

6-MODERATE INCOME HOUSING

CHAPTER 6 – MODERATE INCOME HOUSING

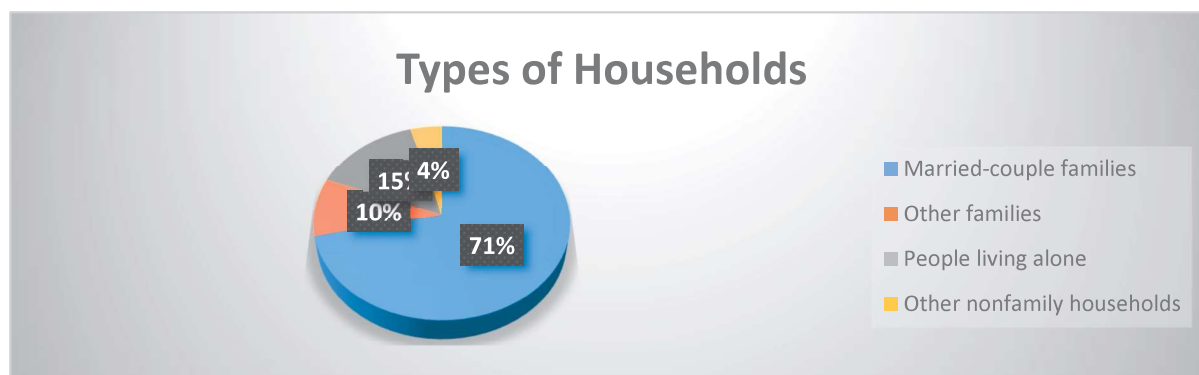
6.1 – WHAT WE KNOW

PROVIDENCE CITY AFFORDABLE HOUSING NEEDS ASSESSMENT

The following information in *italics* is taken from the US Census American Community Survey 2013 – 2017 5-Year Narrative Profile.

Households and Families

In 2013-2017, there were 2,355 households in the City. The average household size was 3.17 people. Families made up 80.9 percent of the households. This figure includes both married-couple families (71.3 percent) and other families (9.6 percent). Female householder families with no husband present and own children under 18 years are 3.5 percent of all households. Nonfamily households made up 19.1 percent [people living alone – 14.8%, other nonfamily households – 4.3%] of all households.



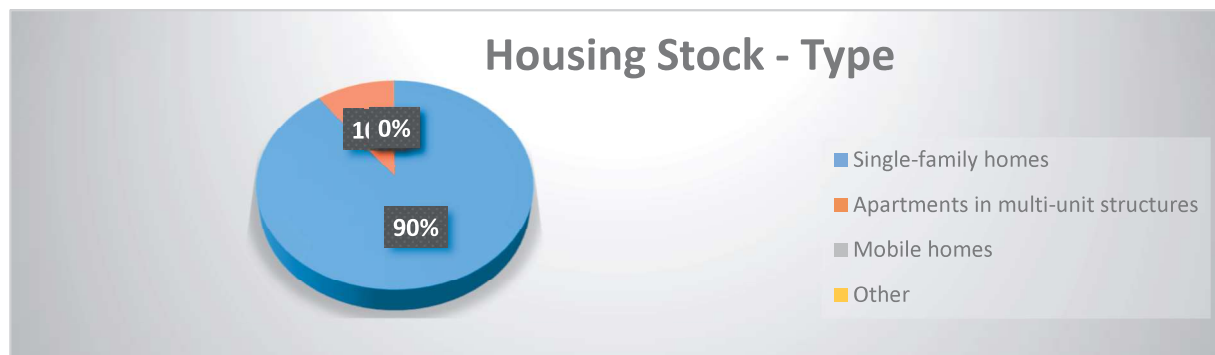
In the City, 41.0 percent of all households have one or more people under the age of 18; 30.0 percent of all households have one or more people 65 years and over.

Among persons 15 and older, 66.5 percent of males and 63.8 percent of females are currently married. 159 grandparents lived with their grandchildren under 18 years old. Of those grandparents, 0.0 percent were responsible for the basic needs of their grandchildren.

Housing Stock

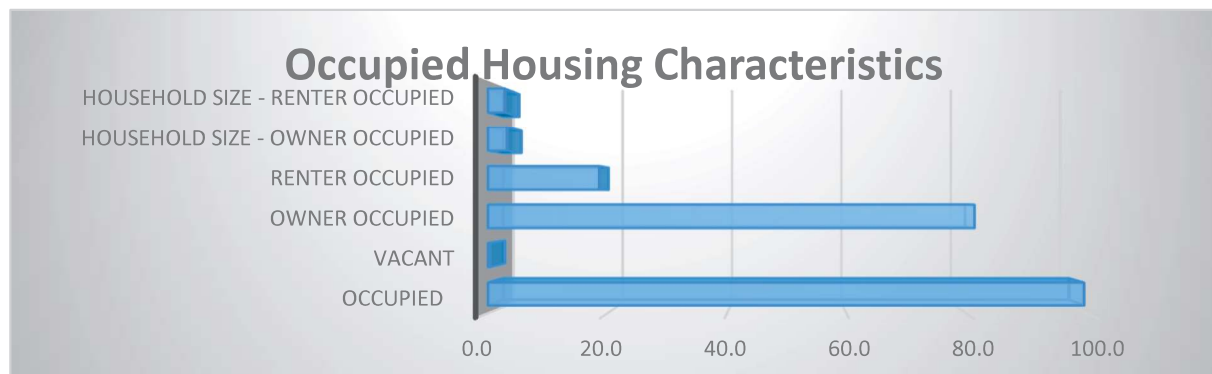
In 2013-2017, the City had a total of 2,362 housing units. Of these housing units, 90 percent were single-family houses either not attached to any other structure or attached to one or more structures (commonly referred to as “townhomes” or “row houses”). 9.9 percent of the housing units were located in multi-unit structures, or those buildings that contained two or more apartments. 0.2 percent were mobile homes, while any remaining housing units were classified at “other”, which included boats, recreation vehicles, vans, etc.

In 2013-2017, the median property value for owner-occupied houses was \$253,000.



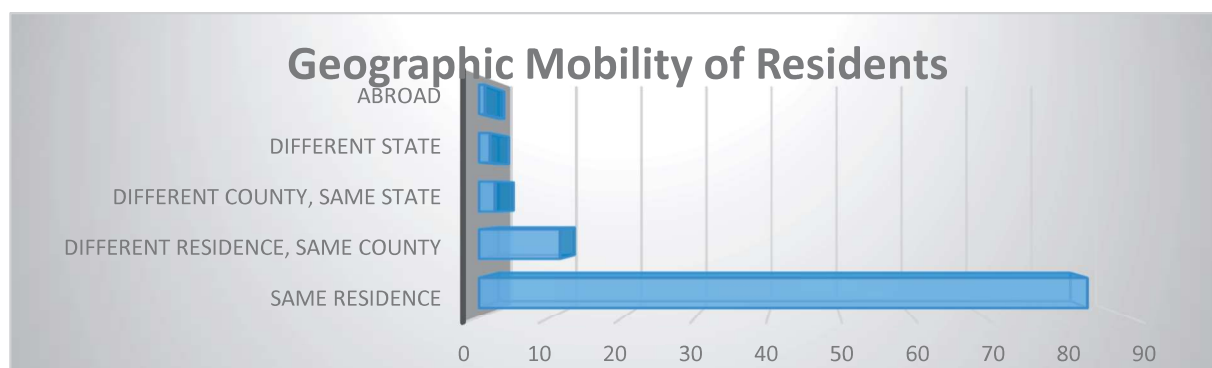
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In 2017, the City had 2,260 housing units that were occupied, while the remaining 7 were vacant. Of the occupied housing units, the percentage of these houses occupied by owners (also known as the homeownership rate) was 80.7 percent, while renters occupied 19.3 percent. The average household size of owner-occupied houses was 3.25 and in renter-occupied houses it was 2.84.



11 percent of housholders of these occupied houses had moved into their house since 2015, while 7.7 percent moved into their house in 1979 or earlier.

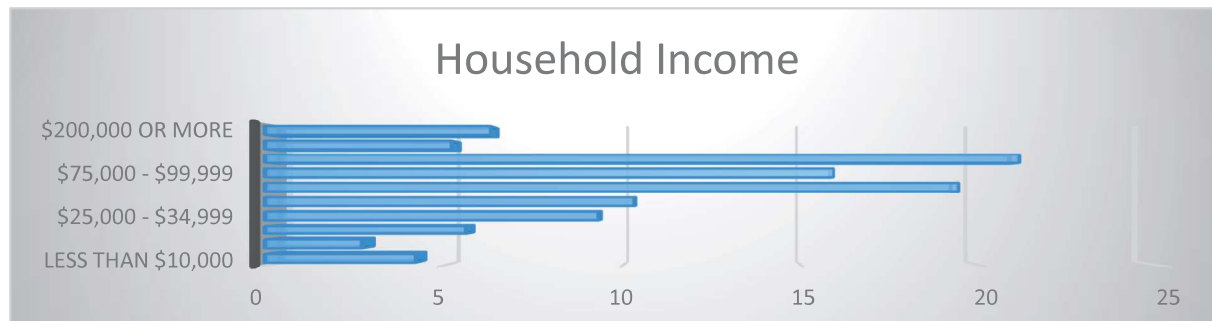
84.3 percent of the people at least one year old were living in the same residence one year earlier; 11.2 percent – different residence, same county; 2.2 percent – different county, same state; 1.5 percent – different state; 0.8 percent – abroad



Households without a vehicle available for personal use comprised 2.5 percent and another 36.3 percent had three or more vehicles for use.

Household Income & Needs

The median household income in Providence is \$73,056, which is \$19,244 above the area median income (AMI) for Cache County (\$53,812). An estimated 4.2 percent of households had income below \$10,000 a year and 6.3 percent had income over \$200,000 or more.



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Using the area median income (AMI) for Cache County (\$53,812), 5.0 percent of the households in Providence earn less than or equal to 30 percent of AMI, 10.1 percent earn between 30 and 50 percent of AMI, 14.4 percent earn between 51 and 80 percent of AMI, 8.3 percent earn between 81 and 100 percent of AMI, and 62.2 percent earn more than 100 percent of AMI. Households that earn a moderate income (80 percent of AMI) or less make up 29.6 percent of Providence's population. (Information taken from the US Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy)

Summary of Affordability

Household Income	Maximum Monthly Income for Housing Expenses	Maximum Mortgage Loan Amount
<i>≤30% AMI</i>	\$379	\$42,700
<i>>30% to ≤50% AMI</i>	\$631	\$66,876
<i>>50% to ≤80% AMI</i>	\$1,010	\$167,830
<i>>80% to ≤100% AMI</i>	\$1,262	\$235,133

Housing Affordability and Cost Burden

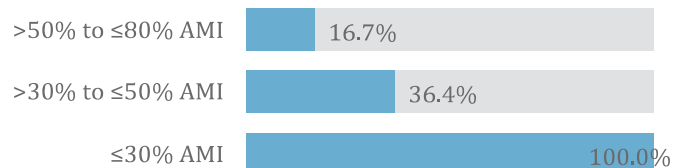
Housing is considered affordable when households—regardless of their income—spend no more than 30 percent of their monthly income on housing expenses. Therefore, cost-burdened households are those households whose housing expenses exceed 30 percent of their monthly income. Based on this definition, 82.2 percent of Providence's renter households that earn a moderate income or less and 55.6 percent of the city's owner households that earn a moderate income or less are cost burdened, which indicates that Providence's residents would benefit from additional affordable rental and ownership options.

Cost Burdened Renter Households

Households Spending 30% or More of Monthly Income on Housing (by Income Level)



Households Spending 50% or More of Monthly Income on Housing (by Income Level)



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Moderate Income Housing Gap

Utah Code Annotated (UCA) 10-9a-408(2)(c)(i) requires:

- the municipality calculate the housing gap for the current biennium;

Cost Burdened Owner Households

Households Spending 30% or More of Monthly Income on Housing (by Income Level)



Households Spending 50% or More of Monthly Income on Housing (by Income Level)

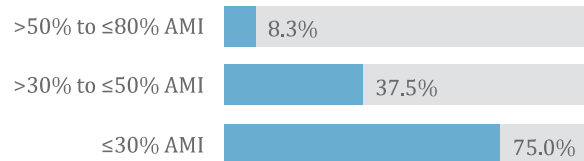


TABLE 1

2018 Shortage	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units Renter Households	Available Units Renter Households
≤ 80% HAMFI*	245	350	239	105	-6
≤ 50% HAMFI	100	85	29	-15	-71
≤ 30% HAMFI	35	30	10	-5	-25

- the municipality calculate the housing gap for the previous biennium;

TABLE 2

2016 Shortage	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units Renter Households	Available Units Renter Households
≤ 80% HAMFI	225	395	220	170	-5
≤ 50% HAMFI	75	160	35	85	-40
≤ 30% HAMFI	20	45	0	25	-20

- estimate the progress in providing moderate income housing by subtracting the information in Table 2 from Table 1

Progress	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units Renter Households	Available Units Renter Households
≤ 80% HAMFI	20	-45	19	-65	-1
≤ 50% HAMFI	25	-75	-6	-100	-31
≤ 30% HAMFI	15	-15	10	-30	-5

*HAMFI – Housing Urban Development Area Median Family Income

UCA 10-9a-408(2)(c)(ii) Report the number of all housing units in the municipality that are currently subsidized by each level of government.

Municipal Government	0	Subsidized by municipal housing programs
State Government	22	Subsidized by Utah's Olene Walker Housing Loan Fund (OWHLF) multi-family program
Federal Government	2	Subsidized by the federal Low-Income Housing Tax Credit (LIHTC) program

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UCA 10-9a-408(2)(c)(ii) Report the number of all housing units in the city that are currently deed restricted for moderate-income households. The City currently has 22 units.

6.2 – HOW DOES THIS HELP US PLAN FOR THE FUTURE

Population Change and Affordable Housing Demand

The population of Providence is expected to increase from 7,341 in 2017 to 8,736 by 2024 and 10,916 by 2030. These additional residents amount to an additional 440 households by 2024 and an additional 860 households by 2030, based on the city's estimated 2024 average household size (3.07).

Wasatch Front Regional Council General Plan Resources – SB 34 (2019)										
Population Projections – Providence City										
Year	2017	2018	2019	2024	2025	2030	2035	2040	2045	2050
Pop.	7,341	7,506	7,671	8,736	8,956	10,066	10,916	11,726	12,420	12,991



Based on population change from 2017 to 2024, observed income levels, and existing vacancies, it is projected that Providence will need an additional 455 housing units by 2024. Of those 455 units, 23 will need to be affordable to extremely low-income ($\leq 30\%$ AMI) households, 46 will need to be affordable to low-income ($>30\%$ to $\leq 50\%$ AMI) households, and 65 will need to be affordable to moderate-income ($>50\%$ to $\leq 80\%$ AMI) households.

By 2030, Providence will need an additional 888 housing units. Of those 888 units, 44 will need to be affordable to extremely low-income ($\leq 30\%$ AMI) households, 90 will need to be affordable to low-income ($>30\%$ to $\leq 50\%$ AMI) households, and 128 will need to be affordable to moderate-income ($>50\%$ to $\leq 80\%$ AMI) households.



Special Needs Groups

In the City, among the civilian noninstitutionalized population in 2013-2017, 7.7 percent reported a disability the likelihood of having a disability varied by age – from 4.5 percent of people under 18 years old, to 6.0 percent of people 10 to 64 years old, and to 21.4 percent of those 65 and over.

Individuals with disabilities may require special housing accommodations.

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According to the US Census American Community Survey 2013 – 2017 5-Year Narrative Profile 14.2 percent of the population was 65 years and older. Some elderly individuals may not be able to remain in their homes or may choose to relocate to a unit that better suits their preferences and needs. The legislative body of Providence may wish to evaluate the housing options available to seniors wishing to remain in or move to the community.

According to the 2018 annualized point-in-time count, roughly 0.52 percent of Utah's population is homeless. Although regional differences may impact the rate of homelessness, this percentage can be used to estimate the number of homeless individuals in Providence, which is approximately 39. Given this estimate, Providence should consider developing or promoting programs designed to help these individuals become stably housed. In 2018 the state legislature passed SB 235 which withholds 18% of the 50% population component of the local option sales tax for homeless shelter funding. In October 2019, \$1,105.06 was deducted from Providence City local sales and use tax for Homeless Shelter Funding.

6.3 – OVERALL GOALS & OBJECTIVES

The following goal, objectives, and action strategies provide a framework for addressing the concerns and opportunities for Moderate Income Housing. The overall goal provides the vision, and the objectives represent what Providence City would like to achieve. The strategies are action items that direct how the overall goal and objectives will be achieved.

OVERALL GOAL FOR THE CHAPTER – THE GUIDING VISION & INTENT

Planning housing opportunities for all people, regardless of income level, while maintain the aesthetic qualities and public service levels Providence residents currently enjoy. Improve access to housing opportunities for low and moderate income residents. Improve fair housing practices. Encourage and support the provision of affordable housing units.

OBJECTIVES – WHAT DO WE WANT TO ACHIEVE?	STRATEGIES – HOW DO WE MAKE IT HAPPEN?	1-5 Years	5-15 Years
The following objectives represent what Providence would like to achieve over the next 15 to 20 years for Moderate Income Housing. The means for how Providence will work toward these objectives is captured in the Action Plan Strategies.	The following action-based strategies will help Providence achieve the overall goal and objectives for Moderate Income Housing. Strategies are categorized as short-term (1-5 years) or long-term (5 – 15 years).		
1. Support and utilize existing affordable housing resources.	a. Continued support of Bear River Regional Housing Authority, which is administered by Bear River Association of Governments (BRAG) and offers the HUD Section 8 Rental Assistance Programs to eligible renters who reside in Providence.		X
	b. Support and promote housing repair and rehabilitation program administered by BRAG and USDAs Rural Development Agency.		X
	c. Work with Logan City and other neighboring communities to regularly assess affordable housing needs and the		X