$271,184	$270,963	$270,332

Source: Strategic Planning Group, Inc., 2007

Affordability GAP

The affordability GAP for alternative residential housing products in Washington County at the present time at household incomes ranging from 60 to 150 percent of the average median income are shown in Table V-9.

Table V- 9. Affordability GAP- 30 Percent Cost Burden

GAP @ 30% Cost Burden						
AMI	Median Income	SF Detached	Modular	Town House	Low Rise Condo	Mid-Rise Condo
		$319,615	$135,036	$228,355	$232,579	$244,674
		1,800 sq Ft	1,200 sq Ft	1,400 sq Ft	1,200 sq Ft	1,200 sq Ft
60%	$28,140	($236,006)	($41,694)	($139,934)	($144,380)	($157,114)
70%	$32,830	($216,437)	($22,222)	($120,413)	($124,857)	($137,584)
80%	$37,520	($196,032)	($1,816)	($100,008)	($104,452)	($117,179)
90%	$42,210	($175,627)	$18,589	($79,602)	($84,047)	($96,774)
100%	$46,900	($155,222)	$38,994	($59,197)	($63,642)	($76,369)
110%	$51,590	($134,816)	$59,399	($38,792)	($43,236)	($55,962)
120%	$56,280	($114,411)	$79,805	($18,387)	($22,831)	($35,557)
130%	$60,970	($94,006)	$100,151	$2,019	($2,426)	($15,152)
140%	$65,660	($73,601)	$120,615	$22,424	$17,979	$5,253
150%	$70,350	($53,196)	$141,020	$42,829	$38,384	$25,658

Source: Strategic Planning Group, Inc., 2007

The data indicates that for persons with household incomes between 60 and 150 percent of the area median of $46,900 annually, single-family residential product is completely out-of-reach at the present time. Households with incomes of at least 90 percent of the median could, however, afford modular units.

Households with incomes at 130 percent or higher of the median income could afford some townhouse products and condominium products for households having incomes of at least 140 to 150 percent of Washington County's median income level.

Utilizing this same methodology, Table V-10 shows the maximum affordable home prices by income range assuming a 40 percent cost burden is used to calculate mortgages. As shown, there is a significant increase in the amount of housing that can be purchased using the higher 40 percent cost burden. Presently, most private sector mortgage sources, including Fannie Mae, will use cost burdens as high as 42 percent in calculating mortgages to determine housing price affordability.

Table V-10. Affordable Maximum Home Price- 40 Percent Cost Burden

Maixmum Home Price-40 % Cost Buden						
AMI	40%	SF Detached	Modular	Town House	Low Rise Condo	Mid-Rise Condo
60%	$28,140	$111,478	$124,457	$117,894	$117,598	$116,748
70%	$32,830	$138,960	$151,939	$145,377	$145,080	$144,229
80%	$37,520	$166,441	$179,420	$172,859	$172,561	$171,711
90%	$42,210	$193,923	$206,902	$200,340	$200,043	$199,193
100%	$46,900	$221,406	$234,383	$227,822	$227,526	$226,674
110%	$51,590	$248,887	$261,866	$255,303	$255,007	$254,157
120%	$56,280	$276,369	$289,348	$282,786	$282,489	$281,638
130%	$60,970	$303,850	$316,829	$310,268	$309,970	$309,120
140%	$65,660	$331,332	$344,311	$337,749	$337,452	$336,602
150%	$70,350	$358,814	$371,793	$365,231	$364,934	$364,083

Source: Strategic Planning Group, Inc., 2007

Using a 40 percent cost burden to determine housing affordability significantly increases the range of housing product especially for townhouse and condominium products and is more in line with what conventional mortgage institutions use for qualifying home mortgages. As shown in Table V-11, on the following page, single- family residential housing is attainable for those households earning 140 percent or more of the County's average median income. And, modular housing becomes affordable to those households earning as low as 70 percent of the average median income.

Table V-11. Affordability GAP- 40 Percent Cost Burden

GAP @ 40% Cost Burden						
AMI	Median Income	SF Detached	Modular	Town House	Low Rise Condo	Mid-Rise Condo
		$319,615	$135,036	$228,355	$232,579	$244,674
		1,800 sq Ft	1,200 sq Ft	1,400 sq Ft	1,200 sq Ft	1,200 sq Ft
60%	$28,140	($208,137)	($10,579)	($110,461)	($114,981)	($127,926)
70%	$32,830	($180,655)	$16,903	($82,978)	($87,499)	($100,445)
80%	$37,520	($153,174)	$44,384	($55,496)	($60,018)	($72,963)
90%	$42,210	($125,692)	$71,866	($28,015)	($32,536)	($45,481)
100%	$46,900	($98,209)	$99,347	($533)	($5,053)	($18,000)
110%	$51,590	($70,728)	$126,830	$26,948	$22,428	$9,483
120%	$56,280	($43,246)	$154,312	$54,431	$49,910	$36,964
130%	$60,970	($15,765)	$181,793	$81,913	$77,391	$64,446
140%	$65,660	$11,717	$209,275	$109,394	$104,873	$91,928
150%	$70,350	$39,199	$236,757	$136,876	$132,355	$119,409

Source: Strategic Planning Group, Inc., 2007

2012 Affordability GAP

Future affordability GAPs for 2012 and 2035 have been calculated for the Washington County housing market at both a 30 and 40 percent cost burden. Table V-12 shows the supportable mortgage amounts and estimated affordability GAP estimated in 2012 for each of the alternative residential product types assuming a 30 percent cost burden.

Table V-12. 2012 Unit Costs Vs. Household Income - 30 % Cost Burden

Prototype		SF Detached	Modular	Townhomes	Low-Rise Condos	Mid-Rise Condos
Supportable Mortgages		$149,448	$158,209	$153,780	$153,579	$153,005
Plus: Downpayment	10%	$ 16,605	$ 17,579	$ 17,087	$ 178,506	$ 17,001
Maximium Affordable House		$ 166,054	$ 175,788	$ 170,867	$ 170,644	$ 170,006
Sale Price		$ 404,415	$ 170,863	$ 288,942	$ 294,287	$ 309,590
Total Affordability Gap		**$ (238,361)**	**$ 4,924**	**$ (118,076)**	**$ (123,643)**	**$ (139,584)**

Source: Strategic Planning Group, Inc., 2007

In this scenario only the modular housing units are shown as being affordable to market households in 2012. As would be expected, the largest affordability GAP is indicated for single-family residential units.

Assuming a 40 percent cost burden, the amount of the affordability GAP declines significantly, but still results in large shortfall for townhome, condominium and especially single-family product.

Table V-13 indicates the reduction in the affordability GAPs by increasing the assumed cost burden in 2012 to 40 percent. The net impact shows a reduction in the amount of the affordability GAPs by approximately 40 to 50 percent for townhomes and condominiums and by about 25 percent for single-family housing products.

Table V-13. 2012 Unit Costs Vs. Household Income - 40 % Cost Burden

Prototype		SF Detached	Modular	Townhomes	Low-Rise Condos	Mid-Rise Condos
Supportable Mortgages		$199,265	$210,945	$205,040	$204,773	$204,007
Plus: Downpayment	10%	$ 22,141	$ 23,438	$ 22,782	$ 178,506	$ 22,667
Maximium Affordable House		$ 221,405	$ 234,384	$ 227,822	$ 227,525	$ 226,675
Sale Price		$ 404,415	$ 170,863	$ 288,942	$ 294,287	$ 309,590
Total Affordability Gap		**$ (183,010)**	**$ 63,520**	**$ (61,120)**	**$ (66,762)**	**$ (82,916)**

Source: Strategic Planning Group, Inc., 2007

2035 Affordability GAP

By 2035 the forecasted affordability GAP for Washington County indicates that housing prices become unsustainable. At a 30 percent cost burden, all residential products will be significantly unaffordable. Table V-14 shows the calculated affordability GAP for 2035.

Table V-14. 2035 Unit Costs Vs. Household Income-30 % Cost Burden

Prototype		SF Detached	Modular	Townhomes	Low-Rise Condos	Mid-Rise Condos
Supportable Mortgages		$149,448	$158,209	$153,780	$153,579	$153,005
Plus: Downpayment	10%	$ 16,605	$ 17,579	$ 17,087	$ 178,506	$ 17,001
Maximium Affordable House		$ 166,054	$ 175,788	$ 170,867	$ 170,644	$ 170,006
Sale Price		$ 567,586	$ 239,803	$ 405,523	$ 413,024	$ 434,502
Total Affordability Gap		**$ (401,532)**	**$ (64,015)**	**$ (234,657)**	**$ (242,380)**	**$ (264,496)**

Source: Strategic Planning Group, Inc., 2007

Even at an assumed 40 percent cost burden in 2035 the cost of housing will be out-of-reach for almost all households. Table V-15 shows the affordability GAP for 2035 assuming a 40 percent cost burden.

Table V-15. 2035 Unit Costs Vs. Household Income - 40 % Cost Burden

Prototype		SF Detached	Modular	Townhomes	Low-Rise Condos	Mid-Rise Condos
Supportable Mortgages		$199,265	$210,945	$205,040	$204,773	$204,007
Plus: Downpayment	10%	$ 22,141	$ 23,438	$ 22,782	$ 178,506	$ 22,667
Maximium Affordable House		$ 221,405	$ 234,384	$ 227,822	$ 227,525	$ 226,675
Sale Price		$ 567,586	$ 239,803	$ 405,523	$ 413,024	$ 434,502
Total Affordability Gap		**$ (346,181)**	**$ (5,419)**	**$ (177,701)**	**$ (185,499)**	**$ (207,828)**

Source: Strategic Planning Group, Inc., 2007

Washington County's housing affordability GAP for 2006 and the forecasted horizon years of 2012 and 2035 is summarized in Table V-16, following. The affordability GAP is shown at a 40 percent cost burden which is a more realistic assessment of future mortgage market lending criteria but does not, however, account for any significant large increase in future interest rates. A one percent increase in mortgage interest rates reduces a household's purchasing power by approximately 11 percent.

Table V-16. Affordability Gap Summary-Washington County

40% Cost Burden

Prototype		*SF Detached*	*Modular*	*Townhomes*	*Low-Rise Condos*	*Mid-Rise Condos*
Sq. Ft. H/A	*AMI*	*1,800*	*1,200*	*1,400*	*1,200*	*1,200*
2006	$46,900	($98,209)	$99,347	($533)	($5,053)	($18,000)
2012		($183,010)	$4,924	($118,076)	($123,643)	($139,584)
2035		($346,181)	($5,419)	($177,701)	($185,499)	($207,828)

Source: Strategic Planning Group, Inc., 2007

The data shows that at the present time modular and to some extent townhomes are within or at the edge of affordable housing parameters. By 2012, however, all residential products except modular housing units are well beyond the affordability range of market households. This situation deteriorates significantly by 2035 where even modular and townhouse housing units are forecasted to cost well beyond the markets ability to afford.

The demand for affordable and workforce housing in Washington County, in light of the present short supply, will continue to be a major factor in shaping the future county housing market and is anticipated to become an increasingly important element in the county's future economic growth.

WASHINGTON COUNTY WORKFORCE HOUSING

The Dixie Area Workforce Housing Affordability Committee (DAWHAC) was recently formed to address workforce housing issues in Washington County. As a part of SPG's housing study for the Vision Dixie process, an analysis was undertaken to determine anticipated future workforce housing needs. As defined by DAWHAC, workforce housing is considered to be housing for those families/households earning between 60 and 120 percent of the County's average median income.

Workforce Housing Demand

Based upon SPG's analysis of the Washington County housing market and resultant alternative scenario's of future population and household projections for 2012 and 2035, forecasts of future workforce housing needs have been developed for each of the alternative scenarios.

The forecasted total housing units for each of the scenarios are summarized as follows:

- ✓ **Scenario A -** 2012 forecast of 77,100 housing units increasing to 177,100 housing units by 2035.
- ✓ **Scenario B -** 2012 forecast of 79,300 housing units increasing to 193,600 housing units by 2035.
- ✓ **Scenario C -** 2012 forecast of 79,300 housing units increasing to 241,900 housing units by 2035.

Table IV-17, following, summarizes the forecast of Washington County future workforce housing for each of the indicated scenarios. The data indicates an additional workforce housing need by 2012 amounting to between 6,200 and 6,700 units in Washington County.

Table V-17. Forecast Of Washington County Workforce Housing Demand

Scenario A

Income Group (% of AMI)	Maximum Annual Income	Maximum Mortgage Amount	2006 Workforce Households	2012 Workforce Households	2035 Workforce Households	2006-2012 Incremental Demand	2012-2035 Incremental Demand
60% to 80%	$37,520	$111,086	3,409	5,391	12,378	1,981	6,987
81% to 100%	$46,900	$138,857	3,690	5,834	13,396	2,144	7,562
101% to 120%	$56,280	$166,629	3,574	5,651	12,977	2,077	7,325
Totals			10,674	16,876	38,750	6,202	21,874

Scenario B

Income Group (% of AMI)	Maximum Annual Income	Maximum Mortgage Amount	2006 Workforce Households	2012 Workforce Households	2035 Workforce Households	2006-2012 Incremental Demand	2012-2035 Incremental Demand
60% to 80%	$37,520	$111,086	3,409	5,541	13,530	2,132	7,989
81% to 100%	$46,900	$138,857	3,690	5,997	14,643	2,307	8,646
101% to 120%	$56,280	$166,629	3,574	5,809	14,185	2,235	8,376
Totals			10,674	17,348	42,358	6,674	25,011

Scenario C

Income Group (% of AMI)	Maximum Annual Income	Maximum Mortgage Amount	2006 Workforce Households	2012 Workforce Households	2035 Workforce Households	2006-2012 Incremental Demand	2012-2035 Incremental Demand
60% to 80%	$37,520	$111,086	3,409	5,541	16,911	2,132	11,370
81% to 100%	$46,900	$138,857	3,690	5,997	18,303	2,307	12,306
101% to 120%	$56,280	$166,629	3,574	5,809	17,730	2,235	11,920
Totals			10,674	17,348	52,943	6,674	35,596

Source: Strategic Planning Group, Inc., 2007

In 2035, the additional workforce housing need over 2006 is projected to amount to between 21,900 and 35,600 units[1]. It should be noted that as early as 2012

[1] The range of housing units in 2035 is a factor of the continued decrease in persons per household (PPH). The 21,900 units assumes that the PPH is the same as it was in 2005 while the 35,600 assumes a continuation in the 2000-2005 reduction in PPH.

the definition of workforce housing may need to be expanded to include those households earning up to 150 or 160 percent of the average median income to account for increasing residential unit cost increases over and above the Consumer Price Index (CPI) growth during the period.

Workforce Housing Policy/Issue Considerations

A major issue regarding housing affordability in Washington County in the future will be the realization of a shifting future housing paradigm. As discussed in Section IV, significant increases in costs related to rising energy, mortgage interest, construction materials/labor and transportation costs are anticipated. This along with decreasing future residential unit sizes and amenity levels and a shift from ownership to rental housing product as well as increased residential development density will represent the housing paradigm for the near term future.

- DAWHAC will need to give consideration to adopting policy and goals related to addressing the workforce housing issues of the future. Consideration should be given to addressing workforce housing on a regional or countywide basis in order to insure policy/program consistency among the various communities within the County.

- Another major policy and goal is the identification of the share or number of anticipated workforce housing units that government would assist in implementing in some manner.

- Educational programs will also need to be provided to communicate the changing housing paradigm relative to changes in public residential ownership expectations, NIMBYism, government/builder roles, housing finance and credit, etc.

- Lastly, policies and tools for assisting in the development of future workforce housing countywide basis will need to be identified, adopted and implemented.

The following section of this report presents an overview of relevant housing policy and tools that could assist in the addressing and implementation of future affordable/workforce housing in Washington County.

A specific list of Tools for Implementing Workforce Housing in Washington County has been prepared for DAWHAC to serve as an Action Program Guide. This list is presented in the Appendix of this report.

WASHINGTON COUNTY 2035 HOUSING STUDY

VI. GOVERNMENT'S ROLE IN THE AFFORDABLE AND WORKFORCE HOUSING MARKET

WASHINGTON COUNTY 2035 HOUSING STUDY

VI. GOVERNMENT'S ROLE IN THE AFFORDABLE AND WORKFORCE HOUSING MARKET

One of the major reasons for the commission of this study was to provide the County with a range of policies/techniques that might be used to remediate affordability issues.

Following this brief discussion of some of the major policies or techniques that the County might utilize in addressing affordable and/or workforce housing is a detailed table listing all major policies and tools that are used by other communities in addressing affordable and/or workforce housing.

In most cases, residential construction takes place within the County's municipal boundaries, as these entities provided the needed public infrastructure to support development (water, sewer, etc.). It is important that the issue of attainable affordable and/or workforce housing be addressed at a regional level with Washington County taking the coordinating role and the individual cities taking the actual implementation role. Therefore the following implementation techniques are for the most part, addressed at the municipal level.

Affordable housing needs address both demand and supply considerations. The following section addresses some of the more generic demand or income issues related to affordable and workforce housing.

I. POLICY CONSIDERATIONS – REMOVING INCOME CONSTRAINTS (DEMAND ISSUES)

The prime factor affecting housing attainability is household income. Within Washington County, a significant portion of Washington County's households cannot afford the cost of new housing. This section discusses some of the numerous factors affecting household income and housing costs, including:

1. Components of Household Income
    a. Wages
    b. Number of Wage Earners in the Household
2. Mortgages and Interest Rates
    a. Interest Rates
    b. Credit Rating of Household
3. Savings (down payment)
4. Cost Burden
5. Outstanding Debt
6. Taxes and Other Government Fees
7. Utility Rates
8. Insurance
9. Association Fees
10. Transportation Costs

1. Components of Household Income

Household income is directly related to earned wages within the household.

a. Wages

As shown earlier in this report, wage levels for a significant number of public and private sector employees are not sufficient to cover the cost of newly constructed housing. (The result is a significant "gap" between income and cost of housing shown earlier in this report).

Policy Considerations

Local governments have little ability to affect local wages. The government itself can raise its payroll; however, wage increases are limited given taxpayer reluctance to increase taxes. Continue to raise wage levels to at least maintain the relationship between housing and transportation cost increases/wage levels versus using Consumer Price Index (CPI).

b. Number of Wage Earners within Households

Nationally, this gap between a wage and the income needed to purchase a home has been met by multiple wage earners within households, particularly family households. Most households today have two or more wage earners, thereby significantly increasing the average household income. Traditionally, family household income is significantly higher than "household" income due in large part to multiple wage earners.

Policy Implication

There is not a lot that government can do as it relates to this issue, although some communities are addressing this "social issue" by promoting marriage and families as the role model for "household" formation.

2. Mortgages and Interest Rates

Few people will, or even can, buy a residential unit without a mortgage. The cost and availability of mortgage money is a major determinant of whether households can purchase a home. Housing is a leveraged commodity. The ratio of this mortgage loan to total value of the property is usually high (frequently 80-90%). This means that the owner's equity is relatively low; hence, the owner "leverages" his or her money with a high ratio of borrowed money.

When housing costs are compared against disposable family incomes, it can be determined whether households will be faced with prices beyond their ability to pay. Disposable incomes are viewed as the total amount of money which a household can spend on goods and services. Standard measures of housing

affordability used by financial and government officials traditionally have been 25-30% of a household's gross income for rent and 2 to 2 ½ times the annual family income for mortgage loans. However, the average American actually spends over 30% of his/her after tax income for housing. For the first time buyer of a new home that average goes up to 40% of disposable income. If housing costs take a larger portion of the family income it might be expected that the demand of lower cost housing will increase. Conversely, if housing becomes relatively cheaper, as it did in the 1960's, the reverse could be expected. Housing costs are rapidly increasing, faster than disposable incomes. Major influences causing the higher costs are addressed in the next section – Reducing the Cost of Housing.

There is a vast array of traditional mortgage instruments, the most common being a 30 year conventional loan. However, most economists recommend a 15 year instrument if a household can afford the monthly payments. Today, 40 and 50 year instruments are being introduced to the market place in order to reduce monthly payments.

a. Interest Rates

A mortgage's interest rate has the most significant impact on housing affordability. Unfortunately, affordable and workforce housing has been subjected to predatory lending practices throughout the country. These practices result in a significantly higher interest charge than the community norm.

Policy Implication

As shown, the ability to secure lower mortgage interest rates has a significant impact on the amount of mortgage available for the purchase of a home.

Several issues affect the ability to obtain mortgages and the associated interest rate charged. These include credit rating and savings/down payment.

b. Credit Rating of Household

Credit ratings have a significant impact on ownership housing. Credit ratings have a direct impact on mortgage interest rates (and other credit instrument interest). Depending on ones FICO score current interest rates from 5.7% to 9%[1].This is significant given that a 1% rise in interest increases mortgage payments by approximately 11%.

Policy Implication

It has become a common practice for non-profit organizations to require housing assistance recipients to complete a financial/credit and homeownership course(s)

[1] As of December 14, 2006

before receiving assistance. Should this approach be applied to any recipient receiving governmental assistance, the recipients credit standing should be enhanced. Not to mention educate potential recipients on the advantages and disadvantages of homeownership.

3. Savings (down payment)

The amount of down payment that a household applies to the purchase price of a home greatly impacts the purchase price of a home. Using Washington County's median family income of $46,900 and assuming a 30 year mortgage with a 6.5% interest rate, a change of down payment from 5% to 20% results in the ability of a prospective homeowner to purchase a home worth an additional $32,600.

Policy Implication

Increases in down payments will basically increase the affordability of a home equal to the net increase in the down payment. Some governments and non-profits provide loans or grants to increase the amount of down payment used to finance housing.

4. Cost Burden

Cost Burden is defined as the percent of household income paid for housing including taxes and insurance. The federal government has for over 30 years established a goal that no household should have to pay more than 30% of its income for housing. This is also the cost burden used in federal housing programs. However, the private market, including FHA, etc., has raised its cost burden rates to 42%. The affect of increasing the allowable cost burden has a significant impact on raising the amount of mortgage moneys that household incomes justify. For example, a household earning the median family income in Washington County ($46,900) could purchase a $183,700 home assuming a down payment of 10% and a 30-year, 6.5% interest rate, assuming a 30% cost burden. By accepting a 40% cost burden, the same household could afford to purchase a $251,000 home.

Policy Implication

Communities around the country have begun to increase the allowable cost burden used for affordable/workforce housing loans. Most continue to use 30% for households below 60% AMI, increasing it to 35% for 60% to 80%(or 100%) AMI, and increasing it to 40% for households earning over 80% (or 100%) AMI.

5. Outstanding Debt

The ability to secure competitive financing requires a sufficiently high credit rating (FICO Score). However, the amount of Cost Burden is also significantly impacted

by outstanding debt. The more credit card or loan payment debt, the lower the attainable mortgage amount.

Policy Implication

This issue is more of a "society issue". The only role that government can play is to assist in "educating" the public on the necessity of maintaining good credit and limiting outstanding debt, especially if one is going to pursue homeownership in the near future. The issue of financial literacy is now a common requirement in most governmental assistance programs.

6. Taxes and other government fees

Property taxes have been an increasing part of the overall cost of housing. Several states including California and Florida have adopted legislation that limits the amount that governments can increase ad valorem tax annually. Utah has elected to reduce the taxable value of a permanent state resident by 60%, thus reducing the ad valorem impact to a homeowner. However, infrastructure and public services that historically had been funded by ad valorem taxes are now "user fees" and charged separately. The net impact of these fees is, again, increased housing costs (owner or rental).

Policy Implication

Many jurisdictions are now reducing or eliminating some of these taxes and fees similar to reducing or eliminating one time impact fees (see discussion under Supply/Cost).

7. Utility rates

Utility rates have become an increasing portion of the overall cost of housing. While certain appliances are more energy efficient today, the typical residential unit has a far greater reliance on energy today. Most residential units have air conditioners as well as more TVs, ceiling fans, kitchen and electrical equipment than 10 years ago. At the same time, the cost of providing electricity, water, and sewer services is increasing at a rate generally greater than the CPI.

Policy Implication

Many communities are now incorporating *SMART Growth* or *GREEN* technologies to housing in order to reduce occupancy costs. Reduction in occupancy cost should increase the ability to finance higher priced housing.

8. Insurance

Homeowner and Renter insurance has been increasing nationally at a rate higher than the CPI. There are a myriad of national and local reasons for rising rates, but historic trends indicate a continued rise above CPI.

Policy Implication

Local government has no ability to directly impact insurance rates.

9. Association Fees

More housing units, whether single family or condominiums, are required to be part of an "association" that provides certain services to its residents and charges a fee for those services (security, landscape maintenance, common area insurance, utilities, etc.). These association fees can be in the hundred of dollars a month and thus have a significant impact on the overall cost of housing.

Policy Implication

There is not much a local government can do with respect to association fees. In some cases where inclusionary zoning policies are in affect, governments require smaller fees for those units that have been allocated as affordable/workforce housing, ensuring that they remain affordable.

10. Transportation Costs

While not a traditional housing cost, transportation costs are beginning to be included in the discussion on affordability. Given supply and demand pressures on land prices, one could usually find more affordable housing further away from the population/employment centers of a community. However, while housing costs today may be lower in more distant developments[2], the savings are now negated by higher transportation costs. Nationally, the average transportation cost is 19% of household income. A recent study of 28 large metropolitan areas showed that working families spent on average 29.6% of its income on transportation (compared to housing costs of 27.7%).

Policy Implication

Transportation costs should be included when calculating the true cost of housing. When that is done, it becomes apparent that as true housing costs rise transportation costs need to decline. One means of achieving this is to promote housing closer to employment and retail centers, and the use of Location Efficient Mortgages. Providing efficient public transit is another major policy issue that will gain attention as transportation cost reductions are sought in the future.

II. POLICY CONSIDERATIONS – HOUSING COST (SUPPLY ISSUE)

Affordable housing needs address both demand and supply considerations. Demand issues have previously been discussed. The private sector is the primary provider of

[2] Usually the result of lower land costs.

housing in the United States. Several factors determine the final sale or rental of residential units. The housing delivery system is impacted by land prices, construction costs, interest rates, infrastructure requirements, permitting costs/timing, and other governmental regulations. Only a few of these items are directly impacted by local government.

This section will review some of the factors that are controlled by local government. Considerable work has been done nationally defining the added costs to housing incurred due to excess government regulation (the most notable was the Kemp Commission study prepared in 1991).

1. Removing or Reducing Government Barriers

The following section reviews the major local regulatory actions that have an impact on the cost of housing: Local Subdivision and Zoning Ordinances.

Review of Local Subdivision and Zoning Ordinances

There are generally two ways in which local regulations become barriers to affordable housing. One way is through excessive regulations that raise housing costs. The other approach excludes certain categories of housing from a community. In this section, we examine how construction and land improvement costs can be affected by the County's and municipal land development regulations (LDRs) and building codes.

Nationwide, studies have demonstrated that local regulation of land has, in fact, become a substantial barrier to the production of affordable rent and owner-occupied housing by increasing land, improvement, and construction costs.

Although excessive local regulations are not the only factor in affecting cost (nor are they even one of largest components of the affordability gap), regulations form a substantial barrier to the production of affordable and workforce housing. Creating an environment for the production of affordable housing, therefore, must begin with changes in local regulations.

Based on national studies, numerous subdivision improvements can have a significant impact on the cost of housing in Washington County. Those examined herein are listed in the following:[3]

[3] No specific examination of local land development regulations was performed as this was beyond the scope of this study; however, national studies have shown that the items discussed here are applicable to most local governments.

Subdivision Improvements That Affect Housing Costs

Storm Sewer	Main Waterline	Pavement Width
Sanitary Sewer	Lateral Water	Lateral Sidewalks
Street Construction	Material Curb and	Gutter Street Lighting
Dedication Fees	Landscaping	

Each additional dollar spent on these subdivision improvements increase the sale price of the house and lot by approximately three dollars, since improved lots are responsible for about one-third of the total sales price of a house and lot. Thus, any appropriate way to reduce the cost of improved lots leads to a three-fold decrease in final housing cost. The zoning requirements selected for analysis on the basis of their impact appear below. Included are lot area and lot width, which can have a significant effect on subdivision improvement costs.

Zoning Code Regulations That Affect Housing Costs

Lot Area	Lot Width	Total Floor Area in Sq. Ft.
Garage Required	Maximum Density	Floor Area/ # of bedrooms
Conversion Allowed	Front Yard Setback	Type of Housing

A review of subdivision and zoning ordinances reveals important information that can assist in identifying where changes in specific local regulations could and should be made to help reduce overall housing costs.

Environmental Regulations

Environmental regulations can reduce the supply of developable land within a community, as does purchasing or otherwise acquiring land for parks and open space. Limiting the amount of land available for development affects the market by driving up the price of raw land and increasing the total cost of housing. But as a percentage of all land, environmental regulations prevent development of such a small proportion that such restrictions cannot be blamed for significantly increasing the price of land.

Government Policy Actions

In addition to local ordinances (subdivision and zoning ordinances and environmental regulations), there are policy decisions that communities make that can act as barriers to the development of affordable and workforce housing. Growth restrictions, such as limiting the number of building or sewer hook-up permits or setting boundaries limiting expansion of services such as sewer, water, and roads to land within a designated urban service area, can force up the price of developable land, thereby increasing the cost of housing. Decisions made by regulatory agencies can have a similar effect and should be considered when exploring ways to reduce housing costs.

Subdivision Approval (Permitting) Process

Several studies[4] of various communities throughout the country have demonstrated that the system of obtaining permits and approvals, which are meant to ensure that construction meet's established standards, is "one of the most frequently criticized of all the regulatory barriers to affordable housing". Time is money in development. Therefore, any improvement in the timing of "permitting" approval can impact the cost of affordable housing. Studies have shown that both developer and government actions can improve the "system". Traditionally, the greatest cause of delay involves the preliminary plat. The developer and his engineering consultant should know the county's development code, procedures, and policies prior to working in Washington County, be fully prepared with complete plans and specifications for planning commission and agency meetings, and follow prescribed codes without variance. At the governmental level, it is helpful if an expedited permit process is adopted.

Minimum Zoning Regulations

Single Family Zoning

The size of lots has a direct impact on the cost of housing. Smaller lots are generally less expense than larger lots within the same area or within areas experiencing similar development pressure. Thus, if one seeks to reduce housing costs, one of the first things to look at is reducing lot size. It must be noted that as lot sizes increase, costs do not increase proportionally. The per-square foot cost of land becomes less as supposed economies of scale come into play.

Lot Width

Lot width is a significant determinant of total land improvement costs because the most expensive site improvements (e.g. roads, sewer, and water) are calculated on the basis of the number of feet of frontage required for each lot. National studies have shown that increasing minimum lots size from 66 feet to 200 feet can increase site improvement costs by 2.5% or in one study by over $15,000[5]. Again, using the rule of thumb of three-to-one ratio of improvement costs to the sale price of house and lot, the increased frontage would result in an additional cost of $45,000.

[4] Including the Commission on Regulatory Barriers to Affordable Housing created by Department of Housing and Urban Development's Secretary Jack Kemp

[5] Adjusted for inflation

Minimum Floor Area Requirements

In order to make meaningful comparisons to the impact of total floor area on costs, one needs to use average square foot costs of construction. Four types of housing were studied: single family, duplex, multi-family and manufactured.

Single family and duplex construction are roughly the same $85 per square foot, multi-family $75 per square foot (basic 3 story design) and manufactured housing was estimated at $25-35 per square foot. The following illustrates the cost of construction both by type of construction and the impact that size has on price.

Total per Unit Cost of Various Minimum House Size by Type

Type	800sf	1000sf	1200sf	1400sf	1600sf
Single Family	$68,000	$85,000	$102,000	$119,000	$136,000
Duplex	$68,000	$85,000	$102,000	$119,000	$136,000
Multi-family	$52,000	$75,000	$90,000	$105,000	$120,000
Manufactured		$35,000		$55,000	

Front Yard Setback Requirements

Setback requirements affect the cost of housing because the distance between the house and the center-line of the street determines the cost of sewer and water laterals and can affect driveway construction costs.

A 25 foot reduction in setback requirements from 50 to 25 feet can result in an average savings of approximately $2,000 resulting in an increased sale price of $6,000.

Side Yard and Rear Yard Offsets

Side Yard and Rear Yard offset requirements have some impact on housing costs but not to the same degree as the others discussed and according to national studies are not deemed to be significant.

Conversion to Two Family

National studies have shown that conversion of single family into two family residences is one of the least expensive routes to expanding the supply of affordable and workforce housing.

Manufactured/Modular Homes

The cost of manufactured housing is significantly less than site built housing. As shown earlier, the final cost for a 1,000 to 1,400 square foot unit ranges from $35,000 to $55,000. What is just as important both to the homeowner and community is that manufactured homes can be attractive and durable. Manufactured homes are now the only homes with a national building code. Despite the attractiveness and quality of manufactured housing today, pre-1976 mobile homes that were usually of poorer quality and were frequently lacking in aesthetics have left a lingering concern that makes it difficult to garner

acceptance for manufactured housing today despite their affordability. Many excellent examples of manufactured housing can be found throughout Washington County.

Planned Unit Development

The purpose of PUD zoning is to provide the public sector with an effective means of regulating mixed use developments, an attempt to escape the segregation of uses required by zoning as well as to find relief form the detailed, lot-by-lot design requirements imposed by traditional regulations. An important reason PUD zoning is used is it emphasizes planning the development of a large piece of land as a unit as opposed to the lot-by-lot development of traditional zoning. Planned unit development controls, because of their flexibility and complexity, are an effective regulatory tool from both the developer and community viewpoint. It many areas of the United States, it is now a tool that is used to assist in the development of affordable and workforce housing by encouraging both the higher densities need to support lower housing costs and providing attractive street and lot layout as well as open space and other on site improvements that can make higher density affordable housing more palatable to the community.

Government regulations also impact a community's ability to create affordable and workforce housing as discussed below.

Accessory Dwelling Units

An accessory dwelling unit is an additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot.

Accessory apartments are a relatively easy to obtain source of affordable and/or workforce rental housing without the necessity of local government expenditures or subsidies. Rents for accessory apartments are generally lower than rents for comparably sized non-accessory apartments, both because the owner lives in one of the units and because they are cheaper to build.

There are two main types of accessory units: attached and detached:

1. Attached units, contained within a single-family home are the most commonly encountered type of accessory dwelling unit (commonly called "mother-in-law apartments," "accessory apartments," or "second units"). Accessory apartments typically involve the renovation of a garage, basement family room, attached shed, or a similar space in a single-family home.

2. Less common are detached "accessory cottages" or "echo homes," which are structurally independent from the primary residence. These units, typically placed in the rear yard area, are usually constructed or installed for the purpose of providing housing for an elderly parent being cared for by their adult children living in the primary unit. Accessory cottages or echo homes are less frequently allowed in zoning codes and are generally more expensive to build than accessory apartments.

Opposition to accessory units usually arises from neighborhood concerns about over crowding, exterior appearance of accessory units, and impacts on parking and traffic from increased density. In response to community concerns, regulations are usually devised to deal with such issues as the size of units, exterior appearance, off-street parking, and concentration of units. The challenge to policy-makers is to address the concerns of opponents without making conversions too difficult or expensive for homeowners.

There are several inter-related issues in allowing accessory units to be permitted within various zoning districts. National studies show that accessory units could increase the supply of rental housing by about 10%. Other positive effects are:

1. Older residents who are living on fixed incomes can use the added income to offset the costs of rising property taxes and utility bills, thus allowing them to stay in their homes. Elderly home owners may also offer lower rents to tenants in exchange for help in performing routine maintenance chores.

2. Young, first-time home buyers can use the extra income to help pay their mortgage payment.

3. Accessory apartments use surplus space in large older homes, thus making the most efficient use of the existing housing stock.

4. Accessory apartments encourage the upkeep of existing housing stocks since owners have extra income that can be applied to maintenance expenditures.

5. Accessory apartments offer renters affordable and/or workforce housing located in more desirable single-family neighborhoods.

Key Policy Considerations:

Many communities that allow accessory units do so through a special permit or conditional use procedure which may require a public hearing. An alternative, which may make conversions less burdensome for applicants, would be to require a public hearing only when requested by a certain number of neighboring property owners. Although opposition

groups often express concern that single-family neighborhoods will be overrun by accessory apartment conversions, studies done in cities which have allowed accessory units show that the actual number of conversions has been relatively small. Another alternative is simply to allow, by right, the construction of accessory units within certain zoning districts or to create an accessory unit overlay(s).

Adaptive Reuse

Adaptive Reuse involves the conversion of surplus and/or outmoded buildings including old school buildings, hospitals, train stations, warehouses, factories, etc., to create economically viable new uses. In its broadest application adaptive reuse projects are aimed at conserving, preserving, and recycling surplus property by adapting older buildings to current market needs. Many such projects have involved the conversion of old structures into new office and retail space, markets, restaurants, and other similar commercial applications. Adaptive reuse projects can also be used for the production of new housing through conversion of old buildings to new apartments or studio units.

Adaptive reuse is one method of introducing housing into non-residential areas. Many older buildings which may be adapted to housing uses are located in proximity to the downtown and other employment centers or have good transportation access and may therefore offer new residents convenient access to transportation, shopping and employment centers.

Renovation and reuse of previously vacated or deteriorated buildings can be less expensive than new construction since infrastructure and other site improvements are already in place. In addition, the basic structure, although it may need renovation, is already there. With the lower construction costs associated with renovation, developers can produce affordable living units.

Projects which involve historically or architecturally significant buildings may qualify for preservation tax credits for private investors if used for low-income housings. Adaptive reuse projects can assist in revitalizing declining areas by giving new life to deteriorating buildings and by bringing in new residents.

Key Policy Considerations:

Washington County and its municipalities can facilitate adaptive reuse projects by adopting flexible zoning policies, such as mixed-use zoning, or by allowing residences as a permitted or conditional use in appropriate commercial and industrial zones. Utilizing this technique may involve various steps, including making inventories of potential adaptive reuse sites, amending local zoning regulations, arranging for possible property transfers of publicly-owned buildings, and providing assistance in obtaining sources of funding such as loans, grants and rent subsidies. Some contractors are unwilling to renovate old buildings,

particularly wooden structures, for which commercial financing may be difficult to find. In addition, lengthy or difficult renovations may decrease profit margins.

Commercial linkage

Commercial linkage refers to a variety of programs that either require or induce developers of commercial or industrial buildings, or other non-residential building projects, to directly construct or make financial contributions toward the construction of market-rate or affordable and/or workforce housing.

Linkage programs make developer compliance or participation a condition for permit approval or a prerequisite for receiving some type of development incentive (usually an increase in allowable density). Linkage provisions may apply either to new construction or expansion of existing space.

Housing linkage programs are based on the theory that new commercial office development results in increased demand for housing and that developers should make some contribution toward meeting the increased housing needs which they help to create. In essence, housing linkage programs are designed to mitigate the effects of new employment on housing within the community.

Linkage programs generally are either voluntary/incentive-based or mandatory. Mandatory programs work in a way that is similar to impact fees by requiring a developer to mitigate the impact of new office development on the provision of affordable and/or workforce housing by paying into a housing construction fund or building the required housing. Developers are usually given the opportunity to choose between a cash payment, construction, and some other type of mitigation, such as participation in a joint public-private housing project. Voluntary linkage programs offer developers various development incentives, such as density bonuses, reduced setbacks and reduced parking requirements, which add value to the developer's project or reduce development costs, in exchange for the provision of affordable and/or workforce housing units.

SPG recently prepared the City of Coconut Creek's linkage program; linking jobs to housing need (Florida's first "true" linkage program).

Incentive program can be mandatory or incentive-based. Incentive-based linkage programs benefit both the developer and the County/Municipality. Developers benefit by acquiring development bonuses which increase the value of the project or reduce construction costs. Washington County/Municipalities will benefit from more affordable and/or workforce housing. Developers are often free to select the most advantageous option for the provision of housing: constructing housing off-site; contributing to a housing trust fund; purchase of development rights and rehabilitation of a building; or some other method provided by the County/cities. By providing or preserving housing close to office

centers, more employees are provided with the opportunity to live near where they work reducing the true cost of housing (housing and transportation costs).

Linkage programs do not generally require the expenditure of local tax dollars to fund the construction of affordable and/or workforce housing units. Office/housing linkage may be particularly useful in cities that are experiencing high growth rates with accompanying tight, high-priced housing markets to reduce some of the pressure on available housing.

A successful linkage program first must work economically; that is, it must benefit both the developer and the municipality without imposing unacceptable burdens on either.

Key Policy Considerations:

The legal basis for mandatory office/housing linkage programs has not yet been clearly established throughout the United States. Mandatory linkage requirements have been challenged on various legal grounds, including whether linkage regulations constitute an illegal tax, or whether there is a "rational nexus" or relationship between new commercial development and an increased need for housing. However, in most cases the use of linkage fees has prevailed. Mandatory linkage programs should be carefully designed to provide a defensible legal foundation. Cities should be prepared to demonstrate an actual link between the need for housing and commercial development. Voluntary/incentive-based linkage programs which provide benefits to developers in exchange for housing are more likely to avoid or withstand legal challenges.

Office/housing linkage programs will be more successful in a strong commercial office market where developments are more numerous and developers more willing to take advantage of development incentives. Some programs allow the substantial rehabilitation of residential buildings to count as new construction, so that developers may have the option to build new residential facilities or rehabilitate existing facilities.

Linkage programs may be pre-set in an adopted zoning ordinance or negotiated on a case-by-case basis.

Density Bonuses

Many communities have developed programs that offer developers "density bonuses" in exchange for the inclusion of affordable and/or workforce units within a proposed residential project. A density bonus allows a developer to build more units within a project than would otherwise be permitted under normal density limits. Both zoning and subdivision regulations can be modified to allow density bonuses.

Benefits

See "Inclusionary Zoning,"

By increasing the overall value of a project, density bonuses make the provision of affordable and/or workforce housing units more economical.

Density bonus programs allow for the provision of affordable and/or workforce housing that in many cases would not be economically feasible for either the developer or the municipality.

Key Policy Considerations:

Density bonuses alone may not be sufficient, depending on market conditions, as an incentive to developers. Cities may want to consider additional incentives such as reduced setbacks, street frontages and other cost reducing inducements. Density bonuses may be problematic with respect to community acceptance and land use.

County and city officials need to consider what level of additional density will be allowed in exchange for a specified number of affordable and/or workforce units. Density bonuses are usually expressed as a percentage of the density allowed under normal zoning regulations.

Density bonus programs must be designed on the basis of a thorough understanding of the real estate market to determine feasibility and to develop appropriate regulations. If current zoning allows enough density to satisfy current market demand, developers may have no interest in using a density bonus.

Attention should be given to the location and design of affordable and/or workforce housing units within proposed projects to ensure project quality.

If most new houses in the community are built individually or two and three at a time, density bonuses may not be appropriate. This approach generally works best in larger scale developments.

Fees for Affordable and/or Workforce Housing

Some communities have established a simple fee for affordable housing (could be used for workforce housing). This fee is collected like most other building permit fees and is charged on a square foot bases. Winter Park Florida charges a 50 cent per square foot fee that goes into a special housing trust fund used to fund affordable housing.

Impact Fees Waiver/Reduction

Over the last fifteen to twenty years, cities and counties throughout the United States have enacted measures to impose impact fees to help pay for infrastructure improvements necessitated by new developments. Fees have been collected for traffic mitigation, water and sewer utilities, parks and open space, libraries, school sites, and other purposes.

Recognizing that impact fees can have a negative effect on the construction of affordable and/or workforce housing, some jurisdictions have enacted measures to reduce or waive such fees for projects that include affordable and/or workforce housing units. Fee reductions or waivers reduce developers' upfront costs and can help support the construction of affordable and/or workforce housing units.

Key Policy Considerations:

Many communities that impose impact fees have determined that new home buyers should bear the financial responsibility for the infrastructure costs necessitated by new developments. These policies are based on the notion that the person who benefits should pay. In the case of affordable and/or workforce housing construction, a good argument can be made that such developments benefit the entire community, and, therefore, reductions or waivers of impact fees are appropriate.

In order to use impact fee reductions and/or waivers, communities need to review all current impact fees and exaction requirements to determine where reductions and/or waivers for affordable and/or workforce housing projects may be appropriate. If ordinances define that all users must pay, then the local jurisdiction can still exempt affordable and/or workforce housing by paying the impact fee itself (usually through a housing trust fund).

Impact fee reductions and/or waivers can be used in conjunction with other affordable and/or workforce housing techniques such as density bonuses or inclusionary requirements to promote the construction of affordable and/or workforce housing.

Inclusionary Zoning

Inclusionary zoning is a technique applied to new housing developments in which a certain portion of the units being constructed are set aside to be affordable to low- and moderate-income home buyers. This technique may be applied to both rental and owned units, and single- or multi-family housing projects. Inclusionary zoning is not new and is used throughout the United States in areas where lack of land availability has made vacant land extremely expensive.

Inclusionary zoning ordinances can be either mandatory, requiring developers to build a specified number of affordable units, or voluntary, based on development incentives, such as density bonuses which allow a developer to build more units

(at a higher density) on the same site in exchange for the inclusion of a number of affordable units. Nationally studies have shown that voluntary based inclusionary zoning has not been very effective in creating affordable housing units.

Inclusionary zoning ordinances generally contain provisions defining income eligibility requirements, criteria used for determining the pricing of affordable units, restrictions on the resale of affordable units (to ensure that new owners do not turn around and resell the units at market rates), and provisions for the payment of fees in lieu of construction.

How Inclusionary Zoning Works

As shown below, without inclusionary zoning, a developer of 100 units priced at $400,000 per unit could expect a developer fee of $4 million, assuming a 10% developer fee[6]. With inclusionary zoning, the developer could expect an additional profit of $1.2 million on the gain of 10 market grade "bonus" units as a result of no new land costs and general developer profit. On the required 30 affordable and/or workforce housing units, the developer could potential earn another $702,000 due again to no additional land costs and profits on the smaller affordable and/or workforce units or a total additional profit of $1.9 million.

Table VI -1 . How Mandatory Inclusionary Zoning Works

		Units
Normal Density		100
Size	2,000	
Sales per sq.ft.	$200	
Sales Price		**$400,000**
Land Cost	20%	$80,000
Developer Profit	10%	$40,000
Cost minus profit/land		$280,000
Cost per sq.ft.		$140
Bonus	0.4	40
WHU	0.3	30
Net Gain Market grade		10
Developer Gain Net Market grade	10	**$1,200,000**
WHU		
Size	1800	
Construction	80%	$112
Construction Cost		$201,600
Sales Price	$125	$225,000
Developer Profit		$23,400
Total WHU profit		**$702,000**
Total Profit Bonus	40	**$1,902,000**

[6] A developer fee is not profit. Profit is defined as the return on investment which under this scenario should be in the 25+% range

One of the primary benefits of inclusionary zoning programs is that they do not generally require the expenditure of local tax dollars to fund the construction of affordable and/or workforce housing units. Ordinances based on developer incentives, such as density bonus programs, offer a positive alternative to mandatory programs that may be resisted by local developers.

Voluntary programs allow developers to determine for themselves whether participation will be cost effective. It should be noted that most national studies have found voluntary programs to be fairly ineffective compared to the successes of mandatory programs.

Inclusionary programs that do not provide for density bonuses can preserve zoning restrictions on higher density development and may be more acceptable in communities opposed to general upzoning as a solution to affordable and/or workforce housing shortages.

Inclusionary programs avoid the problems of over concentration, isolation, and stigmatization of affordable and/or workforce housing units, by integrating them into housing developments located throughout the community.

Inclusionary zoning can be flexible, since the provision for affordable and/or workforce housing can either be regulated or encouraged by developer incentives.

Key Policy Considerations:

Mandatory requirements are typically in the range of 10-15 percent of the total units in the project, if there are no compensating developer incentives.

Inclusionary programs will require some ongoing administrative oversight to provide for the collection and management of fees paid by developers who opt to pay into a housing fund and to ensure that units that are constructed will be maintained as affordable and/or workforce housing.

The legal authority for inclusionary programs based on mandatory requirements remains unclear in Utah.

The tables on the following pages summarize some inclusionary programs from around the country. Copies of ordinances can be found in the appendix.

Table VI -2. Examples of Affordable and/or Workforce Housing Programs

Mandatory Inclusionary Zoning Programs

Location/ Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Results
Boston, MA -2000 589,141	10 units	10%	<80% AMI *(1/2 units)* <80-120% *AMI* *(1/2 units)*	Maximum legally allowed	• Fee In-Lieu • Off-Site Units: *15%*	▪ None except - Increased height and FAR only in financial district		246 affordable units created $1.8 million funds generated -2004
Boulder, CO (1980; 1999) 99,093	1 unit	20%	<80% AMI	Permanent	• Fee In-Lieu • Land Dedication • Dedicate Existing Units • Off-Site Units • *Must construct 1/2 of required units*	None		56 affordable units created (2003)
Cambridge, MA (1998) 101,355	10 units	15%	<65% AMI *(10-30% AMI using additional resources)*	Permanent	None	• 30% Density Bonus *(1/2 market, 1/2 affordable)*	• Incentive Zoning (1988) *If non-residential developers needed special permit contribute to affordable housing trust* • *Half of units go to housing choice vouchers recipients*	141 affordable units created (2004)
Chapel Hill, NC 49,368	5 units	15% (rental) 15% (owner)	<80% AMI		• Fee in lieu			
Davis, CA -1990 60,308	5 units	10%	<50% AMI *(2/7 units)* 50-80% AMI *(5/7 units)*	Permanent	• *If developer proves hardship* • Land Dedication	▪ 25% Density Bonus	• Through land dedication, an alternative to developing on-site, nonprofit developers have made 1,500 affordable units since 1987	
Denver, CO -2002 554,636	30 units	10% *(for-sale)* 10% *(rental voluntary)*	<80% AMI *(<3 stories)* <95% AMI (4+ stories) <65% AMI *(rentals)*	15 yrs	• Fee In-Lieu: *50% price per unbuilt unit* • Off-Site Units	• 20% Density Bonus *(single family)* • 10% Density Bonus *(multi-family)* • $5,000/for-sale unit *(up to 1/2 of all units)* • $10,000/rental unit *(to <50% AMI)* • Expedited review • Reduced parking requirements	• Zoning applies to both new developments and renovations	3,395 affordable units created (2004)

Table VI-2. (continued)

Location/ Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Results
Fairfax County, VA -1990 969,749	50 units	6.25-12.5%	<50% AMI *(1/3 rentals)* <70% AMI *(2/3 rentals)* <70% AMI *(Own)* *(25-40% AMI using additional resources*	15 yrs (own) 20 yrs (rent) 50 yrs (prior to 1998)	▪ *Under certain circumstances*	• 20% Density Bonus	• Recertify applicable renters annually • First-time homebuyer mortgage assistance • 1/2 of units offered to Housing Authority	1/3 of the units go to <40% AMI
Highland Park, IL-2003 31,365		20%	<65% AMI *(50% own)* <50% AMI *(33% rental)* <45% AMI *(33% rental)* <51%-80% AMI 33% rental	25 yrs	• Off-site units • Fee in Lieu • Dedication of land	• Development cost off-sets • Density Bonus • PUD Discretionary Bonus	• Fixed rate 30 yr mortgage • Down payment 5% purchase price	
Irvine, CA		15%	45% AMI (33% rental	30 yrs	• Fee in lieu • Off-site units		• Annual gap study	
Lexington, MS 30,355		5% low-income or 15% low-income or 25% moderate income or 40% middle income	Low-income below %50 of Boston SMSA median income Moderate 50-80% Boston SMSA MI Upper Moderate 80-120% Boston SMSA MI					
Loudon County, VA (1993; 2000) 169,599	50 units	6.50%	30-70% AMI (own) 30-50% AMI (rent)	15 yrs (own) 20 yrs (rent)	▪*Under certain circumstances*	▪ 10% Density Bonus		203 affordable units (1999)
Madison, WI 208,054		15% rental 15% owner	<80% AMI (10% own) 60% AMI (10% rent)	50 yrs	• Off-site units • Cash in lieu	• 10% Density Bonus (up to 20% based on size and parking) • Reduction in Park Dedication Requirements • 25% Reduction in Parking Requirements • Cash subsidies	▪ Housing Authority has the right to purchase up to 1/3 of affordable units	

Table VI-2. (continued)

Location/ Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Results
Montgomery County, MD-1974 83,629	50 units	12.5-15%	<65% AMI *(30% using additional resources)*	10 yr (own) 20 yr (rent)	▪*Under certain circumstances*	• 22% Density Bonus • Fee Waivers/Deferrals • Lower min. lot requirements • Reduce property tax	▪ Housing Authority has the right to purchase up to 1/3 of affordable units	11,000 affordable units created (2004)
Miami-Dade Co.								
Morgan Hill, CA		20% for low-income or 10% for very low income or 50% for senior citizens		30 yrs		• 25% Density Bonus		
Pleasanton, CA 67,724		15-20%			• Off-site units • Land Dedication • Credit Transfers • Alternate Methods of Compliance • Lower Income Housing Fee Option	• Fee Waiver or Deferral • Design Modifications • Second Mortgages • Priority Processing		
Sacramento, CA (2000) 407,018	9 units	15%	<50% AMI *(2/3 units)* 50-80% AMI *(1/3 units)*	30 yrs	• Off-site: *If insufficient land on-site and new units are in "new growth" areas*	• 25% Density Bonus • Expedited review • Reduced water/sewer fees • Relaxed design guidelines • Priority for subsidies		649 affordable units created (2004)
San Diego, CA (1992; 2003) 1,266,641	10 units	10%	<65% AMI *(rentals)* *<100% AMI* (own)	55 yrs	• Fee In-Lieu	None		1,200 affordable units created $300,000 funds generated -2004
San Francisco, CA (1992; 2002) 776,733	10 units	10%	< 80% AMI *(rentals)* <120% AMI *(own)*	50 yrs	• Fee In-Lieu: *Citywide Affordable Housing Fund* • Off-site: *15%*	• Fee waivers		578 affordable units created (2004)
Santa Fe, NM -1998 620203	1 unit	11-16%	Av.65%AMI	Resale restrictions	• *If developer proves hardship*	• 11-16% Density Bonus • Simplified paperwork • Fee waivers		

Table VI-2. (continued)

Location/ Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Results
South San Francisco, CA -2001 60,552	5 units	20%	50-80% AMI *(2/5 units)* <80-120% AMI *(3/5 units)*		• Fee In-Lieu • Off-Site: *20%*	None		
Southold, NY 20,599	5 units	25%						
Tallahassee, FL -2004 255,500	15 units	>10%-100%			• Fee in Lieu • Multi-family rental housing in Lieu • Residential lots in Lieu • Off-site units	• Density Bonuses up to 25% • Additional Development Density • Design Flexibility • Expedited Review • Deviations to Development Standards • Transportation Concurrency Exemption		
Source: Carras Community Investment, Inc., 2005, and Business and Professional People for the Public Interest, 2003, Strategic Planning Group, Inc., 2005								

Infill Development

Infill refers to development that takes place on land within built-up urban areas that has been passed over for various reasons during previous development phases and has remained vacant or under-utilized. Interest in infill development stems from a desire to channel development into areas that are already served by public facilities, including police, fire, utilities, schools, and transit, to make more efficient use of existing land and public facilities.

Many communities also encourage infill development as part of a strategy to revitalize and bring new activity to older neighborhoods. This type of development can also provide opportunities for the construction of affordable and/or workforce housing. Infill development can range from construction of single-family housing on one or two adjacent lots, to an entire block containing mixed residential and commercial uses. While no inventory is available for Washington County and its municipalities there should be hundreds of vacant sites. These sites represent a major opportunity for development at relatively low cost.

Key Policy Considerations:

Where infill sites are located on higher cost land, multi-family housing and/or mixed-use projects, with lower per-unit development costs, may be the most appropriate type of development. This policy could be achieved by using density bonuses or allowance of mixed uses, may add to a project's feasibility. Careful design, with particular attention to enhancing compatibility with surrounding buildings, parking and traffic problems, will help to increase neighborhood acceptance.

Washington County and its municipalities can encourage infill development by:

- Preparing an inventory of potential infill sites and making it available to developers.
- Sponsoring work-shops for developers to demonstrate infill development opportunities and tour potential sites. The type of development required on small infill parcels may be unfamiliar to some developers.
- Adopting flexible zoning and building regulations which allow development of irregular or substandard infill lots.
- Allowing mixed uses for infill developments which may enhance the economic feasibility of projects.
- Assisting in the consolidation of infill lots into larger, more easily developed sites. Assembling large parcels can be difficult if there are different owners who may be holding out for higher prices.
- Allowing sufficient density to induce housing development.

Mixed-use development

Mixed-use development is an example of flexible zoning which allows various types of land uses, including office, commercial, residential, and in some cases, light industrial or manufacturing, to be combined within a single development or

district. While this concept has been discussed for years, only larger cities actually witnessed this type of development, largely because most developers specialize in only residential or commercial building and most financial institutions did not understand the market viability of the product. However that has now changed. A recent study[7] has shown that nationally, mixed use is the dominant commercial property type when it comes to both new development and redevelopment projects.

A major purpose of mixed-use zoning is to allow a balanced mix of office, commercial and residential uses in close proximity to increase convenience to residents and reduce the number of shopping and/or commuting trips needed and therefore reduce the overall housing/transportation cost. Mixed-use developments can range in size from single buildings with apartments located over retail uses, to large-scale projects that include office and commercial space along with hotels, convention centers, theaters and housing.

Mixed-use projects can offer cost savings to developers in the form of shared parking arrangements and shared costs for building operation, maintenance and security. Commercial uses can help subsidize affordable and/or workforce or low-income housing, which may be necessary because of high urban land prices and development costs. Mixed-use zoning can create new housing opportunities in areas that may have previously allowed only commercial, office or light industrial uses

Key Policy Considerations:

Mixed-use developments can be regulated in various ways. A number of communities allow residential uses by-right in certain identified commercial zones, or, in other cases, as conditional uses. Other communities allow mixed uses within a planned unit development or in special mixed-use districts which would allow this type of development by-right in designated areas.

Mixing of uses often requires changes in the zoning ordinance, PUD regulations or site plan requirements. Mixed-use developments require attention to development standards and site planning to assure that different uses are compatible (or buffered). They may be particularly useful as a type of infill development in underdeveloped commercial areas. A common example would be small retail shops with apartments located on upper floors. Density bonuses, or other types of incentives, may be useful to encourage developers to include residential development in mixed-use areas.

If Washington County/Municipalities wish to encourage a mixture of land uses, it must do more than permit residential uses. It must actively promote them. The zoning ordinance should reflect this need by providing incentives or requirements for residential development and by encouraging the continuance of existing residential use.

[7] National Real Estate Investor, *Mixed Use Accelerates*, December 2006

Performance Zoning

Performance/impact zoning is a type of flexible zoning which determines land use locations and characteristics through the application of a system of performance criteria, which establish basic development standards and limitations, and specify the conditions under which developments will be allowed.

Unlike traditional, "Euclidean" zoning, which separates land uses into discreet districts based on their presumed compatibility or incompatibility with predetermined lists of permitted and prohibited uses, performance-based zoning systems evaluate proposed land uses on a case-by-case basis according to the merits of each proposal. Projects are evaluated on the basis of their particular "size, shape, location, natural features, and site development concept, rather than according to a predetermined zoning district classification."

Performance zoning is based in part on the model of environmental impact analysis, which focuses on identification of a project's physical impacts. Under this model, identified negative impacts must be mitigated before a project can be approved. Under a performance-based zoning system, a proposed land use must be able to show that it can meet the specified performance standards without negatively impacting the community in order to obtain a development permit.

Many communities implement performance zoning through a point system that ties development approval to the ability of a proposed project to qualify for a sufficient number of points. Points are awarded for meeting basic performance criteria.

A typical list of performance criteria may include such items as:

- compliance with density standards
- traffic generation - capacity of existing streets
- neighborhood compatibility
- impact on and capacity of existing utilities
- proximity to existing infrastructure (water and sewer lines, schools, police and fire stations, transportation facilities)
- parking
- noise levels
- proportion of open space
- protection of natural features

In theory, under this system, any use could locate next to any other use provided it could satisfy the performance standards in place. For example, a commercial use may be allowed to locate next to a residential area if the proposed use can meet certain conditions, such as landscape buffering and arterial street access rather than access via neighborhood streets. While performance based zoning systems allow considerable flexibility in determining the potential uses of a particular site, proposals must still meet the performance standards which govern actual development.

Performance zoning permits all types of housing units and provides more flexibility for developers to respond to a broader spectrum of the housing market. This added flexibility encourages developers to build a broader range of housing types including affordable and/or workforce units. By substituting performance criteria for designation of zoning districts as a means for determining land uses, performance systems have the effect of increasing the supply of developable land. The increased land supply can translate into lower land prices and lower cost development, which can contribute to the development of affordable and/or workforce housing.

Key Policy Considerations:

This technique involves the establishment of detailed performance criteria to be used for impact measurement and mitigation. A key challenge is to develop performance criteria that will mitigate the negative impacts of developments without unnecessarily restricting developers from applying creative design and use solutions.

Few communities have developed performance-based systems which have replaced all traditional zoning districts. Most have incorporated performance zoning within a traditional framework, but with fewer zoning districts and more flexible use and density regulations.

Performance zoning allows the marketplace to decide how to meet the specified standards that the community sets. It is a conscious legislative attempt to protect the interest of all parties involved while providing the basis for compromise and flexible criteria for development.

Planned Unit Development

Planned unit development (PUD) regulations give developers an increased level of flexibility in the overall design of residential projects in exchange for a higher quality development. PUD ordinances often allow developers greater latitude in locating buildings on the development site, mixing various housing types and densities (single- and multi-family), and land uses (including some neighborhood commercial uses), and in some cases grant density increases over those normally allowed in the zoning ordinance.

PUD ordinances may be adopted as a part of a community's zoning or subdivision code, or may be adopted as a stand-alone ordinance. PUDs may be regulated as a separate zoning district, or as a conditional or special use permitted in selected districts. Some cities also designate PUDs as "floating zones" which do not apply to a particular location until an application is received and approved.

PUDs are generally characterized by:

- flexible zoning standards (lot size, setbacks, street frontage, etc.)
- focus on overall project design rather than traditional lot-by-lot zoning
- encouragement of innovative site design and housing types
- provision for on-site amenities (e.g., open space and recreational facilities)

- negotiation between developers and the community for improved design and amenities

The most effective features of PUDs for encouraging affordable and/or workforce housing are the economies that can be achieved through clustering of buildings and the related savings in site development costs such as for streets and utilities. Design flexibility allows for the concentration of buildings on that portion of the site that is most suitable for building, resulting in a more environmentally sensitive development that preserves open space and other natural features.

PUD ordinances often allow developers the opportunity to build at higher densities, spreading development costs over a larger number of units. They often allow a mixture of land uses in addition to residential. Commercial revenues from mixed-use areas can be used to help subsidize affordable and/or workforce housing in the development. PUDs which allow clustering of homes on small lots and a mixture of uses, including some commercial uses, reflect not only a desire for more affordable and/or workforce housing developments, but also a response to new lifestyle preferences for efficient low maintenance homes, with easy access to recreation and services.

PUDs give communities greater control over design during the permit review process allowing officials to negotiate for public benefits in return for concessions on density, mixed uses, and other development standards.

Key Policy Considerations:

PUDs require greater attention to a development's planning and design including detailed reviews by the County/Municipalities' planning staff, planning commission, and the County/Municipalities' council. Some cities may limit PUDs to residential developments (sometimes called Planned Residential Developments or PRDs) with no allowance for the inclusion of commercial uses. Flexibility is a major key to successful PUD projects.

Reducing minimum land area requirements for PUDs can encourage greater use of this development technique.

Rehab Existing Residential (Single Family/Multi-family) Units

Studies show that it is usually significantly less expensive to rehabilitate a unit as opposed to building new housing. A significant portion of Washington County's housing stock is over twenty years old and some of this housing stock is in need of rehabilitation. Most of these rehabbed properties should remain within the workforce price range. Rehabbing, coupled with accessory unit development, would be a significant addition to the County's supply of affordable/workforce housing.

Key Policy Considerations:

The local governments within the County should promote rehab by both educating the public about the advantages and by setting up a funding source to assist in financing residential rehabs.

Rezoning Vacant Land for Residential Use

Rezoning vacant lands involves amending the comprehensive plan and rezoning surplus industrial and/or commercial land for residential uses. It can include land zoned for office, commercial, and industrial uses as well as underutilized agricultural land and surplus land owned by public entities. The process creates more land for affordable and/or workforce housing development without disturbing current residential areas. Furthermore, residential use generates less traffic than industrial, office or commercial uses. Other advantages to rezoning for residential use include close proximity to job centers, shopping and transit.

Key Policy Considerations:

A land use inventory, together with an analysis of projected need for commercial and industrial land, will assist in determining the availability of surplus commercial and industrial land. Special attention must be paid to site development in terms of proximity to factories and plants which produce emissions or may be unattractive in appearance. Special attention must also be paid to the possible presence of toxic materials in the soils of industrial lands developed for housing. Allowable densities should be sufficient to ensure economical development. Higher densities will generally result in lower per unit development costs.

Consider allowing density bonuses, or other types of developer incentives, in return for construction of affordable and/or workforce housing.

Small Lots and Small Lot Districts

Allowing a reduction in minimum lot sizes for single-family detached or attached housing is a basic technique for reducing residential development costs. Small lot developments, whether in a cluster or traditional "grid pattern" subdivision, increase density and thus the opportunity for affordable and/or workforce housing. The lower land and development costs associated with higher densities in small lot developments can result in significant savings, and therefore, lower cost housing. With a higher density, land and infrastructure costs of multiple unit developments can be spread over a large number of units, resulting in reduced per-unit costs.

As in cluster development and PUDs, the reduced frontage and front-yard setbacks characteristic of small lots, allow for less pavement, sidewalk, and gutters per unit, shorter utility runs, and reduced material costs. Reduced lot size requirements allow the development of smaller houses, which may be more desirable and affordable for many of today's smaller households.

Small lots (which may range from 2,500 to 6,000 sq. ft.) and small lot districts can be utilized more fully by: (1) reducing minimum lot size requirements to allow

building on lots that are currently below the specified minimum size for their locales; and (2) dividing large lots that currently have excess space. Many communities have designated special small lot zoning districts, which permit development on small lots within an entire district and encourage the use of innovative site design techniques.

Key Policy Considerations:

Small lot developments require greater attention to site design -- the layout of streets, lots, mixing of lot and house sizes, variation in building setbacks and elevations, variation in exterior designs, and landscaping -- to enhance aesthetic appeal and to blend well with surrounding developments.

Some cities include a site plan review process for small lot developments to ensure quality design. Requirements for two side-yard setbacks are often relaxed in small lot developments, allowing for "zero lot line" development and other similar design innovations which can enhance the appearance and livability of higher density developments. Special consideration should be given to parking in small lot developments to avoid the problem of cars dominating the streetscape (the visual quality of the development as seen from the street). Consideration may be given to staggering front-yard setbacks or allowing parking access through alleys running along rear yards.

The maintenance of privacy will also require some attention in small lot developments. Use of landscaping, fences, walls, staggered setbacks, and windowless side walls, are common techniques used to enhance privacy in small lot and other high-density single-family developments.

Some small lot development ordinances require the use of buffers at the perimeter of small lot projects to lessen the visual impact from near-by larger-lot developments and to help in achieving neighborhood acceptance.

Subdivision/Development Standards

As already discussed, communities throughout the United States have found that they can lower the costs of creating affordable and/or workforce housing by reevaluating their subdivision ordinances and updating or modifying regulations where possible. Minimum requirements can often be lowered to reflect actual projected usage and needs.

Most subdivision requirements involve site-improvement standards which are designed to hold down future maintenance and minimize both public and private repair and replacement costs. These standards are also used to prevent flooding, minimize accidents, protect air and water quality, and to preserve or enhance the residential setting.

In subdivisions, the frontage, or width, of the lot determines the linear distance of streets, sidewalks and utility lines that must be put in place for each house. Communities requiring lot widths of, say, 100 feet when 50 feet would suffice may be almost doubling the cost of the major site improvements per housing unit.

Reducing the minimum lot frontage is an important way to reduce housing costs in many communities.

Site improvement standards include: drainage requirements, dimensions and spacing of storm drains or other storm catchments, street construction standards, minimum street pavement widths and cul-de-sac turning radii, parking standards, sidewalk standards, sewer pipe sizes and spacing of manholes. Cost savings in site improvements allow direct reductions in the cost of new housing. Site improvement costs (including labor and materials) have been found to account for roughly 10 percent or more of development costs for a new single-family home. Such savings passed on to the consumer may make the difference between affordable and non-affordable housing.

Affordable and/or workforce housing demonstration projects have utilized various types of cost reduction methods, including:

- Modification of street requirements. For example, minimum pavement width (and depth in some cases) of low-volume subdivision streets have been reduced, as well as minimum turning radii of cul-de-sacs.
- Curbs and gutters have been made optional, or less expensive rolled curbs were used.
- Reduction of sidewalk requirements to allow narrower widths, sidewalks on one side of the street, replacement with pathways, or elimination altogether.

Costs have been decreased by using methods which reduce water and sewer utility requirements including: running the main lines close to the setback line to reduce house connection distance; common trenching for multiple utilities; shared sewer laterals and water service lines serving two or more dwellings; reduced water and sewer line sizes; and curvilinear sewers.

Parking space size and quantity can be reduced based on the size of current compact cars, the actual number of residents in the development, and the availability of transit. Off-street parking on driveways, in carports, or in common areas may be less costly.

Key Policy Considerations:

The County/Municipality's subdivision requirements and ordinances should be carefully reviewed before implementing cost saving techniques. Care must be taken to avoid site development shortcuts which may prove to be more costly in the long run.

Transfer of Development Rights

Transfer of development rights (TDR) programs have been implemented in a number of cities across the country as a means of generating funds for the preservation and/or rehabilitation of low- and moderate-income housing primarily in downtown areas. TDR programs have also been used as a means of preserving historic landmark structures, open space and agricultural land.

TDR programs are based on the idea that ownership of real property is comprised of a "bundle of rights," including, among other things, a property's "development rights," which can be separated, sold and transferred to another piece of property. "Development rights" are defined as the "difference between the existing use of the parcel and its potential use as permitted by existing law." A TDR program allows for the sale and transfer of unused development rights from one building or parcel of land (the "sending site") to another (the "receiving site"). For example, if a four-story building were located in a zoning district that actually allowed the construction of buildings up to six stories, the unused development potential of the building would be equal to two stories (the difference between the existing use of the property and its potential use permitted under the zoning law). Under a TDR system, the development potential represented by these two stories could be separated from the property, sold and transferred to another property. The purchased development rights can then be used to increase the development potential of the receiving site.

Key Policy Considerations:

TDR programs can be complex to administer. They have been used most successfully for the preservation of environmental, rural and open space lands or in healthy downtown real estate markets where developers have sufficient incentives to purchase and use development rights.

Communities should determine whether they are willing to accept increased density in receiving areas in order to preserve low- and moderate-income housing. Property owners in receiving areas may find TDRs to be acceptable in theory, but not in their back yards. Once development rights have been transferred, most communities place legal restrictions on the sending site, prohibiting future use of the transferred development potential.

TDR programs often provide only limited funds which may need to be supplemented, depending upon needs, through other fund sources including private financing and public subsidies. They must be designed on the basis of a thorough understanding of the real estate market both to determine feasibility and to develop appropriate regulations. If existing zoning allows enough density to satisfy current market demand, developers will have no interest in purchasing additional development rights.

Upzoning (Higher Density)

Upzoning is one of the most basic and potentially effective techniques for promoting housing affordability. It involves the selective rezoning of residential land to allow greater density (measured by the number of housing units that can be placed on a parcel of land). Higher density can include both multi-family and single-family housing. Increasing allowable density generally has the effect of reducing land and site development costs for developers, letting them spread these costs over a larger number of units, and therefore, reducing purchase prices for homes and rents for apartments. Site development costs include the labor, material and equipment expenses for the construction of roads, sidewalks,

water and sewer lines, drainage, landscaping, and other on-site work. Higher density urban development may help to preserve open space and environmentally sensitive areas by reducing the overall amount of land needed for residential development. Density increases near employment centers and transit stops can help reduce traffic congestion and overall housing/transportation costs by providing more opportunities for residents to live near their jobs. Higher densities can result in more efficient use of existing infrastructure capacity (assuming it is adequate to serve growth)

An example of the impact of increased density can be seen when realizing that a single-family home on a half-acre lot uses 12.5 times as much land per household as a garden apartment of 25 units per acre. At the extremes, a steel and concrete high-rise of 80 units per acre holds 400 times as many households per acre as a five-acre lot development of single-family homes.

Washington County and its municipalities do not have "real" density districts. However, there might be advantages to enact special design requirements, especially to ensure that new higher density developments are compatible with existing housing in the community.

Key Policy Considerations:

Higher density development requires greater attention to design (architectural style, landscaping, lot coverage, open space, parking, etc.) to enhance aesthetic appeal and to blend in with surrounding developments. High density developments also require convenient access to recreation and transit to make them marketable.

Opposition in communities may be based on concern over out-of-scale buildings, increased traffic congestion, longer lines and impact on property values.

2. Summary

The following tables provide a broad list of policies and tools that communities use throughout the United States in promoting affordable and/or workforce housing. Not all policies and tools are suited for municipal governments and some policies are more philosophical in nature e.g. encouraging family stability (high income) and providing a "living wage."

Table VI-3: Policies/Procedures for Implementing Affordable and/or Workforce Housing – Increase Income Demand

Policies/Mechanisms for Increasing the Supply of Workforce Housing	
Name of Program	**Description**
Accessory Dwelling Units (ADU)	An additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot. These housing units are small, self-contained secondary apartments on the same lot as primary residence.
Adaptive Reuse	This technique involves the conversion of surplus and/or outmoded buildings including old school buildings, hospitals, train stations, warehouses, factories, etc., to economically viable new uses.
Bonus Densities	Incentive for developers
Bridge Loans	Provide capital.
Cluster Subdivisions	This technique provides for the clustering of housing units within a residential development (usually single-family detached- or attached-housing) on lots smaller than those normally allowed under existing zoning.
Community Redevelopment Agency	Captures available CRA monies and requires workforce housing as a part of redevelopment efforts. The elimination and prevention of the development or spread of slums and blight, or for the reduction or prevention of crime, or for the provision of affordable housing.
Comprehensive and on-going training/information program for builders/housing professionals	Creation and/or enhancement of county and/or municipal sponsored programs.
County-wide and/or municipal efforts to identify and promote infill sites appropriate for mixed uses, including workforce housing	Municipal and/or County sponsored planning study and analysis to identify suitable sites or areas, in conjunction with evaluation and adoption of appropriate land use planning policies and land development regulations.
Create and regularly update data base and projections regarding supply and need for workforce housing	Ft. Lauderdale, County or other entity create and update data base. Funding support from City, County and/or other local sources.
Deed Restrictions	Preserve the existing supply of workforce housing.
Density Bonuses	Allows a developer to build more units within a project than would otherwise be permitted under normal density limits. Both zoning and subdivision regulations can be modified to allow density bonuses.
Escheatment	Provide additional resource for workforce housing by utilizing properties that the City and/or County have foreclosed on due to tax delinquencies.
Expand "fast-tract" permitting for workforce housing	Municipal re-evaluation and revision to current or enactment of new fee waivers.
Create City program of providing vacant lots for workforce housing similar to Broward County's program	Develop a vacant lot program for Ft. Lauderdale similar to but expanded to Broward County's Program.
Expedited Permitting	Expedite building process. Lower development costs.
Fair Share Allocations	To quantify each local government's responsibility for providing workforce housing to meet local needs.
Housing Trust Funds	Dedicate public funds for the production of workforce housing and help leverage private capita for housing development. Moneys can be used to assist with a host of income enhancements including down payment assistance, subsidies for mortgages etc.

Inclusionary Zoning	"Inclusionary" programs involve defined requirements or encouraged targets for workforce housing within described areas or specific residential development projects.
Infill Development	Infill refers to development that takes place on land within built-up urban areas that has been passed over for various reasons during previous development phases and has remained vacant or underutilized.
Information Providing/Public Relations	Better information sharing for greater efficiency. Combat NIMBYism.
Land Development Regulations	Provide flexibility without protecting the integrity of workforce housing.
Land Use	Maximize opportunities to create workforce housing.
Mixed-Use Development	This is an example of flexible zoning which allows various types of land uses, including office, commercial, residential, and in some cases, light industrial or manufacturing, to be combined within a single development or district.
Partnerships for Housing	Coherent housing policies, Increased subsidy $ and sources, Reduce red tape, centralize & expand housing info/awareness, Increase stock of workforce housing.
Partnership with School Board and/or other appropriate agencies to provide housing	Some school boards have recently indicated an interest in participating in and allocating funding to programs designed to offer a workforce housing to eligible public school personnel. There has also been discussion of using portions of public lands as a joint venture contribution.
Payment in Lieu of Taxes	Provide a dedicated source of funding.
Performance/Impact Zoning	A type of flexible zoning that determines land-use locations and characteristics through the application of a system of performance criteria, which establish basic development standards and limitations, and specify the conditions under which developments can be permitted.
Planned Unit Development	Give developers an increased level of flexibility in the overall design of residential projects in exchange for a higher quality of development. PUD ordinances often allow developers greater latitude in locating buildings on the development site, mixing uses and providing greater density.
Public/Private Partnerships	Creates coherent housing policies; increases subsidy money and sources, reduces red tape, centralizes and expands housing information/awareness, increases stock of workforce housing.
Real estate resale transfer tax	Taxes that are assessed on real property when ownership of the property is transferred between parties. Require adoption of state legislation, with follow-up implementation by the county.
Reduce time/complexity of land use plan revisions	State, county and City re-evaluation and revision of review and approval process. It is noted that state law currently limits revisions to twice a year for regular county and municipal land use plan amendments.
Rehabilitation Programs	Preserve and upgrade ownership of housing in lower income neighborhoods.
Revise policy requirements and comment and analysis regarding workforce housing during land-use amendment/rezoning reviews.	Currently, the consideration of workforce housing is minimal. Revise BCLUP and municipal comprehensive plans to strengthen policy requirements regarding the availability and provision of workforce housing as part of land-use plan amendment/rezoning.

Rewrite existing municipal codes to reduce the need for variance requests and more easily allow mixed uses	**Revision of municipal land development codes would be required.**
Rezoning Vacant Land for Residential Use	This technique involves amending the comprehensive plan and rezoning surplus industrial and/or commercial land for residential uses. It can include land zoned for office, commercial, and industrial uses, as well as underutilized agricultural land.
Small Lots and Small Lot Districts	Allowing a reduction in minimum lot sizes for single-family detached or attached housing is a basic technique for reducing residential development costs. Small lot developments, whether in a cluster or traditional "grid pattern" subdivision, increase density.
Subdivision/Development Standards	The City could lower the costs of creating workforce housing by re-evaluating their subdivision ordinances and updating or modifying regulations where possible. Minimum requirements can often be lowered to reflect actual projected usage and needs.
Tax Exempt Bond Financing	Low interest rate loans and the "automatic" availability of 4% tax credits.
Tax Increment Financing	Mandatory set-aside of revenue for workforce housing.
Transfer of Development Rights - TDR	These programs have been implemented in a number of cities across the country as a means of generating funds for the preservation and/or rehabilitation of low- and moderate-income housing primarily in downtown areas.
Transit-oriented Design	Create workforce housing in geographic areas that will lead to lower cost of living in other areas. Establish creative loan products in conjunction with housing near transit.
Upzoning (Higher Density)	Upzoning involves the selective rezoning of residential land to allow greater density (measured by the number of housing units that can be placed on a parcel of land).
Urban Infill and Redevelopment Areas	Legislative intent: Fiscally strong urban centers are beneficial to regional and state economies and resources, are a method for reduction of future urban sprawl, and should be promoted by state, regional, and local governments.
Urban Infill and Redevelopment Assistance Program	A local government may allocate grant money to special districts, including community redevelopment agencies, and nonprofit community development organizations to implement projects consistent with an adopted urban infill and redevelopment plan or plans.

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"[8]

Public Policy Tools	
Tool	**Goal**
LOCAL TOOLS	
Inclusionary Zoning	Increase the amount of affordable housing available in Washington County
Community Redevelopment Agency	Capture available CRA monies and require affordable housing as a part of the redevelopment effort
Land Use	Maximize opportunities to create affordable housing
Mixed Use Development	Encourage mixed use in the right context to support walkable liveable communities
Bonus Densities	Get more developers to use this incentive
Variances	Increase the accessibility of variances to developers of affordable housing. Require localities to offer a specified amount of incentives in exchange for development of a percentage affordable housing.
Flexible Zoning	Reduce Construction Restraints that impede the development of affordable housing
Land Development Regulations	More flexibility without protecting the integrity of affordable housing
Living Wage	Pay wages that keep up with inflation and increasing costs of living
Land Donations to Non-Profits	develop an entity that can accept land donations from public and private sources
Alternatives to Inclusionary Zoning	
Offsite Donations/Construction	provide additional resource for construction of affordable housing
In Lieu Payments	provide additional resource for construction of affordable housing
Tax Increment Financing	mandatory set-aside of revenue for affordable housing
Partnerships for Housing	facilitate those interested in promoting affordable housing
One-Stop Permitting	make available in more cities and make more significant difference in cost reductions
Linkage Fees	Create a dedicated source of revenue for affordable housing
Tax Exempt Bond Financing	Reduce cost of financing development of affordable housing
Transitional Housing	Increased availability
Homeless Support	Increase the availability and funding of homeless support
Elderly Housing	Age restricted housing (with no support services)-possible resource for general public Allow people on fixed income housing choice in the County
Escheatment	Provide additional resource for affordable housing
Section 8 Housing	Provide housing to very-low income persons
Section 32	

[8] Parts of these listings are taken from draft reports that are part of Broward County, Florida's Affordable Housing Task Force.

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"

Public Policy Tools	
Tool	**Goal**
LOCAL TOOLS	
Rehabilitation Programs	To maintain quality housing stock
Information Providing/Public Relations	Better information sharing for greater efficiency
American Dream Down Payment Initiative	Down payment assistance
Transit Oriented Design	Create affordable housing in geographic areas that will lead to lower cost of living in other areas Establish creative loan products in conjunction with housing near transit
Tax Abatements	Lessen the cost of homeownership for low-income persons Make housing more affordable in a specific area or for a specific population
Payment In Lieu of Taxes	Provide a dedicated source of funding
Land Trusts	Create affordable housing in perpetuity
Deed Restrictions	To Preserve the existing supply of affordable housing
Housing Trust Funds	To create a receiving entity for committed public revenue
Sales Tax	Increase funding for housing
Rent Controls	Prevent gentrification of low-income renters
Homeowner Education Classes	Prepare low-income buyers for financial responsibility of homeownership
Community Development Block Grant	Provide funding for infrastructure, etc to support affordable housing
REGIONAL TOOLS	
Fair Share Allocations	To quantify each local governments responsibility for providing affordable housing to meet local needs
Information Providing/Public Relations	Better resource sharing and information access
Land Trusts	Create affordable housing and keep it in the affordable stock
Housing Trust Funds	To create a receiving entity for committed public revenue
Real Estate Transfer Tax	Produce a dedicated revenue source to fund housing programs. Similar or continuation of Goffer tax
Sales Tax	Increase funding for housing
STATE TOOLS	
Community Redevelopment Agency	The elimination and prevention of the development or spread of slums and blight, or for the reduction or prevention of crime, or for the provision of affordable housing, whether for rent or for sale, to residents of low or moderate income, including the elderly, and may include slum clearance and redevelopment in a community redevelopment area or rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed, or rehabilitation or conservation in a community redevelopment area, or any combination or part thereof, in accordance with a community redevelopment plan and may include the preparation of such a plan.

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"

Public Policy Tools	
Tool	**Goal**
LOCAL TOOLS	
Living Wage	pay wages that keep up with inflation and increasing costs of living
Mortgage Tax Credit	Mortgage Credit Certificate (MCC) allows the homebuyer to claim a dollar for dollar tax credit against their federal tax liability for some portion of the mortgage interest paid per year.
Land Donations to Non-Profits	Reduce or eliminate land cost portion of housing development cost
Tax Increment Financing	Create funds to support affordable housing
Partnerships for Housing	Non Profit and Profit organizations to offer lower costs development costs for housing
Housing Authorities	Provide affordable housing through use of Federal and State monies
Tax Exempt Bond Financing	Low interest rate loans (9% tax credit) and the "automatic" availability of 4% tax credits.
Transitional Housing	Assist in the construction of new, or repair of existing housing for the homeless
Elderly Housing Community Loan Program	Provides loans of up to $200,000 to developers that are making substantial improvements to elderly housing
Coming Home Program	To bring affordability and accessibility to assisted living statewide through assisted living research, policy analysis, technical assistance, information dissemination, and the development of affordable assisted living models. Facilitating affordable assisted living through integrating and maximizing existing resources.
Homeless Housing Assistance Grant	Assist in the construction of new, or repair of existing housing for the homeless. The housing assisted may be either permanent housing or transitional with supportive services linked to the residents. Housing projects to be assisted must be contained and consistent with the local homeless continuum of care plan. This plan details the array of homeless services available and need, to address prevention, outreach, sheltering, services, and housing for the homeless in that community.
Fair Share Allocations	Contribution to infrastructure
Escheatment	Reduce or eliminate land cost portion of housing development cost
Rehabilitation Programs	Provide grants to rehab existing affordable housing
Minimum Wage Increases	"Employers" must pay "employees" at least a "wage" of $6.15 per hour for all hours worked in Florida.

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"

Public Policy Tools	
Tool	**Goal**
LOCAL TOOLS	
Information Providing/Public Relations	Educate public
Tax Abatements	Reduce cost of producing or living in affordable housing
Housing Trust Funds	Funding source
Sales Tax	Possible funding source
Homeowner Education Classes	Educate public
Real Estate Transfer Tax	Source of funding
Low Income Housing Tax Credits	Reduce financing costs
Community Contribution Tax Credit	Requires 80% of available tax credits up to $10 million and 70% of credits over that amount be reserved for projects that provide homeownership opportunities for low and very-low-income households.
Urban Infill and Redevelopment Areas	Create higher density developments and utilize low land costs
Affordable Assisted Living	The resident should be able to pay for care in an assisted living facility with his or her current income and eligible benefits and still retain sufficient funds for health insurance premiums, un-reimbursed medical expenses, and a small personal needs allowance The state and federal government should not pay more than two-thirds of the current Medicaid nursing home rate for room rental, meals, and assisted living services, using all available public reimbursements.
Emergency Financial Assistance for Housing	A one-time payment to families who are totally without shelter or face the loss of shelter because of non-payment of rent or mortgage. It also helps those families who have had household disasters such as fire, flood, or other accidents.
FEDERAL TOOLS	
Community Reinvestment Act Requirements	Provide capital.
Living Wage	Wages sufficient to live on.
Mortgage Tax Credit	Reduce housing cost
Land Donations to Non-Profits	Reduce or eliminate land cost portion of housing development cost
Partnerships for Housing	Create more affordable housing
Transitional Housing	Provide a mechanism to move homeless to homed
Homeless Support	Assist homeless
Elderly Housing	Assist elder with housing
Section 8 Housing	Provide affordable housing
Section 32	Provide affordable housing
Rehabilitation Programs	Assist in rehab housing units
Minimum Wage Increases	Increase income to allow for affordability
Information Providing/Public Relations	Educate public
American Dream Down payment Initiative	Down payment assistance
Transit Oriented Design	Increase density and lower unit prices
Housing Trust Funds	Funding source
Community Development Block Grant	Funding source

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"

Developer Funding and Financing Tools	
Tool	**Goal**
PREDEVELOPMENT	
Low Income Housing Tax Credits	Build more affordable rentals
New Market Tax Credits	Provide capital.
Bonus Densities	Encourage development.
Bridge Loans	Provide capital.
Brownfields Funding	Provide capital.
Community Development Financial Institution	Provide capital.
Community Contribution Tax Credit Program (CCTCP)	Provide capital.
Community Development Corporations (CDCs)	Capacity building.
Community Redevelopment Agency Land Assembly	Lower land costs.
Community Reinvestment Act Requirements	Provide capital.
Elderly Housing / HUD 202	Provide capital.
Expedited Permitting	Expediate building process. Lower development costs.
Federal Home loan Bank	Provide capital.
Fee Waivers	Encourage development.
Financial Intermediaries	Provide capital.
Government Low/Zero Interest Loans	Provide capital.
Housing Authorities	Provide affordable housing.
Housing Trust Funds	Provide capital.
Land Donations to Non-Profits	Remove land costs.
Lender Consortium	Provide capital.
Mezzanine Fund	Provide capital.
One-Stop Permitting	Expediate building process. Lower development costs.
Partnerships for Affordable Housing	Encourage cooperation between sectors. Encourage private sector involvement. Develop innovative solutions.
Predevelopment Loans	Provide capital.
Private Foundations	Provide capital.
Program Related Investments	Provide capital.
Real Estate Transfer Tax (RETT)	Provide capital.
Section 108	Provide loan guarantees.
Tax Increment Financing	Provide capital. Encourage development. Remove blight.
Variances	Encourage development.
CONSTRUCTION	
Bridge Loans	Provide capital.
Certified Development Financial Institution (CDFI)	Provide capital.
Community Reinvestment Act Requirements	Provide capital.
Construction Loans	Provide capital.
Elderly Housing / HUD 202	Provide capital.
Financial Intermediaries	Provide capital.
Community Contribution Tax Credit Program (CCTCP)	Provide capital.

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"

Developer Funding and Financing Tools	
Tool	**Goal**
PREDEVELOPMENT	
Government Low/Zero Interest Loans	Provide capital.
Housing Authorities	Provide affordable housing.
Housing Trust Funds	Provide capital.
Lender Consortium	Provide capital.
Mezzanine Fund	Provide capital.
Partnerships for Affordable Housing	Encourage cooperation between sectors. Encourage private sector involvement. Develop innovative solutions.
Private Foundations	Provide capital.
Program Related Investments	Provide capital.
Real Estate Transfer Tax (RETT)	Provide capital.
Sales Tax Rebates (Target Areas)	Lower construction costs.
Section 108	Provide loan guarantees.
Tax Exempt Bond Financing	Provide capital.
PERMANENT	
Certified Development Financial Institution (CDFI)	Provide capital.
Community Reinvestment Act Requirements	Provide capital.
Elderly Housing / HUD 202	Provide capital.
Equity Fund	Provide capital.
Federal Home loan Bank	Provide capital.
Government Low/Zero Interest Loans	Provide capital.
Housing Authorities	Provide affordable housing.
Housing Trust Funds	Provide capital.
Lender Consortium	Provide capital.
New Market Tax Credits	Provide capital.
Partnerships for Affordable Housing	Encourage cooperation between sectors. Encourage private sector involvement. Develop innovative solutions.
Private Foundations	Provide capital.
Program Related Investments	Provide capital.
Real Estate Transfer Tax (RETT)	Provide capital.
Section 108	Provide loan guarantees.
Tax Exempt Bond Financing	Provide capital.
Tax Increment Financing	Provide capital. Encourage development. Remove blight.

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"

End User Tools	
Tool	**Goal**
WEALTH BUILDING TOOLS	
Community Reinvestment Act (CRA)	Bank investment in low-income neighborhoods.
Living Wage	Wages sufficient to live on.
Partnerships for Housing	Coherent housing policies, Increased Subsidy $ & Sources, Reduce red tape, Centralize & Expand Housing Info/Awareness, Increase stock of Affordable Housing.
Housing Authorities	Provide affordable housing.
Minimum Wage Increase	Higher, more sustainable wages for lowest income workers in our society.
Earned Income Tax Credit	Source of $ to use for d.p., other major purchases, or education.
Individual Development Accounts	Source of $ to use for house d.p., higher education, major purchase.
OWNER TOOLS	
30-50 Year Mortgages	Reduction of monthly principal & interest payments.
Community Reinvestment Act Requirements	Encourage investment in ownership housing in low income neighborhoods.
Matching Funds for Down payment Assistance	Help low-income people accumulate $ for d.p.
Fannie Mae	To set Lender Programs & Products, to Establish Underwriting Criteria for Lenders, to promote homeownership.
Freddie Mac	Same as Fannie Mae
Mortgage Tax Credit	To help new low-income buyers afford higher mortgages.
Public/Private Partnerships	Coherent housing policies, Increased Subsidy $ & Sources, Reduce red tape, Centralize & Expand Housing Info/Awareness, Increase stock of Affordable Housing
Housing Authorities	Increase homeownership through rent to own programs.
Transitional Housing	Move renters into homeownership.
Green Building	Energy efficient development that lowers utility bills.
Reverse Mortgages	Provides income stream for elderly &those with long-term illness, while keeping home,
Rehabilitation Programs	Preservation & upgrade of ownership housing in lower income neighborhoods.
Section 8 Housing	Increase homeownership thru rent to own program.
Creative Mortgages	Lower monthly payments.
Save Our Homes	To slow rate of increase in real estate taxes for homeowners.
Lease/Purchase	To provide method of saving d.p. $ for renters wanting to own.
Soft Second Mortgages	To provide buyers $ for d.p. & closing costs, and reduce their monthly mortgage payments

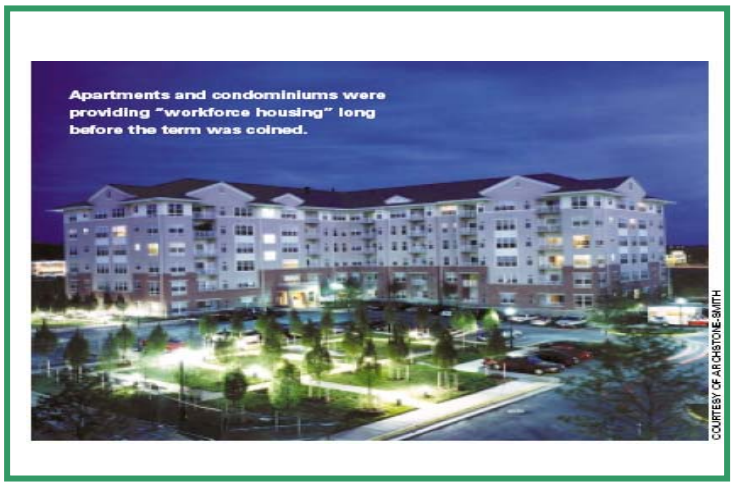
"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"

End User Tools	
Tool	**Goal**
WEALTH BUILDING TOOLS	
American Dream Down payment Initiative	To assist with buyer d.p.
Location Efficient Mortgages	Qualifying low income buyers for higher than normal mtgs.
Real Estate Transfer Tax	To create pool of affordable housing subsidy funds, for buyers and developers.
Homeowner Education Classes	To prepare buyers for home-ownership, and foreclosure prevention.
Community Development Block Grant (CDBG)	Upgrade Infrastructure in low income areas, develop community-use facilities
State Housing Initiatives Program (SHIP)	D.P. & Development Assistance for "very low", "low", & "moderate" income homebuyers.
Home Investment Loan Program (HOME)	D.P. & Development Assistance for "very low", "low", & "moderate" income homebuyers.
Affordable Housing Land Trust	To eliminate land cost from house price; long-term house affordability for buyers/owners.
RENTER TOOLS	
Community Reinvestment Act (CRA)	Encourage investment in ownership housing in low income neighborhoods.
Partnerships for Housing	Coherent housing policies, Increased Subsidy $ & Sources, Reduce red tape, Centralize & Expand Housing Info/Awareness, Increase stock of Affordable Housing
Housing Authorities	Decent rental units at affordable rents for lower income people.
Transitional Housing	Opportunity for homeless people to move into stable rental units.
Homeless Support	Emergency & Short-term Shelter for homeless people.
Elderly Housing	Provide elderly people on fixed low incomes decent rental apts.
Green Building	Energy efficiency built into rental housing that reduces utility bills.
Rehabilitation Programs	Update & Preserve stock of affordable Rental Housing.
Section 8 Housing	Rental subsidies to low-income renters, to make rents affordable.
Rent Controls	Keeping rents at affordable level.
Community Development Block Grant (CDBG)	Upgrading infrastructure of low income neighborhoods, develop community-use facilities.
State Housing Initiatives Program (SHIP)	Development Assistance for "very low", "low", & "moderate" income rental projects.
State Apartment Incentives Loan Program (SAIL)	Development Assistance for "very low", "low", & "moderate" income rental projects.
Home Investment Loan Program (HOME)	Development Assistance for "very low", "low", & "moderate" income rental projects.

"LISTING OF POTENTIAL AFFORDABLE HOUSING TOOLS"	
Design and Development Tools	
Tool	**Goal**
Partnerships for Housing Development	Facilitate housing by pooling resources and expertise
Homeless Support	Create low-cost housing that meets basic needs
Transitional Housing	Create low-cost housing that meets basic needs
Elderly Housing	Create housing that is designed to accommodate the elderly
Green Building	Provide environmentally-friendly housing with reduced utility costs
Mixed Use Development	Create livable, walk able, and efficient communities and reduce automobile dependence
Transit Oriented Design	Provide housing that eliminates the need for automobiles and creates ample pedestrian amenities
Flexible Zoning	Take advantage of all land that could be used for housing
Land Development Regulations	Reduce construction costs and constraints

Examples Of Higher Density Development

The following photographs are some examples of higher density projects for both residential and commercial development:

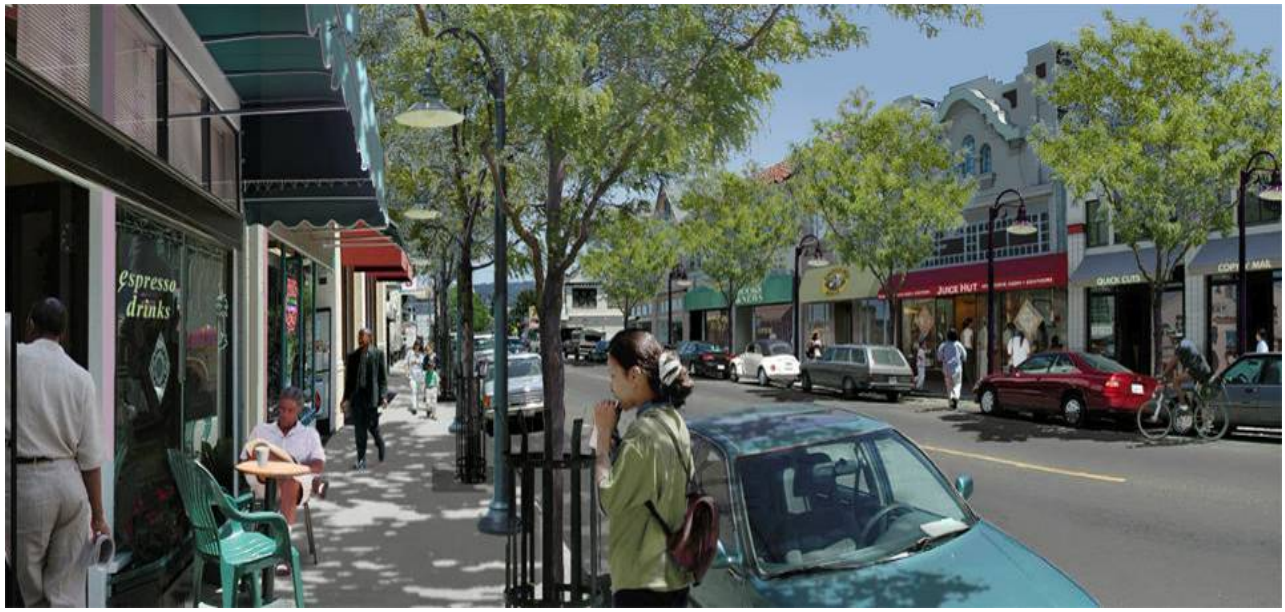


Peet's Coffee & Tea

Noii Gardens, Seattle, WA

Tucson, AZ

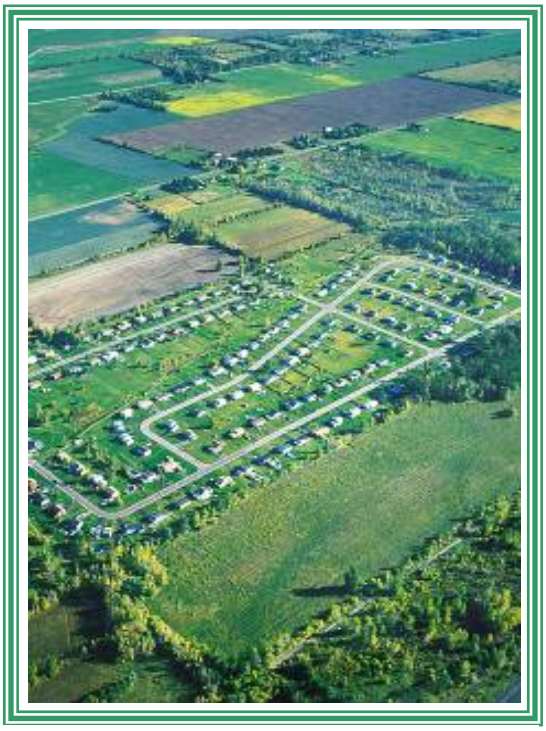
Neighborhood Commercial Area ~ Before and After



Transit Oriented Development ~ Before and After

Industrial Site ~ Before and After

The future of Washington County's housing market to a large degree will be an issue of affordability of (housing and transportation costs) or as graphically shown below. The choices are as follows:



The status quo which is not sustainable…

OR

Increase density to reduce housing and transportation costs

WASHINGTON COUNTY 2035 HOUSING STUDY

APPENDIX

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
APPLE VALLEY				
REBEX LLC	4135 S ROME WAY	APPLE VALLEY	811111	5-9
HILDALE				
TWIN CITY COURIER INC	1020 W UTAH AVE	HILDALE	511130	10-19
BARLOW BUILDERS	940 N 1400 W	HILDALE	238351	10-19
PREFERENTIAL DENTAL PC	1080 W UTAH AVE	HILDALE	621210	10-19
STREAMLINE AUTOMOTIVE INC	680 S STATE ST	HILDALE	811121	10-19
ACCU FORM PLASTICS INC	1475 UTAH AVE	HILDALE	336399	10-19
SONORA SUN CORPORATION	660 N JUNIPER ST	HILDALE	236115	10-19
HIGH COUNTRY LOG HOME CONTRAT	1185 W UTAH AVE STE 202	HILDALE	236115	10-19
UTEK FRAMING INC	1065 N LOUIS ST	HILDALE	238131	10-19
PEINE CONSTRUCTION INC	725 N JUNIPER STREET	HILDALE	238131	10-19
GOODWORK CONSTRUCTION INC	330 E JESSOP AVE	HILDALE	238911	10-19
PINNACLE CARPENTRY DESIGN LLC	740 N PINION ST	HILDALE	238131	10-19
JOHN BEAGLEY AND SONS INC	74 N PINION STE 204	HILDALE	238112	10-19
PARAGON CONTRACTORS CORP	1065 W UTAH AVE #3	HILDALE	238132	20-49
MY D ZIGNS INC	1475 W UTAH AVE STE 103	HILDALE	326199	20-49
FORESTWOOD COMPANY INC	745 N STATE	HILDALE	337110	50-99
RELIANCE ELECTRIC INC	1065 W UTAH AVE	HILDALE	238211	50-99
HILDALE HEALTH SERVICE CENTER	1065 N HILDALE ST	HILDALE	621399	50-99
WESTERN PRECISION INC	850 N WESTERN PRECISION PKWY	HILDALE	332710	50-99
ATI CONSTRUCTION INC	985 N 1400 W	HILDALE	236115	50-99
HURRICANE				
ARBYS	82 N CORAL CANYON BLVD	HURRICANE	722211	20-49
MCDONALDS	1180 W STATE	HURRICANE	722211	20-49
HURRICANE ELECTRONICS LAB INC	331 N 2260 W	HURRICANE	334416	20-49
HURST SALES CORP	489 W STATE	HURRICANE	452990	20-49
WENDYS	1149 W STATE	HURRICANE	722211	20-49

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
SUNRISE ACADEMY	65 N 1150 W	HURRICANE	622210	20-49
PEPSI BOTTLING GROUP	209 N HWY 91 OLD	HURRICANE	424490	20-49
DOMINOES PIZZA	410 W STATE ST	HURRICANE	722211	20-49
HURRICANE REHABILIATION CENTER	416 N STATE	HURRICANE	623110	20-49
GALE INSULATION OF ST GEORGE	225 N 5500 W	HURRICANE	238312	20-49
FREEWAY CHEVRON	687 W STATE ST	HURRICANE	447110	20-49
C AND C MASONRY	744 NORTH MAIN 21-12	HURRICANE	238141	20-49
HIGH STANDARD CONCRETE INC	1141 W STATE ST STE 11	HURRICANE	238991	20-49
CHA CHING INC	1149 W STATE ST	HURRICANE	722211	20-49
GENEVA PIPE COMPANY OF NEV	600 N 3700 W	HURRICANE	327390	20-49
NATURALLY KIDS CHILD CARE	332 N 3510 W	HURRICANE	624410	20-49
CORAL CLIFFS CINEMA 8	835 W STATE ST	HURRICANE	512131	20-49
MOUNTAIN STATES CONTRACTORS	256 W 100 S	HURRICANE	238112	20-49
TMJ CONSTRUCTION INC	723 S 180 W	HURRICANE	238111	20-49
B AND N ADAMS ENT CORP	1022 W STATE ST	HURRICANE	722211	20-49
INTERMOUNTAIN HEALTH CARE	90 S 700 W	HURRICANE	621111	20-49
HURRICANE FIRE DEPT	2 N 200 E	HURRICANE	922160	20-49
S AND S STEEL FABRICATION	2292 W 500 N	HURRICANE	332311	50-99
CHUMS INC	101 S MAIN ST	HURRICANE	315999	50-99
SCHOLZEN PRODUCTS	548 W 100 N	HURRICANE	444190	50-99
CLASSIC SURFACES INC	392 W STATE ST	HURRICANE	238351	50-99
MIKOHN SIGNS AND GRAPHICS LLC	328 N OLD HWY 91	HURRICANE	339950	50-99
DIAMOND RANCH ACADEMY INC	1500 E 2700 S	HURRICANE	623990	50-99
ZITTING BROTHERS CONSTRUCTION	256 W 100 S	HURRICANE	238131	50-99
HURRICANE CITY	147 N 870 W	HURRICANE	921140	50-99
HURRICANE HIGH SCHOOL	345 W 100 SOUTH	HURRICANE	611110	50-99
HURRICANE ELEMENTARY	63 S 100 WEST	HURRICANE	611110	50-99
HURRICANE MIDDLE SCHOOL	34 S 100 WEST	HURRICANE	611110	50-99
THREE FALLS ELEMENTARY	789 S 700 W	HURRICANE	611110	50-99
LIN'S SUPERMARKET INC	1120 W STATE ST	HURRICANE	445110	100-249

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
INTERSTATE ROCK PRODUCTS INC	42 S 850 W #201	HURRICANE	237110	100-249
DATS TRUCKING	321 N OLD HWY 91	HURRICANE	484121	100-249
PACE AMERICAN OF UTAH INC	210 N HWY 91	HURRICANE	336214	100-249
ORGILL INC	135 N HWY 91	HURRICANE	423710	100-249
IHC REHABILITATION SERVICES	90 S 700 W	HURRICANE	621340	100-249
WAL MART	150 N HWY 91	HURRICANE	493110	1000-1999
IVINS				
TROYS CUSTOM BODY & PAINT INC	135 S 200 W	IVINS	811121	10-19
KDT CONSTRUCTION INC	1280 W MOCHNI CIR	IVINS	236115	10-19
C BLAKE CONSTRUCTION INC	112 N PAINTED HILLS DR	IVINS	236115	10-19
D HANCEY PAINTING INC	75 N 100 E	IVINS	238321	10-19
STONEWALL INC	764 S 320 E	IVINS	238141	10-19
LANDSCAPE PROS INC	318 E 450 S	IVINS	561730	10-19
WHITAKER STUDIO INC	891 COYOTE GULCH CIR STE 7	IVINS	711510	10-19
FINISHING TOUCHES	83 PDRE CANYON DR	IVINS	561720	10-19
PYPER CONSTRUCTION	975 E ANILLO CT	IVINS	238991	10-19
UNLIMITED LATH & PLASTER INC	362 E 400 S	IVINS	238111	10-19
ENCE ELECTRIC INC	362 S 200 E	IVINS	238211	10-19
BLAKE AND SONS CONSTRUCTION	486 W 235 S	IVINS	238991	10-19
GOESER LANDSCAPE INC	450 S 250 E	IVINS	561730	10-19
KAYENTA COMMUNITY SERVICES	877 COYOTE GULCH CIR	IVINS	561499	10-19
STONERIDGE MASONRY	622 E 590 S	IVINS	238141	10-19
RED MOUNTAIN ELECTRIC INC	134 W 200 S	IVINS	238211	20-49
AMBER LYN CHOCOLATES INC	46 WEST 200 NORTH	IVINS	311330	20-49
TUACAHN CENTER FOR THE ARTS	1100 TUACAHN DR	IVINS	711310	20-49
CHRISTIANSEN DRYWALL INC	925 S 200 E	IVINS	238311	50-99
SNOW CANYON CLINIC INC	272 E CENTER ST SUITE 101 & 201	IVINS	621111	50-99
IVINS CITY	55 NO MAIN	IVINS	921140	50-99
RED MOUNTAIN ELEMENTARY	263 E 200 S	IVINS	611110	50-99

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
RED MOUNTAIN SPA MANAGEMENT	1275 E RED MOUNTAIN CIR	IVINS	721110	100-249
LA VERKIN				
HUGH J HOWARD DDS PC	144 S STATE ST	LA VERKIN	621210	10-19
OPTIMUM MARKETING LLC	50 S STATE ST SUITE C	LA VERKIN	611710	10-19
STRATTON CONSTRUCTION INC	365 W CENTER ST	LA VERKIN	236118	10-19
DANNYS DRYWALL	55 E 200 N	LA VERKIN	238311	10-19
ASH CREEK SPECIAL SERVICE DST	111 S MAIN	LAVERKIN	221320	10-19
LAVERKIN FOODMART LLC	460 N STATE ST	LAVERKIN	447110	10-19
DESERT ROCK MASONRY INC	144 W 330 N	LAVERKIN	238141	10-19
LA VERKIN CITY CORP	111 S MAIN ST	LA VERKIN	921140	20-49
MACROTECH POLYSEAL	151 W CENTER	LAVERKIN	541710	20-49
THE HOME COMPANY	98 SOUTH STATE ST	LAVERKIN	236115	20-49
FARMERS MARKET	495 N STATE	LAVERKIN	445110	50-99
RM PRECISION SWISS INC	621 N STATE	LA VERKIN	332710	50-99
WASHINGTON SCHOOL DISTRICT	LA VERKIN ELEMENTARY	LA VERKIN	611110	50-99
CROSS CREEK MANOR	180 N STATE	LAVERKIN	623220	250-499
LEEDS				
SOUTHERN DIXIE INVESTMENTS INC	165 N VALLEY RD	LEEDS	238991	10-19
PATRICK DEVELOPMENT INC	600 N MAIN ST	LEEDS	238311	10-19
SD SERVICES INC	692 S 340 W	LEEDS	484220	10-19
BETTER ROOFING SYSTEMS INC	692 S 340 W	LEEDS	238161	20-49
ROCKVILLE				
HEALTH RESTORATION SYSTEMS INC	991 W 230 S	ROCKVILLE	621399	1-4
WINABILITY SOFTWARE CORPORATION	244 W MAIN ST	ROCKVILLE	511210	1-4
LYNN BERRYHILL INC	750 E RIMROCK SPRINGS RD	ROCKVILLE	711510	1-4
ST. GEORGE				

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
QUALITY PARK PRODUCTS INC	3287 E DESERET DR	ST GEORGE	424120	50-99
AMERICAN LINEN SUPPLY	3243 E DESERET DR	ST GEORGE	812331	50-99
ANDERSON LUMBER CO	999 S BLUFF ST	ST GEORGE	444110	50-99
PARKE COX TRUCKING COMPANY INC	396 N INDUSTRIAL RD	ST GEORGE	484121	50-99
SOUTHERN UTAH TITLE CO	20 N MAIN ST	ST GEORGE	524127	50-99
ALBERTSONS INC	835 S BLUFF ST	ST GEORGE	445110	50-99
MEDICAL ASSOC OF ST GEORGE PC	736 S 900 E STE 203	ST GEORGE	621111	50-99
SOUTHERN UTAH FEDERAL CREDIT UN	333 E TABERNACLE	ST GEORGE	522130	50-99
RUBY RIVER STEAKHOUSE	1410 ST GEORGE BLVD	ST GEORGE	722110	50-99
ST GEORGE CARE & REHAB CENTER	1032 E 100 S	ST GEORGE	623110	50-99
ST GEORGE STEEL FABRICATION INC	1301 E 700 N	ST GEORGE	332312	50-99
CHUCK-A-RAMA	127 N RED CLIFF DR	ST GEORGE	722212	50-99
ENCE BROS CONSTRUCTION INC	619 S BLUFF ST STE 2A	ST GEORGE	236115	50-99
SOS TEMPORARY SERVICES	720 S RIVER RD	ST GEORGE	561320	50-99
MCDONALDS	1235 S BLUFF ST	ST GEORGE	722211	50-99
MCDONALDS	1911 W SUNSET BLVD	ST GEORGE	722211	50-99
BOULEVARD FURNITURE	459 N 3050 W	ST GEORGE	493110	50-99
WESTERN ROCK PRODUCTS CORP	820 N 1080 E	ST GEORGE	212321	50-99
JONES PAINT & GLASS ST GEORGE	122 S 1200 E	ST GEORGE	444190	50-99
PIZZA FACTORY INC-ST GEORGE	2 W ST GEORGE BLVD	ST GEORGE	722110	50-99
SOUTHWEST SKIN & CANCER INC	383 S 300 E	ST GEORGE	621111	50-99
APPLEGATE HOME CARE	356 E 600 S	ST GEORGE	621610	50-99
DIXIE COMPONENT SYSTEMS INC	353 N 3050 E	ST GEORGE	321214	50-99
BLUFF COVE RESORT HOLIDAY INN S	850 S BLUFF	ST GEORGE	721110	50-99
SOUTHWEST CENTER	474 W 200 N	ST GEORGE	923120	50-99
PROGRESSIVE CONTRACTING INC	230 E TABERNACLE ST	ST GEORGE	237110	50-99
RED LOBSTER	263 N RED CLIFFS DR	ST GEORGE	722110	50-99
DESIGNER FURNITURE WAREHOUSE INC	170 N 400 E	ST GEORGE	442110	50-99
DIXIE AMBULANCE SERVICE	587 N 600 W	ST GEORGE	621910	50-99
RED WALL INC	535 N 1300 E	ST GEORGE	238311	50-99

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
THE DRYWALL SHOP INC	952 WESTRIDGE DR	ST GEORGE	238311	50-99
BEST WESTERN ABBEY INN	1129 S BLUFF	ST GEORGE	721110	50-99
DILLARD USA INC	1720 E RED CLIFF DR	ST GEORGE	448140	50-99
RMC FOODS INC	825 N INDUSTRIAL RD	ST GEORGE	424410	50-99
SOUTH RADCO INC	29 N RIVER RD	ST GEORGE	722110	50-99
LABOR READY	421 N BLUFF ST STE #23	ST GEORGE	561320	50-99
REID ASHMAN MANUFACTURING INC	582 N 3050 E	ST GEORGE	334515	50-99
FINDLAY AUTOMOTIVE OF UTAH INC	1333 SUNLAND DR	ST GEORGE	441110	50-99
OS RESTAURANT SERVICES INC	250 N REDCLIFF DR	ST GEORGE	722110	50-99
PASTA FACTORY INC	2 W SAINT GEORGE BLVD	ST GEORGE	722110	50-99
STEPHEN WADE POWER SPORTS LLC	1295 HIGHLAND DR	ST GEORGE	441210	50-99
SUNROC CORP	1051 N BLUFF	ST GEORGE	327320	50-99
SUNROC GRAVEL PIT	3675 RIVER RD	ST GEORGE	212321	50-99
SUNROC CORP	180 N 300 E	ST GEORGE	444190	50-99
SUNROC CORP	180 N 300 E	ST GEORGE	327320	50-99
BIG 5 CORP	245 N RED CLIFFS RD	ST GEORGE	451110	50-99
RIVERWOODS MILL INC	316 E 1400 S	ST GEORGE	337110	50-99
LEARNKEY INC	1845 W SUNSET BLVD	ST GEORGE	512110	50-99
CAFE RIO	471 E ST GEORGE BLVD	ST GEORGE	722211	50-99
SUN RIVER ST GEORGE DEVELOPMENT	1404 W SUN RIVER PKWY	ST GEORGE	237210	50-99
CHILIS	311 N RED CLIFF DR	ST GEORGE	722110	50-99
FABULOUS FREDDYS CAR WASH	134 S RIVER RD	ST GEORGE	811192	50-99
WALLBEDS BY WILDING LLC	3988 S 1540 E	ST GEORGE	561110	50-99
LEGACY OF ST GEORGE LLC	1746 S BLACKIDGE DR	ST GEORGE	441110	50-99
APPLEBEES	150 S RIVER RD	ST GEORGE	722110	50-99
FAMOUS DAVES	393 S RIVER RD	ST GEORGE	722110	50-99
DENNYS RESTAURANT	155 N 1000 E	ST GEORGE	722110	50-99
THE MEADOWS RETIREMENT COMM	950 S 400 E	ST GEORGE	623311	50-99
I WORKS	25 N 100 E #102	ST GEORGE	518111	50-99
RED CANYON CORRAL	42 S RIVER RD	ST GEORGE	722110	50-99

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
STRATEGIC FINANCIAL SERVICES INC	1240 E 100 S STE 2	ST GEORGE	541611	50-99
STAHELI LAUNDRY SERVICES LLC	389 INDUSTRIAL RD STE 7	ST GEORGE	812331	50-99
BUREAU OF LAND MGMT	237 N BLUFF	ST GEORGE	924120	50-99
US POST OFFICE 1ST CLASS	180 N MAIN	ST GEORGE	491110	50-99
INTERMOUNTAIN HEALTH CARE INC	577 S RIVER RD	ST GEORGE	621111	50-99
SUNSET ELEMENTARY	495 WESTRICH DR	ST GEORGE	611110	50-99
PINE VIEW HIGH SCHOOL	750 N 2850 EAST	ST GEORGE	611110	50-99
DIXIE HIGH SCHOOL	350 E 700 SOUTH	ST GEORGE	611110	50-99
DIXIE MIDDLE SCHOOL	825 S 100 EAST	ST GEORGE	611110	50-99
PANARAMA ELEMENTARY	301 N 2200 E	ST GEORGE	611110	50-99
EAST ELEMENTARY	453 S 600 EAST	ST GEORGE	611110	50-99
WEST ELEMENTARY	12 N 300 WEST	ST GEORGE	611110	50-99
DIXIE DOWNS	1230 N 1795 WEST	ST GEORGE	611110	50-99
PINE VIEW MIDDLE SCHOOL	2145 E 130 N	ST GEORGE	611110	50-99
SNOW CANYON MIDDLE SCHOOL	1215 N LAVA FLOW DR	ST GEORGE	611110	50-99
WASHINGTON CO SNOW CANYON HIGH	1385 N LAVA FLOW DR	ST GEORGE	611110	50-99
CORAL CLIFFS ELEMENTARY	2040 W 2000 N	ST GEORGE	611110	50-99
SANDSTONE ELEMENTARY	850 N 2450 E	ST GEORGE	611110	50-99
DESERT HILLS INTERMEDIATE	936 E DESERT VALLEY DR	ST GEORGE	611110	50-99
FOSSIL RIDGE INTERMEDIATE	383 S MALL DRIVE	ST GEORGE	611110	50-99
WASHINGTON COUNTY LIBRARY	50 S MAIN	ST GEORGE	519120	50-99
SOUTHWESTERN UT HEALTH DISTRI	160 N 100 E	ST GEORGE	923120	50-99
JCPENNEY CO INC	1750 E RED CLIFFS DR	ST. GEORGE	452111	50-99
UNITED PARCEL SERVICE	625 N 1400 E	ST. GEORGE	492110	50-99
RUBY TUESDAY	1812 E REDCLIFF	ST. GEORGE	722110	50-99
SMITHS FOOD AND DRUG CTRS	20 N BLUFF ST	ST GEORGE	445110	100-249
SEARS ROEBUCK	1770 E RED CLIFF DR	ST GEORGE	452111	100-249
HARMON CITY--ST GEORGE	1189 E 700 S	ST GEORGE	445110	100-249
BEN FRANKLIN	160 N 500 W	ST GEORGE	451110	100-249
NEWBY BUICK OLDS PONTIAC GMC	1629 S CONVENTION CENTER DR	ST GEORGE	441110	100-249

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
LIN'S SUPERMARKET INC	1930 W SUNSET BLVD	ST GEORGE	445110	100-249
ALBERTSONS	745 N DIXIE DOWNS RD	ST GEORGE	445110	100-249
BOULEVARD FURNITURE	390 N MALL DR	ST GEORGE	442110	100-249
RAM MANUFACTURING CO INC	3172 E DESERET DR	ST GEORGE	332912	100-249
STEPHEN WADE AUTO CENTER	1175 S 150 E	ST GEORGE	441110	100-249
GREEN VALLEY RESORT	1871 W CANYON VIEW DR	ST GEORGE	721110	100-249
COSTCO WHOLESALE	835 N 3050 E	ST GEORGE	452910	100-249
SPECTRUM	275 E ST GEORGE BLVD	ST GEORGE	511110	100-249
ST GEORGE TRUSS COMPANY	3218 E DESERET DR NORTH	ST GEORGE	321214	100-249
WESTERN WATS INTERVIEWING CEN	44 N 800 E	ST GEORGE	541910	100-249
ANDRUS TRANSPORTATION SERV	3185 E DESERET DR	ST GEORGE	484121	100-249
EXPRESS SERVICES INC	344 E SUNLAND DR	ST GEORGE	561320	100-249
AUTO SELECT ST GEORGE FORD LLC	145 HILTON DRIVE	ST GEORGE	441110	100-249
DESERET LABORATORIES INC	1414 E 3850 S	ST GEORGE	325412	100-249
WILSON ELECTRONICS INC	3301 E DESERET DR	ST GEORGE	334220	100-249
RED CLIFFS REGIONAL INC	1745 E 280 N	ST GEORGE	623110	100-249
CINNAMON HILLS YOUTH CRISIS CE	770 E SAINT GEORGE BLVD	ST GEORGE	623220	100-249
LOWES HOME IMPROVEMENT	415 S RIVER ROAD	ST GEORGE	444110	100-249
TARGET CORPORATION	275 S RIVER RD	ST GEORGE	452112	100-249
KOLOB CARE & REHABILITATION	178 S 1200 E	ST GEORGE	623110	100-249
ST GEORGE CITY	175 E 200 NORTH	ST GEORGE	921140	100-249
ST GEORGE CITY POLICE	175 E 200 N	ST GEORGE	922120	100-249
ST GEORGE CITY RECREATION	285 S 400 E	ST GEORGE	713940	100-249
WASHINGTON SCHOOL DISTRICT	189 W TABERNACLE	ST GEORGE	485410	100-249
WASHINGTON SCHOOL DISTRICT	121 W TABERNACLE	ST GEORGE	611110	100-249
SUBSTITUTE EMPLOYEES	189 W TABERNACLE ST	ST GEORGE	611110	100-249
WASHINGTON COUNTY	197 E TABERNACLE	ST GEORGE	921140	100-249
WASHINGTON COUNTY SHERIFF	205 E 200 NORTH	ST GEORGE	922120	100-249
CABINETEC	516 N INDUSTRIAL RD	ST GEORGE	337110	250-499
WAL MART	2610 S PIONEER RD	ST GEORGE	452910	250-499

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
SKYWEST AIRLINES INC	444 S RIVER RD	ST GEORGE	481111	500-999
DIXIE COLLEGE	225 SOUTH 7TH EAST	ST GEORGE	611210	500-999
DIXIE REGIONAL MEDICAL CENTER	544 S 400 E	ST GEORGE	622110	500-999
IHC HOSPITAL	1380 E 480 S	ST GEORGE	622110	1000-1999
SPRINGDALE				
DRIFTWOOD LODGE LLC	1515 ZION PARK BLVD	SPRINGDALE	721110	10-19
SPRINGDALE TOWN	118 LION BLVD	SPRINGDALE	921140	10-19
ZION CANYON VISITOR CENTER	ZION NATIONAL PARK	SPRINGDALE	451211	10-19
CLIFFROSE LODGE AND GARDENS INC	281 ZION PK BLVD	SPRINGDALE	721110	10-19
INDIAN VILLAGE TRADING POST INC	839 ZION PARK BLVD	SPRINGDALE	453220	10-19
ZION PIZZA & NOODLE CO INC	868 ZION PARK NO B1	SPRINGDALE	722211	10-19
ROCKVILLE SPRINGDALE FIRE	1130 ZION PARK BLVD	SPRINGDALE	922160	10-19
ZION CANYON GIANT SCREEN THEA	145 ZION PARK BLVD	SPRINGDALE	512131	10-19
BUMBLEBERRY INN INC	97 BUMBLEBERRY LANE	SPRINGDALE	721110	10-19
CAFE OSCARS	948 ZIONS PARK BLVD	SPRINGDALE	722110	10-19
PARKS TRANSPORTATION INC	ZIONS NATIONAL PARK HWY 9 BUS MNTC	SPRINGDALE	485113	10-19
FLANIGANS INN INC	450 ZION PARK BLVD	SPRINGDALE	721110	10-19
PENTIMENTO	1515 ZION PARK BLVD	SPRINGDALE	722110	10-19
SPRINGDALE ELEMENTARY	898 ZION PARK BLVD	SPRINGDALE	611110	10-19
BIT AND SPUR ASSOCIATES INC	1212 ZION PARK BLVD	SPRINGDALE	722110	20-49
PIONEER LODGE	838 ZION PARK BLVD	SPRINGDALE	721110	20-49
KOLOB CANYON TREATMENT CENT	ZION NATIONAL PARK AREA	SPRINGDALE	624190	20-49
SWITCHBACK GRILL & TRADING CO	1149 S ZION PARK BLVD	SPRINGDALE	722110	20-49
ZIONS DESERT PEARL LC	707 ZION PARK BLVD	SPRINGDALE	721110	20-49
HOTEL MANAGERS GROUP LLC	1215 ZION PARK BLVD	SPRINGDALE	721110	20-49
SPOTTED DOG CAFE	828 ZIONS	SPRINGDALE	722110	20-49
MAJESTIC VIEW LODGE	2400 ZION PARK BLVD	SPRINGDALE	722110	20-49
FALCON RIDGE RANCH INC	633 E HWY 9	SPRINGDALE	623220	20-49
NATIONAL PARK SERVICE	ZIONS CANYON	SPRINGDALE	712190	100-249

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
SANTA CLARA				
NEW DAY AUDIOLOGY AND HEARING	2286 MALAGA AVENUE	SANTA CLARA	522298	10-19
SOLE PROVIDER INC	2251 W SANTA CLARA DR #A	SANTA CLARA	238211	10-19
JAMES M OTTESEN PHD INC	963 COUNTRY LANE	SANTA CLARA	541614	10-19
FREEFLOW PLUMBING INC	754 COUNTRY PLACE	SANTA CLARA	236115	10-19
MAGNESEN & COX, P.C.	2129 RIM VIEW DR	SANTA CLARA	236115	10-19
MEAN BEAN COFFEE HOUSE LLC	1025 LAVA FLOW DR	SANTA CLARA	722211	10-19
ASM INC	3576 SAGEBRUSH DR	SANTA CLARA	236115	10-19
QUESTSTONE MANAGEMENT INC	2144 HAFEN LN	SANTA CLARA	238991	10-19
SENIOR SAMPLER INC	2423 CONCORD AVE	SANTA CLARA	238991	10-19
STAHELI FARMS LLC	1485 N VERNON	SANTA CLARA	238111	20-49
KAREN FULLER PC	945 COUNTRY LN	SANTA CLARA	624410	20-49
WELLS FARGO INVESTMENTS LLC	2460 CATAWBA CIRCLE	SANTA CLARA	561730	20-49
ROBERT C STEVENS	2721 W SANTA CLARA DR	SANTA CLARA	921140	20-49
REL PC	2950 W CRESTVIEW	SANTA CLARA	611110	50-99
ANTHONY TRUCKING INC	2425 RACHEL DR	SANTA CLARA	611110	50-99
TRIPLE S PROPERTIES LC	545 ARROWHEAD TRAIL	SANTA CLARA	611110	50-99
LAVA RIDGE INTERMEDIATE	2425 RACHEL DR	SANTA CLARA	611110	50-99
ARROWHEAD ELEMENTARY	545 ARROWHEAD TRAIL	SANTA CLARA	611110	50-99
TOQUERVILLE				
SCHWANS SALES ENTERPRS INC	MAIN ST	TOQUERVILLE	424490	1-4
DIAMOND G RODEOS INC	991 S TOQUER BLVD	TOQUERVILLE	711310	1-4
GARY W JONES CONCRETE INC	42 W WILLOW LANE	TOQUERVILLE	238111	1-4
MESA VIEW HOUSE INC	1097 S TOQUER BLVD	TOQUERVILLE	623311	1-4
DAVID A WATKINS ENTERPRISES INC	168 W SUNSET BLVD	TOQUERVILLE	711510	1-4
SUN VALLEY LANDSCAPING		TOQUERVILLE	561730	1-4
WENDY J KABONIC	394 S STATE ST	TOQUERVILLE	611610	1-4
KABONIC TIMBER DESIGNS	260 W MT CHARM DR	TOQUERVILLE	236115	1-4

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
MARK D HARRIS	46 E OLD CHURCH RD	TOQUERVILLE	238221	1-4
GEORGES CONCRETE PUMPING INC	1545 CHAPARELL DR	TOQUERVILLE	238192	1-4
ASHBY FRAMING	1005 S WEST FIELDS RD	TOQUERVILLE	236115	1-4
LYNNE CORNIA	1712 CHAPARELL DR	TOQUERVILLE	561720	1-4
DOUBLE DUTY CLEANING SERVICE	279 N HILLSIDE DR	TOQUERVILLE	492110	1-4
DWAYNE EWELL CONSTRUCTION INC	212 W 300 S	TOQUERVILLE	236115	1-4
PEARSON MEATS INC	590 S TOQUER BLVD	TOQUERVILLE	445210	1-4
COLOR COUNTRY APPLIANCE INC	640 S TOQUER BLVD	TOQUERVILLE	811412	1-4
BLUEPRINT INVESTMENT ADVISORS	1658 RIM VIEW DR	TOQUERVILLE	523930	1-4
TOQUERVILLE CITY	212 N TOQUER BLVD	TOQUERVILLE	921140	1-4
VIRGIN				
BUD LEE AND SONS INC	101 RANCH	VIRGIN	327320	5-9
SOUTHERN UTAH PLUMBING & MECH	24 N RULON RD	VIRGIN	238221	5-9
DOUBLE U BUILDERS	233 SOUTH MILL STREET	VIRGIN	238131	5-9
STOUT CONCRETE INC	676 W HWY 9	VIRGIN	238991	10-19
ZION RIVER RESORT	730 E HWY 9	VIRGIN	532292	10-19
VIRGIN TOWN	101 S MILL ST	VIRGIN	921140	10-19
WASHINGTON				
BURTON LUMBER & HARDWARE	222 W INDUSTRIAL DR	WASHINGTON	444190	20-49
HARTS CONVENIENCE STORE	260 S GREEN SPRING DR	WASHINGTON	447110	20-49
PAXMAN HEATING AND COOLING INC	1140 S 1900 E	WASHINGTON	238222	20-49
LITTLE CAESERS PIZZA	875 W RED CLIFFS DR # 6	WASHINGTON	722211	20-49
AT ASPHALT PAVING INC	1300 E WASHINGTON DAM RD	WASHINGTON	238992	20-49
WALKER AND STAHELI INC	28 N 300 W	WASHINGTON	722320	20-49
K AND J STEEL INC	1680 E WASHINGTON DAM RD	WASHINGTON	332312	20-49
ALLIED PACIFIC ENVIRONMENTAL	127 E TELEGRAPH ST	WASHINGTON	561730	20-49
A TRUSS INC	1350 E WASHINGTON DAM RD	WASHINGTON	321214	20-49
LARSEN PLUMBING INC	1480 S SANDHILL DR	WASHINGTON	238221	20-49

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
SUNCOR DEVELOPMENT CO INC	2303 N CORAL CANYON BLVD STE 200	WASHINGTON	237210	20-49
BIG LOTS STORES INC.	935 W RED CLIFF DR	WASHINGTON	452990	20-49
PETCO ANIMAL SUPPLIES STORES	765 W TELEGRAPH ST	WASHINGTON	453910	20-49
TOTALSOURCE II, INC.	1425 W RED LEDGE RD STE 101	WASHINGTON	446191	20-49
BIG CITY INSULATION INC	1140 S 1900 E # 2	WASHINGTON	238311	20-49
BURGER KING	975 W REDCLIFF DR	WASHINGTON	722211	20-49
B AND B STUCCO & STONE	145 E 600 N	WASHINGTON	238311	20-49
WASHINGTON DRIVE IN INC	562 E TELEGRAPH ST	WASHINGTON	722211	20-49
HERM HUGHES & SONS INC	62 W INDUSTRIAL DR	WASHINGTON	236220	20-49
TURNING POINT FAMILY CARE INC	115 N 300 W B200	WASHINGTON	624110	20-49
COLOR COUNTRY PRECAST LLC	990 S 100 E	WASHINGTON	238121	20-49
DISCOVERY CLUBHOUSE	248 PLAYA DELLA ROSITA	WASHINGTON	624410	20-49
JACK IN THE BOX INC.	775 W TELEGRAPH ST	WASHINGTON	722211	20-49
MILLCREEK HIGH SCHOOL	25 E TELEGRAPH ST	WASHINGTON	611110	20-49
CITY OF WASHINGTON	110 NORTH MAIN ST	WASHINGTON	921140	20-49
WASHINGTON CITY PUBLIC WORKS-POWER	111 N 100 E	WASHINGTON	926130	20-49
WASHINGTON CITY GOLF COURSE	588 N GREEN SPRINGS DR	WASHINGTON	713910	20-49
NIELS FUGAL SONS COMPANY LLC	16 W INDUSTRIAL RD	WASHINGTON	237130	50-99
ALBERTSONS INC	915 W REDCLIFF DR	WASHINGTON	445110	50-99
STEEL STRUCTURES INC	37 W INDUSTRIAL RD	WASHINGTON	332312	50-99
RIVERBEND EXPRESS LLC	1391 W REDLEDGE RD	WASHINGTON	484121	50-99
SORDENS CAST CRETE INC	990 S 100 E	WASHINGTON	238122	50-99
SUNCOR RESORT & GOLF MANAGEMENT INC	1925 N CANYON GREEN DR	WASHINGTON	713910	50-99
WEST DRYWALL INC	2106 ALVEO DR	WASHINGTON	238311	50-99
BEST BUY STORES	844 W TELEGRAPH ST	WASHINGTON	443112	50-99
GREEN VALLEY CABINETS INC	1529 S SANDHILL DR	WASHINGTON	337110	50-99
MESQUITE DT LLC	786 W TELEGRAPH ST	WASHINGTON	722211	50-99
MENTORING OF AMERICA	24 PLAYA DELLA ROSITA STE 6	WASHINGTON	561422	50-99
WASHINGTON SCHOOL DISTRICT	300 N 300 EAST	WASHINGTON	611110	50-99
RIVERSIDE ELEMENTARY	2500 S HARVEST LAND	WASHINGTON	611110	50-99

Major Employers In Washington County by Submarket City, 2006.

Business Name	Business Address	Business City	NAICS	Employee Range
HOME DEPOT USA INC	725 W TELEGRAPH RD	WASHINGTON	444110	100-249
WAL MART	625 W TELEGRAPH	WASHINGTON	452910	250-499

Source: State of Utah, Department of Workforce Services and Strategic Planning Group, Inc. 2006.

Tools for Implementing Affordable/Workforce Housing

	Name of Program	Description	Demand/ Income	Supply	Rank By Importance 1 - 5
1	Accessory Dwelling Units	An additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot.		X	
2	Adaptive Reuse	This technique involves the conversion of surplus and/or outmoded buildings including old school buildings, hospitals, train stations, warehouses, factories, etc., to economically viable new uses. In its broadest application, adaptive reuse projects are aimed at conserving, preserving, and recycling surplus property by adapting older buildings to current market needs.		X	
3	Adopt design and building guidelines which promote affordable housing	County and municipal evaluation and adoption of revised design and building guidelines which encourage and accept the use of materials and features which make housing more affordable. Follow-up may also include adoption of code revisions and policies which encourage mixed-income housing developments.		X	
4	Affordable Assisted Living	The resident should be able to pay for care in an assisted living facility with his or her current income and eligible benefits and still retain sufficient funds for health insurance premiums, unreimbursed medical expenses, and a small personal needs allowance or 5% of their income (whichever is higher). The facility should be able to provide a private room and at least one personal care service for at least 50% of its residents who earn no more than 300% of Supplemental Security Income, currently $1,656/month, or provide these services at a rate that is affordable to the resident for no more than current income and eligible benefits plus a personal needs allowance. Facilities should be able to serve this clientele and operate at or near market rate. The state and federal government should not pay more than two thirds of the current Medicaid nursing home rate for room rental, meals, and assisted living services, using all available public reimbursements. Committee on Affordable Assisted Living Facilities.		X	
5	Affordable Housing Guarantee Program	Encourages affordable housing lending activities through the issuance of guarantees on the obligations incurred in obtaining financing for affordable housing. The Program does not provide direct funding of developments; it facilitates direct funding by reducing the lender's risk through the issuance of a guarantee.		X	
6	Affordable Housing Land Trust	Eliminates land cost from house price; long-term house affordability for buyers/owners. (See Housing Trust Fund)		X	
7	Affordable Housing Program - AHP	Subsidizes the interest rates for loans and provides direct subsidies to Federal Home Loan Bank members (financial institutions) engaged in lending to local governments and for- and non-profit corporations for affordable housing to be occupied by very low (50% or less of ami) and low income (80% or less of ami) persons. Generally, AHP funds are leveraged with other sources of funds. Pre-development grants are also available for up to $100,000 and are recoverable when property achieves permanent financing.		X	
8	American Dream Down payment Initiative	Assists buyers with down payment.	X		
9	Bonus Densities	Incentive for developers		X	
10	Bridge Loans	Provide capital.		X	
11	Brownfields Funding	Provide capital.		X	
12	Cluster Subdivisions	This technique provides for the clustering of housing units within a residential development (usually single-family detached- or attached-housing) on lots smaller than those normally allowed under existing zoning, usually with the provision that the land that is saved be set aside permanently as open space.		X	
13	Community Development Block Grant - CDBG	The CDBG funding program is one of the oldest entitlement programs offered by HUD. The CDBG program provides annual grants on a formula basis to many different types of guarantees through several funding streams. These funds are primarily used for local infrastructure improvements and community reinvestment projects, but funding is also used to provide some housing assistance, typically for rehabilitation activities but also for down payment assistance to very low and low income families. These funds are often leveraged with HOME funds to provide a greater assistance to each applicant.	X	X	
14	Community Redevelopment Agency	Captures available CRA monies and requires affordable housing as a part of redevelopment efforts. The elimination and prevention of the development or spread of slums and blight, or for the reduction or prevention of crime, or for the provision of affordable housing, whether for rent or for sale, to residents of low or moderate income, including the elderly, and may include slum clearance and redevelopment in a community redevelopment area or rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed, or rehabilitation or conservation in a community redevelopment area, or any combination or part thereof, in accordance with a community redevelopment plan and may include the preparation of such a plan., F.S. 163.340.	X	X	

Tools for Implementing Affordable/Workforce Housing

15	Community Reinvestment Act Requirements	Bank investment in low-income neighborhoods. Encourage investment in ownership housing in low-income neighborhoods	X	X	
16	Comprehensive and on-going training/information program for builders/housing professionals	Creation and/or enhancement of county and/or municipal sponsored programs.		X	
17	Coordinate with social service providers and support "supportive," "transitional" and "elderly housing"	It has been indicated that correlation exists between those persons who need affordable housing and social services. County and municipal review, revision and enhancement, as necessary, of coordination between and support of social service and affordable housing providers/developers is required.		X	
18	County/municipal "subordinated second mortgage program"	This program type would provide a second mortgage funding opportunity to close the gap between the purchase price of a home and household income buying power. County and/or municipal funding source approval and implementation required.	X		
19	County-wide and/or municipal efforts to identify and promote infill sites appropriate for mixed uses, including affordable housing	County and/or municipal sponsored planning study and analysis to identify suitable sites or areas, in conjunction with evaluation and adoption of appropriate land use planning policies and land development regulations.		X	
20	Create and regularly update data base and projections regarding supply and need for affordable housing	Create and update data base for Washington County and its communities. Funding support from County and/or other local sources.		X	
21	Create partnerships with Housing Authorities (including enhanced funding). Enhance the use/programs of Housing Authorities	Generally, housing authorities provide rental housing for eligible and low-income families, the elderly and persons with disabilities, and manage public housing sites. Enhanced funding and resources from various supporting governmental agencies, such as county and municipalities.		X	
22	Creative Mortgages	Lower monthly payments.	X	X	
23	Deed Restrictions	Preserve the existing supply of affordable housing.		X	
24	Dedicated source of funds from property tax value increases	A fund that includes a portion of revenues anticipated from property tax increases to support affordable housing programs. Requires adoption within a county and/or municipal budget or program.	X	X	
25	Density Bonuses	Allows a developer to build more units within a project than would otherwise be permitted under normal density limits. Both zoning and subdivision regulations can be modified to allow density bonuses.		X	
26	Earned Income Tax Credit	Source of $ to use for down payment, other major purchases, or education.	X		
27	Elderly Housing	Provides elderly people on fixed, low incomes decent rental apartments.	X		
28	Emergency Financial Assistance for Housing	A one-time payment of up to $400 to families who are totally without shelter or face the loss of shelter because of nonpayment of rent or mortgage. It also helps those families who have had household disasters such as fire, flood, or other accidents.		X	
29	Enhance the use/programs of Housing Authorities	Generally, housing authorities provide rental housing for eligible and low-income families, the elderly and persons with disabilities, and manage public housing sites. Enhanced funding and resources from various supporting governmental agencies, such as	X	X	
30	Enhanced "first-time homebuyer" programs	Generally, such programs provide below market interest rate mortgage loans through a network of participating lenders to eligible families and individuals who are purchasing their first home or who have not owned a home over a defined period.	X		
31	"On-line" application and permit tracking systems	This involves the use of computerized technology to facilitate permitting process. County and/or municipal identification and implementation of computerized permitting and tracking systems.		X	
32	Enhanced use of "tax increment financing" (TIF) areas and mechanisms	Could involve allocation of TIF funds to support specific affordable housing programs. Requires inclusion of additional or new affordable housing funding programs for existing or proposed TIF areas.	X	X	
33	Escheatment	Provide additional resource for affordable housing.	X	X	
34	Expand "fast-tract" permitting for affordable housing	County and/or municipal re-evaluation and revision to current or enactment of new fee waivers.		X	
35	Expand Washington County's program of providing vacant lots for affordable housing	Action would be required by the Washington County Commission to revise/expand program. Municipalities may also partner with the County and/or expand/create individual programs.		X	

Tools for Implementing Affordable/Workforce Housing

36	Expedited Permitting	Expedite building process. Lower development costs.	X	X	
37	Exemption from Impact Fees	Recognizing that impact fees can have a negative effect on the construction of affordable housing, some jurisdictions have enacted measures to reduce or waive such fees for projects that include affordable housing units.	X		
38	Fair Share Allocations	To quantify each local governments responsibility for providing affordable housing to meet local needs.		X	
39	Fannie Mae	Sets Lender Programs & Products; Establishes Underwriting Criteria for Lenders; Promotes homeownership.	X		
40	Federal Home Loan Bank - FHLB	Makes AHP funds available by competitive application.		X	
41	Federal Home Loan Bank - FHLB Community Investment Program - CIP	The CIP is a targeted housing and economic development loan program which provides funds for community-oriented mortgage lending. CIP funds are available as advances, or loans, to FHLB members.		X	
42	Flexible Zoning	Reduces construction restraints that impede the development of affordable housing.		X	
43	Freddie Mac	Same as Fannie Mae	X		
44	General public out-reach/education regarding the need for, ways to achieve, and benefits of affordable housing	Creation and/or enhancement of county/municipal/developer/non-profit/etc.-sponsored programs.	X		
45	Government partnerships with non-profits/development community	Generally involves creation of programs to maximize resources, funding and options to support or provide affordable housing. County and/or municipal agency approval and implementation of agreements with appropriate non-profits/developers required.	X	X	
46	Green Building	Energy efficient development that lowers utility bills.	X		
47	Home Investment Partnerships Program - HOME	The Home Investment Partnership Program (HOME), which is funded through HUD, provides formula grants to state and local governments, often in partnership with local non-profit groups, to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing of rent or homeownership.		X	
48	Homeless Support	Emergency and short-term shelter for homeless people.		X	
49	Homeowner Education Classes	Prepare buyers for homeownership and foreclosure prevention.	X		
50	Establish a Home-Ownership Assistance Program - HAP	Three subprograms make up HAP - Construction, Down Payment Assistance, and Permanent Loan. Construction provides below market interest rate loans to nonprofit developers and sponsors for the construction or substantial rehabilitation of single-family residences. Down Payment Assistance provides a $2,500 zero-interest, second mortgage loan to first-time, low-income home buyers. Permanent Loan provides a zero-interest, second mortgage loan of the lower of: (1) 10% of the home purchase price, $10,000, or the amount needed to complete the transaction for persons with incomes between 65.01 to 80% of the area median; and (2) 25% of the home purchase price, $15,000, or the amount needed to close the transaction for persons with incomes up to 65% of the area median income.		X	
51	HOPE VI	The Hope VI Program, funded by HUD, assist local public housing authorities with improving the living environment for residents of severely distressed public housing projects by creating mixed income housing developments. These developments are intended to change the physical shape and design of public housing and to place public housing recipients in non-poverty neighborhoods, effectively creating mixed-income communities.	X		
52	Housing Authorities	Provide affordable housing; increase homeownership through rent-to-own programs.	X	X	
53	Housing Credits - HC	Governed by the U.S. Department of the Treasury. Successful applicants are provided with a dollar-for-dollar reduction in federal tax liability in exchange for the development or rehabilitation of units to be occupied by very low- and low-income households. Developers who cannot use the tax reduction may sell credits in exchange for equity to the development.	X	X	
54	Housing Opportunities for People with Aids - HOPWA	Provides housing assistance and related supportive services for low-income persons with HIV/AIDS and their families.	X		
55	Housing Trust Funds	Create a receiving entity for a committed public revenue. (See Affordable Housing Trust Fund)	X		
56	Inclusionary Zoning	A technique applied to new housing developments in which a certain portion of the units being constructed are set aside to be affordable to low- and moderate-income home buyers. This may be applied to both rental and owned units and single-or multi-family housing projects.		X	
57	Increase time periods for which subsidized/regulated housing remains affordable	The Washington County Land Use Plan established a principal wherein, affordable housing have "bonus density" provisions that require bonus affordable units to remain affordable for five years for owner-occupied housing and 15 years for rental housing. Revision to the Washington County Land Use Plan would require amendment to the "Administrative Rules Document" by the Washington County Planning Council. Changes to other programs would require state/county/municipal action.		X	

Tools for Implementing Affordable/Workforce Housing

58	Individual Development Accounts	Source of $ to use for house down payment, higher education, major purchase.	X		
59	Infill Development	Infill refers to development that takes place on land within built-up urban areas that has been passed over for various reasons during previous development phases and has remained vacant or underutilized.		X	
60	Information Providing/Public Relations	Better information sharing for greater efficiency.	X		
61	In-Lieu Payments	Provide additional resource for construction of affordable housing.		X	
62	Land Development Regulations	Provide flexibility without protecting the integrity of affordable housing.		X	
63	Land Donations to Nonprofits	Develop an entity that can accept land donations from public and private sources.		X	
64	Land Trusts	Create affordable housing in perpetuity.	X	X	
65	Land Use	Maximize opportunities to create affordable housing		X	
66	Lease/Purchase	Provides method of saving down payment money for renters wanting to own.	X		
67	Linkage Fee for large retail/commercial employers	A mitigation or impact-type fee imposed on large, generally lower-wage paying employers based on a finding or correlation that such employers generate an area need for affordable housing. Requires revision to county and/or municipal land development regulations.	X	X	
68	Living Wage	Pay wages that keep up with inflation and increasing costs of living.	X		
69	Location Efficient Mortgages	Qualify low-income buyers for higher than normal mortgages	X		
70	Low Income Housing Tax Credit (LIHTC) Pr	The Low Income Housing Tax Credit (LIHTC) Program authorizes states to issue Federal tax credits for the acquisition, rehabilitation, or new construction of affordable rental hosing. The credits can be used by property owners to offset taxes on other income, and are generally sold to real estate investors for the purpose of raising initial development funds for a project.		X	
71	Matching Funds for Down payment Assistance	Help low-income people accumulate money for down payment.	X		
72	Mandatory requirements or voluntary inclusionary goals, with bonus densities, and targets for new large-scale residential developments.	"Inclusionary" programs involve defined requirements or encouraged targets for affordable housing within described areas or specific residential development projects. Mandatory requirements would involve revision to State and/or county and/or municipal law. Non-mandatory goals or targets may require revision to comprehensive plan policies and/or other county/municipal development review requirements.		X	
73	Minimum Wage Increase	Higher, more sustainable wages for lowest income workers in our society. A "wage" for all hours worked.	X		
74	Mixed-Use Development	This is an example of flexible zoning which allows various types of land uses, including office, commercial, residential, and in some cases, light industrial or manufacturing, to be combined within a single development or district. A major purpose is to allow a balanced mix of office, commercial, and residential uses in close proximity to increase convenience to residents and reduce the number of shopping and/or commuting trips needed.		X	
75	Mobile/Manufactured Housing	A structure, originally designed and constructed to be transportable in one or more sections, that is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities that include plumbing, heating and electrical systems contained therein. The structure must comply with the National Mobile Home Construction and Safety Standards Act of 1974 as administered by the U.S. Department of Housing and Urban Development and as adopted in RCW 43.22, if applicable."		X	
76	Mortgage Revenue Bond Program, Rental - MRB	The Multifamily Bond Program utilizes funds generated from the sale of both taxable and tax-exempt bonds to make below-market interest rate loans to nonprofit and for-profit developers of rental housing. Developers that receive tax exempt financing also receive automatic 4% Housing Credits directly from the federal government.		X	
77	Mortgage Tax Credit	Mortgage Credit Certificate (MCC) allows the homebuyer to claim a dollar for dollar tax credit against their federal tax liability for some portion of the mortgage interest paid per year. A MCC may be issued to homebuyers at tax credit rates varying from 10 to 50% based on the mortgage interest paid per year capped at $2,000 annually. The credit is non-refundable but may be carried forward for a period up to three years.	X		
78	Multi-Family Mortgage Revenue Bonds	The Multifamily Mortgage Revenue Bond Program allows local housing finance agencies to issue taxable and tax-exempt mortgage revenue bonds that provide financing at lower-than- market rates for development where: 1) developments must set aside at least 20% of the units for persons or families at 50% or below the AMI, or 2) developments that set aside 40% of the units for households with incomes at 60% AMI or below.		X	

Tools for Implementing Affordable/Workforce Housing

79	New Market Tax Credits	A new Federal program to provide capital for non-residential development. Could be used for mixed use developments.		X	
80	Office/Housing Linkage	This refers to a variety of programs that either require or induce developers of commercial office buildings, or other nonresidential building projects, to directly construct or make financial contributions toward the construction of market-rate or affordable housing. Linkage programs make developer compliance or participation a condition for permit approval or a prerequisite for receiving some type of development incentive (usually an increase in allowable density). Linkage provisions may apply either to new construction or expansion of existing space.	X	X	
81	Off-site Donations/Construction	Provide additional resource for construction of affordable housing.		X	
82	"One-stop shop" permitting for Washington County/municipalities	This would generally involve County/municipal colocation or consolidation of land development permitting functions. Requires County/municipal agreement and implementation.		X	
83	Partnerships for Housing	Coherent housing policies, Increased subsidy $ & sources, Reduce red tape, Centralize & expand housing info/awareness, Increase stock of affordable housing.		X	
84	Partnership with School Board and/or other appropriate agencies to provide housing	The Washington County School Board is a source for Land programs designed to offer affordable housing to eligible public school personnel.		X	
85	Payment in Lieu of Taxes	Provide a dedicated source of funding.	X		
86	Performance/Impact Zoning	A type of flexible zoning that determines land-use locations and characteristics through the application of a system of performance criteria, which establish basic development standards and limitations, and specify the conditions under which developments will be allowed.		X	
87	Planned Unit Development	Give developers an increased level of flexibility in the overall design of residential projects in exchange for a higher quality of development. PUD ordinances often allow developers greater latitude in locating buildings on the development site, mixing various housing types and densities, and land uses, and in some cases grant density increases over those normally allowed in the zoning ordinance.		X	
88	Promote retention and creation of rental unit supply	It has been indicated that the increase in the market value of residential properties, with the concurrent increase in tax assessment values, has significantly impacted the rental housing stock by resulting in substantial increases in rents and encouraging rental property owners to seek conversion of rental units to owner-occupied units. Enhanced rental payment assistance would require additional funding from federal/state/county/municipal level. Revisions to property tax assessment methods to address rental housing may require state legislation.		X	
89	Property tax abatement programs	Tax abatement program for the purpose of retaining existing rental stock (e.g., recent Property Appraiser program to tax such units on "income approach, not "fair market value" of comparable units). Continuance and expansion of existing methods implemented by the Property Appraiser. New methods may require revision to State law.	X	X	
90	Public/Private Partnerships	Creates coherent housing policies; increases subsidy money and sources, reduces red tape, centralizes and expands housing information/awareness, increases stock of affordable housing.		X	
91	Publicly owned housing leasing program, such as a Community Land Trust program	Generally, this is a nonprofit program that administers perpetually owned land on which houses priced for moderate-income or lower-income families are built of remodeled. Price controls on those homes for the initial sale and every sale thereafter would be imposed. More than 160 land trusts have been created nationwide for affordable housing. May be sponsored by municipality and/or county and/or independent agency(ies).	X		
92	Real estate resale transfer tax	Taxes that are assessed on real property when ownership of the property is transferred between parties. Similar to Washington County Habitat Conservation Plan Tax.		X	
93	Reduce time/complexity of land use plan revisions	State, county (including Washington County Planning Council) and municipal re-evaluation and revision of review and approval process. It is noted that state law currently limits revisions to twice a year for regular county and municipal land use plan amendments.		X	
94	Rehabilitation Programs	Preserve and upgrade ownership of housing in lower income neighborhoods.	X		
95	Rent Controls	Keeps rents at affordable levels. Prevent gentrification of low-income renters.	X		
96	Reverse Mortgages	Provides income stream for elderly and those with long-term illness while enabling them to keep their homes.	X		
97	Revise density provisions for efficiencies/single room occupancy units	The WCLUP currently counts efficiency/single-room occupancy units as full dwelling units. Consideration could be given to count such units for density calculation purposes, as less than full dwelling units. Revision of the WCLUP required.		X	
98	Revise existing Washington County Land Use Plan (WCLUP) affordable housing density bonus provisions	Current density bonus provisions allow density only for additional affordable units. Concept under evaluation would permit a bonus density blend of market-rate units with affordable units.		X	

Tools for Implementing Affordable/Workforce Housing

99	Revise policy requirements and comment and analysis regarding affordable housing during land-use amendment/rezoning reviews.	Currently, the consideration of affordable housing is minimal. Comprehensive plans to strengthen policy requirements regarding the availability and provision of affordable housing as part of land-use plan amendment/rezoning reviews. It is noted that a land use plan amendment policy is pending approval which will enhance Washington County and municipal review and coordination regarding affordable housing issues as part of the review of proposed "Local Activity Center" and "Regional Activity Center" proposals.		X	
100	Rewrite existing municipal codes to reduce the need for variance requests and more easily allow mixed uses	Currently, many municipal land development codes favor the development of single-use, low-density, high square footage, large-lot oriented residential uses. Revision of municipal land development codes would be required.		X	
101	Rezoning Vacant Land for Residential Use	This technique involves amending the comprehensive plan and rezoning surplus industrial and/or commercial land for residential uses. It can include land zoned for office, commercial, and industrial uses, as well as underutilized agricultural land and surplus land owned by public entities.		X	
102	Sales Tax	Increase funding for housing.		X	
103	Section 202 Supportive Housing for the Elderly	HUD provides interest-free capital advances to private, nonprofit sponsors to finance the development of supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years.		X	
104	Section 8 Housing Choice Voucher Program	The Section 8 Housing Choice Voucher program provides rental vouchers to qualifying very-low income families, the elderly and the disabled to use on the open market for rental housing. These rental vouchers provide renters with the ability to choose the location and type of home they prefer and promote the deconcentration and disbursement of very-low income households throughout the community.	X		
105	Section 8 Single Room Occupancy Moderate Rehabilitation - SRO	Provides Section 8 rental assistance for moderate rehabilitation of buildings with SRO units-single-room dwellings, designed for the use of an individual, that often do not contain food preparation or sanitary facilities. The SRO provides rental assistance to owners for the cost of some rehabilitation, ownership, and maintenance of SRO units.		X	
106	Section 811 Supportive Housing for Persons with Disabilities	HUD provides interest-free capital advances to private, nonprofit sponsors to finance the development of rental housing such as independent living projects, condominium units and small group homes with the availability of supportive services for persons with disabilities. Similar to Section 202 .		X	
107	Seek additional permitted dwelling units as part of Washington County Land Use Plan specifically to facilitate the construction of affordable housing.	Creation "pool" of available units, beyond that which is currently available, would require revision of the Land Use Plan	X		
108	Small Lots and Small Lot Districts	Allowing a reduction in minimum lot sizes for single-family detached or attached housing is a basic technique for reducing residential development costs. Small lot developments, whether in a cluster or traditional "grid pattern" subdivision, increase density and the opportunity for affordable housing.		X	
109	Soft Second Mortgages	Provide buyers money for down payment and closing costs and reduce monthly mortgage payments.	X		
110	Subdivision/Development Standards	Communities can lower the costs of creating affordable housing by re-evaluating their subdivision ordinances and updating or modifying regulations where possible. Minimum requirements can often be lowered to reflect actual projected usage and needs.		X	
111	Support density increases in appropriate redevelopment, transit-oriented, mixed-use and currently designated nonresidential areas	Development of housing in higher-density and transit-oriented areas may facilitate a reduction of the per-unit costs of housing and also reduce household transportation costs. Municipal, county and state approval of proposals for the land-use classifications are required.	X	X	
112	Tax Abatements	Lessen the cost of homeownership for low-income persons. Make housing more affordable in a specific area or for a specific population.	X		
113	Tax Exempt Bond Financing	Low interest rate loans and the "automatic" availability of 4% tax credits. (LIHTC)	X		
114	Tax Increment Financing	Mandatory set-aside of revenue for affordable housing.	X		
115	Thirty-50 year Mortgages	Reduction of monthly principal & interest payments.	X		
116	Transfer of Development Rights	These programs have been implemented in a number of cities across the country as a means of generating funds for the preservation and/or rehabilitation of low- and moderate-income housing primarily in downtown areas. TDR programs have also been used as a means for preserving historic landmark structures, open space, and agricultural land.		X	
117	Transit-oriented Design	Create affordable housing in geographic areas that will lead to lower cost of living in other areas. Establish creative loan products in conjunction with housing near transit.	X	X	

Tools for Implementing Affordable/Workforce Housing

118	Transitional Housing	Moves renters into homeownership.	X		
119	Upzoning (Higher Density)	Upzoning involves the selective rezoning of residential land to allow greater density (measured by the number of housing units that can be placed on a parcel of land).		X	
120	Urban Infill and Redevelopment Areas	Legislative intent: Fiscally strong urban centers are beneficial to regional and state economies and resources, are a method for reduction of future urban sprawl, and should be promoted by state, regional, and local governments.		X	
121	Urban Infill and Redevelopment Assistance Program	A local government may allocate grant money to special districts, including community redevelopment agencies, and nonprofit community development organizations to implement projects consistent with an adopted urban infill and redevelopment plan or plan employed in lieu thereof.		X	
122	U.S. Dept. of Agriculture, Rural Housing Services - USDA/RHS	Various programs available to aid in the development of rural America, such as 502 Direct Loan Program, Housing Preservation Grants, Guarantee Housing Program - single and multifamily, and Self-Help Housing Loans for single family and Rural Rental Housing Loans, Rental Assistance, Farm Labor Housing Loans and Grants, Congregate Housing and Group Homes, and Rural Housing Site Loans for multifamily.	X	X	
123	Variances	Increase the accessibility of variances to developers of affordable housing; require localities to offer a specified amount of incentives in exchange for development of a percentage affordable housing.		X	
124	Zero Lot Line Development (ZLL)	This is a technique used in small lot housing developments (including planned units developments and development in small lot districts) to preserve some of the privacy and yard usefulness that is characteristic of single-family dwellings and to enhance their aesthetic appeal.		X	